

A group of photographers is shown in a dramatic, low-key setting, likely a red carpet event. They are holding cameras and flashes, capturing a moment. The scene is filled with bright light from the flashes, creating a high-contrast, energetic atmosphere. The background is dark and out of focus, emphasizing the photographers and their equipment.

DUFF & PHELPS

EMBRACING THE CHANGE

A Concise Report on India's most
valuable celebrity brands

October 2016

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A Concise Report on India's most valuable celebrity brands

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PREFACE

Embracing the Change



Varun Gupta
Managing Director
Duff & Phelps India

Dear Readers,

It gives me great pleasure to present the second edition of our concise report on India's most valuable celebrity brands. The theme of this year's report, "Embracing the Change", recognizes the rise of women celebrity endorsers to the top of the brand value rankings. This is something that we predicted in our 2014 celebrity brand report.

It has been an exciting year for Duff & Phelps in India. This report follows the release earlier this year of the third edition of our report on Brand Values in the Indian Premier League ("Playing with a Straight Bat"). The report was very well received by our readers and the media. The Board of Control for Cricket in India (BCCI) even acknowledged our valuation analysis in its Annual Report for the year 2015-16.

Following up on our last report on celebrity values, we now focus on some of the recent evolving trends in the celebrity endorsement space. Celebrities are increasingly becoming angel ambassadors for start-ups under a co-ownership model, whereby the celebrity co-owns a part of the business venture which he/she is promoting. Celebrities are also leveraging their brands by venturing into related business areas as well as extending their brands into unrelated businesses. In another recent trend, ecommerce / online companies flush with investor money have also started using celebrities in their endorsement strategies to gain traction and mind-share.

We hope you find our analysis interesting and we look forward to your feedback.

Yours sincerely,

Varun Gupta

SUMMARY

Celebrity Brand Values

In our 2016 celebrity brand value rankings, female celebrities take two of the top five spots as compared to none in the 2014 rankings.

Total value of the top 15 celebrity brands
US\$ 691 million

Celebrity Name	Brand Rank	Brand Value (USD Million)	Previous Rank ¹
Shah Rukh Khan	1	\$ 131.2	1
Virat Kohli	2	\$ 92.5	4
Deepika Padukone	3	\$86.1	7
Salman Khan	4	\$ 58.3	6
Priyanka Chopra	5	\$ 44.9	11
Ranbir Kapoor	6	\$ 36.6	2
Ranveer Singh	7	\$ 35.7	New
Hrithik Roshan	8	\$ 34.1	8
Mahendra Singh Dhoni	9	\$ 31.1	3
Amitabh Bachchan	10	\$ 26.4	13
Kareena Kapoor	11	\$ 25.5	10
Anushka Sharma	12	\$ 24.5	14
Akshay Kumar	13	\$ 23.9	15
Alia Bhatt	14	\$ 22.6	New
Katrina Kaif	15	\$ 17.8	9

(1) Previous rank as determined in the first edition of this report titled *Waiting for the Encore*, published in 2014.

INTRODUCTION

Celebrity Brand Endorsements in India

Based on our discussions with talent and advertising agencies, celebrities are believed to feature in close to 50%¹ of all commercial ads aired in India, compared to only 20%² in the United States.

Celebrity endorsement has become pervasive in advertising and communications. In the 1980s, a number of brands like Vimal, Thums Up and Gwalior used star appeal in their advertising to gain traction among the diverse consumer base in India. Fast forward to 2016, and the new age ecommerce and technology companies are using the same celebrity endorsement centered strategy in order to gain widespread market recognition.

Although the means of communication and advertising have become much broader with the advent of social media and smartphones, consumer-focused companies continue to align themselves with powerful celebrity brands. Corporates are also demanding increasing involvement from celebrities and actively engaging with end consumers via showroom events, store launches and social media interaction. These celebrity endorsements expedite brand recall which influences customer behaviour and purchasing.

In the western countries, celebrity endorsements have limited impact on consumers' purchase decisions. However, in India, the scenario is fairly different as celebrities are almost idolized here, resulting in effective celebrity endorsements. Based on our discussions

with talent and advertising agencies, celebrities are believed to feature in close to 50%¹ of all commercial ads aired in India. This is relatively high compared to the U.S. where only approximately 20%² of commercial advertisements feature celebrities. The power of popular personalities creates an emotional attachment with Indian consumers that drives them to choose a particular brand endorsed by their favorite celebrity.

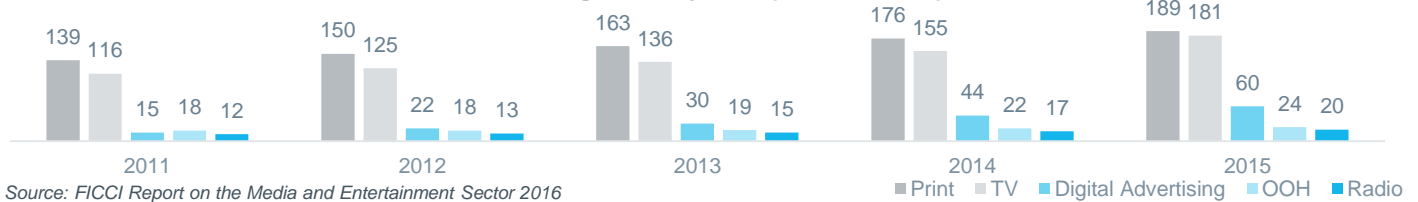
Over the last decade, the celebrity endorsement space has evolved significantly, not only as a result of new mediums of advertising (Internet, digital and social media), but also because "celebritydom" is now not limited to just Bollywood stars and cricketers. The Indian Premier League, Indian Super League, International Premier Tennis League, Pro-Kabaddi League and Indian Badminton League have given us several new sports stars in addition to our Olympic, and Asian and Commonwealth Games medal winners. Indian television also has several rising stars who are slowly but surely finding their way into mainstream cinema and serving as brand ambassadors.

(1) *Why celebrities in India have runaway success with brand endorsements*, by The Financial Express

(2) *The Economic Value of Celebrity Endorsements*, by Anita Elberse and Jeroen Verleun, by The Journal of Advertising Research

INTRODUCTION

Advertising Industry Size (INR in Billion)



Source: FICCI Report on the Media and Entertainment Sector 2016

In a growing trend, Indian celebrities are now venturing into businesses where they can further leverage their brand value by donning the role of “Angel Ambassadors” for young companies.

According to the 2016 Federation of Indian Chambers of Commerce and Industry (FICCI) report on the Indian Media and Entertainment sector, Indian ad spending in 2015 increased by 14.7% to INR 475 billion over 2014. However, digital advertising increased by 38% in the same period, a clear sign that corporates and advertisers are shifting their focus from traditional to new mediums that provide instantaneous access to an identified target market. India is now the second largest market, after the United States, for YouTube, Facebook, and many other social media platforms.

Further, celebrities are no longer just using brand endorsements as something to bridge an income gap between films or sports. A significant proportion of a celebrity’s annual income is generated through brand endorsements.

Celebrities and their agents are market savvy businesspeople. Celebrities take time to understand the endorsed products and know what value the products bring, especially for less popular brands. International luxury brands, such as Rado, Tissot or Louis Vuitton, continue to be more attractive to celebrities, while celebrities will avoid brands that may have a negative image.

In a growing trend, celebrities are extending their personal brands beyond traditional television and print advertising. Indian celebrities are now venturing into businesses where they can further leverage their brand value and marketing presence. These celebrities are donning the role of “Angel Ambassadors” for young companies by becoming brand ambassadors in exchange for an equity stake in the company. For these celebrities, it also means a deeper

commitment towards the endorsed brands and higher potential returns given the increased risk.

As forecasted in our 2014 report, *Waiting for the Encore*, female endorsers have risen to the top of celebrity brand value rankings over the last two years. Overall, female celebrity brand values contributed approximately 32% of the total brand value of the top 15 celebrities as compared to approximately 20% in 2014.

On the regulatory front, in September 2016, the Ministry of Consumer Affairs and Law approved changes in the Consumer Protection Act to provide for a jail term of up to five years, apart from a penalty of INR 5 million, for false and misleading ads. Through this initiative, the government is aiming to curtail misleading advertisements and ensure more accountability on celebrity endorsements. Making brand ambassadors more accountable has been in the spotlight since the alleged presence of monosodium glutamate and excess lead in Maggi noodles, which were endorsed by movie actors such as Amitabh Bachchan, Madhuri Dixit and Preity Zinta.

Given the changes in the market and regulations, this report aims to answer a few simple questions.

- Who is the most valuable celebrity brand in India?
- How has the brand value of top celebrities evolved over the last 2 years?
- Who are the emerging stars in the endorsement space?

The answers presented in this survey report form a groundbreaking analysis.

We hope you enjoy our analysis and we look forward to your feedback.

UNDERSTANDING ENDORSEMENTS

Overview of Celebrity Brand Endorsements

Brands with limited budget may not sign a celebrity as a brand ambassador, but instead, may hire them for individual campaigns to create social media buzz.

Endorsement Deal Structure

The first step in building a methodology to assess brand values is to understand how celebrity endorsements are structured. Based on our analysis, we understand that a celebrity may be engaged by a corporate or an advertiser in two key engagement models.

In the first and most common model, a celebrity will be contracted for a specified term (usually one or two years) for a fixed-fee payment that may be paid out through an initial signing amount and a balance upon completion of specified activities. These celebrities are referred to as brand ambassadors owing to their long-term association with the endorsed product. Normally, an annual endorsement contract includes the celebrity's availability for a seven to ten day period (eight hours a day), during which time the advertiser may schedule an event, photo shoot or ad shoot as the campaign may require. The content that the advertiser generates during these activities may be within the contract term. Of course, exclusivity provisions also ensure that the celebrity for a period of time may not promote a rival product or brand after contract termination. However, it is not uncommon for the exclusivity provisions to be bought out by rival advertisers.

For female celebrities, the potential is comparatively larger than men. This is because women may promote a range of likenesses across a large spectrum of products. For example, a female celebrity

may promote hair with a certain hair care brand and flawless skin with a different skin care brand.

The second, but less popular form of engagement is a one-time appearance by a celebrity for a specified event. This may be in the form of a single advertisement or a photo shoot or even an event attendance. A celebrity may also be cast as "acting talent" for a specified advertisement. Such engagements are charged on a daily basis, with the rates being significantly different for annual contracts versus one-time endorsements.

Social Media Influence

Brands and advertisers with limited budgets may not sign a celebrity as a brand ambassador, but instead may hire them for individual campaigns to create social media buzz. For instance, Reliance General Insurance had a campaign on Twitter which asked people to pledge their support against child labour. The campaign #dontemploylittleones was supported by Sachin Tendulkar and Viswanathan Anand, among others. It was launched in April 2016, trended globally at No. 4 and No. 1 in India over three days, and was picked up by the global press including the New York Times, Huffington Post, Gulf News, and Thompson Reuters. Non-Governmental Organizations (NGOs) from the United States, Africa, Canada, Bangladesh, Nepal and the Middle East also joined the cause as part of the campaign.

UNDERSTANDING ENDORSEMENTS

Overview of Celebrity Brand Endorsements

Some celebrities will reduce their endorsement fees for a brand which helps a social cause.

Variation in Endorsement Fees

Interestingly, we noted that the rates charged by celebrities for an annual endorsement engagement significantly differ across products and brands signed, even in the same year. This is mainly because certain brands are more attractive to a celebrity, and their fee for endorsements will vary by their inclination to be associated with a certain brand. Some celebrities will reduce their endorsement fees for a brand which helps a social cause.

Celebrities understand that being affiliated with well-known brands, like Coke or Pepsi, means that their images and likenesses will have further reach even to the remotest parts of the country and can be more valuable than endorsement fees. Similarly, youth-centric iconic brands like Levi's and Guess and luxury brands like Rado, Tissot or Louis Vuitton command immense brand presence. Celebrities are usually more keen to be associated as ambassadors with these types of brands for even a fraction of their usual fees. Alcohol and tobacco brands provide the best compensation, though A-listers tend to steer clear of promoting these brands mainly on account of the potential for negative publicity.

Brand-Celebrity Fit

Engaging a celebrity for a brand endorsement exercise is not a simple task. The advertiser must first select the right celebrity based on his or her fit to the organization or the product. For example, when Kareena Kapoor was expecting her first child, she was offered six endorsement deals by companies that make products for babies and pregnant women.¹ She eventually chose to endorse a home pregnancy testing kit.

The next step includes working with a celebrity management agency to finalize the details of the agreement, including payment of a signing amount and determining the period of engagement. A percentage of the celebrity's endorsement fee is payable to the agency as a commission for the services they provide. In addition, celebrities also incur the costs of a travelling entourage of make-up artists, assistants, and assorted staff. These costs can sometimes be subsumed in the endorsement fees or may be payable over and above the celebrity's endorsement fee.

(1) *Mom-To-Be Kareena Kapoor Khan Turns Down Six Maternity Brand Endorsements*, by India Times article dated October 2, 2016

UNDERSTANDING ENDORSEMENTS

Current Celebrity Brand Endorsements

As part of our analysis we analyzed the top 25 Bollywood celebrities. These celebrities endorsed over 130 brands in 20 different sectors over the last twelve months ending August 2016. Some of the key highlights of our research are presented below:



Source: TAM Media Data for the period September 2015 to August 2016, Duff & Phelps Analysis

Rankings are based on Secondages on TV; secondages means the number of seconds the celebrity appears on TV for a particular brand

Key Sector Trends:

- Direct-To-Home , Automobiles, Real Estate, and ecommerce are dominated by male endorsers.
- Personal Care, Paints and Consumer Durables are primarily dominated by female endorsers.
- ecommerce emerged as one of the top five sectors which use celebrity endorsements.
- New entrant, Alia Bhatt, featured as one of the top five endorsers in four of the top sectors using celebrity endorsers.

UNDERSTANDING ENDORSEMENTS

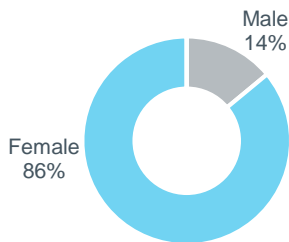
Current Celebrity Brand Endorsements

Sector-wide Celebrity Endorsements

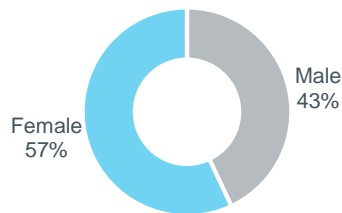
Sectors dominated by female celebrities¹

Sectors dominated by male celebrities¹

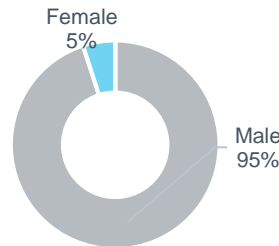
Personal Care



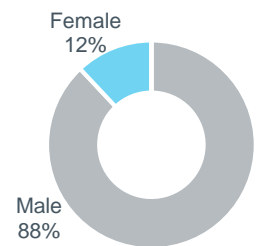
Consumer Durables



Automobiles



Ecommerce

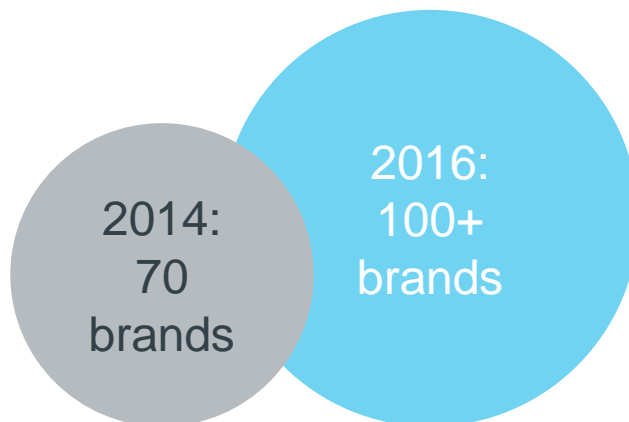


The number of brands endorsed by top female celebrities has seen 50% growth over the last two years

The top two sectors dominated by female celebrity endorsers are Personal Care and Consumer Durables. As per our analysis, Personal Care contributes 50% of total celebrity endorsements in India, hence this sector is of critical importance in the endorsement space. On the other hand, automobile and ecommerce sectors mostly featured male celebrities in television advertisements.

Overall, female celebrity brand values contributed 32% of the total brand value of the top 15 celebrities. As highlighted in the chart below, the rise can primarily be attributed to an increase in the number of endorsements. The number of brands endorsed by top female celebrities has seen 50% growth over the last two years led by Deepika Padukone, whose number of endorsements has more than doubled.

Total Number of Brand Endorsements by Top Female Celebrities²



(1) Source: TAM Media Data; charts are based on Secondages on Television during the period of September 2015 to August 2016

(2) Analysis based on endorsements for Deepika Padukone, Priyanka Chopra, Anushka Sharma, Alia Bhatt, Kareena Kapoor, Katrina Kaif, Sonakshi Sinha and Shraddha Kapoor

RECENT TRENDS

Celebrity Endorsements in Ecommerce

In 2015, three of the top five ecommerce advertisers used celebrities for endorsements on television.

Ecommerce firms and start-ups are well funded with overseas investments and have been signing a number of celebrity endorsers over the past few years. Innovative marketing events have spurred the trend of ecommerce companies joining hands with Bollywood stars for promotional purposes.

As reported in *Economic Times*¹, celebrities are charging online firms a significant premium as compared to other types of endorsement deals varying by categories. The newspaper article further mentions that Shah Rukh Khan and Amitabh Bachchan had charged INR 8-12 crore annually for ecommerce endorsements, which works out to be 20-25% higher than rates for some well-known offline brands they currently endorse.

The ecommerce sector in India emerged as one of the top 5 sectors that used

celebrity endorsers. Our research revealed that 11 ecommerce companies / start-ups have used major celebrities for endorsement purposes over the last 12 months. With the Indian ecommerce market estimated to reach \$119 Billion² by the year 2020, this trend is expected to continue. In 2015 alone, three of the top five ecommerce advertisers on television used celebrities for endorsements. Online grocery delivery company Big Basket was the top ecommerce advertiser on television (endorsed by celebrity Shah Rukh Khan) during the 12 months ended August 2016. It was closely followed by Quikr (endorsed by Ranveer Singh) and Askme (endorsed by Ranbir Kapoor).

This trend is factored into our brand value analysis through higher average endorsement fees charged by these celebrities.

Top Ecommerce Endorsers	
Celebrity	Ecommerce Brands Endorsed
Shah Rukh Khan	BigBasket YepMe
Ranveer Singh	Quikr MakeMyTrip
Ranbir Kapoor	AskMe Saavn

(1) Ecommerce companies offering up to 200% more than offline brands for celebrity endorsements, by *Economic Times* article dated 11 August 2015

(2) Indian ecommerce market to grow fastest globally over three years: *Morgan Stanley*, by *Economic Times* article dated 18 Feb 2016

RECENT TRENDS

Co-ownership Model of Endorsement

Under the co-ownership model, the celebrity co-owns a part of the business venture/ brand(s) which he/ she is promoting.

Due to their brand and marketing presence, celebrities are increasingly taking equity stakes in exchange for becoming the face of the businesses / start-ups they represent. Celebrities are leveraging the value of their personal brands by getting involved with different types of businesses.

Celebrities engaging in the co-ownership model are being referred to

as “Angel Ambassadors”. Under the co-ownership model, the celebrity co-owns a part of the business venture / brand(s) which he/she is promoting. For the celebrities, this indicates a deeper commitment towards the brands they promote. The equity shares of such early-stage companies are a risky asset class that can generate impressive returns.

Celebrity	Brand / Company with Co-Ownership
Amitabh Bachchan ¹	Became the brand ambassador of Just Dial in December 2010 and subsequently was allotted nearly 60,000 shares in the company. Realized impressive returns when the company had its IPO in 2013.
Sachin Tendulkar ²	A UAE-based travel portal had Sachin Tendulkar as a minority stakeholder and brand ambassador until April 2016. The cricketer holds a 7.5% stake in the travel portal founded in 2007.
Salman Khan ³	Salman Khan acted as the brand ambassador of the company from 2012 till June 2016. The actor also owns a minor stake (undisclosed amount) in the travel company. Although Salman Khan’s association as Yatra’s brand ambassador ended in June 2016, he continues to have a stake in the company.

(1) Just Dial was an endorsement deal; someone said invest in the stock, so I did: Amitabh Bachchan, by Economic Times article dated 18 June 2015
 (2) Sachin bats for online travel portal, by Business Standard article dated 23 October 2013
 (3) Salman Khan picks up stake in Yatra, by Livemint article dated 27 March 2012

RECENT TRENDS

Celebrity Brand Extensions

Indian celebrities are increasingly extending their brands by venturing into businesses where they can further leverage their value.

Indian celebrities are increasingly extending their brands by venturing into businesses where they can further leverage their value. Celebrities such as Virat Kohli have management teams which take care of financial investments and business ventures. Virat Kohli, who is a co-owner in seven different businesses, has made financial investments in FC Goa and Chisel. In other ventures, he has sweat equity¹. He also launched his animated avatar which will be further leased to brands for advertising.

Indian ODI cricket team captain Mahendra Singh Dhoni ventured into the business of fitness along with his business manager, Arun Pandey, with the Sportsfit line of fitness centers. Yuvraj Singh has also started investing in start-ups through his early-stage venture capital fund, YouWeCan Ventures. Similar to Kohli, Dhoni and Yuvraj have both launched their own clothing brands, SEVEN and YWC Fashion, respectively, in 2016.

This trend is not limited to sports stars alone. Bollywood celebrity Sunny Leone’s recent line of investments includes fragrances, a franchise for box league cricket, a web-based short story and an online game, among others. She is also believed to be looking to enter categories such as shoes and apparel with her own line of products.

In Hollywood, this is already a well-established trend. In 2012, Hollywood celebrity Jessica Alba co-founded The Honest Company which launched a line of eco-friendly baby and family products distributed through both international retail and an online subscription service. In 2015, The Honest Company raised \$100 million of Series D funds at an implied valuation of \$1.7 billion, bringing the company’s total venture capital raise to \$228 million.

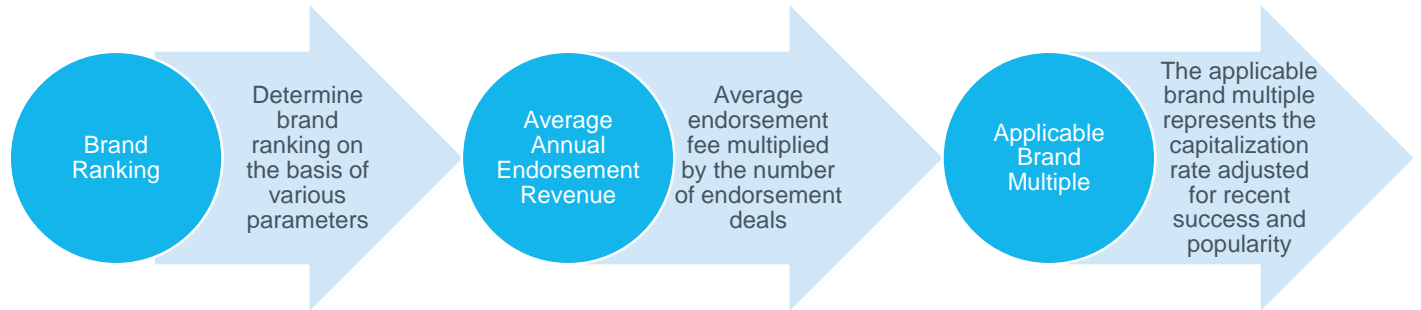
Virat Kohli has launched his animated avatar which will be further leased to brands for advertising.

Virat Kohli - Business and Sports Ventures		
Sports Ventures		
1	FC Goa	Football (Indian Super League)
2	UAE Royals	Tennis (International Premier Tennis League)
3	Bengaluru Yodhas	Wrestling (Pro Wrestling League)
Business Ventures		
4	Chisel	Chain of Gyms
5	WROGN	Fashion Clothing
6	Sport Convo	Sports-related Social Network
7	Stepathlon	Children Fitness

(1) "Sweat equity shares means equity shares that are issued by a company to its directors or employees at a discount or for consideration, other than cash, for providing their know-how or making available rights in the nature of intellectual property rights or value additions, in this case serving as brand ambassadors."

METHODOLOGY

Our Approach and Methodology



It is important to note that as part of our analysis, we have not taken into consideration the amount a celebrity earns from films and production houses that he or she runs.

In assessing celebrity brand value, we faced several challenges that one would not normally encounter when valuing a corporate brand using conventional and generally accepted valuation methodologies. Most importantly, a celebrity brand is not an indefinite-lived asset.

In addition, a celebrity brand cannot be monetized through a licensing arrangement. Although Virat Kohli recently launched his animated avatar for licensing out to brands for promotional purposes, this trend is fairly new. While it may be argued that a celebrity can earn a royalty from products which he or she has associated his name and likeness (case in point being Michael Jordan and the “Air Jordan” line of Nike products), such arrangements are limited to a few participating celebrities.

In India, such arrangements are not very popular, barring a few deals (e.g., Deepika Padukone and Van Heusen, Kareena Kapoor and Globus). Clearly, the earnings from a brand endorsement represent the largest contributor to a celebrity’s brand.

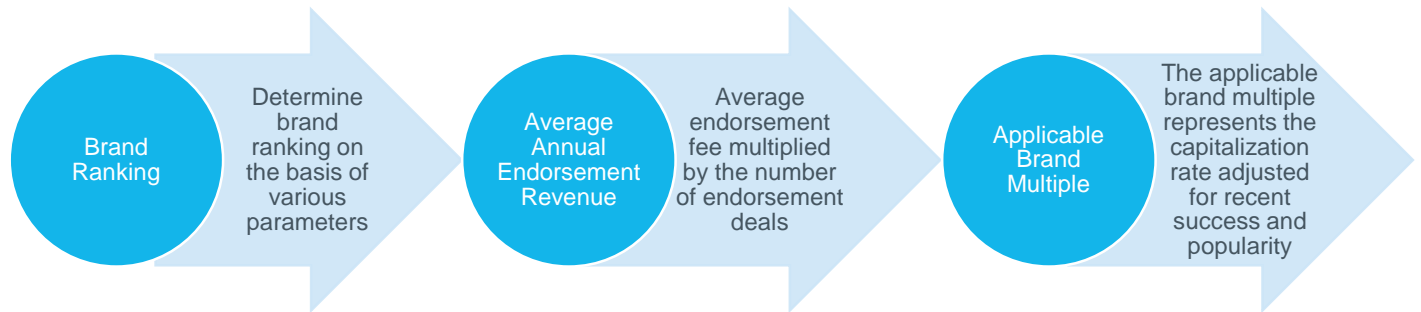
It is important to note that as part of our analysis, we have not taken into

consideration the amount a celebrity earns from films and production houses that he or she runs. We contend that while these aspects do impact their earning capacity, they have no bearing on the celebrity’s income from endorsements alone. Our assessment represents the brand value of a celebrity based purely on his or her earnings potential from brand endorsements.

In order to adequately capture the definite nature of a celebrity brand, we considered several conventional methodologies. However, we did not think it is appropriate to simulate increases / decreases in forward earnings in our methodology since the popularity of a particular celebrity is limited to the present and the recent past. Bad celebrity brand management (e.g., a year of flops or bad performances) by the celebrity can quickly result in a lower demand for his or her services as a brand endorser.

METHODOLOGY

Our Approach and Methodology



Our assessment is based on the current rankings of celebrities, average endorsement fee rates, current number of annual endorsements, applicable brand multiple and a popularity index adjustment.

Our assessment is based on the current rankings of celebrities, average endorsement fee rates, current number of annual endorsements, applicable brand multiple and a popularity index adjustment.

Celebrity Brand Ranking

There are several sources and agencies that rank celebrities on the basis of proprietary tools and methodologies. For our assessment, we have used a combination of rankings available in the public domain. However, over the course of our discussions with experts from the celebrity endorsement industry, we found that several of these rankings ignore a celebrity’s social media involvement. Social media may not be the most important aspect when selecting a particular celebrity, but it definitely plays a huge role in building credibility and developing a fully engaged fan base.

Some celebrities have achieved reasonable success with carefully planned social media programs. Amitabh Bachchan, one of the most popular Indians around the globe, has massive popularity on both Twitter and Facebook owing to the magnificent versatility in his

films and his larger-than-life personality off camera. Mr. Bachchan also shares his views through his Twitter account on many issues surrounding India’s social and cultural network. His open letter to his grand daughters went viral in September 2016. In the letter, he spoke about how they should embrace their womanhood and make their life decisions themselves. The letter’s release seemed to be well coordinated with his latest movie, which was favorably received by audiences.

Our celebrity social media rankings are based on the number of Twitter followers and Facebook likes a celebrity has on their official pages. Of the celebrities we assessed, the table on the next page represents their social media presence as of September 2016. Our concluded brand rankings are based on a weighted average of various celebrities across their social media presence as well as the various rankings from sources in the public domain. The celebrity brand rank so computed has been accounted for in the popularity index adjustment.

METHODOLOGY

Our Approach and Methodology

Social Media Presence (Figures in Millions) (September 2016)			
Celebrity	Twitter Followers	Facebook Fans	Total
Salman Khan	19	32	51
Deepika Padukone	16	32	48
Amitabh Bachchan	22	24	46
Virat Kohli	12	31	43
Shah Rukh Khan	21	20	41
Priyanka Chopra	15	22	37
Hrithik Roshan	15	16	31
Mahendra Singh Dhoni	6	19	25

Celebrity brand value has been computed as the adjusted average annual endorsement revenue earned by a celebrity multiplied by the adjusted brand multiple.

Average Endorsement Fee

In valuing the average endorsement fee rate, we have consulted industry experts from talent management agencies, advertising agencies, and consultants, as well as secondary sources such as news and media articles.

Adjusted Brand Multiple

The applicable brand multiple represents the rate of capitalization for brands, adjusted for the following parameters:

- Age:** We have made adjustments for the age of the celebrity in conjunction with the current and typical peak age. Unfortunately, the Indian population is rather cruel to female celebrities in that there are no female celebrities over the age of 40 that have made the rankings. It should be noted that stars like Hema Malini are still actively endorsing products despite not breaking into the list of top celebrity endorsers.

On the other hand, aging male celebrities in India continue to remain

in high demand for endorsements, mainly driven by a late peak age and continued film successes. Movie stars like Amitabh Bachchan, age 74, continue to remain amongst the most sought-after celebrities for endorsement.

- Recent success:** This is analyzed by reviewing the number of hits (good performances) versus flops (bad performances) a celebrity has had over the last 10 films or important performances.
- Popularity index:** This is computed by looking at celebrity brand rankings and average secondages¹.

Celebrity Brand Value

Finally, celebrity brand value has been computed as the adjusted average annual endorsement revenue earned by a celebrity (after deducting relevant costs including taxes) multiplied by the adjusted brand multiple so derived.

(1) *Secondages means the number of seconds the celebrity appears on TV for a particular brand*

CONCLUSION

Celebrity Brand Values

NEW ENTRANTS		TOP GAINERS		
#7 Ranveer Singh US\$36 Mn	#14 Alia Bhatt US\$23 Mn	#2 Virat Kohli 2014 - #4	#3 Deepika Padukone 2014 - #7	#5 Priyanka Chopra 2014 - #11

The total brand value of the top 15 celebrities in India is about \$691 million.

“While the male celebrities continue to rule the top 15 with Brand SRK at \$131 million in brand value, it is Brand Deepika, Priyanka, and Alia, collectively valued at \$154 million, who are pushing the boundaries.”



Aviral Jain
Director
Duff & Phelps India

Shah Rukh Khan still rules the endorsement space and remains the most valuable brand endorser in India, estimated at \$131 million. However, other celebrities such as Virat Kohli, Deepika Padukone and Ranveer Singh have made great strides in the endorsement space over the last two years.

Virat Kohli, valued at \$92 million, takes the second rank, closely followed by Deepika Padukone at \$86 million. The total brand value of the top 15 celebrities in India is over \$691 million.

We note that there are no female sports celebrities in the top 15 celebrity brands in the country. However, with the recent success of female athletes such as PV Sindhu in the 2016 Olympics, this might be slated for change. Sindhu has already been signed by Vizag Steel and Bank of Baroda as their brand ambassador.

Further, Aamir Khan, who held the 5th rank in our 2014 analysis, has not been considered in this year’s analysis. He is currently not endorsing any brands and his association with Snapdeal was discontinued. This might be a temporary phase and given his track record one could expect his return to the endorsement space.

Key Conclusions

- On average, male celebrities command 83% higher endorsement fee over their female A-list peers as compared to 90% in 2014.
- Within the top 15 celebrities, the value of female celebrity brands now accounts for over 32% as compared to just 20% in 2014.
- Another notable change is the rise of women celebrity endorsers to the top of the brand value rankings led by Deepika Padukone, Priyanka Chopra and Alia Bhatt. Female endorsers have made great strides in catching up with their male counterparts and now are at the top of the wishlist of marketers in India.

From our 2014 celebrity brand valuation report conclusion, we forecasted a change towards female celebrity endorsers becoming A-listers. That change has definitely come about within the last two years. Given the growing trend of brand extensions and co-ownerships in the recent times, the celebrity brand endorsements are expected to experience a strong tailwind.

Now is the time to embrace the change.

Limitations of the study

The analysis and estimates presented in this report are based on extensive research on secondary sources of information and limited primary discussions with industry participants. We have not undertaken any independent verification or carried out any due diligence on the data used or considered, nor have we verified its factual accuracy in the current context. Brand values may differ based on actual information available with agencies engaging with celebrities directly. The conclusions provided in this report shall not be construed as marketing advice and the valuations provided in the report shall not be used for any other purpose other than general research and media consumption. Duff & Phelps and its affiliates expressly disclaim all liability for any loss or damage of whatever kind which may arise from any person acting on any information and opinions or analyses relating to the valuations contained in this report.

The valuation of intangible assets is not a precise science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value and we normally express our opinion on the value as falling within a likely range. However, for the said purpose, we have provided a single value. Under normal circumstances, our assumptions and methodologies are supplemented by discussions with the management and insights provided by them on the most likely course of business over the near term. Our current assumptions for the valuation are based on information derived and analysed from a combination of primary interviews and secondary sources. Accordingly, our assessment and estimates are based on market perceptions and most likely trends of popularity of individual celebrities. Others may place a different value on the various brands.

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Editorial Team

Editor: **Vibhor Nayar**

Team: Ramanreet Singh, Prithviraj Singhar, and Namita Sen

Marketing: Kevin Tsang, Snehal Pawar

We also acknowledge notable contributions from Akshat Goel, Shivani Tara and Aditya Gupta.

Industry inputs: www.fthecouch.com

Contact Us

Varun Gupta

Managing Director, Leader - Japan & Southeast Asia

Varun.Gupta@duffandphelps.com

404, Windfall, Sahar Plaza Complex,

J B Nagar, Andheri East,

Mumbai – 400 059

T: +91 22 6623 1000

M: +91 99676 64231

Aviral Jain

Director

Aviral.Jain@duffandphelps.com

603, Ansal Bhawan

16, KG Marg

New Delhi – 110001

T: +91 11 6654 0301

M: +91 99100 21127

For more information about our global locations and services,
please visit:

www.duffandphelps.in

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