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A study of the attitudes and behaviours of consumers towards celebrity endorsed products and the effect celebrity association with adverse publicity has on these attitudes and behaviours

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## **Abstract**

Companies today invest phenomenal amounts of money to bring celebrities to their specific advertising campaign in the hope that they will draw attention to the endorsed products or services and transfer image values to these products or services due to their celebrity profile and appealing persona, the use of celebrities as endorsers is viewed in the main from positive aspects. This caused the author to consider if the converse was also true – that any negative aspects of celebrity endorsers affected consumer choices? More specifically, and interestingly, what particular factors are most important in affecting consumer perceptions of brands as a consequence of negative endorser publicity?

**Purpose** The purpose of this thesis is to identify the attitudes and behaviours of consumers towards celebrity endorsed products and the effect celebrity association with adverse publicity has on these attitudes and behaviours.

**Literature review** The literature review examines the manner in which endorsement is a tool that helps to build a lasting perceptual account of the brand as one that is acceptable and desirable to the consumer. The author identified from previous studies in the area of celebrity endorsement four key viewpoints, principally, Company, Celebrity, Brand and Consumer. From previous studies the author identified the key crucial attributes when selecting celebrities as endorsers, as a result this may be considered a preliminary study on which the research question has been based.

**Method:** The author will use qualitative research methods, because the author is interested in learning about the subjective opinions of consumers regarding endorser crises and the effect on consumers brand loyalty.

**Conclusions:** It has been proven by this study in conjunction with the literature review that consumers are affected by celebrities as endorsers, and that consequently negative publicity for the endorser may impact negatively on the brand being endorsed. This research holds as per the Research Hypothesis that; as a consequence of the fact the modern public have heightened exposure to the private lives of celebrities; the public are no longer judgemental when the celebrity is associated with negative publicity. The effect of this is that there is little or no negative effect on consumer purchase behaviour toward celebrity endorsed brands. The principle finding in respect of the attributes celebrities should possess are that two crucial attributes, trustworthiness and expertise are fundamental when a company is selecting an endorser.

## **Dedication**

This thesis is dedicated to my father and mother for their unending support, love and belief in me

## **Acknowledgements**

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## Contents

Abstract	1
1 Introduction	10
1 1 Celebrity endorsers	10
1 2 Research Hypothesis	10
1 3 Two sided consequence of Celebrity Endorsement	11
1 4 Athlete Endorsers	11
1 5 Limitations	13
1 6 Purpose	13
1 7 Research questions	13
1 8 Outline of this study	14
2 Literature Review	16
2 1 Advertising	16
2 2 The Communication Process	17
2 2 1 Components of the Linear Model of communication	18
2 3 Endorsement in the communication process	19
2 4 Overview of Celebrity Endorsement	20
2 5 Types of Endorser	21
2 5 1 Definition of a Celebrity Endorser	22
2 5 2 Definition of an Expert Endorser	23
2 5 3 Definition of a Typical Satisfied Consumer	23
2 5 4 Definition of an Announcer	24
2 6 Celebrities Influence on Consumers Everyday Lives	24
2 7 Why is the use of celebrity endorsers effective for brands?	26
2 8 Celebrities as a stimulus – Consumer Perceptions	27
2 9 The Benefits of Celebrity Endorsers	28

2 10	Hazards of celebrity endorsers	30
2 11	Athlete endorsers	31
2 12	Advantages of Athlete Endorsers	32
2 13	Disadvantages of Athlete Endorsers	33
2 14	Drawbacks of Celebrity Endorsement	33
2 15	The effect of negative endorser publicity on consumer attitude	36
2 16	Effect of negative publicity on consumer attitude	37
2 17	Positive effects of negative publicity on attitude	38
2 18	Disposal of celebrities after negative publicity	38
2 19	Conclusion - negative endorser publicity	40
2 20	Marketing Communications	40
2 21	Models for Choosing Celebrities in Endorsement	44
2 21 1	Source Attractiveness Model	44
2 21 2	Source Credibility Model	45
2 21 3	The Source Credibility Scale	47
2 21 4	The Meaning Transfer Model	48
2 21 5	Meaning Transfer Celebrity Endorsers Involvement	49
2 21 6	The product Match-up hypothesis	50
2 22	Celebrity Endorser Selection Strategy	52
2 23	VisCAP Model	53
2 23 1	Visibility	54
2 23 2	Credibility - (a) Expertise	55
2 23 3	Credibility - (b) Objectivity	55
2 23 4	Attraction – Likeability	55
2 23 5	Attraction – Similarity	56
2 23 6	Power	56

2 24	FRED[D] Principles	56
2 24 1	Familiarity	58
2 24 2	Relevance	58
2 24 3	Esteem	58
2 24 4	Differentiation	59
2 25	Q Ratings	59
2 26	Chapter Summary	60
3	The Nike athletic company - Contextualisation	62
3 1	Company History	62
3 2	Competitors	63
3 3	The focus of the Nike Brand	64
3 4	The value of Nike endorsement Deals	64
3 5	Change of Emphasis	65
3 6	The Nike Athlete – Building a Brand	66
3 7	Historic Nike Endorsers Andre Agassi	67
3 8	Nike Endorsers Tiger Woods	68
4	Methodology	69
4 1	Introduction	69
4 2	The Research Process	69
4 3	Research Objectives	70
4 4	Market Research Process	71
4 5	Problem Definition	71
4 6	Research Hypothesis	72
4 7	Multi-Method research	72
4 8	Primary vs Secondary Data Sources	72
4 9	Sampling	73

4 10	Probability vs Non-Probability Sampling	74
4 11	Data Collection Methodology	75
4 12	Target Respondents	76
4 13	Limitations of the primary research	76
4 14	Conclusion	77
5	Analysis and findings	78
5 1	Introduction	78
5 2	Research Hypothesis	78
5 3	Questionnaire Findings	78
6	Summary and findings	90
7	Conclusions	96
7 1	Research Hypothesis – result	96
7 2	Recommendations	97
	<b>Appendices</b>	<b>104</b>

## **Figures**

Figure 2-1	Schramm's Linear Model of Communication, Adapted from Fill (1995)	18
Figure 2-2	Classical Conditioning Paradigm in Marcom Context (Source Adapted from Tom et al, 1992)	43
Figure 2-3	The source Credibility Scale (Source Erdogan, 1999)	47
Figure 2-4	Meaning Movement and the Endorsement Process (Source McCracken, 1989)	50
Figure 2-5	Celebrity Endorser Selection Strategy (Source Miciak and Shanklin, 2003)	53
Figure 2-6	The VisCap Model (Source Rossiter and Percy, 1987)	54
Figure 2-7	FREDD Principles (Source Swerdlow and Swerdlow, 2003)	57
Figure 5-1	More aware of advertisements featuring a celebrity	80

Figure 5-2 Awareness of Celebrity Endorsements	80
Figure 5-3 Important Characteristics for Celebrity Endorsers	81
Figure 5-4 Effectiveness of Celebrity Endorsement	82
Figure 5-5 Most Influential Celebrity	83
Figure 5-6 Purchased a Product or Service that was endorsed by a Celebrity	84
Figure 5-7 Purchase Because of Celebrity Endorsement?	85
Figure 5-8 Pay more attention to Advertisements featuring a Celebrity?	86
The Figure 5-9 Celebrities associated with Negative Information	87
Figure 5-10 Negative information affect purchase?	88
Figure 5-11 Can Celebrity Endorsers be redeemed?	89

## **1 Introduction**

### **1.1 Celebrity endorsers**

The use of celebrity endorsers has become a common practice in the world of advertising, some estimates state that 15% to 20% of advertisements aired in Europe and the United States in recent years featured celebrities endorsing products and brands (Till and Shimp, 1998, Creswell, 2008)

When a celebrity is associated with negative information, where their reputation or status is affected negatively over the course of a celebrity's partnership with a brand, the impact of such events on consumer perception and confidence is poorly understood (Till and Shimp, 1998) It is important to understand the implications of an endorser being associated with negative information (Till and Shimp, 1998) Consumer perception and confidence are directly relevant to advertising and marketing practitioners particularly when formulating contracts for endorsers It is crucial to consider (Agrawal and Kamakura 1995, Ding et al, 2010)

### **1.2 Research Hypothesis**

The researcher aims to demonstrate that

*As a consequence of the fact the modern public have heightened exposure to the private lives of celebrities, the public are no longer judgemental when the celebrity is associated with negative publicity*

*The effect of this is that there is little or no negative effect on consumer purchase behaviour toward celebrity endorsed brands*

### **1 3 Two sided consequence of Celebrity Endorsement**

There have always been celebrities who attract negative publicity, this can be a media creation or as a result of their own personal actions. Consequently companies have to be extremely diligent when choosing a celebrity to endorse their brand (Plank, 2012)

The questions that arise are, in what way are company, celebrity, consumer and brand affected when a celebrity is involved in adverse publicity? Taking a long term view, how would a company rise above these difficulties? Would a celebrity caught up in adverse publicity impact the image and customer loyalty of the brand they are endorsing? Is the fit between celebrity and company affected as a result of the celebrity being associated with adverse information? And finally, does the meaning a celebrity is transferring affect the consumer perception of the brand negatively as a consequence of adverse information? (Shimp, 2007, Agrawal and Kamakura, 1995)

### **1 4 Athlete Endorsers**

For this study the author focuses on firms in a broad spectrum of consumer goods categories that employ professional athletes as endorsers

It may be considered that focusing on one type of celebrity could stifle or inhibit research causing one sided results but, athlete endorsers make excellent subjects to study for a

number of reasons. Firstly, Elberse and Verleun (2011) state that sportspeople are the most popular endorsers and in contrast to other endorser types, also performance statistics for athletes are easily attainable. These statistics quite often swing significantly allowing for a detailed examination and assessment of the impact of endorsements and endorsers' achievements over the course of a partnership with a brand (Elberse and Verleun, 2011). Secondly, endorsements are a major source of income for athlete endorsers. The top three highest-paid American athletes in 2011 - golfers Tiger Woods and Phil Mickelson and basketball player LeBron James purportedly made more than seven times their earnings from salaries and winnings from brand endorsements (\$147 million) (Sports Illustrated, 2011).

In order to secure the services of the most in demand endorsers, companies have begun to offer athletes bonus payments for major wins. For example, an Olympic Gold Medal for swimmer Michael Phelps or a Grand Slam win for tennis player and Nike Athlete Endorser, Roger Federer. Endorsement deals for life that extend beyond competitive playing days, including revenue sharing arrangements, where the endorser shares in a percentage of profits, and equity stakes, where the endorser owns a piece of the company contribute to endorser buy-in making selection of endorsers even more challenging requiring tremendous diligence (Plank 2012, Arango 2007, Futterman 2008, Rossingh 2010, Elberse and Verleun, 2011).

Thirdly and finally, advertisers aligning a brand with an athlete do invite a large element of risk as shown in the case of Tiger Woods. This creates the need to understand the likely rewards all the more pressing and in the context of this study, makes it extremely prudent for the advertiser to understand and appreciate the effect of endorser crisis on consumer brand loyalty (Elberse and Verleun, 2011)

### **1.5 Limitations**

This study will be taken from a consumer perspective

### **1.6 Purpose**

The purpose of this thesis is to examine which factors consumers find important for a company to consider when a celebrity attracts negative publicity, and the effect this negative publicity has on consumer loyalty to that brand

### **1.7 Research questions**

This thesis is framed to consider which endorser attributes identified through the literature review truly affect consumer purchasing decisions. The most interesting aspect of this from the authors' perspective is consideration of whether those attributes are affected from the consumer's point of view when an endorser is involved in adverse publicity?

Therefore this thesis addresses specifically these research questions

- 1 Examine attitudes of consumers toward celebrity endorsement of a brand
- 2 Identify the purchase intent of consumers of a brand endorsed by a celebrity
- 3 investigate the effect a celebrity being associated with negative information has on consumer purchase behaviour

## **1.8 Outline of this study**

**Chapter 1** This introductory chapter comprises an explanation and examination of the importance of celebrity endorsement within the advertising industry. The author examines both aspects of celebrity endorsement, positive and negative. The purpose of this thesis will be dealt with and also the research questions will be examined.

**Chapter 2** The literature review comprises three main sections, an overview of advertising and examination of the communication process, analysis of celebrity endorsement, defining an endorser, the benefits of celebrity endorsers, and hazards of celebrity endorsers. Finally, an analysis of the theoretical rudiments of celebrity endorsement strategy and selection will be completed. Also examined will be the models for choosing celebrities in endorsement with the underlining and prevailing focus being to identify the crucial attributes to consider when selecting an endorser.

**Chapter 3** The Methodology chapter details how the author will approach this research process in order to fulfil the purpose. This will be carried out using the quantitative method.

**Chapter 4** The author decided to incorporate a study of the sportswear company Nike and their Athlete endorsement strategy as the athletes employed by Nike will take particular focus when putting survey questions to respondents. Also, Nike proves to be a suitable, practical real world example to correspond the literature review to the research objectives prior to execution of primary research.

**Chapter 5** In the analysis and findings chapter, the principle findings will be detailed followed by an analysis of the leading aspects of the subject. The author will conclude with a chapter summary and lastly identify the most important attributes.

**Chapter 6** Here the author answers the research questions and will draw the principle conclusions. The author will also present suggestions for future research in this area.

**Chapter 7** In this chapter the author will critique the study.

## **2 Literature Review**

### **2.1 Advertising**

Weilbacher (2003) states that advertising, if any attention is paid to it, is nothing more than a net addition to everything the consumer has previously absorbed about the brand. The challenge for advertising is to find ways and means to sidestep or upset business as usual in the consumers' brain and to build a lasting perceptual account of the brand as one that is acceptable and desirable to the consumer (Till and Shimp, 1998)

Celebrity endorsers are used to help provide a product or brand with personality (Kaikati, 1987). Celebrity endorser personality is the combination of traits and characteristics that the celebrity possesses which differentiate them from other endorsers. Endorser personality should be directly transferable from the celebrity to the product or service being endorsed (Spry et al, 2011)

Miciak and Shanklin (2003) find that through association and transference, celebrity endorsers generate powerful and in some cases unwarranted meanings for ordinary products. An endorser's image and personality can come to be associated with perceptions of the product being evaluated. Endorsers may be seen as dynamic and intelligent, transferring attractive and likeable qualities. Brands want these qualities to be transferred to products via various marketing communication activities (Spry et al, 2011, Erdogan 1999)

Through association with celebrities companies inherit a specific set of traits and characteristics from the celebrity endorser. This avoids lengthy brand and reputation building exercises and results, but can have positive and negative consequences for the company using the endorser (Spry et al, 2011). Positive consequences for example are gains in market share and increase in brand awareness. Negative consequences for example are where the celebrity becomes associated with negative information tarnishing the reputation of the brand by association (White et al, 2009).

## **2.2 The Communication Process**

Communication is the process by which individuals share meaning. In order for this process to work, information must be transmitted. It is crucial that marketers understand the complexities and intricacies of the communication (Fill 1995). In order to properly employ celebrity endorsement it is essential to understand the process of communication and how a (celebrity) endorser fits into this process.

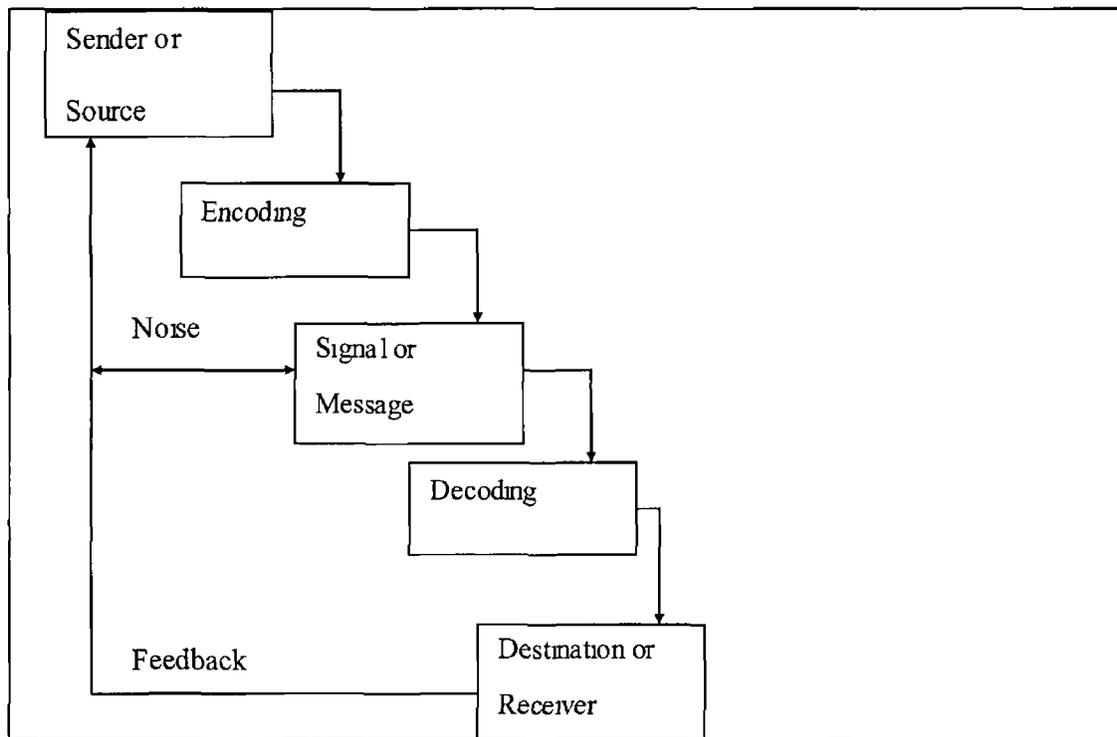


Figure 2-1 Schramm's Linear Model of Communication, Adapted from Fill (1995)

### 2.2.1 Components of the Linear Model of communication

- a Source this is the individual or organisation sending the message
- b Encoding transferring the intended message into a symbolic style in order that it is transmitted
- c Signal the transmission of the message by using specific sets of media
- d Decoding comprehending the symbolic style of the message to decipher it
- e Receiver this is the individual or organisation receiving the message
- f Feedback this is the receiver's communication back to the source, upon receipt of the message
- g Noise this is distortion of the communication process making it difficult for the receiver to understand the message as intended by the source (Fill 1995)

Figure 2-1 is a linear model which places emphasis on the transmission of information, ideas, attitudes, or emotions from one person or group to another, principally through symbols (Fill 1995)

Schramm (1971) cited in Buttle (1995) finds that when we communicate we are attempting to create a commonness with someone Schramm (1971) cited in Buttle (1995) revised his theory to change the three principle elements of the communications process (Figure 1) from source, message and receiver to, the communicator, the message and the receiver The principle act of the revised process is the establishment by the communicator of the signs that he anticipates will bring the required responses The receiver (decoding) carries out the second act The receiver selects from amongst the stimuli available to him, selects from the content of the message he chooses, construes to understand the message, evaluates it, and disposes of the message as she/he sees fit (Schramm 1971 cited in Buttle 1995)

### **2.3 Endorsement in the communication process**

The source is the linchpin of the communication process The source is the person from whom the audience believes they are receiving the message (Fill 1995) There are various types of sources The source may be an individual or company, for example a celebrity endorser in advertising For the purposes of this thesis the author focuses on the celebrity athlete endorser as the spokesperson of a message Specifically, the message is being channelled through the celebrity by a company using the sign value of the celebrity to encode their brand message

## 2.4 Overview of Celebrity Endorsement

In a competitive market, a famous face can give a brand an added appeal and help it stand out (O'Shea, 2001). In today's cluttered media environment, companies will always try to make their product stand out from the competition, one way they try to achieve this is by aligning the company with celebrities in the hope that it will

- a Draw attention to the endorsed product/service
- b Transfer image to these products/services by virtue of their celebrity profile and engaging attributes (O'Mahony and Meenaghan 1998)

This transfer of image is classified as the halo effect, where positive attributes of the celebrity are transferred from the celebrity to the product (Ohanian 1991)

Estimates indicate that around one in four of all commercials screened in the United States include celebrity endorsers, and around one in five in United Kingdom include celebrities (Shimp 2000)

Celebrities can generate extensive public relations leverage for brands (Erdogan et al, 2001). Celebrities with world wide appeal can help companies avoid many cultural barriers such as language, power, time, masculinity and femininity. Television personalities such as the cast of Mad Men or Downton Abbey may transfer to countries in which their series are run (Erdogan and Baker, 1999). However, even celebrity

endorsements are dynamic forces that change. Nowadays many consumers are becoming increasingly sceptical. Langer (1997) finds that consumers are not as cynical as they are often portrayed, finding that consumers

- Respect brands that have lasted
- Rely on brands that are established
- Enjoy the element of continuity associated with brands

Marketing executives are changing their techniques to incorporate celebrities in to their campaigns in a different manner, in order to distinguish and elevate their products in the marketplace (Till and Busler, 1998). Micjak and Shanklin, (2003) show this where they find that companies have become more and more willing to compensate celebrities generously for sharing their name and aura.

## **2.5 Types of Endorser**

In advertising today there are four main types of endorsers available

- 1 A celebrity
- 2 An Expert
- 3 A typical satisfied consumer
- 4 An Announcer

(Friedman and Friedman, 1979, Aaker et al, 1996)

## **2.5.1 Definition of a Celebrity Endorser**

Throughout all major media be it television, print, or radio, celebrity endorsements feature regularly (Shimp, 2007). It has been estimated that one quarter of all advertisements employ the use of a celebrity spokesperson to endorse a consumer service or product (Shimp, 2000). Celebrities are those individuals known to the public for achievements in areas either related or unrelated to the product class being endorsed. Celebrities may be sports figures, actors or actresses, musicians, comedians or some other variety of entertainer (Till and Busler, 1998).

Using a celebrity has the benefit of increased exposure regardless of the product type (Erdogan and Baker, 1999). Most of the target audience can instantaneously recognise and identify with the famous person, therefore the desirability and attractiveness associated with the celebrity can be transferred to the product through association (Aaker et al, 1996, Shimp, 2007). Achieving these objectives successfully depends upon evaluation of the product. An example of this would be the Lucozade Sport advertising campaign run with Damien Duff. Duff amongst the most famous of all Irelands sports stars, he is seen as likeable and approachable, and essentially he is a credible endorser. He advocates the use of Lucozade sport for before and after workout re-hydration. Duff brings believability and trustworthiness to Lucozades campaign, essential characteristics to differentiate Lucozade from its rivals. A further example would be the Gillette promotion with Nike Athlete Endorser Roger Federer. Federer is perceived to be the epitome of style and good looks. As an endorser he brings these characteristics to the

Gillette In the case of both endorsers their celebrity brings heightened public awareness to the products they are endorsing, therefore, the products benefit favourably from association.

### **2 5 2 Definition of an Expert Endorser**

Ohanian (1991) cites Hovland et al (1953) where they define expertise as the extent to which a communicator is deemed to be a source of valid assertions Expertise is the knowledge possessed which brings credibility, and supports claims made in advertisements (Ohanian, 1991) An expert endorser is a person or group who has superior specific knowledge in relation to the product category endorsed (Friedman and Friedman, 1979) An expert endorser is best suited to endorsing a product that is technical in nature The expert endorser has accumulated experience, this can dispel fears in the audience regarding the product These types of endorsers are particularly effective for endorsing high-risk products such as, cars or televisions (Shimp, 2000)

### **2 5 3 Definition of a Typical Satisfied Consumer**

This type of endorser is often more effective than other types of endorsers, where it is probable that there will be strong audience recognition of the role being played A typical consumer endorser is a regular person with no expert knowledge of the product class they are endorsing (Shimp, 2007) The endorser has attributes the consumer finds in themselves, attributes of sincerity and trustworthiness that serve to galvanise the message being communicated In order to increase the believability of the advertisement a real world "slice of life" scenario is created (Friedman and Friedman, 1979) An example of

this would be the Nicorette advertisements featuring a typical consumer using and succeeding with Nicorette products. The consumer featured in the advertisement is visibly having difficulty giving up smoking but finds Nicorette really helps in her battle with cigarettes. This brings a believability or realism to the advertisement and helps to endear the product to the target consumers. A further example is that of Subway Sandwiches, who made a celebrity out of one of their loyal customers, his only claim to fame is consuming vast quantities of subway sandwiches, he has featured in magazines and on various television programmes endorsing Subway Sandwiches (Swerdlow and Swerdlow, 2003)

#### **2.5.4 Definition of an Announcer**

Announcers are more similar to celebrities than experts, for the reason that they 'confer some notoriety to the brand' (Aaker et al 1996 p 405) most likely bringing a degree of trustworthiness also. This type of endorser is most commonly a local radio disc jockey therefore appealing to the consumers who would most probably be regular listeners (Shimp, 2007)

#### **2.6 Celebrities Influence on Consumers Everyday Lives**

McCracken (1989) in his seminal work on celebrity endorsement found a celebrity endorser to be any personality who the general public are aware of, and who uses this recognition in order to bring attention to, or raise awareness of a consumer good or service. The term "celebrity" according to McCracken (1989) encompasses a large range of endorsements namely, those in

- Explicit mode
- *Implicit mode*
- Imperative mode
- Co-present mode

Furthermore, included are a range of endorsement roles Cases in which the celebrity is also

- An expert,
- Is associated with the manufacturer in a long term capacity,
- No special knowledge of, or association with, the product in question.

(McCracken, 1989)

Pringle (2004) finds that, public enthrallment with celebrities is not a new phenomenon, there is a profound need in human society to produce these iconic figures, revere them and more often than not bring them back down to earth. Celebrity impacts on every facet of the lives of consumers today This is aided in no small way by the media through films, TV, newspapers, radio and print media (Shimp, 2000) The media feed off the cult of celebrity and strengthen it in the process Celebrities influence how consumers look, how they dress, where they live and even their body shape Celebrities are the benchmark for how many consumers want to live their lives, consumers want to emulate their idols, and most consumers perceive that the best way to do this is to use the products the

celebrities allegedly consume (Erdogan and Baker 1999). This is vital to the success of celebrity endorsements for marketers, because once you convince a consumer that “if you use this product you will be just like your idol” the consumer will more often than not buy into that fallacy.

Celebrity endorsers are extremely powerful tools for a marketer to have in their armoury, simply because consumers wish to discover what it is like to be a celebrity. Therefore if the marketer, in conjunction with the relevant celebrity, convinces the consumer that, if they purchase a specific product they will be a step closer to being just like that celebrity, they then can sell that product (Belch and Belch, 2001). (Kamins 1990: p.4) states that ‘although they may not be a celebrity, or ever become one, the typical consumer may still symbolically aspire to identify with this group by purchasing the product recommended by the celebrity’.

### **2.7 Why is the use of celebrity endorsers effective for brands?**

The main rationale for using celebrities as spokespersons is their huge potential influence on the target audience. In comparison to other endorser types, celebrities achieve a higher degree of attention and recall (Schlecht, 2003). Celebrity endorsers have been found to produce more positive responses towards advertising and greater purchase intentions than a non-celebrity endorser (Atkin and Block, 1983).

Companies today invest phenomenal amounts of money to bring big name celebrities to their specific advertising campaign in the hope that they will, draw attention to the

endorsed products or services and transfer image values to these products or services due to their celebrity profile and appealing persona (O'Mahony and Meenaghan, 1998) An example of this would be the Nike Corporation's heavy investment in Andre Agassi. In two decades he has reaped two hundred million dollars in endorsement deals.

Erdogan and Baker (1999) argue that celebrities alone do not guarantee success as consumers nowadays understand advertising, know what advertising is, and how it works. Therefore, consumers are not as susceptible to the charms of the celebrity endorser and their influence has diminished. Consumers are aware celebrities are being paid a lot of money for endorsements and this knowledge leads them to cynicism about celebrity endorsements (Belch and Belch, 2001).

## **2.8 Celebrities as a stimulus – Consumer Perceptions**

One of the most difficult problems marketers meet is how to ensure that customers receive, comprehend, and remember information about their product or service. 'Consumer information processing is the process through which consumers are exposed to information, attend to it, comprehend it and place it in the memory and retrieve it for later use' (Mowan, 2000 p 48). Initially when people are exposed to a stimulus they have some reaction to it. In the case where the stimulus is extremely appealing according to Assael (1998 p 51) they will 'reflexively orient to it in a type of flight or fight reaction called an orientation reflex'. A significant aspiration of marketers is to capture attention by creating a stimulus that will excite an 'orientation reflex' (Assael, 1998), celebrity endorsements can provide that stimulus therefore satisfying the need of marketers.

## 2.9 The Benefits of Celebrity Endorsers

The use of celebrities as representatives in advertisements represents a considerable investment in intangible assets by the companies employing them, an investment which they hope to recoup through greater future sales revenues and profits. For example, Nike Tennis Marketing chief Ricardo Colombini states that Andre Agassi has helped make the Nike "swoosh" logo an icon. "Agassi embodies the Nike philosophy of being both irreverent and innovative" (Badenhausen, 2004 p 2)

Taken purely from a marketer's viewpoint, celebrities are thought to attract attention to the product or brand and make advertisements believable (Kamins, 1990). Dean and Biswas (2001) found through their research that celebrity endorsement could result in more favourable advertisement ratings and product evaluations. Walker et al, (1992) state that celebrity endorsers have a more significant impact on products that have not been previously linked with a celebrity.

Kaikatı (1987) outlined three main benefits of using celebrities in advertising

1. The first of which is to get attention to your product/ brand. They help to draw people's focus toward the product. Celebrity spokespersons help an advertisement stand out from the clutter of other advertisements, thus improving the advertisements' ability to communicate to the audience. Celebrities are important and effective when establishing a connection between themselves, the audiences

and the product being advertised. If they fail to establish this connection, the celebrity will have no other purpose than generating attention (Kaikati, 1987).

2. The second advantage is that celebrities can have the ability to polish a company's tarnished image. They may help bring credibility and respect to the company. Nike's practice of using Tiger Woods as a spokesperson helped them when they were facing negative publicity from accusations that their clothing was made by child labour in parts of South America and Asia (Dyson and Turco, 1998)
3. The third advantage involves using celebrities to reposition an existing brand. Celebrities can bring a new image and advertising approach to an existing brand. New brands or products can be introduced around a celebrity. This involves choosing a spokesperson first and then creating the new product around them and their image (Kaikati 1987). Marks and Spencer launched a children's clothing line in association with David Beckham in an attempt to attract different markets. Beckham helped change the perceptions of children's clothing amongst children, with the range selling out when it was first launched. This clothing range appealed to young boys as they admire Beckham; they see him as a role model, and dream of playing football like him (O'Shea, 2001).

The principle of global marketing involves trying to sell the product the same way everywhere in the world. Celebrities can be beneficial in breaking down cultural barriers that may prevent or hinder the success of a product in a foreign market (Erdogan and Baker, 1999)

## **2.10 Hazards of celebrity endorsers**

There are many potential hazards associated with the use of celebrity endorsers. If the celebrity endorser becomes controversial or engages in behaviour that attracts negative media attention, this can be embarrassing for the company and detrimental to the success of the product (Till and Busler, 1998). An example of this is the case of Kobe Bryant who is a basketball superstar with worldwide recognition. Bryant was accused and acquitted of being a rapist. Despite the rape charges, Bryant is still hero worshipped by fans. Nonetheless, the stigma of being an alleged rapist is a difficult stigma to dispose of (Badenhausen, 2004).

A further risk associated with the use of celebrity endorsers is simply that consumers lose interest in them and they become a non-entity. Clearly, the inherent danger associated with using celebrity endorsers is that, generally, endorsers have a finite lifespan in the public consciousness (Belch and Belch, 2001). This is as a result of research results showing that effective product endorsement is directly related to the perceived expertise of celebrity with the product, for example, Tiger Woods and Golf Clubs, companies are now starting to become more selective in their choice of celebrities (Ohanian, 1991). Simply selecting the latest hot celebrity without a thorough understanding of the product

target market, celebrity appeal within that market, and in-depth research is a recipe for disaster, as many companies have discovered (McCracken, 1989) There are many variables that companies need to be conscious of when they are considering a celebrity endorser However, it is generally acknowledged that the celebrities' image should be congruent with the product message (Kamins 1990, Ohanian 1991)

## **2.11 Athlete endorsers**

Sports endorsements can be categorised into two types sport specific products, and non-sport specific products Sport specific products are defined as entities necessary in order for the athlete to actively participate in his or her sport (shoes, Hurley sticks, balls etc) Non-sport specific products encompass all other products or services not directly connected to the sport itself, such running gear and sweat grips (Veltri and Long, 1998)

O'Mahony and Meenaghan (1998) found that consumers anticipate congruity between the celebrity endorser's perceived images and the types of products that they endorse that is, consumers expect a direct link between the actual endorser and the product they are endorsing The relationship between both the product and endorser should be clear, believable and credible O'Mahony and Meenaghan (1998) found that celebrities were thought to have expertise in product categories that were consistent with their media images and the lifestyle they were perceived to live The typical athlete on the Forbes list of high earning athletes demands on average \$250,000 per year for an endorsement, Kobe Bryant will only consider endorsement contracts that run for multi-years and pay at least \$10 million (Badenhausen, 2004) A large portion of the growth is coming from

industries that do not typically sponsor athletes but are eager to emulate the marketing success of Nike and others like Under Armour, Puma, Reebok and Addidas (Lane 1996) Hoecke et al (1999) found that consumer's response to endorsement is connected to how related the athlete is to the product. The more related the athlete is to the product the more successful the endorsement is for the company utilising the endorser.

## **2.12 Advantages of Athlete Endorsers**

National sporting heroes can be extremely effective when endorsing products aimed at particular geographic markets. As a result of feelings of patriotism many consumers feel emotionally connected to a particular athlete or team of their own country, particularly when the athlete or team compete for, or win a sporting event of note. When the team or athlete competes for international competitions, their profile is increased tenfold because they are extensively followed by the media of their own country. A consequence of this added exposure is increased publicity for the product or service being endorsed. An example of use of a national sporting hero is illustrated by Clodagh Coffey (2005), marketing communications manager of O2 the mobile telecommunications company, being cited in Mulligan (2005) where she reveals that, research has shown that the use of personalities within O2 advertising consistently scores extremely high recall and awareness. This was illustrated by O2's use of rugby player Brian O'Driscoll who, in a survey of sponsorship awareness was shown to have the highest awareness in the category (Mulligan, 2005).

### **2 13 Disadvantages of Athlete Endorsers**

The amount of products a celebrity endorses negatively influences consumer's perceptions of endorser credibility and likeability, as well as consumer attitude toward an endorsed product (Tripp et al, 1994) Established sponsorship contracts (e.g. a national team) could entail athletes wearing apparel with the insignia of a competing brand An example of is the case of Nike who sponsor the Manchester United Football team, by sponsoring the team Nike do not have controlling privileges over what individual athletes wear when on international soccer duty or other endorsement contracts they may have The negative effects for Nike as the principle team sponsor of Manchester United are that the effectiveness of their endorsement is diminished as a result of alternate endorsement deals taken up by the individual athletes

### **2 14 Drawbacks of Celebrity Endorsement**

Erdogan et al, (2001) find that marketers are divided on the issue of using celebrity endorsers, some clearly think the benefits outweigh the disadvantages and so use them extensively for specific brands, services and product lines Other marketers see too much risk involved in using an announcer that you have no direct power over It is because of their high profile that celebrities help advertisers stand out from surrounding clutter, thus improving their communication ability Celebrities can also generate extensive public relations for brands (Silvera and Austad, 2004) Many celebrity/company marriages are covered by most media from television to newspapers (Erdogan and Baker, 1999)

Although celebrities are offered large amounts of money to endorse a product they are often reluctant to do so for four main reasons (Erdogan and Baker, 1999):

1. They are concerned about their exposure; too many endorsements can lead to overexposure which could lead to the public seeing them too often affecting their popularity negatively.
2. Celebrities do not want to be too closely associated with any one product as it may cost them other endorsement deals.
3. Some celebrities are uncomfortable with some media, as they perceive themselves to be less effective in certain mediums.
4. Current endorsement deals might prohibit Celebrities from signing new deals.

Many companies are moving away from very famous celebrities and abandoning celebrity endorsements completely. The main reason cited for this change is that high-profile celebrities are overshadowing the brands (Badenhausen, 2004). For example, Chrysler aborted an advert with Celine Dion whose television commercial appearances only produced remarkable sales for the singer and not for the car she advertised (Badenhausen, 2004).

Risk management has become a major consideration for companies who consider using endorsers (Belch and Belch, 2001). Often companies are reluctant to hire celebrities as endorsers as they are afraid any negative publicity will reflect badly on the brand. It has

been found that negative information about a celebrity endorser not only influences consumer's perceptions of the celebrity, but also the endorsed product (Till and Shimp, 1998) To avoid these problems, companies often research a celebrity's personal life and background (Beck and Belch, 2001)

During his endorsement contract term with Hertz O J Simpson was arrested in a high profile car chase on suspicion of murdering his wife This negative effect was clearly an embarrassment to Hertz, who had utilised O J Simpson as their endorser (Erdogan et al, 2001) Other companies have faced similar embarrassments such as Kodak and again Pepsi who were using boxer Mike Tyson as an endorser when he was accused of beating his wife and later jailed for rape (O'Shea, 2001)

Many companies include clauses in celebrity contracts for termination on grounds of moral turpitude and employ disgrace insurance to cover the eccentricities of celebrity endorsers (Erdogan et al, 2001) One of the main disadvantages of selecting celebrities is the cost of acquiring their services Some celebrities charge millions for a simple series of endorsements Estimates put celebrity fees in the cosmetics market at between \$25,000 and \$200,000 per appearance (Pringle, 2004)

Louie and Obermiller (2002 p 46) state that, 'when a company forms a partnership with a celebrity through an endorser association, they must be prepared to deal with the risks'

## **2.15 The effect of negative endorser publicity on consumer attitude**

There are many positive benefits to using celebrity endorsement, a higher recall of the product, a better image, a positive influence on consumer attitude toward the brand and increased sales (Spry et al, 2011) Celebrities are human and they make mistakes It is not unreasonable to suppose that where a celebrity endorser is linked to negative information, consumers make a connection between the negative publicity and the brand they are endorsing (Louie and Obermiller, 2002)

The author has discussed the positive effects of celebrity endorsement, this section will analyse the effects of negative publicity on the relationship between celebrity endorsement and consumer attitude

As shown, a celebrity can have a very positive effect on a brand Consequently, where a celebrity is closely linked to a brand, negative information connected to the celebrity could influence the attitude and purchase intentions of consumers towards the brand negatively (Till and Shimp, 1998)

Negative publicity can in certain circumstances have a positive effect on the attitude of consumers towards a brand For example when something negative happens to the endorser, like being disqualified from a race following a false start on the track, as occurred recently with Nike Endorser, Usain Bolt, this can have a positive effect in terms

of consumer attitude. Consumers feel empathy for the endorser, and therefore for the brand they endorse (Spry et al, 2011).

An additional outcome of negative publicity for the endorser could be that the endorser is dismissed from their endorsing activities for the brand. The company could take a decision to dismiss the celebrity to demonstrate to consumers that they do not condone the conduct of the endorser. Company's take this action in order to stave off and avoid the spill-over effect (White et al, 2009).

#### **2.16 Effect of negative publicity on consumer attitude**

Companies utilise celebrities for endorsement because they possess celebrity equity. Celebrity equity is that which is transferred to the brand by the celebrity in the form of awareness and association (White et al, 2009). Agrawal and Kamakura (1995) state that it is this awareness and association which a celebrity brings that causes more advertisement recall than a non-celebrity.

McCracken (1989) states that, the effectiveness of the endorser is contingent on the meaning transfer or; the meaning that this endorser brings to the endorsement process. The meaning transfer can be positive or negative. In circumstances where a negative incident occurs, the effectiveness of the endorser can be decreased due to the fact that their credibility is affected (Louie & Obermiller, 2002). As a consequence the purchase

intention of the consumer will be affected, and additionally the sales of the product (Scholz, 2010).

### **2.17 Positive effects of negative publicity on attitude**

Negative publicity may have a positive effect on consumer attitude toward a brand (Till and Shimp, 1998). Louie & Obermiller (2002) state that where an endorser is associated with negative publicity this can lead to an increase in product awareness. In some cases undesirable events may increase the likeability of the celebrity and consumer empathy with the endorser (Till and Shimp, 1998).

### **2.18 Disposal of celebrities after negative publicity**

Brands take action to dismiss celebrity endorsers in order to make it clear to consumers that they do not condone the negative behaviour that the endorsers have been embroiled in (Scholz, 2010). This is a form of protection measure taken in order to prevent unfavourable transference from the celebrity to the brand, in light of bad publicity. This was demonstrated very well in 2009 following the Nike Athlete Endorser Tiger Woods scandals, where; AT&T, Accenture, Gillette and Gatorade all either terminated or did not renew their agreements with Tiger Woods following the scandal. In the case of Accenture in particular, Tiger Woods had boosted the profile of the Accenture Brand hugely over five years. However, Accenture clearly understood that as a company in a business one of the consequences of using spokespersons such as Woods is that you give your spokesperson a lot of equity (Why Accenture Had To Drop Tiger Woods - Forbes.com 28/01/2012, 2012).

If your spokesperson has become a symbol of what you do, and that spokesperson is associated with damaging, negative information, the company has little option but to terminate. Accenture did not have any option but to terminate, as the negative publicity could have proved harmful to Accenture as they were inextricably linked to Woods (Why Accenture Had To Drop Tiger Woods - Forbes.com 28/01/2012, 2012)

By taking the decision to terminate a celebrity endorsement arrangement in these circumstances the company believes they are offsetting the lost promotional gain against the reduction in influence which will come about as a consequence of negative information (White et al, 2009)

Till and Shimp (1998) hold that a good connection between celebrity endorser and brand must be present in order that negative publicity will influence consumer attitude toward an established brand. Consequently, the highest risks occur where new brands are associated with negative information. Therefore, when the endorser of a new brand is linked to negative publicity, the image of the brand will be affected, and it will be difficult following negative publicity for the brand to repair the damage done to their brand image (Spry et al, 2011)

## **2 19 Conclusion - negative endorser publicity**

When a celebrity is associated with negative publicity, the effectiveness of the endorser can be reduced. Consequently, this can negatively influence the consumer's attitude towards the brand. On the other hand positive effects can also occur. Following negative publicity, consumers may feel empathy for the celebrity endorser and may be more interested in the celebrity than before (Rice et al, 2012). It follows that consumer attitude will be influenced in a positive way and consumer's intention to purchase the endorsed products will be greater than before (Scholz, 2010). This finding supports the research Hypothesis that, *As a consequence of the fact the modern public have heightened exposure to the private lives of celebrities, the public are no longer judgemental when the celebrity is associated with negative publicity. The effect of this is that there is little or no negative effect on consumer purchase behaviour toward celebrity endorsed brands*

Theoretical Rudiments of Celebrity Endorsement strategy and selection

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## **2 20 Marketing Communications**

From a marketing communication's viewpoint, it is crucial that firms implement strategies that help strengthen competitive differential advantage for companies' products or services (Erdogan, 1999). Marketing communications support other aspects of the marketing mix such as product design, branding, packaging, pricing and place decisions.

with the aim of creating positive effects in the minds of consumers. To achieve this aim, the use of celebrity endorsers is widespread when forming and conceiving marketing communications strategies (Erdogan, 1999)

Atkin and Block (1983) in their seminal article examining the effectiveness of celebrity endorsers, observe that companies invest colossal sums of money to ally their brands and themselves with endorsers. Miciak and Shanklin (2003) identify the primary reason for heavy investment in endorsers as being that celebrities have the capacity to hold viewers attention and penetrate the disorder of brief and numerous advertisements that compete for audience attention.

Garber and Dotson (2002) identified that, in the fragmented deregulated and unparalleled competitive environment that is today's market-place, a purposeful and all-inclusive approach to the design of marketing communications is seen to be critical rather than just beneficial. Integrated Marketing Communications involves bringing together components comprising an organisation's marketing communications vigilantly in order to ensure all are working toward the same objective. As a result the organisational and brand message is galvanized (Garber and Dotson, 2002)

Garber and Dotson (2002) have identified two reasons for the growth of Integrated Marketing Communications

**a The effectiveness of promotional tools is becoming diluted**

Due to perpetual fragmentation of mass media (i.e. alternative forms of communication e.g. internet, smart phones, tablets) it has become increasingly difficult for marketers to block target a segment of the population with basic promotional tools

**b Increasing use of personal marketing or mass customisation**

This involves targeting a narrow and specific consumer sector. Archaic promotional tools are not best suited for use with personal marketing or mass customisation.

Companies have an immense controlling power over created spokespersons for the reason that they created these characters. They can build characters, which are a good fit for their brands and target audiences and guarantee that these characters are endorsing only one product (Tom et al, 1992). Conversely, with regard to celebrity endorsers, companies have minimal control over the celebrities' persona, due to the fact that the celebrities' persona is cultured by the celebrity themselves (Erdogan, 1999). Figure 2-2 shows, from a marketing communications viewpoint, how consumers learn the association between an unconditioned stimulus (endorser) and a conditioned stimulus (product) through frequent exposure (Tom et al, 1992). The association is much stronger with original material (created spokesperson) than with popular material since the popular material (celebrity endorser) is not just associated with a promoted product but is associated with many other things (Erdogan, 1999).

A strong linkage is created in spokespersons as it is unique whereas, the linkage is weak in the case of celebrity endorsers because of other associations. The created spokesperson is a better fit than a celebrity endorser largely because they were created solely for the purpose of endorsing a specific product. Created spokespersons do not bring any excess or unwanted associations for the product (Tom et al, 1992). In contrast to this Atkin and Block (1983) identified that celebrity endorsers produced more positive attitudes towards advertising and greater purchase intentions than a non-celebrity endorser.

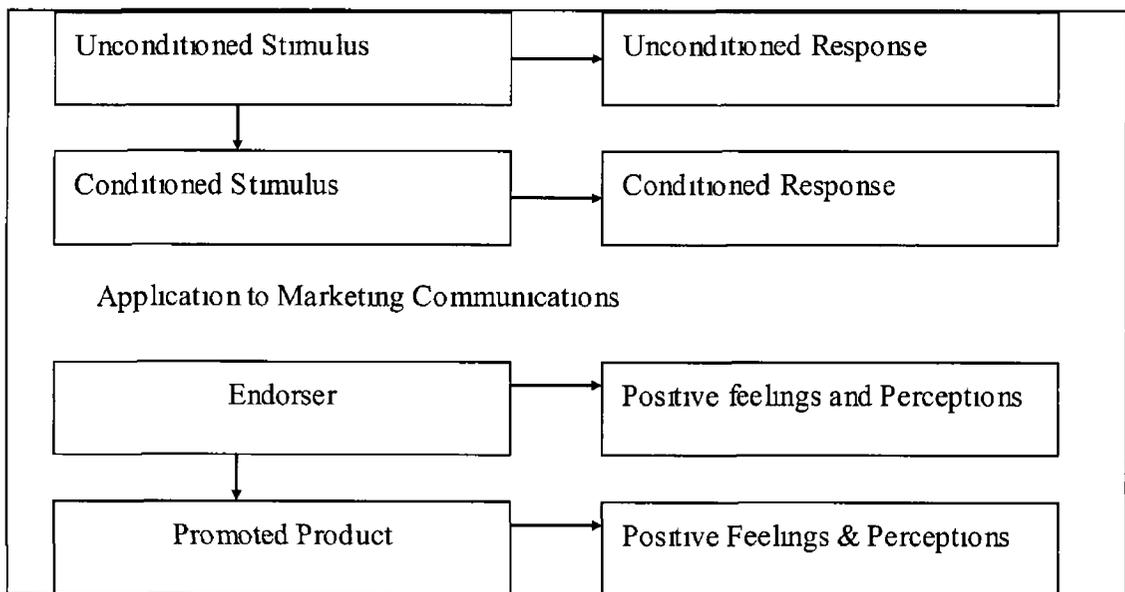


Figure 2-2 Classical Conditioning Paradigm in Marcom Context (Source Adapted from Tom et al, 1992)

## **2.21 Models for Choosing Celebrities in Endorsement**

Selecting the right celebrity endorser is as important as selecting what message they are going to convey. Choosing a celebrity endorser is no longer simply a matter of personal tastes and fancy (Lane, 1996). To aid selection for marketers, models have been constructed to help them select the most appropriate celebrity for their product or service.

### **2.21.1 Source Attractiveness Model**

The source attractiveness model has its theoretical foundations on social psychology (Erdogan, 1999). This model is based on the assumption that the acceptance of the message depends on the attractiveness of the source. This attractiveness depends on three attributes similarity, familiarity, and likeability. Similarity refers to the resemblance between celebrity and the receiver of the message; it requires that the consumer identify with the celebrity in some manner. Familiarity is the knowledge the receiver has regarding the celebrity; this is achieved through exposure of the celebrity through the media (Erdogan, 1999). Likeability is the affection that is held for the celebrity, and usually depends upon physical attractiveness (Dean and Biswas, 2001)

Physical attractiveness of a communicator determines the effectiveness of persuasive communication through a process called identification, which is assumed to occur when information from an attractive source is accepted as a result of a desire to identify with such endorsers (Erdogan et al, 2001).

Physically attractive endorsers are more successful at changing beliefs and generating purchase intentions, but these positive feeling do not always result in actual behaviour (Erdogan et al, 2001).

### **2.21.2 Source Credibility Model**

Ohanian (1991) states that source credibility is the most important characteristic involved when selecting a celebrity endorser. If the consumer believes they can trust the endorser not to lead them astray, then they will be influenced to buy the product (Dean and Biswas, 2001). Credibility refers to the extent to which the source is perceived as possessing expertise relevant to the communication topic and can be trusted to give an objective opinion on the subject (Belch and Belch, 2001). Expertise is derived from the knowledge of the subject, and trustworthiness refers to the honesty and believability of the source (Erdogan, 1999).

These dimensions of source expertise and trustworthiness are important to conceptualise credibility, and have been shown to be influential in persuading consumers and influencing attitudes (Belch and Belch, 2001). This information from a credible source influences:

- a. Beliefs
- b. Opinions
- c. Attitudes
- d. And/Or behaviour

The above stages occur through a process known as internalisation - which occurs when; the receiver adopts the opinion of the credible communication since he or she believes information from this source to be correct (O'Mahony and Meenaghan, 1998).

Erdogan (1999) finds that, source credibility research looks upon the celebrity endorsement process as uni-dimensional as it is unable to provide a well-grounded explanation of important factors. Source credibility is an important factor for advertisers in selecting endorsers, since credibility has been proved to have considerable and direct effect on attitudes and behavioural intentions it is one of many factors that should be taken into account when selecting celebrity endorsers.

However McCracken (1989) claims that the source credibility and source attractiveness models place too much weight on the qualities of the celebrity and not enough emphasis on qualities of the product. Freidman and Freidman (1979) simply refer to these failures as a lack of match or congruence between product and celebrity. Miciak and Shanklin (2003) expand the source credibility criteria further than the three-dimensional model. From their study of advertising agencies, a base criteria was found that should exist in any potential product endorser. The criteria were narrowed to:

- a. Trustworthiness
- b. Recognisability

- c. Affordability
- d. Low risk of negative publicity
- e. And, appropriate match with target audience

Whilst these criteria overlap somewhat with the dimensions highlighted by Erdogan, they provoke more considerations to the choice.

### 2.21.3 The Source Credibility Scale

Attractiveness	Trustworthiness	Expertise
Attractive-Unattractive	Trustworthy-Untrustworthy	Expert-Not Expert
Classy-Not Classy	Dependable-Undependable	Experienced-Inexperienced
Beautiful-Ugly	Honest-Dishonest	Knowledgeable
Elegant-Plain	Reliable-Unreliable	Unknowledgeable
Sexy-Not sexy	Sincere-Insincere	Qualified-Unqualified
		Skilled-Unskilled

Figure 2-3: The source Credibility Scale (Source: Erdogan, 1999)

This scale assumes that credibility and consequently the effectiveness of celebrity endorsers is bound with given characteristic dimensions, but it is argued that the celebrity world consists of more than attractive and credible individuals (Erdogan, 1999).

#### **2.21.4 The Meaning Transfer Model**

Celebrity endorsers bring their own symbolic meanings to the endorsement process. The cultural meanings residing in a celebrity go beyond the person and are passed on to the products (Erdogan, 1999). McCracken (1989) states that, celebrity endorsements are an exceptional example of a more general process of meaning transfer. McCracken (1986) finds that meaning per se begins as an entity that is resident in the culturally constituted world. This is the world of daily experience in which the phenomenal world presents itself to the individual's senses, shaped and constituted by the beliefs of the individual's culture. Meaning moves from this limbo to consumer goods, and finally to the life of the consumer (McCracken, 1986). The movement of meaning from the culturally constituted world to consumer goods is accomplished through advertising (McCracken, 1986). This process involves three stages; the formation of celebrity image, transfer of meaning from celebrity to the product, and finally from product to consumers. Advertisers identify what they want the product to say (i.e. the type of gender, status, age, lifestyle etcetera). The advertiser must then search the culturally constituted world for objects, persons, contexts and scenarios which give voice to the meanings.

McCracken (1989) states that the movement of meanings from consumer goods to the individual consumer is accomplished through the efforts of consumers who must take possession of these meanings and put them to work in the construction of their self image. The consumer must glimpse in a moment of recognition a crucial similarity between the elements (meanings) and the product in the advertisement.

## **2.21.5 Meaning Transfer: Celebrity Endorsers Involvement**

The role celebrity endorsement plays in the meaning transfer process is a crucial one. It takes place in three main stages (see figure 2-4)

### **Stage 1**

Endorsement gives the advertisement access to a special category of person. It makes available individuals charged with detailed and powerful meanings. Celebrities incidentally are extremely different from anonymous models. Celebrities have certain configurations of meanings that are drawn from the roles they assume in media or sports or other careers. Celebrities own these meanings because they have created them on the public stage (Erdogan, 1999). The celebrity provides access to meanings and delivers them with extra subtlety, depth and power (McCracken, 1989).

### **Stage 2**

An advertising agency must first determine the symbolic properties sought for the product and following that they must choose a celebrity who approximates or represents the proper symbolic properties (Erdogan, 1999). Upon choosing a celebrity an advertising campaign must identify and deliver these meanings to the product. The advertisement must be designed to suggest essential similarities between the celebrity and the product in order for the consumer to take the second step of meaning transfer (McCracken, 1989, Erdogan, 1999).

### Stage 3

Celebrities play a significant role in the final stage of meaning transfer because they have created the self. This created self image that the celebrity possesses makes the celebrity an inspirational/aspirational figure to consumers (McCracken, 1989). Consumers continually shift symbolic properties out of the consumer goods and into their lives to build aspects of self and world (Erdogan, 1999).

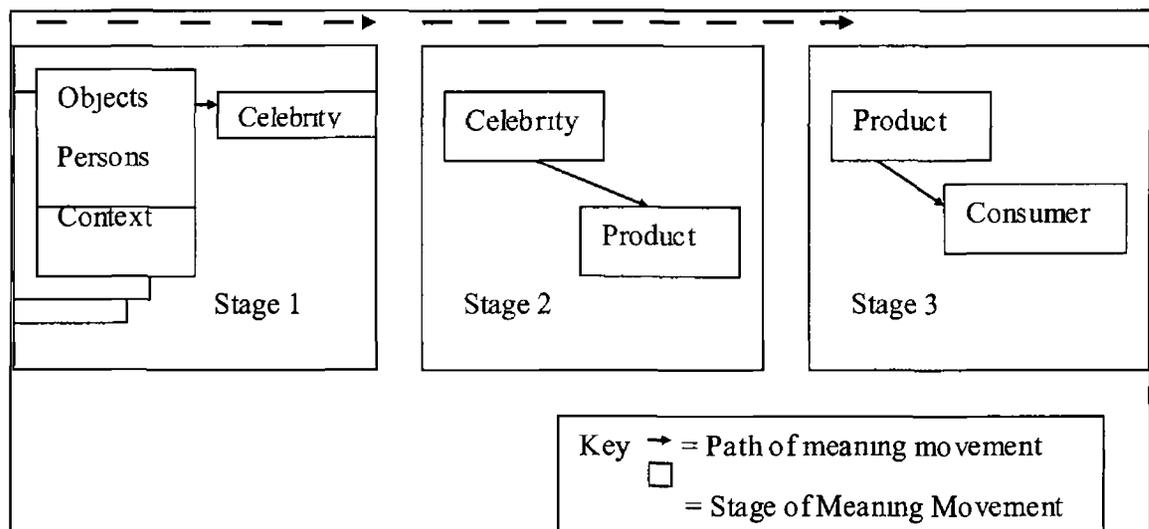


Figure 2-4 Meaning Movement and the Endorsement Process (Source McCracken, 1989)

### 2.21.6 The product Match-up hypothesis

In using celebrities, much of the success lies in first selecting the right person and, second making sure that the advertisers view this selection as an opportunity for innovative and stylish advertising rather than an excuse to use the celebrities' personality (Till and Busler, 1998)

The product match up hypothesis maintains that messages conveyed by celebrity image and the product image should be congruent for effective advertising (Kamins, 1990) This depends on the level of perceived fit between brand and celebrity image Specifically, the match-up hypothesis predicts that attractive celebrities are more effective when endorsing products used to enhance ones attractiveness (Kamins, 1990)

Erdogan et al, (2001) show in their study that, celebrity product match is an extremely important criterion for choosing endorsers amongst advertising managers Two alternate studies (Ohanian, 1991, Till and Busler, 1998) identified that particular attention should be paid to employing celebrities who have a direct link with their endorsed product and who are perceived to be experts by the target audiences Erdogan (1999) found that the absence of a connection between celebrity endorsers and products endorsed could lead to the belief that the celebrity endorser was a mercenary, i.e well paid to endorse the product or service, a result of which would be a loss of credibility and trustworthiness toward the promotion.

An example of an effective match-up of endorser and product characteristics would be that of tennis player Andre Agassi. Agassi was recruited by Nike because he was different, his approach to tennis was aggressive, to Agassi image was everything, also he was anti tennis establishment just as Nike was This represented a good match between Aggassi and Nike and the partnership has been extremely successful and lucrative for both (Hamilton, 1992)

## 2.22 Celebrity Endorser Selection Strategy

Selecting a specific celebrity endorser to endorse a product is a crucial decision and has an enormous bearing upon the effectiveness of the promotional campaign as a whole. Advertisers make a concentrated effort to select credible and attractive celebrities who fit products and line up with target audience expectations. The VisCap model, the FREDD Principles and the Performer Q Score have all been put forward as methods of selecting a celebrity endorser. The author will examine each of these methods presently.

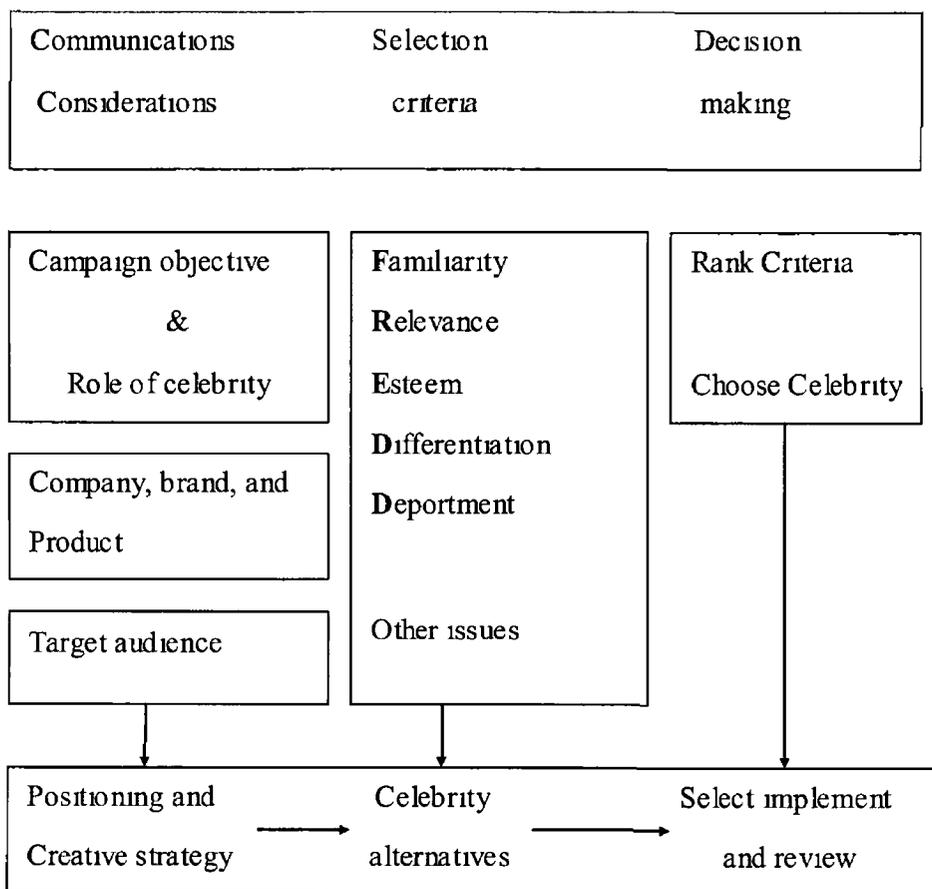


Figure 2-5 Celebrity Endorser Selection Strategy (Source Miciak and Shanklin, 2003)

Figure 2-5 above identifies the decision processes which are consulted, and the flow of information and tasks which occur when an advertiser is deciding upon a celebrity endorser for a promotional campaign.

### 2.23 VisCAP Model

This model aligns presenter characteristics with communication objectives. It consists of four major characteristics. These presenters achieve the best results when the brand being advertised is low involvement, which means that not much thought is needed to purchase, and low risk, which usually are inexpensive products (Rossiter and Percy, 1987)

	<b>Presenter Characteristics</b>	<b>Communication Objectives</b>
1	Visibility - How recognised the presenter is	Brand awareness
2	<p>Credibility</p> <p>A Expertise-Knowledgeability regarding product category</p> <p>B Objectivity – reputation for honesty and desire</p>	<p>Informational brand attitude strategy</p> <p>A Low and High involvement</p> <p>Informational brand attitude strategy</p> <p>B High involvement</p>

3	<p>Attraction</p> <p>A Likeability – attractive appearance and personality</p> <p>B Similarity to target user</p>	<p>Informational brand attitude strategy</p> <p>A Low involvement</p> <p>Informational brand attitude strategy</p> <p>B High involvement</p>
4	<p>Power - authoritative occupation or personality</p>	<p>Brand purchase intention</p>

Figure 2-6 The VisCap Model (Source Rossiter and Percy, 1987)

Managers use the VisCAP model in two ways

- As a checklist to evaluate potential presenters
- As a mathematical based rating format based on the perception of the target audience

Presenters must be chosen very carefully so that their characteristics are aligned with the communication effect to be boosted (Rossiter and Percy, 1987)

### 2.23.1 Visibility

This refers to how well known or easily recognised the celebrity is from previous public exposure (Rossiter and Percy, 1987). The idea behind this is that attention paid to a celebrity will also transfer over to the brand. Usually these advertisements have a visual link with the product so the celebrity does not outshine the product and does not take all the emphasis away from it.

### **2.23.2 Credibility - (a) Expertise**

Credibility refers to the tendency to believe or trust someone, expertise refers to the knowledge, experience or skill possessed by an endorser as they relate to the communication topic (Shimp, 2000). A celebrity that is more of an expert has been found to be more effective and can generate more intentions to buy the brand (Erdogan et al. 2001). Whether the endorser is indeed an expert is unimportant, all that matters is how he or she is perceived by the target audience (Shimp, 2000).

### **2.23.3 Credibility - (b) Objectivity**

The Oxford Dictionary (2001) defines objectivity as, exhibiting facts uncoloured by feeling or opinion. Some theorists refer to objectivity as trustworthiness (Rossiter & Percy, 1987). Akin and Block (1983) found that celebrity characters are perceived as being significantly more trustworthy than non-celebrities in research conducted. However, Ohanian (1991) found it is not necessarily an important element in specifically affecting product purchase intentions.

### **2.23.4 Attraction – Likeability**

Likeability refers to the presence or absence of feelings the receiver of a message would have towards a source of information. While there is no doubt that likeability does have an impact on consumers when it comes to celebrity endorsement, there are views that strongly question the effectiveness of likeability as a persuasive characteristic of the source in influencing purchase intentions (O'Mahony and Meenaghan, 1998). Likeability is dependent on physical attractiveness and behaviour.

### **2 23 5 Attraction – Similarity**

The more the receiver has in common with the source, the greater the persuasiveness of the message delivered by the source (O'Mahony and Meenaghan, 1998) A source that is presented as being similar to the audience in terms of attitudes, opinions, activities, background, social status or lifestyle could achieve both liking and identification (Aaker et al, 1992)

### **2 23 6 Power**

Power can increase brand purchase intentions, though not attitude, by appearing to command the audience to act (Erdogan and Baker, 1999) Power can also be described as the amount of respect the target audience has for the endorser In order to select a celebrity who has strong power appeal, detailed research must be undertaken. This research must then be compiled to rank the celebrities by power appeal

### **2 24 FRED[D] Principles**

The Young and Rubicam advertising agency conducted a survey of thirty thousand people and six thousand different brands to study why brand succeed or fail Their research results developed into the acronym FRED (Dyson and Turco, 1998)

- Familiarity
- Relevance
- Esteem
- Differentiation

These criteria apply to the selection of celebrity endorsers also. Miciak and Shanklin (2003) suggest adding proper decorum or deportment, which would make FRED [D]. Assessing these characteristics in potential product endorsers is an all-inclusive way to find an effective endorser and reduce the threat of advertising blunders. This may occur through mismatching of endorsers and the products they are endorsing (Kamins, 1990).

Familiarity	The person should be easy to recognise and inoffensive to the target market
Relevance	The person should “fit” the product in the perceptions of the target market
Esteem	The person should have value within the target audience. This is usually accomplished by success, winning, or heroism
Differentiation	The person should be distinct enough from other advertising to catch the eye of the target market
Decorum	The person’s past behaviour should indicate that he/she would be an ongoing asset to the product campaign

Figure 2-7: FREDD Principles (Source: Swerdlow and Swerdlow, 2003)

### **2.24.1 Familiarity**

Familiarity is the first crucial component of an effective endorser. All of the dimensions that constitute celebrity attractiveness combine to make an audience aware of a celebrity (Miciak and Shanklin, 2003). The target market must be aware of the celebrity and perceive the person as friendly and likable, and trustworthy. Recognition by the intended audience is vital, more so than having global recognition (Dyson and Turco, 1998).

### **2.24.2 Relevance**

This benchmark asks the advertiser to evaluate initially whether there is a pertinent fit between the celebrity and the product (Miciak and Shanklin, 2003) i.e. there should be a link between the promoter and the product, as well as the promoter and the audience (Dyson and Turco, 1998). Likewise, is there a relevant congruence between the celebrity and the audience? The audience may aspire to be like the celebrity as in the case of black teenage boys and Tiger Woods (Miciak and Shanklin, 2003) If consumers can associate with the endorser, they will feel more comfortable accepting and buying the product or service.

### **2.24.3 Esteem**

Consumers must have the utmost respect for the celebrity, if the advertisement is to be both credible and effective. Individuals viewed by society as prestigious sports figures include (Dyson and Turco, 1998) In the case of athletic endorsers winning is an vital contributor to esteem (Miciak and Shanklin, 2003)

#### **2.24.4 Differentiation**

Differentiation is the final part of FRED. The public must see the celebrity as different from all others. If there is no perceived disparity among celebrities, then the strategy is not worthwhile. Andre Agassi is an example of a celebrity that stands apart from the normal athlete, one of the contributing factors to his success as an endorser

These FREDD Principles do not guarantee success when selecting an endorser, but they can serve as guidelines. However each organisation and its objectives are different, and should be evaluated on an individual basis.

#### **2.25 Q Ratings**

Q ratings stand for quotient ratings, they are commercially available for celebrities from a firm called Marketing Evaluations. The ratings are compiled by evaluating 1,500 figures by mailing questionnaires to a representative panel of individuals (Shimp 2000). Each questionnaire asks two questions:

- a. Have you heard of this person? (This is a measure of familiarity).
- b. If so, do you rate him or her poor, fair, good, very good or one of your favourites?  
(This is a measure of popularity).

The calculation of each celebrity's Q-Rating is determined by the percentage of panel members who indicated that celebrity was one of their favourites and then dividing that

number by the percentage who had heard of the same celebrity. The popularity percentage is divided by the familiarity percentage which simply reveals the proportion of a group familiar with a person and who regard that person as one of their favourites (Shimp, 2000)

Rossiter and Percy (1987) contend that, knowing a celebrity's Q rating is not only advantageous in cases where particular audiences are targeted, but it is also beneficial for companies to save on the cost of hiring a big name celebrity such as David Beckham for the 60 + male target audience. It is plausible that Q ratings of celebrities be used as a preliminary sifting process in selecting celebrity endorsers for use in advertising and promotion.

## **2.26 Chapter Summary**

The aim of this literature review was to identify and introduce the endorser attributes which consumers considered a company should be most aware of when selecting an endorser. The attributes have been identified from previous research in the area of celebrity endorsement, the prevailing focus of the research examined and discussed has been on the effect celebrities have had on companies, brands and consumers. The author placed particular focus on how negative information will affect consumers and also how this is connected to the other aspects of this study.

There are a number of issues involved when selecting a celebrity such as cost, possible negative publicity, and the celebrity over-shadowing the brand and over-exposure of the celebrity. If the celebrity is selected using the right set of criteria for the right target market, then the campaign can have a positive effect in influencing the public.

Through comprehensive analysis of many studies in the area of celebrity endorsement the author has come to the conclusion that a large number of these studies followed a similar pattern in that they detailed the importance of celebrity endorsement to the modern advertising industry and examined how consumers are affected by celebrity endorsement (O'Mahony and Meenaghan, 1998, Erdogan, 1999, Belch and Belch, 2001, Badenhausen 2004, Silvera and Austad, 2004). There is a noticeable lack of literature by authors concentrating on the negative effect celebrity endorsers can have on a brand. For this reason the author made the decision to carry out a thesis of this nature.

### **3 The Nike athletic company - Contextualisation**

The author decided to incorporate a brief study of the sportswear company Nike and their Athlete endorsement strategy as the athletes employed by Nike will take particular focus when putting questions to respondents. Also, Nike proves to be a very suited example in an attempt to correspond the researched literature to the research objectives prior to execution of primary research.

“If you have a body you are an athlete” -

Phil Knight, Former CEO of the Nike Corporation

(Cited in Willigan 1992 p 92)

#### **3.1 Company History**

Nike began life in 1962 as Blue Ribbon Sports (BRS). In 1972 BRS changed its name to Nike, which is the name for the Greek winged goddess of victory. Nike employs approximately 23,000 people worldwide, from its world headquarters in Oregon and European headquarters in the Netherlands, to practically every region around the world (Hatfield 1992). Almost one million people are involved in the distribution of Nike to athletes throughout the world including manufacturers, shippers, retailers and service providers. Nike owns and operates facilities in Oregon, Tennessee, North Carolina and the Netherlands, and operates leased facilities for fifteen Nike towns, over eighty Nike

Factory Stores, two Nike goddess boutiques and over one hundred sales and administrative offices (Rapaport, 2002)

Nike's core business is the design, development and worldwide marketing of footwear, apparel, equipment and accessory products Nike sells its products to retail accounts through a mix of independent distributors, licensees and subsidiaries in over 120 countries around the world Nike's athletic footwear products are designed principally for specific athletic use, although a large portion of its products are worn for casual or leisure purposes Nike creates designs for men, women and children Running, basketball, children's, cross-training and women's shoes are the company's top-selling product categories Nike also markets shoes designed for outdoor activities, tennis, golf, soccer, baseball, football, bicycling, volleyball, wrestling, hiking and other athletic and recreational uses

### **3.2 Competitors**

Reebok International is a global company engaged primarily in the design and marketing of sports and fitness products, including footwear and apparel, as well as the design and marketing of footwear and apparel for non-athletic casual use The company has four major brand groups The Reebok Division, The Rock Port Company, LLC, and the Ralph Lauren Footwear Co

Reebok are Nike's main competitive rivals within the North American market It was Reebok's foresight and ingenuity that saw them overtake Nike as the main brand in the

aerobics market, and consequently forced Nike to reevaluate and consolidate their position in the market. Reebok's gazumping of Nike's market share was a major contributing factor in Nike's change of emphasis from, technological innovation to marketing innovation.

### **3.3 The focus of the Nike Brand**

The Nike brand represents sports and fitness activities. This focus has allowed Nike to avoid further pitfalls such as the departure into casual shoes. Nike understands that simply because they may have the best athlete endorsers in the world and possess the eminently recognisable "swoosh" does not imply that they can automatically expect consumers all over the world to purchase your products. The change in emphasis has allowed creativity to flourish at Nike and also means that designers at Nike can focus primarily on the demands of athletes. Phil Knight, chief executive officer of Nike, cited in Willigan (1992: p. 92) holds that "Creativity has been, and always will be, a critical part of Nike's business"

### **3.4 The value of Nike endorsement Deals**

The Nike Corporation has seen the value of its endorsement contracts increase by almost \$350 million, or nearly a third of their total value, during 2004. The value of Nike's deals with athletic stars and teams reached \$1.44 billion for the year, up \$1.09 billion from last year. It dwarfs the endorsement deals of its next largest competitor in the United States

Reebok, which has endorsement deals for a similar period standing at \$196.3 million (Rapaport 2002)

Nike spokesman Scott Reames cited in Rapaport (2002 p 55) contends that Nike's endorsement deals with leading soccer teams such as Manchester United and Juventus were the largest contributors to the increase in the value of Nike's endorsement contracts. Manchester United's endorsement deal with Nike has been reported as being \$484 million, over a 13 year period. He also said that it is in keeping with Nike's increased focus on overseas sales. For the year 2004 Nike had more sales outside the United States than domestically for the first time in the company's history. Nike expects this trend to continue to grow and develop as such (Nike Inc, 2011)

### **3.5 Change of Emphasis**

The poor sales of Nike's newly launched casual shoe line was mirrored by a general downturn in the sales of Nike sports shoes in the late nineteen eighties. The formula that had been so successful for Nike was beginning to falter. Knight stated that "focusing on the product was a great way for a brand to start, but it was not enough" (Knight cited in Willigan 1992 p 94). Sixty percent of Nike products were being bought by individuals who did not use the products for the actual sport. Nike had identified its core consumers as being the athletes it developed the products for. This had to change as this group of athletes represented forty percent of sales and was diminishing rapidly. In order to address the imbalance Nike changed their emphasis and began to develop and market

products for the consumer and to the consumer Knight stated that “we now make sure that the product is the same functionally whether it’s for Michael Jordan or Joe Public we have people who tell us what colours are going to be “in” for the next year and we incorporate them into our product lines” (Knight cited in Willigan 1992 p 95) Company revenues grew from \$1.7 billion in 1989 to \$9.6 billion in 1998, with sports shoes contributing nearly two-thirds of the sales Repositioning has allowed Nike to consolidate and refine its position as a market leader in the sports apparel industry Also, this repositioning has allowed Nike to further strengthen its brand status and image

### **3.6 The Nike Athlete – Building a Brand**

Nike recruit and enlist young athletes in order to sign them up to endorsement contracts to wear and promote Nike shoes and apparel Nike has a vast scouting network in place throughout the world When Nike scouts for athletes they are in search of athletes with a combination of talent, character and style For Nike, the most important ingredient a prospective young athlete endorser must have is talent (Hatfield, 1992) In order to offer an effective return on investment an athlete must have a possibility of being the best in his or her sport Nike actively seek out winners and prodigiously talented athletes for the simple reason that, athletes who win competitions and tournaments are subject to more public exposure, therefore raising their profile and offering a greater return on investment for Nike (Holt, 2004) Ian Hamilton (1992 p 1) director of sports marketing at Nike illustrates Nike’s endorser recruitment policy by saying ‘we are recognised as being the best at what we do and we want to reinforce that message to the consumer by having the world’s top athletes wearing Nike apparel and footwear’ There are many athletes who

meet Nike's first two requirements of talent and character but there is only a minority of athletes who meet Nike's final requisite characteristic of style. Style is ultimately what makes athletes more prominent than athletes of similar technical ability (Hamilton 1992)

### **3.7 Historic Nike Endorsers Andre Agassi**

Andre Agassi signed his first endorsement contract with Nike in 1988. Since then he has had a reasonably successful career on court, but Agassi's off court activities have been much more lucrative for him. In two decades Agassi has earned \$200 million from endorsement deals. Whilst Agassi's tennis playing ability is unquestionable he is by no means the best in the world. This fact does not impinge upon his off-court earning ability. This is illustrated by comparing Agassi's career to that of Pete Sampras. Sampras has won fourteen Grand Slam titles to Agassi's eight and beat Agassi four of the five times they played a Grand Slam final. Yet Pete Sampras's endorsement income peaked at eight million dollars, less than a third of what Agassi will earn in 2005 (Badenhausen 2004). Ricardo Colombini, Nike's tennis-marketing chief, cited in Rapaport (2002, p 55) states that Agassi has helped make the Nike "Swoosh" logo an icon. "He embodies the Nike philosophy of being both irreverent and innovative. He changed the game of tennis and certainly its dress code." This is consistent with the literature as outlined in chapter one where Kamins (1990) identified that, the product match up hypothesis maintains that messages conveyed by celebrity image and the product image should be congruent in order that advertising be effective.

### 3.8 Nike Endorsers: Tiger Woods

Tiger Woods is still the highest earning athletic endorser in the world at the moment. In the year 2000, Nike agreed to a multi-year deal with Tiger Woods worth a reputed \$105 million, extending an earlier multi-million dollar deal which began in 1996, the year the then 21-year-old Woods became a professional golfer. Nike has purchased almost every aspect of the Tiger Woods brand. Nike has Tiger Wood's dressed in its products even when endorsing products from other sponsors including American Express, Accenture, Electronic Arts and Tag Heuer watches. Tiger Woods wears Nike apparel with the Nike "swoosh" clearly visible, frequently in close-ups, in print and television advertisements for these non-Nike products. Although Nike's contract with Tiger Woods is amongst the most lucrative in advertising, Nike is benefiting from Wood's other endorsement contracts. Nike has built their franchise on celebrity endorsements both big and small (Hatfield, 1992). Nike's brand value, or the potential for future earnings, went up six percent in 2003 to \$8.17 billion, making Nike the 33rd most valuable brand in the world. Nike has become so synonymous with Tiger Woods that other advertisers do not seem to mind the presence of the Nike "swoosh" in their advertisements and promotions (Rapaport 2002). As acknowledged in Chapter one Kaikati (1987) contends one of the principle benefits of celebrity endorsement is an endorser's ability to improve a company's damaged reputation. Nike's practice of using Tiger Woods as a spokesperson helped them when they were facing negative publicity from accusations that their clothing was made by child labour in parts of South America and Asia (Dyson and Turco 1998)

## **4 Methodology**

### **4.1 Introduction**

The objective of this chapter is to provide a detailed account of the process involved in developing the research study, it explains the research design that has been developed to achieve the objective of the dissertation. The researcher will clarify in this chapter how he went about identifying the research problem, the preparation and collection of data and how this data was analysed, while also detailing the techniques and instruments used

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### **4.2 The Research Process**

The research process refers to a set of stages that detail a number or sequence of tasks a researcher undertakes to gather and report valid and reliable information to assist with decision-making (Domegan & Flemming, 1999) Easterby et al, (1991) defined research design as the overall configuration of a piece of research and states that it shows the reader where the researcher gathered data, and how the data is interpreted to provide a reasonable answer or answers to the research hypothesis that has been posed

### **4.3 Research Objectives**

The objectives that underpin the research are

- 1 Examine attitudes of consumers toward celebrity endorsement of a brand

The objective of this research is to discover the attitudes of respondents to the use of celebrity endorsement in advertisement. Establishing this will enable the researcher to measure the worth of endorsement to the consumer.

- 2 Establish the purchase intent of consumers of a brand endorsed by a celebrity

This objective will give an appreciation of the purchase behaviours of the respondents toward products and services endorsed by celebrities. This data will equip the researcher with a statistical analysis of how respondents are influenced by the use of celebrity endorsers in an advertisement campaign.

- 3 Examine the effect a celebrity being associated with negative information has on consumer purchase behaviour

This last objective is aimed at identifying the effect of a negative publicity involving a celebrity endorser on the buying practices of the respondents. This will look at whether a

scandal would cause a change in the consumers' purchasing behaviour of products and services endorsed by the celebrity

#### **4 4 Market Research Process**

- ✓ Formulate Problem
- ✓ Determine Research Design
- ✓ Determine Data Collection Method
- ✓ Design Data Collection Forms
- ✓ Design Sample and Collect Data
- ✓ Analyse and Interpret the Data
- ✓ Prepare the Research Report

(Churchill, 1988)

#### **4 5 Problem Definition**

Problem definition as defined by Domegan & Flemming (1999) ends with and results in either

- a) A list of objectives
- b) A hypothesis

In carrying out a detailed literature review the author was in a position to gain valuable insights into the area of celebrity endorsement, therefore contributing to the formulation of a hypothesis

#### **4 6 Research Hypothesis**

“A hypothesis is a statement that can be refuted or supported by empirical data” (Creswell, 2003 p 52) The research hypothesis in this study is as follows

*As a consequence of the fact the modern public have heightened exposure to the private lives of celebrities, the public are no longer judgemental when the celebrity is associated with negative publicity*

*The effect of this is that there is little or no negative effect on consumer purchase behaviour toward celebrity endorsed brands*

#### **4 7 Multi-Method research**

The concept of utilising a multi-method approach in a market research study is advocated by many researchers, Flick (2002) is one such advocate who states that the use of a combination of quantitative and qualitative research methods provides for a rich blend of contrasts and depth in a research study. As a consequence of the author being limited by time the multi-method research approach cannot be undertaken, therefore the author will conduct research using the quantitative research method.

#### **4 8 Primary vs Secondary Data Sources**

Chisnall (2001) articulates that there are two generic classifications of data upon which research design depends. Secondary data is data that has been collated and assembled for some project other than the actual one at hand. Conversely primary data is collected to

address a specific research objective. Secondary data sources have been examined in the literature review section of this dissertation to establish a foundation for the research objectives under investigation. However, the nature of the study requires that primary data has to be collated and analysed in order to address the research objectives comprehensively and effectively.

#### **4.9 Sampling**

What should be foremost in the mind of a researcher are the methods they will employ in order to determine an appropriate research population and a correct sampling procedure (Domegan and Fleming, 1999)

There are two methods of sampling selection

1. Probability Sampling (or random sampling) each person within the Sample Frame, (which is a list of the population of concerned) has an equal chance of being selected (Creswel, 2003)

There are four kinds of random sampling

- Simple Random Sampling
- Systematic Sampling
- Stratified Sampling
- Cluster Sampling

(Creswel, 2003)

2 Non-Probability sampling not all people in the Sample Frame have an equal likelihood of being selected, rather the sample is chosen based on the judgement of the interviewer (Domegan and Fleming, 1999) There are four types of Non-Probability sampling

- Convenience
- Purposive
- Judgement
- Quota

(Creswel, 2003)

#### **4 10 Probability vs Non-Probability Sampling**

Probability sampling “For a sampling design to be called a random or probability sample, it is imperative that each element in the population has an equal and independent chance of selection in the sample” (Creswel, 2003 P 169) This is not a realistic option for the researcher as a consequence of the financial implications involved An exhaustive list of everybody in the population of interest would be needed and is would not be practical for the researcher to purchase or compile this type of list The realistic option for this thesis is to administer the questionnaire based on non-probability sampling (Domegan and Fleming, 1999)

Non-Probability sampling “Non-probability sampling designs are used when the number of elements in a population is either unknown or cannot be individually identified In

such situations the selection of elements is dependent upon other considerations” (Creswel, 2003 P 168) Therefore, not everyone in the sample frame has a known and identical possibility of selection. The other considerations are the four types of non-probability sampling mentioned earlier

**Convenience** the sample is selected based on the fact that the respondents were located conveniently for the interviewer

**Purposive** the sample is chosen taking account of the fact that the respondents are not representative of the population of interest

**Judgement** the sample is picked taking account of judgement and expertise of the interviewer

**Quota** each individual from the sample is selected based of the fact that they are representative of the population of interest

(Creswel, 2003)

The researcher will use non-probability sampling and base it on convenience and judgement, as a result of the financial and time limitations involved in this research.

#### **4 11 Data Collection Methodology**

To coincide with the research hypothesis and the research undertaken by the author, the company, celebrity, brand and consumer will be the areas of interest for the purpose of this dissertation

#### **4.12 Target Respondents**

The target respondents for this research, as noted earlier are the general public shopping in Dundrum Shopping Centre, Dublin. The author will introduce the questionnaire, identifying that it is a quick questionnaire, regarding Celebrity Endorsement.

#### **4.13 Limitations of the primary research**

When conducting the primary research on this topic the author experienced a number of difficulties. The main limitations experienced by the author were as follows:

This report was limited by the time and money available to the author. However, this is owing to the fact that it was written in partial fulfilment of the authors' MSc Management.

The researcher would like to have conducted more questionnaires in order to have a more rounded and diverse understanding of what consumers' views of brand endorsers associated with negative information are, but unfortunately it was difficult to interact with a lot of the target respondents as they seemed uneasy and sceptical of my presence.

Questionnaire respondents may give false or disingenuous information, and can answer questions in the manner they perceive they are expected to. Also, there is greater potential using the non-probability sample method for selection bias to enter into the sample.

design than in probability sampling. This is as a consequence of the non-scientific basis for the selection of the sample.

In spite of these limitations, the author is confident that the research has been optimally designed, and provides satisfactory levels of accuracy on which significant recommendations and conclusions can be based.

#### **4.14 Conclusion**

To summarise, this research intends to explore the following objectives:

1. Examine attitudes of consumers toward celebrity endorsement of a brand.
2. Identify the purchase intent of consumers of a brand endorsed by a celebrity.
3. Investigate the effect a celebrity being associated with negative information has on consumer purchase behaviour.

The researcher aims to demonstrate through these objectives that, as a consequence of the fact the modern public are more aware of celebrity private lives, the public are not as critical when the celebrity is associated with negative publicity.

The consequence of this is that there is little or no negative effect on consumer purchase behaviour toward celebrity endorsed brands.

## **5 Analysis and findings**

### **5.1 Introduction**

The purpose of this chapter is to examine in detail the findings of the primary research undertaken during the preparation of this study. The aim of the author is to clearly answer the research hypothesis posed at the beginning of this thesis, namely

### **5.2 Research Hypothesis**

*As a consequence of the fact the modern public have heightened exposure to the private lives of celebrities, the public are no longer judgemental when the celebrity is associated with negative publicity*

*The effect of this is that there is little or no negative effect on consumer purchase behaviour toward celebrity endorsed brands*

### **5.3 Questionnaire Findings**

This research intends to explore the following objectives

- 1 Examine attitudes of consumers toward celebrity endorsement of a brand
- 2 Identify the purchase intent of consumers of a brand endorsed by a celebrity
- 3 investigate the effect a celebrity being associated with negative information has on consumer purchase behaviour

The researcher will use non-probability sampling and base it on convenience and judgement. One Hundred questionnaires were distributed, the results were as follows

#### **Gender of those interviewed**

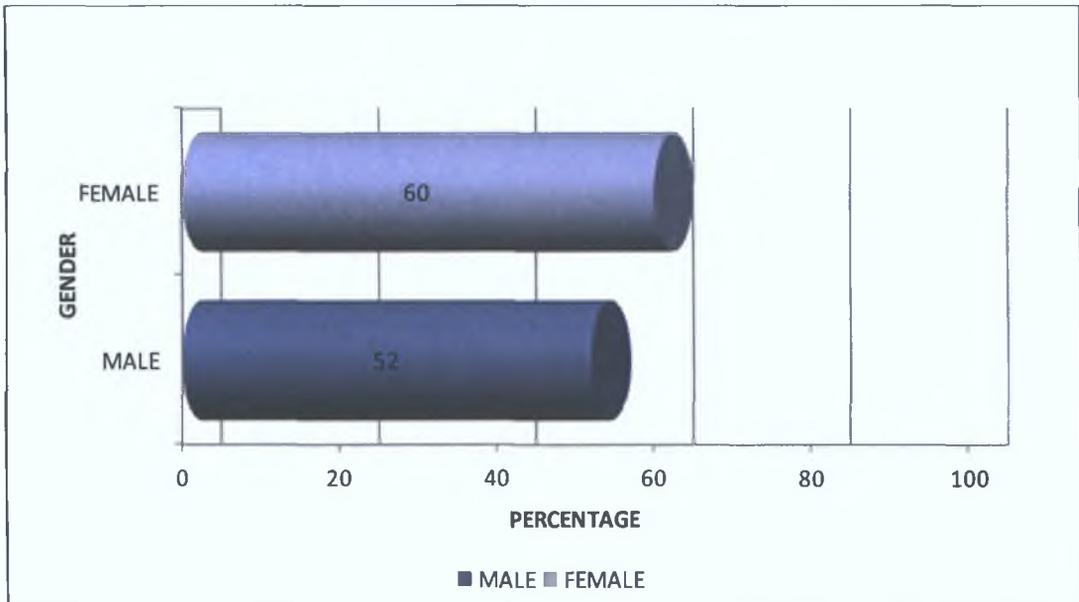
The results highlighted fifty (50%) of the sample were male and fifty (50%) of the sample were female, in order not to bias the results by questioning more of one gender than the other

#### **Age of those interviewed**

The respondents were asked to specify which age category they represented so the researcher could obtain data from all age categories

Q3 Are you more aware of an advertisement, when the advertisement features a celebrity?

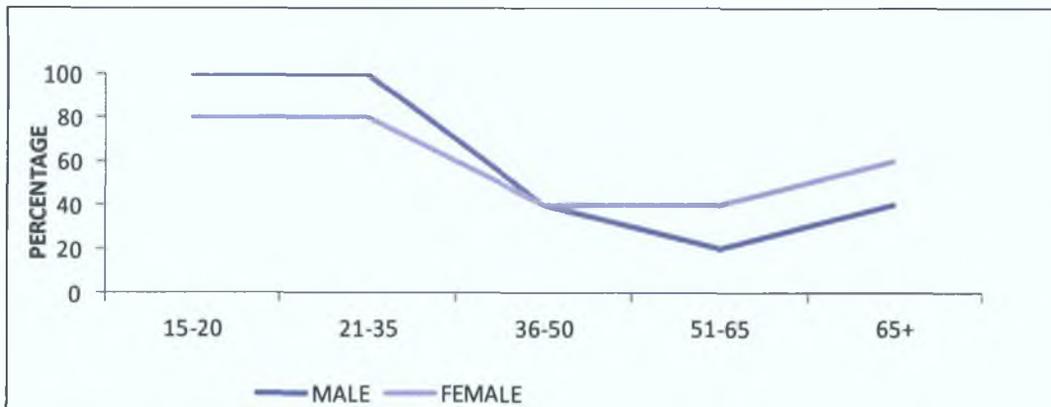
Figure 5-1: More aware of advertisements featuring a celebrity



The results show that in terms of gender balance, on the whole females are more aware of advertisements featuring celebrities.

Figure 5-1 is dissected below in figure 5-2 allowing analysis by age group to provide a more comprehensive analysis of which segment is most aware of celebrity endorsements.

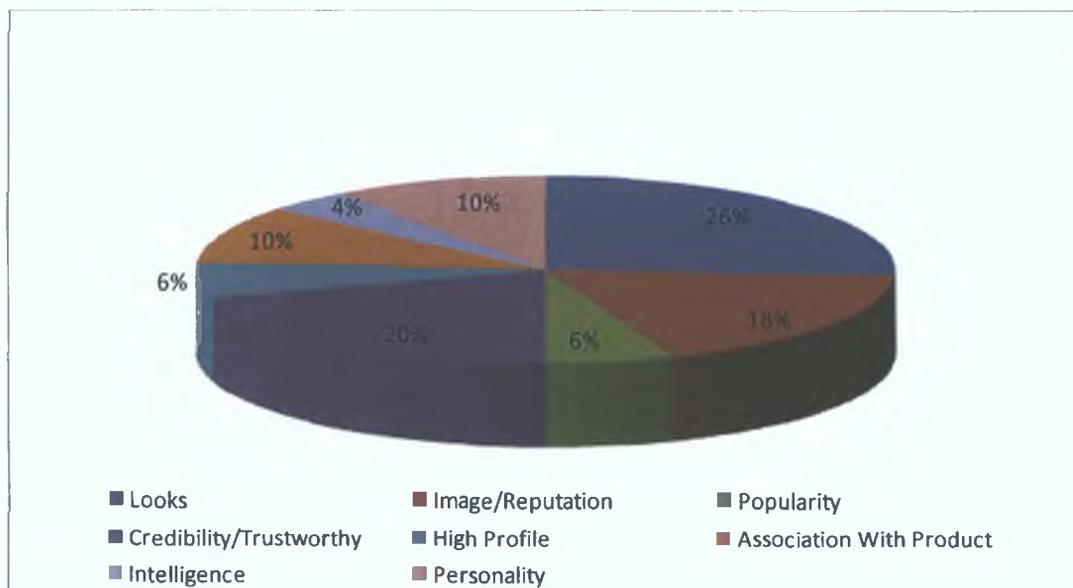
Figure 5-2: Awareness of Celebrity Endorsements



Q4. What characteristics do you feel are important for a celebrity to possess in order to endorse a product?

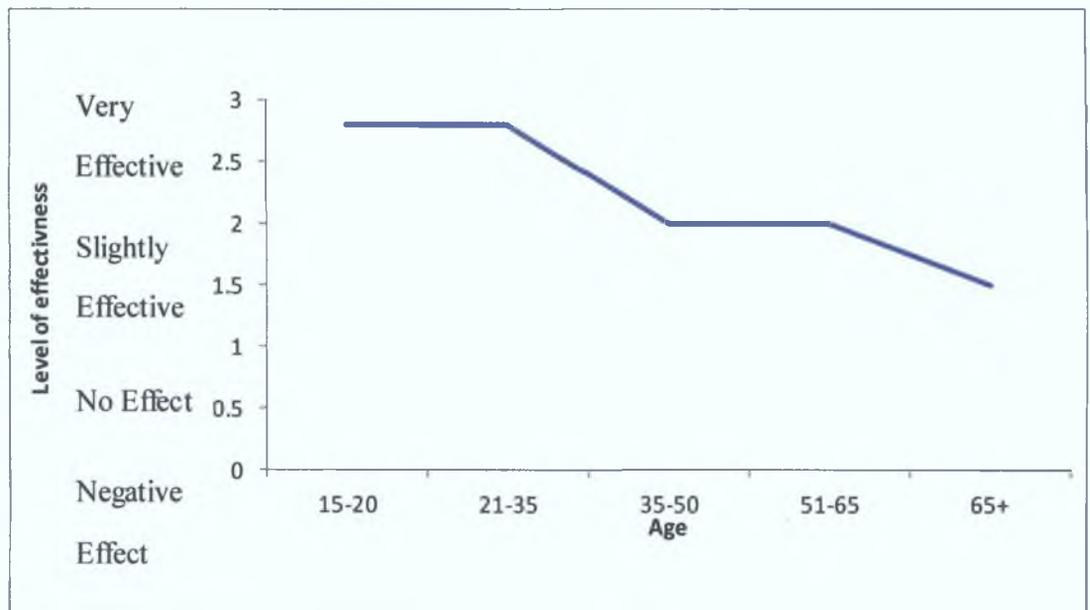
When the below data is analysed by respondent age group, significant divergences are apparent within the characteristics each age group desire in their celebrity endorsers. Of the respondents under 35; females primarily identified appearance as one of the most important characteristics while males typically looked for reputation, looks and popularity. As the respondent's age increases the characteristics desired changed to personality, honesty, reputation, looks, and then endorser relevance to the brand. This

√ Figure 5-3: Important Characteristics for Celebrity Endorsers



Q5.How do you rate the effectiveness of celebrity endorsement in raising the profile of a product or service?

Figure 5-4: Effectiveness of Celebrity Endorsement

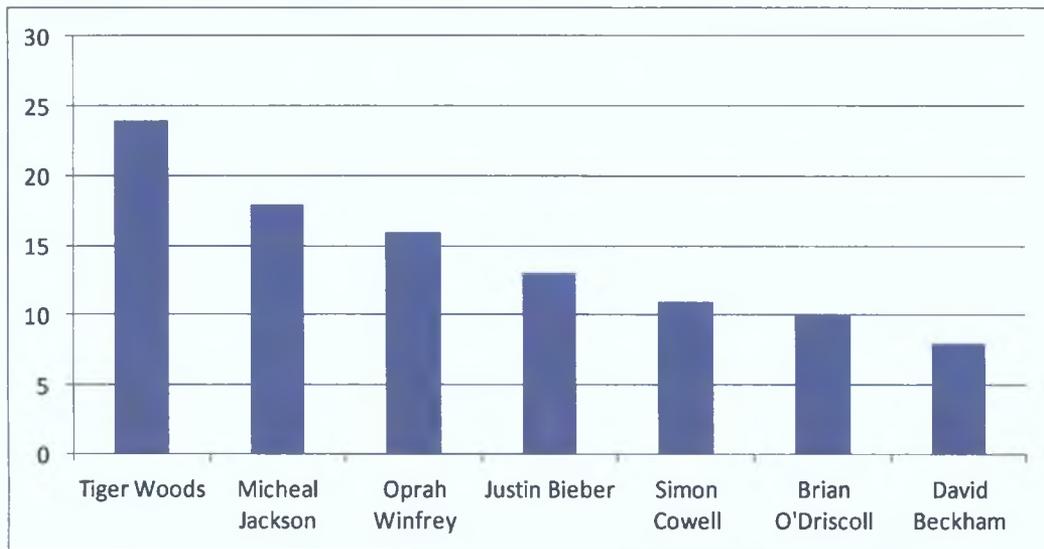


Here the respondent had an option of four categories highly effective, slightly effective, no effect and negative effect. The researcher attached a weight of 0 to 3 on each answer. Highly effective was represented by 3, slightly effective by 2, no effect had a value of 1, and negative effect had no value.

This data gives a clear indication that respondents surveyed from age fifteen to thirty five have a very positive attitude toward the use of celebrities to endorse products and services. In contrast, the effectiveness of the use of celebrities in advertising is reduced in the minds of respondents from age fifty onwards.

Q6. In your opinion; who has been the most influential celebrity over the last ten years?

Figure 5-5: Most Influential Celebrity



The results in Figure 5-5: Most Influential Celebrity are very interesting taking into account the recent and very public scandal concerning Nike Athlete endorser Tiger Woods, he is still considered by the general public to be extremely influential. A similar consideration could be taken looking at who the general public considers to be the second most influential celebrity – Michael Jackson, in spite of his association with negative publicity before his death he is still considered to be extremely influential by respondents

Considering the research hypothesis it is interesting to note that the top two celebrities have both been involved in scandal over the past ten years. This fact would give weight to the research hypothesis that; today's public are not affected by scandal in celebrities

private lives and that scandal or association with negative information will have little effect on consumers purchase intentions.

Q7. Have you ever purchased a product or service that was endorsed by a celebrity?

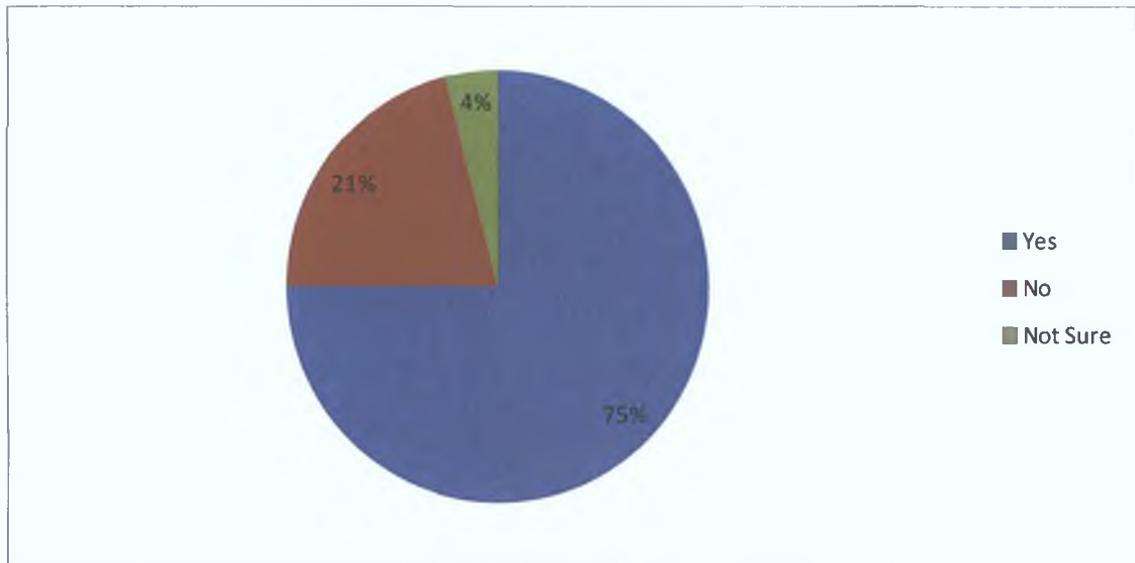


Figure 5-6: Purchased a Product or Service that was endorsed by a Celebrity

The results here are very interesting, clearly 75% of respondents have made purchases of products or services they are aware were endorsed by a celebrity. This lends weight to the supposition by Schelect (2003) that; the main rationale for using celebrities as spokespersons is their huge potential influence on the target audience. In comparison to other endorser types, celebrities achieve a higher degree of attention and recall. The

evidence shown above enforces the holding that the use of celebrity endorsement in advertising results in recall.

Q8. Following the previous question, if you answered yes – Did you make your purchase because the product or service was endorsed by a celebrity?

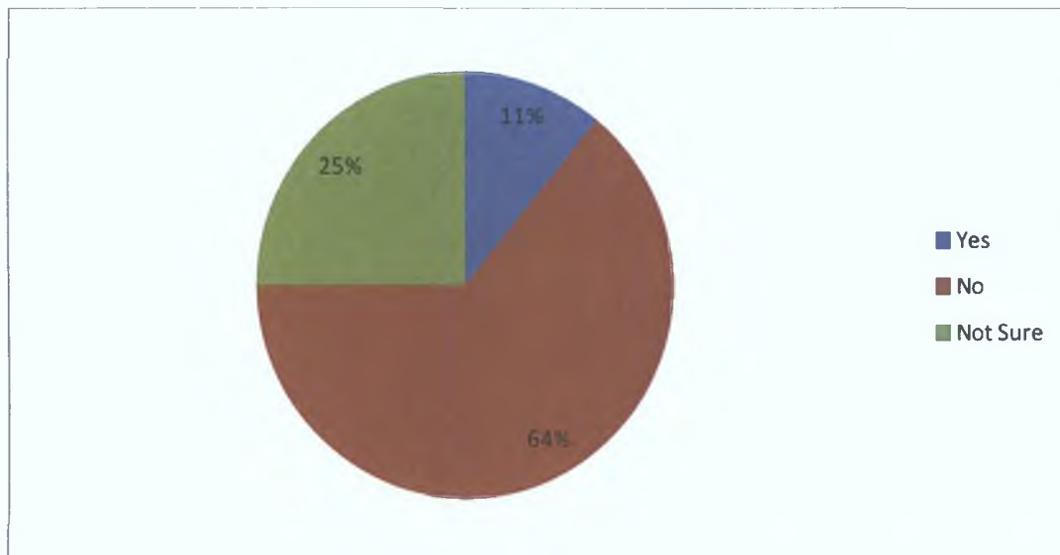


Figure 5-7: Purchase Because of Celebrity Endorsement?

What is interesting here is the contrast between the result from the previous question (Q.5) and this question. The contrast is interesting because although 75% of respondents were aware of the fact that they purchased a product endorsed by a celebrity only 11 % of them made the purchase because of the celebrity. At this point it is interesting to note that respondents may have been unaware of the subliminal effect of the meaning transfer (McCracken, 1989) from the celebrity to the product causing the purchase or

alternatively; respondents were unwilling to divulge that they made a purchase because a specific celebrity was associated with a product or were embarrassed to admit it.

An alternative view to take on these contrasting results is that celebrity endorsement only results in raising the profile of a product or service but does not influence the purchase behaviour of the consumers.

Q9. Do you pay more attention to advertisements when they feature a celebrity?

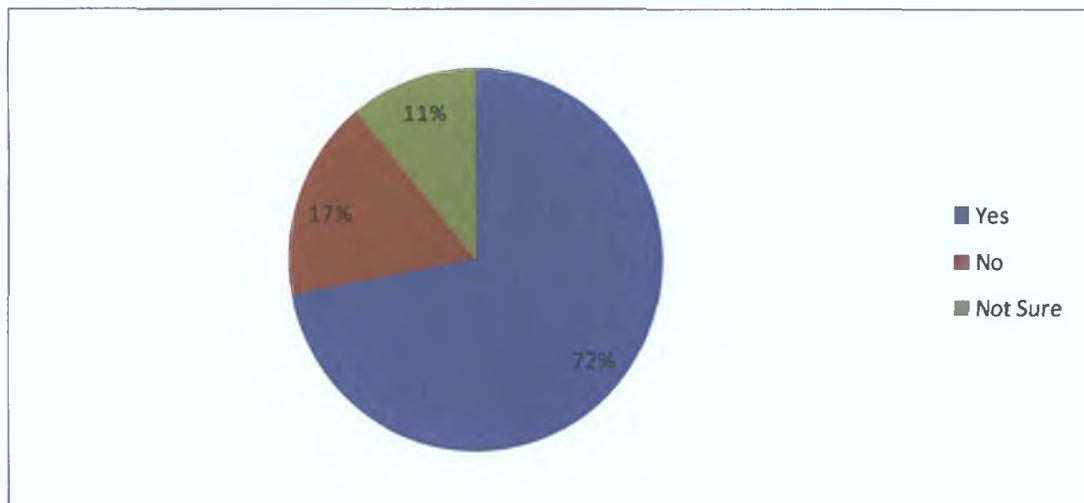
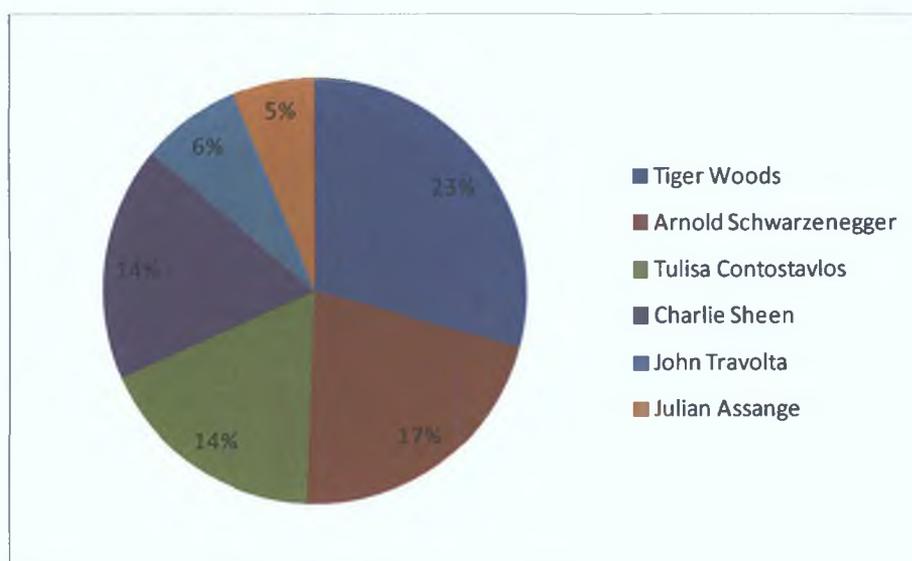


Figure 5-8: Pay more attention to Advertisements featuring a Celebrity?

This is strong evidence of the effectiveness of celebrity endorsement in advertising. In question six 64% of respondents stated they did not make their purchase specifically because the product was being endorsed by a celebrity. The above research shows that 72% of respondents are more likely to pay attention to an advertisement which features a

celebrity. These findings are supported in the literature review where Schlecht (2003) holds that; in comparison to other endorser types, celebrities achieve a higher degree of attention and recall.

Q10. Can you recall any celebrities that have been associated with negative publicity recently?



The Figure 5-9: Celebrities associated with Negative Information

This research shows clearly that the respondents have a good level of knowledge of celebrity scandals, equipping them well to answer the survey questions posed. Nike endorser Tiger Woods is still topical despite the fact that the negative publicity surrounding him occurred in 2009 and there has been no further revelations in 2012.

Q11. In the event a celebrity was associated with negative information would that affect your purchase of the product the celebrity was endorsing?

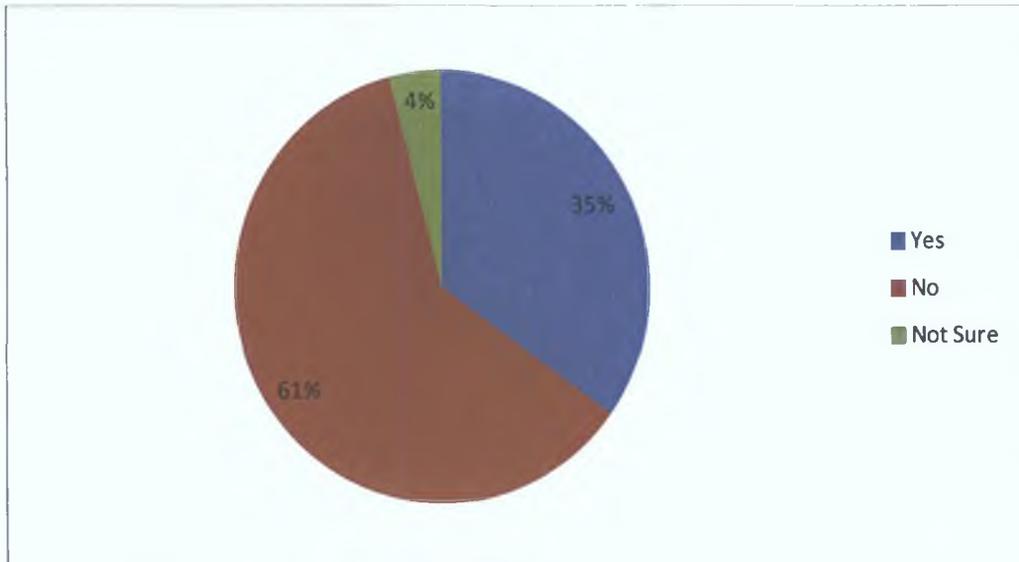


Figure 5-10: Negative information affect purchase?

Figure 5-9 shows that 61% of respondents would continue to purchase brands endorsed by a celebrity following that celebrity being associated with negative information, at the same time as 35% of respondents maintain they would alter their purchase intent as a result of a celebrity endorser being associated with negative information. This data supports the research hypothesis that; *As a consequence of the fact the modern public have heightened exposure to the private lives of celebrities; the public are no longer judgemental when the celebrity is associated with negative publicity.* This is shown as two thirds of those surveyed state they would not change their intention to buy an endorsed product or service as result of a celebrity endorser scandal.

Q12. Where endorsers have been fired because of negative publicity, in your opinion is it possible for endorsers to come back from this and to endorse products again?

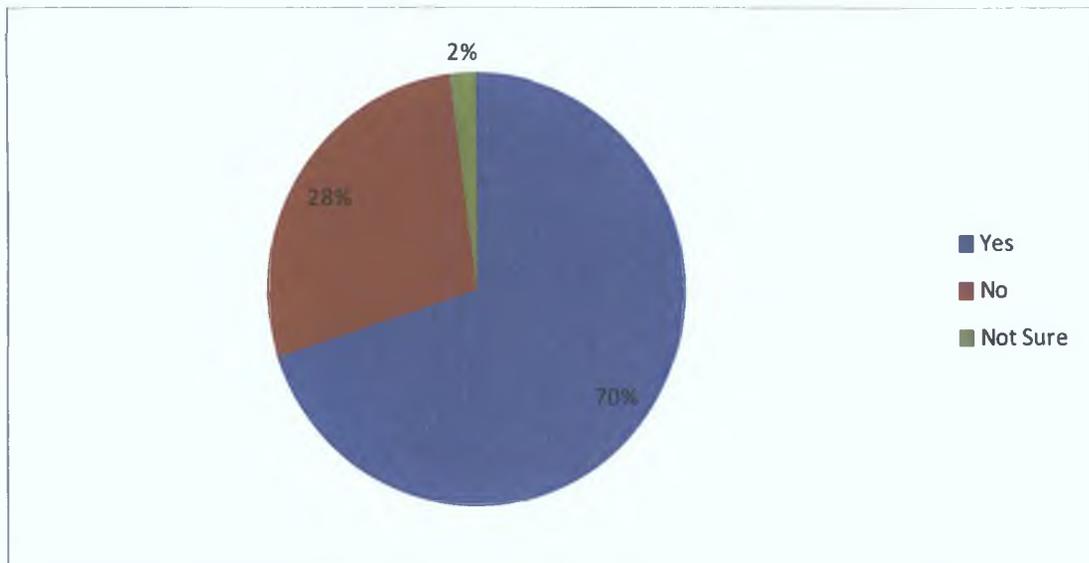


Figure 5-11 : Can Celebrity Endorsers be redeemed?

These findings support those in question four where the first and second celebrity endorsers recalled by respondents have been involved with adverse publicity in the recent past.

This data also supports the research hypothesis that; *As a consequence of the fact the modern public have heightened exposure to the private lives of celebrities; the public are no longer judgemental when the celebrity is associated with negative publicity.* The evidence shown in Figure 5-11 shows that consumers are prepared to forgive and forget. The extent to which consumers would be prepared to forgive would make for interesting research at a later date.

## **6 Summary and findings**

The researcher will summarise the findings with reference to the research objectives of this thesis

### **1 Research objective 1 Examine attitudes of consumers toward celebrity endorsement of a brand**

Questions asked relating to research objective 1

- Q3 Are you more aware of an advertisement, when the advertisement features a celebrity?
- Q4 What characteristics do you feel are important for a celebrity to possess in order to endorse a product?
- Q5 How do you rate the effectiveness of celebrity endorsement in raising the profile of a product or service?
- Q6 In your opinion who has been the most influential celebrity over the last ten years?

### **Findings**

This research has shown that in terms of gender balance females are 12% more aware of advertisements featuring celebrities than males. It can be seen in the additional analysis that awareness of celebrity endorsements reduces significantly for both males and females after age thirty five. This points to the likelihood that, celebrity endorsement as

an effective means of communication is less effective on those aged thirty five and over and is most effective on those aged fifteen to thirty five

For respondents under thirty five females primarily identified appearance as one of the most important characteristics while males typically identified the most important characteristics as reputation, looks and popularity. For both male and female respondents as they passed thirty five and over the characteristics desired altered to; personality, honesty, reputation, looks, and finally endorser relevance to the brand.

Respondents surveyed from age fifteen to thirty five have a very positive attitude toward the use of celebrities to endorse products and services. In contrast, the respondents' opinion of the effectiveness of the use of celebrities in advertising is reduced for those aged fifty and over.

Finally, respondents' opinion on the most influential celebrity of recent times provided the researcher with some very interesting results. All but one of the endorsers identified by respondents without prompt are over thirty with four of them over forty. This provides an interesting contrast when taking into account previous data showing that as consumers age their opinion of the effectiveness of celebrity endorsement, and their opinion of its effect on the is reduced.

In terms of research questions 1; the data collected and interpreted gives an excellent understanding of consumer attitude to celebrity endorsement across a broad spectrum of the population clearly showing the consumer attitudes to celebrity endorsement fade with age, in that older consumers regard celebrity endorsement as less effective for them than for younger consumers.

2. **Research objective 2:** Identify the purchase intent of consumers of a brand endorsed by a celebrity

Questions asked relating to research objective 2:

- Q7. Have you ever purchased a product or service that was endorsed by a celebrity?
- Q8. Following the previous question, if you answered yes – Did you make your purchase because the product or service was endorsed by a celebrity?
- Q9. Do you pay more attention to advertisements when they feature a celebrity?

### **Findings**

As shown; 75% of respondents were aware that they had made purchases of celebrity endorsed products. Of the 21% who had stated they had never purchased an endorsed product 88% of them were fifty and over. In terms of purchase behaviour only 11% of respondents surveyed actually purchased a product because it was endorsed by a celebrity, with this being the sole reason for purchase. What is interesting to consider in

light of the research question is the fact that one quarter of respondents were not sure whether they purchased a product because it was endorsed by a celebrity or not.

As stated, it is the researcher's view that respondents were unwilling to divulge that they made a purchase solely because it was endorsed by a celebrity as it shows a lack of independent thinking

The data when analysed was unequivocal showing that 72% of respondents stated they paid more attention to advertisements when they featured a celebrity. This is consistent with findings in this primary research. Again reinforcing the holding of Schlecht (2003) where he identified that in comparison to other endorser types, celebrities achieve a higher degree of attention and recall.

In respect of the research question it was established clearly by the researcher that consumers do not think they are making purchases because of the fact that the product is associated with a celebrity. Consumers rather feel that this endorsement calls the product to their attention rather the effecting a purchase decision.

3. **Research objective 3:** Investigate the effect a celebrity being associated with negative information has on consumer purchase behaviour

### Questions asked relating to research objective 3

- Q10 Can you recall any celebrities that have been associated with negative publicity recently?
- Q11 In the event a celebrity was associated with negative information would that affect your purchase of the product the celebrity was endorsing?
- Q12 Where endorsers have been fired because of negative publicity, in your opinion is it possible for endorsers to come back from this and to endorse products again?

### Findings

The data analysed shows that respondents were very much aware of celebrities who had been associated with negative information, with a broad spectrum of European and American celebrities cited

A direct question was asked of respondents in response to research question three, would negative information affect their purchase? Approximately two thirds of respondents said that it would not affect the purchaser intentions, with one third holding that it would. Deeper analysis of these responses provides for a clearer picture. Of the two thirds, 85% of these respondents were aged fifteen to thirty five. This supports the research hypothesis that, *the modern public are not as critical when the celebrity is associated*

*with negative publicity.....The effect of this is that there is little or no negative effects on consumer purchase behaviour toward celebrity endorsed brands.*

This research supports action taken by Nike not to dismiss Tiger Woods as an Athlete Endorser when many other companies did so (as identified in the literature review) notwithstanding the fact the for a sustained period of time from 2009 to early 2012 he was associated with adverse publicity. It can be said therefore that Nike banked on the fact that their target market would not turn their back on Woods endorsed products.

## 7. Conclusions

### 7.1 Research Hypothesis – result

*As a consequence of the fact the modern public have heightened exposure to the private lives of celebrities; the public are no longer judgemental when the celebrity is associated with negative publicity.*

*The effect of this is that there is little or no negative effect on consumer purchase behaviour toward celebrity endorsed brands.*

Following the research findings detailed, the author is confident that celebrity endorser association with negative publicity does not adversely affect consumer purchase behaviour. The author shows at figure 5-9 that 61% of respondents would continue to purchase brands endorsed by a celebrity following that celebrity being associated with negative information. Figure 5-11 shows that consumers are prepared to forgive and forget, with 71% of respondents believing endorsers could move on from adverse publicity to endorse products again.

The author is confident that celebrity endorsement is an effective means of advertising. It has been shown clearly that celebrities increase the attention consumers pay to advertisements, and that the use of endorsers significantly increases recall. Consumer attitudes toward celebrity endorsement of a brand have been proven to be positive with

consumers recognising the use of celebrities and understanding their presence in advertising. It has been shown that, in the minds of a substantial number of consumers their purchase intentions toward a brand endorsed by a celebrity are largely not affected by the endorsement. This is where the primary research and the literature review differed. It is the opinion of the author that consumers may not be aware of the subtleties and persuasive powers of endorsers as detailed by the high recall of celebrity endorsers from those surveyed.

Finally, it has been established that for almost two thirds of respondents surveyed an endorser being associated with negative information would not affect their purchase decision toward that endorsed product, thus supporting the hypothesis.

## **7.2 Recommendations**

A further study would be recommended to be undertaken from an international perspective to establish if the attitudes and behaviours of consumers towards celebrity endorsed products traits change from country to country. Psychometric tests could be performed as part of this study to determine the fundamental reasons behind consumers' motivations for identifying with certain celebrities. Further research that would also prove useful would be an examination of a range of companies' selection procedures for celebrities, in order to determine how effective each technique is for each company with a view to formulating a comprehensive model for selecting celebrities.

In reading this study it is the authors hope that firms and marketing companies can better appreciate the complexities involved in selecting a celebrity endorser. This is especially important for campaigns aimed at specific demographics where the selection of the right celebrity is tantamount to a successful campaign.

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## Appendices

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### Appendix 1 – Research Survey

Dear Respondent,

You have been invited to take part in a survey as part of a research thesis I am carrying out in partial fulfilment of my Masters in Management at the National College of Ireland

The central focus of this thesis is Celebrity Endorsement and the use of endorsers by companies to promote their products and services. Most research in this area focuses on the positive effects of celebrity endorsement on companies. This research principally asks, what effect the endorser being associated with negative information has on your intention to purchase a product or service?

Specifically, negative publicity or information is defined as any information with negative connotations which results in a decrease in celebrity trustworthiness.

Finally, thank you for taking the time to complete the survey.

Kind Regards,

Kieran Leahy

## Celebrity Endorsement Questionnaire

1 What is your gender?

Female

Male

2 Which category below includes your age?

25 or younger

25-35

35-50

50 or older

3 Are you more aware of an advertisement, when the advertisement features a celebrity?

Yes

No

4 What characteristics do you feel are important for a celebrity to possess in order to endorse a product?

5 How do you rate the effectiveness of celebrity endorsement in raising the profile of a product or service?

Negative Effect

No Effect

Slightly Effective

Very Effective

6 In your opinion who has been the most influential celebrity over the last ten years?

7 Have you ever purchased a product or service that was endorsed by a celebrity?

- Yes
- No
- Not Sure

8 Following the previous question, if you answered yes – Did you make your purchase because the product or service was endorsed by a celebrity?

- Yes
- No
- Not Sure

9 Do you pay more attention to advertisements when they feature a celebrity?

- Yes
- No
- Not Sure

10 Can you recall any celebrities that have been associated with negative publicity recently?

Yes

No

Not Sure

11 In the event a celebrity was associated with negative information would that affect your purchase of the product the celebrity was endorsing?

Yes

No

Not Sure

12 Where endorsers have been fired because of negative publicity, in your opinion is it possible for endorsers to come back from this and to endorse products again?

Yes

No

Not Sure

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