

Celebrity Endorsements: Do they sell?

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Celebrity Endorsements is a highly effective strategy for a company to gain the consumer interests and build brand loyalty in a cluttered marketplace (Hung, 2014). When you are a consumer and you are looking for a product, the first thing that will come to your head is if this product or service is reliable. The presence of a celebrity in an advertisement is likely to be influential in the purchase of a product (Jolly, 2014). The use of celebrities in advertising has increased tremendously over the last few decades (Lee, 2014). It is estimated that roughly one in four commercials in the United States uses a celebrity endorser for a company's product or service (Erdogan, 1999). Celebrity endorsement influences advertising effectiveness, brand recognition, brand recall, purchase intentions, and even the purchase behavior (Spry et al, 2009). Recent research has also shown that a celebrity endorsement will lead to a positive attitude toward the endorsed brand (Till et al, 2008).

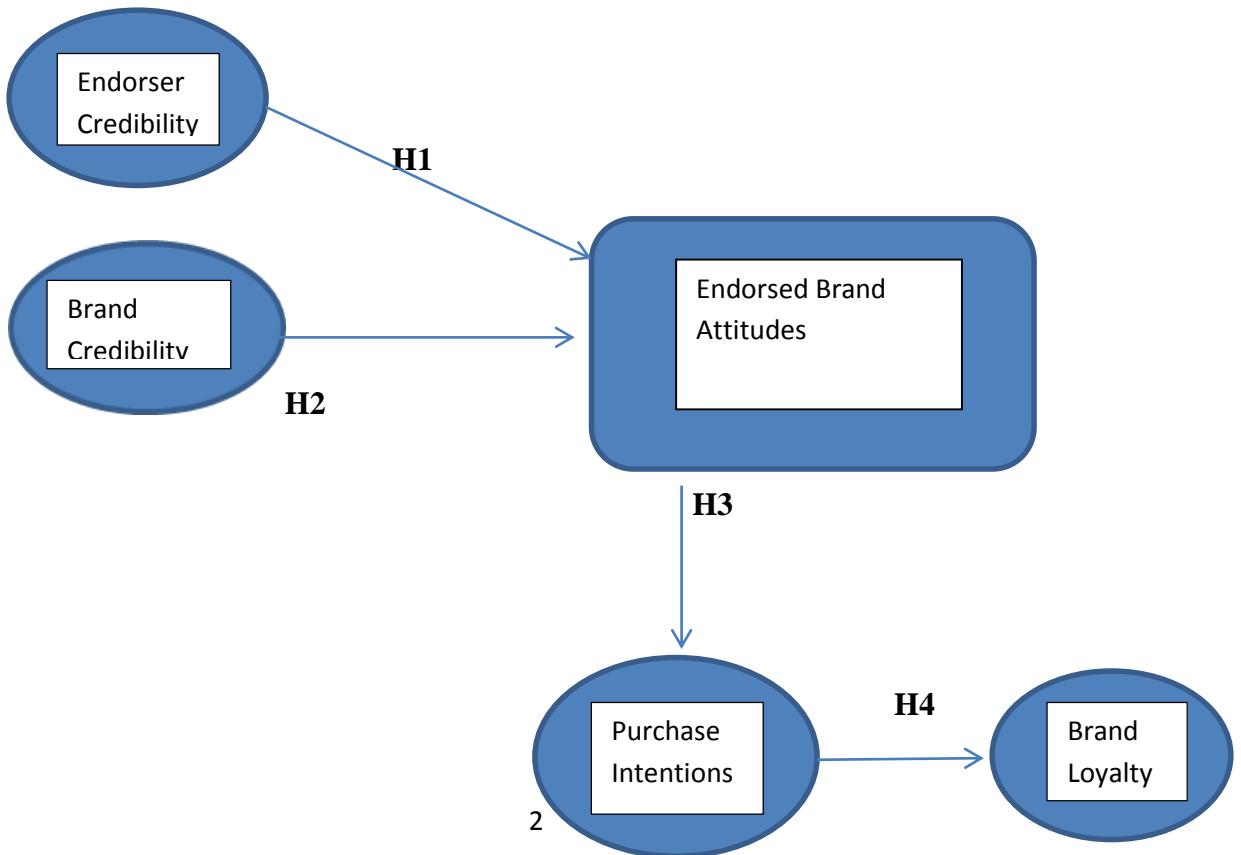
This study examines how effective a celebrity endorser is to a brand and that brand image as well as if the celebrity endorser increases the purchase intention of the consumer towards a product with a celebrity endorser. This study focuses on the target market of college kids and effect of endorser credibility with the intent of purchase intention. What attitudes do college kids have towards the reasons for using the product advertised by a celebrity? 53.33% of respondents use the product for a status symbol, 25.33% of respondents use the product to imitate the celebrity, and the rest use the product for the trust that they have towards that product (Jolly, 2014). Celebrities are more of a target towards college kids for the reasons of building their status rather than adults who are already established in their ways. In addition, this research

compares how the gender of the celebrity endorser plays a role in purchase intention. Thus, this study uses Theory of Reasoned Action as a theoretical framework. The Theory of Reasoned Action is a model for the prediction of behavioral intention, wide ranged predictions of attitude and predictions of behavior. The separation of behavioral intention from behavior allows for explanation of limiting factors on the attitude influence (Ajzen, 1980). Using Theory of Reasoned Action, this study will be able to find out the relations to celebrity endorsement and the possible leading towards a purchase intention along with consumers' brand loyalty.

Theory of Reasoned Action.

The Theory of Reasoned Action is a model for the prediction of behavioral intentions to then leading to purchase intentions. Based on the Theory of Reasoned Action, this study proposed the research model (Figure 1.)

Figure 1.



Endorser Credibility.

A celebrity endorser is any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement (McCracken, 1989). The study done by Jolly shows just how credible the endorser has to be in order to be a positive influence on the product or service. Endorser Credibility has to have good source credibility. It views celebrities as credible spokesperson or opinion experts in the brands they endorse, thereby providing consumers with a degree of confidence in the advertising message, raising the level of acceptance, and exerting a positive impact on attitude change and behavioral compliance (Hung, 2014). Celebrities are believed to be more effective at holding the attention of the consumer through all of the clutter of the competing ads (Kaikati, 1987). Celebrity endorsements can also affect perceived quality of that brand (Spry et al, 2009). When a celebrity endorses a brand, consumers may not only associate the celebrity with that brand, but they may also link the associations with that celebrity to that brand and create a larger network of associations (Spry et al, 2009).

Brand Credibility.

Brand credibility is one of the most important factors of creating and increasing customer loyalty commitment (Khoshisma et al, 2013). The brand loyalty is the ultimate goal of a firm that has a product with a special trademark and when customers are proud about the company and brand then this will increase their likely of not only buying the product but also saying good things about the company and recommendations of the company to others (Sobhani, 2011). A firm can work towards building brand credibility as it is largely driven by the quality of the information brought through the marketing strategies associated with a brand (Erdem & Swait,

1998). Brand credibility forces a company to then be honest about their products and services and to have to deal with complaints made about their activities (Sweeny & Swait, 2012). Brand credibility originally meant a company having a long term interaction between customers and suppliers of products or services, whereas now explains a bit of satisfaction of the customer (Sweeny & Swait, 2012).

Endorsed Brand Attitudes.

As a company, you always want to have a positive feedback from your consumers. This will then establish a positive attitude towards the company. By promoting source attractiveness, consumers may associate the endorsed brand with positive evaluations based on their positive opinions of the celebrity (Hung, 2014). While a celebrity can effectively draw attention to an advertisement, his or her impact on other variables-brand awareness, recall of copy points and message arguments, brand attitudes, and purchase intentions must also be considered (Belch and Belch, 1995). It has been found that when the credibility of a source is perceived as low, the positive effect of a strong brand message claim disappears (Aronson et al, 1963).

Purchase Intentions.

This study wanted to test if there is a connection with celebrities endorsing a product to attract customers to buy that product. In order for there to be a purchase intention by the customer there has to be two things, a product to purchase, and advertisement for that product to be promoted. George Stigler found that advertising which provides information about objective attributes such as price and physical traits will influence brand association and will lead to a purchase intention by the customer.

Brand Loyalty.

Brand loyalty is defined as a tendency toward being loyal to a basic brand that, by intention of purchasing will be shown as a primary choice (Khoshima et al., 2013). Customers first purchase a product with a specific brand to test it. Then after consent and satisfaction, the customer is willing to repeat and continue the purchasing that brand because now they know and trust it (Sobhani, 2011). According to Sobhani 2011, Brand loyalty has four important results, and they are:

- Increasing the amount of sales.
- Loyal customer positively will advertise mentioned brand and eventually will prefer that brand to other ones.
- Keeping existing customers is better than finding new customers, and this will result in reducing distribution, competition and marketing costs.
- The ability of increasing prices, due to reducing customer sensitivity toward changing price.

Hypotheses.

Endorser Credibility.

Consumers may associate the endorsed brand with positive evaluations based on their positive opinions of the endorsed celebrity (Hung, 2014). A celebrity endorser operates as a co-brand for the endorsed brand resulting in the creation of equity for both the endorsed brand and the endorsing celebrity (Seno & Lukas, 2007).

H1: Consumers' endorser credibility will lead to positive endorsed brand attitudes.

Brand Credibility.

Brand credibility reflects a belief based on the ability and desire of brand to fulfill its promises that includes two main aspects; reliability and allocation (Sweeny & Swait, 2012). A brand that is reliable will engage with a positive endorsed brand attitude. Brand credibility encompasses expertise and trustworthiness (Edrem et al., 2006). Thus being said results in a positive attitude towards the endorsed brand.

H2: Consumers' brand credibility will lead to positive endorsed brand attitudes.

Endorsed Brand Attitudes.

The presence of a celebrity in an advertisement is likely to be influential in the purchase of a product (Jolly, 2014). A favorable celebrity's presence and convincing testimonial given by such a celebrity may persuade the respondent to purchase the product (Jolly, 2014). A celebrity that is more expert has been found to be more persuasive and to generate more intentions to buy the brand (Ohanian, 1991.)

H3: A celebrity with a positive endorsed brand attitude will increase the purchase intentions of the consumer.

Purchase Intentions.

Brand loyalty is defined as a tendency toward being loyal to a basic brand that, by intention of purchasing will be shown as a primary choice (Khoshima et al, 2013). When customers are proud about the company this will increase their volume of buying, and lead to them recommending the brand to their friends (Sobhani, 2011).

H4: Purchase intentions of a product will lead to brand loyalty.

METHODS

Data Collection

The participants for this study were randomly selected on the McKendree University campus. Participants were informed before taking the survey that this study was voluntarily and also the survey results would be kept confidential. A total of 100 McKendree students took the survey, 61% coming from males and 39% from females. The age range of the participants was 18 to 34. The School of Business made up 76% of the total population for the survey. The other 24% came from students majoring in Math, Biology, Education and Psychology. Caucasians were the dominant ethnicity to participate in the study making up 79%. African-American made up 11%, Asian American made up 5%, and Hispanic American made up 3%. There was an evenly distributed range in year in school that the participants were in taking this survey. Freshman made up 28%, Sophomores made up 25%, Juniors made up 29%, and Seniors made up 17%. In terms of annual family income, 31% of the students had incomes greater than \$100,001. 17% of the students had incomes between \$80,001- \$100,000. 18% of the students had incomes between \$60,001- \$80,000. 15% of the students had incomes between \$40,001- \$60,000. 5% had incomes between \$20,001- \$40,000. Another 5% had incomes between \$10,001- \$20,000. The last 3% had incomes less than \$10,000.

Measurement

Scale items for celebrity endorsements were adopted from Sprys' study (2009). School involvement scale items resulted in Cronbach's alpha of .435; Endorser Credibility .94, Brand Credibility .95, Endorsed Brand Attitudes .88, Purchase Intention .90, Brand Loyalty .90. Most of the survey question were measured on a 7-point scale

with how strongly you agree or disagree with the statement. The other questions were measured on a scale of your impression towards the celebrity doing the endorsements and in this study's case, it was David Beckham. The rest of the questions were a variety of personal information questions, such as, gender, age, major, ethnicity, year in school, and family annual income.

Table 1. Demographic Profiles

VARIABLES	PERCENTAGE
Gender	
Male	61%
Female	39%
Age Range	
	18-34
Major	
Marketing	14%
Business Administration	21%
Finance	4%
Economics	9%
Sports Management	12%
Management	5%
Accounting	7%
Other	24%
Ethnicity	

Caucasian	79%
African-American	11%
Asian-American	5%
Hispanic-American	3%
Year in School	
Freshman	28%
Sophomore	25%
Junior	29%
Senior	17%
Family Income	
<10,000	3%
10,001- 20,000	5%
20,001- 40,000	5%
40,001- 60,000	15%
60,001- 80,000	18%
80,001- 100,000	17%
>100,001	31%

Table 2. Reliability

Constructs	Items	Reliability

Brand Credibility	Adidas reminds me of someone who's competent, and knows what he/she is doing.	.95
	Adidas has the ability to deliver what it promises.	
	Adidas delivers what it promises.	
	Adidas product claims are believable.	
	Overtime, my experiences with Adidas have led me to expect it to keep its promises.	
	I can trust Adidas.	
Endorser Credibility	Adidas doesn't pretend to be something it isn't	
	Please rate the scales below by checking (X) in the same space. My overall impression of David Beckham's credibility is:	
	Attractive Unattractive	
	Classy Not Classy	
	Beautiful Ugly	
	Elegant Plain	
	Sexy Not Sexy	
	Expert Not an Expert	
	Experienced Inexperienced	.94
	Knowledgeable Unknowledgeable	
	Qualified Unqualified	
	Skilled Unskilled	
	Dependable Undependable	
Endorser Brand Attitudes	Honest Dishonest	
	Reliable Unreliable	
	Sincere Insincere	
	Trustworthy Untrustworthy	
	Please rate with an (X) how suitable you think David Beckham is for the advertisement for Adidas.	
Attitudes	Bad Fit Good Fit	.88
	Not Logical Very Logical	
	Not Appropriate Very Appropriate	
	Not Confident Confident	

	Bad Taste	Good Taste	
	Won't Buy	Will Buy	
Purchase Intention	I am more likely to purchase Adidas merchandise (Shirts, hoodies, athletic gear, etc.) than any other brand.		.90
	I would consider purchasing Adidas merchandise (Shirts, hoodies, athletic gear, etc.) even if it is expensive.		
	In the near future, I intend to buy Adidas products (Shirts, hoodies, athletic gear, etc.)		
Brand Loyalty	I feel loyal to Adidas when considering the purchase of athletic gear.		.90
	It is likely that Adidas would be my first choice when it comes to purchasing athletic gear.		
	I would not buy another brand of athletic gear if Adidas was available at the store.		

Analyses

The first multiple regression analysis was performed using Endorser credibility and Brand credibility and how it leads to Endorsed brand attitudes. This analysis was performed to test the hypotheses that both of these will lead to a positive endorsed brand attitude. The second regression analysis was performed using the Endorsed brand attitudes and how it could lead to the purchase intention of the product or brand. The hypothesis tested was a celebrity with a positive endorsed brand attitude will increase the purchase intentions of the consumer. The last regression analysis was performed using the purchase intentions of the consumer and seeing if it will lead to brand loyalty. The hypothesis was the purchase intentions of a product will lead to brand loyalty.

Table 3. Regression Results

	Brand Credibility =>Attitudes	Endorser Credibility =>Attitudes
Beta Coefficient	.309	-.421
t-value	3.521	-4.788
p-value	.001	.000
Adjusted R square	.342	.342
F	25.674	25.674
P	.000	.001

Table. 4 Regression Results

	Endorsed Brand Attitudes =>Purchase intentions
Beta Coefficient	.292
t-value	3.002
p-value	.003

Adjusted R square	.076
F	9.013
P	.003

Table 5. Regression Results

	Purchase Intention =>Brand Loyalty
Beta Coefficient	.841
t-value	15.292
p-value	.000
Adjusted R square	.704
F	233.846
P	.000

Discussions and Implications

The results of my study have shown a direct and positive relationship between Endorser credibility and Brand credibility in leading to a positive Endorsed brand attitude. Both hypotheses were supported, H1 Consumers' endorser credibility will lead to positive endorsed brand attitudes and H2 Consumers' brand credibility will lead to positive endorsed brand attitudes. H3 A celebrity with a positive endorsed brand attitude will increase the purchase intentions of the consumer was also supported and had a direct and positive relationship between a positive endorsed brand attitudes and leading to purchase intention. Finally, my H4 Purchase intentions of a product will lead to brand loyalty was also supported. All four of my hypotheses were supported and also averaged a reliability of .91 which makes this study very credible with its findings.

In sum, celebrity endorsements for all companies in the market to do so can be an effective strategy for a brand as a whole like Adidas or Nike or for a specific product they could be endorsing. David Beckham as an endorser for Adidas is a credible source because of his icon of being a soccer superstar worldwide. Fortunately, sporting goods companies like Adidas using athletes are not the only ones to benefit, any company can use a celebrity to be a credible source for whatever product you have to offer. The framework that this study used has shown a positive effect a celebrity has when endorsing a brand or product. The results should be very similar as to the ones this study has provided.

Limitations and Future Studies

The limitations that this studied used was primarily focused on David Beckham and his image and role he plays with endorsing Adidas. One thing that can be tested is using a totally

different brand like Nike and having another endorser like Kobe Bryant and comparing the results with one another. Another limitation is if gender plays a role in the endorser. Could a female celebrity endorser produce the same positive results as a male. Both of these future researches would have similar results as the present study has done with using the same theoretical framework.

Another limitation that this study has is the overall target market for this study was college students attending McKendree University. The vast majority of the students that were a part of this study was from the United States and from the age range 18-34. Would using an older age range be as productive and positive, how do adults view celebrities and their role in endorsing products? Lastly, another direction this study can go to is seeing how its reliability is tested on an international basis. How would people from another country be affected by celebrity endorsements and what their views on that might be. This would be interesting to test because then that opens the celebrity endorsement market into an international business.

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