Chapter II

Literature Review
Part I: Consumer Attitude

2.1 Consumer attitude
Fishbein (1967) defines attitude as “a learned predisposition of human beings”. As part of a learned predisposition human behaviour, Kotler (2000) further elaborates attitude as an individual personal evaluation, emotional feeling attached and action tendency toward some objects or ideas.

2.2 Consumers’ Attitude towards Advertising
Alwitt and Prabhakar (1992) emphasized that studies on consumer attitude toward advertising remain important, as consumer attitude is likely to influence consumer’s attention and reaction to individual advertising. In particular, their attitudes toward advertising can enhance their brand attitudes and increase the likelihood of purchasing (Stone et al., 2000).

According to Mehta (2000), consumers’ attitude towards advertising is one of the influential indicators of advertising effectiveness because consumer’s cognitive ability towards the advertising are reflected in their thoughts and feelings and subsequently will influence their attitude towards advertising (Mackenzie and Lutz, 1989). According to Bauer and Greyser (1968) attitude towards advertising means audience behaviour towards the advertising. Audience behaviour towards the advertising can be indicated through consumers’ favourable or unfavourable response towards a particular advertisement (MacKenzie and Lutz, 1989).

According to Yang (2000); Ramaprasad & Thurwanger (1998), Pollay & Mittal (1993), Bauer & Greyser (1968) certain determinants like hedonic, good for economy, product information, values, corruption, materialism and consumer benefits consistently indicate strong relationship with consumers’ attitude towards advertising.

Attitudes are a popular research topic in advertising and marketing studies for at least two reasons: First, they are useful in predicting consumer behavior (Michell and Olaon, 1981), and second, several theoretical frameworks for the study of attitudes are available from social psychology researchers (Eagly and Chaiken, 1999), thereby facilitating research on this pivotal construct.

When applied to advertising, attitudes toward the ads have been defined as a “predisposition to respond in a favorable or unfavorable manner to a particular advertising stimulus during a particular exposure situation” (MacKenzie, Lutz and Belch, 1986). Attitudes toward the ads may
contain both affective reactions (e.g., advertisements-created feelings of happiness), and evaluations (e.g., of an advertisement’s credibility or informativeness) (Baker and Lutz, 2000).

Research shows that attitudes toward the ads are affected by brand or nonbrand processing set (Biehal, Stephen and Curlo, 1992; Hastak and Olson, 1989; Madden, Allen and Twible, 1988; Gardner, 1985; Homer, 1990). A study about attitudes toward the ads and brand choice by Biehal et. al (1992) investigated the applicability of two contrasting perspectives – the first was the indirect effects model, where attitudes toward the ads had an impact on attitudes toward the brand, and attitudes toward brand affects intentions; the second was that both attitudes toward the ads and attitudes toward the brand had direct, separate influence on intentions. Results supported the presence of an independent effect of attitudes toward the ads on brand choice and also suggested that subjects formed attitude toward advertisements during choice without prompting (Biehal et. al, 1992).

Part II: Celebrity Endorsement

2.3 Who is an Endorser?

An endorser is an individual who supports or recommends certain products, behaviors, services, and brands to audiences. Matching the right endorser with an appropriate message is a key determinant to gauge the success of brand because an endorser becomes the tangible representation of the brand or organization (Stafford, Stafford & Day, 2002).

2.4 Types of Endorser

The body of literature related to endorser effects has identified three types of endorsers: celebrities, experts, and typical persons (Friedman & Friedman, 1979; Friedman, Termini, & Washington, 1977; Kamins, 1989).

a. Expert Endorsements: Experts are defined as individuals who have detailed knowledge about a product/service (Biswas, Biswas & Das, 2006).

Expert endorsers are known for their ability to present more valid claims about a product than other types of endorsers (McCracken, 1989; Ohanian, 1990). Thus, experts are more frequently used more to describe the details of products, particularly when products involve high risks due to their high value and technological complexities (Friedman & Friedman, 1979).

Freiden (1984) found that experts were more highly rated in terms of spokesperson knowledge than other endorsers. Biswas et al. (2006) argue that assertions and claims made by an expert are conceivably more factual because experts are assumed highly knowledgeable on the issue.
Therefore, expert endorsements are considered more effective for products with higher risk or price (Biswas et al., 2006; Lafferty, Goldsmith & Flynn, 2005; Wang, 2005).

A handful of research has focused on the effectiveness of expert endorsement. A group of researchers have compared celebrity endorsements with expert endorsements (Biswas et al., 2006; Freiden, 1984; Friedman & Friedman, 1979). Friedman and Friedman (1979) compared a celebrity and a typical person with an expert and found that message believability was higher for an expert endorsing a vacuum cleaner. The researchers explained that subjects perceived honesty, expertise and sincerity when an expert endorsed a highly technical product (Friedman & Friedman, 1979).

Similarly, Biswas et al. (2006) examined the relationship between endorser types and risk perceptions toward products. The risk perception was defined as the level of audiences’ perceived risk involved with products. The results suggest that audiences perceived lower financial and performance risk when experts endorsed high involvement technological products, as opposed to celebrities, because experts were able to explain the details on the product.

b. Typical Person Endorsement: A typical person is an individual who does not have special knowledge about a product but can speak about the products’ use (Friedman & Friedman, 1979).

Normally, a typical person is used to encourage the purchase of the product as a consumer (Kamins, 1989). Generally, the findings of the previous research have shown that typical person endorsements are less effective than celebrity endorsement. Kamins (1989) examined impact of endorsers in a two-sided context where two types of endorsers (e.g. celebrity and typical person) made positive and negative claims about the product advertised. The results suggest that subjects rated celebrity endorsers more highly on likability and believability scales than typical person endorsers.

c. Celebrity Endorsement: Celebrity is defined as an individual who is well known to the public for his/her achievements in various areas (e.g., sports, television program, and movie) (Friedman & Friedman, 1979; Kamins, 1989).

Atkin and Block (1983) defined celebrity as a person who is famous, dynamic and has a quality that engages people.

Celebrity endorsements are popularly used in advertising for several reasons (Erdogan, Baker, & Tagg, 2001). First, because audiences easily recognize celebrities, it is thought that celebrity
endorsements help a brand stand out from ad clutter and draw audiences’ attention towards the promoted products (Atkin & Block, 1983; Erdogan et. al, 20001). Second, celebrities’ attractiveness can capture audiences’ attention and, accordingly enhance brand recall, recognition, and attitude towards the brand (Ohanian, 1991). Third, celebrity endorsements also draw media attention and create public relations opportunities (Erdogan et al., 2001; Stafford et al., 2002).

Past research has suggested that celebrity endorsements are more effective for promoting certain types of products over others (Alsmadi, 2006; Friedman & Friedman, 1979). Friedman and Friedman (1979) found that celebrity endorsements were more effective when celebrities endorsed luxury products (e.g., jewelry). Celebrities were found to be effective at enhancing brand recall and ad recall (Friedman & Friedman, 1979). In addition, Kamins (1989) found that the use of a celebrity increases consumers’ attitudes toward a brand. Kamins (1989) also found that celebrity endorsements enhance the believability of advertisement and product.

Previous research suggested that celebrity endorsements have a significant impact on purchase intention when they are perceived as experts. Ohanian (1991) found that a celebrity’s attractiveness, expertise, and trustworthiness are related to purchase intention of certain products, such as women’s cosmetics, cologne, and jeans. Ohanian (1991) explained that consumers assign importance to a brand according to their perceptions of a celebrity endorser’s physical attractiveness, and thus, they believe the celebrity to be an expert on the product advertised, such as jeans, cologne, or cosmetics.

Amos, Holmes, and Strutton (2008) conducted a meta-analysis to identify the relationship among celebrity endorsement effects, and found that media coverage of a celebrity has a significant impact on the success of celebrity-endorsed ads. For example, pop star Michael Jackson’s child molestation case provoked negative impressions of him and affected his Pepsi endorsement (Amos et. al, 2008). On the contrary, positive media coverage about a celebrity encourages the sales of the product/brand (Amos et al., 2008). For instance, Johny Cash’s (a well known celebrity in the 1970’s) favorable image was able to improve the image of American Oil Company (Kamen, Azhari, & Kragh, 1975).

d. **Created spokespersons as endorsers:** When an organisation cannot find a celebrity that is in unison with the organisation’s brand image, they can create their own “celebrity” endorser, i.e. a created spokesperson. There are two types of created spokespersons an organisation can
create; either real people acting out a role or animated/imaginary roles. A created spokesperson has some of the following advantages (Erdogan, 1999 and Tom et al,1992). Created spokespersons have a higher degree of control and are less costly than celebrities and marketers have the possibility to create a better fit between the product and the endorser. The endorser’s longevity will be for as long as the method is successful for the organisation, whereas “real” celebrities have limited longevity. The same created spokesperson can be used indefinitely and adapted to changing circumstances. According to Tom, Clark, Elmer, Grech, Masetti and Sandhar (1992) the created spokesperson’s effectiveness is in establishing a lifelong link with the product.

The biggest disadvantage when using a created spokesperson is that the endorser will only be well known after the organisation has created awareness and a high advertising spend. Tom et al (1992) suggest that marketing professionals should make use of created endorsers when the advertising objective is to create a long-term link between the endorser and the organisation. It should also be noted that celebrities would be the better choice when the organisation is interested only in establishing a short-term memorable link.

Created spokespersons are exclusively created by the organisation to promote its products and for this reason they might be perceived as less believable. The target audience is usually more familiar with celebrities because they are already well known. Created spokespersons however, do not have this advantage.

2.5 Celebrity in Advertising as an Endorser

A celebrity is defined as “an individual who is known to the public (i.e., actor, sports figure, entertainer, etc.) for his or her achievements in areas other than that of the product class endorsed” (Friedman and Friedman, 1979).

A celebrity endorser is a well-known person (e.g., actors, sports figures and artists) because of his successes in a special field other than the endorsed product class (James, 2004).

According to McCracken (1986), 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.

A celebrity sports endorser is defined as “a famous [athlete or coach] who uses public recognition to recommend or co-present with a product in an ad” (Stafford, Spears, & Hsu, 2003). These athletes may be active, retired or deceased (Constanzo & Goodnight 2005).
2.6 Endorsement effectiveness

The prevalent utilization of celebrity endorsement in marketing program is not an accident. Research has found that as compared to the other genre of endorsers such as the company manager, typical consumer and the professional expert, by far the celebrities are the most effective. (Seno & Lukas, 2007)

Atkin and Block 1983 and Petty et. al 1983 found that as compared to the non-celebrity endorsers, the celebrity endorsers produced more positive attitudes towards advertising and greater purchase intentions.

In the light of company reports and academic writing it is safe to argue that celebrity endorsers are more effective than non celebrity endorsers in generating desirable income.(Erdogan 1999).

Atkin and Block (1983); Petty et al. (1983) and Ohanian (1991) suggest that *celebrity endorsers produce more positive attitudes towards advertising and greater purchase intentions than a non-celebrity endorser.*

McCracken (1989) argues that celebrities are different from the anonymous person, because *celebrities deliver meanings of extra subtlety, depth, and power.* He added that *celebrities offer a range of personality and lifestyle meanings that the anonymous person cannot provide.* The writer refers to the meaning that the celebrity endorser could give to the product that was generated in distant movie, music performances or athletic achievements. Nevertheless, celebrities are still human beings which are in fact highly individualized and complex bundles of cultural values and meanings.

In a similar vein, McCracken (1989) contends that even the most heavily stereotyped celebrity represents not a single meaning, but an interconnected set of meanings. The results generally indicate that a celebrity is more effective than a non-celebrity. However, the *effectiveness of the celebrity endorser depends, partly, upon the meanings he or she brings to the endorsement process.* Hence, celebrity endorsement can be considered as an effective marketing device to transfer cultural meanings to products. On the other hand, some of the most difficult aspects of global marketing to grasp are host countries’ cultural ‘roadblocks’ such as time, space, language, relationships, power, risk, masculinity, femininity and many others (Mooij 1994; Hofstede 1984). Then again, Kaikati (1987 in Erdogan 1999) believes that *celebrities with world-wide...*
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popularity can help companies break through many such cultural roadblocks. Thus, celebrity endorsement can be a useful marketing device to enter foreign markets.

Dyer (1988) suggests that endorsers can communicate cultural values such as feelings, social meanings and values like power, authority, subordination, sexuality and so on. The author believes some expressions can be read and understood cross-culturally, but in order to understand fully the function and meaning of affective displays one needs to refer to a particular context or social situation within a culture. Because advertisements need to communicate swiftly, clearly and economically, the consumer is confronted with devices like facial expressions, poses and movement that tend towards stylization and generalization. Goffman (1979) refers to ‘hyperritualization’, tendencies which contribute towards the stereotyping of people, activities and situations. Thus, endorsement in advertising can be considered as an effective marketing device in order to transfer cultural meanings, although it is part of the cause towards stereotyping of individuals.

Celebrity endorsement and type of product

Furthermore, research suggests that the type of endorser may interact with the type of product endorsed and found that celebrity endorsers are more appropriate where products involve high social and psychological risk (Atkin and Block 1983; Friedman and Friedman 1979; Kamins 1989; Kamins et al. 1989).

Packard (1991) believes that celebrity endorsement strategy is effective in selling products, and services as status symbols since celebrities are individuals of indisputably high status and in endorsements.

Callcoat and Phillips (1996) found that consumers are generally influenced by spokespersons if products are inexpensive, low-involving and few differences are perceived among available brands.

Walker et al. (1992) conclude that consistency between the endorser’s image and the desired product image may be more crucial for a technical, complex and information-dependent product than for a nontechnical, simple, commodity-type product.

All types of advertising are used with the aim of creating purchase aspiration that will ultimately lead to the purchases of products and services. Ohanian (1991) claims that an endorser will be more effective in creating purchase aspirations when the endorser is perceived as a credible messages source.
Choudhury and Iyer (2008) see a celebrity as a name which once made by news, now makes news by itself. Eventually the celebrity’s appearance becomes closely associated with the brand or the company. Anon (2008) explains that the *effectiveness of celebrity endorsement will improve when their personalities remain closely aligned with the brand values*.

Marketers use celebrity endorsers to build their brand image to ultimately influence the customers’ purchase decisions. Celebrity endorsers are frequently used in all forms of advertising and indicate the perception of their effectiveness. Effectiveness being – how successful the endorser is at making the target market believe that it is trustworthy and an expert on the advertised product.

The endorser’s perceived expertise and trustworthiness are a means to measure the credibility of the endorser and the latter is positively associated with purchase aspirations (Ohanian, 1991). Purchase aspiration implicating the want and desire to purchase a product that will ultimately lead to product purchases.

According to Tom et al, (1992) target audiences generally have positive feelings towards celebrity endorsers.

Celebrities are often used by organisations, because they can easily enhance the brands of the organisation and save resources in creating credibility through transferring their values to the brand (Byrne et al, 2003). This occurs through associative learning principles. Thus, the target audiences’ positive feelings towards a chosen celebrity will transfer to the endorsed brand or organisation or products (Till & Shimp, 1998).

If consumers positively support the endorser, they might be more easily persuaded to buy and use the product. This implies that the endorser’s qualities must match those that the advertiser tries to link with its brand (Byrne et al, 2003). When using celebrity endorsers, marketers need to evaluate the advantages and disadvantages to make an informed strategic decision.

The following authors highlight both advantages as well as disadvantages, that are summarised below: Erdogan (1999); Silvera and Austad (2004); Till and Shimp (1998); Tripp, Jensen and Carlson (1994).

The advantages include: increasing attention to the product and reaching the target market even with interfering advertising clutter; a celebrity with positive attributes could change negative perceptions of advertised products and services, even when knowing that the endorser is being paid to do so. The right celebrity can instantly establish a position for a newly launched product.
or change perceptions of a wrongly positioned product. Celebrities are known all over the world and can thus give the same status to a product that is being established in an international market. Some of the disadvantages include: any negative information that is generated due to the celebrity’s private actions will negatively affect the organisation and could be a liability. Celebrities can decide not to endorse the organisation for the long term and it is thus not a longevity option. Celebrities can harm the endorsement negatively by stating they never use the product (vegetarian endorsing a meat product) or overusing the controversial products (alcohol & tobacco).

Celebrity endorsement is a ubiquitous characteristic of modern marketing (McCracken 1989). Corporations invest significant amounts of money to align themselves and their products with big name celebrities in the belief that they will (a) draw attention to the endorsed products/services and (b) transfer image values to these products/services by virtue of their celebrity profile and engaging attributes (Erdogan 1999; Ohanian 1991; O’Mahony and Meenaghan 1998).

Moreover, Newsom et al.(2000) believe that celebrities can increase recognition and their presence almost guarantees publicity. Studies findings by Agrawal and Kamakura (1995) and Mathur et al. (1997) emphasised the effectiveness of use of celebrity endorsement. Because of their fame, celebrities serve not only to create and maintain attention, but also achieve high recall rates for marketing communications messages in today’s highly cluttered environment (Atkin and Block 1983; Erdogan 1999; Friedman and Friedman 1979; Kamen, et al. 1975; Kamins, et al. 1989; Ohanian 1991; O’Mahony and Meenaghan 1997). Furthermore, Dyer (1988) suggests that the use of a celebrity is one of the most successful ways of gaining the consumer’s attention and getting him or her to infer the right message in a limited amount of space and time. Prevailing literature indicates that, millions of dollars are spent on celebrity endorsers each year (Buck 1993; Erdogan 1999; Tripp et al. 1994; Walker et al. 1992). Shimp (2000) notes that around 25% of all US-based commercials utilise celebrities, and according to Kamins (1990),today this advertising approach appears to be on the increase across all media types.

**Success ratio for celebrity endorsement**

McCracken (1989) suggests that endorsement is successful, when the properties of the celebrity are made the properties of the endorsed product. However, the study by Walker et al. (1992) found that the endorser, which may have certain attributes that are desirable for endorsing the
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*product, then again, he or she might also have other, even more closely associated attributes that are inappropriate for a specific product.* The paper indicates that in the selection of a celebrity endorser, one has to consider not only the product attributes that are to be established, but also the broader meanings associated with an endorser. Furthermore, Newsom et al. (2000) take the view that it is vital that any prior promotion campaign endorsed by a celebrity should not conflict with the preferred image.

Thus, before implementation, the totality of the celebrity endorser’s symbolic meaning should be carefully investigated. However, in line with Walker et al. (1992) *investigating the symbolic meanings of the celebrity may be fine in theory but difficult in practice, due to complex collection of cultural values and meanings a celebrity can incorporate.* Erdogan (1999) *suggests that companies have limited control overt the celebrity’s persona as they have created their own public persona over the years.* The author explains that a linkage is strong in created spokespersons by the company, as it is unique, whereas the linkage is weak in the case of celebrity endorsement because of other associations. On the other hand, a research review may provide a clue to some of the failed endorsements of the past (Newsom et al. 2000). Hence, it will be significant for the marketing manager to perform with great analytical skills allowing him or her to decipher information from several sources prior to selecting the appropriate attributes of the celebrity for the endorsed product.

**2.7 Managerial Implications for effective use of Celebrity Endorsements (Till 98)**

Till (1998) proposed 10 managerial implications for a more effective use of celebrity endorsers. The purpose of his article was to demonstrate how associative network and associative learning principles could be the base for understanding how the celebrity endorsement process can be more effectively managed. A detailed review of associative network and learning principles is beyond the scope of this study and will not be described in depth below. However, the details described below are the managerial implications and explanations suggested by Till (1998) and they are stated as follows:

1. Celebrity endorsements will be more effective when used consistently over time to increase the strength of the link between the celebrity and the endorsed brand. Repeated pairings of the endorser with the brand increases consumers’ recognition that the brand is a good predictor of the presence of the celebrity, which strengthens the link between the brand and the celebrity. Sometimes companies use a celebrity endorser sporadically, but return on the
investment in the celebrity endorsement comes from using the celebrity regularly over time. Such repetition both strengthens the associative link for those consumers already aware of the celebrity endorsement as well as increase the pool of consumers who begin to become aware of the link between the brand and the celebrity. (Till, 1998)

2. When using a celebrity endorser, keep the advertisement execution simple, clean, and free of irrelevant design elements. Focus on the brand and the celebrity together. The advertising execution should be single-minded in communicating the brand-celebrity pairing. The brand and the celebrity should be the two strongest elements in the advertisement. Advertisement executions that are cluttered with many different devices distract from the brand-celebrity pairing and can be expected to weaken the potency of the celebrity endorser. (Till, 1998)

3. When selecting a celebrity endorser, choose a celebrity who is not already strongly associated with another product or service. Celebrities already strongly associated with a brand will not so readily form associative links with other brands. Using a celebrity endorser who is already established as an endorser for other products or services inhibits forming an association between the celebrity and a newly endorsed product. (Till, 1998)

4. When selecting a celebrity endorser, consider carefully the "fit", "congruence", or "belongingness" of the celebrity and brand. Marketers need to question how well the celebrity and the brand belong together and how appropriate the choice of a celebrity endorser is. The greater the perceived fit between the brand and the celebrity, the more quickly an associative link between the two can be expected to develop. (Till, 1998)

5. Test potential brand-celebrity combinations to ensure that the impression and image of the celebrity is positive for the target audience. It is important to consider fit with the target audience, the brand-celebrity target audience fit. It is critically important that the associations the advertiser believes the celebrity has are associations that the brand’s target audience actually has of the celebrity. Different groups of people may have different associations for any given celebrity. It is necessary, therefore to test the possible use of any celebrity with the brand’s target group to ensure that the associations that the celebrity has in the minds of the target audience are meaningful, positive, and consistent with the advertisers expectations. (Till, 1998)

6. Celebrity endorsers can be used to effectively reinforce and/or create an image for a product or service. The choice of celebrity should fit with the associations the brand either currently
has or could have in the future. When the choice of celebrity fits current associations, then the celebrity serves to reinforce existing associations and if the associations of the celebrity fit the desired associations that the brand could have in the future, then the celebrity serve to reinforce existing associations. (Till, 1998)

7. Celebrity endorsements will be more effective for less familiar brands. Classical conditioning research has shown that unknown brands, that are relatively unfamiliar to many people, have more to benefit from a celebrity endorser than familiar brands have. This suggests that it is more difficult to condition a response to a familiar stimulus than to an unfamiliar stimulus. (Till, 1998)

8. Celebrity endorsers will be more effective for brands for which consumers have limited knowledge/facts. This is known as the "fan effect" and suggests that celebrity endorsements will be most valuable for brands that have relatively small associative sets. The size of the brand association set will affect the likely value of a celebrity endorsement. The value of an endorsement comes, in part, through thoughts about, or exposure to, the brand activating the association with the celebrity. However, the degree of activation of any particular attribute depends, in part, on the number of competing attributes associated with that attribute. As the size of an association set for a brand increases, the likelihood of the celebrity attribute also being activated is reduced; the more concept that are activated, the less intensively each will be activated. (Till, 1998)

9. Increased value from a celebrity endorser comes from utilizing the celebrity across the marketing mix, not just in advertising. The favorable response that has been transferred to a particular brand because of its association with a celebrity may weaken over time, particularly if the brand receives significant exposure without association with the celebrity. While it is unrealistic to expect that the celebrity endorsers image will be present every time a consumer encounters a brand, marketers can work to more fully integrate the celebrity into the brand’s marketing mix. Celebrities can be effective in consumer promotions other than advertising such as giving away related items or trips, which tie into the celebrity. The celebrity can also be used at large trade shows, national sales meetings, and other significant publicity events. (Till, 1998)

10. Caution in choice of celebrity endorser is warranted given the potential risk of tarnishing the brand’s image. There is always a risk that negative publicity can tarnish the endorsed brand.
If the brand is strongly associated with the celebrity then the occurrence of the negative information about the celebrity will also activate in memory, to some degree, the endorsed brand. (Till, 1998)

2.8 Celebrity Endorsement and Brand Equity

Till (1998) states that when used appropriately celebrity endorsers can play a valuable role in developing brand equity and enhancing a brands competitive position. Brand equity involves managing the constellation of meanings associated with the brand (Till, 1998). Celebrity endorsers represent one way in which meanings can be transferred to a brand or product (McCracken, 1989). Till (1998) brings up a number of things to take into consideration when using celebrities in order to enhance brand equity:

- When using repeated pairings of the endorser with the brand it increases consumer’s recognition that the brand is a good predictor of the presence of celebrity, strengthening the link between the brand and the celebrity. Sometimes celebrities are only used sporadically or opportunistically to promote a brand. It has been shown that the most effective way is to use the celebrity regularly over time. This repetition strengthens the associations between the brand and the celebrity.

- Focus on the celebrity and the brand together. The celebrity and brand should be the two strongest elements in the ad. Celebrity endorsements will be more effective when the ad execution is simple, clean and free of irrelevant design elements. Do not have ad executions that are cluttered which can distract from the brand-celebrity pairing and therefore weaken the potency of the celebrity endorser.

- Celebrity endorsements will be more effective when using a celebrity who is not already strongly associated with another product or service. Many celebrities are endorsing many different products. Using a celebrity that is already linked to another product or brand can make it hard to form an association between the celebrity and the new product or brand.

- Celebrity endorsements will be more effective when using a celebrity with a high “fit”, “congruence”, or “belongingness” with the endorsed brand. It is easier to build an associative link between the celebrity and the brand if there are a perceived “fit” between the two. A marketer needs to consider how well the celebrity and the brand belong together and if the choice of celebrity is appropriate. The associative link between the celebrity and the brand will build more quickly the stronger the link is between the two.
2.9 Event Study Method to judge effectiveness of Celebrity Endorsements

Event study method to judge effectiveness of Celebrity Endorsement (Return on investment method)

Shimp (2003) says that before the company chooses an expensive celebrity as an endorser they have to perform a cost benefit analysis. By doing this they can determine whether a more expensive celebrity can be justified in terms of proportions, since it is difficult to project the revenue stream that will be obtained from using a special celebrity endorser. The task is to calculate the returns on investments from a given range of celebrity that correlate with the desired image and its target market (Shimp, 2003).

Agrawal & Kamakura (1995) write that in recent years the interest in the economic value of strategic marketing decisions is growing in marketing literature. Agrawal & Kamakura (1995) state that the money spent on the celebrity could be million of dollars for a multi year contract, depending on the status of the celebrity.

Agrawal & Kamakura (1995) continue by saying that the use of a celebrity endorser as a spokesperson in an advertising campaign can generate investment in intangible assets for the sponsoring company. This investment is something that the management hopes to bring, in the long run, future sales revenues and profits (Agrawal & Kamakura, 1995). A natural question for a company using celebrity endorsement is therefore: “What are the economic returns from the investment in this form of advertising?” and how do companies estimate the economic return on celebrity endorsement (Agrawal & Kamakura, 1995)?

Agrawal & Kamakura (1995) claim that the measurement of the overall effect of advertising on sales is problematic and it may be impossible to assess the effectiveness of a celebrity endorsement on a company’s profitability. Since advertising will accrue over time, current profit may not reflect the true profitability of an advertising campaign (Agrawal & Kamakura, 1995).

The difficulties with measuring the profitability of a celebrity endorser made Agrawal & Kamakura (1995) to use an alternative way to measure it. They did this by taking the “expected profit associated with a celebrity endorsement campaign as reflected in the abnormal returns of a firm” (Agrawal & Kamakura, 1995). And to measure abnormal return Agrawal & Kamakura (1995) used the event study methodology. The event study methodology is well accepted and has been used for many different varieties of disciplines, such as accounting, finance, law,
organizational behavior, business strategy and more recent it has also been used in marketing (Agrawal & Kamakura, 1995).

Therefore Agrawal & Kamakura (1995) claim that when companies release a celebrity endorser contract, investors will make independent judgments on the future profit impact of the contract, which later can be linked with the company’s stock returns. By doing this Agrawal & Kamakura (1995) can then measure the abnormal return of a company and also examine the market’s valuation of the net economic worth of the celebrity endorsement.

Agrawal & Kamakura (1995) research of 110 celebrity endorsements contracts showed that on average there was a positive outcome on stock return and that in general, the celebrity endorsement contracts are worth investing in.

According to Farrell et al (2000) many previous studies on celebrity endorsements have focused on theories explaining how celebrity endorsements influence consumer behavior, but few have investigated the link between the evaluation criteria and the firm valuation or stock price. As we mentioned in chapter one celebrity endorsement can be very expensive for the companies.

Farrell et al (2000) also used event study methodology to see the value of some of the companies that Tiger Woods endorse. They did this by examine Tiger Woods tournament performance on the endorsing companies value subsequent to the contract signing (Farrell et al, 2000). The outcome showed that they could not find any relationship between Wood’s tournament placement and the excess returns of Fortune Brands (Farrell et al, 2000). This was also the case with the company American Express (Farrell et al, 2000). Farrell et al (2000) believes that why they could not find any relationship between Woods and American Express was because they did not think that the market viewed a golfer credible. They did, however, find a positive match between Woods performance and Nike’s excess return (Farrell et al, 2000). They believe this is because of the additional publicity that Nike receives when Woods has the chance to win a tournament (Farrell et al, 2000).

Mathur & Mathur (1997) state that the event study methodology is often used to identify valuation effects based on the marketing decision a company makes. The basic principle of the event study methodology is that “…investors evaluate and use in their investment decisions all relevant new information that becomes available to them” (Mathur et al, 1995). Agrawal & Kamakura (1995) say that because there is a lot of money involved in a celebrity contract it
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becomes a major event with potential financial implications. These contracts are usually receiving wide coverage in different media (Agrawal & Kamakura, 1995).

Mathur et al. (1997) research came up with evidence that a major celebrity endorser has the potential to influence the profitability of the product he or she endorses, in this case the celebrity was Michael Jordan. All these event studies have shown that using celebrity endorsement in advertising can generate profit to a company.

According to the author, there are no ‘win-win’ situations in marketing anymore and claims that celebrity endorsement is the shortest-term strategy of all, because celebrities, by definition, are perishable, and so is the aftertaste left behind by a celebrity deal.

2.10 Selecting the ‘Right’ celebrity

Till and Busler, (1998) explained that even though Micheal Jordon is an attractive endorser, his effectiveness as a celebrity endorser is likely to be greater when endorsing products related to his athletic deftness such as Gatorade or Nike, rather than products that are unrelated to his athletic performance such as WorldCom Communications.

Shimp (2000) put forward five factors in order of decreasing importance namely, (1) the celebrity credibility, (2) celebrity and audience match-up, (3) celebrity and brand match up, (4) celebrity attractiveness, and (5) miscellaneous considerations, which were considered by advertising executives while making their celebrity-selection decisions. Models and concepts were also constructed by scholars to draw the liaison between celebrities, the brand they endorsed and the perception of the people related to the two (Khatri, 2006).

One of the earliest models was the Source Credibility Model by Hovland et al. (1953). Apart from this there were 3 additional models recognised by Erdogan (1999) which were the Match-up Hypothesis by Forkan (1980), the Source Attractiveness Model by McGuire (1985) and the Meaning Transfer Model by McCraken (1989).

a. The Source Credibility Model

A number of empirical investigations have examined the effectiveness of using credible spokespersons to enhance the persuasiveness of messages (Applbaum and Anatol, 1972; Ohanian, 1990).
Hovland and his associates (1953) popularized the term “source credibility” and used it to describe a communicator’s positive characteristics which affect the receiver’s acceptance of a message.

The source-credibility model proposed by Hovland and his associates in 1953 concluded that two factors – expertise and trustworthiness – underscore the concept of source credibility. Hovland, Janis, and Kelley (1953) defined expertise as “the extent to which a communicator is perceived to be a source of valid assertions,” and trustworthiness as “the degree of confidence in the communicator’s intent to communicate the assertions he considers most valid.”

“The effectiveness of a communication is commonly assumed to depend to a considerable extent upon who delivers it” (Hovland et al, 1953). Information from a credible source such as a celebrity has the power to influence the opinions, belief, attitude and behaviour through a process called internalisation based on the assumption that the information from the source is accurate (Belch & Belch, 2001).

Source credibility refers to the perception of the source’s expertise, objectivity and trustworthiness (Ratneshwar and Chaiken, 1991). The source credibility model, which contends that the effectiveness of a message displayed depends on perceived level of trustworthiness and expertise in an endorser (Dholakia and Sternthal 1977; Erdogan 1999; Ohanian, 1991; Solomon et al. 1999)

The source credibility model is based on the belief that consumers are more likely to accept a message if they find it credible. One of the major reasons for selecting a celebrity endorser is their credibility (Shimp, 2000). Credibility can be explained as the extent to which the receiver (consumer) sees the source (endorser) as having relevant knowledge, skill, or experience and trust the source to give unbiased, objective information (Belch & Belch, 2001; Byrne et al., 2003). Belch & Belch (2001); Consumers’ credibility in a message depends on two qualities of the source: expertise and trustworthiness (Tellis, 1998).

Expertise of the source should relate to the product that he/she is endorsing (Till & Busler, 1998). Speck, Schumann and Thompson (1998) found that as compared to non-experts, expert celebrities produced higher recall of product information, but the difference was not statistically significant (Erdogan, 1999).
Byrne et al. (2003) states that expertise can be explained as the knowledge, experience or skills possessed by an endorser as they relate to the communications topic. For example, athletes are considered to be experts when it comes to endorsement of sports-related products. It does not really matter if the endorser is an expert or not, all that matters is how the receiver perceives the endorser.

If an endorser is seen as knowledgeable he/she is more persuasive than an endorser seen with less expertise (Erdogan, 1999)

The source also has to be trustworthy – honest, ethical, and believable. If an endorser is seen as trustworthy or not often depends on the audience’s perception of his or her endorsement motivations. (Erdogan, 1999) If the audience feel that the endorser is biased or has underlying personal motives for advocating a position they will be less persuasive than someone the audience perceive as having nothing to gain by endorsing the product or as being completely objective (Belch & Belch, 2001). Advertisers will benefit from the value of trustworthiness by selecting endorsers who are perceived as being honest, believable, and dependable people.

Trustworthiness is “the degree of confidence in the communicator’s intent to communicate the assertions he considers most valid and consists of honesty, integrity and believability. Hovland et al., (1953). The advertisers by selecting endorsers, who are widely regarded as honest, believable and dependable, can capitalise on the value of trustworthiness (Erdogan, 1999). Ohanian (1990) states that the message will be more effective and the receiver more integrated, when the celebrity is perceived to be more trustworthy.

This probably explains why a celebrity like Michael Jordan is a successful endorser. He simply appears to be an individual who can be trusted. (Shimp, 2000) According to the source credibility model, if an information source such as an endorser is perceived as credible, audience attitudes are changed through a psychological process called internalization. Internalization occurs when the receiver accepts the opinion of the credible source as his or her own because he or she finds the information from this source to accurate. When the receiver internalizes an opinion or attitude it tends to be maintained even if the source of the message is forgotten or if the source changes position. (Erdogan, 1999; Belch & Belch, 2001)

b. The Source Attractiveness Model

Physical attractiveness has been an important topic of research in social science (Bersheid and Walster, 1974).
The source attractiveness model is a component of the “source valence” (McGuire 1968). Advertisers have made choices of selecting celebrities on their foundation of their attractiveness to gain from dual effects of physical appeal and celebrity status (Singer, 1983). Attractiveness includes any number of attributes such as intellectual skill, personality properties, lifestyle or athletic prowess that consumers might perceive in a celebrity endorser, and thus does not simple refer to physical attractiveness (Erdogan, 1999); but Source Attractiveness is mostly associated with physical attributes, such as familiarity, similarity and likeability, all of which are important in the individual’s initial judgment of another person (Ohanian, 1990).

Similarity refers to the resemblance between the receiver and the source of the message, familiarity refers to the acquaintance of the source through exposure whereas likeability is the fondness for the source which may be as a result of behaviour, physical appearance or other personal trait and also these celebrities need to be at least well known and admired in the public eye (Belch & Belch, 2001).

While talking about similarity, it is mentioned that consumers are more likely to be influenced by a message coming from someone they feel a sense of similarity with (Belch & Belch, 2001). Talking in depth about the model Kelman (1961) added that “Source Attractiveness leads to persuasion through a process of identification.” Identification is the process which has been used to explain how attractiveness influenced consumers. This is another of Kelman’s social influence processes which occurs when because of the desire to identify with such endorsers, receivers accept the attractive source’s information (Ambrose, 1992; Friedman & Friedman, 1979).

In an exhaustive review, Joseph (1982) concluded that attractiveness (versus unattractiveness) communicators were consistently liked more and had a positive impact on products with which they are associated. Joseph’s findings were consistent with others that reported that increasing the communicator’s attractiveness enhanced positive attitude change (Simon, Berkowitz and Moyer, 1970; Kahle and Homer, 1985) and consumers have a tendency to form positive stereotypes about attractive individuals and also that as compared to their unattractive counterparts, physically attractive communicators celebrities are more successful at changing beliefs (Baker and Churchill, 1977) and generating purchase intentions (Friedman et al. 1976; Kahle and Homer, 1985).

A study conducted by Kahle and Homer (1985) divulged that consumers were more geared up to buy an Edge razor after seeing an attractive celebrity in a magazine advertisement than an
sive celebrity. They also elucidated that speed of communication occurs more promptly when pictures appear in advertisements than when arguments appear.

The above literature suggests that physically attractive endorsers generally enhance evaluation and facilitate attitude change in celebrity advertising.

c. Identification

Talking in depth about the model Kelman (1961) added that “Source Attractiveness leads to persuasion through a process of identification.” Identification is the process which has been used to explain how attractiveness influenced consumers. This is another of Kelman’s social influence processes which occurs when because of the desire to identify with such endorsers, receivers accept the attractive source’s information (Ambrose, 1992; Friedman & Friedman, 1979).

Research findings and literature suggests that identification may be a determinant of the viewers’ perception of the spokesperson (Basil, 1996). It is suggested that a spokesperson with whom the audience identifies insures the greatest likelihood of achieving lasting attitude or behavior change (Basil, 1996). Kenneth Burke (1950) proposed that the basis of communication effectiveness was an audience member’s identification with a fictional character. Burke’s Dramatism theory suggests that identification depends on “connections” between the character and audience member. Herbert Kelman (1961), in his theory of opinion change, proposed that there were three processes of social influence – compliance, identification, and internalization. Kelman (1961) proposed that identification occurs when an individual adopts an attitude or behavior from another individual while the attitude or behavior was associated with a satisfying self-defining relationship with that person. According to Kelman, identification is based on either classical identification or reciprocal role relationship, and identification leads to people’s attempts of being like others. Social Learning theory (1977), proposed by Albert Bandura, is well known in psychology and mass communication. This theory predicts how likely a person is to enact a modeled behavior. Later in 1986, this theory was widened into Social-cognitive theory (Bandura, 1986). According to Bandura’s theory, a person’s identification with a model determines the likelihood of enacting a behavior. The more similar people perceive themselves as a model, the more likely they are to enact the behavior of that model. In the case of celebrity, this theory suggests that a person who identifies with a celebrity is more likely to behave as that celebrity does.
In the study that introduces identification as a mediator of celebrity effects, Basil (1996) applied the identification effect to the area of HIV prevention campaigns. The author hypothesized that the effects of identification with a celebrity would mediate the adoption of attitudinal and behavior positions advocated that celebrity. The study tested identification through the young adults’ identification with Magic Johnson, their AIDS-related concern, perceived risk, and behavior. Results showed that identification with Magic Johnson was significantly related to personal concern and intention to change high-risk sexual behavior but was not a significant predictor of perceived risk or intention to get a blood test.

In the discussion part of Basil’s study (1996), the author indicated that although this study showed the effect of identification, it had not compared identification with the other possible explanations of celebrity effects. Further, what remains is to compare viewers’ ratings of several celebrities on their attitude and behavior change (Basil, 1996).

d. Match-up Hypothesis

Till and Busler, (1998) explained that even though Micheal Jordon is a attractive endorser, his effectiveness as a celebrity endorser is likely to be greater when endorsing products related to his athletic deftness such as Gatorade or Nike, rather than products that are unrelated to his athletic performance such as WorldCom Communications.

Research findings reveal that the physical attractiveness of the source does not always enhance attitude and purchase intention (Baker and Churchill, 1977; Caballero and Pride, 1984; Cooper, Darley and Henderson, 1974; Holahan and Stephan, 1981; Maddox and Rogers, 1980; Norman, 1976); there is a necessity for the existence of a meaningful relationship between the celebrity, the audience and the product (Kamins 1990). Spokesperson-brand congruence match-up entails that the highly relevant characteristics of the spokesperson are consistent with the highly relevant attributes of the brand (Misra and Beatty, 1990). According to Evans (1988) in the absence of a distinct and specific relationship between the product and the celebrities, “celebrities suck the life blood of the product dry”, thus emphasize the danger of the vampire effect. ‘vampire effect’ occurs “when the celebrity endorser occurs in the presence of multiple other stimuli which all competes to form a link with the celebrity endorser” (Till, 1996).

According to Katyal (2007), there are certain parameters that postulate compatibility between brand image and the celebrity, which are as follows:

• Celebrity popularity.
Celebrity Endorsement

- Celebrity physical attractiveness.
- Celebrity credibility.
- Celebrity prior endorsements.
- Whether celebrity is a brand user.
- Celebrity profession
- Celebrity’s fit with the brand image.
- Celebrity—Target audience match
- Celebrity associated values.
- Costs of acquiring the celebrity.
- Celebrity—Product match.
- Celebrity controversy risk.

One can always match a celebrity with the wanted image of the brand but it will not be successful if the target audience does not perceive the fit (Temperley and Tangen, 2006). Newsom et al. (2000) take the view that there should be no conflict between any prior promotion campaign endorsed by a celebrity and the preferred image. According to Kahle and Homer (1985), the Match-up Hypothesis of endorser selection fits well with Social Adaptation theory which implies that the adaptive significance of the information will determine the impact. Research indicates that advertising a product via a celebrity leads to a greater celebrity and advertiser believability relative to advertisements portraying a less fitting product spokesperson image. (Kamins and Gupta, 1994; Kotler1997)

Kahle and Homer (1985) add that the physical attractiveness of a celebrity endorser might only enhance both product- and ad-related evaluations if the product’s characteristics “match-up” with the image conveyed by the celebrity. It was found that for an attractiveness-related product, the use of a physically attractive celebrity significantly enhances measures of spokesperson credibility and attitude toward an advertisement, compared to the use of a physically unattractive celebrity. Alternatively, physically attractive celebrities were found to have no effect on dependent measures (e.g., attitude toward an advertisement) relative to the physically unattractive celebrity for an attractiveness-unrelated product (Kahle and Homer, 1985).
Kamins and Gupta (1994) tested the match-up hypothesis regarding the choice of a celebrity spokesperson by examining the fit or congruence between image type and the product advertised from an identification and internalization viewpoint. The authors indicated that past research in marketing has taken a rather limited look at congruence (or matching), typically in the context of the examination of other issues related to celebrity advertising (Kamins and Gupta, 1994).

McCracken (1989) spoke to the issue of congruence by suggesting that the effectiveness of the endorser depends, in part, upon the meanings he/she brings to the endorsement process. A three-stage process was suggested that involves 1) the formation of a celebrity image, 2) transfer of meaning from celebrity to the product, and 3) finally from the product to the consumer (McCracken, 1989). This suggested again that the image of the celebrity must fit or be congruent with the product (Kamins and Gupta, 1994).

Kamins and Gupta (1994) showed that for the celebrity versus non-celebrity spokesperson comparison, a high degree of congruence between product and celebrity image led to enhanced spokesperson believability and attractiveness as well as a significantly more favorable attitude and purchase intention toward the product, and further suggested the need for a careful consideration of the celebrity and product match-up (Kamins and Gupta, 1994).

e. The Meaning Transfer Model

Celebrities are known to be full of different meanings in terms of age, gender, personality and lifestyle. Celebrity endorsers bring their own symbolic meaning to the process of endorsement. Specially the cultural meaning residing in a celebrity goes beyond the person itself and is passed on to the products (McCraeken, 1989; Brierley, 1995).

According to McCraeken (1989), the previous models discussed above are not capable of capture the success factors of the endorsement process, hence he proposed the meaning transfer model as a rich and all-inclusive portrayal of the same, the central premise of which is that celebrities encodes unique sets of meanings which might be transferable to the endorsed product, provided the celebrity is used well. Celebrity Endorsement is a special example of the universal process of meaning transfer which witnesses a conventional movement of cultural meaning in consumer societies.
The model exemplifies a three-stage process of meaning transfer which involves the creation of the celebrity image followed by the transfer of meaning from the celebrity to the brand which again in turn is followed by the transfer of brand image to the customers (Schlecht, 2003). In the first stage the meanings associated with the famous person moves from the endorser to the product or the brand, and this meaning is drawn by the celebrity from its public persona. In the second stage, the creation of product personality takes place as the meaning is transferred from the endorser to the consumer. This is based on the symbolic properties conveyed by the endorser. Finally in the last stage which is known as the consumption process, the brand meaning is attained by the consumer. The consumers who identify themselves with these symbolic properties the meanings are transferred to them thereby rendering the process of transfer of the meaning from the celebrity to the consumer complete. The third stage of the model overtly proves the importance of the consumer’s role in the process of endorsing brands with famous people. (McCraken, 1989)

Even though this approach is useful in certain rationales, but at the same time it prevents one from seeing the celebrities who are in fact highly individualized and complex bundles of cultural
meanings (McCraken, 1989). McCracken’s model may first seem a merely theoretical concept, but in truth its replicability to real life was demonstrated by two studies. The meaning transfer model was found applicable in a study conducted by Mitchell and Boustani (1992), which tested the model on breakfast cereals. Also Langmeyer & Langmeyer (1993) rendered it legitimate through its study carried out on jeans and VCRs which included celebrities like Madonna.

f. TEARS Model
Shimp (2003) also claims that there are two general attributes, credibility and attractiveness that play an important role when selecting an endorser. He has created a model called the TEARS model shown in table 2.1.

1. **Credibility**: The first general attribute is credibility, which consists of two central features: trustworthiness and expertise.

   a. **Trustworthiness**, the T component in the TEARS model, refers to believability, honesty, integrity of a source; someone who can be trusted. Endorser need to establish that they are not attempting to manipulate the audience and that they are objective in their presentations. By doing this, they establish themselves as trustworthy and therefore, credible. A celebrity gains the audience’s trust through the life he or she lives professionally (on the sport field) and personally which is available for everyone to read about in mass media. Advertisers can benefit from the value of trustworthiness by selecting endorsers who are regarded as being honest, believable, and dependable person.

   b. **Expertise**: The second feature of endorser credibility is **Expertise**, the E term of the TEARS model. Expertise refers to the knowledge, experience, or skills that and endorser possesses as they relate to the communications topic. Hence, athletes are perceived as experts when it comes to endorsement of sports-related products. It is important that an endorser is being perceived as an expert because then he or she is more persuasive in changing audience opinions than an endorser who is not perceived as possessing the same characteristic.

   c. **Attractiveness**: The second general attribute is attractiveness, which consists of three related ideas: physical attractiveness, respect and similarity. Physical attractiveness, the A component in the TEARS model refers to how the endorsers’ looks, behavior or other personal traits.


c.

**Respect**, the R in the TEARS model stands for the quality of being admired due to one’s personal qualities and accomplishments. Hence, athletes are respected for their athletic prowess and accomplishments in their sport. A respected celebrity is also generally liked and this respect/likeability factor may serve to enhance brand equity because of the positive effect the consumers may get towards the brand by the association with the endorser.

e. **Similarity**, the last component of attractiveness and also the S term in the TEARS model refers to how the endorser matches with the audience in terms of age, gender, ethnicity, social class etc.

Similarity is an important attribute because it is easier for a consumer to relate to an endorser who shares the same characteristics as themselves. In general a celebrity endorser is perceived as more trustworthy the more he or she matches the audience in terms of distinct characteristics. If the audience perceives the celebrity as trustworthy this promotes more favorable attitudes toward the advertised brand.


g. **The NO TEARS Model**

Shimp (2003) further brings up some of the major considerations when selecting and using celebrity endorsers, which he refers to as the No Tears approach,

a. **Celebrity credibility**: The primary reason for selecting a celebrity to endorse a brand is his or hers trustworthiness and expertise (jointly referred to as credibility). A celebrity’s credibility is one of the main reasons for selecting a celebrity endorser. Endorsers who are trustworthy and perceived as knowledgeable are best able to convince others to undertake a course of action.

b. **Celebrity/Audience match up**: It is important that the endorser align well with the brand(s) target market. When selecting a celebrity to endorse product advertisers should consider if the target market would positively relate to this endorser. Special attention should be paid to employ celebrities who have a direct connection with their endorsed product and who are perceived to be experts by the target audience. There has to be congruency between the audience and the endorser. If there is no congruency, then the audience remembers the celebrity and not the product.

c. **Celebrity/Brand match up**: Advertising executives are looking for a celebrity who has the image, values, and decorum which can be compatible with the image wanted for the
advertised brand. (Shimp, 2003). Messages transmitted by celebrity image and the product message should be congruent for effective communication (Byrne et al, 2003). The fit factor is important for the effectiveness of endorsement (Hsu & McDonald, 2002). Till & Busler (1998) argues that the selection of the endorser should be a very careful process. Advertisers have to realize that the consumers want to see some kind of logical link between the product and the star endorsing that product. (Till & Busler, 1998)

d. **Celebrity attractiveness:** When selecting a celebrity endorser it is important to evaluate his or her attractiveness. Attractiveness includes different aspects such as friendliness, likability, physique, and occupation as some of the more important dimensions of the attractiveness concept. (Shimp, 2003)

e. **Cost considerations:** Celebrity endorsement is expensive for a company. It is therefore important to consider how much it will cost to hire a celebrity’s service. (Shimp, 2003) It is essential to understand whether the economic returns justify the costs associated with using a celebrity as an endorser. Overall, the use of celebrity endorsers in advertising constitutes a significant investment in intangible assets by the sponsoring firm – an investment that hopefully will be compensated by greater future sales revenues and profits. (Agrawal & Kamakura, 1995)

f. **Working ease or difficulty:** A company agency should do check the celebrity’s’ track records as an endorser in order to see how easy he or she is to work with (Till, 1998). Some celebrities are relatively easy to work while others can be stubborn, arrogant, temperamental or otherwise unmanageable. It would definitely be less complicated to select a celebrity that is “hassle free” than dealing with someone who is otherwise difficult to work with. (Shimp, 2003)

g. **Saturation factors:** When selecting a celebrity endorser it is of great concern to look at how many other brands the celebrity is endorsing. If a celebrity is endorsing many different brands he or she could easily be overexposed. Overexposing could reduce the celebrities’ perceived credibility and likeability. (Shimp, 2003)

h. **Trouble factors:** Companies that use celebrities as endorsers should consider the likelihood that the celebrity will get into trouble after an endorsement is established. Many entertainers and athletes have been involved in different scandals that could embarrass the companies whose products they are endorsing. To avoid these problems,
companies often research a celebrity’s personal life and background. Many companies provide a morals clause in the endorsement contracts allowing the company to terminate the contract if scandals were to arise. (Shimp, 2003)

h. The FREDD Principle

FREDD is a short form created by Young & Rubricum that stands for familiarity, relevance, esteem, and differentiation. The FRED principle is a result from Y & R study on why brands succeed and fail. The principles from Y & R study have been applied by Miciak & Shankling (1994) when studying celebrity endorsers. However, they have added another attribute to the list and FRED becomes FREDD where the last D stands for Deportment.

a. Familiarity: The most important thing to keep in mind when selecting a celebrity to endorse a product/brand is that the celebrity is easy to recognize, likable, and friendly. This does not mean that the celebrity has to be recognized by everyone; rather, the endorser must be recognized by the intended target audience.

b. Relevance: The advertisers have to evaluate whether there is a fit between the celebrity and the product. The celebrity has to have the image, reputation, and appearance that fit with the product he or she is endorsing. There also has to be a pertinent fit between the celebrity and target audience. Some consumers want to be like the celebrity while others already feel like they are like the

c. Celebrity Esteem: This selection principle include that the celebrity must have personal credibility and be held in high regard by the target audience. For athlete endorsers it is winning that contributes to esteem.

d. Differentiation: A major reason for using celebrity endorsers is to cut through the massive advertising clutter. When comparing to the average person, of course, the celebrity is different. However, it is important to consider how the celebrity will come across when compared with other high-profile people. It is in this regard that an endorser needs to be distinctive.

e. Deportment: Although a company has found a celebrity that can measure up well on familiarity, relevance, esteem, and differentiation he or she can still fail on the deportment. Embarrassing behavior that offends customers is a very big risk for the company. The corporate and/or product image can become associated with a celebrity
endorser’s disputatious public actions, which can damage the companies/products reputation.

2.11 Research gap
After reviewing and combining the literature available in the field of celebrity endorsement researcher came to know

1. Good research has been done form various angle on the topic Celebrity Endorsement
2. But the Researcher felt that most of the research has been done abroad in countries like USA.
3. In India Celebrity Endorsement is a latent topic for research though it’s a widely used tool in marketing.
4. Some research has been done in the field; not so concrete is found which can be termed as an academic study with a specific objective.

So the researcher has decided to study consumers’ attitude towards celebrity endorsement because as mentioned it has much influence on consumer purchase intention and purchase decisions.

Based upon the extensive literature review the researcher was able to form following hypotheses.

2.12 List of Hypothesis

1. There is a significant difference in consumers’ attitude towards Celebrity Endorsement based on Gender.
2. There is a significant difference in consumers’ attitude towards Celebrity Endorsement based on Education.
3. There is a significant difference in consumers’ attitude towards Celebrity Endorsement based on Income.
4. There is a significant difference in consumers’ attitude towards Celebrity Endorsement based on Parents’ Occupation.
5. There is a significant difference in consumers’ perception about credibility of Celebrity based on Gender.
6. There is a significant difference in consumers’ perception about credibility of Celebrity based on Education.

7. There is a significant difference in consumers’ perception about credibility of Celebrity based on Income.

8. There is a significant difference in consumers’ perception about credibility of Celebrity based on Parents’ Occupation.

9. There is a significant difference in consumers’ perception about Credibility of Celebrity based on Type of celebrity.

10. There is a significant difference in consumers’ perception about credibility of Celebrity based on Type of celebrity for Social Advertisement.

11. There is a significant difference in consumers’ perception about credibility of based on Type of celebrity for Fashion Product Advertisement.

12. There is a significant difference in consumers’ perception about credibility of Celebrity based on Type of celebrity for Low Involvement Product Advertisement.

13. There is a significant difference in consumers’ perception about credibility of Celebrity based on Type of celebrity for High Involvement Product Advertisement.

14. There is a significant difference in consumers’ perception about credibility of Celebrity based on Type of celebrity for Liquor Advertisement.

15. There is a significant difference in consumers’ perception about credibility of Celebrity based on Gender for Social Advertisement.

16. There is a significant difference in consumers’ perception about credibility of Celebrity based on Education for Social Advertisement.

17. There is a significant difference in consumers’ perception about credibility of Celebrity based on Family Income for Social Advertisement.

18. There is a significant difference in consumers’ perception about credibility of Celebrity based on Parents’ Occupation for Social Advertisement.
19. There is a significant difference in consumers’ perception about credibility of Celebrity based on gender for Fashion Product Advertisement.

20. There is a significant difference in consumers’ perception about credibility of Celebrity based on Education for Fashion Product Advertisement.

21. There is a significant difference in consumers’ perception about credibility of Celebrity based on Family Income for Fashion Product Advertisement.

22. There is a significant difference in consumers’ perception about credibility of Celebrity based on Parents’ Occupation for Fashion Product Advertisement.

23. There is a significant difference in consumers’ perception about credibility of Celebrity based on Gender for Low Involvement Product Advertisement

24. There is a significant difference in consumers’ perception about credibility of Celebrity based on Education for Low Involvement Product Advertisement

25. There is a significant difference in consumers’ perception about credibility of Celebrity based on Family Income for Low Involvement Product Advertisement

26. There is a significant difference in consumers’ perception about credibility of Celebrity based on Parents’ Occupation for Low Involvement Product Advertisement

27. There is a significant difference in consumers’ perception about credibility of Celebrity based on Gender for High Involvement Product Advertisement.

28. There is a significant difference in consumers’ perception about credibility of Celebrity based on Education for High Involvement Product Advertisement.

29. There is a significant difference in consumers’ perception about credibility of Celebrity based on Family Income for High Involvement Product Advertisement.

30. There is a significant difference in consumers’ perception about credibility of Celebrity based on Parents’ Occupation for High Involvement Product Advertisement.

31. There is a significant difference in consumers’ perception about credibility of Celebrity based on Gender for Liquor Product Advertisement.
32. There is a significant difference in consumers’ perception about credibility of Celebrity based on Education for Liquor Product Advertisement.
33. There is a significant difference in consumers’ perception about credibility of Celebrity based on Family Income for Liquor Product Advertisement.
34. There is a significant difference in consumers’ perception about credibility of Celebrity based on Parents’ Occupation for Liquor Product Advertisement.
35. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars - Amitabh Bachchan) for Social Advertisement based on Gender.
36. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars - Amitabh Bachchan) for Social Advertisement based on Education.
37. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars - Amitabh Bachchan) for Social Advertisement based on Income.
38. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars - Amitabh Bachchan) for Social Advertisement based on Occupation.
39. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars - Amitabh Bachchan) for Fashion Product’s Advertisement based on Gender.
40. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars - Amitabh Bachchan) for Fashion Product’s Advertisement based on Education.
41. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars - Amitabh Bachchan) for Fashion Product’s Advertisement based on Income.
42. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars - Amitabh Bachchan) for Fashion Product’s Advertisement based on Occupation.
43. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars – Ranbir Kapoor) for Low Involvement Product based on Gender.

44. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars – Ranbir Kapoor) for Low Involvement Product based on Education.

45. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars – Ranbir Kapoor) for Low Involvement Product based on Income.

46. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars – Ranbir Kapoor) for Low Involvement Product based on Education Occupation.

47. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars – Ranbir Kapoor) for High Involvement Product based on Gender.

48. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars – Ranbir Kapoor) for High Involvement Product based on Education.

49. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars – Ranbir Kapoor) for High Involvement Product based on Income.

50. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars – Ranbir Kapoor) for High Involvement Product based on Occupation.

51. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars – Ajay Devgan) for Liquor Product based on Gender.

52. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars – Ajay Devgan) for Liquor Product based on Education.

53. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars – Ajay Devgan) for Liquor Product based on Income.

54. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (Film Stars – Ajay Devgan) for Liquor Product based on Occupation.
There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – Sachin Tendulkar) for High Involvement Product based on Gender.

There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – Sachin Tendulkar) for High Involvement Product based on Education.

There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – Sachin Tendulkar) for High Involvement Product based on income.

There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – Sachin Tendulkar) for High Involvement Product based on Occupation.

There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Fashion Product Advertisement based on Gender.

There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Fashion Product Advertisement based on Education.

There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Fashion Product Advertisement based on income.

There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Fashion Product Advertisement based on Occupation.

There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Social Advertisement based on Gender.

There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Social Advertisement based on Education.

There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Social Advertisement based on Income.
66. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Social Advertisement based on Occupation.

67. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Liquor Advertisement based on Gender.

68. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Liquor Advertisement based on Education.

69. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Liquor Advertisement based on Income.

70. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Liquor Advertisement based on Occupation.

71. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Low Involvement Product’s Advertisement based on Gender.

72. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Low Involvement Product’s Advertisement based on Education.

73. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Low Involvement Product’s Advertisement based on Income.

74. There is a significant difference in consumers’ perception about Credibility of Specific celebrity (SportStars – M S Dhoni) for Low Involvement Product’s Advertisement based on Occupation.