

## **IMPACTS OF CELEBRITY ENDORSER ON MALAYSIAN YOUNG CONSUMERS: AN EMPIRICAL STUDY IN THE SPORTS INDUSTRY**

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### **ABSTRACT**

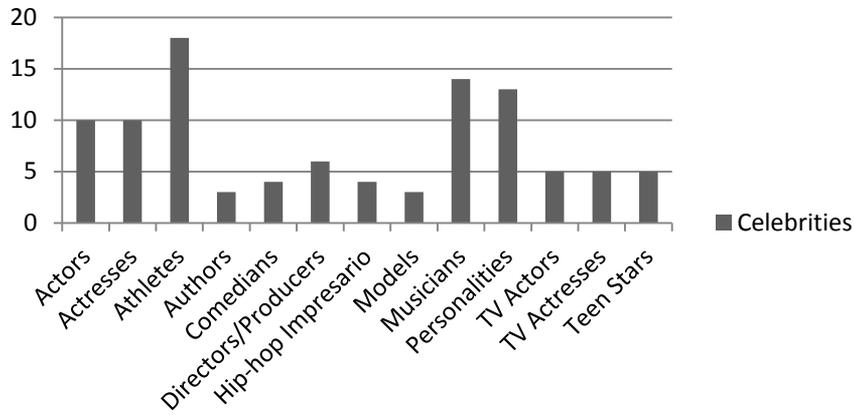
*Competing in a turbulent and competitive business landscape requires organizations to continuously introduce innovative products which meet the trends, lifestyles and expectations of customers. Advertising is the most common and effective tool used in the sports industry in creating awareness and convincing customers about the brand name. There are various types of advertising and one of the most common current advertising forms is celebrity endorsement advertising. The objective of this study is to gain a deeper understanding of the impact of celebrity endorsers leading to purchasing decisions and behavioral intentions of young consumers in sports related products. Specifically, this research examines whether a celebrity endorser adds value to the brand equity of sports products, to what extent a celebrity endorser acts as a role model and an influence to young consumers, to what extent celebrity endorsed advertisements effectively influence young consumers' purchasing decisions and how does negative celebrity information influence consumers' purchasing decisions. The findings revealed that celebrity endorsers do impact the young consumers in some ways as they refer to the celebrities as an important reference group but the impact is not significant. It is also found that Malaysian young consumers perceive the celebrity endorser as a role model who influences their buying decisions. The research also found that negative celebrity information will negatively influence consumers' purchasing decisions due to the reason that the society tends to relate a celebrity's personal life to his profession.*

### **1.0 Introduction**

The emergence of quality lifestyles and health conscious Malaysians has transformed the Malaysian sports industry to a higher level of business development and competitiveness. Young consumers who lead an active lifestyle in sports are major consumers of sports goods and services. Yusof & Shah (2008) defined the sports industry as a group of business organisations which offers sports products and services where the primary aim is making profit. When the industry comes up with similar products, what sets rivals apart is the brand differentiation. It is of utmost importance to rise above the rivals by having a unique quality or competitive advantage in the industry. Tellis (2004) suggested that there are different types of endorsers possessing different characteristics and roles throughout the communication process. These endorsers can be divided into three broad categories: experts, lay endorsers, and celebrities. Experts are individuals or organisations deemed as having specific knowledge in the particular field. Examples include footballer Cristiano Ronaldo for football shoes who landed a USD \$ 32.5 million five-year endorsement deal to promote Nike football products (Chang, 2010). On the other hand, lay endorsers are initially unknown or fictitious individuals used to play a character in an advertisement

(Tellis, 2004). These characters are created to relate to the target segment demographics for a less expensive price (Rodriguez, 2008). Tellis (2004) continued to define celebrities as individuals who are well known to the public because of the publicity associated with them. According to McCracken (1989), a celebrity endorser is defined as “any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement”. Celebrity endorsers are lending their names and image to the brand they support. Celebrity endorsements or also known as celebrity branding is becoming a popular method within the advertising segment and considered a cutting edge among businesses to improve awareness of its brand and products. Celebrity branding advertising is one of the most commonly viewed advertisements these days (Hail, 2010). Based on the celebrity’s popularity and exposure from the media, the expenses needed to hire these celebrities are high. The Celebrity 100 by Forbes magazine features the top 100 celebrities measured in terms of pay, money, television/radio, press, web, and social rank.

**Figure 1: The Celebrity 100 by Categories (June 2010)**



Source: Forbes (2010)

Figure 1 displays the different categories of celebrities and their ranking in The Celebrity 100 by Forbes. Endorsement deals play a big role in contributing to the rankings for most of the celebrities in the list. Tellis (2004) said that endorsement contracts are so lucrative that most professionals in entertainment and sports are looking at directing their careers towards this direction. Shimp (2008) said that a recent estimate showed celebrities being featured in approximately one sixth of ads worldwide.

The sports business industry is a growing and lucrative industry. In the United States alone, the industry is estimated to be \$414 billion and the total annual company spending for sports advertising is \$27.3 billion (Plunkett Research, 2010). The advertisers therefore need to investigate if the celebrity endorsers add value to the brand equity of sport products since the organisations are spending so much money on these deals. Furthermore, consumers who come from different age groups will most likely have different thoughts about products and services as well as purchase intentions hence making it difficult to satisfy a large target market. Mayne (2000) reaffirmed this statement by saying that a child’s view

on messages and images renew daily and have stronger opinions as they grow into an adult. The role and influence of celebrity endorsers therefore may vary towards different age groups. The number of celebrity campaigns on the rise as the years passed by can be proven from the ubiquitous presence of all the advertisements and campaigns. Researchers have revealed that one in five marketing communications campaign feature celebrities (Erdogan *et. al.*, 2001). With so many advertisements appearing so frequently everywhere, advertisers need to know if consumers actually believe the messages conveyed through these celebrity endorsers. The consumer's view of the product is also influenced by the personality of the endorser. The positive effect from the usage of celebrity endorsers may transfer into a negative effect when the celebrity behaves in an unexpected manner which is unacceptable to the targeted consumer and may even form unfavourable behavioral intentions towards the product. According to Bruce *et. al.* (2004), by hiring celebrities, companies may get sabotaged due to the limited control which they have over these celebrities as compared to non-celebrities. As a result, businesses may face losses and are forced to drop the endorsement deal. The organization needs to know the benefits of using celebrity endorsers as their spokesperson and any potential risks which may arise before making the investment on the endorser as this usually involves a huge and long term commitment between both parties. The aim of this study is to examine whether the celebrity endorser adds value to the brand equity of sports products, investigate if celebrity endorsers act as role models and an influence to young consumers, discuss the effectiveness of celebrity endorsement advertisements towards consumer's purchasing decision, and to identify the influence of negative celebrity information on consumer's purchasing decision.

## **2.0 Research Questions**

To study the objective, the following research questions were formulated:

1. Does a celebrity endorser add value to the brand equity of sport products?
2. Is the celebrity endorser a role model and an influence to the young consumers?
3. Are celebrity endorsement advertisements effective towards consumer's purchasing decision?
4. How does negative celebrity information influence consumers' purchasing decisions?

## **3.0 Literature Review**

### **3.1 Celebrity Endorser as a Marketing Strategy**

The usage of celebrity endorsers in advertisements has been considered as an effective marketing tool by advertisers and their agencies since many decades ago. Dix *et. al.* (2010) further elaborated that the influence of a celebrity is so powerful that businesses are willing to set aside millions of dollars just on endorsement deals. This is mainly because of the celebrity's ability to capture the attention of consumers in an advertisement among the cluttered streams of messages (Kamins *et. al.*, 1989). The large amount of money spent by businesses is solely for the sake of hoping that it will positively influence the targeted consumers' behaviors and attitudes toward the product. For example, Nike is famous for its consistent use in using celebrities for endorsement purposes (Roll, n.d.). In 2010, Nike signed an 8-year contract with tennis superstar Maria Sharapova worth USD \$70 million, making it the richest endorsement deal signed by a female athlete (Sacks, 2010).

The celebrity endorsement advertisement is not only capable of reaching out to the targeted consumer, but it also helps the retailer to attract a new audience. Advertisers are looking at celebrity endorsement because it is a fast and effective method to create awareness about the product. Shimp (2008) added by saying that companies investing in celebrity endorsers will only achieve profitability once the “*incremental revenue generated from the advertising exceeds the advertising expense*”.

The four brand equity dimensions as suggested by Aaker (1991); brand awareness, brand associations, perceived quality, and brand loyalty are important to influence consumers’ perceptions that the brand purchased will bring values and benefits to the consumer (Woon *et. al.*, 1999). Likewise, a celebrity endorser may be used in advertisements to contribute to these dimensions. Ideally, when the consumer gains satisfaction from the purchase, word-of-mouth recommendations will occur. This type of personal communication will be beneficial for retailers as it appears to be objective and unbiased (Baines *et. al.*, 2008).

A prominent public figure has the power of creating a new or unknown brand to making it well-known if the endorser speaks well of the product. Brand awareness only happens when the presence of the brand has impacted the consumer’s mind and when the consumer has reached their ability to recall the brand with ease under different conditions (Rothschild, 2001). Lear *et. al.*, (2009) claimed that retailers can gain pre-sale demand with strong exposure of the celebrity endorser in the advertising campaigns during the months before a product is released. In other words, the endorser has already created product awareness to the consumers leading increment in merchandise sales.

Rothschild (2001) mentioned that functional features and emotional bonds should be offered in brand associations. Similarly, a celebrity endorser is expected to project these associations to the audience. Aaker (1991) defined brand associations as the thoughts that are linked to the brand in a consumer’s memory. Examples include David Beckham with Giorgio Armani and Tyra Banks with Victoria’s Secret.

Perceived quality refers to consumers’ opinions which are subjective about a brand. Erdogan *et. al.*, (2001) found out that celebrities are chosen to build a lasting impression so strong that it can persuade the consumer to make a purchase. This means that a celebrity may also enhance the brand’s perceived quality, thus allowing the brand managers to charge higher prices because the consumers are willing to pay more for what they perceive as a higher quality (Shimp, 2008).

According to Aaker & McLoughlin (2010), brand loyalty, or resistance to switching, can be based by three factors which vary from switching costs, to preference, or even a mere habit. Consumers who view the celebrity endorser as their role model are most likely to stick to the same brand which the celebrity is using. Therefore, celebrities can be considered as being able to influence the consumers to repeat the purchase.

To further reinforce the statement, the endorser plays the role of making consumers less price sensitive and more loyal to the product or brand (Mela *et. al.*, 1997). Kotler (2003) said that brand loyalty allows retailers to be protected from competition and generate better marketing strategies.

The negative aspects of adopting a celebrity endorser should not be overlooked. As mentioned earlier, the cost of using a celebrity endorser is extremely high and usually involves a long-term contract between the brand and the endorser. The use of two or more celebrity endorsers in an advertising campaign also known as multiple celebrity endorsements will cause overexposure leading to consumer's scepticism. Hsu & McDonald (2002) mentioned that consumer will question whether the endorser actually believes the benefits of the product (an internal attribution) or merely endorsing it for the sake of earning money (an external attribution). A consumer expects the endorser to use the product and produce a statement that is truthful (Ohanian & Kertz, 1992). Similarly, since endorsement deals are so lucrative, celebrities are more likely to sign more than one endorsement deal in their career which will also cause consumer's scepticism to arise. A good example would be football legend David Beckham, who has taken up multiple brand personalities which adds value to a variety of products making him a global brand. He has endorsed brands from Motorola, Pepsi, Vodafone, to sports cars and even chocolates (Vincent *et. al.*, 2009). According to Tellis (2004), these type of celebrities lack unique brand identity.

Companies also face risks of the possibility of bad publicity arising involving the celebrity endorser (White, Goddard & Wilbur, 2009). Since endorsement deals usually require a long duration, the reputation of the celebrity may unexpectedly turn bad during the endorsement period because of the celebrity's behavior. Till & Shimp (1998) believed that when such negative publicised incidents are widely spread, celebrity endorsers may sabotage its main purpose from being assets to the brand to switching into becoming liabilities to the brand.

There is also a tendency for a mismatch to happen between the celebrity and the image of the brand. Kamins (1990) said that the match-up hypothesis suggests that both the image conveyed by the celebrity and the product should converge in order for the advertisement to be more effective. Every celebrity portrays a different meaning, lifestyle, and personality so it is important for marketers to select the celebrity who best fits the image of the brand.

Further to the discussion above, following hypothesis is developed:

H<sub>1</sub>: Celebrity endorser adds value to the brand equity of the sport products.

### **3.2 Influence of Celebrity Endorsers Towards Young Consumers**

#### **Young Consumers Defined**

A research by United Nations (2010) showed that youths today stand for 18% of the global population or 1.2 billion people. According to United Nations (n.d.), youths belong to the age group which falls between 15-24 years old. The National Development Policy of Malaysia categorised youths between the ages of 15-40 years old. This research hence focuses on the population in the age range between 15-40 years old.

#### **Sports Marketing Defined**

In this diverse nation, sport is viewed as a common background which brings people together regardless of gender, race or religion. Sports marketing can be looked from two perspectives; first, marketing of sport where sporting organisations apply principles of

marketing to their business operations and second, marketing using sports where organizations associate themselves using sporting teams, players, and sports to attract customers (Morgan & Summers, 2005).

Bush *et. al.* (2005) claimed that the teens and young consumers market spend approximately \$156 billion annually and loves to be entertained by sports, movies, and the internet. The young consumers' passion for sports; be it participating in the sport itself or merely being a spectator, leads to an increased interest in purchasing sports related products. Marketers are now targeting the young consumers with distinctive products and services through advertisements because of the greater spending power owned by the young consumers.

### **Celebrity Endorsers as Role Models**

Nowadays, the young people are known to be trendsetters among each other as well as the population at large. Young people perceive a brand as cool if it is associated with advertising, peers, and celebrities or role models (Martin & Bush, 2000). A role model for a youth can be defined as anyone whom the youth directly or indirectly comes in contact with, who may potentially influence the youth's decisions or behaviors (Bandura, 1977). Likewise, role models who may influence the youth's purchasing decisions are known as consumption role model (Martin & Bush, 2000). Spears & Singh (2004) defined purchase intention as "*an individual's conscious plan to make an effort to purchase a brand*".

A successful endorser has the ability to increase consumers' purchase intentions and preference towards a brand especially the younger consumers as they may relate closely to endorser qualities (Liu *et. al.*, 2007). Martin & Bush (2000) agreed saying that youth tend to select their own celebrity endorser which they may relate to best based on specific characteristics and are known as vicarious role models. Funk (2008) defined sports and consumer behavior as the "*process involved when individuals select, purchase, use, and dispose of sports and sports event related products and services to satisfy needs and receive benefits*". This process is accompanied by various types of socialisation agents such as family, peer groups, community and culture, media, and school (Baxamusa, 2010). Kamins *et. al.*, (1989) suggested that identification occurs when the individual adopts the behavior of another person because the individual aspires to be like that person. Similarly, the individual may pick up the form of classical identification where the individual attempts to be like the influencing agent (celebrity endorser) by believing what the agent believes (Kelman, 1961). Moreover, young consumers are also most likely to succumb to peer pressure because most decision making are relied on their social network so they will listen to whatsoever their peer inform them (Nga *et. al.*, 2010). Bush *et. al.* (2005) further elaborated that the youth market is one of the fastest growing market known for its word-of-mouth (WOM) behavior. Also, athlete role models have been suggested to positively influence the youths' favourable WOM communications about a product.

According to World Youth Report (2005), young people have a curious nature and adopt values through experimentation, investigation, and testing. Albers-Miller & Stafford (1999) said that advertising in global markets is more difficult because of the existing problems when crossing cultural boundaries. Based on the statements above, the following hypothesis is developed:

H<sub>2</sub>: Celebrity endorser is a role model and influence young consumers

### 3.3 Celebrity Endorsement Advertisements

Previous researchers have proved that the usage of celebrity endorsers in advertisement is now becoming a common trend (Shimp, 2000; Erdogan *et. al.*, 2001; Choi & Rifon, 2007). Athletes or sports celebrity endorsers are the best representatives to be used in advertisements which sell sports related products because of their expertise in the area. According to McCracken (1989), the effectiveness of a celebrity endorser comes from an endorsement process known as “meaning transfer” beginning from the properties shown by the celebrity, to move from the celebrity to consumer good, and from good to consumer.

### 4.0 The TEARS Model

Silvera & Austad (2004) suggests that the effectiveness of the celebrity endorser is dependent on the endorser, the product, and societal conditions where the advertisement is shown. Apart from that, it is also dependant by several other factors such as product-celebrity match, the attractiveness and credibility of the endorser, message and product type, and the level of involvement by the endorser (Bruce *et. al.*, 2004). Shimp (2008) introduced the TEARS model which emphasised on credibility and attractiveness as two components that motivates the endorser’s effectiveness. The TEARS model represents five attributes: trustworthiness and expertise belongs to the credibility component, while physical attractiveness, respect, and similarity are dimensions of attractiveness. From the perspective of advertisers, celebrity endorsers are selected based on someone who is widely regarded as honest, believable, and dependable by the public (Shimp, 2008). Trustworthiness is therefore the general believability of the endorser while expertise refers to the product knowledge of the endorser and validity of the endorser’s claims on the product (Silvera & Austad, 2004). Tripp *et. al.*, (1994) suggested that endorsers who endorse several products at a time are viewed as less credible as compared to endorsers who endorse a single product. Spry *et. al.*, (2011) mentioned that credibility is important as high endorser credibility leads to higher brand credibility. Kertz & Ohanian (1991) suggested that endorsement advertising is credible because it is created in such a way that the public is aware of the advertiser being prohibited to make false or misleading claims about a product. In other words, the viewer is persuaded to rely on the opinions of the endorsers of the advertisement.

On the other hand, Liu *et. al.*, (2007) said that consumers view celebrities as a very important reference group and as long as the celebrity is famous and attractive, consumers will have an automatic liking towards the celebrity. Physical attractiveness can be evaluated in terms of physique, sex appeal, and beauty. Examples include women’s tennis star, Anna Kournikova, whose popularity mainly comes from her sex appeal, or female professional golfer Michelle Wie who earned \$12 million from endorsement deals as compared to her prize money of \$39,000 in 2008 (Simmers *et. al.*, 2009). The discussion above implies that celebrity endorsers functions as an influential group and are effective to use in advertising because they are believable which brings up the following hypothesis:

H<sub>3</sub>: Consumers believe advertisements which features celebrity endorsers

#### **4.1 Negative Celebrity Information**

Ohanian (1990) mentioned that the selection of an appropriate celebrity endorser is a highly important yet difficult decision. The personality of the celebrity endorser plays a major role on the persuasiveness of the message because consumers view these celebrities as their role models. Celebrities are generally viewed as individuals with a dynamic personality and likeable qualities (Kamins *et. al.*, 1989). As a result, the way the celebrity acts and behaves affects the product because their image will leave an impact towards the conscious mind of the consumers. Although celebrity endorsement strategy may be perceived as beneficial, there are also potential risks involved which comes along with celebrity endorsement deals. Typically, these celebrities live under the limelight and it is not an easy task to live a perfect, daily life. The mass media such as tabloid magazines and entertainment channels exist to report juicy gossips of the happenings revolving the celebrity. The celebrity being a normal person tends to make mistakes as well and unfortunately, the mistake made will get as much attention as their celebrity status. Hence, there will be risks faced by the celebrity such as public controversy and overexposure.

#### **4.2 The Associative Link between the Celebrity and the Brand**

Following McCracken's meaning transfer theory (see Figure 1), when consumers are exposed to negative celebrity information, consumers will instantly transfer the same negative meanings into their perception of the product once the celebrity's bundle of meanings has been revealed as negative (White, Goddard & Wilbur, 2009). According to Till & Shimp (1998), both the celebrity and the brand have connections or also known as nodes which interlink with each other. For that reason, negative information about the celebrity will activate the celebrity node, which will also subsequently activate the brand node. It is important for the celebrity to be portraying a positive image by their behavior and statements made because the public eye is constantly watching. For example, Olympic swimming champion, Michael Phelps lost his deal with Kellogg after the marijuana photo of him was leaked in a British tabloid (Duncan, 2009). The case of Tiger Woods' scandal caused uproar among the public hence instigating many brands to cut off the endorsement deals with the star. Woods lost his sponsorship relationship with Accenture, AT&T, Gatorade, among many others which quickly wrote him off their lists (McCarthy, 2010). Such negative incidents have led advertisers to decide to include clauses in their contract that allows the endorsement relationship to be terminated should the endorser engage in a socially unacceptable behavior. However, not all companies will choose to forego the endorsement deal as it is after all a heavy investment which has already been made between the two parties. Back to the Tiger Woods' example, brands like Nike chose to stand by Woods throughout the ordeal. The main sponsor decided to fully support Woods; choosing to focus on his career instead (Telegraph Sport, 2009). Companies like Nike feel strongly that the celebrity's personal life should not be confused with his professional life because it is two completely different issues. Similarly, consumers who are fans of the celebrity endorser might be of the same opinion as well which reaffirms the company's opinion that there will still be consumers who will purchase the endorsed products. Therefore, the discussion leads to the following hypotheses:

H<sub>4</sub>: Consumers who have been exposed to negative celebrity information will not purchase the endorsed sports related products

## 5.0 Research Method

This study employed a descriptive research design in which hypotheses were advanced and tested to confirm the facts. A self-administered questionnaire was developed including both structured and open-ended questions. The target population of the study was the randomly selected young adults between age 15-40 years old who have at least one experience in purchasing sports branding products before. Two waves of data collection had been conducted. 100 sets of responses were collected in the first wave. To increase the research reliability level, second wave of data collection was conducted and yielded a total of 367 responses. Data screening was conducted and a total of 44 unusable questionnaires had been excluded, that made up to a total 323 valid questionnaires.

## 5.1 Data Analysis and Findings

### Demographic Profile

A total of 323 questionnaires had been analyzed and it was 87% of the targeted sample size. As mentioned before, the study only concentrated on young adults (age between 15-40) who have at least one experience in purchasing sports branding products before. The details of the respondents' demographic profile are illustrated in Table 1.

**Table 1: Socio-Demographic Data**

<b>Variables</b>	<b>Frequency</b>	<b>Percentage</b>
<b><u>Gender</u></b>		
Male	126	39%
Female	197	61%
Total	323	100%
<b><u>Age</u></b>		
15 to 20	49	15%
21 to 25	86	27%
26 to 30	73	23%
31 to 35	62	19%
36 to 40	53	16%
Total	323	100 %
<b><u>Education Level</u></b>		
Basic Education	26	8%
STPM / A-Levels / Diploma	35	11%
First Degree	206	64%
Post Graduates	56	17%
Total	323	100 %

### 5.2 Reliability of the Instrument

To test the reliability of the constructs, a reliability analysis was conducted using SPSS. Principal components (exploratory) factor analysis with Varimax rotation was conducted by also using SPSS to assess the validity of the constructs. Factor loadings were determined

by categorizing the items into four factors. Table 2 displays the reliability and factor analysis results. To test the reliability of the constructs, an analysis of the Cronbach alpha was conducted using SPSS. According to Sekaran (2003), the Cronbach's Alpha is defined as "a reliability coefficient that indicates how well the items in a set are positively correlated to one another". The reliability coefficients for this exploratory study ranged from 0.682 to 0.835, all within the acceptable ranges as described in the literature. The Cronbach's Alpha value shows higher internal consistency reliability when the value is closer to 1.0 (Sekaran, 2003). According to Nunally (1978), alpha coefficients below the generally cited minimum of 0.70 are acceptable because modest reliabilities are expected (Hair *et. al.*, 1995). However, an alpha coefficient which is lower than the range of 0.60 is generally categorised under poor level of reliability (Slater, 1995). To assess the validity of the constructs, principal components factor analysis with Varimax rotation, also using SPSS, was conducted. In the main, the majority of items loaded at 0.6 or better with their corresponding constructs, which is considered very significant (Hair *et. al.*, 1987).

**Table 2: Reliability and Factor Analysis Results**

Constructs	Variable Descriptions	Reliability Analysis	Exploratory Factor Analysis (Item Loading)
Celebrity Endorser Adds Value to Brand Equity		0.682	
	Take notice and recognise the brand instantly		0.760
	Recall the brand with ease		0.592
	Think of the celebrity endorser when I see the brand		0.683
	Link thoughts of the celebrity endorser when I see the brand		0.713
	Perceive the brand as higher quality as compared to other brands without an endorser		0.638
	Continue to purchase the brand even if the price is relatively more expensive than other brands		0.810
	Buy more products from the brand		0.738
Celebrity Endorser as Role Model		0.778	
	Provides a good model for me to follow		0.709
	Leads by example		0.734
	Sets a positive example for others to follow		0.720

	Exhibits the kind of work ethic and behavior that I try to imitate		0.556
	Acts as a role model for me		0.729
Influence of Celebrity Endorser		0.726	
	Say positive things about sports related products to other people		0.661
	Recommend sports related products to someone who seeks my advice		0.716
	Encourage friends or relatives to buy sports related products		0.679
	Switch to the endorsed brand although I have no problem with a competitor's product		0.788
	Switch to the endorsed brand although the price may be relatively more expensive		0.708
Effectiveness of Celebrity Endorser's Advertisements		0.750	
	Do you recognise the celebrity endorser in the advertisement?		0.718
	Have you purchased any sports related products after viewing an advertisement?		0.778
	Have you purchased any sport related products because of the sports celebrity endorser?		0.661
	Are you familiar with the brand name in the advertisement?		0.615
	Do you think the person in the advertisement is suitable in endorsing the brand?		0.739
	Do you trust that the celebrity endorser views the product in a positive manner?		0.605
	Do you trust that the celebrity endorser truly likes the product?		0.612
	Do you trust that the celebrity endorser frequently uses the product?		0.652

Negative Celebrity Information		0.835	
	I still have a good impression towards the celebrity endorser		0.767
	I still have a favorable impression towards the celebrity endorser		0.749
	I still have a positive impression towards the celebrity endorser		0.774
	I still believe the celebrity endorser is a trustworthy spokesperson for the product		0.791
	I still believe the celebrity endorser is a believable spokesperson for the product		0.761
	I still believe the celebrity endorser is a knowledgeable spokesperson for the product		0.680
	I still believe the celebrity endorser is a qualified spokesperson for the product		0.721
	I still believe the celebrity endorser is an appropriate spokesperson for the product		0.662
	I still believe the celebrity endorser is an effective spokesperson for the product		0.757

### 5.3 Hypothesis Testing for Celebrity Endorser Adds Value to Brand Equity (CEaddvalueBE)

H<sub>1</sub>: Celebrity endorser adds value to the brand equity of the sport products

To measure the research question above, 7 items of the variables which measure celebrity endorser adds value to the brand equity of sports products were summed up by using SPSS, and that yielded a new variable which was named as CEaddvalueBE. As this is an ordinal variable, the non-parametric test of 1-sample Kolmogorov-Smirnov was adopted to run the test. The total mean value of 3.47 as illustrated in Table 3 shows that celebrity endorser's influence on adding value to the brand equity of sports products was moderate. The value of K-S test statistics was 4.324 and the p-value = 0.000 ( $p < 0.05$ ). Therefore, H<sub>1</sub> is accepted. It can be concluded that the celebrity endorser adds value to the brand equity of sports products.

**Table 3: One-Sample Kolmogorov-Smirnov Test for CEaddvalueBE**

		CEaddvalueBE
N		323
Exponential parameter. <sup>a</sup>	Mean	3.47
Kolmogorov-Smirnov Z		4.324
Asymp. Sig. (2-tailed)		.000

#### 5.4 Hypothesis Testing for Influence of Celebrity Endorser on Young Consumers (CEInfluence)

The first part under this research question was to find out if the young consumers looked up to the celebrity endorser as their role model. The second part of this research question was to investigate on whether the celebrity endorser could influence the young consumers' purchase decisions hence the development of the following hypothesis:

H<sub>2</sub>: Celebrity endorser is a role model and influences young consumers

**Table 4: One-Sample Kolmogorov-Smirnov Test for CEInfluence**

	CEInfluence
N	108
Normal Parameters <sup>a</sup> Mean	2.4460
Std. Deviation	0.3073
Kolmogorov-Smirnov Z	.730
Asymp. Sig. (2-tailed)	.662

To measure the research question above, 10 items of the variables which measure the influence of celebrity endorsers were aggregated by using SPSS, and produced a new variable which was named as CEInfluence. As this is an ordinal variable, the non-parametric test of 1-sample Kolmogorov-Smirnov was adopted to run the test. On a scale of 1 to 5, 1 represents 'Strongly Agree' while 5 represents 'Strongly Disagree'. Therefore, the total mean value of 2.4460 as illustrated in Table 4 shows that the respondents' perception of celebrity endorser's influence on young consumers as a role model was rather mediocre. The value of K-S test statistics was 0.730 and the p-value was 0.662 ( $p > 0.05$ ). It can be concluded that the young consumers perceived that the celebrity endorser did not act as a role model and did not have an influence on their purchase decisions.

#### 5.5 Hypothesis Testing for Young Consumers' Belief on Celebrity Endorser's Advertisements (AdvertFeatures)

H<sub>3</sub>: Consumers believe advertisements which feature celebrity endorsers

**Table 5: One-Sample Kolmogorov-Smirnov Test for AdvertFeatures**

	AdvertFeatures
N	323
Normal Parameters <sup>a</sup> Mean	4.0436
Std. Deviation	.25776
Kolmogorov-Smirnov Z	1.775
Asymp. Sig. (2-tailed)	.0756

To measure the research question as stated above, 8 items of the variables which measure the effectiveness of celebrity endorser’s advertisements were tested by using SPSS. A new variable was created and named AdvertFeatures. On a scale of 1 to 5, 1 represents ‘Strongly Agree’ while 5 represents ‘Strongly Disagree’. The mean score of 4.0436 exhibited in Table 5 shows that respondents’ aggregate feedback was positively skewed, where most of the values were clustered at the lower end of the data set. This means that the majority of the consumers did not believe advertisements which feature celebrity endorsers. The value of K-S test statistics was 1.775 and the p-value was 0.0756 ( $p>0.05$ ),  $H_3$  is therefore rejected. It can be concluded that consumers who view the advertisements might not necessarily believe the message conveyed by the celebrity endorser.

### 5.6 Hypothesis Testing for Negative Celebrity Information (NegInfoInfluence)

$H_4$ : Consumers who have been exposed to negative celebrity information will not purchase the endorsed sports related products

**Table 6: One-Sample Kolmogorov-Smirnov Test for NegInfoInfluence**

	NegInfoInfluence
N	323
Normal Parameters <sup>a</sup> Mean	2.9847
Std. Deviation	.25601
Kolmogorov-Smirnov Z	1.744
Asymp. Sig. (2-tailed)	.0107

To measure the research question above, 9 items of the variables which measure the effect of negative celebrity information on consumers’ perception towards the brand were summed up by using SPSS, and that yielded a new variable which was named as NegInfoInfluence. On a scale of 1 to 5, 1 represents ‘Strongly Agree’ while 5 represents ‘Strongly Disagree’, the mean score of 2.9847 was obtained. Table 6 shows that the respondents’ aggregate feedback was neither would purchase nor would not purchase the endorsed sports related products due to the negative celebrity information. The value of K-S test statistics was 1.744 and the p-value was 0.0107. Therefore,  $H_4$  is accepted. It can be concluded that consumers will not purchase the endorsed sports related products after being exposed to negative celebrity information.

### 6.0 Conclusions

The research question was brought up to determine if the celebrity endorser added value to the brand equity of sports products. The statistical results showed that a majority of the consumers agreed that celebrity endorsers enhanced brand awareness and brand association. The consumers agreed that the celebrity endorser would be able to capture their attention towards the brand whenever they saw the advertisement featuring the celebrity. The younger generation was also more receptive about the latest happenings on the media and surroundings. The respondents concurred that the celebrity endorser helped them to

easily identify and differentiate the various brands in the market which led to better product knowledge hence being more confident in their purchase decisions. Based on the findings, it was revealed that celebrity endorsers did give an impact even though not significant on the young consumers in some way as they referred to the celebrities as an important reference group. It was found that most of the respondents claimed that the celebrity endorser acted as a role model to them. The celebrity endorser was able to have an effect on the young consumers based on three central source attractiveness attributes which are familiarity, likability, and similarity (Tellis, 2004). Based on the statistics earlier, the young consumers were most likely only able to relate to one or two of the source attractiveness attributes of the celebrity. It can be concluded that the influence of the celebrity endorser was not strong enough to influence the young consumers to form a favorable behavioral intention on the sports related products. This means that the young adults may purchase the sports related product endorsed by the celebrity but will not do word-of-mouth recommendations to families or friends.

Generally, consumers already have the knowledge that celebrities are paid a huge amount to appear in an advertisement. This knowledge can sometimes transform into perceived bias. Tellis (2004) mentioned that the effectiveness of endorsed advertisements came from the consumers' prior perception on whether the endorser was considered as trustworthy to overcome the perceived bias.

Based on the findings, the respondents thought that the suitability of the endorser played an important role in the advertisement and its brand. However, the consumers might not believe that the endorser was a genuine user of the product or truly liked the product so the message in the advertisement might not be able to get across to the consumers. An endorser who appears too many times in different advertisements representing different brands will tend to cause consumer to be sceptical about the endorser's credibility. Thus, the credibility of the endorser is equally as important as the attractiveness attribute. It is widely known that bad publicity involving the celebrity endorser will somehow tarnish the reputation of not only the celebrity but the endorsed brand as well. The findings also shown that negative celebrity information would negatively influence the consumers' purchasing decisions as well because the society could not separate the celebrity's personal and professional lives. McCracken (1989) reinforced this point by saying that a heavily stereotyped celebrity represents an interconnected set of meanings and not just a single meaning. Therefore, when a consumer sees the advertisement featuring the endorser after having the knowledge of the celebrity portraying a socially unaccepted behavior, the consumer has a tendency not to purchase that brand as a negative impression has already been formed.

The decision to use the right celebrity endorser in an advertisement is a critical issue as he has to be carefully selected to cater for the target audience, especially since every celebrity endorser is able to carry a variety of meanings. The attributes and credibility of celebrity attractiveness should also be taken into consideration as well as the expensive cost and return on investment. The management has to measure the outcome of hiring a specific celebrity as the endorser because the celebrity has the option of endorsing multiple brands, and not just restricted to a particular brand. In contrast, the management has also to be cautious of the number of celebrity endorsers used for a specific brand.

A large number of celebrities for a specific brand may produce positive results or could sabotage the outcome as well. The use of multiple celebrity endorsers allows the management to cover a generously proportioned target audience but it also has the potential of confusing consumers about the brand's identity (Hsu & McDonald, 2002). Tellis (2004) implied that the managing of the celebrity is equally as important as the selection of the celebrity endorser by following three aspects of the management. Firstly, to fully exploit the celebrity endorsers so that they may be able to deliver the meanings but at the same time, the management needs to ensure that they are not misused. Then, the involvement of the celebrity endorsers in the product and advertisement development is crucial so that the target audience may relate to the message which the management tries to convey. Finally, the celebrity endorsers should prove to the target audience that they are genuine users of the product. As shown in the findings earlier, the respondents were not convinced that the endorser was a genuine user of the product. It is definitely crucial to change the minds of the consumers in order for advertisements to be more effective.

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