

**The University of Strathclyde
Department of Marketing**

**CONSTRUCTING A PRACTITIONER-BASED MODEL OF
SELECTING CELEBRITY ENDORSERS**

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**IN ACCORDANCE WITH THE REQUIREMENTS FOR THE DEGREE OF
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GLASGOW**

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ABSTRACT

This thesis investigates how British advertising agencies select celebrity endorsers and the criteria considered important in deciding which celebrity to employ. Specifically the primary focus of the study is to identify and analyse the process by which celebrity endorsers are selected by advertising agency practitioners; to explore factors affecting the selection of celebrity endorsers; and, to generate a model of selecting celebrity endorsers for marketing communication messages.

The research had a two-phase design, which progressed from exploratory interviews to a mail survey. For the first phase, a sample of advertising agencies was taken from a recognised listing of the 300 largest agencies in the UK by *Campaign* in 1997. The top thirty, as ranked by annual sales in 1996, were chosen. Ten managers from nine advertising agencies and a celebrity director from a special research company called the Celebrity Group Ltd, were interviewed. Two fax responses were also received.

Having identified a process by which practitioners select celebrity endorsers and the criteria considered, ten hypotheses were developed and the second phase, a mail survey, was launched. The population included advertising agency directors/managers working in Institute of Practitioners in Advertising (IPA) member agencies. Purposive sampling was used with the objective of selecting agency managers who have been involved in celebrity campaigns. After two waves, 131 out of 414 (31.6%) questionnaires from 80 out of 148 (54%) agencies were received.

The research findings indicate that there is an informal and unwritten process of selecting celebrity endorsers in which a number of agency teams play a part and there is a range of criteria considered in the process. During the research process a pre-understanding model of how agencies select celebrity endorsers was developed that is grounded in the exploratory interview findings from which the research hypotheses are mainly derived. After having tested the hypotheses, a final version the process is proposed, which reflects a normative theory and represents a major contribution of the thesis.

KEYWORDS: Celebrity endorsement
Marketing communications
Integrated marketing communications
Advertising
Advertising agencies
Advertising development
Decision process
Normative theory
Response rate

Chapter One

An Overview of the Research

CHAPTER ONE: AN OVERVIEW OF THE RESEARCH

1.1 INTRODUCTION

The problem of communicating to consumers is of increasing importance in the field of marketing. In addition to the severe competition, constantly advancing technology has left little room for product differentiation, and as a result marketing communication tools have become the means to retain and increase market shares. Hence, marketers use communication strategies to help differentiate their brands from competitors' in order to influence consumers' buying decisions. One of the strategies is the use of celebrities as endorsers of brands.

Despite the obvious economic advantage of using relatively unknown personalities as endorsers, the choice of celebrities to fulfil that role has become common practice for companies competing in today's cluttered media environment. A recent estimate indicates that around one quarter of all commercials screened in the USA include celebrity endorsers (Shimp 1997). Although celebrity endorsement has a historic presence in Britain, the number of celebrity campaigns has increased markedly in recent years. In fact, the study findings show that one in five marketing communications campaigns feature celebrities in the UK.

The reason for companies to juxtapose brands with celebrities is the hope that their much-admired characteristics transfer to brands they endorse (McCracken 1989). This may in turn boost effectiveness of marketing communication attempts by helping messages *stand out* from surrounding clutter and thus improving communicative ability by cutting through excess noise in a communication process. While their positive impact on economic returns of sponsoring companies is well documented (Agrawal and Kamakura 1995; Mathur, Mathur, and Rangan 1997), celebrities do not come risk-free. There are many potential hazards such as public controversy, and overexposure. It has been found that negative information about a celebrity endorser not only influences

consumers' perception of the celebrity, but also the endorsed brand (Till and Shimp 1998).

Given the large sums of money involved in this strategy and the risk associated with selection of inappropriate celebrities, developing a systematic approach to the selection of an appropriate celebrity for marketing communication messages is an important practical task. The literature comprises studies that manipulate celebrity endorser characteristics such as attractiveness, likeability, familiarity, trustworthiness, and expertise under laboratory conditions using students as experimental samples. Only one study by Miciak and Shanklin (1994) investigated the factors taken into account by advertising practitioners (agency and company) when choosing celebrity endorsers, but not the process. In sum, the literature provides little or no information regarding the actual process advertising agencies go through in selecting celebrity endorsers.

1.2 RESEARCH OBJECTIVES

In order to close the aforementioned gap, this research aims to discover the process by which British advertising agencies select celebrity endorsers, who is involved in the process and their roles as well as factors deemed important in selecting celebrity endorsers. More specifically, objectives of the study can be stated as:

1. To identify and analyse the process by which celebrity endorsers are selected by advertising agency practitioners in the UK.
2. To explore factors affecting the selection of celebrity endorsers in the UK.
3. To generate a model of selecting celebrity endorsers for marketing communication messages.

Generating a practitioner-based celebrity endorser selection procedure may not only provide invaluable insights for British advertising agencies in striving to find the 'right'

celebrity endorser for their clients' brands, but it may also be of use to practitioners in other countries since UK-based advertising agencies are considered to be the centre of excellence in the global marketing communication industry.

1.3 THE ORGANISATION OF THE THESIS

The objectives of the study form the basis for the literature review and empirical phases of research. Chapter Two reviews the communication and advertising literature in order to establish a basic theoretical background for the thesis in light of recent developments. It starts by exploring several definitions of the communication process and its elements. The source element is discussed in depth because when celebrities endorse brands, they are perceived to be the major source of the communication process. Next, a more specific form of the communication process, marketing communications, is defined and discussed adapting the integrated marketing communications perspective. Then, definitions and objectives of advertising are presented since celebrity endorsers are mostly depicted in advertisements. Lastly, several models of how advertising works are discussed to grasp how advertising may affect consumers.

In a sense, Chapter Two lays the first foundation stone for the thesis. The second foundation stone is contained in Chapter Three by presenting the celebrity endorsement literature. In the process of reviewing the literature, three strands were presented first, as a backdrop to a potential selection process: historical developments, comparisons of celebrity versus non-celebrity endorsement strategies, and pros and cons of the strategy. Next, the academic literature is discussed under four headings—Source Credibility Model (Hovland, Janis, and Kelley 1953), Source Attractiveness Model (McGuire 1985), Product Match-Up Hypothesis (Kamins 1990), and Meaning Transfer Model (McCracken 1989)—in order to identify factors which might have implications for a potential selection process. Lastly, celebrity endorsement message formats and integrative use of celebrities are presented because of the belief that a potential process should not be only concerned with selecting celebrities, but also extend to how celebrities are utilised and presented.

Chapter Four details the research design and instruments after restating the research objectives. The research design involves two successive phases. Unlike its predecessors, the research first makes use of a phenomenological methodology, exploratory interviews, with the intention of identifying parameters of a celebrity selection process. The second phase of the study seeks to test hypotheses derived from the first stage and the literature review, and therefore employs a positivist methodology, mail survey. A schematic diagram of the research design is presented in Figure-4.1. Thereafter research hypotheses are stated and the research sample is identified. Finally, the research instrument development process and efforts spent to increase the response rate are detailed.

Chapter Five presents findings from exploratory interviews carried out with thirteen managers, eleven of whom worked in the top thirty British agencies ranked by annual sales. The objective was to determine whether British advertising agencies use an identifiable process for selecting celebrity endorsers utilised by. It is believed that identifying the process by which celebrities are selected requires an understanding of; *why* agencies use celebrities; *who* is involved in the process; *how* the process flows; and, *how* agencies execute celebrity campaigns. Hence, these topics were incorporated in an interview schedule. A model of selecting celebrity endorsers reflecting the researcher's pre-understanding was identified and depicted in Figure-5.1.

Chapter Six explores the mail survey findings and tests the ten research hypotheses. The respondents included advertising agency directors/managers working at agencies in membership of the Institute of Practitioners in Advertising (IPA). The reason for sampling IPA member agency managers is that these transact more than 80 per cent of total UK advertising expenditure. Findings from this larger sample mostly confirm the ones from the exploratory stage in that there is an unwritten process for selecting celebrity endorsers and managers use a range of objective criteria in this process.

Chapter Seven integrates findings from both stages of the fieldwork. The final version of the model by which advertising agencies select celebrity endorsers is presented in Figure-7.1 and each step of the model is explored in detail. The model illustrates a normative theory and represents a major contribution of this thesis to the literature as it

fulfils the first requirement of theory building in that it captures tacit knowledge and makes it explicit.

The study is concluded in Chapter Eight, which starts by comparing the research findings with objectives. It then discusses the academic and managerial implications of the research, reveals limitations and suggests further research avenues.

Finally, the appendices detail the interview schedule, the survey questionnaire, associated documentation, and some of statistical test results carried out in Chapter Six.

1.4 SUMMARY

This chapter introduced the research objectives along with the structure and organisation of the thesis in order to provide a snapshot of how the research has been developed and written.

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Chapter Two

Backbone for The Study: Communication and Advertising

CHAPTER TWO: BACKBONE FOR THE STUDY: COMMUNICATION AND ADVERTISING

2.1 INTRODUCTION

The use of celebrity endorsement as a marketing communications strategy is widely recognised and often utilised. Even though this strategy has proven effective, there are clearly many potential hazards such as, celebrity inappropriateness, misbehaviour, or mismatch. These potential hazards can occasion managerial difficulties when selecting potential celebrities for company messages. These hazards require managers to study and understand the communication process thoroughly because parts of a process can best be comprehended by analysing the whole process carefully. In conjunction with this line of thinking, this chapter's objective is to build a theoretical background for the thesis topic.

In order to build the aforesaid background this chapter offers three main discursive sections. First, an attempt is made to define, analyse, and clarify basic concepts of the communication process in general; second, a more specific form of the communication process, marketing communications is discussed. The third section defines concepts of advertising and then, theories of how advertising works will be discussed. Understanding the communication process, marketing communication tools, and especially advertising, is crucial to comprehend and interpret any proposed selection process for celebrity endorsers due to the fact that when used in advertising, a celebrity is regarded as a communication source.

2.2 COMMUNICATION

Decision makers in the field of marketing communications (marcom) must thoroughly understand the communication process since marcom strategies are implemented through communications with potential consumers. This section reviews the fundamentals of communications and particularly the source element.

2.2.1 Definition and Process of Communication

There are many different definitions of communication which vary according to the authors' view. The simplest form is that "communication is the transmission of a message from a sender to a receiver by means of a signal of some sort sent through a channel of some sort." (Schiffman and Kanuk 1991).

The above definition leaves too many unknowns. Such as, what type of message does the sender wish to convey? Has the sender put it into a format that conveys a precise meaning? Through what channel is the message to be transmitted? Do intended receivers have access to this channel? Can the message overcome psychological barriers, which often may cover an intended audience? Can or will an audience decode the message inappropriately? And finally, how do senders know if communication has taken place?

In order to answer these questions, more sophisticated definitions must be given. Harold D. Lasswell (1948) argued that a convenient way to describe an act of communication is to ask the following five questions which are central issues in a number of communications research fields—control analysis (who?), content analysis (says what?), media analysis (in which channels?), audience analysis (to whom?), and effect analysis (with what effect?).

Kitchen (1999) claims that Lasswell's formula shows the basic components of communication, but it does not necessarily serve to indicate the mechanism by which communications becomes two-way rather than one-way.

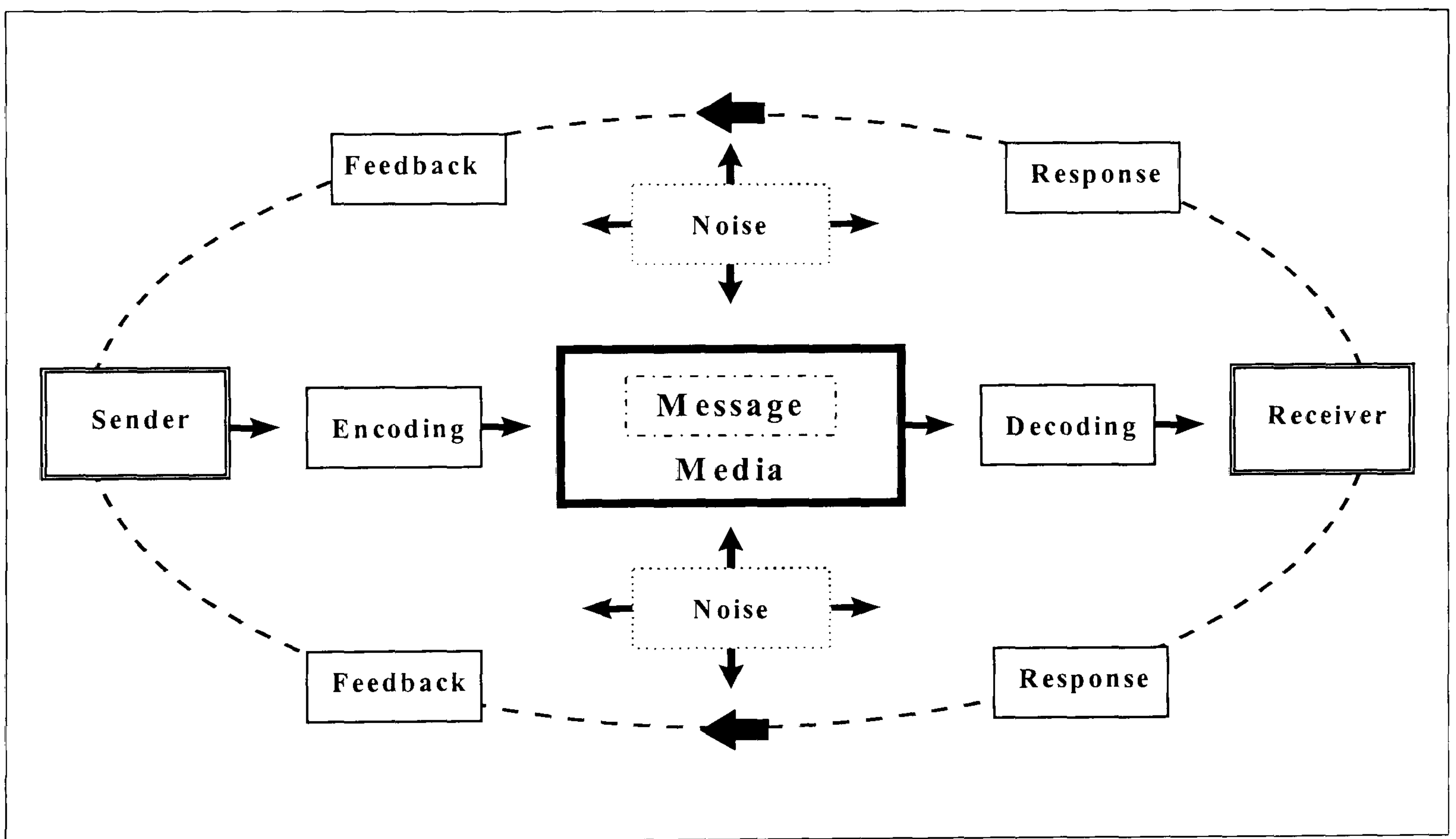
Alternatively, Schramm (1971), who was found to be the most often cited scholar in a recent survey done by Buttle (1995)¹, defined communication as "the process of establishing commonness or oneness of thought between a sender and a receiver." This definition reveals three conclusions. First of all, communication is a process and has interrelated components that can be modelled and examined in a structured manner (Shimp 1997). Secondly, information must be transferred from a sender to a receiver

¹ The survey included 101 popular texts in the fields of marketing, marketing communication, marketing management, promotion management and marketing strategy. Schramm was cited by 27 of the texts.

and transferred information is assumed to contribute to the development of shared thought between participants in any communication process. Lastly, communication is based on a relationship that might exist between two people, or between one person and many others.

Schramm (1971) noted that it is misleading to think of a communication process starting somewhere and ending somewhere since people are constantly receiving and decoding signs from the environment, interpreting these signs, and encoding something as a result. Consequently, Schramm acknowledged a new element to his model, *feedback*, and added that audiences are not passive. In other words, the process is not just one-way. Below, Figure-2.1 shows a model of the communication process with nine elements.

Figure-2.1 Communication Process



Source: Adapted from Schramm 1971 and Kotler 1997.

The model emphasises the key factors in effective communication. Senders must determine target audiences they want to reach and any desirable responses. Then, senders must choose and encode a message (e.g. initiate the transfer of meaning by

choosing appropriate symbolic images that represent the meaning). The communication process can be effective only when messages are decoded by receivers as they were encoded by senders. Senders must transmit through efficient media that reach target audiences; and, develop feedback channels to monitor the receiver's response to the message.

Even though source (sender) is the major focus of attention in this thesis, it is useful to define the communication elements, briefly.

Sender or source of a communication is defined as "the person or organisation who has information to share with another person or group of people" (Belch and Belch 1995). Similarly, Shimp (1997) defines the source as a person or group of people (such as a business firm) who have thoughts (ideas, sales points, etc.) to share with some other person or group. The intention of the source often determines the meaning of a message (Buttle 1995).

Encoding is the process of putting thought into symbolic form (Delozier 1979). In the process, the source selects specific signs from a nearly infinite variety of words, sentence structures, pictures, facial expressions, symbols and non-verbal elements to encode a message that will communicate effectively with the target audience and enable the receiver to comprehend the intended meaning.

The *Message* is a symbolic expression of a sender's thoughts (Schramm 1965). In marketing communications, the message can take the form of an advertisement, a sales presentation, a package design, etc.

Media are the path through which the message moves from source to receiver (Baker 1998). Companies use broadcast media (television and radio), print media (newspapers and magazines), and more recently electronic media (Internet) to channel advertising messages to current and potential customers. Messages are also transmitted to customers directly via salespersons, by telephone, direct-mail, brochures, billboards and point-of-purchase displays (Shimp 1997).

Decoding is the process by which receivers assign meanings to senders' transmitted symbols (Schramm 1965). Decoding involves activities undertaken by receivers to interpret—or derive meaning from—messages. Communication is said to be effective when the receiver's decoding of message content produces the meaning as intended by encoders (Buttle 1995).

Receiver is the person or group of people with whom the sender attempts to share ideas, or as Kotler (1997) puts it, the receiver is the party receiving the message. In marketing communications, receivers are the prospective and present customers of an organisation's product or service.

Response is the set of reactions to the message by receivers. In the marketing communications context, desired response from consumers might be attitudinal i.e. cognitive, affective, or behavioural. More specifically, marketers could be aiming to increase sales volume, to create or change attitudes positively in the minds of consumers towards their products or services.

Feedback is a part of the response transmitted back to the sender. Feedback enables the source to monitor how precisely the intended message is being received and determine whether the original message hit the target audience accurately or whether it needs to be altered to evoke a clearer picture in the receiver's mind (Schramm 1965). Thus, the feedback mechanism offers the source some measure of control in the communication process.

Noise is unplanned static or distortion during the process of communication. A message moving through a channel is subject to the influence of extraneous and distracting stimuli. These stimuli interfere with message reception in its original form. Schiffman and Kanuk (1991) argue that there are many barriers to communication: some are physical, others are psychological.

Physical barriers could result from causes like insufficient illumination, bad telephone line connection, or any other conditions that interfere with the transferring of information. The best way to overcome this kind of noise may simply be to repeat the message several times or overcome technical difficulties.

Messages may also not be seen, viewed, or heard, or may be decoded incorrectly due to three psychological barriers; *selective exposure, distortion, and retention*.

Baker (1992) argues that in a normal day consumers receive over one thousand different messages concerning products and services though they attend to only six or seven messages that are *selectively perceived* relevant to their interests. Most messages are screened out by non-interest or by sensory overload. Consumers are more likely to notice messages that relate to their needs, if they are anticipated, or if products and services are offered more cheaply than the norm (Kitchen 1999).

Consumers may *distort* messages the way they want to hear or see because of set attitudes. These attitudes lead to expectations about what they hear or see. Consumers will hear or see whatever fits into their own belief systems. As a result, receivers may add things to messages which are not present in messages or not notice others things that are there. These distortions cause mismatch mainly between encoded intent and decoded receipt of messages.

Consumers will *retain* in long-term memory only a small fraction of the messages they decode. Those tend to support their cognitive, affective and conative framework. If a receiver's initial attitude toward the object is positive and the receiver has supportive arguments, the message is likely to be accepted and have high recall (Kotler 1997). Kitchen (1999) argues that brand loyal consumers or those striving to diminish or eliminate perceived risk or cognitive dissonance would selectively recall messages relevant to their needs.

A short review of how the communication process works and elements of communication process are presented above. Now it is time to pay close attention to one of the major communication elements, the source, since when used celebrity endorsers are perceived to be the source of the communication process by consumers although they are not message originators.

2.2.2 The Source Element

Information source directly influences consumer acceptance and interpretation of messages (Assael 1987). Aaker and Myers (1982) argue that the sender or source of a communication is perceived as the originator of the message. In this sense, the source is not only an integral component of the communication process, but also has a crucial influence on message impact. The source could be a single individual, a group, or collective entity.

Schiffman and Kanuk (1991) argued that there are two types of sources to which receivers are exposed; interpersonal communication sources and impersonal communication sources. Their impact and influence differ, naturally. The source can be classified according to the type of communication as presented in Table-2.1. In this classification, celebrities are considered as impersonal communication sources which may seem ironic as one of the reasons for utilising celebrities in marketing communications is to personalise the impersonal message sources e.g. company or brand. The word impersonal in this classification context simply implies a source of mass communication.

Table-2.1 Source Classification According to The Type of Communication

Interpersonal Communication Sources		Impersonal Communication Sources	
Informal (family members)	Formal (Salesperson)	Company or Brand	Spokesperson or Celebrity

Source: Prepared from Aaker and Myers (1982); Schiffman and Kanuk (1991); Baker (1996).

Aaker and Myers (1982) state that in the case of advertising, there are at least two types of source involved. The first is the company or brand that is interested in communicating information to an audience. The second may be the spokesperson, the model or personality featured in an advertisement. Baker (1996) argues this distinction is important because consumers often identify messages with the communicator (sales person, celebrity endorser, personality) or the channel (Channel 5, Reader's Digest, Sunday Times) instead of the company behind the message.

Interpersonal communication occurs on a personal level between two or more people. Such communication might take place between two people who meet face to face, who speak with each other on the phone, or who correspond by mail. The source of this type of communication is an interpersonal communication source. Interpersonal communication sources could be either informal or formal. Informal sources include family members, friends, fellow employees and the like. Such word-of-mouth communication tends to be very effective since the source ostensibly has no pecuniary interest from a receiver's action. Formal sources include organisational representatives, such as salespeople, or political candidates, who are paid for influencing or persuading receivers (Schiffman and Kanuk 1991).

On the other hand, communication directed to a large and diffuse audience is called impersonal or mass communication. The sources of mass communication are usually organisations such as manufacturing companies, commercial companies, or charities that want to promote products, ideas, or services through specific departments or spokespersons. These communications are generally encoded in paid advertising messages and carried out by mass-media channels—television, radio, newspapers, magazines, and billboards. In addition, they sometimes use such personal media as direct mail or sales promotion to transmit intended messages.

In this thesis, the term 'source' will be used to mean the person involved in communicating a marketing message, either directly or indirectly. A direct source is a spokesperson or endorser delivering the message and/or demonstrating a product or service. An indirect source could be the same spokesperson or endorser, but not delivering messages, but appearing in an advertisement and drawing attention to it (Belch and Belch 1995). McCracken's (1989) definition of a celebrity endorser, is quoted below in order to give a robust idea about what type of source this study is concerned with.

'Any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement.'

Kotler (1997) claims that the more the source's field of experience overlaps with the target audience, the more effective the message is likely to be. Solomon (1996) seems to agree with Kotler by stating, the choice of personality depends on the type of product, but he points out that people who tend to be sensitive about social acceptance and opinion of others are more persuaded by an attractive source, while those who are internally oriented are more swayed by an expert source.

In order to clarify this mild debate, Friedman and Friedman's (1979) argument is presented. They suggest that while a positive source can help reduce risk and increase message acceptance, particular types of sources are more effective at reducing different kinds of risk. Experts are effective at changing attitudes toward utilitarian products that have high 'performance' risk, such as vacuum cleaners. Celebrities are more effective when they focus on products such as jewellery and furniture that have high 'social' risk; the users of such products are aware of their effect, or the impression others may have of them. Lastly, 'typical' consumers, who are appealing sources due to their similarity to receivers, tend to be most effective when endorsing everyday products that are low in risk and involvement, such as biscuits or washing powder.

2.2.3 Source Dimensions

Very often *who* says something is as important as *what* is being said. A favourable perception of the sender is crucial to communication effectiveness. The influence of the communicator on the acceptance of a message has been called *the source effect* after Levitt (Evans 1988).

Most generally studied source characteristics can be grouped under three dimensions, credibility, attractiveness, and power (Kelman 1961; Percy and Rossiter 1980). The effectiveness of a source in persuading a receiver to adapt his or her position depends on the source's position on three dimensions; credibility, attractiveness and power (see Table-2.2).

Table-2.2 Source Dimensions

Credibility	Attractiveness	Power
expertness	Prestige	expert power
trustworthiness	social status	referent power
	similarity	legitimate power
	familiarity	coercive power
	physical attractiveness	reward power

Source: Prepared by the author from Kelman (1961); Percy and Rossiter (1980).

Even though these dimensions will be explored in the context of celebrity endorsement in Chapter Three, it is necessary to present literature from a generic communication perspective in order to establish the background for subsequent discussion.

2.2.3.1 Source credibility

Credibility refers to the degree to which the source is perceived as being *expert* with respect to the product or thing being advertised and is essentially perceived to be telling the *truth* regarding product claims. This character relates to consumers' beliefs that a communicator is competent (Solomon 1996). Credibility is important because receivers are most likely to *internalise* messages from a credible source. Internalisation occurs when receivers accept source influence in terms of their personal value structures. In other words, receivers accept the source's position on an issue as his or her own. Once messages are internalised, they are hard to change because they are important to the individual (DeLozier 1979; Solomon 1996; Shimp 1997). Even if the source of a message is forgotten or if the source switches to a different position, internalised attitudes tend to be maintained (Petty et al 1981).

Studies have concluded that the greater the perceived credibility of the source, the greater the likelihood the receiver will accept the message (Watts and McGuire 1964; Miller and Basehart 1969). A credible source, however, does not always guarantee

message acceptance. The credible source is unlikely to increase message acceptance if consumers have little exposure to (Dholakia and Sternthal 1977), or involvement (Mizerski, Hunt and Patti 1978) with the message issue (e.g. products or services); the message conflicts with consumers' best interests (Eagly and Chaiken 1975); or, the message is threatening (Sigall and Helmreich 1969).

Belch and Belch (1995) argue that when receivers of a message have negative predispositions toward a product, service or issue being promoted, a highly credible source is important since the credible source can potentially inhibit counter arguments and subsequently lead to greater message acceptance.

2.2.3.2 Source attractiveness

A source's *attractiveness* refers to his or her perceived social value. Attractiveness concerns the receiver's perceptions of the *prestige* or *social status* of the source, the degree to which the source is *similar* to the receiver, the *physical attractiveness* of the source, and the *familiarity* of the source which refers to knowledge of the source through exposure (McGuire 1969).

Attractiveness may lead to *identification*, which occurs when a receiver accepts a communicator's influence because they wish to be like the communicator in some way. In other words, the process of identification occurs when attitudes, beliefs, preferences or behaviours are formed in order to be similar to another person or group (Delozier 1979). Maintaining this position depends on the source's continued support for the position as well as the receiver's continued identification with the source. Belch and Belch (1995) claimed that unlike the case of internalisation, identification generally does not become integrated to a person's belief system. Thus, receivers might maintain the attitudinal disposition or behaviour so long as it is supported by the source or the source remains attractive.

Mills and Jellison (1969) claimed that people are more likely to be influenced by someone whom they feel to be similar to themselves. If a communicator and receiver share similar needs, goals, interests and lifestyles, the position advocated by the communicator is better understood and received. Busch and Wilson's (1976) study

shows that people who perceive the communicator as similar to themselves are more likely to accept their message. Joseph (1982) found that physically attractive sources usually have a positive effect and produce more favourable evaluations of advertisements and products than less attractive ones. Baker and Churchill (1977) found that source gender relevance is another important consideration. People are more likely to be influenced by a same gender source. Lastly, extensive use of likeable, personable celebrities in advertisements speaks for their importance and likely impact.

2.2.3.3 Source power

As a result of the *power* perceived in the source by the receiver, the receiver may carry out what the source wants because this is seen as a way of achieving some desired response from the source (Percy and Rossiter 1980). A source has a power when he or she can actually administer rewards and punishments to receivers. Communicators' ability to influence an audience may lie in one or more of the following types of power; expert power, referent power, legitimate power, coercive power, and reward power (Tom et al 1992).

The influence process which occurs in this source dimension is called *compliance*. Receivers comply with the message because it helps in gaining rewards or avoiding punishments from others. Compliance is a very superficial attitude; it is likely to change when the person's behaviour is no longer monitored or when another option comes available (Solomon 1996; Belch and Belch 1995).

The power aspect of the source component is rarely present in advertisements since the source in an advertisement usually cannot punish receivers or determine if compliance really occurs. The use of source power, in the context of marketing, is more applicable to situations involving personal communication and influence.

2.3 MARKETING COMMUNICATIONS

The preceding section reviewed the communication process in general, explored the source element deeply and discussed source dimensions from a communication perspective. This section explores a specific form of the communication process,

marketing communications, and considers the integration of marketing communications phenomena.

As many scholars have pointed out, marketing and marketing communications have been subject to unprecedented change over the years. Competition is increasing intensively in both local and global markets; economies are volatile; technological advancements are accelerating; advertising clutter is tremendous; the market place offers myriad options to consumers who are confused, excited and bored; and, finally companies are trying to reorganise and downsize while looking for new ways to make profits (Schultz 1994; Belch and Belch 1995; Kitchen and Wheeler 1997; Kitchen and Schultz 1997; Shimp 1997). Marketing communications is a critical aspect of a company's marketing mission and a major determinant of its success along with superior technology, better quality, manufacturing and merchandising efficiencies.

The reality of severe competitive environments not only limits opportunities to develop and gain markets, but it also makes it hard for companies to retain existing market share. Markets are becoming mature and saturated. Kitchen and Wheeler (1997) argue that the only way to grow, in saturated mature markets, is by taking sales away from competitors. This can be achieved by marketing communication activities since in mature markets there is not much room for product differentiation. Thus, success, in the sense of building consumer loyalties and maintaining and building market share domestically, internationally, and globally, will come about as firms find the correct blend of promotional tools and programs, clarify their functions and the extent to which they could be used, and then correlate their applications (Kitchen and Wheeler 1997). Therefore, it can be inferred that effective marketing communications is the essence of success in today's business environment.

As indicated, the importance of marketing communications has dramatically increased. Companies promote their products, services or ideas to consumers in order to accomplish a variety of objectives; to *inform* prospective customers about products, services and terms of sale; to *persuade* consumers to choose particular brands, shop in certain stores, perform a variety of other behaviours; and, *induce* actions from customers toward their offerings instantly rather than delay (Shimp 1997).

Kitchen (1999) defines marketing communications as “the process whereby it is sought to establish commonness of thought and meaning between organisations and individuals.” This process recognises that business organisations are both senders and receivers of messages. According to Kitchen, as senders, business organisations attempt to inform, persuade, remind, and induce target audience to adopt courses of action in agreement with organisational need to create exchanges that satisfy objectives. As receivers, organisations adjust themselves to consumers to generate proper messages, change existing messages in accordance with environmental changes, and discover new communication opportunities. Thus, marketing communications process is two-way.

In sum, marketing communications serves to inform, persuade, and remind consumers about products, services and ideas. Marketing communication techniques enable firms to establish and change images, generate sales, and send messages to stakeholders, such as customers, stockholders, employees, and the firm’s various other publics. Objectives are accomplished by using advertisements, salespeople, sales promotions, publicity/marketing PR, sponsorships and point-of-purchase communications.

A new approach to marketing communication activities has been developed in the last decade. Some managers have integrated their marcom activities, some are still in the process. They have recognised that marcom activities are most effective when they are co-ordinated with each other and other elements of marketing programs. This new approach will be explored next.

2.3.1 Integrated Marketing Communications

Traditionally, marketing communications elements—advertising, personal selling, sales promotion, and marketing public relations—had been thought about, studied and executed separately, but there has been a distinct trend to integrate these activities since the late 1980s. This trend of integration has been noticed by many academics as well as practitioners (Schultz 1991, 1993, 1994; Kitchen 1993, 1994, 1996; Krugman et al 1994; Belch and Belch 1995; Shimp 1997). In 1996, an issue of the *Journal of Marketing Communications* was devoted to this emerging field. Kitchen and Schultz (1997) point out that there are academics who question whether the integrated marketing

communications (IMC) phenomenon is just another management ‘fad.’ One response is that most activities in the past have been focused on breaking down marcom activities into definable categories, but IMC requires companies to adopt marcoms strategies that co-ordinate various different promotional elements along with other marketing activities that communicate with consumers. Furthermore, their study, which aimed to discover attitudes of advertising agencies in the UK toward IMC, showed that 100% of respondents agreed that companies should be integrated in terms of communication, advertising agency staff are spending 25% or more of their time on integrated programs, and also there is a trend to more, not less, integration.

Belch and Belch (1995) claim that IMC calls for a broad approach to planning marketing and promotions programs. This broad approach demands companies to adapt a marcom strategy, which involves co-ordinating various communication elements accompanying other marketing activities that communicate with consumers (Fawcett 1993).

The American Association of Advertising Agencies’ (AAAA) definition of IMC is as follows;

‘IMC is a concept of marketing communication planning that recognises the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines—for example general advertising, direct response, sales promotion and public relations—and combines these disciplines to provide clarity, consistency and maximum communication impact’ (Schultz 1993).

Factors supporting growth of global communication and promotions such as cluttered media, advancing database technology, changing media buying practices, increasing promotional budgets at the expense of advertising and lastly shifting market place power from manufacturers to retailers, are also effecting the integration of marketing communication activities.

According to Belch and Belch (1995), there are many reasons for companies to adopt the concept of IMC. First of all companies recognise the value of strategically integrating the various communication functions instead of having them operate separately. Companies can evade duplication, utilise synergy among communication

tools and as a result generate more efficient marketing communication programs by co-ordinating their communication activities. Tortorici (1991) argued that IMC is one of the easiest ways to maximise returns on investments in marketing and promotion.

Shimp (1997) suggests that IMC not only must create awareness and enhance consumer attitudes, but it must also encourage consumers to take action. He further explains that it is unrealistic to assume every IMC activity would bring action. As a result, the author proposed that IMC programs must be designed in a way to move consumers from the unawareness stage to the ultimate behaviour stage by employing appropriate communication tools.

Lastly, in order to create successful IMC programs, company managers must first thoroughly understand the role of promotion in their marketing programs and then choose the right blend of promotional tools and techniques. Having done that, they must define every marcom activity's role as well as co-ordinate their usage.

Even though, in the past, the celebrity endorsement strategy has been mostly utilised in advertisements, this strategy has lately been used in other marketing communication activities, such as, marketing public relations, and sponsorship. If an integrative approach is taken towards the celebrity endorsement strategy, it might enable companies to send consistent messages to consumers and may provide means to realise efficient endorsement effects on consumers.

In the next section, the advertising element of marketing communications will be explored without losing sight of the integrated marketing communications perspective since advertising is the particular interest for the study.

2.4 ADVERTISING

Due to the fact that celebrity endorsement strategies are mostly deployed via advertisements, this section of the chapter explores the advertising literature. Understanding the advertising literature may enable comprehension and choice of advertising strategies. If a celebrity endorsement strategy is chosen, this section might also help decision makers realise celebrity endorsers' effects on consumers and the

importance of selecting ‘right’ celebrity endorsers since consumers’ attitude toward the perceived source—a celebrity—can contribute strongly to consumers’ attitude toward the advertised product or service (Rossiter and Percy 1987).

Advertising is an integral part of all social and economic systems. In today’s highly competitive and complex environments, advertising has evolved into a crucial communication tool for consumers and companies as well. The ability of advertising to deliver company messages to target consumers has given advertising a major role in the marketing programs of most organisations. Even though this importance has faded somewhat in the first half of the nineteen-nineties with the shifting of advertising budgets over to sales promotions and other marketing communications tools, as Cook and Dunn (1996) indicate, the increase of sales promotions at the expense of advertising has recently been abated or even reversed. Companies are realising the importance of advertising all over again. In short, advertising is too important to do less than well in nowadays’ competitive and complex market situations.

2.4.1 Definition and Development

Definitions of advertising are many and varied. Advertising can be defined from a communications, marketing, economic, or social perspective. Definitions have multiplied according to advancements in management science, media technology, and economic development. In this section, several definitions of advertising will be given from both a communication and marketing perspective.

One of the earliest definitions of advertising was given by Ralph Alexander (1960) as “the activity that involves any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.” This definition seems to be accurate and extensive since it states three main components of advertising, non-personal, paid for, and identifiable sponsors.

Delozier (1979) defined advertising within the marketing communications context. He claimed that advertising must be seen as a communication process and defined advertising as “a form of mass communication, which is non-personal and paid for by an identified sponsor.” Indeed, his definition also emphasises the same three main

aspects of advertising as Alexander's (1960) definition did nineteen years previously. These three accepted aspects of advertising frame the boundaries of advertising in order to distinguish it from other promotional tools like personal selling, marketing public relations, and sponsorship.

In 1997, Shimp, in his glossary, defines advertising as "a form of either mass communication or direct-to-consumer communication that is non-personal and is paid for by various business firms, non-profit organisations, and individuals who are in some way identified in the advertising message and who hope to inform or persuade members of a particular audience."

Shimp's definition includes direct communications, which are pinpointed to each business-to-business customer or end users. Although, the definition includes the recent phenomenon, database marketing or direct advertising, it fails to cover a more recent one, World Wide Web advertising (Internet advertising).

According to *The Economist* (July 1, 1995), the Internet has doubled in size every year from 1988 to 1994 reaching five million host computers. This growth was more dramatic from 1994 to 1996 by accounting for a twenty-fold increase. While this high percentage of growth has occurred, implications of this increase for marketers are obscure. As Kitchen and Wheeler (1997) pointed out, it is very difficult to ascertain how companies can use the Internet, effectively. This new medium presents remarkable opportunities for advertisers and marketers to communicate with new and existing markets in an integrated way as an IMC tool. Featuring celebrity endorsers in this unique medium may boost IMC activities when its characteristics are thoroughly comprehended.

After defining advertising and presenting some of the recent developments in the advertising industry, in the next part of this section, views about what objectives advertising should pursue will be discussed.

2.4.2 Objectives of Advertising

Although the general goal of advertising is to provide a positive boost for a company's sales figures, managers may also set other objectives. Managers tend to measure advertising success in terms of how well it accomplishes the precise tasks it has been set to perform.

According to Evans (1988), the most common objectives of advertising are as follows:

- provoke or motivate an audience to learn more about a product or service
- create awareness about a product or service
- remind and reassure consumers
- induce preparedness to try a product or service
- educate consumers or convey information about products or services
- project, sustain and modify a brand image
- project a corporate image
- bring about an immediate sale.

This list is far from being exhaustive, or complete. Almost all of these objectives can be achieved by different execution tactics.

Another British writer, Brierley (1995) claims that achieving direct sales effect is one of the least effective aspects of advertising in general. In order to boost his argument, the author provides industry estimates which suggest that the immediate response can be as little as 0.01% and also argues that most advertisers have given up on the claim that advertising has a direct and noticeable effect on sales, apart from direct response advertisements. Brierley (1995) indicated that in mature markets, with well-established brands, the aim of most advertising is to remind loyal customers to buy goods by emphasising brand values, generate awareness by attempting to stimulate and motivate people to find out more about a product or a service, or reassure customers for their purchase decisions by providing them guarantees, post purchase services and warranties. Ehrenberg, et al. (1997) also take a very similar view of advertising. That is, advertising is a 'weak' force in the market place. They argue that advertising primarily reinforces people's existing purchasing habits; therefore, advertising brings very little new sales and works in the long term.

On the other hand, Jones (1997) argues that in mature economies where there is not much room for primary demand increase for consumer goods and services, advertising is a 'strong' force and plays an important role in capturing and retaining market share. Jones (1997) claims that under certain circumstances, that advertising is capable of bringing immediate sales increase (short-term) of up to 35%. He defines short-term as one week after the advertising has been broadcasted. Jones (1997) also reports that long-term sales effects, (long-term being one year), can be around 25%, assuming that an advertising campaign has produced a short-term effect in the first place.

A recent survey by TSMS and Taylor Nielsen AGB claimed to have found that seeing an advertisement makes consumers more likely to buy a particular brand after a high-tech investigation into influence of television in 750 homes (*Independent*, February 26, 1998). The biggest effect was found when advertisements were seen up to three days before a shopping trip, even though advertisements effect on brand choices may be retained for up to two weeks.

Schultz (1998) argued that the impact of advertising should not be important to today's marketing organisations, but the financial returns companies realise from its total brand communication investment must be important and must be measured. He further claimed that almost no organisation can segregate advertising effects from other marketing communication elements. Therefore, Schultz (1998) proposed that a brand's total marketing communication effects must be measured.

2.5 HOW ADVERTISING WORKS

In order to determine what to include in an advertisement to be effective, the advertising process in a specific target market must be understood. Lanchester and Massingham (1993) argue, advertising 'works' in a myriad of different ways dependent on:

- the product or service being advertised
- the organisation doing the advertising
- the target market aimed at
- the competitive environment
- the time period in which the advertising is done
- the media type being used
- the message content of the advertisement
- the level of advertising being employed

How advertising works is a continuously challenging topic for academics. Scholars have developed a number of models to explain this phenomenon. But, before exploring these models, a short discussion of a framework regarding how consumers behave in general and the interaction between attitudes and behaviour is needed in order to build up a necessary background to comprehend models explaining how advertising may work. It should be noted that the scope of the buyer behaviour literature reviewed will be confined.

2.5.1 Understanding Consumer Behaviour

Baker (1996) identifies two major paradigms of consumer behaviour; cognitive and behavioural. Advocates of the cognitive paradigm (e.g. Strong 1925; Colley 1961; Lavidge & Steiner 1961) argue that a consumer as a decision-maker actively searches for, attends to, and processes information to make consumption choices. These models (e.g. AIDA, DAGMAR) assume that a consumer experiences a cognitive stage first, an affective stage follows, and finally, they reach a conative stage. These models and their criticism will be explained in the following part of the section. On the other hand, advocates of the behavioural paradigm claim that consumers behave according to their past experiences and external stimuli. In sum, the cognitive paradigm emphasises the thought process regarding purchase choices, but the behavioural paradigm stresses the results based on the stimulus association (Assael 1987).

In response to these two paradigms, Baker (1992) argues that consumer behaviour is affected by many factors and there is not an easy method to predict how consumers behave in different circumstances. Therefore, Baker offers a Composite Model of how consumers behave in order to accommodate cognitive and behavioural paradigms. It is believed that exploring Baker's Composite Model will help understand factors affecting consumer choice behaviour and lead to a complete and integrative picture of consumer behaviour as well as provide bases for forming marketing communication strategies.

Baker (1992) sees buyer behaviour (P) as a function (f) of seven factors; selective perception (SP), precipitating factors (PC), enabling conditions (EC), information search

(IS), performance factors (PF), cost-benefit (CB), and behavioural response (BR). The model can be expressed as:

$$P = f [SP(PC, EC, IS, PF, CB) BR]$$

Baker argues that his model is sequential and he deliberately does not specify the precise nature of the function as he claims it is not known and it is almost impossible to capture interactions among variables in the model.

In the model, SP represents selective perception which was explored earlier on. The reason SP was placed at the beginning of the model is that it is a mediating factor for all other variables as SP determines whether consumers become aware of a particular stimulus by playing a filter role against the ever increasing message overload. PC initiates purchase decision processes by pointing out a problem or need such as dissatisfaction with a particular brand of breakfast cereal or the need for a new pair of running shoes. EC includes factors that enable consumers to benefit from purchase decisions. For example, if a consumer does not own a car, purchase decisions regarding car peripherals are less likely to be of interest to the consumer. IS corresponds to the amount of information search gone through by consumers. If a purchase decision is perceived by a consumer as personally involving and bearing financial, social, or psychological risks, the consumer is likely to devote more resources (e.g. time, energy) in gathering information on which to make the purchase decision than less involving ones. PF and CB are rational elements of the model. They represent an individual's rational thoughts concerning purchase decisions (e.g. a product's performance, its economic viability). BR consists of a consumer's prior experience and attitudes towards a product/service which might have been used, therefore the consumer has a direct post purchase experience or may have not been used before. After presenting Baker's Composite Model of consumer behaviour, the discussion now turns to construction of the interaction between attitude and behaviour.

Attitudes are important to marketers since theoretically they summarise consumers' evaluation of brands and companies and present positive or negative feelings and behavioural tendencies. Schiffman and Kanuk (1991) define attitudes as "learned

predispositions to behave in a favourable or an unfavourable way with respect to a given object or issue.” Attitudes and beliefs held by consumers effect their perception and interpretation of messages sent by communicators. Interpretations of messages may depend on the terms of the reference frame. Each person has certain beliefs and attitudes that may be individual or stem from impactual reference (family, friends, etc.). Messages challenging established attitudes and beliefs might lead receivers to misinterpret, distort or reject messages (Lancaster and Massingham 1993).

Advertisers have long assumed that advertising first influences attitudes and then people act upon those attitudes to make purchase decisions. Lutz (1985) argued that attitudes about an advertisement could predict an individual’s attitude toward a brand. In other words, affective preferences in responds to an advertisement might effect how an individual respond to a brand itself. Lutz et al (1983) and Lutz (1985) have examined the relationship between attitudes toward advertising (A_{ad}) and attitudes toward the brand (A_b). Their findings supported that (A_{ad}) effects (A_b) and of course purchase decisions. Moreover their result supported that attitudes toward an advertisement had stronger effect under low knowledge-low involvement conditions. On the other hand, Smith (1993) rejects this line of thinking and argues that attitudes follow—instead of precede—actual experience with a brand.

Related to the above discussion, the concept of *cognitive dissonance*, which was originally put forward by Festinger (1959), should also be explored in this brief background building attempt. The underlying principle is that new information must be consistent with existing knowledge if dissonance is to be avoided. When individuals receive a message, which is inconsistent with their beliefs, then cognitive elements are in conflict and individuals will attempt to reduce inconsistency. Pressures to reduce dissonance are more likely to be observed in high involvement situations in which the perceived level of risk is high. Perceived risk can be a factor of a product’s price, complexity, social, and psychological characteristics (Solomon 1996). Inconsistent messages involving expensive, complex and socially visible (high perceived risk) products or services result in a high level of cognitive dissonance. In order to reduce dissonance, consumers may involve in extensive information search attempts. Although

cognitive dissonance is a theory of post-action attitude formation, Lancaster, et al. (1993) argue that these attempts provide communicators with a useful framework in both pre-and post-purchase situations since consumers may turn to marcom messages in order to seek reassurance.

Following this brief, but necessary presentation of some aspects of consumer behaviour literature and construction of the interaction between attitude and behaviour, academic models of how advertising works will be discussed, next.

2.5.2 Sequential or Hierarchical Models

As noticed earlier, many *sequential models or hierarchical approaches* are developed by several behavioural scientists (Strong 1925; Colley 1961; Lavidge & Steiner 1961; Rogers 1962; McGuire 1978) who view individuals as decision-makers that actively search for, attend to, and process information to make consumption choices. Table-2.3 depicts stages of five well-known sequential models in order to explain how advertising works. These models are based on two common basic assumptions; first of all, in order for advertising to be effective, it must go through a number of stages, each of which is dependent on success in the former stage (De Groot 1980). Second, each model involves cognitive, affective and conative stages. These models assume that a consumer experiences a cognitive (knowledge) stage first, an affective (emotional) stage follows, and finally, they reach to a conative (or behavioural) stage.

Table-2.3 Sequential (Hierarchical) Models

Stages	AIDA	DAGMAR	Hierarchy of Effects	Innovation Adaptation	Information Processing
Cognitive	Attention	Unawareness	Awareness	Awareness	Presentation
Affective	Interest	Awareness	Knowledge	Interest	Attention
	Desire	Comprehension	Liking	Evaluation	Comprehension
Conative	Action	Conviction	Preference	Trial Adoption	Yielding
		Action	Conviction	Purchase	Retention
Authors	Strong (1925)	Colley (1961)	Lavidge & Steiner (1961)	Rogers (1962)	McGuire (1978)

In Table-2.3, the *cognitive* stage represents what receivers know or perceive about a particular product or brand and includes awareness that a brand exists, knowledge, information or comprehension about its attributes, characteristics or benefits. The *affective* stage refers to consumers' feelings, or emotions about a particular brand and includes desire, preference, or conviction. The *behavioural* stage represents receivers' action toward the brand and includes trial, purchase, adoption or rejection.

2.5.3 Criticism of Sequential Models

The main criticism towards the sequential models is concerned with the assumption that consumers are moving from one step to another in an orderly fashion. In other words, the assumption states that individuals are motivated to seek out, attend, and process information in order to make brand choices. This assumption might be wrong for most products, which are not highly involving. Moreover, most advertising occurs under low involvement conditions (Petty et al 1983). As a result, any attention is unlikely to be strong or long lasting. In order to strengthen this argument, one should only look at the average length of advertisements and spectators' attending time to advertisements. It is suggested that individuals spend approximately four seconds attending to magazine advertisements on average; the average television or radio commercial is around thirty seconds; messages featured on billboards are attended to for no longer than ten seconds (Batra and Ray 1983).

Some thirty years ago Palda (1966) criticised these models by drawing attention to the following arguments; first of all, consumers might not have positive attitudes before purchasing a product, in other words, attitude may not precede behaviour, and second, consumers may not move through the sequence in a forward manner, they may also move backwards.

In spite of the fact that these sequential models have been used extensively by advertising researchers, they are developed, not on the basis of empirical evidence, but on the basis of common sense (Colley 1961). Despite these criticisms, Crosier (1983) suggests that these models provide a common, codified and conceptual framework for

practitioners. The discussion now turns to other approaches trying to explain how advertising works.

2.5.4 Low Involvement Theory

This approach was first presented by Krugman (1965). In his original article, '*Impact of TV Advertising: Learning Without Involvement*,' he assumed that individuals' defence or screening barriers were *lowered* while watching TV. He argued that even though individuals were absorbing and noticing messages, they were not actively involved with messages and may not consider or process messages cognitively. These results led Krugman to conclude that messages were neither screened, nor actively processed, instead they went to the back of the mind in long-term memory and there established a kind of quasi-awareness of brands (Harris 1987; Krugman 1977, 1979). This quasi-awareness may trigger a purchase decision at the point of sale after seeing a particular brand. Attitude change or formation would take place after the brand had been purchased and experienced either resulting from the need to compensate for post purchase dissonance or because experiencing the product enables consumers to form a realistic evaluation.

Ray et al (1973) argued that when involving products were low in risk and interest and as a result relatively uninvolved to consumers, advertisements appear to lead to trial due to the top-of-mind awareness and this trial then leads to attitudinal change. They argued that in a low-involvement situation the sequence of advertising effect would be:

Cognitive (knowledge) → Behavioural (action) → Conative (emotions)

When consumers are exposed to advertisements, much of the 'learning' taking place is incidental, passive, uninvolved, and therefore limited. Lastovicka (1979) refers to this process as *information catching* rather than information seeking. Since limited manifest cognitive activity takes place in low-involvement situations, the effectiveness of advertising may basically depend on how often it is repeated rather than on the nature of actual advertisement (Krugman 1972) and/or non-message elements such as music, characters, symbols, slogans, and jingles (Belch and Belch 1995).

The overall implication of low-involvement studies is that advertisers ought to target greater awareness as a primary objective when receivers are in a low-involvement situation (Batra, et al. 1996). Hoyer and Brown (1990) showed that when and if consumers prefer to economise on time and effort in making a brand choice, previous awareness of the brand rather than quality differences among brands, play an important role in purchase decisions. A special implication of low-involvement model for this thesis is that celebrity endorsement strategies may be effective in low involvement situations since substantial amount of target awareness can be achieved by this strategy.

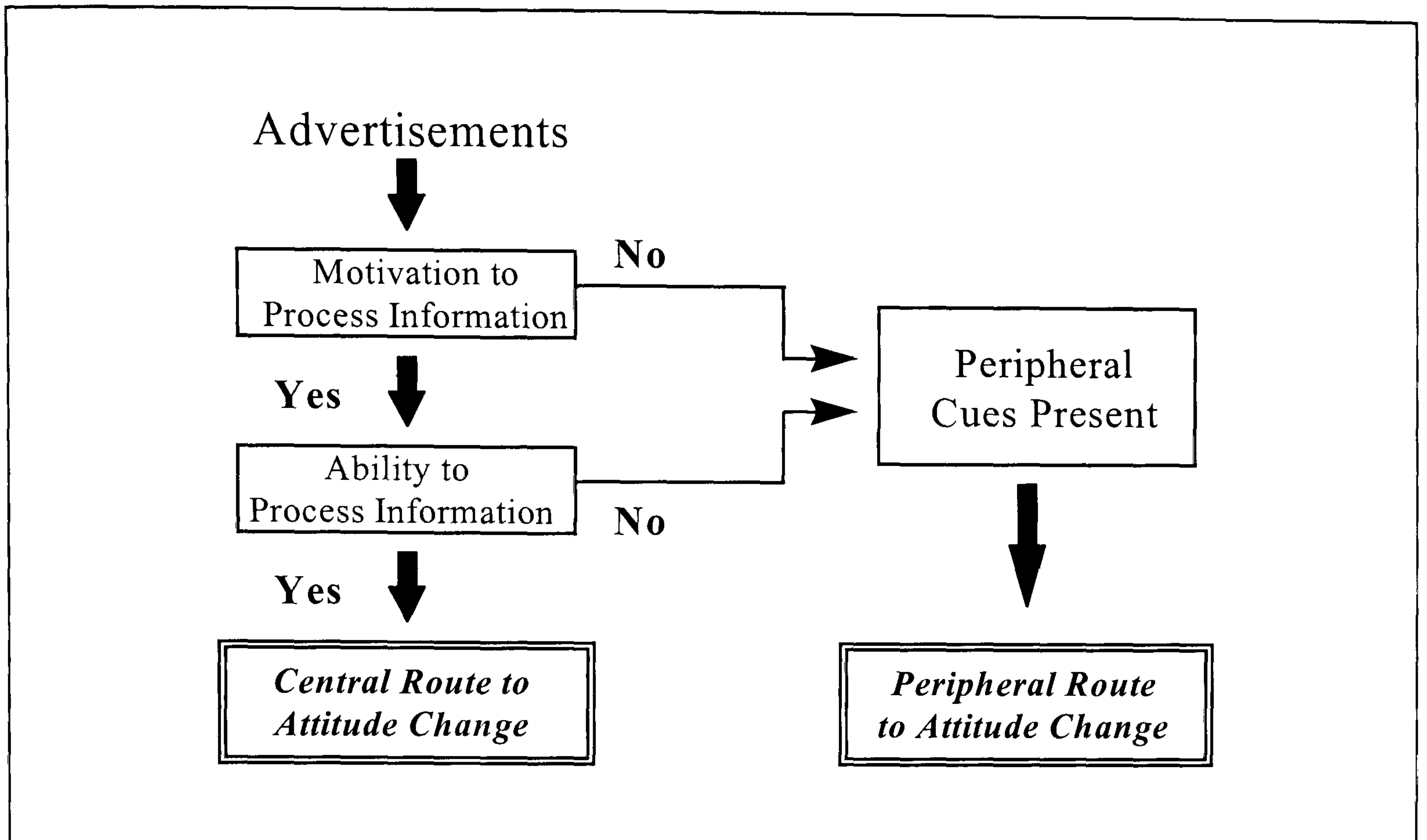
In this part of the section, fundamentals of low-involvement approach have been demonstrated, now the discussion turns to another model of how advertising works, Elaboration Likelihood Model (ELM).

2.5.5 Elaboration Likelihood Model

This view of how advertising works suggests that individuals utilise information processing dependent on personal message relevance (Petty, Cacioppo and Goldman 1981). When information presented in a communication is personally relevant, processing is thought to occur via a central route. In this route, adoption decisions are based on detailed analysis of message content and allocation of individual's cognitive resources (high elaboration). On the other hand, when message information is of little personal relevance, individuals do not devote cognitive resources to message issues (low elaboration), but may judge them by peripheral cues such as, communicator attractiveness or credibility (Yalch and Elmore-Yalch 1984). The ELM model is presented in Figure-2.2.

According to this model, personal relevance is not only the determinant of the route to persuasion, but it also increases people's motivation for engaging in issue relevant thoughts. This constant consideration requires both thought motivation and the ability to process information. But, as Cacioppo and Petty (1982) argue, different situations may require different motivations to think, people may have different styles of information processing and also some people might enjoy thinking more than others.

Figure-2.2 The Elaboration Likelihood Model



Source: Belch and Belch 1995.

As a result, situational variables like distraction (Petty, Wells, and Brock 1976), and individual differences such as prior knowledge (Cacioppo and Petty 1980b) may also be important moderators of route to persuasion along with personal involvement.

One important implication of ELM for advertising messages is that different kinds of appeals might be most effective for different audiences. Highly involved consumers are more motivated to devote cognitive effort required to evaluate the merits of products presented in advertisements (Petty et al 1983). On the other hand, since attitudes appeared to be affected by simple acceptance and rejection cues in advertisements, under low involvement conditions cognitive effort devoted to advertisements is limited, instead consumers may focus on peripheral cues such as source—celebrity endorser—expertise and/or attractiveness.

Next, cognitive response theory, which assumes that people are generally interested in thinking about and elaborating on incoming information, will be discussed.

2.5.6 Cognitive Response Theory

One of the most widely used methods for assessing the influence of advertising on consumers is evaluating their *cognitive responses*, the thoughts which occur to individuals when they are exposed to advertisements (Wright 1973). In advertising exposure, people often attempt to relate expected and actual information in the message to existing knowledge structures about the product or brand. Rossiter and Percy (1987) claimed that in seeking a relationship between new information and existing knowledge, individuals may generate message-relevant thoughts or images, which might derogate or support incoming messages. The main assumption of this theory is that thoughts or images reflect a receiver's reactions (cognitive processes) to advertisements and determine whether messages are going to be accepted or rejected.

A message recipient's initial opinion is one of the important determinants of advertising influence. Sternthal, et al. (1978) argue that in response to advertisements, people not only rehearse presented issues (message-thoughts), but also rehearse existing issue relevant thoughts (own-thoughts). Cognitive response theory assumes that individuals are motivated to make sense of incoming information from advertisements in order to adjust or formulate their attitudes. However as discussed previously, it is not always the case as in low involvement situations.

Belch and Belch (1995) indicated that much academic research foci have been to determine types of responses evoked by advertising messages and how these responses relate to attitudes toward advertisements, brands and purchase intentions. The authors also categorised research areas under three basic categories—product/message, source, and execution. Consumers' responses to messages can also be classified under three different types; supportive arguments, counterarguments, and source derogations (Chattopadhyay and Alba 1988). These thoughts are invoked instantly in response to advertisements or any other kind of persuasive attempt. Supportive arguments occur when individuals agree with a message argument; counterarguments arise when receivers challenge message claims; and finally, source derogations originate when people argue a source's ability to make such claims. Accordingly, in the process of

selecting celebrity endorsers, a celebrity's perceived ability to deliver such claims plays an important role for advertising effectiveness.

According to Shimp (1997), whether advertisements accomplish their goals depends on the balance of cognitive and emotional responses. In the case of counterarguments and source derogations exceeding supportive arguments, advertisements' influence will be limited, none or negative.

Traditional theories of advertising influence or how advertising works have been discussed previously. Brierley (1995) argues that these theories placed individuals out of culture and social relations and presented a sterile view of human behaviour as one-dimensional. The following model, which adds culture and social relations to the scene, is important in terms of understanding the celebrity endorsement phenomenon.

2.5.7 Anthropological (Meaning Based) Model

It has been argued that conventional advertising models imply that advertising provides information about products that individuals may use when making purchasing decisions. There is no doubt that advertising conveys information, but it also does much more. According to Domzal and Kernan (1992), 'advertising tells us what products mean.' This statement reflects the intimate relationship, which exists between culture and consumption. Products express what and who an individual is and cultural codes determine identities. The authors further claim that products serve as markers and products imply meanings that individuals learn from variety of sources including advertising. Indeed, Myers (1994) argues that advertisements give meanings to products. Similarly, McCracken (1987) claims that advertising serves as a kind of culture/consumption dictionary and any derived meanings are also cultural meanings. McCracken also argues that consumers use advertising to confirm old meanings and/or to learn new meanings.

Levy (1959) argued that people buy things not only for what they can do, but also for what they mean to them. Accordingly in 1983 Levy claimed that when individuals encounter advertising, their reaction to it depends on the advertising's meaning to them. He argued that products themselves are the primary source of meaning. Meaning has

been mentioned as a key concept for advertising effectiveness, but what really 'meaning' is, has not been presented as yet. Shimp's (1997) definition of meaning is adapted for this thesis:

'Meaning can be thought of as the perceptions or thoughts and affective reactions or feelings to stimuli evoked within a person when presented with a sign, such as products or other consumption objects, in a particular context.'

From the definition it is clear that meaning is internal and subjective rather than external and objective to individuals. In other words, meanings are internal responses people hold for external stimuli. Actually, as Olson (1983) argues, marketers' and advertisers' concern with meaning is not new, but they have just not called it 'meaning.' Olson (1983) claimed that established research topics such as perceptions, beliefs, attitudes, opinions and interests all have to do with consumers' meanings for products and services.

After defining what 'meaning' is, it is time to touch the bases on how meanings have been studied and analysed by scholars in order to determine how to convey meanings to target markets through advertising. Semiotics, asserted as a form of insurance for 'effective' advertisements by Cleveland (1983), is the study of signs and symbols and their meanings (Frank and Stark 1995). Comprehensively, semiotics analyses the structure of meaning-producing events, both visual and verbal (Mick 1986). Seboek (1976) claimed that the scope of semiotics and its subject matter includes 'the exchange of any messages and the systems of signs.' Perhaps the most lucid definition of a sign is in 's (1978) statement in which she argues that 'a sign is quite simply a thing—whether object, word, picture or sound that has a particular meaning to a person or a group of people. It is neither the thing or meaning alone, but the two together.' Hence, as de Saussure (1974) argued, a sign consists of a signifier, which is the material object or the apparent presentation of the sign, and the signified, the mental concept to which it refers or simply its meaning. Following de Saussure's footsteps, semiotics involves a signifier-signified relationship, which is a way of deciphering what a symbol or source (signifier) really stands for a product (signified). These semiotic criteria are relevant to celebrity endorsement. Consider the following example in relation to the Guess Jeans:

The celebrity/signifier (Claudia Schiffer) represents a certain image. This image can be attached to the product through advertising (signified meaning) and strengthen the buying proposition “Buy Guess jeans and you will be beautiful and sexy.”

Kaushik and Sen (1990) argued that all signs derive their true and complete meaning in relation to other signs in the referential system or the code within which these signs operate, and a pre-existing cultural code or a knowledge system that exists outside and independent of the sign’s immediate reference system. Thus, the symbolic and semantic value of any sign not only must be derived in relation to what a sign has come to mean, but also what it means in relation to other signs in a particular knowledge system or cultural code.

Therefore, according to a semiotic perspective, advertising helps capture old and new cultural meanings and invests these in consumer goods where they become accessible to consumers. In essence, advertising serves as a kind of cultural dictionary, which continuously keeps individuals updated of new consumer signified—products/services, and signifiers—meanings (McCracken 1988). In advertisements, a process of ongoing experiment is taking place in which meanings are suggested, revised, combined and recombined. In this process, celebrity endorsers bring their own symbolic meanings to advertisements. Thus, in the process of selecting celebrity endorsers, first, desired meanings for brands must be determined and then, celebrity endorsers should be searched for in accordance with the pre-determined desired meanings.

Lastly, as Schultz (1994) pointed out, the process of learning has changed from verbal to visual over the years. Learning is accomplished by sounds, symbols, signs, pictures and icons these days. He pointed out that functional illiteracy, being able to read sentences, but unable to comprehend them, is increasing in the USA and elsewhere and urged marketers to use symbols, sounds, signs, pictures, icons and other communication forms to send messages to consumers.

2.6 SUMMARY

The argument developed in this chapter has aimed to establish a basic theoretical background for the thesis in light of recent developments. The chapter started with several definitions of the communication process. Schramm's (1971) definition was adopted. In conjunction with this definition nine elements of the communication process were explored. As celebrities endorse products they are perceived to be the source of the communication process, the source element was discussed in depth by reviewing source dimensions—attractiveness, credibility and power—as derived from the social psychology literature.

In the second discursive section, a more specific form of the communication process, marketing communications, was defined and discussed in view of recent developments, adapting the integrated marketing communications perspective. Then, definitions and objectives of advertising were presented since celebrity endorsers are mostly depicted in advertisements. In order to explore how advertising affects consumers, several models of how advertising works were explored, such as Hierarchical models, Low Involvement Theory, Elaboration Likelihood Model, Cognitive Response Theory and Anthropological (Meaning Based) Model. During the course of explaining these models, a short discussion concerned with how consumers behave in general as well as attitudinal and behavioural literature was presented to comprehend models thoroughly.

In a sense, this chapter formed the first foundation stone for the thesis based on the literature review. The next chapter aims to put the celebrity endorsement literature as a second foundation stone.

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Chapter Three

The Celebrity Endorsement Phenomenon

CHAPTER THREE: THE CELEBRITY ENDORSEMENT PHENOMENON

3.1 INTRODUCTION

The preceding chapter explained the general communication process, and explored the marketing communications literature in depth relating this to celebrity endorsement strategy. In marketing communications, as stated previously, it is essential to design a strategy that will support creation of differential advantage for a company's products or services. Accordingly, marketing communication activities back-up other elements in the marketing mix such as product design, branding, packaging, pricing, and place decisions (distribution channels and physical distribution) in order to create positive effects in the minds of consumers. Thus, marketers utilise communication strategies to attract consumer attention and help differentiate their products from competitor's in order to influence purchase decisions. In helping to achieve this, use of celebrity endorsers is a widely employed marketing communication strategy. This chapter reviews the academic literature on celebrity endorsement strategy in order to identify considered factors which may have implications for the research topic, the process of selecting celebrity endorsers for marketing communications activities.

Companies invest large sums of money to align their brands and themselves with endorsers. Such endorsers are traditionally viewed as being dynamic with attractive and likeable qualities (Atkin and Block 1983) and companies plan that these qualities are transferred to products via marketing communication activities (Langmeyer and Walker 1991a, 1991b; McCracken 1989; Walker, et al. 1992). Furthermore, because of their fame, celebrities not only attract and maintain attention, but also achieve high recall results for marketing communication messages in the highly cluttered environments of today (Baker and Churchill 1977; Croft, Dean, and Kitchen 1996; DeSarbo and Harshman 1985; Friedman and Friedman 1979; Kamen, Azhari and Kragh 1975; Kamins, Meribeth, Steward, and Moe 1989; Ohanian 1991; O'Mahony and Meenaghan 1997; Till and Busler 1998). At first glance this strategy seems a no-risk-all-gain

situation, but as with virtually any dynamic marketing communication strategy, there are also potential hazards. Individuals change, and endorsement relations can sour. In a sense, celebrity endorsement strategy is a double-edged sword, which makes the process of deciding which celebrity to utilise for marketing communication activities very challenging.

Among numerous alternatives and many potential pitfalls, how can a company select or choose a celebrity endorser? In order to approach an answer to this question and illustrate variables of a potential selection process of celebrities, this chapter explores celebrity endorsement strategy derived from the academic literature. In the process of reviewing the literature, three strands were presented first, as a backdrop to a potential selection process: historical developments, comparisons of celebrity versus non-celebrity endorsement strategies, and pros and cons of the strategy. Next, the academic literature is discussed under four headings—Source Credibility Model (Hovland, Janis, and Kelley 1953), Source Attractiveness Model (McGuire 1985), Product Match-Up Hypothesis (Kamins 1990), and Meaning Transfer Model (McCracken 1989)—in order to identify factors which might have implications for a potential selection process. Lastly, celebrity endorsement message formats and integrative use of celebrities are presented because of the belief that a potential process should not only concern with selecting celebrities, but also extend to how celebrities are utilised and presented.

3.2 HISTORY AND DEVELOPMENT

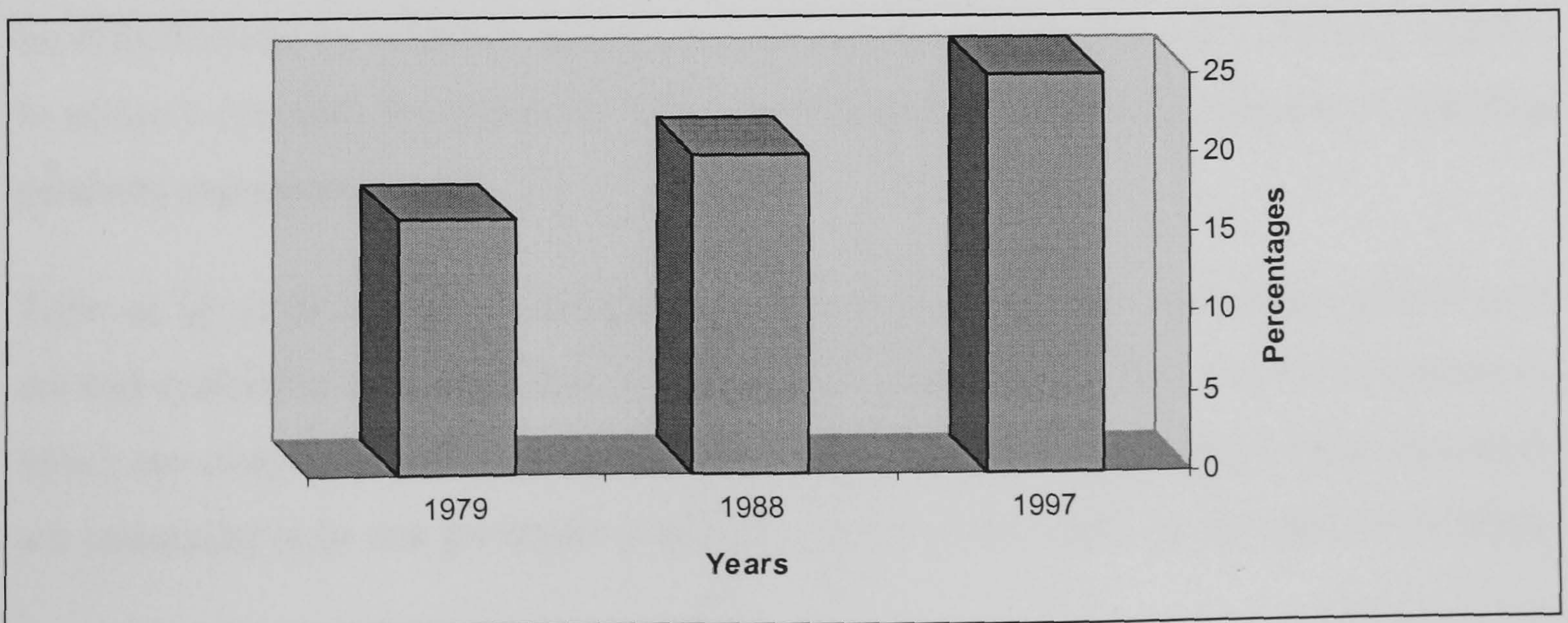
The use of celebrities in advertising is not a recent innovation (Kaikati 1987). Celebrities have been endorsing products since the latter part of the nineteenth century. Such an example from the early days of utilisation involves Queen Victoria in association with Cadbury's Cocoa (Sherman 1985). The emergence of cinema was to extend the scope of endorsement as an advertising technique, even though its present day popularity owes much to the growth of commercial radio in the 1930s, and to commercial television in the 1950s (McDonough 1995). In those days, according to Kaikati, the supply of stars was limited since most celebrities were frowned upon in terms of investing their prestige on television as brand presenters. Advertisers were not

able to search for 'stars' who were exactly right due to lack of available stars. In recent years, the supply of stars has increased as a result of the deflowering of most 'virgin' celebrities who had previously refused to cloud their image with endorsements (Thompson 1978). With the number of film roles declining, any shame in making commercials has faded, which, in turn, allows advertisers greater choice in the celebrity selection process.

Miller (1995) reports that in the 1950s, celebrities were mainly used to give credibility to the new medium of television. When the credibility for television was established, the reason for utilising celebrities shifted to brand differentiation. Today, Miller argues, mere fame is not enough for advertisers, but the fit between a celebrity and a product is an important factor. Miller (1995) quotes Michael Keel, vice president of advertising and merchandising at Magnavox, stating that Magnavox never chooses celebrities just because they are 'hot', but they must be appropriate for the positioning of its products as well as likeable, memorable, persuasive and appealing to all age groups.

Estimates about utilising celebrity endorsers in marketing communication activities has constantly risen (see Figure-3.1). By 1979, use of celebrity endorsers in all commercials was estimated to range one in every six advertisements (Howard 1979). In 1988, estimates reached the level of one in five (Motavalli 1988). A more recent estimate by Shimp (1997) claimed that around twenty-five percent of all commercials utilise celebrities in the USA.

Figure-3.1 Estimates of Utilising Celebrity Endorsers in All Commercials



Specific media estimates show that use of celebrity endorsers is also increasing in television advertising. In 1985, it was estimated that more than 10% of television advertising included endorsement by celebrities in the USA (Sherman 1985). Liesse and Jensen's (1993) showed that more than 20% of television advertising featured celebrities. A content analysis by Stout and Moon (1990) found that celebrities appeared in 22 % of magazine advertisements in the USA. Since the author was unable to find another estimate for magazine advertisements, it is impossible to illustrate whether use of celebrity endorsers has been increasing in magazine advertisements, though Stout and Moon's (1990) finding of 22 percent is significant. In terms of monetary value of celebrity endorser utilisation strategy, Lane (1996) estimated that US companies paid more than \$1 billion to athletes, not all celebrity endorsers, for endorsement deals and licensing rights in 1996. In the UK, according to a *Marketing* (February 1st, 1996) survey, advertising containing celebrities also proved to be a key to gaining national headlines in 1995. After presenting given estimates and findings, it is safe to argue that utilising celebrities as product endorsers has reached the level that the strategy is now accepted as a fairly common marketing communication practice.

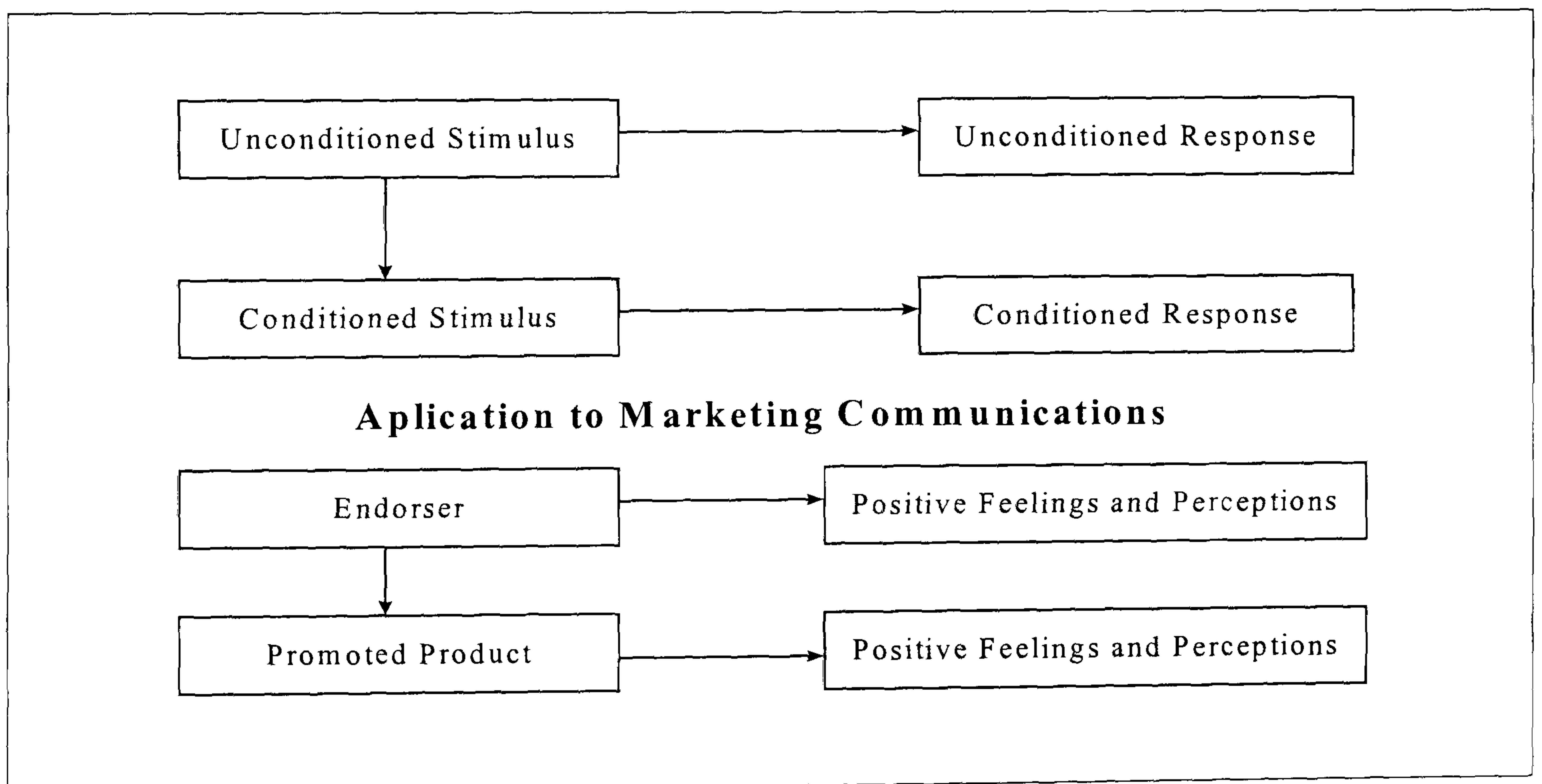
3.3 CELEBRITY VERSUS NON-CELEBRITY ENDORSERS

As noticed, usage of celebrities in marketing communications has been increasing, but also so has the monetary cost of hiring them. A question might arise about worth employing celebrities rather than average citizens (created-spokespersons) as endorsers in terms of campaign returns since companies are investing huge amounts of money in celebrity endorsement deals. Correspondingly, this section presents academic findings on effectiveness of celebrity versus non-celebrity endorsements since deciding whether to utilise a celebrity is considered to be the first step for a potential process of selecting celebrity endorsers.

Tom, et al. (1992) argued that companies have a significant controlling power over created-spokespersons since they develop these characters. They can build characters which are congruent with their brands and target audiences, and ensure these characters are endorsing only one particular product. On the other hand, in the case of celebrity

endorsers, they argued, marketers have limited control over celebrities persona as they have created their own public persona over the years. Tom, et al. (1992) suggested that companies should select celebrities who have not endorsed products previously and whose public persona match with their products and target audiences. Incorporating their presented argument, Tom, et al. (1992) assumed that created-endorsers should be more effective than celebrity endorsers. Results proved that created-endorsers were indeed more effective in creating a link to the product than celebrity endorsers. Furthermore, brand-endorser association was much higher for created-endorsers than celebrities. Tom, et al. (1992) attributed these results for single utilisation of created-endorsers with a brand over a long time period and their specific persona representing the brand characteristics. Tom, et al. (1992) based their findings on the classical conditioning paradigm. According to this paradigm, in advertising context (see Figure-3.2), consumers learn the association between the unconditional stimulus (endorser) and the conditional stimulus (product) through repeated exposure.

Figure-3.2 Classical Conditioning Paradigm in Marketing Communications Context



Source: Adapted from Tom, et al. 1992.

The association is much stronger with original material (created-spokesperson) than with popular material since the popular material (celebrity endorser) is not only linked

with the advertised product, but with many other things. In other words, The linkage is strong in created-spokespersons as it is unique, whereas the linkage is weak in the case of celebrity endorsers because of the other associations.

Mehta (1994) tested effectiveness of a celebrity endorser and a non-celebrity endorser measuring attitudes towards advertising, brand and intentions to purchase endorsed brand. Findings revealed that there was no statistically significant differences in the measures between celebrity and non-celebrity endorsement situations, but differences were found in cognitive responses generated by receivers. In the non-celebrity conditions receivers focused more on the brand and its features whereas in the celebrity condition receivers concentrated on the celebrity in advertising. These findings prove one of the earlier arguments that a celebrity endorser may overshadow the product endorsed if the campaign is not carefully designed and executed.

Atkin and Block (1983) investigated the impact of celebrity endorsers versus non-celebrity endorsers in the alcohol advertising context, they found that the celebrity endorser (Telly Savalas) produced more positive attitudes towards advertising than a non-celebrity endorser on both adult and youth sample, but Telly Savalas was only able to initiate slightly greater purchase intentions than the non-celebrity endorser. Similar results were found in Petty, et al. (1983). Atkin and Block (1983) also found that he positive attitudes towards advertising was higher on youngsters, whereas it was limited on adults. This finding contradicts with Ohanian's (1991) finding which indicated that age and gender differences had no significant impact on evaluations of celebrity endorsers.

In order to assess the economic worth of celebrity endorsers, two interesting studies were conducted by Agrawal and Kamakura (1995) and Mathur, Mathur and Rangan (1997). Both study findings emphasised the effectiveness of use of celebrity endorsers. Authors tried to assess the impact of celebrity endorsement contracts on the expected profitability of a firm(s) by using Event Study Methodology, which is used in order to identify the valuation effects of marketing decisions (Mathur, et al. 1997).

Agrawal and Kamakura (1995) assumed that the announcement of a celebrity endorsement contract, widely publicised in the business press, is used as information by financial market analysts to predict the potential profitability of endorsement expenditures, therefore affecting the firm's future returns. They analysed 110 celebrity endorsement contracts. The results indicated that, on average, the impact of these announcements on stock returns was positive and suggested that celebrity endorsement contracts are usually viewed as a worthwhile investment in advertising.

Mathur, et al. (1997) also used the Event Study Methodology in order to determine Michael Jordan's, who returned to NBA for his old team Chicago Bulls in 1995, effect on the stock prices of products endorsed by Jordan. They formulated three hypotheses: first, Jordan's return to NBA would increase sales of Jordan-endorsed products and the stock prices of Jordan-endorsed firms would be effected positively; second, his return would decrease sales of competing products, and stock prices of competing companies would be reacted negatively—the contagion effect which states that news regarding a particular firm influences the stock prices of competing firms; and third, as a direct extension of first two hypotheses, the average difference in stock prices would be positive for Jordan-endorsed products. Findings supported their three hypotheses. Jordan's expected return was calculated to be around \$1+billion on the combined market values of five Jordan-endorsed firms. They concluded that a major celebrity endorser, like Michael Jordan, had potential to enormously enhance the bottom line of endorsed products.

Even though Michael Jackson turned out to be a disaster for Pepsi Co., it had acquired 8% increase in sales in 1984, the first year of its contract with Jackson (Gabor 1987) in a industry where a 1% rise in sales equivalent to millions of dollars. Although Pepsi Co. had many bad experiences with its celebrity endorsers (e.g. Michael Jackson-child molestation, Madonna-her album called Like a Prayer), it still uses celebrity endorsers (e.g. the Spice Girls). Pepsi Co.'s insistent utilisation of celebrities as endorsers shows that celebrity endorsers do actually bring increased sales in the highly mature and saturated beverage industry. Indeed, Advertising Age International (Aug. 29, 1997)

reports that Pepsi Co.'s management attributed its 2% global market share increase to the British pop group the Spice Girls.

Although academic findings seem to be equivocal regarding effectiveness of celebrity versus non-celebrity endorsers, Agrawal and Kamakura (1995), and Mathur, et al. (1997) documented celebrity endorsers positive effects on bottom lines of companies. Next section presents how celebrities are utilised in marketing communications which might have implications in selecting celebrities as different marketing communication activities might require different qualities.

3.4 HOW CELEBRITIES ARE UTILISED

A firm that decided to employ a celebrity to promote its product has a choice of using the celebrity to give a testimonial, to give an endorsement, as an actor in a commercial, or as a company spokesperson. According to Kamen, et al. (1975), these promotional roles differ as follows;

Testimonials: If a celebrity has personally used the product or service and is in a position to attest to its quality, he or she may give a testimonial citing its benefits.

Endorsement: Celebrities who may or may not be expert with regard to a particular product or service are often asked to lend their names to advertisements for such products. Gary Lineker's involvement with Walkers Crisp is an example of endorsement.

Actor: A celebrity may be asked to present a product or service as a part of a character attachment, rather than as a personal testimonial or endorsement. A recent example for this type is Richard Wilson's depiction in Flora advertising.

Spokesperson: A celebrity who represents a brand or company over an extended period of time, often in print, television, and in personal appearances, is usually called a company spokesperson. Eventually, the celebrity's appearance becomes closely associated with the brand or company. A great example is Michael Jordan and Nike Sports Wear relationship. When consumers see Jordan they immediately think of Nike since he has appeared in many advertisements, product launches and charity activities. Jordan even has his own basketball shoe line called *AirJordan* (Batra, et al 1996).

This study regards any kind of celebrity utilisation in marketing communications including above presented four different forms. As given in Chapter Two, McCracken's (1989) definition of a celebrity endorser, "any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement," is adapted. The reason for this adaptation is that when celebrities are depicted in advertisements, they bring their culturally acquired meanings to advertisements regardless of promotional roles they may give.

3.5 PROS AND CONS OF THE CELEBRITY ENDORSEMENT STRATEGY

Why are celebrities being used as a supportive advertising mechanism? A number of claims have been made about advantages of celebrity endorsers. In terms of sequential models explained in Chapter Two, Finn (1980) claimed that celebrity endorsers should have strong impacts on the "awareness" stage due to their ability to draw attention and the "purchase" stage as consumers identify and imitate celebrity endorsers. Studies prove that celebrities do actually get attention and lead to better recall results for advertisements, effect credibility of advertisers' claims, provide positive attitudes hopefully transferred to brands (Cooper 1984; Plopler 1974), and generate greater intention-to-purchase endorsed products (Friedman, Termini and Washington 1976; Kamins 1989). Although potential benefits of utilising celebrity endorsers are significant, so are the costs and risks. This section of the chapter will first explore advantages of the celebrity endorsement strategy, and then potential hazards.

3.5.1 Advantages of Celebrity Endorsement Strategy

Kaikati (1987) argues that there are at least five advantages for using celebrities as endorsers in advertising; celebrities get attention, can polish a tarnished image, reposition an existing product, introduce a new brand, and/or help global advertising.

3.5.1.1 Celebrities get attention

Increasing competition for consumer consciousness and the proliferation of new products are persuading marketers to hire attention-grabbing media stars to assist in marketing products. Moreover, technological features, such as television and video

remote control systems, have helped increase consumer power over advertisements (Croft, Dean and Kitchen 1996). Individuals are able to switch channels (zipping), or fast forward video records (zapping) when commercials are on by just a finger touch. This power makes advertisers' job more challenging. The celebrity endorsement strategy may ease the challenge by helping grab and maintain consumer attention to advertisements. Celebrities also help a spot stand out from the clutter of others, therefore improving its communicative ability by cutting through excess noise in a communication process. According to *Campaign*, a Walkers Crisps advertisement starring Gary Lineker was the most recognised UK advertising in September 1995. Consistently, Burton Manning, the chief executive of J. Walter Thompson USA cited by (Sherman 1985), has indicated that while the agency does not assume consumers perceive products endorsed by celebrities as any better than competitors', they do pay closer attention to advertisements featuring celebrities. This, further, leads to better communication outcomes.

Kamen, et al. (1975) studied a celebrity endorser's—Johnny Cash—effect on an oil company's, Amoco Oil Co., advertising awareness. Their data indicated that Johnny Cash increased awareness of Amoco's advertisements. More importantly, increased awareness was even sustained after periods of sharply reduced exposure.

3.5.1.2 Celebrities polish a tarnished image

If the image of a company has been tarnished, hiring a popular celebrity could be a solution in order to polish the tarnished image. Since the image was tarnished, the receivers' of the message end up respecting the celebrity somewhat less and respecting the company more, therefore leading to a state of congruity between the company and the celebrity (Smith 1973). The longer the celebrity continues to endorse unpopular products, the more they will lose their own popularity.

3.5.1.3 Celebrities reposition an existing brand

It is not unusual to find examples in the literature that some of the initial positioning strategies for products fail to draw expected interest from consumers. Dollond and Aitchison, a high-street optical retail company, utilised Burt Reynolds for its image

makeover, ‘a service-focused retailer’ (Curtis 1997). Another example is Lucozade which had been associated with sick children, but it was able to achieve a new image—sexy, exiting and assertive—through well-known sport stars such as Daley Thomson, John Barnes and Linford Christie. Companies can hire celebrities who have necessary meanings to establish new positioning for existing products, since the Meaning Transfer Model (McCracken 1989) argues that celebrities bring their own symbolic meanings to the endorsement process. Cultural meanings ‘residing’ in the celebrity go beyond the person and are ‘passed on’ to products. This model will be explored later on.

3.5.1.4 Introducing a new brand around a celebrity

At times a celebrity is chosen and a new product is designed around the person. Dickenson (1996) argued that this strategy can pay huge dividends by giving products instant personality and appeal. Walker, Langmeyer, and Langmeyer’s (1992) findings also suggested that a product that lacks a well-defined image may acquire one through use of a celebrity endorser whose image reflects the image an advertiser wants for the product. Nike introduced a shoe line called ‘*AirJordan*’ and used Michael Jordan as its spokesperson and still continues to use him. Swiss Army Brands selected Andre Agassi, one the most highly ranked tennis players in the world, to endorse its first limited edition watch (Underwood 1996).

3.5.1.5 Celebrities help global advertising

One 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 (De Mooij 1994; Hofstede 1984). Celebrity endorsements are a powerful device by which to enter foreign markets. Celebrities with world-wide popularity can help companies break through aforesaid barriers. For example, Pele, one of the football’s greatest players, has been used to introduce products in football-crazed countries (Kaikati 1987). Pizza Hut International increased its global market share by utilising global celebrities such as supermodels Cindy Crawford and Linda Evingelista, and Baywatch star Pamela Anderson (Wentz 1997). Celebrities such as film-maker Woody Allen, singer Tina Turner, designer Karl Lagerfeld, and chess player Gary Kasparov, are portrayed in a global tourism campaign for French Ministry of Tourism in

order to promote France around the world (*Advertising Age International*, 24th of January, 1997).

After mentioning the preceding arguments, one might think that using celebrities offers no risk, but unfortunately there are potential hazards. Although advertisers are smart enough to put provisions on celebrity contracts for termination due to moral corruption and bar endorsement of similar products and/or can buy “death, disablement, and disgrace” insurance to cover the failings and foibles of celebrity endorsers (Kotler 1997), companies might still lose on their investment and image.

3.5.2 Potential Hazards of Celebrity Endorsement Strategy

While aforementioned advantages of using celebrity endorsers exist, these benefits may turn negative if a celebrity suddenly changes image, drops in popularity, gets into a shameful scrape, loses credibility by endorsing many brands, or overshadows the endorsed products (Cooper 1984; Kaikati 1987). Till and Shimp (1998) examined the impact of negative information about a fictitious celebrity (French Olympic cyclist) on a endorsed product (racing bicycle). They assumed that negative information about the celebrity would damage consumer evaluations of the endorsed brand. Some subjects were asked to read several articles about the endorser including one article which had negative information whereas another group of subjects were led read the same articles, but without the one containing negative information. Findings showed that subjects who read the article with negative information lowered their evaluation of both the celebrity and the endorsed brand. The following section explores possible situations in which celebrities can ruin campaigns.

3.5.2.1 A celebrity becomes controversial

Some companies have been embarrassed when their spokesperson or celebrity has become embroiled in controversy. Klebba and Unger (1982) found that negative information about a celebrity endorser not only influences consumers’ perception of the celebrity, but also the endorsed product. One of the recent examples is O.J. Simpson, and Hertz Corp., one of the worlds biggest car rental companies. The image of O.J. Simpson running through the airport was synonymous with Hertz Corp. and Hertz

intended to keep that way until O.J. Simpson was accused of killing his wife and her friend in 1994. Hertz's revenues went down instantly and its image was tarnished. Another example was Michael Jackson and Pepsi Co., when there was a rumour about Jackson assaulting children, Pepsi expelled Jackson instantly (Batra, et al. 1996).

3.5.2.2 A celebrity loses popularity

Another hazard associated with celebrities is that they might disappear out of the flashlights before the end of the contractual term. Mark Spitz, winner of seven Olympic gold medals, was signed by Schick Inc. to endorse its electric razors. When the ads came out, Mr. Spitz had practically faded from public consciousness (Ziegel 1983). To some extent this potential hazard can be avoided by carefully examining what life-cycle stage the celebrity is in and how long this stage is likely to continue. Rossiter and Percy (1987) argued that celebrities should be signed during the 'growth' stage of their life-cycle and terminated prior to the 'decline' stage. This strategy requires a constant monitoring of celebrities who are under endorsement contracts.

3.5.2.3 A celebrity becomes overexposed

Another important problem to look out for is that the celebrity may become an endorser for many diverse products. The fact that a celebrity is identified too closely with a product can create overwhelming problems for a company if the celebrity becomes overexposed. If the celebrity's image ties in with many brands, impact and identity with each product may lessen. Mowen and Brown (1981) argued that if a celebrity endorses several brands, the relationship between the celebrity and a particular brand is not distinctive which can lead consumers to cynicism since the reason for endorsement is not the nature of the brand, but the lure of generous compensation. Tripp, et al. (1994) found that the number of products a celebrity endorses not only negatively influences consumers' perceptions of the celebrity endorser's credibility and likability, but also negatively influences attitudes towards advertisements. Similar findings are also found by Cooper (1984). Tripp, et al.'s (1994) findings also supported that the number of exposures to a celebrity endorser had a negative impact on attitudes towards the advertisement and intentions to buy the advertised brand, regardless of how many products the celebrity endorsed. Similarly, Graham (1989) argued that if a company

over commercialises the relationship between a celebrity and the company, it compromises the value of the celebrity in the fan's eyes and reduces the value of the celebrity endorser (e.g. the Spice Girls—Walkers Crisps, Pepsi, and Reward Spice; Harry Enfield—Natwest, Dime Bar, Nestle ice cream, Sekonda, Hula Hoops, Whitbread). Graham urged companies to be careful not to kill the goose that lays golden eggs. The way to prevent celebrities from working for competitors or any other brands is by a series of contract clauses, but this can be very expensive.

3.5.2.4 A celebrity changes image

It is not usual for celebrities to change their image constantly, but when this occurs it can be total failure for a campaign. An example is Farrah Fawcett and Faberge's association. The company had based a hair product line on Farrah's full, curly look, when she changed her style the company faced problems (Kaikati 1987). Another example is Yardley's experience with Helena Bonham-Carter who admitted in an interview that she rarely used make-up. Thoroughly explaining to celebrities why they are selected for campaigns amongst competitors may allow them to comprehend their role and responsibilities and act accordingly.

3.5.2.5 A celebrity overshadows the product

Though this potential hazard can be prevented to some extent by good planning, it is an important subject to explore. While a celebrity can effectively draw attention to an advertisement, his or her impact on other variables—brand awareness, recall of copy points and message arguments, brand attitudes, and purchase intentions—must also be considered (Belch and Belch 1995). A common concern is that consumers will focus their attention on the celebrity and fail to notice the brand being promoted (Rossiter and Percy 1987). One of the best example is the Leonard Rossiter-Joan Collins and Cinzano association. In spots, Leonard Rossiter poured his drink over Ms. Collins in a variety of imaginative ways, but most of the receivers thought the spots were for Martini. As a result, the campaign generated no positive effect on Cinzano's sales. As Cooper (1984) puts it, "the product, not the celebrity, must be the star." One preventive solution to this potential hazard is to pre-test advertisements before launching to make sure celebrities do not overshadow messages.

As can be inferred from this overview, selecting celebrity endorsers is not an easy task. Many scholars have attempted to construct models to aid in selecting celebrity endorsers. Carl I. Hovland and his associates presented one of the earliest models in 1953. Following his initial Source Credibility Model, three additional models are cited—the Source Attractiveness Model (McGuire 1985), the Product Match-Up Hypothesis (Forkan 1980; Kamins 1989, 1990), and the Meaning Transfer Model (McCracken 1989). The following section explains these models.

3.6 ACADEMIC MODELS ON CELEBRITY ENDORSEMENT STRATEGY

In a way, the Source Credibility Model and the Source Attractiveness Model, can be categorised under the name ‘Source Models’ since these two models basically inform and reflect research of the Social Influence Theory/the Source Effect Theory which argues that various characteristics of a perceived communication source has a beneficial effect on message receptivity (Kelman 1961; Meenaghan 1995). These two models have been applied to the celebrity endorsement process although they were originally developed for the study of communication in general. McCracken (1989) argues that these models are designed to determine the conditions under which a message sender or source is persuasive.

3.6.1 The Source Credibility Model

This model contends that the effectiveness of a message depends on consumer perceptions of *expertise* and *trustworthiness* in an endorser (Dholakia and Sternthal 1977; Hovland, et al. 1953; Hovland and Weiss 1951; Ohanian 1991; Solomon 1996). As explained in Chapter Two, information from a credible source—celebrity can influence beliefs, opinions, attitudes and/or behaviour through a process called *internalisation* which occurs when receivers accept a source’s influence in terms of their own attitudes and value structures.

Trustworthiness refers to honesty, integrity and believability of an endorser. It likewise depends on target audience perceptions. Advertisers capitalise on the value of trustworthiness by selecting endorsers who are widely regarded as honest, believable, and dependable (Shimp 1997). Smith (1973) argues that untrustworthy celebrity

endorsers, regardless of their other qualities, are viewed as questionable message sources by consumers. Friedman, et al. (1978) reasoned that trustworthiness is the major determinant of source credibility and then tried to discover which source attributes were correlated with trust. Their findings showed that likeability was the most important attribute of trust. As a result of their findings, authors urged advertisers to select personalities who are well liked when a trustworthy celebrity is desired to endorse brands. On the other hand, Ohanian (1991) found that trustworthiness of a celebrity was not significantly related to customers' intentions to buy the endorsed brand.

Desphande and Stayman (1994) reasoned and found that endorsers ethnic status affect endorser trustworthiness and as a result brand attitudes. These interactions occur because people trust individuals who are similar to them. One managerial implication of Desphande and Stayman's findings is that when targeting particular ethnic groups (e.g. Africans, Europeans, Asians), the endorsers' ethnic background should be considered carefully.

Expertise is defined as the extent that a communicator is perceived to be a source of valid assertions. It refers to the knowledge, experience or skills possessed by an endorser. It does not really matter whether an endorser is an expert, all that matters is how the endorser is perceived by the target audience (Hovland, et al. 1953; Ohanian 1991). Expert sources influence product quality perception. Moreover, a relationship has been established between source credibility and attitude change. Thus, a source that is more expert has been found to be more persuasive (Aaker and Myers 1987). Accordingly, Ohanian (1991) found that perceived expertise of a celebrity endorser with an endorsed brand was significantly related to intentions to buy. On the other hand, Speck, Schumann and Thompson (1988) found that expert celebrities produced higher recall of product information than non-expert celebrities, though the difference was not statistically significant. Furthermore, the authors discovered that in advertising conditions where supportive arguments for a celebrity's expertness were presented, recall measures was worse than conditions where no supporting argument were present. Speck, et al. (1988) reasoned that repetitions may have impeded information processing.

A possible exception to the belief that the more credible sources are, the more persuasive they are, has been pointed out by Karlins and Abelson (1970) in terms of the cognitive response theory which claims that a message recipient's initial opinion is an important determinant of influence. This theory advocates that if individuals have a positive predisposition towards a message issue, a source who lacks credibility can be more persuasive, since those favouring advocacy will feel a greater need to insure that a position with which they agree is being adequately represented (Aaker and Myers 1987). On the other hand, if individuals have a negative disposition, a high credibility source is more persuasive than a less credible source since the former is thought to inhibit individuals' own thought activation and facilitate acceptance of message thoughts. Consistent with cognitive response theory, two studies (Harmon and Coney 1982; Sternthal, et al. 1978) found that when receivers were positively predisposed towards a message issue, a moderately credible source induced more agreement and support for message issues when compared to a highly credible source; but, when receivers were negatively disposed to the message issue, a highly credible source induced more agreement than a moderately credible source.

Maddux and Rogers (1980) manipulated source expertise and attractiveness factors affect on the topic of sleep (people should sleep only four hours a day) among college students in the cases where supportive arguments were presented versus no supportive arguments were supplied. Results showed that an expert source—a professor of physiological psychology—produced more agreement than a non-expert source—a professor of music. Agreement was also greater when the message contained supporting arguments as opposed to absence of supporting arguments. Furthermore, the effect of source expertise was present at both immediate and post (two weeks) tests. On the other hand, findings showed that source attractiveness manipulations did not affect agreement with the message issue. The authors explained the latter outcome by arguing that the communication in their study dealt with a logical and factual issue. If the topic were less information based and more emotional, physical attractiveness might have influenced agreement with the message issue.

The last two studies have three important implications for any celebrity endorser selection process and celebrity endorsement strategy. First, a credible celebrity may not always be the most effective choice in delivering brand messages. Second, expert celebrities might be more persuasive when an endorsed brand involves logical and functional decisions. Third, the influence of an expert celebrity may be enhanced with supportive arguments.

Findings in source credibility studies are equivocal. What factors construct source credibility and what factors are more important than others in certain situations is still ambivalent. While source credibility research regards the celebrity endorsement process as uni-dimensional, it is still unable to provide a well-grounded explanation of important factors. Although source credibility is an important factor for advertisers in selecting endorsers since credibility has been proved to have a significant and direct effect on attitudes and behavioural intentions (Ohanian 1991), it is not the only factor that should be considered in the process of selecting celebrity endorsers.

3.6.1.1 Measuring Source Characteristics

It is reasonable to think that the credibility of a source is totally subjective, but research shows that in spite of individual preferences, an agreement exists among individuals (Berscheid, et al. 1971). Truth-of-Consensus method can be used to assess a source's credibility and attractiveness. The method is based on the premise that individual judgements of attractiveness and credibility are subjective, but that judgements are shaped via Gestalt principles of person perception rather than single characteristics (Patzner 1983a). If a statistically significant number of judges rate an endorser as low or high in attractiveness or credibility, then, the endorser can be interpreted to represent a rated level of attractiveness or credibility, at least for research purposes.

Ohanian (1990) argued that with increased use of celebrities in advertising, a valid instrument measuring celebrity endorser credibility is essential for understanding the impact of using such individuals. After an extensive literature review and statistical tests, Ohanian (1990) constructed a tri-component celebrity endorser credibility scale presented in Table-3.1.

Table-3.1 Source Credibility Scale

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

This scale assumes that credibility—consequently effectiveness—of celebrity endorsers is bound with given characteristic dimensions, which McCracken (1989) argued against by stating that the celebrity world consists of much more than just attractive and credible individuals.

3.6.2 The Source Attractiveness Model

Advertisers have chosen celebrity endorsers on the basis of their attractiveness to gain from dual effects of celebrity status and physical appeal (Singer 1983). In order to discern the importance of attractiveness, one only has to watch television or look at print advertisements. Most advertisements portray attractive people. Consumers tend to form positive stereotypes about such people and, in addition, research has shown physically attractive communicators are more successful at changing beliefs than those who are unattractive (Baker and Churchill 1977; Chaiken 1979; Debevec and Kernan 1984).

The model contends that the effectiveness of a message depends chiefly on *similarity, familiarity and liking* for the endorser (McGuire 1985). Similarity is defined as a supposed resemblance between the source and the receiver of the message, familiarity as knowledge of the source through exposure, and likability as affection for the source as a result of the source's physical appearance and behaviour. Attractiveness does not mean simply physical attractiveness, but includes any number of virtuous characteristics that

consumers might perceive in a celebrity endorser: for example, intellectual skills, personality characteristics, lifestyle, or athletic prowess.

A generalised application to advertising has been suggested that ‘physical attractiveness’ of a communicator determines the effectiveness of persuasive communication through a process called *identification* which is assumed to occur when information from an attractive source is accepted as a result of desire to identify with such endorsers (Cohen and Golden 1972). It has been argued that physical attractiveness of the communicator influences overall marketing outcomes (Debevec, et al. 1986; Friedman and Friedman 1979; Horai, et al. 1974; Kahle and Homer 1985; Patzer 1985).

Since physically attractive people are perceived to have more favourable characteristics as opposed to unattractive people (Dion, Berscheid, Walster and Walster 1971), Patzer (1983b) reasoned that a source who has a high level of physical attractiveness would be perceived to be more trustworthy and expert than a source who have a lower level of physical attractiveness. Furthermore, Patzer (1983b) also hypothesised that the higher a source’s physical attractiveness, the greater receivers liking for the source would be. Indeed, the study findings revealed that a source with a high level of physical attractiveness was perceived as more trustworthy and expert than a source with a lower level of physical attractiveness. Findings also indicated that a source with a high level of physical attractiveness was liked more than a source with a lower level of physical attractiveness. Positive correlation between perceived level of source attractiveness and trustworthiness, expertness and liking was observed regardless of source gender and/or receiver gender.

Petty and Cacioppo (1980) manipulated attractiveness of endorsers of a shampoo advertisement in order to test the Elaboration Likelihood Model (ELM) for comprehending the effectiveness of advertising message types. The ELM perspective argues that variables affecting persuasion under high and low involvement conditions vary. For instance, the quality of arguments contained in a message has a greater impact on persuasion under high involvement conditions, whereas under low involvement conditions peripheral cues—source attractiveness, credibility—have greater impact on

persuasion (Petty, Cacioppo and Goldman 1981). Contrary to Petty and Cacioppo's (1980) expectations, the attractiveness of the endorser was equally important under both high and low involvement conditions. The authors argued that in addition to serving as a peripheral cue, the physical appearance of endorsers (especially their hair) might have served as a persuasive visual testimony for product effectiveness under low involvement conditions. Under high involvement conditions, the physical attractiveness of endorsers may have served as a persuasive product-related clue.

In 1983, Petty, Cacioppo and Schumann replicated Petty and Cacioppo (1980) study, but they employed a peripheral cue that could not be constructed as a product-relevant cue, Edge disposable razors. Petty, et al. (1983) manipulated the endorser type (celebrity or average citizen) featured in Edge advertisements. Analysis revealed that celebrity endorsers were liked more than typical citizens and as a result, respondents liked the product (Edge razors) more when endorsed by celebrities than average citizens. As expected, findings revealed an interaction between involvement level and endorser type. Under low-involvement, but not high-involvement, conditions, the endorser type had a significant impact on attitudes towards the product though no impact was found on behavioural intentions. Regarding recall and recognition measures, findings indicated that exposure to celebrity endorsers increased recall of the product category under low-involvement conditions, but it did not affect recall measures under high involvement. The endorser type manipulation revealed that celebrities had marginally significant impact on brand name recall over typical citizens. On the issue of brand name recognition, the use of celebrity endorsers reduced brand name recognition under low-involvement while under the high-involvement, the use of celebrity endorsers enhanced brand name recognition. Petty, et al. (1983) reasoned that this rather awkward finding occurred as people are more interested in the product category under high involvement situations and may be more motivated to assess what is offered by the brand that the personalities they like are endorsing.

Kahle and Homer (1985) manipulated celebrity physical attractiveness, and likability, and then measured attitude and purchase intentions on the product, Edge razors. Results showed that participants exposed to an attractive celebrity liked the product more than

participants exposed to an unattractive celebrity. The same interaction was not statistically significant for likeable endorsers. Recall for the brand was greater both in attractive and likeable celebrity conditions than unlikable and unattractive celebrity conditions. Surprisingly, unlikable celebrities performed better on recognition measures than likeable and attractive celebrities. Findings also indicated main effects on behavioural intentions. An attractive celebrity created more purchase intentions than an unattractive celebrity, but controversially an unlikable celebrity produced more intentions to buy the product than a likeable celebrity.

Petroshius and Crocker (1989) found that attractive endorsers lead to more favourable attitudes toward advertisements and stronger purchase intentions than unattractive models. On the other hand, Baker and Churchill (1977) found that using attractive male and female models had a positive effect on affective advertisement evaluations. Though they did not find a positive interaction between an attractive female model and product purchase intentions among female subjects, the interaction was present among females when an attractive male model was depicted in advertising. Baker and Churchill (1977) found a rather unexpected interaction amongst female models, product type and intentions to purchase products among male subjects. When the product endorsed was coffee, an unattractive female model created more intentions to buy the product than her attractive counterpart among male subjects whereas when it was perfume/aftershave, male subjects reacted positively to the attractive female model.

Debevec and Kernan (1984) found that attractive models were perceived more favourably than average-looking models. Their findings also indicated that attractive female models generated more enhanced attitudes than attractive male models in both genders, but particularly among males. Based on this finding, they suggested that when target market demographics involve males, utilising attractive female models should bring effective campaign results, though, this cross-gender strategy was not found to be effective among female subjects. Inversely, Caballero, et al. (1989) found that males showed greater intentions to buy from male endorsers and females hold greater intentions to purchase from female endorsers. On the other hand, Petroshius and

Crocker (1989) found that spokesperson gender had no impact on attitudes towards advertisements and no main impact on intentions to buy products.

Caballero, et al. (1989) found that these positive feelings towards advertising and products do not necessarily translate into actual behaviour or purchase intentions. A possible reason for the lack of celebrity endorsers effect for intentions to purchase is that celebrity endorsements work on the cognitive and affective components of behaviour (Baker and Churchill 1977; Fireworker and Friedman 1977).

Joseph (1982) argued that attractiveness of a celebrity endorser may be a more important factor for new or unknown brands than established brands as consumers have knowledge about latter brands and do not have to rely on peripheral cues such as celebrity endorser attractiveness.

Chawla, Dave and Barr (1994) found that there is an inverse relationship between attractiveness of a model and store visitations prior to product purchase and the degree of information search. If endorsers are perceived to be attractive, the need for further information is limited and the number of stores visited prior to purchase was lower.

Patzer (1985) asserted that “physical attractiveness is an informational cue; involves effects that are subtle, pervasive, and inescapable; produces a definite pattern of verifiable differences; and transcends culture in its effects.” Patzer criticises the use of average looking endorsers and the reasoning behind this strategy—likes attract which states that consumers react positively to communicators who look like them. Even if, Patzer argues, the “likes attract” hypothesis is correct, people usually inflate their own attractiveness so that attractive endorsers should be more effective than average looking counterparts.

A well known quotation from Aristotle (Ohanian 1991), *‘Beauty is a greater recommendation than any letter of introduction,’* is suitable in this context for the sake of appreciating effectiveness of attractiveness since most Western societies place a high premium on physical attractiveness. People tend to assume that people who are good looking are smarter, more ‘with it’ and so on. Such an example is called *‘halo effect’*, which occurs when people who rank high on one dimension are assumed to excel on

other dimensions as well. This effect can be explained in terms of the '*consistency theory*', which states that people are more comfortable when all of their judgements about a person go together (Solomon 1996).

In sum, it is safe to argue that there is no doubt attractive celebrity endorsers enhance attitudes towards advertising and brands, but whether they are able to create purchase intentions is vague since some studies found that attractive celebrity endorsers are not able to initiate behavioural intentions (Baker and Churchill 1977; Caballero, et al. 1989; Fireworker and Friedman 1977; Petty, Cacioppo and Schumann 1983), while other studies found that they are able to create purchase intentions (Friedman, Termini and Washington 1976; Kamins 1989; Kahle and Homer 1985; Petroschius and Crocker 1989; Petty and Cacioppo 1980; Till and Busler 1998). One way to increase behavioural intentions to endorsed products may be to choose attractive celebrities who also have matching image with attractiveness related products and target audiences, for example, a celebrity with long, healthy and shiny hair and a brand of shampoo for women under age of fifty. Another way to increase behavioural intentions might be to integrate celebrities in a campaign's several marketing communications activities.

Lastly, as Patzer (1985) noted, attractiveness represents a truly global language. Given this ability, attractiveness is an important dimension for international companies since they can produce global campaigns around an attractive celebrity endorser and run them potentially world-wide.

3.6.2.1 Performer Q Ratings

The Q (quotient) rating reflects a celebrity's popularity among those who recognise the celebrity (Solomon 1996). Marketing Evaluations Inc., a US based firm, calculates roughly 1500 well-known figures' familiarity and likability among consumers every year. The firm sends questionnaires to a demographically representative national panel of the US population. According to Shimp (1997) individuals are asked to answer two questions in questionnaires: (1) Have you heard of this person? (2) If you have, do you rate him/her; poor, fair, good, very good or one of your favourites? A celebrity's Q rating is calculated by dividing the percentage of the total sample rated the celebrity as

'one of their favourites' by the percentage of sample who knows the celebrity (Shimp 1997). A celebrity may not be widely recognised, but still could attain a high Q rating as individuals who do recognise them may also like her/him. Inversely, a celebrity may be widely recognised, but could have low Q rating since respondents may not like them. Basically, the Q rating of a celebrity answers the question of how popular is the celebrity among who are familiar with him/her. For example, if the Spice Girls were known by 94 percent of people surveyed and 47 percent mentioned them as one of their favourites, their Q rating, expressed without decimal points, would be 50 ($47 / 94 = 0.50$).

Rossiter and Percy (1987) argue that knowing a celebrity's Q rating may not only be beneficial in cases where particular audiences are targeted (e.g. 60+ males), but it may also enable companies to save on the cost of hiring a big celebrity name who might not be popular among target audiences, such as Michael Jackson for the 60+ male target audience. Q ratings of celebrities could be an initial filtering layer in selecting celebrity endorsers

3.6.3 The Product Match-Up Hypothesis

The Product Match-up Hypothesis maintains that the message conveyed by celebrity image and the product message should be congruent for effective advertisement (Forkan 1980). In other words, matching a celebrity endorser's image with a product's nature implies the broader need for congruence between celebrity image and a product endorsed. The determinant of the match-up between a celebrity and a brand depends on the degree of perceived 'fit' between brand image (brand name, attributes) and celebrity image, or characteristics (Misra and Beatty 1990). Kamins and Gupta (1994) found that advertising a product via a celebrity who has a relatively high product congruent image leads to greater advertiser and celebrity believability relative to an advertisement with a less congruent product/spokesperson image. Kotler (1997) also argues that celebrities are likely to be effective when they personify a key product attribute.

According to Kahle and Homer (1985), the Match-up Hypothesis of celebrity endorser selection fits well with Social Adaptation Theory. According to this theory, the

adaptive significance of information will determine its impact. Kamins (1990) argues that an attractive model's inclusion in an advertisement may in some consumers' mind intrinsically prompt the idea that use of a brand endorsed by a celebrity will enhance attractiveness as it did for the celebrity, hence, provide adaptive information.

Levy (1959) claimed that the value of an endorsement would essentially depend on whether an association exist between an endorser and a product. Accordingly, Misra and Beatty (1990) asserted that the match-up between a celebrity endorser and a brand is an important dimension as it leads to better recall and more positive brand effects. In order to emphasise the importance of proper match-up, Watkins (1989) quoted a senior vice president of a leading beverage company in which the vice president states that celebrities are an unnecessary risk unless they are very logically related to products. Another practitioner quoted by Bertrand (1992) argued that if there is a combination of an appropriate tie-in between the company's product and the celebrity's persona, reputation or the line of work the celebrity is in, then advertisers can get both things, the fame and the tie-in, working for them. Studies report that consumers also expect congruity between celebrity endorsers' perceived images and products they endorse (Callcoat and Phillips 1996; Ohanian 1991; O'Mahony and Meenaghan 1997). It can be concluded that all parties—practitioners, and consumers—involved in the process expect some degree of match between celebrities and brands.

Alternatively, the absence of connection between celebrity endorsers and products endorsed may lead consumers to the belief that the celebrity has been bought, e.g. handsomely paid to endorse the product or service. Evans (1988) claimed that the use of celebrities, if celebrities do not have a distinct and specific relationship to the product they are endorsing, tends to produce, what he called, the 'vampire effect' which occurs when the audience remembers the celebrity, but not the product or service. According to Evans (1988) "celebrities suck the life-blood of the product dry" when a distinct and specific relationship does not exist between the product and the celebrity.

The emphasis of product match-up research has been on the proper match between a celebrity and a product based on celebrity physical attractiveness. Specifically, match-up hypothesis predicts that attractive celebrities are more effective when endorsing

products used to enhance one's attractiveness (Kahle and Homer 1985; Kamins 1990). Findings also suggest that characteristics of a celebrity interact positively with the nature of the product endorsed (Friedman and Friedman 1979; Kamins 1990; Lynch and Schuler 1994). Unexpectedly, Kamins and Gupta (1994) found that the match-up between a celebrity endorser and the brand endorsed also enhanced the celebrity endorser's believability and attractiveness. The authors reasoned that this effect occurred because of the celebrity endorser's familiarity since it is believed to interact with identification and internalisation processes of social influence. Another study revealed that special attention should be made to employ celebrities who have direct connection with their endorsed product and who are perceived to be experts by the target audiences, since the same study findings also showed that attractiveness and trustworthiness were not important determinants of respondents' likelihood to purchase the product (Ohanian 1991). This findings were supported by Till and Busler's (1998) study, which did not detect evidence of a product type by endorser attractiveness interaction, but, on the other hand, found a match-up effect based on expertise of the celebrity endorser.

Friedman and Friedman (1978) and Atkin and Block (1983) reasoned that the type of endorser may interact with the type of product endorsed and found that celebrity endorsers are appropriate where product purchases involve high social and psychological risk. Consistently, Packard (1957) suggested 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, such individuals invite consumers to join them in enjoying products. On the other hand, Callcoat and Phillips (1996) reported that consumers are generally influenced by spokespersons if products are inexpensive, low-involving and few differences are perceived among available brands. Inversely, Kamins (1989) and Kamins, et al. (1989) found that celebrity endorsers in a two-sided context were able to generate desired effects on such high financial and performance risk products/services as management consultation and computers. These paradoxical findings lead to the conclusion that McCracken's (1987) argument, in which he argues that advertising is such a powerful mechanism of meaning transfer that virtually any product can be made to take any meanings, is well appointed

as celebrity endorsement strategy has been suggested to be effective for every product category in the literature. McCracken's view is also shared by O'Mahony and Meenaghan (1997) who argue that celebrity endorsers are effective in sustaining advertising and brand name recall regardless of product category.

DeSarbo and Harshman (1985) argue that neither the source—credibility and attractiveness—nor the match-up research is adequate in providing a heuristic for appropriate celebrity endorser selection. The authors state three problems related with these models. First, they do not provide measures to cope with multidimensionality of source effects. Second, these approaches ignore overtone—meaning—interactions between a celebrity and the product endorsed. These interactions could cause celebrities regardless of their credibility rating to be inappropriate for some products. Last, but not least, there is a lack of quantified empirical basis for purposed dimensions. Because of the limitations in the relevant dimensions, the real world applicability of match-up hypothesis is also limited since not being able to identify and measure which dimensions are valid for a particular product, it is almost impossible to develop the needed match-up between a product and a celebrity.

In considering these contrary findings, it becomes clear that the Match-up Hypothesis may have to extend beyond attractiveness toward a consideration and matching of the entire image of the celebrity with the endorsed product (Kamins 1990); and, Brierley's (1995) appraisal to consider whether the meanings surrounding well-known personalities are proper for the target audience, and the brand or the message while selecting a personality for an advertisement, are well pointed. Accordingly, Hawkins, et al. (1983) claimed that endorsement effectiveness can be enhanced by matching a celebrity's personality with product and target audience characteristics. In line with above arguments, Ohanian (1990) noticed a trend in which celebrities, who are closely affiliated with both the product and the target audience, were getting endorsement contracts.

Scott (1991) criticises studies reducing celebrity endorsements to ahistorical and untheatrical equation since the author sees cultural traditions, particular characteristics of individuals, and/or historical grounding as sources of celebrity endorsement

phenomenon. Another anthropologist McCracken (1989) also criticises source models in that these models tell people about degrees of credibility and attractiveness, but they fail to reveal the needed kinds of attractiveness and credibility. He argues that the celebrity world is somewhat richer and more complicated than a collection of merely credible or attractive individuals. Similarly, Swenson (1987) claims that in any market, foreign or domestic, celebrity endorsers present more than credibility, endorsers deliver constituency, and further claims that celebrity endorsers' value not only lies in their constituency, but in their uniqueness—meaning—in a world besieged by media.

After presenting the preceding arguments, it is clear that Source Effect models and Match-up Hypothesis fail to explain the celebrity endorsement phenomenon thoroughly. Although Match-up Hypothesis recovers some of the pitfalls of Source Effectiveness Models, such as any celebrity who is attractive, credible and/or likeable could sell any product, it still disregards impacts of a celebrity endorser's cultural meanings in endorsements. Next, an anthropological perspective, Meaning Transfer Model (McCracken 1989), will be discussed.

3.6.4 The Meaning Transfer Models

According to McCracken (1989), celebrity endorsers bring their own symbolic meanings to the endorsement process, the cultural meanings residing in a celebrity go beyond the person and these meanings are passed on to the products. Similarly, Brierley (1995) argues that celebrities create meanings for brands by appearing with them. Callcoat and Phillips (1996) urged advertisers to explore the symbolism that encompass a celebrity to determine whether these meanings are desirable for brands since the effectiveness of the endorser depends on, in part, the meanings he or she brings to the endorsement process. The number and variety of meanings contained in celebrities are extensive. Distinctions of status, class, gender and age as well as personality and lifestyle types, are represented in the pool of celebrities who are presenting various and subtle pallet of meaning potentially at the disposal of the marketing system (McCracken 1989).

According to Fowles (1996), advertisers' reason for hiring celebrities to endorse products is that people consume images of celebrities and advertisers hope that people will also consume products associated with celebrities. Accordingly, Fortini-Campbell (1992) argues that products, just like people, have personalities and claims that people consume brands with personality characteristics like their own or one they aspire to possess in—celebrities, friends or family members. Fortini-Campbell's (1992) argument leads to the conclusion that celebrity characteristics—meanings—transfer to brands, and then, to consumers.

Cooper (1984) urges practitioners to affiliate only one celebrity with a product since McCracken (1989) argues, every celebrity has unique meanings residing in their persona and these meanings are first transferred to the product and then consumers. Therefore, utilising multiple celebrity endorsers for a product may create confusion in the minds of consumers in decoding intended product meanings.

Celebrity endorsements are special examples of a more general process of meaning transfer (McCracken 1989). In this process, there is a conventional path for the movement of cultural meaning in consumer societies. This process involves three stages; the formation of celebrity image, transfer of meaning from celebrity to product, and finally from product to consumers. According to McCracken (1988), meaning begins as something resident in the culturally constituted world, in the physical and social world constituted by categories and principles of the prevailing culture.

Hirschman (1980) argues that symbolic meanings are created and introduced into the consuming sector by a production process. This production process involves many participants. For example, societal introduction of a new apparel symbol would include; the designer, manufacturer, and retail store buyer. Playing tangential roles in the assignment would be the fashion trade media, the mass media, advertising agencies, and retail sales personnel among others. Solomon (1983) is another academic who argues that symbolic meanings are produced and learned at the societal and/or sub-cultural level. According to Solomon, there is a culture production system and it has three major subsystems. (1) a *creative subsystem* responsible for generating new symbols and/or products. (2) a *managerial subsystem* responsible for selecting, making tangible, mass

producing and managing the distribution of new symbols and/or products. (3) a *communication subsystem* responsible for giving meanings to new product and providing it with a symbolic set of attributes that are communicated to consumers. Myers (1999) claims that “advertisements don’t just sell commodities, they give meanings to brands”. Similarly, McCracken (1986) argues that advertising is one of the ways to move meanings from culturally constituted world to consumer goods. This movement is accomplished by the efforts of advertising agencies that present themselves as professionals capable of understanding meanings and associating them with products (Myers 1999).

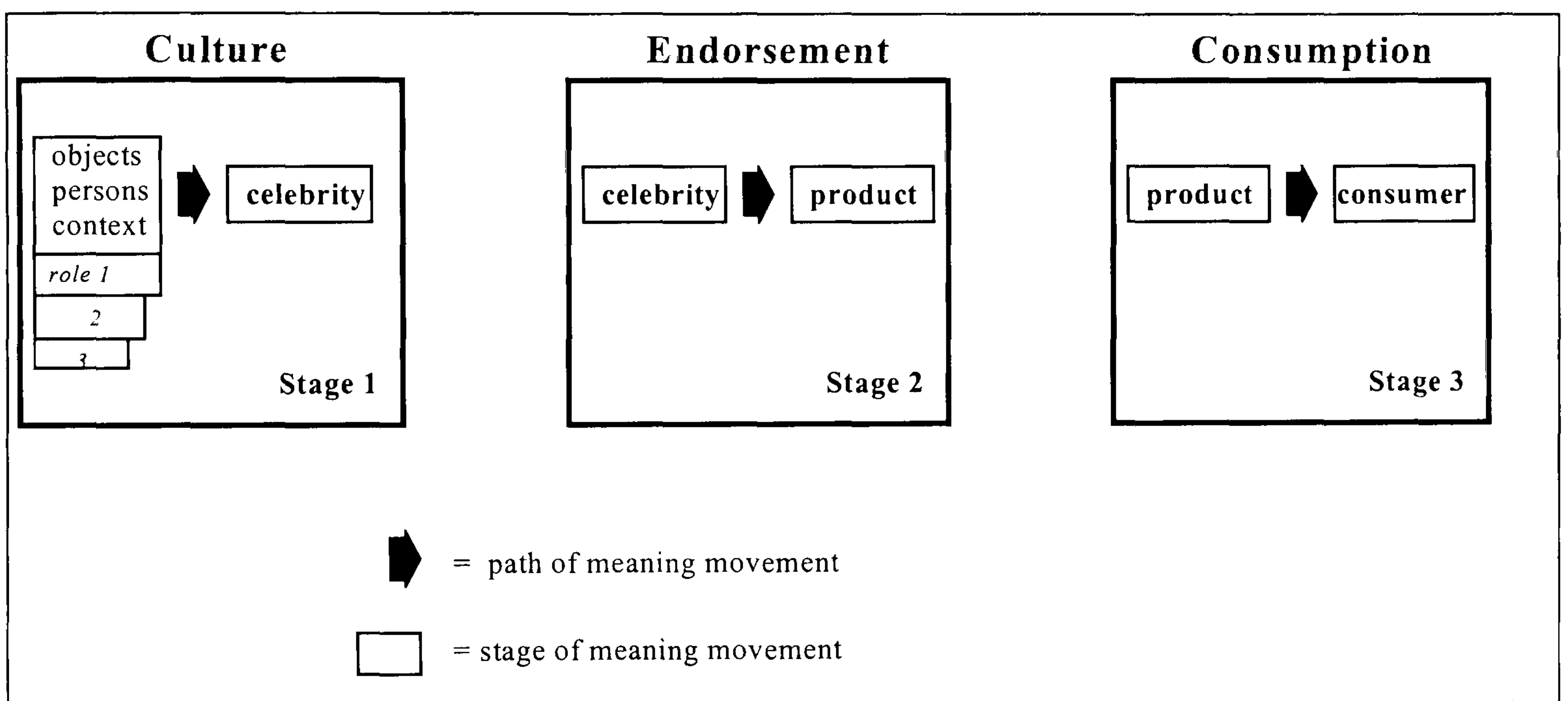
Advertising works as a potential method of meaning by bringing the consumer needs and representation of the culturally constituted world together within the frame of a particular advertisement. In conjunction with McCracken’s (1986) argument, Domzal and Kernan (1992) claim that advertising is an integral part of social systems, whose function is to communicate the culturally constructed meaning of products to consumers. According to the authors, consumers learn meanings by interpreting product definitions, which in this case are implicit in promotional content.

Tom, et al. (1992) argue that in the second stage of meaning movement—from celebrity to product—shapes the product’s personality. The consumer, who must glimpse in a moment of recognition an essential similarity between the elements and the product in the advertisement, performs transferring meanings from celebrities to products. Once meanings have been moved into goods, they must also be moved into consumers. Levy (1959) argued that consumers are able to recognise symbolic properties of products and transfer them into meanings for themselves. Similarly, McCracken (1989) claims that the movement of meanings from consumer goods to the individual consumer is accomplished through the efforts of consumers who must take possession of these meanings and put them to work in the construction of their self image. In other words, meaning movement from goods to consumer is achieved through rituals. Ritual is a kind of social action devoted to manipulation of cultural meaning for purposes of collective and individual communication and categorisation. Ritual is an opportunity to affirm, evoke, assign or revise conventional symbols of cultural order (Mick 1986).

McCracken (1986) argues that four types of ritual are used to move cultural meaning from goods to consumers; exchange rituals, possession rituals, grooming rituals and divestment rituals.

Figure-3.3 illustrates, the meaning that begins in the dramatic roles of the celebrity comes, stage 1, to reside in the celebrity themselves. In stage 2, this meaning is transferred when the celebrity enters into an advertisement with a product. Some of the meanings of the celebrity are associated with the meanings of the product. In the final stage, the meaning moves from product to consumers.

Figure-3.3 Meaning Movement and the Endorsement Process



Source: McCracken 1989

In stage 1, endorsement gives the ad access to a special category of person. It makes available individuals charged with detailed and powerful meanings. Celebrities, in this regard, are very different from the anonymous models. Celebrities have particular configurations of meanings that are drawn from the roles they assume in television, film, military, athletic or other careers. They own these meanings because they have created them on the public stage by dint of intense and repeated performance. In stage 2, an advertising agency first must determine the symbolic properties sought for the product and then must choose a celebrity who approximates or represents the proper symbolic properties. Once a celebrity is chosen, an advertising campaign must identify

and deliver these meanings to the product. The advertising must be designed to suggest essential similarity between the celebrity and the product so that the consumer can take the second step of the meaning transfer. In stage 3, celebrities play a role in the final stage of meaning transfer because they have created the self. They have done it publicly, in the first stage, out of bits and pieces of every role in their careers. The well constructed self makes the celebrities a kind of exemplary, inspirational figure to consumers. Levy (1959) argued that people aim to enhance their sense of self and behave in ways that are consistent with their image or their inspirational models. Similarly, Batra, et al. (1996) argue that people regard their belongings as part of themselves and acquire or reinforce their identities (self) through goods they buy and what these goods symbolically represent. In other words, consumers are themselves constantly moving symbolic properties out of consumer goods into their lives to construct aspects of self-image. It is not surprising that consumers admire celebrities who have accomplished construction of self-image well. In a sense, consumers are trying to perform their own stage one construction of the self-image out of meanings supplied by previous and present roles and potential meanings accessible to them (McCracken 1989).

There is no necessary or motivated relationship between meanings and products as McCracken (1987) notes. Consumer goods, charged with cultural significance, serve as dramatic props and meaning sources. They provide ideas of gender, class, age, lifestyle to individuals. McCracken (1987) acknowledges that certain products lend themselves to particular meanings (e.g. chocolates and social sentiments), but he argues that advertising is a such a powerful mechanism of meaning transfer that virtually any product can be made to take any meanings. Which meanings are chosen for the product will depend on the marketing plan and sophistication of client, account executive, research group, and creative team. In selecting celebrity endorsers to deliver pre-determined product meanings, decision makers must pay close attention to celebrities' whole constructed meaning whether they possess any contrary meanings to intended product meanings.

McCracken's (1989) model of meaning transfer may at first seem as a merely theoretical concept, but its replicability to real life was demonstrated by two studies by Langmeyer and Walker (1991a, 1991b).

Langmeyer and Walker (1991a) used a response elicitation (tell us what you think) format, with a celebrity endorser—Cher, a celebrity endorsed product—Scandinavian Health Spas, and a non-endorsed product—bath towels, as stimuli to identify the meaning in the celebrity endorsed brand and the endorser and to document the transfer of meaning from the endorser to the product. Results demonstrated that Cher possessed symbolic meanings (e.g. sexy, attractive, healthy, independent) and indicated that Cher's meanings were transferred on the Scandinavian Health Span. The language used to describe associations between Cher and Scandinavian Health Span was consistent. Furthermore, findings showed that bath towels (unendorsed product) also had symbolic meanings which were diffuse and undifferentiated (e.g. soft, gentle, clean, comfortable).

Langmeyer and Walker (1991b) further explored meanings communicated by celebrity endorsers—Madonna and Christie Brinkley, and by products—bath towels (an unendorsed commodity product), VCRs (an unendorsed technical product with high information needs), and blue jeans (an endorsed high-image product). Additionally, authors contemplated the impact of combining celebrities with products. Study results revealed that Madonna and Christie Brinkley are perceived differently by subjects (101 undergraduate students) and when celebrities combined with products, these perceived differences affected meanings perceived in products. Before being endorsed by celebrities products had sole product category images, but when endorsed by celebrities, they took on images of each celebrity. Even though meaning movement from celebrities to each product was documented, products with undefined meanings, such as bath towels, 'picked up' more celebrity meanings than others. Therefore, they claimed 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 non-technical, simple, and commodity type product.

Langmeyer and Walker's (1991a, 1991b) findings empirically support the argument originally put forward by McCracken (1989) that celebrities embody various meanings and these meanings are passed on to products with endorsements.

In conclusion, advertisers should explore the symbolism that encompass a celebrity to determine whether these meanings are desirable for brands since the effectiveness of the endorser depends on, in part, the meanings he or she brings to the endorsement process. Which meanings are chosen for the product will depend on the participants campaign team (e.g. client, account executive, research group, creative team).

After presenting the literature on models to identify possible factors of a potential selection process, discussion now turns to present the literature on the last part of the assumed process of selecting celebrity endorsers; message formats, and integrative utilisation.

3.7 TWO-SIDED VERSUS ONE-SIDED CELEBRITY ENDORSEMENT

In advertising literature, a two-sided message format includes instances where a source states both negative and positive attributes of a brand, whereas a one-sided message format only indicates positive attributes of the brand. Research on sidelines shows that two-sided communication attempts are more effective than one-sided attempts in increasing advertising believability (Hovland, et al. 1949; Settle and Golden 1974; Swinyard 1981). Moreover, in two-sided messages, if the importance of negative claims is underplayed, the message is termed as a two-sided refutational. If no such claims is indicated, than it is termed as a two-sided non-refutational (Kamins 1989). Naturally, a two-sided non-refutational message has higher believability scores than a two-sided refutational message.

Hovland, et al. (1949) purported that giving the strong points for the 'other side' can make an argument more effective at getting across a source's message, particularly for better educated people and for the people already opposed to the stand taken. This difference in effectiveness, however, is likely to be reversed for less educated people and in extreme cases a two-sided argument may have a negative effect on poorly

educated people already convinced of a stand taken by a previous argument. This would seem especially likely if the strong points for the other side had not previously been known to, or considered by the poorly educated. Based on these results authors expected that the total effect of either kind of argument (one-sided or two-sided) would depend on the target audience's educational level and initial opinions.

In a celebrity endorsement context, the two-sided versus one-sided issue has been deeply explored by Kamins (1989); Kamins and Marks (1987); and, Kamins, et al. (1989). Kamins, et al. (1989) suggested that a two-sided celebrity endorsement strategy would play an important role in generating purchase intentions since most prior studies did not detect positive effects on purchase intentions (Baker and Churchill 1977; Caballero et al. 1989; Fireworker and Friedman 1977).

Kamins, et al. (1989) used a management consulting firm to test the effectiveness of a celebrity endorser in a two-sided message format as opposed to one-sided. Although the service chosen was high on financial and performance risk, findings not only indicated significant enhancements on attitudes to advertising and the advertiser, but also denoted higher intentions to use the firm for management consultation in the two-sided message format than in the one-sided format.

In another study, Kamins (1989) investigated sidedness and type of endorser—celebrity vs. non-celebrity interaction involving computers. The author found that a celebrity endorser with a two-sided message was able to originate positive attitudes toward advertising and the brand and higher intentions to purchase the endorsed brand than a non-celebrity and celebrity with a one sided message, and a non-celebrity with a two-sided message. These findings have resonant implications for practitioners in deciding what type of endorsers and messages to utilise for their communication attempts.

3.8 INTEGRATIVE USE OF CELEBRITY ENDORSERS

Even though celebrity endorsement strategy has traditionally been utilised in advertisements, it has lately been expanded to other marketing communication activities parallel to the trend noticed in Chapter Two, integrated marketing communications.

Rogers (1997) argues that celebrities can contribute massive awareness to promotion campaigns if they are integrated properly. Besides utilising celebrity endorsers in advertising campaigns, companies deploy celebrity endorsers at customer events, sales meetings, interactive communications, trade shows, and charity affairs. Some even include the celebrity's image in sales collateral and direct mailings (Bertrand 1992). As a part of celebrity endorsement deal, companies include clauses in order to insure that celebrities will appear at selected marketing events.

As companies invest large sums of money to celebrity endorsement contracts, any celebrity endorsement relationship must contribute to larger marketing strategies. Swenson (1987) suggests that companies should expand the celebrity's impact in the market place by all means of communication. For example, Point-of-Purchase displays, sweepstakes, charity affairs can extend celebrity endorsers into society and personalise marketing programs with consumers. According to Dickenson (1996) utilising a celebrity to endorse a product launch can bring instant personality and appeal to the product. One of World's leading Pop groups, the Spice Girls, has not only endorsed three products in their first year of fame, but they also appeared in product launching events. Since anything the Spice Girls do is news for the media, in a sense, companies are able to get free mass media exposure from these comparatively dull marketing communication events.

Product placement deals in films have become another integrated form of celebrity endorsement. Ericsson, the Swedish electronics group, has not only placed its cellular phone and communications technology in the latest James Bond action movie, "Tomorrow Never Dies," starring Pierce Brosnan, but it also utilised Pierce Brosnan in its commercials with the headline "Ericsson Made/Bond Approved" (Matthews 1997).

Sponsoring individual sports celebrities during their performances is also a common practice of integrative utilisation. Examples are various in tennis, golf, football, car racing and boxing events. One of the best current example is Prince Naseem - Adidas association. Prince Naseem appears in many marcom activities for Adidas. Lately, online chats with celebrity endorsers found its place in the marketing communications mix as a popular interactive concept (Harris 1996). Companies (e.g. Converse and

Audi) have embarked 'pre-launch' efforts to get their products seen with celebrities even before products are available in order to differentiate from competitors' (Gelsi and Grimm 1996).

It is evident that companies must establish firm integration between celebrities and diverse campaign activities, so that impacts of celebrities go beyond generating attention and create actual purchase behaviour.

3.9 SUMMARY AND CONCLUSION

This chapter has sought to identify factors which may have managerial importance for selecting celebrity endorsers from the academic literature. Notably, effectiveness of celebrity endorsers is argued to be moderated by several factors; celebrity attractiveness and credibility, product-celebrity fit, level of involvement, message and product type, number of endorsements by celebrities, overall meanings (e.g. personality, values, standards) attached to celebrities, and target receiver characteristics. In addition to these factors, economic visibility of endorsers, regulative issues, compatibility with overall marketing strategy, and potential risks also must be considered.

In conclusion, celebrity endorsement strategy can be an effective competitive weapon in mature and saturated markets in order to differentiate products from competitors' since there is a heavy advertising clutter and almost no room for actual product differentiation in markets as long as the 'right' celebrity is found. Findings in the literature are mixed and inconsistent about the 'right' celebrity. Is the "right" celebrity someone who is attractive, credible, dynamic, or sociable? Or, is it a combination of all these characteristics? In light of the growing utilisation of celebrities as endorsers, answers are needed to help determine formulae which potentially maximise effectiveness of celebrity endorsers. Given the large sums of money spent on celebrity endorsement, the selection of a proper celebrity endorser for a product/service is an important, yet recurring and difficult, task. Even though scholars have tried to provide criteria for practitioners to base their choices of celebrity endorsers, there is little agreement on what dimension or dimensions are legitimate. Besides, there is a paucity of understanding as to how practitioners make celebrity endorser selection decisions. This

lack of understanding is the main reason for the study. The following chapter, Methodology and Materials, explains how the research is carried out.

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Chapter Four

Research Design, Hypothesis, and Materials

CHAPTER FOUR: RESEARCH DESIGN, HYPOTHESIS, AND MATERIALS

4.1 INTRODUCTION

The preceding two chapters presented communication, advertising and celebrity endorsement literature in order to furnish a well-constructed background for the study. This chapter first presents the research objectives and the research design adopted in order to generate a practitioner-based model of selecting celebrity endorsers. Secondly, a schematic diagram of the research design is presented, and thereafter qualitative and quantitative phases of the research are explored. Then, the research hypotheses are stated and the research sample is identified. Next, the research instrument development process is detailed. Afterwards, efforts spent to increase the response rate are specified. And, lastly scales of measurement and statistical analysis are explored.

4.2 RESEARCH OBJECTIVES

As the previous chapter indicated, there have been a number of academic articles written, several books published, and a few models developed regarding celebrity endorsement strategy, and effective endorser characteristics, but so far no studies have explored the actual process advertising agencies go through in selecting celebrity endorsers. Scholars, mostly US-based, have almost always taken a deductive approach to celebrity endorsement research and manipulated characteristics of endorsers, and generalised their findings from student samples. While Miciak and Shanklin (1994) realized the need for a practitioner based study, they did not attempt to explore the actual process followed by practitioners, but investigated factors considered in selecting celebrities.

As can be gathered, there is a paucity of understanding of how practitioners base their decisions and what factors affect them. The actual process that advertising agencies go through, if there is a recognisable process, in selecting celebrity endorsers in the UK, is not known in the academic literature. Therefore, this study aims to discover the process

by which British advertising agencies select celebrity endorsers, who is involved in the process and their roles, as well as factors deemed important in selecting celebrity endorsers. The objectives of the study can be summarised as follows;

- To identify and analyse the process by which celebrity endorsers are selected by practitioners in the UK.
- To explore factors affecting the selection of celebrity endorsers.
- To generate a model of selecting celebrity endorsers for marketing communication messages.

4.3 RESEARCH DESIGN

Discussing philosophy of science briefly with a simple distinction between epistemology and methodology is useful in order to understand the relationship between data and theory and construction of a sound research design. Epistemology is the philosophy of knowledge or how one comes to know. Even though methodology is also concerned with how one comes to know, it is much more practical. There are two main research philosophies, positivism and phenomenology. The positivist view argues that reality is external and objective and knowledge is only of significance if it is based on observations of this external reality (Easterby-Smith, et al. 1991). In other words, positivism rejects metaphysics and holds that the goal of knowledge is simply to describe the phenomena that we experience. On the other hand, phenomenology refutes positivism and contends that reality is socially constructed and given meaning by people (Husserl 1946). As can be seen in Table-4.1, the key features of these two opposing viewpoints, the positivist and phenomenological standpoints contain a number of different views about the conduct of scientific research that are translated into practical applications in quantitative and qualitative methodologies, respectively. Easterby-Smith, et al. (1991) argue that even though the basic beliefs may be incompatible in quantitative and qualitative methods, the differences are by no means clear cut when it comes down to the actual research methods used by researchers. Actually, viewing

qualitative and quantitative methodologies as mutually exclusive may be no longer valid as an increasing number of scholars (Baker 1991; Hirschman 1986; Nancarrow, et al. 1996; Strauss and Corbin 1990) see these two methodologies as complementary to each other. In their respective arguments, these researchers indicate the benefits of combining qualitative and quantitative techniques within a research design for developing or extending theory and testing its applications.

Table-4.1 Key Features of Positivist and Phenomenological Paradigms

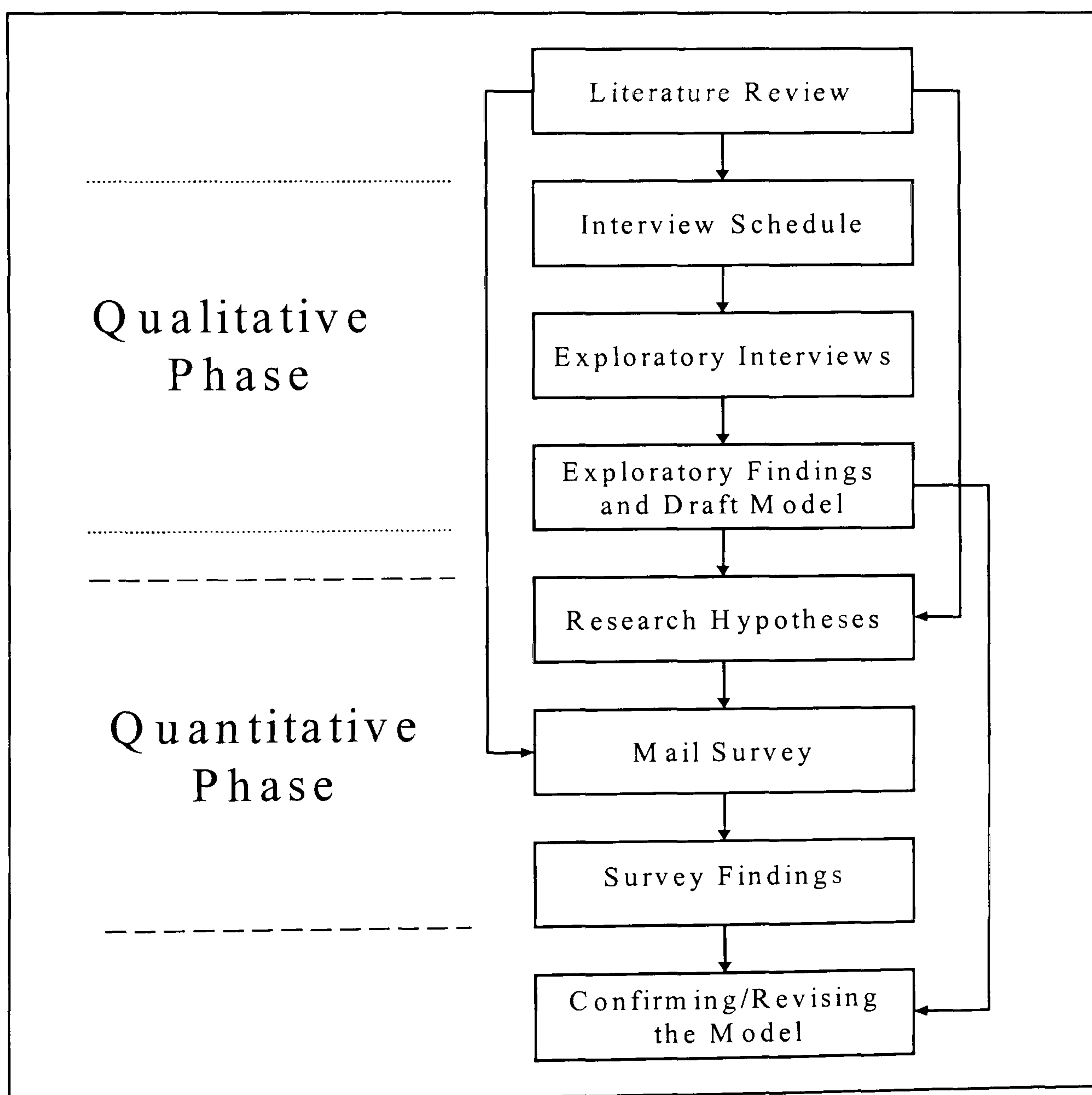
	POSITIVISM	PHENOMENOLOGY
Basic beliefs	<ul style="list-style-type: none"> • The world is external and objective • Observer is independent • Science is value-free 	<ul style="list-style-type: none"> • The world is socially constructed and subjective • Observer is part of what is observed • Science is driven by human interest
Researcher should	<ul style="list-style-type: none"> • focus on facts • look for causality and fundamental laws • reduce phenomena to simplest elements • formulate hypotheses and test them 	<ul style="list-style-type: none"> • focus on meanings • try to understand what is happening • look at totality of each situation • develop ideas through induction from data
Preferred methods include	<ul style="list-style-type: none"> • operationalising concepts so that they can be measured • taking large samples 	<ul style="list-style-type: none"> • using multiple methods to establish different views of phenomena • small samples investigated in depth or over time

Source: Easterby-Smith, et al. (1991)

Tull and Hawkins (1993) define research design as ‘the specification of procedures for collecting and analysing the data necessary to help identify or react to a problem or opportunity, such that the difference between the cost of obtaining various levels of accuracy and the expected value of the information associated with each level of accuracy is maximised’. It became evident after reviewing research methodology literature that a number of techniques and methods are available to tackle a particular

research problem and there is no hard and fast rule to follow (Baker 1991; McDaniel and Gates 1995; Tull and Hawkins 1993). The chosen research design has to provide parameters about which methods would be most appropriate to achieve particular objectives. Considering the fact that this research aims to generate a practitioner-based model of selecting celebrity endorsers, and there is a lack of previous research regarding this issue in the academic literature, it is most appropriate for this research to start with a qualitative method (exploratory personal interviews) in order to understand deeply what really goes on in advertising agencies and then turn to a quantitative method (a survey) to test whether what has been found represents the population. Figure-4.1 depicts a schematic diagram of the research design.

Figure-4.1 Schematic Diagram of the Research Design



In a sense, the research design can be called ‘a marriage of qualitative and quantitative techniques’. In the academic circle, this marriage is usually called ‘methodological

triangulation' (Todd 1979). In this approach, quantitative and qualitative data and data collection methods are combined in order to maximise the amount of pertinent data (Jarratt 1996). Abrahamson (1983) pointed out that this approach prevents research becoming method-bound as almost every method has weaknesses. Thus, research designs and strategies can be balanced by deriving strengths from suitable and compatible methods. The next two sections explore qualitative and quantitative phases of the research.

4.3.1 Qualitative Phase

Qualitative methodology is defined as 'an array of interpretative techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social work' (Van Maanen 1983). From this definition it is clear that qualitative research is intensive, rather than extensive and is best suited to areas calling for a flexible approach.

Baker (1991) argues that qualitative research is a prerequisite to most quantitative research in that it helps clarify the issues to be addressed, the parameters to be defined and measured and the likely relationship between them. He further points out that a researcher should use qualitative research when the objectives of the research broadly includes at least one of the following four factors;

- to define the parameters of the market
- to understand the nature of the decision-making process
- to elicit attitudinal and motivational factors which influence behaviour
- to help understand why people behave the way they do.

Additionally, Hart (1987) claims that a qualitative method of data collection is appropriate for;

- traditional preliminary exploration
- sorting out and screening behaviour

- exploring complex behaviour.

Also, Strauss and Corbin (1990) argued that the task of qualitative research is to uncover and understand what lies behind any phenomenon about which little is known. Likewise, Gilmore and Carson (1996) contended that qualitative research permits researchers to evoke, develop and build an earlier pre-understanding. From these arguments, it is clear that starting a research, which has similar objectives to the one at hand, with an exploratory qualitative method is justified. Because not only is there a paucity of previous research regarding how advertising agencies select celebrity endorsers, but also understanding the nature of the celebrity endorsers selection process is the main objective of this study.

Three main qualitative data collection methods are interviews, observations, and diary methods. The most fundamental of all is interviews (Easterby-Smith, et al. 1991). Although there is a range of interviewing techniques (e.g. group interviews), personal interviews were chosen as the exploratory data collection method for this study. Reasons for choosing personal interviews over other interviewing techniques were as follows;

- one-to-one interaction with agency managers was believed to generate deeper understanding of the subject matter as managers might be reluctant to reveal their highly confidential procedures in front of other agency managers.
- since agency managers have very tight schedules, it would be very difficult, if not impossible, for the researcher to set up a group interview.
- as the researcher resides in Glasgow and most advertising agencies are located in London, it would be very difficult for the researcher to implement other interviewing techniques with the time and financial constraints the researcher had.
- lastly, as the researcher is a non-native speaker of English and has a limited experience in any interviewing technique, his ability to carry out other forms of interview techniques effectively was questionable.

Personal interviews may range from being highly unstructured to highly structured (Baker 1991; Churchill 1995; Easterby-Smith, et al. 1991; Tull and Hawkins 1993). Highly structured interviews are usually used when the subject matter is relatively uncomplicated, there is no need for exploratory research and poses hypotheses that have been tested before (Peterson 1982). On the other hand, unstructured personal interviews are used in exploratory research where the researcher seeks to understand the subject matter deeply and to construct hypotheses (Baker 1991). Since this phase of the research was exploratory, rather than confirmatory, the degree of the interview structure was kept limited to the extent that discussions would be relevant to the research objectives. Thus, interviews were semi-structured which enabled the researcher to cover a specific list of topics, with time allocated to each topic being left to the researcher's discretion. An interview schedule (Appendix A) was developed from the literature review presented in Chapter Three to manoeuvre interviews in order to generate relevant data and adopt the sequence of the issues to allow the interviews to run smoothly. Details of how these semi-structured interviews were carried out are presented in Chapter Five.

4.3.2 Quantitative Phase

Kerlinger's (1973) definition of scientific research eloquently outlines quantitative research methodology. Kerlinger defines the nature and basic intent of the scientific research as a "systematic, controlled, empirical, and critical investigation of natural phenomena guided by theory and hypotheses about the presumed relations among such phenomena". As the definition indicates, theories and hypotheses guide quantitative research. It is carried out systematically by controlling observations. A researcher conducting a quantitative research has to be objective, unbiased, independent, and should not influence the subjects under investigation.

Hart (1987) argues that quantitative methods are appropriate for testing hypotheses, synthesising a large number of variables to determine associations, and controlling for generalisability. Furthermore, Hart argues that quantitative methods can best fulfil objectives where they are linked to grounded theories derived from the 'real world'. Accordingly, Baker (1991) asserts that quantitative research is mostly necessary to

define the issues identified through qualitative research more precisely. By following Baker's (1991)'s and Hart's (1987)'s assertions, it was decided that the model, which was derived from twelve exploratory personal interviews, had to be tested with a larger and thus, more representative sample of advertising agencies by a survey method. There are three main types of survey methods; personal interviews, mail questionnaires, and telephone interviews (Hart 1987; Jobber 1986a). After weighting pros and cons of each survey method, it was decided that carrying out a mail survey is the most appropriate method of data collection to test hypotheses derived from the literature review presented in Chapter Three and preliminary findings from the qualitative phase which are presented in Chapter Five.

Although mail surveys tend to have lower response rates as opposed to other survey techniques, Tull and Hawkins (1993) state that mail surveys are most appropriate when a considerable amount of information needs to be collected by structured questions from a geographically dispersed sample at minimal cost, as the researcher had limited time and financial resources.

According to Baker (1991), the data secured from a properly designed and executed mail survey is as good as that which may be obtained from face-to-face personal interviews and/or telephone surveys. The advantages of mail surveys are that they are easy to distribute and tabulate. Also, they reach a large sample and are less expensive (Jobber 1986a). However researchers are not able to interact with respondents nor can researchers be sure that the intended respondents are the actual respondents. Respondents may find the whole research process very impersonal and as a result may not respond which is the major drawback of mail surveys. In order to reduce the number of non-respondents, several techniques are available which are explained in the following sections along with actual measures taken to increase the response rate by researchers.

After detailing the reasons behind the chosen methods of data collection, the next section explores the research hypotheses derived from the literature review and exploratory findings.

4.4 RESEARCH HYPOTHESES

This research has ten research hypotheses, which were formulated to examine the researcher's pre-understanding of the process presented in Chapter Five. Prior to stating the research hypotheses, it should be noted at the outset that most hypotheses except hypothesis 10 have not been tested before since there was no prior knowledge regarding how advertising agencies select celebrity endorsers. Hypothesis 10 was derived both from the literature review presented in Chapter Three and from the interview findings presented in Chapter Five. Although the sample for exploratory interviews included twelve agencies from the Top 30 Agencies in the UK, hypotheses are constructed as to include both small and large agencies in order to avoid any preconceptions, except H_1 .

The first hypothesis argues that large advertising agencies are more likely to use celebrities in campaigns than small advertising agencies as celebrities bear high price tags. In some cases, the cost of hiring a celebrity may even exceed a small advertising agency's annual billings. Therefore,

H_1 Large Advertising Agencies (LAA) are more likely to use celebrities in campaigns than Small Advertising Agencies (SAA).

Since during the exploratory interviews ten out of twelve managers communicated that there is an informal and unwritten process of selecting celebrity endorsers, hypothesis two was constructed as;

H_2 Both SAA and LAA managers believe that selecting celebrity endorsers is a process.

During the interviews, managers mostly argued that a celebrity must be right for the advertising idea though it is ambiguous as to how one decides whether the celebrity is right. It is believed that what respondents tried to communicate was that agencies would first develop a campaign idea and then choose a celebrity who is 'right' for the campaign idea as opposed to select a celebrity and develop the campaign. Hence,

H_3 Managers in SAA and LAA select celebrity endorsers according to campaign ideas.

The interview findings revealed that account and planning teams meet with clients in order to discuss what the current campaign should aim to achieve, target market characteristics, the available budget and the like. After this meeting, account and planning team members present the outcome of the account meeting to the creative team. Then, creative team members start developing an advertising script according to the stated campaign objectives. If the script necessitates a person to deliver the message, the question of which personality type (e.g. typical consumers, experts, and celebrities) might be utilised arises in the minds of creative team members. In some cases, the creative team chooses to use celebrity endorsers and develops the script accordingly. Most of the time the creative team names a potential celebrity or a list of possible celebrities in the script. The creative team would then present the script to account and planning teams in the agency during the creative brief. From these findings, it is argued that;

H₄ Both SAA and LAA managers believe that creative team members are the initiators of the process.

H₅ Managers in SAA and LAA believe that account team members steer the process.

The majority of managers reported that their agencies do research on celebrities before briefing clients due to fact that in most celebrity campaigns there would be a reasonable spend. Hence, Hypothesis Six contends that;

H₆ SAA and LAA managers investigate a celebrity endorser before initially contacting that celebrity.

The interview findings indicated that most agencies first contact celebrities before presenting the campaign to clients, because if clients like the proposed campaign and agencies cannot get the celebrities presented to clients, agencies would lose face with their clients. Therefore,

H₇ SAA and LAA managers contact proposed celebrities before presenting the campaign proposal to the client.

During the interviews, it was reported that after agency teams are agreed on a particular celebrity, production team members are asked to contact the celebrity's agent or

personal assistant in order to get a flavour of whether the celebrity is interested. Thus, it is hypothesised that

H₈ Managers in SAA and LAA believe that production team members initially contact celebrities.

Finally, it was also gathered from the interviews that after initial contacts are positive and client briefs go well, account, and production, together negotiate the details of the endorsement contract with celebrities. Hence,

H_{9a} SAA and LAA managers believe that account team members are present at the final stage of negotiations with celebrities.

H_{9b} SAA and LAA managers believe that production team members are present at the final stage of negotiations with celebrities.

During the interviews it was argued that in selecting celebrity endorsers, the importance of celebrity characteristics would vary according to product attributes. Similarly, in the literature, it is argued that celebrities are likely to be effective when they personify a key product attribute (Atkin and Block 1983; Friedman and Friedman 1979; Hovland, et al. 1953; Kahle and Homer 1985; Kamins 1990; Lynch and Schuler 1994; Petty and Cacioppo 1980; Ohanian 1991; Speck, et al. 1988; Till and Busler 1998). Thus, Hypothesis Ten was constructed as;

H₁₀ There is an interaction between the product type and the celebrity characteristics deemed important by managers when selecting a celebrity for a particular product.

Again, it should be noted most of the research hypotheses have not been tested before and they are subject to measurement and testing in the fieldwork. The following section explores the research sample.

4.5 RESEARCH POPULATION AND SAMPLE

The population for this research can be defined as advertising agency managers in IPA (Institute of Practitioners in Advertising) member advertising agencies who have been involved in celebrity campaigns. The reason for including only advertising agency managers working in the IPA member agencies is that the IPA member agencies only

account for around 10 per cent of the advertising agencies in the UK, but these agencies handle more than 80 per cent of all advertising placed by UK agencies and include all the top 40 agencies ranked by billings and three quarters of the top 100 agencies (IPA 1998).

The IPA is the industry body and professional institute for UK advertising agencies. In order to become and remain as a corporate member of the IPA, agencies have to satisfy the following six conditions (IPA 1998).

- *Professional competence in the eyes of peers and the media:* An agency is required to demonstrate its professional competence as an organisation concerned primarily with providing strategic advice on marketing communication, creating and/or producing advertising.
- *Independence of both individual clients and media:* The agency must show that it maintains an independent judgement in professional matters, and is not directly or indirectly controlled by an advertiser or group of advertisers whose advertising it handles; or by concerns wholly or mainly interested in the sale of advertising media.
- *Ability to mount a national advertising campaign:* The agency should be equipped to deal with a national advertising campaign in the UK. The agency should have been in business long enough to have established its experience and financial stability. (This would normally be at least two years).
- *Proven financial stability:* The agency is requested to provide a copy of its most recent audited financial statements with the application and, if admitted to membership, for at least three years thereafter.
- *Viable size:* Minimum income of the agency from commission or fees should normally be over £250,000 deriving from an establishment of at least six full-time employees.
- *The upholding of legal and ethical standards:* The agency must demonstrate that it upholds the law and the best ethical standards and it will abide by the IPA Bye-laws, British Codes of Advertising Practice and Sales Promotion, ruling of the Advertising Standards Authority, Independent Television Commission and Radio Authority.

Because of these strict provisions, of the 2100 or more advertising agencies in the UK, only 206 agencies have achieved IPA membership status.

4.5.1 The Sample List

According to Baker (1991), one of the most successful techniques in reducing the number of non-respondents is the careful identification and selection of respondents in the first place. A well known problem of having a list of the companies, but not of people within individual companies was also encountered in this research (Sudman 1994). Although the IPA member agency list was obtained from the institution, the list did not include the names of individual managers working in these agencies. Therefore, the researcher had to construct his own sampling list². Thus, two techniques were used to construct the list.

The researcher first e-mailed the IPA member advertising agencies and asked for the names of individuals who have been involved in celebrity campaigns. This 'high-tech' approach to identify respondents was proven to be unfruitful. As Table-4.2 depicts, twenty-five per cent of the IPA member agencies did not have their e-mail addresses listed in the IPA membership pack, and a further 15 per cent had wrong e-mail addresses listed, which reduced the number of IPA member agencies that can be contacted to 123. In other words, it was impossible to communicate with 40 percent of the IPA member agencies by e-mail.

Although seventeen agencies responded (8%), only 10 agencies provided the names of managers who have been involved in celebrity campaigns (4.8%), and seven agencies excused themselves from the survey due to no prior involvement or being only a media buying company. Thus, the *effective* response rate for obtaining names of managers via e-mail was only 8.2 per cent. The main managerial implication of this unsuccessful attempt is that acquiring information by e-mail from IPA member agencies is not an effective tool even for gathering simple factual information.

² The reason for using the term *sampling list* instead of *sampling frame* is that the term sampling frame is usually associated with probability sampling procedures as it is required when a probability sample is to be taken from a population. Since this research utilised a non-probability sampling procedure that will be detailed later on, the term sampling list is used in order to differentiate the role of having a list which is not to draw a sample from the population, but to personalise the correspondences.

Table-4.2 Identifying Respondents by E-Mail

	Total	%	Valid %
IPA member agencies	206	100	
Agencies having no e-mail addresses listed	51	25	
Agencies having wrong e-mail addresses listed	32	15	
IPA agencies having working e-mail addresses	123	60	100
Agencies replied	17	8	14
Agencies agreed to participate	10	4.8	8.2

After this fruitless attempt to identify respondents, the researcher phoned the remaining 189 agencies. Phoning advertising agencies not only enabled the researcher to effectively identify managers, but also gave the researcher the opportunity to talk to *some* of the respondents. When the researcher was able to talk to would-be respondents, the researcher explained the study and encouraged respondents to participate in the survey. Even though the researcher did not intend to pre-notify respondents because of time and financial constraints, cases when the researcher had a word with managers can be considered as a form of pre-notification.

Phoning and to some extent e-mailing agencies allowed the researcher to determine to which advertising agencies the survey was relevant since some advertising agencies may not have utilised celebrities in their campaigns. Indeed, 58 out of 206 agencies were eliminated from the study for two reasons; thirty-four agencies due to no prior involvement in celebrity campaigns as a result of being either small or a Business-to-Business advertising agency, and twenty-four agencies because of being only media buying company and therefore not getting involved in the process of the advertising development. Even though 396 agency managers from 148 agencies were identified, 414 questionnaires were sent as 18 managers requested extra questionnaires in order to distribute them to their peers.

4.5.2 Units of Analysis

The sampling unit is the basic unit containing the elements of the population to be sampled (Tull and Hawkins 1993). The key factor in selecting and making decisions

about the proper unit of analysis is to decide what unit it is that researchers want to be able to say something about. As this research is interested in how advertising agency managers select celebrity endorsers, agency managers are selected as *the unit of analysis or sampling element*³. Even though exploratory interviews revealed that agency account handlers (directors and managers) are more likely to possess the required information for the study, account handlers were not selected as the unit of analysis on two grounds. First, exploratory interviews were carried out with large advertising agencies that had account management teams which might not be the case in small advertising agencies. Second, in small advertising agencies, managers other than account teams such as creative directors or managing directors might have the necessary knowledge and experience for completing the questionnaire.

Having selected individual advertising agency manager as the unit of analysis, decisions about the classifications of advertising agencies in which managers work also must be clarified. As the research population for this research includes IPA member agency managers, the IPA's classification of advertising agencies is utilised with a slight modification. The IPA regularly categorises member agencies for purposes of recurring annual surveys as large/medium/small, using income levels (IPA 1998). Currently, agencies with an annual income over £12 million are classified as **Large**; between £2.25 and £12 million are classified as **Medium**; and, up to £2.25 million are classified as **Small**. For this research purposes, the two categories, *medium and small*, were combined since a number of small companies excused themselves from the research due to no prior involvement in celebrity campaigns. After this necessary modification, agencies with an annual income over £12 million are classified as **Large**; and agencies with an annual income below and up to £12 million are classified as **Small**.

4.5.3 Sampling Method

Sampling is the process of selecting units (e.g. people, organisations) from a population of interest so that by studying the sample a researcher may generalise results back to the population from which they were chosen. The sampling method is the way the sample

³ In this study, the terms sampling unit or element indicate an individual agency manager due to the single stage sampling.

units are to be selected (Tull and Hawkins 1993). There are two main methods of sampling, probability and non-probability. Probability samples are defined as samples of a specified population in which every element has a known, non-zero chance of selection (Sudman 1994). There are four different probability sampling methods; *simple random* in which units are selected randomly; *stratified random* in which the researcher accepts variability in the population and stratifies the population (e.g. geographical, demographic) into sub-groups called strata prior to the sample selection and selects the units by simple random sampling means; *cluster* sampling in which the researcher randomly chooses sample units in groups or clusters rather than individually; and, *multi-stage* sampling in which the researcher selects by means of one of other probability sampling methods.

A non-probability sample is one in which chance selection procedures are not used. In other words, the researcher does not know a unit's chance of selection. There are also four different types of non-probability sampling methods; *convenience* in which the only criterion for selecting the sampling units is the researcher's convenience; *judgement* in which the researcher attempts to draw a representative sample of the population using his/her judgement; *purposive* in which sample units are selected with specific objective(s) in mind; and, *quota* sampling in which sampling units are selected in a way that the demographic characteristics (e.g. male/female, small/large organisations) of the population are equally represented in the sample.

The researcher used the purposive sampling method with the objective of sampling agency managers who have been involved in celebrity campaigns as it would make a little sense to include managers who have never been involved in celebrity campaigns. As mentioned earlier, the final sampling list consist of 396 agency managers although 414 questionnaires were sent. The number of sample units was thought to be manageable and no further sampling procedure was employed.

4.5.4 Sampling and Non-Sampling Error

A sampling error is the error caused by selecting samples that are not representative of the population. In a sampling context, the standard error is called sampling error.

Sampling error indicates the precision of statistical estimates. A low sampling error means that there is relatively less variability in the sampling distribution. The greater the sample size, the smaller the sampling error as the greater sample size is closer to the actual population itself. If a research sample consists of the entire population, there is no sampling error since the research does not have a sample, but the entire population. Since the sample for this research was constructed by a non-probability sampling method, the sampling error estimates will be disregarded as it is impossible to calculate the degree of sampling error with non-probability samples. Because the sampling error is the result of chance, it is only possible to calculate the sampling error with samples drawn by a probability sampling method such as simple random sampling (Diamantopoulos and Schlegelmilch 1997).

A non-sampling error is the error caused by everything else other than the sampling error which can introduce bias into the results of a research. Schneider and Johnson (1995) defined non-sampling error as the difference between the results that were actually obtained from a sample and those that would have been obtained under ideal measurement conditions. Luck and Rubin (1987) argue that non-sampling errors include, but are not limited to; inaccurate reporting by respondents by guessing or poor recall, intentional misinforming by respondents, poor sampling design, misinterpretation of questions due to ambiguous wording, non-response or item non-response by respondents, failure to follow instructions by respondents and coding and/or editing errors by the researcher.

As can be gathered, any sampling procedure is subject to non-sampling errors, even a census of the population. Indeed, as the size of the sample increases, the non-sampling errors may get larger. Even though non-sampling errors can not be calculated and eliminated totally, there are ways to minimise the effects of the non-sampling errors such as keeping the sample size manageable, restrict the questionnaire to data essential to main issue, pretest the questionnaire, try to eliminate respondents bias by giving clear instructions, and ask questions that respondents can answer (Lipstein 1975). The researcher took several measures some of which will be explained while exploring how the questionnaire was designed.

The next section presents the data collection instrument developed for the second stage of the research.

4.6 QUESTIONNAIRE DEVELOPMENT

A questionnaire is a formalised set of questions for eliciting information (Tull and Hawkins 1993). Questionnaire design and development is part art and part science with the balance tipped to the former (Bagozzi 1994). After reviewing research methodology literature, it became evident that the best way to learn how to design and develop questionnaires is by doing it and learning from the experience. Having accepted that experience plays an important role in developing good questionnaires, less experienced researchers like the researcher are not left alone in the dark. There are guidelines for developing questionnaires provided by many scholars (Bagozzi 1994; Baker 1991; Dillman 1978; Tull and Hawkins 1993). According to these scholars, designing and developing a questionnaire is a process and in this process there are many steps. In this research, the guidelines of Dillman (1978) and Tull and Hawkins (1993) were adapted for the process of developing the questionnaire. Each step and the entire process was guided by the research questions and hypotheses. Tull and Hawkins (1993) argue that questionnaire construction involves seven major steps:

1. preliminary considerations
2. question content
3. question wording
4. response format
5. question sequence
6. physical characteristics of the questionnaire
7. pre-test

Although these seven decision areas will be discussed sequentially, they are interrelated since decisions made during the early stages influence the types of decisions to be made later on as well as decisions made at later stages compel the reconsideration of earlier choices.

4.6.1 Preliminary Decisions

In this first step, there are three sub-decisions to be made; required information to be collected, from whom the information is to be gathered, and techniques to be used in order to collect the required information.

It is important for researchers to specifically determine what information is needed in order to solve the research problem(s). This will help prevent researchers collecting incomplete and/or unnecessary data and spending time and limited financial resources. In other words, specifying the information needs enables researchers to save time and financial resources as well as gathering relevant data thoroughly. For this research, the researcher defined the information needs which were explained earlier in this chapter when presenting research objectives.

Knowing who the respondents are is also imperative for developing a good questionnaire as questions which are appropriate for marketing academics very well might not be proper for advertising agency managers. Understanding who the respondents are can influence many further decisions in the process of questionnaire development such as wording questions, techniques to be used. In this research, the target sample was shaped by involvement in celebrity selection decisions.

Finally, researchers have to decide on the method of administering the questionnaire before designing it since this decision may affect many further decisions such as question content, length, and many other decisions. As the method of questionnaire administration was explored earlier while presenting the quantitative stage of the research design, it will not be further commented here.

4.6.2 Question Content

While deciding the content of each question, the utmost care was taken in order to make sure every question contributes to the information requirements, though the first two questions were asked to obtain respondents involvement prior to asking more important questions which dealt with the selection of celebrity endorsers. After assuring a question is necessary, the researcher carefully considered whether the question was sufficient to answer the information requirement for a particular step in the proposed

model of selecting celebrity endorsers. In cases where a single question was decided not to be able to cover the information requirement, a subsequent question(s) investigating the particular step was also asked. Once the researcher was satisfied that questions were necessary and sufficient, the researcher considered whether respondents would be able and willing to answer questions. Respondents' ability to answer a question depends on whether they have ever been exposed to the answer, have been exposed to answer before and been unable to verbalise the answer (Tull and Hawkins 1993). Respondents may be able to answer a question, but may not be willing to answer it. This is called item non-response. The seriousness of item non-response depends on how critical the particular question is to the overall analysis. For example, if a respondent does not want to answer a question regarding any of the steps in the proposed model of celebrity selection this may seriously affect overall analysis. Another effect of an improper question is a refusal to complete the remainder of the questionnaire which may cause a failure to return the questionnaire. This is called 'non-response'. The third way of 'refusing' to answer a question is providing an incorrect answer. The researcher took all possible care while constructing the questionnaire to eliminate potential hostile questions such as highly personal details. The final issue involving question content is the error caused by factors beyond the control of the researcher. Timing of the questionnaire administration is an example for this kind of issue. If a respondent receives the questionnaire after having done an ineffective celebrity campaign, his or her response to a survey is more likely to be biased. As mentioned these issues are beyond the researcher's control.

4.6.3 Question Wording

Writing questions for a particular questionnaire means doing them for a particular population, a particular response, and for placement next to other questions in the questionnaire. Words that are too difficult to understand for a population may be perfectly acceptable to others. A question which is fairly vague might satisfy the exploratory objectives of one study, but not satisfy the analytic ones. A question that makes little sense by itself may be quite clear when asked after ones proceeding it in the questionnaire. The researcher followed Dillman's (1978) guidelines while wording questions in which he argued that researchers should;

- select words that are uniformly understood by the respondents
- avoid abbreviations or unconventional phrases
- eliminate words with vague meanings
- avoid questions that are too precise
- choose unbiased questions
- do not use objectionable questions
- avoid questions that are too demanding
- do not ask double questions
- avoid using double negative sentences
- do not assume too much knowledge
- word the questions correctly in technical terms

Furthermore, the researcher tried to keep the length of questions as short as possible since longer questions may cause respondents to lose track of the question. Where possible OTHER options were included in order to reduce the danger of providing incomplete answer choices since most questions were developed from the exploratory research findings. Because questions dealing with the process were interdependent and needed respondents to enter a number(s) by referring to a particular question, instructions were clearly given.

4.6.4 Response Format

There are two main response formats, open and closed-ended, that questions can assume. Open-ended questions give the respondents freedom to answer the questions in their own words whereas closed-ended questions require respondent to choose among given response alternatives or state their degree of agreement on the given alternatives. The decision as to which form of question to use depends on the objective of the particular question.

4.6.4.1 Open-ended questions

In this type, the question is structured, but the responses are unstructured. The respondents are expected to reply with the information they deem to be relevant in their own words (Luck and Rubin 1987). In this format, respondents are not influenced by a

pre-stated set of response categories, and therefore opinions can be expressed quite divergently from what the researcher expected or what others have expressed. Open-ended questions can provide views that are often difficult to capture with more structured questions. It is argued that this format may encourage respondents to think deeply about the question and to give answers that are rich in detail (Webb 1992). Although these advantages of open-ended questions exist, there are several disadvantages such as respondents avoid answering open-ended questions which causes item non-response error; if respondents choose to answer the question, responses are difficult to code, tabulate, and analyse. In addition, Chisnall (1992) argues that open-ended questions must be strictly limited as they are inclined to cause respondents some anxiety that may result in rejection of the whole questionnaire, which causes non-response error. Because of these disadvantages, only three open-ended questions were used in the questionnaire. Moreover, two of them were extensions of closed-ended questions.

Also, a more specific form of open-ended questions, *completion technique*, was used with several questions as it was specifically necessary for identifying who is involved when in celebrity selection decisions. Even though these questions were classified as open-ended, they only required respondents to enter a number(s) from the list provided in Question 5 or factual information in terms of numbers.

4.6.4.2 Close-ended questions

There are several types of close-ended questions in which both questions and responses are structured. Although questions differ according to the format of responses, the main distinguishing feature among the close-ended subtypes lies in the responses (Luck and Rubin 1987). There are five major subtypes of close-ended questions; dichotomous, ranking, checklist, multiple choice, and scales.

4.6.4.2.1 dichotomous questions

This type allows only two possible answer options such as YES—NO, BEFORE—AFTER, and FEMALE—MALE. These questions are easy to ask and usually easy to answer though they are suitable mainly for simple factual questions. Webb (1992)

contends that dichotomous questions should be avoided as they may bias answers by forcing respondents to make a choice that they would not have made if they were given a broader range of alternatives. Thus, the researcher made limited use of this type of question while trying to elicit factual and demographic information.

4.6.4.2.2 ranking questions

Ranking questions involve having the respondents rank comparatively the items listed. In this way several alternatives can be compared against each other at the same time. Although ranking questions are relatively easy to ask and tabulate, they do not indicate the degree of preference intervals between ranks. The researcher used this type of question only once while trying to find out whether the importance of celebrity characteristics differ according to product type.

4.6.4.2.3 checklist questions

A check list is a form of question in which the respondent checks one or more of the response categories that are listed for answers. The researcher made use of this type of question when searching people involved in the selection of celebrity endorsers and issues covered during the final celebrity contract negotiations. The utmost care was taken to list all possible people and issues identified from the exploratory interviews. An OTHER option was also provided for both questions in order to reduce the risk of providing incomplete lists.

4.6.4.2.4 multiple choice questions

These questions list a number of answers and ask respondents to select the answer that best approximates their own (Luck and Rubin 1987). This type of questions is most appropriate either for opinion or motives. Ten questions in the questionnaire were of this type. In developing these questions, several important issues were carefully considered such as including all possible response options, providing OTHER options where possible, and making response options mutually exclusive.

4.6.4.2.5 scale format questions

In this type of questions, respondents are given a range of categories to express their opinions. There are four types of scaling techniques; the Thurstone scale, the Guttman scale, the Semantic Differential scale, and the Likert scale. The Likert scale is simpler to construct and probably the most frequently used scale in marketing research. A Likert scale usually requires respondents to indicate the degree to which they agree or disagree with each statement provided by the researcher. The degree of agreement may be demonstrated on three, five or seven point scales. Bagozzi (1994) contends that at least five or seven point scales should be used when possible since these scales are more likely to provide satisfactory properties with regard to the underlying distribution of responses. In the questionnaire, seven five-point Likert scale questions were used with the following sets of answer options: agree/disagree, always/never, important/not important, and effective/not effective.

4.6.5 Question Sequence

Regarding the organisation of items in a questionnaire, tentative guidelines provided by Bagozzi (1994), Tull and Hawkins (1993), and Webb (1992) were integrated while deciding the sequence of items in the questionnaire. Questions which are of similar content were grouped together so as to reach the proper address in memory and to maintain the focus of the respondents. The questionnaire was divided into four parts;

- managers' reasons for utilising celebrities as brand endorsers
- how celebrity selection decisions are made in the agencies
- how managers would execute celebrity campaigns
- demographics

The First Part employed two questions to engage the interest of the respondents and to reassure them that they would not be faced with a highly complex questionnaire. These two questions also provided a broad idea of what is coming. In other words, the questions in the First Part were simple, interesting, non-threatening, and straightforward to answer.

As can be gathered from the title of Part Two (Selecting Celebrity Endorsers), this part included questions which were of critical importance for the study. The questions

specifically investigated the decision making process for selecting celebrity endorsers, and therefore they were sequenced in the order of the researcher's pre-understanding of the selection process derived from the exploratory interviews.

The questions in Part Three examined execution issues (e.g. medium used, multiple celebrity use) faced by managers while implementing celebrity campaigns. Because demographic information are sensitive and can be perceived as obtrusive, these items were placed in the last part of the questionnaire.

4.6.6 Physical Characteristics of the Questionnaire

It is argued that initial impressions of the respondents influence their co-operation and the appearance of the instrument frequently determines whether the questionnaire is read or discarded (Levine and Gordon 1958). Once the respondents take time read the questionnaire, they have some psychological commitment to complete it. One of the first considerations is the colour of paper used in mail questionnaires. Although the effect of paper colour has been researched extensively, findings are mixed. Since most studies found no statistical difference in response rates among different colours of questionnaires (Greer and Lohtia 1994; Jobber and Sanderson 1983; Pressley and Tullar 1977), high quality white paper (chromomatt 115 gm) was used.

In order to help the respondents easily differentiate questions from answers, questions were printed boldface. Also, part headings were printed uppercase against a black background. Questions were arranged in a way so that pages would not look crowded, but surrounded with white space. Each question was fitted in the same page to avoid the respondents having to turn pages in the middle of a question. By taking Sudman and Bradburn's (1982) recommendation, the booklet format was used to make the questionnaire easier for the respondents to read and turn pages. Also, this format was believed to appear more professional and to prevent the questionnaire pages getting lost.

Although the questionnaire was an eight-page booklet, only six pages included questions and, according to pre-tests, completing the questionnaire on *average* took little less than a quarter of an hour. The front cover consisted of the researcher's university and department logo and general instructions. On the back cover, the cover

page of *Admap* portraying the researcher's article was depicted in order to emphasise the researcher's prior involvement with the research topic. Lastly, the questionnaire was printed by a professional printing company to give the questionnaire a more professional and attractive look..

4.6.7 Pre-test

One of the critical steps in developing a questionnaire is to pre-test the questionnaire with a small, but representative, sample. Pre-testing may not only ensure that the questionnaire is proper for the survey in terms of its structure and language, but may also enable the researcher to examine whether the needed information from the population can be collected by the survey instrument. In other words, pre-testing the questionnaire may reveal a number of shortcomings of the survey instrument such as ambiguous questions, unclear instructions, and grammatical errors. To avoid such shortcomings, the researcher consulted several department members who have enormous experience in developing questionnaires. Furthermore, the research instrument and the cover letter were tested with six managers.

As is the case with most academic issues, scholars are divided on the method of pre-testing. Some scholars argue that pre-testing should take the form of interview so that researchers can effectively identify the issues with the research instrument by observing the respondent's reactions, hesitations and other cues which would not be possible to obtain by alternative modes (Churchill 1995; Hunt, et al. 1982; Reynolds and Diamantopoulos 1996). On the other hand, others claim that the method of pre-testing should take the form of the main survey (McDaniel and Gates 1995; Tull and Hawkins 1993). The latter group of scholars would argue that the researcher should mail the questionnaire to managers since the main survey format is a mail survey. The researcher integrated these two modes of pre-testing as suggested by Kinnear and Taylor (1996). These two modes were simultaneously conducted with three managers per mode.

In the first mode of pre-testing, the researcher first briefed managers about the objectives of the study and asked them to complete the questionnaire. Then the

researcher invited managers to comment on; the terminology used in the questionnaire and its relevancy to advertising agency managers; about the layout and the length of the questionnaire; about the content and the sequence of the questions; and lastly their further suggestions for improving the research instrument. The second mode was executed by mail which included the cover page for the questionnaire, the questionnaire itself, a reply paid envelope, and also a letter inviting respondents to comment on the same issues covered during the interviews.

After having experimented with the two different pre-test modes, the researcher agrees with the scholars arguing that the mode of pre-testing should take the form of interviews as in this mode it was possible to effectively identify the issues with the research instruments by observing the respondent's reactions, hesitations and other cues. Of course, the researcher acknowledges the difficulty of generalising findings from such a small number of cases.

4.7 INCREASING RESPONSE RATE

Obtaining low response rates is the most threatening issue for researchers conducting mail surveys. In addition to low response rates increasing non-response bias (Paxson 1992), it puts generalisations from the survey findings at question and therefore wastes researchers' precious time and monetary commitments. Diamantopoulos and Schlegelmilch (1996) offer two possible solutions for avoiding such disappointments; (1) estimate the non-response and make allowance for it (e.g. enlarge the sample) and/or (2) attempt to minimise the non-response by carefully designing and executing the mail survey. Although the first choice can indeed help researchers increase responses (not necessarily the response rate), it may cost much more than the latter alternative. The latter alternative only requires adequate commitment to the mail survey though in some cases it may also increase the cost (e.g. costs of follow-ups), but at the end of the day it influences the actual *response rate*. De Chernatony (1990) argues that if the researchers are not prepared to invest sufficient effort then they can unsurprisingly anticipate low response rates.

Although there are many techniques suggested and tested extensively for increasing response rates from industrial populations, only two techniques have *consistently* been found to effect response rates positively, *follow-ups* and *enclosed monetary incentives* (Diamantopoulos and Schlegelmilch 1996; Jobber and O'Reilly 1998; Kanuk and Berenson 1975). Indeed, while summarising the literature comprising 23 industrial studies, Diamantopoulos and Schlegelmilch (1996) indicated that all 17 studies testing the influence of follow-ups generated positive effects on response rates. As offering any kind of monetary incentives was beyond the limits of the researcher's financial resources, it was dismissed though a summary of results was offered. But, a follow-up experiment was implemented that manipulated four follow-up strategies which will be explained shortly.

As mentioned earlier, Dillman's (1978) and Tull and Hawkins' (1993) guidelines were followed for developing the survey instrument. But, some of their guidelines were altered according to recent findings (Diamantopoulos, et al. 1991; Diamantopoulos and Schlegelmilch 1996; Fox, et al. 1998), and literature reviews on industrial surveys (Jobber 1986b; Jobber and O'Reilly 1995; Jobber and O'Reilly 1998) as they were originally designed for general public surveys. Additional measures taken to increase response rates are as follows.

Colour department-headed cover letters were used to illustrate the university and department's sponsorship. The cover letters were individually addressed with respondents' job titles and full addresses. The researcher's name, position, and signature with ballpoint pen were provided in the cover letter. As suggested by Diamantopoulos and Schlegelmilch (1996), the researcher combined three types of cover letter appeal (egoistic, altruistic and social utility). More specifically, the letter started with the social utility appeal by reminding the recipients of one of the researcher's articles which was the cover story in a prestigious practitioner oriented journal (*Admap*). Therefore, identifying the research topic as of both academic and managerial importance. Next, the altruistic appeal was used by stating that the questionnaire was the final stage of the researcher's doctoral research requirements.

Then, the egoistic appeal was utilised by stating that their response as an IPA agency manager was of importance for the research.

The respondents were assured that their responses would be confidential and all data would be reported in aggregated form. As it was planned to conduct a follow-up experiment, the researcher could not promise anonymity. As mentioned earlier, a summary of findings was offered to those who attached their business cards to the questionnaire when returning them. No deadlines were stated in the cover letter as Diamantopoulos and Schlegelmilch (1996) findings indicated that the creation of a sense of urgency was not likely to encourage response.

Self-addressed, first class stamped return envelopes were included. In the upper right corner of the envelope, codes were printed. No attempts were made to hide the codes. The final mailing package including the cover letter, questionnaire, and return envelope was sent on a Tuesday by second class mail.

The initial mailing package included the cover letter, questionnaire, and return envelope (Appendix B). It was sent on a Tuesday by second class mail. During two weeks after the initial mailing, a total of 75 responses were received that gave the response rate of 18.1 per cent. The follow-up experiment was launched two weeks after the initial mailing. Although the number of non-respondents was three hundred and thirty-nine, only three hundred and twenty-eight non-respondents were randomly assigned to one of four conditions. The remaining eleven non-respondents were not included in the follow-up experiment as these constituted the extra copies sent to managers (7 out of 18 extra copy questionnaires sent were received). Each condition had eighty-two managers. The four conditions that are manipulated in the experiment were as follows;

- a group that received an Original Replacement Follow-up (ORF) mailing which included a colour department-headed cover letter + an original questionnaire + a self-addressed, first class stamped return envelope
- a group that received a Photocopy Replacement Follow-up (CRF) mailing which included a colour department-headed cover letter + a

photocopied questionnaire + a self-addressed, first class stamped return envelope

- a group which received only a colour department-headed follow-up Letter (LTF)
- a group that received only a colour departmental follow-up Post Card (PCF)

All four follow-up mailings were sent by first class mail and responses *posted* on the first day after the follow-up mailings were accounted for each method of follow-ups. Results of the experiment are presented in Table-4.3.

Table-4.3 Follow-up Experiment Response Summary

<i>Condition</i>	<i>Response</i>	<i>Response rate %</i>
ORF	20	24.4
CRF	18	22.0
PCF	11	13.4
LTF	7	8.5

In sum, the follow-up experiment generated 56 more responses. Total 131 out of 414 (31.6%) questionnaires from 80 out of 148 (54%) agencies were received.

After spending every possible effort to increase the response rate, the 31.6 per cent response rate might be seen as moderate. But, as Baker (1992) argues low response rates are typical of mail surveys and 20%-30% response rates are considered to be good. The timing of the survey may have affected the response rate, since the initial mailing and the follow-ups were dispatched five and three weeks prior to Christmas, respectively. The researcher was well aware of this possibility, but had to conduct the survey in 1998 because of his degree requirements.

4.8 SCALES OF MEASUREMENT AND STATISTICAL ANALYSIS

Even though there are a number of statistical methods available for analysing survey data, selection of the proper statistical methods depends on the nature of the data to be analysed (Baker 1991). In other words, the levels of measurement (nominal, ordinal, interval, and ratio) shape the boundaries of the statistical analysis. Therefore, it is important for researchers to know the characteristics of measurement scales in order to decide which statistical methods are appropriate and how to interpret the results from the analysis. Table-4.4 explores the characteristics of four major measurement scales.

Table-4.4 The four major measurement scales

SCALE	DESCRIPTION	APPROPRIATE STATISTICS
Nominal	Uses numerals to label objects, individuals, groups, etc. (e.g. large/small agencies and female/male).	Frequencies, modes percentages, chi-square test
Ordinal	Maintains the labelling characteristics of nominal scales and also provides information about the relative amount of some characteristics posed by objects, individuals, groups, etc. (e.g. rating the relative importance of celebrity characteristics for selection)	Percentiles, median, rank-order correlation
Interval	Contains all the features of nominal and ordinal scales with the extra dimension that the intervals between the points on the scale are equal. (e.g. per cent of celebrity campaigns in the UK)	Mean, range, standard deviation, product-moment correlation, T-test, factor analysis, ANOVA.
Ratio	In addition to embodying all the properties of nominal, ordinal, and interval scales, it comprises an absolute zero point. (e.g. the number of employees working within agencies)	Geometric and harmonic mean, coefficient of variation.

Source: Adapted from Stevens (1946).

It is important to recognise that there is a hierarchy implied in the level of measurement idea the lowest being the nominal scale and the highest being the ratio scale. At each level up the hierarchy, the current level includes all of the qualities of the one below it and adds some additional qualities. Therefore, all statistics appropriate for a lower level scale are also applicable to any higher level scale (Trochim 1999).

As Likert scales were extensively used in the questionnaire, the academic debate regarding what kind of data Likert scales actually generate should be addressed before moving on to presenting planned statistical analysis. Some scholars argue that Likert scales produce ordinal data (Baker 1991; Luck and Rubin 1987), whereas others claim that although the data generated by Likert scales is ordinal in nature, it can be treated as

interval when the sample is large and the data is normally distributed (Bagozzi 1994; Easterby-Smith, et al. 1991; Parasuraman 1991; Tull and Hawkins 1993). As the sample of the research is fairly large, the researcher will treat the data generated by Likert Scales as interval when the data is normally distributed. After this brief, but necessary discussion, the statistical analysis is presented in the following paragraphs of this section.

According to Baker (1991), there has recently been an increasing tendency to neglect the use of basic descriptive statistics in favour of 'more powerful' techniques although descriptive statistics may provide strong insights for managerial decisions. Constructing a frequency distribution for each variable is the starting point in descriptive analysis (Diamantopoulos and Schlegelmilch 1997). This provides the researcher to observe how often the different values of variables are actually encountered in the sample in absolute (e.g. counts) and relative (e.g. percentage) terms. For every variable in this research, descriptive analysis were presented either in tables or figures before moving on to 'more powerful' techniques⁴.

After having done the descriptive analysis, the next step is to run inferential analysis which aim to facilitate comparisons of two or more variables, and to determine the strength of any relationship, and the likelihood of how representative the findings are (Baker 1991).

In the light of guidelines provided by Alreck and Settle (1985), the researcher decided which inferential techniques to use (Table-4.5). According to Alreck and Settle (1985), researchers first have to resolve how the variables should be treated (i.e. dependent or independent) and then determine whether variables are categorical or continuous, prior to deciding appropriate analysis.

⁴ All statistical analysis were carried out by using the Statistical Package for Social Sciences for Windows Release 8 (SPSS-8).

Table-4.5 Statistical measures of association

		INDEPENDENT	
		<i>Categorical</i>	<i>Continuous</i>
D E P E N D E N T	<i>Categorical</i>	Cross-tabulation (contingency) [Chi-square]	Discriminant Analysis [F ratio]
	<i>Continuous</i>	Analysis of variance [F ratio] Paired T-test [Value of t]	Regression analysis [F ratio] Correlation analysis [Probability of r]

Source: Alreck and Settle (1985)

Dependent variables are those that are predicted or explained by *the independent variable(s)*. *Categorised* data evolving from nominal scales consists of data that is classified into separate or discrete categories, whereas *continuous* data derived from ordinal, interval, and ratio scales is any form of numerical data which is distributed on some type of continuum (Baker 1991).

In this study, inferential analysis involved following techniques; The Pearson Chi-square tests, the Independent Samples T-tests, the Fisher's Exact test, the Pearson Correlation analysis, the One-way Analysis of Variance (ANOVA), the Repeated Measures ANOVA, and the Exploratory Factor analysis. Brief explanations of these statistical tests will be given in Chapter Six immediately before their first usage.

4.9 RELIABILITY AND VALIDITY

Reliability is the extent to which a measure is free from random error (Peter and Churchill 1986). The question reliability analysis is concerned with is whether consistent results are obtained from the measures. Diamantopoulos and Schlegelmilch (1997) argue that there are two important aspects of consistency;

- *stability* aspect that is the extent to which similar results are obtained from repeated applications of the same (or similar) measurement instruments to the same set of respondents
- *equivalence* aspect that is the extent to which the same set of respondents replies in a consistent manner on similar items; alternatively, equivalence can be regarded as the extent to which different, but of course comparable set of respondents produce similar results on the same measurement instrument.

In an extensive meta-analysis, Churchill and Peter (1984) found that the number of items in measures increased reliability along with the number of scale points. Therefore, the researcher constructed measures which had at least more than nine items, and used five point scales. Although measures were constructed by integrating the exploratory findings and the literature review, four Likert scales used in the questionnaire were tested for internal consistency as suggested by Parameswaran, et al. (1979) by computing Cronbach's Alpha score (Appendix C), which computes the mean reliability coefficient estimates for all possible ways of splitting a set of items in half (McDaniel and Gates 1995). Coefficient Alpha can range from 0 to 1 and a value of 0.6 or over is generally considered to be satisfactory.

Each of the scale used in the questionnaire had a satisfactory Alpha score (Appendix C). Table-4.6 details the Alpha scores obtained for individual scales.

Table-4.6 Alpha Scores

Questions	Alpha
Q1. Practitioners' reasons for using CE	0.66*
Q8. Research techniques utilised	0.74
Q15. Importance of celebrity characteristics	0.84
Q21. Media usage	0.87

* After removing an item named 'Agencies are desperate for ideas'.

Reliability is a necessary, but not sufficient condition for validity since a valid measure is not only free from random error, but it is also free from systematic error⁵. In other words, the extent to which a particular measure is free from both systematic and random error indicates the validity of the measure (Diamantopoulos and Schlegelmilch 1997). According to Tull and Hawkins (1993), there are three types of validity; *content*, *criterion-related*, and *construct*.

Content validity estimates are essentially systematic, but subjective, evaluations of the appropriateness of the measuring instrument for the task at the hand. *Face validity* which has a somewhat similar meaning as content validity, refers to non-experts' evaluations of the research instrument (Tull and Hawkins 1993). In order to increase the level of content validity, several measures were taken which are as follows; the literature was thoroughly reviewed, exploratory interviews were carried out, opinions from several department members, two senior agency managers and fellow colleagues were solicited, pre-tests were conducted with six agency managers, and of course revisions were made with approval of the supervisor.

Criterion-related validity can take two forms; *concurrent validity* that is the extent to which a measure is related to another measure when both are measured at the same point in time, and *predictive validity* which is the extent to which current scores on a given

⁵ *Systematic error* also known as bias occurs in a consistent manner every time a measurement is taken and therefore it causes researchers to either over or under estimate the true scores, whereas *random error* does not occur every time the measurement is taken and thus it is more likely to self-compensate as it can occur in both ways.

measure can predict future scores of another measure (Diamantopoulos and Schlegelmilch 1997).

Finally, *construct validity* involves not only knowing *how well* a given measure works, but also knowing *why* it works. In other words, it requires researchers to have a sound theory of the nature of the concept being measured and how it relates to other concepts (Tull and Hawkins 1993). Two statistical approaches for assessing construct validity are *convergent* and *discriminant* validity. The former refers to the degree of correlation among different measures that intend to measure same construct, and the latter refers to the lack of or low correlation among constructs which are supposed to be different (McDaniel and Gates 1995).

4.10 TWO FORGOTTEN QUESTIONS

After implementing the follow-up experiment, the researcher realised that he has forgotten to include two factual questions to the questionnaire (who handles the research inquires regarding celebrities and who is present at campaign proposal meetings from advertising agencies). Following consultations with the supervisor, the researcher waited until questionnaires stop coming and then called each respondent.

4.11 SUMMARY

This chapter detailed the research design and instruments. The research design involved two successive phases. As it was impossible to ‘follow someone else’s footsteps’, the first phase of the study was essentially exploratory and made use of a phenomenological approach with the intention of clarifying parameters of a celebrity selection process, discovering issues raised during the process, and determining parties involved in this process. The second phase of the study sought to test hypotheses derived from the first stage and the literature review, and therefore employed a more positivist, quantitative methodology. The following chapter presents findings from the exploratory interviews.

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Chapter Five
Preliminary Findings

CHAPTER FIVE: PRELIMINARY FINDINGS

5.1 INTRODUCTION

In the previous chapter we presented the research methodology and instruments. This chapter contains findings from semi-structured interviews carried out with ten advertising agency managers and two faxed responses to the interview schedule from a casting manager and a creative director. The main objective of these exploratory interviews was to determine whether there is an identifiable process for selecting celebrity endorsers utilised by British advertising agencies. More specifically, the intention was to discover if such a process exists (informal or formal), common factors of the selection process among different advertising agencies, as well as identifying participants in the process and learning how the process flows. At this stage, findings are by no means conclusive, but exploratory. The findings from Chapter Five and the literature review presented in Chapter Three form the basis for the survey to advertising agencies described in Chapter Six.

This phase of the research began with the researcher phoning the top thirty advertising agencies ranked by annual sales in 1996 in the UK. The sample was believed to be quite representative of the population, but nonetheless it was a convenience sample which may be defined as ‘a form of non-probabilistic or purposive sample drawn on a purely opportunistic basis from a readily accessible subgroup of the population (Baker 1998). The findings seem to indicate that there is an informal process for selecting celebrities for marketing communication (marcom) campaigns.

5.2 METHODOLOGY

When selecting the agency sample for interviews, *Campaign's* (February 28, 1997) Top 300 Agencies Report in the UK was utilised. The top 30 agencies ranked according to their 1996 annual billings were selected. It was thought that advertising agencies with large annual billings were more likely to utilise celebrities in marcom campaigns as

celebrities bear high price tags. The Market Research Society's (1997), *BRAD Agencies and Advertisers* book was used to locate addresses and phone numbers of advertising agencies. Agencies were phoned to identify the best person(s) to contact regarding the research topic and a transfer was then requested to his/her department. In every case, the transfer was granted, but not the participation. Seven agencies immediately refused to partake in the study because of their tight schedules, and/or agency policy reasons. The rest of the agencies had no problem receiving a letter about the research. Two letters together, one from the researcher and another from the supervisor (Appendix A), were sent in order to inform agencies about the research project⁶.

Of the twenty-three agency letters sent, six initially agreed and two refused to take part in the interview process. The remaining fifteen did not respond within two weeks. Subsequent phone calls to the remaining agencies, as well as the supervisor's and several department members' personal contacts raised the number to thirteen advertising agencies subject to availability at the time of interviews as contacts were made two months earlier than the planned interview time. Additionally, a company called the Celebrity Group was also contacted and agreed to participate. This company collects information about celebrities from any available source (e.g. national, local newspapers, magazines, TV) and stores them in its database. It also maintains contacts with celebrities and their agents. The celebrity director of this company defined their role as the middleman between celebrities (company stocks) and advertising agencies (clients).

Ten days prior to the planned interview period, companies were phoned to set actual interview appointments. Nine advertising agencies and the Celebrity Group were available, but the remaining four agencies offered to respond to faxed interview questions. At the time it was decided to limit the sample size to ten managers for the interview process due to the limited time and financial resources available to conduct interviews.

⁶ The research topic initially covered three countries—the UK, the USA, and Turkey, but when the supervisor changed the research topic was redefined to comprise only British advertising agencies.

An interview schedule (Appendix A) was derived from the literature review presented in Chapter Three. As can be seen in the appendix, the first set of questions (1, 2, and 3) were asked in order to discover practitioners' reasons, and opinions regarding the celebrity endorsement strategy as well as their perceptions on the celebrity usage trend. The second set of questions (4, 5, 6, and 7) examined whether there was a process and what goes on in advertising agencies while selecting a celebrity endorser for a campaign. The last set of questions (8, 9, and 10) was asked to investigate how agencies execute campaigns involving celebrities.

The interview schedule not only enabled the researcher to manoeuvre interviews to generate relevant data, but it also allowed the researcher to alter the sequence of the issues to run interviews smoothly. Overall, ten managers (two chief executive officers, three account managers, two creative directors, a casting manager, two planning directors) from nine advertising agencies and a celebrity director from the Celebrity Group were interviewed. Two fax responses were also received from Saatchi and Saatchi Advertising Group and Young and Rubicam Ltd. Since the process by which celebrity selection decisions were made was unknown, interviewing directors from diverse agency departments allowed the researcher to explore every department's view on a potential celebrity selection. Table-5.1 depicts the twelve companies in an alphabetical order which were involved in this stage of the research.

Table-5.1 Participating Companies

Abbott Mead Vickers BBDO Ltd.
Bartle Bogle Hegarty Ltd.
Butler Lutos Sutton Wilkinson Ltd.
DCA Group of Companies
Faulds Advertising Ltd.
Grey Communication Group
Ogilvy and Mather
Publicis Ltd.
Saatchi and Saatchi Advertising Group
The Celebrity Group
WCRS
Young and Rubicam Ltd.

Interviews took place between 6th and 13th of February 1998. At the icebreaking stage of every interview, managers were specifically informed that the research was concerned with any kind of celebrity utilisation in marketing communications. Interviewees were asked if they would mind being tape-recorded. None of them minded and all interviews were recorded on cassettes. Interviews lasted from half an hour to one hour and a half, but on average took over three-quarters of an hour. Interviews were transcribed by the researcher exceeding over 80 pages from which the empirical findings are derived.

5.3 INTERVIEW FINDINGS

As stated, this chapter explores the research objectives by illustrating the findings from each stage of the interview schedule rather than describing each agency interview separately. The findings will be explored under three discursive sections; Practitioners' Reasons, Opinions and Trend (Section 5.4), Selecting Celebrities (Section 5.5), and Execution Issues (Section 5.6).

5.4 PRACTITIONERS' REASONS, OPINIONS AND TRENDS

This section embodies three parts and explores: advertising agency managers' reasons for using celebrity endorsers, opinions regarding effectiveness of celebrity involved campaigns (e.g. awareness, recall, positive attitudes towards advertising and the brand, actual sales), and whether advertising agency managers perceive there is an increasing usage of celebrity endorsers.

5.4.1 Reasons for Celebrity Campaigns

Table-5.2 summarises managers' reasons for utilising celebrity endorsers. Respondents indicated that the biggest challenge in marcoms nowadays is how to stand out—break through ever increasing media clutter. As can be seen in the table, consistent with the academic literature, managers considered that celebrity endorsers enable messages to overcome this challenge due to their fame and high profile.

An agency CEO stated that every time advertisements appear in television or press, they interrupt a program or an article. Therefore, they are an intrusion and very few people positively welcome advertisements though many do not reject them.

Table-5.2 Managers' reasons for utilising celebrity endorsers

Standing out or shorthand
Awareness or attention getting
Celebrity values define, and refresh the brand image
Celebrity add new dimensions to the brand image
Instant credibility or aspiration
PR coverage
Desperate for ideas
Convincing clients

People see advertisements as a part of their normal life. If people are prepared to sit there while the commercial break is going on and do not go to put the kettle on or go to the toilet, as an advertiser you have got to stand out from the crowd and celebrities can potentially achieve this. It was disclosed that the recent campaign for Ford Puma involving Steve McQueen generated instant awareness. Actually, the same spot won the best famous person usage award in the 1998 Creative Circle Honours (Campaign 1998).

Ten out of twelve managers implied that celebrities could build, refresh and add new dimensions to brands by transferring their values. They argued that what celebrities stand for enhances brands. Most managers cited the Bob Hoskins and BT relationship as a great example of celebrity values transferring to the brand. A planning director claimed that Bob Hoskins brought his charisma, gentleness, and warmth to BT which had had none of these qualities. Another widely referred relationship was between Jack Dee and John Smiths Bitter. Managers argued that the company has transferred Jack Dee's smart, cool, laid back, no non-sense characteristics to the brand.

Although most academics have argued that celebrity endorsements work because celebrities are credible and attractive, only 50 percent of the respondents mentioned these qualities as reasons. A possible explanation for this discrepancy between scholars and practitioners could be that most advertising agency managers may perceive a

celebrity as a gestalt, and do not differentiate attractiveness and credibility characteristics. Indeed, one of the respondents claimed that when a person is famous, people forget about what the person looks like as everyone knows the face, it is hard to judge whether the person is pretty or ugly.

Managers believed that celebrities save time in creating the credibility a company has to build into products. They argued that when consumers see a credible celebrity endorsing a product, consumers think that the product must be at least OK. It was revealed that Nanette Newman was used for Fairy Liquid for years because she was perceived as trustworthy, believed in, and motherly.

Four out of twelve advertising agency managers mentioned PR coverage as another reason for using celebrities. Managers perceived celebrities as topical, which create high PR coverage. Indeed, celebrity-company marriages are covered by most media from television to newspapers (e.g. The Spice Girls and Pepsi). This particular reason has not been mentioned in the academic literature previously to the researcher's knowledge.

Two managers were quite sceptical about advertising agency motivations for using celebrities. One stated that when agencies are desperate for an idea or all else fails, they bring in a celebrity. Another argued that agencies use celebrities because it is easy to convince clients since a successful celebrity campaign could make clients' marketing managers famous and keep them comfortable in their position for a while.

5.4.2 Opinions on Campaigns Involving Celebrities

Although managers argued that when used well celebrities could be very powerful and help magnify the effects of a campaign, at the same time they were very cautious. They emphasised that celebrities alone do not guarantee success as consumers nowadays understand advertising, know what advertising is, and how it works. One of the managers argued that years ago celebrity mania was around, but those kinds of people are not around any more. People know celebrities are being paid a lot of money for endorsements and this knowledge leads them to cynicism about celebrity endorsements. According to him, people are even furious that celebrities are endorsing products.

Specifically, all respondents postulated that celebrities were good at generating attention, recall and positive attitudes towards advertising provided that celebrities are supporting a good idea and there is an explicit fit between celebrities and brands. On the other hand, they were not united on the issues such as creating positive attitudes to brands, purchase intentions and actual sales.

An account director claimed that the combination of product innovation and celebrity endorsements led to absolute success for Pizza Hut. He argued that the product, stuffed crust pizza was a very good product and had a point of difference to other Pizza's because it had cheese in the crust. The launch of the product and other promotional activities involved celebrities (e.g. Ruud Gullit, Murray Walker, Damon Hill). All the financial modelling the agency had done in terms of the actual contribution to the company's business in sales terms indicated a phenomenal growth. Another example for a successful celebrity usage was the Steve McQueen—Ford Puma campaign. The agency argued that the car was instantly sold out and second hand models were selling for £1000 more than new ones.

According to another account director, the Hula-Hoops and Harry Enfield relationship generated phenomenal recall and awareness figures as well as increased sales. Most sports person endorsements are argued to create positive attitudes towards products and generate sales (e.g. Nike—Michael Jordan, Dunlop—John McEnroe, Adidas—Prince Naseem). It was argued that people know they are not going to be as good as these athletes, but having their equipment feels better.

The issue of celebrity overshadowing (the vampire effect) the brand was widely known to advertising managers. They indicated that they were very careful about this phenomenon when deciding which celebrity to use. One cited that overshadowing is just like an atomic bomb which can blast the campaign to nowhere. Two specific examples were given; Dawn French—Cable Association and Leonard Rossiter—Cinzano. Both of these campaigns were aborted due to celebrities getting in the way of effective communication.

Another issue was raised as making sure a celebrity endorsing a brand actually uses the brand as well. Sainsbury's encountered a problem with Catherina Zeta Jones, whom the company used for its recipe advertisements, when she was caught shopping in Tesco. Managers also suggested that whether the celebrity is endorsing another brand in the same product category must be investigated.

In sum, managers thought celebrity endorsements could be effective when celebrities were chosen accurately and campaigns were planned and executed well. Moreover, a good campaign idea and an intrinsic link between the celebrity and the message were musts for a successful celebrity involved campaign.

5.4.3 Celebrity Usage Trend

Nine respondents felt that there was an increasing usage of celebrities as endorsers, but four out of nine thought that this increase was rather in line with the growth of advertising. The remaining three did not see an increase in the UK.

Increasing consumer interest in sports and leisure activities was argued to be a reason for the increasing utilisation, as promotional activities have been simultaneously moving more towards entertainment as well as product/service selling. Availability of far more celebrities (e.g. footballers, rugby players, and comedians) who are willing to endorse products because they can make a lot of money and gain fame as a result of endorsements was another reason. Table-5.3 depicts some recent advertisements utilising footballers. This sudden increase in utilising football stars in advertisements can be explained by the 1996 European Cup and the 1998 World Cup Finals which have dominated lives of millions and seemingly will be dominating for quite a while.

The snowball effect, which occurs when a company uses a celebrity, inevitably others start considering using one for themselves was given as another reason. Last, but not least the need to stand out rather quickly in today's expensive and cluttered media environment was mentioned as an additional reason for the increasing usage of celebrities in marcoms.

Table-5.3 Advertisements involving footballers

Footballer	Brand
Gary Lineker	Walkers Crisps
Ruud Gullit, Steward Pierce, Chris Waddle, Gary Souhtgate	Pizza Hut
David Ginola	L'Oreal Elvive
Les Ferdinand	Horlicks
Ryan Giggs	Quorn Vegetables
David Beckham	Brylcreem, Adidas
Jason McAteer	Wash & Go
Eric Cantona	Eurostar, Nike
Ronaldo and Brazilian Internationals	Nike
Del Pierro, Zidane	Adidas
Ian Wright	BUPA Health Centre, One-2-One
Peter Schmeichel	Danepak, Sugar Puffs
Alan Shearer	McDonald's, Braun Razors, Lucozade

Managers observing no increase claimed that personalities come and go. They indicated that certain products (e.g. female skincare products, shampoos, cigarettes) always had celebrities namely Ronald Reagan for Chesterfield cigarettes and Ian Botham for Hamlet. They argued that celebrities have got more expensive and probably more risky since media nowadays digs out lives of celebrities. Celebrities were thought to be not enjoying the untouchable status they had in the 60's and 70's.

Even though managers were only asked to give their opinions on reasons for using celebrities, effectiveness of celebrity endorsements, and whether there was an increasing utilisation, most of them also commented on potential pitfalls of this strategy simultaneously. These responses could lead to the conclusion that managers are very cautious in selecting celebrity endorsers. The next section investigates how advertising agencies select celebrities.

5.5 SELECTING CELEBRITIES

The first part of this section explores whether there is an identifiable process of selecting celebrity endorsers and participants in the potential process. In part 5.5.2, common factors of the potential process will be investigated. In part 5.5.3, the likelihood of these factors' commonality in the UK and world-wide bases will be searched. What types of

research are used by advertising agencies in deciding which celebrity to utilise and whether a listing similar to Q ratings explained in Chapter Three exists in the UK will be examined in part 5.5.4. In the last part of this section, what sorts of clauses are included in celebrity endorsement contracts will be investigated.

5.5.1 Searching for a Process and Its Participants

As this thesis aims to explore how advertising agencies select celebrity endorsers, managers were asked whether selecting a celebrity endorser was a process. Ten interviewees stated that there was a process for selecting celebrities though it was neither written, nor off the top of their head. Four of them thought the process was very clear, on the other hand the remaining six believed it was rather loose. The remaining two respondents indicated that there was no process at all, but they went ahead and explained a processual decision activity without previously recognising it. Thus, there seems to be an unwritten and informal process for selecting celebrity endorsers in British advertising agencies. Participants of this process are presented in Table-5.4.

Table-5.4 Participants of a potential celebrity selection process

Participating Sides	Participants
Client	CEO, Marketing Manager and/or Brand Manager.
Advertising agency	CEO, Account, Creative, Planning, Research, Production, Legal Teams, and Secretarial Staff.
Celebrity	Celebrity, Celebrity Agent and/or Celebrity's Personal Assistant.

Selecting a celebrity for a marcom campaign can be regarded as an organisational buying decision process for advertising agencies. According to Webster and Wind (1972) organisational buying is a decision process carried out by individuals involved in various roles such as users, influencers, deciders, and gatekeepers. A number of participants are actively involved in the celebrity selection process in which there are six distinct roles; *initiators, deciders, influencers, buyers, providers, and gatekeepers*. These roles must be defined in order to provide further understanding of how

participants of a selection process interact. *Initiators* of the process are creative team members who come up with the idea of using a celebrity for a proposed campaign. Account, and planning team members as well as in some cases agency chief executives are *Deciders* who determine whether to utilise a celebrity. *Influencers* of the process are research, production and legal team members providing information to other team members about the intended celebrity. The client side is the *Buyer* of the celebrity selection process. Even though celebrities were reported to have a little power in the process, they are *Providers* of any given celebrity selection process. At the end of the day, celebrities have the power to not endorse proposed brands. As is the case in most processual decision activities, agency and client secretarial personnel, personal assistants and/or agents of celebrities are *Gatekeepers* controlling the flow of information among participants.

The number and identity of the participants who fulfil these roles may vary from agency to agency and from campaign to campaign. In some agencies or campaigns, a team may independently assume a number of roles; in other cases, a single role may be performed by two or more teams. In still other cases, some of these six roles might not be required. For example, account team members may suggest a celebrity, maintain the flow of information, and research the celebrity.

After making sure that what this study is seeking to document exists and identifying its participants, common factors of a potential selection process will be presented next.

5.5.2 Selection Criteria

According to one of the respondents, there are two different ways of utilising celebrities; celebrity as the central feature, and celebrity for the added interest. Thus, factors considered while selecting celebrities vary depending on how celebrities are utilised. In the former case, a campaign can not work without a particular celebrity (e.g. BUPA Health Centre used Arsenal's striker Ian Wright who rapidly recovered from his injury). On the other hand, in the latter case an agency can use a variety of celebrities as the aim is to get added interest (e.g. Pizza Hut utilised celebrities, Ruud Gullit, MurrayWalker, Damon Hill, Pamela Anderson, Steward Pierce, Gary Southgate, and Chris Waddle,

within a dialogue about its new product). As pointed out in Chapter Three, this research is concerned with any kind of celebrity usage. Table-5.5 comprises a list of criteria mentioned in choosing a celebrity endorser for a campaign along with their frequency and percentage.

As can be inferred from the table, respondents mostly argued that a celebrity must be right for the advertising idea though it is ambiguous as to how one decides whether the celebrity is right. It is the researcher's belief that what respondents tried to communicate was that agencies do not utilise celebrities for celebrity sake. Usually the campaign idea would be developed first and then a celebrity search would start. It is about what suits a campaign rather than using an available and popular personality, although casting departments occasionally are asked to put forward a list of possible celebrities for campaigns. In these exceptional occasions, a personality is chosen first and an advertisement is written around the particular celebrity.

Table-5.5 Selection criteria

Fit with the advertising idea
Celebrity & Target audience match
What Celebrity stands for
Costs of acquiring Celebrity
Celebrity & Product match
Celebrity controversy risk
Celebrity Popularity
Celebrity availability
Celebrity physical attractiveness
Celebrity credibility
Celebrity prior endorsements
Whether celebrity is a brand user
Celebrity profession
Celebrity Equity membership status

The second most frequently mentioned factors were target audience feelings towards a celebrity, what the celebrity stands for, and how much the celebrity charges for an endorsement contract. These findings are similar to academic suggestions put forward by McCracken (1989), Brierley (1995) and findings by Kamins (1990) and Langmeyer

and Walker (1991a, 1991b). The third most cited factor was whether the celebrity image matched product characteristics, which was widely suggested by scholars (Evans 1988; Ohanian 1991; Bertrand 1992; Callcoat and Phillips 1996; O'Mahony and Meenaghan 1997).

Surprisingly, celebrity characteristics such as credibility and attractiveness were only cited by twenty-five percent of the interviewees whereas in the academic literature these two variables were believed to be two of the important factors in getting a source's message across. As mentioned before, a possible reason for this disparity may be that practitioners perceive celebrities as gestalt rather than attractive or credible individuals. A whole set of variables such as the risk of a celebrity getting into public controversy, prior endorsements, celebrity availability and willingness, a celebrity's profession and whether a celebrity is a user of the product or service was reported to be taken into account in selecting celebrities. Of course, these findings from such a small sample can not be generalised to the whole population. Indeed, the next chapter will present considered factors derived from a larger sample.

It was pointed out that whether a celebrity is a member of an organisation called Equity, a union for advertising presenters and industry workforce, must be taken into account in choosing a personality. For example, Henry Enfield, a member of Equity, was on strike because everyone involved in shooting advertisements was not being paid adequate wages.

After identifying factors considered in selecting a celebrity endorser, the following part investigates the likelihood of these factors commonality in the UK and world-wide bases.

5.5.3 Criteria Commonality

Ten respondents indicated that factors presented in Table-5.5 would be considered in major British advertising agencies, on the other hand only three believed these factors would be considered equally in the international arena.

Interviews indicated that considered factors are very much the same in the UK because the advertising industry has creatively developed to a stage where agencies are often

condemned when they use celebrities as it is seen to be an easy way out. In fact, an agency manager resented the fact that they utilised a celebrity due to his popularity and fame and as a result the campaign failed.

Six managers believe advertising is more different than similar among countries because of cultural differences which are assumed to affect the considered factors' weight in selecting celebrities. According to an agency CEO, when using celebrities in Germany, there would have to be a very literal connection between products and celebrities. Utilising Michael Schumacher to endorse motor cars could bring phenomenal results, whereas an endorsement by him for clothing apparel would not work in Germany. People need to see a greater association between celebrities and products. That is very different in the United States where personalities, irrespective of whether they are a football player, actor, or singer, could endorse virtually any product successfully. They can endorse a product that is outside their profession. For example, Michael Jordan, whose effect on the whole American economy calculated to be around \$10 billion in four-teen years of his NBA career (Fortune 1998), has endorsed a range of brands from different product categories (e.g. Nike, Coke, Wheaties, McDonald's, Hanes, WorldCom, Oakley, Gatorade).

Although the British and the American cultures are classified under the same category in academic studies (Hofstede 1984), managers thought factors in selecting celebrity endorsers would be weighted unevenly in these countries. The conventional use of celebrity endorsers; "I am a rich, famous, successful person and I use this product" was attributed as the American way. Interviewees indicated that there were a few of these kind of endorsements in the UK. Celebrities are said to be used not only to bring a lot of fame into commercials, but also to transfer their fame and meanings to brands.

One of the respondents argued that in British advertising occasionally humour is turned against a celebrity rather than using the celebrity to say, 'if you want to look rich and famous use this product.' According to the respondent, the best Pizza Hut advertisements were ones where celebrities enter in to the humour of the commercial in the nicest possible way and they laugh at themselves. For instance, Damon Hill appeared in a Pizza Hut advertisement with Murray Walker just after the season when

he came second and there was a whole joke about him finishing second again. This appeals to the British sense of humour, but also requires the celebrity to say I am big enough to laugh about myself. On the other hand, it is much harder to get American celebrities to laugh about themselves, and this is not the style of American advertising. In the USA, people celebrate success which the British would find embarrassing. One has to be very careful while scripting advertisements to prevent laughing at them rather than laughing with them.

Types of research used by advertising agencies in selecting a celebrity and whether a listing similar to Q ratings in the UK is used will be presented in the following part.

5.5.4 Types of Research and Q Ratings

Eight managers reported that their agency do research on celebrities in any circumstances, due to fact that in most celebrity campaigns there would be a reasonable spend. The remaining four indicated that they would take judgement calls on celebrities. But, when the proposed celebrity is a bit on the edge, or if they think clients are unlikely to agree unless they provide some evidence that the celebrity is very popular within their target market, then they might do research before briefing clients.

If an agency is proposing an alternative comedian or a comedian who uses lots of foul language, but the agency thinks the celebrity would be very appropriate as she or he appeals to the young and is very good spokesmen for a brand, there is a possibility that the brand will be damaged unless the agency considers and researches him/her very carefully. Agencies try to make absolutely sure that celebrities' appeal in their entertainment life does actually transfer to commercial life by mostly employing qualitative research techniques such as focus groups, individual interviews, and a desk search of magazines, newspapers and television. Some agencies would call lawyers to inquire whether there is any reason the celebrity should not be utilised. Only one interviewee mentioned doing quantitative research. The depth of research would depend on several factors; the celebrity history, size of the account, and time limits. The riskier a celebrity is perceived by agencies, the larger the account, and/or the more time agencies have, the more research is done.

One of the respondents divulged that her agency carried out a qualitative research *within* the agency for one of the Lynx campaigns. The research group responsible for the campaign asked their peers to list their top five women celebrities they aspired to go on a date with. A lot of 'babe' pages in the Internet were also searched. The final celebrity, Jennifer Aniston, not only had to match with the agency's list of characteristics, target audience and all the criteria of the advertising script, but she had to be internationally recognisable as the campaign was going to be run internationally.

Most agency managers argued that the research team would search whether or not the proposed celebrity could deliver messages to the target audience effectively, whether the target audience likes the celebrity, as well as meanings associated with the celebrity are suitable for the brand. Interestingly, none of the agency managers mentioned the Celebrity Group as a source of information. There might be several reasons for this; agencies simply may not be aware that the company exists, might not deem the company as a reliable source of information, or because interviewed agencies were quite large and had their own research departments, they perhaps did not need an external research agency.

Interviewees were asked whether there was a listing similar to Q ratings explored in Chapter Three for celebrity familiarity and popularity in the UK; and if there was one, to what extent British advertising agencies use it.

Every respondent indicated that there was no listing of a serious kind that they can employ. Several popularity listings (e.g. Who's Who by Sunday Times) were mentioned by managers who deemed these as badly prepared lists and of no real use to agencies. Managers choose celebrities with their intuition rather than research. As their job requires advertising professionals to be socially observant and involved, they would have a pretty good idea about who are getting awards (e.g. Golden Globe, Amy), how many people have been to their concerts, how many goals they have scored, and the like. In fact, a manager pointed out that celebrities who have well defined brand image, who stand for agility, unbeatable, ability to juggle, secure endorsement contracts.

A respondent argued that advertising works well because it challenges and surprises people. Thus, taking the first five celebrities on a list seems a bit too obvious as everyone can do that. When the agency chose Bob Mortimer from Reeves and Mortimer for their First Direct campaign, he was not the main man in the show. Clive Anderson was also considered for the same campaign, but he was a much more obvious choice. In retrospect, it could have been completely wrong because First Direct is about being ‘on the edge.’ Therefore, the obvious choice would not be the right choice. Moreover, the same respondent claimed that choosing a celebrity was all about spotting the trend and picking them before they become quite big and famous as endorsements can bring win-win situations where celebrities expand their career and at the same time advertisements grow on their back.

Quite a few respondents were aware of the Q ratings in the USA and commented on this list. A CEO held that British advertising industry works somewhat differently from the American industry. Using Q ratings in selecting celebrities is the traditional American (logical-positive) approach to solve any problem. It is an intellectually unappealing approach to Europeans. The very fact that a list of Q ratings does not exist in the UK, is *not by chance*.

5.5.5 Negotiating Celebrity Contracts

As indicated in Chapter Three, the celebrity endorsement strategy can backfire easily when celebrities get into trouble, overexpose themselves by endorsing multiple products, change their image and the like. Thus, to discover what advertising agencies do in order to ease the likelihood of negative effects resulting from celebrities’ personal and/or professional lives, negotiations held between agencies and celebrities, and sorts of clauses included in celebrity contracts will be explored.

When agency teams are agreed on a particular celebrity, production team members are asked to contact the celebrity’s agent or personal assistant in order to get a flavour of whether the celebrity is interested. Without naming the client’s brand and talking money, at this initial contact what agencies are trying to assess is whether the celebrity would endorse a brand in a particular product category, how much money roughly she

or he would charge for endorsements in general, and if the celebrity would be available for the time period that advertisements are plan to be shot. Ten respondents indicated that these initial contacts would take place before presenting the campaign to clients, because if clients like the proposed campaign and agencies cannot get the celebrities presented to clients, agencies would lose face with their clients. The remaining two interviewees argued that contacting celebrities or their agents before briefing clients depends on the type of client. They claimed that if clients are relaxed and long lasting relationships exist between clients and agencies, agencies could brief clients before initially contacting celebrities. In the researcher's opinion, agencies should contact celebrities before presenting their campaigns regardless of how good relationships they have or how relaxed their clients are in order to prevent the likelihood of losing their credibility since almost every single week *Campaign* reports companies breaking ties with their decades-long agencies.

When these initial contacts are positive and client briefs go well, account, production, creative and sometimes legal teams would negotiate with celebrities. If campaigns involve considerable amounts, advertising agency chief executives would also participate in final negotiations. Table-5.6 summarises key negotiation topics between agencies and celebrities.

Table-5.6 Topics of Negotiations

Limitations for other product endorsements
Time period
Level of Fees
Type of payment
Morality issues
Media coverage
Geographic area coverage

Managers argued that every single detail must be negotiated up-front with celebrities, or the power shifts to celebrities and agencies lose flexibility. According to managers, agencies could either exclusively buy a celebrity's endorsement rights (exclusive deals) or acquire some of them (flexible deals). The former case prevents celebrities endorsing any other product in any product category during the contract period. This option prevents celebrities getting overexposed though it costs dearly. The latter option costs less and eliminates the risk of celebrities endorsing products of direct and indirect competitors, but it leaves room for celebrities to overexpose themselves. Celebrity agents ponder getting into an exclusive deal with a particular product, as it will cost them other potential deals.

The contract duration is another vital issue to be negotiated. Usually, contracts last a year. Managers claimed that it was almost impossible to sign celebrities for less than a year contract. If agencies tend to utilise celebrities for more than a year, they would negotiate an additional option and define the terms for extra years. Fees would be incremental. For example, if endorsement cost £1 in year one, it will cost £1.20 in year two, £1.50 in year three, because the more a celebrity endorses a product, the more the celebrity gets associated with the product. Therefore, it would limit the celebrity's opportunity to endorse any other product. Normally, for a year contract, agencies have to pick up their option for year two during the last two months of the first contract year. This option might be either running the existing advertisements again or shooting new advertisements and using existing advertisements as well.

One of the issues to be resolved is the type of payment. There are two types of payments. Agencies can either pay for the length of contracts, which basically allows agencies to use commercials as much as they want, or they can pay the number of times advertisements are shown. This would enable agencies to save money in cases where campaigns fail to bring desired outcomes or celebrities get into trouble. Agencies prefer repeat fees because it requires less money up-front, but celebrity agents prefer to negotiate for the length of contract option as it secures one year's fee regardless of advertisements being effective or celebrities getting into controversy.

According to managers, putting morality clauses in contracts is very difficult, yet crucially important for two reasons. First of all, it forces celebrities to get their act together. Second, it enables agencies to dissolve deals without any penalty when celebrities mess-up. When celebrities get into trouble, products they endorse are affected negatively. These negative impacts can be partially compensated, although *not prevented*, by buying 'Death and Disgrace' insurance, which would cover instances when advertisements are pulled out due to fact that celebrities are up to something controversial or died. This insurance covers the cost of re-shooting the commercial with another personality. All but two managers reported that they urge their clients to buy 'Death and Disgrace' insurance. Agencies have to be legally careful with celebrities and they try to cover all possible outcomes. For instance, if there is adverse publicity concerning celebrities, agencies should be able to dissolve deals regardless of outcome since it will affect brands. A recent example was given involving Helena Bonham-Carter who said that she did not really use make up at the time she was endorsing Yardley, one of the largest make up brands in the world. The company dissolved the deal on the grounds that she was not endorsing the product publicly. Usually agencies require at the minimum level endorsers to appear in advertisements, and of course to participate in PR activities associated with the advertising campaign. On top of this, agencies can build in further usage. Even though building-up a whole marketing communication campaign around a celebrity(s) makes complete sense, most celebrities are reluctant to sign such deals for several reasons. First, they are very concerned about their exposure. Should they sign a deal for more than the main media, they know their picture can be stuck all over the place and they would lose control over their exposure. Second, they do not want to be too closely associated with a particular product. Third, they are uncomfortable with some media, as they are motionless. Comedians work well on television since it is animated, which allows comedians to present their personality. For instance, Henry Enfield is only comfortable with television and radio because his humour comes into life in these mediums. Last, but not least they may be unable to sign for some media as their previous deals prohibit them. For example; a celebrity might be endorsing an alcohol brand in print and his/her deal prohibits them to endorse any other products in print.

If celebrities agree to sign for multi-media deals, each individual medium (e.g. television, radio, press, billboards, cinema, displays) usage must be defined in detail. For example, press can be defined as magazines, or newspapers. Further, newspapers can be categorised as local, national, or international. Celebrity agents are said to be very clever and know how many different ways agencies can use celebrities and they would always offer extra usage with extra costs.

Perhaps it is a lesser issue with British celebrities as most are not necessarily well-known overseas, but geographic coverage of endorsement deals must also be sorted out. A CEO reported that most British celebrities are happy for Pan-European and/or international contracts though some Hollywood stars (e.g. Paul Newman, Woody Allen, Mel Gibson) would never do commercials in their own country, but get paid fortunes for doing commercials in the Far-East and Japan.

As can be gathered, drafting celebrity contracts is all about cost versus protection concerns. Every contract is different depending on celebrities, budgets, and clients. Agencies must be very careful in order to cover all the bases so that they can react to any undesired outcome and reduce some of the negative effects.

This section has investigated and presented the process used in British advertising agencies in selecting celebrity endorsers, common factors of the process and negotiations held during the process. The next section explores advertising agency managers' perspectives about how to execute campaigns involving celebrities.

5.6 EXECUTION ISSUES

This section specifically investigates; types of media used by advertising agencies in campaigns involving celebrities, opinions of managers concerning utilising celebrities in integrated marcom campaigns, global transferability of celebrity involved campaigns in managers' view, and whether to use one or multiple celebrities in campaigns.

5.6.1 Media Usage with Celebrity Campaigns

Even though respondents indicated that they have used celebrities in all available media, television was the main form of utilisation. They maintained that an agency had to balance expense items in any given campaign budget. As celebrities come with high price tags, not using them in television seemed unreasonable for managers because the cost of hiring a celebrity would unbalance a campaign's expense items weight in the campaign budget which would make it harder for agencies to get the proposed campaign accepted by clients. Moreover, it would be a waste of money due to the fact that press does not bring personalities to life. Media such as billboards, sponsorship, cinema advertisements, point of sale, posters, press, PR, and radio are generally used to support television advertisements. Managers argued that using celebrities in several media was good for getting a return on investments from celebrity fees. Managers pointed out that many minor celebrities were used in media such as press and direct mail pamphlets, but as touched on in the last part of the previous section, celebrities are reluctant to commit themselves to media other than television.

5.6.2 Opinions on Integrated Marketing Communication Campaigns

As indicated in Chapter Two, there has been a constant move towards integrating marketing communication activities. Accordingly, campaigns involving celebrities are believed to bring more positive results if they are properly integrated than traditional non-integrated campaigns (Bertrand 1992; Rogers 1997). In order to discover what advertising agency managers think about integrating campaigns involving celebrities, they were asked to give their opinions on the issue.

Ten interviewees responded that integration could be of enormous value for campaigns if agencies can persuade celebrities. Integration could bring instant recognition of a big idea, but for the reasons explained in the last part of the previous section, celebrities would not always accept endorsement deals requiring them to appear in more than the main medium—television. According to managers, if an agency can persuade a celebrity to be involved in a brand's integrated marketing communication activities, the agency should take the celebrity through all available media, though the agency not only has to make sure the celebrity is good enough to be the brand's front line, but must also

justify increased costs. Nike sports wear's usage of celebrities in an integrated fashion was given as a successful integrated celebrity utilisation.

On the other hand, two respondents were somewhat sceptical about extending celebrity endorsements to multi media. They believed that integration was a dangerous word as agencies can try to integrate campaigns for the sake of integration, but this may backfire. Thus, agencies have to carefully analyse every kind of communication technique in its own way. Accordingly, they argued that celebrities were much more effective when they were animated in television than on static media. Of course, if there is a good reason for a multi media solution, it is essential. They also claimed that the additional cost of using celebrities in other media might outweigh the additional benefits.

In sum, agency managers believed that if a celebrity is good enough for a firm's front line, benefits from integration exceed costs. If the celebrity is willing to be involved in an integrated campaign, integrating campaigns involving celebrities would bring better results than traditional campaign execution tactics.

5.6.3 Global Transferability

In the literature, it has been argued that celebrities with world-wide popularity can help global marketing communication attempts (Kaikati 1987). In order to discern what advertising practitioners think about transferring campaigns involving celebrities globally or internationally, they were asked to comment on the subject. It should be noted that the academic dispute on the difference between the terms 'global' and 'international' was dismissed in order to prevent confusing practitioners. Therefore, responses should be treated as answers for transferring campaigns to another nation or nations.

All respondents argued that celebrities were as transferable as their fame world-wide. With celebrities, agencies try to bring instant shorthand for campaigns. In this respect, a planning director believed that celebrities with international recognition were more valuable internationally than nationally as the need for instant shorthand is greater in the international arena. Of course, transferring campaigns to countries where celebrities are

not known does not make any sense. For example, Jack Dee and John Smith's no non-sense straight-talking pint of beer campaign would not make sense in countries where Jack Dee is not known due to the fact that Jack Dee would be seen as an ordinary consumer. Most transferable celebrities are suggested to be film stars because everybody around the world sees their films. Campaigns involving sports people in world sports such as football, basketball, car racing and athletics (e.g. Ronaldo, Maradona, Michael Jordan, Damon Hill, Michael Schumacher, Carl Lewis), pop stars (e.g. Spice Girls, Paul McCartney, Michael Jackson), and supermodels (e.g. Cindy Crawford, Linda Evangelista, Naomi Campbell) are also argued to be transferable. Television stars like all the cast of Friends, and Seinfeld may transfer to countries in which their series are run and transported. It was claimed that Ford Puma's McQueen advertisement worked well in the western world.

Respondents contended that in deciding to transfer a campaign to other countries the brand subject to the campaign is an important factor. The more a brand is international/global, the easier it is to transfer campaigns for the brand. If a brand is not internationally known and an international celebrity is endorsing the brand, it is more likely that consumers would remember seeing the celebrity in an advertisement, but could not remember what the advertising was for (the vampire effect).

Another important point raised was the campaign objective. In order to execute campaigns internationally, they needed to be developed keeping global objectives in mind. Developing international campaigns was deemed to be a difficult task because of cultural differences. International advertisements involving celebrities are about pure endorsement rather than humour or indigenous intimacy.

With international campaigns the cost of acquiring celebrities increases and the number of suitable celebrities decreases. Agencies have to work out to which countries a celebrity's fame transfers and consider the brand's business within those countries. For example, because Australia and South Africa buy their television coverage from the UK, Damon Hill and MurrayWalker are well known in these countries, but Pizza Hut only ran its advertisement with these two celebrities in Australia and did not run it in South Africa because Pizza Hut's business was not enough in this country to justify television

coverage. An accounts manager argued that if the goal is to save money, which is the most often given justification for global/international campaigns, with global endorsement deals, agencies had better not use a celebrity unless the celebrity is entirely global.

5.6.4 Use of Multiple Celebrities

The issue of using multiple celebrities or a single celebrity for a campaign emerged during interviews. It was argued that answers to the following questions would help agencies in deciding how many celebrities to utilise for a campaign. Is it better to have different celebrities who appeal to different people within the target audience? Is one celebrity enough? How long is the campaign supposed to run? How much money is going to be spent? What media it is going to be run in?

Using multiple celebrities or a single celebrity partially depends on the time scale a campaign is using to have impact. If the campaign has a long-term strategy, agencies would be more careful because potential downsides are much more than potential upsides. The longer the time scale of the campaign, the more substantial the brand/account, and thus, the less likely a campaign would stay with a particular celebrity. In the case of using multiple personalities, none of the celebrities may be specifically associated with the endorsed brand or vice versa. An interviewee claimed that if a campaign has a large advertising and media budget, multiple celebrities would be introduced in order not to bore target audience. According to the same manager, people change and the way they relate to brands also changes. Therefore, the sort of personality used to endorse a product should be different for different age groups. For example, two celebrities may be used to give slightly different attitudes to brands. In a lot of cases a brand has a wide range of consumers and sometimes the use of multiple celebrities is needed to cover the whole target audience, though it must be made sure that each celebrity's values reflects core brand values. What this interviewee seems to be implying is that the audience/market segments that exists in the target audience/market. More specifically, following Baker's (1996) footsteps, the manager accepts differences in the target audience/market and tries to adjust promotion strategy accordingly.

On the contrary, another manager believed that a celebrity is the mouthpiece for a brand in communicating messages to target audiences rather more effectively than any other voice. The personalities of celebrities are very strong and they can rapidly change perceptions of a brand. If a campaign has two or three celebrities, then whose personality is the brand trying to take? In this case, there is a great chance of confusing consumers about the brand's identity.

5.7 DRAFTING A CELEBRITY SELECTION MODEL

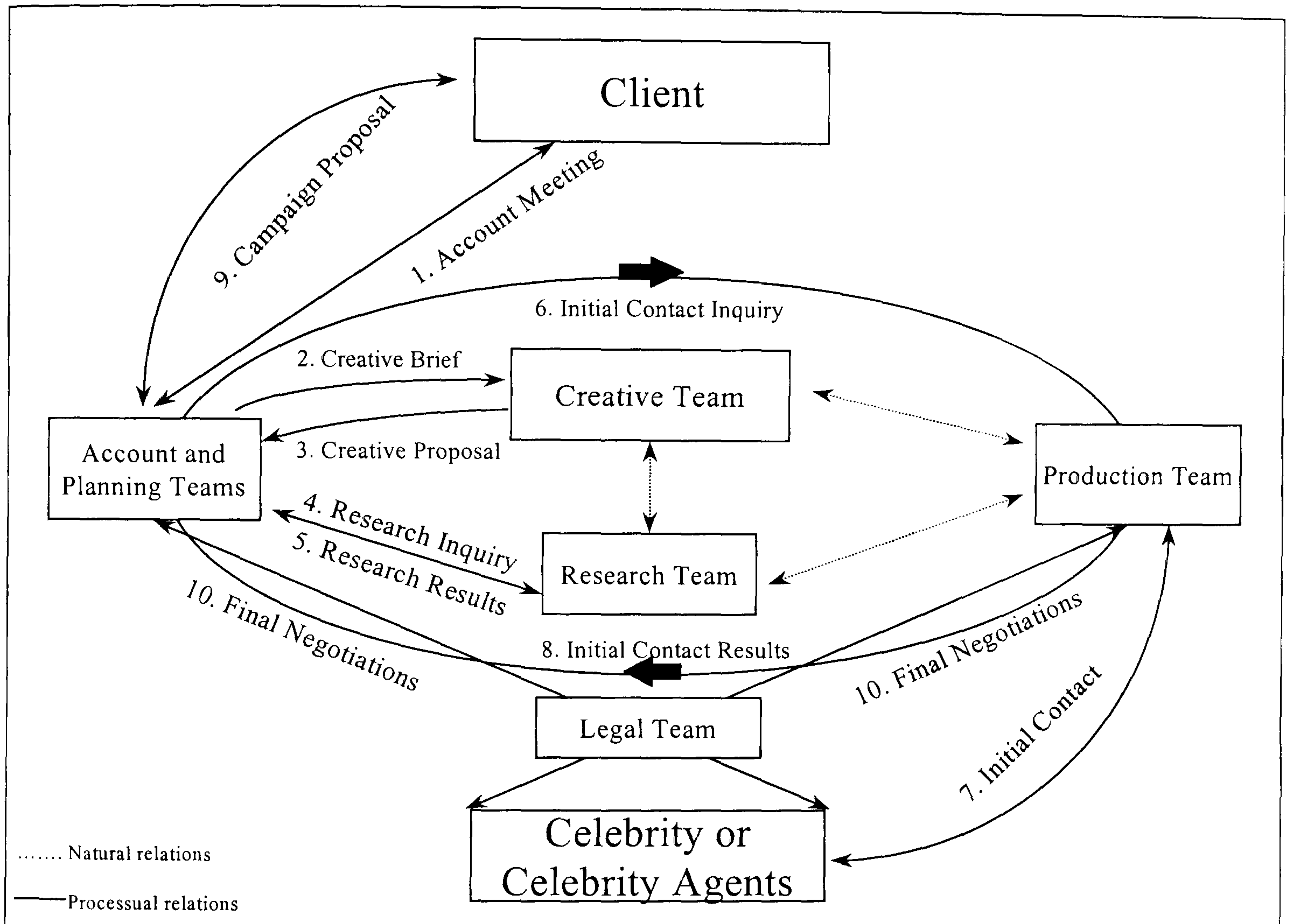
Although bits and pieces of the process have been explained during previous sections, a focused look at the process is needed to comprehend it in its totality. Moreover, none of the advertising agencies interviewed had any written documentation regarding celebrity endorsement procedures or even the celebrity endorsement strategy in general. Figure-5.1, reflecting the researcher's pre-understanding of the process taking place in British advertising agencies for selecting celebrity endorsers, may help any one involved in such campaigns to understand the process better.

Figure-5.1 depicts a sequential process and numbers show how the process flows. Dotted lines represent natural relations within an advertising agency, whereas continuous lines present processual relations in addition to natural relations. In step one (1), as is always the case in any new advertising campaign, a client invites its existing advertising agency representatives for a meeting, provided that the client is satisfied with its current agency's services and does not want to change it. In this meeting, the client representatives (CEO, Marketing Manager and/or Brand Manager) and account and planning team members from the agency discuss what the current campaign should aim to achieve, target market characteristics, the available budget and the like.

After this meeting, account and planning team members present the outcome of the account meeting to the creative team (2). Then, creative team members start developing an advertising script according to the stated campaign objectives. If the script necessitates a person to deliver the message, the question of which personality type (e.g. typical consumers, experts, celebrities) might be utilised arises in the minds of creative team members. In some cases, the creative team chooses to use celebrity endorsers and

develops the script accordingly. Most of the time the creative team names a potential celebrity or a list of possible celebrities in the script. The creative team would then present the script to account and planning teams in the agency during the creative proposal (3). While this meeting is taking place, other teams also present their views on the celebrity designated by creative team members. Therefore, to some extent, account and planning teams play a part in deciding which celebrity to devote future efforts to.

Figure-5.1 The pre-understanding model of selecting celebrity endorsers



When these teams agree on a particular celebrity, the account team contacts the research team in the agency to start researching the celebrity (4). The research team would investigate whether the selected celebrity: can deliver the message effectively, matches with target audience, prior endorsements, has right values for the brand, and the potential risks.

When research outcomes are available, the research team informs the account team (5). If the outcomes show that the celebrity is right for the campaign, the account team

would ask the production team to contact the celebrity or celebrity agent (6). The production team would initiate the first contact in which the celebrity's availability, rough price range, and more importantly willingness to endorse products would be examined.

When available, the production team would inform the account team of the outcomes of this initial contact (8). If the celebrity is in the frame for endorsing a brand in the mentioned product category, the account team would present the campaign to the client (9). If the client likes the idea, final negotiations in which the production team attends along with account, creative, and legal teams would be held with the celebrity and/or the celebrity agent (10). A CEO indicated that agencies lose a lot of flexibility with smart celebrities since they would modify the campaign script to conform with the way they do or say things. If these last modifications are acceptable by clients, the final pre-production meeting would take place. Clients, celebrities, and production team members participate in this meeting. When shooting commercials, sometimes new ideas emerge and small changes are offered. These changes are okay as long as they are in accord with the final script initially approved by the client.

During the process, previous stages of the process would be repeated if anything goes wrong (e.g. the celebrity does not endorse products, or charges high fees—look for another celebrity or totally disregard the idea; the client has not favoured the idea—go back to step three).

5.8 SUMMARY AND CONCLUSION

This chapter provided findings from exploratory interviews with twelve advertising agency managers. Findings indicate that there is an unwritten and informal process of selecting celebrity endorsers. In this process, there are five distinctive roles played by participants. Much of the process occurs in advertising agencies, though clients have the ultimate power. The celebrity side's power was found to be limited to whether or not to become involved in deals. Creative teams initiate the process, but then account teams take over and steer the process all the way through. Research teams give their input by researching proposed celebrities. Production teams contact and negotiate with

celebrities along with account, creative and legal teams. In selecting celebrity endorsers several factors (presented in Table-5.5) were indicated to be taken into consideration. Managers believed these factors' weight in final decisions would be comparable in the UK, but not world-wide due to cultural differences. Agencies mostly employed qualitative research techniques before presenting celebrity campaigns to clients. When negotiating celebrity contracts, a list of important issues (depicted in Table-5.6) were discussed. Even though managers realised that it was difficult to persuade celebrities to appear in multi-media and/or integrated campaigns, they indicated that when these issues are overcome, campaigns can bring immense results.

A processual model for selecting celebrity endorsers was presented in Figure-5.1. The model and other findings presented in this chapter should be treated as exploratory, rather than conclusive since this chapter represents the exploratory stage of the empirical research. In order to test how well the presented model depicts advertising agencies' practices, further research testing hypotheses derived from the literature review presented in Chapter Three and findings from this chapter must be carried out. Thus, the next chapter presents findings from the questionnaire survey, the final part of the empirical research.

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(References to specific companies are incorporated under the company name-these are in alphabetic order, as are the other references).

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Chapter Six
Mail Survey Findings

CHAPTER SIX: MAIL SURVEY FINDINGS

6.1 INTRODUCTION

The previous chapter presented findings from the exploratory interviews and depicted the researcher's pre-understanding of the process by which celebrities are selected by agencies. This chapter explores findings from the mail survey. As stated in Chapter Four, the mail survey instrument was developed from the findings of exploratory interviews described in Chapter Five and the literature review presented in Chapter Three.

The presentation of the findings will follow a similar outline to that in the questionnaire except the demographic data regarding respondents and their agencies is introduced first. Then, managers' reasons for using celebrities as endorsers and celebrity usage trends in the UK are explored. Findings from the questions dealing with how agency managers select celebrities and factors considered in the process will be presented in Section 6.4. Also, results of tests concerning ten research hypotheses are presented when their related questions are explored. The last discursive section of this chapter investigates how agencies execute celebrity campaigns.

Lastly, it should be noted that although this chapter presents findings from the mail survey in detail, it leaves the confirmation/revision/rejection of the pre-understanding model presented in the previous chapter to the following chapter.

6.2 DEMOGRAPHICS

Table-6.1 presents sample demographics. The gender distribution of the respondents was skewed towards males (66.4%). Females constituted one third of the respondents. This difference resulted from the initial sampling, which included 278 males and 125 females, but there was no significant difference between response rates, 31.3% and 35.2%, respectively. More than half of the respondents were over 35 years old. Of the

total respondents, over 80 percent had at least 6 years of work experience. By identifying respondents via e-mail and phone, the researcher was able to avoid respondents who have not been involved in celebrity campaigns. As a result, all of the respondents had the needed experience to complete the questionnaire. Moreover, 40.5 percent of the respondents had been involved with 6 or more celebrity campaigns at the time of the mail survey.

Table-6.1 Sample Demographics

Characteristics	Frequency	Percent	Cum. Percent
<i>Gender</i>			
Female	44	33.6	33.6
Male	87	66.4	100
Total	131	100	
<i>Age</i>			
Under 25	6	4.6	4.6
25-35	58	44.3	48.9
36-45	40	30.5	79.4
46-60	27	20.6	100
Total	131	100	
<i>Work experience</i>			
less than 2	6	4.6	4.6
2-5	18	13.7	18.3
6-10	38	29.0	47.3
11-20	38	29.0	76.3
Over 20	31	23.7	100
Total	131	100	
<i>Celebrity campaigns involved</i>			
1-5	78	59.5	59.5
6-10	22	16.8	76.3
11-20	22	16.8	93.1
Over 20	9	6.9	100
Total	131	100	
<i>Position</i>			
CEO/MD/Chairman	20	15.3	15.3
Creatives	19	14.5	29.8
Account Handlers	82	62.6	92.4
Planners	4	3.1	95.4
Producers	6	4.6	100
Total	131	100	
<i>Agency Size</i>			
Small	48	36.6	36.6
Large	83	63.4	100
Total	131	100	

Although positions held by respondents varied from agency CEO/MD/Chairman to producers, account handlers constituted the majority of the respondents (62.6%). This domination was intentional since the exploratory interviews revealed that account handlers were the most likely to manage the process of selecting celebrity endorsers.

Of the total respondents, 36.6 percent were employed in small agencies and 63.4 percent in large agencies. As stated in Chapter Four, most of the would-be respondents from small agencies excused themselves from the study due to no prior involvement in celebrity campaigns since these campaigns generally require a substantial amount of investment. Thus, IPA's classification of agencies was slightly altered by merging small and medium agencies. The average number of permanent employees in agencies was 131 with the median of 65 and the mode of 300. Clearly, it is a positively skewed distribution towards large agencies. The mean score for the percent of celebrity campaigns in the respondents agencies' total campaigns was little over 10 percent with the median and mode score of 5. It should be noted that while computing statistical tests involving response categories concerning percentages, midpoints of each response category were taken throughout this thesis (e.g. 0-10=5, 21-30=25). It is time to test the first hypothesis which states that;

H₁ LAA are more likely to use celebrities in campaigns than SAA.

This hypothesis was constructed in the belief that celebrity campaigns involve large sums of investment. In some cases, the cost of hiring a celebrity may even exceed a small advertising agency's annual billings. In order to test H₁, the Independent Samples T-test was used. This test is one of the most commonly used methods of evaluating the differences in means between two groups. The p-level reported with a t-test represents the probability of error involved in accepting the research hypothesis about the existence of a difference. Technically, this is the probability of error associated with rejecting the hypothesis of no difference between the groups in the population, when, indeed, the hypothesis is true.

Before presenting the results of the t-test for H₁, Levene's Test for Equality of Variance which is used to test whether the spread of the groups differ, should be explored. The

null hypothesis which this test assumes is that the two populations' variances, *not means*, are equal. When the observed significance level for this test is low (i.e. less than 0.05), it means that the hypothesis of equal variance is rejected. In other words, the two groups variances are not equal. Therefore, the test results shown under the *Equal variances not assumed* cell must be considered in deciding to reject or accept a hypothesis. Whereas when the observed significance level for this test is high (i.e. higher than 0.05), it means that the hypothesis of equal variance is accepted. Therefore, the test results shown under the *Equal variances assumed* cell must be considered in deciding to reject or accept hypothesis.

As the Table-6.2 indicates, on average the percent of celebrity campaigns in LAA is higher than SAA.

Table-6.2 T-test of mean differences between small and large agency managers' opinion on their companies' usage of celebrities in %.

Agency Size			Std.	Std. Error	t	Sig.
	N	Mean	Deviation	Mean	value	(2-tailed)
Small	47	8.19	6.29	0.92	-2.95	0.004
Large	83	12.35	9.76	1.07		

The difference is statistically significant at 0.004 level with the t value of -2.947. Therefore, H_1 is *accepted*.

6.3 CELEBRITY USAGE TREND AND REASONS FOR USING CELEBRITIES

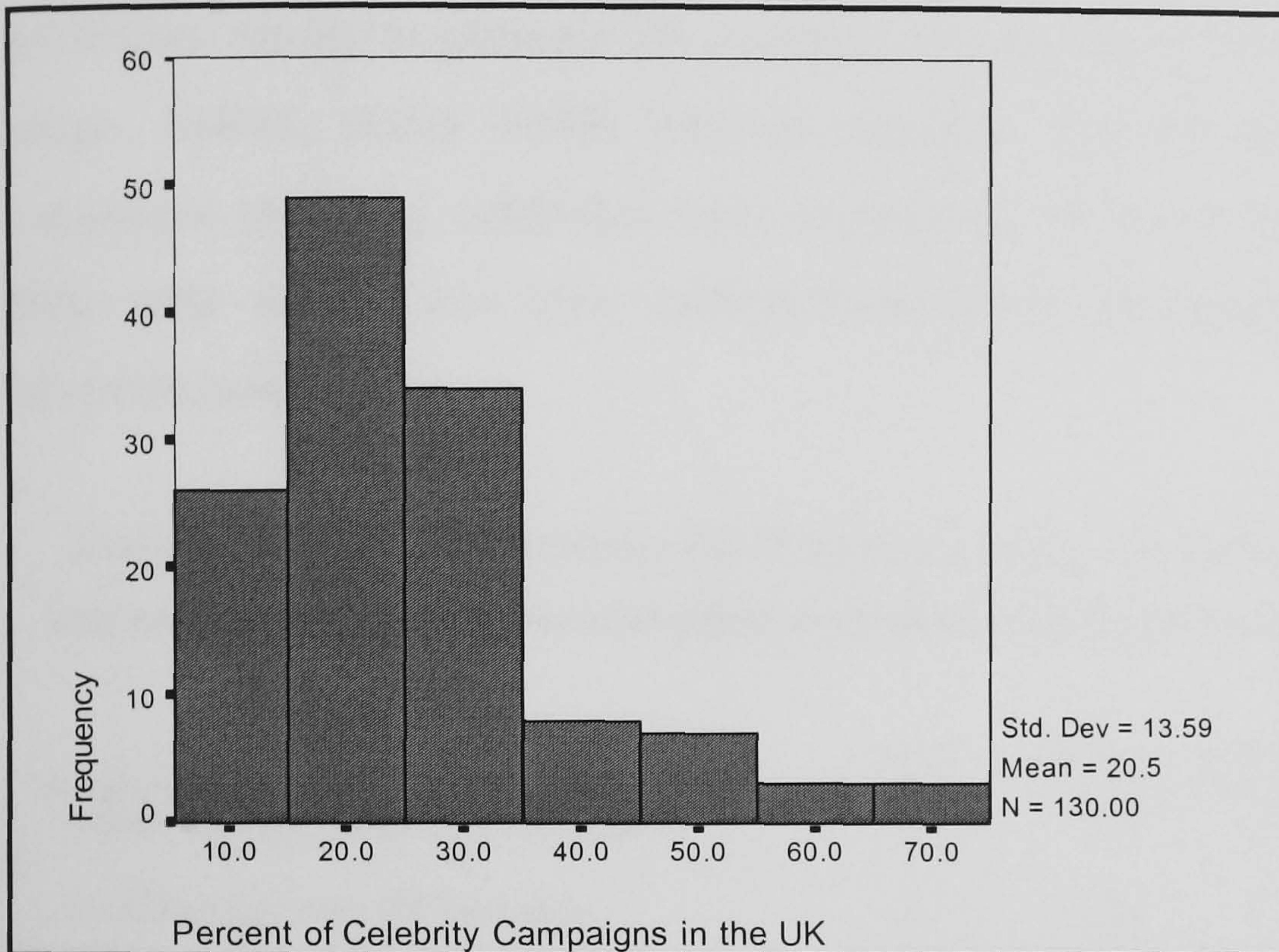
This section has two parts. In the first part, perceived percentage of celebrity campaigns among all the campaigns in the UK is explored. In the second part, agency managers' reasons for using celebrities as endorsers are presented.

6.3.1 Celebrity Usage Trend

As findings in Chapter Five indicated, there has been an increasing usage of celebrity endorsers in marcom campaigns. In fact, despite a downturn in the economy, newspaper reports in the UK indicated that there had been a significant increase in celebrity campaigns in the build-up to Christmas 1998. Since the issue of increasing or

decreasing usage of celebrity endorsers was resolved in Chapter Five in favour of the former, the researcher wanted to learn what percentage, in managers' opinion, celebrity campaigns constituted among all of the campaigns in the UK. Figure-6.1 pictures managers' responses.

Figure-6.1 Percent of Celebrity Campaigns in the UK



On average managers thought that little over one-fifth of marcom campaigns included celebrities in the UK (Appendix D, Table-1). This finding is pretty much in line with the findings and predictions of US academics presented in Chapter Three. As a result, it is reasonable to conclude that celebrity endorsement is also a widely used marcom strategy in the UK.

An investigation of whether there is a correlation between the perceived percentage of celebrity usage in the UK in general and that claimed by individual agencies revealed a highly positive correlation at 0.001 significance level (Appendix D, Table-2). In other words, managers indicating higher percentages of celebrity usage in their own agencies have also indicated higher percentages of celebrity campaigns in the UK or vice versa.

6.3.2 Reasons for Using Celebrity Endorsers

As can be seen in Table-6.3, the highest mean value among reasons for using celebrities as endorsers was obtained for celebrities perceived ability to help campaigns have impact in the ever-increasing cluttered media environment of the late 1990s. In other words, consistent with the academic arguments, managers perceived the celebrity endorsement strategy as one of the ways to overcome the media clutter. Accordingly, celebrities' ability to generate PR coverage was the second most agreed reason for their usage. Indeed, (Gray 1999) recently reported that PR practitioners believe that campaigns involving celebrities have a potential for extensive PR coverage since not only print media, but also entertainment style programs usually preview these advertisements.

Table-6.3 Descriptive statistics for Reasons of using celebrities as endorsers

	Mean	Median	Mode	Std. Deviation	Variance
Celebrities help campaigns have impact	4.15	4.00	4	.72	.52
Celebrities generate PR coverage	3.85	4.00	4	.85	.73
Their values define and refresh brands	3.45	3.00	4	.88	.77
Celebrities create aspiration for brands	3.42	3.00	3	.81	.66
Celebrities add new dimensions to brands	3.37	3.00	3 ^a	.89	.79
Celebrities give instant credibility for brands	3.04	3.00	3	.95	.91
Celebrities help global campaigns	2.78	3.00	3	.98	.97
Clients prefer celebrity campaigns	2.58	3.00	3	.89	.79
Agencies are desperate for ideas	1.87	2.00	1	1.04	1.09

a. Multiple modes exist. The smallest value is shown

Scores are obtained from a five-point Likert Scale in which 5=Strongly Agree and 1=Strongly Disagree.

Managers somewhat agreed that their motives for using celebrities included such reasons as celebrity values defined and refreshed brands, celebrities created aspiration for brands and celebrities add new dimensions to brands. On the other hand, managers were neutral for celebrities' ability to give instant credibility for brands and help global

campaigns. Expectedly, managers did not agree that celebrities are utilised because of the fact that clients prefer celebrity campaigns or they were desperate for ideas.

In order to reduce the complexity of the list of reasons, the data was subject to Exploratory Factor Analysis by using Principal Component Analysis Extraction Method with Promax Rotation.

Before presenting the results of the analysis, the factor analysis should be briefly explored as this test has been used in analysing four different sets of measures including managers' reasons for using celebrity endorsers. This analysis is used to describe a larger number of variables by means of a smaller set of composite factors (components) in order to help the interpretation of the data (Diamantopoulos and Schlegelmilch 1997). The principal component analysis, which makes no assumptions concerning the underlying structure of the data, was utilised as an extraction method. In determining the significant components, components with eigenvalues greater than 1 are accepted and components with eigenvalues less than 1 are disregarded by following Hair, et al.'s (1995) suggestions. Eigenvalue indicates the amount of variance in the pool of original variables that the component explains. The higher the score, the more variance it explains (De Vaus 1996). Since the ultimate objective for running factor analysis is to obtain several theoretically meaningful factors, an Oblique Rotation Method, Promax, is utilised.

(Hair, et al. 1995) urge researchers to make sure before running factor analysis that their sample size should be 100 or larger and there should be minimum five times as many observations as there are variables. The data fulfils these two requirements as the number of responses is 131 and the largest measurement included 17 variables, which yield around one-to-eight ratio. Furthermore, for each factor analysis conducted, results of the Bartlett's test and Kaiser Meyer Olkin (KMO) test were examined in order to verify the appropriateness of running factor analysis. The Bartlett's test of sphericity is an indicator of the relationship among variables. When the results (Chi-square) are high with a high level of significance (i.e. 0.01), the use of factor analysis is considered to be appropriate. The KMO test measures sampling adequacy and can range between 0 and 1. The larger the score test score, the better the sampling adequacy.

After this brief, but needed discussion, results of factor analysis regarding managers' underlying reasons for using celebrity endorsers can be easily explored. As Table-6.4 indicates, all statistics are supporting the use of factor analysis that reduced the number of reasons from nine to three. KMO test is also at the high end of the scale indicating that sampling is adequate. The Chi-square score of Bartlett's test of sphericity is quite high with very high level of significance.

Table-6.4 Factor Analysis of managers' reasons for celebrity campaigns

Components	Individual Variables	Factor Loadings			
Celebrity Values	Their values define and refresh brands	.84			
	Celebrities add new dimensions to brands	.75			
	Agencies are desperate for ideas	-.62			
Building Credibility	Clients prefer celebrity campaigns		.72		
	Celebrities give instant credibility for brands		.69		
	Celebrities help global campaigns		.60		
Clutter Cutting	Celebrities generate PR coverage			.78	
	Celebrities help campaigns have impact			.67	
	Celebrities create aspiration for brands			.58	
		Eigenvalues	2.4	1.6	1.2
Variance explained	58%				
KMO test	0.67				
Bartlett Test	$X^2: 185, \text{Sig.: } 0.001$				

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.

Furthermore, no individual variable had less than 0.5⁷ factor loadings on one of the three components which are named as follows;

- celebrity values
- building credibility
- clutter cutting

⁷ Factor loadings of (+/-) 0.5 are considered to be significant and this cut-off point is used throughout the thesis by following Hair et al's (1995) suggestion.

Although Hair et al (1995) argue that naming of the components is not scientific and it is usually left to the researcher's subjectivity, the factor loadings indicating the correlation of each variable and component, can provide some bases since the higher the factor loading, the more representative of the component is the variable.

The first component is named as *celebrity values*. This component reveals that one of the underlying reasons for using celebrities is to transfer their values to brands. This component is consistent with the academic argument put forward by McCracken (1989) and findings of Langmeyer and Walker (1991a) which indicated that when celebrities are used in an advertising campaign their meanings are transferred to products. One of the individual variables in this component is that agencies are desperate for ideas which had a negative factor loading indicating a negative correlation in the component.

The second component is named as *building credibility* into brands. As discussed in Chapter Five, managers argued that when consumers see a celebrity using a product, they automatically think that if it is good enough for her/him, it is good enough for me.

The last component is named as *clutter cutting* due to the fact that the variables in this component are all to do with standing out. The media clutter is widely acknowledged in the literature and celebrity campaigns are argued to help in breaking through this.

Even though the total variance explained by the three components (58%) seems low, Hair et al. (1995) argue that it is common for social scientists to consider a solution which accounts for 60% or even in some cases even less of the total variance a satisfactory solution. In this particular test, a possible reason for a just acceptable variance explained figure may be that there might be other reasons for using celebrities as endorsers. For example, the 'snowball effect' explained in Chapter Five may be another reason. Indeed, there was a significant increase in celebrity campaigns in the build-up to Christmas 1998 in the UK's retail industry (John Cleese for Sainsbury's; Jane Horrocks and Prunella Scales for Tesco; Nerys Hughes for Asda; Nicholas Lyndhurst for W H Smith; and, Michael Baltimore for Kwik-Save).

6.4 SELECTING CELEBRITY ENDORSERS

The aim of this section is to investigate the applicability of the exploratory findings to a larger sample. Therefore, the first part of this section deals with whether agency managers follow a set procedure when selecting celebrity endorsers and then, identifies the participants in the process. In part two, the discussion turns to detailing the steps of the process identified in the previous chapter. In the last part, the perceived importance of factors considered when deciding on a celebrity endorser is explored.

6.4.1 The Process and Participants

Exploratory findings indicated that there was an unwritten and informal process of selecting celebrity endorsers. Since exploratory interviews were carried out with a small number of managers working in large advertising agencies, Hypothesis Two is constructed to test whether managers from both small and large agencies believe that there is a set procedure or process for selecting celebrity endorsers. Thus, Hypothesis Two states that

H₂ Both SAA and LAA managers believe that selecting celebrity endorsers is a process.

In order to test the Hypothesis Two, an independent sample t-test was conducted. Although there is no statistically significant difference between small and large agency managers' opinions regarding the issue, managers on average think that there is rarely a set procedure for selecting celebrity endorsers (Appendix D, Table-3). Thus, H₂ is rejected.

As can be seen in Table-6.5, only 9.2 percent of the respondents indicated that they always follow a set procedure when selecting celebrity endorsers. On the other hand, over one-third of the respondents revealed that they never follow a set procedure when selecting celebrities. This may have resulted from either not recognising the process, or the process being informal and/or unwritten.

Table-6.5 Is there a set procedure for selecting Celebrity Endorsers?

	Frequency	Percent	Valid Percent	Cum. Percent
Never	46	35.1	35.4	35.4
Rarely	29	22.1	22.3	57.7
Sometimes	29	22.1	22.3	80.0
Often	14	10.7	10.8	90.8
Always	12	9.2	9.2	100.0
Total	130	99.2	100.0	
Missing	1	.8		
Total	131	100.0		

In fact, while carrying out the exploratory interviews, two managers also argued that there was no process at all, but they went ahead and explained a processual decision activity without previously recognising it.

When it comes to the participants of the process, it is clear from Table-6.6 that creatives and account handlers are major participants from the agency side, and celebrity agents are the ones from the celebrity side.

Table-6.6 Participants of the process

<i>Agency Side</i>	Involved	%	<i>Agency Side (cont.)</i>	Involved	%
CEO/Chairman/MD	30	22.9	Production director	58	44.3
Creative director	119	90.8	Production team	38	29.0
Creative team	116	88.5	Legal team/lawyers	27	20.6
Account director	103	78.6	Agency secretarial staff	7	5.3
Account team	68	51.9	Internal Negotiator	2	1.5
Planning director	48	36.6	Casting Director	2	1.5
Planning team	41	31.3	Finance Director	1	0.8
Research team	29	22.1	Art Buying Department	1	0.8
<i>Client Side</i>	Involved	%	<i>Celebrity Side</i>	Involved	%
Client CEO	21	16.0	Celebrity	26	19.8
Client marketing director	88	67.2	Celebrity agent	64	48.9
Client brand manager	64	48.9	Celebrity PA	4	3.1
Client marketing manager	57	43.5	<i>External research agents</i>	16	12.2

Marketing directors and brand managers are major representatives of the client side if they are involved in the process. Also, twelve percent of the respondents acknowledged the external research agents' involvement in the process.

After identifying the participants in the process, the discussion now turns to the steps in the process.

6.4.2 Steps in the Process of Selecting Celebrity Endorsers

Even though the pre-understanding model depicted in Figure-5.1 was started from the beginning of a general campaign development process, the first two steps of this model were not tested as it became obvious to the researcher that these two steps would occur in any given campaign development process regardless of celebrities being used. Therefore, the discussion starts from the initiation stage (i.e. creative meeting) of the model and ends with the final negotiation stage.

6.4.2.1 Initiation and management of celebrity selection

In this stage, three research hypotheses are investigated. The first issue to be explored is which decision (celebrity vs. campaign idea) precedes the other. In other words, whether celebrities are selected to match campaign ideas or vice versa will be explored (H_3). Then, the position held by the person who initially proposes using a celebrity endorser for a campaign will be clarified (H_4). Lastly, the position occupied by the person who generally assumes 'the managerial role' in selecting celebrity endorsers will be identified (H_5).

During the exploratory interviews, respondents communicated that agencies do not utilise celebrities for celebrity sake. Instead, campaign ideas are usually developed first and then a celebrity matching the campaign idea is identified. In order to test whether this practice can be generalised to a large sample, Hypothesis Three was constructed as;

H_3 Managers in SAA and LAA select celebrity endorsers according to campaign ideas.

This hypothesis is explored by the results of the independent samples T-test. Hypothesis Three was *accepted* because of the fact that both small and large advertising

agency managers indicated that they select celebrity endorsers according to campaign ideas and there was no statistically significant difference between the mean scores obtained (Appendix D, Table-4).

It is apparent from the Table-6.7 that most of the time campaign ideas are first developed and then celebrities are selected to match campaign ideas. On the other hand, developing a campaign for a given celebrity is a rare occasion. When managers were asked whether these decisions were made simultaneously, their response, on average, was *sometimes*.

Table-6.7 Celebrity versus Campaign idea

	Mean	Median	Mode	Std. Dev.	Variance
Celebrities are selected to match campaign ideas	3.71	4.00	3	1.09	1.19
Campaign ideas are developed to match given celebrities	1.87	2.00	2	.84	.71
Campaign ideas are developed and celebrities are selected simultaneously	2.92	3.00	3	.80	.65

Scores are obtained from a five-point Likert Scale in which 5=Always and 1=Never.

After making clear that celebrities are mainly selected according to campaign ideas, it is time to explore who initially proposes a celebrity for a campaign and test Hypothesis Four, which stated that

H₄ Both SAA and LAA managers believe that creative team members are the initiators of the process.

It is clear from Table-6.8 that creatives are the ones who usually propose using celebrity endorsers in both small and large agencies. As pointed out when presenting the exploratory interview findings, clients (e.g. client marketing director) do suggest using a celebrity endorser, but as the table indicates it is very rare. Another issue raised during the earlier dissemination of the research findings in conferences and departmental seminars was the role of celebrity agents in initiating celebrity campaigns. But, as the findings show none of the respondents indicated celebrity agents as initiators.

Table-6.8 Crosstabulation of Initiators of the process and Agency Size

Position/Agency Size	Small	Large	Total
CEO/MD/Chairman	3	1	4
Creatives	41	79	120
Account Handlers	15	11	26
Planners	3	3	6
Producers	-	3	3
Client Side	2	2	4

In order to test H_4 , the data was cross-tabulated and the two-sample Chi-square test was conducted (Appendix D, Table-5). Before interpreting the results, this test should be briefly explored. It is one of the most common tests for significance of the relationship between categorical variables. The null hypothesis tested in the (Pearson) Chi-square test is that there is no difference between the two samples with respect to the relative frequency that the two sample members fall into the various variable categories (Diamantopoulos and Schlegelmilch 1997). It should be noted that the relative rather than absolute frequencies are considered since the size of the two samples may not be equal as is the case in this research. In order for this test to be meaningful, the data should comply with two requirements; none of the cells should have an expected frequency of less than one; and, no more than twenty percent of the cells should have expected frequencies of less than five (Parasuraman 1991). In cases where one of these two requirements is not met, a researcher can either combine related categories or use Fisher's exact test that holds the same null hypothesis as the Chi-square test. This test computes the likelihood of obtaining cell frequencies as uneven or worse than the ones that were observed by counting all possible tables that can be constructed based on the marginal frequencies.

The Chi-square results for H_4 indicate a difference at the significance level of 0.052, but one of the cells has an expected value less than 5. Since combining the categories does not make sense, the researcher is left to utilise Fisher exact test results that also show a difference at the 0.056 level (One-sided). Even though the researcher is tempted to reject this hypothesis, it is safer to *accept* H_4 on the grounds that the significance level is

slightly over the cut off point of 0.05 significance level. Moreover, common-sense interpretation of Table-6.8 would support the acceptance of this hypothesis.

From Table-6.8, it is obvious that account handlers are the second most likely people who may initially suggest using a celebrity endorser for a campaign. A further investigation revealed that there was a statistically significant difference concerning account handlers' role as initiators between small and large agencies at 0.013 level (Appendix D, Table-6). In other words, account handlers in small agencies are more likely to suggest a celebrity usage than their counterparts in large agencies.

In sum, the mail survey findings back the exploratory findings up in identifying the initiator of the process. Namely, creatives generally suggest the idea, but the idea might come from a range of positions including the client side.

The last hypothesis to be tested in this sub-part is concerned with determining who steers the process. Findings from exploratory interviews revealed that account handlers were the ones who manage the process. Therefore, Hypothesis Five was constructed as;

H₅ Managers in SAA and LAA believe that account team members steer the process.

This hypothesis was also examined by the results of the Chi-square test. Findings indicate a statistically significant difference in that account handlers were reported to assume the role of steering the process more often in small agencies than in large agencies. Therefore, H₅ is *rejected* (Appendix D, Table-7). Although account handlers are still the most frequently mentioned people to steer the process in large agencies, they seem to share this role with producers and creatives more often than their counterparts in small agencies (Table-6.9). These findings are in line with the arguments put forward in the previous chapter in which it was stated that a team might assume a number of roles or a single role may be performed by two or more teams during the process depending on the requirements and nature of a particular campaign.

Table-6.9 Crosstabulation of Managers of the process and Agency Size

Position/Agency Size	Small	Large	Total
CEO/MD/Chairman	1	-	1
Creatives	16	34	50
Account Handlers	33	41	74
Planners	3	13	16
Researchers	-	2	2
Producers	6	37	43
Legal Advisors	-	2	2
Agency Secretaries	1	1	2
Client Side	2	1	3

6.4.2.2 Researching celebrities

During the exploratory interviews a majority of the managers indicated that agencies do research on celebrities before proposing campaigns to clients because there is usually a reasonable spend in celebrity campaigns. In order to test whether this can be generalised for the population, Hypothesis Six was constructed as;

H₆ SAA and LAA managers investigate a celebrity endorser before initially contacting that celebrity

From Table-6.10, it is clear that agencies regardless of size investigate celebrities before proposing celebrity campaigns to clients. Although there is a difference, it is not significant enough to reject Hypothesis Six. Therefore, H₆ is *accepted*.

Table-6.10 T-test of mean differences between small and large agency practices concerning whether research is carried out on celebrities before proposing campaigns to clients

Agency Size	N	Mean	Std. Deviation	Std. Error Mean	t value	Sig. (2-tailed)
Small	48	4.10	0.97	0.14	1.67	0.098
Large	83	3.77	1.29	0.14		

Scores are obtained from a five-point Likert Scale in which 5=Always and 1=Never.

The exploratory interviews showed that agencies mostly employed such qualitative research techniques as focus groups, individual interviews, and a desk search of magazines, newspapers and television. In order to confirm/reject this finding, the respondents were asked how frequently they used given research techniques. Table-6.11 presents descriptive statistics for types of research used while searching celebrities background, ability to deliver campaign messages, and the like.

Table-6.11 Descriptive statistics for types of research conducted in investigating celebrities

	Mean	Median	Mode	Std. Deviation	Variance
Consumer focus groups	3.59	4.00	4	.87	.76
Desk search (magazines, newspapers, Internet)	3.58	4.00	4	1.08	1.17
Peer opinion	3.15	3.00	3	1.16	1.34
Expert opinion	2.84	3.00	3	1.05	1.11
Pre-tests	2.83	3.00	4	1.17	1.36
Individual consumer interviews	2.72	3.00	3	.98	.96
Telephone interviews	2.11	2.00	2	.85	.72
Mail surveys	1.77	2.00	1	.82	.66

Scores are obtained from a five-point Likert Scale in which 5=Always and 1=Never.

These findings confirm the ones from the exploratory interviews in that agencies mostly use qualitative research techniques. Indeed, exploratory factor analysis revealed three components, two of which have qualitative origins (Table-6.12).

These three components, which explain 68% of the total variance from the eight-item list, are named as; *Quasi Quantitative* which might be seen as inappropriate, but the nature of the second variable is quantitative and the other two variables are qualitative; *In-house Qualitative* indicating research within and around agencies without consumer participation; and, *Outside Qualitative* representing qualitative research involving consumers.

Table-6.12 Factor Analysis of research techniques used in investigating celebrities

Components	Individual Variables	Factor Loadings			
Quasi Quantitative	Telephone interviews	.87			
	Mail surveys	.86			
	Individual consumer interviews	.70			
In-house Qualitative	Peer opinion		.84		
	Expert opinion		.83		
	Desk search		.71		
Outside Qualitative	Consumer focus groups			.88	
	Pre-tests			.81	
		Eigenvalues	3	1.3	1.2
Variance explained	68%				
KMO Test	0.70				
Bartlett Test	X^2 : 209, Sig.: 0.001				

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

During the interviews agency managers argued that research teams would undertake research inquiries and none of the agency managers mentioned using external research agencies (e.g. The Celebrity Group). One of the reasons given in Chapter Five for this was that the agencies involved in the exploratory interviews were quite large and had their own research departments, and as a result they perhaps did not need an external research agency. In order to discover who handles research on celebrities, respondents were phoned, as this question was not included in the questionnaire. As Table-6.13 reveals, several teams are identified as undertaking research inquiries on celebrities. In small agencies, account handlers are the most likely ones to handle research if it is not commissioned to external research agencies.

On the other hand, in large agencies, this role was mainly assumed by research and planning teams again when it is not commissioned to external research agencies. Contrary to the exploratory interview findings, respondents *admitted* using external research agencies.

Table-6.13 Crosstabulation of Handling Research and Agency Size

	Agency Size		
	Small	Large	Total
CEO/MD/Chairman	2	2	4
Creatives	6	14	20
Account Handlers	24	17	41
Planners	7	28	35
Researchers	5	28	33
Producers	1	9	10
Agency Secretaries	1	-	1
External Research Agents	16	31	47

Indeed, these agencies were the most mentioned identities to handle research on celebrities. A further investigation concerning whether there was a difference between large and small agencies' usage of external research agencies, revealed no statistical significance (Appendix D, Table-8).

Further investigations whether there was a difference between agency sizes in carrying out research inquiries and agency teams (e.g. account handlers, planners, and researchers) yielded statistically significant results. Specifically, results indicate that account handlers are more likely to undertake research in small agencies than their counterparts in large agencies (Appendix D, Table-9). On the other hand, planners and researchers are more likely to carry out research in large agencies than their counterparts in small agencies (Appendix D, Table-10; 11). The reason for this might be that small agencies may not have separate planning and research departments.

6.4.2.3 Initial contact with celebrities

While exploring findings from the interviews, it was found that once agency teams are agreed on a particular celebrity, producers are generally asked to contact the celebrity side to get a flavour of whether the celebrity is interested before proposing campaigns to

clients. In order to test whether these findings represent the whole population's behaviour, two hypotheses were constructed (H_7 and H_8). First Hypothesis Seven, stated that;

H_7 , SAA and LAA managers contact proposed celebrities before presenting the campaign proposal to the client.

Little less than two-thirds of the respondents indicated that they contact celebrities before presenting campaign proposals to clients (Table-6.14). As the table depicts, ten managers from large agencies attested that the time of initial contact varies although this option was not provided in the response categories. This response is in line with the two respondents interviewed at the earlier stage.

Table-6.14 Crosstabulation of Initial Contact Time and Agency Size

		Agency Size			
		Small	Large	Total	
The campaign proposal is presented to the client	Before	Count	30	55	85
		%	62.5%	66.3%	64.9%
	After	Count	18	18	36
		%	37.5%	21.7%	27.5%
	Varies	Count	-	10	10
		%	-	12.0%	7.6%
Total	Count	48	83	131	
	%	100.0%	100.0%	100.0%	

To test H_7 , a separate Chi-square test excluding the 'varies' response category was run. The reason for this exclusion was that with the 'varies' response category, the hypothesis was highly significant even though as can be seen in Table-6.14, there should not be a statistical difference as the percentages obtained in both sizes of agencies for the 'before' response category are very close. Furthermore, in small agency column there is no value, which violates the two requirements for the Chi-square test to be meaningful. After this modification, test results show no statistically significant difference (Appendix D, Table-12). Thus, H_7 is *accepted* due to the fact that

regardless of agency size two-thirds of managers contacted celebrity sides *before* presenting campaign proposals to clients.

The second hypothesis regarding the initial contact stage, Hypothesis Eight, investigates who makes the initial contact and was constructed as;

H₈ Managers in SAA and LAA believe that production team members initially contact celebrities.

As can be seen in Table-6.15, producers and account handlers are the major teams who make initial contacts with celebrity sides.

Table-6.15 Crosstabulation of Positions making initial contacts and Agency Size

		Agency Size		
		Small	Large	Total
CEO/MD/Chairman	Freq.	2	2	4
	%	4.2	2.4	3.1
Creatives	Freq.	13	12	25
	%	27.1	14.5	19.1
Account Handlers	Freq.	26	18	44
	%	54.2	21.7	33.6
Researchers	Freq.	-	1	1
	%	-	1.2	0.8
Producers	Freq.	14	57	71
	%	29.2	68.7	54.2
Legal Advisors	Freq.	1	-	1
	%	2.1	-	0.8
Internal/Independent Negotiator	Freq.	-	2	2
	%	-	2.4	1.5

In order to test H₈, the Chi-square test was run. Results show a statistically significant difference at 0.001 level (Appendix D, Table-13). Hence, H₈ is *rejected*. In other words, producers in large advertising agencies are more likely to make the first contact with celebrity sides than their counterparts in small agencies. From Table-6.15, it is obvious that account handlers are more likely to make the first contact with celebrity sides in small agencies. In fact, another Chi-square test carried out to investigate whether there was a significant difference concerning account handlers role in small and

large agencies revealed a highly significant difference at the level of 0.001 (Appendix D, Table-14).

After exploring when the first contact is made and who makes this first contact, it is time to examine which issues are covered in this first contact. Table-6.16 not only depicts descriptive statistics for the three response categories provided in the questionnaire, but also discloses other issues obtained from the open response category.

Table-6.16 Descriptive statistics for Issues covered in the first contact

ISSUES	Mean	Median	Mode	Std.	
				Deviation	Variance
The celebrity is willing to endorse a brand in a particular product category	4.92	5	5	0.36	0.13
The celebrity is available for the time period required	4.90	5	5	0.37	0.14
How much the celebrity approximately charges for endorsements	4.86	5	5	0.43	0.18
Other Issues brought up		Frequency	Percent		
Prior endorsements		4	3.1		
Other current endorsements		4	3.1		
Reactions to the script		3	2.3		
Celebrity future plans		2	1.5		
If there is a conflict of interest		2	1.5		
Length of the contract		2	1.5		
Any public controversy involvement		1	0.8		
Possibility of exclusive representation		1	0.8		

Scores are obtained from a five-point Likert Scale in which 5=Always and 1=Never.

As can be gathered from the table, agencies almost always investigate whether celebrities are willing to endorse a brand in a particular product category, are available for the time period required, and how much they roughly charge for endorsements. In addition to these, in some cases such issues as prior and current endorsements, future plans and the like, are also discussed.

During the exploratory interviews, managers argued that they would usually not reveal their clients' brand name. To determine whether this is a general practice, managers

were asked if they would disclose their clients' brand name. Their response on average was *sometimes* (Appendix D, Table-15). Table-6.17 details their responses within agency sizes.

Table-6.17 Crosstabulation of Revealing clients' brand name and Agency Size

		Agency Size			
		Small	Large	Total	
Response	Never	Count	7	13	20
		%	14.6%	15.7%	15.3%
	Rarely	Count	8	10	18
		%	16.7%	12.0%	13.7%
	Sometimes	Count	15	31	46
		%	31.3%	37.3%	35.1%
	Often	Count	11	14	25
		%	22.9%	16.9%	19.1%
	Always	Count	7	15	22
		%	14.6%	18.1%	16.8%
Total		Count	48	83	131
		%	100.0%	100.0%	100.0%

The Independent Samples T-test was run to test if there was a difference between small and large agency practices. Results indicated no statistically significant difference (Appendix D, Table-16). In sum, agencies on average *sometimes* reveal their clients' brand name at the first contact.

6.4.2.4 Campaign proposal

It was discovered from the exploratory interviews that when initial contacts with celebrity sides are positive, the next step is to present the campaign proposal to clients. In this sub-part, the agency teams that are present in the campaign proposal stage are identified.

Table-6.18 exhibits agency teams present while presenting campaign proposals to clients. As can be seen in the table, account handlers, creatives and planners are main agency teams for both sizes of agencies although for small agencies the probability of

planners being present in campaign proposals is lower. In fact, the Chi-square test results regarding planners' presence in campaign proposals show a highly significant difference (0.008) between small and large agencies (Appendix D, Table-17).

Table-6.18 Crosstabulation of Teams present in the campaign proposal and Agency Size

	Agency Size				Total	
	Small		Large		Freq.	%
	Freq.	%	Freq.	%		
CEO/MD/Chairman	6	13%	7	8.4%	13	9.9%
Creatives	31	65%	46	55.4%	77	58.8%
Account Handlers	47	98%	83	100%	130	99.2%
Planners	14	29%	44	53.0%	58	44.3%
Researchers	-	-	1	1.2%	1	.8%
Producers	-	-	5	6.0%	5	3.8%
Ext. Research Agents	4	8.3%	1	1.2%	5	3.8%

The reason for planners likelihood of being less present in campaign proposals in small agencies may simply be that some small agencies might not have separate planning departments.

If clients are happy with campaign proposals involving celebrities, the next step, final negotiations, will take place and will be explored next.

6.4.2.5 Final negotiations and contract

In this last sub-part, participants in final negotiations are explored first and Hypothesis Nine is tested. Then, topics of final negotiations are explored in detail.

The exploratory interviews revealed account handlers and producers as the main agency teams who are present in the final negotiations along with creatives. Table-6.19 depicts the frequencies of participating parties in the final celebrity negotiations.

Table-6.19 Crosstabulation of Participants of final negotiations and Agency Size

	Agency Size				Total	
	Small		Large		Freq.	%
	Freq.	%	Freq.	%		
CEO/MD/Chairman	7	15%	7	8.4%	14	10.7%
Creatives	15	31%	16	19%	31	23.7%
Account Handlers	39	81%	47	57%	86	65.6%
Planners	2	4.2%	1	1.2%	3	2.3%
Researchers	-	-	1	1.2%	1	.8%
Producers	14	29%	53	64%	67	51.1%
Legal Advisors	9	19%	15	18%	24	18.3%
Agency Secretaries	-	-	1	1.2%	1	.8%
Celebrity	-	-	3	3.6%	3	2.3%
Celebrity Agent/PA	7	15%	27	33%	34	26.0%
Client Mktg. Dr/Mngr	13	27%	11	13%	24	18.3%
External Research Agents	-	-	1	1.2%	1	.8%
Internal/Independent Neg.	-	-	2	2.4%	2	1.5%
Finance Director	1	2.1%	-	-	1	.8%

As the table shows, a range of people can be present in final negotiations, but in general participants of these negotiations are as follows; account handlers, producers, creatives, and legal advisors for agency sides; celebrity agents/PA for celebrity sides; and, client marketing directors/managers for client sides.

Since Hypothesis Nine has two parts, two separate hypotheses were constructed as:

H_{9a} SAA and LAA managers believe that account team members are present at the final stage of negotiations with celebrities.

H_{9b} SAA and LAA managers believe that production team members are present at the final stage of negotiations with celebrities.

Naturally, two separate Chi-square tests were run to investigate H₉. The first test concerning whether account handlers' presence in final negotiations differed across the agency sizes revealed that account handlers in small agencies are more likely to carry out final negotiations with celebrities than their counterparts in large agencies. This

difference was statistically significant at the level of 0.004 (Appendix D, Table-18). Thus, H_{9a} is *rejected*. The second test regarding producers' presence in final negotiations varied between small and large agencies showed that producers in large agencies are more likely to be involved in final negotiations than their counterparts in small agencies. This difference is highly significant at 0.001 level (Appendix D, Table-19). Hence, H_{9b} is also *rejected*. Again, the most likely reason for this difference may be that some small agencies may not have production teams. Although there are statistically significant differences between small and large agencies, account handlers and producers are the two major agency teams that are present in the final negotiations in both agency sizes (Table-6.19).

6.4.2.5.1 topics of final negotiations

After identifying major participants in final negotiations, the discussion now turns into topics of negotiations. During the exploratory interviews, managers communicated that every single detail should be negotiated before the final contract is signed and sealed. From these interviews, seven negotiation topics were listed. An 'other' response category was provided so that respondents could communicate other issues that have not been listed by the researcher. The results are depicted in Table-6.20.

Table-6.20 Topics of final negotiations

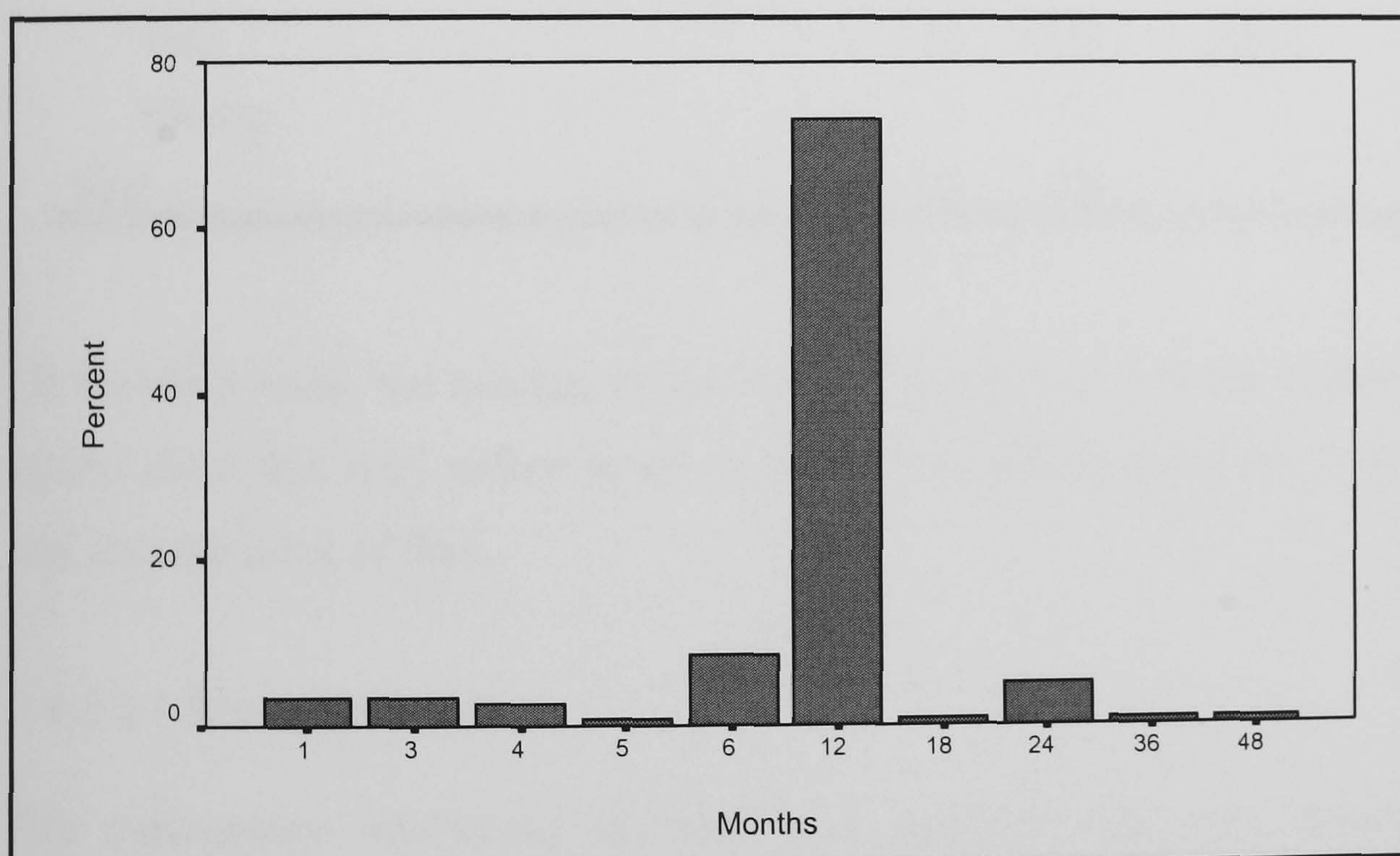
Topics of Negotiations	Not Covered	Covered
Limitations for other endorsements	10.1%	89.9%
Time period	1.6%	98.4%
Level of fees	-	100%
Basis of payment	1.6%	98.4%
Morality issues	46.5%	53.5%
Media coverage	11.6%	88.4%
Geographic area coverage	15.5%	84.5%

Even though most of the topics were reported to be widely discussed during the final negotiations, the morality issue was only brought up by little over half of the respondents. In addition to the topics in Table-6.20, the nature of work to be undertaken (10 respondents) and options for following years (1 respondent) were referred to as final negotiation topics.

6.4.2.5.1.1 time period

In order to determine what is the usual length of celebrity endorsement contracts, respondents were asked to write in the time period celebrity contracts last in their agencies. As Figure-6.2 pictures, the results indicate that the usual time period for celebrity contracts is twelve months. Descriptive statistics for the length of celebrity endorsement contracts are also located around one year (Appendix D, Table-20).

Figure-6.2 Length of celebrity endorsement contracts



Although contracts ranging from one month to forty-eight months are possible, it is clear from the figure that most contracts last between six months to two years.

6.4.2.5.1.2 payment

When agencies are negotiating types (basis) of payment, it was discovered from the exploratory interviews that there were three major alternatives; buyout, repeat fees and

mixture of these two. As Table-6.21 shows, well over the two-thirds of agency managers prefer buyout fees to other alternatives.

A further analysis to find out if this preference differed across the agency sizes revealed no statistically significant result. It is clear from the table that agency managers do not prefer to pay per advertisement. The reason for this may be that celebrities may realise how much exposure they will get and may increase their fees accordingly.

Table-6.21 Types of payment preferred by agencies

Types of payment	Freq.	%	Valid %	Cum. %
For the length of contract (Buyout)	90	68.7	70.9	70.9
Per advertisement (Repeat Fees)	1	.8	.8	71.7
Mixture of above two	30	22.9	23.6	95.3
Annual Fee	1	.8	.8	96.1
Varies	5	3.8	3.9	100.0
Total	127	96.9	100.0	
Missing	4	3.1		
Total	131	100		

On the other hand, the mixture of buyout and repeat fees was the second most preferred option since this may soften some of possible conflicts about the method of payment and also the level of fees.

6.4.2.5.1.3 representation

The exploratory interviews revealed that agencies had two choices in terms of representation from the celebrities. The first option, exclusive representation, restrains celebrities endorsing any other brand during the contract term, whereas the second option, flexible representation, only constrains celebrities endorsing competitive brands during the contract term. From Table-6.22, it is clear that majority of agency managers prefer the flexible representation.

Table-6.22 Kinds of representation preferred by agencies

Kinds of representation	Freq.	%	Valid %	Cum. %
Exclusive	47	35.9	36.4	36.4
Flexible	73	55.7	56.6	93.0
Varies	9	6.9	7.0	100.0
Sub-total	129	98.5	100.0	
Missing	2	1.5		
Total	131	100		

Further analysis to test whether this preference differed across the agency sizes suggested an approaching statistical difference (Appendix D, Table-21). Results indicate that small agencies are more likely to acquire flexible representation from celebrities than large agencies. One of the most likely reasons for this may be the lack of financial resources since exclusive contracts generally cost dearly.

6.4.2.5.1.4 morality

During the exploratory interviews most managers communicated that they have to be legally careful with celebrities and have to cover all possible outcomes. As a result, managers stated that they usually urged their clients to buy ‘Death and Disgrace’ insurance. Table-6.23 presents managers’ response to the issue.

Table-6.23 Urging clients to buy ‘Death and Disgrace’ insurance

	Frequency	Percent	Valid Percent	Cumulative Percent
Never	17	13.0	14.5	14.5
Rarely	11	8.4	9.4	23.9
Sometimes	25	19.1	21.4	45.3
Often	28	21.4	23.9	69.2
Always	36	27.5	30.8	100.0
Valid Total	117	89.3	100.0	
Missing	5	3.8		
Do not know	9	6.9		
Total	131	100.0		

As the table depicts, 14.5 percent of the respondents revealed that they never urge their clients to buy the insurance and furthermore, nine respondents admitted not knowing what this insurance was for (it was communicated by hand-written notes). On the other hand, most managers pointed out that they urge their clients to buy the insurance. In fact, the descriptive statistics are also in the same direction (Appendix D, Table-22).

In order to test whether urging clients to buy the insurance differed between small and large agencies, the independent T-test was used. As Table-6.24 shows, there is a difference between mean scores and this difference is significant at 0.041 level.

Table-6.24 T-test results of Urging clients to buy the insurance and Agency Size

Agency Size	N	Mean	Std. Deviation	Std. Error Mean	t value	Sig. (2-tailed)
Small	42	3.1	1.23	0.19	-2.01	0.04
Large	75	3.7	1.45	0.17		

Scores are obtained from a five-point Likert Scale in which 5=Always and 1=Never.

It is clear from the table that large agency managers are more likely to urge their clients to buy 'Death and Disgrace' insurance than their counter parts in small agencies.

As indicated earlier, when negotiating celebrity contracts all of the listed topics were usually covered, apart from the morality issues. To test if there was a difference of practice between managers reporting the coverage of morality issues in final negotiations and managers not reporting this coverage in urging client to buy 'Death and Disgrace' insurance, the independent T-test was run. As Table-6.25 depicts, managers indicating coverage of the morality issues in final negotiations are more likely to urge their clients to buy the insurance than managers reporting no coverage of morality issues.

The difference is statistically significant at level of 0.023. These two significant differences lead the researcher to investigate whether negotiating morality issues differed across agency sizes.

Table-6.25 T-test results of Morality Issues' coverage and Urging clients to buy 'Death and Disgrace' insurance

	N	Mean	Std. Deviation	Std. Error Mean	t value	Sig. (2-tailed)
Not Covered	55	3.2	1.3	0.18	-2.31	0.023
Covered	61	3.8	1.4	0.18		

Scores are obtained from a five-point Likert Scale in which 5=Always and 1=Never.

From Table-6.26, it is clear that large agency managers are more likely to discuss morality issues in final negotiations than small agency managers, but the difference is only significant at 0.088 level.

Table-6.26 Crosstabulation of Morality Issues' coverage and Agency size

		Agency Size			
		Small	Large	Total	
Morality issues	<i>Not Covered</i>	Count	27	33	60
		%	56	41	46.5
	<i>Covered</i>	Count	21	48	69
		%	43.8	59.3	53.5
	<i>Total</i>	Count	48	81	129
		%	100	100	100
		Asymp. Sig.			
		Value	df	(2-sided)	
Pearson Chi-Square		2.9	1.0	0.088	

0 cells (.0%) have expected count less than 5. The minimum expected count is 22.33.

The reason for small agencies not discussing morality issues as much as large agencies may be that the celebrities proposed by small agencies are most likely to be of low profile and the difference between re-shooting advertisements and the cost of buying insurance may be little.

6.4.2.5.1.5 media and geographic area coverage

Media and geographic area coverage issues were also widely negotiated during final negotiations. As discussed in the previous chapter, when a multi-media celebrity

campaign is planned in several parts of the world or even in the UK, each medium and area planned to be covered must be specifically negotiated.

6.4.3 Factors Considered While Selecting Celebrity Endorsers

As presented in Chapter Three, there have been a number of academic articles written and a few models developed regarding effective endorser characteristics. Scholars have mostly taken a deductive approach and manipulated several specific celebrity characteristics (e.g. attractiveness, trustworthiness, expertise) and generalised their findings from student samples (Caballero, et al. 1989; Debono and Hamish 1988; DeSarbo and Harshman 1985; Friedman and Friedman 1978; Kahle and Homer 1985; Kamins 1989; Misra and Beatty 1990; Natarajan and Chawla 1997; Ohanian 1990; Ohanian 1991; Till and Busler 1998). Although Miciak and Shanklin (1994) realized the need for a practitioner-based study and investigated factors considered in selecting celebrities, their sample included a very small number of advertisers and advertising agencies. In order to 'replicate' their study in the UK with a larger advertising agency sample, a measurement scale constructed from the literature review and exploratory interviews was included instead of using Miciak and Shanklin's (1994) scale though the two measurement scales have many common items.

As Table-6.27 depicts, celebrity-target audience, celebrity-brand match and overall image of the celebrity have scored very high on the five-point Likert scale of the important celebrity characteristics. This is in line with the academic findings by (Callcoat and Philips 1996; Friedman and Friedman 1978; Friedman and Friedman 1979; Kahle and Homer 1985; Kamins 1990; Kamins and Gupta 1994; Langmeyer and alker 1991a; 1991b; Misra and Beatty 1990; O'Mahony and Meenaghan 1997; Ohanian 1991) and arguments put forward by McCracken (1989).

Cost and likelihood of hiring the celebrity, celebrity trustworthiness, controversy risk, prior endorsements and celebrity popularity (familiarity and likeability) were indicated to be *important* factors considered by the respondents. Risk of celebrity overshadowing brands and the stage of celebrity life cycle were *somewhat important* when selecting celebrity endorsers for agency managers.

Table-6.27 Descriptive statistics for factors' importance

Factors	Mean	Median	Mode	Std. Dev.	Variance
Celebrity-target audience match	4.65	5.00	5	.66	.43
Celebrity-product/brand match	4.56	5.00	5	.69	.48
Overall image of the celebrity	4.55	5.00	5	.65	.42
Cost of acquiring the celebrity	4.34	4.00	4	.68	.46
Celebrity trustworthiness	4.28	4.00	4	.74	.55
The likelihood of acquiring the celebrity	4.17	4.00	4	.77	.60
Celebrity controversy risk	4.13	4.00	4	.86	.74
Celebrity familiarity	4.12	4.00	4	.79	.62
Celebrity prior endorsements	4.07	4.00	4	.78	.61
Celebrity likeability	4.02	4.00	4	.89	.79
Risk of celebrity overshadowing brands	3.91	4.00	4	1.00	1.00
The stage of celebrity life cycle	3.59	4.00	4	.96	.92
Celebrity expertise	3.32	3.00	3	.97	.94
Celebrity profession	3.10	3.00	3	.93	.87
Celebrity physical attractiveness	3.09	3.00	3	.80	.65
Celebrity EQUITY membership status	2.98	3.00	3	1.10	1.22
Whether celebrity is a brand user	2.63	3.00	3	.83	.69

Scores are obtained from a five-point Likert Scale in which 5=Very Important and 1=Very Unimportant.

Contradictory to the academic research (Baker and Churchill 1977; Chaiken 1979; Debevec and Kernan 1984; Friedman, et al. 1976; Petroschius and Crocker 1989; Petty and Cacioppo 1980; Petty and Cacioppo 1983; Speck, et al. 1988), celebrity expertise and physical attractiveness were communicated to be neither important nor unimportant along with celebrity profession. Lastly, celebrity Equity membership and whether celebrity is a brand user were considered to be *unimportant* when deciding on a celebrity endorser.

In order to identify underlying characteristics of celebrity endorsers that are considered by agency managers, the scale was subjected to exploratory factor analysis which reduced the number of factors from seventeen to five (Table-6.28).

Table-6.28 Factor Analysis of important celebrity endorser characteristics

Components	Individual Variables	Factor Loadings					
Congruence	Celebrity physical attractiveness	.77					
	Celebrity-target audience match	.73					
	Celebrity-product/brand match	.68					
	The stage of celebrity life cycle	.64					
Credibility	Celebrity controversy risk	.86					
	Celebrity prior endorsements	.76					
	Celebrity trustworthiness	.74					
Profession	Whether celebrity is a brand user	.75					
	Celebrity profession	.73					
	Celebrity EQUITY membership status	.63					
	Celebrity expertise	.56					
	Risk of celebrity overshadowing brands	.54					
Popularity	Celebrity familiarity	.87					
	Celebrity likeability	.85					
Obtainability	Cost of acquiring the celebrity	.83					
	The likelihood of acquiring the celebrity	.82					
		Eigenvalues	4.8	1.7	1.5	1.3	1.1
Variance explained	65%						
KMO Test:	0.76						
Bartlett Test	$X^2 : 623, \text{Sig.: } 0.001$						

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalisation.

As the table indicates, all statistics support the use of factor analysis. KMO test is at the high end of the scale assuring that sampling is adequate. The Chi-square score of Bartlett's test of sphericity is quite high with very high level of significance.

These five components account for 65% of the total variance and they are named as follows;

- Congruence
- Credibility
- Profession
- Popularity
- Obtainability

In other words, when agencies decide upon a celebrity, the following five questions are asked: Does the celebrity have congruent associations with the product and the target audience; Is the celebrity credible; What profession is the celebrity in; Is he or she popular; and, last but not least can we afford him or her?

In line with the academic literature, during the interviews managers argued that the importance of celebrity characteristics would vary according to products. Therefore, the interaction between the product type and five specific celebrity characteristics deemed important by managers when selecting a celebrity for a particular product, was investigated with Hypothesis Ten.

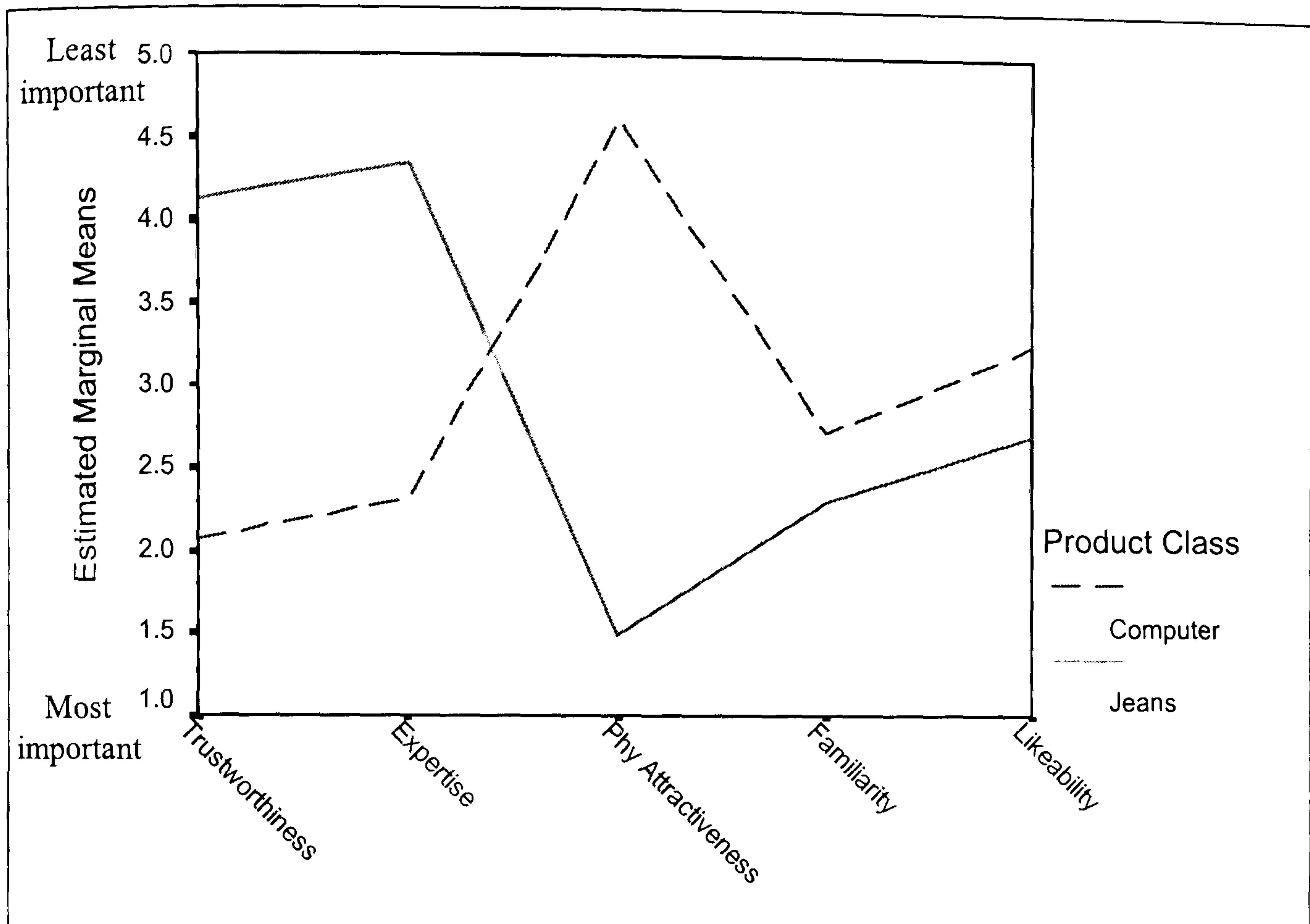
H₁₀ There is an interaction between the product type and the celebrity characteristics deemed important by managers when selecting a celebrity for a particular product.

In order to test Hypothesis Ten, the data was subjected to Repeated Measures Analysis of Variance⁸ with two factors, celebrity characteristics (5 levels) and product types (2 levels). The results revealed a significant interaction ($F=250$; $df=3.16, 500$; $P < 0.001$). Thus, the hypothesis is *accepted*. In other words, when agency managers were asked to weight the importance of celebrity characteristics, their responses differed according to product types (Appendix D, Table-23).

⁸ The Repeated Measures ANOVA technique is a specific test used when the same measure is taken several times on a subject or respondent (Hair et al. 1995).

As you can see in Figure-6.3, for a computer brand celebrity credibility factors (trustworthiness and expertness) were weighted more important than celebrity attractiveness factors.

Figure-6.3 Importance of celebrity characteristics according to product types



When the product was jeans, managers rated celebrity attractiveness factors more important than celebrity credibility factors. More specifically, celebrity physical attractiveness was indicated be the most important factor for a jeans brand which was followed by celebrity familiarity and likeability.

Interestingly, there was very little difference in celebrity popularity (familiarity and likeability) factors importance for both product categories which leads to the conclusion that celebrity popularity is an important variable in selecting celebrities regardless of product category.

6.5 EXECUTING CELEBRITY CAMPAIGNS

In this last discursive section of the chapter, issues related to the execution of celebrity campaigns are explored. The first part investigates media usage frequency with campaigns involving celebrity endorsers. In the second part, managers' opinions on using celebrity endorsers in integrated campaigns is examined. Then, managers' opinion regarding transferring celebrity campaigns to other countries is explored in part three. Lastly, under what circumstances managers are more likely to utilise more than one celebrity for a particular campaign is examined.

6.5.1 Media Usage

The exploratory interviews revealed that television was the main medium for celebrity campaigns although agencies used celebrities across all types of media. Results from the mail survey also confirm that television is the most frequently used medium for celebrity campaigns (Table-6.29).

Table-6.29 Descriptive statistics for media usage

	Mean	Median	Mode	Std. Dev.	Variance
Television	3.35	3.00	3	1.04	1.07
Radio	3.24	3.00	3	.83	.68
Product Launches	3.18	3.00	3	.87	.76
Magazines	2.92	3.00	3	.87	.75
Cinema	2.90	3.00	3	.96	.92
Newspaper	2.84	3.00	3	.90	.82
Outdoor/Transport	2.71	3.00	3	.87	.75
P-O-P Materials	2.67	3.00	3	.91	.84
Direct Mail	2.61	3.00	3	.99	.98
Pamphlets	2.47	2.00	2	.89	.79
Internet	1.87	2.00	2	.83	.69

Scores are obtained from a five-point Likert Scale in which 5=Always and 1=Never.

Radio is the second most frequently used medium, which was followed by product launching appearances. The reason for this unexpected result could be that when a

celebrity contract includes television advertisements, related events such as product launching appearances may be automatically built in the contract. In addition to the usage types provided in the table, using celebrities in PR appearances (three respondents) and inviting celebrities to sales force meetings as speakers (two respondents) were also given as other forms of celebrity usage.

At first results may seem to confirm what managers communicated during the exploratory interviews, press does not bring personalities to life, since magazine and newspaper did not score well in terms of media usage frequency. But, a closer investigation reveals that the difference between media types very little. Thus, the independent sample T-test was used to investigate whether media usage frequency differed between small and large agencies. Table-6.30 presents the results which are statistically significantly. As can be seen from the table, large agencies use television and cinema more often with celebrity campaigns than small agencies. On the other hand, small agencies use direct mail and pamphlets more often with campaigns involving celebrities than large agencies. An obvious explanation for these differences is that there might very well be a positive correlation between agency size and celebrity campaign budgets as television and cinema advertisements require reasonably large budgets whereas direct mail and pamphlets demand comparatively low promotional budgets.

Table-6.30 Significant T-test results of Media Usage frequency and Agency Size

Media	Agency Size	Mean	Std. Deviation	Std. Error Mean	t value	Sig. (2-tailed)
<i>Television</i>	Small	3.05	1.13	0.17	-2.46	0.015
	Large	3.52	0.95	0.11		
<i>Cinema</i>	Small	2.51	1.07	0.17	-2.95	0.005
	Large	3.09	0.84	0.10		
<i>Direct Mail</i>	Small	2.98	0.91	0.14	3.19	0.002
	Large	2.39	0.98	0.12		
<i>Pamphlets</i>	Small	2.71	0.87	0.14	2.15	0.034
	Large	2.34	0.88	0.10		

Scores are obtained from a five-point Likert Scale in which 5=Always and 1=Never.

The Pearson's Correlation test was run to determine if any possible positive correlation among media types used with celebrity campaigns existed. Results indicated a range of highly significant positive correlations. Two highly correlated groups were as follows: (1) television, radio, cinema, and product launching appearances; (2) magazine, newspaper, outdoor/transport, direct mail, P-O-P materials, and pamphlets (Appendix D, Table-24).

Exploratory factor analysis confirms these two highly correlated groups. The findings presented in Table-6.31 also indicate two components accounting for 57% of the total explained variance from the eleven-item list. The reason for a marginally acceptable level of the total explained variance may be explained by using celebrities in PR appearances and sales force meetings which were not included in the measurement, but suggested by the respondents.

Table-6.31 Factor Analysis of media usage with celebrity campaigns

Components	Individual Variables	Factor Loadings	
Print Media	Newspapers	.84	
	P-O-P Materials	.81	
	Pamphlets	.80	
	Magazines	.79	
	Direct Mail	.74	
	Outdoor/Transport	.67	
Audio-visual Media	Television		.86
	Cinema		.84
	Product Launches		.57
	Internet		.54
	Radio		.53
	Eigenvalues	4.9	1.4
Variance explained	57%		
KMO Test	0.83		
Bartlett Test	$X^2 : 486, \text{Sig.: } 0.001$		

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.

The first component is named as the *print media* in which less well-know celebrities were said to be utilised during the exploratory interviews. The second one is named as

the *audio-visual media*, including TV, Cinema and Product launching appearances. The reason for not classifying these two components as below the line and above the line media is that the measurement scale not only included media types, but also other marketing communications elements (e.g. product launches).

6.5.2 Utilising Celebrities in Integrated Campaigns

The continuing move towards integrating marketing communication activities was highlighted in Chapter Two. In Chapter Five, advertising agency managers' opinion on using celebrities in integrated campaigns was explored in which it was indicated that integrated celebrity campaigns could be of enormous value if agencies can persuade celebrities.

Results confirm the findings of the exploratory interviews in that over forty-five percent of the respondents believed utilising celebrities in integrated campaigns was *effective* and moreover thirteen percent indicated that it was *very effective* (Table-6.32). On average, respondents indicated that integrated celebrity campaigns are *effective* (Appendix D, Table-25).

Table-6.32 Managers' opinion of the effectiveness of utilising CE in IMC campaigns

Utilising CE in IMC campaigns	Freq.	%	Valid %	Cum. %
Not at all Effective	2	1.5	1.6	1.6
Less Effective	7	5.3	5.4	7.0
Neither/Nor In/Effective	44	33.6	34.1	41.1
Effective	59	45.0	45.7	86.8
Very Effective	17	13.0	13.2	100.0
Valid Total	129	98.5	100.0	
Missing	2	1.5		
Total	131	100		

Interestingly, cross-tabulation of the data revealed that the two responses in the 'Not at all Effective' category were given by CEOs of small agencies. The reason for this may

be that these two small agency CEO's might have felt threatened by the growing support for IMC which led large agencies to acquire small and specialised agencies in order to respond to the changes in the industry and broaden their agency umbrella.

Further investigations to assess whether managers' opinion of effectiveness of integrated celebrity campaigns differed across *agency sizes*, *work experience*, and *the number of celebrity campaigns involved*, revealed no significant results. On the other hand, one-way analysis of variance (ANOVA⁹) test results revealed a significant difference of opinion at the level of 0.021 across *positions occupied* by respondents (Appendix D, Table-26). As can be seen in Table-6.33, on average account handlers', planners' and producers' opinions of using celebrities in integrated campaigns as an effective strategy is much stronger than CEO/MD/Chairman and creatives.

Table-6.33 ANOVA results of managers' opinion of integrated celebrity campaigns

Positions	N	Mean	Std. Dev.	Std. Error	95% Conf. Int. for Mean	
					Lower Bound	Upper Bound
CEO/MD/Chairman	20	3.25	1.07	.24	2.75	3.75
Creatives	18	3.28	.89	.21	2.83	3.72
Account Handlers	81	3.77	.73	.08	3.60	3.93
Planners	4	4.00	.82	.41	2.70	5.30
Producers	6	4.00	.63	.26	3.34	4.66
Total	129	3.64	.84	.07	3.49	3.78

This finding is very interesting in that most scholars indicate that the drive for integrated marketing communication campaigns must come from the top management.

Although using celebrities in integrated marketing communication campaigns was reported to be effective during the exploratory interviews, it was communicated that

⁹ One-way ANOVA test is used to test whether several independent groups coming from a population have different means. In other words, the null hypothesis tested by one-way ANOVA is that groups have equal means (Diamantopoulos and Schlegelmilch 1997).

some celebrities are reluctant to sign such deals for several reasons explored in the previous chapter. As a follow-up to this, respondents were asked to give the percent of celebrities reluctant to become involved in integrated campaigns, and celebrities' reasons for not wanting to be involved with integrated campaigns. Managers, on average, indicated that little less than one-third of celebrities were reluctant to be involved in integrated campaigns (Appendix D, Table-27). Managers' responses varied from 0-10 percent to 80-90 percent. A manager even circled 90-100 percent, but it was treated as an *Outlier* in calculating statistics.

When it comes to the celebrities' reasons, the most frequently given reason was the fear of overexposure (Table-6.34). The danger of being closely associated with a product and extensive time requirements were two of the other most frequently indicated reasons. The difference in the fee levels that celebrities charge for being involved in integrated campaigns and traditional campaigns may be very little and as a result, celebrities would not want to commit themselves for an insignificant difference in the fee levels.

Table-6.34 Factors affecting CE reluctance to be involved in IMC campaigns

Factors	Frequency	Percent
Overexposure	47	35.9
Danger of close association	37	28.3
Time requirements	33	25.2
Money	32	24.4
Being uncomfortable with below the line media	27	20.1
Type of product	25	19.1
Personal/religious/moral reasons	21	16
Prior contracts forbidding	9	6.9
Creative standard of the advertising	7	5.3
Stage in Career	1	0.8

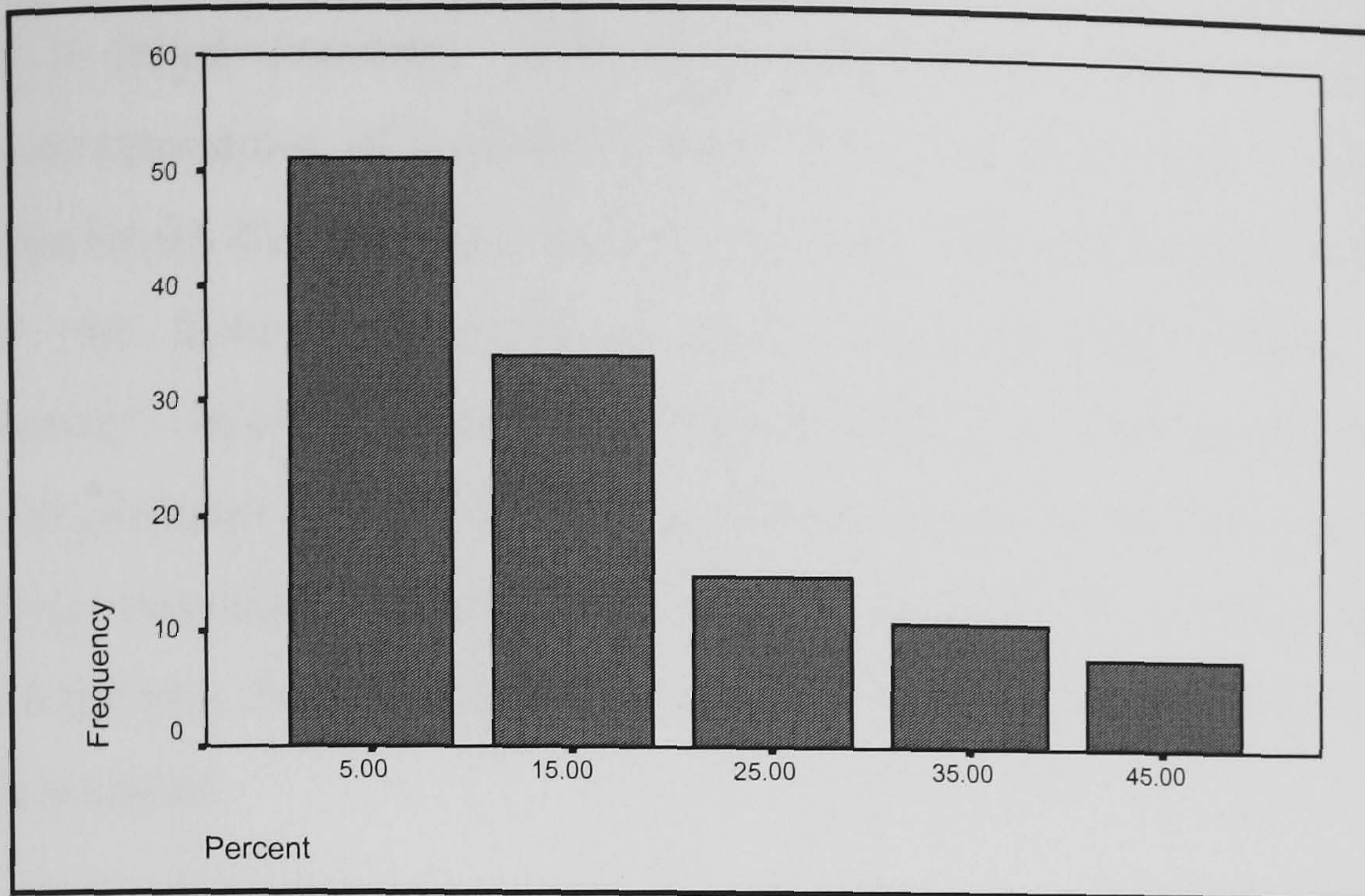
Being uncomfortable with the below the line media was the fifth most frequently given reason. As touched on earlier, below the line media does not bring personalities to life, but on the other hand their potential 'reach' can be quite disturbing for celebrities most of whom try to maintain a consistent image. Two other possible reasons are; simply celebrities do not want to be associated with the product which may be inconsistent with their image and/or they do not approve the product due to personal, religious and/or moral reasons. Prior contracts forbidding, finding the creative standards of campaigns not up to their satisfaction, and the career stage celebrities are in were also given as celebrities' reasons for not wishing to be involved in integrated campaigns.

In sum when a celebrity campaign is being planned and negotiated, agency managers try to utilise celebrities in every appropriate medium available to deliver consistent messages, at the same time celebrities act in a similar fashion to protect their images by not wishing to get involved in integrated campaigns. In other words, there appears to be a paradox in bringing together parties with different interests to realise benefits from integrated campaigns.

6.5.3 International Transferability of Celebrity Campaigns

It became very clear after the exploratory interviews that there were a range of factors influencing a celebrity campaign's international transferability and as a result only a small number of campaigns could be run internationally. In order to approximate the percent of celebrity campaigns that are internationally transferable, managers were asked to give their opinion. Managers, on average, thought only 16 percent of celebrity campaigns were internationally transferable (Appendix D, Table-28). Although eight managers pointed that as much as 45% of the celebrity campaigns were internationally transferable, the majority of the respondents indicated a very small percentages (Figure-6.4).

Figure-6.4 Percent of campaigns involving CE internationally transferable



When it comes to the factors affecting international transferability, mail survey findings confirm the ones from the exploratory interviews, which revealed that celebrity campaigns are as transferable as the celebrities' fame world-wide (Table-6.35). This expected finding further emphasizes the need to make sure that celebrities must be at least known (if not well-known) in countries where celebrity campaigns are planned to be transferred. Otherwise, it would make little sense to transfer a celebrity campaign due to the fact that none of the reasons for the celebrity usage exists.

Table-6.35 Factors influencing International transferability of celebrity campaigns

Factors	Frequency	Percent
International scope of CE recognition	105	80.2
Extent of CE likeability in the Int'l arena	23	17.6
International scope of the brand	17	13.0
Nature of CE work	13	10.0
Language	12	9.2
Cultural differences	10	7.6
CE Values	8	6.1
The ad script (Humour/Fact)	8	6.1
Campaign budget	6	4.6

The second most frequently mentioned reason was the extent to which celebrities were liked in target countries. This factor adds another dimension to the requirements because recognition of a celebrity is not seen to be enough for a celebrity campaign to be transferred, but the target audience in those countries should also like them. When these two factors are combined, they constitute what scholars called 'celebrity popularity'. In other words, for a celebrity campaign to be successfully transferred, the first requirement is that the celebrity should be popular in those countries in which the celebrity campaign is planned to be run. The Pepsi Co.'s usage of globally popular celebrities (e.g. Janet Jackson, the Spice Girls, Michael Jackson, Madonna) is one of the best examples.

The international scope of the brand subject to the campaign was the third most frequently given factor. As presented in the previous chapter, the more a brand is international/global, the easier it is to transfer campaigns for the brand since depicting an international celebrity in a campaign for an internationally unknown brand would increase the likelihood of celebrity overshadowing the brand.

The nature of celebrity's work was also considered to be an important factor. This factor was also put forward during the exploratory interviews in which managers argued that celebrities in world sports (e.g. football, basketball, car racing and athletics), pop stars, supermodels as well as some television stars (e.g. the cast of Friends, and Seinfeld) are easily transferable.

Two of the other factors given as important were language and cultural differences. Since these differences are unavoidable, international celebrity campaigns were argued to be about pure endorsement rather than humour or indigenous intimacy during the exploratory interviews. Unexpectedly, only eight respondents mentioned what celebrities stand for as an important factor. One explanation for this can be that the reason for most international celebrity campaigns is to cut the media clutter along with financial reasons rather than transferring celebrity value to brands or building credibility into brands.

Two other factors indicated to influence international transferability were the advertising script and the campaign budget. As discussed in the previous chapter, in order to execute celebrity campaigns internationally, these campaigns must be developed keeping global objectives in mind with a sufficient campaign budget.

6.5.4 Using More than One Celebrity for a Particular Campaign

The issue of when to use more than one celebrity for a campaign emerged during interviews. It was communicated that using multiple celebrities depended on several factors which were discussed in the previous chapter. As a follow up to this issue, respondents were asked to write in the circumstances in which they would utilise more than one celebrity for a particular campaign. As Table-6.36 indicates over one-third of the respondents argued that it would depend on the creative concept. This response is rather unspecific, but in the researcher's opinion what the respondents tried to communicate again was that campaign objectives determine whether to utilise a single celebrity or multiple celebrities.

Table-6.36 Circumstances of using more than one CE

Circumstances	Frequency	Percent
When the creative concept requires	47	35.9
If celebrities are partners	36	27.5
To appeal to wider target audience	33	25.2
If the budget is big enough	18	13.7
Never	16	12.2

The second most frequently brought up circumstance was that whether the celebrities were partners. As was discussed in the previous chapter, managers realise that there are different segments in the target audience which relate to brands differently. Aiming to appeal to these different segments in the target audience was given by a quarter of the respondents as another situation when more than one celebrity would be utilised. Although this would allow covering a range of segments in the target audience, managers must make sure that each celebrity's values reflects core brand values. Moreover, the cost benefit analysis of using more than one celebrity and a single

celebrity should be determined as celebrities usually come with high price tags. Indeed, having a large enough campaign budget was communicated to be another circumstance for considering more than one celebrity usage.

On the contrary, one-eighth of the respondents asserted that they would never use more than one celebrity for a particular campaign. Their response is in line with one of the managers interviewed who argued that celebrities act as a mouthpiece for brands. Because of their associations, they can drastically change how brands are perceived. When more than one celebrity is utilised, there is a danger of confusing consumers about the brand.

6.6 CONCLUSION

This chapter explored findings from the mail survey and tested research hypotheses. As can be seen in Table-6.37, all hypotheses dealing with the flow of the pre-understanding model were accepted. The rejected hypotheses involved participating teams in particular steps of the model.

Rejecting these four hypotheses does not simply mean that these pre-assumed team members do not participate in these steps, but they share their roles with other agency teams which strengthens the point made earlier that depending on the nature of the campaign and agency structure, an agency team may assume a specific role or a number of roles. In sum, the mail survey findings support the exploratory interview findings regarding the flow of the pre-understanding model, but not the teams involved in each step of the model which varied according to the agency size.

As indicated earlier in this chapter, confirming/revising/rejecting the pre-understanding model was left to the next chapter. Thus, in the next chapter findings from both stages of the fieldwork are integrated and the final understanding of the process by which advertising agencies select celebrity endorsers is presented and explored in detail.

Table-6.37 Summary results of hypothesis tests

No	Description	Decision
H ₁	LAA are more likely to use celebrities in campaigns than SAA	accepted
H ₂	Both SAA and LAA managers believe that selecting celebrity endorsers is a process	<i>rejected</i>
H ₃	Managers in SAA and LAA select celebrity endorsers according to campaign ideas	accepted
H ₄	Both SAA and LAA managers believe that creative team members are the initiators of the process	accepted
H ₅	Managers in SAA and LAA believe that account team members steer the process	<i>rejected</i>
H ₆	SAA and LAA managers investigate a celebrity endorser before initially contacting that celebrity	accepted
H ₇	SAA and LAA managers contact proposed celebrities before presenting the campaign proposal to the client	accepted
H ₈	Managers in SAA and LAA believe that production team members initially contact celebrities	<i>rejected</i>
H _{9a}	SAA and LAA managers believe that account team members are present at the final stage of negotiations with celebrities	<i>rejected</i>
H _{9b}	SAA and LAA managers believe that production team members are present at the final stage of negotiations with celebrities	<i>rejected</i>
H ₁₀	There is an interaction between the product type and the celebrity characteristics deemed important by managers when selecting a celebrity for a particular product.	accepted

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Chapter Seven

A Practitioner-based Model of Selecting Celebrity Endorsers

CHAPTER SEVEN: A PRACTITIONER-BASED MODEL OF SELECTING CELEBRITY ENDORSERS

7.1 INTRODUCTION

The previous two chapters have presented findings from the fieldwork stages. This chapter is the heart of the thesis in which the literature and findings from exploratory interviews and mail survey are brought together.

As presented in Chapter Five, selecting celebrity endorsers is not a haphazard event, but rather a process, which has not been formally structured and articulated. In this chapter, a revised version of the pre-understanding model is depicted and then, the model is explored in detail.

The following chapter will conclude the thesis, present its implications for academics and practitioners, discuss limitations of the study, and suggest further research avenues.

7.2 RE-CONSTRUCTION OF THE MODEL

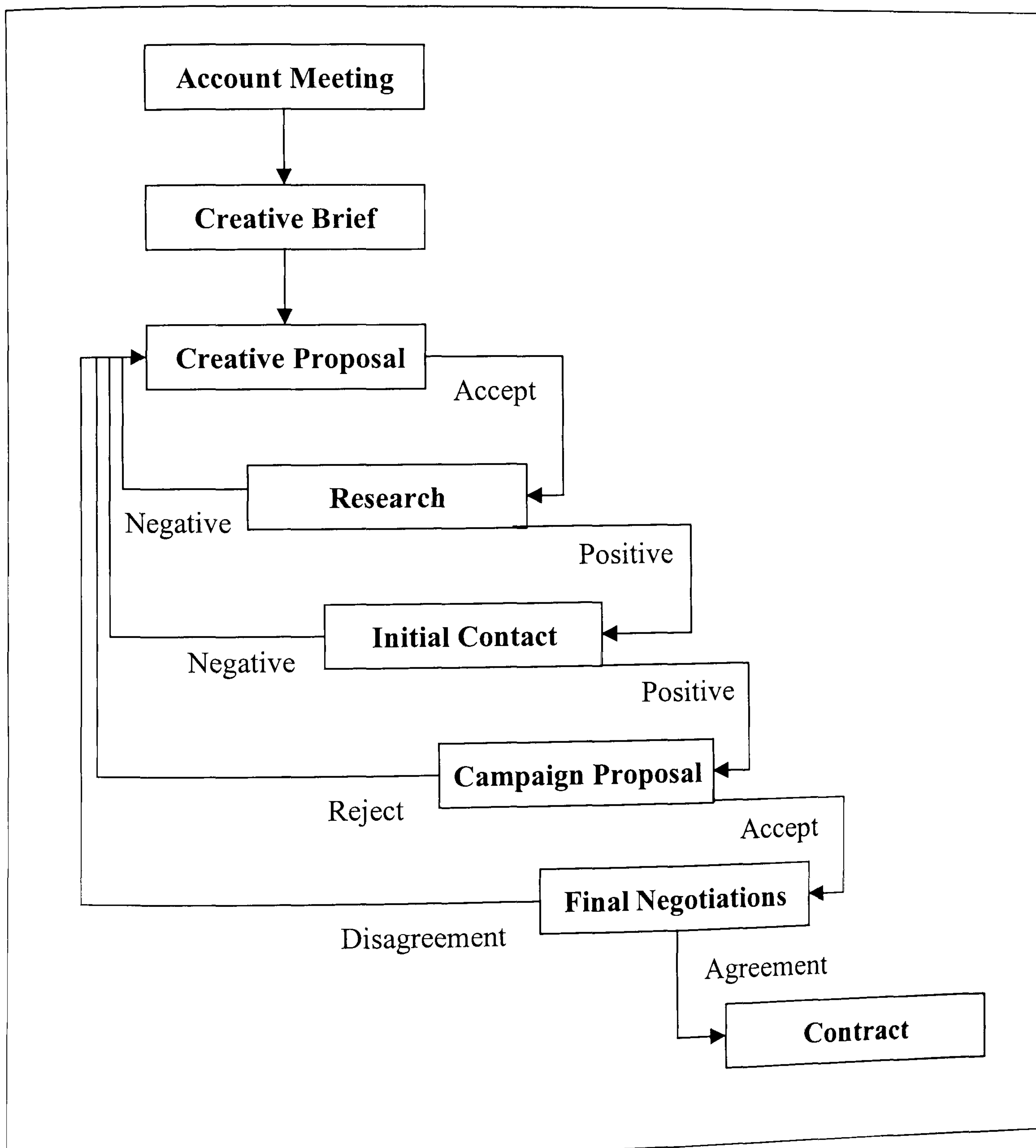
Contrary to findings from the exploratory interviews, the mail survey findings indicated that only around twenty percent of managers believed that there often or always was a set procedure or process in selecting celebrity endorsers. The reason for this, as given in the previous two chapters, may be that the process is informal and/or unwritten. Hence, there is a need for a formalised and written process for selecting celebrity endorsers so that agency managers can have a 'path map' to follow when developing celebrity campaigns.

Although the mail survey findings confirm the steps of the pre-understanding model regardless of agency size, they contradict the findings from the exploratory interviews in terms of who assumes which role in the steps of the process. Therefore, there is a need to revise the pre-understanding model without indicating the participants to represent

both small and large agencies' practices. Furthermore, during prior dissemination of the findings at academic conferences, several audience members suggested that the format of the pre-understanding model was complex and it needed to be presented in a much clearer format for easier comprehension.

The revised model presented in Figure-7.1 is the same as the one depicted in Chapter Five in terms of the flow of the steps, but it is presented in a step-wise format without indicating who is involved at each stage in the process of selecting celebrity endorsers.

Figure-7.1 A Practitioner-based Model of Selecting Celebrity Endorsers



This model reflects a normative theory and represents a major contribution of this thesis to the literature. It is hoped that given such a normative model deepens the researchers' understanding of the practice and its effective management will be enhanced in much the same way that the process of new product development process has been improved since Booz, Allen and Hamilton (1982) first proposed their normative model. Indeed, the model satisfies the first requirement of theory building in that it captures tacit knowledge and makes it explicit.

In Chapter Five, it was noted that a number of agency teams participate in the process and six distinct roles, *initiators, deciders, influencers, buyers, providers, and gatekeepers*, were identified following the categories identified by Webster and Wind (1972). Consistent with the arguments in the same chapter, it became clear that the number and identity of the participants who fulfil these six roles varied according to the agency size after testing the hypotheses regarding the roles of participants in Chapter Six. Instead of examining the roles of participants under a sub-heading, this issue will be resolved when exploring each step by making a distinction between small and large agencies in the next section.

7.3 EXPLORING THE PROCESS

Selecting celebrity endorsers reflects a set of activities engaged in by various members of advertising agencies. In the following parts, these activities (steps) are identified in detail. It should be noted that subsequent discussions treat advertising agencies as conventional full-service rather than specialist (i.e. creative, media) and reflect the situation in which the client is satisfied with its current agency's services and does not want to change it.

7.3.1 Account Meeting

As noted in Chapter Five, at this stage, a client delegates the task of developing a new campaign to its agency by inviting its representatives for a meeting. In this meeting a range of issues are discussed and resolved between the client representatives (Marketing Manager and/or Brand Manager) and account and planning team members from the agency. The number and variety of the participants depends on the perceived

importance of the campaign, budget, the importance of the account, size and the structure of the agency. Issues covered in this meeting include objectives of the current campaign, target audience characteristics, the available budget and the like.

7.3.2 Creative Brief

After the account meeting, account and planning teams brief the creatives (copy writer and art director) about the outcomes of this meeting. In this brief, account handlers mainly transfer what the client is aiming to achieve with this campaign and planners introduce consumers and their attitudes into the advertising development process (Crosier 1999). This brief is the end of the strategic process and also the beginning of the creative development (Robertson 1997). According to Duckworth (1997), there are two key properties of an effective brief. The first one is directional giving guidance to the creative team. The second one is inspirational providing the creative team with ‘a springboard, a jumping-off point for originating the campaign idea’. During the briefing process, account handlers and planners are asked to provide a written summary (brief) which may include:

- *why* is the client advertising, what are the objectives, what is the role of advertising?
- *who* is the advertising aiming to influence?
- *what* does the client wish to communicate about the brand?
- *why* does the target audience should believe the message?
- *how* does the client wish to communicate the message?
- *what* might the target audience think after receiving the message?
- *what* is it legally permitted to convey about the brand?

The way the creative brief is organised depends on how an agency believes advertising works and some of the topics mentioned above might not be included in every agency brief (Robertson 1997). Although it is rare, while this briefing is taking place a celebrity usage might be suggested which might have been prompted by either the client, account and/or planning team members.

7.3.3 Creative Proposal

After receiving the creative brief, creative team members start developing the advertising copy. Sellers (1999) argues that before beginning any creative work, creatives make sure they fully understand what the brand stands for, the campaign objective, and target audience characteristics.

When the copy necessitates a person to deliver the message, the question arise of which personality type (e.g. typical consumers, experts, celebrities) should be used. In some cases, a celebrity endorser usage might be a solution for this question. Indeed, the mail survey findings showed that it was the case for twenty percent of the campaigns in the UK.

As both exploratory interview and mail survey findings indicated, creatives often select a celebrity or celebrities according to the stated campaign objectives. In deciding which celebrity to utilise a range of criteria is considered by the creatives. As discussed in the previous chapter (Section 6.4.3), five underlying characteristics of celebrities are considered carefully; congruence with the brand and the target audience, perceived credibility, his or her profession, popularity and affordability.

After having developed a draft copy, creatives call for a meeting and present it to account handlers and planners. During this meeting, these three main agency teams discuss whether the idea can achieve the campaign objective. If the outcome of this meeting is positive, the idea is forwarded to the team handling research inquiries.

7.3.4 Research

Although during the interviews managers indicated that research teams undertake research inquiries, from the mail survey findings it became clear that not all agencies had separate research teams. In fact, in small agencies account handlers generally indicated to assume this role whereas in large agencies it was shared between planners and researchers unless it was commissioned to an external research agency.

The type of research is mostly qualitative. The highest mean score among eight choices was achieved by the focus group technique, the effectiveness of which has been

questioned in the literature. It was followed by desk and peer opinion research. Telephone interviews and mail surveys were undertaken rarely. The nature of research includes such topics as how popular the proposed celebrity is, and how effectively he or she can communicate the message to the target audience, the celebrity's prior endorsements and potential risks of getting into trouble, as well as whether meanings associated with the celebrity are suitable for the brand. Of course, the depth of research depends on several factors such as the celebrity history, size of the account, and time limits.

The time of undertaking research was tested with a hypothesis, which implied that agencies investigate the celebrity before initially contacting him or her. Test results upheld the hypothesis. When the results of research efforts are positive, the next step in the process is the initial contact with the celebrity.

7.3.5 Initial Contact

This contact is handled in large agencies by producers whose function according to Crosier (1999), is to convert the creative copy to what the audience sees or hears. On the other hand, it is generally left to account handlers in small agencies that do not always have separate production teams.

The reason for this contact is that agencies want to establish whether the proposed celebrity might be available for the endorsement within the budgetary constraints. In a way, this contact provides a safety net for the agency when proposing a celebrity campaign because if the client likes the idea and the proposed celebrity is not interested in endorsing the brand, not available during the campaign period, or charges extraordinary fees, the agency could be embarrassed. Therefore, most agencies contact the proposed celebrity before proposing the campaign to the client to avoid undesired outcomes.

7.3.6 Campaign Proposal

After making sure the celebrity is available for endorsing a brand with a reasonable fee level, the next step in the process is the campaign proposal. Three main agency teams,

account, creative and planning (media and account), usually undertake the presentation of the campaign proposal to the client together in which managers holding positions such as marketing manager and/or brand manager generally participate. Of course, when the proposed campaign involves considerable amounts, advertising and client agency chief executives also participate in the campaign proposal stage.

If clients accept the proposed campaign involving celebrities, the next step in the process is the final negotiations.

7.3.7 Final Negotiations

The participants of this stage include but are not restricted to account handlers, producers, creatives and legal advisors from the agency; marketing directors or managers from the client; and, celebrity agents or personal assistants on behalf of the celebrity. A range of topics are negotiated thoroughly such as limitations for other endorsements, the time frame of the campaign, the level and basis of payment, morality issues, media and geographic area coverage. As these topics were explored in detail in the preceding chapter (Part 6.4.2.5), they are not discussed here for the sake of avoiding redundancy.

7.3.8 Contract

When the negotiations result in an agreement, the last stage in the process of selection is preparing the contract and subsequently signing it. It is crucially important to put every single detail negotiated in writing since people change and relationships can sour. For instance, when the celebrity gets into public controversy, the most likely consequence is the termination of the endorsement relationship. If the morality issues are not specified in the contract, the agency may be in trouble. Another hypothetical example is that the campaign is a success and the client wants to extend the campaign for another term that is not specified in the contract, then the power can easily shift to the celebrity side which in turn may ask astronomical figures.

Of course, if anything goes wrong during the process such as research or initial contact results coming negative, the celebrity being unavailable, the client not liking the idea or

being unable to reach a consensus in final negotiations, regardless of what is decided (e.g. searching for another celebrity or totally disregarding the idea), the process of advertising development will re-start from stage three. Furthermore, the number and identity of the participants assuming the roles in the process may vary from agency to agency and from campaign to campaign. A team may independently assume a number of roles (account handlers in small agencies); in other cases, a single role may be performed by two or more teams (planners and researchers investigating celebrities in large agencies). In still other cases, some of the roles in the process may not be required.

The length of the process depends on the nature of the task at hand. Thus, in the following section three different celebrity selection situations (classes) are discussed by following the lead of Robinson et al. (1967).

7.4 CELEBRITY ENDORSERS SELECTION CLASSES

As noted in Chapter Five, selecting celebrity endorsers is an organisational decision process. Robinson et al (1967) categorised the organisational buying process into three different buying situations, new buy, modified re-buy, and straight re-buy. These influence the process and its participants. Similarly, the celebrity selection process presented above can be also classified into three different classes, new celebrity selection, modified celebrity selection, and straight celebrity re-selection.

The new celebrity selection situation involves deciding upon a celebrity who has not previously endorsed the brand. In this situation, the full process takes place and all participants are likely to be involved since there is a need to resolve a number of issues such as compatibility of the celebrity meanings and the brand, the celebrity's prior and current endorsements, the level of fees charged and the like.

The second category is the modified celebrity selection. In this category, the celebrity has endorsed the brand and the campaign is considered successful. Therefore, a new campaign with the celebrity is desired. As a result, at least two stages (namely research and initial contact) of the process can be skipped.

The straight celebrity selection situations involve the cases when the agency and the client just want to run the existing campaign for another term. Thus, the only two steps in the process which may take place are the account meeting and the contract steps.

7.5 SUMMARY

This chapter integrated findings from the both stages of the fieldwork and introduced the final version of the celebrity selecting process model. It is clear that selecting celebrity endorsers involves a multistage decision process rather than an impulsive action with decisions at each stage almost always affected by members of agencies. Three celebrity selection classes depending on the campaign situation at hand were explored.

In the following chapter, the thesis is concluded, its implications and limitations are discussed, and further research avenues are suggested.

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Chapter Eight

Conclusions, Implications, Limitations and Further Research Avenues

CHAPTER EIGHT: CONCLUSIONS, IMPLICATIONS, LIMITATIONS AND FURTHER RESEARCH AVENUES

8.1 INTRODUCTION

The previous chapter integrated the findings from the two stages of fieldwork and presented a final version of the model by which practitioners select celebrity endorsers in the UK. In this last chapter of the thesis, the research findings and objectives are first compared. Next, implications of the findings for academics and practitioners are discussed. Then, limitations of the study caused by time, access, and financial constraints are revealed. Finally, future research opportunities in the area are suggested.

8.2 RESEARCH FINDINGS VERSUS OBJECTIVES

As indicated in Chapter One, the research specifically aimed to achieve three objectives. In this section, each objective is compared with the study findings without giving detailed explanations to avoid redundancy.

The first objective of the study was to identify and analyse the process by which celebrity endorsers are selected by advertising agency practitioners in the UK. This objective was achieved by exploratory interviews. It was presumed that identifying the process by which celebrities are selected necessitated investigating; *why* agencies use celebrities; *who* is involved in the process; *how* the process flows; and, *how* agencies execute celebrity campaigns. Thus, these topics were incorporated in an interview schedule. The exploratory findings led to the conclusion that there was an informal and unwritten process of selecting celebrity endorsers in which a number of agency teams play a part. Subsequently, a pre-understanding model of selecting celebrity endorsers was depicted in Figure-5.1.

In order to accomplish the second research objective, exploring factors affecting the selection of celebrity endorsers in the UK, the literature was thoroughly reviewed and

related questions were included in the interview schedule. Afterwards, a seventeen-item measurement scale developed from the literature and interview findings was incorporated in the second stage of the fieldwork. As presented in Chapter Six, there is a range of criteria considered in deciding which celebrity to employ. Furthermore, a five-item scale was developed to test whether the importance of such factors differs according to product types. The results showed that the importance of any criterion depends on the type of product.

The final objective of the study was to generate a model of selecting celebrity endorsers, which was attained in Chapter Seven. This model was a revised version of the one presented in Chapter Five. The reason for this revision was that the mail survey findings did not always confirm the ones from the exploratory interviews in terms of who assumes which role in the steps of the process though they validated the steps of the pre-understanding model regardless of agency size.

Having argued that all three objectives were fulfilled through the process of research, what needs to be established is that what implications the findings may have for theory and practice, which is presented next.

8.3 IMPLICATIONS

The findings have a number of implications for both theory and practice. In general, the research suggests that the celebrity endorsement strategy has become an important component of marketing communications strategy for companies in the UK since managers on average felt that around twenty per cent of marketing communication campaigns included celebrity endorsers which in turn increases the importance of the study.

The major contribution of this thesis to the literature is the model presented in Figure-7.1, which reflects a normative theory of celebrity endorser use and selection. The model indicates that selecting celebrity endorsers is a structured decision process rather than a chance event. It should improve scholars' understanding of the practice, which can in turn enhance its effective management in much the same way that the process of

new product development process has been improved since Booz, Allen and Hamilton (1982) first proposed their normative model.

According to Baker (1983), a valid theory is very similar to a road map in many respects. He states that “a valid theory, like a valid road map, requires to be based on facts if it is to be realistic and useful. If it is too detailed and incorporates every hedge and post upon the road, it will be confusing and of little use to the driver using it as a means of getting from one place to another. On the other hand, if it is insufficiently detailed, it will be inadequate as a guide to real-life situations. To be useful, then, a theory, like a road map, must satisfy certain functions, which to some degree are dependent upon the structure of the theory itself.” The two functions, description and classification, are basic to theory building (Baker 1983; Hunt 1983). As the model presented in Chapter Seven describes and classifies the tacit knowledge of celebrity use and selection, its contribution to developing a celebrity endorsement theory is certain.

Another implication for theory is that celebrities are not uni-dimensional individuals (e.g. attractive, credible) as portrayed in many early studies, but, as McCracken (1989) argues, they represent a variety of meanings that are drawn from the roles they assume in television, film, politics, athletics, etc. As a result, managers consider these meanings or associations when selecting celebrity endorsers and the importance of any association depends on the type of product.

For practitioners, the findings provide guidelines for managers planning to utilise and execute celebrity-based campaigns by highlighting ‘dos and don’ts’ of celebrity endorsement strategy. More specifically, the model serves as ‘a road map’ for celebrity use and selection. Practitioners can follow the model in designing and executing celebrity campaigns. In addition, the criteria presented in Section 6.4.3 provide ‘a check list’ of factors that should be considered in selecting celebrity endorsers. Advertising agencies having no written documentation regarding celebrity endorsement procedures or even the celebrity endorsement strategy in general further increases the importance of findings for practitioners.

8.4 LIMITATIONS

Even though aforementioned implications can be drawn from the study, there are a few limitations of the study caused by time, access, and financial constraints. First, although the research design complies with the suggestion of Brownlie, et al. (1994) that marketing scholars should undertake more in-depth studies of what marketers in different contexts actually do, it does not accommodate the latest argument put by Brownlie and Saren (1997). These authors argue that marketing scholars should use such techniques as participant observation, discourse analysis, self-completion diaries, and the like to capture what practitioners do by treating marketing management discourse as plural rather than singular. In addition to time, the access limitation induced by advertising agencies because of client confidentiality is the major reason for not undertaking more qualitative study.

Every agency has its own work practices, systems, and culture and furthermore the working relationships between different agency teams within the same agency may also vary. Therefore, because of the nature of the research design, the model does not reflect the effect of these different variables that may very well influence the selection procedure.

Another limitation of the study is that when investigating whether the importance of criteria vary according to product type (computer and jeans), the dependent variables were presented as generic product names in the instrument, but in reality most campaigns are about brands which already have existing meanings (associations) attached to them (Levy 1959; McCracken 1989; Myers 1999). Therefore, the importance of criteria considered by agency managers may depend on brands' existing meanings as well as on the position of the brand in the market (e.g. leader), specific campaign objectives, budget, and many other related factors with which the respondents were not provided.

The research is also limited to the British agencies' practices. In other countries such as the USA, some of the participants identified may not be involved (i.e. planning) or the role they assume might be different. For example, during the earlier dissemination of

the research findings, US-based academics consistently indicated that the role of celebrity agents was significant which is not the case in the UK. The reason for this may be that there is a large celebrity industry in the USA and as a result competition for endorsement deals is stiff. Thus, celebrity agents have to play more pro-active role in order to secure endorsement deals from companies.

Lastly, although the response rate is at the high end of spectrum for mail surveys in Europe, the problem of non-response bias can be a problem. Further follow-ups might have reduced this possibility, but the lack of resources were the reasons for not fully tackling the non-response bias.

8.5 FURTHER RESEARCH AVENUES

Although the research design enabled a strong base for the model, a further case-based follow up study can be undertaken to see the extent to which the model holds up under the realities of different celebrity selection situations. Furthermore, this follow up study may enable researchers to discover the personal interaction among the member of the agency teams, and/or clients and celebrity sides.

Another further research route is to repeat the study by providing respondents with such information as brand name and history, market position, specific campaign objectives, time period, and budget. Even though respondents would be sceptical about the purpose of the research and therefore choose not to participate, this study may provide a better reflection of the importance of the factors considered when selecting celebrity endorsers.

Researchers interested in the subject can replicate the research in other countries that may serve a basis for cross-cultural comparisons. The reason for these possible replications is that every country has its own culture(s), which may affect the importance of criteria, and/or the existence and flow of the steps in the process.

8.6 SUMMARY

In this chapter, the research findings and objectives were contrasted, implications of the findings for academics and practitioners were discussed, limitations of the study caused by time, access, and financial constraints were unveiled, and future research avenues were recommended.

8.7 REFERENCES

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APPENDIX A

INTERVIEW SCHEDULE AND ASSOCIATED DOCUMENTS

December 16, 1999

Dear «Title». «LastName»,

I am writing on behalf of Mr. B. Zafer Erdogan, who is one of my doctoral students within the Department of Marketing here at the University. The Department is one of the top-rated in the United Kingdom, and the best-rated department in Scotland for both teaching and research, thus tending to attract the best research students.

Mr. Erdogan's doctoral research centres on celebrity endorsement selection procedures as carried out by advertising agency executives in conjunction with clients from a domestic and internationally oriented perspective. His work offers significant interest, which I am convinced will have significant relevance and resonance from both a practitioner and academic context.

The first stage is dependent on interviews. Could I encourage your firm to extend the time for an interview to Mr. Erdogan. I feel it will be time best spent on both parts. Doubtless in due course when findings are explored, a paper will be prepared giving aggregate perceptions.

As with all academic research, interview findings are confidential.

I trust you will be able to help. Should there be any queries please feel free to contact me on 0141 548 3232.

Yours Sincerely,

Dr. Philip J. Kitchen

Director - Research Centre for Corporate and Marketing Communications

Stenhouse Bldg. Room 324
173 Cathedral Street
Glasgow ■ G4 0RQ
Tel: 0141.548.2962 ■ Fax:
552.2802
E-mail: idp97102@Strath.ac.uk

December 16, 1999

«Title». «FirstName» «LastName»
«Company»
«Address1», «Address2»
«City», «PostalCode»

Dear «Title». «LastName»,

My name is Bayram Zafer Erdogan. I am a doctoral research student supervised by Dr. Philip J. Kitchen in the Department of Marketing, University of Strathclyde, Glasgow, UK. Please see accompanying letter from Dr. Kitchen.

The main objective of the study is to analyse, identify, and compare the process by which celebrity endorsers are selected by advertising agencies in three countries, the UK, the USA and Turkey. Since these countries have different cultural settings and different economic conditions, it is assumed that the process of selecting celebrity endorsers and the effecting factors may be different in each country. The study aims to generate a cross-cultural/national celebrity endorser selection procedure, which in turn may have implication for global selection criteria of celebrity endorsers.

At the first stage of collecting data, it is planned to conduct initial interviews in order to identify the process in the UK. At the second stage, it is planned to administer a questionnaire to advertising agencies in three countries, which will be designed in the light of information gathered from previous interviews.

Since your agency is one of the most highly regarded companies in the advertising world, I would like to interview you and/or any director involved in the process of selecting celebrity endorsers, either nationally or internationally.

I thank you for your considered interest and would deeply appreciate any help which may stem from your agency's invaluable experience and knowledge.

I hope to hear from you in the near future.

Yours Sincerely,

Bayram Zafer Erdogan
Doctoral Research Student

British Advertising Agencies Interview Schedule

OBJECTIVES

1. To determine whether there is an identifiable process of selecting celebrity endorsers utilised by advertising agencies.
2. To identify, if such a process exists, any common factors of the selection process among different advertising agencies.

ICEBREAKING

Introduction of self and research, set interviewee at ease, permission to use tape recorder etc. During the introduction of the research, effort will be exerted to clarify the study subject, which concerns the selection process of *any kind of celebrity* (i.e. actors, endorsers, spokespersons, and testimonials) for marketing communications campaigns.

ISSUES TO BE COVERED

The main discussion should focus on considered factors (i.e. celebrity characteristics— attractiveness and credibility, celebrity match-ups with products/target audiences, meanings associated with celebrities, prior endorsements, economic visibility, strategic compatibility, celebrity life cycle stages and such other factors) during the process. Then, participants in the process (i.e. account managers, creative directors, brand managers) and their likelihood of influencing outcomes of the process will be discussed.

SPECIFIC QUESTIONS

1. In your opinion, what are the reasons for utilising celebrities in marketing communications?
2. Is there an increasing usage of celebrities in marketing communications? If yes/no, please explain reasons.
3. In your view, is there an identifiable process (loose or strict) used by your agency, which underpins celebrity endorser selection? Please explain with an example.
 - 3a. If yes, what factors (e.g. celebrity characteristics—attractiveness and credibility, celebrity match-ups with products/target audiences, meanings associated with celebrities, prior endorsements, economic visibility, strategic compatibility, celebrity life cycle stages and such other factors) are identifiable within the process?
 - 3b. Would you say that these factors in the process are common to other agencies in selecting celebrity endorsers in the UK? If yes/no, please explain.
 - 3c. Are these factors in the process also common to other agencies in selecting celebrity endorsers internationally? If yes/no, please explain?
 - 3d. Who are the participants of the process (e.g. account managers, creative directors, brand managers, clients and celebrity agents) and what is their likelihood of influencing outcomes of the process?
4. Does your agency do any research (e.g. pre-tests, associations) regarding celebrities before deciding which celebrity to employ?
5. Is there a listing for celebrity familiarity and popularity in the UK? If yes, to what extent do British advertising agencies use it?

6. How effective do you think campaigns, which involve celebrities, are in terms of generating Awareness? Recall? Positive attitudes towards advertising and the product/brand? Purchase intention? Actual sales? Any example.
7. Does your agency utilise a series of contract clauses to guarantee that celebrities will not work for competitors? Please explain.
 - 7a. Does this include the right to dissolve deals between celebrities and clients when (and if) celebrities get into trouble? Please explain.
8. What media types does your agency use with campaigns involving celebrities?
9. What is your view on utilising celebrities in integrated marketing communication campaigns? Please explain.
 - 9a. Does your agency include a clause in endorsement deals for celebrities to appear in marketing communication activities other than advertising?
10. With the trend towards globalisation of markets, in your view;
 - 10a. Are celebrities internationally transferable? Please explain with an example.
 - 10b. Should celebrities be internationally transferable? Please explain.
11. Does your agency have any published data on the celebrity endorsement strategy? If yes, possibility of acquiring them?
12. Is it possible to have future contacts (e.g. further information, pre-testing, completion of survey document and referral to others)?

APPENDIX B

QUESTIONNAIRE AND ASSOCIATED DOCUMENTS

16 December, 1999

«Title». «FirstName» «LastName»

«JobTitle»

«Company»

«Address1», «Address2»

«City», «PostCode»

Dear «Title». «LastName»,

You may recall seeing my lead article in the April edition of *ADMAP*, 'Getting the Best Out of Celebrity Endorsers'. As a follow-up to this, I would greatly appreciate your participation in the final stage of my doctoral research.

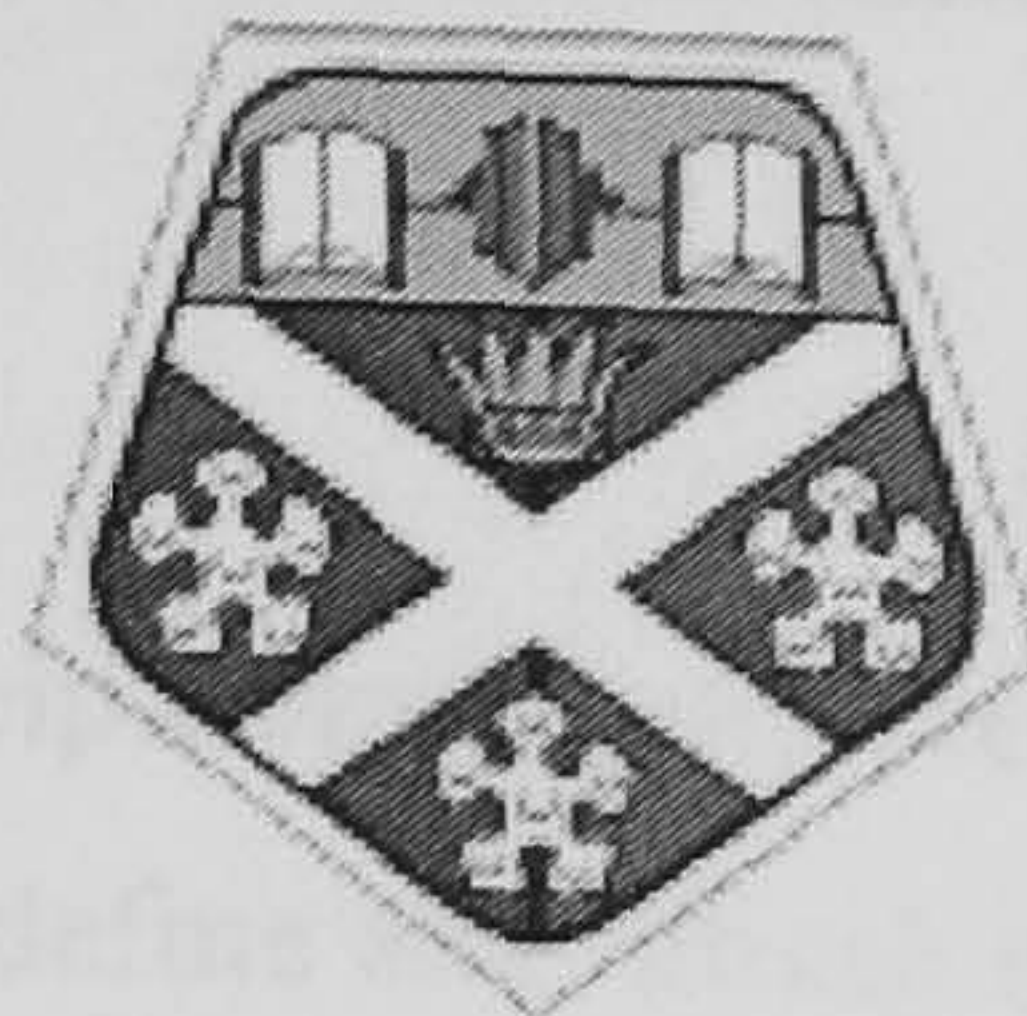
Enclosed is a short questionnaire which will take no more than a quarter of an hour to complete. As an IPA member agency, your views are of special importance and I hope you will be able to complete the questionnaire and return it to me.

All data will be aggregated and your response will be completely confidential. If you wish to receive a summary of findings including a discussion of the managerial implications of the research, please enclose a business card.

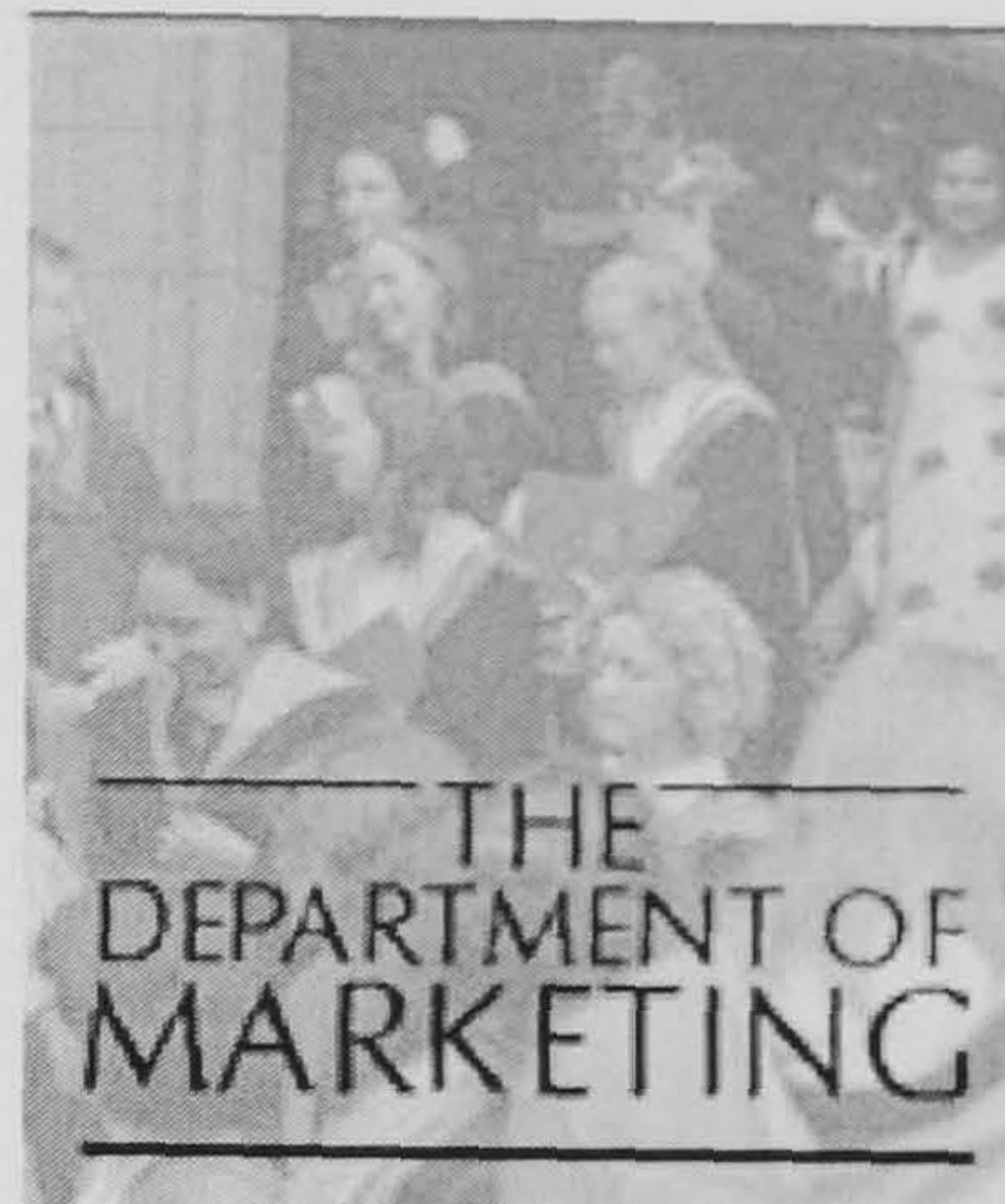
I look forward to receiving your response and enclose a reply-paid envelope for your convenience.

Yours sincerely,

B. Zafer Erdogan
Doctoral Researcher



THE
UNIVERSITY OF
STRATHCLYDE
IN GLASGOW



SELECTION AND USE OF CELEBRITY ENDORSERS

'A **celebrity endorser** is an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement or *in marketing communication campaigns*.' (McCracken 1989)

General Instructions:

1. Questions are grouped into four parts. The First Part deals with reasons for utilising celebrities as brand endorsers. Part Two investigates how celebrity selection decisions are made. Part Three asks how you would execute celebrity campaigns. Finally, Part Four seeks some background information.
2. Completing the questionnaire should take no more than a quarter of an hour. Apart from a few open-ended questions, most questions can be answered by ticking the appropriate box or circling numbers.
3. Please try to answer every question as fully as possible. All replies are strictly confidential.
4. If you have not been involved with a celebrity campaign(s) and therefore unable to complete the questionnaire, please pass it to a colleague of yours who can.

PART-1 REASONS FOR USING CELEBRITIES

1) In YOUR OPINION, celebrities are utilised in marketing communication campaigns because:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Celebrities help campaigns have impact (shorthand)	5	4	3	2	1
Their values define and refresh brands	5	4	3	2	1
Celebrities add new dimensions to brands	5	4	3	2	1
Clients prefer celebrity campaigns	5	4	3	2	1
Celebrities give instant credibility for brands	5	4	3	2	1
Celebrities create aspiration for brands	5	4	3	2	1
Agencies are desperate for ideas	5	4	3	2	1
Celebrities generate PR coverage	5	4	3	2	1
Celebrities help global campaigns	5	4	3	2	1
Other(s), please specify.....	5	4	3	2	1

2) In YOUR OPINION, what percent of marketing communication campaigns includes celebrity endorsers in the UK?

- 0-10 11-20 21-30 31-40 41-50
 51-60 61-70 71-80 81-90 91-100

PART-2 SELECTING CELEBRITY ENDORSERS

3) To what extent do you agree with the following three statements in YOUR AGENCY?

	Always	Often	S/times	Rarely	Never
Celebrities are selected to match campaign ideas	5	4	3	2	1
Campaign ideas are developed to match given celebrities	5	4	3	2	1
Campaign ideas are developed and celebrities are selected simultaneously	5	4	3	2	1

4) Do you follow a set procedure when selecting celebrity endorsers?

- ALWAYS* 5 4 3 2 1 *NEVER*

5) Who is involved in the selection of celebrity endorsers? (Please circle all the numbers that apply)

- | | | |
|--------------------------|---------------------------------|------------------------------|
| 1 agency CEO/Chairman/MD | 8 research team | 15 celebrity PA |
| 2 creative director | 9 broadcast/production director | 16 client CEO |
| 3 creative team | 10 broadcast/production team | 17 client marketing director |
| 4 account director | 11 legal team/lawyers | 18 client brand manager |
| 5 account team | 12 agency secretarial staff | 19 client marketing manager |
| 6 planning director | 13 celebrity | 20 external research agents |
| 7 planning team | 14 celebrity agent | 21 other(s)..... |

6) In YOUR AGENCY, who *initially* propose(s) using a celebrity for a campaign?
 (Enter the number(s) in Q-5)

7) In YOUR AGENCY, who manage(s) the process of selecting celebrities?
 (Enter the number(s) in Q-5)

8) After deciding on a particular celebrity, does YOUR AGENCY research the celebrity (background, prior endorsements, etc.) before contacting her/him?

ALWAYS 5 4 3 2 1 NEVER

If research is done, how frequently does YOUR AGENCY utilise the research techniques given below?

	Always	Often	S/times	Rarely	Never
Consumer focus groups	5	4	3	2	1
Peer opinion	5	4	3	2	1
Expert opinion	5	4	3	2	1
Individual consumer interviews	5	4	3	2	1
Desk search (magazines, newspapers, Internet)	5	4	3	2	1
Telephone interviews	5	4	3	2	1
Mail surveys	5	4	3	2	1
Pre-tests	5	4	3	2	1
Other(s), please specify.....	5	4	3	2	1

9) When does YOUR AGENCY first make contact with the celebrity/agent/PA?

BEFORE or AFTER The campaign proposal is presented to the client

10) Who makes this first contact with celebrities in YOUR AGENCY? (Enter the number(s) in Q-5)

11) In this first contact, does YOUR AGENCY try to acquire information on whether:

	Always	Often	S/times	Rarely	Never
The celebrity is available for the time period required	5	4	3	2	1
How much the celebrity roughly charges for endorsements	5	4	3	2	1
The celebrity is willing to endorse a brand in a particular product category	5	4	3	2	1
Other(s), please specify.....	5	4	3	2	1

12) Would YOUR AGENCY name its client's brand at this first contact?

ALWAYS 5 4 3 2 1 NEVER

13) Who is usually present at the final celebrity contract negotiations? (Enter the number(s) in Q-5)

14) During these negotiations which issues are covered? (Please tick all that apply).

- | | |
|---|---|
| <input type="checkbox"/> Limitations for other endorsements | <input type="checkbox"/> Morality issues |
| <input type="checkbox"/> Time period | <input type="checkbox"/> Media coverage |
| <input type="checkbox"/> Level of fees | <input type="checkbox"/> Geographic area coverage |
| <input type="checkbox"/> Basis of payment (Buyout or repeat fees) | <input type="checkbox"/> Other(s) |

15) How important are the following factors when YOU are selecting celebrities? (Please circle the relative importance of the each factor).

	Very Important 5	Important 4	Neither Important Nor Unimportant 3	Unimportant 2	Very Unimportant 1
Celebrity—target audience match	5	4	3	2	1
Celebrity—product/brand match	5	4	3	2	1
Overall image of the celebrity	5	4	3	2	1
Celebrity trustworthiness	5	4	3	2	1
Celebrity expertise	5	4	3	2	1
Celebrity physical attractiveness	5	4	3	2	1
Celebrity familiarity	5	4	3	2	1
Celebrity likeability	5	4	3	2	1
The stage of celebrity life cycle	5	4	3	2	1
Whether celebrity is a brand user	5	4	3	2	1
Celebrity profession	5	4	3	2	1
Cost of acquiring the celebrity	5	4	3	2	1
The likelihood of acquiring the celebrity	5	4	3	2	1
Celebrity controversy risk	5	4	3	2	1
Celebrity prior endorsements	5	4	3	2	1
Celebrity EQUITY membership status	5	4	3	2	1
Risk of celebrity overshadowing brands	5	4	3	2	1
Other(s),	5	4	3	2	1

16) Please RANK the relative importance of the five celebrity characteristics for two products.

(1=MOST IMP.—5=LEAST IMP.)	A COMPUTER BRAND	A JEANS BRAND
Celebrity trustworthiness		
Celebrity expertise		
Celebrity physical attractiveness		
Celebrity familiarity		
Celebrity likeability		

17) What is the USUAL length of the celebrity contract in YOUR AGENCY?

Please write in, _____ Months.

18) What type of payment does YOUR AGENCY prefer?

- For the length of contract (Buyout)
- Per advertisement (Repeat Fees)
- Mixture of above two
- Other(s), write in.....

19) What kind of representation from celebrities does YOUR AGENCY prefer?

- Exclusive (the celebrity cannot endorse any other brand)
- Flexible (the celebrity can endorse non-competitive brands)
- Other(s), write in.....

20) Does your agency urge its clients to buy "Death and Disgrace" insurance?

ALWAYS 5 4 3 2 1 NEVER

Part-3 EXECUTING CELEBRITY CAMPAIGNS

21) Please indicate YOUR AGENCY'S media usage frequency with campaigns involving celebrities:

	Always	Often	S/times	Rarely	Never
Television	5	4	3	2	1
Radio	5	4	3	2	1
Newspapers	5	4	3	2	1
Magazines	5	4	3	2	1
Cinema	5	4	3	2	1
Internet	5	4	3	2	1
Outdoor/Transport	5	4	3	2	1
Direct Mail	5	4	3	2	1
Product Launches	5	4	3	2	1
Point of Purchase Materials	5	4	3	2	1
Pamphlets	5	4	3	2	1
Other(s),	5	4	3	2	1

22) How effective do YOU THINK utilising celebrity endorsers is in integrated marketing communication campaigns?

VERY EFFECTIVE 5 4 3 2 1 NOT EFFECTIVE

23) In YOUR EXPERIENCE, what percent of celebrities is reluctant to become involved in integrated marketing communication campaigns?

- | | | | | |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|
| <input type="checkbox"/> 0-10 | <input type="checkbox"/> 11-20 | <input type="checkbox"/> 21-30 | <input type="checkbox"/> 31-40 | <input type="checkbox"/> 41-50 |
| <input type="checkbox"/> 51-60 | <input type="checkbox"/> 61-70 | <input type="checkbox"/> 71-80 | <input type="checkbox"/> 81-90 | <input type="checkbox"/> 91-100 |

What factors do YOU THINK influences their reluctance? (Please write in)

24) In YOUR OPINION, what percent of campaigns involving celebrities is internationally transferable?

- | | | | | |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|
| <input type="checkbox"/> 0-10 | <input type="checkbox"/> 11-20 | <input type="checkbox"/> 21-30 | <input type="checkbox"/> 31-40 | <input type="checkbox"/> 41-50 |
| <input type="checkbox"/> 51-60 | <input type="checkbox"/> 61-70 | <input type="checkbox"/> 71-80 | <input type="checkbox"/> 81-90 | <input type="checkbox"/> 91-100 |

What factors do YOU THINK influences their transferability? (Please write in)

25) Under what circumstances would YOU use MORE THAN ONE celebrity for a particular campaign?
(Please write in)

Part-4 DEMOGRAPHICS

26) What is your age?

- Under 25 25—35 36—45 46—60 Over 60

27) What is your gender?

- Female Male

28) Your current position _____

29) How many years have you been working in the industry?

- less than 2 2—5 6—10 11—20 Over 20

30) How many celebrity campaigns have YOU been involved with?

- None 1—5 6—10 11—20 Over 20

31) What is YOUR AGENCY'S latest annual billing?

- Under 2.25m 2.26 to 5m 5.1 to 12m
 12.1 to 25m 25.1 to 100m Over 100m

32) The number of PERMANENT employees in YOUR AGENCY (including secretarial staff) _____

33) Over the last five years, what percentage of YOUR AGENCY'S campaigns utilised celebrity endorsers?

- 0-10 11-20 21-30 31-40 41-50
 51-60 61-70 71-80 81-90 91-100

Thank you very much for taking part in the Survey. Please attach a business card to the questionnaire if you would like to receive the summary of findings.

Please return in the reply-paid envelope to:

B. Zafer Erdogan
University of Strathclyde
Department of Marketing
Stenhouse Building, Rm. 3.24
173 Cathedral Street
Glasgow, G4 0RQ

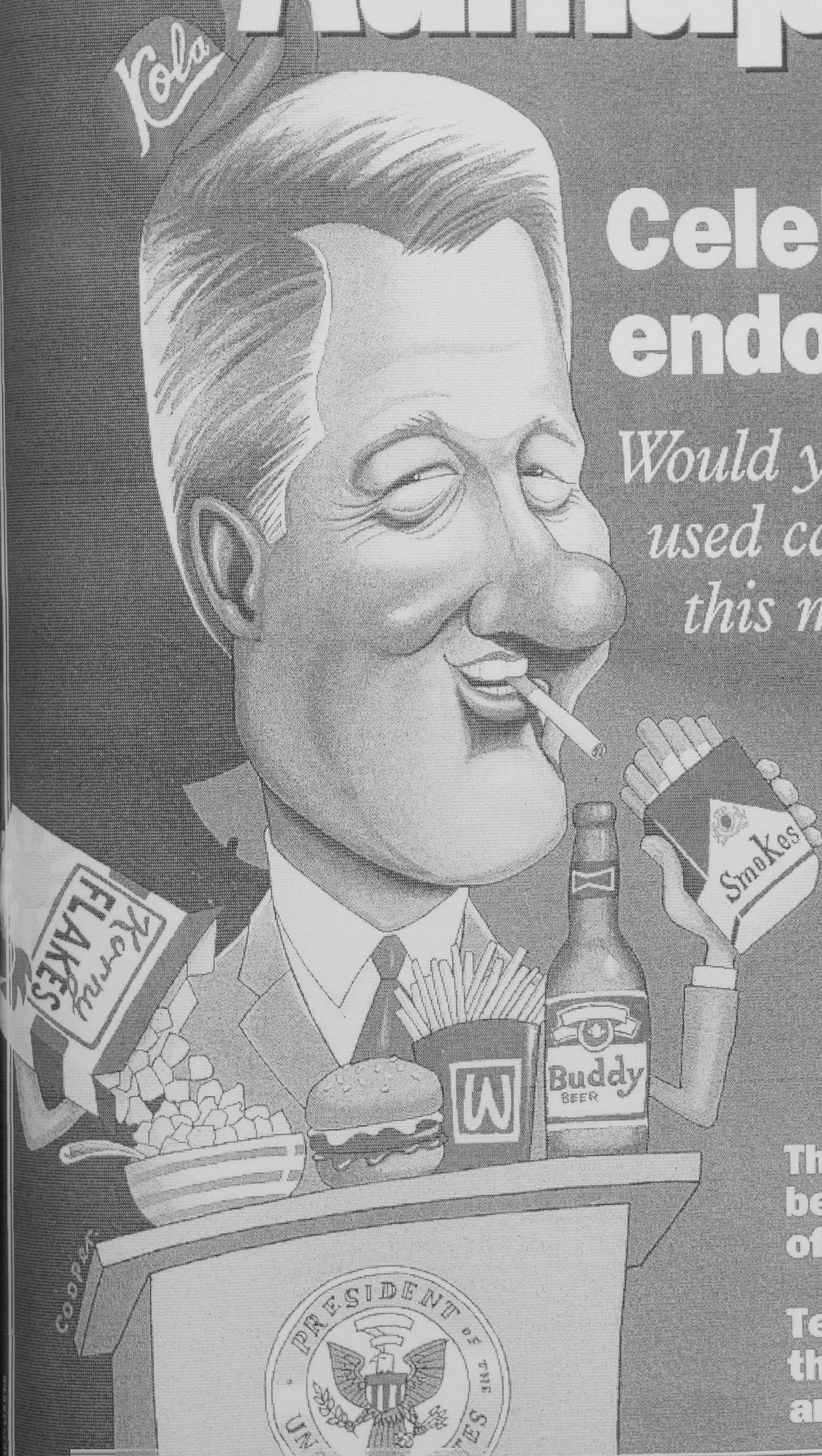
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used car from
this man?*



**The economic
benefits
of branding**

**Television:
the real winners
and losers**

APPENDIX C

CRONBACH'S ALPHA SCORES

Alpha scores for the measurement scale concerning Practitioners' reasons for using CE

SCALE ITEMS	Scale mean if item deleted	Scale variance if item deleted	Corrected total item correlation	Alpha if item deleted
Celebrities help campaigns have impact	24.34	13.75	0.27	0.59
Their values define and refresh brands	25.05	13.20	0.28	0.58
Celebrities add new dimensions to brands	25.12	12.51	0.38	0.56
Clients prefer celebrity campaigns	25.92	12.67	0.36	0.56
Celebrities give instant credibility for brands	25.45	12.51	0.34	0.57
Celebrities create aspiration for brands	25.08	12.54	0.44	0.55
Agencies are desperate for ideas	26.62	14.39	0.03	0.66
Celebrities generate PR coverage	24.64	13.74	0.20	0.60
Celebrities help global campaigns	25.72	11.99	0.41	0.55

Reliability Coefficients

N of Cases = 130; N of items = 9; Alpha* = 0.66

* After removing the item named 'Agencies are desperate for ideas'.

Alpha scores for the measurement scale regarding Research techniques utilised

SCALE ITEMS	Scale mean if item deleted	Scale variance if item deleted	Corrected total item correlation	Alpha if item deleted
Consumer focus groups	18.65	20.27	0.26	0.75
Peer opinion	19.12	17.95	0.40	0.72
Expert opinion	19.39	16.76	0.63	0.68
Individual consumer interviews	19.54	17.93	0.52	0.70
Desk search (magazines, newspapers, Internet)	18.70	18.31	0.40	0.72
Telephone interviews	20.10	19.28	0.43	0.72
Mail surveys	20.44	19.10	0.48	0.71
Pre-tests	19.44	17.77	0.41	0.72

Reliability Coefficients

N of Cases = 102; N of items = 8; Alpha = 0.74

Alpha scores for the measurement scale regarding Importance of celebrity characteristics

SCALE ITEMS	Scale mean if item deleted	Scale variance if item deleted	Corrected total item correlation	Alpha if item deleted
Celebrity-target audience match	60.92	50.54	0.53	0.83
Celebrity-product/brand match	61.01	52.06	0.39	0.84
Overall image of the celebrity	61.01	52.41	0.39	0.84
Celebrity trustworthiness	61.27	49.80	0.58	0.83
Celebrity expertise	62.25	48.28	0.50	0.83
Celebrity physical attractiveness	62.49	50.98	0.40	0.83
Celebrity familiarity	61.48	50.65	0.42	0.83
Celebrity likeability	61.58	49.76	0.44	0.83
The stage of celebrity life cycle	61.98	46.42	0.65	0.82
Whether celebrity is a brand user	62.94	51.23	0.34	0.84
Celebrity profession	62.46	49.51	0.43	0.83
Cost of acquiring the celebrity	61.26	52.15	0.34	0.84
The likelihood of acquiring the celebrity	61.42	50.60	0.43	0.83
Celebrity controversy risk	61.46	49.19	0.50	0.83
Celebrity prior endorsements	61.53	50.35	0.45	0.83
Celebrity EQUITY membership status	62.61	49.35	0.35	0.84
Risk of celebrity overshadowing brands	61.67	47.98	0.50	0.83

Reliability Coefficients

N of Cases = 125; N of items = 17; Alpha = 0.84

Alpha scores for the measurement scale concerning Media usage

SCALE ITEMS	Scale mean if item deleted	Scale variance if item deleted	Corrected total item correlation	Alpha if item deleted
Television	27.22	36.08	0.52	0.86
Radio	27.33	37.76	0.50	0.86
Newspaper	27.74	35.40	0.67	0.85
Magazines	27.66	35.60	0.68	0.85
Cinema	27.70	37.12	0.45	0.87
Internet	28.72	38.75	0.40	0.87
Outdoor/Transport	27.88	36.45	0.60	0.85
Direct Mail	28.04	35.55	0.60	0.85
Product Launches	27.43	37.12	0.55	0.86
P of P Materials	27.96	36.12	0.62	0.85
Pamphlets	28.17	36.03	0.66	0.85

Reliability Coefficients

N of Cases = 104; N of items = 11; Alpha = 0.87

APPENDIX D

THE TABLES RELATED TO CHAPTER SIX

Table-1 Percent of Celebrity Campaigns in the UK

Mean	Median	Mode	Std. Dev.	Variance
20.54	15	15	13.59	184.6

Table-2 Celebrity Usage Correlation

	% of Celebrity Campaigns in your Agency	
% of Celebrity Campaigns in the UK	Pearson Correlation	0.300**
	Sig. (2-tailed)	0.001
	N	130

**Correlation is significant at the 0.01 level (2-tailed).

Table-3 T-test of mean differences between small and large agency managers' opinion regarding whether there is a set procedure.

Agency Size	N	Mean	Std. Deviation	Std. Error Mean	t value	Sig. (2-tailed)
Small	47	2.49	1.28	0.19	0.84	0.41
Large	83	2.29	1.33	0.15		

Scores are obtained from a five-point Likert Scale in which 5=Always and 1=Never.

Table-4 T-test of mean differences between small and large agency managers' practices concerning selecting CE to match campaign ideas.

Agency Size	N	Mean	Std. Deviation	Std. Error Mean	t value	Sig. (2-tailed)
Small	48	3.79	1.13	0.16	0.65	0.51
Large	83	3.66	1.07	0.12		

Scores are obtained from a five-point Likert Scale in which 5=Always and 1=Never.

Table-5 Crosstabulation of Creatives' role as initiators * Agency Size

		Agency Size				
		Small	Large	Total		
Creatives	<i>Not Initiator</i>	Count	7	4	11	
		%	14.6	4.8	8.4	
	<i>Initiator</i>	Count	41	79	120	
		%	85.4	95.2	91.6	
	<i>Total</i>	Count	48	83	131	
		%	100	100	100	
		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square		3.77	1	0.052		
Fisher's Exact Test					0.097	0.056

1 cells (25.0%) have expected count less than 5. The minimum expected count is 4.03.

Table-6 Crosstabulation of Account Handlers's role as initiators * Agency Size

		Agency Size				
		Small	Large	Total		
Account Handlers	<i>Not Initiator</i>	Count	33	72	105	
		%	68.8	86.7	80.2	
	<i>Initiator</i>	Count	15	11	26	
		%	31.3	13.3	19.8	
	<i>Total</i>	Count	48	83	131	
		%	100	100	100	
		Value	df	Asymp. Sig. (2-sided)		
Pearson Chi-Square		6.19	1	0.013		

0 cells (.0%) have expected count less than 5. The minimum expected count is 9.53.

Table-7 Crosstabulation of Account Handlers's role as managers * Agency Size

		Agency Size			
		Small	Large	Total	
Account Handlers	<i>Not Managing</i>	Count	15	42	57
		%	31.3	50.6	43.5
	<i>Managing</i>	Count	33	41	74
		%	68.8	49.4	56.5
	<i>Total</i>	Count	48	83	131
		%	100	100	100
		Asymp. Sig. (2-sided)			
Pearson Chi-Square	Value	df			
	4.63	1	0.031		

0 cells (.0%) have expected count less than 5. The minimum expected count is 20.89.

Table-8 Crosstabulation of External Research Agencies' usage * Agency Size

		Agency Size			
		Small	Large	Total	
External Research Agents	<i>Does not</i>	Count	32	52	84
		%	66.7	62.7	64.1
	<i>Does</i>	Count	16	31	47
		%	33.3	37.3	35.9
	<i>Total</i>	Count	48	83	131
		%	100	100	100
		Asymp. Sig. (2-sided)			
Pearson Chi-Square	Value	df			
	0.21	1	0.64		

0 cells (.0%) have expected count less than 5. The minimum expected count is 17.22.

Table-9 Crosstabulation of Account Handlers handling research * Agency Size

		Agency Size			
			Small	Large	Total
Account Handlers	<i>Does not</i>	Count	24	66	90
		%	50	79.5	68.7
	<i>Does</i>	Count	24	17	41
		%	50	20.5	31.3
	<i>Total</i>	Count	48	83	131
		%	100	100	100

		Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square		12.32	1	0.0004

0 cells (.0%) have expected count less than 5. The minimum expected count is 15.02.

Table-10 Crosstabulation of Planners handling research * Agency Size

		Agency Size			
			Small	Large	Total
Planners	<i>Does not</i>	Count	41	55	96
		%	85.4	66.3	73.3
	<i>Does</i>	Count	7.0	28	35
		%	14.6	33.7	26.7
	<i>Total</i>	Count	48	83	131
		%	100	100	100

		Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square		5.7	1	0.017

0 cells (.0%) have expected count less than 5. The minimum expected count is 12.82.

Table-11 Crosstabulation of Researchers handling research * Agency Size

		Agency Size			
		Small	Large	Total	
Researchers	<i>Does not</i>	Count	43	55	98
		%	89.6	66.3	74.8
	<i>Does</i>	Count	5	28	33
		%	10.4	33.7	25.2
	<i>Total</i>	Count	48	83	131
		%	100	100	100
		Asymp. Sig. (2-sided)			
Pearson Chi-Square	Value	df	0.003		
	8.8	1			

0 cells (.0%) have expected count less than 5. The minimum expected count is 12.09.

Table-12 Crosstabulation of Initial Contact time* Agency Size

		Agency Size			
		Small	Large	Total	
The proposal is presented to the client	<i>Before</i>	Count	30	55	85
		%	62.5	75.3	70.2
	<i>After</i>	Count	18	18	36
		%	37.5	24.7	29.8
	<i>Total</i>	Count	48	73	121
		%	100	100	100
		Asymp. Sig. (2-sided)			
Pearson Chi-Square	Value	df	0.13		
	2.3	1			

0 cells (.0%) have expected count less than 5. The minimum expected count is 14.28.

Table-13 Crosstabulation of Producers making Initial Contacts* Agency Size

		Agency Size			
		Small	Large	Total	
Producers	<i>Does not</i>	Count	34	26	60
		%	70.8	31.3	45.8
	<i>Does</i>	Count	14	57	71
		%	29.2	68.7	54.2
	<i>Total</i>	Count	48	83	131
		%	100	100	100
		Asymp. Sig. (2-sided)			
Pearson Chi-Square	Value	df			
	19.1	1	0.001		

0 cells (.0%) have expected count less than 5. The minimum expected count is 21.98.

Table-14 Crosstabulation of Account Handlers making Initial Contacts * Agency Size

		Agency Size			
		Small	Large	Total	
Account Handlers	<i>Does not</i>	Count	22	65	87
		%	45.8	78.3	66.4
	<i>Does</i>	Count	26	18	44
		%	54.2	21.7	33.6
	<i>Total</i>	Count	48	83	131
		%	100	100	100
		Asymp. Sig. (2-sided)			
Pearson Chi-Square	Value	df			
	14.4	1	0.001		

0 cells (.0%) have expected count less than 5. The minimum expected count is 16.12.

Table-15 Descriptive Statistics for whether agencies reveal their clients' brand name at the Initial Contact

Mean	Median	Mode	Std. Deviation	Variance
3.08	3	3	1.27	1.62

Scores are obtained from a five-point Likert Scale in which 5=Always and 1=Never.

Table-16 T-test of mean differences whether there is difference between small and large agency practices regarding revealing clients' brand name at the first contact

Agency Size	N	Mean	Std. Deviation	Std. Error Mean	t value	Sig. (2-tailed)
Small	48	3.06	1.26	0.18	-0.14	0.88
Large	83	3.10	1.3	0.1		

Scores are obtained from a five-point Likert Scale in which 5=Always and 1=Never.

Table-17 Crosstabulation of Planners being present during the Campaign Proposal* Agency Size

			Agency Size		Total
			Small	Large	
Planners	<i>Not present</i>	Count	34	39	73
		%	70.8	47.0	55.7
	<i>Present</i>	Count	14	44	58
		%	29.2	53.0	44.3
	<i>Total</i>	Count	48	83	131
		%	100	100	100
			Asymp. Sig. (2-sided)		
Pearson Chi-Square	Value	df			0.008
	7.1	1			

0 cells (.0%) have expected count less than 5. The minimum expected count is 21.25.

Table-18 Crosstabulation of Account Handlers being present during the Final Negotiations* Agency Size

			Agency Size		Total
			Small	Large	
Account Handlers	<i>Not Present</i>	Count	9	36	45
		%	18.8	43.4	34.4
	<i>Present</i>	Count	39	47	86
		%	81.3	56.6	65.6
	<i>Total</i>	Count	48	83	131
		%	100	100	100
			Asymp. Sig. (2-sided)		
Pearson Chi-Square	Value	df			0.004
	8.18	1			

0 cells (.0%) have expected count less than 5. The minimum expected count is 16.49.

Table-19 Crosstabulation of Producers being present during the Final Negotiations* Agency Size

		Agency Size			
		Small	Large	Total	
Producers	<i>Not present</i>	Count	34	30	64
		%	70.8	36.1	48.9
	<i>Present</i>	Count	14	53	67
		%	29.2	63.9	51.1
	<i>Total</i>	Count	48	83	131
		%	100	100	100
		Value	df	Asymp. Sig. (2-sided)	
Pearson Chi-Square		14.6	1	0.001	

0 cells (.0%) have expected count less than 5. The minimum expected count is 23.45.

Table-20 The usual length of the celebrity contracts

Mean	Median	Mode	Std. Dev.	Variance
11.8	12	12	5.98	35.8

Table-21 Crosstabulation of Kinds of representation preferred* Agency Size

		Agency Size			
		Small	Large	Total	
Kind of representation preferred	<i>Exclusive</i>	Count	13	34	47
		%	28.3	41.0	36.4
	<i>Flexible</i>	Count	32	41	73
		%	69.6	49.4	56.6
	<i>Varies</i>	Count	1	8	9
		%	2.2	9.6	7.0
<i>Total</i>	Count	46	83	129	
	%	100	100	100	
		Value	df	Asymp. Sig. (2-sided)	
Pearson Chi-Square		5.8	2	0.055	

1 cells (16.7%) have expected count less than 5. The minimum expected count is 3.21.

Table-22 Descriptives for agencies urging clients to buy Death and Disgrace insurance

Mean	Median	Mode	Std. Dev.	Variance
3.47	4	5	1.39	1.94

Scores are obtained from a five-point Likert Scale in which 5=Always and 1=Never.

Table-23 Mean Scores of celebrity characteristics for a computer and jeans brand

Product Type	Characteristics	Mean	Std. Error	95% Conf. Interval	
				Lower Bound	Upper Bound
<i>Computer</i>	Trustworthiness	2.07	0.10	1.87	2.28
	Expertise	2.32	0.11	2.10	2.54
	Physical Attractiveness	4.61	0.08	4.46	4.76
	Similarity	2.72	0.10	2.53	2.91
	Likeability	3.25	0.09	3.07	3.44
<i>Jeans</i>	Trustworthiness	4.13	0.08	3.97	4.29
	Expertise	4.35	0.08	4.19	4.51
	Physical Attractiveness	1.50	0.09	1.33	1.67
	Similarity	2.31	0.08	2.15	2.47
	Likeability	2.71	0.07	2.57	2.86

Scores are obtained from a five-point rank order Scale in which 1=Most Important and 5=Least Important.

Table-24 Pearson Correlation Analysis for media usage

	TV	Radio	Newspaper	Magazines	Cinema	Internet	Outdoor Transport	Direct Mail	Product Launches	P-O-P Materials	Pamphlets
TV	Pearson Corr. 1.000	**	**	**	**	**	**	*	**	**	**
	Sig. (2-tailed)										
Radio	.390**	Pearson Corr. 1.000	**	**	*	**	**	**	**	*	**
	Sig. (2-tailed)										
Newspaper	.296**	.470**	Pearson Corr. 1.000	**	*	**	**	**	**	**	**
	Sig. (2-tailed)										
Magazines	.323**	.409**	.758**	Pearson Corr. 1.000	**	**	**	**	**	**	**
	Sig. (2-tailed)										
Cinema	.594**	.211*	.220*	.334**	Pearson Corr. 1.000	**	**	**	**	*	**
	Sig. (2-tailed)										
Internet	.299**	.259**	.249**	.338**	.301**	Pearson Corr. 1.000	**	**	**	*	**
	Sig. (2-tailed)										
Outdoor Transport	.324**	.343**	.513**	.529**	.298**	.308**	Pearson Corr. 1.000	**	**	**	**
	Sig. (2-tailed)										
Direct Mail	.242*	.342**	.480**	.428**	.173	.307**	.426**	Pearson Corr. 1.000	**	**	**
	Sig. (2-tailed)										
Product Launches	.429**	.386**	.346**	.340**	.363**	.139	.363**	.496**	Pearson Corr. 1.000	**	**
	Sig. (2-tailed)										
P-O-P Materials	.277**	.193*	.611**	.576**	.207*	.193*	.444**	.488**	.386**	Pearson Corr. 1.000	**
	Sig. (2-tailed)										
Pamphlets	.323**	.324**	.527**	.462**	.251**	.292**	.440**	.657**	.389**	.685**	Pearson Corr. 1.000
	Sig. (2-tailed)										

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Table-25 Descriptive statistics for effectiveness of Utilising CE in IMC campaigns

Mean	Median	Mode	Std. Dev.	Variance
3.64	4	4	0.84	0.70

Scores are obtained from a five-point Likert Scale in which 5=Very Effective and 1=Not all Effective

Table-26 ANOVA results for effectiveness of integrated celebrity campaigns

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.97	4	1.99	3.02	.021
Within Groups	81.9	124	.66		
Total	89.9	128			

Table-27 Descriptive statistics for percent of CE reluctance to be involved in IMC campaigns

Mean	Median	Mode	Std. Dev.	Variance
32	25	5	23.3	544

Table-28 Descriptive statistics for percent of celebrity campaigns internationally transferable

Mean	Median	Mode	Std. Dev.	Variance
16	15	5	12.4	154