

Factors Determining the Effectiveness of Celebrity Endorsed Advertisements: The Case of Nigerian Telecommunication Industry

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Celebrity endorsement in product advertisements has acquired increasing importance in recent years within the Nigerian telecommunication industry where they are regarded as significant components of almost all advertisements. However, their effectiveness has not been sufficiently measured from the consumer's perspective. This study empirically examines factors which are critical to celebrities' effectiveness within the context of the Nigerian telecommunication industry. A survey of 120 consumers was conducted and the results indicated that perceived expertise and credibility were the two most important factors determining celebrities' effectiveness. Other factors were trustworthiness and attractiveness. Based on these results, we concluded that celebrity's public image should be taken very seriously when adopting celebrities in product advertisement. The study concludes with an agenda for future research.

Key Words: Celebrity endorsement, celebrity effectiveness, product advertisement, consumers context

Introduction

There is an increasing flow of studies concerning the telecommunication industry in Nigeria. Consequently, increasing number of studies have examined the ways in which celebrities are being used in promoting the industry's business with a view to providing useful information for effective decision making. However, despite the increase in research on celebrity endorsed advertisements in the industry, very few of these studies have investigated the typical qualities that determine the effectiveness of celebrity endorsed advertisement from the perspective of the customers. In this study, we propose an effective method for evaluating celebrities and identifying useful characteristics that is necessary for their effectiveness.

The Nigerian government determination in deregulating the telecommunication industry has yielded meaningful result with an almost mere proliferation of telecommunication companies. As part of the telecommunication industry contribution, the sector is entrusted with significant role of assisting the government in realizing its full economic potentials.

Therefore, in this industry, aggressiveness in promotion is commonly found among industry players and celebrities have become a strategic window for attracting and encouraging increased patronage from customers. Thus, the industry is facing an increasingly competitive market which

signifies the need for greater sophistication in promotional activities. In this study, celebrity endorsement is seen as a strategy focusing on improved market performance and subsequently improving the profitability of the company. This therefore suggest that to obtain meaningful gains from the use of celebrities, there is an urgent need to evaluate how effective they have been in promoting the industry's products. And although celebrity endorsement is imperative for survival in the Nigerian telecommunication industry, their influencing characteristics have resulted in mixed outcomes (MCcraken, 1989; and Busler, 2000) and prior empirical studies on celebrity endorsed advertisements in the Nigerian context are still scarce.

There is an increasing and consistent findings among scholars that have linked celebrity endorsed advertisement to celebrity perceived characteristics (license, 2007; McCaughan, 2007; Mowen and Stephen 1981). Sena and Lukas (2007) for instance, found a strong correlation between how well companies use celebrities and product patronage. Silvera and Benedikte (2003) found a significant improvement in product advertisement and boosted profits resulting from celebrity endorsed advertisements. As a result, celebrity endorsement has become a subject of serious academic attention (Ohanian, 1990; Pornpitakpan, 2003; Speck, David and Craig, 1988). However, one of the most important decisions regarding celebrity endorsement

pertains to which qualities do firms need from celebrities that will make their product advertisement successful (Agrawal and Wagner, 1995; Atkin and Martin, 1983).

Therefore, although the importance of this decision and the growing attention to celebrity endorsement has been very popular, few of these studies have attempted to investigate those factors that make celebrity endorsement effective. It is against this background that this study attempts to investigate those factors that determine the effectiveness of celebrities in product advertisement from the consumers' perspective. This study is aimed at identifying those factors or characteristics that most likely predict the effectiveness of celebrities in product advertisement. In addition, the study sought to understand the characteristics of effective celebrities. To this end, this paper is organized as follows after the introduction, follows the conceptual framework, next is the research methodology, analysis and results are presented. Finally implications for future research are presented.

Conceptual framework and research hypotheses

Despite the preponderance of literature on celebrity endorsement in product advertising, there are no consensus about those factors or characteristics that make them effective before the customers and how a firm can measure the value of their celebrities (Mowen and Stephen, 1981; Ohanian, 1990; Silvera and Benedikte, 2003). Though several characteristics of celebrities are identified in the literature, their contributions among the various characteristics are not well understood. Thus, in this study, celebrity characteristics are measured by breaking it down into four sub-classes and testing the relationship between each sub quality with celebrity effectiveness.

Therefore, celebrity endorsement in product advertisement requires specific actions on the part of the celebrity. Thus, celebrity endorsement as an advertising strategy as proposed by scholars (Silvera and Benediktts, 2003; Ohanian, 1990; and Thompson, 2006) consist of four main features, namely; perceived expertise, trustworthiness, Attractiveness and credibility among others.

(i) Celebrity perceived expertise and advertising effectiveness

The identification of celebrities with the right expertise enables organizations to select those celebrities that they thought are marketably significant and whom they believe will make meaningful contribution to the effectiveness of product advertisement. These celebrities have unique

qualities and due to their value, will have products developed that will match their perceived value. According to pornpitakpan, (2003) perceived expertise is created by many factors; chief among them is the celebrity experience. Till (2004) stated that celebrity experience should be a key variable for organizations interested in the value of celebrities. Perceived expertise provides value to customers by providing them with reasons to buy the product and / or appreciate the advertisement. Thus, perceived expertise and advertising effectiveness relationship can be stated in the following hypothesis.

- H₁: Celebrity perceived expertise has a significant positive effect on celebrity effectiveness in product advertisement***
(ii) Trustworthiness and celebrity effectiveness in product advertisement.

Trustworthiness implies that celebrity is dependable and can be relied upon by customers. Trustworthiness which is built on consumer's association with the endorsed brand has been considered an integral component of celebrity product advertisement framework. Thus, consumer consumption experience is a function of consumers' perception of how reliable the celebrity is (Ohanian, 1990; Silvera and benedikte 2003). The hypothesis regarding this relationship is formulated as thus;

- H₂: Celebrity's trustworthiness has a significant positive impact on celebrity effectiveness in product advertisement.***

(iii) Celebrity's attractiveness and celebrity effectiveness in product advertisement

Attention to a given advertising message begins with the customer becoming interested in who does the advertisement (Busler, 2000). Thus, the more the customer is attracted by the celebrity, the greater the possibility that his or her endorsement will be accepted by the customers. Therefore, one of the greatest achievements of celebrities in maintaining loyalty to an advertised brand is to build a strong image before the customers. Attractiveness is a function of credibility, which is necessary to develop proactively between the customer and the celebrity regarding the company's products or services. Thus, celebrity endorsement is strategically significant if the customers increase their expectations regarding the quality of relationship that may ensue from the dialogue. The success of celebrity endorsement depends on a number of factors, which trust is an essential part. Silvera and Benedikte (2003) observed that trustworthiness is central to an effective

endorsement which firms most consider in utilizing celebrities in advertising their product.

Thus, scholars also argue that celebrity's attractiveness to the audience or market is a major determinant of advertising performance (Biswas, Abhijit and Neel, 2006; Datamonitron, 2006. The next hypothesis can be formulated as:

H₃: Celebrity's attractiveness has a significant positive effect on celebrity effectiveness in product advertisement

(iv) *The relationship between Credibility of celebrity and celebrity effectiveness in product advertisement.*

Credibility of a celebrity refers to how well a celebrity is believed by the audience or target market. Credibility is necessary in order to ensure that the celebrity is accepted among the customers. It requires that the organization uses a celebrity that is well accepted, whose credibility is consistent and unique for each customer group. Nevertheless, building credibility in the market is acknowledged to be vital to a company's advertising effectiveness where

celebrity endorsement is necessary and celebrity invest considerable attention to maintaining good public image with customers (Kahlle and Pamela, 1985). Thomson (2006) demonstrates similar view that the success of celebrity endorsement initiative relies on involving the customers at an early stage, rather than simply imposing a celebrity on them. Celebrity who interface with customers need to be empowered to address customers concern promptly. Such empowerment will elicit attraction and commitment to achieving results. Ohanian (1990) underscoring the view that to be successful in celebrity endorsement, then management must intimately understand customer expectations from a given advertisement in such a way that the objectives of celebrity endorsement are achieved. This relationship is summarized in the following hypothesis;

H₄: Credibility of a celebrity has a significant positive impact on celebrity effectiveness in product advertisement

Based on the preceding accounts, an analytical framework is developed and presented in figure 1.

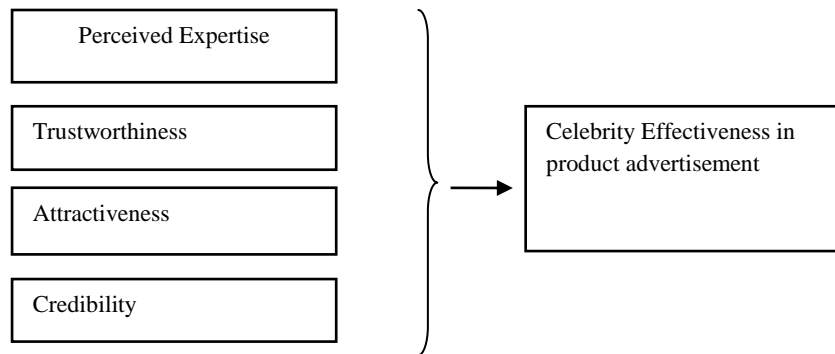


Figure. 1. Schematic Framework of the proposed model.

Based on this framework, it is argued that effectiveness of a celebrity in product advertisement is a function of celebrity perceived expertise, trustworthiness, attractiveness and credibility among the target audience. This implies that these four characteristics make celebrity unique and are crucial to advertising effectiveness, where celebrities are used. This framework identifies four critical factors for achieving successful celebrity endorsement.

Methodology

The target respondents were representative of customers drawn from the telecommunication

industry within Uyo metropolis. The choice of this industry was necessitated by their increasing use of celebrity in advertising their various product offers in their promotional campaigns. Thus, the design of the study was a survey. A self constructed questionnaire was developed by the researchers and self administered to respondents. In order to encourage participation, these respondents were subsequently followed with a phone call to ensure that they responded to the questionnaire items. A total of 150 copies of the questionnaire were distributed to consumers in the telecommunication industry within Uyo metropolis. The respondents were selected randomly.

Five telecommunication companies (Airtel, MTN, ETISALAT, GLO, and VODACOM) were selected randomly and the respondents were targeted on convenient basis through non probability sampling. The likert scale questionnaire was designed for collecting the data from the respondents. Thus, the number of respondents contacted was 150. Thirty respondents from each company, but 120 were retrieved in useable form, thus giving a retrieval rate of 80 percent. The instrument was also tested for reliability using Cronbach’s reliability and the coefficients were as follows:

Table 1. Reliability of scale

S/N	Variables	Cronbach’s Alpha
1	Celebrity Effectiveness	0.732
2	Perceived Expertise	0.778
3	Trustworthiness	0.776
4	Attractiveness	0.750
5	Credibility	0.773

From the table above, it is obvious that since the reliability coefficients range from 0.732 to 0.778, then the instrument was reliable and could be used for the study. Data were analyzed using descriptive and inferential statistics (Multiple regression analysis and tested at $p > 0.05$)

Analyses and Results

The socio-economic and demographic characteristics of respondents reveal that 78 percent of the respondents were male and 22 percent were female. The study further reveals that 73 percent of the respondents were in the age bracket of 20 – 40 while 31 – 40 age brackets were just 14 percent, 41 to 50 were only 9 percent and above 51 were only 4 percent. In terms of marital status of respondents, 61 percent of the respondents were unmarried, while 39 percent were married.

The hypotheses were tested using the multiple regression model and the results obtained after fitting the multiple linear regression were as follows:

Table 2: model summary.

model	R	R-square	Adjusted R-square	Std.Error of the Estimate
1	.784	.615	.586	.25717
(a)	Predictors: Perceived expertise, trustworthiness, attractiveness, credibility.			

From table 2 above, it could be observed that the adjusted R-square shows that the dependent variable (Celebrity effectiveness) is affected or determined by 58.6 percent by the independent variables; (perceived expertise, trustworthiness, attractiveness and

credibility). These suggest that these factors are responsible for celebrity’s effectiveness in product advertisement. Thus, the overall model was significant and also tested with the help of ANOVA and the results are presented in table 3.

Table 3: Anova Results

Model	Sum of Squares	DF	Mean square	F	Sig
Regression	9.728	7	1.390	21.012	.000*
Residual	6.085	92	.066		
Total	15.813	99			

(a) Dependent variable: celebrity effectiveness

(b) Predictors: Perceived expertise, trustworthiness, attractiveness and credibility.

The table above demonstrates the level of significance. Thus from the table it could be observed that all the factors; perceived expertise, trustworthiness, attractiveness, and credibility are all related to celebrity’s effectiveness and that the relationship between the independent variables and

the dependent variable is positively significant when compared with the alpha value of 0.05. Therefore, the coefficients of all the variables included in the model along with their respective p-values are shown in table 4.

Table 4: Regression Coefficients.

Model	Coefficients				T	Sig.
	Understandized Coefficients		Standardized coefficients			
	B	Standard Error	Beta			
(Constant)	1.138	.252			4.520	.000
Perceived Expertise	.210	.076	.296		2.748	.007
Trustworthiness	.188	.075	.243		2.494	.014
Attractiveness	.197	.088	.272		.2226	.028
Credibility	.229	.083	.296		2.748	.007

Dependent variable: Celebrity Effectiveness

From table 4, it could be observed that all the factors are positively affecting celebrity's effectiveness. Thus, every factor is significantly related to celebrity's effectiveness in product endorsement. Hence, under the standardized coefficients, it is evident that perceived expertise and credibility are the two major and most important factors causing celebrity's effectiveness in product advertisement with a standardized coefficient of 0.296 respectively. This is followed by attractiveness with a coefficient of 0.272, while trustworthiness with a coefficient of 0.243, is the least most important factor. Therefore, from the positive values which are significant at value = 0.05, we accept all the hypotheses.

Discussion of Findings

Relationship between celebrities's perceived expertise and celebrity's effectiveness in product advertising (H₁).

The results of this hypothesis show a high positive relationship between the variables. With a beta of .296, this implies that celebrity's perceived expertise has a significant influence on celebrity's effectiveness. Suggesting that if the level of expertise exhibited by celebrity is high, then the likelihood of success will also be high, everything being equal. This result collaborate the findings of Ohanian (1990).

Relationship between celebrity's trustworthiness and effectiveness in product advertising.

The results of the influence of trust on customers perception of the celebrity shows a beta of .243 confirming the existence of a direct and significant relationship between the perceived value of trustworthiness of the celebrity and the level of his or her success in product endorsement. Thus, with a higher level of trust in a celebrity, customers would appreciate and continue to patronize the endorsed

product or service, thereby fostering more advertising effectiveness. This finding is consistent with the findings of Mowen and Stephen (1981).

Influence of attractiveness on celebrity's effectiveness in product advertisement

The result (Beta = .272) shows a significant influence of attractiveness on celebrity's effectiveness. This implies that higher level of celebrity attractiveness to the customers would signal higher attention getting. A well attractive celebrity, that is, a celebrity that is popular is likely to create attention among customers and such attention is bound to culminate into continued patronage of the endorsed product or service. This collaborates Ohanian (1990); Busler, (2000) and Thomson (2006) assertions that celebrity's effectiveness in endorsing products is a function of their perceived characteristics.

Relationship between celebrity credibility and celebrity effectiveness in product advertisement

The results of these findings indicate that with a beta of .296, and then celebrity credibility has a significant positive association with their effectiveness.

That is, as the credibility or public image of the celebrity increases, then their effectiveness in creating the desired advertising impact will also increase. This is consistent with the findings of Ohanian, (1990); Pompitakpan, (2003); Silvera and Benedikte (2003).

Conclusion and Recommendations

Based on the results of this study we conclude that the characteristic which invariably is the celebrity's image can positively or negatively affect consumers' attitude towards the endorsed product. This further means that celebrities with good public image will easily enhance product acceptance among consumers

because of their perceived characteristics but poorly viewed celebrities are impediments to product advertisements success in the market place. Therefore, care should be taken when selecting celebrities for product endorsement and even though these characteristics are not exhaustive of the qualities sought in a celebrity, it is important to harness these qualities as they are instrumental in developing an acceptable image for a celebrity in product advertisement.

Limitations and Future Research Implications

This study has some implications, first the study is limited to only five telecommunication companies operating in Akwa Ibom State, future studies should attempt to examine broader spectrum of celebrity characteristics, and expand the study beyond Akwa Ibom State to other states and also across different categories of companies in the service industry. This in essence will create opportunity for generalization and comparisons across different classes of service companies and across industries.

Secondly, there is an urgent need for the development of a comprehensive model that will explain all those factors that predict success or failure of a celebrity in product endorsement. Therefore, while there have been several studies that have examined individual factors contributing to the success or failure of celebrities in product advertisement, to date, no meaningful efforts have been made to examine these factors in a single model; this is an area for further scholarly attention.

Finally, the study of celebrity in product endorsement is yet to receive empirical attention in most third world and developing economies. Therefore, future studies should explore the study of celebrities across developed and developing countries so as to help in better understanding of celebrity as powerful instruments in marketing communication programme.

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