

**EFFECT OF CELEBRITY ENDORSEMENT ON PRODUCT  
COMPETITIVENESS OF GLOBACOM GHANA LIMITED.**

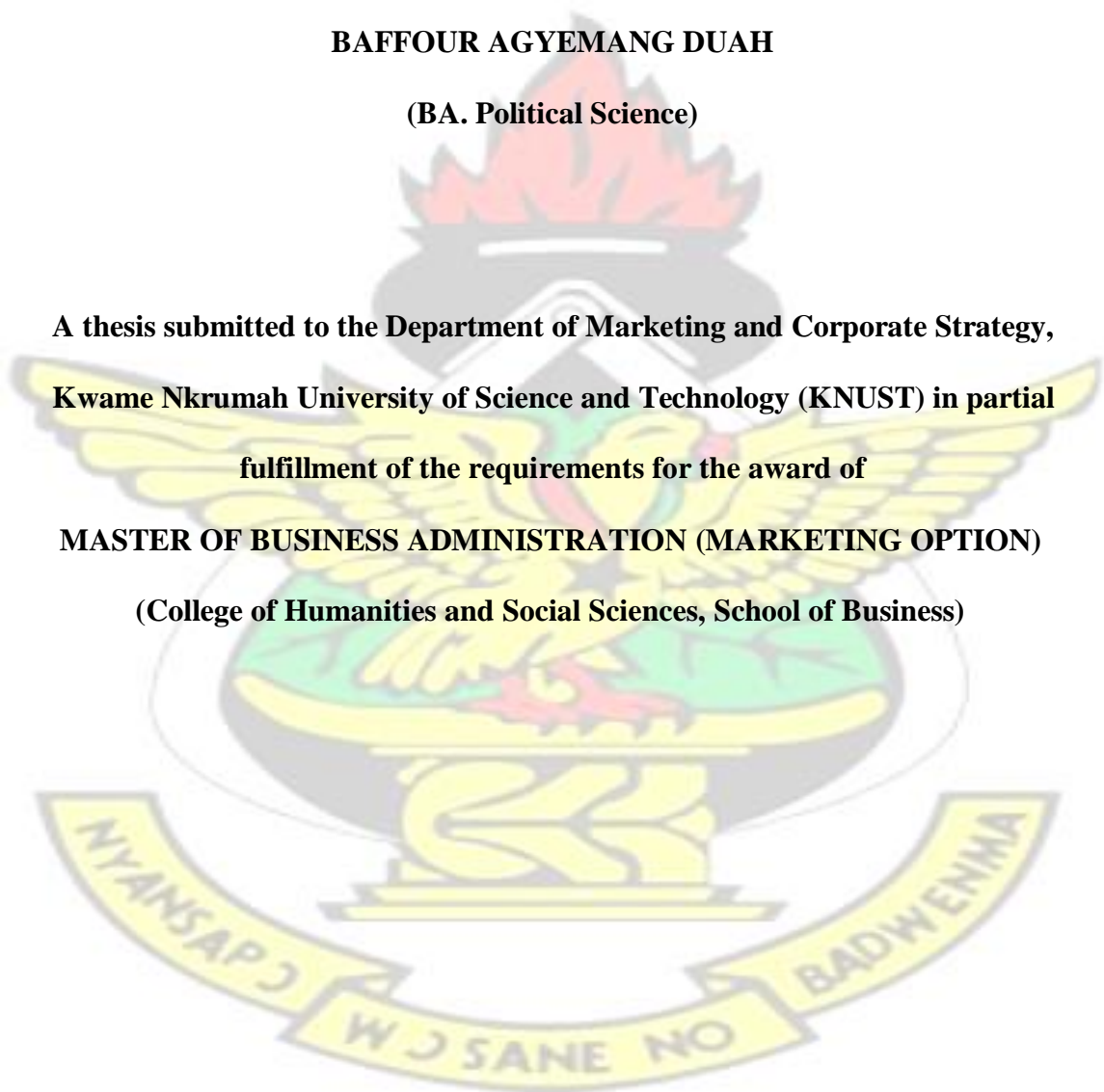
**KNUST**

**By**

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**A thesis submitted to the Department of Marketing and Corporate Strategy,  
Kwame Nkrumah University of Science and Technology (KNUST) in partial  
fulfillment of the requirements for the award of  
MASTER OF BUSINESS ADMINISTRATION (MARKETING OPTION)  
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i  
**DECLARATION**

I hereby declare that this research project is my original work towards the award of Master of Business Administration degree and that, it contains no material previously published by another person or material which has been accepted for the award of any other degree by the university except where due acknowledgement has been made in the text.

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(Head of Department)

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Date

## **DEDICATION**

This study is dedicated to my family and loved ones for their love, support, patience, and understanding. Their encouragement gave me the will and determination to complete my postgraduate studies.

# KNUST



## ACKNOWLEDGEMENT

I wish to thank my Creator and my Father in heaven for bringing me this far. I pride in His name because, it is His power and grace that has made this study a success. I wish to acknowledge and sincerely appreciate the following people without whom this research work would not have been successful. It may not be possible to mention all by name but the following were singled out for their exceptional contributions.

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I equally thank all the respondents who participated in this study. Their response and contribution is highly appreciated.

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## ABSTRACT

In view of the competitiveness within the mobile telecommunication industry, the commencement of an effective celebrity endorsement strategy can be a significant success factor. The study examines the effect of celebrity endorsement on product competitiveness of Globacom Ghana Limited through a quantitative approach. The study's population consists of all customers on KNUST campus who have subscribed to Globacom network, out of which a sample of 400 was selected through convenience sampling technique. The source of data was mainly primary data through questionnaires administration; however secondary data was sourced through journals and articles. SPSS statistical package was used in analyzing the data. The study established that, the correct choice of a celebrity can surely increase sales growth, market share, advert impact, net profit and sales revenue of product above its competitors. Again, credibility, expertise and attractiveness have a positive effect on brand positioning which was significant with a 95 percent confident. The study finally recommended to marketers to understand how their target consumers relate to the celebrity endorser they have selected. Again, marketers need to be cautious that there may be capacity limits for celebrities when they endorse multiple brands. Brand managers and advertising professionals will have to use available data statistics to better estimate potential sales effects that would provide additional return on investment justification by using particular celebrities as their brand endorsers. Lastly resources should be allocated towards consumers and their specific needs and possibly use more regular people as spokespersons.



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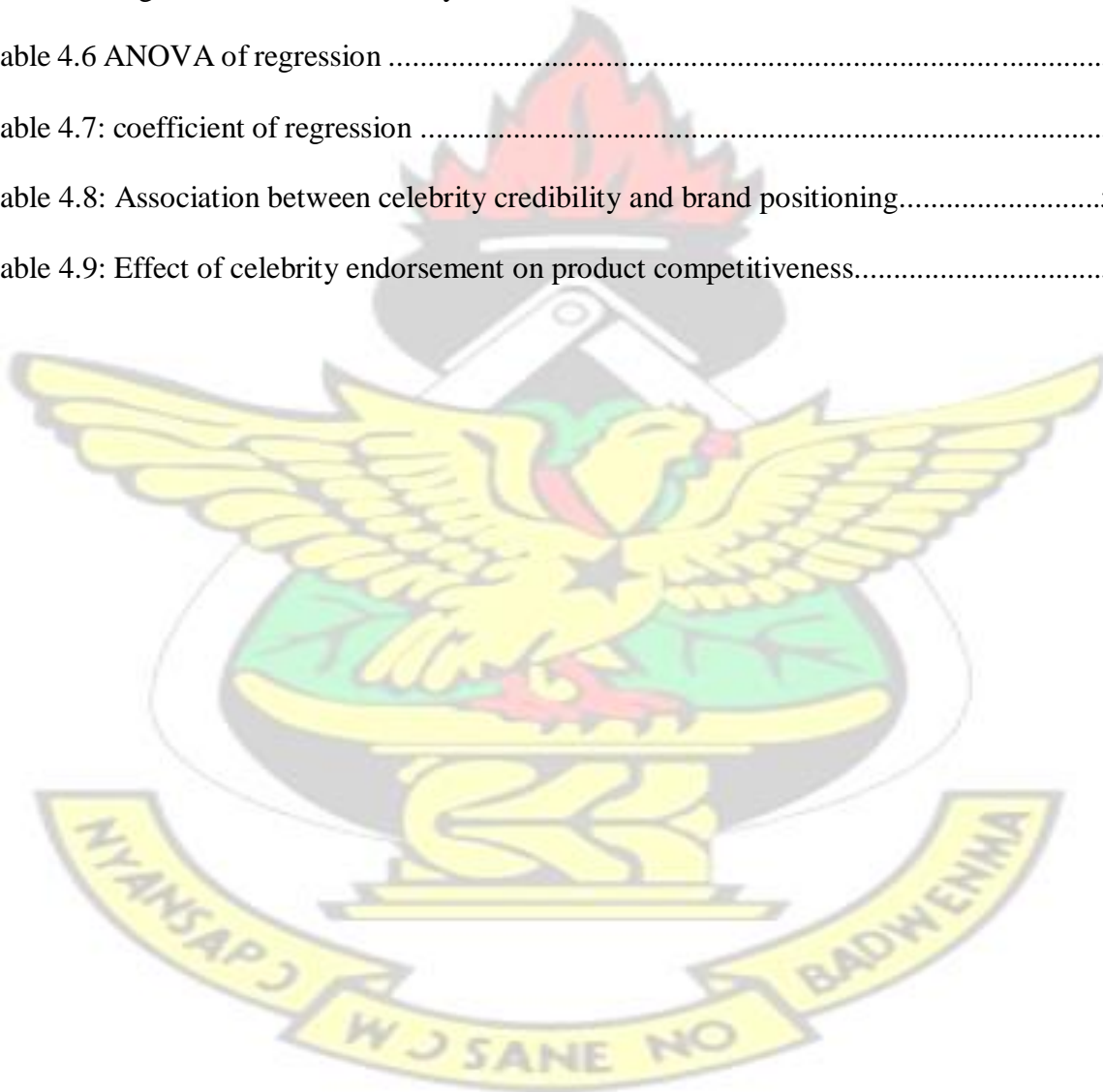


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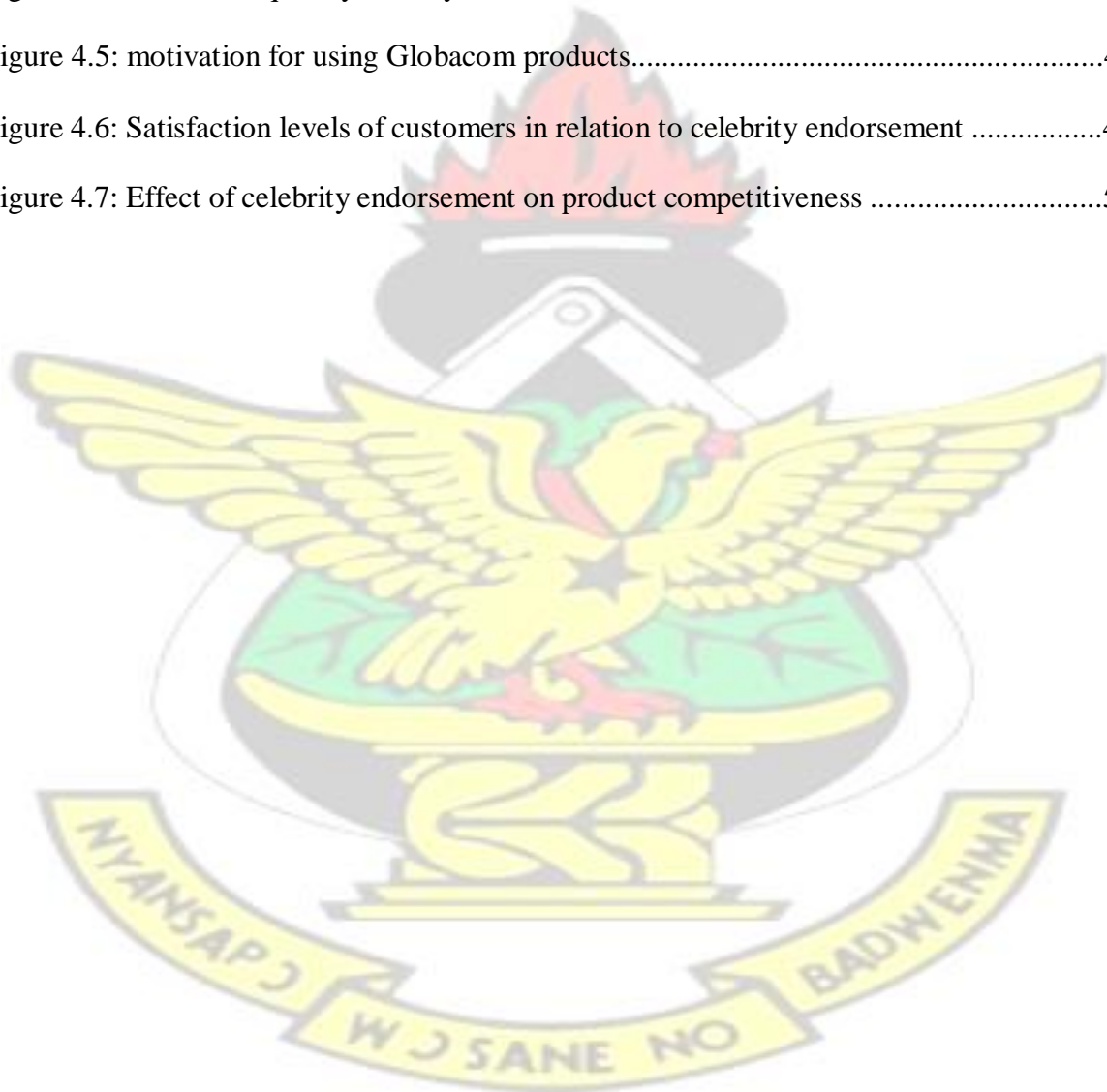
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# **CHAPTER ONE**

## **GENERAL INTRODUCTION**

### **1.1 Background of the Study**

The spread of mobile technology has varied significantly between countries with majority of mobile subscribers in the developing countries, (ITU, 2013). In 2013, statistics from the International Telecommunication Union revealed that the penetration rate of mobile phone subscribers is 96.2 per 100 inhabitants globally and the report also suggests that there are now more mobile phone users in the developing world than in the developed world (ITU, 2013). The importance of customers has been highlighted by many researchers and academicians. Bamfo (2009) argues that “however good products, however strong the brand, customer satisfaction is the only way to have a competitive edge and to keep customers coming back all the time.”

Customers are aware of what constitute satisfaction and therefore organisations cannot take them for granted (Bamfo, 2009). Moreover, customers are becoming more difficult to please, they are smarter, more price conscious, more demanding, less forgiving, and they are approached by many more with equal or better offers (Hamel, 1996; Kotler & Keller, 2006). The challenge now is far beyond producing satisfied customers as competitors can do it too; the challenge is to produce delighted and loyal customers (Kotler & Keller 2006; Keller et al., 2011).

In a study of the overall customer satisfaction in Ghana’s mobile telecommunication networks, it was noted that, irrespective of the mobile telecommunication networks in Ghana,

customer satisfaction is low (Nimako et al; 2010, Mahmoud & Hinson, 2012). Now, operators of the industry are faced with the challenge of demonstrating customer-focused and continuous service improvement than before, as a way of ensuring customer satisfaction, brand supremacy and ultimately customer loyalty (Boohene & Agyapong, 2011; Henry & Quansah 2013).

However, as the competitive environment increasingly becomes fierce, the most important issue the telecom providers face is no longer to provide excellent, good quality products or services, but also to keep loyal customers who will contribute to the long-term profitability of the organizations (Kotler 2009; Tseng, 2007). This study seeks to investigate the relationship between celebrity endorsement and brand loyalty in the mobile telecommunication industry in Ghana. In 1996, the telephone density of Ghana was 0.26 per cent; this translate to 2.6 telephone lines per everyone thousand (1000) people, including thirty-five pay phones in the entire country out of which 32 were located in Accra. This was one of the lowest in Africa. Today there is one phone for every four Ghanaians. This tremendous increase in the telephone density has resulted from the establishment of the National Communication Authority (NCA) in 1997, and the subsequent deregulation of the telecommunication industry ([www.nca.org.gh](http://www.nca.org.gh)). Deregulation and reduced entry barriers into the Ghanaian Mobile industry have led to intense competition as the number of operators swell-up to contend for market shares (Frempong, 2002). Mobile Operators are engaging various marketing strategies to retain and attract new customers. There are already six competitors in the industry, namely, Mobile Telecommunications Network (MTN), Tigo, Vodafone, Glo, Airtel and Expresso.



Celebrity endorsement is perceived as a conventional marketing instrument used by marketers to communicate brand images and information to consumers. Companies that adopted the use of celebrity endorsements are able to build up brand image, promote brand awareness, brand equity, and ultimately to gain strong brand loyalty with increased sales revenue, even maximizing the returns on shareholders investments (White, Goddard, & Wilbur, 2009) and (Dean & Biswas 2001).

Ever since UK's Queen Victoria endorsed Cadbury's Cocoa and Pope Leo XIII's image promoted the Vin Mariani drink in the 19th century, celebrities have been used in advertising. Though, perhaps originating in Europe, celebrity endorsers are now used frequently not only across developed countries, but in emerging markets as well; for example, celebrities appear in roughly 20-25% of advertisements in the United States and the United Kingdom (Erdogan, Baker, and Tagg 2001; Sager 2011), but over 50% of advertisements in India (WARC 2010). Additionally, approximately 50% of consumers in emerging markets such as China, Africa and Latin America indicated a preference to see more celebrity endorsements in advertising (MEC 2009).

In spite of these huge benefits that lie in the use of celebrity endorsement, many companies today, still argue and doubt the reality of it, they believe in the perception that it is an expensive form of advertisement or publicity and its benefits cannot be guaranteed with high certainty (Sager, 2011). Besides, it is associated with some form of risk investments. Thus, often resorts to cheap advertising tool that do not render the company's product brands competitive and promote the brand loyalty. To a large extent, some companies consider

celebrity endorsement a myth and a theory rather than given a practical perspective or approach. Thereby, they are unable to reap the benefits thereof.

## **1.2 Problem Statement**

Endorsement is a channel of brand communication in which a celebrity acts as the brand's spokesperson and certifies the brand's claim and position by extending his/her personality, popularity, stature in the society or expertise in a field to the brand (Choi, 2002). In a market with a very high proliferation of local, regional and international brands, celebrity endorsement is thought to provide a distinct differentiation.

Celebrity endorsements have proven very successful in China where, due to increasing consumerism, it is considered a status symbol to purchase an endorsed product. On August 1, 2007 laws were passed banning healthcare professionals and public figures such as movie stars or pop singers from appearing in advertisements for drugs or nutritional supplements. A spokesperson stated: "A celebrity appearing in drug advertising is more likely to mislead consumers, therefore, the state must consider controlling medical advertisements and strengthen the management of national celebrities appearing in medical advertisements." Advertisers have attempted to quantify and qualify the use of celebrities in their marketing campaigns by evaluating their awareness, appeal, and relevance to a brand's image and the celebrity's influence on consumer buying behavior. Omnicom agency, Davie Brown Entertainment has created an independent index for brand marketers and advertising agencies that determine a celebrity's ability to influence brand affinity and consumer purchase intent. According to the Wall Street Journal, the so-called "Davie-Brown Index" will "enable

advertisers and ad-agency personnel to determine if a particular public figure will motivate consumers who see them in an advertisement to purchase the product advertised." It is against this background that this research seeks to evaluate the effects of endorsements from celebrities on the product competitiveness of Glo Ghana Limited.

### **1.3 Research Objectives**

1. To assess the association between celebrity expertise and brand positioning
2. To evaluate the relationship between celebrity attractiveness and brand positioning
3. To investigate the relationship between celebrity credibility and brand positioning
4. To examine the effect of celebrity endorsement on product competitiveness of Globacom.

### **1.4 Research Questions**

1. What is the association between celebrity expertise and brand positioning?
2. What is the relationship between celebrity attractiveness and brand positioning?
3. What is the relationship between celebrity credibility and brand positioning?
4. What is the effect of celebrity endorsement on product competitiveness of Globacom?

### **1.5 Scope of study**

The purpose of this study is to ascertain the effects of celebrity endorsements on the competitiveness of the products of Glo Ghana Limited in Kumasi. As such, perspectives will be sought from Glo subscribers on KNUST Campus in Kumasi.

## **1.6 Justification of Study**

Businesses are to a larger scale, influenced by the elements of the macro-environment which are both beyond their direct control and are subject to changes. One of the crucial elements for which people are in business is the consumer who forms the bedrock of enterprises existence, objectives and strategies. The telecommunication industry is offered the same standards (infrastructure, policies, regulations, economic variables etc.) in terms of the macro-environment by the Government and Ghana Communication Authority; as such their resources and activities in the micro-environment determine their strategic advantage and stance in the fierce, oligopolistic competition. Being that the telecommunication industry is a nascent service industry which to a large extent is a customer-centric industry. Companies have through so many strategies and theories tried to attain a large market size.

There have been many studies on celebrity endorsements but the major aim of this research to gain extensive consumer knowledge through thorough assessment of the effects of celebrity endorsement. This will therefore serve as a guide and successive-competitive tool for both the existing and emerging telecommunication companies in mapping out objectives and effective strategies with the customer as the focal point.

Secondly, it will be relevant for academic purposes. The rigorous nature of the methodology of this research will make it serve as a pedestal for advanced or continuous future research for students, market intelligence, research consultants and others. It will also serve as material for academic reference in the circles of marketing and strategic management treatment of the general topic of celebrity endorsements.



## **1.7 Research Organization**

The research was organised in (5) five main chapters: The First Chapter captures the parts of the study which includes the background, the problem statement, the objectives, the research questions, the justification, scope, limitations and the organization of the research. The Second Chapter reviews already written tests and thesis that primarily deals with discussions and reviews of literature related to the effect of celebrity endorsers on the competitiveness of a product/service whilst the Chapter three discusses the methodology that will be used in completing the research. The Fourth Chapter explores whiles discussing the outcomes of the study and analyzing the data which will be gathered and last but definitely not the least is The Fifth and final chapter which will look at the synopsis of the outcomes, of findings, recommendations and the completion or conclusion of the research





## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Literature review sought to critically review all relevant works on a wide range of accepted principles of how consumers' brand attitudes and preferences can be influenced by celebrity endorsements in the marketing of the corporate brand. It is also important to appreciate that just because an individual is famous and considered a celebrity, he/she might not necessarily be an effective endorser. As companies invest large sums of money in celebrity endorsement contracts, any celebrity endorsement relationship must contribute to larger marketing strategies (Erdogan and Kitchen 1998). Accordingly, campaigns involving celebrities are believed to bring more positive results if they are properly integrated than traditional nonintegrated campaigns (Bertrand and Todd, 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.

#### **2.2 Product endorsement**

According to Prasad (2012) study, product endorsement is a form of testimonial from someone which indicates that they like or approve of a product. Commonly, product endorsements are solicited from people who are socially prominent, allowing companies to advertise their products with statements like as used by such-and-such an actress, or the official product of a company. It's hard to miss a Celebrity Endorsements & Brand Building product endorsement on product packaging and in advertisements; most companies keep their endorsements front

and centre so that they are always in the public eye. The concept of the product endorsement is quite ancient.

Additionally, in England for example, several companies have been advertising themselves as “by appointment to the Queen” for hundreds of years, indicating that they enjoy the patronage of the British Royal family. Consumers are often seduced by the idea of purchasing a product which is endorsed by someone wealthy or famous, as though by buying the product, the consumer also becomes affiliated with the person who endorses it. Modern product endorsements can come with contracts worth substantial amounts of money. For example, many sports stars agree to participate in product endorsement campaigns with the understanding that the company will compensate them for the trouble; some stars donate the proceeds to charities they support, using the product endorsement as a public relations campaign. In exchange for an endorsement contract, someone may agree to use the product publicly whenever possible, and they may be restricted from using products made by a competitor (Prasad, 2012).

Furthermore, Prasad argued that, a product endorsed does not necessarily mean that a product is good. It just means that the company has managed to work its public relations connections to get a big name associated with it. Some endorsements take the form of written testimonials, where people write about how the product changed their lives. Historically, such testimonials were often printed on the product and they were often restricted from using products made by a competitor. Modern testimonials are more commonly included in advertising campaigns, with excerpts only on the packaging. Many companies also use photographs or motion

pictures of famous people on their products to create a visual connection between the endorser and the product, which is why sports stars appear on various sports merchandise.

### **2.3 Endorsement strategy**

Endorsement strategy has been officially used by companies in the nineteenth century and developed as a means of promotion due to radio and Television commercials making, then grew rapidly in the 70's when celebrity endorsers appeared in 15% of all advertising. The share of appearances increased in the coming years: 20% in the 80's, 25% in the 90's, setting celebrity endorsement as the most important and widely used marketing strategy (Ang & Dubelaar, 2006) . Celebrity endorser is a person who advertises a product, a person who is known for his/her achievements in areas which are different from the advertised product category (Friedman & Friedman, 1979). Endorsements can have celebrities giving expert opinions, being a spokesperson for a product or associated with a brand (McCracken, Lukas & Seno, 2005). There are more types of endorsements: explicit (person endorses the product), implicit (person uses the product), imperative (person impels the product), or co presentational (merely appearing with the product). Unlike anonymous endorsers, celebrities add value to the image transfer process, sustaining brand communication and achieved a higher level of attention and recall (Song, Chaipooiratana & Combs, 2011). Research has shown that the use of celebrities in advertising, compared with anonymous models, can have a positive influence on the credibility, preference for advertising and ultimately, the purchase intention (Farhat & Khan, 2011).

## **2.4 Endorsement techniques**

According to Okonkwo (2007) study, there are a number of ways in which celebrities can support a brand. This includes printing advert in magazines, TV commercials, products used in films and television programs, photos of celebrities paid to use certain brand products (to indicate that the product and the brand are part of their everyday life), celebrities photos with outstanding products that they wear (when they really appreciate the product and use it daily), brand name mention in music, inviting celebrities to be co-creators in product design, naming the products after the name of celebrities (Jackie purse from Gucci, Kellybags for Hermes). Additionally, Chiosa (2012) argued that, several celebrities had signed contracts for luxury brands image including Angelina Jolie (St John), Scarlett Johansson (Louis Vuitton), Lindsay Lohan (Miu Miu), Madonna (Versace in 1995) and Charlize Theron (Dior). This indicates how significant product endorsement is to companies.

## **2.5 The concept of branding**

Branding more or less for centuries has been a means to differentiate goods of one producer from that of another. Brand studies have always remained a key attention of marketers because of its importance and direct relationship with consumers. Several studies illustrate that, marketers use brands as the primary point of differentiation to get that competitive advantage over other competitors playing an imperative role in the success of the company. Brand holds a very significant place in the life of a consumer. Consumers choose brands and trust them to avoid uncertainty and quality related issues (Bennett, 1995). A name, term, sign, symbol or design, or a combination of these, that is intended to identify the goods and services of one



business or group of businesses and to differentiate them from those of competitors (Bennett, 1995).

The definition of branding by Bennett (1995) is one of the most numerous descriptions of the word brand. Essentially; brand is a way of differentiating a company's good, or services, from those of its competitors Kotler (2009). A significant factor of company's strategy to increase their market share and then profit is to strengthen their brand image thereby creating the proper product identity and customer loyalty. DePelsmacker (2001) defines investment in brand awareness and brand image as powerful instrument of marketing strategy, as they are important vehicles on the road to long term profitability. Brand serves as a pivotal role for distinguishing goods and services from those of the competitors. Aaker (1991) and Murphy (1998).the emergence of brand equity underlies the importance of brand in marketing tactics and hence provides useful insights for managers and further research, Keller (2003).

In addition, branding is a sign of quality distinction and can be used to secure competitive advantage, increased financial returns and high customer loyalty. For the consumer, the brand functions as a means of identification that reduces search costs, search effort, and perceived risk, thereby facilitating a shortcut in purchase decision making, and represents a guarantee of quality and reliability. Forming a self-brand connection is a psychological manifestation of such equity at the consumer level. When consumers appropriate or distance themselves from brand associations based on celebrity endorsement, they do so in a manner that is consistent with self-related needs, such as self-enhancement (Escalas & Bettman 2003).



Consumers may construct their self-identity and present themselves to others through their brand choices based on the congruency between brand-user associations and self-image associations (Escalas & Bettman 2005). Brands can as such become symbols whose meaning is used to create and define a consumer's self-concept. Though brand by itself will never walk, talk and get photographed, but by tying it with a celebrity, the name of a product or a company, can take on instant glitz, glamour, charm, sex-appeal and aspiration.

### **2.5.1 The significant roles of brand**

Brand is a name in every customer mind Mooij (1998) and it is characterized by a noticeable name or symbol which can differentiate the goods and services from the rivals Aaker (1991) and Keller (1998). In addition to a specific brand name, a brand is composed of products, packaging, promotion, advertising as well as its overall presentation, Murphy (1998). From the consumer's perspective, brand is a guarantor of reliability and quality in consumer products. Roman et al (2005) added to this, consumers would like to buy and use brandname products with a view to highlight their personality in different situational contexts, Aaker (1999) and Fennis and Pruyn (2006).

Currently, consumers have a wide range of choice to choose from when they enter a shopping mall. It is found that consumers' emotions are one of the major determinants which affects their buying behavior (Berry, 2000). According to a research conducted by Freerddie Media LLC (1998) on shopping habits, nearly one-fourth of the respondents are impulse buy products they have not budgeted for. When deciding which products to purchase, consumers would have their preference, which are developed in accordance with their perceptions

towards the brand. Successful branding could make consumers aware of the presence of the brand and hence could increase the chance of buying the company's product and services (Doyle 1999)

### **2.5.2 Brand signalling theory**

The concept of brand credibility has emerged from the brand signaling literature. According to this theory, which draws largely from information economics, firms can use brands as signals for conveying information in a marketplace that is characterized by imperfect and asymmetric information (Erdem and Swait, 2004; Erdem et al., 2002). Brand signals embody all past and present marketing mix strategies (Meyer and Sathi, 1985). The content of a brand signal can be considered in terms of clarity and credibility. Clarity refers to the lack of ambiguity of the brand signal content (Erdem and Swait, 1998), whereas credibility refers to how effectively information is conveyed by the brand signal and furthermore, how truthful and dependable that information is considered to be (Tirole, 1988). Credibility is considered the most important characteristic of a brand signal and is a key focus of this research.

### **2.6 Celebrity Endorsement-The Persuasion Effect**

Traditional explanations of celebrity endorsement persuasion effects are based on the source effects of literature which indicates that celebrity endorsement increases people's attention to a paid advertisement no matter the media used (Buttle, Raymond, and Danziger 2000); celebrities should and are generally attractive, which aids in persuasion when consumers are concerned about social acceptance and others' opinions (DeBono and Harnish 1988) or when the product is attractiveness-related (Kahle and Homer 1985, Kamins 1990); celebrities with

expertise in a particular area is the most credible source, such as a footballer endorsing a soccer boot (Ratneshwar and Chiaken 1991) or a beauty queen endorsing makeup pack (Baker and Churchill 1983); and celebrities are often likeable people, most of the time leading to identification and consumer persuasion in an attempt to have a close relationship with the celebrity (Belch and Belch 2007).

In traditional dual process models (e.g. ELM; Petty, Cacioppo, and Schumann 1983), celebrities are most often considered a peripheral cue: they are important in persuasion only when consumers are not involved in the product category or in processing the advert. However, celebrities may provide central information when an aspect of the celebrity matches the product (as with beauty products and attractiveness; Kahle and Homer, 1985). Also, as affective peripheral cues, celebrity endorsements may lead media weight to have an impact on sales in mature categories (MacInnis, Rao, and Weiss 2002). The company makes use of the celebrity's characteristics and qualities to establish an analogy with the products specialties with an aim to position them in the minds of the target consumers. To be successful, brands need to convince consumers that they carry a different image and value from other competing products (Sadhu Ramakrishna, Santhosh Reddy, 2005). In other words, brands have to show their true personality to the potential consumer(s). It was not until the 1920s, however, that advertisers used famous people for product endorsements.

Actresses Joan Crawford, Clara Bow and Janet Gaynor were among the first celebrities to promote products (Fox, 1984). At that time, the rationale given by advertising agencies for using celebrities was "the spirit of emulation" (Fox, 1984, p.90). About a decade ago, one in three television commercials used celebrities' endorsements (Business Week, 1978), and

today this advertising approach appeared to be on the increase across all media types (Sherman, 1985 and Levin, 1988). Friedman et al. (1977) found that celebrities are featured in 15 percent of the prime-time television commercials. In the United States, it was reported that about 20% of all television commercials feature a famous person, and about 10% of the dollars spent on television advertising are used in celebrity endorsement advertisements (Advertising Age, 1987; Sherman, 1985). Thus, celebrity endorsement has become a prevalent form of advertising in United States (Agrawal and Kamakura, 1995) and elsewhere.

Today, the use of celebrity advertising for companies has become a trend and a perceived winning formula for corporate image building and product marketing (Media, July-August 1997). This phenomenon is reflected by the recent market research findings that 8 out of 10 TV commercials scoring the highest recall are those with celebrities' appearances (Media, Nov. 14, 1997). Brands have become embedded in the consumer psyche and offer consumers the opportunity for self-expression, self-realization and self-identity. This effect is particularly strong in fashion categories. Barriers including cynicism and increasing advertising literacy threaten traditional approaches to brand communications, which have traditionally relied on verbal communications and storytelling. Celebrity endorsement is recognized as a potentially potent tool in communications, with celebrities viewed as more powerful than anonymous models and campaigns tending to verbalize the meaning of the celebrity in relation to the brand (Brian Moeran, 2003). To the manufacturer, brands offer a means of identification for ease of handling and tracking, legal protection and the ability to be distinctive. In addition, branding is a sign of quality and can be used to secure competitive advantage and increased financial returns and high customer loyalty. For the consumer, the



brand functions as a means of identification, reduces search costs, effort and perceived risk, thereby facilitating a shortcut in decision making, and represents a guarantee of quality and reliability. Dawson-Ahmoah, Entsiful and Mensah (2003) noted that the celebrity system is primarily a Ghanaian cultural enterprise and that Ghanaians identify strongly with celebrities and are thus more willing to accept and internalize endorsement messages. Consumers from other cultures may not show correspondent bias, believing that endorsers like the product less than most people. This was evident in a sample from Norway, where cultural norms based on Janteloven suggest that an individual should never try to be different or consider himself/herself more valuable than others. The set of associations consumers have about a brand is an important component of brand equity (Keller 1993), and we believe that forming a self-brand connection is a psychological manifestation of such equity at the consumer level.

When consumers appropriate or distance themselves from brand associations based on celebrity endorsement, they do so in a manner that is consistent with self-related needs, such as self-enhancement (Escalas and Bettman 2003). Recent research indicates that consumers construct their self-identity and present themselves to others through their brand choices based on the congruency between brand-user associations and self-image associations (Escalas and Bettman 2005, 2003). Brands can be symbols whose meaning is used to create and define a consumer's self-concept (Levy 1959). McCracken's (1986) model of meaning transfer, explains that such meaning originates in the culturally constituted world, moving into goods via the fashion system, word of mouth, reference groups, sub cultural groups, celebrities, and the media. The meaning and value of a brand is not just its ability to express the self, but also its role in helping consumers create and build their self-identities (McCracken 1989).



McCracken, highlighting the limitations of the 'source' models, puts forward a three-stage Meaning Transfer model, which has been adopted as the model that comes closest to conceptualizing the process. Dwane Hal Dean (1999) studied the effects of three extrinsic advertisement cues via third party endorsement, event sponsorship and brand popularity on brand / manufacturer evaluation. It was observed that endorsement significantly affected only product variables (quality and uniqueness) and one image variable (esteem).

The third party endorsement, hence, may be perceived as a signal of product quality. Goldsmith et al.(2006) assessed the impact of endorser and corporate credibility on attitude toward the advert, attitude toward the brand, and purchase intentions. 152 adult consumers were surveyed who viewed a fictitious advertisement for Mobil Oil Company. They rated the credibility of the ad's endorser, the credibility of the company, and attitude-toward the advert (Aad), attitude toward the brand (AB), and purchase intentions. It was observed that endorser credibility had its strongest impact on Aad while corporate credibility had its strongest impact on AB. The findings suggest that corporate credibility plays an important role in consumers' reactions to advertisements and brands, independent of the equally important role of endorser credibility. Most brands start a life without personality. In sincerity, a brand by itself will never walk, talk and get photographed. But by tying it with a celebrity, the name of a product or a company can take on instant glitz, glamour, charm, sexappeal and aspiration. D. Reeder (Greenlight L.A) said, "People's fascination with celebrities isn't going away. The use of celebrities is here to stay. But in what form is the open question." Now to derive some strategic path of the endorsement, endorsing brands need to assess the impact of the chosen celebrity on the particular brand.

There is no doubt that celebrity advertising has its benefits -- the four Qs:

Quick saliency: It gets cut through because of the star and his attention getting value.

Quick connect: There needs to be no insight but the communication connects because the star connects.

Quick shorthand for brand values: The right star can actually telegraph a brand message fast without elaborate story telling.

Quick means of brand differentiation: In a category where no brand is using a celebrity, the first that picks one up could use it to differentiate itself in the market.

To develop a successful roadmap of brand endorsement, the research seeks to explore the link between brands and the consumer psyche. Belk (1988) considers the concept of the extended self, which comprises self (me) and possessions (mine), suggesting that unknowingly, intentionally or unintentionally we regard our possessions as reflective and as part of ourselves. O'Shaughnessy (2002) asserts that consumers seek positional products to signify group membership and to mark their position. Thus, brand consumption has evolved into a process of self-reference, self-identity and self-articulation. Onkvisit and Shaw (1987) define this as the outcome of a learned, continuous and active process that consolidates the ideas and feelings we hold in relation to other people in a socially determined frame of reference. Batra and Homer (2004) suggested that beliefs and personality assertions of endorsers need not be verbally and explicitly stated in advertisements, but can be inferred by recipients. After watching an advertisement the consumers try to find the meaning of the advertisement and associate the same with the endorser and eventually transfer to the brand. Kamins developed the 'match-up' hypothesis, which emphasizes the need for celebrities to be evaluated and selected in the context of the brand values and image. In relation to product categories, Batra

and Homer (2004) refer to the existence of consumer schema for different products, which may influence the degree of receptivity to messages delivered by celebrities. Products high in psychological or social risk may provide the strongest evidence for the impact of celebrities on message transmission. McCracken and Roth (1989) refer to the use of clothing as a code, a form of language that allows a message to be created and (selectively) understood. While analyzing the major factors that are having maximum impacts on successful endorsement, the following were found out:

- Consistency and long-term commitment: As with branding, companies should try to maintain consistency between the endorser and the brand to establish a strong personality and identity. More importantly, companies should view celebrity endorsements as long-term strategic decisions affecting the brand. A global brand must respect local needs, wants, and tastes while endorsing.
- Prerequisites to selecting celebrities: Before signing on celebrities to endorse their brands, companies need to ensure that they meet three basic prerequisites, namely the endorser should be attractive, have a positive image in the society, and be perceived as having the necessary knowledge.

Celebrity–brand match: Consistent with the principles discussed earlier, companies should ensure a match between the brand being endorsed and the endorser so that the endorsements are able to strongly influence the thought processes of consumers and create a positive perception of the brand. Tiger Woods endorsing the Buick brand makes no sense at all. There is just no believability that Tiger is dying to drive a Buick. And without believability a celebrity endorsement is worthless. The \$40 million General Motors reportedly paid to Tiger

for his 5-year contract ending in 2009 is not money well spent. Kellogg's opted out of a contract extension with Olympic swimmer Michael Phelps several weeks ago, the company simultaneously ripped Phelps' long-hit photo as being inconsistent with its image. "Kellogg is a family brand. How does Mom, who does the family shopping, feel about Phelps?" said David Reeder, vice president of Green Light (2009), a brand and entertainment consulting firm.

Constant monitoring: Companies should monitor the behavior, conduct and public image of the endorser continuously to minimize any potential negative publicity.

Selecting unique endorsers: Great brands represent great ideas. These brands express the uniqueness of position to all internal and external audiences. Companies should try to bring on board those celebrities who do not endorse competitors' products or other quite different products, so that there is a clear transfer of personality and identity between the endorser and the brand. The controversy relating to the endorser's personal or professional life might hamper the associated brand image. Kobe Bryant's family-friendly endorsement deals with Nutella and McDonald's came to a quick end after he was accused of rape. Pepsi shied away from Madonna after her Like a Prayer video aired.

- Timing: As celebrities command a high price tag, companies should be on the constant lookout for emerging celebrities who show some promise and potential and sign them on in their formative years if possible to ensure a win-win situation.

Myopic endorsement strategy: Most of the endorsement goes wrong due to myopic vision of endorsement. The real problem is that too many brands have a myopic focus on short terms sales and „awareness“. With this mindset they are logically driven towards ill conceived celebrity endorsement campaigns. Virgin is a classic example of a brand that hasn't thought



about its brand personality before matching with a celebrity. Virgin Media, previously associated with the subtle Uma Thurman, has now opted for “in your face” (according to Virgin media Chief James Kidd) Ruby Wax. Virgin clearly hasn’t distinguished between its product sales and brand strategy.

**Brand over endorser (Vampire Effect):** When celebrities are used to endorse brands, one obvious result could be the potential overshadowing of the brand by the celebrity (Martin Roll, 2006). Companies should ensure that this does not happen by formulating advertising collaterals and other communications. Examples are the campaigns of Dawn French-Cable Association and Leonard Rossiter-Cinzano. Both of these campaigns were aborted due to celebrities getting in the way of effective communication. So, while presenting the endorser, this should be kept in mind that Endorser is promoting the brand not the vice versa. That's why Coca-Cola's idea of having Mean Joe toss his jersey to a young boy in exchange for a bottle of Coke was brilliant. The commercial made charming use of Mean Joe's image, but Coke was the star.

**Celebrity endorsement is just a channel:** Companies must realize that having a celebrity endorsing a brand is not a goal in itself; rather it is one part of the communication mix that falls under the broader category of sponsorship marketing.

**Over dependency on celebrity:** A celebrity is not a replacement for an idea. A brand without a focus will never find the correct celebrity to match the brand.

**The celebrity trap:** Once into a celebrity, it is hard to get out of it. If the brand has done even moderately well after the break of a celebrity campaign, it becomes difficult to separate the role of message and the role of the celebrity in selling the brand.

Trademark and legal contracts: Companies should ensure that the celebrities they hire are on proper legal terms so that they don't endorse competitors' products in the same product category, thereby creating confusion in the minds of the consumers.

Overall Management: The organization's senior leadership must champion the brand, ideally with the CEO leading the initiative. A leader's continual articulation of the brand philosophy and the brand's view of the world is meant to give the celebrity endorsement strategy a recognizable face.

Investment: Intangible assets, including brand, now comprise the majority of the value of a company. These assets require capital investment like any other. Progressive companies and enlightened management recognize the need for appropriate communications spending.

The Brand endorsement team: Global brands demand a global brand management team. This regional and international organization is in place to maintain brand leadership through efficient and effective use of celebrity endorsement.

Feel Cultural Sensitivity: To go global with a brand, endorsement strategy should make sure you understand cultural sensitivities.

Celebrity ROI: Even though it is challenging to measure the effects of celebrity endorsements on companies' brands, companies should have a system combining quantitative and qualitative measures to measure the overall effect of celebrity endorsements on their brands.

Advertising, as one of the major factors behind the economic activity of a country, does not only help to stimulate consumption but also give models for lifestyles and value orientation

(Polly and Mittal, 1993). Celebrity ads are becoming very common and prominent phenomena in advertising everywhere. Almost 25% of all American ads have celebrities in them (Stephens and Rice, 1998) and this percentage is more than double, up to 70% in Japan (Kilburn, 1998). The effectiveness of a celebrity endorsement strategy may be mediated by variables such as the celebrity/product fit, the product and usage occasion, societal/cultural conditions and the volume of repetitive advertisements featuring celebrities. While brand marketers with positive experiences would tend to believe that celebrity endorsements work, some would disagree; but one would be sure that the magnitude of its impact is difficult to measure even if sales figures are at our disposal. As Ajzen and Fishbein (1980, p.5) put it, "Human beings are usually quite rational and make systematic use of the information available to them. People consider the implications of their actions before they decide to engage or not to engage in a given behavior." Celebrity endorsement has a big impact on purchase decision.

## **2.7 Celebrity performance**

In the context of this study, celebrity performance refers to the level of achievement a celebrity attains at any given time in their chosen profession. Performance could refer to the level of athletic performance, acting success, musical success, etc. of any given celebrity. This perceived level of performance may be enduring, as in the case of the Rolling Stones who have maintained a high level of rock and roll notoriety for decades, or fleeting, as in the case of one-hit-wonder Right-Said-Fred. However, no guarantee exists that any celebrity can continuously produce popular music, act in financially successful movies, or win sports championships. In fact, depending on their level of performance, celebrities do rise and fall in popularity throughout their entire career (Agrawal & Kamakura 1995). When a celebrity fails

to perform acceptably, as defined by consumers, a celebrity endorser's effectiveness tends to decline (Agrawal & Kamakura 1995).

## **2.8 Negative celebrity information**

Since repeated pairings of a brand and celebrity strengthen the associative link consumers establish between brand and celebrity, negative information about the celebrity may negatively impact the endorsed brand (Erdogan & Baker 2000). Till and Shimp (1998) observed that a strong associative link between celebrity and product must be present before negative celebrity information lowers brand evaluations. Regardless of the strength of association consumers perceive between the celebrity endorser and the product, negative information about celebrity endorsers can put a firm's products and image at risk. Pop star Michael Jackson's child molestation indictment produced negative connotations. The resultant celebrity image transformation would have bottomed out Jackson's endorsement effectiveness for Pepsi – had the company not long since opted out of Jackson as an endorser due to his prior alleged indiscretions.

## **2.9 Celebrity credibility**

Celebrities are generally viewed by consumers as credible sources of information about the product or firm they endorse (Goldsmith et al. 2000). The literature exploring celebrity endorsements has generally employed one of two foundational source models:

1. The source-credibility model
2. The source-attractiveness model (Erdogan 1999).



Source credibility can be defined as „a communicator’s positive characteristics that affect the receiver’s acceptance of a message” (Ohanian 1990, p. 41). The source-credibility model analyses the factors leading to the perceived credibility of the communicator (Hovland et al. 1953). The model contends that the effectiveness of a message depends upon the perceived level of expertise and trustworthiness associated with an endorser or communicator (Erdogan 1999). When considered jointly, expertise and trustworthiness are presumed to embody the source credibility construct (Ohanian 1990). The source-attractiveness model posits that the attractiveness of any source is determined by the communication of receiver’s perceptions of the source’s similarity, familiarity, and likeability. Essentially, if consumers perceive a celebrity endorser as similar to them and they are familiar with and like the celebrity, they will tend to find the celebrity more attractive.

### **2.10 Celebrity expertise**

Erdogan (1999, p. 298) defines celebrity endorsers’ expertise as „the extent to which a communicator is perceived to be a source of valid assertions”. The literature investigating source credibility in settings involving persuasive communication generally indicates that a receiver’s perception of the source’s expertise positively influences source effectiveness (Ohanian 1990). Respondents’ actions in response to the source’s recommendations seem to vary directly with the source’s perceived level of expertise and the target person’s level of agreement with those recommendations. Subjects exposed to a source perceived as highly expert exhibit more agreement with the source’s recommendation than did those exposed to a source with low expertise (Ohanian 1990). The level of perceived celebrity expertise should predict celebrity endorser effectiveness.

### **2.11 Celebrity trustworthiness**

Trustworthiness is the degree of confidence consumers place in a communicator's intent to convey the assertions s/he considers most valid (Ohanian 1990). Giffin (1967) describes favourable disposition, acceptance, psychological safety, and perceived supportive climate as favourable consequences of trust. Much of the literature supports the positive effect of trustworthiness on effectiveness (Chao et al. 2005). Miller and Baseheart (1969) found that a highly opinionated message from a highly trustworthy communicator produces an effective attitude change, while non-trusted communicators' impact proved immaterial. Perceived communicator trustworthiness has also been shown to produce a greater attitudinal change than perceived expertise (McGinnies & Ward 1980). The extant literature on celebrity endorsers suggests that trustworthiness is an important predictor of celebrity endorsement effectiveness.

### **2.12 Celebrity attractiveness**

Celebrity endorsement literature has indicated that attractiveness is an important indicator of effectiveness (Chao et al. 2005); however, the attractiveness construct is multi-dimensional in nature. Far from just encompassing aspects of physical attractiveness, which themselves are rather arbitrary, attractiveness also entails other characteristics such as personality and athletic ability (Erdogan 1999). Some authors suggest that physically attractive celebrities are a predictor of advertising effectiveness (Till & Busler 2000). Certainly, physically attractive celebrities are generally viewed more favourably on various personality traits than their less attractive counterparts (Kahle & Homer 1985; Eagly et al. 1991). Joseph (1982) studied endorsers' attractiveness beyond the level of personality traits. Specifically, he examined the

impact of endorser attractiveness on opinion change, product evaluation, and other measures of effectiveness. The study concluded that attractive endorsers have a more positive impact on the products they endorse than less attractive endorsers. Baker and Churchill (1977), however, found that while attractiveness was effective in increasing positive advertisement evaluations, it was not effective in producing stronger purchase intentions. Similarly, Caballero et al. (1989) observed that endorser attractiveness had no effect on advertising effectiveness. Within the broader context of celebrity endorsement, endorser attractiveness is certainly a relevant construct. However, the nature and scope of the attractiveness construct remains uncertain, and therefore appears worthy of additional attention.

### **2.13 Celebrity familiarity and likeability**

In some studies, celebrity familiarity and likeability are treated as if each were analogous to attractiveness (Kahle & Homer 1985). Each celebrity attribute may, in fact, be subsumed within the attractiveness construct. But other studies address familiarity and likeability separately, investigating each construct's effect on effectiveness as if each were distinct from endorser attractiveness (O'Mahoney & Meenaghan 1998).

In the celebrity endorsement context, familiarity has been defined as „knowledge of the source through exposure“ (Erdogan 1999, p. 299). Likeability is defined as „affection for the source as a result of the source's physical appearance and behaviour“ (Erdogan 1999, p. 299). On this basis, in this study the two constructs are treated as if each were distinct from attractiveness. This path was followed in an attempt to determine each construct's value as a possible predictor of celebrity endorsement effectiveness.

## **2.14 Celebrity/product fit**

The celebrity/product fit, also called the „match-up hypothesis“, refers to the harmony of the match between the celebrity endorser and the product being endorsed (Till & Busler 2000). Celebrity/product fit is thought to function as a key determinant of endorsement effectiveness (e.g. Friedman et al. 1978; Friedman & Friedman 1979; Kahle & Homer 1985; Kamins 1989, 1990; Kamins & Gupta 1994; Erdogan & Baker 2000; Till & Busler 2000; Erdogan et al. 2001; Batra & Homer 2004). Celebrity effectiveness does vary across different product types. Friedman and Friedman (1979) concluded that the better the celebrity/product fit, as perceived by consumers, the higher the level of endorsement effectiveness. Till and Busler (2000) found that celebrity/product fit was effective for only certain measures of effectiveness such as brand attitude, but not for other measures such as purchase intention. Regardless of the impact celebrity/product fit has on effectiveness, the absolute weight of the existing literature suggests that the phenomenon should play an important role in celebrity endorser effectiveness (Till & Busler 2000).

## **2.15 Endorser credibility – brand credibility**

A firm can work towards building brand credibility as it is largely driven by the quality of the information conveyed through the marketing strategies associated with a brand (Erdem and Swait, 1998). Since endorsement, as a communication tool, will comprise some of the signal of the endorsed brand, it seems likely that the credibility of an endorser will subsequently transfer to the brand. For example, film star Cate Blanchett who is committed to promoting environmental causes is perceived to be highly trustworthy. Therefore, when



Blanchett endorses SK-II skin care products, consumers' credibility perceptions of this luxury brand are likely to be positively affected. In sum, high endorser credibility should lead to higher brand credibility. Brand investment has also been identified as an indicator of brand credibility, as it is assumed that firms that make large brand investments are more likely to deliver the promised product (Erdem and Swait, 1998). Hence, simple use of celebrity endorsement may be associated with a higher level of brand credibility.

### **2.16 Brand credibility – consumer-based brand equity**

Brand credibility supports consumer-based brand equity. Brand signalling theory suggests that credibility can build brand equity (Erdem and Swait, 1998). Credible brands enjoy lower information-gathering and information-processing costs, and lower perceived risk (Erdem and Swait, 2004). Furthermore, higher brand credibility can increase consumers' perceptions of product quality by influencing their psycho-physical processes whereby objective quality levels are transferred into perceived, subjective quality levels (Erdem et al., 2002). By favourably affecting attribute perceptions, information costs and perceived risk, brand credibility increases the consumer-expected utility of a brand, thus adding consumer value to a brand. So important is existing brand credibility, that without it, even the most credible endorser can be expected to do little in developing brand equity. This thinking is similar to the old adage that "advertising can't save a poor product".

### **2.17 Endorser credibility and consumer-based brand equity**

The direct relationship between endorser credibility and consumer-based brand equity is explained using the associative network memory model. This model suggests that celebrity

endorsement could support brand recall and recognition, as a celebrity endorser serves as an additional node in memory and is associated with a brand node. When there are multiple associations for a node, it is easier to locate this node as there are several alternative routes to this node in memory (Fiske and Taylor, 1991). A highly credible endorser will become more strongly associated with the endorsed brand in a consumer's mind (Biswas et al., 2006). When a highly credible scientist such as Ian Frazer, who achieved celebrity status by developing a vaccine for cervical cancer, endorses community organisation Bicycle Victoria's "Ride to Work" initiative, both recall and recognition are likely to be positive for the initiative. Therefore, it is expected that endorser credibility would support brand recall and recognition. Managing brand equity largely involves controlling the meanings associated with a brand in memory (Keller, 1993).

Researchers advocate leveraging secondary associations to strengthen brand equity, whereby a brand can be linked to another entity such as a celebrity (Keller, 2005). The other entity will possess its own associations, which should subsequently be transferred to the brand (Petty, 2006). For instance, endorsement by cricket player Ricky Ponting, who is trusted by consumers in the Indian market because of his role as the captain of the Australian cricket team, may help the brand "Valvoline" by communicating associations such as "high performance" and "reliability" (Indiantelevision.com, 2007). Therefore, when a celebrity endorses a brand, consumers may not only associate the celebrity with that brand, but they may also link celebrity associations to the endorsed brand; thus creating a larger network of associations. Celebrity endorsement can also affect perceived quality of the brand. Celebrities can function as extrinsic cues to infer information on product attributes, and quality, which

consequently reduces consumer uncertainty and encourages particular product preference (Dean, 1999).

Past research on classical conditioning has shown how an association with one stimulus (e.g. celebrity) can benefit another stimulus (e.g. brand) (McSweeney and Bierley, 1984).

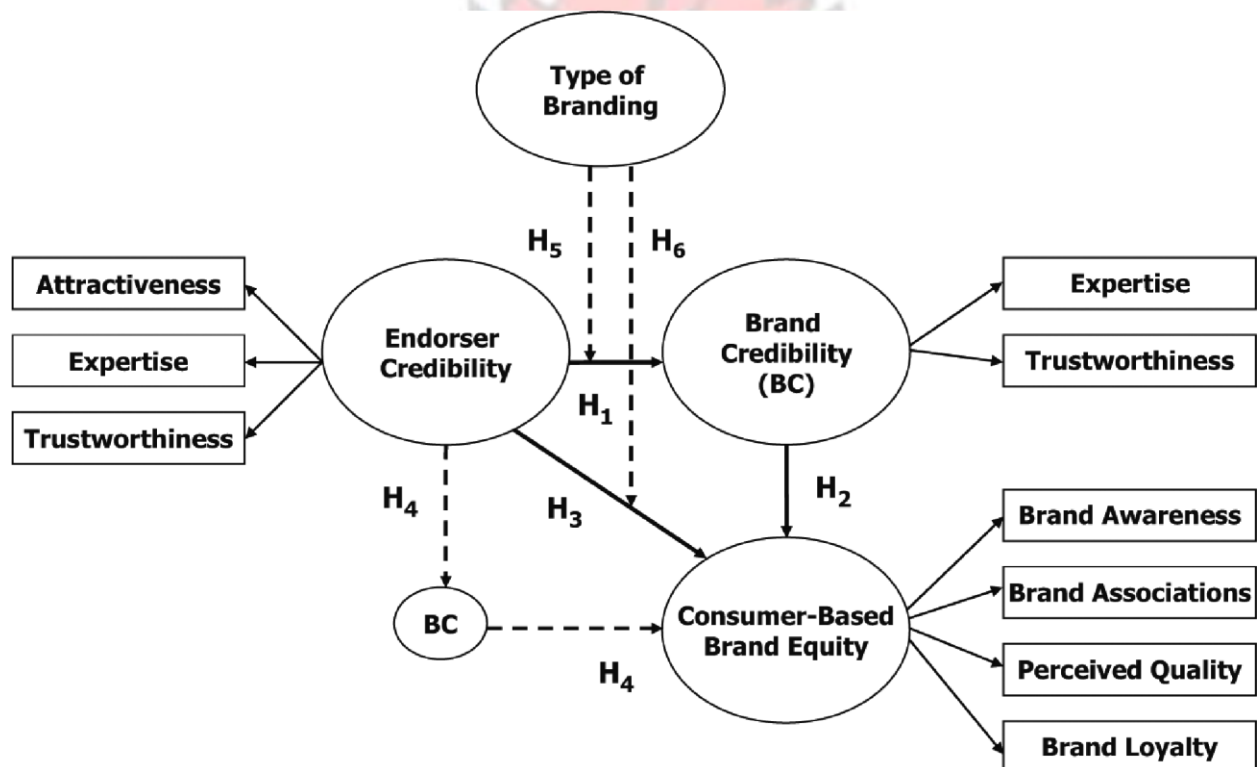
Conditioning can be instrumental in transferring an enduring attitude toward a brand (Grossman and Till, 1998), which can build brand loyalty. The conditioning principles suggest that celebrity endorsement can impact on brand loyalty through affect transfer and inferential belief formation.

According to Till and Nowak (2000) affect transfer refers to the positive evaluation of one entity when it is associated with another entity in a consumer's mind, whereas inferential belief formation refers to changes in an individual's attitude towards a brand due to its association with another entity. Finally, assuming that credible celebrities are more strongly associated with the endorsed brand, it is expected that a highly credible endorser would generate higher levels of brand loyalty.

For example, endorsements by trustworthy Australian entrepreneur and philanthropist Dick Smith for local brands (e.g. "Temptin" chocolate biscuits) are likely to affect consumers' loyalty towards these brands more positively. On the other hand, established brands have their own credibility and the extent of endorser sway on consumer-based brand equity is relative to established brand credibility.

## 2.18 Conceptual Framework

The conceptual framework exhibited in Figure 1 below derives its basis from the associative network memory model which is from cognitive psychology and brand signaling theory from information studies and economics. Associative network memory research is used to explain the relationship that exists between endorser credibility and brand equity. Brand signaling theory is used to explain the mediating role brand credibility plays in the relationship. The moderating role of type of branding (brands vs. sub-brands), on these relationships, will also be considered.



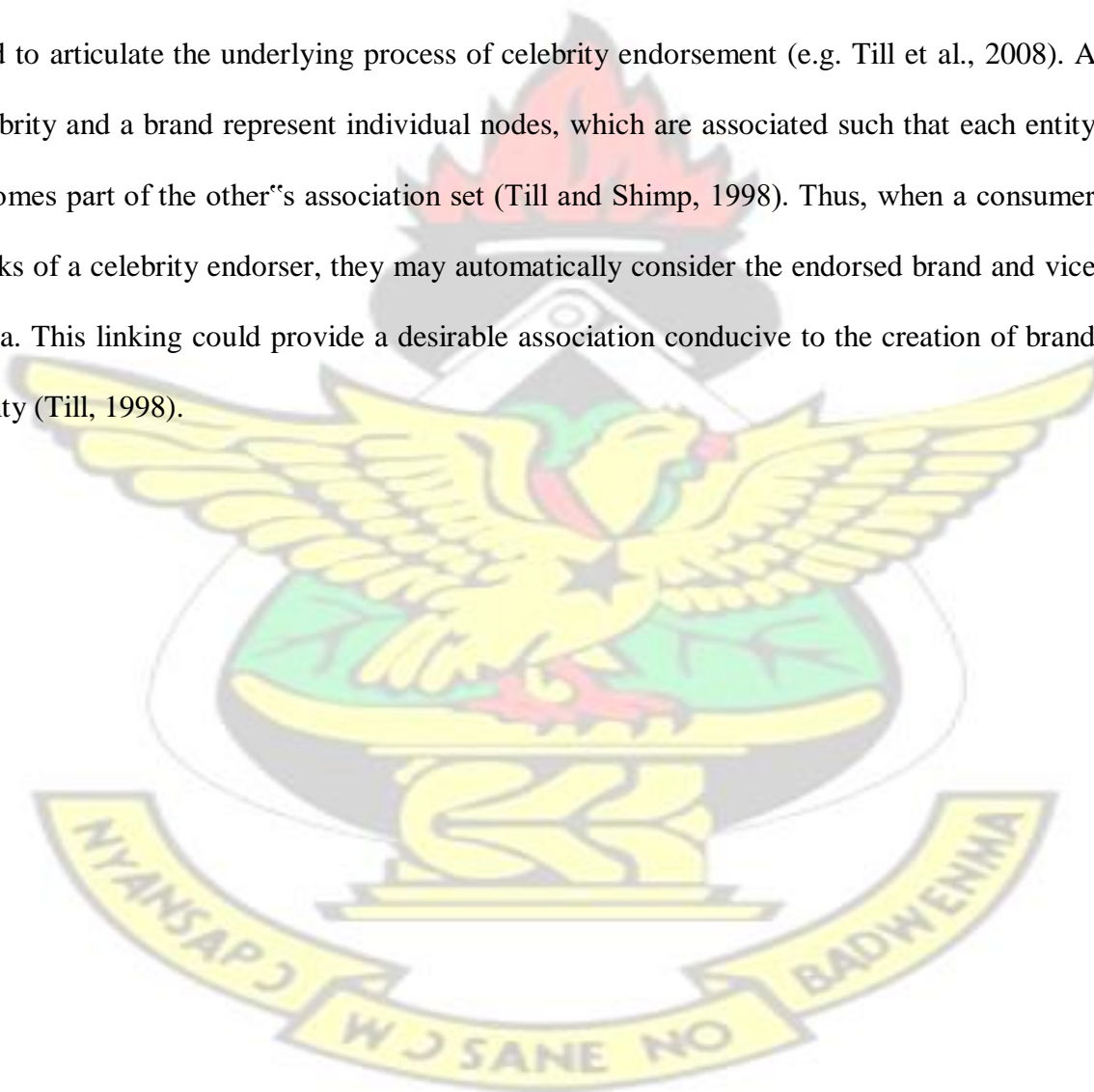
**Figure 1: Conceptual framework**

Source: Till and Shimp, (1998).

Furthermore, human memory can be described as “a network consisting of various nodes connected by associative links” (Till and Shimp, 1998, p. 68). These nodes are pieces of



information that become connected via associative links (Krishnan, 1996). Consequently, each node becomes a potential source of activation for all associated nodes. Memory activation expands such that the first node activates other linked nodes and subsequently, these nodes activate all other linked nodes (Collins and Loftus, 1975). This model is frequently used in marketing to explain the structure of memory (Till and Nowak, 2000), and thus, consumers' brand associations (Chang and Chieng, 2006). Associative learning principles have also been used to articulate the underlying process of celebrity endorsement (e.g. Till et al., 2008). A celebrity and a brand represent individual nodes, which are associated such that each entity becomes part of the other's association set (Till and Shimp, 1998). Thus, when a consumer thinks of a celebrity endorser, they may automatically consider the endorsed brand and vice versa. This linking could provide a desirable association conducive to the creation of brand equity (Till, 1998).



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

The methodology of the research comprises of the research design, population, sample and sampling techniques, data collection instruments, data collection procedures and methods of data analysis of the study.

#### **3.1 Research Design**

According to Saunders et al (2011), research design is a careful outline of the systematic and scientific procedures adopted in conducting a study. The study adopted both the explanatory and the descriptive methods of study as the researcher aims to describe the effects of celebrity endorsements on a brand and explain the relationship between the celebrity endorsers and the brand they advertise (Glo). According to Nimako and Azumah (2009), “descriptive research involves formalizing the study with definite structures in order to better describe or present facts about a phenomenon as it is perceived or as it is in reality”. Descriptive is therefore relevant for this study as it portrayed an accurate profile, events or situations of customers with regard to the brand in relation to adverts that depict celebrities. Again, the research sought to find the causal relationship between certain variables. It is therefore appropriate for the research to adopt the deductive approach to inquiry. The research design for the study is cross-sectional as it hopes to study a particular issue on brand equity and celebrity endorsement on cases from a particular location that is KNUST campus. The study would be quantitative as the researcher hope to draw conclusions from the statistical data he collects from the field.

### 3.2 Population

The population of study consists of all students on KNUST campus who have subscribed to Glo network. Runners Delivery Ltd is a limited liability company registered under the laws of the Republic of Ghana. Globacom subscription on the campus of KNUST stood at 2745. This figure was derived from an analysis of the profile of students obtained from the students' data section from the SRC and GRASAG.

### 3.3 Sample Size and Technique

Slovin's technique of estimating a suitable sample size from a particular population using a given confidence and implied margins of error was used. For the stated population of 2745, a derived sample size of 399.85 which is estimated to 400 Globacom users on KNUST campus was used for the purpose of this study. This allowed for 95% confidence and an error margin of 5% with data from all cases of the sample.

Slovin's (1973) sampling technique was used.

The formula is given as;  $n = \frac{N}{1 + N(e)^2}$  (where  $n$  = sample size;  $N$  = sample frame; and  $e$  = margin of error. From the above population of two thousand, seven hundred and forty-five (2745), a margin of error of 5% as suggested by Slovin was applied. The computations that led to the estimate are below:

$$n = \frac{N}{1 + N(e)^2} = \frac{2745}{1 + 2745(0.05)^2} = \frac{2745}{1 + 71.3625} = \frac{2745}{72.3625} = 379.33 \approx 380$$

$$[1 + N(e)^2] \quad 1 + 2745(0.05)^2 \quad 6.865 \quad n = \quad 399.85 \text{ approximately}$$

400 consumers. The sample size used for the study was 400.

The sampling was done using the convenience sampling technique. The researcher used this method in order to reduce search cost and also to ensure that sample included respondents who are knowledgeable, willing and available to respond on the subject matter.

### **3.4 Data source**

Data collection sources for the study consist of primary and secondary sources. Primary data is a data originally collected by the researcher for the purpose of this study whiles secondary data is a data that has already been collected by other researchers for a purpose other than this study. Primary data for the study was collected through closed ended structured questionnaires whiles secondary data was collected from the various archives, books, and documentations on customers of Globacom specifically on KNUST.

### **3.5 Questionnaire Design and Data collection method**

A structured questionnaire was the main data collection method. Structured questionnaire is a closed-ended questionnaire that promotes low level involvement of the researcher and high participation of individual respondents. The questionnaire was designed to enable the researcher achieve the study's objectives. The information that was needed but could not be obtained from secondary source was translated into a set of questions. A draft closed ended questionnaire was presented to the thesis supervisor so that any inadequacy or weakness in the questionnaire was corrected before the final version administered. It was designed to solicit the expert opinions of customers on whether celebrity endorsement has an effect on



product competitiveness of Glo. In order to improve the response rate and ensure that respondents feel very comfortable when answering the questions, the questionnaire was given to respondents for a week and did not require respondents to reveal their identity.

### **3.6 Data analysis**

The researcher used quantitative statistical tool SPSS v12 in the analysis of collected data. Data is presented in the form of tables and figures using Microsoft Excel. Descriptive statistics in the form of mean and standard deviation were adopted to analyze the collected data. The researcher also made use of correlation and sample paired test to establish relationships between variables.

### **3.7 Ethical Consideration**

Ethical consideration is a vital aspect of every research and an integral part of it. It helps to ensure that the appropriate means of collecting data from the respondents are followed and adhered to. As a result, the researcher sought the consent of the School of Business regarding the ethical issues that were adopted for this study to ensure that it conformed to the standards of research. After consent was given, the researcher wrote a cover letter as an introduction to the questionnaire to explain to the respondents the purpose of the study. Again, all secondary data and ideas of other researchers that were included in the study were appropriately acknowledged and cited to avoid plagiarism.

Another ethical consideration worthy of mentioning were the issues of privacy and confidentiality of the information respondents provided during the study. That is, confidentiality of the respondents was assured by keeping all data for only academic purpose

and nothing else. Finally, respondents were given the option to voluntarily participate in the study or opt out of the study after knowing the rationale behind it. Fortunately, no respondent opted out of the study once issues of privacy and confidentiality were duly assured.

### **3.8 Limitations of the study**

The study will be limited on generality as the researcher seeks to deduct from Glo Ghana Ltd and make generalizations on Telecommunications in Ghana. The findings of the study might however not be applicable to other aspects of the industry. Within particular bounds, significant findings of this study may infer a general cause; however, the presence of other variables that may not be measured in this study can limit that inference.

### **3.9 Profile of Globacom**

Globacom Limited (GLO) is a Nigerian multinational telecommunications company headquartered in Lagos, Nigeria. GLO is a privately owned telecommunications carrier that started operations on 29 August 2003. It currently operates in four countries in West Africa, namely Nigeria, Republic of Benin, Ghana and Côte d'Ivoire. As at June 2009, GLO had an estimate of over 25 million subscribers. It is a 100 percent Nigerian owned company, privately owned by the Mike Adenuga Group which also consists of Equatorial Trust Bank (ETB) now Sterling Bank, Conoil PLC, a petroleum marketing and crude exploration company. In May 2008, GLO acquired an operating license through its Glo Mobile division in Ghana (Wikipedia, April 2010) and began operations in April 2012. (Masahudu Kunate, Bizcommunity.com, Nov 2012). In 2014, The mobile operator lost 47,399 SIM subscribers in November 2012, according to the latest mobile market share figures from the National

Communications Authority (NCA, 2014). Glo's subscriber base stands at 1,450,382 representing 4.78 % of the total market share as at November 31, 2014. This shows a decrease of 0.9% as compared to the previous year's statistics.

# KNUST



## **CHAPTER FOUR**

### **DATA ANALYSIS AND DISCUSSION OF FINDINGS**

#### **4.0 Introduction**

The chapter presents the analyses of data in relation to the effect of celebrity endorsement on product competitiveness of Globacom Ghana. Using SPSS statistical tool and Microsoft Excel, the results of the data analysis are represented in tables and graphs. Four hundred questionnaires were administered to the respondent (students of KNUST) and 375 retrieved after a week of administering. Items that were not answered on the questionnaires were treated as missing. This gave a response rate of 93.75%  $(375/400)*100$ . Hence, the valid responses were used for the analysis.

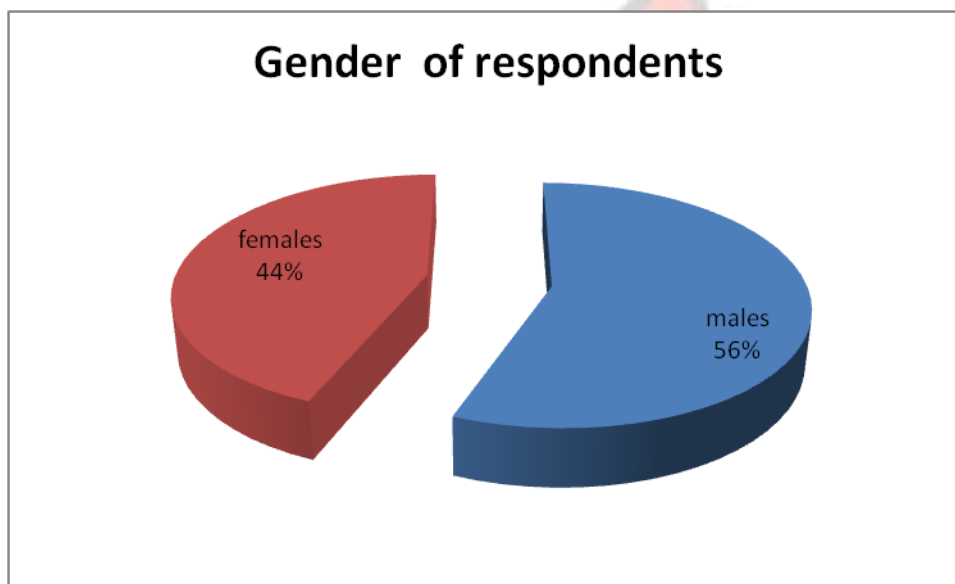
#### **4.1 Background information analysis of respondents**

This section provides the background information analysis of respondents. The background information analysis discussed includes age, gender, and number of years of respondents' relationship with Globacom Ghana. The results are presented below. Background information analysis are very critical in assisting the researcher identify the percentage owners who contributed to this research in order to make it valid, the category of small businesses that were used in the study and the trend of small business existence



#### 4.1.1 Gender of respondents

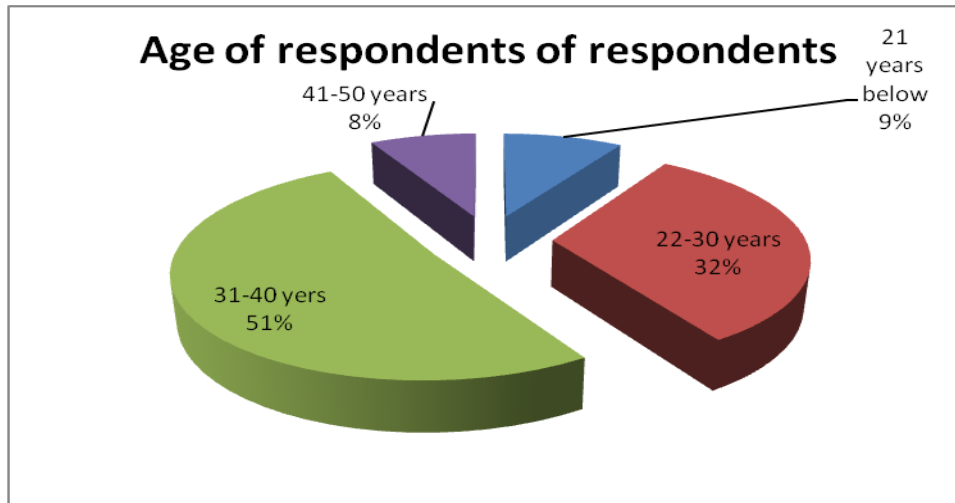
Further results from figure 2 indicate that the majority respondents were males who constituted 56% while 44% were female. These results are indicative of a slightly male dominated field. Thus males are more utilizes the products of Glo than females within the KNUST campus Ghana.



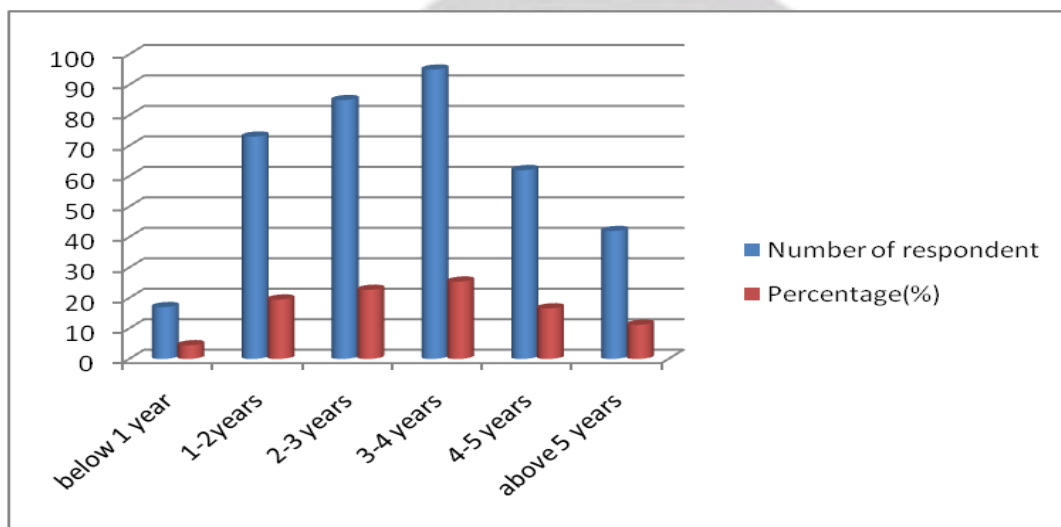
**Figure 4.1: Gender of respondents**

#### 4.1.2 Age of respondents

The dominant age of the respondents was between 31 to 40 years who comprised 51%, another 32% was between 22-30, 9% were aged below 21 years followed by ages 41 to 50 years (8%). This implies that the youth utilizes Globacom products on KNUST campus.



**Figure 4.2: Age of respondents**



**Figure 4.3: Number of years of respondent relationship with Globacom.**

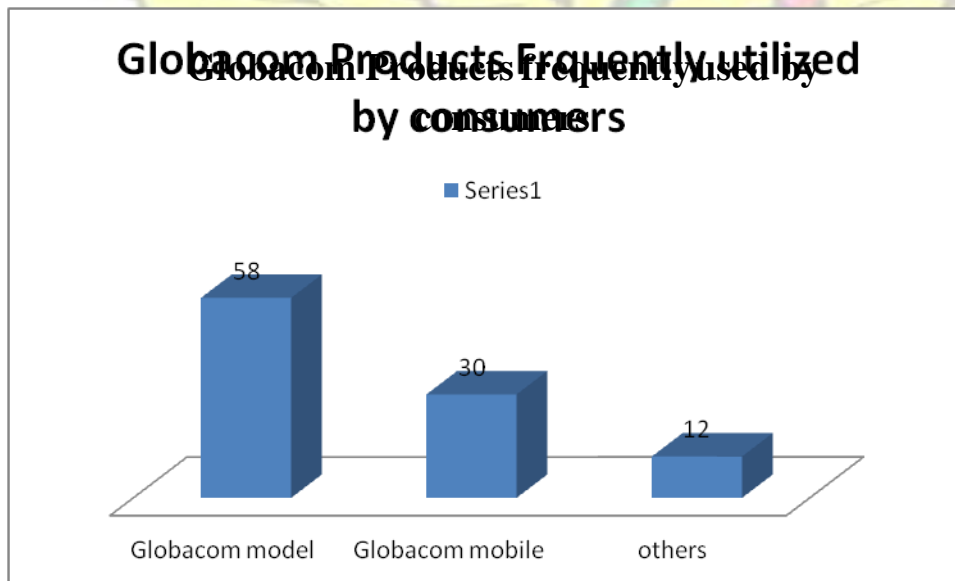
#### **4.1.3 Number of years of respondent relationship with Globacom.**

As indicative of figure 4.3 above, the result indicated that, out of the sample respondents, those who had 3-4 years relationship with Globacom formed about 60% of the total while those above 5 years is about 40%. This indicates that Globacom has a high customer retention rate on KNUST campus. This may be attributed to its effective and quality motivational

packages designed for its customers. Alternatively it can be established that the retention rate of customers is relatively high

#### 4.2 Product frequently used by customers

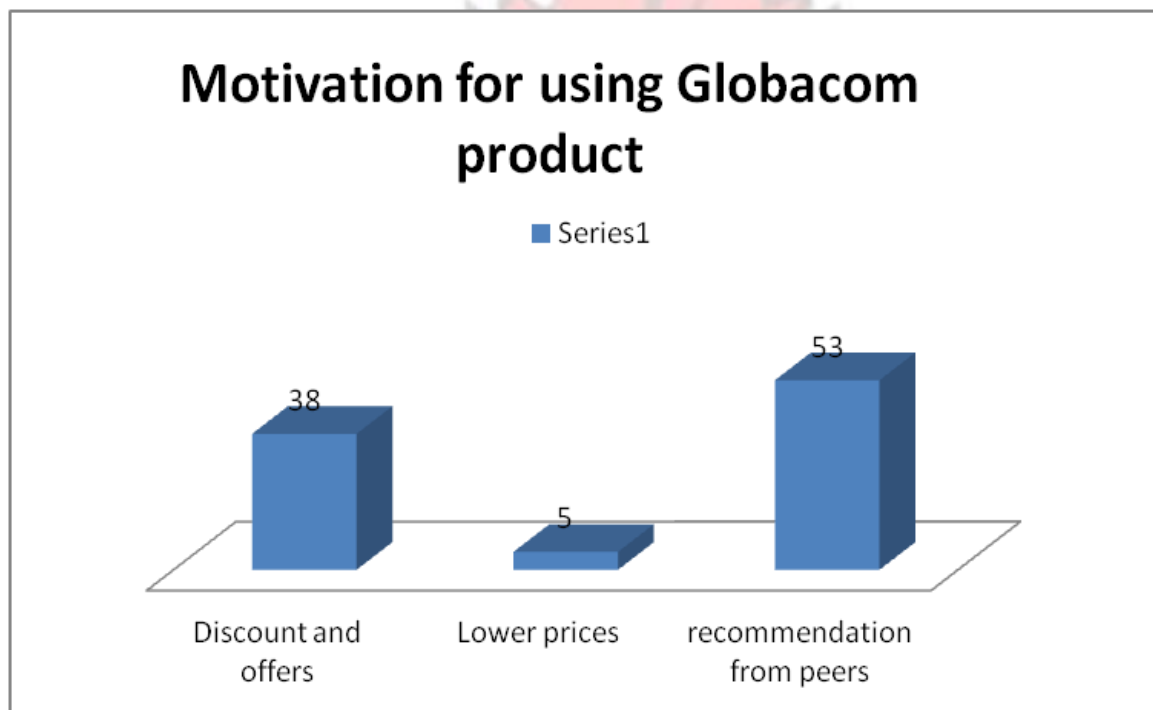
Figure 4.4 below shows the results of the product frequently used by customers from which data was collected from. Fifty eight per cent (58%) used Globacom modern, 30% used Globacom mobile while 12% were others. This implies that Globacom modern are frequently been used by customers more than the Globacom mobile. This reveals the business/academic culture within the KNUST campus. This will serve as guide to management of Globacom and business consultants who wish to provide business advice to potential business agents/investors.



**Figure 4.4: Product frequently used by customers**

### 4.3 Motivation for usage of Globacom products

Information was also gathered on respondents' motivation towards the purchase of Globacom products. The inferences drawn from the figure below indicate that more than half of the respondents representing 53% continue to purchase Globacom products due to recommendation from peers while 38% continues to purchase Globacom products due to discount and offers. Furthermore, 5% purchase Globacom products due to lower prices while 4% purchase Globacom products due to celebrity endorsement.



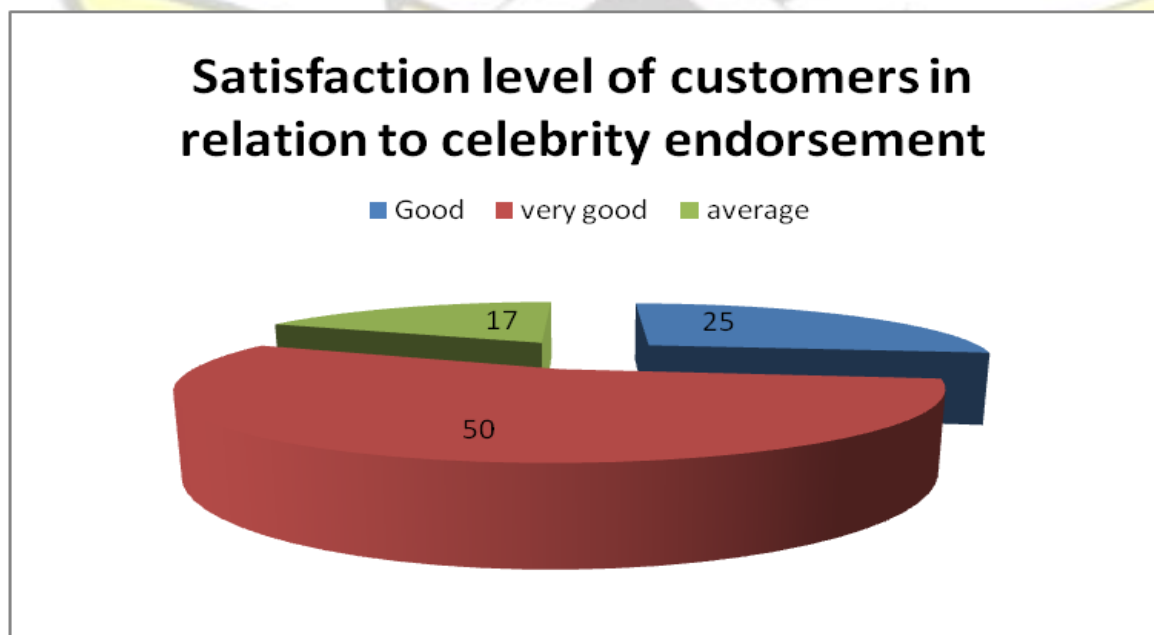
**Figure 4.5: motivation for using Globacom products**

### 4.4 Satisfaction level of customers in relation to celebrity endorsement.

From figure 4.5 above, 50% of the respondents did indicate that the celebrity endorsement of the organization was very good in the enhancement of the performance of the company.



Twenty five percent (25%) of respondents also agreed to the fact that celebrity endorsement of Globacom was good enough in enabling the organization achieve its stated objective. 17% agreed that, the celebrity endorsement of the organization was average in the enhancement of the performance of the company with very few ( 8% )agreeing that celebrity endorsement of the organization was below average in the enhancement of the company achieving a good corporate image. The results therefore suggested that the celebrity endorsement of Globacom was very good in the enhancement of the performance of the company and also enabling the institution achieve good corporate image. The results again, suggest that the celebrity endorsement of the organization was experiencing some setbacks in it celebrity endorsement strategy.



**Figure 4.6: Satisfaction levels of customers in relation to celebrity endorsement**

**Table 4.1: Descriptive Statistics on measured variables**

	N	Minimum	Maximum	Mean	Std. Deviation	Alpha
Expertise	375	1.00	3.50	2.2250	.57178	.671
Credibility	375	1.00	2.67	1.7663	.36200	.662
Attractiveness	375	1.00	3.67	2.1150	.52388	.678
Endorsements	375	2.12	6.75	5.3062	.98423	.680
Valid N (listwise)	375					

#### 4.5 Measured variables

*Expertise* ( $\alpha = 0.671$ ): celebrity expertise was measured by focusing on three items including the number of years of been endorse on a product, number of awards acquired and number of years of existing as a celebrity. The mean for these responds was averagely 2.2; approximately 2 (agreed). A Cronbach alpha analysis on the three items was conducted to examine the discriminated validity of the celebrity expertise. The fit measures indicated a good fit with the observed alpha ( $\alpha$ ) in table 1. There was an implication that celebrities endorsing business products must have long years of experience in order to identify the customers' needs.

*Credibility* ( $\alpha = 0.662$ ): celebrity Credibility was measured by focusing on four items including the criminal record of the celebrity, violence nature within the community, marital status and social responsibility status. The mean for these responds was averagely 1.8 approximately 2 (agreed). A confirmatory factor analysis on the four items was also conducted to examine the discriminated validity of celebrity's credibility. The fit measured indicated a good fit with the observed alpha ( $\alpha$ ) in table 1. There was an implication that the business has analytical strategy necessary enough to outweigh its competitors.

*Attractiveness* ( $\alpha = 0.688$ ): celebrity attractiveness was measured by focusing on three items including the structure of the celebrity, physical beauty and skin color. The mean for these responds was averagely 2.1 approximately 2 (agreed). A Cronbach alpha analysis on the three items was conducted to examine the discriminated validity of the celebrity expertise. The fit measures indicated a good fit with the observed alpha ( $\alpha$ ) in table 1. There was an implication that respondents agreed that the beauty of celebrity is very important in enticing customers to the products.

*Effects* ( $\alpha = 0.690$ ): the effect of celebrity endorsement on product competitiveness was measured by focusing on five items including the Sales growth, Profit growth, Productivity growth, Net Profit, Sales Revenue of Globacom over the past four years on a seven point scale ranging from (1-3)=much weaker, 4=neutral and (5-7)=much stronger than competitors. The mean for these responds was averagely 5.2 approximately 5 (much stronger). A Cronbach alpha analysis on the five items was again conducted to examine the validity of the effect of celebrity endorsement. The fit measured indicated a good fit with the observed alpha ( $\alpha$ ) in

table 1. There was an implication that the business performance was increasing as a result of celebrity endorsement.

*Control variables:* the study controlled for the wealth of the celebrity, ethnical status of the celebrity and the employment status of the celebrity. Wealth of the celebrity was measured as the numbers of assets and net worth of the celebrity using open ended questions. Ethnical status of the celebrity was measured as the ethnic group that such a celebrity belongs to using open ended questions while employment was measured as employed or unemployed.

#### 4.6 Reliability and validity analysis

The validity and reliability of the variables in the study were evaluated through the use of CFA and Cronbach alpha ( $\alpha$ ) coefficients. The Cronbach alpha of the measures that range from 0.709-0.939 indicates that all the construct measured variables are reliable. The reliability coefficients (Cronbach alpha ( $\alpha$ )) are indicated in table 1 above. The overall results indicate that, reasonable discriminant validities have been attained.

#### 4.7 Relationship between celebrity expertise and brand positioning.

**Table 4.2: Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.918 <sup>a</sup>	.743	.819	.10087

a. Predictors: (Constants) celebrity expertise



Table 2 above provides the  $R^2$  (coefficient of determination or predictive power) value. The  $R^2$  value is 0.743 representing a good correlation. The value indicates a strong degree of determination. When the  $R^2$  value falls between .70 and .90 it is considered a strong correlation. The  $R^2$  value indicates how much of the dependent variable brand positioning can be explained by the independent variable celebrity expertise. In this case, 74.3% can be explained, which is strong. Thus brand positioning by customers does not occur by chance but rather based on the celebrity expertise.

**Table 4.3 ANOVA of regression**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.398	15	.360	35.363	.000 <sup>a</sup>
	Residual					
	Total	1.007	99	.010		
		6.405	114			

a. Predictors: (Constant), celebrity expertise.

b. Dependent Variable: brand positioning.

Table 3 above indicates ANOVA of regression. The ANOVA indicates how well the independent variables significantly predict the outcome variable that is brand positioning. The Sig. value on the regression row indicated 0.00 which is less than the p-value of 0.05 and indicates that, the model applied is significantly good enough in predicting the outcome variable (brand positioning).

**Table 4.4: Coefficient of regression**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.937	.209		4.480	.000
	Knowledge of products	.242	.021	.409	11.277	.000
	Experience with products	.274	.023	.384	11.952	.000
a. Dependent Variable: brand positioning						

#### 4.7.1 Regression equation

From the coefficients table above, the Level of brand positioning can be established using the specified celebrity expertise presented in the coefficient table. For instance in estimating the

level of brand positioning in the case of the use of number of awards attained by a celebrity: predicted Level of brand positioning =  $0.563 + 0.384x$  (celebrity expertise). Thus, if the use number of awards attained by a celebrity was 1 (agreed) then the Impact on brand positioning =  $0.563 + 0.384 * 1 = 0.853$ . The value 0.853 is approximately 1 (Very High) meaning that number of awards attained by a celebrity was effective and the impact on brand positioning was Very High. According to the regression model, a variable of celebrity expertise has a positive linear relationship with brand positioning. This is evident on the positive signs of the coefficient values. on corporate profitability.

#### 4.8 Relationship between celebrity attractiveness and brand positioning.

**Table 4.5 Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.915 <sup>a</sup>	.826	.818	.10087

a. Predictors: (Constants) celebrity attractiveness

Table 4.5 above provides the  $R^2$  (coefficient of determination or predictive power) value. The  $R^2$  value is 0.826 representing a good correlation. The value indicates a strong degree of determination. When the  $R^2$  value falls between .70 and .90 it is considered a strong correlation. The  $R^2$  value indicates how much of the dependent variable brand positioning can be explained by the independent variable celebrity attractiveness. In this case, 82.6% can be explained, which is strong. Thus brand positioning by customers does not occur by chance but rather based on the celebrity attractiveness.

**Table 4.6 ANOVA of regression**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.398	15	.360	35.363	.000 <sup>a</sup>
	Residual	1.007	99	.010		
	Total	6.405	114			

a. Predictors: (Constant), celebrity attractiveness

b. Dependent Variable: brand positioning.

Table 4.6 above indicates ANOVA of regression. The ANOVA indicates how well the independent variables significantly predict the outcome variable that is brand positioning. The Sig. value on the regression row indicated 0.00 which is less than the p-value of 0.05 and indicates that, the model applied is significantly good enough in predicting the outcome variable (brand positioning).

#### 4.8.1 Regression equation

From the coefficients table above, the Level of brand positioning can be established using the specified celebrity expertise presented in the coefficient table. For instance in estimating the level of brand positioning in the case of the use of physical beauty of the celebrity: predicted Level of brand positioning =  $0.563 + 0.384x$  (celebrity beauty). Thus, if the physical beauty of the celebrity was 1 (agreed) then the Impact on brand positioning =  $0.563 + 0.375 * 1 = 0.938$ . The value 0.938 is approximately 1 (Very High) meaning that physical beauty of the celebrity was effective and the impact on brand positioning was Very High. According to the regression



model, a variable of celebrity attractiveness has a positive linear relationship with brand positioning. This is evident on the positive signs of the coefficient values.

**Table 4.7: coefficient of regression**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.837	.209		4.480	.000
Type of Celebrity	.342	.031	.389	12.277	.000
Attractiveness	.264	.023	.375	11.842	.000
Popularity	.245	.031	.385	11.915	.000

a. Dependent Variable: brand positioning

#### **4.9 Correlation analysis on the association between celebrity credibility and brand positioning.**

In assessing the association between celebrity credibility and brand positioning, correlation analysis was used to describe the strength and direction of the linear relationship between variables of celebrity credibility and brand positioning. Glancing at the table labelled correlations, the N which represent number of patients' response was 375 that was correct. Additionally, considering the direction of the association between the variables, it can be

deduce that there is a positive relationship between celebrity criminal records and brand positioning. The strength of this relationship was 0.688 that was strong.

Thus, a celebrity's attractiveness explains approximately 68.8% of brand positioning. Furthermore, considering the direction of the relationship between popularity and brand positioning it was realized that, there was a positive relationship between them with strength of 70%. Lastly, with a 95 percent confidence, there was a positive relationship between celebrity credibility and brand positioning. This is evident at the sig (1-tailed) row.

**Table 4.8: Association between celebrity credibility and brand positioning**

		1	2	3	4	5
Pearson	1.brand positioning	1.000	.679	.497	.801	.182
Correlation	2.popularity in the country	.688	1.000	-.007	.562	.011
	3.celebrity behavior	.478	-.007	1.000	.211	.135
	4.celebrity knowledge	.701	.562	.211	1.000	.066
	5.social responsibility status	.182	.011	.135	.066	1.000
Sig. (1-tailed)	1.brand positioning	.	.000	.000	.000	.013
	2.popularity in the country	.000	.	.465	.000	.447
	3.celebrity behavior	.000	.465	.	.005	.050
	4.celebrity knowledge	.000	.000	.005	.	.213
	5.social responsibility status	.013	.447	.050	.213	.
N	1.brand positioning	375	375	375	375	375
	2.popularity in the country	150	150	150	150	150
	3.celebrity behavior	150	150	150	150	150
	4.celebrity knowledge	150	150	150	150	150
	5.social responsibility status	150	150	150	150	150

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#### 4.10 Effect of celebrity endorsement on product competitiveness of Globacom.

In the quest to examine the effect of celebrity endorsement on product competitiveness on Globacom five items including the Sales growth, Profit growth, Productivity growth, Net Profit, Sales Revenue of Globacom was measured over the past four years on a seven point scale ranging from (1-3)=much weaker, 4=neutral and (5-7)=much stronger than competitors

**Table 4.9: Effect of celebrity endorsement on product competitiveness.**

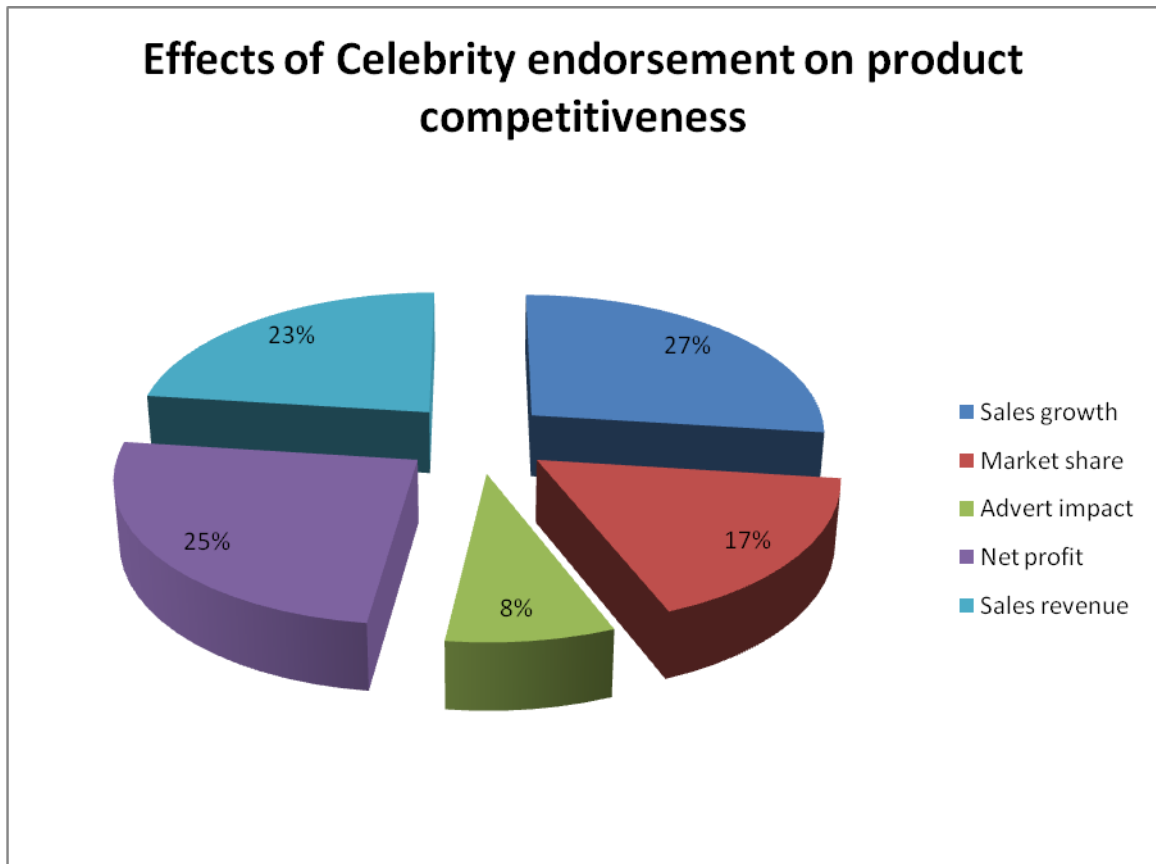
	N	Minimum	Maximum	Mean	Std. Deviation
Sales growth	375	1.00	5.00	4.730	.63012
Market share	375	1.00	5.00	4.630	.97576
Advert Impact	375	1.00	4.00	4.833	.77145
Net profit	375	1.00	5.00	4.763	1.42146
Sales revenue	375	1.00	5.00	4.657	.75789
Valid N (listwise)	375				

In analyzing the effect of celebrity endorsement on product competitiveness, the analysis revealed that, sales growth of Glo Ghana have been much stronger in achieving higher performance over the past four years. The mean for this item was 4.7 (much stronger)

Additionally, Net profit growth has also been much stronger over the past three years. Furthermore, the advertising impact of Glo Ghana has been much stronger in over the planned business performance for the past four years. The mean for this item was 4.6 (much stronger). Again, net profit of the business has also been stronger in sustaining the business for the past four years. This performance was supported by the much stronger sales revenue generated by Globacom through it effective celebrity endorsement on it products.

From the figure below the analysis revealed that, 27% of the respondents indicated that sales revenue of Globacom has been much stronger in achieving higher performance over the past four years. Additionally, 25% indicated that, net profit has also been much stronger over the past three years. Furthermore, 23% revealed that, the sales revenue of Globacom has been much stronger in over the planned business performance for the past four years. The mean for this item was 4.6 (much stronger). Again, profit growth of the business has also been stronger in sustaining the business for the past four years. This performance was supported by the much stronger sales revenue generated by Globacom through it effective celebrity endorsement on it products.





**Figure 4.7: Effect of celebrity endorsement on product competitiveness**



## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

The chapter presents the summary of the main findings of the study with special focus on the four objectives. The chapter ends with the conclusion and recommendations which have been made base on the findings of the study.

#### **5.1 Summary of findings**

##### **5.1.1 Motivation for purchasing of Globacom products**

The analysis revealed that, more than half of the respondents continue to purchase Globacom products due to recommendation from peers while some continues to purchase Globacom products due to discount and offers. Furthermore few customers purchase Globacom products due to lower prices whiles very few purchase Globacom products due to celebrity endorsement.

##### **5.1.2 Product frequently utilize by customers**

The analysis again shows that majority of customers used Globacom modem, some also used Globacom mobile whiles few used others. There was an implication that Globacom modem are frequently been used by customers more dominated than the Globacom mobile. This reveals the business culture within the KNUST campus. This evidence should serve as guide to management of Globacom and business consultants who which to provide business advice to potential business angels investors in the area of Telecommunications.

### **5.1.3 Relationship between celebrity expertise and brand positioning**

According to the regression model, the variables of celebrity expertise has a positive linear relationship with brand positioning whiles controlling for the wealth of the celebrity, ethnical status of the celebrity and the employment status of the celebrity. This is evident on the positive signs of the coefficient values. Again, the  $R^2$  (coefficient of determination) was strong that was significant. Thus the result indicates that number of years of celebrity's endorsement on a product, number of awards acquired and number of years of existing as a celebrity was very significant in predicting the brand positioning in the minds of customers of Globacom.

### **5.1.4 Association between celebrity credibility and brand positioning.**

Furthermore the analysis revealed that, there was a positive relationship between celebrity criminal records and brand positioning. The strength of this relationship was strong. Thus a celebrity criminal record explains approximately 68.8% of brand positioning. Furthermore, considering the direction of the relationship between marital status and brand positioning it was realized that, there was a positive relationship between them which was strong. Lastly, with a 95 percent confidence, there was a positive relationship between celebrity credibility and brand positioning.

### **5.1.5 Relationship between celebrity attractiveness and brand positioning**

According to the regression model, the variables of celebrity attractiveness has a positive linear relationship with brand positioning whiles controlling for the wealth of the celebrity, ethnical status of the celebrity and the employment status of the celebrity. This is evident on the positive signs of the coefficient values. Again, the  $R^2$  (coefficient of determination) was

strong that was significant. Thus the result indicates that the structure of the celebrity, physical beauty and skin color was very significant in predicting the brand positioning in the minds of customers of Globacom.

#### **5.1.6 Effect of celebrity endorsement on product competitiveness of Globacom**

In analyzing the effect of celebrity endorsement on product competitiveness, the analysis revealed that, sales growth of Glo Ghana Ltd has been much stronger in achieving higher performance over the past four years due to celebrity involvement in advertising. Additionally, profit growth has also been much stronger over the past three years due to celebrity endorsement. Furthermore, the study found out that market share of Glo has substantially improved as a result of celebrity endorsement. Again, net profit of Glo has also been stronger in sustaining the business for the past four years. This performance was supported by the much stronger sales revenue generated by Globacom through its effective celebrity endorsement on its products.

#### **5.1.7 Satisfaction level of customers in relation to celebrity endorsement.**

The results indicated that, majority of the respondents did indicate that the celebrity endorsement of the organization was very good in the enhancement of the performance of the company. Some of respondents also agreed to the fact that celebrity endorsement of Globacom was good enough in enabling the organization achieve its stated objective. Few agreed that, the celebrity endorsement of the organization was average in the enhancement of the performance of the company with very few also agreeing that celebrity endorsement of the organization was below average in the enhancement of the company to achieving a good corporate image.



The results therefore suggested that the celebrity endorsement of Globacom was very good in the enhancement of the performance of the company and also enabling the institution achieve good corporate image. The results again suggest that, the celebrity endorsement of the organization was experiencing some setbacks in its celebrity endorsement strategy.

## **5.2 Conclusion**

Celebrities have always been the easiest way for a new product launch and will remain to do so in the near future on account of their mass appeal and a world full of star stuck loyal fans. But the impact on the brand positioning is much greater than just an advertisement showing a celebrity. The analysis revealed that, the correct choice of a celebrity can surely increase sales growth, profit growth, productivity growth, net profit, sales revenue. Again, credibility, expertise and attractiveness have positive effects on brand positioning.

## **5.3 Recommendations**

### **5.3.1 Customers' relationship with celebrity**

It is important for marketers to understand how their target consumers relate to the celebrity endorser they have selected. If the consumers' motivation largely were entertainment-based, the endorsed brands likely would be superficially processed by these consumers, who likely would engage in peripheral processing without careful consideration of details of the brand or its attributes.

If the consumers' motivation toward the celebrity were intense-attachment based, however, the endorsed brands likely would be evaluated more carefully with conscious and detailed considerations. As such, the endorsed brands would be processed through the "central" route, and the link between the brands and the celebrity would be evaluated more carefully.

These inferences may be characteristic of generation of consumers.

### **5.3.2 Capacity limits for celebrities**

Marketers need to be cautious that there may be capacity limits for celebrities when they endorse multiple brands. This issue is relevant for brand owners, advertising agencies, and modeling agencies. The findings from the current study suggest that this capacity may be related to the diversity of the celebrity's core value set; the more diversified the value set, the more brands the celebrity can endorse in the eyes of a consumer.

### **5.4 Areas for further research**

This research studied on the effect of celebrity endorsement on the product of competitiveness of Globacom Ghana. However, other researchers can also delve into longterm loyalty of celebrity endorsements. Research in this area requires inter disciplinary approaches as its effects maybe social, psychological, economic et cetera.

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## APPENDIX I QUESTIONNAIRE

This questionnaire is meant to collect data on the topic “**THE EFFECT OF CELEBRITY ENDORSEMENT ON THE PRODUCT COMPETITIVENESS OF GLOBACOM**

**GHANA LIMITED.”** All views expressed here would be used for academic purposes only; you are thus implored to earnestly express your opinion and be assured that it would be handled with utmost confidentiality.

Please write in the given spaces and tick in the given boxes the option that best answers the question(s).

### PART 1: DEMOGRAPHIC INFORMATION

1. **AGE:** 16-25 ☐ 26-35 ☐ 36-45 ☐ 46 and above ☐

2. **GENDER:** Male ☐ Female ☐

### PART 2: TELECOMMUNICATION INFORMATION

3. How many networks do you use? 1 ☐ 2 ☐ 3 ☐ 4 ☐

4. For how long have you been using Glo?

1 year ☐ 2 years ☐ 3 years ☐ 4 years and above ☐

5. Which product(s) of Glo do you use? Glo Connect (Modem) ☐ Glo Mobile ☐

6. What motivated you to use Glo? Discount and offers ☐

Lower prices ☐

Recommendations from peers ☐

Celebrity endorsements ☐



### **PART 3: CELEBRITY EXPERTISE AND BRAND POSITIONING**

7. Do you agree that products endorsed by celebrities are of good quality? Strongly Agree [ ☐ ] Agree [ ☐ ] Neutral [ ☐ ] Disagree [ ☐ ] Strongly Disagree [ ☐ ]
8. Do you agree that Glo always uses celebrities with expertise to influence their brand? Always [ ☐ ] Often [ ☐ ] Sometimes [ ☐ ] Rarely [ ☐ ]
9. How often should product endorsers in adverts be expertise? Always [ ☐ ] Often [ ☐ ] Sometimes [ ☐ ] Rarely [ ☐ ]
10. Can celebrity endorsers without expertise have negative influence on the brand? Yes [ ☐ ] No [ ☐ ]
11. Do you agree that sports and entertainment icons are the best personalities to be used to promote telecommunication brands? Strongly Agree [ ☐ ] Agree [ ☐ ] Neutral [ ☐ ] Disagree [ ☐ ] Strongly Disagree [ ☐ ]

### **PART 4: CELEBRITY CREDIBILITY AND BRAND POSITIONING**

12. Do you agree that endorsers should become the face of a brand? Strongly Agree [ ☐ ] Agree [ ☐ ] Neutral [ ☐ ] Disagree [ ☐ ] Strongly Disagree [ ☐ ]
13. Do you believe that highly credible celebrities always have an influence on the brand positioning in the industry? Always [ ☐ ] Often [ ☐ ] Sometimes [ ☐ ] Rarely [ ☐ ]
14. Does Glo always use credible celebrities in their adverts? Always [ ☐ ] Often [ ☐ ] Sometimes [ ☐ ] Rarely [ ☐ ]
15. Do you believe that celebrities also use those products they themselves endorse? Yes [ ☐ ] No [ ☐ ] Not sure [ ☐ ]

## **PART 5: CELEBRITY ATTRACTIVENESS AND BRAND POSITIONING**

16. Do you agree that celebrities in adverts make the advert more attractive and catchy?

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree

17. Do you agree that a brand can be affected because the celebrities used in endorsements are attractive?

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree

18. Do you believe that Glo uses attractive celebrities in their adverts as endorsers? Yes ☐  
No ☐

18a. If YES, do you agree it has influenced the brands position in the telecommunication industry?

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree

## **PART 6: EFFECT OF CELEBRITY ENDORSEMENT ON GLO IN THE TELECOM INDUSTRY**

19. Of all the Telecom brands, which of them do you think uses celebrities as endorsers the most?

Tigo ☐ MTN ☐ Vodafone ☐ Glo ☐ Airtel ☐ Expresso ☐

20. Which of the Telecom brands do you think has been more successful in positioning their brand with celebrity endorsements?

Tigo ☐ MTN ☐ Vodafone ☐ Glo ☐ Airtel ☐ Expresso ☐

21. Do you agree that Glo has been successful as a brand with the many celebrities they have as brand ambassadors?

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree

22. Do you agree that most people subscribe to Glo because they like the celebrities they see in their adverts?

Strongly Agree [ ] Agree [ ] Neutral [ ] Disagree [ ] Strongly Disagree

## **PART 7: RECOMMENDATIONS**

23. Would you recommend that Glo continue with the use of celebrities as the image of their brand? Yes [ ] No [ ]

24. a) If No, Why?

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24. What other forms of brand advertisement and awareness would you recommend for Glo?

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25. If you have any other recommendations on celebrity endorsements, please fill out below.

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