

UDC 378

Students Perceptions about Celebrity Endorsement

¹Mersid Poturak²Nedim Kadrić

¹International Burch University, Bosnia and Herzegovina
Faculty of Economics, Management Department
Francuske revolucije b.b. 71 000 Sarajevo, BiH
E-mail: mpoturak@ibu.edu.ba

²International Burch University, Bosnia and Herzegovina
Faculty of Economics, Management Department
Francuske revolucije b.b. 71 000 Sarajevo, BiH
E-mail: nedim.kadric@gmail.com

Abstract. The instrument of celebrity endorsement has nowadays become a pervasive element in advertising and communication management. It is unanimously accepted that celebrity endorsement can grant extraordinary characteristics to a product or service that may have lacked otherwise. The great number of celebrities endorsing brands has been increasing over the past decades. The purpose of this study is to examine perceptions of the student population in Bosnia and Herzegovina (hereafter named BiH) about the celebrity endorsement. Questionnaire is designed and used to survey a randomly selected sample of university students and 125 usable responses were obtained. During the research, five hypotheses have been tested. Data were analyzed by performing descriptive statistics and Chi-Square test. Chi-Square test was used to analyze relationship between nationality of respondents and factors that influence decision of choosing celebrity endorser by firm. Findings show that students perceive celebrities as a very important factor in advertisements.

Keywords: celebrity endorsement; students; advertising; consumer perceptions.

Introduction.

The emergence of the concept called celebrity endorsement has created the need to understand how and why this concept is used as a tool of promotion. Despite the cost and the risks involved with this technique of advertising, it has been used quite extensively in the present era. All over the world, celebrities have been used for different types of brands. Everyone is exposed to advertisements, especially young population. The marketing landscape has become more differentiated by advertisements, and it is very easy to get noticed. Indeed, even though celebrity endorsement represents some risks, it is a largely used method to reach competitive advantage by companies.

Today, companies spend millions each year for the endorsement of their products/services by celebrities. It is always a great challenge for marketers to determine the meaning consumers associate with the brand in order to select the right celebrity and to build the right celebrity endorsement concept. In fact, there are many factors influencing the effectiveness of a celebrity endorsement strategy which are not taken into consideration well enough.

Although the trend in celebrity advertising is gaining momentum in BiH, there is limited information on how Bosnian consumers perceive the advertising of branded products by celebrities, especially student population. Are there differences in their perceptions towards product endorsement by celebrities? Is the celebrity key motivation factor when they are buying a product? These questions are particularly important as there were no prior studies or information related to these issues.

With growing competitiveness in today's industry and similarity of products and services offered by different companies, it has become increasingly important that companies identify the best way of advertising their market offerings. Exploring such information will help companies to identify the appropriate marketing strategies needed to attract new customers and retain existing ones. One promising segment which arguably, has not been given enough attention is the younger

age group. Companies which are planning to cultivate this vibrant market segment must understand how individuals belonging to such segments perceive celebrity endorsement that companies are using in their advertising. Furthermore, students constitute significant population of consumers and it seems very important to find out their opinion about this process.

By investigating students' perceptions about celebrity endorsements this study will help marketers to see if celebrity advertisements are more effective than non-celebrity advertisements as well as if celebrity can have the power to change students' perceptions about the product.

This study analyzes celebrity endorsement through existing literature and brings attitudes of student population in BiH about this matter. In following sections basic definitions of celebrity and endorsement, historical background of this marketing strategy, the reasons why celebrities are used in advertisements, as well as research objectives and hypothesis will be presented. How data were collected for this study will be presented in methodology section. Following methodology section, five hypotheses will be tested. Data will be analyzed by performing descriptive statistics and Chi-Square test. Chi-Square test will be used to analyze relationship between nationality of respondents and factors that influence decision of choosing celebrity endorser by firm. As last part of this study, results from descriptive analyzes and Chi-Square test will be presented together with the conclusion section were different suggestions for marketers and other company representatives will be provided, in order to improve quality of the service as well as design of new advertising offers.

Literature review.

A definition of celebrity and endorsement

In the literature, there are quite many definitions of celebrities, stated from different perspectives, but in this research, we bring two definitions from widely known experts in this matter.

Friedman & Friedman (1979) explain that *"a celebrity is a person such as an actor, sportsman, entertainer, etc, who is different from the general public and is recognized by them, because of his or her achievements."*

"Celebrities are people who enjoy public recognition by a large share of a certain group of people whereas attributes like attractiveness, extraordinary lifestyle are just examples, and specific common characteristics cannot be observed, though it can be said that within a corresponding social group celebrities generally differ from the social norm and enjoy a high degree of public awareness" (Schlecht, 2003).

On the other hand Roll (2006) provided a definition of endorsement by stating that: *"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 the field to the brand."*

Customer perceptions about celebrity endorsement

Customer perceptions about celebrity endorsement have been of big interest by researchers in past several years. The results of previous studies showed that the highest benefit of involving celebrities in advertising is to create exposure and attention from consumers. Particular differences and similarities are present in the impact of celebrity endorsements and how consumers perceive them. While there is a positive impact of celebrity endorsements on attention and exposure of consumers, its connection to positive attitudes towards brands and purchase decision is less understandable (Biswas, Hussain, & O'Donnell, 2009).

According to Erdogan *et al.*, 2001 consumers perceive that information coming from celebrity, especially famous spokesperson has more similarities with their lifestyle and interest in comparison to the unknown persons.

Both, theory and practice have proven that the use of celebrities in advertising is a good way for attracting attention of a public (Ohanian, 1991).

Celebrities are very popular among the public and they enjoy in being seen by vast majority of people. Good looks, interesting lifestyles and different backgrounds are just some of celebrities' special characteristics that are differentiating them from ordinary people, which guarantee them a great amount of the public's attention.

Celebrity endorsers are used by the companies because they are considered to have something that is called "stopping power", i.e., a celebrity can be a useful tool to draw attention in advertising messages directed to public.

Additionally, consumers usually have perception that, when a celebrity endorses a company, it tells that the company has good reputation, products or good customer service and their products are worth of buying.

According to Escalas & Bettman (2003), some people are building image of themselves from brand associations based on celebrity endorsement; they do that in a manner that is consistent with self-related needs, such as self-enhancement. For example, a consumer may imagine about himself to be a sportsman and nice dressed, like David Beckham, who is now endorsing many brands, including Adidas and Police sunglasses.

According to his desire to look more like Beckham, the consumer may choose to play football in Adidas shoes and wear Police sunglasses when not playing the football game. As a result of that process, he may create a self-brand connection to these brands endorsed by Beckham, which helps to him to create his self-concept around the images of being athletic and well dressed. Thanks to this, he will communicate with others representing this self-image of him.

Schlecht (2003) analyzes the connection between consumer perceptions about celebrity endorsements and brands, by applying a theory of widely accepted principles of how consumers' brand attitudes and thoughts can be positively influenced. She found in her study that celebrity endorsement strategies can under the right circumstances indeed justify the high costs associated with advertising.

According to Amos, Holmes & Stratton (2008) there is a relationship between use of a celebrity endorser and the effectiveness of that endorsement. This result emphasizes the high risk associated with using celebrity endorsers as well as the great impact of scandals attached with celebrities.

Silvera & Austad (2004) highlight characteristics of advertisements that make them effective in delivering messages. The finding propose that endorsement advertising effectiveness can be strongly influenced by consumers' perceptions concerning whether the endorser truly likes the product. This research also suggests that advertisers should put more effort not only into selecting right endorsers, but also into providing strong arguments and explanations for which reason endorsers actually do like the products they endorse.

Relationship between celebrity endorsements and brands was examined by Mukherjee (2009), as well as the impact of celebrity endorsement on consumer's buying behavior. In his opinion, celebrity endorsement is always a two-edged sword and it has a number of positives—if properly matched it can do miracle for the company, and if not it may produce a very negative consequences for the brand and company at all.

Gan (2006) investigates the Chinese consumer's behaviors toward celebrity and non-celebrity advertisement. The results show that Chinese consumers like celebrity who has more professional career skills, appearances, communication skills etc.

Hunter & Davidsson (2008) explore impact of negative information about celebrity to consumer perception about brand. Conclusion is that negative information might leads to negative attitude towards the brand. But, that is not case if company is led by celebrity.

Saleem (2007) highlighted that a celebrity endorsement is becoming very important part of marketing structure. She proposes that marketers should use celebrities in ads when there is no or very little product differentiation. But, when marketers have to focus on more diverse market, multiple celebrities endorsement (more than one celebrity in a single advertisement) could be an answer.

Koernig & Boyd (2009) take an example of famous athlete and unknown model in order to examine the roles of product endorser "match" with celebrity and non-celebrity endorsers. The results show that a famous athlete is more effective when endorsing a sport brand than a non-sport brand.

In her paper Rafique, (2012) investigated the customer perceptions about celebrity endorsements with respect to their physical attractiveness, source credibility and congruence on customers' brand perception and purchase intention. In her paper she tested the efficacy of this marketing tool. Data that were collected from 103 respondents in questionnaire form have been factor analyzed. And also she used ANOVA, Regression Analysis and CronBach's Alpha to verify the

devised model. Results of her study showed that celebrity endorsements do have impact on customer's perception and purchase intention.

Pughazhendi, Baskaran, Prakash, & Balamurugan, (2012) in their study explored the consumer perceptions towards single celebrity endorsement and multiple celebrity endorsement more than one celebrity in a single advertisement for high and low involvement products and services. They designed questionnaires and deliver them to three hundred university students to assess the impact of multiple and single celebrities' endorsement with respect to high and low involvement products. In their study they used regression and t test analyses and results of these analyses showed that the customer perceptions toward advertisements, brand and purchase intentions are more positive for multiple celebrities' ads.

Research Objective

The topic of celebrity endorsements and its elements is deeply acknowledged in academic literature, but what makes this research out of the ordinary is that it enables us to understand the celebrity endorsement process from a student's point of view.

Not much has been seen in the student's light despite the fact of it being perceived as a potential market segment for celebrity endorsed products.

Attitudes of student population are changing at a rapid pace and they are becoming more aware of the products that they use to define their 'self'. The research is carried out to obtain a view among student population about celebrity endorsement. Is it as positive as it is assumed to be?

Most advertisements, majorly focuses on the young generation, therefore their perception about the celebrity endorsed form of advertisement is out of most importance, also getting to know the attitude the youth provides the knowledge of the most current incidents or attitudes of any country, hence the youth has been targeted in this research.

The research undertaken on celebrity endorsement in this study will be useful on both academic and professional platform, as it looks into the perception of students on celebrity endorsement, providing theory for scholarly and directives for managers and professionals.

Research Hypotheses

In this research, we developed 5 hypotheses which are going to be tested.

H₁ Celebrity advertisements are more effective than non-celebrity advertisements.

H₂ Male endorser is more effective as compared to female endorser.

H₃ Celebrity has the power to change students' perceptions about the product.

H₄ There is no relationship between nationality of students and factors that influence decision of choosing celebrity endorser by firms.

H₅ There is no relationship between gender of students and type of celebrity who is preferred to be seen in advertisements the most.

Methodology.

Data for the study were collected through a survey delivered to students in Bosnia and Herzegovina. A total of 200 questionnaires were distributed to students who live in different cities in Bosnia and Herzegovina. Of the 200 questionnaires, 125 were accepted as usable for the study. Questionnaire was consisted from 20 items. Results have been analyzed by using SPSS software. Data were analyzed by performing descriptive statistics and Chi-Square test. Chi-Square test was used to analyze relationship between nationality of respondents and factors that influence decision of choosing celebrity endorser by firm. All questions have been mandatory to answer in order to create clear picture about attitudes of respondents. Results of these findings will be presented in following section.

Results.

In the following pages educational, national and gender structure of our respondents will be presented. After that hypotheses will be tested.

Table 1: Educational level of respondents

	Frequency	Percent	Valid Percent
Undergraduate student	90	72	72
Graduate student	35	28	28
Total	125	100	100

As we can see from table 1, there were 90 undergraduate students (72%) and 35 graduate students (28 %) that we used in the sample for our study.

Table 2: Nationality of respondents

	Frequency	Percent	Valid Percent
Bosnian	83	66.4	66.4
Turkish	32	25.6	25.6
Serbian	7	5.6	5.6
Pakistani	1	0.8	0.8
Mongolian	2	1.6	1.6
Total	125	100	100

Looking at the table 2 we can find information about subjects' nationality. Questionnaire was distributed to students of different national backgrounds. Bosnians were again vast majority (66,4 %), Turkish (25,6 %), Mongolians (1,6 %), Serbians (5,6 %). Also, there was one student from Pakistan (0,8 %).

Table 3: Gender of respondents used in the sample

	Frequency	Percent	Valid Percent
Male	75	60	60
Female	50	40	40
Total	125	100	100

For this study as a sample we used both, males and females. In table 3 we can notice that there were 75 male respondents (60 %) and 50 female respondents (40%) used in the sample.

After we find out proportion of educational, nationality and gender background, we are going to test our hypotheses.

H₁ Celebrity advertisements are more effective than non-celebrity advertisements.

Table 4: Students' perceptions about the effectiveness of celebrity advertisements as compared to non-celebrity advertisements

	Frequency	Percent	Valid Percent
Strongly Disagree	11	8.8	8.8
Disagree	24	19.2	19.2
Neutral	19	15.2	15.2
Agree	37	29.6	29.6
Strongly Agree	34	27.2	27.2
Total	125	100	100

The percent of students which agree with statement (56,8 %) is much more higher than percent of students which disagree with this statement (28 %). So H_1 is accepted, according to students' opinion, celebrity advertisements are more influential than non-celebrity advertisements.

H_2 Male endorser is more effective as compared to female endorser.

Table 5: Students' perceptions about the effectiveness of male endorser as compared to female endorser

	Frequency	Percent	Valid Percent
Strongly Disagree	27	21.6	21.6
Disagree	42	33.6	33.6
Neutral	25	20	20
Agree	20	16	16
Strongly Agree	11	8.8	8.8
Total	125	100	100

The percentage of students who disagree with this statement (55,12 %) is slightly bigger than percentage of students which agree (24,8 %). So, H_2 is rejected, in students' view, male endorser is not more effective as compared to female endorser.

H_3 Celebrity has the power to change students' perceptions about the product

Table 6: Influence of celebrity on students' perceptions about the product

	Frequency	Percent	Valid Percent
Strongly Disagree	9	7.2	7.2
Disagree	28	22.4	22.4
Neutral	28	22.4	22.4
Agree	36	28.8	28.8
Strongly Agree	24	19.2	19.2
Total	125	100	100

From the table 6 we can clearly see that 48 % of students believe that celebrity has the power to change their perceptions about the product, while 29,6 % disagree with that statement. The rest

of population is neutral (22,4%). So, H_3 is accepted, students believe that celebrity can change perceptions about products to some extent.

H_4 There is no relationship between nationality of students and factors that influence decision of choosing celebrity endorser by firms.

Table 7: Relationship between nationality of students and factors that influence decision of choosing celebrity endorser by firms

Nationality	Popularity	Physical attractiveness	Cost of acquiring celebrity	Other	Total
Bosnian	37	23	17	6	83
Turkish	15	7	5	5	32
Serbian	3	1	0	3	7
Pakistani	1	0	0	0	1
Mongolian	1	0	1	0	2
	57	31	23	14	125

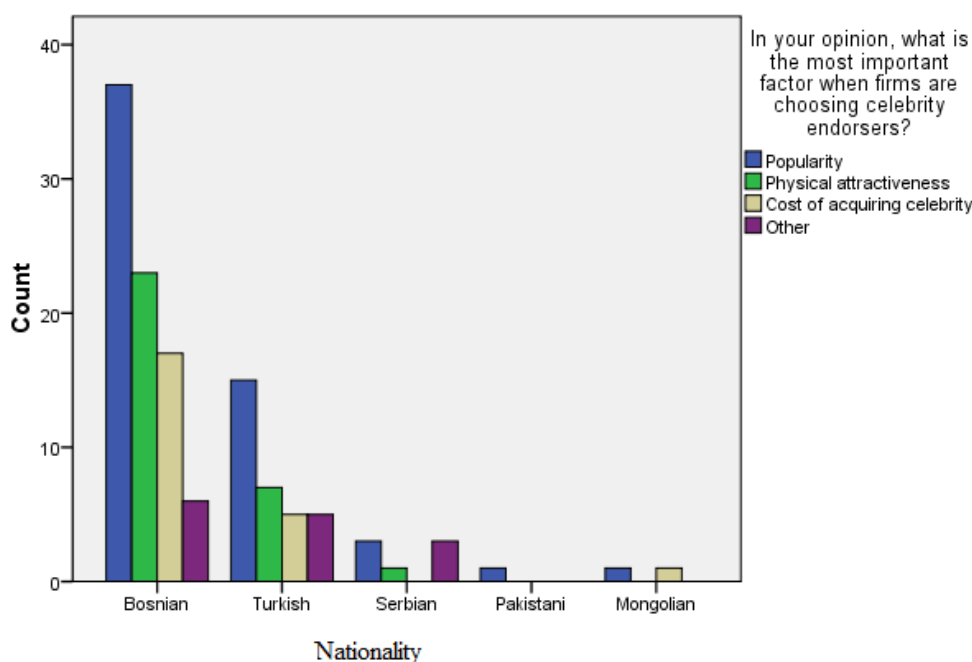


Figure 1. Relationship between nationality of students and factors that influence decision of choosing celebrity endorser by firms

Table 8: Chi-Square Test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.36394	12	0.343
Likelihood Ratio	12.91446	12	0.375
Linear-by-Linear Association	0.400787	1	0.527
N of Valid Cases	125		

Chi-Square test is used to analyze is there any relationship between nationality of respondents and factors that influence decision of choosing celebrity endorser by firm. From the table, we can see that p-value is 0.343 and level of significance is 0.05. Since p-value is higher than level of significance, we will accept H_4 . For majority of students, popularity of celebrity is the most important factor.

H_5 There is no relationship between gender of students and type of celebrity who is preferred to be seen in advertisements the most

Table 9: Relationship between gender of students and type of celebrity who is preferred to be seen in advertisements the most

Gender	Athletes	Footballers	Models	Actors	Total
Male	8	30	20	17	75
Female	6	9	22	13	50
Total	14	39	42	30	125

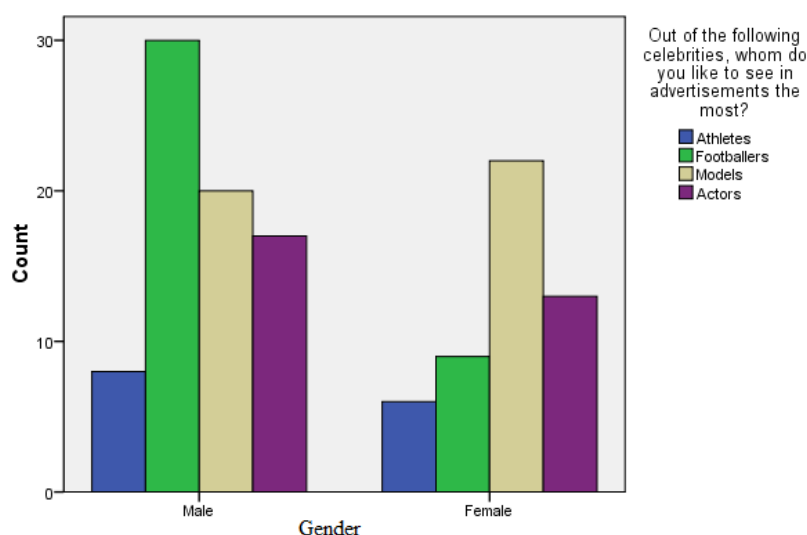


Figure 8. Relationship between gender of students and type of celebrity who is preferred to be seen in advertisements the most

TABLE 10: Chi-Square Test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.522894	3	0.057
Likelihood Ratio	7.812572	3	0.05
Linear-by-Linear Association	1.675832	1	0.195
N of Valid Cases	125		

Chi-Square test is used to analyze is there any relationship between gender of respondents and celebrity who is preferred to be seen in advertisements the most. From the table, we can see that p-value is 0.057 and level of significance is 0.05. Since p-value is higher than level of significance, we will accept H_5 . Footballers are favorite celebrities for male students, whereas models are favorite celebrities for female students.

Conclusion.

In today's serious advertising clutter, with the purpose to differentiate products from competitors, celebrity endorsement strategy can be a successful competitive tool for companies in established and saturated markets. There will not be place for real product differentiation in markets, as long as the company selects the "right" celebrity.

In this paper, students' perceptions about celebrity endorsements were analyzed. Students believe that celebrity advertisements are more influential than non-celebrity advertisements. Celebrity endorsement advertising strategies can under the right conditions give good reason for the high costs for this kind of advertising. On the other hand, companies must know the fact that the usefulness of celebrity advertising is mostly to the degree of drawing consumers' attention and may not automatically transform to purchase behavior. It is crucial for marketers to be aware of consumer perceptions about celebrity endorsement in this respect.

Even though many studies show that gender or cross gender interactions between endorsers and target segment of customers are assorted and incapable to provide any course to practitioners, (Erdogan, 1999) this study showed that students don't perceive male endorser more effective than female endorser.

Another finding that can be useful information to marketers is that students perceive that celebrity has the power to change their perceptions about the product.

The present research also suggest that marketers should choose celebrity endorser who is the most popular in order to target student population in BiH. Other characteristics of celebrity seem quite irrelevant for students. It is very interesting fact that majority of respondents of all national groups perceive celebrity popularity as the most important factor. There is no a significant relationship between gender of students and celebrity who is preferred to be seen in advertisements. Male students prefer footballers as celebrity endorsers, whereas female students prefer actors as celebrity endorsers. For marketers, it is very important fact when creating advertising messages to student population in BiH. On the other hand there is no significant relationship between nationality of students and factors that influence decision of choosing celebrity endorser by firms

Because this research has concentrated its attention on students, researches conducted in the future can focus on a different range of age and profiles of persons in Bosnia and Herzegovina, which could reveal various viewpoints and information about this topic. The population of Bosnia and Herzegovina is not very big, but in its small size bares great diversity. Thus various researchers targeting various groups of people with different ethnicities and also according to their socio-economic classes need to be conducted.

References:

1. Amos, C., Holmes, G. & Stratton, D. (2008). Exploring the Relationship between Celebrity Endorser Effects and Advertising Effectiveness: A Quantitative Synthesis of Effect Size. *International Journal of Advertising*, 27(2), 209–234.
2. Biswas, S., Hussain, M., & O'Donnell, K. (2009). Celebrity Endorsements in Advertisements and Consumer Perceptions: A Cross-Cultural Study. *Journal of Global Marketing*, 22(2), 121–137. doi:10.1080/08911760902765940
3. Pughazhendi, A., Baskaran, D. K. A., Prakash, M. R., & Balamurugan, R. N. (2012). A Study on Effectiveness of Multiple and Single Celebrity Endorsement on Considerable Product Advertisements In Chennai Perceptive, India. *Far East Journal of Psychology and Business*, 6(2), 11–18.
4. Rafique, M. (2012). Impact of Celebrity Advertisement on Customers' Brand Perception and Purchase Intention. *Asian Journal of Business and Management Sciences*, 1(11), 53–67.
5. Escalas, J.E. & Bettman, J.R. (2003). You Are What They Eat: The Influence of Reference Groups on Consumer Connections to Brands. *Journal of Consumer Psychology*, 13(3), 339-348.
6. Erdogan, B.Z., Baker, M.J. & Tagg, S. (2001). Selecting celebrity endorsers: The practitioner's perspective. *Journal of Advertising Research*, 41(3), 39-48.
7. Friedman, H. H. & Friedman, L. (1979). Endorser effectiveness by product type. *Journal of Advertising Research*. 19(5), 63-71.

8. Gan, W. (2006). *Effectiveness of Celebrity Endorsement Advertising in Chinese Marketplace*. Retrieved March 15, 2013 from <http://edissertations.nottingham.ac.uk/225/1/06MALixwg1.pdf>
9. Hunter, E. & Davidsson, P. (2008). *Celebrity Entrepreneurship: The Effect of Negative Celebrity Information on the New Venture*. In Babson College Entrepreneurship Research Conference. The University of North Carolina, Chapel Hill. 5–7 June 2008.
10. Koernig, S. K. & Boyd, T. C. (2009). To catch a tiger or let him go: The match-up effect and athlete endorsers for sport and non-sport brands. *Sport Marketing quarterly*, 18(1), 15-37.
11. Mukherjee, D. (2009). *Impact of Celebrity Endorsements on Brand Image*. Online. Abstract from Social Science Research Network, Electronic Paper Collection. Retrieved April 2, 2013 from <http://ssrn.com/abstract=1444814>
12. Ohanian, R. (1991). The Impact of Celebrity Spokespersons' Perceived Image on Consumers' Intention to Purchase. *Journal of Advertising Research*, 31(1), 46-53.
13. Roll, M. (2006). *Branding and Celebrity Endorsements*. Retrieved June 11, 2013 from http://www.venturerepublic.com/resources/branding_celebrities_brand_endorsements_brand_leadership.asp
14. Saleem, F. (2007). Young Adult Perception Towards Celebrity Endorsement: A Comparative Study of Single Celebrity and Multiple Celebrities Endorsement. *European Journal of Economics, Finance and Administrative Sciences*, 8(1), 128-139.
15. Schlecht, C. (2003). Celebrities' impact on branding. *Center on Global Brand Leadership: Columbia Business School*.
16. Silvera, D. H. & Austad, B. (2004). Factors Predicting the Effectiveness of Celebrity Endorsement Advertisements. *European Journal of Marketing*, 38(11/12), 1509-1526.

УДК 378

Представления студентов о рекламе с участием "звёзд"

¹Мерсид Потурак

²Недим Кадрич

¹Международный университет Бурч, Босния и Герцеговина
Факультет экономики, кафедра менеджмента
E-mail: mpoturak@ibu.edu.ba

²Международный университет Бурч, Босния и Герцеговина
Факультет экономики, кафедра менеджмента
E-mail: nedim.kadric@gmail.com

Аннотация. Инструмент рекламы с участием "звёзд" в наши дни стал повсеместным элементом рекламы и коммуникационного менеджмента. Общеизвестно, что реклама с участием "звёзд" может придать продукту или сервису исключительные характеристики, которые в другом случае могли и не «выстрелить». За последние десятилетия появилось огромное количество "звёзд", рекламирующих бренды. Цель данной работы – проанализировать представления студентов Боснии и Герцеговины (далее - БиГ) о рекламе с участием "звёзд". Опросник был составлен и применен для изучения мнения случайно отобранных студентов университета. Было получено 125 ответов. В ходе исследования были протестированы пять гипотез. Данные были проанализированы с применением описательной статистики и критерия хи-квадрат. Критерий хи-квадрат был использован для анализа соотношения национальности респондентов и факторов, влияющих на выбор фирмой звезды для рекламы. Результаты показали, что студенты воспринимают звезд как важный фактор рекламы.

Ключевые слова: реклама с участием "звёзд"; студенты; реклама; представления потребителей.