Talent, Looks or Brains? New Zealand Advertising Practitioners' Views on Celebrity and Athlete Endorsers

Jan Charbonneau and Ron Garland

"They add a whole heap of value to the communication ... the bigger the personality the better."

(New Zealand advertising practitioner)

The established practice of using celebrities and professional athletes as endorsers shows no sign of abating. While a substantial body of literature exists researching effective celebrity and athlete endorser characteristics, little research has been conducted from the advertising practitioner perspective. This research investigating New Zealand advertising agencies found they use celebrities/athletes primarily to achieve 'cut through' and believe their use is generally effective provided there is a tight fit between celebrity/athlete, brand and message. This study confirmed previous practitioner research concerning selection factors but found that priority given to each factor varies with brand, target audience and campaign objectives. Interestingly, for New Zealand practitioners, the risk of negative publicity and hiring costs were the most important factors considered.

Keywords: Advertising, Celebrity, Athletes, Endorsement

Introduction

Celebrity endorsers, including professional athletes, provide several important benefits over unknown endorsers. Celebrities break through media clutter and hold viewers' attention (Dyson & Turco 1998, Erdogan & Baker 1999). This is especially true for athletes at the peak of their performance and media/consumer visibility (Shilbury, Quick & Westerbeek 1998). They contribute to brand name recognition, create positive associations transferring qualities such as physical appeal and likeability, and assist in the development of distinct and credible brand personalities (Kamins 1989, Ohanian 1990). Athletes provide particularly compelling testimonials for products that have contributed to their sporting performance and success (Dyson & Turco 1997, Stone, Joseph & Jones 2003). Research findings however are equivocal concerning whether consumers are more likely to purchase goods and services endorsed by celebrities (Agrawal & Kamakura 1995, Dyson & Turco 1998, Erdogan & Kitchen 1998).

Using celebrities and athletes is not without risk. With the increased attention comes the risk of overshadowing the brand (Erdogan & Kitchen 1998). Should an endorser become embroiled in controversy, not only corporate embarrassment but potentially negative attitudes to the brand can result (Veltri & Long 1998, Till & Shimp 1998, Till 2001, Pornpitakpan 2003). Anecdotally, ill-fated celebrity/athlete endorsement deals such as footballer OJ Simpson and Hertz Car Rentals, Canadian Olympic sprinter Ben Johnson and Toshiba or Michael Jackson and Pepsi appear cases in point.

Celebrities endorsing multiple products risk overexposure, lessening the impact and distinctiveness of each product relationship as well as diminishing consumer perceptions of celebrity credibility and likeability (Tripp, Jensen & Carlson 1994, Dyson & Turco 1998, Erdogan & Kitchen 1998, James & Ryan 2001, Garland & Ferkins 2002). When Jesse Owens

ran in Adidas track shoes in the 1936 Berlin Olympics, he did so because they represented a technological advance in footwear. Today's consumers realise that endorsements are income generators for celebrities and athletes – that they are paid to be walking billboards and as such are likely to endorse a wide range of products. For example, in 2002, Tiger Woods made a reported \$70 million US endorsing American Express, Rolex, Nike, Titleist, Target, Buick and Tag Heuer, amongst others (Advertising Age, 2003).

Celebrity images are not static and there is the ever-present risk of image change or loss of public favour. Athletes present the additional risk of injury, which reduces visibility and performance, reducing endorsement potential (Erdogan & Kitchen 1998, Irwin, Sutton & McCarthy 2002).

While there are inherent risks, the widespread and continued practice of using celebrities and athletes as endorsers signals that businesses and advertising agencies believe the risks are worth taking (Miciak & Shanklin 1994, Agrawal & Kamakura 1995, Dyson & Turco 1998). As endorsers function in the role of message sender, scholars have looked to communication theory to construct models to aid practitioners in the process of selecting appropriate celebrity endorsers. The main models relating to celebrity endorsers are the Source Credibility Model, the Source Attractiveness Model, and the Meaning Transfer Model.

The Source Credibility Model suggests message effectiveness depends on the endorser's perceived credibility. Credibility combines both expertise (e.g. skills such as athletic ability) and trustworthiness (honesty/integrity /believability). Through the process of internalisation, credible sources influence consumer beliefs, attitudes and/or behaviour (Ohanian 1991, Erdogan, Baker & Tagg 2001, Shank 2002). Athletes are believed to be particularly persuasive relative to sports related products due to their skill/expertise, explaining their heavy use as endorsers for companies like Nike and Adidas (Brooks & Harris 1998). For example, Nike estimated its athlete endorsement commitments at \$338 million US, including existing commitments to athletes such as Tiger Woods and new signings such as its \$90 million multiyear deal with basketballer LeBron James and its \$1 million deal with teenage soccer sensation Freddie Adu (Thomaselli 2004).

The Source Attractiveness Model proposes that message effectiveness depends on the similarity between source and receiver, source likeability (e.g. appearance/behaviour/personality/athletic ability) and source familiarity through repeated media exposure (Shilbury, Quick & Westerbeek 1998, Shank 2002). Information from an attractive source is accepted because of the consumer desire to identify with that source (Erdogan 1999, Shank 2002). According to Ewen (1988), with celebrities and professional athletes "people not only find a piece of themselves, but also a piece of what they strive for" (p. 96). As was often said about consumers' reaction to Jordan's affiliation with Nike during his heyday, "we like Nike 'cause we like Mike".

The Product Match-up Hypothesis asserts effective advertising results when the messages conveyed by celebrity image are compatible with product image (Kamins 1990, Pornpitakpan 2003). Selecting a celebrity who has a high product congruent image leads to greater endorser believability (Van Hoecke, Van Hoecke, De Krop & Taks 2000, Erdogan et al. 2001). For example, Tiger Woods endorsing golf clubs would present a high product congruent image (Shank 2002).

The Meaning Transfer Model maintains that celebrity endorsers bring their own symbolic meanings to the endorsement process, and that cultural meanings attached to the celebrity such as status, class and lifestyle transfer to products (McCracken 1989). According to this model, the celebrity image developed independently transfers first from celebrity to product and then product to consumer. Advertisers hire celebrities or athletes under the assumption that people first 'consume' the images of celebrities and then 'consume' products associated with those celebrities (Erdogan 1999).

Results of consumer studies reported in the literature are diverse and often inconsistent regarding selection of the 'right' celebrity. Although researchers have tried to develop criteria for selecting celebrity endorsers, there is little agreement on which dimensions are the most important (Erdogan 1999). While considerable attention has been paid to the consumer side, comparatively little attention has been paid to criteria practitioners use to make actual celebrity or athlete endorsement decisions. Three main studies have explored advertising practitioners' perspectives towards celebrity endorsements - Miciack & Shanklin (1994), Erdogan & Baker (1999/2000), Erdogan, Baker & Tagg (2001). As the term 'celebrity endorser' is sufficiently broad, practitioner responses may well have referred generally to both celebrities and professional athletes. However, none of these studies asked practitioners specific questions about athlete endorsers.

According to Miciack & Shanklin (1994), American practitioners believed that, as baseline criteria for consideration, celebrities must be trustworthy, recognisable, affordable, generate minimal controversy or risk, and be appropriately matched with target audiences. When selecting a specific celebrity, credibility was ranked as the most important factor, followed by celebrity-audience similarity, celebrity-product similarity, and celebrity attractiveness. Miciack & Shanklin added Deportment to the FRED principles of Familiarity, Relevance, Esteem and Differentiation established in a global brand success study. Their study found that American managers consider company, brand, and target audience, evaluating short listed celebrities against FREDD criteria, with criterion priority depending on campaign objectives. Nonetheless, they concluded that inadequate research and "the subjective mutre of picking celebrities accounts for many unsatisfactory endorsements" (Miciack & Shanklin 1994, p.57).

Erdogan & Baker's 1999 research found that British agencies use celebrity endorsers primarily to make advertisements stand out and gain awareness. All respondents agreed that celebrities were effective at generating attention, recall, and positive attitudes, provided there was a good fit between celebrity and brand. While practitioners acknowledged that when used well, celebrities could be very powerful, they argued that consumers are becoming more cynical towards these endorsements. The issue of overshadowing of the brand was widely acknowledged and carefully considered in the selection process. When considering specific criteria, Erdogan & Baker found that fit with advertising was the most frequently mentioned followed by celebrity-target audience match, celebrity values, hiring fee, celebrity-product match and credibility/attractiveness respectively.

In 2001, Erdogan, Baker & Tagg replicated Miciack & Shanklin's 1994 American study, again considering British advertising agencies. The former's results showed that celebrity-target audience and brand match-up, as well as the celebrity's overall image were considered the most important factors. Cost, trustworthiness, controversy risk, prior endorsements, and celebrity familiarity/ likeability were considered important factors. Potential overshadowing of the brand was considered to be only somewhat important. Celebrity expertise and physical

attractiveness, the focus of previous studies, were neither important nor unimportant, in line with Erdogan & Baker's 1999 findings.

Results showed that practitioners consider a set of factors when selecting celebrity endorsers rather than viewing celebrities as uni-dimensional. The study also found that the type of product being endorsed determines the importance placed on any individual factor.

While these three studies found similar factors being used, the importance placed on each differed across studies. For example, credibility is an important factor in the literature, confirmed in Miciack & Shanklin's study, but considered far less important in Erdogan & Baker's (1999) and Erdogan et al.'s (2001) studies. Interestingly, celebrity-target audience and celebrity-product match-up were judged to be important factors in all three studies.

Methodology

The objectives of this study were to identify the main factors used by New Zealand advertising practitioners to select celebrity endorsers, extend the practitioner literature to include athletes, and establish the similarities and differences between this study's findings and the previous practitioner focused literature.

In terms of sample size, Miciak & Shanklin (1994) conducted depth interviews with 21 American advertising practitioners. Erdogan & Baker (1999) interviewed 12 British advertising practitioners. Erdogan et al (2001) conducted depth interviews with 10 practitioners from 9 British advertising agencies.

In New Zealand only a small number of advertising agencies have celebrity and athlete endorser experience and these are located in either Wellington or Auckland. Celebrity campaigns are generally only handled by the large multinational agencies that draw expertise as required from either their Wellington or Auckland offices. Judgmental and snowball sampling were used to acquire participants. Semi-structured depth interviews were conducted in late 2003 with nine practitioners in account positions in seven different sized Wellington agencies. All had present or past experience with both celebrity endorsement campaigns and campaigns using New Zealand athletes.

Major interview themes were developed from the relevant literature focusing on the reasons celebrities were used, opinions as to their effectiveness and the factors considered in the selection process. Care was taken to ensure that opinions were solicited concerning both celebrities in the general sense and athletes specifically as previous practitioner studies had investigated celebrities only in the generic sense. Content analysis was performed on interview transcripts.

Results and Discussion

Reasons for Using Celebrity and Athlete Endorsers

The main reasons New Zealand practitioners used œlebrity endorsers were to increase awareness and achieve 'cut-through' as widely suggested in the literature (Veltri & Long 1998), and expressed by British practitioners in Erdogan and Baker's study. The example was given of Vince Martin (Australian entertainer) who has consistently generated ninety percent public awareness and correct brand description for Beaurepairs, the New Zealand tyre

company he endorses. New Zealand practitioners, like their British counterparts, also acknowledged that celebrities often generated increased public relations exposure. Most interviewees felt that the decision to use a celebrity or athlete was dictated by the campaign message and the celebrity's fit with the brand, again supported in the literature (Kamins 1989 & 1990, James & Ryan 2001, Erdogan et al. 2001).

New Zealand practitioners acknowledged that positive consumer attitudes towards the celebrity could be transferred to the brand, supported in the literature and echoed by British practitioners. Some respondents indicated that the perceived credibility of a celebrity was particularly useful in delivering social marketing messages, again confirming the literature (Ohanian 1990, Pornpitakpan 2003) and consistent with Erdogan and Baker's findings. It was felt that using a credible and respected celebrity or athlete as the 'voice' or 'message carrier' was more effective than having the often serious and potentially unpalatable messages employed in social marketing delivered by the organisation itself. The example was given of using Tana Umanga, 2004 captain of the All Blacks (New Zealand's national rugby team) to deliver road safety messages for the Land Transport Safety Association in New Zealand. Umanga, a native Pacific Islander, was selected because he was judged as believable to the target audience, Pacific Island children, with the message delivered being considered by the children as "something Tana would say".

Some practitioners mentioned celebrity credibility, however none mentioned celebrity attractiveness. This is consistent with Erdogan & Baker's and Erdogan et al.'s studies but contrary to much of the consumer based literature (Kamins 1989, Ohanian 1990, Miciack & Shanklin 1994). Perhaps advertising practitioners consider it a given that celebrity and celebrity athletes are inherently attractive to their fans.

While New Zealand advertising practitioners considered the use of celebrity endorsers to be holding constant they did note that the use of celebrity athletes as endorsers was increasing, consistent with research in Britain and the United States (Veltri & Long 1998, Erdogan & Baker 1999) and previous research conducted in New Zealand (Garland & Ferkins 2002). They felt that the reasons for using athletes were the same as for other celebrities but would most likely consider an athlete for sporting goods and services, consistent with previous research findings (Brooks & Harris 1998, Shank 1999).

Practitioner Opinions on the Effectiveness of Celebrity and Athlete Endorsers

Practitioners felt that celebrity endorsement could be a very effective promotional strategy, as long as there was an appropriate fit between celebrity/athlete, brand and message, consistent with Erdogan & Baker's study. Interestingly, several suggested the importance of fit with target audience, not mentioned in Erdogan and Baker's study. One example given of poor fit was the use of an ex All Black captain endorsing a carpet retailer. As stated, "it's pretty obvious to the reasonably intelligent person that he's doing it for the money"... suggesting that consumers would ask "what's he doing selling carpet – what would he know?"... and that consumers were "aware that he's blatantly using his All Black position". One example given of a good fit was the use of Sarah Ulmer (2004 world champion individual pursuit cyclist) by McDonalds New Zealand to introduce its range of salads and healthier menu options. As stated, "she's new, she's young, she's energetic and she's the next big thing".

All practitioners felt celebrities and athletes helped increase awareness and advertising recall, in line with the findings of Erdogan & Baker. However, it was noted that using a celebrity or

a professional athlete does not always guarantee increased sales or action, echoing the sentiments expressed by British practitioners.

Risk of the celebrity overshadowing the brand, overexposure through multiple endorsements, and negative publicity were mentioned, consistent with much of the literature (Dyson & Turco 1998, Erdogan & Kitchen 1998) and the British studies. As one practitioner noted, "the reality is with celebrities you can't control their private life so you tend to be quite careful". Several mentioned the need to assess life stage, especially for athletes who generally face shorter active playing careers than their celebrity counterparts, recognising "you're not always going to be an All-Black" (New Zealand's national rugby team).

New Zealand practitioners were asked about client satisfaction with celebrity campaigns, a topic not widely investigated in the literature. In response to Ogilvy and Mather's finding that only one in five celebrity campaigns lives up to client expectations (reported in Miciak & Shanklin 1994), New Zealand practitioners felt, based on feedback received, that their clients were generally satisfied with the increased awareness and exposure generated by celebrities and athletes. Several commented that ineffective campaigns were generally the result of a multitude of factors, not just the endorser. As one practitioner stated, "a bad advertising campaign that isn't effective isn't effective regardless of whether it's personality lead or lead through other ideas".

Factors Considered When Selecting Celebrity and Athlete Endorsers

The New Zealand study revealed the following factors used in selecting either celebrity or athlete endorsers (ordered in terms of relative importance):

- Risk of negative publicity, cost of hiring the celebrity
- Celebrity-product match-up, celebrity-target audience match-up
- Credibility, trustworthiness
- Readily recognisable by the target audience
- Multiple endorsements, exclusivity, availability

The most commonly mentioned factors by New Zealand practitioners were the *risk of negative publicity* and the *cost of hiring celebrities* (few companies can afford Nike's \$US338 million endorsement budget). This finding conflicts with Miciack & Shanklin's study where these factors were judged least important. In Erdogan & Baker's study, the risk of negative publicity was considered less important than the cost of hiring the celebrity. However, in Erdogan et al.'s later findings, hiring costs and negative publicity risk were considered as important. The New Zealand results could be reflective of current celebrity fees, as well as celebrity scandals that have occurred since Michiak & Shanklin's work in 1994.

The importance placed on *celebrity-product* and *target audience match-up* is consistent with the literature (Kamins 1989 & 1990, Ohanian 1990), and with the other studies. As one advertising practitioner stated "there's a potential risk that the personality can become bigger than the brand itself – that's why the fit has to be credible... just having a sportsperson there for the sake of having a sportsperson can be detrimental to the brand".

Credibility and trustworthiness were deemed slightly less important to New Zealand practitioners than their American and British counterparts. However, this finding must be

taken in context. As one practitioner noted, "if there s not a fit, then it lacks credibility, and if it lacks credibility, then it lacks persuasiveness". The importance attached to *recognisability* is comparable to Miciack & Shanklin's findings but lower than that claimed in Erdogan et al.'s study. Contrasting with the New Zealand research, the Miciack & Shanklin study considered *multiple endorsements* most important but *exclusivity* and *availability* less important. Erdogan et al.'s research found availability to be important and prior endorsements less important, contrasting with Erdogan & Baker's earlier study that found both to be less important. While multiple endorsements were ranked lower in the New Zealand study, they are still a significant consideration. As one practitioner stated "as a general rule, we would be very hesitant to use somebody that was connected strongly with another brand... chances are the consumer would be going "oh that's the person from Toyota ... rather than our product".

Overall, the results of this study show that New Zealand advertising practitioners consider similar factors to their British and American counterparts. However, once again, the importance placed on each factor is different to previous findings. In line with Miciack & Shanklin, the priority given to each factor depends on campaign objectives. The results of this study align more closely with the results of the British studies, with lower importance placed on credibility and physical attractiveness compared to Miciack & Shanklin's American findings and suggestions from the consumer based literature (Kamins 1989 & 1990, Ohanian 1990). One important commonality amongst the three previous studies and this study is the importance of the celebrity-target audience and product match-up.

New Zealand practitioners acknowledged that selection was a subjective process, with many factors associated with the celebrity/athlete, brand and advertising idea considered, consistent with their British and American counterparts.

Limitations and Future Research

Generalisability is limited due to the relatively small sample of New Zealand advertising practitioners interviewed. The consensus in interviewees' responses and their alignment with previous findings in the literature however allows some confidence in the results.

The exploratory qualitative research carried out in this study has laid the foundations for more systematic and rigorous quantitative study. Soliciting the opinions of those involved in the creative, research, production and legal teams within agencies throughout New Zealand as well as corporate clients, celebrities, athletes and their managers would enhance these results.

Conclusion

The purpose of this study was to expand the literature concerning advertising practitioners' selection of celebrity endorsers, with particular focus on athletes, and determine if New Zealand agencies differed from their American and British counterparts. This study has shown that advertising practitioners consider celebrity and athlete endorsement to be a valuable promotional technique while acknowledging it is not without risk. Consistent with their American and British counterparts, New Zealand practitioners use a range of factors to select celebrities and athletes, with the importance placed on each depending on brand and campaign objectives.

Interestingly, while indications generally are for increased use of celebrity endorsers (Erdogan et al. 2001), the majority of New Zealand practitioners stated they were making a

conscious effort to move away from celebrity endorsements, as illustrated by the following quote:

"We find that it's usually too expensive, practically problematic and the celeb can overpower the brand message. We would prefer to really interrogate the product or service, and make the advertising idea revolve around that, rather than a third party".

References

- Agrawal J & Kamakura W (1995). The economic worth of celebrity endorsers: An event study analysis. *Journal of Marketing*, 59(3), 56-62.
- Anonymous (2003). Payoff Pitches. Advertising Age, 74, (43), 4-6.
- Brooks CM & Harris K (1998). Celebrity athlete endorsement; an overview of the key theoretical issues. *Sport Marketing Quarterly*, 7(2), 34-44.
- Dyson A & Turco D (1998). The state of celebrity endorsement in sport. *Cyber-Journal of Sport Marketing* 2 (1), http://www.ausport.gov.au/fulltext/1998/cjsm. Accessed October 20, 2003.
- Erdogan B (1999). Celebrity endorsement: A literature review. *Journal of Marketing Management*, 15, (4), 291-314.
- Erdogan, B. & Baker, M., (1999). Celebrity endorsement: Advertising agency managers' perspective. *Cyber-Journal of Sport Marketing*, 3(3), http://www.ausport.gov.au/fulltext/1999/cjsm. Accessed October 20, 2003.
- Erdogan B & Baker M (2000). Towards a practitioner-based model of selecting celebrity endorsers. *International Journal of Advertising*, 19(1), 25-42.
- Erdogan B, Baker MJ & Tagg S (2001). Selecting celebrity endorsers: the practitioner's perspective. *Journal of Advertising Research*, 41(3), 39-48.
- Erdogan B & Kitchen P (1998). Getting the best out of celebrity endorsers. *Admap*, April, 17-20.
- Ewen S (1998). All consuming images: the politics of style in contemporary culture. United States: Basic Books.
- Garland R & Ferkins L (2003). Evaluating New Zealand sports stars as celebrity endorsers: intriguing results. *Proceedings of ANZMAC Conference*, University of South Australia, Adelaide, December, 122-129.
- Irwin R, Sutton W & McCarthy L (2002). Sports promotion and sales management. Champaign, Illinois: Human Kinetics.
- James K & Ryan M (2001). Attitudes toward female sports stars as endorsers. *Proceedings of ANZMAC Conference*, Massey University, Auckland,1-8.

- Jones M & Schumann D (2000). The strategic use of celebrity athlete endorsers in *Sports Illustrated*: An historical perspective. *Sport Marketing Quarterly*, 9(2), 65 –76.
- Kamins M (1989). Celebrity and non-celebrity advertising in a two-sided context. *Journal of Advertising Research*, 29(3) 34-42.
- Kamins M (1990). An investigation into the 'match-up hypothesis' in celebrity marketing: when beauty may be only skin deep. Journal of Advertising ,19(1), 4-13.
- McCracken G (1989). Who is the celebrity endorser? Cultural foundations of the endorsement process. *Journal of Consumer Research*, 16(3), 310-321.
- Miciak A & Shanklin W (1994). Choosing celebrity endorsers. *Marketing Management*. 3(3), 50-59.
- Ohanian R (1990). Construction and validation of a scale to measure celebrity endorsers' perceived expertise, trustworthiness, and attractiveness. *Journal of Advertising*, 19(3), 39-52.
- Ohanian R (1991). The impact of celebrity spokespersons' perceived image on consumers' intention to purchase. *Journal of Advertising Research*, 13(1), 46-55.
- Pornpitakpan C (2003). Validation of the celebrity endorsers' credibility scale: Evidence from Asians. *Journal of Marketing Management*, 19(1/2), 179-195.
- Shank M (1999). Sports marketing: A strategic perspective 2nd edn. New Jersey: Prentice Hall.
- Shank M (2002). Sports marketing: A strategic perspective 2rd edn. New Jersey: Prentice Hall
- Shilbury D, Quick S & Westerbeek H (1998). *Strategic sport marketing*. New South Wales: Allen & Unwin.
- Stevens J, Lathrop A & Bradish C (2003). 'Who is your hero? Implications for athlete endorser strategies. *Sport Marketing Quarterly*, 12(2), 103 110.
- Stone G, Joseph M & Jones M (2003). An exploratory study on the use of sports celebrities in advertising: a content analysis. *Sport Marketing Quarterly*, 10(1), 35-42.
- Thomaselli R (2004). \$192 million: Nike bets big on range of endorsers. *Advertising Age*, 75(1), 8.
- Till B (2001). Managing athlete endorser image: the effect of endorsed product. *Sport Marketing Quarterly*, 10(1), 35-42.
- Till B & Shimp T (1998). Endorsers in advertising: The case of negative celebrity information. *Journal of Advertising*, 27(1), 67-82.

- Tripp C, Jensen T & Carlson L (1994). The effects of multiple product endorsements by celebrities on consumers' attitudes and intentions. *Journal of Consumer Research*, 20(4), 535-548.
- Van Hoecke J, Van Hoecke W, De Knop P & Taks M (2000). The contribution of "local Heroes" in the athlete endorsement mix: A case study approach. *Cyber-Journal of Sport Marketing*, 4(2), http://www.ausport.gov.au/fulltext/2000/cjsm. Accessed October 20, 2003.
- Veltri F & Long S (1998). A new image: Female athlete-endorser. *Cyber-Journal of Sport Marketing*, 2(4), http://www.ausport.gov.au/fulltext/1998/cjsm. Accessed October 20, 2003.

Acknowledgement: The authors would like to thank Claire Hyland for undertaking the exploratory enquiry that helped shape this research.

Jan Charbonneau is a Lecturer at Massey University and Ron Garland is an Associate Professor at Waikato University