

Celebrity endorsement in business markets

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Abstract

Purpose

This paper responds to the call for greater understanding of marketing communications in business markets and in particular the content of business-to-business (hereafter B2B) communication. The focus of the paper lies in the use of celebrity endorsement in B2B marketing communications and is intended to provide the conceptual underpinning for empirical work.

Conceptual underpinning

Celebrity endorsement theory has been developed via research mainly based upon consumer markets providing the three main models, of 'source credibility/attractiveness,' 'product match-up' and 'meaning transfer'. However, the term celebrity is normally associated with individuals who are frequently in the public eye and typically have a high profile in, amongst others, the sports and entertainment industries. Such individuals are used to endorse consumer services, products, ideas or organisations. Companies operating in business markets certainly use customer referencing, i.e. they provide information about successful associations with existing customer *organisations* as a means of establishing their position as credible suppliers with new target customers and occasionally use prominent individuals. What the paper seeks to elucidate is whether endorsement goes beyond referencing, beyond information exchange activities with specific target customers and instead features in the B2B marketer's marketing communications using 'celebrity organisations' who may be customers or associated with their business.

Main contribution

By introducing models of celebrity endorsement to explain the choice of "celebrity" in business advertising the research intends to provide greater insight into the nature of celebrity endorsement in a B2B context.

Key words: celebrity, endorsement, b2b advertising

Introduction

In consumer markets the use of celebrities to endorse products or brands involves individuals who are frequently in the public eye and that have a high profile. In a B2B context, the marketer might also use individuals. However, rather than being “celebrated” for their sporting prowess or ability to entertain, these individuals may have high profiles because of their extraordinary success in leading organisations in one or a number of product sectors or by way of their success in championing particular causes. In addition to individuals, B2B marketers often use high profile organisations for endorsement purposes (see Figure 1 for an example of Lufthansa endorsing Microsoft’s Windows Server System). This paper examines to what extent consumer models might apply to a B2B context.

[PLACE FIGURE 1 HERE]

Endorsement Theory

At its most simple, endorsement entails the *backing, support or approval* from a third party, a spokesperson. That spokesperson might represent the typical customer, the product class expert, the company president or a celebrity (Friedman and Friedman 1979) with that spokesperson communicating to the target audience the benefits that result from using the product or company contained in the message. Whichever one is used, the requirement remains the same i.e. that a message be made more convincing because of the choice of spokesperson used to convey it. Such endorsers are seen as dynamic and as possessing attractive and likeable characteristics (Atkin and Block 1983) and an endorser’s qualities can be transferred to an organisation’s products (McCracken 1989; Walker et al 1992). By way of their fame, celebrities can attract attention and achieve high recall rates (Friedman and Friedman 1979; Kamins et al 1989; Ohanian 1990). In consumer markets celebrities who endorse a company’s products or brands are those individuals who “enjoy public recognition and who use this recognition on behalf of a consumer good by appearing with it in an advertisement” (McCracken 1989 p.310). If an individual can enjoy high public recognition, this paper argues that organisations can and do as well because of their capacity to excel or champion causes. Accordingly “celebrity endorsement” is defined as occurring when: “an individual or organisation of repute is used to endorse the products, services or activities of another organisation.” This section will review the leading consumer theories on celebrity endorsement beginning with meaning transfer and assesses the relevance of each to B2B celebrity endorsement.

Meaning Transfer

In formulating any advertising campaign, a company has to decide what, for example, a product should say, what meaning should be suggested in presenting it to a target market and how this meaning might be conveyed in communications activities. All meaning is socially constructed and exists in the minds of individuals (see Figure 2). The task is to suggest a particular sense for a product and to make it less abstract by selecting objects, persons and contexts that allow the product’s meaning to be communicated in a visible, concrete form through the advertising message (McCracken 1989). In presenting this message a company might use spokespeople to endorse a product, their effectiveness being partly determined by the meaning that the selected “spokesperson” brings to the endorsement process (McCracken 1989). Celebrities (individuals or organisations of repute) develop a particular identity or image over time as a result of their actions. An important task for the marketer is to select a celebrity whose image best fits the meaning that the company wishes to communicate for its product and which of the celebrity’s traits in particular should be used. That celebrity features in advertising campaigns, the intention being to formulate a message that suggests similarity between the chosen elements of the celebrity’s image and the product, such that the selected characteristics of the endorser are transferred to the product. The final stage of the meaning transfer process involves the customer, requiring them to recognise the similarity between the selected elements of a celebrity’s image and product featured in the advertisement. The customer “suddenly “sees” that the cultural meanings contained in the people, objects and contexts of the advertisement are also contained in the

product. Well-crafted advertisements enable this essentially metaphoric transference”, (McCracken 1989).

[PLACE FIGURE 2 HERE]

A key factor associated with the meaning transfer model is that a customer's 'cultural milieu' will affect the way in which the behaviour of people is interpreted and meaning given to objects encountered or contexts experienced. This may apply to B2B celebrity endorsement when a communication requires a company to select an individual or an organisation whose image, when used in communication, triggers the desired recognition and meaning transfer by the customer. For example, Richard Branson may be associated with a relaxed management style, competitive spirit and fun. Cultural milieu in this sense relates to the business environment and can be determined by social, geographic factors, business markets and by industry or application.

Source Models

In communicating with target audiences it has been shown that the persuasiveness of a communication message is affected by the various characteristics of the source selected (Kelman 1961). Two seemingly distinct explanations have been used to develop understanding of the effect of a chosen communicator, namely that the persuasiveness of an advertisement message is determined by the (1) credibility and (2) the attractiveness of the source used (Sternthal et al 1978; Ohanian 1990). Researchers have focused on either source credibility (e.g. Hovland and Weiss 1951) or source attractiveness (e.g Kahle and Homer 1985) and yet there is an apparent overlap between the two. For example Dholakia and Sternthal's (1977) examination of the effect of highly credible sources included the attractiveness of the communicator as well as their trustworthiness and expertise as indicators of the source's credibility. Likewise, Desarbo and Harshmann (1985) listed attractiveness as well as expertness, trustworthiness and likeability as dimensions contributing to source credibility. Simons et al (1970) go some way towards clarifying the position by suggesting that communicator attractiveness mediates persuasion. Ohanian (1990) built on this and presented three of factors (each with variables within) that contribute to source credibility. One of those factors is the source's *trustworthiness*, i.e. "the degree to which an audience perceives the assertions made by a communicator to be ones that the speaker considers valid" (Hovland et al 1953, p. 22). The source's trustworthiness is determined by their apparent 'dependability,' 'honesty,' 'reliability,' 'sincerity,' and 'trustworthiness' (Ohanian 1990). In addition to trustworthiness, *expertise* has been shown to have a positive impact on a communicator's effectiveness where the source is perceived as being capable of making correct assertions (Hovland et al 1953 p.22). According to Ohanian for an audience to reach this conclusion requires that the source is perceived as: 'experienced,' 'knowledgeable,' 'qualified,' 'skilled,' and 'an expert.'

Much of the understanding of trustworthiness and expertise in relation to source credibility is derived from investigations of advertising messages used to appeal to consumers rather than organisations. Goldsmith et al (2000) do take account of corporate credibility, but only in as much as the reputation of an organisation whose consumer brand is being endorsed by a celebrity can affect the consumer's response to an advertisement. Perceptions of the trustworthiness and expertise of individuals and organisations are central to successful exchanges in business markets and so should be an important consideration in the selection of communicator for endorsement purposes in business advertising messages. Credibility is an important element of reputation and is derived from the perception of an organisation or individual's past actions and future potential, these being the result of an accumulation of judgements about that individual or organisation (Fombrun 1996).

In addition to trustworthiness and expertise, the *attractiveness* of the communication source can enhance the effect of the message conveyed. Attractiveness is understood to depend upon whether the source is: 'classy,' 'beautiful,' 'elegant,' 'sexy' and 'attractive' (Ohanian 1990). Goldsmith et al (2000) argued that attractiveness was not applicable to organisational credibility. Individuals who display these traits might be used in business advertising, however, attractiveness in this sense and its value in guiding the selection of celebrity

endorsers to appeal to business customers is problematic. These traits are essentially physical and so attractiveness must be viewed in a broader sense in terms of: 'similarity' (resemblance between the source and receiver of the message), 'familiarity' (knowledge of the source via exposure) and 'likeability' (affection for source as a result of virtuous characteristics perceived in that source) (Erdogan 1999; McGuire 1985). When interpreted in this sense, B2B attractiveness could apply to the character of either an individual or an organisation. Figure 3 develops Ohanian's (1990) model of source credibility by including these variables as alternatives to the physical characteristics typically associated with attractiveness in source models.

[PLACE FIGURE 3 HERE]

Product Match-Up Model

In the product match-up model it is recognised that the congruence between the characteristics of the chosen spokesperson and the attributes of the product contained in an advertisement (Kamins and Gupta 1994; Lynch and Schuler 1994). In trying to ensure a match-up between communicator and product, clarity is needed regarding the aspects in which the two should have a close resemblance. Using a person is not so problematic, for example, Tiger Woods might be used by Nike in a campaign aimed at distributors of gold products. However, the obvious conclusion when applying the product match-up model to celebrity endorsement using an organisation is that this will involve a company using a competing organisation as a spokesperson, for example, Nike using a rival company to endorse its golf products. This would clearly be impossible and call into question the applicability of the model to B2B endorsement. Nevertheless, similarity can be interpreted more widely (as with the source model) such that the endorser is used so for a product which corresponds to their image and that there is some match between selected relevant attributes of the spokesperson and the product (Kamins and Gupta 1994; Lynch and Schuler 1994). This broadens the scope of how the product-match model might apply in organisational endorsement by allowing the selection of organisations of repute that mirror the image or selected attributes of the product to be presented in an advertising message.

A Note on Referencing

In a B2B context increasing the persuasiveness of a message via the testimony of customers is normally associated with references. One leading definition is that a reference is a: "supplier's relationship to its existing or former customer that can be evaluated by the said customer in terms of the supplier's product, service, management, and cooperation performance" (Salminen and Möller 2004, p.135). Such reference information can contribute to reducing a buying organisation's risk perception and enhancing the reputation and credibility of the supplier. The primary roles for referencing examined in the literature are (1) in bidding, (2) as a marketing signalling device and (3) as leverage for start-up companies (Ruokalainen and Igel 2004; Ruokalainen 2005; Salminen and Möller 2004). Referencing may take the form of reference lists, seminars featuring customer evaluations or visits to reference customer facilities. It can also be contained in articles, press releases and promotional materials. Where referencing has been the subject of empirical work it has been in the context of a business marketer directly targeting specific buying organisations, in exchanges with customers or potential customers where reference information is used to enhance or establish the marketer's position as a credible supplier (Ruokalainen 2005; Salminen and Möller 2004). Celebrity endorsement goes beyond referencing and beyond information exchange activities with specific target customers and instead features in a business marketer's communications.

Conclusion

This paper has sought to examine the existing paradigms of celebrity endorsement and their relevance to the business-to-business context. The three leading models of meaning transfer, source and product match-up were investigated. It was concluded that none of the

models can be applied directly without some modification of the terms and definitions. Socially constructed meaning can be communicated in B2B markets as suggested by the meaning transfer model but the cultural milieu needs to relate to a business context. Source models can also be used to explain business celebrity endorsement but not in the physical sense applied to consumer markets. Thus attractiveness in B2B celebrity endorsement relates to non-physical similarity, familiarity and likeability. When it comes to product match-up it is possible to use a person in the role, but the main difficulty arises when choosing an organisation, as it would imply using a direct rival. Again, by broadening the scope of the definition of match it enables the choice of organisations that mirror the image or some of the selected attributes. Thus, with some clarifications, all three models do demonstrate fit with the practice of B2B celebrity endorsement. It appears that none of the leading theories of celebrity endorsement can be applied to the business context without some modification.

One final point to make is that product match-up is a natural development from the meaning transfer and source credibility models and so there is difficulty separating the three models from one another even in the consumer context. For example, Lynch and Schuler (1994) draw upon the meaning transfer model, acknowledging that congruence enables meaning for a product to be conveyed, that meaning is conveyed via the synthesis of information about the spokesperson and about the product, and finally that meaning transfer is facilitated by similarity between the spokesperson and other components in an advertisement (noted by McCracken 1989). Furthermore, Kamins and Gupta (1994) argued that where there is a high degree of congruence between spokesperson and product, the spokesperson is viewed as being more credible and more attractive, and that familiarity with the spokesperson supports the process of internationalisation and identification. In sum, this means that congruence between communicator characteristics and product attributes is necessary to enable the correct meaning transfer and to enhance the credibility of the source used to endorse a product. They cannot be entirely separated.

The next stage of the project will be to undertake a content analysis of B2B endorsements to determine the types of appeals being used. In-depth interviews and a survey of practitioners and organisations working in the field will be used to establish understand motivation for and effect of the use of celebrity endorsement. One of the potential outcomes of the work will be a revised celebrity endorsement model(s) devised solely for the business marketplace.

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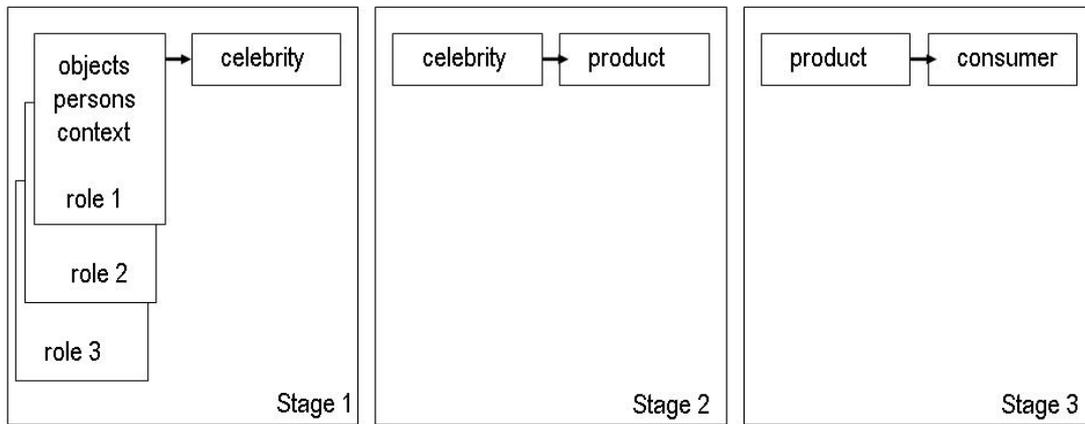
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Figure 1: Lufthansa Cargo 'Celebrity' Endorsement of Windows Server System

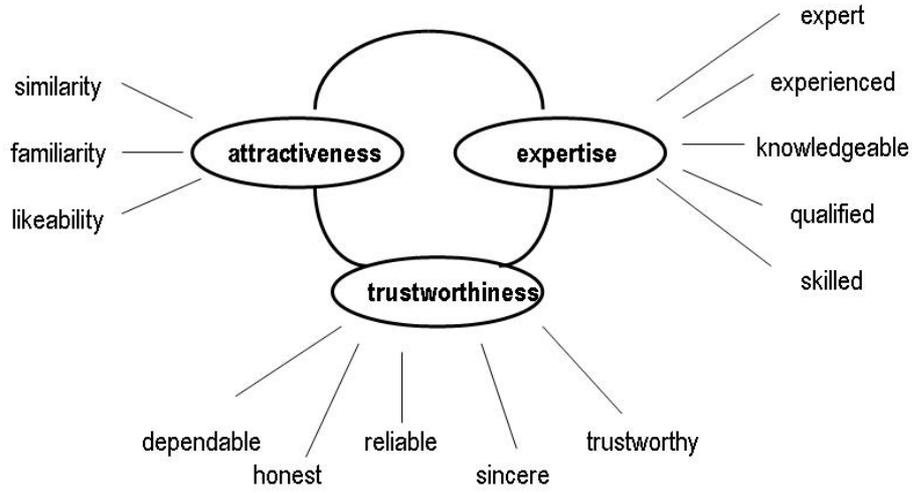


Figure 2: The Meaning Transfer Model



Source: McCracken (1989)

Figure 3: The Source Credibility Model



Source: Adapted from Ohanian (1990)