The Relationship Variables to Celebrity Endorsement and Brand Equity: A Comprehensive Review

Vadivelu Thusyanthy¹ & Vadivelu Tharanikaran²

¹ Department of Economics and Management, Vavuniya Campus of the University of Jaffna, Vavuniya, Sri Lanka
² Department of Commerce, Eastern University, Sri Lanka, Vantharumoolai, Chenkalady, Sri Lanka

Correspondence: Vadivelu Thusyanthy, Department of Economics and Management, Vavuniya Campus of the University of Jaffna, Pambaimaddu, Vavuniya, Sri Lanka. E-mail: thusi86@yahoo.com

Received: July 15, 2015 Accepted: August 25, 2015 Online Published: October 28, 2015
doi:10.5539/ijbm.v10n11p212 URL: http://dx.doi.org/10.5539/ijbm.v10n11p212

Abstract

Currently most of the marketers use celebrity endorsement as an effective promotional tool, where celebrities are the well known individuals to the public, and this celebrity endorsement in advertisements have impact on customer based brand equity. Even though, there is a relationship between celebrity endorsement and customer based brand equity, many scholars have implied that several variables and dimensions also impact on these celebrity endorsement and customer based brand equity broadly. This qualitative comprehensive review explores with the various literature supports for the relationship variables to celebrity endorsement and customer based brand equity. To extend and facilitate further studies contextually and empirically, a comprehensive model is presented to demonstrate how these relationship variables relate to celebrity endorsement and customer based brand equity. This study with a comprehensive and complex model contributes to the existing literature and enhances the studies, which are related to the celebrity endorsement and customer based brand equity.

Keywords: celebrity endorsement, comprehensive model, customer based brand equity, and relationship

1. Introduction

Nowadays many companies use celebrity endorsement as an effective advertising strategy and one-in-four advertisements use celebrity endorsement to get the competitive advantage (Kamins, Brand, Hoeke & Moe, 1989; Till, 1998; Sheu, 2010; Spry, Pappu & Cornwell, 2011; Pughazhendi & Ravindran, 2012). In fact, Friedman and Friedman (1979) indicate that celebrities are more effective than other types of endorsers, such as ‘the professional expert’, ‘the company manager’, or ‘the typical consumer’ and thus, many companies are using these celebrities in their advertisements. To illustrate the effectiveness of celebrity endorsement, Michael Jordan as a celebrity endorser of Nike, he uses various products of Nike while he trains and plays basketball and the endorsement promoted the sales of Nike shoes in the United States and throughout the world (Nelson, Tunji & Gloria, 2012). Jafar, Adidam and Prasad (2011), and Hussain, Mehmood and Khan (2012) explore that this celebrity endorsement does have potential to create brand equity.

1.1 Substantiate

better than competitors (Aaker, 1992; Keller, 1993). In fact, the celebrity endorsement and customer based brand equity is significant and there is a relationship between these variables, however, (a) many variables and dimensions impact on celebrity endorsement and customer based brand equity broadly, and (b) rare comprehensive models are created with respect to relationship variables to celebrity endorsement and customer based brand equity. These are considered as the gaps in the literature and this study aims to fill these gaps. Further, this study uses previous literatures in advertising, advertising research, air transport management, bank marketing, business and behavioral sciences, business and management sciences, business research, consumer psychology, consumer research, corporate reputation, information management, innovative marketing, management, management and business research, management and social sciences, marketing, financial services and management research, marketing and management, marketing science, retailing and consumer services, product and brand management to comprehensively cover the relationship variables to celebrity endorsement and customer based brand equity (e.g., Zafar & Rafique, n.d.; Moschis, Moore, & Stanley, 1984; Kamins et al., 1989; Ohanian, 1990 & 1991; Aaker, 1991; Yoo, Donthu, & Lee, 2000; Erdem & Swait, 1998 & 2004; Maathuis, Rodenburg, & Sikkel, 2004; Thammawimutti & Chaipooppirutana, 2005; Swait & Erdem, 2007; Torres & Tribo, 2007; Chen & Chang, 2008; Sweeney & Swait, 2008; Prevot, 2009; Jafar, Adidam, & Prasad, 2011; Jain, 2011; Spry et al., 2011; Anjum, Dhanda, & Nagra, 2012; Arockiasamy, 2012; Senthilnathan & Tharmi, 2012; Sheng & Teo, 2012; Al- Al-Dmour, Al-Zu‘bi, & Kakeesh, 2013; Jahanzeb, Fatima, & Butt, 2013; Karunanithy & Sivesan, 2013; Khoshshima, Kiani, Safari, Amari, Shifte, & Vaseei, 2013; Sharma & Kumar, 2013; Sivesan, 2013) to review the variables and dimensions impact on celebrity endorsement and customer based brand equity, and formulate a comprehensive model in relation to relationship variables to celebrity endorsement and customer based brand equity.

The rest of the study is organized as follows: the next section gives the definitions, and dimensions and variables related to celebrity endorsement, followed by definitions, and dimensions and variables related to customer based brand equity. The final section offers the conclusion.

2. Celebrity Endorsement

2.1 Definitions of Celebrity Endorsement

Currently marketers are used celebrity endorsement is an effective promotional tool. Celebrity is an individual who is known to the public for his or her achievement in areas excluding that of the product class endorsed (Friedman & Friedman, 1979). McCracken (1989) defines celebrity endorsement as ‘any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement’. According to Khatri (2006) celebrity endorsement is the utilization of the celebrity’s names in the product or services advertisements, where celebrities may or may not be the experts. Though, the authors such as Boorstin (1961), McCracken (1989) and Khatri (2006) define celebrity endorsement, this study uses the McCracken (1989) definition, where this definition is adopted by many recent celebrity endorsement related studies (e.g., Hsu & McDonald, 2002; Banyte, Stonkiene, & Piligrimiene, 2011; Doss, 2011; Fleck, Korchia, & Le Roy, 2012; De Los Salmones, Dominguez, & Herrero, 2013).

2.2 Dimensions and Variables Associated with Celebrity Endorsement

2.2.1 Dimensions Associated with Celebrity Endorsement

Ohanian (1990) indicates celebrity endorsement dimensions are: (a) trustworthiness, (b) expertise and (c) attractiveness. These three dimensions of Ohanian (1990) are used by many recent studies to measure the construct of celebrity endorsement (Lord & Putrevu, 2009; Spry et al., 2011; Hussain et al., 2012; Wei & Lu, 2013; Muda, Musaa, Mohamed, & Borhan, 2014). However, some studies found that trustworthiness to be the most important dimension of celebrity endorsement (e.g., McGinnis & Ward, 1980; Kamins, 1989), there were studies in support of expertise (e.g., Maddux & Rogers, 1980; Swartz, 1984) and in support of attractiveness (e.g., Kahle & Homer, 1985; Silvera & Austad, 2004). Nevertheless, all the three dimensions of Ohanian (1990) namely trustworthiness, expertise and attractiveness further validated by Amos, Holmes and Strutton (2008).

2.2.2 Variables Associated with Celebrity Endorsement

Jafar et al. (2011) explore that the relationship between celebrity endorsements and the customer based brand equity of high fashion ready-to-wear products. Their results specify that celebrity endorsement does have potential to create customer based brand equity for high fashion ready-to-wear products. Further, Sivesan (2013) finds positive relationship of celebrity endorsement to customer based brand equity. Zafar and Rafique (n.d.) investigate the impact of celebrity endorsement on customers’ brand perception and purchase intention. Their results indicate that celebrity endorsement has reasonable impact on customers as per their brand perception and
purchase intention. Senthilnathan and Tharmi (2012) empirically examine the relationship between customer based brand equity and purchase intention in relation to branded baby soaps and the results reveal that there is a positive significant linear relationship between customer based brand equity and purchase intention.

Anjum et al. (2012) indicate the impact of celebrity endorsed advertisements on consumers and on sales and also find out the reasons of using the celebrities in advertisements. Their results revealed that celebrity endorsers have used by the companies for brand equity and companies roping in the celebrities to enhance the product image, brand awareness, brand recall, brand retention and for brand credibility. Further, they conclude that celebrity endorsement has positive impact on company as well as brand and customers.

Sharma and Kumar (2013) conclude that the celebrity endorsement when in sync with the customers’ tastes can, therefore, indeed lead to brand loyalty. Moschis et al. (1984) argue that brand loyalty influenced by customers’ perceived value, brand trust, customer satisfaction, repeat purchase behavior and commitment. Further, celebrity endorsement improves the perceived quality of the brand and is correlated with purchase intention (e.g., Kamins et al., 1989; Ohanian, 1991). In addition, Jain (2011) suggests that celebrity in advertising is positively affected on consumer’s brand attitude and purchase intention.

Spry et al. (2011) explore that celebrity endorsement has an indirect impact on customer based brand equity, while this relationship is mediated by brand credibility, and this mediating relationship is moderated by type of branding. Accordingly, celebrity endorsement is associated with a higher level of brand credibility (Spry et al., 2011), whereas brand credibility can build customer based brand equity (Erdem & Swait, 1998 & 2004). Moreover, the brand credibility impact on emotion and reason in consumers’ decision making (e.g., Maathuis et al., 2004); consumer choice and choice set formation (e.g., Swait & Erdem, 2007) word-of-mouth and switching behaviors among customers (e.g., Sweeney & Swait, 2008); brand loyalty and customer satisfaction (e.g., Khoshsima et al., 2013).

Notably, according to the associative network memory model, celebrity endorsement becomes a potential source of positively activation on brand equity, which has explained by the previous studies in marketing, and product and brand management (Till, 1998; Spry et al., 2011).

3. Brand Equity

3.1 Definitions of Brand Equity

The concept of brand equity is rooted in cognitive psychology (Aaker, 1991; Keller, 1993). Aaker (1991) defines brand equity as ‘a set of assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or that firm’s customers’. Notably, the brand equity is considered as the customer’s perspective as like the previous studies (e.g., Aaker, 1991; Vazquez, Del Rio, & Iglesias, 2002; Pappu, Quester, & Cooksey, 2005).

Aaker (1991) defines the customer based brand equity includes five dimensions, namely brand awareness, brand association, perceived quality, brand loyalty and other proprietary brand assets such as patents, trademarks and channel relationships, which provide the value to the customers. Keller (1993) defines that customer based brand equity as the differential effect of brand knowledge on customer response to marketing of the brand. Moreover, according to Pappu, Quester and Cooksey (2006), the customer based brand equity is defined as ‘the value consumers associate with a brand, as reflected in the dimensions of brand awareness, brand associations, perceived quality and brand loyalty’. Even though, many authors define customer based brand equity (e.g., Aaker, 1991; Keller, 1993; Shocker, Srivastave & Reukert, 1994; Pappu et al., 2006) this study uses the Aaker (1991) definition for customer based brand equity, whose definition is cited many customer based brand equity related studies in business studies, marketing and social science (e.g., Pappu, Quester, & Cooksey, 2007; Christodoulides & De Chernatony, 2010; Fayrene & Lee, 2011; Severi & Ling, 2013).

3.2 Dimensions and Variables Associated with Brand Equity

3.2.1 Dimensions Associated with Brand Equity

Aaker (1991) indicates customer based brand equity dimensions are: (a) brand awareness, (b) brand association, (c) perceived quality, (d) brand loyalty and (e) other property brand assets. Even though, Aaker (1991) identifies the five dimensions for customer based brand equity, previous studies in fashion marketing and management, marketing and marketing science use four dimensions such as brand awareness, brand association, perceived quality and brand loyalty as dimensions (e.g., Yoo et al., 2000; Pappu et al., 2006; Jung & Sung, 2008; Spry et al., 2011).
3.2.2 Variables Associated with Brand Equity

Many studies are carried out in customer based brand equity with other variables: selected marketing mix elements (e.g., Yoo et al., 2000), services marketing mix elements (e.g., Al-Al-Dmour et al., 2013), brand preference and purchase intentions (Chen & Chang, 2008), product attributes and purchase intention (Thammawimutti & Chaipoopirutana, 2005), ownership structure and customer satisfaction (Torres & Tribo, 2007), promotional mix (Karunanithy & Sivesan, 2013), Guerilla Marketing (Prevot, 2009), and service quality (Jahanzeb et al., 2013).

Yoo et al. (2000) study the relationship between selected marketing mix elements (price, store image, distribution intensity, advertising spending, and frequency of price promotions) and the creation of customer based brand equity (brand equity dimensions are perceived quality, brand loyalty, and brand associations combined with brand awareness). The results confirm that high spending on advertisement, high price, good store image, and high distribution intensity are highly related to brand equity, while frequent price promotions, such as price deals, are lowly related to brand equity.

Al-Dmour et al. (2013) study the effect of services marketing mix elements (service nature, price, place, promotion, physical evidence, people and process) on customer based brand equity of mobile telecommunication service recipients in Jordan. The results suggest that there is a statistical significant relationship between services marketing mix elements and brand awareness, brand image, perceive quality and brand loyalty. Further, Arokiasamy (2012) indicates the effects of marketing mix (price, store image, advertising spending, distribution intensity and price promotion) on brand loyalty in the Malaysian hypermarkets sector and the result reveal that the marketing mix elements are significant positive influence towards Malaysian hypermarkets’ brand loyalty.

Chen and Chang (2008) examine the relationships between brand equity, brand preference and purchase intentions with the moderating effects of switching costs on international air passengers’ decisions in Taiwan. Their finding indicate positive relationships between brand equity, brand preference and purchase intentions with a moderation effect of switching cost affecting the relationship between brand equity and purchase intentions.

Thammawimutti and Chaipoopirutana (2005) study the relationship between brand equity, product attributes and purchase intention of consumers toward Sony Cyber-Shot digital cameras in Bangkok. The study finds the positive and significant relationship between brand equity and purchase intention. The results further reveal that the positive and significant relationship between product attributes and purchase intention. Furthermore, Sheng and Teo (2012) indicate utilitarian (perceived ease of use and perceived usefulness) and hedonic (entertainment and aesthetics) attributes of products are two fundamental resources that ensure brand equity in the mobile domain with mediating role of customer experience. The results of this study reveals that utilitarian and hedonic attributes of products affect mobile brand equity through customer experience.

Torres and Tribo (2007) examine the interaction between ownership structure and customer satisfaction, and their impact on a firm’s brand equity. They conclude that customer satisfaction has a positive direct effect on brand equity but an indirect negative one, through reductions in ownership concentration.

Karunanithy and Sivesan (2013) investigate the effects of promotional mix (advertising, sales promotion, public relation and direct marketing) on brand equity in the mobile service providing sectors. The study concludes that promotional mix has positively affect brand equity.

Prevot (2009) examines the effect of Guerilla Marketing on brand equity. This study argues that the impact of Guerilla Marketing is not only depended on the customer’s perception towards marketing activities, but also depends on the medium used by the campaign. Further, this study concludes that the impact of Guerilla Marketing on brand equity can be positive, negative or neutral.

Jahanzeb et al. (2013) investigate the direct influence of service quality on building consumer based brand equity, along with the mediating role of corporate credibility and perceived value. The results suggest that perceived value and corporate credibility fully mediate the relationship between perceived service quality and consumer based brand equity.

Many scholars have implied that several variables and dimensions impact on celebrity endorsement and customer based brand equity. This comprehensive review explores with the various literature supports for the relationship variables to celebrity endorsement and customer based brand equity. To extend and facilitate further studies contextually and empirically, a comprehensive model is presented (see Figure 1).
Figure 1. A comprehensive model on the relationship variables to celebrity endorsement and customer based brand equity

In Figure 1, the numbers (and signs) in a circle indicate respective references as indicated below.
4. Conclusion

The preceding comprehensive review gives descriptions from previous literatures on celebrity endorsement and customer based brand equity with their related variables and dimensions. Indeed, this comprehensive review defines celebrity endorsement and customer based brand equity according to McCracken (1989) and Aaker (1991) respectively, whereas many authors define these variables (e.g., Boorstin, 1961; Keller, 1993; Shocker et al., 1994; Khatri, 2006; Pappu et al., 2006). Further, this review provides evidence for the relationship of celebrity endorsement and customer based brand equity to the other dimensions and constructs comprehensively (e.g., Zafar & Rafique, n. d.; Moschis et al., 1984; Kamins et al., 1989; Ohanian, 1990 & 1991; Aaker, 1991; Yoo, Donthu & Lee, 2000; Erdem & Swait, 1998 & 2004; Maathuis et al., 2004; Thammawimutt & Chaipoopirutana, 2005; Swait & Erdem, 2007; Torres & Tribo, 2007; Chen & Chang, 2008; Sweeney & Swait, 2008; Prevot, 2009; Jafar et al., 2011; Jain, 2011; Spry et al., 2011; Anjum et al., 2012; Arokiasamy, 2012; Senthilnathan & Tharmi, 2012; Sheng & Teo, 2012; Al-Dmour et al., 2013; Jahanzeb et al., 2013; Karunanithy & Sivesan, 2013; Khoshsima et al., 2013; Sharma & Kumar, 2013; Sivesan, 2013).

To extend and facilitate further studies a comprehensive model is presented to show the relationship variables to celebrity endorsement and customer based brand equity with literature support (see Figure 1). Therefore, this study will assist the celebrity endorsement and customer based brand equity related future studies. In fact, this study can further extended by considering other relevant variables and dimensions other than the constructs and dimensions, which are considered for this study.

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http://dx.doi.org/10.1108/03090560610657903


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