

Celebrity vs. Influencer Brand Endorsement

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Zoom link for the poster session: <https://bath-ac-uk.zoom.us/j/94264875699?pwd=ZlVxZ2w0emJlTcDIUVGVzL01vY2lZZz09>

INTRODUCTION

This project explores how different marketing communication sources (for example, celebrities versus influencers) affect people's attitude towards brands, when such sources attract negative publicity.

Companies often hire celebrities, mostly, because brand endorsement leads to higher brand equity via increased brand recognition (Spry, Pappum, & Cornwell, 2011). Recently, many companies are turning to social media influencers to advertise their brands, as influencers are considered to have higher credibility and similarity to consumers compared to celebrities, which, eventually, may improve perceived trustworthiness, a key component determining one's persuasiveness, according to the social influence theory (Bandura, 2009; Reichelt, Sievert, & Jacob, 2014; Sokolova & Kefi, 2020). Another key factor that may affect marketing communications by celebrities and influencers is exclusivity. While celebrities, generally, only endorse one or two brands, influencers advertise multiple brands simultaneously (Rothe & Wicke, 2018). On one hand, multiple brand endorsements can cause confusion for consumers, reducing the effectiveness of brand promotion (Ilicic & Webster, 2011). On the other hand, the memory network model (Muda, Musa, & Putit, 2017; Rothe & Wicke, 2018) suggests that lack of exclusivity may indicate a weaker tie between the firm and brand endorser (Um & Kim, 2016). These differences may affect brand equity when brand endorsers attract negative publicity. For example, while lack of exclusivity can mitigate the impact of a scandal, involving an influencer, people may be also more forgiving toward influencers, if they apologize for wrongdoings, because of the perceived similarity between influencers and other people. This project poses the following questions:

- What do people think about celebrities and influencers endorsing brands?
- Does people's attitude toward the brands differ depending on whether they are endorsed by celebrities or influencers?
- Does negative publicity of celebrities harm the endorsed brands more than that of influencers? Is an apology by an influencer more effective than an apology by a celebrity?

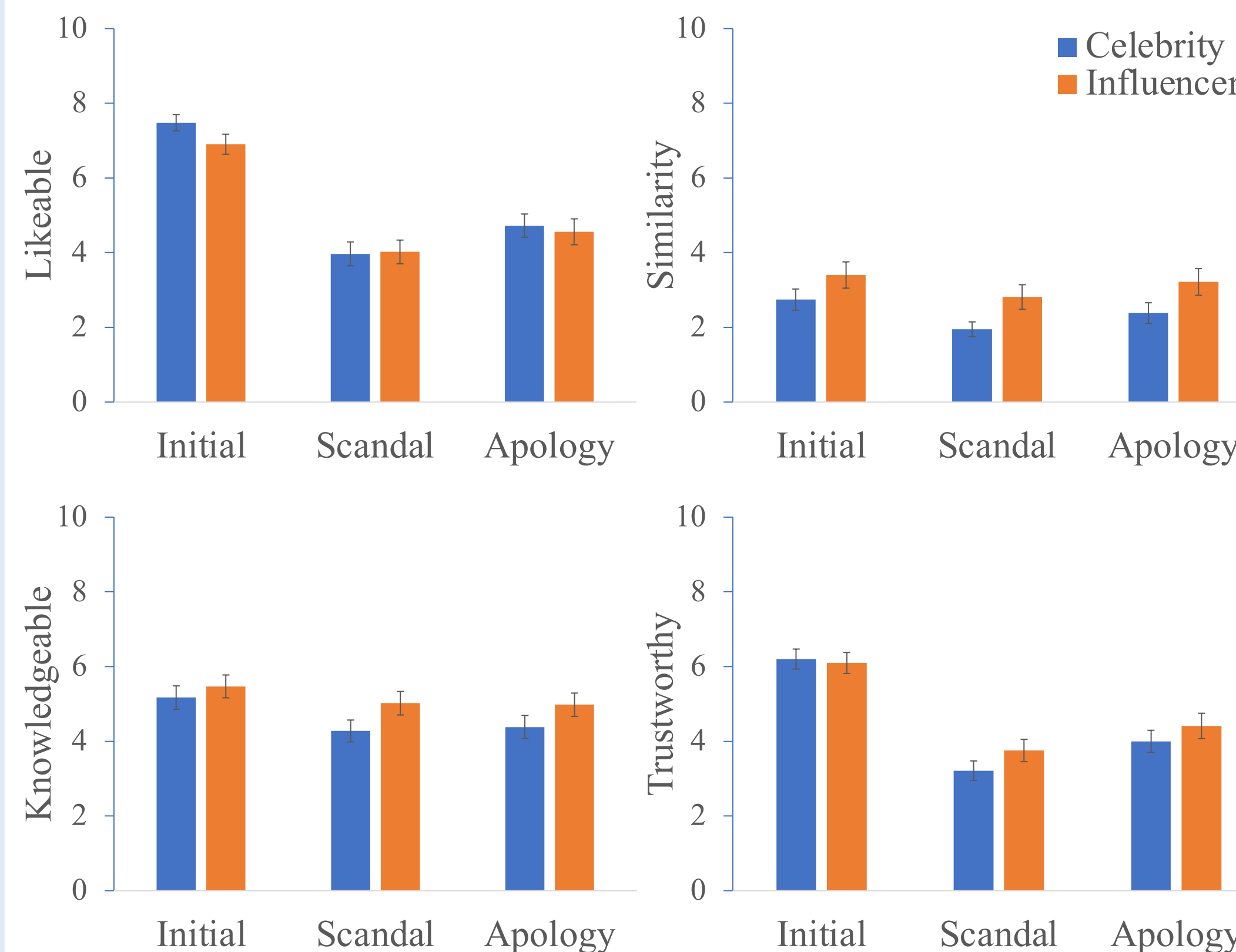
METHODS

We conducted an online study, involving 99 MTurk participants, randomly assigned to 2 conditions, based on the endorser type: celebrity vs influencer. The participants were given information, presented in three steps. First, the participants were told that the endorser appeared in ads for a global brand. In the second step, they were informed about a scandal involving involving the endorser. In the final step, the participants learned that the endorser apologized for their actions.

All aspects of the endorsers' profiles were matched except for how each endorser gained fame. In each step, the participants answered a set of questions about the endorsers (unbiased, likable, trustworthy, knowledgeable, similar) and behavioral intentions regarding the endorsed brand – brand purchase intention (BPI) and spreading Word-of-Mouth (WOM) – for themselves and other people.

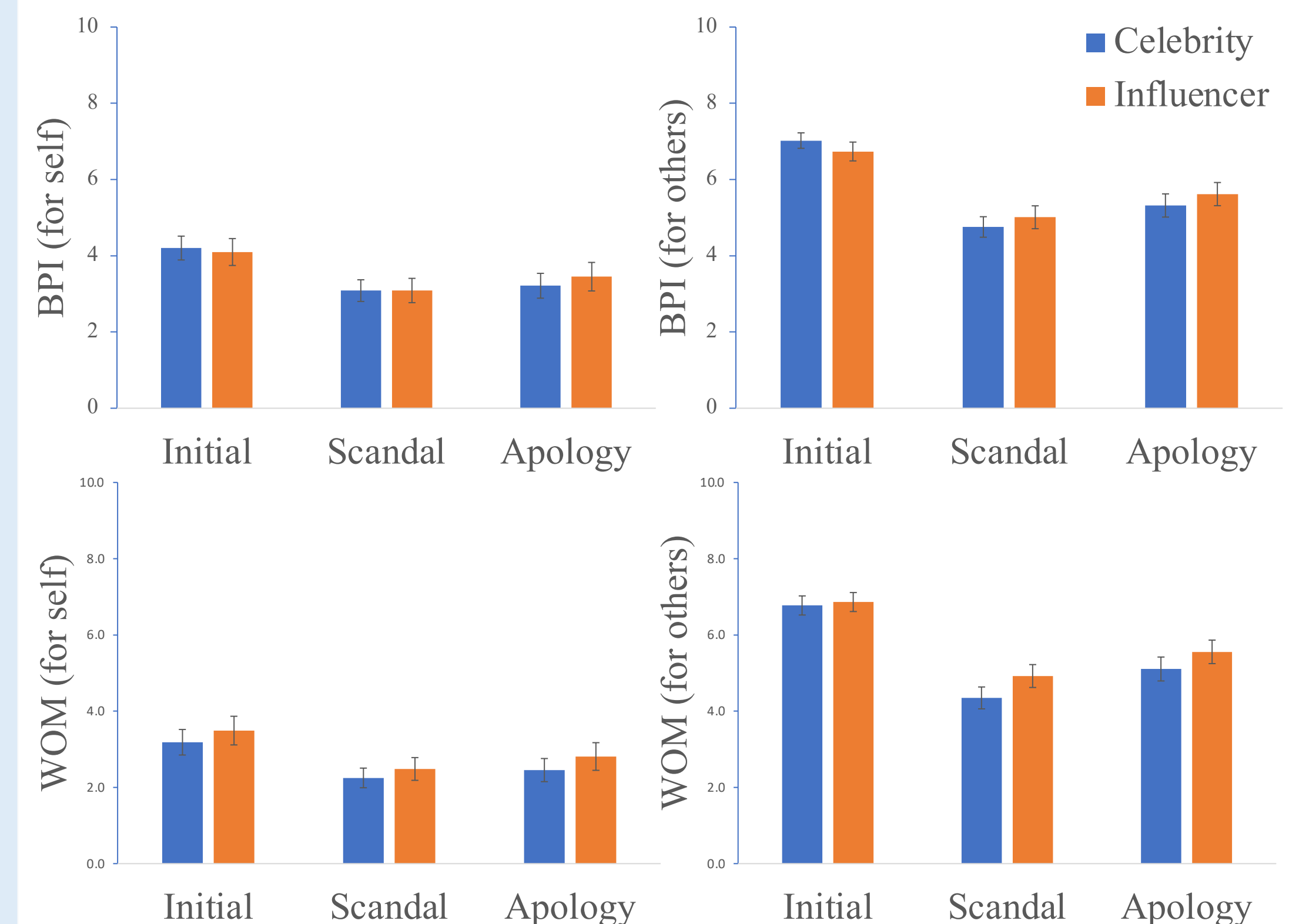
RESULTS AND DISCUSSION

The ratings for people's perception of endorsers dropped significantly after the scandal (and did not fully recover after they publicly apologized) for all constructs, except for the perceptions of how unbiased the endorsers were, which did not change. More specifically, the ratings for how likeable the endorsers were decreased after the scandal and stayed lower (than the initial levels) after the apology ($p < .001$). The ratings for trustworthiness dropped after the scandal ($p < .001$) and improved after the apology ($p < .05$), but were still lower than the initial levels ($p < .05$). Importantly, while the celebrity endorser was perceived less knowledgeable and similar after the scandal ($p < .05$), the corresponding ratings for the influencers were not affected, and were higher than the celebrities', overall.



Furthermore, participants reported lower BPI both after the scandal and apology ($p < .001$) for the celebrity. However, for the influencer, the difference between the initial BPI ratings and those after the apology were not statistically significant, even though they dropped after the scandal ($p < .05$). For the WOM intention ratings, the initial drop ($p < .001$) was followed by recovery in both conditions.

Interestingly, the responses for people's own intentions were lower from those predicted for other people ($p < .001$), even though the ratings dropped after the scandal and stayed significantly lower than the initial levels after the apology for both the celebrity and influencer ($p < .01$).



In summary, even though celebrities are perceived as more likable than influencers (only before a scandal), the latter are seen as more knowledgeable and similar to other people. And while initial intentions toward the brands endorsed by celebrities and influencers are not different, negative publicity damages purchase intentions for brands endorsed by celebrities, even after public apologies.

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