



Celebrity vs. Influencer Brand Endorsement

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ABSTRACT

This project explored how different marketing communication sources (for example, celebrities versus influencers) affect people's attitude towards brands and when such sources attract negative publicity. An online study ($N = 99$) showed that peoples' **perception of influencers is more resilient** (than celebrities), where some influencer ratings did not decrease after a scandal whereas ratings for celebrities decreased. In addition, **purchase intention and intention to spread Word of Mouth decreased significantly after an endorser scandal** and these **did not improve after an apology** from the endorser. There was no significant difference between celebrities and influencers regarding behavioural intentions.

INTRODUCTION

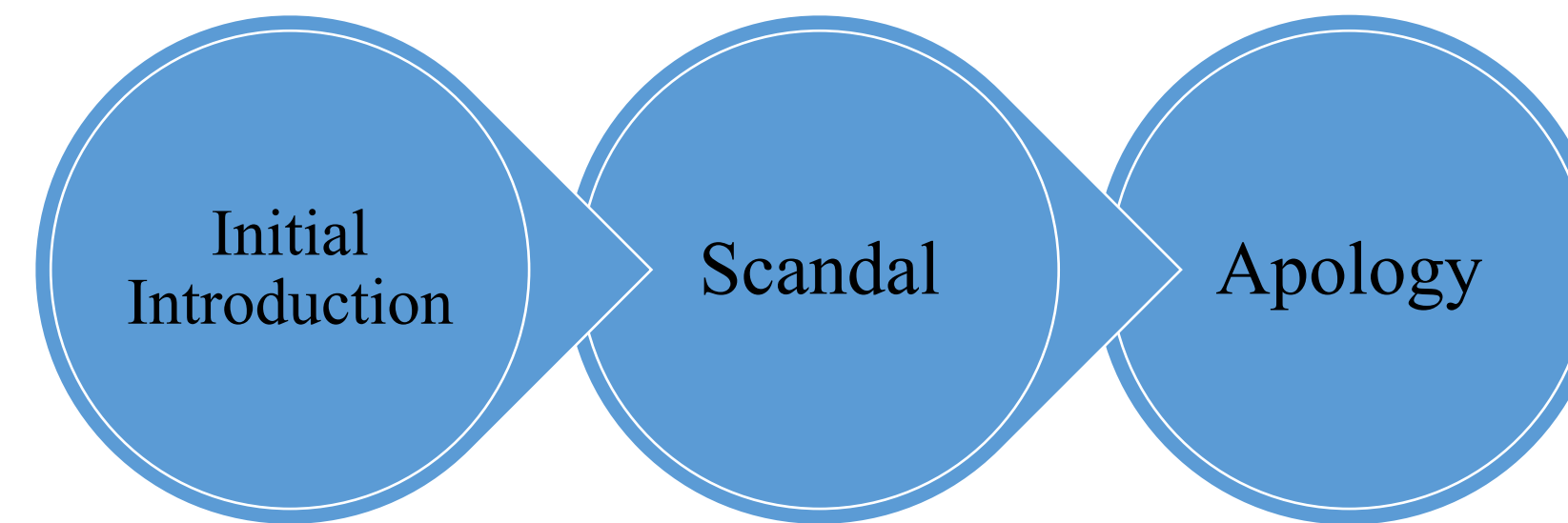
Various companies spend most of their marketing budget towards exclusively hiring famous celebrities (Kadekova & Holienčinová, 2018), mostly, because brand endorsement leads to higher brand equity via increased brand recognition (Spry, Pappum, & Cornwell, 2011). Recently, increasing number of companies are turning to social media influencers to advertise their brands (Glucksman, 2017), as **influencers** are considered to have **higher credibility and similarity** to consumers compared to celebrities, which eventually improve perceived trustworthiness, a key component determining one's persuasiveness according to the social influence theory (Bandura, 2001; Reichelt, Sievert, & Jacob, 2014; Sokolova & Kefi, 2020).

Another key difference between celebrity and influencer marketing is **exclusivity**. While **celebrities generally only endorse one** or two brands, **influencers advertise multiple brands** simultaneously (Rothe & Wicke, 2018). Multiple brand endorsements can cause confusion for consumers, reducing the effectiveness of brand promotion (Ilicic & Webster, 2011). On the other hand, according to the memory network model, memories are interconnected resembling a web (Muda, Musa, & Putit, 2017; Rothe & Wicke, 2018), and lack of exclusivity may indicate a weaker tie between the firm and brand endorser (Um & Kim, 2016).

These differences may have an impact on brand equity, especially, when brand endorsers attract negative publicity. Lack of exclusivity could mitigate the impact of a scandal, involving an influencer. In addition, people may be more forgiving toward influencers, if they apologize for wrongdoings, because of the perceived similarity to themselves. Therefore, the current research poses the following questions:

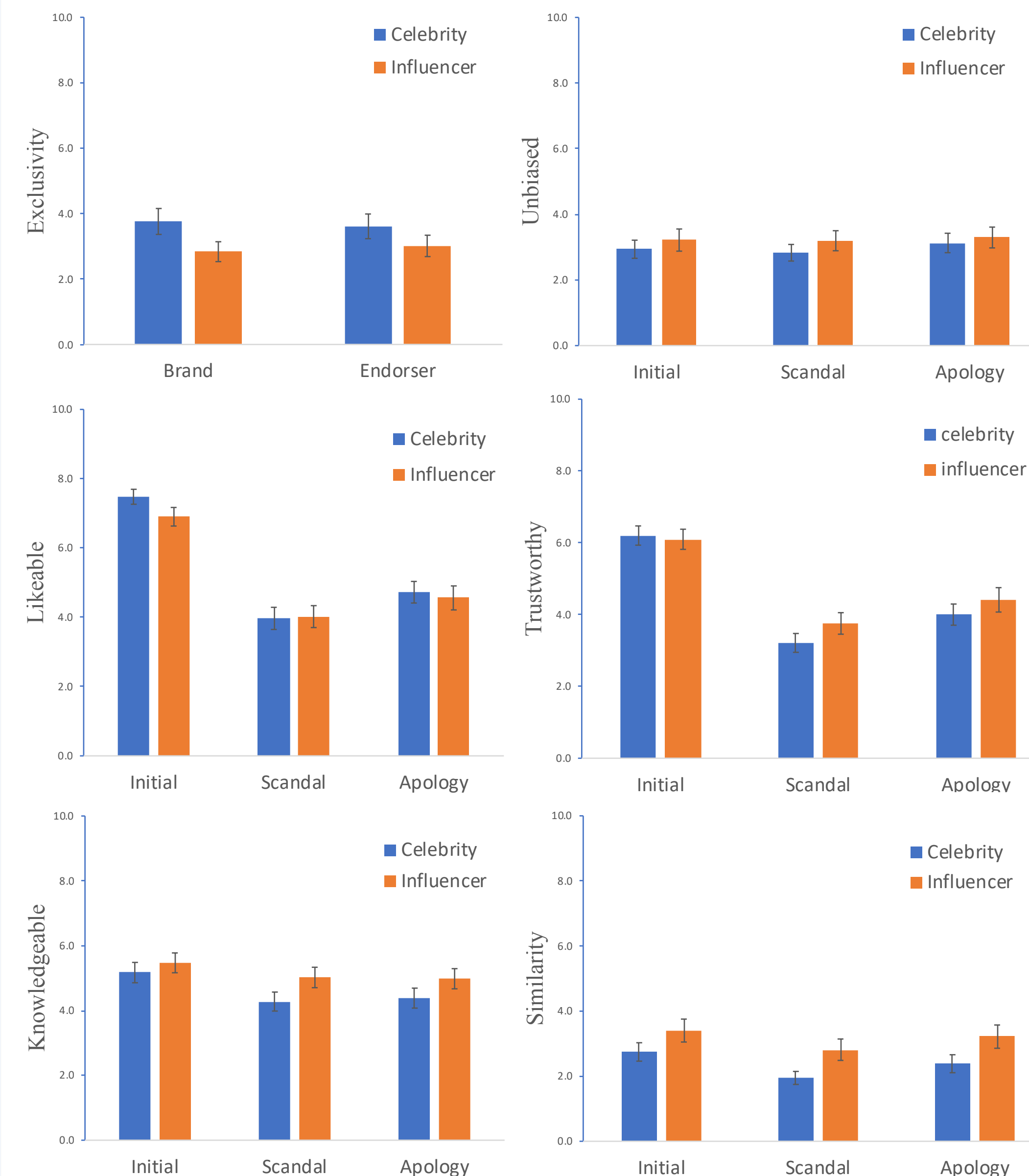
1. Do influencers have a stronger effect than celebrities in increasing brand equity?
2. Does negative publicity of celebrities have a stronger negative impact than influencers on brand equity?
3. When is an apology more effective: when it is made by a celebrity or an influencer?

METHODS

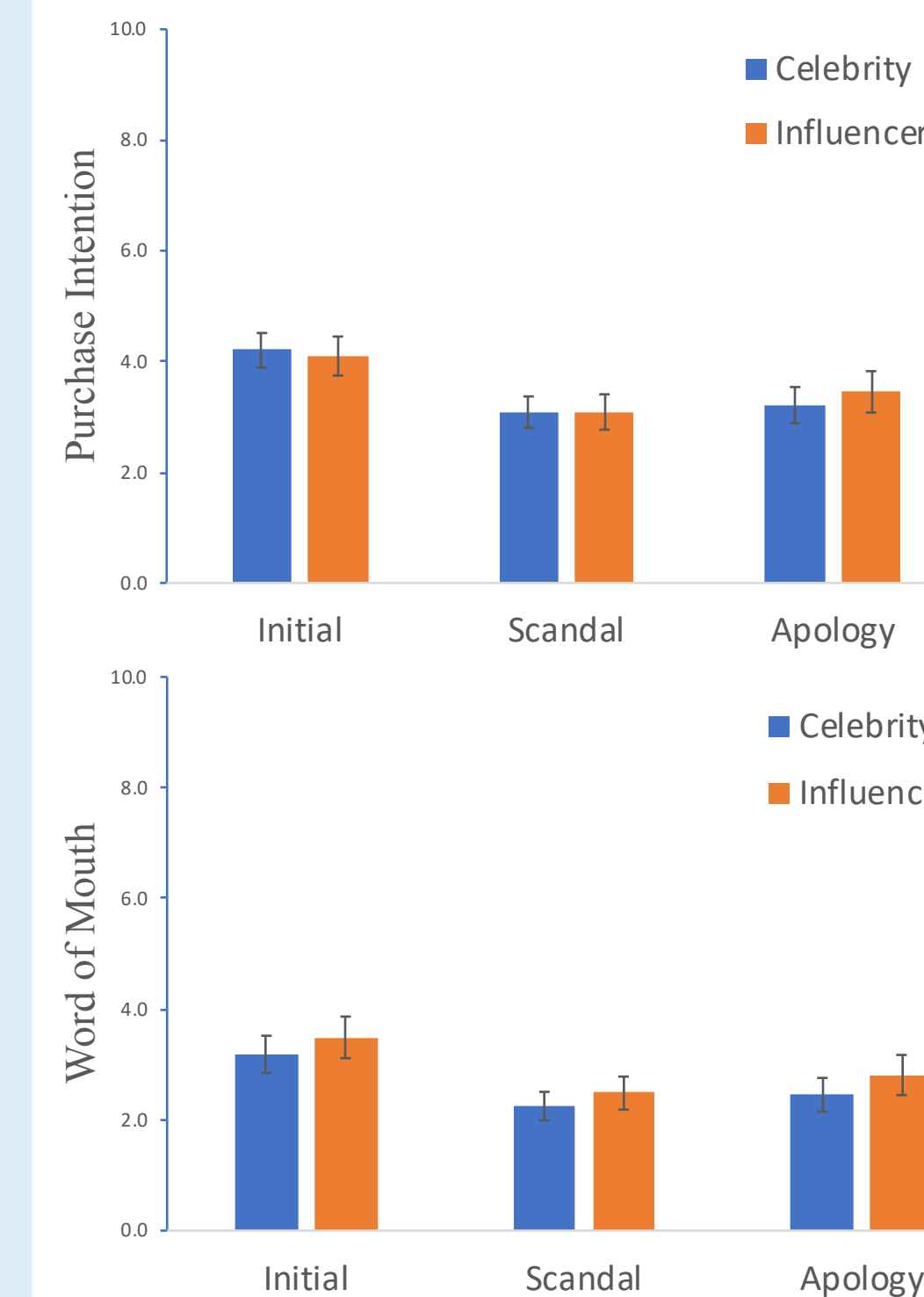


| Independent Variable (IV) | |
|----------------------------------|--|
| Type of Endorser: | Influencer |
| Dependent Variable (DV) | |
| Endorser perception: | Likable Trustworthy Knowledgeable Similarity |
| Behavioural Intention of Self: | Purchase Intention Word of Mouth |
| Behavioural Intention of Others: | Purchase Intention Word of Mouth |

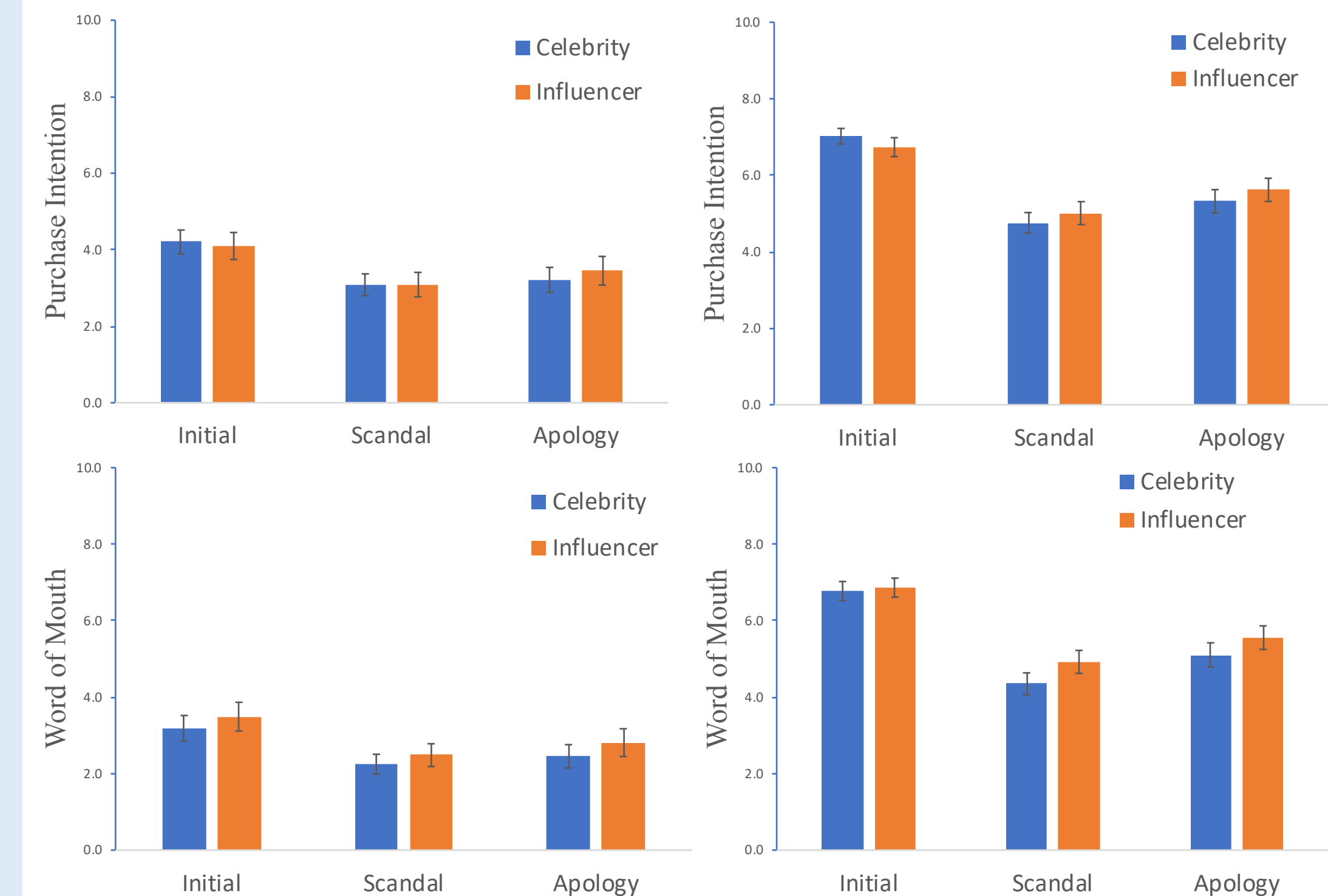
RESULTS



Self



Others



DISCUSSION

The results generally showed that people's perception of the endorser and behavioural intentions decrease significantly after a scandal and people are not forgiving even after an apology. More specifically, endorser ratings did not increase after an apology (Likable) or improved but did not recover to the initial level (Trustworthy). There were differences between celebrities and influencers regarding **'Knowledgeable' and 'Similarity'**. For both, **celebrity ratings decreased after the scandal**, but they did **not change for influencers**.

Furthermore, people's **purchase intention** and willingness to spread **Word of Mouth** regarding the brand **decreased significantly after the endorser scandal**. These did **not increase after an apology** from the endorser. Additionally, participants' purchase intention at initial level and after apology significantly differed for celebrities but they did not differ for influencers. Other behavioral intentions did not differ by endorser type. The significant negative impact on brand equity caused by endorser scandal could be explained by the **memory network model**, which suggests that a brand and the brand endorser are interconnected in memory. Therefore, the endorser scandal spills over to the brand.

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