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The Impact of Negative Publicity on Celebrity Ad Endorsements

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The Impact of Negative Publicity on Celebrity Ad Endorsements

Abstract

The article reports on an experiment to test the impact of negative publicity on celebrity ad endorsements. The extent to which negativity influences attitudes towards a celebrity, and to what degree this influences consumers of high-low involvement and image-related products is examined. Three hypothetical incidents relating to an extra marital affair, a drink driving incident, and criticism of the professional integrity for three different celebrities (a television sit-com and film star, a television and radio presenter, and a current affairs television presenter) were developed and investigated using a sample of ‘Generation Y’ consumers. Three different sources of negative information were used, based on rumor, media footage and celebrity publicly tells all. The findings suggest that the statements had a negative effect on the overall attitudes towards the celebrities but showed variations for different product categories. Interestingly, there were no significant differences based on the source of negative information. Several implications are discussed and directions for future research suggested.

Keywords: Celebrity endorsements, Celebrities, Negative publicity.
Negative Publicity on Celebrity ad Endorsements

The Impact of Negative Publicity on Celebrity Ad Endorsements

Despite the growing popularity of celebrity endorsement as a means of increasing the persuasive nature of advertising messages, there have been few attempts to rigorously evaluate the potential negative impact of indiscretions by the focal characters in these advertisements. This manuscript utilizes associative learning principles and the match-up hypothesis to explore the impact of negative information on attitudes toward celebrities in terms of their attractiveness and credibility. These issues are of particular relevance as noted by Till and Shimp (1998) and White, Goddard and Wilbur (2009) that attitudes towards a celebrity transfer to the endorsed brand through recurring association, and once an associative link has been developed any subsequent negative information about the celebrity may reflect back to the endorsed brand.

‘Celebrity’ as a modern phenomenon permeates our society, media and culture as never before – certainly the number of famous names and faces is without precedent. Current fascination with celebrities is evident in gossip columns, in Hollywood tours, and even in the celebrity stalker. As media outlets have increased in number, there has been a concurrent increase in the number of ‘special people’ who provide so much of their material (Giles, 1999). This current obsession is also fuelled by the strong and widespread desire for fame, resulting in a craving to emulate these ‘heroes’.

In response, advertisers are becoming increasingly aware of the persuasive power of celebrities and the number of celebrity endorsements is increasing. It now represents the most popular form of retail advertising (Choi & Rifon, 2007). In the U.S.
approximately 25% of all ads were reported to use a celebrity, compared to about 20% in Great Britain (Erdogan, Baker & Tagg, 2001). The growing use of famous endorsers has also brought with it a rise in the cost of endorsements, such as Nike’s $90 million investment to lure Tiger Woods - as celebrities and their agents are becoming increasingly aware of their economic worth (Hsu & McDonald, 2002; Pringle, 2004; Erdogan & Drollinger, 2008).

The considerable costs associated with hiring celebrity endorsers illustrates the faith that advertisers have in this type of campaign. Of course, this faith is not entirely unfounded, as Pepsi acquired an 8% increase in sales after the first year of its contract with Michael Jackson (Gabor et al., 1987). Recent campaigns featuring celebrities have been extremely effective. For example in the U.K. advertisements for Argos, McDonalds, Homebase, Sainsbury’s and Walkers (who use celebrity endorsers) have all featured among the top ten most recalled ads (Kemp, 2003). Research by Bashford (2004) also suggests that the benefits of celebrity usage extends beyond brand recognition and can significantly influence a company’s financials through a positive return on investment and incremental revenue.

Despite their benefits, there has been mounting evidence of a negative effect from events including the celebrity being accused of breaking the law (Kobe Bryant), receiving bad press regarding moral issues (Tiger Woods or Hong Kong singer Edison Chen), loosing credibility for not using the endorsed brand (David Beckham and Motorola Aura) or endorsing too many brands (Indian cricket team captain Dhoni) (The Daily Mail, 2009; The Economic Times, 2010). In these cases such negative publicity has reflected badly
upon particular brands at various levels. However, the impact that negative celebrity
information can have on endorsed brands is as yet largely unknown and research in this
area is somewhat scant. Despite the positives, there are risks associated with using
celebrity endorsements. Indeed, Ogilvy and Mather report that only one in five
commercials using celebrity endorsements lives up to a sponsor’s expectations (Miciak &
Shanklin, 1994). Immediately following the incident surrounding Tiger Woods, the
Accenture stock price fell by 2.9% (Brower & Hoffmann, 2010). Negative publicity
concerning a celebrity may therefore be a contributing factor.

Pepsi-Cola is one major brand that may have suffered as a result of negative
publicity surrounding a series of its endorsers. Wide media coverage, for example of
Michael Jackson’s alleged involvement with children, Mike Tyson’s rape conviction, and
Madonna’s controversial ‘Like a Prayer’ video have all arguably not helped to promote an
ideal brand image for the company, although it is unclear whether such activities
translated into lost revenue. The horrific stories and the public outcry surrounding U.S.
football star, Michael Vick’s involvement in dog fighting or NBA’s Kobe Bryant’s
charges of sexual assault would suggest that businesses and ad agencies alike need to be
cautious when choosing celebrity endorsers (The Economist, 2007; White et al., 2009).

The subject appears particularly pertinent in sport, where the bigger the celebrity,
the harder the fall. For example, they don’t come much larger than former world number
one golfer Tiger Woods, or the England soccer star John Terry who in the last few years
have been the subject of a plethora of adverse publicity following ex-marital affairs.
Subsequently, more recently, Terry has also been allegedly involved in making verbal
racist remarks to a fellow soccer player. Negative information about celebrities is rather common and seems to be increasing in so much as insurance to mitigate against celebrity adverse behavior has become a necessity rather than a luxury (Money, Shimp & Sakano, 2006; Erdogan & Drollinger, 2008).

The fear of potential celebrity scandals and their possible impact on brands, has given rise to a mini-trend towards using deceased celebrities (Ford’s use of ‘The Great Escape’ actor, Steve McQueen, for its Puma ads is one such example; also see Petty & DeRozario, 2009). Individuals that have passed away, no longer have the potential to bring embarrassment and injury to a brand. A similar increase has been observed in the use of animated characters as product endorsers, as they too are generally immune from bad publicity (Till & Shimp, 1998). We have also experienced the termination of contractual endorsements (see for example McDonald’s with Kobe Bryant; Channel, H&M and Burberry with Kate Moss; and AT&T, Accenture, Tag Heuer, Gatorade and Gillette with Tiger Woods) (Money et al. 2006; White et al. 2009; The Daily Mail, 2011). Such events are likely to be damaging for the company, and costly in both the short and possibly mid to long-term.

It is clear that negative publicity is a real concern for such sponsoring companies as it can affect brand image and sales, but this is not necessarily true across the board. Misbehavior and even criminal activity by celebrities have grabbed the attention of marketing executives who believe that ‘any publicity is good publicity’ (Donaton, 2002). Indeed, sales of Allen Iverson’s (a US basketball star) branded merchandise rose sharply after his felony arrest in 2002 for weapons violations and assault (Donaton, 2002). Brands
that English soccer star David Beckham endorsed actually benefited from the publicity surrounding his alleged affairs. Beckham’s suspected participation in ‘text’ sex and all the pictures of him sporting sunglasses throughout the scandal inadvertently increased awareness of both Vodafone, and Police sunglasses brands (Pringle, 2004). In an experimental setting, Money et al. (2006) also found similar evidence. These examples further highlight the range of effects that negative celebrity information can have on an endorsement.

The purpose of this article is therefore, to expand on this issue further. The impact of negative information will also be assessed in the context of the ‘match-up’ between specific celebrities and products. An experiment is designed to test negative publicity and its influence on celebrity ad endorsements. The extent to which negativity influences attitudes towards celebrity attractiveness and credibility and to what degree this influences consumers of high-low involvement as well as image-related products is examined. Three hypothetical incidents relating to an extramarital affair, a drink driving incident, and criticism of the professional skills / capabilities for three different celebrities (a television sit-com and film star, a television and radio presenter, and a current affairs television presenter) were developed and investigated using a sample of 18-26 year olds. Three different sources of negative information are considered based on a) rumors, b) media footage, and c) where a celebrity publicly tells all.

Given the growth in the popularity of celebrity endorsement as a communication tool over recent years, the corresponding interest among academics and practitioners is inevitable. However, while useful insights have been generated into this phenomenon, the
use of generic populations has limited our understanding of its workings and effectiveness across specific segments. One particularly important segment which has received scant attention in the literature is the group known as Generation Y. While definitions vary, there appears general agreement that the age profile of members is approximately between 10-26 years. Bush, Martin and Bush (2004) in one of the few studies to address this consumer group stress their importance in terms of retail potential, yet also highlight the difficulties of appealing to this generation because of their resistance to traditional marketing efforts. Generation Y consumers are the offspring of Generation X parents and tend to be more complex and indefinable. In general this group do not conform to the norms and values exhibited by their parents. It is questionable therefore, whether traditional approaches to the use of celebrities will remain appropriate. Accordingly, an understanding of the Generation Y psyche is fundamental to the development of effective communication appeals. This is particularly relevant to the older members of the grouping (18-26 years) who are affluent, upwardly mobile and have significant potential and existing purchasing power.

This study seeks to fill a gap in the literature by concentrating on this older grouping of more affluent Generation Y consumers. This focused approach also improves the homogeneity of the sample and simplifies ethical considerations in relation to access. It is felt that by exploring this notion in an experimental design, the study will contribute further to the understanding of such a negative side associated with celebrity endorsements and its influence on celebrity / product congruence. The issue is of extreme importance to both companies and ad agencies alike that are using celebrities or
considering their use. The article is organized as follows; a review of the literature relating to celebrity endorsements is initially drawn upon, before a discussion of the ‘match – up’ effect is provided in more detail, and several a priori hypotheses are established. Other factors important to celebrity endorsements are discussed, as these influence the research design and measurement items to follow. The findings are presented, their implications considered and several conclusions drawn.

Why Choose Celebrities?

Celebrity endorsers can be used for a variety of purposes, but largely underpinning their usage in a communications context is the belief that the profile and attributes, and in particular the fame draws attention to messages that they deliver (Atkin & Block, 1983; O’Mahony & Meenaghan, 1998). Freiden (1984) noted that a celebrity as an endorser, compared favorably to other types of endorsers (CEO, expert, typical consumer) in terms of trustworthiness, believability, persuasiveness and likeability. Although the use of celebrities may no longer be particularly innovative, a famous face can still give a brand added appeal and help it to stand out. Miciak and Shanklin (1994) suggest that celebrities have the capacity to hold viewers’ attention, and penetrate commercial clutter.

This ability to attract attention to a brand means that celebrities can be particularly effective for a new brand introduction, when brand switching is desired, and additionally for low involvement situations where the consumer is constrained by time to process information (Stafford, Stafford & Day, 2002). By attracting more attention to the endorsed brand, celebrities can also produce greater memorability of an advert. They are considered to enhance the subject’s attentiveness to the ad, making the copy more memorable,
credible and desirable (Spielman & Hayes, 1981). In turn this means that celebrities as endorsers can produce higher levels of brand and ad recall (Stafford et al., 2002). Undoubtedly recall is important for many brands, but the high costs of endorsements suggest that they are not only used as a clever execution device to attract attention.

Celebrities are effective endorsers because of their symbolic, aspirational reference group association (Assael, 1984). Reference groups provide points of comparison through which the consumer may evaluate attitudes and behavior. So although not celebrities themselves, the typical consumer may still symbolically aspire to identify with this group by purchasing products that they endorse. People often see celebrities as role models, a sort of guide to their consumption choice for buying products they represent - so the glitter of the celebrity is transferred to them. Pringle and Binet (2005) note that 16-34 year olds are prone to the purchase of endorsed products, particularly in the food, alcohol and personal appearance categories.

Successful Endorsements

Marketing has sought to use the varied meanings personified by celebrities to assist in the achievement of specific communication objectives. Celebrity endorsements provide one way in which meanings can be transferred to brands (McCracken, 1989). Advertisers seek to deliver particular image-laden messages to consumers, and through a rub–off effect, celebrity endorsements can transfer image values to messages (O’Mahony & Meenaghan, 1998). By virtue of their celebrity profile and engaging attributes, celebrities are able to transfer these image values to the products. Pringle (2004) argues that in using products which have a celebrity association, consumers obtain a bit extra in
terms of imagery, aspiration and entertainment. Used appropriately, celebrity endorsers can serve a valuable role in developing brand equity and enhancing a brand’s competitive position (Till, 1998; Cabell, 2006).

Although celebrity endorsements are a popular way for brands to achieve meaning transfer through associative learning, the success of any endorsement may be dependent on the fit between the celebrity and the brand, otherwise known as the ‘match-up’ effect (c.f. McCracken, 1989). Osgood and Tannenbaum (1957) first proposed the principle of congruity in their study of attitude change. They noted that changes in evaluation are always in the direction of increased congruity with the external source of reference. The broadening of this principle to encompass celebrity endorsements was a natural extension. The idea of a ‘match-up’ effect has been growing up both alongside, and connected with the body of literature explaining the process of celebrity endorsements.

Using a celebrity does not automatically guarantee an effective advertisement, and the match-up effect has been used to explain why some celebrity endorsements succeed where others fail. Friedman and Friedman (1979) noted that the characteristics of a spokesperson interact with the nature of the product advertised. This observation was later extended into a match-up hypothesis, where effectiveness is inextricably tied to how well the image and/or personality of the celebrity fits the product and the selling idea (Kahle & Homer, 1985; McCracken, 1989; Amos, Holmes & Strutton, 2008).

Essentially, endorsers are more effective when there is a ‘fit’ between the endorser and the endorsed product. For example, U.K. comedians Jack Dee and Peter Kaye have successfully endorsed John Smith’s beer because their straight-talking personas are an
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ideal match for the ‘no-nonsense attitude’ the brand wishes to portray (Brierley, 2002). In contrast in the U.S., and even though she was well-liked, Jennifer Lopez was dropped as endorser for Luis Vuitton because consumers did not really believe that she used the brand’s products (Bashford, 2004). This development was also identified by Silvera and Austad (2004) who noted that in addition to the need for source attractiveness, endorsements proved more effective where consumers believed the celebrity actually used the product.

Researchers such as O’Mahony and Meenaghan (1998) state that consumers expect congruence between the perceived images of the celebrity endorser and the types of products which they endorse, implying that celebrities must possess expertise in product categories consistent with their public profiles and perceived lifestyles. Empirical studies have shown that this endorser-product congruity positively affects consumer perceptions of credibility, attitudes, recall, recognition, purchase intention, and a willingness to pay higher prices (Hsu & McDonald, 2002). Put simply, Hawkins, Best and Coney, (1983) found that a good match-up will receive high effectiveness scores in terms of advertisement and celebrity effectiveness measures. These conclusions however, should only be viewed as the culmination of decades of research into the varying aspects of the match-up effect.

Much of the initial work focused on attractiveness as a match-up factor (Kahle & Homer, 1985). In their seminal paper on the topic, these researchers found that a physically attractive source facilitates attitude change towards issues, products and ad-based evaluations, but that the attractiveness of a celebrity endorser may only enhance
these evaluations if the characteristics of the product ‘match-up’ with the image conveyed by the celebrity (Kahle & Homer, 1985). Despite its important findings, Kahle and Homer’s test of the match-up hypothesis, with regards to the attractiveness of the celebrity, was incomplete in that they did not demonstrate that an attractive celebrity is less effective when endorsing a product not related to one’s attractiveness. Kamins (1990) addressed this omission, and produced a full test of the match-up hypothesis with regards to this dimension. He added that if there is incongruence between the product and celebrity attractiveness, evaluations will actually decline.

This is in line with social adaptation theory which suggests that a consumer will utilize a source of information only as long as that source facilitates adaptation to environmental conditions (Lynch & Schuler, 1994). In these terms, the strategic value of spokesperson-product congruence is that it may be invaluable in quickly conveying the appropriate image of the product to the consumer, letting the consumer know of the adaptive significance of the product. In his conclusion, Kamins (1990) surmised that the match-up hypothesis may have to be extended beyond attractiveness towards a consideration and matching of the entire image of a celebrity with that of the product advertised.

In agreement with Kamins, Till and Busler (1998) contend that other characteristics of the endorser, such as expertise may be more potent and provide an opportunity for greater fit than physical attractiveness. They maintain that while attractive endorsers do positively affect attitude towards the endorsed product, expertise is a more important dimension for driving the fit between an endorser and a brand. Their results
indicated a general ‘attractiveness’ effect, but not a match-up based on attractiveness. Similarly, Kamins and Gupta (1994) earlier stated that the matching of spokesperson image with the nature of the product implies the broader need for congruence between the two. They contend that both the attractiveness component and that of the perceived expert knowledge are only components of the more general notion of congruence between spokesperson image and the product.

Therefore, in general terms the greater the perceived fit between the brand and the celebrity, the more quickly an associative link between the two can be expected to develop. In practical terms the choice of the celebrity should fit with the associations the brand currently has, or plausibly could have. When the associations of the celebrity fit the desired associations of the brand, the celebrity then serves to create, and reinforce existing associations for the brand (Till, 1998; Till, Stanley, & Priluck, 2008). However, further work by Ryu, Park and Feick (2006) suggests that the notion of fit can also be examined in relation to product type, country of origin and ethnicity of the endorser. In addition, Kang and Herr (2006) use dual process theories to suggest that inconsistencies in reporting the benefits of match-up (fit) result from the fact that source effects may occur from different processes i.e. the peripheral processing of the source as a cue, central processing of the source as product-advocacy and the correction of source biases.

Adverse Influence of Negative Publicity

Practitioners hope that their target audience’s positive feelings towards a chosen celebrity will transfer to the endorsed brand and enhance a brand’s standing. In line with the match-up hypothesis, advertising is more effective when endorsers and products have
attributes that match. However, this also means that problems can arise for brands when
the famous person is involved in incidents that change, or even damage his or her
reputation, which in turn can potentially alter perceptions of the brand-celebrity
congruence. Celebrity endorsements can in fact be a double-edged sword, with
controversial celebrities possibly doing as much, or more, to alienate customers as they do
to attract them.

Literature in various psychological traditions has theorized or shown empirically,
that negative information has a disproportionate influence on beliefs and evaluative
judgments, in that it has stronger influence than similar amounts of favorable information
(Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001). Moreover, negative information
appears to have a greater long-term effect on memory than neutral information (Kensinger
& Corkin, 2003). This significant consumer sensitivity to such information also has a great
influence on consumer decision making (Arndt, 1965; Reynolds & Darden, 1972). The
rise in recent times of the significance in social media makes such negative associations
even more difficult for practitioners to manage (Solomon et al., 2009).

Despite the wealth of examples that illustrate the risks that advertisers take in using
celebrity endorsers, there is still very little academic literature that addresses the negative
effects of in discretions on the endorser and the brand. It was only in 1998 that the impact
of negative information regarding the extent to which a celebrity might have on consumer
perceptions of endorsed brands was first addressed in the literature. Till and Shimp (1998),
using an associative network model as a theoretical framework, set out to explain how this
information can operate to lower evaluations of the advertised brand with which the
celebrity has been associated. Given a sufficiently strong associative link, they found that negative information about a celebrity endorser will result in lower evaluations of a brand. White et al. (2009) go further to explain the phenomenon by transference of affect theory, whereby the negative meaning becomes a part of the celebrity’s bundle of meanings and consumers metaphorically transfer these into perceptions of the product that the celebrity is promoting.

Although anecdotal evidence suggests that consumer reaction may depend on the extent of negativity (Louie & Obermiller, 2002) - this aspect of celebrity endorsements has not yet been investigated. Louie and Obermiller (2002) did however investigate the effect that the degree of blameworthiness associated with a celebrity would have on the negative impact on the brand. Research regarding perceptions of blame for negative events generally shows that when a person is perceived as responsible for negative events, others react more unfavorably than when that person is perceived as not responsible. Accordingly, consumers react more favorably to sponsors associated with celebrities who are blameless, rather than precipitating a negative event (Louie & Obermiller, 2002).

Other research findings have observed more complex reactions that contradict such a linear endorser blame-brand evaluation relationship (Summers & Morgan, 2008). Early work by Lerner and Miller (1978) suggests that to avoid the consideration whereby negative events can fall on innocent people, consumers may actually lower their opinion of the person so that they seem deserving of a bad fate. In an endorser context, Louie and Obermiller (2002) found that defensive distortions might actually move consumers and sponsors to distance themselves from a blameless endorser. However, although their
results provide evidence of the complicating effects of defensive distortions, the authors conclude that company image is perceived to benefit from retaining an endorser who has low blame for a negative event, and from dismissing one who has high blame for the same negative event. Consequently, a better understanding of this differential influence is useful when considering the potential impact that negative publicity surrounding celebrity endorsers can have on the type of goods they endorse.

Based on the limited sources of evidence relating to the impact of negativity and the literature relating to match-up, the following hypotheses are postulated:

**H1** The influence of negative sources of information will reduce a celebrity’s perceived a) attractiveness and b) credibility among generation Y consumers.

**H2** The source of negative information (rumor, tabloid footage, celebrity publicly tells all) will have significantly different degrees of impact on a celebrity’s perceived a) attractiveness, and b) credibility among generation Y consumers.

**H3** Where a ‘match-up’ exists between celebrity and product category, negative publicity will have a significant impact on a celebrity’s attractiveness or credibility as perceived among generation Y consumers.

**Method**

The first stage of the research involved the selection of three celebrities and a pre-test. The use of actual celebrities in a study has the advantage of lending a sense of realism in examining the effect under consideration, as other studies have demonstrated (Kamins, 1990; Money et al., 2006). This was undertaken via a short structured questionnaire which asked respondents to select and evaluate (using measures of credibility and likeability
developed for the main instrument) different celebrities that had not previously suffered from the effect of negative exposure. This was administered with 10 respondents of mixed gender, in the age category 18-26. As a result of the exercise three famous celebrities were chosen: Ms X - a high profile sit-com television and film actress, Mr Y - a television presenter and radio D.J., and Mr Z - a news and current affairs presenter. The three were selected because the exploratory exercise demonstrated that each of the ten respondents had a very good knowledge of the celebrities’ public personas, they were each highly regarded, yet somewhat distinct from one another in terms of their appearance and personalities. In short, it was felt that these three celebrities would be ideally suited for this study.

Three types of products were chosen in order to investigate the effect that such differences may have on perceptions of suitable endorser attributes, and the effect of negative celebrity information on them. A high involvement category of product that possessed a significant economic or social risk, and as such may be expensive, or purchased infrequently (Doyle, 2001), was selected and in this instance celebrity endorsement of a ‘credit card’ was used. A low involvement good representative of a product that is frequently purchased and has little risk to the consumer (Jobber, 2003) was also selected and celebrity endorsement of ‘potato chips’ was used.

Finally, an image based product that creates socio-psychological confidence which allows the consumer to make a positive personal or social statement (Doyle, 2001) was also chosen, and celebrity endorsement of ‘champagne’ was therefore selected. All three categories are universally known, and usage levels are high among the target population.
The pre-test also confirmed that the chosen products were representative of the category to which they were allocated. Furthermore, Pringle (2004) discovered that the three product categories (alcohol, snacks and financial services) all use celebrity endorsers.

To present the negative information, three different stories were created varying by incident (drink driving, extra-marital affair, and the questioning of professional integrity). Three different sources of negative information were also used for the experiment based on rumor, media footage and celebrity publicly tells all. To avoid bias towards a particular celebrity with a particular product, it was necessary to counterbalance the statements across different respondents so that each celebrity was paired with each source of negative information. For example, one group of respondents was exposed to a rumor about Ms X, media footage relating to Mr Y, and a scenario whereby Mr Z publicly tells all.

These different sources of negative information were counterbalanced across the three celebrities so that the different groups of subjects saw the celebrities in light of the varying sources of negative information. The incident (i.e. extra marital affair, drink driving and criticism of professional integrity) was also counterbalanced across the celebrities. A similar procedure followed to test for the ‘match-up’ effect, whereby a further series of questions were also posed relating to the subjects’ perceptions of the celebrities for the different product categories. The manner in which the stories were presented was contextualized in the same manner on each occasion to avoid inconsistencies. It was also indicated that the celebrities were to be viewed as product advocates suggesting that source effects were likely to occur via the central rather than peripheral route (Kang & Herr, 2006). Additionally, the statements avoided any qualifying
expressions that may have complicated the issue through the introduction of innuendo (Wegner, Wenzlaff & Beattie, 1981).

Procedure

In order to verify the research instrument, a pilot test was undertaken whereby 15 personal interviews were conducted with male and female respondents in the chosen age range. Attitudes towards the questions posed, the attribute meanings, comprehension of the tasks, as well as the questionnaire length were all examined. The pilot study proved useful, and some modifications were made before the instrument was re-piloted with a further sample of 15 respondents that eventually reported no problems. In brief, and to clarify the variables in question, three sources of negative information relating to celebrities were employed in the study (rumor, media footage, celebrity publicly tells all); three hypothetical incidents were used (an extra marital affair, drink driving, and criticism of professional integrity); three product categories (champagne, potato chips, credit cards); and finally three celebrities were chosen (Ms X, Mr Y, Mr Z).

The target population of the study consisted of 18 to 26 year old males and females, of British nationality. Respondents were screened at the start of the questionnaire to ensure that all these requirements were met. The age range was selected because it was considered to have high levels of exposure to celebrity endorsements, and young working professionals of the population were targeted. As the research experiment was somewhat exploratory in nature it was considered appropriate to secure respondents in local shopping precincts. Overall, 184 completed responses were collected and used for the
analysis. During data collection it was stressed that none of the celebrities were actually involved in any of the scenarios and they were strictly for illustrative purposes.

Respondents’ attitudes towards celebrity endorsements were measured using 5-point Likert Scales. To minimize measurement errors, and increase the internal consistency, scales were adopted from O’Mahony and Meenaghan (1998), whereby respondents were asked specifically to think about a celebrity, and to measure items relating to their credibility (Goldsmith et al, 2000), likeability (Atkin & Block, 1983; O’Mahoney & Meenhagan, 1998), trustworthiness, expertise (Ohanian, 1991; Stafford et al., 2002), attractiveness (McGuire, 1985), as well as their charisma, friendliness and admiration for the celebrity.

Principal component analysis was initially administered on the data and the extraction method used to extract the components was based firstly on the eigenvalue being greater than one and secondly, the factors accounting for a minimum 60% of the variance. A rotation was used and the method adopted was the Varimax with Kaiser Normalization, which is a tried and tested method that frequently yields simple structure (Norman & Streiner, 1997). A summary of the rotated component matrix is presented in the Appendix. Five items clearly loaded on component one, likeability, attractiveness, admirability, charisma and friendliness. As a result, this component was named ‘attractiveness’.

The remaining three items credibility, trustworthiness and expertise loaded on the second component, which was labelled ‘credibility’. The Cronbach alpha figures of 0.81 and 0.74 suggest that the items hang together well and represent reliable measures of
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attractiveness and credibility (Nunnally & Bernstein, 1994). To determine a measure for the dimensions of credibility and attractiveness, the mean score for the items loading on each factor were calculated for each celebrity. This procedure is commonly used by researchers to operationalize components and undertake further analysis (Stevens, 1992).

Results

The Impact of Negative Publicity

A repeated measures MANOVA was used to examine differences in the before and after measures for mean attractiveness and credibility (see Table 1). The observed differences were statistically significant ($F=212, p=0.000$), confirming H1a for the attractiveness measure. A separate repeated measures MANOVA revealed these differences to be statistically significant for the credibility measures too ($F=314, p=0.000$), confirming H1b. These findings suggest that negative publicity reduces a celebrity’s perceived attractiveness and credibility.

Before negative information is introduced, Ms X is considered to be attractive, but has limited influence in terms of her credibility. Following the effects of negative information, Ms X is still considered to be somewhat attractive, albeit this is much less than before. The negativity has led to a significant reduction in the respondents’ perceptions of the star. In addition to a significant reduction in terms of this celebrity’s attractiveness caused by the negativity, further substantial differences appear regarding Ms
X’s credibility. In summary, Ms X becomes a less credible and attractive celebrity following the negative publicity.

Before the effects of negative information, Mr Y is perceived to be somewhat attractive. Like Ms X, he too offers limited influence in terms of his overall credibility. After exposure to negative information, Mr Y appears to become less attractive than previously. The composite measure for the attractiveness component decreased with the introduction of negative information. Mr Y also becomes significantly less credible due to the negative publicity. Although he was not perceived to be particularly credible before the negative publicity was initiated (mean around 3), it appears that such influence significantly affects the respondents’ views for this celebrity.

Before negative information, Mr Z is strongly associated with being credible (mean >4). He is also perceived to be moderately attractive (mean > 3.3). Overall he is the least attractive, yet the most credible celebrity of the three. After exposure to negative information, Mr Z is less well perceived, although he still remains moderately credible. Also due to the negativity, Mr Z becomes relatively less attractive. Because he is the celebrity that is least associated with being attractive, this finding may not appear too important. However, the impact of negative information could well be damaging in terms of this celebrity’s credibility.

Following on from H1a and H1b, to analyze the effects that different sources of evidence surrounding negative information may have on the perceived suitability of celebrity endorsements, respondents were presented with negative information of a celebrity based on a) rumor, b) media footage, or c) celebrity publicly tells all. As a result
of the different sources of negative information, it would appear based on this sample of
generation Y consumers that the source of negative information does not have a
significant influence on consumer perceptions of a celebrity’s attractiveness and
credibility (Wilks’ Lambda = 0.9, p=0.092). It would appear that any source of negativity
is likely to have similar damaging effects.

So far, our results are in congruence with those of Till and Shimp (1998), who
found that negative information concerning an endorser may result in a lower evaluation
of a celebrity, and in turn this may reflect badly on an endorsed product. Interestingly, this
could be worrying for future endorsements as even a small amount of negative
information (such as rumor) may have a detrimental effect on a brand and product. In
support of Arndt (1965) and Reynolds and Darden (1972), consumers appear receptive to
unfavorable information, which may have a strong influence on consumer decision
making.

*Match-Up*

Table 2 shows mean attractiveness and credibility across product category and by
celebrity. Negative information produces a large change in Ms X’s attractiveness for the
champagne category, with a reduction from 3.71 to 3.11. It appears that this celebrity’s
attractiveness is an important attribute for endorsing champagne. Her relatively good
looks, also make Ms X moderately attractive for endorsing potato chips and credit cards.
The impact of the negative information appears to be somewhat damaging in terms of this
celebrity’s persona for endorsing champagne, but is relatively unaffected for potato chips
and credit cards. This trend is similar in terms of Ms X’s credibility for endorsing the three
product categories, which may be because of the more modest means (2.47 – 3.14 range) before negativity is introduced.

__________________________

Insert Table 2 about here please

__________________________

Mr Y is the most suitable celebrity for endorsing potato chips - both means are in excess of three. He is judged to be more attractive than credible for promoting such goods (means of 3.54 and 3.30 respectively). However, after the impact of negative publicity, it can be seen that the negative information produces a large difference in Mr Y’s attractiveness and credibility for potential potato chip endorsement (means of 3.06 and 2.88). Mr Y does not appear to be particularly attractive nor credible for endorsing credit cards or champagne, and when considering the before and after effect of negative publicity, less differences are apparent when studying the mean scores.

Mr Z is neither credible nor attractive for endorsing potato chips (means < 2.5). Whilst he does not appear particularly attractive for the promotion of champagne (mean 2.87), he is more attractive for endorsing credit cards (mean 3.27). Perhaps because Mr Z is a current affairs reporter this may have some reflection on his credibility for endorsing champagne (mean 3.23) and credit cards (3.80). It is his credibility for endorsing credit cards that is most affected by the negative publicity (mean of 3.01 after). The other differences associated with the means are less evident. Interestingly, Mr Z is perceived to be marginally more attractive for endorsing potato chips after the treatment (2.48 before, 2.54 after) - suggesting the ‘bad boy’ image may not always be viewed negatively.
Based on data presented in Table 2, it does appear that certain celebrities are more suitable than others for endorsing specific product categories. The good looks associated with Ms X imply that she is a particularly attractive proposition for endorsing champagne. She is also a somewhat credible celebrity for endorsing champagne, which could be a result of the lifestyle persona that she portrays in the sit-com series in which she appears. The impact of negative publicity does however have a major influence on both the credibility and attractiveness associated with Ms X endorsing champagne.

As a ‘funny man’, the humor and personality associated with Mr Y probably make him both attractive and credible for endorsing potato chips. The results suggest, that the influence of negative publicity is also particularly damaging for Mr Y in terms of these two attributes. Whilst not famous for his good looking appeal, Mr Z appears to be the most credible of the three celebs for endorsing credit cards and champagne. He is also considered attractive for promoting credit cards. Despite this, negative publicity also tested to have a detrimental impact on this celebrity, in areas where he was most credible and attractive.

In summary, the impact of negative publicity appears to have the most damaging effect in situations where celebrities appear most suited to a product category in terms of their credibility or attractiveness (the greater the ‘match up’ the greater the concern). A within subjects ANOVA, with product category as a factor (see Table 2), indicates a significant interaction effect with the pre-test post-test measures of attractiveness and credibility for Ms X and Mr Z (the difference in means is in the predicted direction for Mr Y but the interaction effect is not quite significant at the 5% level). We are therefore able
to accept H3, hence, where a ‘match-up’ exists between the celebrity and a specific product category, negative publicity has a significant impact on the celebrity’s attractiveness or credibility. It can also be seen in the results, that where celebrities are not particularly well suited for endorsing a certain kind of product, then the impact of negative information appears to be less severe.

Discussion and Conclusion

If a company is aiming to create credible or attractive perceptions through the use of celebrities, then the research suggests that businesses or ad agencies need to be even more prudent when selecting useful celebrities that closely ‘match-up’ with particular product categories. This is because where a high match-up exists negative publicity is shown to have a significant impact on a celebrity’s attractiveness and credibility. Companies need therefore to be careful when selecting an appropriate match to endorse their merchandise.

Above all, celebrity endorsements should be carefully managed to make sure that investments prove fruitful. Celebrities who agree to become brand endorsers should be made aware of such implications, and what this new role will entail for them. The underlying consideration is that endorsing a brand does not stop after the ad and publicity material has been shot. As shown in the results, any negative publicity, no matter how severe or indirectly related to the celebrity, can reduce the public’s perception. Celebrities should therefore be strongly advised to maintain a responsible image, to enhance the status of a brand - and perhaps even be financially rewarded based on this?
This study has several limitations which should be noted. First, the primary research was undertaken in a relatively compressed timeframe, and in real life, the effects of negative publicity would become more apparent over a longer period of weeks or months. A longitudinal study conducted over a more substantial period of time may have proved more fruitful. Second, in order to investigate the impact of negative information on the ‘match-up’ effect, products rather than particular brands were chosen. In reality however, brands have very particular associations which influence their congruence with a celebrity.

Third, one issue relating to ‘image’ based products like champagne is the extent to which such products can effectively be classified into either high or low involvement purchase categories. This remains somewhat an arbitrary decision and is acknowledged here as a limitation associated with the study that may require further research. However, in adopting champagne in this study, the product represents an ideal ‘image’ based category of purchase for generation ‘Y’ consumers. Hence, in line with Doyle (2001) it was felt that champagne creates socio-psychological confidence, and enables consumers to make a somewhat positive personal or social statement. Fourth, the findings presented need to be viewed with some degree of caution. This is because pre-test - post-test research designs are often difficult to interpret, and one can never be completely certain whether or not the changes are due to the independent variables measured or a lack of reliability in the measures.

In terms of future research, the use of alternative age groups would allow comparisons to be made, which could identify specific differences in attitude to negative
publicity across generations. This would prove useful to managers who target different markets based on age-based segmentation. The dearth of current studies prevents such a comparison at the present time. The use of a series of focus groups and in-depth interviews could help to provide a deeper understanding of exactly ‘how’ and ‘why’ perceptions of the celebrities had changed, as well as identify further on the impact of this on the products. Replication of a similar study (checking that the celebrities are internationally known) would add an interesting cross-cultural dimension to the research - as the impact of negative information may have different effects in different cultures (Money et al., 2006). This would be of particular use to international companies when considering the use of global celebrities for such campaigns.

In brief, negative information was found to have a significant influence on the credibility and attractiveness of celebrities. This effect was consistent across product categories and celebrities - enhancing the degree of external validity associated with this investigation to some extent. It was also found that the source of negative information did not have a significant impact on a celebrity’s attractiveness and credibility – suggesting all negative information can affect respondents similarly. Thus, any negative information will cause damage. This implies consumers hold a ‘kangaroo court’ by not giving full credence to the evidence provided. In this case, even a rumor leads to conviction and companies should be aware of the potential problems that such little negativity could bring.
References


The Daily Mail (2009). Don't let sponsor Motorola catch you using an iPhone, David Beckham! http://www.dailymail.co.uk/tvshowbiz/article-1189015/Dont-let-sponsor-Motorola-catch-using-iPhone-David-Beckham.html#ixzz1gRkGpM63
The Daily Mail (2011). Tiger Claws His Way Back: Disgraced Golfer Woods Lands His First Major Endorsement Deal Since Sex Scandal,
Appendix

Summary of the Rotated Component Matrix

<table>
<thead>
<tr>
<th>Factor 1: Attractiveness</th>
<th>Likeability</th>
<th>0.777</th>
<th>44.05%</th>
<th>3.52</th>
<th>0.81</th>
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<tbody>
<tr>
<td>Attractiveness</td>
<td>0.732</td>
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<td></td>
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<tr>
<td>Admirability</td>
<td>0.657</td>
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<td></td>
<td></td>
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<tr>
<td>Charisma</td>
<td>0.829</td>
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<td></td>
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<tr>
<td>Friendliness</td>
<td>0.713</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Factor 2: Credibility</th>
<th>Credibility</th>
<th>0.672</th>
<th>19.72%</th>
<th>1.58</th>
<th>0.74</th>
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</thead>
<tbody>
<tr>
<td>Trustworthiness</td>
<td>0.870</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Expertise</td>
<td>0.810</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

| Total Cumulative % of Variance Explained | 63.77% |
Table 1

*Impact of Negative Information on Consumer Perceptions of Celebrities*

<table>
<thead>
<tr>
<th></th>
<th>Mean Attractiveness</th>
<th>Mean Credibility</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before Negative Information</td>
<td>After Negative Information</td>
</tr>
<tr>
<td>Ms X</td>
<td>3.90</td>
<td>3.35</td>
</tr>
<tr>
<td>Mr Y</td>
<td>3.62</td>
<td>3.00</td>
</tr>
<tr>
<td>Mr Z</td>
<td>3.36</td>
<td>2.79</td>
</tr>
<tr>
<td>Total</td>
<td>3.63</td>
<td>3.05</td>
</tr>
</tbody>
</table>

$F=211.52, \ p=0.000$  

$F=314.51, \ p=0.000$
Table 2

*Impact of Negative Information across Product Category*

<table>
<thead>
<tr>
<th></th>
<th>Ms X</th>
<th>Mr Y</th>
<th>Mr Z</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attractiveness</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before</td>
<td>After</td>
<td>Before</td>
<td>After</td>
</tr>
<tr>
<td>Champagne</td>
<td>3.71</td>
<td>3.11</td>
<td>3.02</td>
</tr>
<tr>
<td>Crisps</td>
<td>3.14</td>
<td>2.91</td>
<td>3.54</td>
</tr>
<tr>
<td>Credit cards</td>
<td>3.15</td>
<td>3.15</td>
<td>2.84</td>
</tr>
<tr>
<td>F((p))</td>
<td>30.97(0.000)</td>
<td>2.10(0.124)</td>
<td>19.16(0.000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Ms X</th>
<th>Mr Y</th>
<th>Mr Z</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Credibility</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before</td>
<td>After</td>
<td>Before</td>
<td>After</td>
</tr>
<tr>
<td>Champagne</td>
<td>3.14</td>
<td>2.78</td>
<td>2.60</td>
</tr>
<tr>
<td>Crisps</td>
<td>2.47</td>
<td>2.40</td>
<td>3.30</td>
</tr>
<tr>
<td>Credit cards</td>
<td>2.73</td>
<td>2.38</td>
<td>2.37</td>
</tr>
<tr>
<td>F((p))</td>
<td>5.23(0.006)</td>
<td>2.36(0.096)</td>
<td>17.42(0.000)</td>
</tr>
</tbody>
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