



**THE IMPACT OF CELEBRITY ENDORSEMENTS ON CONSUMERS'
PERCEPTIONS OF THE NIKE SPORTS BRAND**

By

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DECLARATION

I Delwyn Pillay declare that

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Signed: 

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ABSTRACT

Celebrity endorsements are constantly growing and increasing in popularity in marketing campaigns and especially in the marketing of sports brands. The aim of this research is to study celebrity endorsements and to determine the impact it has on consumers' perceptions of the sports brands and the Nike brand in particular.

The sample size consisted of 378 students from UKZN. They completed the questionnaire comprising of 9 sections. The sampling method that was used in this study was the simple random sampling method. A probability sampling technique was used to achieve a higher generalisation of results. Section A of the questionnaire was based on the biographical particulars of respondents. Section B to Section I of the questionnaire pertains to questions dealing with the sub-dimensions of this study. The Validity and Reliability of the questionnaire was assessed using Factor Analysis and Cronbach's Coefficient Alpha respectively. Descriptive and Inferential statistics was employed to generate the results of the study.

The literature study revealed that celebrity endorsements play an important role in the marketing of sports brands, even though the cost of using a celebrity as an endorser is high. It also highlighted the importance of choosing the correct endorser for the brand. If the endorser behaves in a negative manner, this behaviour impacts on the perceptions that consumers have of the brand. Therefore marketers need to select their endorsers correctly. Marketers need to be aware that if a celebrity endorsement does not go according to plan, they need to know how to respond appropriately in order to prevent this from harming the image and perceptions of the brand in the minds of the consumers.

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LIST OF ABBREVIATIONS

ELM : Elaboration Likelihood Model

ROI : Return on investment

UKZN : University of Kwa- Zulu Natal

Chapter 1

Introduction and Overview of the Study

1.1 Introduction

This chapter will introduce the topic of this research which is “The Impact of Celebrity Endorsements on the Nike Sports Brand”. Furthermore, the essential aspects of the study such as the problem identification, the problem statement, the aim and objectives, the significance as well as rationale of the study also form part of this chapter.

An important aspect of a sports brands marketing campaign includes celebrity endorsements. According to McCracken (cited in Belch & Belch, 2012), a celebrity endorser is “an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement”. This helps the brand increase its awareness and popularity amongst its target market and the fans of that celebrity.

Sports brands use sports athletes that excel at a particular code of sport and one who has a favourable image. This is effective due to the fact that sports brands sell sportswear and apparel for various sporting codes. The public will see what brand their favourite sports star uses, and will want to buy that same brand. This element of a marketing campaign is generally a powerful tool to marketers, however if the celebrity is not chosen correctly or if he or she behaves in an incorrect manner, then it can have a negative effect on the brand.

The behaviour of endorsers causes people to develop perceptions of the respective brand. These perceptions may be positive or negative and these perceptions ultimately affect the revenue of that particular company. This will be analysed and discussed in further detail. The benefits of celebrity endorsements will also be discussed. It will be contrasted by the controversies surrounding celebrity endorsements that Nike has experienced in recent years. This study will also cover various cases where Nike faced diverse situations and it will also discuss how they responded from a brand point of view. Merits and demerits of

celebrity endorsement will be analysed in detail and this research also aims to show the impact of celebrity endorsements on consumers' perceptions of sports brands such as Nike, Adidas, Reebok and Puma.

1.2 Background of the study

In recent times, the use of celebrity endorsers or brand ambassadors has become more popular than ever (Sabunwala, 2013). Sports brands have the perception that endorsements are an attractive strategy to increase brand image, to change consumer's perceptions, and to build strong brand loyalty.

Sport stars transfer their image and character to the brand. This allows consumers to associate the celebrity to the brand. In order for the campaign to be effective, there are three characteristics that the endorser needs to convey to the consumers. According to Byrne, Whitehead and Breen (2003) these are; credibility, attractiveness and power, where credibility is denoted by knowledge, skills and expertise regarding the product or services attractiveness and comprises of familiarity, likeability and similarity, and power enables the endorser to affect the consumer. Celebrity endorsements are regularly used in the promotion of sports brands. By using sports stars as endorsers in the marketing of these sports brands, the corporation links the skills, attractiveness and attributes that are generally related with famous sports men or women (Sabunwala, 2013). These endorsements give customers something to relate to in that they purchase the specific product and find similarities with the endorsing celebrity.

Although previous research has been conducted concerning celebrity endorsements, there is limited literature and discussion about the impact of celebrity endorsements on consumers' perceptions of sports brands with particular reference to Nike (Hoekman, 2011). Even though it may be effective, it is important to test the impact on consumers' perceptions of the brand. It is also not known whether the negative publicity of celebrities can cause consumers to develop negative perceptions about the brand, thus affecting the demand for these brands therefore this study aims to assess this.

Therefore, the aim of this study is to determine the impact of celebrity endorsements on consumers' perceptions of sports brands with particular reference to Nike.

1.3 Focus of the Study

The study aims to explore the impact of celebrity endorsements on consumer's perceptions of the Nike sports brand. It will also explore the marketing reasoning for using endorsements as a marketing tool and discuss the effectiveness and possible consequences, if any, which could possibly occur.

The magnitude to which the demographics of consumers effect their perceptions of the Nike brand is also explored. This will illustrate the different impact that celebrity endorsements may have on consumers with different demographical backgrounds and it will also show how consumers of different demographical backgrounds develop different perceptions about the brand. Furthermore, Nike endorsers and their impact on the brand will also be discussed.

1.4 Rationale of the Study

Nike did not run any television commercials until 1982 (Americana Persona, 2008). Previously, they focused on sponsorships and celebrity endorsements. This comprised of professional athletes as well as college teams.

Tiger Woods, Oscar Pistorius and Lance Armstrong, who were all endorsers of Nike, have behaved in an improper manner. These incidents were brought to consumers' attention by various media. This negative behaviour of these celebrities might have caused consumers to develop a negative perception towards Nike. This may lead consumers to stop or decrease their purchases of Nike products and to purchase rival brands like Adidas, Reebok or Puma.

The impact of celebrity endorsements on consumers' perceptions of sports brands is a current topic as the number of athletes who significantly deviate from their image has increased, however athlete endorsements are very popular especially amongst sports

brands. According to Dimeed (2005), if behaviour like this constantly occurs from celebrities, consumers may develop negative perceptions about the brand. It is of interest to the researcher that if customers develop negative perceptions about the brand, how will this impact the brand and will the brand reduce or eliminate the use of celebrity endorsements.

1.5 Problem Statement

The purpose of this study is to explore the benefits of celebrity endorsements on sports brands and to examine the effect that it may have on these brands, while focusing on Nike in particular.

1.6 Research questions

The research questions underpinning this study are:

RQ1: What is celebrity endorsement?

RQ2: What are the positive effects of celebrity endorsements on sports brands?

RQ3: What are the negative effects of celebrity endorsements on sports brands?

RQ4: Is there a positive relationship between a celebrity's behaviour/ image and the sale of sports brands?

RQ5: Is the high cost associated with celebrity endorsements a justifiable investment for sports brands?

RQ6: Can a celebrity's behaviour significantly adjust the perceptions of a brand in the consumers mind?

1.7 Research objectives

The fundamental objectives of this study are to *inter alia*;

RO1: To understand the concept of celebrity endorsements.

RO2: To assess the positive effects of celebrity endorsements on sports brands.

RO3: To examine the negative effects of celebrity endorsements on sports brands.

RO4: To assess the relationship between a celebrity's behaviour and the sale of sports brands.

RO5: To ascertain whether celebrity endorsements are a justifiable investment.

RO6: To determine if a celebrity's behaviour can significantly adjust perceptions of a brand in the consumers mind.

1.8 Hypothesis

According to Welman and Kruger (2000:11):

“a hypothesis is a tentative assumption or preliminary statement about the relationship between two or more things that needs to be examined”.

Hypothesis 1

There is no significant relationship between the credibility of a brand and a consumer's likeness to purchase the brand.

Hypothesis 2

There is no significant relationship to show that celebrity endorsement is an effective marketing tool for brand recognition and brand recall.

Hypothesis 3

There is no significant relationship between negative behaviour and consumers perceptions of sports brands.

Hypothesis 4

There is no significant difference in the impact of celebrity endorsements on consumers' perceptions of sports brands between the age groups.

Hypothesis 5

There is no significant relationship on how consumers view an endorsed brand in terms of gender.

Hypothesis 6

There is no significant difference in the impact of negative behaviour of endorsers on consumers' perceptions of sports brands among the race groups

Hypothesis 7

There is no significant difference in the impact of negative behaviour of endorsers on consumers' perceptions of sports brands in terms of marital status.

Hypothesis 8

There is no significant difference in the impact of celebrity endorsements on consumers' perceptions of sports brands between the education groups.

1.9 Limitations of the study

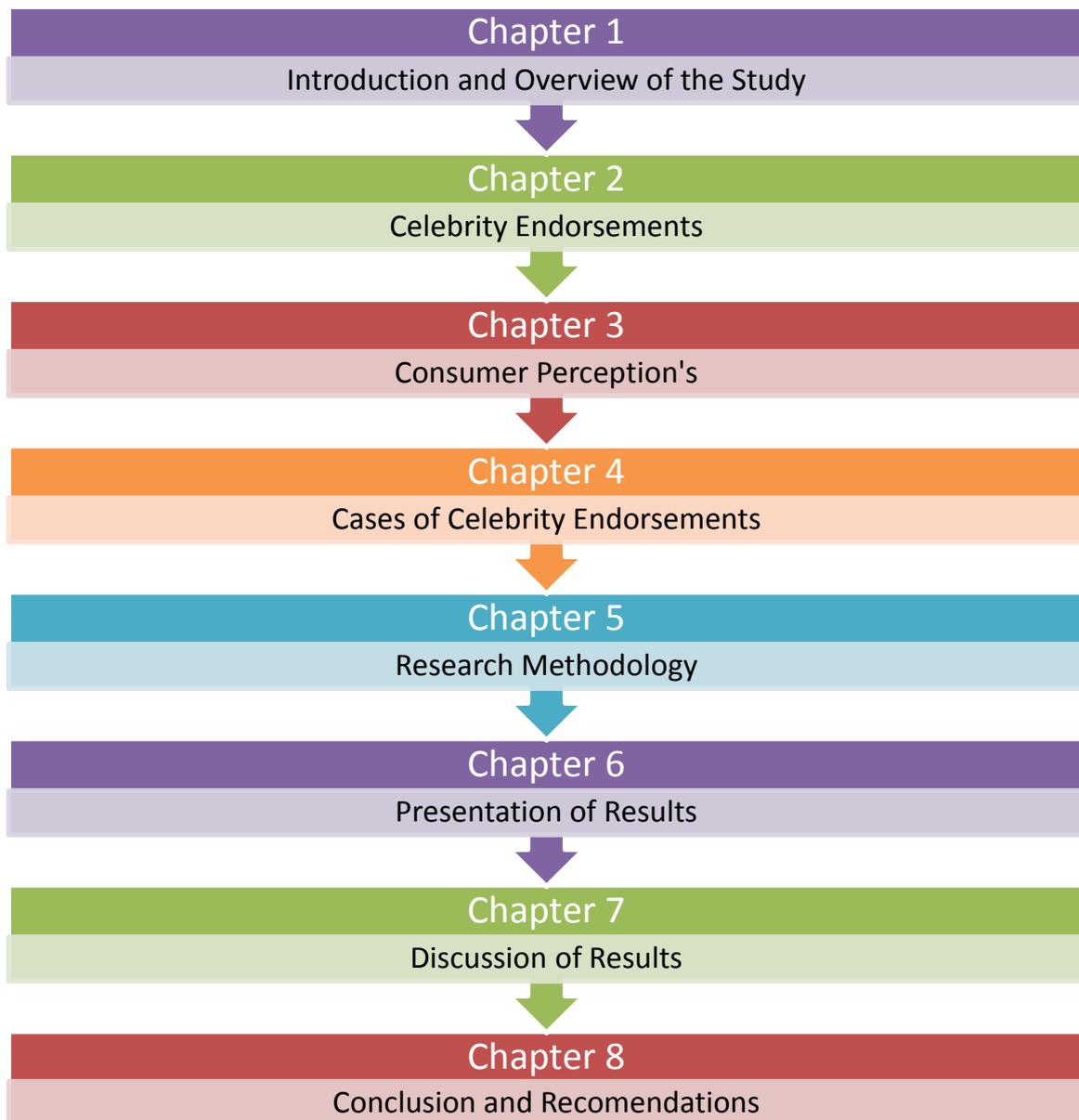
Research of any nature would experience certain limitations and this study is no exception.

The limitations of this research are as follows:

1. This study was conducted only at UKZN on the Westville campus due to time and financial constraints.
2. Due to the fact that this study was only conducted on one university campus, it may not represent consumers in other geographical locations.
3. There were only 378 individuals who were nominated to participate in the study and this amount may not be large or sufficient to be a correct representation of the whole population. In spite of the above limitations, it is safe to assume that the study still contributes significantly to the body of knowledge pertaining to celebrity endorsements.

1.10 Structure of the study

This research project is divided into 8 chapters and is structured as follows:



Chapter 1

The study will be introduced and the rationale will be explained. It will contain the research problem, which will be followed by the objectives, hypothesis and research questions for the study. The limitations will be outlined as well as a chapter by chapter overview of the study.

Chapter 2

It will follow by a literature review on the impact of celebrity endorsements. It will also provide the relevant theories regarding the influence of celebrity endorsements on the perceptions of consumers.

Chapter 3

The third chapter of the literature review will discuss perceptions of consumers. It will provide relevant theories and illustrate how endorsements are able to manipulate perceptions of consumers.

Chapter 4

The final chapter of the literature review will discuss cases of endorsers of sports brands. These cases will show how beneficial an endorsement can be and also how detrimental it could possibly be. Furthermore, it will also assist in showing the importance of endorsement management and assist marketers to react in the best possible way should an endorsement deal not go according to plan.

Chapter 5

The research methodology to be applied in the study will be outlined. This chapter contextualises the background as well as the objectives of the study. Furthermore it presents the research design and method to be implemented by discussing the sampling framework, data collection instrument and methods along with data analysis techniques to be implemented in this study.

Chapter 6

This chapter of the study will present the results of the research and will be illustrated with graphical representations for the sample that was used in the study. The results and correlations will be underlined by using descriptive statistics and inferential statistics.

Chapter 7

The penultimate chapter of the study will discuss the results that were presented in the previous chapter in detail. It will further zoom into the sub- dimensions of the study and the inferential statistics as well as the biographical variables of the study.

Chapter 8

The study is concluded by a providing a graphic overview of the research, emphasising the key findings of the study and challenges of celebrity endorsements. It will make recommendations which when executed correctly will have the potential to increase the impact of celebrity endorsements. Furthermore, it will make recommendations for future research. This will assist in managing and improving celebrity endorsements and ways to overcome the limitations in the research design will also be underlined.

1.11 Conclusion

In this chapter, this study has been introduced and an outline of what this research aims to achieve has been presented. It has provided an overview of the objectives and hypotheses, limitations of this research as well as a summary outline of each chapter in order to accentuate the influence and limitations of the study in terms of celebrity endorsement effectiveness. The following chapter focuses on a thorough discussion on the literature regarding endorsements in marketing and the impact of celebrity endorsements on consumers' perceptions.

Chapter 2

Celebrity endorsements

2.1 Introduction

According to Muthukumar (2014: 10), “A review of literature helps the researcher to have a detailed knowledge about the area of the study and enables him to get a clear picture of various aspects of study”. This chapter will review existing literature on celebrity endorsements, which will also assist the researcher to understand the various dimensions of the study. This will also assist the researcher to find gaps in this specific area of research and enable the researcher to fill gaps in this particular field of research concerned and also to provide possibilities of further research on associated facets of the subject of study.

This chapter aims to analyse and review literature on the impact of celebrity endorsements. It will also highlight the advantages and disadvantages of using celebrity endorsements. There are certain requirements that marketers need to look for in a particular celebrity in order for that celebrity to be an effective endorser for the product or brand, and these requirements will be discussed further.

In this chapter, incidents which have occurred with celebrities that endorse sports brands will be discussed and analysed. It will also provide the relevant theories regarding the impact of celebrity endorsements.

2.2 What is celebrity endorsement marketing?

According to McCracken (cited in Belch & Belch, 2012), a celebrity endorser is “an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement”. Furthermore, Friedman and Friedman (cited in Fang & Jiang, 2015:154) mention that “a celebrity endorser is an individual who is known to the public for his or her achievement in areas other than that of the product class endorsed”.

Celebrity endorsement is a marketing tool which uses the popularity and status in society of a famous individual to aid in the promotion of a product or service for a fee. Celebrity endorsement can take various forms, from a celebrity endorser featuring in marketing

campaigns for a product, service or to a celebrity endorser attending special occasions and using their names as part of the brand. These marketing campaigns can be done via television, radio, magazines, banners, flyers, newspapers, social media as well as physical appearances. Kim and Na (2007), mention that celebrity endorsement is often used in marketing to improve the efficacy of persuasive communication. Corporations use celebrities in their marketing campaign with the hope that consumers will develop a positive perception about the brand and have a positive influence on revenue generated (Mckinney, 2014).

Endorsement is an element of brand communication where an athlete or superstar takes the role as the brand's representative and endorses the brand's prerogative and position (Jain, 2011). This is when the celebrity extends his/her persona, attractiveness, and skill in relation to the product or brand (Roll, 2010).

Celebrity endorsements can have a major influence on a brand. Kotler *et al* (2009), mention that a celebrity endorsement can improve brand attitudes as well as the company image. If the endorsement deal works out correctly, the company would be able to improve their brand image and consumer's perceptions towards the brand. This will allow the company to increase their sales as well as their profitability. Marketers need to choose a celebrity carefully as the credibility of the celebrity is also vital in the endorsement affect. For an endorsement to be successful, the consumer needs to believe the endorser. This leads to the match up hypothesis as well as the meaning transfer model, which will be discussed later on in the study.

2. 3 History of celebrity endorsements

Using celebrities in marketing campaigns is not a new phenomenon as stated by Kaikati (cited in Sridevi, 2014). The first known endorsement deal was done by Pears Soap in 1893 (Muthukumar, 2014). This deal featured a celebrity who was a famous English actress, Lillie Langtry. Celebrity endorsements have been used since the late 19th century. The revolution of radio and television in the 1930's and 1950's was a catalyst to grow the popularity of celebrity endorsements. The opportunity for celebrity endorsement was then extended due to the emergence of cinema. However during that era, the supply of celebrities was limited because endorsement was viewed suspiciously by the public as mentioned by Kaikati (cited in Sridevi, 2014). Therefore marketers were restricted in finding celebrities that were perfectly suited to the brand (Erdogan, 1999). This situation evolved by the 1970's as celebrities who previously

refused endorsements, got pulled in by the feasibility of endorsements and this increased the supply of possible endorsers Thompson (cited in Muthukumar, 2014).

With the rise of television, embarrassment in commercial exploitation has faded. Therefore, a celebrity endorser becomes a great choice. In 1979, celebrity endorsers' use in marketing campaigns was estimated as one in every six campaigns (Malik and Sudhakar, 2014). By 1988, approximations were one in five (Muthukumar, 2014). By 1997, about 25% of all American commercials used celebrities as endorsers (Shimp, 1997). Additionally, from a British view, a report in Marketing (February, 1996) showed that marketing which used celebrities was vital to gain countrywide exposure. Erdogan (1999) mentions that using endorsers in marketing has reached a level where it can be regarded as a common marketing strategy.

2.4 Objectives of Celebrity Endorsement

According to Friedman, Termini, and Washington, (cited in Sridevi, 2014), there are generally four major objectives for any celebrity endorsed campaign namely:

- **Establish the product need**

Establishing the need for a product or service is the initial step to celebrity endorsed marketing. This is more commanding for a novel classification of products.

- **Create brand awareness**

Once the need for a product or service is known, customers should be able to associate the brand with the product category.

- **Set customer expectations**

Brand value stems from the customers experience with the product or service. If the product or service meets or exceeds customer expectations, then an optimistic brand image is formed, or else a pessimistic brand image may occur. Hence it is essential to set consumer expectations accordingly.

- **Create a Purchase Intention**

The final objective of celebrity endorsements is to create a purchase intention in the consumers mind. After establishing a need for a product or service, creating brand

awareness, and setting consumer expectations, it is important to create a purchase intention amongst the particular target market.

Furthermore celebrity endorsements can also be used to attract new consumers to a brand, increase the life span of a brand and also change perceptions of a brand. This study will focus on the later and illustrate how celebrity endorsements are able to change perceptions of brands in the minds of consumers.

2.5 History of Nike

Nike originated as Blue Ribbon Sports in 1964. Phil Knight, who was an athlete from the University of Oregon and his trainer Bill Bowerman established Blue Ribbon Sports. Bowerman and Knight started distributing Onitsuka Tiger footwear from their vehicles. Blue Ribbon Sports outgrew their joint venture with Onitsuka and also cut ties with the firm in 1971(Nike Inc.,

2014). Blue Ribbon Sports then began to produce their own styles and launched a new line of footwear. Blue Ribbon Sports changed its name to Nike in 1972 and the “swoosh” logo was created (Nike Repository, 2010). The name “Nike” was selected in reference to the Greek Goddess of victory (Americana Persona, 2008). In 1980, Nike became the international market leader in footwear, and held about half of the athletic footwear market (Nike Inc., 2014). Nike achieved this success through their strategic professional athlete endorsements.

In the 1980's, Nike had undergone an evolutionary period as they began developing footwear for Michael Jordan, who was the rising basketball icon of the era. The Air Jordan footwear line paved the way for product innovation and increased sales and awareness of the brand (Nike Repository, 2010). Nike re-claimed their market lead in 1989, as a result of effective marketing, and they have remained the market leader ever since. Nike currently uses social media to understand consumer behavior and they are able to protect their brand value by using strategic athlete endorsements (Euromonitor International, 2013).

2.6 History of Nike celebrity endorsements

Ilie Năstase, a Romanian tennis player was the first endorser to sign an endorsement contract with Nike, in 1972 (O'Reilly, 2017). Nike drew early media attention for sponsoring him as he was a foul-tempered tennis player. Using the counterculture sports person endorsement potential, Nike later associated itself with Charles Barkley soon after the NBA player was condemned for spitting on a fan.

Steve Prefontaine was the first track and field athlete to sign with Nike for \$5,000 in 1974 (Estiler, 2014). Under the guidance of Bill Bowerman, coach at the University of Oregon and Nike co-founder, Prefontaine became an aggressive and successful athlete using the Nike Montreal spikes and Boston flats (Estiler, 2014). Phil Knight also gave \$25,000 to ice skater Tonya Harding to assist her in paying her legal bills after the 1994 Winter Olympics scandal involving Nancy Kerrigan (Rossen, 2016).

Nike has signed agreements with top athletes in various codes of sports, such as; golf, football, basketball, boxing, baseball, tennis, skateboarding, cycling, track and field and Formula 1. One of Nike's best endorsement decisions was signing on basketball superstar, Michael Jordan as an endorser in 1984 (Rossen, 2016).

Nike created the Jordan brand in 1996, as a division of Nike. The Jordan Brand controlled 58 percent of the American basketball shoe market in 2012 and is universally considered as a leading brand for basketball footwear and apparel. Michael Jordan's endorsements have carried Nike to the top of the sneaker market and have inspired numerous brands, athletes, as well as sneaker designs (Rossen, 2016).

2.7 The History of Nike Advertising and Nike Brands

Nike did not use any television marketing until 1982. Previously, Nike focused on sponsorships and celebrity endorsements. This comprised of professional athletes and college teams.

Nike's closest competitor in the 1980s was Reebok. In order to differentiate themselves from other sports brands, Nike began marketing their footwear a fashion accessory. At the time Reebok had cornered youth in the aerobics market, so Nike began centering their marketing on

athletes wearing the product as opposed to marketing the product itself. This stimulated and grew the popularity of the use of celebrities in marketing campaigns of sports brands (Americana Persona, 2008).

Nike was successful and was able to increase their market share to 50% in the athletic shoe market in the 1980's. In the late 1980's, Nike personnel worked with an advertising agency by the name of Wieden and Kennedy. During the meeting, Dan Weiden spoke to the Nike team and said, "You Nike guys, you just do it." Hence the famous "Just Do It" tagline was born (Americana Persona, 2008).

The "Just Do It" marketing campaign was directed at Nike's regular target market, which is 18-40 year old males, as well as teens and females. This marketing campaign touched consumers on a comical level and tapped into the fitness trend happening at the time. The campaign convinced people into exercising, and when training to use Nike shoes and apparel. The Just Do it slogan was also selected by Ad Age Magazine as one of the top five advertising slogans of the 20th century (Americana Persona, 2008).

With the use of celebrity endorsements, in conjunction with the "Just Do It" campaign, Nike was able to reposition the brand. They were able to position the brand as a hip brand that consumers wanted to use when training or not. These endorsement deals were done with John McEnroe, Bo Jackson and Michael Jordan (Americana Persona, 2008).

Michael Jordan was an Adidas fanatic since his high school days. He desired to sign an endorsement deal with Adidas out of college however they did not offer him an endorsement. CEO of Nike, Phil Knight was eventually able to convince him to sign a deal with Nike. The Jordan I was released in 1985, in red and black to match the uniform of the Chicago Bulls. NBA Commissioner, David Stern, banned the shoe as the colour did not meet league uniform rules as they did not have sufficient white on them. Nevertheless, Michael Jordan continued to wear the shoes during games and was subsequently fined each time for wearing them. Nike fitted the bill for Jordan, and even constructed an endorsement campaign around the shoe banning. The Jordan I went on to generate over \$130 million in revenue in that season alone and Jordan went on to become regarded as the greatest basketball player ever (Americana Persona, 2008).

Nike sponsors a program for high school basketball players called Hoop It Up, as well as The Golden West Invitational which is for high school track and field athletes. Nike also contributes funds to the Let Me Play Fund which was named after a 1995 Nike advertisement. The Let Me Play Fund issues donations for sports equipment and uniforms (Nike Inc., 2014).

Nike sells equipment and apparel for different sports such as; Athletics, Football, Baseball, Tennis, Basketball, Cricket, and Skateboarding. Nike has various websites devoted to their respective target market such as Nikebasketball.com, Nikerunning.com and Nikefootball.com (Nike Inc., 2014).

Nike Inc. comprises of multiple divisions such as Nike Golf, Nike+, Nike Pro, Nike SB, Air Jordan, and Team Starter, with subsidiaries being Hurley International, Cole Haan, and Converse (Nike Inc., 2014).

In 2002, Nike launched Nike SB, which is their skateboard range, in an attempt to gain market share in the rapidly growing skateboarding market. Previously skateboarders used Nike basketball sneakers as they have a sturdy grip, offer good ankle support, and provide a great level of comfort. Nike markets their Nike SB products in skateboard magazines such as, Skateboarding Mag, Thrasher, Skateboarder, and Big Brother (Americana Persona, 2008).

Nike recently partnered with Apple to create the Nike+ range which connects the athlete's shoes to their iPod so that they can monitor their performance (Americana Persona, 2008).

2.8 Nike endorser range

For many of Nike's endorsers, Nike has come out with a unique product range in conjunction with the endorser. This has been effective as this allows the brand to target a specific target market. It also assists the brand in the marketing of the range as they already have an endorser to market that specific range. A partnership like this is beneficial for the endorser as well as for the brand (Americana Persona, 2008).

The endorser benefits financially as they will receive a percentage of the revenue generated from that product line and it also improves their personal brand image.

The company benefits as the endorser adds credibility not only to the product line but to the brand as a whole. It also allows the brand to extend its product range thus allowing them to increase market share and to increase profit margins as well (Americana Persona, 2008).

Nike has created a clothing line for Michael Jordan named Jordan. The Jordan brand has been very successful and is an elite brand especially in basketball. Lebron James also has a line of basketball shoes. Rodger Federer has a clothing line with Nike as well. It is known as RF and it is a tennis apparel brand. Tiger Woods has a range too named TW, and they sell golf apparel in the TW brand (Nike Inc., 2014).

The above partnerships and brands have been successful and beneficial to the endorser as well as to Nike. These endorsed ranges of brands are positioned and viewed as a premium range. They are able to target athletes of the various codes of sport directly, as well as fans of the endorser and also extend the Nike range (Americana Persona, 2008).

2.9 The effect of multiple product endorsements

Generally, a brand uses one celebrity as endorser for their product or service. However, celebrities can endorse several products for numerous brands.

An example of a Nike endorser, who is also a multiple product endorser, is LeBron James. His endorsement portfolio is made up of some popular brands, comprising of Nike, McDonald's, Coca-Cola, Beats by Dr Dre, and more. McCracken (cited in Muthukumar, 2014) mentions that "the celebrity endorser takes on meanings that carry from ad to ad, does endorsing multiple product affect those assigned meanings such that the consumer perceive the celebrity to be less credible and less likable". When a celebrity is an endorser endorses numerous products or brands, the strength of the endorsement is lost as the attitude and perception of the consumer will decrease (Muthukumar, 2014). Consumers will have the perception that the endorser is endorsing the product or brand just for the financial gain and not because he or she really believes in the product or brand (Belch & Belch, 2001). If an endorser is endorsing a single brand, this will allow the match-up congruence with the brand and the meaning transfer will be exceptional, hence there will be a positive effect when a celebrity is endorsing for one brand only.

According to Redenbach (2005), when an endorser is involved with four or more diverse types of brands, the expertise, trustworthiness, credibility and likeability of the endorser is influenced negatively. This will also affect the perception of the brand in a negative manner.

However according to Redenbach (2005), when a celebrity endorses multiple products, there are also positive effects that could stem from this. This could be the transfer of diverse positive characteristics of product images of diverse brands which could impact associated brands that have the same endorser. After a celebrity has an effective marketing campaign for a specific brand, the other brand that uses the same endorser can “piggyback” on the success of the campaign. By using multiple product endorsers, their association set increases as every celebrity has a different set of characteristics. In addition, when a brand uses multiple celebrities in collaboration, it becomes easier to effectively characterise a brand (Redenbach, 2005).

Therefore, the above literature supports many of Nike’s endorsers, as many of them are also endorsers of other brands. For example, Nike endorser, Roger Federer is involved with several long-term endorsements with other major brands such as Mercedes, and Rolex. Another Nike endorser, Cristiano Ronaldo holds endorsement deals with other companies such as Tag Heuer, Herbalife, Monster Headphones, Sacoor Brothers as well as his own clothing line CR7.

2.10 Types of Endorsements

Celebrity endorsements have many facets. A subtle amendment in the type of endorsement used can result in either being successful or failing. Celebrity endorsements fall into five broad categories:

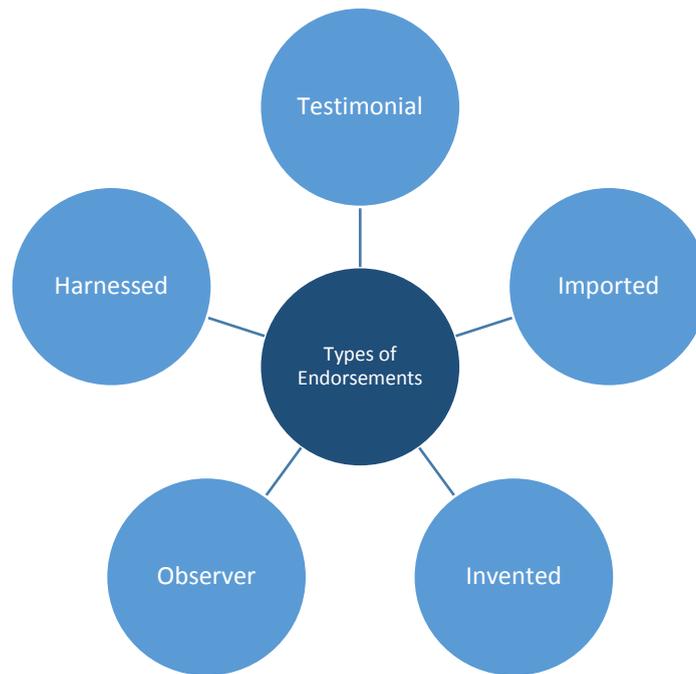


Figure 2.1: Types of Endorsements

Source: AdvertisingCrossing.com. (2016). Celebrity Branding. [online] Available at: <http://www.advertisingcrossing.com/article/170139/Celebrity-Branding/> [Accessed 9 Jun. 2017].

Figure 2.1 illustrates the various types of celebrity endorsements. There is a lack of literature that outlines the types of endorsements. However AdvertisingCrossing.com (2016) identifies the types of endorsements as illustrated above. These types will be outlined further.

2.10.1 Testimonial Endorsements

This type of endorsement occurs when the celebrity acts as a representative for the brand. The endorser will speak on behalf of the brand in order to promote a product or brand (Harris, Botten and McColl, 2008). This is a popular type of endorsement that companies use. It is beneficial for the company as the brand is endorsed by a celebrity as well as for the celebrity as they earn a great amount of money from endorsement deals (Duncan, 2017).

2.10.2 Imported Endorsements

In the imported endorsement type, the role of the endorser is imported to the endorsement. Hence the celebrity performs a role identified by the consumer (Harris, Botten and McColl, 2008). This occurs when the endorser will use the product or service and it is popular in the sport and fashion industry. Sports brands will pay athletes who excel in their particular type of sport to tell the world that they use that specific product or brand. Generally the company will work with public relation companies to make sure the endorsement is seen by millions of consumers (Duncan, 2017).

2.10.3 Invented Endorsements

When a brand uses an invented endorsement type, the celebrity plays a new, original role. It is basically referring to the type of endorsements that come from actors who are paid spokespersons (Harris, Botten and McColl, 2008). They would explain how great a product is, or are professionals dressed in correct attire talking about the great product or service on offer. The endorser has to be identified as actors in these advertisements, even if they are speaking the words of a real doctor, thus the influence of this kind of endorsement is considerably weaker than the others. Very few individuals watch an advert featuring an actor and think that the product or service will be as good as mentioned (Duncan, 2017).

2.10.4 Observer Endorsements

In the observer endorsement type, the celebrity undertakes the position of an observer commenting on the brand. These can be regarded as unpaid testimonials. Companies have the option of remunerating an endorser to write or mention something that can endorse their brand, but it's even better when that recommendation is totally free. This can happen in a various ways (Duncan, 2017). A famous blogger, professional, or celebrity, can mention something great about the brand. This can be done in an interview or on other platforms such as social media platforms.

2.10.5 Harnessed Endorsements

This is where the celebrity's image is incorporated with the campaigns storyline (Harris, Botten and McColl, 2008). An example of this was when Nike used celebrity endorsements, in conjunction with the Just Do It campaign. These endorsement deals were done with John McEnroe, Bo Jackson and Michael Jordan (AdvertisingCrossing.com, 2016).

2.11 Types of endorsers

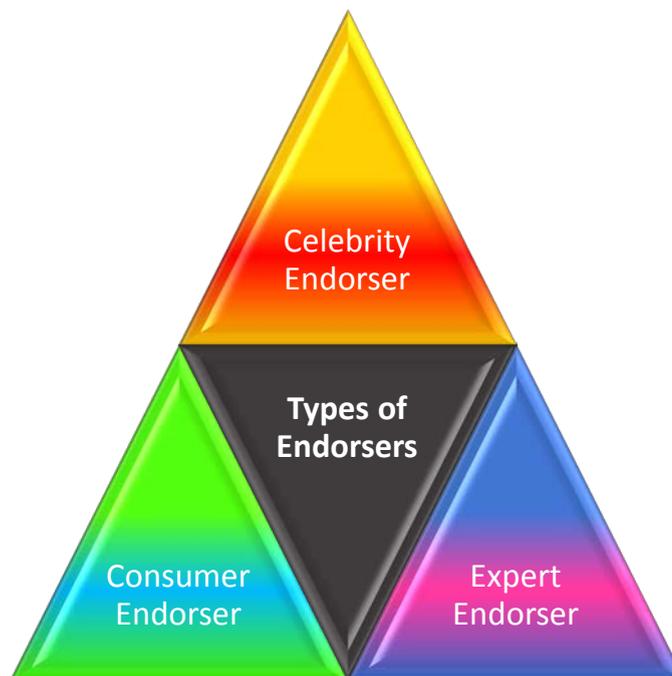


Figure 2.2: Types of Endorsers

Source: Adapted from Bruce, M., Moore, C. and Birtwistle, G. (2011). International retail marketing. London: Routledge, 3- 6.

Existing literature identifies three types of endorsers as illustrated in Figure 2.2. These are the regular consumer endorser, an expert endorser and a celebrity endorser (Bruce, Moore and Birtwistle, 2011). The types of endorsers will be further discussed, however due to the nature of this study, celebrity endorsers will be the focal point throughout the study.

2.11.1 Consumer endorser

The various types of endorsers as illustrated in Figure 2.2 have their distinct characteristics. Generally the consumer endorser will have the “similarity” characteristic (Bruce, Moore and Birtwistle, 2011). As endorsers, these regular consumer endorsers do not need any extraordinary knowledge of the product or brand in the campaign, other than the information gained through the use of the product or brand (Muthukumar, 2014). Generally when consumer endorsers are used, their name and profession is often included in the marketing communication. The impact of consumers as endorsers is primarily centered on the fact that on interpretation of the observed similarities, consumers feel an affinity with the endorser (Muthukumar, 2014).

2.11.2 Expert endorser

The next type of endorsers is an expert endorser. As the name suggests, the expert endorser has much expertise. This is a component of the “credibility” characteristic. Experts are perceived as credible as they ought to have a superior knowledge of the brand or product. This could be gained through different ways such as experience, usage or research. The knowledge of expert endorsers about products has additional value as opposed to that of regular consumer endorsers (Erdogan, 1999). Likewise with consumer endorsers, when expert endorsers are used, the marketing communication will generally mention their profession, in combination with the expert’s name (Muthukumar, 2014).

2.11.3 Celebrity endorser

The final type of endorser is the celebrity endorser. Celebrities score high on the “familiarity” characteristic. Familiarity is a component of the “attractiveness” characteristic. Additionally, celebrities are well known for their accomplishments (Muthukumar, 2014). According to Kaikati (cited in Nganga, 2013), different types of celebrities can be distinguished. There are the celebrities, such as actors and actresses, but the category can also include athletes, politicians, artists, writers and scientists. When the term celebrity is used in this study, it will generally refer to an athlete as an endorser. This is due to this study being centered on the Nike sports brand, and generally Nike uses athletes as their endorsers.

Celebrities, as endorsers, can feature in campaigns in various roles such as a spokesperson, an athlete and in the form of a testimony (Erdogan, 1999). McCracken (cited in Nganga, 2013), believes that all the above roles suit the celebrity as an endorser. Furthermore McCracken (1989) states that “Any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement”. This research will follow McCracken’s belief.

2.12 Classification of Celebrity Endorsers

Wigley (2016) has identified four types of celebrity endorsers as illustrated in Figure: 2.3. These types of celebrity endorsers are the:

- Fashion Celebrity
- Reality Celebrity
- Media Celebrity
- Entertainment/ Sports Celebrity

These types of endorsers are grouped by the recognition of the celebrity and the potential cost to the brand (Wigley, 2016). This study will focus on the sports celebrity endorser as this study deals with the impact of celebrity endorsements on consumers perceptions of sports brands and sports brands use athletes to endorse their brand so the sports celebrity endorser is pertinent to this study.

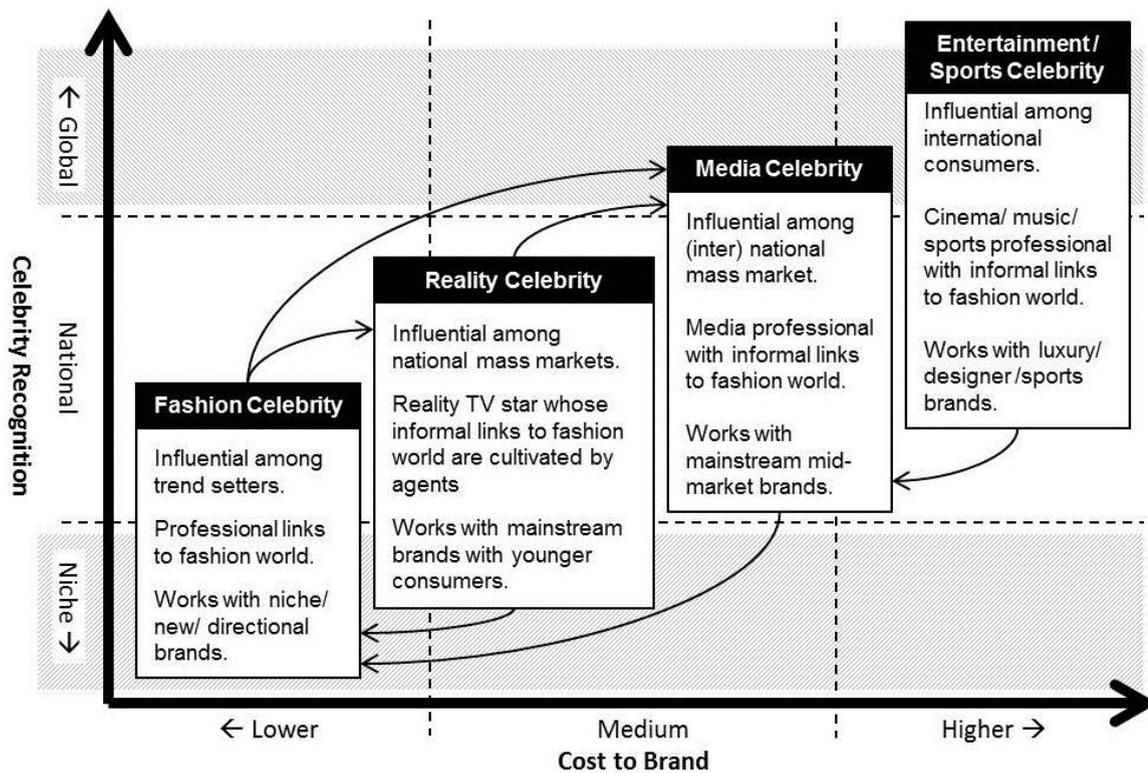


Figure 2.3: Classification of Celebrity Endorsers

Source: Wigley, S. (2016). An Examination of Contemporary Celebrity Endorsement in Fashion. University of Huddersfield, 24.

2.12.1 The Fashion Celebrity

These endorsers may have niche recognition amongst loyal fashion consumers, and their celebrity status could stem from their professional or semi-professional activities associated to the fashion industry. These endorsers could be journalists, stylists and bloggers (Wigley, 2016).

The fashion celebrity may not be universally acknowledged amongst mass-market consumers, however their prominence in the industry as innovators or trend-setters, allow them to have a substantial role as an endorser, particularly for smaller brands. Using the fashion celebrity may be reasonable as these endorsers may regard this as part of their standard activities. They will also be open to this as they will view it as a perk and this will give them an opportunity to advance in their careers (Wigley, 2016).

There are individuals with strong online presence on the various social media platforms such as Facebook, Twitter, YouTube, Instagram and Pinterest. These individuals' online

presence and style has allowed implicit endorsement without having the typical fame conventional celebrities may have.

2.12.2 The Reality Celebrity

The Reality Celebrity enjoys a greater recognition amongst consumers. Generally their fame is derived from spontaneous appearances on reality TV shows and the consequent development of a media profile and semi-professional activities (Wigley, 2016).

Endorsement by these celebrities may be fairly affordable as they may view an alliance as an equally beneficial opportunity to grow their media profile and to commercially benefit in the face of a possibly short-lived celebrity status. Companies using reality celebrities are likely to be mainstream brands targeting younger consumers (Wigley, 2016).

2.12.3 The Media Celebrity

The media celebrity may have national or gaining international acknowledgment amongst ordinary consumers, and their status may be resulting from professional activities in the media. An example of this may be TV presenters. Many of these individuals are likely to be more careful in officially working together with a brand, thus the cost of a media celebrity would be higher, as illustrated in figure 2.3. Brands using media celebrities are likely to be those brands catering to the midmarket (Wigley, 2016).

2.12.4 The Entertainment/Sports Celebrity

This celebrity may have national or international fame and their popularity is derived from achievement as an entertainer or sportsman. These individuals are likely to demand high remuneration for official endorsement. Brands most likely to use these celebrities would be well known brands with international recognition.

The classifications of each category in terms of cost and recognition are not absolute, and the diversity of consumers allows celebrities to effectively endorse even if they do

not fit perfectly into a particular category. This model is effective in illustrating how different endorsers could be used to fulfil different marketing objectives (Wigley, 2016).

2.13 Reasons for using celebrity endorsers

According to Liu, Huang and Minghua (cited in Muthukumar, 2014), one of the most effective ways of marketing is using an endorser to endorse a brand. The motivation for using celebrities as endorsers is centered on the great potential influence they have. There is a great amount of scientific literature on the motives for using celebrities in marketing campaigns. According to Belch & Belch (2001) some of the reasons that brands spend great amounts of money on celebrity endorsements are because celebrities have stopping power. They have the ability to draw attention to the brand, the advertising message and also to enhance message recall. Matched to other endorser types, well-known individuals attain a greater degree of attention and recall. Their ability to increase cognizance of a company's marketing, generates positive feelings towards a brand and is perceived by customers as more entertaining. Celebrities assist in the recognition of brand and to create a personality for the brand they endorse. Furthermore, celebrities with international popularity and recognition can assist overcoming cultural barriers in international marketing communications (Erdogan 1999). They are also able to create positive perceptions towards the brand. It is also said that celebrities also have the ability to have a positive influence on the feelings and perceptions of consumers as well as their purchase behaviour.

2.14 Merits of celebrity endorsements

There are various benefits of using celebrity endorsements, such as increasing brand awareness, influencing consumer purchases, attracting new customers and increasing the life span of the brand. These celebrity endorsement marketing campaigns can be used in magazines, newspapers, radio, television and social media (Mckinney, 2014). Popular celebrities and successful athletes generally work well as they generate a great amount of attention. Nevertheless, athletes and celebrities are the most effective when they endorse products or brands they are most likely to use. According to Suttle (2014), these are the advantages of celebrity endorsements and that is how they are able to promote a company or

brand. These endorsements, if managed correctly, can have a great impact on a brand. It is not only a powerful marketing tool that can increase revenue in the short run, but it can also improve brand image and manipulate the perceptions of consumers towards a brand.

The following are some of the merits of celebrity endorsements:

2.14.1 Influencing Consumer Purchases

Celebrities can greatly influence consumers purchasing decisions due to the affinity that certain consumers might have for a certain celebrity. Consumers might think that if a product is good enough for that particular celebrity, than it is probably good enough for him or her (Suttle, 2014). When products are used by celebrities, consumers view the product as a premium product. The perceived efficacy of the product is also increased.

This philosophy is often the motivation behind advertisements for sports apparel. Consumers will want to wear the same brand as their favourite athlete. They will also want to use the same equipment and the same brand as their favourite athlete (Suttle, 2014). Hence celebrity endorsements are able to influence consumer purchases.

2.14.2 Build brand awareness

When celebrities are used in marketing, they are able to build brand awareness. Celebrity endorsements are also known for building and increasing brand awareness much quicker than traditional forms of advertising. This is due to their popularity as consumers are able to recognize these celebrities. By recognizing the celebrity, consumers then become aware of the brand that the celebrity endorses (Suttle, 2014).

The percentage of people who are familiar with a particular brand is known as brand awareness. Sports brands use a great amount of money for exposure and to increase brand awareness Belch and Belch (2012). This illustrates that not only is it important to increase revenue, but it is also important to build brand awareness in the minds of consumers.

Global corporations such as Nike also use local celebrities in different countries (Suttle, 2014). For example, Oscar Pistorius was an endorser for Nike in South Africa. This is done

to attract the attention of local consumers in different countries. International brands also use local endorsers as consumers in that country may be able to identify with that particular athlete. The easier that a consumer is able to identify with the athlete, the easier it is to build or increase brand awareness.

2.14.3 Brand positioning

Many marketers use celebrities as a tool to position their brands. Kotler and Keller (2012) define brand positioning as “the act of designing the company’s offering and image to occupy a distinctive place in the mind of the target market”. By using an endorser, the corporation is able to position itself as a superior brand in the minds of its consumers Belch and Belch (2012). If a brand positions itself as a superior brand, they will be able to price their products at a higher level.

This will not only lead to an increase in the amount of sales but also increase the perceived value of the brand in the consumer’s perspective (Suttle, 2014). The perceived value of a brand is important and if a consumer has a higher perceived value of a product, they will be willing to pay a higher price for that brand or a particular product or service that is being rendered. When a brand is able to correctly position itself in a particular market, they are able to have a greater influence of that particular market.

2.14.4 Attract new consumers

Organisations are constantly faced with the challenge of attracting new users for their products. By using celebrities in marketing campaigns, this will appeal to current consumers as well as to those who have not used the brand before (Mckinney, 2014). It is important for brands to increase their consumer database. This is vital for the brand to improve its year on year growth and also increase revenue. This may also be effective in attracting consumers of competitors. In certain markets, consumers in that segment may be limited, therefore it would be effective to attract consumers from competitors. Celebrity endorsements are effective in this light as consumers of a competitor brand may like the celebrity and want to use a product or brand that a certain celebrity uses or is associated with.

Therefore endorsement marketing is effective as some people who constantly see their favourite celebrity in a commercial for a certain product or brand may be persuaded to try that product or brand (Roll, 2010). This is how brands are able to use endorsements and attract new consumers.

2.14.5 Increase life span of a falling brand

The use of a celebrity in a marketing campaign may also help to breathe life into a falling brand. Brands may choose to use a celebrity to endorse their brand when they are in the declining stage. Marketers may use celebrity endorsements as a tool when their brand is in the declining stages as the interest generated by the celebrity will raise awareness of the brand. A brand may have been popular with a previous generation or in a dying industry then these companies may also use celebrity endorsements to increase the life span of a falling brand or to increase their life span in a falling industry. For example, if a brand is no longer popular with consumers as it was before, the use of a celebrity endorsement in their marketing strategy may be effective to help gain awareness, create interest and excitement in consumers (Suttle, 2014).

2.15 Demerits of celebrity endorsements

According to Belch and Belch (2012), marketers understand the benefits of using celebrities like actors, musicians, popular figures, and athletes to endorse their brand and merchandise. Companies use celebrities as they have the ability to lure consumer's attention to their marketing campaigns. It is also the marketer's anticipation that the esteem, fame, and reputation that the celebrity has will influence customers' emotions and buying behaviour towards the brand that the celebrity is endorsing.

Endorsements connect two brands together. The company being endorsed is a brand, and other brand being the endorser. Once those two are working together, there can be severe consequences if anything does not go according to plan with each party (Erfgen, Zenker and Sattler, 2015).

Cotraviwat (2015: 3) states that “a celebrity is only as valuable as his or her public image, and if that image becomes tarnished in any way, it’s usually bad for business. Just as a celebrity has the power to attract individuals to a brand, he or she has the power to deter individuals all the same”.

When brand is involved with doing something wrong or illegal, the endorsers name may be tarnished, unless they remove themselves from the endorsement. If a company is providing false information about their products, involved in false advertising, or breaking the law in any way, it could tarnish the reputation of the endorser.

Correspondingly should the endorser do something wrong in their personal life or profession, the brand itself can be put in a predicament. This has occurred on numerous occasions with many brands including Nike. It is important that when this happens, the company responds immediately.

Nevertheless, many issues need to be taken into consideration when using celebrities as an endorser. According to Belch and Belch (2012), these include issues such as:

2.15.1 Overshadowing the product

Although a celebrity will draw consumer’s attention to the product or brand, consumers could focus their attention on the celebrity rather than the marketing message of the brand or product. This is also known as the vampire effect. Therefore marketers need to take cognizance of this. Marketers need to ensure that their message is still conveyed to the consumer whilst preventing overshadowing from occurring (Belch and Belch 2012). Hence, in a marketing campaign, it is important to place emphasis on the product or brand being endorsed and not the celebrity. If too much emphasis is placed on the celebrity, the vampire effect could occur (Erfgen, Zenker and Sattler, 2015).

2.15.2 Overexposure

People are aware that superstars endorse a brand as they are remunerated to do so. If a celebrity endorses more products, he or she will become over exposed and in turn lose

credibility. Furthermore when endorsers appear in many campaigns of different brands and products they lose their credibility and consumers become less receptive to them. Therefore, marketers need to ensure that the chosen celebrity does not endorse many other brands (Erfgen, Zenker and Sattler, 2015).

2.15.3 Target audiences' receptivity

Marketers need to pay attention to the target audience in order to determine if a celebrity is suitable for consumers in a particular market segment. For example, younger customers possibly will be more captivated by famous athletes and celebrities than mature consumers. When taking sports brands into consideration, it is important that they choose endorsers who excel in their particular sport and as well as athletes that are relevant to the target market (Belch and Belch 2012).

2.15.4 Risk to the advertiser

Marketers need to consider the risks involved in having their brand or products linked to a celebrity. Celebrity endorsement is a risk as these endorsers are only human and also do make mistakes. However, these mistakes can tarnish the name of the company. There have been various well known athletes and celebrities who were endorsing popular brands that have been involved in activities that were embarrassing to the corporations whose merchandise they were endorsing, such as golfer Tiger Woods, Lance Armstrong and Oscar Pistorious. If brands have the unfortunate experience of having an endorser behave in a negative manner, it is crucial that they respond to this, and more importantly to respond in the correct manner. This is important to prevent any further damage to the name of the brand, and also to show the public that the brand does not condone unethical behavior (Erfgen, Zenker and Sattler, 2015).

2.15.5 Matching the product, the target market, and the celebrity

Marketers need to make sure that the celebrity is appropriately matched with the image of the brand, the product and the characteristics of the particular target market. Perceived

characteristics of celebrities relative to the brand they are endorsing have been shown to be a significant factor that determines their effectiveness (Belch and Belch 2012).

Nike uses effective endorsers, and they chose to use Tiger Woods to endorse their golf range and not Nike in general. By doing this, they were able to match the product, the target market and the celebrity, hence allowing them to have one of the most significant sports endorsement deals in history (Erfgen. *et al*, 2015).

2.15.6 Return on investment (ROI)

ROI is one of the most important factors, an organisation needs to consider in respect of a celebrity endorser and what the ROI from using them is (Gunelius, 2012). Marketers use celebrities in order to grow awareness of their brand as well as their advertising. Nevertheless, these factors need to result in an increase in the amount of sales in order for the company to achieve a positive ROI from an endorsement deal.

According to Belch and Belch (2012), marketers will need to consider the above disadvantages of celebrity endorsements before using celebrity endorsements as a marketing tool in their promotional mix. It is the company's interest to choose the celebrity correctly otherwise this could impact on the sales revenue of the organisation (Mckinney, 2014). These negative factors may also lead consumers to develop negative perceptions about the brand. This will not only cause a decrease in sales in the short run, but impact negatively on the brand in the long term (Jain, 2011).

2.16 Selecting an endorser for a Brand

In order for brands to select a celebrity to endorse their product or brand, there are various factors that they need to take in account in order to make the correct choice and acquire the most suitable endorser. These factors will be discussed further and the factors that a celebrity endorser needs to have in order to be successful will be brought to the fore. In order to understand the elements of celebrity endorsement, this research project will look at the factors exemplified by Amos, Holmes and Strutton (2008).

Marketers need to be aware that different celebrities will achieve various things for a brand by being an endorser. Some marketers may choose the celebrity with more fans as more fans can translate into more consumers. This strategy may work in some instances, however it is not always the best plan of action. Marketers need to ensure that there is some sort of correlation amongst the celebrity and the brand. Therefore it is important to ensure that the endorser is not just some random celebrity (Cotraviwat, 2015).

Marketers need to also make use of social media when selecting an endorser. Social media platforms like Facebook, Twitter, Instagram, Pinterest, and Tumblr are vital resources to find who and what is currently trending. Brands can also use social media to check which celebrities its target market mentions. They can use this to assist them when choosing an endorser (Cotraviwat, 2015).

Furthermore, this research will use the source credibility model as well as the source attractiveness model as the basis for choosing the determinants for celebrity endorsement (Erdogan, 1999). These are the following determinants that marketers need to look for in a celebrity:

2.16.1 Credibility

According to Belch and Belch (1994), credibility is the degree to which the target market views the celebrity as having pertinent knowledge, skills, or experience and trusts the source to provide neutral, unbiased information. Hovland & Weiss mention (cited in Jain, 2011) that there are two significant facets of credibility which are expertise and trust. In addition, Ratneshwar and Chaiken mention (in Malik and Sudhakar, 2014) that source credibility refers to the perceived trustworthiness, objectivity and expertise of the source.

Athletes and celebrities are viewed as credible source of information and knowledge (Goldsmith, Lafferty and Newell, 2000). Erdogan (1999) describes the credibility of a celebrity endorser as the complete quantity of positive features that build and grow the acceptance of the message. In addition, Till and Busler (2000) revealed that the expertise of an endorser is more important than physical attractiveness to enhance attitudes towards the brand. Furthermore, Friedman and Friedman (cited in Erdogan, 1999) propose that consumers

are more probable to buy expensive and/or complex products or brands which are endorsed by experts rather than by general consumers due to the internalization process. Additionally, Erdogan (1999) mentions that, somebody who is viewed to be unrelated to the brand and its products, coming from a neutral objective source, is likely to be believed. Hence, the independency and the expertise of the celebrity endorser can be viewed more important than the trustworthiness of the celebrity endorser in shifting attitudes of consumers.

Celebrities receive substantial compensations which leads consumers to question their motives. Additionally, Solomon *et al.* (1999) makes mention of the credibility gap. This is the lack of credibility which is aggravated by situations where endorsers endorse products that they do not really believe in or do not even use. Ohanian (cited in Muthukumar, 2014) mentions that it does not matter if the endorser is an expert or not, but rather how the target consumer perceives the endorser is important. Therefore when the marketing message is conveyed by a perceived expert as well as an independent source, this will add to the credibility of the message and in turn influence purchase behaviour.

Credibility is a key determinant of celebrity endorsement. It is also vital when consumers have a negative perception towards a brand. The endorser should be able positively influence the consumers perceptions towards the brand (Goldsmith, Lafferty and Newell, 2000). It is also known that when athletes and celebrities have credibility, they are able to influence the acceptance of the message and the persuasion of it (Belch & Belch, 2012). Therefore marketers need to select a celebrity that is viewed as a highly credible source.

2.16.2 Expertise

According to Erdogan (1999), the expertise of a celebrity endorsement is “the extent to which an endorser is perceived to be a source of valid assertions” (Erdogan, 1999, page 298). Ohanian (1990) states that the celebrity does not need to be an expert in the field, however it is important that the consumers think and believe that the celebrity has expertise. Consumer’s actions in reaction to the endorser’s recommendations differ directly with the source’s perceived expertise level and the consumers’ level of agreement with those recommendations.

Endorsers, who are seen as a professional in a certain area, stimulate greater brand awareness than endorsers who are considered as non-experts. This in turn increases purchase intentions. Thus, the degree of celebrity knowledge will determine its value. The greater the amount of expertise a celebrity has will increase the effectiveness of the advertising message (Amos. *et al*, 2008). Conversely, Erdogan (1999) says that the amount of apparent celebrity expertise ought to forecast celebrity endorser effectiveness.

Although expertise has been shown to have a substantial and direct impact on perceptions as well as behavioural intentions, it is not the only aspect that should be deliberated in choosing a celebrity endorser.

2.16.3 Trustworthiness

The honesty, integrity and believability that an endorser has, is known as trustworthiness (Erdogan, Baker, Tagg, 2001). Trustworthiness is the amount of confidence consumers place in an endorser's commitment to transfer the assertions they consider the most Ohanian (1991). Freidman and Friedman (cited in Erdogan, 1999) consider trustworthiness to be the key dimension underpinning source credibility. Without trustworthiness, any other feature possessed by the endorser would be ineffective in trying to change attitudes. Hence, an endorser aiming to encourage an attitude change ought to project a trustworthy image.

Conversely, Ohanian (1991) disagrees with this claim. Ohanian (1991) supports that such characteristics such as attractiveness and trustworthiness are significant aspects in persuasive communication, they seem to have negligible influence in source credibility studies. Majority of celebrities are attractive, target consumers do not have a mind-set in which attractiveness is an influential aspect. In addition, with the extensive use of celebrities in marketing communication, target consumers do not associate a high level of trustworthiness with endorsers who receive revenue to promote a product. Hence, trustworthiness is not an imperative element of consumer's probability to purchase a product.

Ohanian (1991) debated that trustworthiness of an endorser had no connection with the buying intentions of the associated brand by the customer. When customers trust what endorser in conveying, the trustworthiness of the campaign is greater. Perceived endorser trustworthiness has also been revealed to produce a larger attitude change than perceived

expertise. Other literature also supports this in reiterating that there is a positive relationship between trustworthiness and effectiveness. Miller and Baseheart (cited in Muthukumar, 2014) discovered that an opinionated message from an extremely trustworthy endorser results in an effective attitude change, while a non-trusted endorser will be ineffective.

When a celebrity behaves in a negative manner, this reduces the credibility of that endorser. Hence this will have an undesirable influence on the brand image of the company as consumers will develop negative perceptions about the brand Ohanian (1991). There is widespread literature on celebrity endorsers, and it proposes that trustworthiness is a significant forecaster of the effectiveness of celebrity endorsements. The researcher disagrees with Ohanian and supports the theory of Freidman and Friedman (cited in Erdogan, 1999) as they consider trustworthiness to be the significant dimension underpinning source credibility.

2.16.4 Attractiveness

Attractiveness also involves concepts like knowledge, personality, lifestyle, physical performances and intellectual skills of endorsers (Erdogan, 1999). Athletes can be an attractive source as they are known in a particular code of sport and people have great respect for their accomplishments and are attracted to them. Generally physically attractive celebrities are used in endorsements, however there are superstars who are considered less attractive, but they do characterize the image the company wants to portray (Amos. *et al*, 2008). There are many attractive celebrities who endorse brands. An example of this is David Beckham for the Adidas brand. According to Hoekman (2011) many people are attracted to David Beckham. Males want to be associated with the football player and fashion icon, while females are physically attracted by his appearance (Hoekman, 2011).

Baker and Churchill (cited in Muthukumar, 2014) mention that attractive endorsers are more effective in transforming attitudes and views than unappealing personalities. They also lead consumers into developing positive stereotypes about the product or brand being endorsed. Erdogan (1999) mentions that attractiveness does not simply mean physical attractiveness only, but rather any qualities that a consumer might observe in an endorser such as their athletic ability or personality. However, the expertise of the endorser is more significant than physical attractiveness in changing attitudes towards a brand. Muthukumar (2014) states that

attractive endorsers are effective in positively changing attitudes towards a brand, however their ability to create purchase intentions is uncertain.

2.16.5 Similarity

Similarity can be described as an imaginary similarity between an endorser and the receiver of the message. If the endorser and the consumer have factors in common like lifestyles or interests, the consumer will be able to relate to the advertising message (Erdogan, 1999). Consumers are easily influenced by endorsers who are similar to them. This is why corporations choose endorsers based on their characteristics that match the brand and consumers (Belch & Belch, 2001). Marketers are able to increase the level of persuasiveness in their advertising campaigns by using similarity.

2.16.6 Likeability

Likeability of an endorser refers the way consumers feel towards a particular celebrity (Mowen and Minor, 1998: Muthukumar, 2014). It is also the degree to which the endorser is seen as conducting themselves in a manner that matches the wishes of consumers that perceive him or her. Therefore celebrity endorsers are likeable since they behave or adopt beliefs that are alike to those of the target audience (Mowen and Minor, 1998: Muthukumar, 2014). McGuire (1985) illustrates that when consumers like a celebrity, they will also like the associated brand. Therefore celebrities play a pivotal role in marketing. Celebrity endorsers are able to influence the consumers buying behaviour and their attitude (Belch & Belch, 2012). Marketers believe that celebrity endorsers are able to influence the consumer's perception of the company's image.

Research also suggests that the likeability of a campaign is one of the most important factors of brand likeability followed by brand attitude. The likeability of a brand is also affected by the likeability of the endorser. In addition, consumers incline to brands that are associated with celebrities they admire. Likeable endorsers are able to increase attention towards a brand and in turn are able to increase brand liking, hence allowing them to have a substantial impact on the purchase behaviour of consumers as well as their loyalty towards the brand (Mowen and Minor, 1998).

12.16.7 Familiarity

Familiarity is the hypothetical connection as information and knowledge that an endorser retains via publicity (Erdogan, 1999; Belch & Belch, 2012). With regards to celebrity endorsement, familiarity has been defined as “knowledge of the source through exposure” (Erdogan 1999). Marketers need to consider to what extent are their target market familiar with that particular celebrity. If they are well acquainted with that celebrity, there will be a greater and positive effect. When a consumer is familiar with a celebrity and more exposed to them, they will like the celebrity more. This is known as the exposure effect. Furthermore, consumers who are more familiar with an endorser and are more exposed to an endorser will inevitably like the endorser more. This is known as the mere exposure effect (Erdogan 1999).

2.16.8 Celebrity Meaningfulness

A celebrity can be regarded as a cultural symbol. Celebrities personify a host of connotations in consumers’ minds. By linking celebrities with brands, companies are able to transfer those messages to products. Hence, when a celebrity endorses a product in a marketing campaign, consumers form perceptions, and the cultural message of the celebrity is transmitted to the product. Finally in the consumption phase, the cultural meaning is transmitted from the product to the consumers (Mowen and Minor, 1998).

2.17 The match-up similarity with the product

According to Cooper & Forkan (cited in Hoekman, 2011) research illustrates that the match-up similarity amongst the endorser and the product or brand is of major significance. According to Kamins (1990), there has to be a significant association, or match up, between the celebrity, the consumer and the product.

Furthermore, research points out that marketing a product with a celebrity who has a fairly great product congruent image, leads to greater marketer and celebrity trustworthiness than if you were comparing it to a less congruent product/celebrity image (Kotler, 1997). The Product Match-Up Hypothesis, which mentions that messages transferred by image of the endorser and the product message should be corresponding to achieve an effective campaign

(Kamins 1990). A predictable fit or match should exist amongst the association and the product.

Additionally, there also needs to be a connection between the target consumer and the celebrity. It suggests that an endorser, whom the target consumer recognizes, insures the ultimate possibility of attaining a permanent attitude or behaviour change. Therefore, a consumer who recognises a well-known endorser is more probable to duplicate behaviour that is represented by that celebrity.

Basil (1996) suggested that the greater the identification, the more probable the consumer will view significant characteristics in the endorser. Daneshvary and Schwer (2000) propose that the consumers' identification with the celebrity and their perception of its credibility will positively impact on their purchase intention. Erdogan (1999) mentions that the importance of product match-up research has remained on the suitable match amongst an endorser and a product centered on celebrity physical attractiveness.

In addition, the match-up premise forecasts that attractive endorsers are more effective than their counterparts.

When an endorser has a moral image and is appropriate to the product and the brand, this will lead to increased trustworthiness. It is of great concern to marketers that the endorser matches up with the desired brand image of the organization and the advertising message of the organisation (Erdogan, 1999).

The endorser that is used must be seen in the eyes of the public as linked to the product or brand they endorse. The greater this link is, more consumers will be receptive to the message conveyed (Daneshvary and Schwer, 2000)

2.18 Celebrity endorsers versus non-celebrity endorsers

When choosing a celebrity to endorse a product or brand, companies can create a spokesperson or choose a celebrity (Muthukumar, 2014). A company who uses spokespersons may have better control on their progress through giving them features that are both effective with the target consumer and corresponding with appropriate features of the endorsed product or brand.

On the contrary, companies who use a celebrity as an endorser have restricted control instead companies have to choose endorsers whose features make them effective with the target consumer and whose personality aligns with the specific product or brand. Tom *et al*, (cited in Muthukumar, 2014) showed that created endorsers were more effective in congruity with the endorsed product or brand than a celebrity endorser.

Consumers learn the link amongst the unconditioned stimulus which is endorser and the conditioned stimulus which is the product through repetitive exposure. This connotation is greater with a made up representative than with a celebrity endorser. The association is weak amongst a celebrity endorser and the product as there are other connotations, although the relation in terms of a spokesperson is stronger due to the exclusive association (Muthukumar, 2014).

Mehta (1994) mentioned that there were no substantial transformations in perceptions to the brand and purchase intent towards the endorsed brand amongst celebrity and non-celebrity endorsement cases. However, there are variances in cognitive responses among target consumers. In non-celebrity cases, consumers concentrated more on the brand and its features while in celebrity cases, consumers concentrated on the celebrity in the campaign.

However, Atkin and Block and Petty, Cacioppo, and Schuman (cited in Nganga, 2013), mentioned that celebrity endorsers created greater positive attitudes towards marketing and greater purchase intentions as opposed to a non- celebrity endorser. Additionally, research carried out by Agrawal and Kamakura (1995) confirmed the efficacy of usage of celebrity endorsers in terms of an economic worth perspective. Erdogan (1999) mentioned that celebrity endorsers are more effective than non-celebrity endorsers in attaining desirable results comprising of perceptions towards marketing and the endorsed brand, purchase intent, and actual sales. This is true for companies that use celebrities who have not endorsed products previously and celebrities whose personality matches with the product and target consumer.

Regardless of the attractiveness of celebrity endorsers, many campaigns using such endorsers do not live up to their anticipation (Miciak and Shanklin, 1994). This negative information about a celebrity will be kept in consumers' minds and to a certain extent, transmitted to the endorsed brand.

Previous studies have been conducted to determine whether or not celebrity endorsers are more successful at transforming marketing attitudes, brand perceptions, and purchase intent than non-celebrity endorsers. Celebrities are effective in order to create awareness, change perceptions, gain attention of consumers and convey prestige to a brand, and may reassure higher recall (Erdogan, 1999).

However non-celebrity endorsers' images are produced and fine-tuned by the brand, thus, their features, characters, and engagements can be guaranteed to correspond with the image of the brand. Furthermore, since these live or animated non-celebrity endorsers are held by the company, it is virtually impossible for them to endorse any other brands (Burke, 2017).

Hence, celebrity and non-celebrity endorsers have advantages, which perhaps clarify the inadequate findings in academic research. Prior research found that celebrity and non-celebrity endorsers impact on marketing attitudes, brand perceptions and purchase intent do not differ (Mehta, 1994), although other studies have found that non-celebrity endorsers or created endorsers have a greater impact than celebrity endorsers, and other studies have found that celebrities are more effective than non-celebrities at generating positive perceptions and increasing purchase intent (Nganga, 2013). This study aims to investigate the impact of celebrity endorsers on consumers' perceptions so the findings from Atkin & Block, 1983; Petty, Cacioppo, & Schumann (cited in Nganga, 2013), are pertinent to this study.

2.19 Endorsements in the age of social media

With the ongoing evolution of social media, marketers need to take cognizance of the developments in this industry. This is an important factor as social media is now a pillar for developing brand perceptions.

Before social media revolution, a typical endorsement deal with an athlete would comprise of various traditional executions (Burke, 2017). Previously the endorsement contracts would have required endorsers to attend specific events, as well as to allow the company to use their image for a product or the brand. However, many big name brands are no longer as likely to sign an all-inclusive deal with an endorser as they previously would have done. These companies are rather looking to leverage off celebrities social media assets (Jatto, 2014).

Celebrity endorsements are no longer what it used to be. Previously the endorser would just appear in marketing campaigns and be the face of the brand. With social media, endorsers are now taking a much deeper level of involvement (Jatto, 2014). This is due to the fact that the public now have the opportunity to engage with the endorser. Consumers also have much more information available to them. By using social media, the public are now a part of the endorser's life as they know what is going on in his or her life (Burke, 2017).

Social media therefore brings many opportunities for marketers, but also there are many factors that need to be taken into consideration. With celebrities using many social media platforms, they have millions of fans following them on these various platforms (Foong and Yazdanifard, 2014). This provides marketers with the opportunity of easily reaching a large target audience. If the celebrity is closely tied with the brand, when consumers interact with the celebrity on social media, indirectly this allows them the opportunity to interact with the brand. Also they would know that, that particular endorser should be effective as it would be directly targeting those endorser's particular fans (Burke, 2017). Therefore the audience should be more receptive to the marketing campaigns involving that particular celebrity.

Celebrities are often posting pictures on social media, and their fans want to live a similar lifestyle as them. By having a celebrity endorser, it is not difficult to show the public that, that particular celebrity is using your brand. This is effective as it will allow the public to develop a positive perception of your brand. It will not just assist in increasing revenue, but it would assist in long term growth of the company (Foong and Yazdanifard, 2014).

Companies can now use celebrities in social media campaigns. Previously, the company would have had to sign an endorsement deal with them, but now they can purchase their social media assets. They can use the endorser's social media accounts as a conduit to consumers for a fraction of the cost (Jatto, 2014).

This marketing trend is a win- win situation in that it allows the company to reduce costs, and it also limits the level of responsibility imposed on the endorser. Therefore it offers both parties a quick in-and-out arrangement (Foong and Yazdanifard, 2014).

However, if something goes wrong with the endorsement, social media is a catalyst for the endorsement to go drastically wrong.

2.20 Future of celebrity endorsement

Celebrity endorsements are constantly changing and evolving. This change is vital in order to keep celebrity endorsements relevant so that consumers can relate to them. A major development that has had an impact on celebrity endorsements is that of social media. Social media has shaped the beginning of the future of celebrity endorsements.

In today's society with the revolution of digital and social media, there's a new type of endorser, which is the social media celebrity (Burke, 2017). These are attractive individuals with many followers online, equivalent to superstars and actors. They have blogs online or/and vlogs. They are always posting online and they are a trustworthy source from the consumer's point of view. The concept of using social media celebrities is the same as using any other celebrity, to transfer his or her personality to the product or brand. However, consumers view the social media celebrity as an ordinary individual of the public, hence this could be viewed as word of mouth marketing (Jatto, 2014). These social media celebrities may be susceptible to scandals as other celebrities, therefore also making them a safer option to consider.

Celebrity endorsements will always remain relevant if they are adapted and the developments that may have an impact on it are taken into consideration.

2. 21 Conclusion

This chapter of the literature review has illustrated the importance of celebrity endorsements in the marketing of sports brands. Marketers use athletes and celebrities to build brand awareness, attract new consumers and to create a positive image of the brand in the consumers mind. When choosing an endorser, marketers need to select the endorser carefully. The endorser needs to match up to the particular brand.

When an endorser is selected, they represent the brand. If the endorser behaves in a negative manner, this behaviour impacts on the perceptions that consumers have of the brand. The following chapter will discuss consumer perceptions and provide an in-depth analysis of the perception mechanism of a consumer. It will also explore the models on Consumer's Perceptions.

Chapter 3

Consumer's Perceptions

3.1 Introduction

This chapter will discuss and analyse existing literature on consumer's perceptions and provide an in-depth analysis of the perception mechanism of a consumer. It will also explore the relevant models on consumer's perceptions such as the Meaning Movement and Endorsement model and the Elaboration Likelihood model.

This will assist the researcher to understand the impact that celebrity endorsements have on the perceptions of consumers. It will also help the researcher to contribute to this specific area of research concerned and provide possibilities of further research on associated facets of the subject of study.

3.2 Perceptions of consumers

Perreau (2013), states that perception is the development where a consumer chooses, arranges and understands the information they obtain in order to make correct decisions. Schiffman and Kanuk (2004), describes it as "the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world". Furthermore perception may be described as the ability to derive meaning. Derivative of the word perceive, it denotes to the ability of adding significance to whatever is distinguished by our sense organs. This is the process where an individual interprets their sensory impressions to give meaning to them.

In biology, perception makes reference to the senses that any creature uses to gather evidence about its surroundings. Wade & Tavriss (1987) mention that the senses conforming to the human sense organs have been classified as: vision, hearing, taste, touch and smell.

Walters & Bergiel cited in Enev, Ibrahimi and Hartmann (2014) carry on the biological perspective by clarifying that our sense of smell and taste are our olfactory senses due to the fact that our senses of smell and taste are so narrowly intertwined. Furthermore, they state that

individuals also distinguish in a kinesthetic style and in a vestibular mode (through our internal organs).

However, in marketing, when referring to a consumer, perception refers to more than just the biological usage of sense organs in individuals. It comprises of the way stimuli are interrelated and combined by the consumer.

There are several definitions in literature clarifying perception from a marketing perspective, however Walters *et al* cited in Enev, Ibrahim and Hartmann (2014: 65) offers precise clarity on the topic by defining perception as “The entire process by which an individual becomes aware of the environment and interprets it so that it will fit into his or her frame of reference”.

A consumer’s perception at any particular time may determine a brand image of a company. Brands want consumers to view the brand in a positive manner. In order to achieve this, they may use an endorser in order to project a positive image of the company. By projecting a positive image of the brand, this will filter into consumers’ minds, hence influencing them to develop a positive perception of the brand (Schiffman and Kanuk, 2004).

In order to understand perception, one needs to understand the nature and characteristics of perception. The following characteristics of perception as mentioned below will aid in the understanding of perception (Schiffman and Kanuk, 2004).

- Perception is a complicated development. After the sense organs detect a stimulus, the perception development begins and encompasses the interaction of three processes, namely, selection, organization and interpretation.
- The perception process is also an intellectual process as it contains a lot of mental effort. Once awareness occurs, the perception process comprises of the selection, organization and interpretation of information.
- Perception is extensive in nature. It comprises of a physiological element through consciousness, as well as sociological and psychological elements.
- The Perception process is also a biased process as different individuals might perceive the identical stimuli in a different way. Individuals may be subjected to the same

stimuli, however the way in which they choose them, organise and interpret them is different. This difference is due to various factors such as personality, culture, values, education, experiences, motivation, as well as lifestyles.

Depending on the customer's experiences, principles and individual traits, he or she will have a different perception of the same brand.

3.3 Perception Mechanism of a Consumer

The perception mechanism of a consumer can be structured into three categories as illustrated in Figure 3.1:

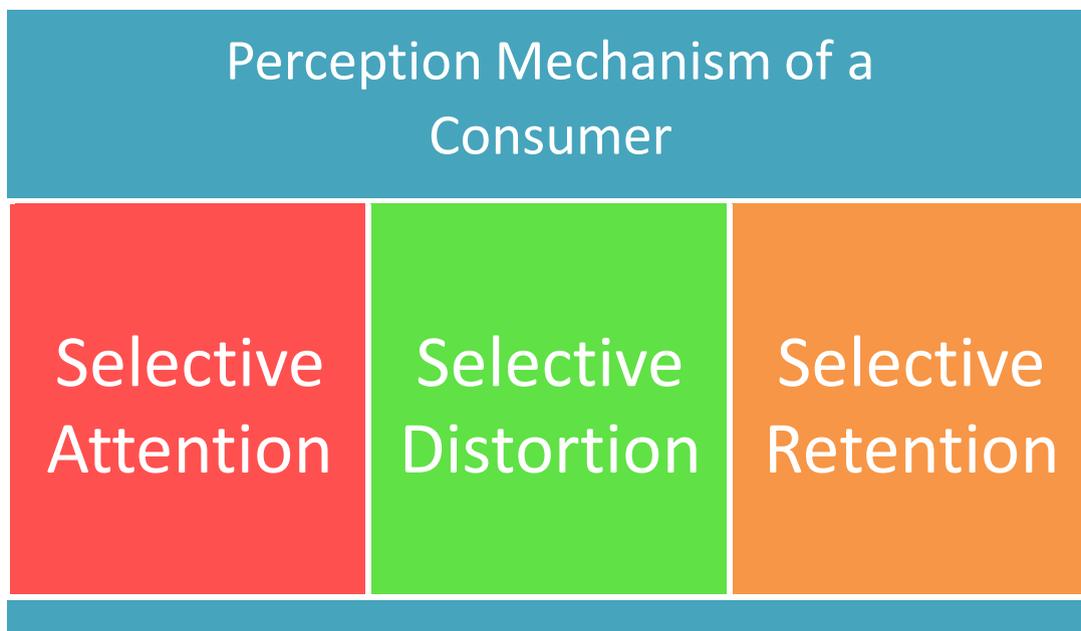


Figure 3.1: The Perception Mechanism of a Consumer

Source: Adapted from Perreau, F. (2013). The 4 factors influencing consumer behavior. [Online] Theconsumerfactor.com. Available at: <http://theconsumerfactor.com/en/4-factors-influencing-consumer-behavior/>, 1.

3.3.1 Selective Attention

The consumer focuses only on a part of information which they are exposed to.

The information to which the customer is more sensitive to depends on the individual.

For sports brands and marketers to effectively capture and retain the attention of consumers is progressively challenging. For example, certain consumers in the target

audience may overlook a celebrity endorser and not pay attention to the product he or she is endorsing.

The level of attention differs according to the activity of an individual, and various other stimuli an individual is exposed to in a particular environment. For example, if an individual is bored at a particular time, he or she will be much more receptive to a new marketing campaign. This is the stimulus that breaks the monotony (Perreau, 2013).

A consumer will also be more receptive to stimuli concerning their needs. An example of this will be if a consumer is looking for new sports equipment, he or she will pay more attention to sports brands advertisements, while neglecting those for vehicles.

Consumers are more attracted to stimuli that are new and different (Kotler, 1997). Marketers of sports brands could therefore look at changing an endorser over time.

3.3.2 Selective Distortion

In various circumstances, different individuals will not interpret information or stimuli in the same manner. Every individual will have their own perception which is centred on his or her experience, feelings, opinions and attitudes. Selective distortion leads consumers to interpret situations in order to match them with their beliefs and values.

Therefore the message that brands want to communicate will not be perceived in the same manner by all customers and they will all have different perceptions of the brand. It is therefore important to find out the consumers perception of a brand on a regular basis.

Brand image and perception of a company plays a vital role in the way a consumer identifies and rates the product (Erdogan, 1999; Belch & Belch, 2012). Experiments have shown that if an individual is given the same product, he or she will like it more when they are told it's from a brand they like as opposed to a brand they do not like. Likewise, consumers will attach less value to a product of a brand for which they have a negative perception for (Perreau, 2013).

3.3.3 Selective Retention

Consumers are not able to recall all the material and stimuli they are exposed to. What an individual will store and retain from a particular stimulus is known as selective retention. Individuals lean towards remembering information that will go together with their existing beliefs and perceptions.

Consumers will recall the benefits of a product from a brand they like and forget the benefits of a product from a competing brand (Erdogan, 1999; Belch & Belch, 2012). Selective retention also explains the reason why marketers use so much repetition in their marketing campaigns. Selective retention can help a brand to be ranked first in a consumers mind (Perreau, 2013).

3.4 Consumers' perceptions of sports brands that use endorsements

Consumers perceive brands that use celebrity endorsements to be superior to other brands. The reasoning behind this is that consumers think if a brand is good enough for a celebrity; it will be good enough for them (Lombard, 2007). Consumers of all ages may perceive the endorsed brand to be better. If a consumer likes a certain celebrity or sports player, he or she will automatically take a liking to the brand or product that that particular celebrity is endorsing. Younger consumers may develop a liking of the brand due to the popularity of the celebrity. Consumers generally want to wear and use the same brand as their favourite sports star (Belch & Belch, 2012; Erdogan, 1999).

These are some of the reasons that motivate marketers to continue to use endorsers for their brands. However, marketers are not able to control the behaviour of the celebrity. When a celebrity endorser is chosen, they are chosen on the pretence that they will carry themselves out appropriately. This is not always the case and when celebrity endorsements do not go according to plan, it can have many repercussions for the brand (Lombard, 2007).

3.5 Theory underpinning the study

One of the theories underpinning this study is The Meaning Movement and Endorsement model. This model will be discussed in further detail.

The Meaning Movement and Endorsement model

The Meaning Movement and Endorsement model helps to illustrate why celebrity endorsements are effective. This model was developed by Grant McCracken in (1989), as he felt that credibility and attractiveness were not sufficient to explain how and why celebrity endorsements work (Belch & Belch, 2012). Figure 3.2 illustrates a diagram concerning several endorser qualities that are important to adults.

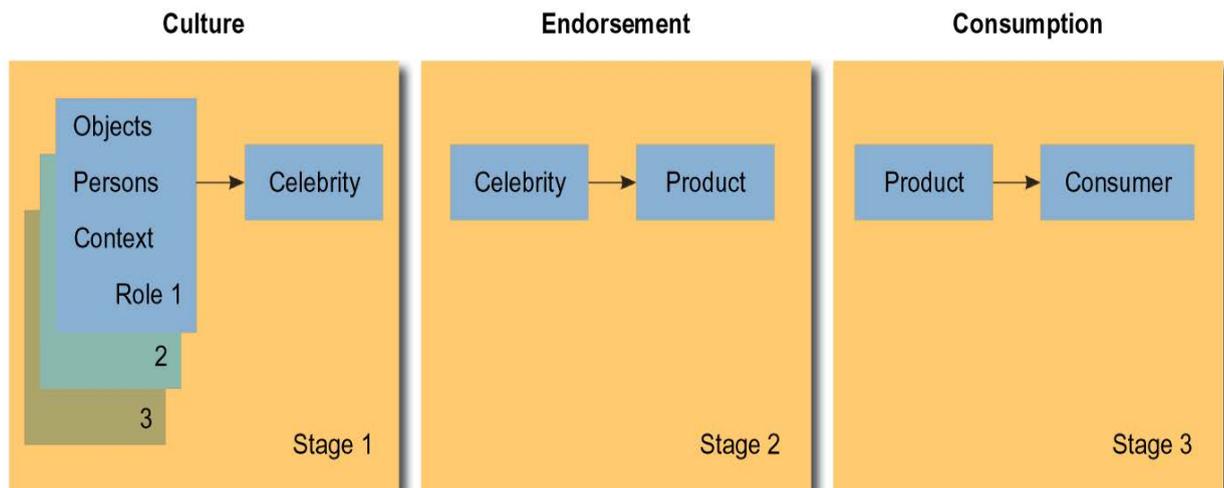


Figure 3.2: Meaning Movement and Endorsement Model.

Source: Adapted from Belch, G. and Belch, M. (2015). *Advertising and Promotion*. Boston: McGraw-Hill Education, 196.

According to the Meaning Movement and Endorsement Model, a celebrity endorser's success is dependent on the culturally acquired meanings he or she conveys to the endorsement process. In this model, there are three stages of meaning movement:

- **Stage 1** – In this stage, endorsers draw these connotations from the roles they assume in their acting, singing, sporting, and other careers. Every role brings the superstar into interaction with a range of objects, individuals, and circumstances.

With endorsements, commercials have contact to a group of individuals from the culturally constituted world that is differs from the general public. Celebrity endorsements also make this group of individuals in charge of comprehensive and significant connotations. Celebrities have social recognition and an exclusive reputation. This allows them to be able to convey a more comprehensive meaning compared to unfamiliar endorsers. They are influential in media, however the message conveyed is not difficult to find. This is due to their unique identity, outstanding from their roles that they are famous for. They utilize the meaning with a memorable impression. Due to their career specialty, in which this research will focus on endorsers with a sports career, every point in playing their respective sport allows them the opportunity to contrast to a different group of objects, people and context. This is also a process of the meaning movement and endorsement model, that new properties will be resided within the celebrities. Therefore, when they are seen in a marketing campaign, these properties will then be conveyed to that specific brand or product that is being endorsed (McCracken, 1989).

- **Stage 2** – In the second stage, the superstars and athletes convey their connotations and appearance into the campaign and transfer them to the brand they are endorsing.

In theory, an endorser is selected based on a preferred meaning decided by the corporation. The properties of the meaning and a product or service must be matched. Corporations can choose what kind of properties patrons are looking for. They then need to find a closely matched endorser to characterize this. Conversely, this is impossible for companies to be able to do. They can only rely on a “*very general rendering*” of “*what meanings are available to them*” (McCracken, 1989, p. 316).

Marketers should identify and convey these connotations to a particular product or service when the selection of the endorser is completed. The marketing campaign ought to include all the meanings desired to be acquired from the endorser, specifically the prominent meanings. Only the envisioned message to be conveyed should be captured.

Unwanted messages should be kept out of the suggested set by adding it into campaigns with people, objects and contents which have the similar meaning as the endorser. All these are prominent message reminders that help the consumers to get whatever message they expect from the endorser. Marketing campaigns generally transfer endorsers to a new role instead of purely conveying meaning of the endorser. There must be an association between the product or service and the endorser in order to have a high resemblance. This will allow marketers to transfer the meaning delivered to consumers, into reality because of existing similarities.

- **Stage 3** – In the final stage of the meaning movement and endorsement model, the connotations the endorser has given to the brand are transferred to the target market.

This stage describes the progression of how celebrity endorsement makes the properties of a product or services become the properties of target consumers. This is the most complex and demanding stage compared to the prior two. We live in a material world, and people are always trying to discover and search for products and services with practical meanings. Those meanings surely are beneficial in assisting these individuals to furnish aspects of the self and the world. As these meanings exist everywhere in the world, these people have been continuously putting effort in probing for the meanings they need. However, by merely possessing an object, the meaning cannot enter the customers mind and self automatically as this is not adequate for patrons to realize the meaning of an object. They need to use the consumer good in order to possess the meaning.

McCracken (1989: 310) stated that “*celebrities play a role in the final stage of meaning transfer because they have created the self*”. Through diverse characteristics and perspectives in their particular career, celebrities have received a lot of attention and reputations in the first stage of the model. The self-created by celebrities is attractive from a consumers point of view. These celebrities have set an exemplary and desirable role model for the general public. Consumers move the symbolic properties of consumer goods lives as this allows them to build up their aspects of their world and the self. Celebrities definitely give the consumer goods some kind of character in the meaning transfer process. Hence, consumers also want to process the character attached to the products, since they appreciate the connotation and are keen to form their individual characteristics of the world and the self by having celebrities as a reference.

In this material world, celebrities are just a minor group of people compared to everything else. They are exceptional from other people and so they can be regarded as super consumers of a kind.

However, the Meaning Movement and Endorsement Model would not happen automatically. It requires assistance from the celebrity to the company, as well as from the other individuals involved. If the concept in the marketing campaign cannot be comprehended by consumers, the use of celebrities in the marketing campaign is ineffective. As consumers are the last stage of the process, they should be able to find the association amongst the endorser and the product or service in order to complete the process (McCracken, 1989). The Meaning Movement and Endorsement Model illustrated how the process begins from a celebrity to the consumer. This model not only described what functions a celebrity endorser holds in the endorsement deal, but it also compromises the shortfalls of “source credibility and source attractiveness” models (McCracken, 1989), which is highly pertinent to this study due to the nature of this research.

The Meaning Movement and Endorsement Model have various significant implications for organisations using celebrities to endorse their product or brand. Marketers need to decide on the image they want to convey. They also need to determine which celebrity can best characterise the image to be portrayed. The marketing campaign must be designed so that it captures the connotation of the celebrity in the brand and is able to transfer this meaning from the product to the public.

The Meaning Movement and Endorsement Model aids organisations to handpick the celebrity that best matches the message or brand image that the company wants to portray. This model will allow the researcher to measure whether a campaign is able to transfer the meaning to the product and finally to the consumer.

3.6 The Elaboration Likelihood Model

The Elaboration Likelihood Model as illustrated in Figure 3.3 was designed by Richard E. Petty and John Cacioppo in the 1980s (Petty & Cacioppo & Schuman, 1983). It is also

known as the ELM and defines how present attitudes and perceptions can be transformed and assumes that when a consumer receives an advertising communication, they begin to process it. In the ELM, there are two paths that can be taken, one is the central route to persuasion and has high involvement of consumers. The other route is the peripheral route to persuasion. In this route there is a low involvement of consumers. This model is a two-process model of the responses to marketing stimuli (Hoekman, 2011). The ELM describes the formation of perceptions and attitudes depending on the level of involvement (Belch and Belch, 2015; Petty & Cacioppo & Schuman, 1983).

This model in Figure 3.3 illustrates the process of the marketing campaigns leading to persuasion by manipulating perceptions and attitudes of consumers. The development of perception is subtle to the amount of elaboration, the processing and pertinent information (Hoekman, 2011). The ELM model involves high and low involvement. High involvement shows that the individual reasons wisely about the choices they make and evaluation of it. It also takes into account the qualitative level of arguments. Low involvement specifies that individuals do not think carefully about the decisions they make and evaluate their decision around simple positive or negative signs. This model is a function of two key essentials which are the motivation as well as the ability to process the message (Belch and Belch, 2015; Petty & Cacioppo & Schuman, 1983).

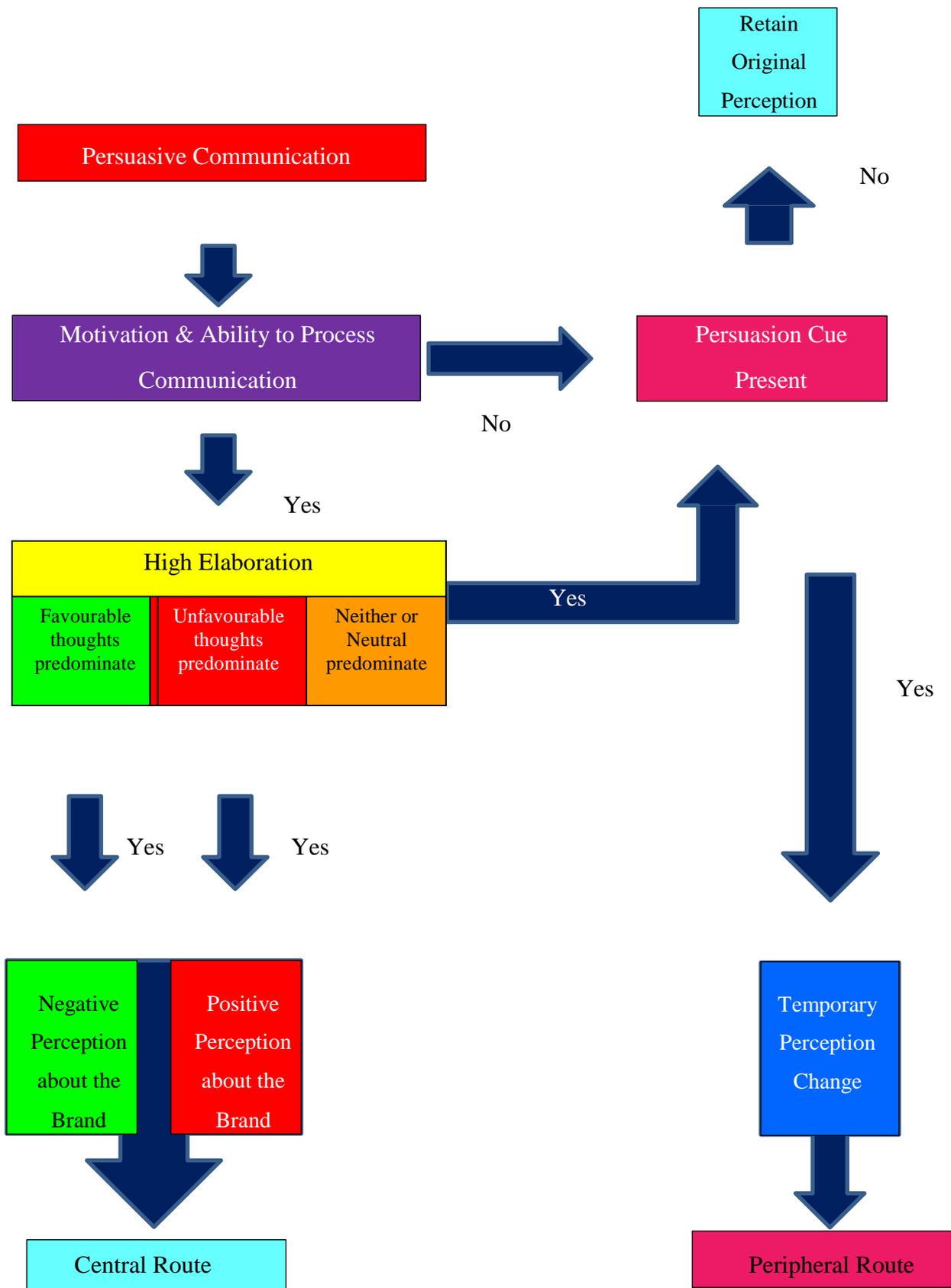


Figure 3.3: The Elaboration Likelihood Model.

Source: Adapted from Belch, G. and Belch, M. (2015). *Advertising and Promotion*. Boston: McGraw-Hill Education, p174.

3.6.1 Process of the ELM

When an individual receives a message, they begin to process it. When a consumer is motivated and has capability to process the message, the high elaboration route will be followed. When a positive image prevails, the central route will be followed and there will be positive change in perception. When a negative image prevails, the central route will also be followed and a continuing negative perception change will be the outcome. When a neutral thought prevails, the persuasion cue present will be the significance. In a situation where there is no ability and motivation to process the communication, the existing persuasion cue will be the outcome. If there is no persuasion cue present, the original perception will be retained (Hoekman, 2011). If there are existing persuasion cues, the peripheral route shall be followed and a temporary change of perception will be the result (Petty & Cacioppo & Schuman, 1983; Solomon, 2006).

3.6.2 Central route

According to Petty & Cacioppo (cited in Hoekman, 2011), when motivation and the ability to process the communication are high, an individual will be influenced via the central route and a lasting perception change will be the result. That is if those individuals are persuaded by endorsers who are appropriate for the image of the brand. Credible endorsers will be highly influential for the brand as stated by Petty & Cacioppo (cited in Hoekman, 2011).

3.6.3 Peripheral route

When motivation and the ability to process the communication are low, individuals will be influenced via the other route which is the peripheral route. A temporary perception change will be the outcome of this. That is if consumers will be persuaded by cues which are not directly pertinent to the message. Consumers will form perceptions by using heuristics, or by rule of thumb. Physical attractiveness of the endorser will be persuasive (Belch and Belch, 2015).

The Elaboration Likelihood Model has significant implications for marketing communication, particularly with the involvement of potential consumers. If involvement level of the particular group of consumers is high, the marketing communication should have strong influences that are difficult for consumers to counter-argue. When the particular group of consumers have a low level of involvement, the role of peripheral cues becomes increasingly significant as the target audience is more likely not to pay a great amount of attention to the argument rather they can be influenced using individuals or themes that have a positive connotation in that target audience.

Belch and Belch (2015) mentions that the success of an endorser in a campaign depends on the level of involvement of the receiver. When there is an audience of high involvement, using an endorser does not have an impact on brand attitudes as they focus on the arguments made, not on who is giving them. In situations of low involvement, celebrities can serve as a peripheral cue which allows the receiver to develop positive perceptions based on feelings towards the endorser rather than looking into deep consideration of the message conveyed.

This study will use the ELM as a framework to assess and understand the underlying mechanisms describing the relationships between endorser, and consumer perceptions towards marketing campaigns. This model will be used in this study to understand the persuasiveness of celebrity endorsements and to study how celebrity endorsers affect perceptions of consumers about a brand.

3.7 How do consumers' perceptions impact on the sales of the brand?

When celebrity endorsements go well, they are able to influence consumers and they are able to portray a positive perception of their brand. When brands are viewed in a positive light in the minds of a consumer, they are able to increase sales easier. Their marketing campaigns also become more effective. Therefore it is vital that marketers ensure that their brand is always viewed in a positive manner in the consumers' eye.

If they have the unfortunate experience of having an endorsement deal not going according to plan, it is important that they respond in the correct manner. This will help them protect the image of the brand thus preventing negative perceptions to be developed by the consumer. Although it will not totally prevent negative perceptions being formed, it will definitely help in showing the public that the brand does not want to be associated with negative behaviour. By doing this, it would be easier to manage their sales. This will also prevent a huge decline in sales, even if they do experience a decline in sales.

When celebrities behave in a negative manner, the media publishes this information. The public are exposed to this information on a constant basis. The repetition of this information will lead consumers to automatically develop a negative perception about the brand (Chung, Derdenger & Srinivasan, 2013). The endorsed products that consumers once liked will no longer have the same effect. According to Chung, Derdenger and Srinivasan (2013), these products will no longer have the same desirability. Therefore consumers will begin to purchase less of that product or stop purchasing that endorsed product. Furthermore, the negative perception which would have developed in the minds of consumers will cause the sales of the brand to decrease. Chung, Derdenger and Srinivasan (2013), mention that in the Tiger Woods scandal, it was observed that even though there was a total positive effect on the endorsement, the negative publicity caused a decline in the profit and sales of the Nike brand.

Even if a celebrity only endorses a particular product of a brand, if a controversy occurs, this will harm the overall image of the brand. This will ultimately lead to a decline in sales.

3.8 Conclusion

It is important for marketers to consider the impact that celebrity endorsements has on the perceptions of consumers. Marketers use athletes and celebrities to build brand awareness, attract new consumers and to create a positive image of the brand in the consumers mind. When choosing an endorser, marketers need to select the endorser carefully. The endorser needs to match up to the particular brand. If the endorser behaves in a negative manner, this behaviour impacts on the perceptions that consumers have of the brand. If a celebrity endorsement does

not go according to plan, marketers need to react correctly and appropriately to the situation. It is important that marketers ensure that consumers have a positive perception of their brand as it is directly correlated to the sales of that brand. A positive perception also ensures long term growth for the brand.

The following chapter will outline cases of celebrity endorsement deals of sports brands and it will further analyse some of Nike's endorsement deals.

Chapter 4

Cases of Celebrity Endorsements

4.1 Introduction

In this chapter, incidents which have occurred with celebrities that endorse sports brands will be discussed and analysed. It will include cases on other sports brands and focus on Nike. These cases will highlight what went wrong in the endorsement deal, how the company reacted and the impact it had on the brand. It will also compare the different endorsements among the different brands. Therefore this will assist marketers in the future when using endorsements. It will also assist to remedy an endorsement deal should the endorsement not go according to plan.

4.2 Cases of celebrity endorsements of sports brands

Celebrity endorsement deals of different sports brands will be discussed and analysed below.

4.2.1 Adidas – David Beckham

David Beckham is perhaps the single most iconic footballer of this generation, and he has had many endorsement opportunities throughout his career. He was probably the first footballer from Europe to take his brand name to next level. After signing with Real Madrid in the summer of 2003, he signed a deal with Adidas that guaranteed him just over \$160 million and earned a percentage of the profits for all his own branded Adidas gear (Ruthven, 2011).

Beckham has been sponsored by Adidas since 1997. Since leaving Manchester United in 2003 and joining Real Madrid, apart from playing for England, Beckham has not been seen on a soccer field in any other brand. He has a lifetime endorsement deal that will pay him millions of dollars and most likely generate more for the company. Furthermore, whenever Beckham had to decide on where to play next, Adidas has been there (Ruthven, 2011).

Paris Saint-Germain (PSG) was willing to pay David Beckham \$18 million to sign a deal with them when his contract with Los Angeles Galaxy was expiring. PSG has no doubt about what it expected of Beckham. It is not just what Beckham can do on the field that attracted the French

club, but what the Beckham brand can do for them. Beckham is commercially aware and is known as an Adidas endorser. PSG needed to consider this as they play in Nike jerseys. However Beckham signed the deal with them and Beckham and Adidas had to tolerate the UEFA's Kit Regulations (Ruthven, 2011).

This is an interesting point as even though he was an Adidas endorser, he still chose to play for PSG and wear a Nike jersey. Even though he wore a Nike jersey, Adidas still tolerated this and kept him as an endorser as he was so effective as an endorser. This is also one of the cons of celebrity endorsement known as overshadowing, however the pros outweighed the cons and this was one of Adidas' biggest endorsement deals at the time.

4.2.2 Puma – Usain Bolt

Usain Bolt is one of the most popular Olympic sprinters of all time, with six gold medals to his name. His exceptional career successes have sky rocketed his net worth to \$60 million.

Bolt came on the global scene at the 2008 Beijing Olympics, where he set world records in the 100 Meters and 200 Meters events, while also leading his country to a gold medal in the 4x100 men's relay in record time. His only sponsors at Beijing were Puma and Digicel, a mobile phone company. That changed soon after his memorable performance (Ruthven, 2011).

German sportswear company, Puma is Bolt's largest sponsor, and they have sponsored him since 2003. This endorsement was to help the Puma brand to keep up with rivals like Adidas and Nike. In 2013, he signed a deal worth an estimated \$10 million per annum to remain with Puma through to the 2016 Olympics. After retirement, he is now paid \$4 million per year to be a Puma endorser. "I have always been very happy to be a part of the Puma family, I am proud to represent them and delighted to continue with them for the years ahead," Bolt mentioned in a statement (Ruthven, 2011).

Puma CEO, Bjorn Gulden, renewed Bolt's contract as one of his first priorities after the company ended their sponsorship of the Oracle Americas Cup sailing team as well as the European rugby union. He mentioned that Bolt will be a perfect endorser for Puma in future product concepts as well as brand communications in the Olympic Games and beyond.

Puma, which is controlled by the French group Kering, has undergone a decline in sales and profits after concentrating on fashion apparel rather than running shoes and other sports gear. Kering has critiqued Puma in the past for not making enough of its endorsement deal with Bolt. This criticism later turned to social media which later drew a lot of reactions.

Bolt is currently ranked 88th on the Forbes list of the world's best paid athletes, the richest track and field athlete (Ruthven, 2011).

Puma wanted to drop Bolt as an endorser for their brand as he did not train often, and Puma believed that this was not his full potential and also Usain Bolt was also young at that time. However, Puma believed in him and decided to keep him as an endorser. Bolt has been one of Puma's best endorsement deals. By partnering with Bolt, this allowed the company to address the issue of the decline in sales and profit as well as to refocus the brand towards sports apparel.

4.2.3 Reebok

Following in the sneakers of Gigi Hadid, Ariana Grande is the latest endorser to join Reebok (Feitelberg, 2017). As part of the yearlong partnership, the pop star will be used for social media purposes and other campaigns. Grande's massive social media following of about 113 million on Instagram alone was no doubt a selling point with Reebok. One of the first images features her wearing an oversize white sweatshirt emblazoned with Reebok logo and white Reebok sneakers. Since the signing, Grande has been in the center of Reebok's global marketing and digital efforts, according to a Reebok spokesman. While there's no disputing that performing concerts is physically grueling, the four-time Grammy nominee has shown a different kind of steeliness one of them being in June 2017 when she returned to Manchester to perform a benefit concert, two weeks after the bombing that occurred after one of her concerts.

Apart from Grande, Reebok also shot a commercial that included hip-hop stars 50 Cent and Jay-Z. Reebok then signed a deal with 50 Cent to create a signature footwear collection, which was just six weeks after Reebok enjoyed a great sales accomplishment with a similar shoe line for Jay-Z. The signing of 50 Cent was also a result of 50 Cent being the hottest rapper in the business back then, having sold more than 5 million copies of his debut CD, "Get Rich or Die

Tryin". The campaign for 50 Cent's shoe line, called the "G-Unit Collection by Rbk," was controlled by Omnicom Group's Arnell Group (Feitelberg, 2017).

The endorsements with 50 Cent and Jay-Z became the first two non-athletes to attain personal footwear deals with sports brands. Reebok saw this as good opportunity since most of its rivals like Nike, Adidas and Puma focused heavily on successful athletes as endorsers. Reebok hoped that the use of music icons as endorsers will give them a market advantage with the youth audience. (Thomaselli, 2003).

Reebok took a completely different route on celebrity endorsements as all of their competitors use sportspersons and athletes. This is how Reebok has chosen to differentiate themselves from their competitors with regards to endorsements. By using hip hop stars as endorsers, this allows the brand to appeal to a greater audience. It is also interesting that Reebok continues to use non-athletes as endorsers whereas Puma was trying to move from fashion apparel to running shoes and other sports gear (Thomaselli, 2003).

4.3 Cases of Nike celebrity endorsements

In recent times, Nike has experienced a few setbacks with regards to their choice of celebrity endorsers (Rushton, 2014). Cases of the Nike celebrity endorsements will be analysed and discussed in this study. The management of endorsers as well as Nike's response to controversies that have taken place will be brought to the fore in this study.

4.3.1 Tiger Woods

Tiger Woods, a professional golfer earned approximately \$100 million per annum in endorsement income (The WritePass Journal, 2012). This is far greater than that received by any other sportsperson. In November of 2009, he was involved in a motor vehicle accident near his home. After the accident, successions of news broadcast reports about both the crash and his personal life damaged his public character. Numerous sponsors either stopped including him or released him completely (The WritePass Journal, 2012). After the scandal, many of his

endorsers terminated their contracts with him. However, Nike was one brand that stood by him even though other brands suspended his endorsements with their companies. The reasons for this was that Tiger Woods will still be seen as a credible golfer and that Nike's entire golf range was positioned around him. The company also spent an exorbitant amount of money in using Tiger Woods as an endorser for the brand. They therefore could not afford to terminate his contract with the brand (Wall, 2013).

According to The WritePass Journal (2012), consumers felt that their opinions and attitudes on Woods had changed since the exposure of his extra martial affairs. The study showed that 67% of consumers felt this way (The WritePass Journal, 2012).

The research showed that majority of the consumers had negative opinions on the conduct of Tiger Woods and the controversy around the scandal; however this did not seem to transfer to the image of Nike. There were consumers that felt that Tiger Woods did not represent the characteristics of Nike (The WritePass Journal, 2012).

There were different views that were noticed through various elements such as age, gender and relationship status of consumers. The research showed that females, older individuals and married couples had the most negative opinions on Woods' behaviour and his association with the Nike brand. An astounding 95% of married ladies were offended with the behaviour of Tiger Woods and felt strongly against the fact that Nike had chose to keep him endorsing their brand and their products (The WritePass Journal, 2012). However, consumers in the age category between 18-25 years old were the most open minded and 78% of them stated that individuals make mistakes. Majority of people in the age range of 66+ displayed negative results (The WritePass Journal, 2012). Therefore this illustrates that the image and perception of Tiger Woods does not tie up to the character and qualities Nike desired from an endorser. The role of a celebrity endorser is to represent the corporation and to develop a positive perception about the brand; however, the consumers in this research did not feel like that was happening.

Tiger Woods may have not behaved in the appropriate manner; however that was in his personal life. He is still a respected golfer; therefore I believe that he was a good and an

appropriate endorser. Nike did make the correct choice when they decided to keep him as the endorser of their brand.

4.3.2 Lance Armstrong

In 2012, the cyclist Lance Armstrong was found positive for doping. He was dropped by Nike, and forced to step down as chairman of the Livestrong foundation which he founded. Nike upturned their judgement by ending their endorsement deal with Armstrong, which was stated as being worth \$7.5 million annually (Hart, 2012). Nike mentioned that “Due to the seemingly insurmountable evidence that Lance Armstrong participated in doping and misled Nike for more than a decade, it is with great sadness that we have terminated our contract with him. Nike does not condone the use of illegal performance enhancing drugs in any manner” (Hart, 2012).

The incident of Lance Armstrong testing positive for doping still gets people to develop negative perceptions about the brands that they endorse.

In the case of Lance Armstrong, he was caught for cheating in sport. Nike is a sports brand and they do not want to be associated with unethical behaviour especially in sport. To prevent him from bringing the brand into further disrepute, Nike made the decision to end their endorsement deal with Lance Armstrong (Hart, 2012).

I believe that they made the correct choice as it would not be credible for the brand to be represented by a cheater. Nike is a sports brand and they would not want to be associated with an athlete that uses illegal performance enhancing drugs.

4.3.3 Oscar Pistorius

Oscar Pistorius was valued to obtain endorsements to the value of more than \$2 million on an annual basis (Davis, 2013). His endorsement contract with Nike has received the greatest amount of attention. This was followed by successions of other endorsers sponsored by Nike which became a liability to the brand. When the news first appeared of the killing of his

girlfriend, Reeve Steenkamp, many marketers seemed to have adopted a wait-and-see approach. Initially, Nike withdrew an advert which proclaimed that Pistorius was the ‘bullet in the chamber’ after it began to quickly circulate on social media (Davis, 2013).

The following week, Nike suspended its contract with Pistorius which was estimated at around \$2 million (Davis, 2013). The company also said that they would not feature him in future campaigns. At that time John Taylor, an expert in the marketing industry, stated that “Even if Pistorius is found innocent, he is damaged goods” (Wall, 2013). It is important that brands make a quick decision and try to distance themselves from him. They also could not afford any delay while awaiting the verdict of the case (Wall, 2013).

On the onset of choosing Oscar Pistorius, Nike made a good call to use him as an endorser as he was a high in demand athlete and marketers couldn’t get enough of his motivational and inspirational story (Wall, 2013).

Alan Ferguson, a managing director of The Sports Business, mentioned that Oscar Pistorius revealed principles of tenacity, courage and success over difficulty and this is what made him a recognisable fit with the Nike brand (Wall, 2013). This emphasises the correct decision made by the Nike brand at the time.

After the incident, Nike also made a decision which I believe was a correct one and chose not feature him in future campaigns. Nigel Currie, director of Brand Rapport, agreed and mentioned that this is very different to the Tiger Woods cases in that this is case of life and death. He went on to further say that there's no coming back from this (Wall, 2013).

4.3.4 Maria Sharapova

Maria Sharapova is a five-time Grand Slam tennis champion and one of the highest paid female athletes with earnings of over \$30m in 2015 from winnings and endorsements (BBC News, 2016).

After this year's Australian Open in January, Sharapova held a press conference to publicise that she failed a drug test. Sharapova was tested positive for meldonium, a substance she said she had been taking since 2006 to treat an irregular heartbeat and family-related diabetes. The drug was prescribed to her by her doctor. She had known the drug by the name mildronate and did not know it to have another name of meldonium (BBC News, 2016).

She was provisionally suspended by the governing body of tennis and Nike. She was an endorser for many brands, however different brands responded differently. Nike has suspended its association, while others like Tag Heuer has cut its ties (Cutler, 2016).

Sharapova's relationship with Nike goes back to when she was just 11 years old. In 2010, Sharapova signed a new eight-year contract with Nike worth \$70m as well as a percentage on sales of her own clothing line. Nike mentioned that they have decided to suspend their association with Maria while the investigation continued and that they will continue to monitor the situation (BBC News, 2016).

Nike had suspended her endorsement in a matter of hours and this decision had reflected a new era on how brands deal with these negative issues of endorsements. Nike took a proactive approach and this resulted from them being tarnished by many athletes over the years, and getting aggravated with investing in athletes that potentially comes back to bite them in the court of public opinion (BBC News, 2016).

Although it was an illegal substance, Nike hinted that it may be willing to continue its relationship with Maria Sharapova (Cutler, 2016). In contrast to the Lance Armstrong controversy, it is interesting to see that Nike responded differently although both athletes were both tested positive for banned substances. The difference is that Armstrong was tested positive for a substance directly linked to improving performance and that was the sole reason for him taking the substance. However, Sharapova was tested positive for a substance which she took for health reasons and she was not aware that the substance had another name which was one of the substances listed on the banned list.

4.3.5 LeBron James

In 2003, LeBron James signed a seven-year \$90 million contract with Nike which was drafted by the Cleveland Cavaliers. This deal was however started a lot of criticism and comparison with Michel Jordan's deal with the same brand. However, the deal saw James pocket \$12 million per year for the seven-year period of that deal. He helped Nike to increase sales up to \$300 million annually.

This criticism began in 2005 when he said that he wanted to be the first billionaire athlete and he hoped to be the richest man in the world. However, injuries and declining performance was an impediment to his ambition.

In a bid to outsmart competitors and achieve his ambitious goal, LeBron James signed another lifetime deal with Nike in 2010. This deal has emerged to be the largest single athlete deal in the company's 44-year history. When the news of the deal first broke in December 2010, estimates on LeBron's payout ranged from \$400 million to \$500 million for the most part, though some outlets did pitch out a \$1 billion high. This was just an estimate on the media's part, as there is a lot of uncertainty when it comes to endorsement deals, particularly one with a never seen before "lifetime" label. In a recent interview with his agent Maverick Carter, Carter hinted out that the deal may be worth more than \$1 billion. Carter was pressed to divulge the value of the deal, but Carter did not specify an exact amount. Nonetheless, when the interviewer probed whether Kanye West's comment that the deal was worth \$1 billion was accurate, Carter just smiled and pointed upward.

LeBron's endorsement deal with Nike was the latest in a series of successful endorsements. Since his rookie season, LeBron's shoe line with Nike has grossed the highest sales amongst active players at \$340 million per year the deal is yet to outsmart the Jordan's. The brand has 13 versions of LeBron's signature shoe. Although Jordan is still making significantly more from Nike than James, not to mention the fact that he is worth exponentially more to the company, the fact that LeBron's lifetime partnership is still seen as a major step and success compared to what Jordan has. (WIRE, 2016).

4.3.6 Michael Jordan

Michael Jordan's endorsement deal with Nike was one of the most talked about endorsements at the time and is still one of Nike's most popular endorsements to this day. Jordan signed the deal in 1984 and the \$250 million deal has ever since been the center of discussion in major sports news and organisations like Forbes. Jordan signed the deal with Nike even though Adidas offered \$500,000 which was double of what Nike offered. Nike was successful in acquiring Jordan as an endorser because the included something that no other endorsement did at the time, which was offer the endorser a percentage of the revenues that stemmed from the endorsement. Additionally, it would have been difficult to envision what the sneaker scene, and the sportswear industry, would look like if Jordan did not sign a deal with Nike to launch Air Jordan in 1984 (Badenhausen, 2017).

The Air Jordan brand was a basketball, footwear and athletic clothing brand produced by Nike in 1984 for Jordan and later released to the public. It is currently co-owned by Nike and Michael Jordan with an undisclosed shared percentage. Since its introduction into the footwear industry, Air Jordan's have evolved from basketball shoes to shoes for various uses. The Jordan brand currently sponsors many NBA players and they also endorse the Jordan brand. In the first year, Nike made a remarkable \$130 million in revenue from the sales of the Jordan brand (Badenhausen, 2017).

Nike first signed Michael Jordan to an endorsement deal more than 30 years ago, but the deliberation over who deserves credit for the signing has taken on a life of its own. David Falk, Jordan representative during the deals negotiations told ABC news that "Michael Jordan is the one who most deserves credit for signing with Nike". This is contrary to the former Nike marketer Sonny Vaccaro who told the "Brown and Scoop" podcast that he deserved majority of credit for the Jordan signing. This was rejected by Jordan himself saying that Sonny likes to take credit for himself and adding that it was a Nike employee by the name of George Raveling (Badenhausen, 2017). "George Raveling was with me on the 1984 Olympics team. He used to always try to talk to me, 'You gotta go Nike, you gotta go Nike. You've got to try'".

Jordan hung up his high-tops for the final time in 2003, however he is still the king of the basketball shoe market. Sales of the Air Jordan XXXI have been soft, but the retro Jordan business remains strong. Nike's Jordan revenues were \$2.8 billion for the fiscal year ending May

2016, up 18% over the previous 12 months. His net worth is \$1.3 billion and \$110 million is a conservative estimation for Michael Jordan (Badenhausen, 2017).

This endorsement deal is one of Nike's most successful endorsements and also one of the most successful endorsement deals of all time. Jordan's endorsement with Nike encapsulates and epitomises the benefits of an endorsement and what an endorsement deal aims to do.

4.4 Conclusion

This chapter has outlined some of the biggest endorsement deals of sports brands. It has discussed endorsement deals from the main sports brands and compared them. Moreover, it has also mentioned the scandals and controversies with celebrity endorsements and it has conveyed how the respective brands have managed this.

The cases of endorsements mentioned in this chapter have illustrated that endorsements are generally successful but also need to be managed accordingly. If a celebrity endorsement does not go according to plan, marketers need to react correctly and appropriately to the situation. It is important that marketers ensure that consumers have a positive perception of their brand as it is directly correlated to the sales of that brand. A positive perception also ensures long term growth for the brand. It is important that marketers and brands take cognizance of these factors when using endorsements in their marketing strategy.

The following chapter will provide the research methodology used in this study.

Chapter 5

Research methodology

5.1 Introduction

According to Burns (2000), research is a methodical exploration to attain solutions to a given problem. Furthermore Sekaran and Bougie (2013) explain research as a process of pursuing solutions to challenges after a detailed study and investigation of situational factors.

Methodology generally refers to the systems that are used to conduct research. This comprises of data collection instruments such as questionnaires, interviews or observations and sampling procedures and statistical techniques for organising and understanding unstructured data (Bryman 2016).

The marketing research concept entails that consumer satisfaction as opposed to profit maximisation is the objective of a company. Armstrong & Kotler (2005:5) provide the connection amongst marketing management and customer relations when mentioning that the building of consumer relations based on consumer satisfaction is at the very heart of contemporary marketing.

Kuo *et al.* (2009:887) found a strong correlation between the perceived value of a product or brand and post-purchase intention. The perception a consumer has of a brand is a factor that contributes towards consumer satisfaction. Therefore in order for a company to increase consumer satisfaction, it is important that they ensure that the consumer has a positive perception of the brand.

This study deals with sports brands and Nike in particular, hence they should try to acquire data on the impact that their endorsements have and the effect that it has on consumer's perceptions as well as gather marketing intelligence in order to fulfill these needs proficiently.

Marketing research is therefore essential as it assists in improving decision-making by providing pertinent, precise and timely information (Aaker, Kumar & Day, 1995). This study will provide pertinent information around celebrity endorsements and show the effect that celebrity endorsements have on consumer's perceptions of the Nike sports brand.

The chapter will outline sampling techniques being used for this research in conjunction with the data collection methods implemented for the study. It will rationalize the choice of research design chosen to undertake in this study. A comprehensive explanation of the data analysis will be done, giving consideration to the nature of both descriptive and inferential statistics. It will then draw a comparison concerning qualitative and quantitative research design.

Statistical analysis of the questionnaire will also be conferred and participants for carrying out the study will be justified.

5.2 Problem Statement

The purpose of this study is to explore the benefits of celebrity endorsements on sports brands and to examine the effect that it may have on these brands, while focusing on Nike in particular.

5.3 Research questions

The research questions underpinning this study are:

RQ1: What is celebrity endorsement?

RQ2: What are the positive effects of celebrity endorsements on sports brands?

RQ3: What are the negative effects of celebrity endorsements on sports brands?

RQ4: Is there a positive relationship between a celebrity's behaviour/ image and the sale of sports brands?

RQ5: Is the high cost associated with celebrity endorsements a justifiable investment for sports brands?

RQ6: Can a celebrity's behaviour significantly adjust the perceptions of a brand in the consumers mind?

5. 4 Research objectives

The fundamental objectives of this study are to *inter alia*;

RO1: To understand the concept of celebrity endorsements.

RO2: To assess the positive effects of celebrity endorsements on sports brands.

RO3: To examine the negative effects of celebrity endorsements on sports brands.

RO4: To assess the relationship between a celebrity's behaviour and the sale of sports brands.

RO5: To ascertain whether celebrity endorsements are a justifiable investment.

RO6: To determine if a celebrity's behaviour can significantly adjust perceptions of a brand in the consumers mind.

5. 5 Hypothesis

According to Welman and Kruger (2000:11):

“A hypothesis is a tentative assumption or preliminary statement about the relationship between two or more things that needs to be examined”.

Hypothesis 1

There is no significant relationship between the credibility of a brand and a consumer's likeness to purchase the brand.

Hypothesis 2

There is no significant relationship to show that celebrity endorsement is an effective marketing tool for brand recognition and brand recall.

Hypothesis 3

There is no significant relationship between negative behaviour and consumers perceptions of sports brands.

Hypothesis 4

There is no significant difference in the impact of celebrity endorsements on consumers' perceptions of sports brands between the age groups.

Hypothesis 5

There is no significant relationship on how consumers view an endorsed brand in terms of gender.

Hypothesis 6

There is no significant difference in the impact of negative behaviour of endorsers on consumers' perceptions of sports brands among the race groups

Hypothesis 7

There is no significant difference in the impact of negative behaviour of endorsers on consumers' perceptions of sports brands in terms of marital status.

Hypothesis 8

There is no significant difference in the impact of celebrity endorsements on consumers' perceptions of sports brands between the education groups.

5.6 Research design

Research design is a strategy for addressing the objectives or hypotheses in a study. Essentially the researcher develops a framework to address particular research problems or opportunities (McDaniel & Gates 2008). According to Hair, Celsi, Bush, & Ortinau (2013) while each research problem is different, most research objectives can be attained by using one or a combination of the three types of research designs which are exploratory research, descriptive research or causal research as discussed below.

5.6.1 Exploratory Research

As the name suggests, exploratory studies aim to explore, to allow a researcher to become acquainted with a particular topic or the concerns around a problem. It is predominantly beneficial in helping to analyse topics or issues to recognise a problem, explain the nature of the problem and define its scope in order to reach a better understanding (McGivern 2006).

According to Cant (2003:28) and Malhotra (2008), exploratory research could be used for some of the subsequent purposes:

- Develop hypotheses
- Convey a problem or explain it more concisely
- Find other courses of action
- Identify main variables and relationships for additional analysis
- Gain an understanding for developing an approach to a problem
- Create priorities for additional research

5.6.2 Descriptive Research

A descriptive study is undertaken to answer questions like; who, what, when, where and how questions (McDaniel & Gates 2008:49). Descriptive research is categorised by the previous construction of detailed hypotheses. Hence, the information required is clearly defined. Therefore, descriptive studies are prearranged and organised centred on a large representative sample (Malhotra 2008).

Descriptive research is generally conducted to:

- Define the characteristics of groups, such as customers, salespeople, companies or industries
- Estimate the percentage of units in an identified population revealing a certain behaviour
- Understand the perceptions of product features
- Define the extent to which marketing variables are related
- Develop detailed forecasts

In contradiction of exploratory research, descriptive research centres on the precise explanation of the variables of concern and is frequently of a quantitative nature (Baines & Chansarkar 2002). Personal interviews, surveys, telephone interviews, and mail surveys are usually descriptive study methods.

5.6.3 Causal Research

McDaniel and Gates (2008), mention that in causal research, the researcher explores whether the value of one variable causes or controls the value of another variable, in order to create a link amongst them.

Cant (2003) recommends causal research for the subsequent purposes:

- To determine which variables are the cause (independent variables) and which variables are the effect (dependent variables) of a phenomenon
- To understand the nature of the association concerning the causal variables and outcome to be expected
- Experiments have the highest potential for creating cause-and-effect relationships as they allow the researcher to study fluctuations in a single variable while changing other variables under regulated conditions (Hair *et al.*, 2013).

This study investigates the impact of celebrity endorsements on consumers' perceptions of sports brands with particular reference to Nike. Therefore, this study is a causal study and an exploratory study.

It is a causal study as it describes the impact of celebrity endorsements on consumers' perceptions of sports brands. Therefore it examines how celebrity endorsements can change consumers' perceptions of sports brands, while focusing on Nike in particular.

It is also an exploratory study because studies have been conducted on celebrity endorsements and consumers perceptions, there is not much research that has been conducted on these variables regarding sports brands in particular.

5.7 Research Approaches/Paradigms

Researchers conduct their study by using three fundamentally different paradigms such as qualitative, quantitative or mixed method research methods (Barnnen, 2004). In order to determine the correct research method, one needs to understand the benefits of both research methods. Each research method has its depth and limitation of scope.

According to Denzin and Lincoln (2002), the core of qualitative research lies in its naturalistic method that involves multidimensional study and interpretation of data. In this research the researcher is dependent on the opinions and views of participants. It focuses on the process and meaning that are not thoroughly studied or measured.

Quantitative research on the other hand emphasises the measurement and investigation of causal relationships between the different variables. In this research, the researcher asks specific questions and gathers quantifiable data through various data collection methods. This data is then analysed using statistical methods (Sekaran & Bougie, 2013).

The most appropriate research approach for this study is the quantitative research approach. This will allow the researcher to gather quantifiable data which will allow the researcher to provide insights into the study.

5.8 Study site

The study site for this research was The University of KwaZulu-Natal (UKZN), Westville campus, which is located in Westville, Durban. The Westville campus is made up of 3 Colleges, namely; The College of Agriculture, Engineering and Science, The College of Health Sciences, and The College of Law and Management Studies.

5.9 Target population

According to Sekaran and Bougie (2013), a target population is a group of people or occasions that are studied so the researcher can have a better understanding of the situation of the study.

In this study, the population comprised of students of The University of KwaZulu-Natal (UKZN), Westville campus. It will include of students from three colleges namely the College of Agriculture, Engineering and Science, College of Health Sciences and the College of Law and Management Studies. The University of KwaZulu-Natal is made up of thirteen Schools. This research will only study seven Schools that exist on the Westville campus that is the School of Chemistry and Physics, School of Life Sciences, School of Mathematics, Statistics and Computer Science, School of Health Sciences, Graduate School of Business and Leadership, School of Accounting, Economics and Finance and the School of Management, Information Technology (IT) and Governance. The population will include the undergraduate and postgraduate students from the seven Schools at the UKZN Westville campus.

At the Westville campus, there are 12022 students registered (Ii.ukzn.ac.za, 2016). It contained students from the age of 18 and upwards. This allowed the sample to have individuals of all age groups. The target population of this study was also be made up of individuals with different demographic backgrounds. This enabled the researcher to understand the impact of celebrity endorsements on consumers with different demographic backgrounds.

5. 10 Sample

According to Sekaran & Bougie (2013: 268) in Table 5.1, the population to sample size table indicates that an appropriate sample size for this population of 12022 will be 378. Therefore, the questionnaire was completed by a sample of 378 participants, which were made up of randomly chosen students at UKZN. The sampling method that will be used in this study will be simple random sampling. The researcher administered online via Google Docs. This method assisted the researcher to obtain data in a quick and efficient manner.

5. 11 Sampling Method

According to Domegan and Fleming (2007:372):

“Sampling is about taking a small portion of the larger part and drawing conclusions about the larger part from our experience of the smaller part”.

According to Flick (2011) there are two sampling methods which are probability sampling and non-probability sampling. These can be classified by their basis of representation as well as selection techniques.

5.11.1 Probability sampling designs

Sekaran & Bougie (2013) mention that in probability sampling, the elements of the population have a predictable outcome. This sampling method can be restricted or unrestricted.

Probability Sampling is where every element of the population has an equal chance of being selected. This is also known as a systematic or probabilistic sample (Creswell 2009).

- a) **Simple random sampling:** This is unrestricted sampling, therefore every element of the population will have an equal chance of being chosen. In simple sampling if there are 300 elements in a population, each one of them will have the same chance of being chosen.
- b) **Systematic sampling:** When systematic sampling is used, the n th element will be drawn from the whole population. It will begin with an element which will be randomly selected. This element will be between 1 and n th term.
- c) **Stratified random sampling:** When the elements in the population of the research have diverse parameters on a variable of interest to the investigator, stratified sampling will be used.
- d) **Cluster sampling:** This is used to divide the population into groups or clusters. This allows the researcher to then pick a sample from the groups. The sample is chosen by selecting all elements in the cluster or a sample of the elements in a cluster. This method allows the study to be more generalised as it provides heterogeneity.
- e) **Area sampling:** This is a form of cluster sampling. It comprises of a sample from a certain geographic area such as a town or city.
- f) **Double sampling:** When additional information is required for a subsection of a group from which data has previously been collected.

5.11.2 Non-probability sampling designs

In non-probability sampling designs, the elements of the population have no known probability of being selected to participate in the study. Non-Probability sampling does not allow for all elements of the population to have an equal chance of selection. The sample is selected based on the verdict of the interviewer, convenience, finance and time frame (Domegan and Fleming 2007, Bryman and Bell 2003 & Creswell 2009).

- a) **Convenience sampling:** In this sampling method, data is gathered by sampling the individuals of the population that are convenient for the researcher. This is the best method for obtaining data for a study in a quick and efficient manner.
- b) **Judgement sampling:** When the researcher needs to choose individuals that are in the best position to provide the most pertinent and appropriate information, judgement sampling is required. It is also used when only a limited number of people can offer the necessary information to attain the research objectives.
- c) **Quota sampling:** This sampling method is used by a researcher to ensure that certain groups of a particular population are represented adequately in the population of the study.

For the purpose of this study, simple random sampling was used as it is unrestricted and allowed the researcher to reduce any potential bias in the selection of individuals to be included in the sample (Dissertation.laerd.com, 2015). Therefore this sample provided an accurate representation of the population that was studied. The units that were selected for inclusion in the sample were chosen using probabilistic methods. Therefore this allowed the researcher to make generalisations. This is a great advantage because these generalisations are probable to have external validity.

5.12 Sample size

The sample size is the number of individuals or elements that are selected to represent a population for the study. It is influenced by numerous factors. The sample size used in a particular study is dictated by how objective the findings are, the specified level of confidence, the variability within the selected population and the resources that are accessible for the study (Sekaran & Bougie, 2013). According to Creswell (2009), it is imperative for the sample size to be adequate in order to be considered to be a representation of the population being studied and to allow precise inferences to be made concerning the phenomenon being studied.

At the Westville campus, there were 12022 students registered (li.ukzn.ac.za, 2016). According to Sekaran & Bougie (2013: 268) in Table 5.1, the population to sample size table indicates that an appropriate sample size for this population of 12022 will be 378.

Table 5.1 indicates the sample size for a given population size that was used for this study.

Table 5.1:**Sample Size for a Given Population Size**

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Sekaran, U. (2003). *Research Methods for Business: A Skills Building Approach*. Fourth Edition. USA: John Wiley & Sons, Inc, p. 294.

5. 13 Data Collection Methods

Collecting data from respondents via different methods is known as data collection. This can be done using primary or secondary sources, Flick (2011). Secondary sources are any data obtained from sources that already exist. This may comprise of, journals, articles, books, publications, internet and business reports. Primary sources involve obtaining first hand data straight from the

respective research issues. The principle of primary research data is that this information does not currently exist. Therefore the data that has been collected from respondents is new data which is also original.

There are numerous methods used to gather primary research data. Some of these methods are interviews, focus groups, observations and surveys. In this study data was collected using primary sources and secondary sources.

The data collection tool that was used in this research is questionnaires. The questionnaire asks consumers about celebrity endorsements and their perceptions of sports brands. The population of this study are students of UKZN. Questionnaires were administered online via Google Docs. It allowed them to complete it in their own time and also think about their responses. If respondents had any queries with regards to the questionnaire, they could contact the researcher by phone or email.

5.13.1 Questionnaires

Questionnaires were used in this study to gather data. According to Sekaran & Bougie (2013), a questionnaire is described as a group of questions that are used to gather statistical facts from respondents. Questionnaires are an effective tool as investigators know what they are observing and how to measure the variables of concern (Cooper & Schindler, 2008).

Questionnaires were used to collect data.

Questionnaires have certain pros and cons. According to Sekaran & Bougie (2013) the merits of a questionnaire are:

- Lowest cost option.
- Participants can remain anonymous.
- Any uncertainties that a respondent has can be explained.
- Researchers can cover a large geographic area.

- Participants can do a questionnaire at their own leisure which will allow them to think about their responses as they will have time.
- Requires few staff.
- Allows the researcher to contact participants in remote areas.

The drawbacks of questionnaires are:

- Low response rate.
- Researchers may not be there to offer clarification.
- Participants may interpret the questions in a different way.
- Questionnaires cannot be complex.
- Accurate mailing lists are needed.

5.13.2 Nature and Purpose of the Questionnaire

Questionnaires can be personally administered, posted to respondents or distributed electronically by email. In this study, the researcher electronically administered the questionnaire.

The questionnaire was administered online via Google Docs and the link was placed on the UKZN student portal to save time and paper. These online questionnaires have the advantage of covering all students on the Westville campus, regardless of the faculty they belong to and it allowed them to complete it at their leisure.

The questionnaire was divided into seven sections. In Section A, there were 8 questions and in Section B, there were 7 questions. Section C and Section D had 3 and 5 questions respectively. Section E and F will each had 4 questions, while Section G, H and I had 3, 5 and 7 questions respectively.

5.13.3 Construction of the Questionnaire

Sekaran & Bougie (2013) mentions that comprehensive questionnaire design principles centre on three aspects. The main aspect concerns the wording, the next aspect concerns measurement and planning of questions with respect to how variables will be arranged, scaled and coded after the questionnaires are received back. The last aspect concerns the overall appearance of the questionnaire.

The nature of the variables selected, which may be subjective perceptions or feelings or unbiased objective facts will define the type of questions asked (Sekaran & Bougie, 2013; Zikmund, 2003).

The variables selected for celebrity endorsements are of a subjective nature and the variables used for consumer perceptions similarly are also of a subjective nature since consumer's perceptions are being measured.

The questionnaires measure objective variables in Section A, the biographical details section, of the questionnaires by using the nominal scale. The questionnaire has been positively worded. (Sekaran, 2003; Zikmund, 2003). Respondents who are not interested in completing the questionnaire are more probable to stay involved and attentive while responding to positively worded questions (Sekaran & Bougie, 2013; Zikmund, 2003). The questions were closed ended and based on a 5 point likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

The linguistics and phrasing of the questionnaires should meet the level of understanding of the respondents. Questionnaires were administered in English. The language used was based on the respondent's level of education which being at least having completed matric. The terms used and the frames of reference were basic and from a consumer's point of view (Hair *et al.*, 2000; Sekaran & Bougie, 2013).

As stated, all questions were be closed ended questions where respondents were required to select options from a group of alternatives provided by the researcher. This allowed respondents to make quick decisions (Hair *et al.*, 2000; Sekaran, 2003; Zikmund, 2003).

The sections of the questionnaire (Appendix E) are as follows:

- Section A of the questionnaire is based on the biographical details of the respondent.
- Section B is based on the positive effects of celebrity endorsements.
- Section C is based on the negative effects of celebrity endorsements.
- Section D is based on Relationship between celebrity's behaviour/ image and consumers' purchase of sports brands.
- Section E will be centred on the costs associated with celebrity endorsements.
- Section F is based on the positive perceptions of celebrity endorsements.
- Section G is based on the negative perceptions of celebrity endorsements.
- Section H is on sports brands in general.
- Section I focuses on the Nike brand.

5.14 Data quality control

In any study, it is important that the data collected will be truthful and pertinent to the study. For the research to be successful, the reliability and validity of the research instruments needs to be outlined (Flick, 2011).

According to Flick, (2011), reliability can be defined as the capability of a measure to achieve consistent outcomes for the same construct, object and traits across time and without bias. The reliability of a quantitative measure is vital as it measures the goodness of a measure (Sekaran & Bougie, 2013). There are various methods that can be used to determine the reliability of a measuring instrument. The following methods are some of the methods that can be used to determine the reliability of a measuring instrument.

Stability of Measures: Specifies the capability of the measure to stay the same over time and illustrates the degree to which the measure is stable or vulnerable to changes that are made to the situation being studied (Sekaran & Bougie, 2013). The test-retest method can be used to ensure the stability of the measures being used and is obtained through the repetition of the same measure on more than one occasion (Sekaran & Bougie, 2013). Additionally, parallel- form reliability can be used and is executed by using two different measures to gather information regarding the same construct and determining whether the results are correlated or not (Sekaran & Bougie, 2013).

Internal Consistency of Measures: Specifies the level of homogeneity amongst the measures being used to analyse a construct. Internal consistency can be measured in two different ways, namely, interim consistency reliability and split half reliability. Interim consistency reliability determines the consistency of the responses provided by the participants (Sekaran & Bougie, 2013).

The reliability of the data being collected for this study will be tested using Cronbach's Coefficient Alpha. Cronbach's Coefficient Alpha can be defined as a reliability coefficient that shows how well the items being studied are positively correlated to each other (Sekaran & Bougie, 2013).

In order for a study to be effective, the data obtained needs to be reliable and valid. According to Flick, (2011), Validity can be defined as the degree that the measurement system reveals the accurate variances among the objects, events or phenomena being studied. Furthermore Flick, (2011) outlines the three main types of validity tests. These are content validity, criterion validity and construct validity.

Content Validity: Determines the magnitude to which the vital characteristics of the construct are measured (Flick, 2011).

Construct Validity: Determines the degree to which the results that are attained from the measures being used is corresponding with the concepts or phenomena being tested in the study (Sekaran & Bougie, 2013).

Criterion-related Validity: Accomplished when the measure being used for the research distinguishes people based on the different criteria being studied (Sekaran & Bougie, 2013).

A factor analysis will be used to assess the validity of the data being collected in this study. Sekaran & Bougie (2013) define a factor analysis as a multivariate system that is used to describe variability amongst the correlated dimensions being investigated.

Furthermore, in order to ensure that the data collection instrument will be reliable and valid, a pilot study will be conducted. The questionnaire that will be used for this research will be distributed amongst students in order to make sure that all the questions being asked are easily understandable, clear and free of errors.

5.15 Reliability and Validity

Reliability is a test of how consistent a measuring instrument is (Sekaran & Bougie, 2013). Measuring instruments can aid investigators to have an enhanced understanding of the situation at hand and are capable of making forecasts about what may occur with regards to that subject. In this study, the impact of celebrity endorsements on consumers' perceptions of sports brands will be assessed and it will make particular reference to Nike. It is therefore important to ensure that the information obtained from the questionnaires reflect reliable and valid information (Flick, 2011). Factor Analysis will be used to test the validity of the instrument.

The test of how well the instrument measures a concept is known as validity (Sekaran & Bougie, 2013). Validity therefore makes reference to whether the researcher is measuring the right concept and reliability makes reference to the consistency of the measurement. Reliability of a measurement instrument can be achieved by using triangulation. When more

than two sources of data are used to obtain the same results, this is known as triangulation (Sekaran & Bougie, 2013). In order to determine if the information is reliable, email surveys could be used with questionnaires. If the data collected from both of these instruments are the same then the data is reliable. Cronbach's Coefficient Alpha will be used to test the reliability of the instrument to the consistency of the data.

5.16 Pilot Testing

Pilot testing is the use of a few respondents in order to test the suitability of the questions and their understanding. It is done to find any possible glitches with the research methods and the questionnaire (Zeepedia.com, 2014).

Pilot testing is done before conducting the research. It involves doing an initial test of the data collection tools involved and techniques to identify and reduce problems. This will allow the researcher to make the required modifications to the data collection tools and techniques before the actual collection of data is being conducted (Zeepedia.com, 2014). Pilot testing is therefore useful to improve the instruments used in the study. The instruments are tried on a few individuals of the study sample. This is useful in showing how the data will be collected when the real data collection process is being conducted (Zeepedia.com, 2014). When a researcher avoids doing a pilot test, they face a great possibility of gathering unusable data. Pilot testing is vital as it offers advantages as stated by Zeepedia.com, (2011) such as:

- Pilot testing indicates at a premature phase if the research might fail. It allows the researcher to make the necessary adjustments to data collection tools and procedures. It also allows the researcher to determine if the process used will work.
- It assists the investigator to identify practical glitches of the procedures of the study. It checks that the correct questions are being asked and ensures that the right data will be collected.
- It will show if the research instruments such as questionnaires are too complicated or unsuitable for the study.

- It could assist to identify if respondents understand the instructions on the questionnaire.
- Pilot testing offers an opportunity to notice possible difficulties with an instrument. These difficulties could be: questions that are not understandable or unclear, double-barrelled questions and questions that make respondents feel uncomfortable. It is important to detect these issues in the early stages as these issues have a great effect on how questions are answered.
- It helps researchers to confirm that the respondents have a matching understanding of questions. It will ensure that respondents offer answers to the exact question that has been asked. If the question is viewed in a different way among the respondent and the researcher, this will not be helpful as the answers provided may be inaccurate or have no bearing on the question being asked.

5.17 Data analysis

Visual summary can be used to analyse data. It refers to the tables and graphs that were used by the researcher in order to review the data. Tables and graphs are used so that any individual looking at the results will be able to comprehend what is happening.

After data collection, the raw data was coded on a spreadsheet using Microsoft Excel. The data was organised according to the responses provided by the respondents. Due to the fact that human error can occur in data being incorrectly recorded at this step, spot checks of random entries in the data were done (Sekaran & Bougie, 2013). This data was then be analysed by using IBM SPSS Statistics where data was analysed by using descriptive and inferential statistics.

5.17.1 Descriptive Statistics

Descriptive statistics for variables can be given by frequencies, measures of central tendency, and dispersion. They will be discussed in detail below.

5.17.1.1 Frequencies and Percentages

Frequencies make reference to the amount of times an event happens during a study. These frequencies can be displayed in a table form. The percentages and the cumulative percentage of their outcomes can be calculated by using this table (Sekaran & Bougie, 2013).

5.17.1.2 Measures of Central Tendency

According to Sekaran & Bougie (2013) the measures of central tendency are the mean, median and mode. The measures are used as a summary of the data which tries to represent the entire set of data by using a value that represents the range or distribution of the data. Sekaran & Bougie (2013) define these measures of central tendency as:

- **Mean:** it is the sum of data values in the data set divided by the number of values in that data set.
- **Median:** when all values are arranged in either an ascending or descending order, the median is the middle value in the set of data.
- **Mode:** is the value that occurs the most often in the data set.

5.17.1.3 Measures of Dispersion

In order to measure the variability of the values in the data set, measures of dispersion are used. There are various measures of dispersion. These include the range, variance and standard deviation (Sekaran & Bougie, 2013). Sekaran & Bougie (2013) define these measures of dispersion as:

- **Range:**

The range denotes to the upper and lower limit values in a particular data set. It also described as the maximum value minus the minimum value in the data set.

- **Variance:**

The variance is known as the average squared difference of values of the mean in a particular distribution. This is calculated by taking each value of the distribution and subtracting the mean from it. The value needs to then be squared and divided by the number of values in the distribution.

- **Standard deviation:**

The standard deviation of a data set is the square root of the variance. It measures variation from the mean in a data set for interval and ratio scaled data.

5.17.2 Inferential Statistics

Researchers use inferential statistics in order to try to reach deductions that go beyond the immediate data alone. It can also be used to make conclusions of the probability that the observed difference amongst different groups could have occurred by chance (Sekaran & Bougie, 2013). Researchers use inferential statistics to test their hypothesis. Hence it is used to create inferences from the data. This is done to more general conditions and descriptive statistics is used to describe what is happening with regards to the data.

Pearson Correlation: The relationship between the variables that were measured at an interval or ratio scale is measured by a Pearson correlation matrix. The correlation is used to indicate

the strength, significance and direction of the relationship concerning two variables used in the research (Sekaran & Bougie, 2013).

T-test: When a researcher wants to know if there is a difference between two groups on a particular variable, a T-test can be used. The nominal variable is split into two subgroups to determine if there is any difference amongst two variables on a dependent variable (Sekaran & Bougie, 2013).

ANOVA: An ANOVA test is used to tell the researcher if there is any substantial difference in a dependent variable amongst two or more groups.

Multiple Regression: This is a statistical technique which enables the researcher to predict a respondent's score on one variable. This is done on the basis of their score on numerous other variables (Sekaran & Bougie, 2013).

In this study all tools for descriptive statistics such as frequencies and percentages, measures of central tendency and measures of dispersion will be used. This will allow the reader to get an overall view of the study. In order to try to reach a deduction that will go beyond the immediate data alone, inferential statistics will be used. Variables that have an interval or ratio scale will be measured by a Pearson correlation matrix. The correlation of the variables will be used to indicate the strength, significance and direction of the relationship in this study.

5.18 Ethical considerations

The researcher obtained ethical approval for this research from the University of KwaZulu-Natal Ethics Committee. A gate keeper's letter was also obtained from the Office of the Registrar seeking permission to be allowed access to students at the University of KwaZulu-Natal's Westville Campus. In this study, the researcher sought informed consent from respondents and they were allowed to make a decision to participate in this study. Privacy and confidentiality was upheld and respondents were anonymous in this study.

5.19 Limitations of the study

Every study has certain limitations. It is essential to include them in the dissertation in order to attain an accurate perspective of the topic.

The limitations of this research are as follows:

1. This study was conducted only at UKZN Westville campus due to time and financial constraints.
2. Due to the fact that this study was only conducted on one university campus, it may not represent consumers in other geographical locations.
3. There were 378 individuals who participated in the study and this amount may not be large or sufficient to be a correct representation of the whole population.

5.20 Conclusion

The researcher used descriptive and inferential statistics in order to study the data generated by the questionnaires. Descriptive and inferential statistics have been discussed in this chapter. Furthermore, measures to confirm reliability and validity of the research instruments have been outlined. This information will be useful for marketers as well as for brands when using celebrity endorsements and it will also assist them to use celebrity endorsements to develop and enhance positive perceptions of the brand in a consumer's mind.

The following chapter will present the results of the study. It will also provide an in depth analysis and discussion on these results.

Chapter 6

Presentation of Results

6.1 Introduction

This chapter presents the results and deliberates the findings obtained from the questionnaires in this study. The questionnaire was the primary tool that was used to collect data and was distributed to students at UKZN. The data collected from the responses was captured on Microsoft Office Excel Version 2010 and was analysed with SPSS version 24.0. In this chapter the data analyses methods accentuated in the preceding chapter and will be applied to present and study the results attained from the computational applications using SPSS.

Due to the nature of the research as well as for convenience and interpretation the results will be discussed in nine distinct sections as per the questionnaire. The results will present the descriptive statistics in the form of graphs, cross tabulations and other figures for the quantitative data that was collected. Inferential techniques include the use of correlations and chi- square test values; which are interpreted using the p-values. Additionally, the results will also be deliberated upon in line with the key dimensions of the study.

This chapter successfully answers the six critical research questions, which are mentioned below:

RQ1: What is celebrity endorsement?

RQ2: What are the positive effects of celebrity endorsements on sports brands?

RQ3: What are the negative effects of celebrity endorsements on sports brands?

RQ4: Is there a positive relationship between a celebrity's behaviour/ image and the sale of sports brands?

RQ5: Is the high cost associated with celebrity endorsements a justifiable investment for sports brands?

RQ6: Can a celebrity's behaviour significantly adjust the perceptions of a brand in the consumers mind?

6.2 The Sample

In total, 400 questionnaires were dispatched and 387 were returned which gave a 96.8% response rate.

6.3 The Research Instrument

The research instrument consisted of 62 items, with a level of measurement at a nominal or an ordinal level. The questionnaire was divided into 9 sections which measured various themes as illustrated below:

Section: A	Biographical data
Section: B	Positive Effects of Celebrity Endorsements
Section: C	Negative Effects of Celebrity Endorsements
Section: D	Relationship between celebrity behaviour and consumers' purchase of sport brands
Section: E	Costs associated with celebrity endorsements
Section: F	Positive Perceptions of Celebrity Endorsements
Section: G	Negative Perceptions of Celebrity Endorsements

Section: H Sports Brands

Section: I Nike

6.4. Results of the Study

The results of the study will be presented using descriptive and inferential statistics.

6.4.1 Descriptive Statistics: Biographical Variables

This section summarises the biographical characteristics of the respondents.

Table 6.1 below describes the overall gender distribution by age.

Table 6.1: Frequency Distribution of Biographic Variables

		Gender		Total	
		Male	Female		
Age Group (years)	18 - 20	Count	69	116	185
		% within Age Group	37.3%	62.7%	100.0%
		% within Gender	52.3%	45.8%	48.1%
		% of Total	17.9%	30.1%	48.1%
	21 - 30	Count	54	126	180
		% within Age Group	30.0%	70.0%	100.0%
		% within Gender	40.9%	49.8%	46.8%
		% of Total	14.0%	32.7%	46.8%
	31 - 40	Count	6	10	16
		% within Age Group	37.5%	62.5%	100.0%
		% within Gender	4.5%	4.0%	4.2%
		% of Total	1.6%	2.6%	4.2%
	41 - 50	Count	3	1	4
		% within Age Group	75.0%	25.0%	100.0%
		% within Gender	2.3%	0.4%	1.0%
		% of Total	0.8%	0.3%	1.0%

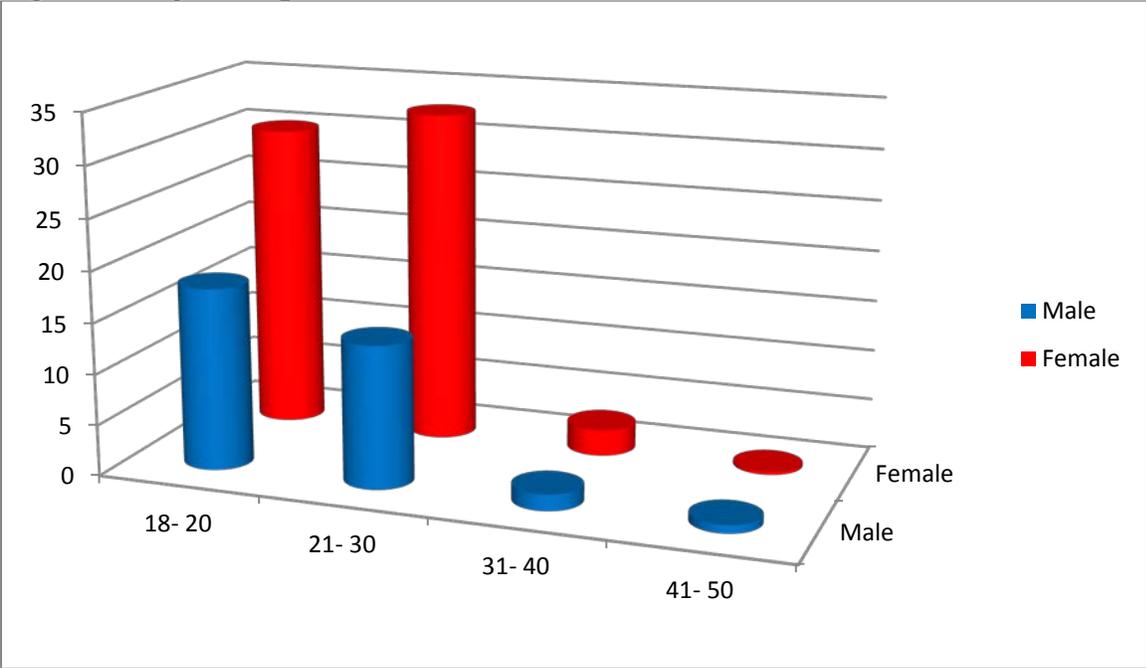
Total	Count	132	253	385
	% within Age Group	34.3%	65.7%	100.0%
	% within Gender	100.0%	100.0%	100.0%
	% of Total	34.3%	65.7%	100.0%

6.4.1.1 Age group

As illustrated in Table 6.1, 185 respondents, which was the majority (48.1%) fell within the 18-20 year age group, trailed by the 21-30 age group, which was 180 (46.8 %) respondents. The 31- 40 age group constituted (4.2%), which was followed by the least amount of respondents who were between 41- 50 years and comprised of 4 (1%) respondents. With 185 respondents, it is unmistakable that the majority of respondents fell in the 18-20 year age group.

Figure 6.1 provides a graphical representation of the respondent’s age group of the sample.

Figure 6.1 Age Group



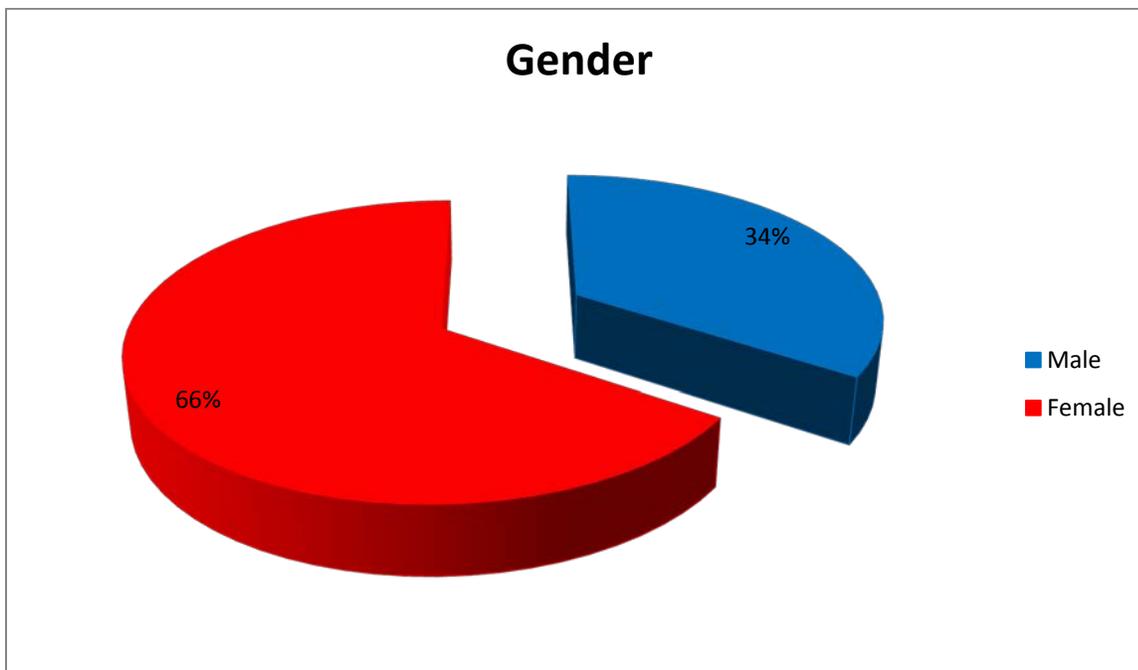
6.4.1.2 Gender

As outlined in Table 6.1, females constituted a greater percentage (65.7%) in contrast to their male counterparts, who comprised of 34.3%. A total of 253 females responded compared to 132 male respondents. The overall ratio of males to females is approximately 1:2 (34.3%: 65.7%).

Within the age category of 31 to 40 years, 37.5% were male. Within the category of males, only 4.5% were between the ages of 31 to 40 years. This category of males between the ages of 31 to 40 years formed 1.6% of the total sample.

Figure 6.2 illustrates the results of this study concerning the gender of the sample.

Figure 6.2: Gender

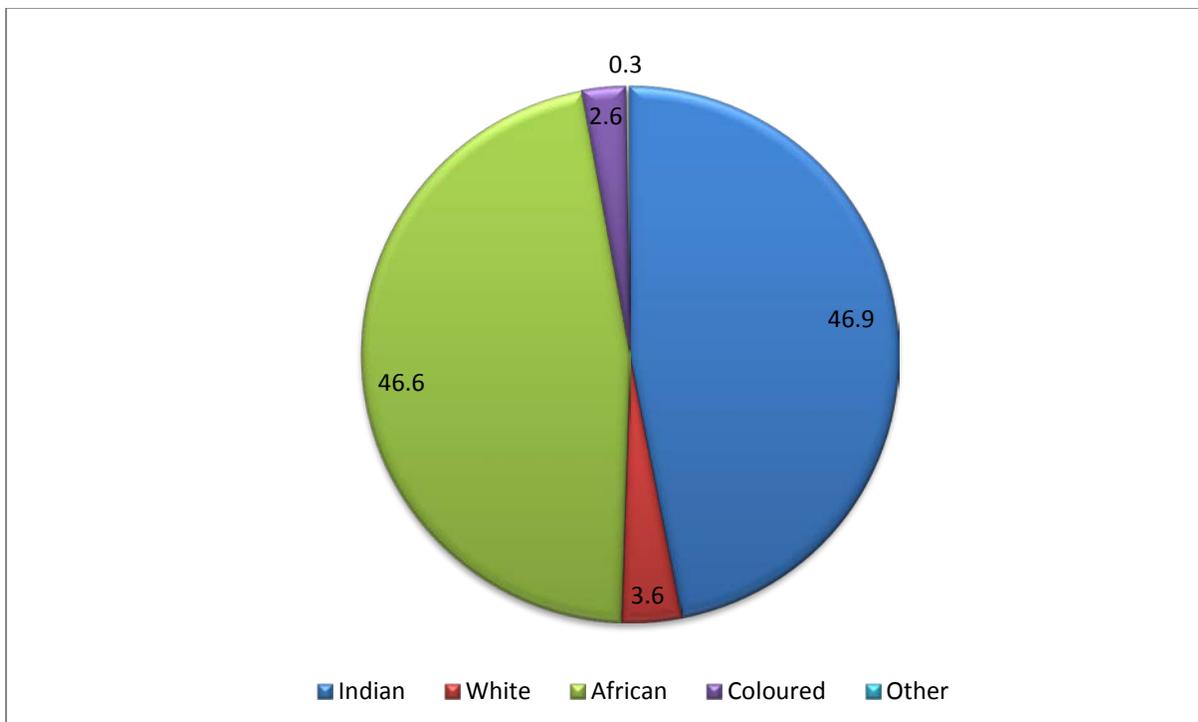


6.4.1.3 Race

As illustrated in Table 6.1, 181 respondents fell within the Indian race group and constituted 46.9%. This figure was closely shadowed by African respondents which were 180 (46.6%) that responded to the questionnaire. Referring back to the results, 14 (3.6%) respondents fell within the White race group, which was trailed by 10 of whom fell within the Coloured race group and constituted 2.6%. There was only 1 respondent who fell within the other race classification which comprised of 0.3%.

Figure 6.3 is a graphical representation of the racial composition of the sample.

Figure 6.3: Race

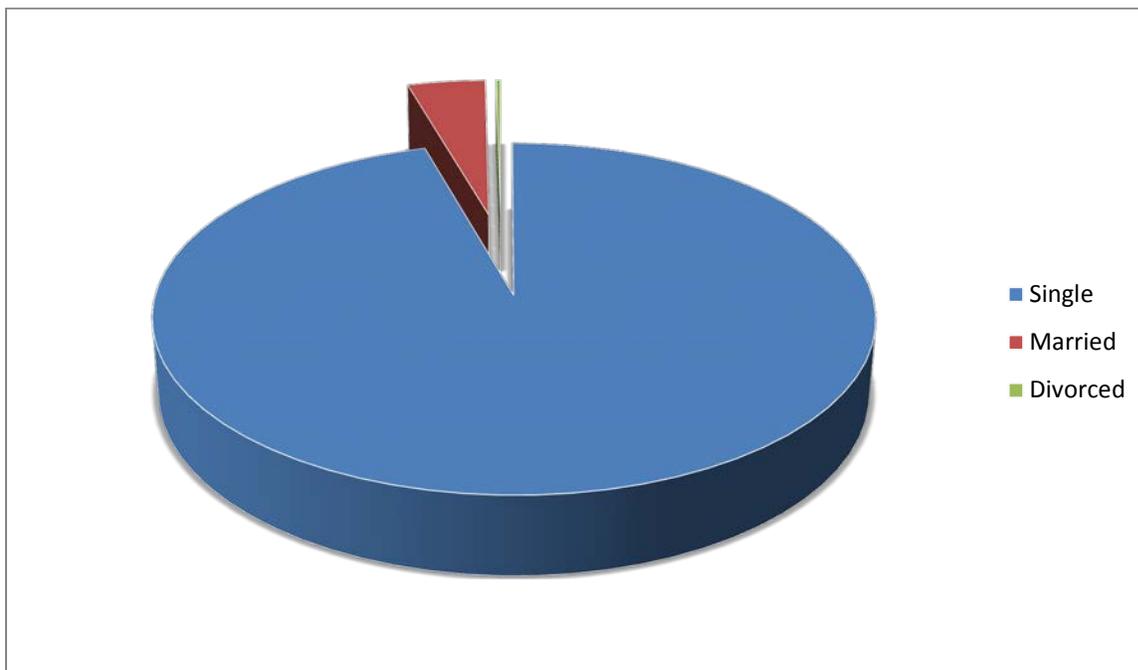


6.4.1.4 Marital status

The majority of respondents were single comprising of 95.5% of the sample. Sixteen respondents were married which made up 4.2% of the sample. Only one respondent was divorced and this made up 0.3% of the sample.

Figure 6.4 is a graphical representation of the sample.

Figure 6.4: Marital Status

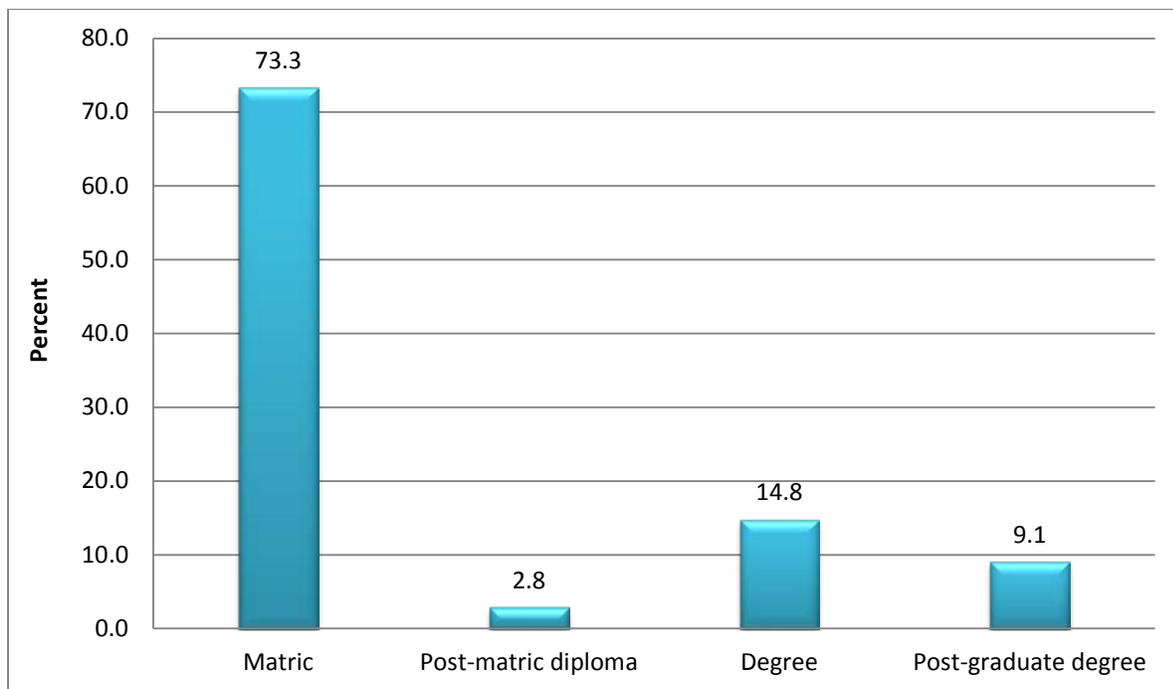


6.4.1.5 Highest Education Obtained

In the sample used for this study, the majority of respondents' highest education obtained was a matric qualification 73.3%. There were 14.8% of respondents who had a degree and this was followed by 9.1% of respondents who had a post-graduate degree. Only 2.8% of respondents had a post-matric diploma.

Figure 6.5 below indicates the education levels of the respondents.

Figure 6.5: Highest Education Obtained

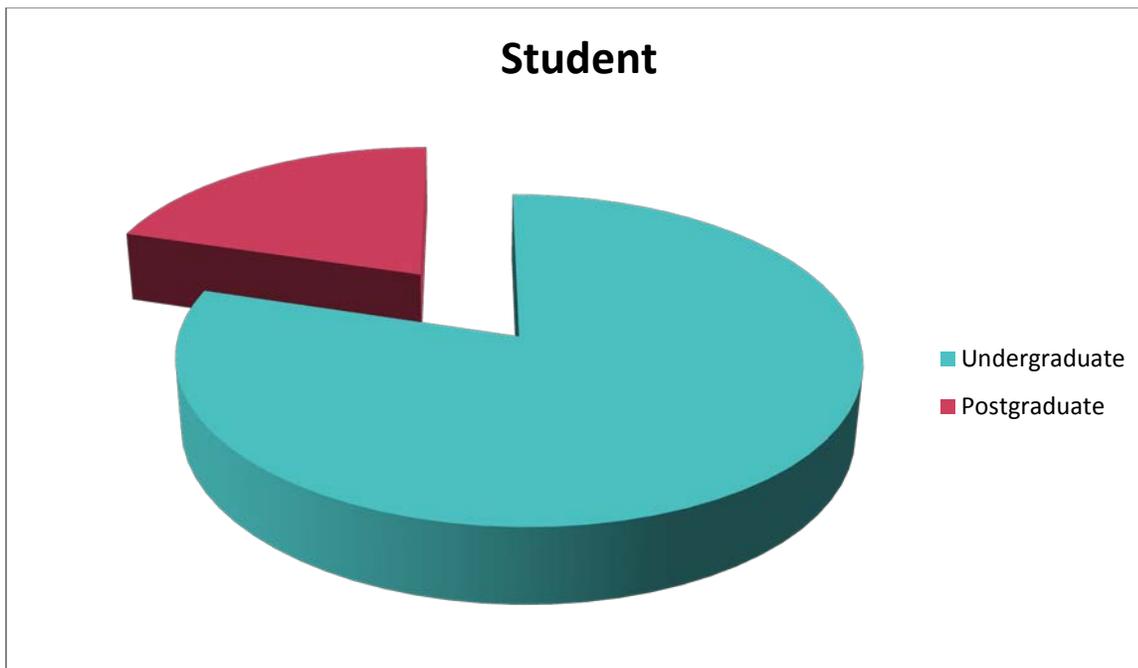


6.4.1.6 Classification of Student

The majority of respondents were undergraduate students which made up 78.8% of the sample. Only 19.9% of respondents were postgraduate students and there were 1.3% of respondents who did not answer this question.

Figure 6.6 illustrates the classification of students who participated in this study.

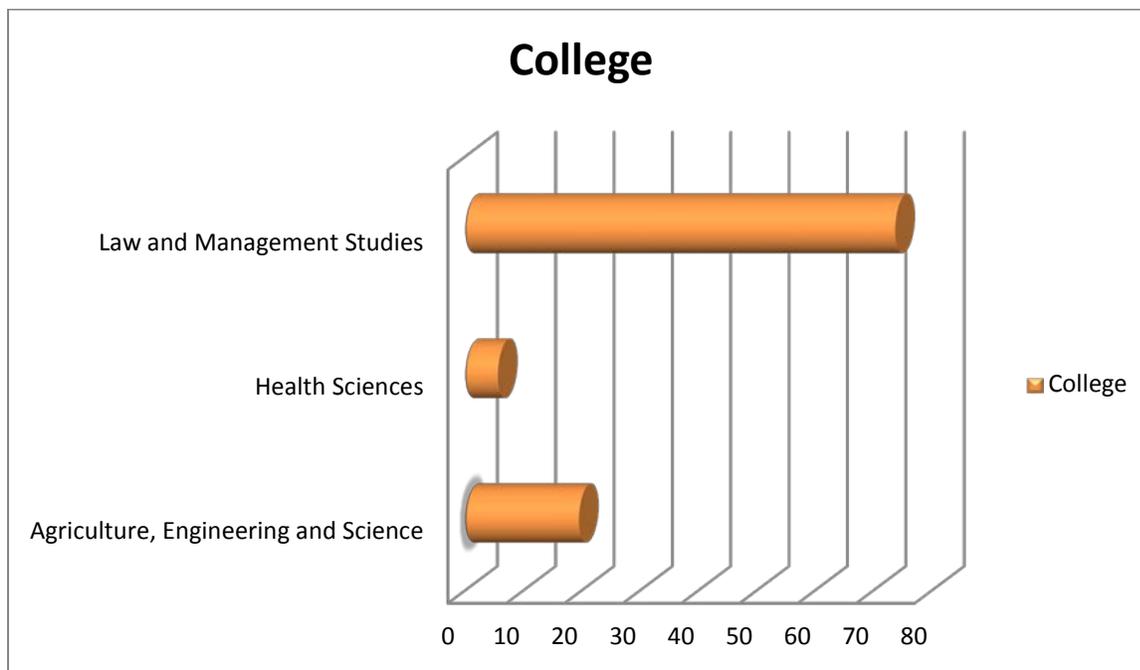
Figure 6.6: Classification of Student



6.4.1.7 College

The Westville campus of UKZN is made up of three colleges. The majority of respondents belonged to the College of Law and Management Studies (74.1%). This was followed by respondents from the College of Agriculture, Engineering and Science (19.9%). Only 6% of the sample belonged to the College of Health Sciences. Figure 6.7 illustrates which college the respondents belonged to.

Figure 6.7: College of Study



6.4.1.8 School

The colleges are further broken up into different schools. There are seven schools on the Westville campus.

As illustrated in table 6.2 and figure 6.8, the majority of the respondents (45.3%) were

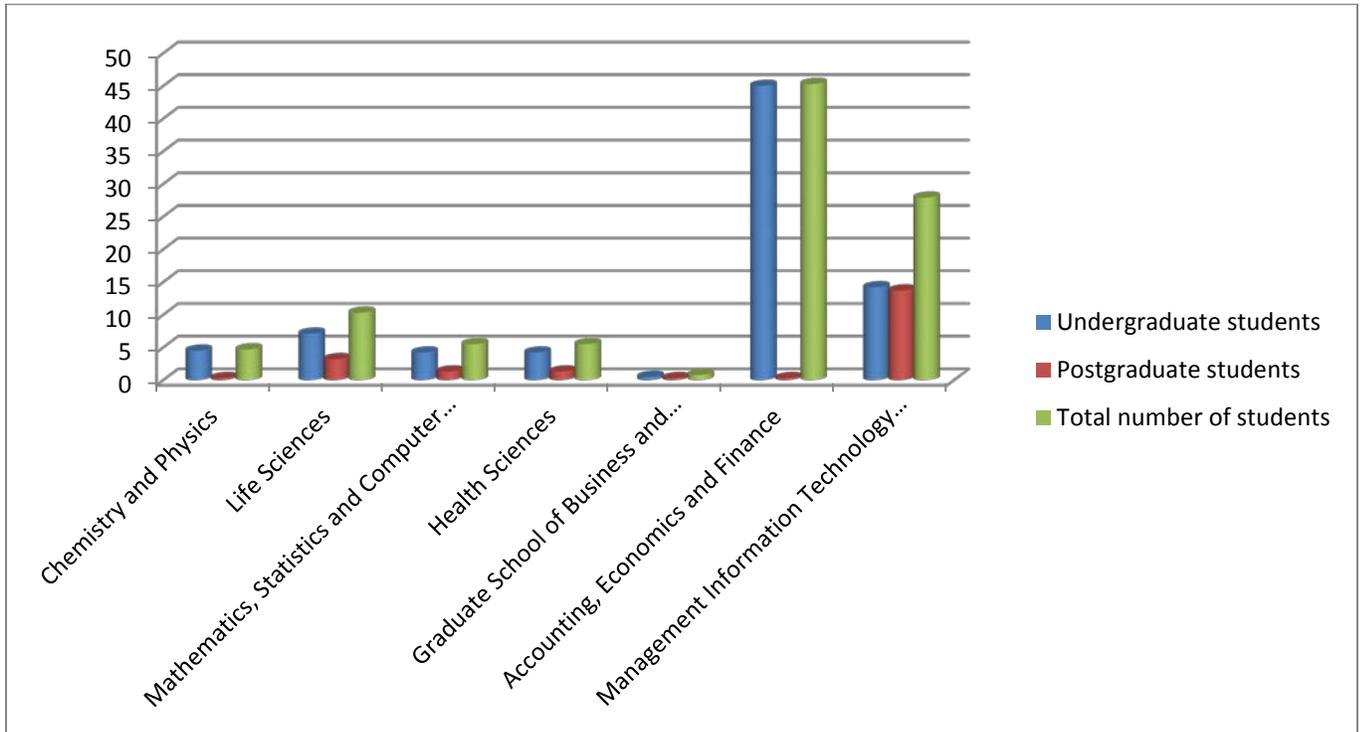
undergraduate students who belonged to the School of Accounting, Economics and Finance. This was followed by 27.9% of respondents from the School of Management, Information Technology and Governance. The School of Life Science followed with 10.3%. There were equal respondents from The School of Mathematics, Statistics and Computer Science and The School of Health Sciences with each making up 5.5% of the sample. This was closely followed by the School of Chemistry and Physics with 4.7%. There were only 3 respondents from The Graduate School of Business and Leadership, which made up 0.8% of the sample.

Table 6.2 indicates the spread between student type and the school they belonged to.

Table 6.2: School of Study

			Student		Total
			Undergraduate	Postgraduate	
Which school do you belong to?	Chemistry and Physics	Count	17	1	18
		% of Total	4.5%	0.3%	4.7%
	Life Sciences	Count	27	12	39
		% of Total	7.1%	3.2%	10.3%
	Mathematics, Statistics and Computer Science	Count	16	5	21
		% of Total	4.2%	1.3%	5.5%
	Health Sciences	Count	16	5	21
		% of Total	4.2%	1.3%	5.5%
	Graduate School of Business and Leadership	Count	2	1	3
		% of Total	0.5%	0.3%	0.8%
	Accounting, Economics and Finance	Count	171	1	172
		% of Total	45.0%	0.3%	45.3%
	Management, Information Technology and Governance	Count	54	52	106
		% of Total	14.2%	13.7%	27.9%
Total		Count	303	77	380
		% of Total	79.7%	20.3%	100.0%

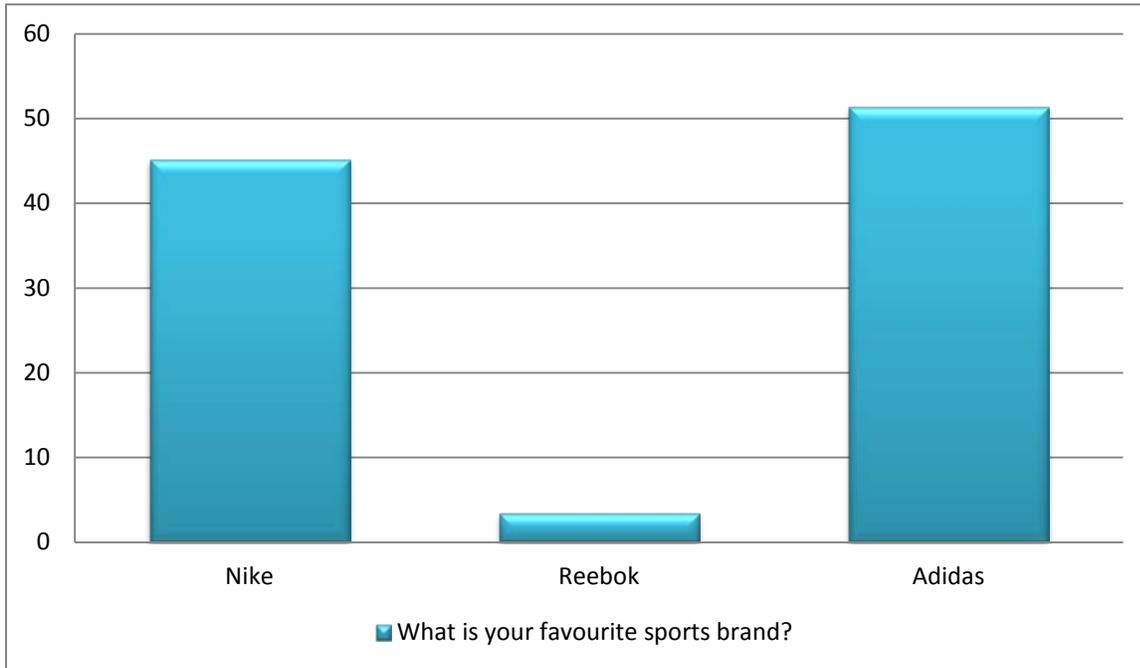
Figure: 6.8: School of Study



6.4.2 Descriptive Statistics: Sports Brands

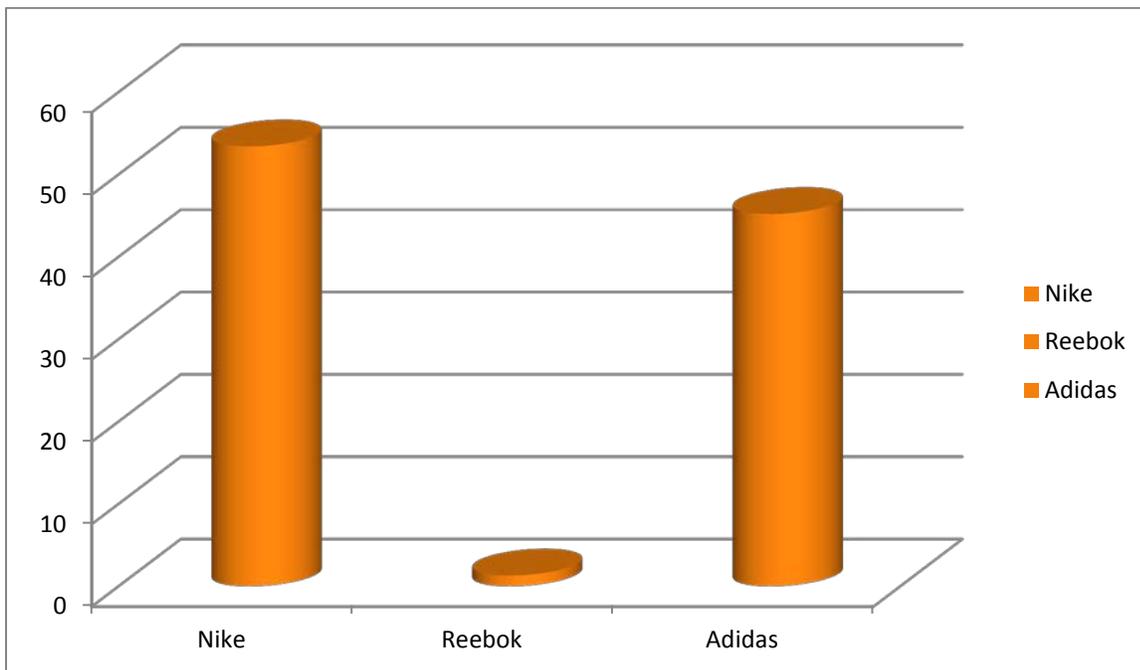
This section deals with sports brands. It will accentuate the findings pertaining to the sports brand section of the questionnaire.

Figure: 6.9: Favourite Sports brand



The Adidas brand was the majority favourite with 51.4%. This was closely followed by Nike with 45.2%. Reebok only accounted for 3.4% of the sample.

Figure 6.10: Which sports brand has the most effective celebrity endorsements?

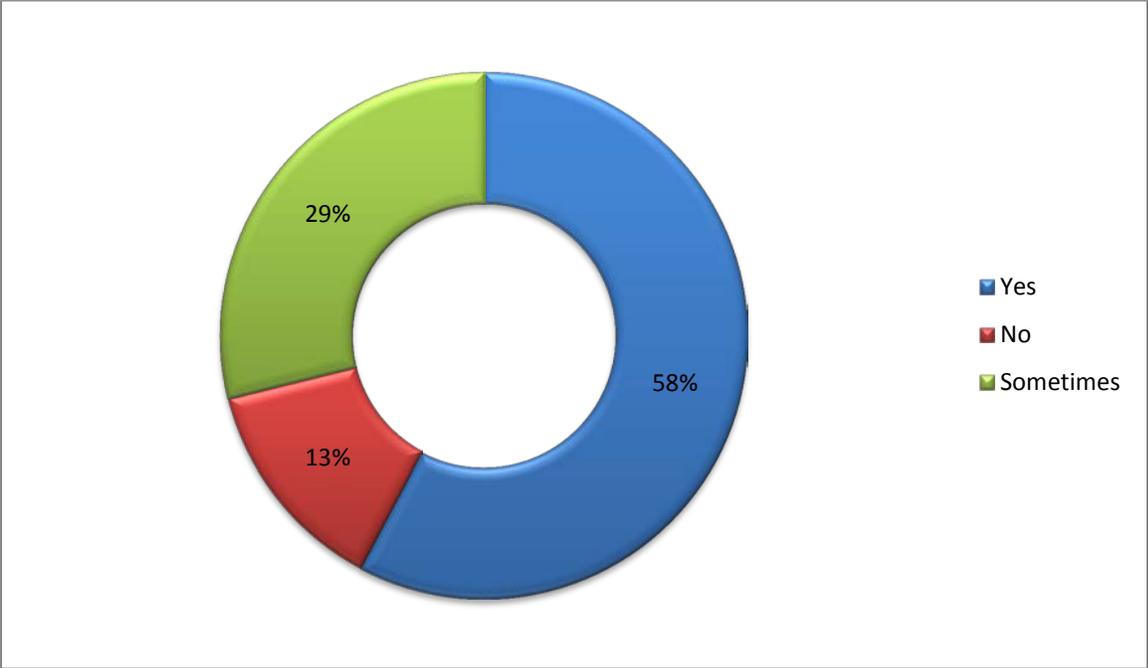


As illustrated in figure 6.10, 53.4% of respondents chose Nike for having the most effective endorsements, this was closely followed by Adidas with 45.2% then Reebok with 1.3%.

6.4.3 Descriptive Statistics: Nike

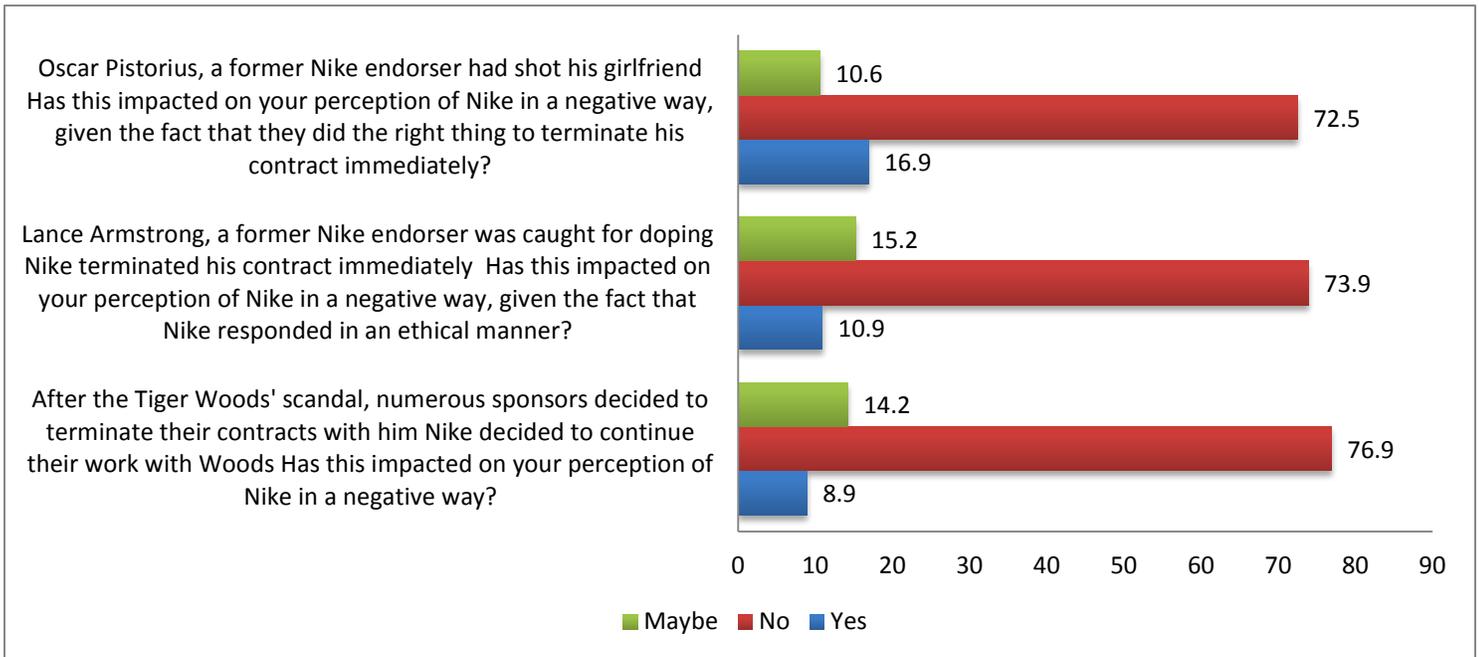
This section is based on the Nike brand. It will present and discuss the results of the questionnaire based on the Nike brand.

Figure: 6.11: In your opinion, does Nike use effective celebrities?



Fifty eight percent of respondents agreed that Nike uses effective celebrities while 29% of respondents thought that Nike sometimes uses effective celebrities. Only 13% thought that Nike does not use effective celebrities. Hence, it is evident that Nike endorsements are effective and that Nike uses effective celebrities as endorsers.

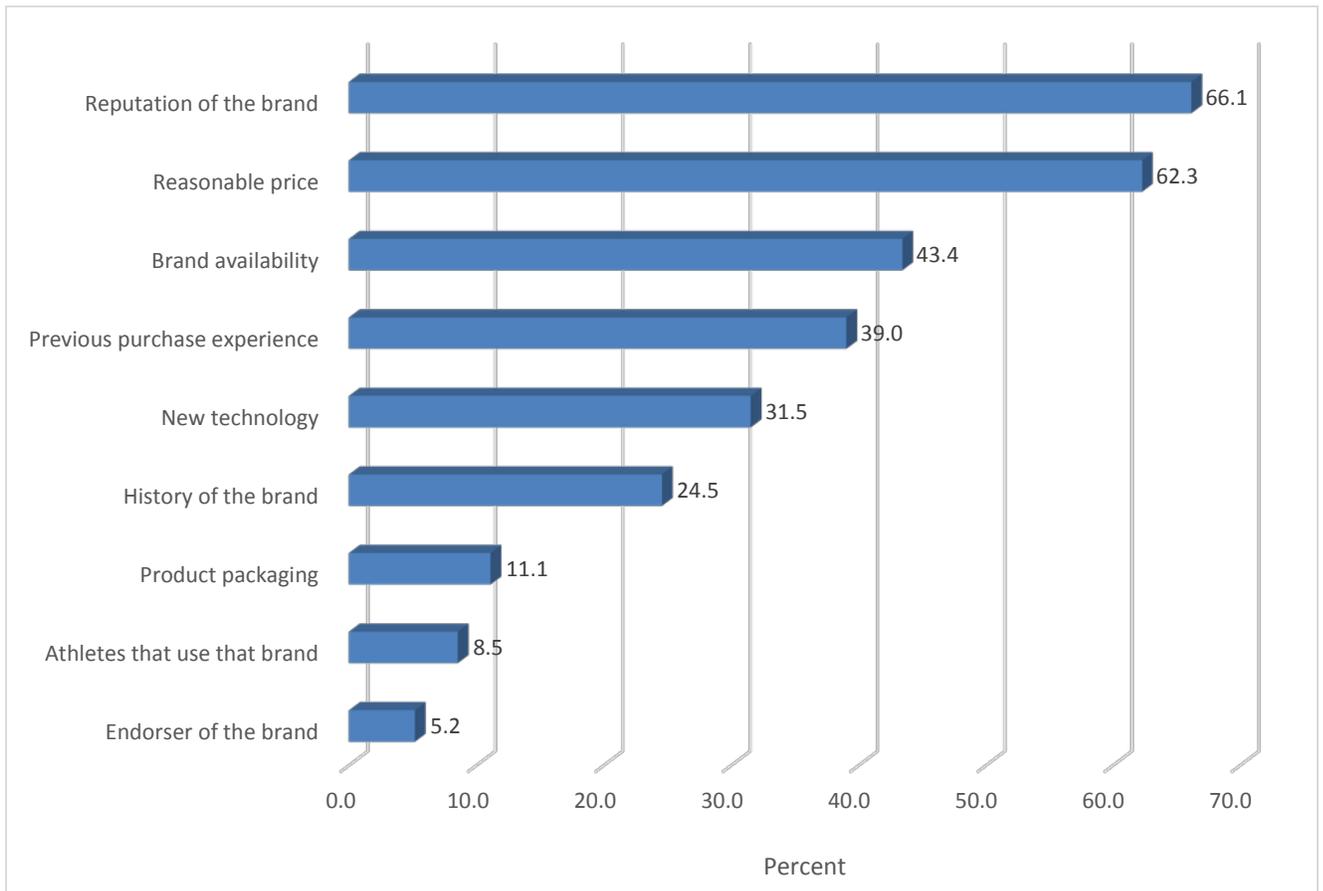
Figure: 6.12: Nike Scandals



The majority of respondents mentioned that negative behaviour of an endorser will not have an impact on their perception of a brand in all the questions. This is a positive response for a brand, just in case the endorser did not behave in an expected manner.

However, comparatively among the three questions, the Oscar Pistorius scandal had the greatest impact on respondents. There were 16.9% of respondents that answered that negative behaviour will impact negatively on their perception of the Nike brand. Furthermore, it was also mentioned that Nike did terminate the contract immediately. So there are consumers that will develop negative perceptions of the brand even though Nike responded in a correct manner. This figure was much higher than the negative impact of other scandals. This may be due to the fact that Oscar Pistorius was a South African athlete or the fact that his behaviour was unethical.

Figure: 6.13 Most important factors about the Nike brand



According to respondents (Figure 6.13), the most important factors about the Nike brand were, the reputation of the brand being the most important to the endorser of the brand which was the least important.

However, 52.5% of respondents in this study thought that sports brands should use celebrity endorsements. All sports brands mentioned in this study continue to use celebrity endorsements. Therefore, it is vital that a brand chooses the endorser correctly as the most important factor to respondents about Nike is the reputation of the brand. So it is important that endorsers are used to also keep up and maintain the reputation of the Nike brand.

6.4.4 Descriptive Statistics: Key Sub- Dimensions of Celebrity Endorsements on Consumers' Perceptions of Sport Brands

The significant dimensions that impact consumers' perceptions of the Nike brand are presented below in Table 6.3.

Table 6.3: Descriptive Statistics: Key Sub Dimensions of Celebrity Endorsements on Consumer Perceptions of Sport Brands

Dimension	N	Statistic					
		Mean	Median	Std. Dev.	Minimum	Maximum	Range
Positive effects of CE	385	3.98	4	0.98148	1	5	4
Negative effects of CE	383	3.29	3	1.14958	1	5	4
Relationship between celebrity's image and consumers purchase of sports brands	386	3.14	4	1.16855	1	5	4

Table 6.3 represents the key sub dimensions of celebrity endorsements (positive effects of celebrity endorsements, negative effects of celebrity endorsements and relationship between celebrity's image and consumers' purchase of sports brands) that impact consumers' perceptions of the Nike brand in fluctuating degrees. In descending level of impact the mean scores are as follows:

- Positive effects of celebrity endorsements (Mean = 3.98)
- Negative effects of celebrity endorsements (Mean = 3.29)
- Relationship between celebrity's image and consumers purchase of sports brands (Mean = 3.14)

Respondents had a positive view of celebrity endorsements when related to a maximum attainable score of 5. In order to understand the positive effects of celebrity endorsements on consumers' perceptions, frequency analysis was conducted. Below is an interpretation of the key dimensions that impact consumers' perceptions of the Nike brand.

The sub dimension of positive effects of celebrity endorsements will be discussed further. For the statement, "it is easier to recall the brand when I see or hear about the celebrity on television or in the news", 43.8% of respondents agreed with this statement and a further 26.3% strongly agreed with it. This shows that celebrity endorsements assist in brand recognition and this is one of the pros of celebrity endorsements.

"Celebrity endorsement are an effective tool for sports brands", 46.5% of respondents agreed while 31.7% of respondents strongly agreed. Therefore consumers strongly believe that celebrity endorsements are an effective marketing tool for sports brands.

According to the results of the study, majority of respondents, strongly disagreed (35%) and disagreed (32.4%) with the statement "I only purchase a brand because I like the celebrity endorsing the brand". This shows that only a minority will purchase a brand because they like the endorser of the brand. Therefore there needs to be other factors that contribute to a consumer purchasing a brand.

"If my favourite athlete endorsed a product, irrespective of whether I had a need for it or not; I will purchase it no matter what". 44% of respondents strongly disagreed while only 2.6% of respondents strongly agreed with this statement. According to these results, it is evident that consumers will not purchase a product just because they like the celebrity.

Consumers generally do not purchase a brand because they like the endorser of the brand but rather purchase a brand for other reasons. Furthermore an endorser would not convince consumers to purchase a brand or product if they did not have a need for it. Corresponding to the literature of the positive effects of celebrity endorsements, a celebrity endorsement is an effective marketing tool and it aids brand recognition and brand recall.

The sub dimensions on the negative effects of celebrity endorsements will be further discussed below.

“In the event of something bad happening with the endorser it would impact on your purchase of the brand”, 18% strongly disagreed while 26.1% disagreed with this statement. However, 29.5% agreed with this statement while 26.37% provided a neutral response.

“It is not essential to use sportsmen in advertisement as I will buy a brand suggested by an unknown representative in the advertisement as well”, only 21.93% of respondents disagreed with it. This is a sign that brands may use other individuals to endorse their brand. However they would need to consider many other factors in respect of this.

According to the results, the negative effects of celebrity endorsements are outweighed by the positive effects of celebrity endorsements. Negative behaviour from an endorser is not likely to impact on consumer’s perception of the brand in a negative manner, neither will it have a major effect on sales of the brand. Furthermore, consumers will also purchase a brand suggested by an unknown representative as well. Hence, the cost of an endorsement could be regarded as a drawback of celebrity endorsements.

The sub dimension of the relationship between a celebrity’s behaviour/ image and consumer’s purchase of sports brands will be presented below.

“An endorser’s behaviour has directly influenced your purchase decision to buy the brand they endorse”, 6% of respondents strongly agreed and 19.4% agreed that an endorser’s positive behaviour is likely to influence their purchase of that brand positively. Majority of respondents chose the neutral response 30.3%. There were 16.6% of respondents who strongly disagreed and 27.7% of respondents who disagreed. This illustrates that an endorser’s behaviour does not directly influence a consumer’s purchase decision.

“If an endorser does not perform well in their particular code of sport, majority of respondents” (45.8%) disagreed that it would influence their purchase decision negatively. Therefore, this is beneficial to brands and this result favours the use of celebrity endorsements as a marketing tool for sports brands. This is due to the fact that if an endorser performs well, it will influence consumers purchase decisions and if these endorsers do not perform well, this will not influence a consumer’s purchase decision in a negative manner.

6.5 Inferential statistics

The findings illustrated that the data does not follow a normal distribution. Therefore nonparametric tests will be used to test the hypothesis. The nonparametric tests that will be used in this study will be a Spearman's Correlation Test as well as a Chi-squared test.

Spearman's rank correlation coefficient was used in this study to test if there were positive relationships among the sub dimensions of the study of the impact of celebrity endorsements on consumer's perceptions of the Nike sports brand. According to Field (2009) Spearman's rank correlation coefficient also known as Spearman's rho, is a non-parametric measure of statistical dependence amongst two variables. It measures how well the relationship amongst two variables can be defined by using a monotonic function. A perfect Spearman correlation is said to be +1 (positive) or -1 (negative). This occurs when each of the variables is a perfect positive or negative monotone function of the other respectively (Field, 2009). However, if the Spearman correlation is zero there is no relationship between the two variables.

The outcomes of a statistical test are directed to test whether the correlation coefficient does not diverge from zero or if the correlation coefficient diverges from zero. If the correlation coefficient diverges from zero there is a relationship among the two variables. Hence, if there is a positive correlation coefficient, there is a positive relationship and if there is a negative correlation coefficient there is a negative relationship.

Chi-square is a quantitative measure used to determine if a correlation exists between two categorical variables. As the relationship increases, so does the value of chi-square. When no relationship exists between the variables, the chi-square equals zero.

6.5.1 Impact of celebrity endorsements on consumers perceptions

The following hypothesis was formulated in order to ascertain the impact of celebrity endorsements on consumer's perceptions of sports brands.

Table 6.4 Spearman’s Correlation: Brand credibility and consumer’s likeness to purchase the brand

		Value	Asymptotic Standard Error ^a
Interval by Interval	Pearson's R	0.217	0.055
Ordinal by Ordinal	Spearman Correlation	0.232	0.054
N of Valid Cases		365	

Hypothesis 1

There is no significant relationship between the credibility of a brand and a consumer’s likeness to purchase the brand.

Table 6.4 illustrates that there is a significant relationship between the credibility of a brand and a consumer’s likeness to purchase the brand (Spearman’s Correlation = 0.232, $p > 0.05$). Hence, hypothesis 1 can be accepted. According to this study there is no relationship between the credibility of a brand and a consumer’s likeness to purchase a brand.

Table 6.5 Spearman’s Correlation: Celebrity endorsements as an effective marketing tool for brand recall and brand recognition

		Value	Asymptotic Standard Error ^a
Interval by Interval	Pearson's R	0.581	0.043
Ordinal by Ordinal	Spearman Correlation	0.572	0.038
N of Valid Cases		383	

Hypothesis 2

There is no significant relationship to show that celebrity endorsement is an effective marketing tool for brand recognition and brand recall.

Table 6.5 illustrates that there is a significant relationship to show that celebrity endorsement is an effective marketing tool for brand recognition and brand recall. (Spearman's Correlation = 0.572, $p < 0.05$). Hence, hypothesis 2 can be rejected. There is a strong directly proportional relationship to illustrate that celebrity endorsement is an effective marketing tool for brand recognition and brand recall.

Table 6.6 Chi-Square: Consumers perceptions of sports brands

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	66.064 ^a	8	0.000
N of Valid Cases	378		

Hypothesis 3

There is no significant relationship between negative behaviour and consumers perceptions of sports brands.

According to Table 6.6 the results show there is a significant relationship between negative behavior and consumers perceptions of sports brands (Chi-Square =66.064, $df = 8$, $p < 0.05$). Hence, hypothesis 3 can be rejected. There is a very strong directly proportional relationship between negative behaviour of an endorser and consumers perceptions of sports brands.

6.5.2 Impact of biographical variables

The biographical variables (age, gender, race, marital status and education) on celebrity endorsements and its impact on consumers' perceptions of sports brands were evaluated using chi-square tests.

Table 6.7 Chi- Square: Celebrity endorsements on consumers’ perceptions of sports brands between age groups

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	14.754 ^a	12	0.255
N of Valid Cases	378		

Hypothesis 4

There is no significant difference in the impact of celebrity endorsements on consumers’ perceptions of sports brands between the age groups.

According to Table 6.7 the results show there is no significant difference in the impact of celebrity endorsements on consumers’ perceptions of sports brands (Chi-Square =14.754, df = 12, $p > 0.05$) between the age groups. Hence, hypothesis 4 can be accepted in terms of the age groups. There is a weak relationship between the impacts of celebrity endorsements on consumers’ perceptions of sports brands between the age groups. This illustrates that the impact of celebrity endorsement has a similar effect on perceptions of individuals amongst the various age groups.

Table 6.8 Chi- Square: Consumers view of endorsed brands in terms of gender

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	17.420 ^a	4	0.002
N of Valid Cases	385		

Hypothesis 5

There is no significant relationship on how consumers view an endorsed brand in terms of gender.

According to Table 6.8 the results show there is a significant relationship on how consumers

view an endorsed brand (Chi-Square =17.420, df = 4, $p < 0.05$) in terms of gender. Hence, hypothesis 5 can be rejected in terms of gender. There is a very strong relationship that illustrates that males and females view an endorsed brand differently.

Table 6.9 Chi- Square: Consumers view of endorsed brands among race groups

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	26.670 ^a	16	0.045
N of Valid Cases	384		

Hypothesis 6

There is no significant difference in the impact of negative behaviour of endorsers on consumers' perceptions of sports brands among the race groups

According to Table 6.9 the results show there is a significant difference in the impact of negative behaviour of endorsers on consumers' perceptions of sports brands (Chi-Square = 26.670, df = 16, $p < 0.05$) among the respondents' race groups. Hence, hypothesis 6 can be rejected in terms of the respondents' race. There is a strong relationship that shows that negative behaviour of endorsers does impact on consumers' perceptions of sports brands among the different race groups.

Table 6.10 Chi- Square: Consumers view of endorsed brands in terms of marital status

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.166 ^a	8	0.519
N of Valid Cases	381		

Hypothesis 7

There is no significant difference in the impact of negative behaviour of endorsers on consumers' perceptions of sports brands in terms of marital status.

According to Table 6.10 the results show there is no significant difference in the impact of negative behaviour of endorsers on consumers' perceptions of sports brands (Chi-Square = 7.166, df = 8, $p > 0.05$) in terms of marital status. Hence, hypothesis 7 can be accepted in terms of the marital groups. There is a weak relationship on the impact of negative behaviour of endorsers on consumers' perceptions of sports brands among the marital status. This shows that negative behaviour of an endorser is viewed in the same light by individuals irrespective of marital status.

Table 6.11 Chi- Square: Consumers view of endorsed brands between education groups

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.333 ^a	12	0.587
N of Valid Cases	378		

Hypothesis 8

There is no significant difference in the impact of celebrity endorsements on consumers' perceptions of sports brands between the education groups.

According to Table 6.11 the results show there is no significant difference in the impact of celebrity endorsements on consumers' perceptions of sports brands (Chi-Square = 10.333, df = 12, $p > 0.05$) among the respondents' education groups. Hence, hypothesis 8 can be accepted in terms of the respondents' education groups. There is a weak relationship in the impact of celebrity endorsements on consumers' perceptions of sports brands between the education groups. This illustrates that celebrity endorsements have a similar impact on consumer's perceptions of sports brands regardless of their education group.

6.6 Summary of hypothesis testing

All hypotheses of the study were tested. This was done in order to accept or reject the hypothesis. The summary of the hypothesis are presented below in table 6.12.

Table: 6.12: Summary of the Hypotheses Tests

Number	Hypothesis	Result
H1	There is no significant relationship between the credibility of a brand and a consumer's likeness to purchase the brand.	Accepted
H2	There is no significant relationship to show that celebrity endorsement is an effective marketing tool for brand recognition and brand recall.	Rejected
H3	There is no significant relationship between negative behavior and consumers perceptions of sports brands.	Accepted
H4	There is no significant difference in the impact of celebrity endorsements on consumers' perceptions of sports brands between the age groups.	Rejected
H5	There is no significant relationship on how consumers view an endorsed brand among males and females.	Rejected

H6	There is no significant difference in the impact of negative behaviour of endorsers on consumers' perceptions of sports brands among the race groups.	Rejected
H7	There is no significant difference in the impact of negative behaviour of endorsers on consumers' perceptions of sports brands among the marital status.	Accepted
H8	There is no significant difference in the impact of celebrity endorsements on consumers' perceptions of sports brands between the education groups.	Accepted

6.7 Statistical Analysis of the Questionnaire

The psychometric characteristics of the questionnaire (reliability and validity) were assessed statistically.

6.7.1 Reliability of the Questionnaire

The two most important aspects of precision are reliability and validity. Reliability is computed by taking several measurements on the same subjects. According to Hinton, P., McMurray, I. and Brownlow, C. (2014), a reliability coefficient of 0.50 or higher is considered as “acceptable” for a newly developed construct.

Table 6.13 below reflects the Cronbach’s alpha score for all the items that constituted the questionnaire.

Table: 6.13: Reliability of the Questionnaire: Cronbach’s Coefficient Alpha

Section	Name of Section	Number of Items	Cronbach's Alpha
B	Positive Effects of Celebrity Endorsements	7	0.805
C	Negative Effects of Celebrity Endorsements	2	0.597
D	Relationship between celebrity behaviour and consumers’ purchase of sport brands	5	0.872
H	Sports Brands	9	0.800

The reliability scores for all sections exceed or approximate the recommended Cronbach’s alpha value. This indicates a degree of acceptable, consistent scoring for these sections of the research. Furthermore, according to Hinton, P., McMurray, I. and Brownlow, C. (2014), section B, section D and section H indicates high reliability. Section C has moderate reliability however this may be due to the fact that there were only two items tested in this section.

6.7.2 Validity of the Questionnaire

The validity of the research instrument used to measure the respondents' perceptions relating to the key dimensions of celebrity endorsements was evaluated using factor analysis.

6.7.2.1 Factor Analysis

Factor analysis is important as it is a statistical technique whose main goal is data reduction. A typical use of factor analysis is in survey research, where a researcher wishes to represent a number of questions with a small number of hypothetical factors. Factor analysis can be used to establish whether the three measures do, in fact, measure the same thing. If so, they can then be combined to create a new variable, a factor score variable that contains a score for each respondent on the factor. Factor techniques are applicable to a variety of situations. A researcher may want to know if the skills required to be a decathlete are as varied as the ten events, or if a small number of core skills are needed to be successful in a decathlon. You need not believe that factors actually exist in order to perform a factor analysis, but in practice the factors are usually interpreted, given names, and spoken of as real things.

- The principle component analysis was used as the extraction method, and the rotation method was Varimax with Kaiser Normalization. This is an orthogonal rotation method that minimizes the number of variables that have high loadings on each factor. It simplifies the interpretation of the factors.
- Factor analysis/loading show inter-correlations between variables.
- Items of questions that loaded similarly imply measurement along a similar factor. An examination of the content of items loading at or above 0.5 (and using the higher or highest loading in instances where items cross-loaded at greater than this value) effectively measured along the various components.

The statements that constituted sections C and D loaded perfectly along a single component. This implies that the statements that constituted these sections perfectly measured what it set out to measure.

It is noted that the variables that constituted Sections B and H loaded along 2 components (sub-themes). This means that respondents identified different trends within the sections. Within the sections, the splits are colour coded.

The matrix tables is preceded by a summarised table that reflects the results of KMO and Bartlett's Test. The requirement is that Kaiser-Meyer-Olkin Measure of Sampling Adequacy should be greater than 0.50 and Bartlett's Test of Sphericity less than 0.05. In all instances, the conditions are satisfied which allows for the factor analysis procedure.

Factor analysis is done only for the Likert scale items. Certain components divided into finer components. This is explained below in the rotated component matrix.

Table 6.14: Rotated Component Matrix

	Rotated Component Matrix ^a			
	Component			
	1	2	3	4
I only purchase a brand because I like the celebrity endorsing the brand	0.27 8	0.06 0	0.65 5	0.05 9
If my favourite athlete endorsed a product, irrespective of whether I had a need for it or not; I will purchase it no matter what	0.26 2	0.00 8	0.61 5	0.16 5
I think using superstars in marketing is good, as it assists me to get to recognise a brand better	0.19 3	0.06 5	0.38 3	0.62 5
I think that celebrities represent the quality of a brand	0.14 4	0.12 8	0.60 4	0.37 7
It is easier to recall the brand when I see or hear about the celebrity on television or in the news	0.15 0	0.15 0	0.14 4	0.79 0
Celebrity endorsements are an effective marketing tool for sports brands	0.15 8	0.15 3	0.14 9	0.75 7
I think celebrities represent the credibility of a brand	0.20 9	0.11 3	0.61 2	0.37 7
If a celebrity behaves in a negative manner, this is likely to impact on your perception of the brand	0.56 5	0.12 3	0.18 0	0.01 5
In the event of something bad happening with the endorser it would impact on your purchase of the brand	0.61 7	0.06 4	0.02 8	- 0.03 0
It is not essential to use sportsmen in advertisement, as I will buy a brand suggested	-	0.10	0.36	-

by an unknown representative in the advertisement as well	0.01 9	5	8	0.04 9
An endorser's behaviour has directly influenced your purchase decision to buy the brand they endorse	0.80 7	0.08 3	0.19 6	0.08 1
An endorser's positive behaviour is likely to influence your purchase of that brand positively	0.77 5	0.10 6	0.18 6	0.15 8
An endorser's negative behaviour is likely to influence your purchase of that brand negatively	0.82 5	0.03 6	- 0.02 7	0.14 9
If an endorser performs well in their particular sport, this will influence your purchase decision of that brand	0.71 2	- 0.00 5	0.28 6	0.20 5
If an endorser does not perform well in their particular sport, this will influence your purchase decision of that brand negatively	0.65 4	- 0.01 5	0.16 5	0.15 5
Reputation of the brand	0.01 9	0.62 9	0.05 7	0.10 1
History of the brand	0.06 0	0.66 5	0.20 9	- 0.09 0
Endorser of the brand	0.24 5	0.51 6	0.41 6	- 0.02 9
Athletes that use that brand	0.19 5	0.49 9	0.39 6	0.05 2
Reasonable price	- 0.00 5	0.59 5	- 0.35 5	0.21 8
Previous purchase experience	0.02 4	0.64 6	- 0.36 2	0.16 7
Brand availability	0.02 8	0.72 6	- 0.10 2	0.25 1
Product Packaging	0.14 2	0.63 2	0.07 6	- 0.13 2
New technology	- 0.02 3	0.62 3	- 0.01 0	0.16 5

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 6 iterations.

Table 6.15: Rotated Component Matrix (Section B)

	Component	
	1	2
I only purchase a brand because I like the celebrity endorsing the brand	0.813	0.071
If my favourite athlete endorsed a product, irrespective of whether I had a need for it or not; I will purchase it no matter what	0.800	0.063
I think using superstars in marketing is good, as it assists me to get to recognise a brand better	0.334	0.660
I think that celebrities represent the quality of a brand	0.666	0.382
It is easier to recall the brand when I see or hear about the celebrity on television or in the news	0.091	0.840
Celebrity endorsements are an effective marketing tool for sports brands	0.094	0.832
I think celebrities represent the credibility of a brand	0.589	0.470

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 3 iterations.

Table 6.16: Component Matrix (Section C)

	Component 1
If a celebrity behaves in a negative manner, this is likely to impact on your perception of the brand	0.834
In the event of something bad happening with the endorser it would impact on your purchase of the brand	0.834

Extraction Method: Principal Component Analysis.
 a. 1 components extracted.

Table 6.17: Component Matrix (Section D)

	Component 1
An endorser's behaviour has directly influenced your purchase decision to buy the brand they endorse	0.837
An endorser's positive behaviour is likely to influence your purchase of that brand positively	0.853
An endorser's negative behaviour is likely to influence your purchase of that brand negatively	0.804
If an endorser performs well in their particular sport, this will influence your purchase decision of that brand	0.837
If an endorser does not perform well in their particular sport, this will influence your purchase decision of that brand negatively	0.731

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Table 6.18: Rotated Component Matrix (Section H)

	Component	
	1	2
Reputation of the brand	0.450	0.458
History of the brand	0.409	0.520
Endorser of the brand	0.019	0.843
Athletes that use that brand	0.064	0.790
Reasonable price	0.757	0.004
Previous purchase experience	0.779	0.056
Brand availability	0.736	0.305
Product Packaging	0.397	0.481
New technology	0.619	0.252

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Table 6.19: KMO and Bartlett's Test (Entire Questionnaire)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.858
Bartlett's Test of Sphericity	Approx. Chi-Square	3227.658
	df	276
	Sig.	0.000

Table 6.20: KMO and Bartlett's Test (Per dimension)

		Kaiser-Meyer-Olkin Measure of Sampling Adequacy	Bartlett's Test of Sphericity		
			Approx. Chi-Square	df	Sig.
B	Positive Effects of Celebrity Endorsements	0.784	811.537	21	0.000
C	Negative Effects of Celebrity Endorsements	0.509	78.420	3	0.000
D	Relationship between celebrity behaviour and consumers' purchase of sport brands	0.833	944.305	10	0.000

H	Sports Brands	0.811	904.666	36	0.000
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All of the conditions are satisfied for factor analysis. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy value should be greater than 0.500 and the Bartlett's Test of Sphericity sig. value should be less than 0.05.

6.8 Correlations

Bivariate correlation was also performed on the (ordinal) data. The results of the study indicate the following patterns.

Positive values indicate a directly proportional relationship between the variables and a negative value indicates an inverse relationship. All significant relationships are indicated by a * or **.

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

The correlation value between “I think celebrities represent the credibility of a brand” and “I only purchase a brand because I like the celebrity endorsing the brand” is 0.375. This is a directly related proportionality. Respondents indicate that the more credibility celebrities add to a brand, the more likely respondents were to purchase the brand, and vice versa. Negative values imply an inverse relationship. That is, the variables have an opposite effect on each other.

The correlations that were most significant to the study have been analyzed in the hypothesis testing. However there are many others that one could study further. These results are found in the appendix A.

6.9 Conclusion

This chapter described the results that were acquired in the study. It was introduced by presenting the biographical findings of the 385 respondents, which was trailed by the descriptive statistics, where analyses of the finding concerning the key dimensions of celebrity endorsements on consumer's perceptions of sports brands was presented.

The final part of the chapter showed the inferential statistics of the study.

The One-sample Kolmogorov- Smirnov test was conducted to determine if the results attained from the study follows a normal distribution.

It was revealed that the data did not follow a normal distribution. Hence non-parametric tests (Spearman's Correlation and Chi Square Test) were used to test the hypotheses of the study. Furthermore, the biographical variables (age group, gender, race, marital status and education levels) on the impact of celebrity endorsements on consumers perceptions of the Nike sports brand were assessed using tests of differences (Spearman's Correlation and Chi Square Test) respectively.

Furthermore, the psychometric properties of the research instrument were evaluated statistically. The validity of the questionnaire was assessed using Factor Analysis and the reliability of the questionnaire was assessed by using Cronbach's Coefficient Alpha.

The succeeding chapter will provide a discussion on the results acquired from the study.

Chapter 7

Discussion of Results

7.1 Introduction

This chapter aim is to further accentuate the results from the study relating to the impact of celebrity endorsements on consumers' perceptions of the Nike brand. Literature mentions that celebrity endorsements can be used for various reasons with one of them being to develop or shape the image of the brand. This in turn is a stimulus for the development of perceptions in the mind of a consumer. Due to the nature of endorsements as a marketing tool, endorsements may not always go according to plan. Therefore the purpose of this study is to determine the impact that celebrity endorsements have on Nike as a brand and also to what extent is it effective and how it can possibly harm the brand as well.

The results of the empirical analysis has been depicted in tabular format and interpreted in the prior chapter. This chapter will continue to deliberate how the results generated from this study impact on consumers' perceptions of the Nike brand. The hypotheses will be explored further and supported by the pertinent literature where required. This will be in relation with the impact of the dimensions of the study on the biographical variables of the respondents. The key sub dimensions of the study will be deliberated further.

7.2 Discussion of the Results

The results of the study will be discussed in detail according to the dimensions of the study.

7.2.1 Celebrity Endorsements

This section will seek to highlight the results spawned from the study that relate to the key sub dimensions of celebrity endorsement (positive and negative effects of celebrity endorsement, relationship between celebrity's behaviour and consumers' purchase of sports brands, costs associated with celebrity endorsements, positive and negative perceptions of celebrity endorsements, and sports brands).

- **Positive effects of celebrity endorsements**

With regards to the respondents' perceptions of positive effects of celebrity endorsement, the empirical findings illustrate the benefits that marketers aim to achieve from celebrity endorsements lead to an overall positive effect of a brand or product.

In terms of respondent's perceptions on positive effects of celebrity endorsements, it was found that celebrity endorsements are an effective marketing tool for marketers and sports brands in particular. According to respondents, celebrity endorsements were found to be successful in order to improve brand recall amongst consumers. This is one of the benefits of celebrity endorsement and this will assist in brand recognition. Hence, marketers can also use it to increase brand recognition. Celebrity endorsements can also be used to build and improve credibility of the brand.

It is important that a consumer is able to recall and recognize a brand as the marketplace can be busy and a consumer needs to be able to recognize the brand before they consider purchasing that brand.

Ndlela & Chuchu (2016) found that brand recall and brand loyalty have a direct positive relationship with purchase behaviour whilst brand awareness had no direct influence on purchase behaviour. Hence celebrity endorsements can be used to

influence the purchase behaviour of consumers in a positive manner.

However, Costanzo & Goodnight (2005) found that an endorser acknowledged in a magazine did not increase the recall of the endorsed brand. Athletes as well as other entertainment celebrities who are not professional athletes were used. The results of that study raise questions with regards to using endorsements to improve brand recall.

Respondents of this study also agreed that celebrity endorsements are an effective tool for sports brands. They are also receptive to celebrity endorsements. This allows marketing professionals and brands to use celebrity endorsements to generate certain desired results.

A study conducted by Haefele (2014), illustrated that endorsements are an effective marketing tool to increase purchase intent and positively influence consumer perceptions towards a brand, hence the use of celebrity endorsements have increased.

Furthermore, the findings of Gupta, Kishore & Verma (2015) divulge that celebrity endorsements can be an effective marketing tool accessible to brands marketing professionals as it is anticipated to have a substantial positive influence on consumer's purchase intentions. It is important to achieve this positive influence as these positive purchase intentions can be converted to purchase if other factors in the marketing mix are well planned.

- **Negative effects of celebrity endorsements**

In terms of respondent's perceptions on the negative effects of celebrity endorsements, non-celebrity endorsers can also be effective. If this occurs the return on investment of a celebrity endorser may not be as good, as the non-celebrity endorser will have a much lower cost. Consumers will buy a brand suggested by an unknown representative in the advertisement as well. In this study only 21.93% of respondents disagreed with this statement. This is a sign that marketers may use non celebrities to endorse their brand as well. However they would need to consider many other factors in respect of this.

“In the event of something bad happening with the endorser it would impact on your purchase of the brand”, as mentioned, majority of respondents disagreed with this

statement. However, 29.5% agreed with this statement while 26.37% provided a neutral response. This response is a favourable response for marketers as they get to leverage the benefits of celebrity endorsements without having to worry much if something goes wrong with the endorsement. However it is in the best interest of the brand or marketer to ensure and prevent this from occurring.

According to Saeed, Naseer, Haider, and Naz, (2014), it is established that using a celebrity endorser is more effective and has greater impact on consumer's perception than non-celebrity endorsers. Furthermore, McCracken mentions that the non – celebrities are just transferring the message with their age, gender and social status. However celebrities are conveying the message in a meaningful way which is more effective as the celebrity is recognized outside the marketing world. Non-celebrity endorsers have no surprising attributes as a celebrity endorser.

The findings from a study conducted by Saeed, *et al*, (2014) illustrated that celebrity endorsers and non-celebrity endorsers have positive correlation, but high positive relationship between a celebrity endorser and consumer's perceptions than a non-celebrity endorser.

According to Chung, Derdenger & Srinivasan (2013) celebrity endorsements can generate product differentiation and shifts in market share. They also found that celebrity endorsements not only persuade consumers to switch brand but also have a primary demand effect.

Hence, even though the findings from this study illustrate that consumers will purchase a brand suggested by an unknown representative, celebrity endorsers are still more effective and there is a high positive correlation between a celebrity endorser and consumer's perceptions.

There have been numerous authors who have debated that celebrity endorsers created more positive perceptions and increased purchase intentions towards the product or brand endorsed when compared to a non-celebrity endorser (Atkin and Block 1983; Petty et al. 1983; Ohanian 1991). Therefore it will be more effective to use a celebrity endorser to improve or change perceptions of a brand.

One of the main negative effects of celebrity endorsements are the high costs. This study; supported by other research, found that the benefits of celebrity endorsements

outweigh these high costs. Furthermore it was found in this study that when an endorser behaves in a negative manner, this will not have a great impact on consumer's perceptions of the brand.

This is beneficial to marketers and sports brands because if their endorser behaved in a negative manner, this will have little impact on consumer's perceptions of the brand. However, it must be highlighted that this was according to this study and may differ from other research.

- **Relationship between celebrity's behaviour and consumers' purchase of sports brands**

With regards to respondents' perceptions of the relationship between celebrity behaviour and consumers' purchase of sport brands, 43.5% of respondents agreed that an endorser's positive behaviour is likely to influence their purchase of that brand in a positive manner. Hence the results from this study illustrate that an endorser's positive behaviour is directly proportional to a consumers purchase decision in a positive manner. There have been many studies that agreed that the expertise of the celebrity endorser positively influences a consumer's purchase intent. Ohanian, (1991) also supports this theory by agreeing that the expertise of the endorser affects a consumer's purchase intention. There is limited literature to support that an endorser's positive behaviour is likely to influence their purchase of that brand positively.

However it was found in this study that negative behavior of an endorser is not likely to influence the purchase of a brand negatively. This result is favourable for marketers and sports brands as they should be selecting endorsers who perform well and behave in a positive manner. This in turn should enable marketers to be able to influence a consumer's purchase decision of a brand by using a celebrity endorser.

If an endorser does not perform well in their particular code of sport, majority of respondents (45.8%) disagreed that it would influence their purchase decision negatively. Therefore, this is beneficial to brands and this result favours the use of celebrity endorsements as a marketing tool for sports brands. This is due to the fact that

if an endorser performs well, it will influence consumers purchase decisions and if these endorsers do not perform well, this will not influence a consumer's purchase decision in a negative manner.

This is an advantage to brands that use endorsements and are pressurized around the performance of the endorser. It will obviously be more beneficial to have an endorser who is excelling most if not all the time but it is definitely comforting to know that if their endorsers do not perform well, this will not influence a consumer's purchase decision in a negative manner.

- **Costs associated with celebrity endorsements**

In terms of respondent's perceptions of the costs associated with celebrity endorsements, there is a fairly even distribution of scoring opinions for this question. There were 31.3% of respondents that said yes, 36.2% said no, while 32.6% of respondents said maybe. Furthermore it was found that even though the costs of celebrity endorsements are high, they are outweighed by the benefits of celebrity endorsements and marketers and sports brands in particular should use celebrity endorsements as part of their marketing strategy.

Furthermore it was found that celebrity endorsements are effective to change perceptions of the brand. The high cost of using a celebrity endorser in a marketing campaign is regarded as a demerit towards celebrity endorsers; however even though celebrity endorsements may be expensive the pros outweigh the cons as mentioned earlier in this study. It is of that utmost importance that marketers ensure that consumers always have a positive perception of their brand.

- **Positive perceptions of celebrity endorsements**

In terms of respondent's perceptions of the positive perceptions of celebrity endorsements, it was found that celebrity endorsements have a positive impact on the perceptions of consumers towards sports brands. This study also found that when an endorser performs well, this leads to consumers thinking positively about the brand concerned.

According to Statista (2018) the majority of Nike's accomplishment can be credited to their marketing campaign as well as endorsement deals with celebrity athletes and professional sports teams. This is illustrated and quantified by the Global revenue of Adidas, Nike and Puma presented in appendix C.

Elberse & Verleun (2012) are in favour of these endorsements and mention that the perceived positive pay-off with regards to brand-level sales and firm-level stock returns would provide brands or marketers with assurance in the general efficacy of an endorsement strategy.

According to Harrington (2014), "If a product is really strong, you don't need a celebrity to sell it to consumers". However marketers use endorsements for other reasons than just to increase sales. Marketers use celebrity endorsements for other reasons such as to increase brand awareness or improve brand recall. One of the other reasons is to use endorsements to improve or change consumer's perceptions of a brand.

Corresponding with the results there is research published in Marketing Science that validates that the right endorser with correct fit and appeal can be profitable (Marketing Science Institute, 2013). Furthermore in order to determine whether endorsements are worth it or not, marketing practitioners need to quantify the worth of the endorsement. Chung, Derdenger & Srinivasan (2013) studied the sales of endorsed products. They examined the impact Tiger Woods had on sales of Nike golf balls. Co-movement in his performance and brand sales over time permitted them to ascertain a celebrity's causal effect on sales.

The literature review showed that from 2000 to 2010, the Nike golf subsidiary gained an extra profit of \$103 million through the acquisition of \$9.9 million in sales revenue from the Tiger Woods' endorsement deal. Furthermore, his endorsement deal led to a price premium of approximately 2.5%. Consequently, around 57% of Nike's endorsement with his \$181 million endorsement deal was recuperated in U.S. golf ball sales alone.

Econometric examination exposes that Nike's Tiger Woods endorsement deal persuaded consumers to change brands, increase demand, and led to a price premium for Nike. This illustrates some of the benefits and worth of celebrity endorsements.

There is a great debate over the effectiveness and cost of celebrity endorsement. This depends on the brand and the celebrity endorsing the product or brand. For an

endorsement to be effective there needs to be a good association between brand and celebrity that the consumer can easily recognize and be influenced by. An example of this is the connection between Michael Jordan and the Air Jordan brand however this connection may not exist between him and another brand. It can also be debated that celebrity endorsement is also partly a gamble. However it is up to the marketer to mitigate the risk and do their homework before entering into an endorsement deal.

- **Negative perceptions of celebrity endorsements**

In terms of respondent's perceptions of the negative perceptions of celebrity endorsements, if an endorser behaved in a negative manner, majority (51.8%) will not think negatively of the brand they endorse. If an endorser behaved in a negative manner, 37.4% of respondents will still buy the product or brand that they endorse. Only 25.8% of respondents will stop buying the brand or product. A strong majority (59.7%) of respondents did not have a negative impact from celebrity endorsements on sports brands. Only 15.3% experienced a negative impact on their perceptions of sports brands from celebrity endorsements. In this section, all scoring patterns are significantly different ($p < 0.05$).

- **Sports brands**

In terms of respondent's perceptions of sports brands, the Adidas brand was the majority favourite of respondents in this study with 51.4% of respondents favouring the Adidas brand. This was closely followed by Nike with 45.2%. Reebok only accounted for 3.4% of the sample. Respondents found that Nike and Adidas endorsers were successful in influencing their purchase decision. It was also found that Nike has the most effective endorsements. This is evident as Nike has endorsement deals with many successful athletes in various codes of sport.

A study conducted by Ad agency Moosylvania entitled "Millennials reveal their top 100 favorite brands" revealed that Nike was the most favourite apparel brand and it was the second most favourite brand overall (Lutz and Taylor, 2018).

The results varied from this study in that Nike was favoured over Adidas, with Adidas being the eleventh most favourite brand overall and the second most favourite sports brand. This study analyzed 15,000 individuals (age 17 to 37) that the agency has surveyed on their favorite brands over a five year period (Lutz and Taylor, 2018). Appendix B shows the top 10 sports brands that consumers in the United States prefer in 2016 according to a Statista survey. This survey illustrated that 56 percent of respondents said that they prefer Nike followed by Adidas and New Balance respectively (Statista, 2016).

Respondents identified Nike for having the most effective endorsements which made up 53.4% of the sample. This was followed by Adidas which made up 45.2% and Reebok with just 1.3% of the sample.

Even though majority of respondents' favourite brand was Adidas, the majority of respondents chose Nike for having the most effective endorsements.

It is evident that Nike fans as well as non-Nike fans recognize Nike for having effective endorsements. Nike is able to achieve this by having endorsers in various codes of sport. It is also important to have endorsers in various sports as this allows the brand to target a wider audience with different demographic backgrounds. Additionally, this will allow Nike to increase brand recognition and brand recall among consumers.

- **Nike**

In terms of respondent's perceptions of Nike, it was found that Nike uses effective celebrities. This is important for the endorsement deal to be successful. By ensuring that an effective celebrity is used for the endorsement deal, this increases the chance of success of the endorsement deal. Furthermore, it was found that Nike also has managed their endorsement deals well.

There were 58% of respondents who agreed that Nike uses effective celebrities. This was followed by 29% of respondents who said that Nike sometimes uses effective celebrities while only 13% said that Nike does not use effective celebrities. So it is evident that endorsements and Nike endorsements in particular are effective as discussed previously and that Nike also uses effective celebrities.

This study has discussed a few endorsement deals that did not go according to plan however Nike has managed them correctly when they did go wrong in order to prevent consumers from developing negative perceptions of the brand and to prevent the reputation of the brand being tarnished. This is further substantiated as the three most important factors respondents liked about Nike was the reputation of the brand followed by reasonable price and brand availability respectively.

It is in the marketer's best interest to ensure that the endorser is suitably matched with the brand, the product and the physiognomies of that particular target market. Observed individualities of endorsers relative to the brand they are endorsing have been shown to be a noteworthy aspect that determines their success (Belch and Belch 2012).

Erfgen. *et al* (2015) agrees with the findings of this study in that Nike uses effective endorsers. One of their most successful endorsement deals was with Tiger Woods to endorse their golf range and not Nike in general. In doing this, they were able to match the product, the target market and the endorser, this allowed them to have one of the most significant sports endorsement deals in history (Erfgen. *et al*, 2015).

For an endorsement deal to be effective, it needs to be beneficial to the brand as well as the endorser. In the case of celebrity endorsement, the brand concerned needs to ensure that the celebrity chosen has values that are in line with that particular brand. Not all celebrities or athletes are suitable for a specific brand. Hence there needs to be a good fit between the brand and the endorser.

7.2.2 Hypotheses

In order to test the hypotheses of the study inferential statistics were conducted concerning the impact of celebrity endorsements on consumer's perceptions.

This study revealed that there is no relationship between the credibility of the brand and a consumer's likeness to purchase the brand. In a study conducted by Jeng (2016), brand credibility did not affect purchase intention directly. However, brand credibility influenced decision convenience and affective commitment which had a positive influence on consumer's likeness to purchase a brand.

Even though brand credibility did not improve a consumer's likeness to purchase a brand in this study, other literature support this and it is important that brands maintain their credibility. So for brands and marketing practitioners it is important to improve or increase the credibility of the brand as this will increase purchase intent. Consumers want to purchase credible brands and this shows why the credibility of a brand leads to greater purchase intent.

The results from a study conducted by (Wang and Yang, 2010) reveal that the credibility of a brand exercises a positive influence on consumers' purchase intention. Additionally, brand image and brand awareness were found to positively moderate the correlation between brand credibility and consumers' purchase intent (Wang and Yang, 2010).

The results of this study show that there is a strong directly proportional relationship between celebrity endorsement as a marketing tool and brand recognition and brand recall. Endorsements are not only able to change perceptions of a brand. They can be used to increase brand recognition and improve brand recall. In order for a brand to be successful, it is important that consumers are able to recognize the brand. It is also equally important for them to be able to recall the brand name.

There is a very strong directly proportional relationship between negative behaviour of an endorser and consumers perceptions of sports brands.

7.2.3 Biographical Variables

The impact of the biographical variables (age, gender, race, marital status, and education) on the key sub dimensions of celebrity endorsements on consumers perceptions were assessed using nonparametric tests, namely the Spearman's Correlation Test as well as a Chi –squared test respectively.

As illustrated in the results of the research instrument, this study was dominated by females as they made up 65.7% of the study which was 116 participants. Their male counterparts only constituted 34.3% of the study which was 69 participants. According to this study it can be assumed that majority of the university population is constituted by females as specified by Conger and Long (2013). Furthermore, the empirical findings show that there is a significant difference on how consumers view an endorsed brand among males and females.

Soni (2016) conducted a study that illustrates that males and females differ considerably on few dimensions with females displaying more positive attitude towards celebrity endorsements for factors such as attentiveness and persuasiveness. However males and females have a similar attitude for factors such as entertainment, impression, information and score better than non-celebrity endorsed marketing (Soni, 2016).

As it is important for an endorsement to be effective to males and females, marketers need to use gender segmentation (The Economic Times, 2018). Gender segmentation is the classification of markets on the basis of gender. Males and females view endorsements differently hence gender segmentation may assist the marketer to improve the effectiveness of an endorsement deal or a marketing campaign in general (The Economic Times, 2018).

The findings of this study show that majority of respondents were from the 18 – 20 year age group which made up 48.1% of the sample. This was closely followed by the 21- 30 age group which was 46.8% of the sample. According to these findings, it can be assumed that majority of the university population of students fall into these age groups. This study shows that the impact of celebrity endorsements on consumer's perceptions has a similar effect on individuals of different age groups. This is also supported by Sagunthala & Gowrishankkar (2017) as their findings revealed a similar impact to consumer's perceptions.

Sagunthala & Gowrishankkar (2017) found that the biographical characteristics of individuals such as age, gender, marital status, educational qualification, occupation and monthly income are independent variables which were measured to find the association with their perceptions of celebrity endorsement towards products showed that all the demographics except gender had accepted the null hypothesis.

Hence, the demographics of the consumers have no significant impact on their perceptions (Sagunthala & Gowrishankkar, 2017).

The findings show that there is a significant difference in terms of the impact of negative behaviour on consumers of different race groups. This could be due to the fact that different race groups view negative behaviour differently in relation to an endorsement deal. Majority of students in this study were Indian and African which made up 46.9% and 46.6% respectively. It can be assumed that majority of the student population at UKZN falls into these race groups.

Rashid, Nallamuthu and Sidin (2002) mentioned that different ethnic groups are more aware of the relationship between celebrity and the brand or the product. They further mention that certain celebrities were related more with certain products by a specific ethnic group than by other ethnic groups. This may be due to the familiarity of the ethnic groups towards a celebrity. Therefore there needs to be congruency between a celebrity and brand or product endorsed as the less familiar the ethnic groups were towards each of the celebrity, the lesser the fit between the endorsed brand or product and the celebrity.

With regards to negative behaviour of endorsers on consumer's perceptions of sports brands among the marital status, the findings from this study found that marital status does not make a difference when developing perceptions after an endorser behaves in a negative manner. Majority of respondents in this study were single making up 95.6% of the sample. Hence it can be assumed that majority of the student population at UKZN falls in this category. As supported by Sagunthala & Gowrishankkar (2017), the marital status of consumers has no significant impact when developing perceptions after an endorser has behaved in an incorrect manner.

This research revealed that the highest education obtained by majority of respondents in this study was a matric qualification which was 73.3% of the sample. This shows that majority of the respondents of this study were undergraduates which was 78.8% of the sample. It can be assumed that majority of the student population fall into this category.

The impact of celebrity endorsements on consumer's perceptions of sports brands is similar among individuals of the different education groups. Also supported by Sagunthala & Gowrishankkar (2017), the education level of consumers has no

significant impact when developing perceptions.

7.3 Conclusion

This chapter provided a comprehensive discussion of the findings and key dimensions of this study. It conveyed the key dimensions and sub dimensions of celebrity endorsements and the impact it has on consumer's perceptions of the Nike sports brand.

According to the empirical findings of this study, it can be inferred that celebrity endorsements are effective to increase brand recognition and brand recall among consumers and that consumers view celebrity endorsements in a positive manner.

Furthermore, the influence of the respondents' biographical details (age, gender, race, marital status and education) on the key sub dimensions of the impact of celebrity endorsements on consumer's perceptions of the Nike sports brand was discussed.

The findings of this study were discussed and it was compared and contrasted to similar research carried out in the marketing arena by other distinguished researchers. This was done to identify similarities as well as the differences in the results. There have been several key discoveries in this study and these will be used to develop a model to be implemented. This will assist marketers when using endorsements in their marketing campaign. It will help them to be more successful and in turn allow them to change perceptions of consumers with an endorsement deal.

The succeeding chapter will pay attention to the development of this model and will endeavor to provide recommendations and conclusions based on the findings of the study as well as provide a guideline to enhance the effectiveness of an endorsement deal and increase the impact it has on consumer's perceptions in a positive manner.

Chapter 8

Conclusion and Recommendations

8.1 Introduction

In the final chapter, synopses of the empirical findings are clarified. Furthermore, the recommendations for brands and marketing professionals will be explained. Additionally, recommendations for future research will be deliberated upon. Finally, the conclusions based on the findings of this study will be revealed.

This study is significant to brands and marketing professionals, specifically marketers of sports brands who are considering signing celebrity endorsers or who seek material on how to structure and manage endorsement deals over a period of time. It is of relevance as they need to be aware of the impact that celebrity endorsements have on consumers perceptions of sports brands. It is important for them to understand this in order to use it to their advantage in order to maximize their marketing campaign and to ensure that their endorsements deals are particularly are successful.

The recommendations that are presented in this chapter may assist brands and marketing professionals, specifically marketers of sports brands to use and execute successful endorsement deals as part of their marketing campaign.

8.2 Empirical findings

The empirical findings of this study illustrated that there is a positive relationship between celebrity endorsements and consumers perceptions of sports brands. There is also a positive relationship amongst the relationship between celebrity behaviour and consumers purchase of sports brands.

According to the findings of the study it can be inferred that there is a significant positive relationship between the credibility of a brand and the consumer's likeness to purchase the brand. This study has found that celebrity endorsements can be used to improve the credibility of a brand. Hence, celebrity endorsements can be used to increase consumers purchase intentions.

Furthermore, there is a significant positive relationship to show that celebrity endorsements are an effective marketing tool for brand recognition and brand recall. The findings illustrate that celebrity endorsements can be used in a marketing strategy in order to improve brand recognition and increase brand recall.

The findings illustrate that there is a significant positive relationship between celebrity's behaviour/ image and consumer's purchase of sports brands. When endorsers behave in a positive manner, this is likely to influence the purchase of a brand. Conversely, when endorsers behave in a negative manner, this does not impact on the purchase intent of a consumer in a negative manner. Furthermore, when an athlete endorser performs well in their respective code of sport, this is shown to influence the purchase decision of a brand in a positive manner.

According to the findings of the study it can be implied that there is a significant positive relationship between celebrity endorsements and consumers perceptions. When a celebrity endorsement goes according to plan it has a positive impact on consumer's

perceptions. Additionally, when an endorser performs well in their respective code of sport, this has a positive impact on consumer's perceptions of the particular brand that they endorse and leads consumers to think of the brand in a positive manner.

However, the findings of this study illustrate that negative behaviour of the endorser does not influence consumers to think negatively about the brand. Additionally they will still purchase the respective product or brand. However, it should be noted that this was the case for this study and may differ from other research.

8.3 Recommendations Based On the Findings of the Study

In order to assure that consumers have a positive perception of the brand, marketers need to pay attention to their target market as well as select their endorsers carefully. Although, brand marketers cannot predict the future behavior of their endorsers, they will need to screen their potential endorsers in detail. They should also have a contingency plan and manage the endorsement deal correctly should an endorsement deal not go as planned.

Celebrity endorsement as an element of a brands marketing strategy is generally a winning formula, however the high costs of celebrity endorsements needs to be also considered. This study has shown that when an endorsement deal is successful, it is worth the high costs.

If a brand uses a celebrity endorser, that does not match-up with the brand or if the endorser behaves in an ethical manner, this will have an adverse effect and lead to consumers developing negative perceptions about the brand. Therefore marketers need to do their research and be careful when selecting an endorser to ensure a good match.

However, if a brand chooses the endorser correctly, and assuming that the endorser continues to conduct themselves in an appropriate manner, this could be a possible winning formula.

In terms of respondent's perceptions on positive effects of celebrity endorsements, it was found that celebrity endorsements are an effective marketing tool for marketers and sports brands in particular. Celebrity endorsements were found to be successful in order to improve brand recall amongst consumers. It also can be used to build and improve credibility of the brand. Marketers can also use it to increase brand recognition.

In terms of respondent's perceptions on the negative effects of celebrity endorsements, non-celebrity endorsers can also be effective. If this occurs the return on investment of a celebrity endorser may not be as good as the non-celebrity endorser, as the non-celebrity endorser will cost much less. One of the main negative effects of celebrity endorsements are the high costs. This study supported by other research found that the benefits of celebrity endorsements outweigh these high costs. Furthermore it was found that when an endorser behaves in a negative manner, this will not have a great impact on consumer's perceptions of the brand. This is beneficial to marketers and sports brands because if their endorser behaved in a negative manner, this will have little impact on consumer's perceptions of the brand.

In terms of respondents perceptions of the relationship between a celebrities behaviour/image and consumers purchase of sports brands, it was found that an endorsers positive behavior is likely to influence a consumers purchase of the brand concerned. However, negative behavior of an endorser is not likely to influence the purchase of a brand negatively. This result is favourable for marketers and sports brands as they should be selecting endorsers who perform well and behave in a positive manner. This in turn should enable marketers to be able to influence a consumer's purchase decision of a brand by using a celebrity endorser.

In terms of respondent's perceptions of the costs associated with celebrity endorsements, it was found that even though the costs of celebrity endorsements are high, they are outweighed by the benefits of celebrity endorsements and marketers and

sports brands in particular should use celebrity endorsements as part of their marketing strategy. Furthermore it was found that celebrity endorsements are effective to change perceptions of the brand. It is of the utmost importance that marketers ensure that consumers always have a positive perception of their brand.

In terms of respondent's perceptions of the positive perceptions of celebrity endorsements, it was found that celebrity endorsements have a positive impact on the perceptions of consumers towards sports brands. This study also found that when an endorser performs well, this leads to consumers thinking positively about the brand concerned.

In terms of respondent's perceptions of sports brands, the most favorite brand was Adidas and this was followed by Nike. Respondents found that Nike and Adidas endorsers were successful in influencing their purchase decision. It was also found that Nike has the most effective endorsements. This is evident as Nike has endorsement deals with many successful athletes in various codes of sport.

In terms of respondent's perceptions of Nike, it was found that Nike uses effective celebrities. This is important for the endorsement deal to be successful. By ensuring that an effective celebrity is used for the endorsement deal, this increases the chance of success of the endorsement deal. Furthermore, it was found that Nike also has managed their endorsement deals well. This study has discussed a few endorsement deals that did not go according to plan, however Nike has managed them correctly when they did go wrong in order to prevent consumers from developing negative perceptions of the brand and to prevent the reputation of the brand being tarnished. This is further substantiated as the three most important factors respondents liked about Nike was the reputation of the brand followed by reasonable price and brand availability respectively.

The above-mentioned recommendations are aimed at academics, marketing professionals and sports brands.

This is graphically illustrated in Figure 8.1 and Figure 8.2.

Figure 8.1

Recommendations for using celebrity endorsements to enhance perceptions of sports brands.

Dimension

Recommendations

Positive effects of celebrity endorsements

- An effective marketing tool to use as part of a marketing strategy
- When the match-up between the brand and the celebrity is correct, it increases brand recall
- Celebrity endorsements improves credibility which influences purchase decisions of consumers
- Celebrity endorsements increases brand recognition
- Expertise of endorsers increases brand awareness
- Likeability of the endorser leads to increased brand awareness
- Sports brands should use celebrity endorsements in their marketing campaign as it is an effective marketing tool
- Celebrity endorsements can be used to change perceptions of the brand

Negative effects of celebrity endorsements

- Non- celebrity endorsers were found to be equally effective in this study
- Negative behaviour of an endorser will reduce credibility which will have a negative impact on purchase decision
- If the celebrity does not match-up correctly to the brand endorsed this will lead to an adverse effect in terms of buying behaviour

Relationship between a celebrities behaviour/image and consumers purchase of sports brands

- Positive behaviour of an endorser is likely to influence consumers to purchase the endorsed brand
- When an endorser performs well, this will influence consumers purchase intent positively
- Negative behaviour of an endorser reduces credibility and has a negative influence on purchase decision
- Monitor behaviour of celebrity endorsers to avoid any negative influences on the brand at all times
- Ensure synchronicity between endorser and brand to ensure long term commitment by consumers

Costs associated with celebrity endorsements

- Benefits of celebrity endorsements outweigh the high costs associated with celebrity endorsements so it is deemed to be a good investment in branding
- Should a celebrity bring a brand into disrepute through misconduct and negative publicity, the costs associated with this are often high and is tantamount to a risky investment

Positive perceptions of celebrity endorsements

- Endorsers enable marketers to position their brand in the marketplace which leads to positive perceptions being developed
- Good performance of an endorser leads to consumers thinking positively of the brand
- Attractiveness of the celebrity leads to positive perceptions being developed
- Expertise of endorsers lead to positive perceptions being developed
- Increased brand awareness leads to positive perception of the brand
- Trustworthiness of an endorser leads to positive perceptions being developed

Negative perceptions of celebrity endorsements

- Negative behaviour of an endorser does not lead consumers to develop a negative perception of the brand directly however it does reduce credibility of the brand
- Reduced credibility by negative behaviour leads to negative perceptions about the brand
- Negative behaviour of an endorser does not prevent consumers from purchasing the endorsed product or brand
- If the endorser is not matched up correctly to the brand, this causes an adverse effect to occur which leads to negative perceptions being developed in the consumer's mind

Figure 8.2

A diagrammatic model linking factors that impact on positive and negative perceptions of a brand.

Key:



- Factors for selecting an endorser



- Merits of celebrity endorsement



- Demerits of celebrity endorsement



- Independent variable



- Moderating variable



- Dependent variable I



- Dependent variable II

CELEBRITY ENDORSEMENTS

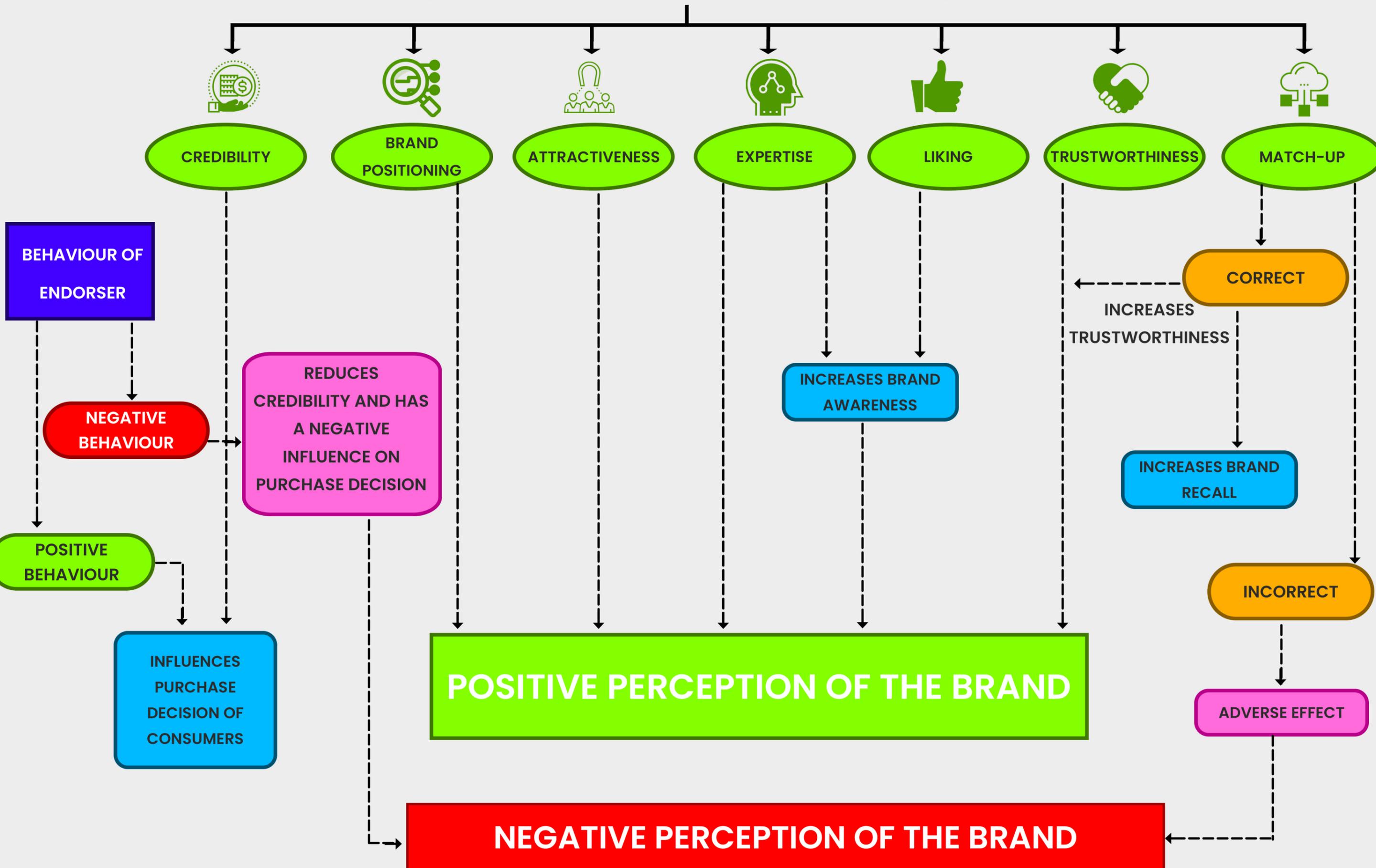


Figure 8.2 illustrates the factors that impact on positive or negative perceptions of a brand. As mentioned previously in this study; credibility, brand positioning, attractiveness, expertise, liking, trustworthiness, and the match-up between a brand and an endorser are factors that marketers need to consider when selecting an endorser for a brand.

Credibility of an endorser influences the purchase decision of consumers. Brand positioning, attractiveness, expertise and trustworthiness of an endorser leads to a positive perception of the brand. Additionally, the perceived expertise of an endorser and the liking a consumer has towards a celebrity increases brand awareness of the endorsed brand. Furthermore, this leads consumers to develop positive perceptions of the brand. When the match-up between the brand and the endorser is correct, this increases trustworthiness which in turn leads to positive perceptions being developed. A correct match-up also increases brand recall.

However, when the match-up between the celebrity and brand is incorrect, this will have an adverse effect on the brand which will in turn lead to negative perceptions being developed about the brand concerned.

The moderating variable in this study is the behaviour of the endorser. Positive behaviour influences the purchase decision of consumers which is also one of the merits of celebrity endorsements. However, if the celebrity behaves in a negative manner, this reduces credibility of the brand and has a negative influence on purchase decision, which is also one of the demerits of celebrity endorsement. Should this occur, this will ultimately lead consumers to develop negative perceptions of the brand.

8.4 Recommendations for Future Research

This study has been limited to students of the University of KwaZulu-Natal who are on the Westville campus. Additional research on this topic should be extended to various other tertiary institutions nationally as well as globally. Furthermore, one could use a larger sample size as well as a more diverse sample. It would be interesting to compare the impact of celebrity endorsements on consumer's perceptions of sports brands in other countries to consumer's perceptions in South Africa.

This study focused on sports brands and Nike in particular. Research should also be done to test the impact of celebrity endorsements in different industries with different brands and a comparison can be made on their effectiveness.

Marketing is moving towards the social media space, hence it would be interesting to test the impact that celebrity endorsements has on consumers using social media as well as how social media impacts on celebrity endorsements.

This study focused more on global celebrities. Hence further research can be done on the effectiveness of local celebrities as endorsers and that can be compared to the results of this study.

8.5 Conclusion

This final chapter of this study has highlighted some of the recommendations that marketing professionals need to take cognizance of when using endorsements as part of their marketing strategy in order to achieve the desired outcome and benefits of using an endorser.

The recommendations from the results of this study were illustrated and when applied effectively by marketing professionals and sports brands, has the ability to improve the impact of celebrity endorsements on consumer's perceptions of sports brands. It will provide support and assistance to marketers in order to use celebrity endorsements in their marketing campaigns and to be more effective. Furthermore, recommendations for future research were discussed with an outline of the empirical findings of the study.

As discussed previously, in the opening chapter, the key point of this study was to determine the impact of celebrity endorsements on consumers perceptions of the Nike sports brand. Additionally, the challenge was to ascertain the degree to which celebrity endorsements impact consumer's perceptions, the feasibility of endorsements and the possible harm that endorsements may cause.

The empirical findings of the study consequently specify that celebrity endorsements do impact on consumers perceptions of the Nike sports brand and sports brands in general. Furthermore, the study also specifies that there is a significant relationship between the dimensions that were explored in this study. Additionally, conferring to the empirical findings of the study, it can be inferred that celebrity endorsements has a greater influence as a marketing tool to improve brand recall, to improve credibility as well as to increase brand recognition. After reflecting upon the above-mentioned, the purpose of this study has been fulfilled.

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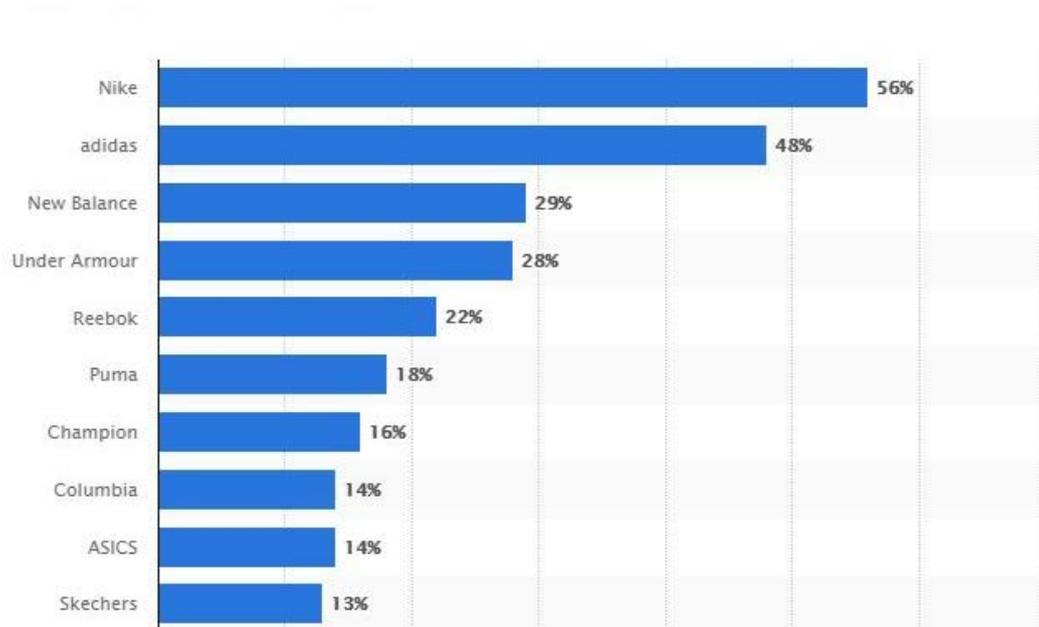
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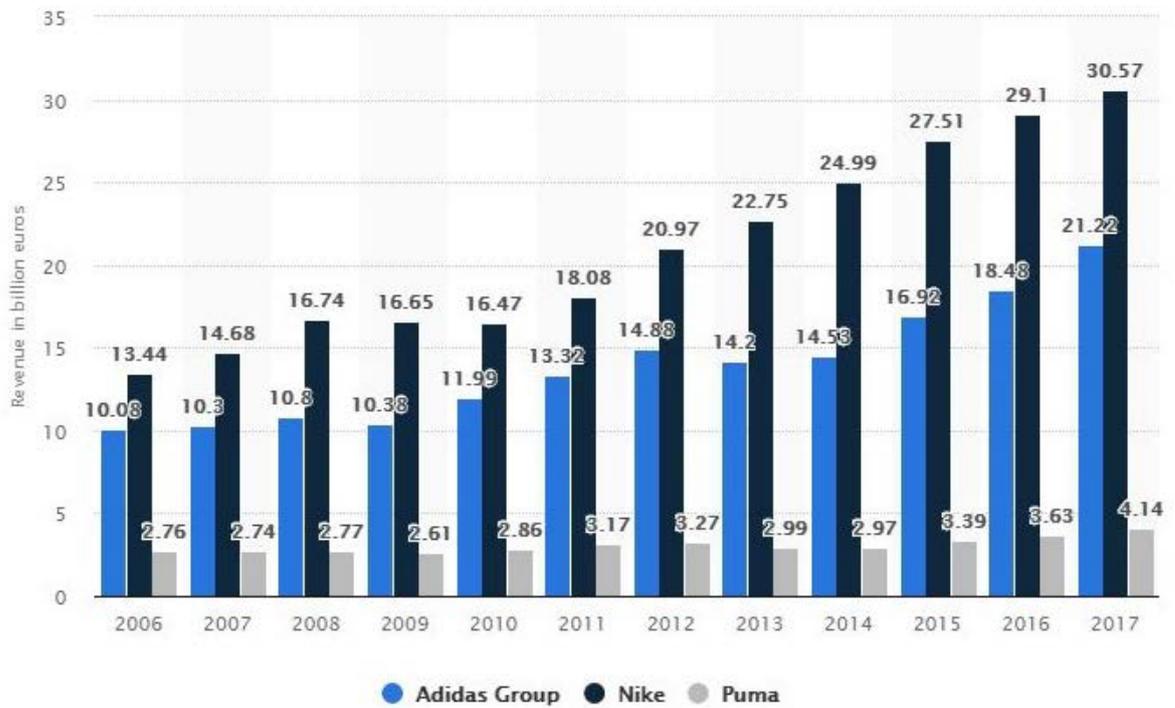
Appendix B: Preferred Sports Brand



Source: Statista. (2016). Favorite sports & fitness brands in US 2016 | Statista. [online]

Available at: <https://www.statista.com/statistics/639386/preferred-sports-and-fitness-accessory-brands-in-us/>.

Appendix C: Global Revenue



Source: Statista. (2018). *Adidas, Nike & Puma revenue comparison 2006-2017* | Statista.
 [online] Available at: <https://www.statista.com/statistics/269599/net-sales-of-adidas-and-puma-worldwide/>.

Appendix D: Letter of Informed Consent

UNIVERSITY OF KWAZULU-NATAL
School of Management, Information Technology and Governance

M Com Research

Researcher: Delwyn Pillay (0795018111)

Supervisor: Dr D. Oodith (031-2607850)

Research Officer: Ms M Snyman (031 260 8350)

Dear Respondent,

I, Delwyn Harlon Pillay, am a M. Com (Marketing) student in the School of Management, Information Technology and Governance, at the University of KwaZulu-Natal. You are invited to participate in a research project entitled “The impact of celebrity endorsements on consumers' perceptions of the Nike sports brand”.

The aim of this study is to determine the impact of celebrity endorsements on consumers' perceptions of sports brands with particular reference to Nike.

Through your participation I hope to understand how celebrity endorsements impacts on your perception of sports brands. The result of this survey is intended to contribute to understanding of the effects of celebrity endorsements on sports brands.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records identifying you as a participant will be maintained by the School of Management, Information Technology and Governance, UKZN.

If you have any questions or concerns about participating in this study, please contact me or my supervisor at the numbers listed above.

It should take you about 15 minutes to complete the questionnaire. I hope you will take the time to complete the questionnaire.

Sincerely
Delwyn Pillay

Investigator's signature _____ Date _____

Appendix E: Questionnaire

UNIVERSITY OF KWAZULU-NATAL
School of Management, Information Technology and Governance

M Com Research

Researcher: Delwyn Pillay (0795018111)

Supervisor: Dr D. Oodith (031-2607850)

Research Officer: Ms M Snyman (031 260 8350)

CONSENT

I _____ (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

Signature of Participant

Date

Section A: Biographical details

Please select the best option from the following options given below:

1. Age Group

18 – 20	21 – 30	31 – 40	41 – 50	51 – 60	60+
1	2	3	4	5	6

2. Gender

Male	Female
1	2

3. Race

Indian	White	African	Coloured	Other: Specify
1	2	3	4	5

4. Marital Status

Single	Married	Divorced	Widowed
1	2	3	4

5. Highest Education Obtained

Matric	Post-Matric Diploma	Degree	Postgraduate Degree
1	2	3	4

6. Student

a)	Undergraduate student	1
b)	Postgraduate student	2

7. Which college are you from?

a)	College of Agriculture, Engineering and Science	1
b)	College of Health Sciences	2
c)	College of Law and Management Studies	3

8. Which school do you belong to?

a)	School of Chemistry and Physics	1
b)	School of Life Sciences	2
c)	School of Mathematics, Statistics and Computer Science	3
d)	School of Health Sciences	4
e)	Graduate School of Business and Leadership	5
f)	School of Accounting, Economics and Finance	6
g)	School of Management, Information Technology (IT) and Governance	7

Section B: Positive effects of celebrity endorsements

Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5					
1. I only purchase a brand because I like the celebrity endorsing the brand.					1	2	3	4	5
2. If my favourite athlete endorsed a product, irrespective of whether I had a need for it or not; I will purchase it no matter what.					1	2	3	4	5
3. I think using superstars in marketing is good, as it assists me to get to recognise a brand better.					1	2	3	4	5
4. I think that celebrities represent the quality of a brand.					1	2	3	4	5
5. It is easier to recall the brand when I see or hear about the celebrity on television or in the news.					1	2	3	4	5
6. Celebrity endorsements are an effective marketing tool for sports brands.					1	2	3	4	5
7. I think celebrities represent the credibility of a brand.					1	2	3	4	5

Section C: Negative effects of celebrity endorsements

Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5					
1. If a celebrity behaves in a negative manner, this is likely to impact on your perception of the brand.					1	2	3	4	5
2. In the event of something bad happening with the endorser it would impact on your purchase of the brand.					1	2	3	4	5
3. It is not essential to use sportsmen in advertisement, as I will buy a brand suggested by an unknown representative in the advertisement as well.					1	2	3	4	5

Section D: Relationship between celebrity’s behavior/ image and consumers’ purchase of sports brands

Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5					
1. An endorser’s behavior has directly influenced your purchase decision to buy the brand they endorse.					1	2	3	4	5
2. An endorser’s positive behavior is likely to influence your purchase of that brand positively.					1	2	3	4	5
3. An endorser’s negative behavior is likely to influence your purchase of that brand negatively.					1	2	3	4	5
4. If an endorser performs well in their particular sport, this will influence your purchase decision of that brand.					1	2	3	4	5
5. If an endorser does not perform well in their particular sport, this will influence your purchase decision of that brand negatively.					1	2	3	4	5

Section E: Costs associated with celebrity endorsements

1. Do you think that celebrity endorsements are worth the high cost?

1. Yes	2. No	3. Maybe
--------	-------	----------

2. Do you think that sports brands should use celebrity endorsements?

1. Yes	2. No	3. Maybe
--------	-------	----------

3. Do you think that celebrity endorsements can be used to change the perceptions of the brand?

1. Yes	2. No	3. Maybe
--------	-------	----------

4. Celebrity endorsements influence people to purchase that brand.

Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
---------------------------	---------------	--------------	------------	------------------------

Section F: Positive perceptions of celebrity endorsements

1. Celebrity endorsements have a positive impact on your perceptions of sports brands.

Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
---------------------------	---------------	--------------	------------	------------------------

2. If an endorser performs/ performed well, will you buy the product or brand that they endorse?

1. Yes	2. No	3. Maybe
--------	-------	----------

3. If an endorser performs/ performed well, will you think positively of the brand that they endorse?

1. Yes	2. No	3. Maybe
--------	-------	----------

4. Has celebrity endorsements ever had a positive impact on your perceptions of sports brands?

1. Yes	2. No	3. Maybe
--------	-------	----------

Section G: Negative perceptions of celebrity endorsements

1. If an endorser behaved in a negative manner, will you think negatively of the brand they endorse?

1. Yes	2. No	3. Maybe
--------	-------	----------

4. If an endorser behaved in a negative manner, will you still buy the product or brand that they endorse?

1. Yes	2. No	3. Maybe
--------	-------	----------

4. Has celebrity endorsements ever had a negative impact on your perceptions of sports brands?

1. Yes	2. No	3. Sometimes
--------	-------	--------------

Section H: Sports brands

1. What is your favorite sports brand? Please choose one.

1. Nike	2. Reebok	3. Adidas	4. Puma	5. Other
---------	-----------	-----------	---------	----------

2. Which sports brand's endorsers influences your spending?

1. Nike	2. Reebok	3. Adidas	4. Puma	5. Other
---------	-----------	-----------	---------	----------

3. Are sports brands a critical factor in your choice when purchasing sports clothing and apparel?

1. Yes	2. No	3. Sometimes
--------	-------	--------------

4. Which sports brand has the most effective celebrity endorsements?

1. Nike	2. Reebok	3. Adidas	4. Puma	5. Other
---------	-----------	-----------	---------	----------

5. Please rate the following factors in order of importance when purchasing sports apparel and equipment with 1 being very unimportant and 5 being most important.

	Very unimportant 1	Unimportant 2	Neutral 3	Important 4	Very important 5
Reputation of the brand					
History of the brand					
Endorser of the brand					
Athletes that use that brand					
Reasonable price					
Previous purchase experience					
Brand availability					
Product Packaging					
New technology					

Section I: Nike

1. In your opinion, does Nike use effective celebrities?

1. Yes	2. No	3. Sometimes
--------	-------	--------------

- 2. After the Tiger Woods' scandal, numerous sponsors decided to terminate their contracts with him. Nike decided to continue their work with Woods. Has this impacted on your perception of Nike in a negative way?**

1. Yes	2. No	3. Slightly
--------	-------	-------------

- 3. Lance Armstrong, a former Nike endorser was caught for doping. Nike terminated his contract immediately. Has this impacted on your perception of Nike in a negative way, given the fact that Nike responded in an ethical manner?**

1. Yes	2. No	3. Slightly
--------	-------	-------------

- 4. Oscar Pistorius, a former Nike endorser had shot his girlfriend. Has this impacted on your perception of Nike in a negative way, given the fact that they did the right thing to terminate his contract immediately?**

1. Yes	2. No	3. Slightly
--------	-------	-------------

- 5. I will purchase Nike products because of the celebrity endorsing it.**

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

- 6. I purchase Nike products regardless of a celebrity's behavior.**

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

7. Choose the three most important factors you like about the Nike brand?

Factors		
Reputation of the brand	1	
History of the brand	2	
Endorser of the brand	3	
Athletes that use that brand	4	
Reasonable price	5	
Previous purchase experience	6	
Brand availability	7	
Product Packaging	8	
New technology	9	

THANK YOU FOR YOUR PARTICIPATION

23 June 2016

Mr Delwyn Harlon Pillay (SN 210515889)
School of Management, IT and Governance
College of Law and Management Studies
Westville Campus
UKZN
Email: oodithd@ukzn.ac.za

Dear Mr Pillay

RE: PERMISSION TO CONDUCT RESEARCH

Gatekeeper's permission is hereby granted for you to conduct research at the University of KwaZulu-Natal (UKZN), towards your postgraduate studies, provided Ethical clearance has been obtained. We note the title of your research project is:

"The impact of Celebrity Endorsements on Consumers' Perceptions of the Nike sports brand".

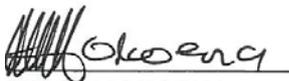
It is noted that you will be constituting your sample by handing out questionnaires to students on the Westville campus.

Please ensure that the following appears on your questionnaire/attached to your notice:

- Ethical clearance number;
- Research title and details of the research, the researcher and the supervisor;
- Consent form is attached to the notice/questionnaire and to be signed by user before he/she fills in questionnaire;
- gatekeepers approval by the Registrar.

Data collected must be treated with due confidentiality and anonymity.

Yours sincerely



**MR SS MOKOENA
REGISTRAR**

Office of the Registrar

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15 September 2016

Mr Delwyn Harlon Pillay (210515889)
School of Management, IT & Governance
Westville Campus

Dear Mr Pillay,

Protocol reference number: HSS/1469/016M

Project title: The impact of celebrity endorsements on consumers' perceptions of the Nike sports brand

Full Approval – Expedited Application

In response to your application received on 08 September 2016, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Dr Shamila Naidoo (Deputy Chair)

/ms

Cc Supervisor: Dr Devina Oodith
Cc Academic Leader Research: Professor Brian McArthur
Cc School Administrator: Ms Angela Pearce

Humanities & Social Sciences Research Ethics Committee

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