Celebrity Advertising and Source Credibility in Hong Kong

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Declaration

I hereby certify that the work embodied in this Dissertation Project is the result of original research and has not been submitted for a higher degree to any other University or Institution.

Ying Che Ruth Kan

Date
Acknowledgements

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Last but not least, as a communications professional and international marketer experienced in the use of celebrity advertising, I have found this research project to be both challenging and stimulating. Apart from contributing to the wide body of knowledge on celebrity advertising, I hope that the findings of this study will also inspire my counterparts in the industry.
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Abstract

Celebrity endorsement, or the use of celebrities in advertising, is a popular communication strategy used by marketers and advertisers around the world. Numerous studies had been conducted to ascertain the essential characteristics of an effective endorser and their impact on celebrity advertising. Ohanian (1990) developed a tri-component (attractiveness, trustworthiness and expertise) celebrity credibility scale and assessed the impact of the three dimensions on consumers’ purchase intention. The scale has been widely used in the U.S., but the limited research conducted in Asia has revealed both similarities and differences in consumers’ perceptions of and responses to celebrity credibility in Asia and the U.S. The present study aimed to test the applicability of the Ohanian scale in Hong Kong’s Chinese consumer market and develop a more comprehensive measurement of celebrity credibility. It also assessed the impact of the credibility dimensions on consumers through their purchase intentions.

An expanded five-factor celebrity credibility scale was tested through a questionnaire survey of 300 consumers intercepted in a popular location in Hong Kong. The results of the exploratory and confirmatory factor analyses supported the revised scale, with some variations for male and female celebrities. The results of the multiple regression analyses showed that ‘expertise’, which was found to be the only dimension affecting consumers’ purchase intention in Ohanian’s (1991) study, had no impact on the respondents. Unlike previous research, which had reported no noticeable differences in consumers’ responses to a female vs. male celebrity, the findings indicated that the dimensions influencing Hong Kong consumers’ purchase intention were the female celebrity’s attractiveness and trustworthiness and the male celebrity’s familiarity and likability. This study offers researchers and practitioners an effective celebrity selection tool and paves the way for further research on consumer responses to celebrity advertising in the expansive Mainland Chinese market.
CHAPTER ONE
INTRODUCTION

1.1 Background to this Research

Since its early beginning in the 19th century, celebrity endorsement, or the use of celebrities in advertising, has become a popular communication strategy employed by marketers around the world. In fact, celebrity advertising is one of the most popular advertising strategies used in today’s global marketplace (White, 2004). Recent growth of celebrity endorsement in the last few decades has been fueled by media technological advances which have eliminated national boundaries and expanded the influence of celebrities (Money, Shimp and Sakano, 2006). A widely accepted definition of a celebrity endorser is ‘any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement’ (McCracken, 1989, p.310). The current study adopts this definition.

The increasing popularity of celebrity endorsement is well reflected in the vast amounts of advertising spending invested by companies. Celebrity endorsement is now a billion dollar industry (Kambitsis, Harahousou, Theodorakis and Chatzibeis, 2002). Enormous amounts of money are invested into celebrity endorsement contracts every year by marketers, who believe that celebrities are effective spokespeople for their products and brands (Hsu and McDonald, 2002). Companies invest heavily into endorsement deals which often run into millions of dollars (Schaefer, Parker and Haytko, 2011). Nike, for example, paid an estimated US$4 billion in 2009 to have some of the world’s top athletes represent its products (Miller and Laczniak, 2011).