

The real impact celebrity endorsements make on brand equity

20802651

Research proposal for

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Abstract

This research project examined the impact that celebrity endorsement has on brand equity. Marketers make decisions daily on where to spend their budgets in an effort to build brand equity and insights into how to achieve the best return on investment are important. The Aaker Brand Equity model was used as a basis for this study. The celebrity endorsement was separated into two distinct forms of endorsement - that of the traditional celebrity and that of the social media influencer. The audience of the celebrity was also considered and measured.

The research findings validated the concept that a celebrity endorsement will impact on brand equity. The type of celebrity endorsement was found to be important, but the audience generational make up was found to be less important.

The implications of this research are a contribution to the academic knowledge of this field of study as well as some practical ideas for marketers to consider.

Keywords

Brand equity, celebrity endorser, social media influencer, Millennials, Generation Z

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Jacqui Swart

01 November 2021

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Chapter 1: Introduction

1.1 Introduction to the research problem

Covid-19 has had a massive impact on the world's economy (Ozili, 2020). This economic impact has led to financial constraints for many companies around the world and has ultimately had a negative impact on marketing budgets. Palamino-Tamayo, Timana, and Cervino, (2020) state that most marketing managers make decisions under severe financial constraints and in most cases, have little assurances on the outcomes of those marketing decisions they make. In these difficult financial times, marketing budgets are normally one of the first budgets slashed (Kotler, 2009). Therefore, marketers are required to carefully consider every tool they have to build brand equity and what the impact of those strategies will be to generate income for the brand. This study aims to examine the key drivers of brand equity and explore what the impact of celebrity endorsement, as a marketing strategy, has on that brand equity. In exploring the concept of the celebrity endorser, the study will also look at the emergence of a new type of endorser - the social media influencer and the impact they are having on brand equity as well as the audience of the celebrity and social media influencer - Generation Z and the Millennials.

Brand equity has become important for companies particularly since financial institutions are placing large financial values on brands. Companies have to be able to measure that equity in order to better understand the levers one could pull to produce better results (Aaker 1991). Calder and Frigo (2019) state that many organisations, such as the International Organization for Standardization (ISO), the Marketing Accountability Standards Board (MASB), the International Trademark Association (INTA), the Licensing Executives Society International (LES), the American National Standards Institute (ANSI), as well as accounting and regulatory bodies are all now placing values on brands and therefore this study is important in being able to make an academic contribution to this discussion. If brand equity as an expression of that value is becoming so important, then the need to understand what impacts brand equity is elevated in importance.

With this in mind, understanding what impacts on brand equity is important for two reasons: Firstly, it would allow for marketing to better understand how to strategize for that impact. Secondly, if the impact on brand equity was strong enough, it would attract investors (Calder, 2017). David Haigh, the CEO of Brand Finance, stated that the ultimate purpose of a brand is to make money (Haig, 2019). Brand equity can measurably add to the bottom line of a company. According to the BrandZ Top 75 Most Valuable Global Retail Brands Report of 2020, the world's top retail brands have grown by 24% (amidst a global pandemic). Luxury

brands, the most likely to use celebrity endorsement, grew by 3.2% in spite of the global pandemic (BrandZ/Kantar, 2019). The illustration below shows the current brand values of the world's largest retail brands alongside the luxury brands. These demonstrate the value that a brand can hold for a company and highlights how important a strong brand can be on the company balance sheet.

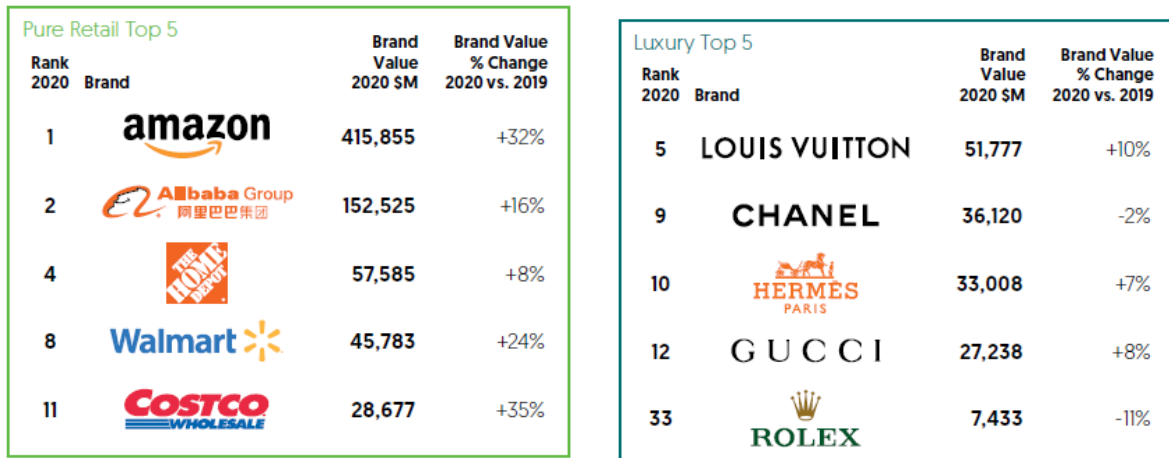


Figure 1. Brand values of the world's largest retail brands (BrandZ/Kantar, 2019)

Brand equity is a means of measuring brand value. The Oxford Dictionary defines brand equity as the commercial value that derives from consumer perception of the brand name of a particular product or service, rather than from the product or service itself. Aaker (1991) determined that brand equity has two distinct meanings:

- a) The consumer views brand equity as the value added to a product by associating it with the brand name
- b) The company sees brand equity as the discounted value of the product that can be attributed to the price premium generated by the brand.

Aaker argued that brand equity played a major role in a brand's overall success (1991). He stated that brand equity is made up of five components: Perceived value, brand awareness, perceived quality, brand associations and other proprietary assets. Each of these components can be measured individually or as a whole.

Alex Biel stated that brand equity is driven by consumer choice and that choice in turn is defined by the brand image of the brand in question (Aaker and Biel, 1993). They in turn argued that the brand itself is made up of a number of components, heritage, assets and capabilities, people, values, local and global orientation, citizenship and corporate performance and size. There have been additions to this theory of brand equity. Keller defines

brand equity as the effect that marketing has on the consumer as compared to before the consumer was exposed to that brand advertising (Keller, 1993). Yoo and Donthu, (2001) define brand equity as slightly differently in that they compare branded and non-branded products that utilise the same form of advertising. Calder adds that brand equity is the weight of expectations that a consumer has of a brand (Calder, 2020). All of these definitions are important for this research project as a fundamental understanding that brand equity is important in order to measure the right outcomes. The other definitions are all derived from the Aaker model in its original form. The Aaker model is therefore the model that will be used in this study due to the clarity the model provides. The clarity referenced is that Aaker proposed that if you build marketing strategies around these 5 constructs alone, there will be an increase in overall brand equity. This research aims to measure exactly how much a celebrity endorsement strategy can add to each of these pillars independently, adding to a brand's distinctness and recognition. The Keller model focuses on different levels of brand equity as a hierarchy that needs addressing as brand awareness is built. These multiple levels are focused on the emotion of the consumer and their reaction to a brand strategy. This research is designed to measure using the brand pillars as proposed by Aaker for a more succinct understanding of building brand equity through celebrity endorsement alone, and not through a measurement of the cognitive and emotive response of the consumer. This model for the research proposed gives a very clear understanding of the impact on brand equity without the complexity of the emotive construct as proposed by Keller's consumer-based brand equity model.

The definitions above highlight the clutter that a consumer is presented with. Celebrity endorsement can achieve a breakthrough in the mind of the consumer in building brand equity (Simsek, 2014). Celebrity endorsement is a leading marketing strategy. In the United States 25% of all television advertisements make use of a celebrity to promote the product on offer (Simsek, 2014). Traditionally a celebrity can be anyone that is well known in the public realm. In the past decade a new type of celebrity has emerged - the social media influencer. A social media influencer can be an ordinary person that has developed a following due to either their technical knowledge of a product, or due to the power of influence they have in their personal network (Geysler, 2021).

The present-day consumer is now looking to other consumers, and not just celebrities, to share their product and brand experience in order to make purchasing decisions, giving rise to the phenomenon of the social media influencer (Glucksman, 2017). The rise of platforms such as Twitter, Instagram and Facebook have provided fertile ground for the rise of the social media influencer. In 2018 national advertisers in the United States were already reporting that

75% of them were utilising social media influencers for marketing (ANA, 2018). Therefore, this emerging marketing phenomenon is critical to this study as it can have a massive influence on how to impact brand equity.

Celebrity endorsement, in theory, should have an impact on the budget spend for advertising (Agrawal & Kamakura, 1995). These endorsement deals are very costly, and the marketing team expects this investment to increase sales in the future. The investments made are a large percentage of the marketing spend. In 2021, Nike was projecting that their endorsement deals would amount to \$1.33 billion by 2025 (Statista, 2020). Michael Jordan's endorsement deals cost his associated brands \$10 billion during his career (Bartz, Molchanov & Stork, 2013). This research will help marketers to consider the impact celebrity endorsement will have on the different pillars of brand equity and to therefore better optimise their marketing spend in relation to their marketing objectives.

The concept of the celebrity endorser is a valuable one for the marketer. Studies by Yoo and Donthu, Spry, Pappu and Cornwell, and Agrawal & Kamakura all focus on the Keller model of brand equity. The gap in research at present is that no study has effectively measured the impact that celebrity endorsement has on brand equity, as defined by the Aaker model. The research aims to test whether the celebrity does increase the recognition of a brand, and whether it can have an impact on brand equity. This is a valuable research topic as it would assist marketers to better allocate investment of the budget spend on this brand building activity, if the results proved that the endorsement did have a dramatic impact on equity.

A second, equally valuable area that requires research will be the study of the emergence of the social media influencer as a challenger to traditional celebrity endorsement as well as the generational relativity of these two strategies. There is very little research into the generational appreciation of the celebrity endorsement model. Understanding this can enhance marketing choices to ensure that marketers select the right type of celebrity endorser for the brand, depending on the generation of the target audience.

This paper aims to unlock some of the current realities in the context of South Africa by understanding how the role of the celebrity endorser, whether traditional or in the shape of the social media influencer, impacts on the individual components of brand equity.

1.2 Significance of the study

1.2.1 The business need

A comprehensive assessment of consumer attitudes to celebrity endorsement and its ability to increase brand awareness, product recall and brand loyalty will be a valuable study for marketers. Due to the high numbers involved in these endorsement deals and the ever-shrinking marketing budgets (Palamino-Tamayo, Timana, and Cervino, 2020), a deeper understanding of how celebrity endorsement impacts on brand equity would help marketers set more realistic budgets and measurements going forward. Companies would benefit from being able to value their brands against this marketing metric.

Brand Finance explains that it is imperative to understand the value a brand has as it assists with understanding the total value the brand contributes to the overall value of the company - which is important for budgeting purposes (Brand Finance, 2020). It allows for accurate pricing for brand damage and litigation purposes; allows for accurate pricing in mergers and acquisitions; it allows compliance with IFRS3 in which companies are compelled to value their intangible assets; and finally, companies are increasingly using the growth in their brand value as part of their annual reporting. Any improvements that can be made in this business understanding would be valuable.

1.2.2 The academic need

This research will contribute to the current body of knowledge around celebrity endorsement by measuring the impact on brand equity. The additional research on social media influencers and the impact of the generational study will bring together findings that will be useful to current and future studies in this field of marketing. Research that amalgamates these three concepts of traditional celebrity endorsement, modern social media influencer marketing and a study of these two marketing cohorts on Generation Z and the Millennials will be useful to the field of marketing study as a whole.

1.2.3 The South African need

There is currently little significant study into celebrity endorsement as a marketing strategy to build brand equity. However, South African brands are certainly investing in both celebrity endorsements and social media influencers. Ogilvy SA launched an entire agency division in 2020 to manage the increasing demands for influencer marketing from their clients (Business Insider, 2020). Marketing budgets are limited, but complexities around allocation towards different brand building channels could be assisted if the research highlighted a significant understanding of the impact on brand equity.

1.3 Delimitations

This study is limited to a dataset of South African consumers, aged between 18 and 38, exposed to product promotion in South Africa. Therefore, the conclusions derived are applicable to South Africa only. The study is limited in focus to celebrity endorsement which is inclusive of social media influencers and the impact it has on brand equity. The Aaker model of brand equity has been adopted for the purpose of this study. Therefore, other models of brand equity are excluded from this research.

1.4 Definition of terms

Celebrity endorser: someone, especially a well-known person in the field of entertainment or sport, employed by an organisation or company to represent a brand in a positive light, and by doing so, help to increase brand awareness and sales (Oxford Learner Dictionary, 2021).

Social media influencer: a person or thing that influences somebody/something, especially a person with the ability to influence potential buyers of a product or service by recommending it on social media (Oxford Learner Dictionary, 2021).

Generation Z: the group of people who were born between the late 1990s and the early 2010s, who are regarded as being very familiar with the internet.

Millennials: a person who was born between the early 1980s and the late 1990s

Brand equity: the commercial value that derives from consumer perception of the brand name of a particular product or service, rather than from the product or service itself.

1.5 Assumptions

This research assumes that marketers are interested in using celebrity endorsers and social media influencers as part of their marketing mix. It also assumes that they are interested in building their brand equity as part of the overall value of their business.

Chapter 2: Literature review

Introduction

An extensive literature review was undertaken to better understand the discourse of theory around the key constructs of this research: brand equity, the celebrity endorser, and the key audiences of the endorser - Generation Z and the Millennial generation. The review was devised to accommodate an understanding of what brand equity is, how it is impacted by celebrity endorsement, including the emerging trend of social media influencers and then a further study into the audience of the celebrity endorser - mainly the Generation Z and Millennials. This literature review was fundamental in understanding if there are any gaps in the theory that this research could fill or any answers the research could potentially find in order to strengthen this field of study academically.

2.1 Brand equity

2.1.1 The construct of brand equity

Marketers, in their efforts to build brand equity, seek to build positive associations between their brand and the consumer (Aaker 1991; Mullin, Hardy & Sutton, 2000). Aaker, in his original research on brand equity, defined brand equity as a clear set of assets linked to a brand name that adds or detracts from the value provided by a product to its consumers (Aaker, 1991). This definition provides the framework for this research.

Brand equity theory has been extensively developed post the Aaker model. Kamakura and Russell defined brand equity as an elevated awareness that holds true to the brand promise. They further reflect that the brand under these conditions then enjoys preferential status which impacts on consumer propensity to purchase the brand (Kamakura & Russell, 1991). This definition does hold true to what this paper proposes and therefore is part of the consideration set for the hypotheses. The theory of brand equity as proposed by Aaker was challenged by Keller who developed a further advancement on the brand equity theory when he introduced the concept of consumer-based brand equity (1993). This is defined as, “the differential effect of brand knowledge on the consumer response to the marketing of the brand.”

Further builds on the definition have been undertaken. A research paper by Yoo and Donthu described brand equity as the differential experienced between branded and non-branded products when both have had the same marketing exposure and the products are on par with one another (Yoo and Donthu, 2001). In terms of the relativity to this paper, celebrity endorsement is a defined marketing strategy that not all brands can afford to invest in.

Therefore, this definition does not work within the construct of this paper but is useful when looking at other marketing initiatives that address brand equity in the context of their definition. Gill and Dawra also cite examples of definitions from Srinivason that describes brand equity as the annual contribution obtained by a brand in comparison to a competing brand that has no brand building efforts behind it (Gill and Dawra, 2010). This is a useful definition for this research paper as one can clearly earmark the celebrity endorsement role as one that contributes to building brand equity. Brand equity has additionally been refined to the value added by a brand name to a product (Spry, Pappu and Cornwell, 2011). This is another useful construct as it could speak to the concept of celebrity endorsement as being part of that value add if the hypotheses of this paper are proved correct.

2.1.2 The components of brand equity

Aaker described brand equity (Figure 2) as having five components: brand awareness, perceived quality, perceived value, brand association and other proprietary brand assets (Aaker, 1991). He further added that for these to be impacted, there needs to be an overall delivery of the brand promise. Keller further developed this model with his own model (figure 3). He concluded the components to be brand identity, brand meaning, brand response, and resonance (Keller, 1993). He determined that in order to develop strong brand equity, the consumer needs to recognise a brand and have favourable experiences and loyalty. This is a consumer-based model focusing on emotions. Keller created a hierarchy of brand equity, and proposed that consumers need to move up the hierarchy in order to build brand equity. These levels are focused on the emotional connection the consumer develops towards the brand and how they chose to react to that connection.

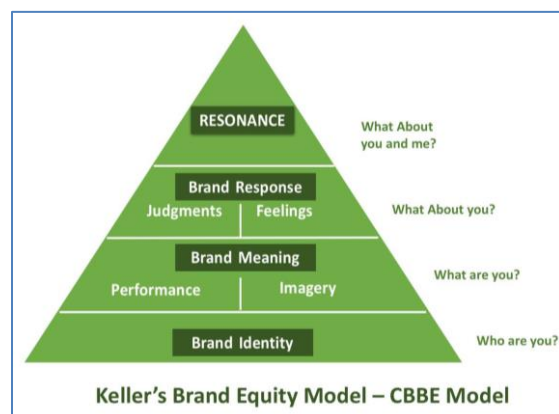
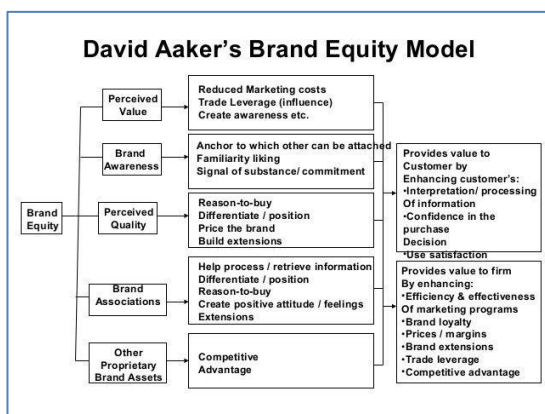


Figure 2 Aaker's brand equity model(Aaker, 1991) Figure 3 Keller's brand equity model (Keller, 1993)

Kyriakidi further defines the components of brand equity as verbal, visual and auditory assets.

These, if distinctive enough, trigger an immediate recognition of that brand in the mind of the consumer. This is then compounded by a collection of experiences - good and bad, frustrations or elations, hopes and fears about this brand. This cumulative association will then lead the consumer to a purchase decision about that brand (Kyriakidi, 2021). This attribution modelling is dependent on developing a deep understanding of the emotional attachment a consumer has towards a brand. This wholly sensory study resides mostly in the realm of consumer psychology and requires a more qualitative approach to the research than the requirements for this research allow.

This research project will be utilising the Aaker model. The Aaker model was the original model that all other subsequent models have built off. Although the Keller model is more detailed and complex than the Aaker model, the Aaker model is built on those 5 key constructs that a marketer would use to build a brand strategy in order to build brand awareness and brand recognition. The Keller model proposes that one needs to move up the construct hierarchy to achieve the same outcome. The model, in implying this move through the various stages of hierarchy, would seemingly take a longer time to achieve a result than simply addressing the five Aaker pillars with one strategy. Moisescu stated that to build brand equity, the marketer simply needs to follow the dimensions of the brand equity model proposed by Aaker (Moisescu, 2005). This research will measure whether that is in fact attainable.

2.1.2.1 Brand awareness

Brand awareness is a fundamental goal for the marketer. Aaker determined it to be a fundamental pillar of brand equity too (Aaker, 1991, Shabbir, Khan and Khan, 2017). Without awareness, a brand is lost in a world of similarity. Awareness puts you into the consumer consideration set. This then affords you an opportunity to be considered for purchase. The ability to build brand recall is critical to the marketer. Consumers are wary of purchasing unknown brands that they are not aware of (Keller, 1993, Kopp and Estevez, 2021). This further demonstrates an opportunity for celebrity endorsement impact.

Marketing objectives and budget allocations are structured dependent on how long you have been in business. Start-ups and young businesses spend the majority of their marketing budgets on building brand awareness (Schwinum, 2021). The allocation of budget investment will depend on the medium you choose to create the awareness based on its potential to reach and influence your targeted audience. Big budget items such as television and radio are currently still very popular modes, but there is a fast-moving trend towards social media placement that is cheaper and easier to measure. Digital advertising spend has surpassed traditional advertising spend for the first time in the past decade (Shaban, 2019). However,

both traditional and digital platforms still provide opportunities to build brand awareness, dependent on the target audience.







Digital	Cinema	Print	TV	Out of Home	Radio
					
2.3	1.6	1.35	1.3	1.25	0.85

Figure 4. The return-on-investment various platforms give to South African companies. (BusinessTech, 2020)

The figure above highlights that digital platforms are currently providing the biggest return on investment to South African companies. The above results have been amplified by the Covid-19 pandemic with many South Africans working from home. With this new culture people are now online almost the entire working day (BusinessTech, 2020). Therefore, a digital first approach is now the most effective strategy for brand building.

Understanding of the shift in platforms is important for this study as research has shown that younger audiences are shifting their focus to more digital platforms when sourcing content. This becomes important for decisions around where to focus brand awareness building opportunities (Silvia, 2019). Therefore, this highlights the need for understanding the shift to digital amongst audiences in order to make better marketing decisions.

2.1.2.2 Perceived quality

Aaker (1991) determined that quality plays an important role in assisting consumers to make judgement calls regarding brands. That quality is based on the perception of the consumer and their brand experience. Bad perceptions or brand experiences such as unfulfilled promises or bad service delivery detract from the ability of the brand to enhance the quality score in the mind of the consumer. Quality is fundamentally a function of overall product benefit, function, durability, technology and the reliability of the product (Chi, Yeh and Yang, 2009). This paper will not be examining quality in terms of product function as part of the study.

The perception of quality is determined by the compound experience of the consumer and the reviews the product received, whether formally on their website or by word of mouth on social media platforms (Kopp, 2020). This is especially relevant for the celebrity endorser as well as

the social media influencer as they help to form these brand perceptions. The consumer assimilates all the information they are exposed to and then reach a perception of quality. This perception will influence their decision as to whether to purchase that product again, or not. Sometimes, they may not have enough information to make an informed judgement but are swayed by one or more of the above resources (Aaker, 1996).

2.1.2.3 Brand association

Brand association is what builds the links in the consumer's mind about the brand. These associations are built over time. These may be positive or negative. The more positive the association, the more likely it will be that the consumer will repeatedly purchase the brand (Sasmita and Suki, 2015). Brand association is a substantial component of the Aaker model, and previous research by Pouromid and Iranzadeh (2012) proved a positive contribution is made by brand association to a company's brand equity. Aaker proposed that brand association is made up of: retrieving information, differentiation, reason to buy and creating positive feelings. Celebrity endorsement has proven to be effective by means of association across all these constructs in previous research. Ibidunni et al (2018) positively established this connection as did empirical evidence in the Spry, Pappu and Cornwell study of 2011. This paper endorses that finding through its hypotheses.

2.1.2.4 Brand loyalty

Brand loyalty is critical to a brand's longevity. Brand loyalty is made up of two key components: attitudinal and behavioural characteristics (Alhaddad, 2014). The combination of these two characteristics results in whether or not a consumer has an intention to remain loyal to the brand on an ongoing basis. This is important for value creation when building the lifetime value model of a consumer. A deep sense of customer loyalty increases the lifetime value of a customer and has the compound effect of reducing your marketing costs as retention costs far less than the costs of acquisition (Khan, Memon and Kumar, 2019). A well marketed celebrity endorsement that has longevity will correlate with customer loyalty. The studies reviewed by Yoo and Donthu (2001), Choi and Rifon (2012) and McCracken (1989) all focus on the link between the "quality" of the celebrity as in their attractiveness or credibility as being linked to loyalty. Sharma and Kumar (2013) made a direct link between celebrity endorsement creating brand loyalty if the customer and the celebrity were "in-sync". This study will focus on the celebrity as the direct link to brand loyalty with reference to Sharma and Kumar.

2.1.3 Measuring brand equity

Aaker proposed that a brand starts with an image but ultimately the marketer wants to move towards building a complete brand identity. This is only achieved through building a set of

aspirational associations to that brand. Aaker proposed using a measurement of market-behaviour methods and perceptual measures to provide a framework for that measurement. To measure that level of brand identity we need to measure recall, recognition and top of mind awareness (Aaker, 1991).

Singular based methods of measure are too narrow in focus to develop a relevant understanding of brand equity, given the multiple facets that researchers agree make up the brand as evidenced above. Other studies from the 1990s focused on singular measures such as, awareness scores (Alba, 1991) and pure image scores (Biel, 1992).

By contrast, Keller developed his equity measurement tool by defining more complex measures such as: expertise, trustworthiness and likeability (Keller, 1993). His measurement tool is based on the power of the consumer, and not the brand. This paper did not consider the Keller tool of measurement as we were interested in the impact of the celebrity endorsement on brand equity, and not the impact of the consumer. Keller's tool can be compared to the work of Park and Srinivasan (1994) who measured brand equity by measuring overall preference and secondly by objectively measuring the product performance itself.

More modern literature again uses the singular based method as a basis for measurement but has simplified the concept. Kantar measures brand equity by measuring whether your brand is meaningful, different and salient. This results in a performance index score (Kantar, 2021). This tool allows companies to measure their performance against competitors in their sector and across sectors. This forms the foundation for the annual BrandZ Most Valuable Brands report which is published worldwide annually.

Measuring brand equity has become increasingly important for organisations. Researchers agreed with Farquhar (1989) that brand equity can achieve two key outcomes for an organisation:

- a) It can help companies gain a competitive advantage. This is imperative when a company wants to launch new products. The higher the brand equity, the more likely the new products will achieve some measure of success (MarketingEvolution, 2021).
- b) A strong brand equity will help a brand survive times of crisis. Tylenol, a pharmaceutical brand, was able, due to the strength of their brand, to withstand a product tampering scandal in the 1980s (Farquhar, 1989).

This research will use the Aaker model as a measurement framework. Traditional brand health trackers use this as a key measure in their research. Overall brand health requires an understanding of brand recall, brand recognition and brand awareness. These measures are all fundamental in building the brand which translates to purchase and then repeat purchase and ultimate brand loyalty and customer lifetime value.

2.2 Celebrity endorsement

The concept of the celebrity endorser is the second construct of this research paper. Marketing today requires brand managers to build the brand of the products under their management, utilising as many tools as they have at their disposal (Shimp, 2000). These marketing activities require careful measurement to ensure maximization of return on investment is secured (Kumar, 2004). Celebrity endorsement is a marketing tool that uses the celebrity's stature in their area of expertise (or not) to certify a brand's claims and promises through an extension of their personality (Sola, 2012).

McCracken (1989) stated that if there is a symbolic positive alignment in the customer's perception of the brand and the celebrity endorser, then there will be a positive transference onto the brand identity. There is a school of thought that brand power lies in the head of the customer and their perceptions of past experiences. If these experiences are positive, they can be extremely powerful at driving customer purchase intention (Sola, 2012). This paper endorses McCracken's view of the positive alignment theory.

Literature into the value of celebrity endorsements dates back to the early 1950s. Hovland, Jannis & Kelley researched the source credibility model to determine endorser effectiveness (1953). Following this early literature in the field of celebrity endorsements the focus has been around a few fundamental principles of endorsement such as: McCracken's theory of cultural transfer described above (1989) "match-up hypothesis" (Kamins, 1990), succeeded by Ohanian who focused on the traditional effects of celebrity endorsements on customer purchase intent (Ohanian, 1990). Further research evidenced that celebrity endorsement showed a positive impact on customer purchase intent over non-celebrity endorsed advertising (Erdogan, 1999). These approaches, dedicated to the study of the consumer cognitive approach, are useful in understanding the consumer, but do little to forward the thinking around the role an endorser plays in building brand equity as in the manner this paper proposes.

2.2.1 The celebrity endorser

McCracken defines the celebrity endorser as, “any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with that good in an advertisement” (p. 310). He further defines this as individuals from the world of sport, politics, business, art and the military. Celebrities have also been described as simply individuals who are recognizable to a large share of people (Christina, 2003). However, more recent studies have highlighted that the media can turn anyone into a celebrity. Um even goes as far as to state that the celebrity could be an animal (Um, 2018). Most recently a new version of the celebrity endorser has emerged in the form of the social media influencer. There are differences between the traditional celebrity endorser and the social media influencer, mainly in the one being a household name, and the other being an ordinary person, but they both still meet the overall definition given above. They just have utilised different platforms to achieve their recognition.

The celebrity endorser has proven a very popular marketing tool (Spry, Pappu and Cornwell, 2011), and this research is dedicated to measuring the real impact that it has on brand equity, as compared to that of the social media influencer.

2.2.2 Types of celebrity endorsements

There are four types of endorsers. The celebrity, an ordinary person (here referred to as the social media influencer), an expert or a company CEO (Fitriantoa, Daudb, and Nailisc, 2017). In the early years of this field of celebrity research, company spokespeople were also seen as endorsers. Erdagon reported favourably on the company spokesperson option (Erdagon, 1999). These spokespeople can be scripted on the brand and the brand could exert tighter control over them and their actions (Erdagon, 1999). However, if a marketer is just wanting to create immediate association to the brand, then it is better to go the celebrity route as the connection is almost immediate given that the celebrity is well-known. The consumer just has to cognitively make the link between the celebrity and the brand (van der Walt, van Loggerenberg & Wehmeyer, 2009).

The celebrity endorser tactic is explained as the celebrity giving a testimonial for the brand (Kumar & Ramana, 2019). They share their experiences of the brand with the consumer. There is another endorsement role for the celebrity, and that is as a spokesperson for the brand (Roy & Moorthy, 2009). This is also a brand ambassador role where the celebrity supports the brand positively without necessarily having used the brand themselves at the moment they are appointed.

Celebrities have very large audiences of followers, which gives brands an immediate reach.

The world's top 5 biggest celebrity followings are (Boyd, 2021):

- Cristiano Ronaldo – 336 million Instagram followers
- Dwayne “The Rock” Johnson – 226 million Instagram followers
- Ariana Grande – 264 million Instagram followers
- Kylie Jenner – 263 million Instagram followers
- Lionel Messi – 260 million Instagram followers

This research focused on the concept of the celebrity as a brand endorser but compared it to the impact of the social media influencer, which is emerging as a powerful force for brands on digital platforms.

2.2.3 The social media influencer as celebrity

Figure 4 illustrated the attractive returns on investment digital platforms are experiencing. This trend has given rise to a new type of celebrity - the social media influencer. Social media influencers are the current biggest trend in marketing (Glucksman, 2017). The social media platform gives individuals, if they create the right type of content, for the right target audience, the ability to build extensive networks. Gräve defines the social media influencer as an individual whose opinion is valued and who communicates to an unknown audience that they have built organically without any type of institutional contract (Gräve, 2017).

Social media influencers are a unique type of celebrity. They cross the divide of what Borchers (2019) lists as intimacy and publicity, authenticity and commercialisation, integration and critical distance. They have created their own persona and attracted a following that is unique to them.

In 2018 of the top social media influencers of all time recorded massive followings (Mediakix, 2018):

Markiplier raked up 16.6m YouTube subscribers

Logan Paul has 14.5m Facebook likes

Jenna Marbles has 16.8m YouTube subscribers

Large brands are utilising this substantial reach by paying these influencers to incorporate their products into their social media content using the organic means of their lifestyles. However, such is the power of these influencers, their profiles have even translated into mainstream advertising deals, such as Kristina Bazan who has completed work for L'Oréal (Gräve 2017).

Social media influencers are seen as powerful for endorsement as they are users just like everyone else on the platform. They are regarded as authentic and independent (Uzunoğlu and Misci Kip, 2014). Their audiences have chosen to follow their posts and develop a deep understanding of the influencer, their likes and dislikes. This paper aims to measure the gap in the academic literature as to the impact these social media influencers have on brand equity.

2.2.3.1 Why social media influencers are important to brands today

In 2018, research in the US identified that 75% of companies were making use of social media influencers in their marketing strategies and of those, 43% were going to be increasing that budget in the following fiscal year (Association of National Advertisers (ANA), 2018). Bob Liodice was quoted as saying, “We’ve found that a growing number of marketers are turning to influencers to help them combat ad blocking, leverage creative content in an authentic way, drive engagement, and reach Millennial and Gen Z audiences who avidly follow and genuinely trust social media celebrities” (ANA, 2018).

Albert Bandura formulated social learning theory. This forms the basis for the behaviour of people on social media. Bandura postulated that human beings learn by observing and interacting with other people (Bandura, 1977). Social media platforms such as Facebook, Instagram, Twitter, etc. were designed for human interaction. Once an influencer starts a conversation around a brand it translates into word-of-mouth content. This is the most trusted form of advertising with up to 90% of consumers reporting that they would trust a brand recommended by a friend (Saleh, 2021).

The very intimate nature of the social media influencer content, such as unwrapping product gifts from brand houses live on Instagram, blogging their thoughts about a brand experience, live, or doing product demonstrations/reviews on their favourite products on YouTube are not only entertaining, but contain subliminal messages that generally resonate with their audience as they have chosen to follow that social media influencer.

27% of all internet users are using social media to look for products to purchase and 23% are using it to look for updates from their favourite brands (GWI, 2021). This means that there is a growing expectance to seeing brands on these platforms. And these platforms are growing in size. In 2019 the social media platforms market was valued at \$192 billion and expected to grow to \$939 billion in 2026 (Globenewswire, 2021). Instagram is still the most popular platform for social media influencers, but TikTok is growing exponentially. In January 2018 TikTok had 55 million users and that number had grown to 689 million users by the middle of

2020 (Shen, 2021). The numbers are hard to ignore. To stand out and build brand affinity takes effort and therefore understanding the audience was crucial for this research.

Covid-19 has seen a dramatic increase in social media usage as users grappled with the isolation of lockdown. In September 2020 Archer, Wolf and Nalloor reported that social media usage had grown by 61% over the past year and a half (Archer, Wolf and Nalloor, 2020). Some governments, non-profit organisations and brands enlisted social media influencers to promote vaccinations, wellness and prevention techniques. This highlights the recognition social media influencers have received for their ability to influence and persuade.

The impact of social media influencers as detailed above is growing in importance and the current lack of research into the impact they have on brand equity is a gap this research will fill.

2.2.4 The effectiveness of celebrity endorsements

Brands use celebrity endorsement in an effort to boost their marketing effectiveness (Erdagon & Kitchen, 1998). Soffer defines marketing effectiveness as “how well a company’s marketing strategies increase its revenue while decreasing its costs of customer acquisition” (Soffer, 2019). This research aimed to measure the effectiveness of celebrity endorsement as a marketing strategy and therefore the impact on brand equity.

If the hypothesis is proven then that translates into the celebrity being able to cut through the advertising clutter for the brand, potentially saving the company money (Van der Walt, van Loggerenberg, and Wehmeyer, L., 2009). However, the reverse is also argued that any celebrity that has negative connotations in their private capacity could prove a short- and long-term liability for the brand (Bartz, Molchanov & Stork, 2013), but the consumer will still recall the brand in question. This was also measured as a sub-hypothesis in this research.

For brands that are well-established celebrity endorsement can be very effective, particularly when there is a clear match in their area of expertise (Lyons & Jackson, 2001). Nike has done this with Michael Jordan, Serena Williams as well as many other athletes. Schimmelpfennig (2018) argues that mature brands benefit the most from celebrity endorsement as they are in the stage of building and maintaining their image. The initial product differentiators that they launched with are now eroded and symbolic meaning is becoming more important.

Social media influencers are seen as highly effective for brands. 54% of respondents to the annual Association of National Advertisers (ANA) survey felt satisfied with the impact their

influencers had on product performance (ANA, 2018). The attractiveness of social media influencers is that their impact on brand equity can be measured almost immediately. Shares, likes, comments and purchases can be tracked real time on all digital platforms (Freberg, 2010). However, there is no overall research into the impact these influencers have on brand equity outside of the standard social media measures of likes and click throughs, which accounts for only one component of brand equity - that of awareness.

2.2.5 Celebrity endorsement costs

Endorsement deals are an expensive exercise. In 1995, American companies spent over \$1b in athletic endorsement deals alone (Jowdy & McDonald, 2002). Remuneration could run into millions of dollars over the number of years of the endorsement contract (Agrawal & Kamakura, 1995). Some examples of recent endorsement deals include Salton Grills endorsement deal with George Foreman in 2010 for \$200m, 50 Cent with Vitaminwater for \$60m that was then increased when The Coca-Cola Company bought the brand in 2007 to \$100m, and Serena Williams with Nike for \$55m (Lisa, 2021). This research seeks to validate this spend.

In light of these amounts, it is critical to understand the economic return of this strategy (Agrawal & Kamakura, 1995). Agrawal and Kamakura endeavoured to measure the economic impact through a study measuring the expected profit from these endorsements through the abnormal returns a company experiences after announcing an endorsement deal. Their study confirmed that in general, investors viewed and acted positively to celebrity endorsement deals.

The literature on celebrities focuses predominantly on the impact the celebrity endorser has on impacting customer purchase behaviour, building brand image as well as brand awareness. The lack of research into the impact on brand equity is a gap in research that makes this research paper attractive for the development of this sector of academia.

Most social media influencers claim they are generally not paid monetarily for their influence; ANA (2018) states that they are generally given product in exchange for their audience reach. However, there is a definite spend on social media influencers and it is growing exponentially.

Influencer marketing spending in the United States 2019 to 2023

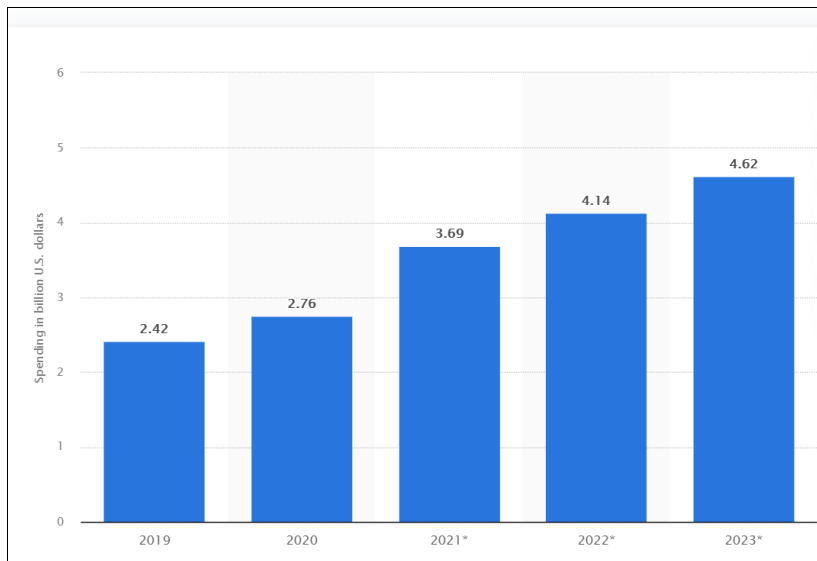


Figure 5: : Influencer marketing spending in the United States 2019 to 2023 (Statista.com)

The above growth as illustrated in Figure 5 signifies a growing marketing commitment to social media influencers as a means to grow market share, further demonstrating a need to understand the gap in research encountered regarding social media influencers and their ability to impact on brand equity.

2.2.6 Who is impacted by celebrity endorsement

Celebrity endorsement was traditionally used to attract wide, generic audiences. Actors, models and sports personalities who were household names were the preferred endorser due to their widespread recognition with a wide range of target audiences (Schimmelpfennig, 2018). The traditional platforms of television advertising, print, outdoor and radio were utilised for reach. The target audience therefore was anyone who recognised the celebrity and had an affinity for the brand (Gräve, 2017, Schimmelpfennig, 2018 and Majid, 2020). The traditional celebrity though, does most definitely have a social media presence as well, but has a more generic audience than a social media influencer who has built an audience from their own network or due to their expertise on a product or service.

There has been a shift in the impact a celebrity would have on a target audience due to the simple differences in the use of social media between the various generations. 48.2% of Baby Boomers (born 1946-1964) use social media (Formulate, 2021). They are predominantly Facebook users with 48.2% using this platform. Research has shown that they do not engage

with brands on this platform very readily unless to express extreme unhappiness with a brand or a brand experience. They do not reach out naturally to brands.

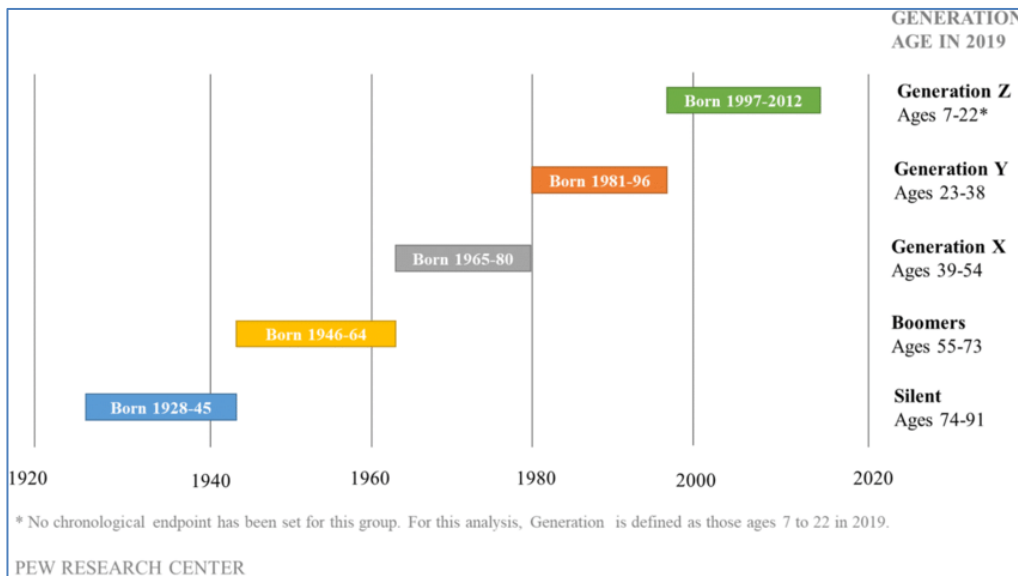


Figure 6: Which generation you are in given your birth year (Dimock, 2019)

Generation X (born 1965 - 1980) are far more active on social media - 80% are on Facebook and Twitter but only 50% of that number are actually active on these platforms (Skillszme, 2019). They still have a preference for traditional platforms such as television and print newspapers (Andersen, 2021). Driven by nostalgia, they will not relate to the younger celebrities and social media influencers that currently dominate traditional and digital media (Pillay, 2020). This is important for this research and therefore this paper excludes Generation X from the population selected.

Millennials (born 1981 - 1996) are the most confident generation on social media. They have a deep mistrust of large corporates and a unique approach to their personal finances, in that they prefer to not incur debt (Bizcommunity, 2021). They have a deep-seated desire to achieve a work-life balance and therefore will only engage with brands in their personal time if the content is not a hard sell, but more lifestyle orientated (Bizcommunity, 2021). They resonate with celebrity endorsement only if the celebrity reflects their value system (McCormick, 2016). Over 54% of Millennials are shopping online and over 47% say that they are influenced in their purchase decisions by social media (Adglow, 2021). For this reason Millennials are part of this research study.

Generation Z (born 1997 onwards) are emerging as the most challenging consumer yet. They have a short attention span and consume content that is concise and stimulates their interest,

preferably in video format (Pillay, 2020). These consumers want to engage with brands online. However, as they are driven by strong values and authenticity, they will pivot to brands that reflect these ideals (Deloitte, 2019). They value experiences, and that explains the reason why they resonate with celebrities and social media influencers that story tell rather than sell.

The above generational considerations led this research to focus on the two generations that are natural digital users, that of the Millennials and Generation Z as they would be exposed to both celebrities and social media influencers on these platforms making it a more equitable comparison for the research. Their social media consumption outstrips the earlier two generations, as they do not know any differently, being native digital users. Baby Boomers and Generation X are also not regular users of the platforms that most celebrities and social media influencers use - Instagram, TikTok, and YouTube (Droesch, 2020).

One in five Millennials and Generation Z purchased products inspired by an influencer or a celebrity, as reported by the 2019 GlobalWebIndex survey (Droesch, 2020). 50% of these groups also expressed a high level of trust in the opinions of celebrities and influencers. Generation Z has the highest percentage of users that follow celebrities or influencers (27%), with Millennials close behind at 23% (GWI, 2021). The GlobalWebIndex report also reports 27% of Generation Z and 28% of Millennials go onto social media to look for brands to purchase. As this generation holds the purchasing power of the future, this is a significant matter for marketers to consider. Millennials make up 27% of the South African population which then translates into 14 million consumers (Media Update, 2020). This is hard to ignore. TransUnion reports that 1.7 million Generation Z South Africans are already credit active, particularly amongst clothing loans, personal loans and credit card facilities (TransUnion, 2020). In South Africa, these two generations make up more than 35% of the population (Pillay, 2020), and will form the mainstay of the economy for the next 3 decades. This research would be valuable in understanding whether a celebrity endorsement strategy would best suit these two audiences given the purchasing power they hold in the near future.

2.3 Conclusion

In summary, this literature review has explored the research conducted into the world of brand equity, the celebrity endorsement model for marketing, the emergence of the social media influencer and the audience of the celebrity endorser- the two important generation of Z and the Millennials. The review highlights that the research into celebrity endorsement and the impact it has on brand equity while extensive, focuses predominantly on the attributes of the celebrity such as personality and attractiveness (Hovland and Weiss, 1951) and the cognitive contribution of the consumer to the intent to purchase (Sola, 2012). There is very little research

to link the celebrity to the contribution endorsement models can make to brand equity using the Aaker model.

As the medium for customer purchase pivots firmly into the digital realm, some forward-thinking research is emerging that questions the role of the traditional celebrity endorser model (Gräve, 2017, Schimmelpfennig, 2018). The shifting attitudes towards celebrity and online purchasing as expressed by the various generations, provides a unique opportunity to study these changes in light of the Aaker brand equity model and understand what these changes mean for marketers wanting to build value for their brand on a long-term, sustainable basis. The research of Spry, Pappu and Cornwell as well as that of Schimmelpfennig seems to indicate that traditional celebrities still hold the power to build brands for products, even under pressure from the emerging social media influencers.

This research aims to test whether celebrity endorsement can impact on some of the key components of the Aaker model, specifically brand awareness and brand loyalty as well as the ability of the celebrity endorser to drive purchase intent. These results will translate into an understanding of whether these extravagant financial endorsement models are achieving any kind of brand recognition.

This research also challenged the thinking regarding the younger generations and their approach to celebrity and social media. The results answer the question of whether there was a shift happening that research had not yet uncovered in the ability to impact on brand equity depending on the generation the marketer is talking to.

Chapter 3: Hypotheses

This research aims to answer the following research hypotheses:

H1 – Overall brand equity will be impacted by celebrity endorsement

The contribution to brand equity by a celebrity will be explored to add to the limited literature available on this topic. This will be valuable for academia as well as for marketers when considering this strategy in future.

H1.1 – Celebrity endorsements evoke increasingly positive attitudes of loyalty towards the brands endorsed

As marketers strive to build customer lifetime value, this hypothesis will be useful in understanding the impact these endorsements have on loyalty.

H1.2 – Celebrity endorsement will impact positively on the brand awareness

As literature has shown celebrities traditionally do impact positively on brand awareness. But this research aims to establish whether that is still relevant given the shifting attitudes of the generations on digital platforms. A positive result for brand awareness, however, will give marketers some key data points to use when making strategic decisions.

H1.3 – Celebrity endorsements result in stronger purchase intentions than products with no celebrity endorsement

The literature reviewed highlighted the cognitive process of customer purchase intent. There was very little evidence of the role of the celebrity impacting that cognitive process. This hypothesis is critical to understanding the true value add of the celebrity endorsement. This step of acquisition is where the real monetary return on the celebrity endorser strategy rests. Evidence of strong influence over purchase intent would deem the strategy as a necessary one for the brand.

H2 – Social media influencers have a greater impact on brand equity than traditional celebrities

The emergence of this powerful category of endorsement is a new ground for marketers to explore when it comes to understanding fluctuating attitudes towards celebrity endorsement. This is a fast-growing audience to be associating oneself with as a brand. An endorsement of this group as an effective tool to building brand equity will potentially change how marketers approach endorsement going forward.

H2.1 – Generation Z are only influenced by social media influencers

As digital natives, this generation is emerging as very different in their attitudes to online environments and what influences them. The validation of this hypothesis would provide marketers with evidence to develop endorsement strategies that talk to this cohort differently to previous cohorts.

H2.2 – Millennials are open to both celebrities and social media influencers

This cohort have grown up in two vastly different realms of product exposure and are flexible between the two.

Chapter 4: Research methodology

4.1 Introduction

This chapter seeks to describe the research methodology undertaken for this study. The chapter covers the research design, population and the sample selection, as well as a detailed description of the data gathering processing inclusive of the research instrument. Furthermore, the data analysis process as well as the construct of validity, reliability and bias are examined. Finally, this chapter concludes with the ethical considerations related to this research.

The literature review conducted in Chapter 3 highlighted the gap in current academia around the impact that a celebrity may make on the brand equity of a product or service. With focus on the concept of brand equity as described by Aaker (Aaker, 1991). Existing literature demonstrated research undertaken utilising the Keller model of brand equity and focuses more on the celebrity themselves as a means for message transference, than on the celebrity's ability to impact on Aaker's five pillars of brand equity - awareness, association, perceived value, perceived quality and other proprietary assets. There was also a gap identified in existing literature in understanding the audience of the celebrity endorser, and how that may or may not play a role in the impact on brand equity. By delving deeper into these two areas this research, has added a new dimension to the existing academic work on celebrity endorsement.

4.2 The research methodology and design

The descriptive nature of the research was attained through the extensive study of the field in question and the translation of that extensive review into a description of that research. Argrawal and Kamakura (1995) researched celebrity endorsement in an attempt to understand the economic impact of the endorsement through using event study methodology. This research analysed the impact an announcement of a celebrity endorsement had on the share price of the brand involved. They studied 110 endorsement contract announcements and the share price changes at the time of the announcement. Spry, Pappu and Cornwell (2009) conducted a field experiment in a shopping mall, intercepting shoppers to complete a short questionnaire. Their study was purposed around understanding the impact celebrity endorsement had on brand credibility. Grave (2017) conducted a quantitative study utilising an online survey to 590 respondents. This study was intended to uncover the realities of the new emerging social media influencer in comparison to the traditional celebrity used in the celebrity endorsement model.

Schimmelpfennig (2018) undertook a content analysis research approach. The study was centred around celebrity endorsement in German print media. Rahman (2018) chose to use a qualitative study to fill some of the gaps he had discovered in the quantitative research. His in-depth interviews with 30 respondents focused on celebrity attributed that contributed to building brand awareness as a pillar of brand equity. As highlighted by this review of the major research that has been undertaken in this field of celebrity endorsement, a variety of research methods have been utilised.

As this research focused on a set of hypotheses that required a “what” response, a quantitative approach was deemed suitable. Quantitative research highlights the trends that emerged in the various datasets. This allowed for the data to be expressed through statistics. This data then allowed for a structured approach to the analysis (Goertzen, 2017). The translation of the research findings determined this research to be descripto-explanatory in nature. A descripto-explanatory research design was best suited to meet the research requirements of explaining a situation as it exists. (Saunders and Lewis, 2012). This research achieved this through accurately describing the history of the research done in this field, and then validated that theory through a quantitative approach.

The research needed to measure attitude and provide a tracking that could be followed up on over time. Quantitative research allowed this to be possible. As the quantitative nature of the research allows the study to generalise the results across the target audience, it was possible to answer the hypotheses for a larger population. The nature of this research also allowed the researcher to understand the differences between two different target audiences - Generation Z and Millennials. This would not have been possible in a qualitative study. Through this approach, the study was able to add to the current knowledge on the topic of celebrity endorsement with a nuance of understating the difference between the generations in their attitude to celebrity endorsement.

The research route map was adopted as is described here. The research took the form of positivism. As a research philosophy, positivism aims to follow research in the scientific form. It is a study of the social world. The study of the impact that celebrity endorsement has on brand equity falls squarely into that definition. By asking the right questions the research can contribute a better understanding to academia on this topic. The structured approach to the research questions allowed for replication and accurate data outputs. This allowed the research to apply meaning to the patterns obtained through the research questionnaire. The

research aimed to eliminate human bias (Saunders and Lewis, 2012). The process of asking the research questions through a questionnaire is regarded as objective and therefore valid (Nel, 2016). It also allowed for the hypotheses to be refuted or rejected based on the results of the research (Remenyi, Williams, Money, Arthur and Swartz, 1998) in a scientifically sound manner.

This research is deductive in nature. This research was centred around the collection of data to test a proposition as in the research of Spry, Pappu and Cornwell. The research followed the typical sequential stages of deductive research in order to explain the causal relationship in question (Saunders and Lewis, 2012). That is whether celebrity endorsement does have an impact on brand equity and whether there is an emerging generational shift in the role of celebrities as expressed by the younger generations.

The research followed a mono methodology of quantitative analysis. This was in the form of a survey for data collection purposes. This research technique best suited the research question as it allowed the researcher to collect a vast amount of data within a relatively short period of time. The data collected was presented in a structured format based on the questionnaire. This allowed for standardisation which eliminated the need for any type of interpretation. It also allowed for scientific validation or repudiation of theory. The survey questionnaire was utilised to test out the theory that already existed. This mono method suited this research topic as this field of research into celebrity endorsement as a marketing tool is fairly new in academia. Emerging in 1951 with Hovland and Weiss (Hovland & Weiss, 1951), the research into this field has only really taken off in the last 2 decades. However, the field has remained true to the thinking of the original research and this research benefited from following that model closely. The benefit this research has added to this field of marketing research has been to test the model within the South African retail environment.

This study was cross-sectional in nature in that it provided a snapshot of that research topic at the moment in time that the data was collected. The intention is not to revisit the respondents again in any future timeframe, other than the original interaction. This is in line with the previous research conducted as stated in the literature review.

4.3 Population

The population selected for this research was segmented across two age demographics:

- Millennials - Ages 25-40

- Generation Z - Ages 18-24

The population segmentation into generations was important for this study as the latest research (Droesch, 2020, GWI, 2021, Pillay, 2020) indicates that the responses to celebrity endorsement may differ depending on the generation in question.

Millennials currently account for 20.4 million South Africans in 2018 (Stats SA, 2020). This current economically active population has grown up in a fast-changing world (Businesswire, 2020). They have moved to online shopping and could therefore provide valuable insights into the attitudes towards celebrity endorsement and the impact on brand equity.

The emerging economically active segment of Generation Z are native social media users. Currently there are 1.7 million Generation Z that are credit active in South Africa (TransUnion, 2020). Their approach to celebrity endorsement appears to be shifting to influencers or “real people” (Tal, 2018). This research sets out to determine if the impact on brand equity could be shifting within this segment when it comes to celebrity endorsement.

The literature review has evidenced that Generation X, ages 41-56, are not swayed by any type of celebrity endorsement due to their experience as a consumer (Droesch, 2020, GWI, 2021). Therefore, they have been eliminated as a population group from this research.

4.4 Sample method and size

A sample was selected from a panel of volunteers that regularly take part in research of this kind. This is a consumer-based panel that regularly participate in research in the fields of wellness, consumer interest and general business research. This comprises of 11,131 individuals that are representative of the South African population as reflected in their demographics below.

Race	Black	60%
	Coloured	12%
	Indian / Asian	8%
	White	19%
Gender	Female	65%
	Male	35%
Employment	Contract worker	4%
	Full time Student	9%
	Housewife / Homemaker	3%
	Retired	2%
	Self-employed	14%

	Unemployed	24%
	Working Full-Time	34%
	Working Part-Time	10%
Province	Gauteng	45%
	Western Cape	15%
	Kwa-Zulu Natal	15%
	Limpopo	7%
	Eastern Cape	5%
	Northwest	4%
	Mpumalanga	4%
	Free State	3%
	Northern Cape	1%
Age	17 years and younger	1%
	18-24	23%
	25-34	38%
	35-44	22%
	45-64	14%
	65+	2%

These respondents form part of the income-earning population and therefore consumers of South African retail products. This is important as they are contributing to the economy and at the same time, contributing to the brand equity of the products that they are purchasing. This probability panel, due to the nature of the demographics above, can then confidently be extrapolated to what we believe the population to be.

The population results will firstly be quantified as a whole population. However, the population will then be segmented into the generations as defined in the literature review, to determine what differentials exist between them.

The sample of individuals were analysed within the selected population:

- The first group consists of participants who are aged 18 to 24 (Gen Z) who feel they are more influenced by celebrities than social media influencers.
- The second group consists of participants aged 18 to 24 (Gen Z) who feel they are more influenced by social media influencers rather than celebrities.
- The third group concerns participants aged 25 to 40 (Gen Y) who feel they are more influenced by celebrities than social media influencers.
- The final group consists of participants aged 25 to 40 (Gen Y) who feel they are more influenced by social media influencers rather than celebrities.

There were 420 respondents within the sample selected. These were reflected by the cohort breakdown below.

	Social Media influencer sample	Celebrity sample
Millenials	99	116
Gen Z	102	103

These participants were sampled using a purposive sampling method (Saunders and Lewis, 2012). This was based on the knowledge of population of the panel as described above. The understanding of the need of the analysis selection of the sample was then made according to those characteristics identified, in this case age to meet the generational requirement of the study. As the population size measures 420, this sample size would be adequate to get a valid result.

4.5 Measurement instrument

The measurement of instrument for this research paper was an online questionnaire. The questionnaire is available at the end of this proposal in Annexure B. The survey was adopted from other research studies (Spry, Pappu and Cornwell, and Yoo and Donthu). There was a total of 16 questions. These questions were closed ended therefore leaving no room for interpretation and allowed for generalisations. There were no free text opportunities either. The questions were structured to flow through two pillars of the Aaker brand equity model- brand awareness and brand loyalty as well as the outcome of purchase intent in an intuitive manner for the respondent.

The hypotheses in this research were proposed to support the theory of celebrity endorsement having a positive impact on brand equity. Each question explored a construct of brand identity and how it is impacted through a celebrity endorsement strategy by the marketer. Furthermore, the questionnaire also proposed a difference in the two generations selected in their attitudes to celebrity endorsement.

A questionnaire was deemed the most suitable method for data collection as it meets the requirements necessary to achieve the following (Saunders et al, 2009):

- The collection of data to answer the hypotheses in a structured way
- Allows for collection of data in large quantities

The questionnaire was mapped to the hypotheses and can be seen as annexure B.

Question 1 piped the respondents into one of two categories:

- Those more influenced by celebrities
- Those more influenced by social media influencers.

This was necessary to answer full set of questions based on an initial criterion of influence.

The survey was timed to take no more than 15 minutes at a maximum to complete. For quality purposes, the audit trail for the survey data was checked to ensure that there were no surveys completed in a time outside of the minimum of 8 minutes.

4.6 Data collection

The demographic information to be collected was limited to:

- Age – this is required for the generational component of the study

The questionnaire was sent electronically to de-identified individuals in the population as explained in 4.3 detailed above. The survey was supported by an upfront covering letter in email format explaining the nature of the research, see Annexure A. The survey was completed over a four-week period. A reminder email was sent after a two-week period to those panel members who had not yet responded. There was no other engagement with the respondents. Respondents were primed in the initial email as to the purpose of the survey and were given very clear instructions as to how to complete the survey. The respondents were not able to skip questions as all the fields were force fields, so the respondent could not move on to the next question without completing the current question.

The main research distribution was preceded by a pilot test batch to a set of panel members (20) to ensure the system worked as intended. Any errors found in the pilot were fixed before the main set was dispatched.

4.7 Data analysis and interpretation

The analysis of the quantitative data was conducted through first looking at the categorical data. These categories were coded for ease of analysis post collection. The data was analysed using ANOVA on SPSS to identify significant differences between the four groups. The data collected showed specific trends and these are represented by line graphs for ease of presentation in the research results chapter of this paper. Central tendency measures are highlighted (Saunders and Lewis, 2012). Most important were the cause-and-effect relationships that the research aimed to validate via the hypotheses. The ultimate outcome

was to substantiate and expand on the research concluded prior to this study (Spry, Pappu and Cornwell, 2011) and draw comparatives for the South African environment.

4.8 Validity, reliability and bias

As per quantitative research methodology etiquette, the minimum sample size is $n=100$ in order to return a valid result. This research targeted a minimum sample of $n=100$ and thus a total of $n=400$ responses. This ensures the results are valid, reliable and trustworthy. Respondents' details were also anonymous ensuring validity. This level of certainty would be approximately 95% with an error rate of around 5%. That would satisfy the validity of this research paper.

Design validity of the questionnaire was tested with a research agency to ensure the questionnaire is accurately measuring the intended constructs. The agency, as part of the pilot were able to qualify the results as valid and reliable and therefore repeatable in the main study. The research expert conducting the validity assessment confirmed face validity on review of the individual questions and the construct being measured for each question. As this questionnaire was not based on a previously used questionnaire, the criterion related validity could not be established. However, in comparison to other questionnaires used in similar studies (Spry, Pappu and Cornwell (2011) and Dwivedi, Johnson and McDonald 2015), the criterion related validity was sound. Convergent validity, again was confirmed when comparing results to the likes of the literature mentioned above.

A seven point Likert scale was utilised to measure responses ranging from Strongly disagree to strongly agree with a neutral option in the middle of the continuum. This provided a methodology for measuring attitudes to celebrity endorsement. The design of the questionnaire was done with the intent for the flow of information to be intuitive and easy to understand. Rigour was undertaken to ensure that enough time as allocated for the completion of the questionnaire. Respondents were provided with detailed instructions on how to complete the questionnaire to eliminate any confusion regarding instructions.

Researcher bias was eliminated as the survey was programmed electronically and the researcher had no interaction with the respondent selection or their subsequent responses.

A full test-retest reliability test was not conducted due to time constraints. However, the pilot test did produce equitable results compared to the full 420 respondent survey. Internal consistency would be measured by a Chronbach Alpha estimate. This would be the most

commonly used reliability test (Brown, 2002). These results are published in the Findings chapter.

Quality control measures were built into the actual design of the questionnaire:

Quality issue	Control measure
Free text needing interpretation	The survey was electronic and there were no free text fields, therefore the opportunities for incorrect data being selected were limited.
Multiple option selection	All of the choices available to the respondent were tick box in nature with no options for more than one data point being selected at any given time. However, numerous checks were executed on the data collected to check for accuracy.
Cherry picking of responses	All the fields were force fields, so the respondent could not move to the next question without answering the previous one.
Dominance of neutral responses	A 7-point scale was used, which opened up the study to some risk as some respondents could skew towards a neutral response, the data was checked during analysis and no such skew was identified.
Rushing through responses	The required time to complete the survey was determined during the pilot phase. As these surveys were done online, the audit trail for each survey determined the time taken to complete the survey by every respondent. Surveys completed in a time determined less than acceptable in the pilot (determined to be 10 minutes) would have been rejected. This would eliminate a respondent rushing through the questionnaire without giving real thought to their responses. (Fourie, 2021) This is important to the integrity of the survey. No

	such anomalies were found.
Selection of same response for every question	A straight-line quality check was conducted to ensure that the same grid answer was not chosen out of lack of interest in the survey content. Again, no interviews were eliminated in this study for this transgression.

4.9 Research limitations

The limitations of this study are few. Sampling from an online panel automatically meant that the survey universe was drawn not from the entire South African population. This meant that the sampled participants were representative of a specific segment of the population. The sample size was an obvious limitation as it only reflected the number of respondents who completed the survey. Results are therefore limited to this set exclusively. The ratio of questionnaires sent out versus the number returned were another limitation. If the satisfactory number were not returned to validate the study a further dataset would have needed to be found. The required number of surveys were completed.

4.10 Ethical considerations

The research was conducted in such a way that it achieved the ethical clearance requirements. All ethical considerations as suggested by Saunders (Saunders and Lewis, 2012) were adhered to in order to ensure recipients were receptive to receiving the survey and that the maximum responses could be obtained. The respondents were asked to provide their consent at the beginning of the survey. Should a respondent have declined to participate in the research study they would have had the opportunity to decline immediately, and the survey would close for them. There was no coercion to participate in the research study.

The sample set did not include any third parties or vulnerable participants. The email sent to the sample set included a hyperlink to a secure website where the survey could be completed and submitted securely. The data collected is being housed securely for a period until the research paper had been adjudicated and then it will be destroyed. In line with POPIA requirements, the respondents were de-identified other than a cell phone number/email for the survey to be forwarded to.

The research was sent for Ethical Approval with the Gordon Institute of Business Studies and was given ethical approval by the ethics committee. This approval can be viewed as Annexure C.

4.11 Conclusion

This research paper was designed to achieve a methodological output that would satisfy all research requirements. The population and sample were carefully considered to ensure that the final sample was representative of the larger South African population, therefore allowing for the broader generalisations to be reached. All measures of validity and reliability were implemented to ensure that the people we were engaging with would ensure us a valid, reliable result.

Chapter 5: Research findings

5.1 Introduction

This chapter presents a consolidated view of the research findings from the 420 surveys that were collected as per the methodology outlined in Chapter 4. In revision, the findings are to either validate or reject the hypotheses laid out in Chapter 3 of this research report.

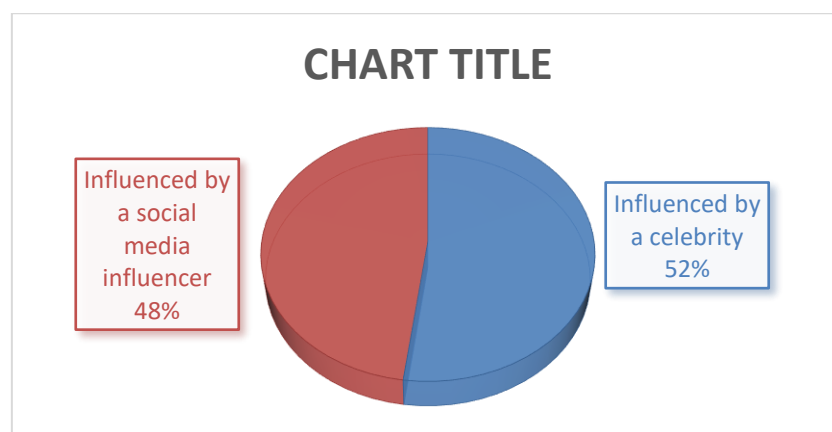
This chapter will commence with the descriptive analysis of the research including the demographics of the sample. This will be followed by a basic scale analysis of the responses. A detailed breakdown of the hypotheses results will round out the chapter.

5.2 Demographics of the respondents

There were 420 respondents to the survey.

The split between those answering the first question in favour of celebrities versus those recognising influencers more is reflected in the graph below:

I am more influenced by a celebrity	I am more influenced by a social media influencer
219	201



The age demographic reflected as follows is dependent on the answer they provided for the first question: I am more influenced by celebrities than a social media influencer.

Influenced more by celebrity demographic			Influenced more by a social media influencer demographic		
Age	Generation	Respondents	Age	Generation	Respondents
18-20	Generation Z	13	18-20	Generation Z	46
21-24	Generation Z	90	21-24	Generation Z	53
25-29	Millennials	52	25-29	Millennials	46
30-34	Millennials	41	30-34	Millennials	26
35-40	Millennials	23	35-40	Millennials	30

5.3 Testing the hypotheses

A basic descriptive analysis was performed to organise the data collected into a format that made it easier to interpret the results. It also provided an accuracy check for the process. Two pillars of the Aaker model were tested, namely brand awareness and brand loyalty. The outcome of intent to purchase was also tested. Finally, the two influencer categories of traditional celebrity and social media influencer were surveyed. The survey questions aligned to their respective hypotheses as well as the construct being measured are reflected below :

Question 1- I am more influenced by celebrities than a social media influencer	Overall Impact on brand equity	H1
Question 2 - I believe a brand is better than another brand when endorsed by <S2>	Overall Impact on brand equity	H1
Question 3- I believe what a <S2> says about a brand	Overall Impact on brand equity	H1
Question 4- I better remember a brand that is linked to a <S2>	Overall Impact on brand equity	H1
Question 5- I will be more inclined to buy a product endorsed by a <S2>	Overall Impact on brand equity	H1
Question 6- I am more loyal to brands that are <S2> endorsed	Brand Loyalty	H1.1
Question 7- Even if the <S2> that I like is involved in a scandal, I will still support the brand	Brand Loyalty	H1.1
Question 8- It would be very hard for me to change my <S2> endorsed brands	Brand Loyalty	H1.1
Question 9- I am more aware of brand because a	Brand Awareness	H1.2

<S2> has mentioned them		
Question 10- I will watch an advert/click on an advert if it has a <S2> in it	Brand Awareness	H1.2
Question 11- Adverts with a <S2> in it tend to catch my attention more than those with no <S2> in it.	Brand Awareness	H1.2
Question 12- I tend to remember a brand name or a product if an advert has a <S2> in it	Brand Awareness	H1.2
Question 13- I believe that <S2> help to sell brands	Purchase intent	H1.3
Question 14 - I will only buy products endorsed by a <S2> that I like	Purchase intent	H1.3
Question 15- I will happily purchase more products from a brand that is endorsed by a <S2> that I like	Purchase intent	H1.3
Question 16- I will purchase more expensive products than normal if they are endorsed by a S2> that I like	Purchase intent	H1.3

These questions were aligned to a composite Likert scale.

The overall means analysis are reflected in the table below.

		OVERALL ANALYSIS				
nr on	questionnaire	Mean	Mode	Median	Standard Deviation	
2		4.01	5	4	2.01	
3		4.13	4	4	1.75	
4		4.75	6	5	1.82	
5		4.2	4	4	1.83	
6		3.94	4	4	1.89	
7		4.36	6	5	2.01	
8		3.74	2	4	1.94	
9		4.6	6	5	1.88	
10		4.23	6	4	1.94	
11		4.31	6	5	1.98	
12		4.53	6	5	1.96	
13		5.43	7	6	1.62	
14		3.68	4	4	1.95	
15		4.17	6	4	1.94	
16		3.4	1	3	2.06	

Table 1: Factor analysis of each construct measured in the source credibility scale for the

overall analysis

A factor analysis was then completed for the generational study:

Question no	GENERATION							
	Gen Z				Gen Y			
	Mean	Mode	Median	Standard Deviation	Mean	Mode	Median	Standard Deviation
2	3.88	5	4	1.94	4.13	7	4	2.07
3	3.99	4	4	1.7	4.27	4.00a	4	1.79
4	4.53	6	5	1.87	4.94	6	5	1.75
5	4.04	5	4	1.82	4.35	4	4	1.84
6	3.79	4	4	1.8	4.07	4	4	1.97
7	4	1	4	2.1	4.7	6	5	1.88
8	3.52	2	3	1.87	3.94	2	4	1.98
9	4.44	6	5	1.91	4.74	5	5	1.84
10	3.87	6	4	1.94	4.56	6	5	1.88
11	4.05	4	4	1.97	4.56	5	5	1.96
12	4.24	6	5	2	4.8	6	5	1.89
13	5.31	7	6	1.67	5.54	7	6	1.57
14	3.62	4	4	1.83	3.73	2	4	2.06
15	3.92	6	4	1.94	4.4	6	5	1.92
16	3.06	1	2	2.01	3.72	2	4	2.06

Table 2: Factor analysis of each construct measured in the source credibility scale for the generational analysis

The results of the above factor analysis were credible for the analysis to proceed.

The Cronbach Alpha was calculated using questions 2-16. An alpha between 0.65 and 0.8 is recommended or even higher. The more variables you add, the higher Chronbach's alpha will be. In this study, a reliability score of 0.945 was achieved which means that all of the variables have high covariances which means that they all measure the same underlying concept, namely celebrity influence, and thus our internal consistency is very high.

This analysis was followed by a basic scale analysis. The details of which can be found in Annexure D.

5.3.1 Checking for statistical differences

An ANOVA statistical method was applied to measure the statistical variance between the two groups and the two constructs of Aaker's model of brand awareness and brand loyalty as well as the outcome of purchase intent. The variables considered for this test were:

Categorical independent variable groups: celebrity VS social media influencer (variable called INFLU in analysis)

Continuous dependent variable(s): brand awareness (H1.2)
brand loyalty (H1.1)
purchase intent (H1.3)

Three separate ANOVA's were done - one for each variable. MANOVA was not considered as in the study we were testing only one dependent variable at a time, namely brand awareness, loyalty or purchase intent. This is why we did not make use of MANOVA. If there was a need to for example detect differences in co-relation between the dependent variables a MANOVA would have been implemented

An ANOVA requires three assumptions to be met:

- Normality of sample distribution
- Homoscedasticity (equal variance within different groups)
- No multicollinearity (samples are drawn independently of each other)

For this study we could assume normality as the central limit theorem that states that the distribution of sample means approximates a normal distribution as the sample size gets bigger. As this sample size measured 420 it is large enough to assume normality. The sample variances should also be equal, since the questions used were based on a predefined scale, but tests were done to show homoscedasticity. Finally, as each respondent was a different person, we can assume that there is no multicollinearity present.

5.3.2 The hypotheses testing

Remembering the testing needs to determine:

Null hypothesis (hypothesis of zero change): $\mu_1 = \mu_2$

Alternative hypothesis: μ_1 does not equal μ_2

The following steps were performed for the hypotheses testing:

- exploratory histograms to test normal distribution and a means procedure
- Levene's test of equal variances- Levene's test is an alternative to the Bartlett test. The Levene test is less sensitive than the Bartlett test to departures from normality.
- ANOVA - reject or not H0 (meaning they differed or they did not)
- Where a hypothesis was rejected, a Bonferroni-adjusted paired t-test was conducted to see which mean was significantly higher. A Tukey test could have been used, but the number of comparisons was very small so a Bonferroni test was sufficient.

Hypotheses testing is necessary to allow for conclusions to be drawn regarding the population. It also allows for the meaningfulness of the study to be determined.

5.3.2.1 The exploratory histograms to get an initial determination from the data

The histograms and means analysis provided the researcher with some initial understandings of the results generated from the data.

5.3.2.1.1 The awareness hypothesis (H1.2)

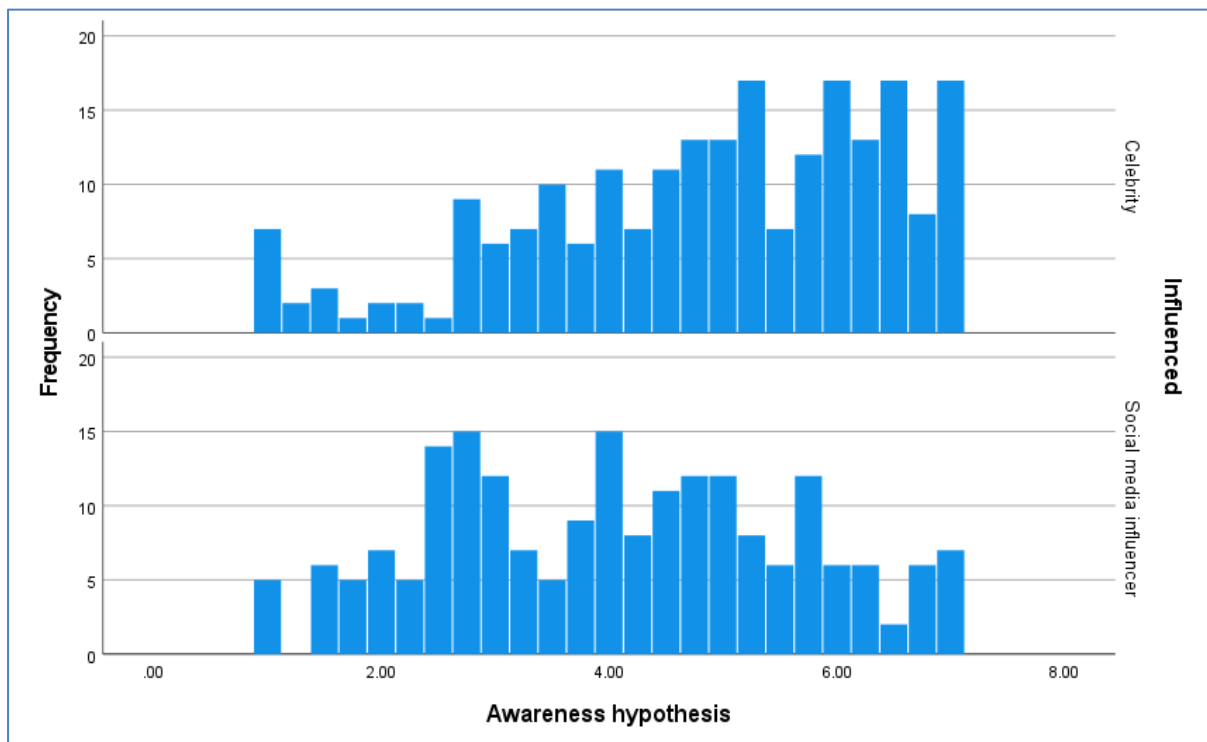


Figure 7. Awareness hypothesis histogram

Conclusions from the awareness hypothesis histogram

The distributions are plausible and roughly normal. The graphs are equally wide meaning that there are almost equal variances. Celebrity endorsement does seem to indicate higher awareness levels whilst the social media influencer reports more average levels.

5.3.2.1.1.1 The means procedure for the awareness hypothesis:

Awareness hypothesis					
Influenced by:	N	Minimum	Maximum	Mean	Variance
Celebrity	219	1	7	4.855	2.483
Social media influencer	201	1	7	4.0535	2.416
Total	420	1	7	4.4714	2.606

5.3.2.1.2 The loyalty hypothesis (H1.1)

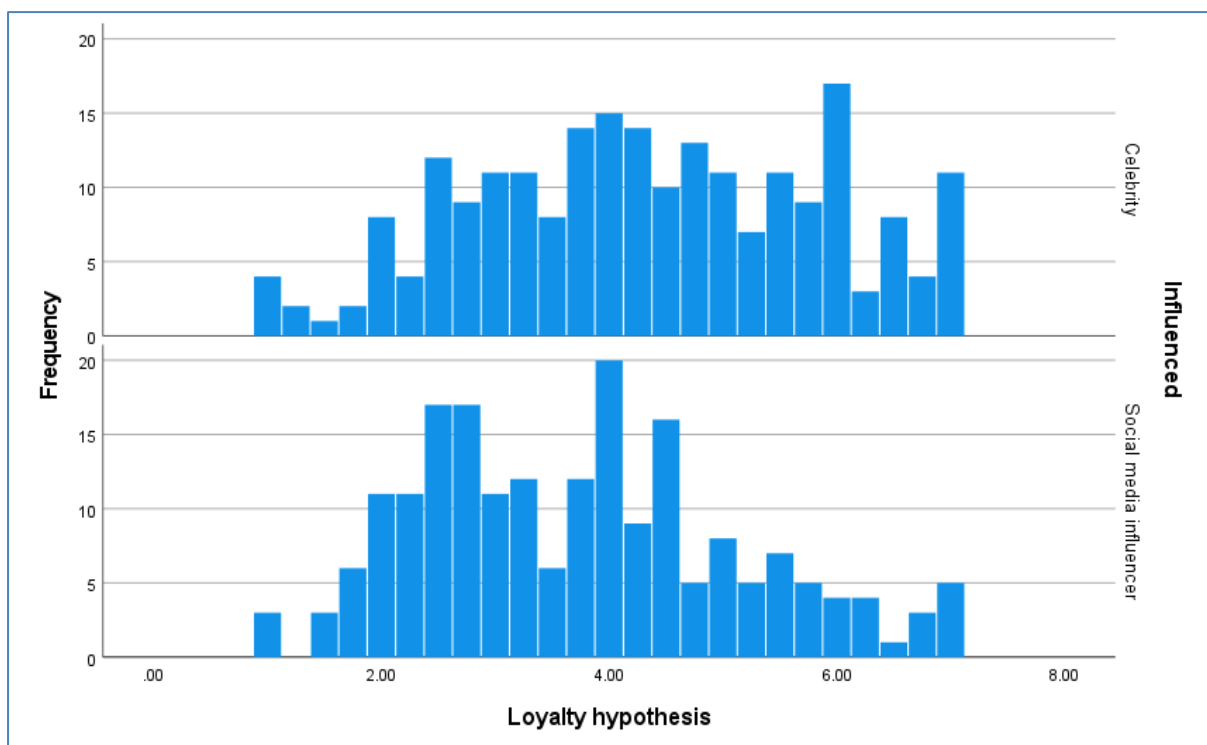


Figure 8. Loyalty hypothesis histogram

Conclusions from the loyalty hypothesis histogram

The distributions are plausible and roughly normal. The graphs are equally wide meaning that there are almost equal variances. Celebrity endorsement does seem to indicate higher loyalty levels. Social media influenced respondents reported much lower loyalty levels with very lower levels at the upper end of the scale.

5.3.2.1.2.1 The means procedure for the loyalty hypothesis:

Loyalty hypothesis					
Influenced	N	Minimum	Maximum	Mean	Variance
Celebrity	219	1	7	4.3265	2.279

Social media influencer	201	1	7	3.7326	1.943
Total	420	1	7	4.0423	2.202

5.3.2.1.3 Intent to purchase hypothesis (H1.3)

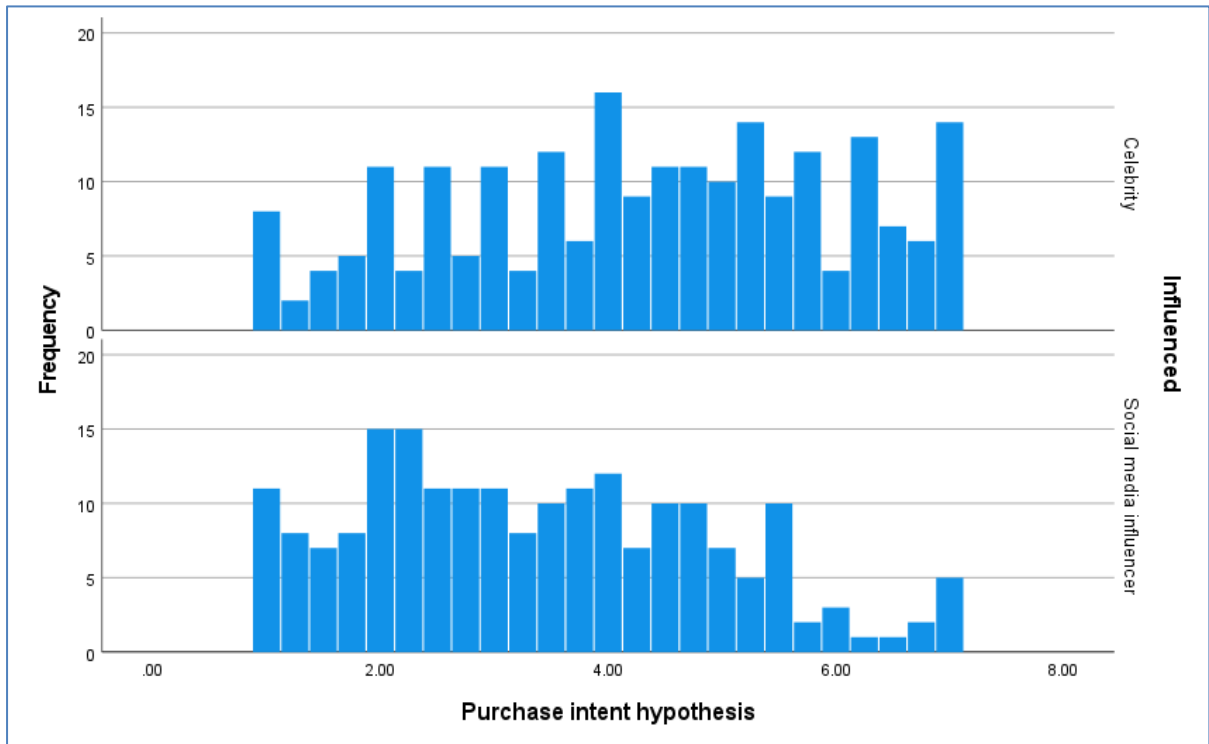


Figure 9. Intent to purchase hypothesis histogram

Conclusions from the purchase intent hypothesis histogram

The distributions are plausible and roughly normal. The graphs are equally wide meaning that there are almost equal variances. Celebrity endorsement does seem to indicate higher purchase intent levels with an even spread of responses that grew stronger at the upper end of the scale. The social media influenced cohort generally score much lower on the scale with the levels at the upper end more than half of that of the celebrity influenced cohort.

5.3.2.1.3.2 The means procedure for the purchase intent hypothesis:

Purchase intent hypothesis					
Influenced	N	Minimum	Maximum	Mean	Variance
Celebrity	219	1	7	4.3071	2.833

Social media influencer	201	1	7	3.3806	2.343
Total	420	1	7	3.8637	2.807

The means procedures across all three hypotheses again highlights, as per the histograms, that celebrity endorsements have a higher impact than social media endorsements.

However, there is big enough a difference to reject $H_0: \mu_1 = \mu_2$.

5.3.3 Results pertaining to the homogeneity of variances

Levene's test was used to test the null hypothesis that error variances of the dependent variable were equal across all groups.

Tests of Homogeneity of Variances

Dependent variable		Levene Statistic	df1	df2	Sig.
Awareness hypothesis	Based on Mean	0.050	1	418	0.823
	Based on Median	0.134	1	418	0.715
	Based on Median and with adjusted df	0.134	1	413.405	0.715
	Based on trimmed mean	0.106	1	418	0.744
Loyalty hypothesis	Based on Mean	1.960	1	418	0.162
	Based on Median	1.823	1	418	0.178
	Based on Median and with adjusted df	1.823	1	416.445	0.178
	Based on trimmed mean	1.936	1	418	0.165
Purchase intent hypothesis	Based on Mean	2.392	1	418	0.123
	Based on Median	2.388	1	418	0.123
	Based on Median and with adjusted df	2.388	1	414.506	0.123
	Based on trimmed mean	2.448	1	418	0.118

On analysis of the awareness hypothesis, it was determined that based on the mean significance = 0.823, which is much higher than any reasonable level of significance, we could not reject the null hypothesis of equal variances across groups for the awareness hypothesis (H1.2).

Similarly for the loyalty and purchase intent hypotheses, the significance is 0.162 and 0.123 respectively which are both bigger than commonly used levels of significance $\alpha = 0.05$ as well as $\alpha = 0.1$. Thus, we do not reject the null hypothesis of equal variances across groups for the Loyalty hypothesis (H1.1). Similarly we do not reject the null hypothesis of equal

variances across groups for the Purchase intent hypothesis (H1.3). Levene’s test shows that the variances are statistically equivalent and therefore the ANOVA test could proceed.

5.3.4 The ANOVA procedure to determine if means differ between groups

Dependent variable		ANOVA				
		Sum of Squares	df	Mean Square	F	Sig.
Awareness hypothesis	Between Groups	67.335	1	67.335	27.474	0.000
	Within Groups	1024.447	418	2.451		
	Total	1091.782	419			
Loyalty hypothesis	Between Groups	36.967	1	36.967	17.448	0.000
	Within Groups	885.595	418	2.119		
	Total	922.562	419			
Purchase intent hypothesis	Between Groups	89.963	1	89.963	34.621	0.000
	Within Groups	1086.171	418	2.598		
	Total	1176.134	419			

When looking at the Awareness hypothesis, it can be seen that the significance is 0 which is smaller than any reasonable alpha and therefore the null hypothesis of equal means is rejected. This means that there is a significant difference in awareness depending on whether someone is more influenced by a celebrity or a social media influencer.

Similarly for the Loyalty as well as Purchase intent hypotheses, the null hypotheses of equal variances are rejected and there is a significant difference between the brand loyalty and purchase intent scores across different levels of endorsement, whether they be celebrity endorsed or social media endorsed.

5.3.5 Determining the significance of the means differentials

A series of t-tests were conducted on each group to determine significance of the means differential.

Awareness hypothesis (H1.2)						
Mean Awareness Scores per Influencer with Bonferroni-Adjusted Pairwise T-Tests						
		Influenced				Total
		Celebrity	Social media influencer	MISSING		
		(A)	(B)	(C)		
Awareness hypothesis	n	219 B	201	0	420	
	Mean	4.86 B	4.05		4.47	
	SD	1.58 B	1.55		1.61	

Loyalty hypothesis (H1.1)						
Table 1 - Mean Loyalty Scores per Influencer with Bonferroni-Adjusted Pairwise T-Tests						
		Influenced				Total
		Celebrity	Social media influencer	MISSING		
		(A)	(B)	(C)		
Loyalty hypothesis	n	219 B	201	0	420	
	Mean	4.33 B	3.73		4.04	
	SD	1.51 B	1.39		1.48	

Purchase intent hypothesis (H1.3)					
Table 1 - Mean Purchase Intent Scores per Influencer with Bonferroni-Adjusted Pairwise T-Tests					
		Influenced			

		Celebrity	Social media influencer	MISSING	Total
		(A)	(B)	(C)	
Purchase intent hypothesis	n	219 B	201	0	420
	Mean	4.31 B	3.38		3.86
	SD	1.68 B	1.53		1.68

From the pairwise comparison it can be determined that for the Awareness hypothesis (H1.2), brands endorsed by a celebrity (A) have higher awareness compared to those endorsed by a social media influencer (B). The celebrity mean of 4.86 is significantly higher than that of the social media influencer (mean of 4.05). This is indicated by the letter B.

In exactly the same fashion, brands endorsed by celebrities have significantly higher mean loyalty and mean purchase intent scores in comparison to brands endorsed by social media influencers.

This means that H1.2 Celebrity endorsement will impact positively on the brand awareness - H1 is not rejected and neither is H1.1. Celebrity endorsements evoke increasingly positive attitudes of loyalty towards the brands endorsed or H1.3 Celebrity endorsements result in stronger purchase intentions than products with no celebrity endorsement.

Subsequently, since H1 Overall brand equity will be impacted by celebrity endorsement is equal to the sum of constructs (brand equity is made up by awareness, loyalty and purchase intent among others), there is reason to believe that overall brand equity will be positively impacted by celebrity endorsement and that celebrity endorsement influences overall brand equity more than social media endorsement does.

5.3.6 The two-way ANOVA analysis

The exploratory histograms of the two-way ANOVA are featured below:

Awareness hypothesis

Influenced	Gen	Mean	N	Std. Deviation
Celebrity	Gen Z	4.7063	103	1.65551
	Gen Y	4.9871	116	1.49595
	Total	4.855	219	1.57563
Social media influencer	Gen Z	3.7222	99	1.44847
	Gen Y	4.375	102	1.59274

	Total	4.0535	201	1.55441
Total	Gen Z	4.224	202	1.63002
	Gen Y	4.7007	218	1.56857
	Total	4.4714	420	1.61421

Loyalty hypothesis				
Influenced	Gen	Mean	N	Std. Deviation
Celebrity	Gen Z	4.1893	103	1.45793
	Gen Y	4.4483	116	1.55043
	Total	4.3265	219	1.50976
Social media influencer	Gen Z	3.4444	99	1.33466
	Gen Y	4.0123	102	1.39987
	Total	3.7326	201	1.39408
Total	Gen Z	3.8243	202	1.44447
	Gen Y	4.2443	218	1.49451
	Total	4.0423	420	1.48385

Purchase intent hypothesis				
Influenced	Gen	Mean	N	Std. Deviation
Celebrity	Gen Z	4.1505	103	1.61956
	Gen Y	4.4461	116	1.73262
	Total	4.3071	219	1.68307
Social media influencer	Gen Z	3.1515	99	1.42088
	Gen Y	3.6029	102	1.60613
	Total	3.3806	201	1.53074
Total	Gen Z	3.6609	202	1.60188
	Gen Y	4.0516	218	1.72319
	Total	3.8637	420	1.67541

In a similar outcome to the one-way ANOVA, it was determined that Millennials has higher awareness, loyalty and purchase intent than Generation Z. It was also determined that celebrity-endorsed brands are more powerful than social media influenced brands in the sense that awareness, loyalty and purchase intent is higher than it is for social media influencers. Interestingly, this relationship remained intact across the different levels of generations as well.

5.3.7 The ANOVA analysis to determine differential significance and influence

Once the two-way ANOVA was completed it could finally be determined whether the differences detailed above are significant and whether the generational and endorsement levels have a significant influence on one another.

Levene's Test of Equality of Error Variances^{a,b}

		Levene Statistic	df1	df2	Sig.
Awareness hypothesis	Based on Mean	0.520	3	416	0.669
	Based on Median	0.494	3	416	0.687
	Based on Median and with adjusted df	0.494	3	405.257	0.687
	Based on trimmed mean	0.495	3	416	0.686

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Dependent variable: Awareness hypothesis

b. Design: Intercept + INFLU + GEN + INFLU * GEN

Levene's Test of Equality of Error Variances^{a,b}

		Levene Statistic	df1	df2	Sig.
Loyalty hypothesis	Based on Mean	1.401	3	416	0.242
	Based on Median	1.428	3	416	0.234
	Based on Median and with adjusted df	1.428	3	415.42 2	0.234
	Based on trimmed mean	1.394	3	416	0.244

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Dependent variable: Loyalty hypothesis

b. Design: Intercept + INFLU + GEN + INFLU * GEN

Levene's Test of Equality of Error Variances^{a,b}

		Levene Statistic	df1	df2	Sig.
	Based on Mean	1.541	3	416	0.203

Purchase intent hypothesis	Based on Median	1.332	3	416	0.263
	Based on Median and with adjusted df	1.332	3	404.766	0.263
	Based on trimmed mean	1.480	3	416	0.219

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

- a. Dependent variable: Purchase intent hypothesis
- b. Design: Intercept + INFLU + GEN + INFLU * GEN

When the Awareness hypothesis was analysed, it was determined that based on the mean, the significance = 0.669, which is much higher than any reasonable level of significance (Alpha).

Thus, we did not reject the null hypothesis of equal variances across groups for the Awareness hypothesis. This result was replicated across the two other hypotheses as well.

5.3.8 Determining if the means differ across the groups

Awareness hypothesis

Tests of Between-Subjects Effects						
Dependent Variable:	Awareness hypothesis					effect size
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	93.043 ^a	3	31.014	12.918	0.000	0.085
Intercept	8278.039	1	8278.039	3448.013	0.000	0.892
INFLU	66.634	1	66.634	27.755	0.000	0.063
GEN	22.793	1	22.793	9.494	0.002	0.022
INFLU * GEN	3.620	1	3.620	1.508	0.220	0.004
Error	998.739	416	2.401			
Total	9489.125	420				
Corrected Total	1091.782	419				

relative impact of INFLU = 3x GEN (partial eta squared)

a. R Squared = .085 (Adjusted R Squared = .079)

Loyalty Hypothesis

Tests of Between-Subjects Effects						
Dependent Variable:						
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	56.823 ^a	3	18.941	9.101	0.000	0.062

Intercept	6774.701	1	6774.701	3255.339	0.000	0.887
INFLU	36.473	1	36.473	17.526	0.000	0.040
GEN	17.878	1	17.878	8.590	0.004	0.020
INFLU * GEN	2.495	1	2.495	1.199	0.274	0.003
Error	865.740	416	2.081			
Total	7785.313	420				
Corrected Total	922.562	419				

influence has twice the impact that generation has on loyalty

a. R Squared = .062 (Adjusted R Squared = .055)

Purchase intent hypothesis

Tests of Between-Subjects Effects						
Dependent Variable:						
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	104.969 ^a	3	34.990	13.589	0.000	0.089
Intercept	6163.438	1	6163.438	2393.647	0.000	0.852
INFLU	88.756	1	88.756	34.469	0.000	0.077
GEN	14.597	1	14.597	5.669	0.018	0.013
INFLU * GEN	0.635	1	0.635	0.247	0.620	0.001
Error	1071.165	416	2.575			
Total	7445.938	420				
Corrected Total	1176.134	419				

Influence has 7 times the impact of generation on purchase intent

a. R Squared = .089 (Adjusted R Squared = .083)

On interpretation of the Awareness hypothesis, the effect of influence as well as generation is significant (0 and 0.002 respectively). Therefore, the null hypothesis that awareness is the same between the different levels of endorsement was rejected. We can also confidently reject the null hypothesis that awareness is the same across different generations. The interaction effect (influence and generation) though is not significant (0.22). This meant that hypotheses H2.1 (Generation Z are only influenced by social media influencers) and H2.2 (Millennials are open to both celebrities and social media influencers) were rejected.

The only deviation was on the purchase intent hypothesis, where the generational variable had a significance of 0.018 which was significant at a 95% level of confidence, but not at a 99% level.

5.3.9 Determining which means were different

Mean Purchase Intent Scores per Influencer with Bonferroni

Adjusted Pairwise T-Tests

		Gen			
		Gen Z	Gen Y	MISSING	Total
		(A)	(B)	(C)	
Awareness hypothesis	n	202	218 A	0	420
	Mean	4.22	4.70 A		4.47
	SD	1.63	1.57 A		1.61

Results are based on two-sided tests assuming equal variances. For each significant pair, the key of the smaller category appears in the category with the larger mean.

Significance level for upper case letters (A, B, C): .05¹

1. Tests are adjusted for all pairwise comparisons within a row of each innermost sub-table using the Bonferroni correction.

Mean Purchase Intent Scores per Influencer with Bonferroni Adjusted Pairwise T-Tests

		Gen			
		Gen Z	Gen Y	MISSING	Total
		(A)	(B)	(C)	
Loyalty hypothesis	n	202	218 A	0	420
	Mean	3.82	4.24 A		4.04
	SD	1.44	1.49 A		1.48

Results are based on two-sided tests assuming equal variances. For each significant pair, the key of the smaller category appears in the category with the larger mean.

Significance level for upper case letters (A, B, C): .05¹

1. Tests are adjusted for all pairwise comparisons within a row of each innermost sub-table using the Bonferroni correction.

Mean Purchase Intent Scores per Influencer with Bonferroni Adjusted Pairwise T-Tests

		Gen			
		Gen Z	Gen Y	MISSING	Total
		(A)	(B)	(C)	
Purchase intent hypothesis	n	202	218 A	0	420
	Mean	3.66	4.05 A		3.86
	SD	1.60	1.72 A		1.68

Results are based on two-sided tests assuming equal variances. For each significant pair, the key of the smaller category appears in the category with the larger mean.

Significance level for upper case letters (A, B, C): .05¹

1. Tests are adjusted for all pairwise comparisons within a row of each innermost sub-table using the Bonferroni correction.

The pairwise comparison highlighted that for the Awareness hypothesis the mean brand awareness is significantly higher with Millennials when compared to Generation Z. This is also true for the Loyalty and Purchase intent hypotheses.

5.4 Conclusion

The main findings of the research are reflected against the hypotheses as follows:

H1- Overall brand equity will be impacted by celebrity endorsement	Accepted
H1.1 – Celebrity endorsements evoke increasingly positive attitudes of loyalty towards the brands endorsed	Accepted
H1.2- Celebrity endorsement will impact positively on the brand awareness	Accepted
H1.3- Celebrity endorsements result in stronger purchase intentions than products with no celebrity endorsement	Accepted
H2- Social media influencers have a greater impact on brand equity than traditional celebrities	Rejected
H2.1- Generation Z are only influenced by social media influencers	Rejected
H2.2- Millennials are open to both celebrities and social media influencers	Rejected

Chapter 6: Discussion of research results

6.1 Introduction

This chapter is an in-depth discussion of the analysis of the findings outlined in Chapter 5. The discussion is supplemented by comparisons to the previous research identified in the literature review. This determined the relevance of these new research findings and identified new areas for research from any gaps that emerged which resulted in a contribution to the current academic work on the study of the impact celebrity endorsement on brand equity.

6.2 H1 - Overall brand equity will be impacted by celebrity endorsement

This proposition, which was the main hypothesis for this research, proposed that as the null hypothesis, celebrity endorsement will impact on overall brand equity. The alternative hypothesis states that brand equity would not be impacted by celebrity endorsement. This hypothesis was developed in response to the research question: What is the real impact celebrity endorsements have on brand equity? The research utilised Aaker's brand equity model as a framework for the research. Aaker's original thinking as described in the literature review, was that a brand needed to simply build on the pillars (either individually or is combination) of his brand equity model, those being: brand loyalty, brand awareness, perceived quality, brand association and other proprietary assets in order to build value for the brand (Aaker, 1991). Farquhar (1989) had endorsed the Aaker principle as well the pillars Aaker defined as a means add equity to the company's bottom line.

Celebrity endorsement as a means to build brand equity was the subject of a limited number of research papers as detailed in the literature review. The research has agreed over the years that celebrity endorsement is an effective marketing tool to build brand equity. Erdagon (1999) in his content analysis research paper, determined that this strategy was a growing phenomenon due to the success it has had in building brand equity. Till and Shimp (1998), Agrawal and Kamakura (1995) also supported this view. This research has further endorsed these findings. The overall research findings of this study are that celebrity endorsement does have an impact on overall brand equity as defined by Aaker. Results from each of the questions that explored H1 (questions 1, 2, 3, 4 and 5) all received positive responses in favour of the celebrity driven approach to building brand equity.

Analysis of the total influential capability of the celebrity endorser (combined influencer scores) in Annexure D, resulted positive for the responses relating to whether respondents agreed

that a brand was better than another brand if it was endorsed by a celebrity (celebrity or social media influencer). There was a 7% differential to the positive responses, leading to the conclusion that the literature reviewed by Spry et al (2011), Farquhar (1989), and Till and Shimp (1998) was correct in their determination, as elaborated in Chapter 2, that celebrity endorsement contributes positively to how a brand is viewed.

The idea that a celebrity can build brand credibility by association also had a positive response. This validates the work of Rahman (2018) and the extensive work of Spry, Pappu and Cornwell (2011). This conclusion could be complimented by the thinking of McCracken (1989) in his credibility modelling which could build an interesting model for future consideration. It also has the potential to amalgamate with the Keller model of brand equity building on the emotive connection to a brand. By bringing these models together, potentially a richer understanding of association and celebrity endorsement could be attained. The emotive connection related to whether a celebrity involved in a scandal would impact on brand equity was contrasted in this study to the work of Bartz, Molchanov and Stork (2013) who determine that scandal did have an impact, although minimal, on stock prices of the endorsed brand. This study returned a 51% positive response in support of retaining support for a brand when the celebrity endorser for that brand is involved in a scandal.

The ability to build brand recall is fundamental to building brand equity, Keller (1993), Shabbir et al (2017) and Kopp et al (2021) agreed that this construct is what puts the brand in the consumer's consideration set. The results of this survey leaned overwhelmingly to the positive response (63%) that brand recall is heavily credited to celebrity endorsement. This leads to the conclusion that marketing efforts to build brand recall, whether they be on traditional or digital platforms will pay off for the marketer in the short and long term if a celebrity endorser model is utilised. The short term recall effect is quick and easy to build, long term will impact on brand loyalty in the positive as discussed in section 6.3.

The final question asked to prove the H1 hypothesis was around the question of purchase intent. Celebrity endorsement was proven to lead to a positive purchase intent for brands. While the mean was closer than on the questions above (45% positive) there is still a positive leaning. This was the first time the results did lean more in the direction of a neutral stance. This leads to the conclusion that the celebrity endorsement would need to work a lot harder for the marketer to convince the consumer to buy the brand. But there is evidence of a lean to the positive stance over the negative. Purchase intent is important for the marketer as it is what will build lifetime customer value for the brand. The longer a customer remains loyal to the brand and maintains a purchase intent, the more profitable that customer will be in the

long run for the brand.

6.3 Results for H1.1 - Celebrity endorsements evoke increasingly positive attitudes of loyalty towards the brands endorsed

As discussed in Chapter 2, loyalty is imperative for a brand to build a reasonable customer lifetime value (Khan et al, 2019). Results of the combined influencer study produced a result split equally between positive and negative responses. Interestingly there is a difference between the celebrity and social media cohorts (more positive for the celebrity cohort than the social media influencer cohort) that will be dealt with in section 6.6. But for the purposes of the H1.1 proposition, it raises some questions. What would swing the pendulum in one direction more than the other? Perhaps a combination of this study with that of McCracken (1989) on cultural meaning transfer and Yoo et al (2001) who built a multi- dimensional model to act as a framework to build loyalty, would provide a deeper understanding of what would make that difference, but for the moment, the respondents were undecided.

Respondents were heavily leaning in the quadrant of continuing to support a brand even if their celebrity endorser was involved in a scandal. This could indicate that potentially the love for the brand would outweigh any scandal. However, the fluid nature of consumers was exposed in the subsequent question that looked at how easy it is for a consumer to switch celebrity endorsed brands. The result contrasted with the negative response that the respondents sounded that they would not find it hard to switch brands. Alhaddad (2014) found that brand loyalty has a strong inclination to drive same-purchase decisions in the long term and therefore the implications of this response to the easy-switch question implies that marketers need to work harder to reduce the switch tendency and celebrity endorsement is a potential means to achieve that outcome based on the more slightly positive leaning in H1.1. Celebrity influenced respondents were more inclined to remain loyal to a brand regardless of the indiscretions of the celebrity than those of the social media influenced cohort. This would reflect the understanding we have built of the social media influencer cohort being very values driven Tal, 2018). This could mean ensuring your social media influencer strategy is values driven and authentic.

In conclusion for H1.1 the results are varied. They lean slightly in the direction of positivity. This is a positive sign that marketers should take stock of. Any positive leaning on loyalty should be an impetus to continue a celebrity endorsement model into the future. The longer-term nature of building brand loyalty leads the researcher to conclude that a relook of this research in the future would produce stronger loyalty outcomes. Therefore marketing budgets

should be directed twice as heavily with celebrities than with social media influencers. However, the marketer should not lose sight of the fact that 30% of the social media influencer cohort indicated that they would be more loyal to a brand endorsed by a social media influencer. This indicates that social media influencers still have a role to play regarding brand loyalty.

The celebrity influenced cohort were twice more inclined to develop brand loyalty than the social media influenced cohort.

The responses to the question of brand loyalty produced a very interesting set of results that requires deeper analysis in future research. The reason would be to pursue building lifetime customer value, increased sales, and reduced customer retention costs and reduced marketing costs are all worthy of pursuit.

6.4 Discussion for the results pertaining to H1.2 - Celebrity endorsement will impact strongly on brand awareness

Aaker defined brand awareness as the key pillar of brand equity (Aaker, 1991). This construct was further validated by the work of Shabbir et al (2017) whose study on brand equity validated this view that brand awareness is a key driver of brand equity. Their study showed that in fact, brand awareness impacts on brand loyalty and brand image, but ultimately impacts on brand equity at a much higher return. Spry et al (2009) validated this prior research by proving that celebrity endorsement can have a positive impact on brand awareness. Agrawal et al (1995) showed in their economic worth study of celebrity endorsement that brand awareness had an almost immediate financial impact. Their study showed that on the day of the announcement of a celebrity endorsement deal, there was an immediate positive impact on the share price of a brand.

The results of the survey are leaning heavily in the direction of a positive outcome for brand awareness being a beneficiary of celebrity endorsement. 57% Of respondents indicated that they are more aware of a brand if a celebrity mentioned them. The same result was recorded for the respondents noting that they would be more likely to watch an advert and engage with it more if it was a celebrity endorsed advertisement. More than half the respondents noted that their attention would lean more in the direction of a celebrity endorsed advert than an advert with no celebrity in it. Nearly 57% of respondents answered positively that they have better recall of brand advertisements that have a celebrity in it than not. 65% Of the celebrity influenced cohort responded positively to being more aware of brands endorsed by a celebrity

than those brands that had no celebrity endorsement. Social media respondents however, also had a very positive leaning for creating brand awareness. Therefore, the evidence is irrefutable that celebrity endorsement is good for building brand awareness.

This is a strong indicator that awareness will be impacted by celebrity endorsement and therefore the hypothesis cannot be rejected. What this means for brands is that celebrity endorsement is a valid means to build brand awareness and should be pursued as a brand strategy, again, an acknowledgement to the Aaker brand construct of brand awareness as an important brand pillar. The Agrawal deduction of the almost immediate financial gain a brand makes when endorsing a celebrity, leads credence to the argument that short term awareness can be achieved and translated into immediate financial gain.

47% Of respondents agreed that they would watch a television advert featuring a celebrity. Less than half of the respondents disagreed. This is significant for consideration in order to achieve the audience reach numbers required to make consideration possible in advertising your brand. This supports the findings that Schimmelfennig (2018) reported that 25-30% of all advertising in the USA uses a celebrity to boost the audience ratings. 50% of respondents emphasized that the celebrity endorsed advert catches their attention more than the advert with no celebrity. Again, this acknowledges findings that celebrity endorsement can cut through the clutter of advertising (Erdagon, 1999).

Keller (1993) who proposed that advertising increased brand recall. The results of this research show that 56% of respondents indicated their brand recall was better for celebrity endorsed brands. This supports using celebrities in advertisements due the recall ability it enhances.

The influence of celebrity endorsement was three times greater than that of any generational impact. Celebrities have proven to cross that generational divide by having broad appeal. As long as the celebrity is relevant to the product and messaging you will see an impact. Schimmelfennig (2018) however concluded that celebrity endorsement impact on awareness is eroded if it is used in excess by a brand, which did not seem to be supported in this research.

6.5 H1.3 - Celebrity endorsements result in stronger purchase intentions than products with no celebrity endorsement

Erdogan (1999) was a firm proponent of the belief that celebrity endorsement could drive purchase intent. In this research, when propositioned with the question as to whether

celebrities sell brands, over 77% of responses were in agreement or strong agreement. This positively reflects the thinking of Erdogan. Interestingly less than half of the social media driven cohort agreed with that statement, which goes against the literature (ANA, 2018) studied that reported social media influencers are successful at driving purchase intent because of either:

- a) Their speciality knowledge of the product
- b) Their personalised audiences they have built organically

However, the detractors were a very low percentage. This leads to the conclusion that celebrity is an accepted and well supported marketing strategy. However, respondents were not keen to commit to *only* buying products endorsed by celebrities that they liked. But when asked if they would buy *more* products from a brand that was endorsed by a celebrity, their responses were positive. This again concludes that consumers do not necessarily like to be tied down to celebrity endorsed products, but if they were already purchasing a brand endorsed by a celebrity, they would more than likely buy more of that brand's products. This supports a conclusion that celebrity endorsement could be used for volume driving strategies, however the real impact would be on new customer acquisition.

The respondents did indicate that they would be less likely spend money on more expensive brands just because it was celebrity endorsed. However, the celebrity fared better here than the social media influencer in that 43% of the celebrity cohort indicated that they would buy more expensive products as endorsed by a celebrity whilst only 20% of social media influenced cohorts felt positive about the statement. Thus the luxury brand advertising strategy would create general awareness and more improved chances of purchase intent in markets influenced by celebrities versus those of the social media influencer.

6.6 H2 - Social media influencers have a greater impact on brand equity than traditional celebrities

The emergence of the social media influencer brought a new construct to this study and while the field is still very new to research, it has provided a richer understanding of the value-add this type of endorsement can bring to a brand. As decreed by Glucksman (2017) to be the biggest trend in marketing, it became an important part of this analysis as a whole for the realm of celebrity endorsement. Borchers (2019) described the social media influencer as complex and the results from this study proved this to be true.

The literature review showed that more than half of the companies using social media influencers were doing so to drive better brand perceptions and 51% were using these

influencers to drive purchase intent (ANA 2018). In an attempt to understand from this audience of respondents what their preference was regarding celebrities versus social media influencers, the result amongst the 420 respondents of this survey was almost a 50/50 split. 48% identified more with the social media influencer versus 52% recognising the traditional celebrity more.

As demonstrated by the histograms, celebrities had higher awareness levels than social media influencers. Loyalty levels were stronger across the celebrity respondents and intent to purchase inclines were more dominant among the celebrity driven respondents. Thus the null hypotheses were not rejected. The levels of significance across all three variables were higher for celebrities than for social media influencers. Thus H2- social media influencers have a greater impact on brand equity than traditional celebrities - was rejected.

What this means for this study is that while the emergence of the social media influencer is a significant development for marketers to consider, it has not yet replaced the role of the traditional celebrity as an effective endorser of brands. The basic scale analysis did highlight some areas for consideration such as they are inclined to assist with building brand recall and awareness, they show tendencies to build brand loyalty, and an ability to drive purchase intent. So they are showing promising signs of assisting to build some of the key pillars of brand equity. ANA (2018) provided guidelines on how to nurture this growth by:

- Understanding the audience make up the followers have attracted in order to communicate messages they want to hear
- Set clear key performance indicators that will help drive the intended outcomes

When it came to the question of whether a brand is a better brand overall for being endorsed by an influencer, social media influencer followers disagreed more than they strongly agreed. This would lead the researcher to consider what could lead to this response. It may be a result of them having, as Glucksman proposed, the right message with the right audience and a platform of authenticity (Glucksman, 2017).

On the question of whether they believe what an influencer says about a brand, the response was evenly distributed across the Likert Scale, with a higher percentage selecting a neutral response. This leads to a consideration of the fact, raised in Chapter 2, by Borchers (2019) that social media influencers have created unique audiences based on their persona. This could explain this vast spread of responses to this question.

Social media influencers also appear to have not yet created the ability to improve brand recall and awareness. Only 30% of respondents agreed with this statement. This can be concluded to be problematic for the marketer. The ANA (2018) is reporting increasing investment in social media influencers, but this return on recall would not be significant to produce the returns that this investment would require. The celebrity respondents endorsed this statement by 63%. Of all the findings of this research, this was the most surprising given the amount of investment being channelled into social media marketing, without the necessary impact on brand recall. The immediacy of the digital channel may be the clue. Either the consumer is going to buy there and then, or they will struggle to recall the brand once they close the platform. So the solution would lie in the call to action.

Social media influencers were found to not drive purchase intent for brands either. The responses were more leaning to the negative mean and further to this, it was determined that social media influencers do not drive loyalty for brands. Loyalty is one of Aaker's key constructs for brand equity and again, the social media influencer fell short of expectations on this construct.

The cohort did perform better on the question of creating brand awareness. They did not perform as well as the traditional celebrity, but this is the most important brand pillar according to Aaker (1991) and therefore a positive outcome is a good platform to build on. However, the mean is very close to average so explorative opportunities to improve this construct outcome must be considered.

On the question of purchase intent, social media influencer followers firmly believe that social media influencers help to sell brands. 70% of respondents indicated positive sentiment to this proposition. However, they indicated that they, as with the traditional celebrity respondents, would not only buy brands endorsed by this cohort, they would also not be inclined to purchase more products within the brand stable endorsed by the social media influencer nor would they be inclined to purchase more expensive products just because they are endorsed by a social media influencer. This seems to go against the evidence supplied in the literature review of the exponential growth this channel has been experiencing (Globenewswire, 2021). It is my conclusion that this may be indicative of the South African nature of this study. Social media influencer marketing is still a new concept to the South African consumer and may be behind the global trend in terms of the influence this cohort can have in building brand equity. This would all support the rejection of the H2 hypothesis.

6.7 H2.1 - Generation Z are only influenced by social media influencers

Generation Z were defined by the literature review as the most important generation for the future economy. Driven by authenticity they pivot towards brands digitally who reflect their values (Deloitte, 2019). They value story telling in a digital execution. This led the research to formulate the hypothesis that this generation will be more influenced by social media influencers. The results of the survey were split nearly completely down the middle with 103 Generation Z respondents resonating more with the traditional celebrity and 99 indicating they prefer social media influencers. Immediately, this refutes the hypothesis. South African Generation Z consumers are yet to shift firmly into the realm of the social media influencer space. In fact, the findings determined that in this study, the generational impact on brand equity was seven times less than the impact of celebrity and social media influencer endorsement, and therefore less relevant for this study.

Generation Z are digital natives and use social media to look for brands to purchase (Droesch, 2020). By regularly exposing themselves to social media they would be very aware of celebrity and social media influencers, yet the research seems to indicate that this awareness would not necessarily translate into purchase intent or loyalty. This raises the question that in South Africa, can we equate social media influencers to real celebrity status? This would validate the research statement that this is the most challenging consumer to emerge yet for the marketer (Tal, 2018). However, this is an emerging consumer force and the results were not entirely negative. Marketers should continue to learn about this group and what appeals to them. The research showed that they hold recommendations from family and friends in high regard (Droesch, 2020). Social media is also incredibly important to them. They will not disappear as a consumer anytime soon and should be nurtured as a consumer with future spending power. With 64% of Generation Z claiming to get shopping inspiration from Instagram (Kibo, 2020), the social media influencer is still an important consideration set for the marketer.

6.8 H2.2 - Millennials are open to both celebrities and social media influencers

Millennials, as per the literature review, appear to have a very balanced approach to celebrity and social media endorsement (Bizcommunity, 2021). This generation have grown up in a very fluid time in history (Dimock, 2019). The internet emerged in their teenage years and therefore they knew life before the internet and certainly social media. It could therefore be argued that they would have a balanced approach to both celebrity and social media brand

endorsement. Again, the traditional celebrity scored better results with this cohort. However, they recognised the increasing role of the social media influencer.

When measuring building brand awareness, the Millennials rated the celebrity at the higher end of the Likert Scale than the social media influencer. Equally on the loyalty hypothesis Millennials rated traditional celebrities higher. The biggest difference in the mean score was on purchase intent, where they rated celebrities at a higher mean than the social media influencer.

It can be concluded that the positive nature of the Millennials' responses for both celebrities and to a slightly lesser extent to social media influencers, that celebrity endorsement can be seen as a means to build brand equity into the future. But, as the results show, with a lesser focus than that on the nature of the influencer (traditional celebrity or social media influencer). Talking to different audiences is expensive as it requires different approaches to the same set of communications. These results could indicate to focus on the endorsement itself, and ensure that you know your audience well enough to apply the correct celebrity endorsement on the most receptive audience. As demonstrated in the Globalwebindex (2021), Millennials are the foremost generation for following celebrities on social media. This research supports that view and yet, endorses a view to maintain a more refined social media influencer strategy for this cohort going forward.

6.9 Conclusion to the findings

This research has endorsed many of the previous research findings into celebrity endorsement and further elevated the key hypothesis of the celebrity endorser as having an impact on brand equity. The impact a celebrity endorsement can have on the key brand equity constructs of brand awareness, brand loyalty, the outcome of intent to purchase was demonstrated to be valid. The particular impact on brand awareness, which was demonstrated to have a dramatic effect, appears worth the marketing investment in the initial brand building phases.

The gaps exposed by this research were in the less researched fields of social media influencers and the impact generations can have on the celebrity endorsement model. The construct of the social media influencer is relatively new to this field of study and the limited studies seemed highly positive toward the social media influencer as a strategy to build brand equity. However, this study has levelled those ambitious hypotheses. As mentioned, the fact that this is a South African study could explain this differential as the research covered in the literature review was all international in origin. The results may not be replicated another

emerging market, India, for example, which has use social media networks and an extensive portfolio of celebrities with massive followings.

The generational study also provided some surprising findings. These concluded that the generational impact on the type of celebrity endorser utilised is less than was thought at the onset of the study. Once again, this could be due to the South African nature of the study. However, it should not be discarded as the generational impact could change in the future and should be on the research agenda to develop this field of academia. In addition, the partial eta squared scores under the awareness hypothesis were also interesting. The influence variable explained 6% of the variance in awareness while generation explained 2,2% of the variance. This meant that the relative impact of the levels of endorsement, whether celebrity-endorsed or social media influencer endorsed is three times that of the impact of the type of generational audience. This result also played out in the loyalty and purchase intent hypotheses.

Chapter 7: Conclusion

7.1 Introduction

This chapter will encompass a detailed summary of the findings of Chapter 6 as they relate to the propositions proposed in Chapter 3 of the research. The chapter will also discuss the contribution this research makes to academia. Then follows a review of the recommendations this research could make to the various stakeholders. The chapter finishes off with a short reflection on the studies' limitations as well as recommendations for future research.

7.2 Principal conclusions

This research was aimed at understanding the impact celebrity endorsement makes on brand equity. Two of Aaker's brand equity pillars were selected for the study- brand awareness and brand loyalty. This was then complimented by a study into whether purchase intent, an outcome of these two pillars, is impacted by celebrity endorsement. There was also a study into the type of celebrity that make up the endorsement- whether it be a traditional celebrity or the emerging celebrity in the form of the social media influencer made any difference to brand equity. Finally it was undertaken to determine of the generational audience of the celebrity endorser was important.

The research firstly endorsed the views of some of the most important research studies previously undertaken in this field of celebrity endorsement and brand equity McCracken (1989), Farquhar (1989), Agrawal & Kamakura (1995), Till and Shimp (1998), Erdagon (1999) Spry, Pappu and Cornwell (2011) Rahman (2108) and Schimmelpfennig (2018). The social media influencer literature, still a fairly new field to academia was inclusive of Glucksman (2017) and Borchers (2019). This literature was predominantly of the opinion that celebrity endorsement would have an impact on brand equity.

The most significant finding is that of the main research question: Does celebrity endorsement have an impact on brand equity. The data evidenced that celebrity endorsement does have an impact on brand equity. In fact, it was concluded, that even although the social media influencer has a lesser impact than the traditional celebrity, it has an impact on overall brand equity nonetheless.

The important brand equity pillar of loyalty was examined by H1.1 as this is an important pillar for building brand equity as it helps a brand build a customer lifetime value over time. The almost equal split of responses between positive and negative raised concerns that the impact

on this pillar is less than was proposed by the hypothesis. In particular was the poor scores from the social media influencer cohort that did not appear to be influenced into a state of loyalty in the short term.

The hypothesis that celebrity endorsement would impact positively on brand awareness was not rejected with very strong responses across both influencer cohorts. This is important as it adds credibility to Shabbir, et al and Kopp et al. This is a crucial brand equity pillar and principally where the marketer spends most of the marketing budget (Schwinum, 2021). It is important to recognise within these results that even with the generational cohorts, the traditional celebrity would do well for the digital marketing spend in building brand awareness.

The hypothesis designed to test the ability of celebrity endorsements to drive purchase intent (H1.3) endorsed the theory proposed by Erdagon (1999) that the traditional celebrity could drive purchase intent for a brand. This moves the brand beyond the traditional consideration set and into the realm of real acquisition. This translates into a real contribution to the bottom line of the organisation. It also therefore contributes to the real value of brand equity as it can be easily measured.

The study then moved into the realm of consideration of the type of celebrity endorser that would have the biggest impact on brand equity. The power of the traditional celebrity was weighed against the emerging cohort of the social media influencer. Current media position this emergent marketing tool of the social media influencer as the most important trend in modern marketing (Glucksman, 2017). This study may have been too soon for this hypothesis though, as the hypothesis was rejected. The data showed that the traditional celebrity still has the bigger impact on brand equity as per the Aaker model.

Lastly the impact of the generations was studied as the audience of the celebrity endorser. Both hypotheses (H2.1- Generation Z are only influenced by social media influencers and H2.2- Millenials are open to both celebrities and social media influencers) were rejected. Generation Z, who are digital natives, were determined to not be exclusively influenced by the social media influencer. And Millennials were determined to also be more open to the traditional celebrity endorser than the social media influencer. In fact, the data showed that the audience receiving the influencer message was less important than originally thought.

The results of the research determine as a guideline, that traditional celebrities are very effective in building brand awareness. Social media influencers would have a reasonable success rate on building impact too on social media platforms. Longer term loyalty strategies

utilising celebrities would be less effective, but would help reduce marketing costs over time and therefore are economically viable. To drive purchase intent would take the most patience as a marketer. However, as the brand awareness construct is so definitely impacted by celebrity endorsement, there would be an impact on purchase intent in the long run.

Social media influencers, even although were outperformed by the traditional celebrity, are still very new to marketing as a strategy. If one considers how new they are, then they actually performed very well in their ability to impact on brand equity and should be a part of the marketing mix. The digital nature of their role makes it very sustainable to switch campaigns on and off depending on performance.

The generational impact provided a more mixed result. Generation Z are evolving and a future power consumer, therefore every effort to utilise the social media influencer to build brand equity should be explored. However, the traditional celebrity is very important to this generation and should provide a valuable contribution.

The study can be best represented by the following model: The model explains that the hypotheses are either not rejected- represented by a solid colour line, or rejected- represented by a broken colour line. The model shows that the brand equity pillars of brand awareness and brand loyalty are impacted by celebrity endorsement. Purchase intent is also impacted positively. Millennials are influenced by both traditional celebrities as well as social media influencers. And Generation Z are also influenced by the traditional celebrity and not just the social media influencer.

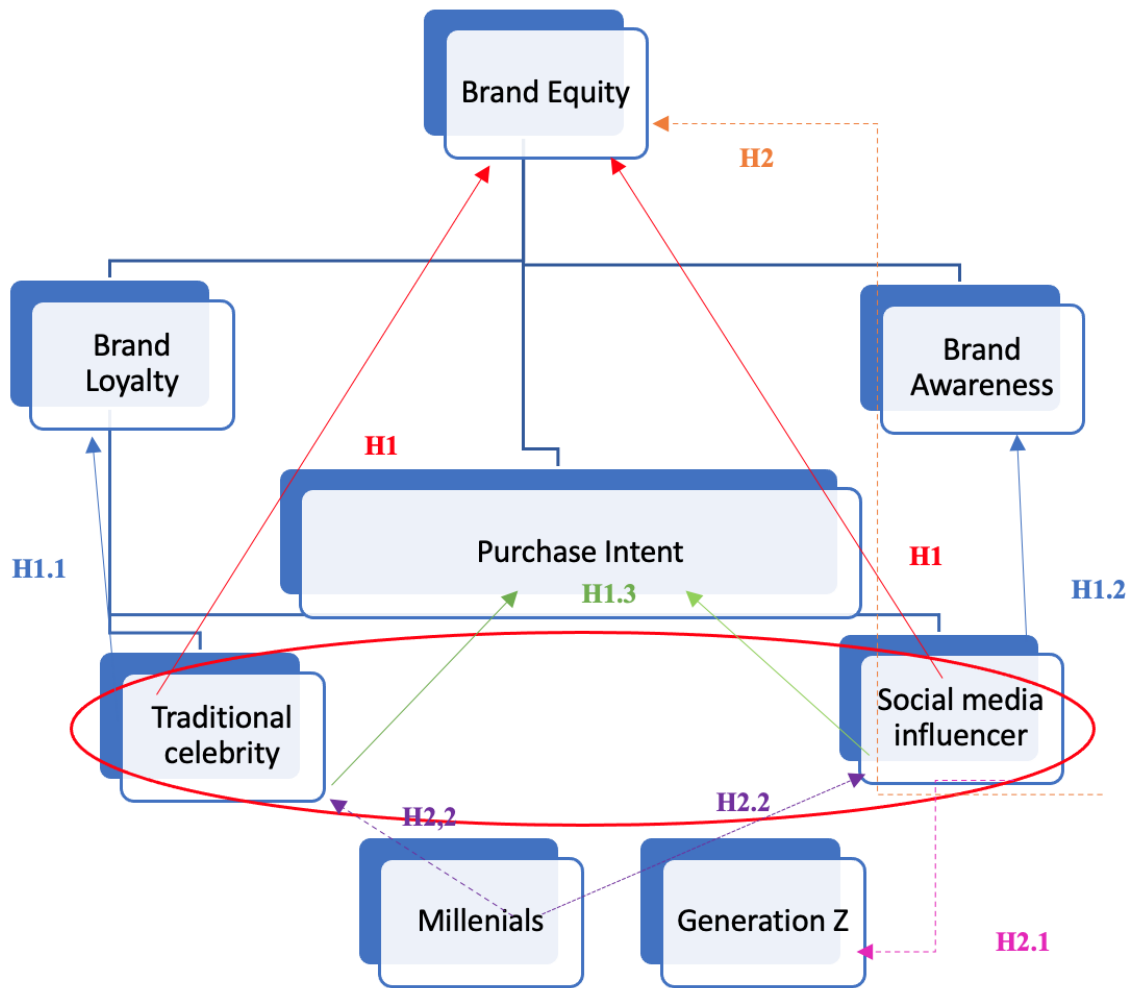


Figure 10: The hypotheses model

7.3 The contribution this study makes

This study makes two practical contributions. Firstly, it raises considerations for the marketer around the strategy of the celebrity marketer. The marketing team could make some valuable strategy decisions regarding utilising celebrity endorsement to build brand awareness and to a lesser extent to build brand loyalty. By utilising this tested theory that celebrity endorsement does build brand equity a valuable marketing tool is unlocked.

The second practical contribution is around the question of audiences. The findings of this research led to the conclusion that the current trend of focusing on Generation Z with social media influencers only would be a potentially flawed strategy. A more holistic influencer strategy that included traditional celebrities would give better returns.

The theoretical contribution this study makes is introducing the concept of the social media

influencer into the realm of the celebrity endorser. The generational study also enhances the current literature in that it is a new field of study when looking at celebrity endorsement with a consideration of generational audience. This research also adds a South African finding on the topic of celebrity endorsement.

7.4 Implications for management and other relevant stakeholders

Marketing teams would need to consider these findings when building their brand strategies. Celebrity endorsement has proven a valuable strategy to build brand equity. Key decisions that can now be made in light of this are:

- Celebrity endorsement should be used to build a new brand when entering a market - the short-term brand awareness gained would have a significant brand impact
- The data showed that celebrities do drive purchase intent, but in the longer term along with brand loyalty. Entering into longer term celebrity endorsements to maximise the return on investment
- Potentially, for the short term, moving social media influencer marketing spend to a celebrity endorsed campaign and then introducing strategic social media influencers could have a combined impact on brand equity.
- Maximising the celebrity halo effect across brand houses within a brand stable
- Reconsider messaging and communication plans for the generational audiences based on these research findings

Advertisers could potentially explore introducing or expanding their celebrity endorser portfolios. The traditional celebrity has impact and this should be exploited. A portfolio of actors, actresses, athletes and recognisable product experts would serve advertisers well.

A consideration of the digital exposure of the traditional celebrity as opposed to the social media influencer could pay dues. The data supports that the traditional celebrity would outperform the social media influencer on these platforms. Traditional platforms such as television still perform well for this medium though and should not be discarded.

The insightful finding around the generational question provides fertile ground for content and communication exploration. The responses of both Generation Z and Millennials points strongly in the direction of the traditional celebrity as a means of influence. Supplemented with

what we know about these generations in terms of how they like to be communicated with as explored in the literature review, a fresh approach to these audiences could be considered.

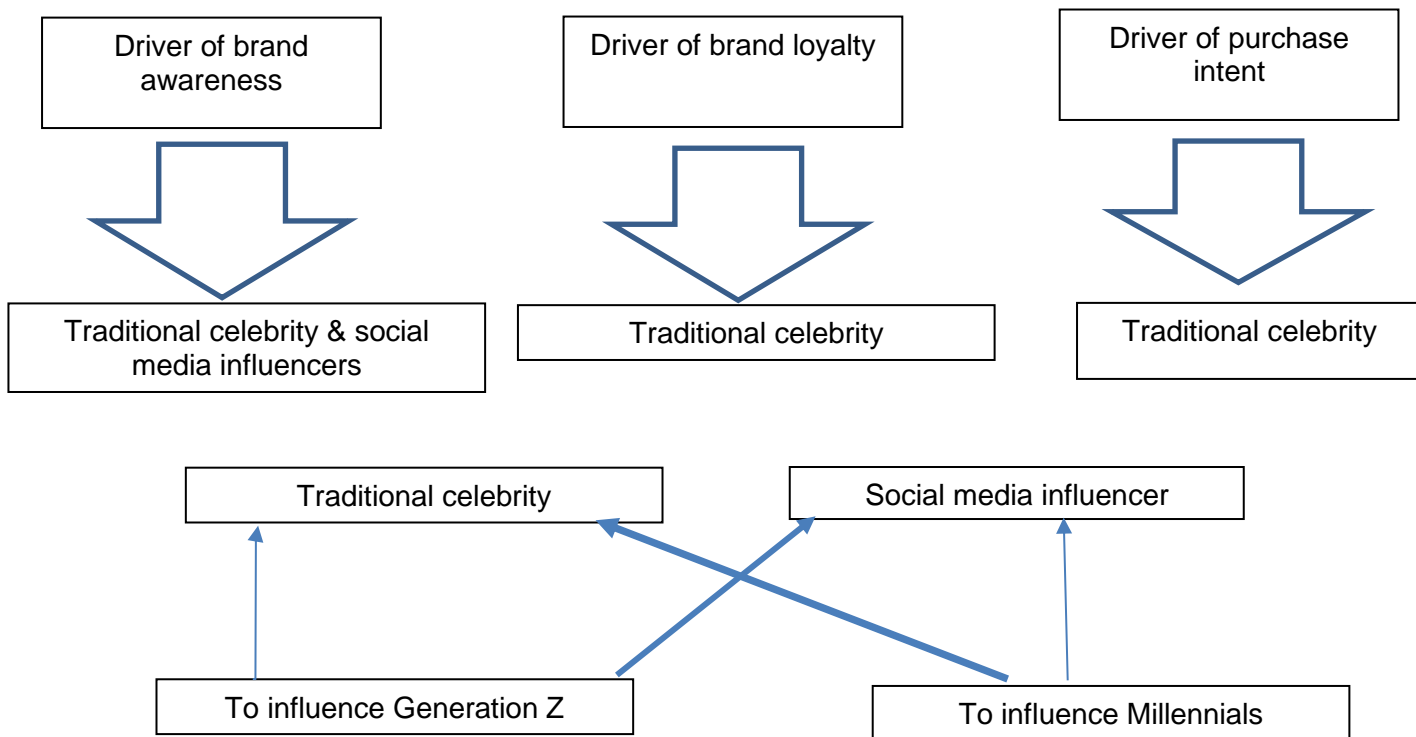


Figure 11 Proposed model for celebrity endorsement

7.5 Limitations of the research

This study was limited to the panel of respondents we had access to. A broader study would in all likelihood validate these results but would be valuable. This was also a study of a South African audience only. The study was also limited to brand equity as proposed by the Aaker model of brand equity.

A decision was made to also limit the study to the two generations most influenced by digital platforms due to the exponential growth in marketing spend on digital platforms - Generation Z and Millennials.

7.6 Suggestions for future research

An expanded version of this research, to be inclusive of all 5 of Aaker’s brand equity pillars would be an interesting study. Celebrity endorsement’s ability to impact on the other pillars could potentially open up opportunities yet to be considered. A deeper understanding of how celebrity endorsement could impact on brand loyalty would also be academically valuable as

the results of this research did open up questions not anticipated. The negative response that the respondents sounded that they would not find it hard to switch brands as an area of interest. Potentially, this has highlighted a gap in the research, and needs further investigation as to what is driving this response.

The outcome of driving purchase intent has not been explored in academic literature and this research raised questions about celebrity endorsement driving purchase intent, particularly in the realm of the social media influencer.

Social media influencer ability to impact on brand equity performed marginally well in this research. Given the increasing marketing spend being allocated to these influencers more research into this field would be of value.

While the results still lean in the direction of the traditional celebrity having more of an impact on brand equity, the researcher believes that this is an evolving field of research and should remain on the academic agenda for the foreseeable future.

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Annexure A

CONSENT TO TAKE PART IN RESEARCH

Dear Participant

Thank you for agreeing to this survey, your feedback is valuable. I greatly appreciate you taking the time to provide insights into this research. I am currently a student at the University of Pretoria's Gordon Institute of Business Science and completing my research in partial fulfilment of my MBA.

The title of the research is "The real impact of celebrity endorsement on brand equity". The purpose of the study is to gain a deeper understanding of how celebrity endorsements impact the various components of brand equity, such as brand awareness, loyalty, etc.

The survey should take about 10 minutes to complete. Please note that your participation is voluntary, and you can withdraw at any time without penalty. With that, I wish to point out that you can take comfort in knowing that the information shared in this survey will remain confidential and all data will be reported and stored without identifiers.

Please provide your consent to taking part in this survey by clicking **YES** here. The survey will then automatically start.

If you have any concerns, please contact my supervisor or myself. Our details are provided below:

	RESEARCHER	SUPERVISOR
NAME	Jacqui Swart	Lanya Stanek
EMAIL	20802651@mygibs.co.za	lanyastanek@gmail.com

Annexure B: Questionnaire

Online message appears:

Thank you for opting to take part in the influencer study. All your responses will be treated confidentially. The questionnaire will take approximately 15 minutes and all your responses will be treated confidentially.

If you agree to take part in the study, please select the 'YES' option.

1	Yes
2	No

Thank you message appears

Thank you message appears and system then terminate questionnaire

S1: What is your age

18-20	Gen Z
21-24	Gen Z
25-29	Gen Y
30-34	Gen Y
35-40	Gen Y
41+	Terminate

S2: Please indicate if you agree or disagree with the following statement

Section 1

- 1- Strongly disagree
- 2- Disagree
- 3- Somewhat disagree
- 4- Neither agree nor disagree
- 5- Somewhat agree
- 6- Agree
- 7- Strongly agree

1. I am more influenced by celebrities than a social media influencer	Agree	Disagree
---	-------	----------

Celebrity is a condition of fame and broad public recognition of an individual or group, or occasionally a character or animal, as a result of the attention given to them by mass media

Social media Influencers are people who have built a reputation for their knowledge and expertise on a specific topic using social media to do so.

Programming notes: From here on the questionnaire will be worded according to the decision made above. If they agree, then the questionnaire will read only celebrity. If they disagree, the questionnaire will read social media influencer.

Please indicate to what extent you agree or disagree with the following statements:

Question	Hypothesis tested	1 Strongly disagree	2 disagree	3 Somewhat disagree	4 Neither agree nor disagree	5 Somewhat agree	6 Agree	7 Strongly agree
2. I believe a brand is better than another brand when endorsed by <S2>	H1							
3. I believe what a <S2> says about a brand	H1							
4. I better remember a brand that is linked to a <S2>	H1							
5. I will be more inclined to buy a product endorsed by a <S2>	H1							
6- I am more loyal to brands that are <S2> endorsed	H1.1							
7- Even if the <S2> that I like is involved in a scandal, I will still support the brand	H1.1							
8- It would be very hard for me to	H1.1							

change my <S2> endorsed brands								
9- I am more aware of brand because a <S2> has mentioned them	H1.2							
10- I will watch an advert/click on an advert if it has a <S2> in it	H1.2							
11- Adverts with a <S2> in it tend to catch my attention more than those with no <S2> in it.	H1.2							
12- I tend to remember a brand name or a product if an advert has a <S2> in it	H1.2							
13- I believe that <S2> help to sell brands	H1.3							
14- I will only buy products endorsed by a <S2> that I like	H1.3							
15- I will happily purchase more products from a brand that is endorsed by a <S2> that I like	H1.3							

16- I will purchase more expensive products than normal if they are endorsed by a S2> that I like	H1.3							
---	------	--	--	--	--	--	--	--

Demographic Information

Thank you for your time so far, we are almost at the end of the survey.

D1. Please indicate your gender

Male	Continue
Female	Continue

CLOSING

[Online message:](#)

Thank you for taking part in the survey and for your valuable contribution.
Enjoy the rest of your day.

Annexure C: Ethical clearance

----- Forwarded message -----

From: **Masters Research** <MastersResearch@gibs.co.za>

Date: Mon, 23 Aug 2021, 11:57

Subject: Ethical Clearance Approved

To: 20802651@mygibs.co.za <20802651@mygibs.co.za>

Cc: Masters Research <MastersResearch@gibs.co.za>

**Gordon Institute
of Business Science**
University of Pretoria

Ethical Clearance
Approved

Dear Jacqui Swart,

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

[Ethical Clearance Form](#)

Kind Regards

This email has been sent from an unmonitored email account. If you have any comments or concerns, please contact the GIBS Research Admin team.

Masters Research

Gordon Institute of Business Science, University of Pretoria

Main Tel: +27 11 771 4000

Direct Tel:

Email: mastersresearch@gibs.co.za

Web: www.gibs.co.za.

Physical Address: 26 Melville Road, Illovo, Johannesburg

At GIBS we aim to significantly improve responsible individual and organisational performance, in South Africa and our broader African environment, through high-quality business and management education. We are the number one executive education provider in Africa, according to the UK Financial Times. Visit our website to learn more about our rankings and accreditations. www.gibs.co.za.

Annexure D: Combined scale analysis

Table A: Combined influencer scores scale analysis

NOTE:

The scale groupings used for all analysis are as follows:

Strongly agree: 6 – 7

Agree: 5

Neutral – neither agree or disagree: 4

Disagree: 3

Strongly disagree: 1 - 2

		OVERALL	
		Count	Column N %
2	Please indicate to what extent you agree or disagree with the following statements I believe a brand is better than another brand when endorsed by a <%~Influ%>		
	Strongly Disagree	132	31.40%
	Disagree	33	7.90%
	Neutral	61	14.50%
	Agree	78	18.60%
	Strongly Agree	116	27.60%
3	Please indicate to what extent you agree or disagree with the following statements I believe what a <%~Influ%> says about a brand		
	Strongly Disagree	79	18.80%
	Disagree	65	15.50%
	Neutral	103	24.50%
	Agree	71	16.90%
	Strongly Agree	102	24.30%
4	Please indicate to what extent you agree or disagree with the following statements I better remember a brand that is linked to a <%~Influ%>		
	Strongly Disagree	69	16.40%
	Disagree	36	8.60%
	Neutral	49	11.70%
	Agree	84	20.00%
	Strongly Agree	182	43.30%
5	Please indicate to what extent you agree or disagree with the following statements I will be more inclined to buy a product endorsed by a <%~Influ%>		
	Strongly Disagree	93	22.10%
	Disagree	45	10.70%
	Neutral	92	21.90%
	Agree	68	16.20%
	Strongly Agree	122	29.00%

6	Please indicate to what extent you agree or disagree with the following statements I am more loyal to brands that are <%~Influ%> endorsed		
	Strongly Disagree	117	27.90%
	Disagree	47	11.20%
	Neutral	93	22.10%
	Agree	61	14.50%
	Strongly Agree	102	24.30%
7	Please indicate to what extent you agree or disagree with the following statements Even if the <%~Influ%> that I like is involved in a scandal, I will still support the brand		
	Strongly Disagree	100	23.80%
	Disagree	23	5.50%
	Neutral	82	19.50%
	Agree	59	14.00%
	Strongly Agree	156	37.10%
8	Please indicate to what extent you agree or disagree with the following statements It would be very hard for me to change my <%~Influ%> endorsed brands		
	Strongly Disagree	145	34.50%
	Disagree	57	13.60%
	Neutral	67	16.00%
	Agree	47	11.20%
	Strongly Agree	104	24.80%
9	Please indicate to what extent you agree or disagree with the following statements I am more aware of brand because a <%~Influ%> has mentioned them		
	Strongly Disagree	77	18.30%
	Disagree	42	10.00%
	Neutral	59	14.00%
	Agree	76	18.10%
	Strongly Agree	166	39.50%
10	Please indicate to what extent you agree or disagree with the following statements I will watch an advert/click on an advert if it has a <%~Influ%> in it		
	Strongly Disagree	103	24.50%
	Disagree	46	11.00%
	Neutral	71	16.90%
	Agree	61	14.50%
	Strongly Agree	139	33.10%
11	Please indicate to what extent you agree or disagree with the following statements Adverts with a <%~Influ%> in it tend to catch my attention more than those with no <%~Influ%> in it		
	Strongly Disagree	102	24.30%
	Disagree	37	8.80%
	Neutral	70	16.70%
	Agree	67	16.00%
	Strongly Agree	144	34.30%
12	Please indicate to what extent you agree or disagree with the following statements I tend to remember a brand name or a product if an advert has a <%~Influ%> in it		
	Strongly Disagree	91	21.70%

	Disagree	37	8.80%
	Neutral	54	12.90%
	Agree	65	15.50%
	Strongly Agree	173	41.20%
13	Please indicate to what extent you agree or disagree with the following statements I believe that <~Influ%> help to sell brands		
	Strongly Disagree	30	7.10%
	Disagree	28	6.70%
	Neutral	38	9.00%
	Agree	79	18.80%
	Strongly Agree	245	58.30%
14	Please indicate to what extent you agree or disagree with the following statements I will only buy products endorsed by a <~Influ%> that I like		
	Strongly Disagree	147	35.00%
	Disagree	45	10.70%
	Neutral	86	20.50%
	Agree	49	11.70%
	Strongly Agree	93	22.10%
15	Please indicate to what extent you agree or disagree with the following statements I will happily purchase more products from a brand that is endorsed by a <~Influ%> that I like		
	Strongly Disagree	109	26.00%
	Disagree	47	11.20%
	Neutral	66	15.70%
	Agree	66	15.70%
	Strongly Agree	132	31.40%
16	Please indicate to what extent you agree or disagree with the following statements I will purchase more expensive products than normal if they are endorsed by a <~Influ%> that I like		
	Strongly Disagree	194	46.20%
	Disagree	36	8.60%
	Neutral	51	12.10%
	Agree	51	12.10%
	Strongly Agree	88	21.00%

