

Spillover Effects of Endorsers for Different Brand Levels

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Abstract. Previous studies have mostly been related to the promotional effect of a single endorser with regard to a specific brand. However, there are insufficient studies regarding the relationship between a single endorser and multiple products. Tripp et al. [1] indicated that consumers have negative perceptions of the credibility, favor and advertising attitude of endorsers who recommend several products. However, this result seems to be inconsistent with reality, as in contrast, when an endorser is more popular, his/her endorsement of the brand/product also becomes more popular, and manufacturers compete to invite celebrities to endorse their products. This study follows Balachander and Ghose [2], and their study on brand extension and the spillover effects of advertising has been extended using associative network theory, the filtering model and cognitive dissonance theory in order to explore the exchange between high and low-level brands and the way in which promotional effects produce positive or negative spillover effects. This study also puts forward four propositions and implications for management.

Keywords: endorser, spillover effect

1. Introduction

In general, budgets of millions of dollars are used to pay celebrities to endorse businesses each year. In such cases, at least one celebrity (the endorser) endorses or recommends among three television commercials, whereas some endorsers endorse many different kinds of brand or product, resulting in the phenomenon of “share stars” who endorse various enterprises [3-4]. Keller [5] suggested that celebrity endorsement can not only increase the marginal value of advertising expenditures, but can also create the advertising strategy of the brand equity based on the secondary relationship with a linkage between celebrity and brand. However, such investments tend to be seen as a significant intangible asset, due to the large amount of capital that is necessary in most cases [6]. Some similar situations also exist in Taiwan. For example, Patty Hou has endorsed the oatmeal beverage made by AGV, Bioré shower gel and Kanebo skincare products; Ethan Ruan has endorsed the Quaker Oats beverage, Green Oils and Sanyang motorcycles; Jolin Tsai has endorsed Yamaha motorcycles, Levi’s jeans and SunBites snacks; Chiling Lin has endorsed China Airlines, the OSIM massage sofa and Longines watches; and Show Luo has endorsed Family Mart bread, Big Train jeans and Lay's potato chips.

The relevant studies on the topic of endorsers can be divided into three major pathways: (1) those which study the advertising and marketing effects of endorsers based on the viewpoint of the factory or company [7-8]; (2) those which investigate the perceptions and attitudes of consumers with regard to endorsers, such as the attitudes of customers towards advertisements and brands and purchase intention, while bearing in mind that there are many different demographic variables among consumers and endorsers [1, 9-11]; and (3) those which emphasize the selection of qualified endorsers, as endorsers need to have attractive features and match the characteristics of the brand/product (e.g., credit, trustworthiness and favor) [13-16]. However, most of these studies aim to determine the advertising effectiveness of a single brand/endorser. Tripp et al. [1] indicated that consumers have negative perceptions of the credibility, favor and advertising attitude of endorsers who recommend several products. Unfortunately, in reality, it can be observed that there is a

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proportional relationship between the popularity of the endorser and the number of brands/products that he or she endorses.

Balachander and Ghose [2] studied the advertising spillover effect of brands and brand extension. Based on the advertising spillover effect they proposed, there are some implications for management involved in the distribution of the advertising budget, especially with regard to the extension of a new brand and for the existing products which belong to the same brand. This study will attempt to expand this concept and to investigate whether positive or negative spillover can be realized and further identified with regard to the promotion effect of endorsers at different (i.e., high or low) levels of the brand. The main objectives of this study are as follows:

The objectives of this study are related to two issues: (1) the need to understand that the beneficial spillover effect between the endorser and the brand/product depends on the image and characteristic; and (2) the need to explore the occurrence of various contexts with regard to brands/products when an endorser endorses multiple brands/products or different levels of the same brand. The major processes of this study are shown in Fig. 1.

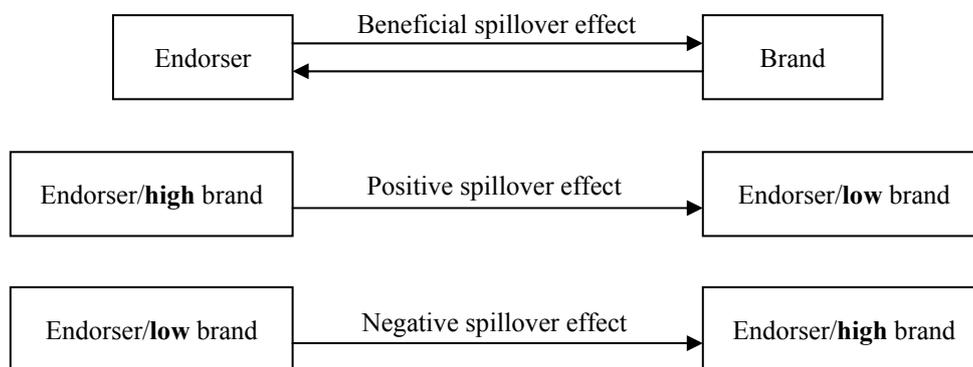


Fig. 1: Research framework

2. Literature Review and Propositions

2.1. Background: Theory Relating to Endorsers

Erdogan et al. [15] integrated three theoretical models which are related to the selection of endorsers: (1) the source credibility model; (2) the source attractiveness model; (3) the product match-up hypothesis; and (4) the meaning transfer model.

The first two models are based on social psychology, which emphasizes the notion that endorsers need to be able to convince consumers, through their professionalism, trustworthiness and familiarity. However, these characteristics do not have a significant influence. Friedman et al. [16] found that trust is the main factor of trustworthiness. However, Ohanian [11] indicated that the characteristics listed above have no obvious correlation with purchase intention. In addition, McCracken [13] also believed that these models cannot explain some of the issues in the endorsement process which are linked to the overemphasis on having a persuasive endorser and the lack of emphasis on the endorser's relationship with the product. Therefore, in order to resolve this problem, an assumption was developed in order to fit products. It focuses on the fit between the features of the product and the endorser. The effectiveness of an advertising image can decide the degree of consistency between the endorser's image and that of the brand/product. According to empirical results, endorsers with similar features to those of the products they advertise and the brand image were seen as much more trustworthy [7, 10, 12, 17]. McCracken [13] proposed the significance of the conversion mode, which can be divided into three stages: (1) cultural factors on the movement of recommended persons; (2) the movement of product references; and (3) the significance of the product with regard to the customer's attention transferred. Erogan et al. [15] believed that this was only a theoretical concept, but there have been some empirical studies which have advocated that symbols (e.g., Cher, Madonna and Christie) can be converted to the endorsement of brands/products (e.g., Scandinavian health spas, bath towels and blue jeans) [18-19].

According to the present study, consumer perceptions and brand image are mutually influential; they affect one another, but not always in a positive way, as there may well be negative implications.

2.2. The Spillover Effect of the Relevant Theory

In fact, there is no fundamental theory which directly connects the endorser and advertising spillover effects, according to this literature review. The theory which Balachander and Ghose [2] applied was economic and association information network theory, and conceptual spillover was defined as product A's effectiveness of advertising customers for product B, the utility. Accordingly, this study's revised definition of the spillover effect is applied to the spillover effect of endorsers, which is defined as being when the image of the consumer who is advocating or recommending a brand/product affects the brand/product's image and perceived characteristics.

This study investigates the spillover effect of endorsers in advertising. In order to build on previous studies of endorsers, this study will incorporate network theory, social cognitive screening patterns and attitude change based on cognitive dissonance theory. These theories can be summarized as follows:

2.2.1. Associative Network Theory

Associative network theory was devised by Anderson [20] in order to explain the reciprocal spillover effects generated by memory, the memory of the brand in terms of customer-based brand equity and brand association and the related effects. Similarly, Balachander and Ghose [2], based on this theory, also discussed the brand as a node, a link within a network; the link is used to measure the strength of the association between nodes.

According to these studies, the study of its extended application in the consumer advocate and brand the association strength between two nodes, that consumer endorsers and brand or features between the perceived image is consistent, the more agreed that stronger links between, on the contrary, the more weak.

2.2.2. The Filtering Model

This model is derived from social cognitive theory [21]. Misra and Beatty [7] applied this theory to advocacy and brand congruence and found that when individuals receive brand new information, any endorser characteristics which are inconsistent with or irrelevant to this information will be filtered out, because similar information is more conducive to coding. There is usually established on the contour endorsers' schema, which participates through the fundamental mode profile in the encoding, interpretation, retention and retrieval of information. They are expected to influence perceptions through cognitive activities, e.g., when the listener is exposed to the endorser, the contours associated with the endorser will be aroused. In other words, when the customer reads the brand information, any inconsistent or irrelevant information the voice will raise fundamental mode profile cannot be and consistent information to be encoded as. The results show that when the endorser and the brand are consistent, this leads to a high rate of recall of brand information, and emotional transfer occurs. When the two are inconsistent, the opposite occurs. As a result, marketers should advocate the choice of endorsers with certain characteristics to be associated with brands with the same characteristics.

Accordingly, this study proposes as endorser and brand image in customer perception of the same or information when it said the endorser and the brand has positive reciprocity between the spillover effects; and when the customer endorser or information perception and brand image is inconsistent to say the endorser and brand reciprocity between the negative spillover effects.

In accordance with the literature based on screening models and associative network theory, this study has produced the following propositions:

Proposition 1: If customers perceive the characteristics of an endorser and a brand as being consistent, this will have a positive reciprocal spillover effect;

Proposition 2: If customers perceive the characteristics of an endorser and a brand as being inconsistent, this will have a negative reciprocal spillover effect.

2.3. Cognitive Dissonance Theory

Festinger [22] proposed cognitive dissonance theory in the field of psychology. It is important for explaining the basis for changes in attitude, and suggests that when an individual has two incompatible perceptions, beliefs, values or concepts, the individual experiences inconsistency. The individual will try to keep this inconsistency to a minimum, because he or she wishes to create consistency in order to reduce the uneasy feeling of imbalance.

An extension of this study would be to apply this theory to recommended levels of conversion between different brands based on spillover effects, as when the same brand endorser moves into high-low brand, the customer will have a positive offset. In contrast, when the advertising spokesman moves from low brand into high-brand, customers will have a negative offset. A positive offset means that a low-level brand's image benefits from consumers' awareness of the high-level brand (positive spillover effect), while a negative offset indicates that a high-level brand suffers as a result of perceptions of the low-level brand (negative spillover effect).

Therefore, in accordance with the literature on cognitive dissonance theory, this study has put forward the following propositions:

Proposition 3: When the same advertising endorser converts from advertising a high to a low-level brand, this will have a positive spillover effect;

Proposition 4: When the same advertising endorser converts from advertising a low to a high-level brand, this will have a negative spillover effect.

3. Conclusions and Suggestions

3.1. Conclusions

Integrating the implications of this study can help us to understand the following two points:

- Customers will make a direct link between the endorser and the brand which he/she endorses. For this reason, choosing an endorser should involve assessing the compatibility of the image or characteristics of the endorser and those of the brand or product, and considering whether or not the brand or product (at that level) has been endorsed by the endorser in the past. For example, there are some brands of toothpaste which always use a dentist for their endorsements, as they trust that a dentist's professional image will be believed by the customers, and therefore that the dentist will have a positive spillover effect on the toothpaste;
- A brand's image or characteristics, if they are compatible, that will make the effect plus between each other, and can also make a deep impression on customers. If an endorser has endorsement experience of a high-level brand, when he/she transfers his/her endorsement to a lower-level brand, then the customer gets the impression. If the endorser has experience of the high-level brand before then transferring to the lower-level brand, then the lower-level brand will receive a bonus effect from the endorser. For example, there was a recent news report concerning a very famous woman in Taiwan who had endorsed a cheap brand of shower gel, causing many people to doubt that she had any real experience of the product being used. This is because of the lack of consideration of customers' images for this lady (e.g., rich and luxurious) and the other products which this woman had previously endorsed (e.g., high-class home appliances and a luxurious car), and this led to a negative spillover effect on this shower gel.

3.2. Suggestions

This study is based on theory and has resulted in four propositions. However, to date, this research has not been fully developed, and so it is suggested that in the future, in order to improve its usability, empirical research should be carried out to further analyze and verify these propositions. We expect that the results of this empirical research will be useful for the advertising and production industries, as they could provide a reference for developing new advertisements. These results could also apply to academic research in the fields of consumer psychology and consumer behaviour.

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