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THE IMPACT OF CELEBRITY ENDORSEMENT ON THE BRAND IMAGE OF MTN TELECOMMUNICATIONS LIMITED: THE PERSPECTIVE OF SUBSCRIBERS IN ILORIN METROPOLIS

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ABSTRACT

The study seeks to determine the impact of celebrity endorsement on the brand image of Mobile Telecommunication Network (MTN) in Ilorin Metropolis. A sample size of 384 respondents comprising of MTN subscribers across the local government areas in Ilorin metropolis was examined. The sampling technique employed in the study was stratified sampling technique and a likert scale of 5 point. Multiple regressions and multiple correlations were used for data analysis. The results revealed that both celebrity trustworthiness and celebrity expertise were relevant for brand image. The two hypotheses tested showed that all variables were significant. The study therefore recommends that not only celebrities who are trustworthy but also those who have expertise should be used in brand image building. The study also recommends that firms should drop celebrities who have lost their credibility so as not to have a negative effect on the brand image.

Keywords: Celebrity, Endorsement, Brand Image, Buying Behaviour, Post-Purchase

1. INTRODUCTION

Every company in today's competitive world tries to differentiate itself from others by devising new innovative strategies to attract discerning consumers. Consumers on the other side on daily basis come across numerous images and voices in various media; newspapers, magazines and on billboards, websites, radio and television making the society we live in to become over-communicated. Due to these recent challenges, there is need for marketers to fashion a hook that will hold consumers attention (Bimal, Sukhwinder, & Sumeet, 2012), marketers now make use of storylines, testimonies, creative cinematography, brand evangelism and vast endorsements from celebrities amongst other advocates. Marketers spend enormous amount of money on celebrity endorsement contracts

based on the belief that celebrities are effective spokespersons for their products or brands (Katayal, 2007), since celebrity endorsement acts as touch of glamour on brands (Reynolds, 2000).

The advertisers hope that this awareness coupled with the attractive and likeable qualities of the celebrity endorser are transferred to the brand, which is being promoted, and they may develop good brand image (Mooij, 1994; Dickenson, 1996). The use of celebrities is hence not limited to a specific industry; many firms across different industries make use of celebrities- cutting across financial service, automobiles, telecommunication and a host of others. Since the deregulation of the Nigerian telecommunication industry, it has become very competitive and leading firms in the industry have adopted the use of celebrities in endorsing their brands. Consumers with strong self-enhancement goals tend to form self-brand connections to brands used by aspiration groups, that is, groups for which the consumer wishes to become a member (Escalas & Bettman 2003). Hence, with firms believing that the power of a brand lies in the mind of existing or potential customers and what they have experienced directly or indirectly about the brand, adopt strategic brand management approach, using celebrity endorsement (Ogunsiji, 2012). This communication strategy benefits from the widespread belief that celebrities positively influence the image of the advertised brands, such that a key outcome is a favorable effect on brand image (Erfgen, 2005). It is known that customers tend to feel stronger about a product or brand when someone they can relate or look up to is endorsing it (Erdogan, 1999). Thus, celebrity endorsement in advertisement and its impact on the overall brand is of great significance (*Qurat-ul-Ain & Mahira 2010*)

Advertising today seems to be all over the place and ever present exerting a far reaching influence on the daily lives of people (Pandey, 2011). Despite companies still need to choose the right mode advertising media to communicate their brands. Celebrity endorsement as a channel of brand communication where a celebrity who is said to have enjoyed public recognition now uses his/her special attributes to act as a spokesperson to promote a company's brand. Although celebrities do have some attributes which they further extend to whatever brands they endorse, even at that, consumer are the final arbiter that decides whether those attributes influence thoughts, feelings, perception and image, experience, believes, attitude about the brand(s).

Most of the research on celebrity endorsers is concerned with the effectiveness of celebrity endorsers however; it has provided little direction regarding the associations which celebrities can impact on the brand endorsement (Till & Busler, 1998). This has engendered preliminary research on the impact of celebrity endorsement on the brand image of MTN in Ilorin metropolis.

The objectives of this study are:

- i. Examine the impact celebrity endorsement on the brand image of MTN in Ilorin metropolis
- ii. Evaluate the relationship between celebrity endorsement and consumer brand perception of MTN in Ilorin metropolis.

2. REVIEW OF LITERATURE

Theoretical Framework

Source Credibility

The source credibility theory as propounded by Hovland et al. (1953) in Umeogu (2012), (2006) stated that people tend to be persuaded when the source presents itself as credible. In Umeogu (2012), the submission of McCroskey et al. (1974) is that when communicators have high credibility in the eyes of message receivers, the receiver tends to have respect for the communicator and their words are readily accepted. O'Mahony & Meenaghan (1998) proposed two dimensions for credibility which are trustworthiness and expertise. Thus, when a celebrity possesses the two, they can influence the audience positively. This is supported by Ohanian, (1990) that the source's favorable personalities influence the recipient's acceptance level.

Trustworthiness

In the credibility ratings, the trustworthiness is the most desirable by the customer because it is the intangible magic of the celebrity which works due to trust (Moynihan, 2004). The source trustworthiness is determined by their apparent trustworthiness may include, dependability, honesty, reliability. Sincerity and trustworthiness (Ohanian, 1990)

Expertise

Hovland and Weiss (1951) in Umeogu (2012) have defined expertise as they believed capability of the endorser to make compelling declarations, which is the expertise of the relative source (Dean & Biswas, 2001). This is affirmed with the fact that expertise is "the extent to which an endorser is perceived to be a source of valid assertions" (Erdogan, 1999, page 298). Therefore it is important that consumers think and believe a celebrity has expertise (Ohanian, 1990). The level of celebrity expertise will determine its effectiveness (Amos, Holmes & Strutton, 2008). Expertise is therefore the extent to which the endorser (communicator) is perceived to be knowledgeable, skillful and experienced.

Therefore, for the purpose of this study, the source credibility theory will be adopted. This is because study by Hovland and Weiss (1951) confirmed that credible sources tends to create desired impact on the audience. The model comprises of two sub components; expertise and trustworthiness. As for the expertise research has shown that in persuasive communication, the endorser's perceived expertise has a positive impact on attitude change (Horai, Naccari, and Fatoullah, 1974) therefore making it possible to influence consumers feeling,

thoughts, believes and ultimately perception about the brand. This is the degree to which the audience perceives the assertions made by a communicator to be one that the speaker considers valid. Hovland, Janis & Kelley (1953.Pg 22), "thereby making perception of the celebrity to the linked to the perception of the brand".

3. Conceptual Framework

The Concept of Celebrity Endorsement

A celebrity is a person who does not require any introduction, whose recognition is widespread and gets regular attention of media as well as people and always remains stable in headlines (Anmol & Javeed, 2014). According to Kurzman and Anderson (2007),celebrity is an omnipresent feature of society, blazing lasting impressions in the memories of all who cross its path. Celebrities are people who enjoy public recognition by a large share of a certain group of people whereas attributes like attractiveness, extraordinary life style are just examples and specific common characteristics cannot be observed though it can be said that within a corresponding social group, celebrities generally differ from the social norm and enjoy a high degree of public awareness (Schlecht, 2003).

Friedman and Friedman (1979) opined that celebrity endorser refers to an individual who is known to the public (actor, sports figure, entertainer, etc.) for his or her achievements in areas other than that of the product class endorsed. These endorsers are individuals who enjoy public recognition and use the recognition on behalf of consumer goods by appearing with it in an advertisement (Ericsson & Hakansson, 2005). Celebrity endorsement or simply endorsement is a channel of brand communication in which a celebrity acts as the brand's spokesperson and certifies the brand's claim and position by extending his/her personality, popularity, stature in the society or expertise in the field to the brand (Edward & Joseph, 2014). Therefore celebrity endorsement is the process by which a person who enjoys public recognition uses such recognition to promote a product(s) publicly.

Celebrity Endorsement as a Reference Group

Reference groups expose a person to new behaviors and lifestyles, influence the person's attitudes and self-concept, and create pressures to conform that may affect the person's product and brand choices (Kotler& Armstrong, 2011). A reference group is defined as any person or group of persons that serves as a point of comparison (or reference) for an individual by communicating values, attitudes and providing a specific guide for behaviour (Shiffman and Kanuk, 2006). A celebrity endorser used in an advertisement can be interpreted as a reference group(Roozen, 2008). In other words, celebrity endorsement gives a brand a touch of glamour and the hope that the famous face will provide added appeal and name recognition in a crowded market (Belch & Belch, 1995).As expressed by Roozen (2008), an aspiration group is a derivative of the reference group. Consumers form associations between reference groups and the most reliable form of reference group is celebrity endorsers (Escalas & Bettman , 2005).Reference groups include groups or people whom one can look up for guidance and ask for opinion (Ismail, Masood, and Tawab, 2012). Celebrity endorser guide consumers in their choice

thereby influencing their feelings, thought and believes about the endorsed brand.

Concept of Brand Image

Ankor and Kalar (1996) defines a brand as *a distinguishing name and/or symbol (such as logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors. A brand thus, signals to the customer the source of the product, and protects both the customer and the producer from competitors who would attempt to provide products that appear to be identical. This means a brand is not just the product itself but also the company.* Keller (2003), *defines a brand as something that has actually created a certain amount of awareness, reputation, and prominence and so on in the marketplace. Thus, brands give consumers a sense of identity, stimulate their senses and enrich their life experiences*" (Roll, 2006).

Brand image is defined by Kotler and Keller (2006) as perceptions about a brand as reflected by the brand associations held in consumer memory. Brand association consist of all brand related thoughts, feelings, perception and image, experience, believes, attitude and so on to become linked to the brand node. Companies attempt to promote their product by creating a perception in the consumer's memory about the brand. Today the society is becoming more dynamic in terms of communication and entertainment thus companies are fighting themselves in putting their brands in the customer mind. Brand is the most valuable asset of any company and promoting the product of that company through a brand ambassador can enhance brand value (Padamsee, 2007). As a brand value driver, brand image also establishes an important foundation for a brand's monetary value (Keller, 1993). Firms believing that the power of a brand lies in the mind of existing or potential customers and what they have experienced directly or indirectly about the brand, adopt strategic brand management approach, using celebrity endorsement. (Ogunsiji, 2012). Therefore the use of celebrities for endorsement would create certain perception about the brand in the minds of consumer. This study provided answers to the influence of celebrity endorsement on a brands image in the telecommunication industry.

Concept of Consumer Brand Perception

It is also the process by which people select, organize, and interpret information to form a meaningful picture of the world (Kotler & Armstrong 2011). How the person acts is influenced by his or her own perception of the situation (Kotler & Keller, 2006). Consumer perception is therefore influenced by is the way consumers organize and interpret information and make meaning out of it. Since perception is the energy which makes us aware of the world around us and attaches a meaning to it after a sensing process of it (Yakup, Mucahit, & Reyhan, 2011). This view point asserts that a sensing process must have occurred for perception to take place. Brand experiences and perceptions are developed over time through a variety of sources, including: previous experience with the brand, interactions with sales, customer service, and other employees, recommendations from friends

and colleagues, reviews by reputable sources, advertising (InfoTrends, 2015). Moreover credibility and availability are also important factors to be considered (Muhammad, Muhammad, Hafiz, Unzila, & Ayesha 2014), making credible information source to positively influence the way audience interpret and draw out meanings from the world. Celebrity endorsers who are used in brand advertisement are also reputable sources who influence consumers brand perception; the way consumers select information, organize, information, interpret information and the meaning they draw from it.

4. Empirical Review

Despite the widespread recognition attached to celebrity endorsement, researchers have not come to conclusion as to how it really influences brand image. As such, there are different empirical findings from different studies carried out by researchers on the use of celebrity endorsement.

In another study conducted by Qurat-ul-Ain and Mahira (2010) on the impact of celebrity advertisement on consumers' brand perception and purchase intention. The respondents were limited to only professionals who were 103 in number selected by stratified random sampling technique. The study showed that physical attribute, credibility and congruence all had effect on the perception of respondents.

A study conducted by Kauser, Muhammad and Arshid (2013), in Peshawar Market using the sampling technique of simple random sampling and research techniques of ANOVA, Regression and correlation in their study on the impact of consumer perception based advertisement and celebrity advertisement on brand acceptance. *It was proven in this research paper that consumers find celebrity endorsed advertising is very much eye-catching and influential as compared to non-celebrity endorsements. In another study conducted by Omotayo (2014) employing convenience sampling techniques, 142 samples were examined. The study found that attractiveness and similarity between celebrity and the audience has little influence on product performance.*

In a study conducted by Saeed and Bhatia (2014) on the impact of celebrity endorsement on the image of brand on customer's mind, using convenience sampling method, a total of 200 samples were examined. Data collected were analyzed using percentages, pie charts and graphs. The findings showed that personality of the celebrity, match between the brand and the celebrity, and popularity of the celebrity strongly influences the brand image. The celebrity's physical attractiveness moderately influences the brand image while the region of a celebrity does not influence brand image.

In a study on the impact of celebrity brand endorsements on brand image and product Purchases: A study for Pune region of India by Zohra (2013) where a total of 500 respondents were sampled. Chi-square was adopted in the data analysis it was observed that celebrity endorsements impacts on brand image.

5. METHODS

Research Design

This study adopts a survey research approach. According to Balaxer, Hughes and Tight (2001) a survey research is a method of obtaining research information by asking a set of pre-determined questions from a given sample of individuals drawn from a defined population. Also, primary source of data is adopted for this study which is in line with the survey research design.

Model specification:

Model one: Regression

$$BI = f(CE)$$

$$BI = f(CEX, CT)$$

$$BI = \alpha + \beta_1 CC + \beta_2 CA + \mu_i$$

Where:

CE= Celebrity Endorsement

CEX = Celebrity Expertise

CT= Celebrity Trustworthiness

BI = Brand Image

α Intercept

$\beta_1 - \beta_2$ = Parameters of estimate

U_i = error term or stochastic term

Decision Reject the H_0 if the prob (Stat) > significant level

Model two: Correlation

$\beta_1 - \beta_2$ = Parameters of estimate

U_i = error term or stochastic term

Decision Reject the H_0 if the prob (Stat) > significant level

Model two: Correlation

$$r = \frac{N\sum xy - (\sum x)(\sum y)}{\sqrt{[N\sum x^2 - (\sum x)^2][N\sum y^2 - (\sum y)^2]}}$$

To convert the correlation to a researchable form, t-test statistics was used

$$T - \text{test} = \sqrt{\frac{n - 2}{1 - r^2}}$$

Population of the study

There are three local governments in Ilorin metropolis, hence the census of the three local governments were taken. The targeted population of this study is the customers of Mobile Telecommunication Network (MTN) in Ilorin metropolis. It covers all the three Local government areas in Ilorin Metropolis; Ilorin south, Ilorin West and Ilorin East Local Government Areas.

Samples Size and Sampling Techniques

Bill Godden (2004) propounded the formula below for sample size in case where the population size is unknown

Sample Size – Infinite Population (where the population is greater than 50,000)

$$SS = \frac{Z^2 \times (p) \times (1 - p)}{C^2}$$

SS = Sample Size

Z = Z-value (e.g., 1.96 for a 95 percent confidence level)

P = Percentage of population picking a choice, expressed as decimal (e.g., 1/5 = 20 percent)

C = Confidence interval, expressed as decimal (e.g., .04 = +/- 4 percentage points)

A Z-values (Cumulative Normal Probability Table) represent the probability that a sample will fall within a certain distribution.

$$SS = \frac{3.8416 \times .2 \times .8}{.0016}$$

SS = 384

384 sample sizes were selected.

Sampling technique used in this research work is stratified sampling. Ilorin metropolis being a geographic area is segmented into three major local government areas in Ilorin- South, East and West; Ilorin South local government area Tanke, Fate, Basin area, Ilorin East local government area – Oke-oyi, Sobi, Maraba, Ilorin West local government area Oloje, Oko-olowo, Adewole, and Pakata. Though each local government area was not allocated equal questionnaires, the researcher used personal judgment or discretion and everybody within the three areas had equal chance of being selected in the exercise. The researcher adopted these procedure/techniques in order to reduce cost and save time by concentrating the survey in some selected areas.

6. Method of Data Analysis

To analyze the data collected from primary sources, multiple regressions analysis was used to evaluate the impact of celebrity endorsement on brand image also multi-correlation was adopted to determine the level of relationship between celebrity endorsement and consumer brand perception variables.

HYPOTHESES TESTING AND RESULTS

HYPOTHESIS 1

In order to analyze the first hypothesis which states that celebrity endorsement does not have significant impact on brand image, multiple regression was employed and presented in table one

TABLE 1: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.828 ^a	.783	.754	.5201

a. Predictors: (Constant), Expertise, Trustworthiness.

Source: Researcher's Computation, 2015

TABLE 2: ANOVA ^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	80.129	2	11.065	26.286	.003 ^b
	Residual	18.752	349	.442	25.633	
	Total	98.881	351			

a. Dependent Variable: Brand Image.

b. Predictors: (Constant), Expertise, Trustworthiness

HYPOTHESIS 2

TABLE 3: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.680	.478		4.695	.006
Celebrity expertise	.646	.146	.615	7.366	.000
Celebrity trustworthiness.	.402	.141	.109	4.725	.003

a. Dependent Variable: brand image.

Source: Researcher's Computation, 2015

For the second hypothesis which states that there is no significant relationship between **celebrity endorsement and consumer brand perception**, multiple correlation was employed and presented in table four

Table 4: Multiple Correlations

		Interpret	Meaning	Honesty	Reliability	Knowledgeable	Experience
Interpret	Pearson Correlation Sig. (2-tailed) N	1 351					
Meaning	Pearson Correlation Sig. (2-tailed) N	.325** .005 351	1 80				
Honesty	Pearson Correlation Sig. (2-tailed) N	.762** .000 351	.858** .000 351	1 351			
Reliability	Pearson Correlation Sig. (2-tailed) N	.796** .000 351	.638** .000 351	.521** .000 351	1 351		
knowledgeable	Pearson Correlation Sig. (2-tailed) N	.596** .001 351	.672** .000 351	.461** .000 351	.354** .001 351	1 351	
Experience	Pearson Correlation Sig. (2-tailed) N	.274* .021 351	.213* .034 351	.521** .000 351	.322** .004 351	.423** .000 351	1 351

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

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

Source: Researcher's Computation, 2015.

7. DISCUSSION

The Regression results presented in Table 1 – 3 was used to find relationships between the dependent variable (Brand Image) and factors that make up the independent variable (Expertise and Trustworthiness) in the hypothesis one. Table 1 shows that the coefficient of determination is 0.783; the implication of this is that about 78.3% of the variation brand image is explained by variables in the model, which are, celebrity expertise and trustworthiness, whereas the remaining 21.7% is explained by other factors which are not included in the model. The regression equation (model formulated) appears to be very useful for making predictions since the value of R^2 is close to 1.

The ANOVA table is analyzed to see if any of the variables are significant. From the ANOVA table p -value = 0.000 < 0.05 (sig.) since p -value < 0.05, the null hypothesis is rejected and the alternative is accepted. This implies that at least one of the predictors is useful for brand image of MTN customers used as sampled.

The table 3 “Coefficients” provides information on the impact of celebrity endorsement on brand image, since the p -value is 0.000 which is less than 0.05. This implies that each of the variables were significant at 5% level of significant. Therefore, celebrity endorsement have significant impact on brand image, this is supported by Zohra (2013) where it was observed that celebrity endorsements impacts on brand image.

For hypothesis 2, the result on table 4 shows that there is significant positive correlation between consumer brand perception variables (Interpretation and Meaning) and celebrity endorsement variables (Honesty, reliability, knowledgeable, and experience).

The result indicates a significant positive correlation among the variables of consumer brand perception, celebrity expertise and celebrity trustworthiness. Based on this finding, we reject the null hypotheses and accept the alternative hypothesis that is there is significant relationship between celebrity endorsement and consumer brand perception of MTN subscribers in Ilorin metropolis, this finding corroborates *Qurat-ul-Ain and Mahira (2010) study that documented that credibility of the celebrity endorser has an effect on the perception of consumers.*

8. CONCLUSION

The study investigates the Impact of Celebrity Endorsement on the brand image of MTN Telecommunication Limited. The empirical result emanated from the study revealed that celebrity endorsement has a significant impact on a brand image, with the use of multiple regression analysis, it was found that both celebrity expertise and celebrity trustworthiness impacts positively on the believes, feeling, thoughts and attitude towards the endorsed brand. Considering the works of previous researchers on the celebrity endorsement on brand image by Zohra (2013); *Saeed and Bhatia (2014)*, it showed that celebrity endorsement impacts positively on brand image, this is line with the findings of the research. This study also revealed that celebrity endorsement has a significant relationship between

celebrity endorsement and consumer perception which is in line with the findings of past research of Qurat-ul-Ain&Mahira (2010) where credibility of the celebrity endorser had an effect on the perception of consumers.

Therefore, the study recommends that firms within the Nigerian telecommunication industry making use of celebrities for endorsement should select endorsers who are trustworthy and have expertise in building the image of their brand because this will sustain the brand's image and consumers' perception about the brand for a significant period of time. Firms should drop celebrities who lose their credibility as a result of public scandal as failure to do so will result in negative brand image in the long run.

The study recommends that since celebrity expertise and celebrity trustworthiness are statistically significant to brand image, organizations in the telecommunication industry using celebrity for endorsement should educate celebrities on the need to continually be relevant in the market place. This is because once the trust that the people have on the celebrity is betrayed, it will have a negative consequence on the brand image.

Celebrity should also be thought the witty-gitty of the brand image they are promoting so as to become expertise of the brand image.

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