

Celebrity entrepreneurship and celebrity endorsement:
Similarities, differences and the effect of deeper engagement

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Abstract

Increasingly, celebrities appear not only as endorsers for products but are apparently engaged in entrepreneurial roles as initiators, owners and perhaps even managers in the ventures that market the products they promote. Despite being extensively referred to in popular media, scholars have been slow to recognise the importance of this new phenomenon.

This thesis argues theoretically and shows empirically that celebrity entrepreneurs are more effective communicators than typical celebrity endorsers because of their increased engagement with ventures.

I theorise that greater engagement increases the celebrity's emotional involvement as perceived by consumers. This is an endorser quality thus far neglected in the marketing communications literature. In turn, emotional involvement, much like the empirically established dimensions trustworthiness, expertise and attractiveness, should affect traditional outcome variables such as attitude towards the advertisement and brand. On the downside, increases in celebrity engagement may lead to relatively stronger and worsening changes in attitudes towards the brand if and when negative information about the celebrity is revealed.

A series of eight experiments was conducted on 781 Swedish and Baltic students and 151 Swedish retirees. Though there were nuanced differences and additional complexities in each experiment, participants' reactions to advertisements containing a celebrity portrayed as a typical endorser or entrepreneur were recorded.

The overall results of these experiments suggest that emotional involvement can be successfully operationalised as distinct from variables previously known to influence communication effectiveness. In addition, emotional involvement has positive effects on attitudes toward the advertisement and brand that are as strong as the predictors traditionally applied in the marketing communications literature. Moreover, the celebrity entrepreneur condition in the experimental manipulation consistently led to an increase in emotional

involvement and to a lesser extent trustworthiness, but not expertise and attractiveness. Finally, negative celebrity information led to a change in participants' attitudes towards the brand which were more strongly negative for celebrity entrepreneurs than celebrity endorsers. In addition, the effect of negative celebrity information on a company's brand is worse when they support the celebrity rather than fire them. However, this effect did not appear to interact with the celebrity's purported engagement.

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Statement of Original Authorship

The work contained in this thesis has not been previously submitted to meet requirements for an award at this or any other higher education institution. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made.

Signed

Erik J. Hunter_____

Date_____

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1 Celebrity entrepreneurship: A new phenomenon

“Example is not the main thing in influencing others, it’s the only thing” Albert Schweitzer

In 1984, the late Michael Jackson was perhaps the biggest celebrity of my generation. Already famous in the 1970s for his leading vocalist role in the group The Jackson 5 he became an international superstar with the release of his second solo album *Thriller*. To put into perspective the commercial success of *Thriller*, the Guinness Book of World Records lists it as the best selling album of all time. If that was not enough, Jackson also wrote and co-produced a 14-minute music video based on the hit single *Thriller* which is also recognised as the most sold music video ever produced. That year, Jackson’s professional achievements were recognised at the 26th annual Grammy Awards ceremony where he received an unprecedented eight Grammys for his work as a musician. Adding to Jackson’s fame, he was also the highest paid celebrity endorser, earning £7 million from the Pepsi Corporation for a series of highly publicised commercials (BBC 1984). During them, Michael Jackson would sing a remixed version of his hit song *Billie Jean*, dance the Moonwalk¹ and drink Pepsi ‘The choice of a new generation’.

Similar to the Beatles and Elvis before him, there was a euphoric atmosphere surrounding Jackson. The response to his celebrity has been labelled ‘Jackson Mania’ and unless you were caught up in it, it is hard to describe. You just had to be there. From my perspective, his influence became tangible in my everyday routines. Twice a week, just before music class, I would enter the second floor boys’ bathroom at Christ Church Elementary School with a group of students for a Moonwalk contest. In the confines of a five-metre squared, testosterone filled, proxy dance floor, we spent every Tuesday and Thursday trying to master Michael Jackson’s signature dance move. Not only did these meetings establish a social pecking order, they were also vital preparation for our annual school talent show. After school, I would rush home to change into my red ‘Parachute Jacket’ (the same type worn by Jackson) and recharge my battery with a few glasses of his favourite soda: Pepsi Cola. It seemed as if by emulating Michael Jackson I could become him.

¹ The Moonwalk is a dance move popularised by Michael Jackson. According to Wikipedia, it is the world’s most recognised dance move.

Twenty-five years have since passed. My reverence for Jackson has subsided, the Parachute Jacket I was once so proud of has cycled through being in and out of fashion; a dodgy knee and touch of pride inhibit me from attempting the Moonwalk at all but the best parties. I would like to say that Jackson's influence on me has disappeared entirely. There are however vestiges still lingering. Despite not being able to discern a taste difference between Coca Cola and Pepsi I am still loyal to the Pepsi brand. Reflecting on this I realise that his influence, stemming from an endorsement made nearly a quarter of a century ago, is still present in me.

As my own experience illustrates, celebrity influence transfers onto and can be leveraged by brands (Walker, Langmeyer et al. 1993), even if in most cases these brands are owned by someone other than the celebrity. This, of course, raises an interesting question. What happens to that same source of influence when a celebrity becomes an entrepreneur and starts using this for the benefit of their own products? Is it comparably better, worse, or no different?

In this thesis I argue that celebrities become more persuasive communicators and more valuable to a venture when they are *engaged* in the venture as entrepreneurs rather than traditional paid endorsers. In addition to improving perceptions of characteristics already known to improve *communication effectiveness*², such as trustworthiness and expertise, celebrity engagement alters perceptions of a previously untested dimension: *emotional involvement*. I show that this dimension is theoretically and empirically distinct and in large part explains the source of a celebrity's communication effectiveness. I argue that entrepreneur status is only one of several important factors that may affect this characteristic. More importantly, I argue that this dimension is easier to manage than those examined in past research. Finally, I test the impact negative information will have on ventures with celebrities engaged to varying extents and suggest that they may be better off with a less engaged celebrity when such information surfaces.

1.1 Emergence of celebrity entrepreneurship

Until recently, celebrities interested in a supplemental income found their most lucrative opportunities in endorsement (Cooper 1984; Gabor 1987; Miciak and Shanklin 1994). At some point this began to change. Many stopped working solely for other companies and started directing their celebrity and attention towards their own entrepreneurial pursuits, becoming what I refer to as *celebrity entrepreneurs*. These celebrity entrepreneurs, later defined as *individuals who are known for their well known-ness and take part both in owning and running a venture (or are portrayed*

² In this thesis communication effectiveness is an umbrella term used to refer to Attitude Towards the Brand (ABr) and/or Attitude Towards the Advertisement.

as doing so)³ are still a relative mystery. What was the impetus behind their emergence? More importantly, what do we know about celebrities who choose to supplement their income as entrepreneurs rather than as endorsers?

Celebrities have endorsed companies under various guises for over 100 years (Kaikati 1987; Louie, Kulik et al. 2001) and probably much longer if innovative marketers such as Josiah Wedgwood are included. In the 18th century he promoted himself as ‘Potter to Her Majesty’ (Dukceвич 2005). Presumably, this was with at least tacit approval from Queen Charlotte. However, the face of celebrity endorsement today is different from earlier times. The industrial revolution brought on new challenges for firms; searching for a competitive edge, they began to use celebrity names in connection with their products. In 1893 an English actress by the name of Lillie Langtry became one of the first celebrity endorsers by offering a soap company her (unpaid) testimonial (Louie, Kulik et al. 2001). Remarkably, the early celebrity endorsers, in contrast to the high paid celebrities we now read about (Badenhausen 2000), customarily provided their endorsements without direct payment and out of admiration or loyalty to a company (Anonymous 2004). Over time, such one-sided business relationships became more profitable for those celebrities who chose to do endorsements. However, throughout much of the 20th century, many celebrities viewed paid endorsement as beneath them and as a result companies had few to choose from (Kaikati 1987). According to Thompson (1978) as cited by Erdogan (1999) it was not until the 1970s that more celebrities were available by which time endorsement gained social acceptance.

At some point, the essence and economics behind endorsement changed. Celebrities who once were motivated to endorse products because they were loyal customers began to realise their economic worth. The most prodigious example is Tiger Woods. He earned \$US 90 million from endorsements in one year (Farrell and Van Riper 2008). By the late 1990s paid celebrity endorsement was clearly a heavily utilised form of advertisement; estimates range from between 20% and 25% of all televised commercials used paid celebrity endorsers (Miciak and Shanklin 1994; Shimp 1997; Belch and Belch 1998). Despite the changing nature of celebrity endorsement, it remains a well paid and oft used advertising tool (Kamins, Brand et al. 1989; McCracken 1989; Till and Shimp 1998; Louie, Kulik et al. 2001; Pringle and Binet 2005).

Naturally, the lure of lucrative endorsement contracts brings unwelcomed consequences to their recipients and benefactors. Today more celebrities are willing to work as endorsers with multiple products and companies often without regard to whether or not they use the product (Andersson 2001; Dahl 2005). This has led to some celebrities losing credibility with customers which in turn limits their effectiveness and appeal with advertisers (Silvera and Austad 2004). Similarly, those who endorse multiple products are less effective when consumers begin to

³ See Section 2.1.3 for a deeper discussion and definition of celebrity entrepreneur(ship).

question their motives (Tripp, Jensen et al. 1994). Even more damaging perhaps is that too many celebrity endorsers lead to saturation (Elliot 1991) which arguably makes finding endorsement work more challenging.

With more celebrities available to endorse a limited supply of opportunities coupled with fewer consumers finding them credible, the stage is set for celebrities and companies alike to explore new ways of capitalising on their fame. Arguably, celebrity entrepreneurship provides this opportunity.

Celebrity entrepreneurship as an empirical phenomenon has existed for more than 25 years. In 1982, actor Paul Newman, along with his close friend writer Aaron Hotchner, turned their hobby of making and sharing salad dressings with friends into a multi-million dollar business (Gertner 2003; Newman and Hotchner 2003). In 1991, Sylvester Stallone, Bruce Willis, Demi Moore and Arnold Schwarzenegger teamed up with former Hard Rock Café president Robert Earl to start the restaurant Planet Hollywood. Their start-up triggered intense media coverage (see e.g. O'Neill 1991; Stenger 1997) surrounding the novelty of several of Hollywood's biggest stars initiating the opening of a restaurant (O'Neill 1991). Arguably, Planet Hollywood's successful origins coupled with intense media coverage brought the phenomenon of celebrity entrepreneurship into the mainstream (O'Neill 1991; Siklos 2007) and marked the beginning of the phenomenon I focus on in this thesis. Namely, people who are already famous for other reasons and then use that fame as a resource that can contribute to the success of new business ventures in which they are engaged in a more substantial way than traditional paid endorsement.

Today, many celebrities have moved beyond endorsements as a primary source of supplemental income and towards entrepreneurship. Top celebrities including Jennifer Lopez, Danny DeVito, Clint Eastwood, Madonna, Bono and Oprah are reportedly active entrepreneurs (Tozzi 2007). The range of their activity is diverse; "from lemon liqueur to clothing lines to real estate development, celebrities are launching their own businesses from scratch, instead of simply licensing their names to the highest bidder" (Tozzi 2007, p. 1). In parallel, it appears as if an increasing amount of celebrities are capitalising on entrepreneurial opportunities. In the words of one reporter "these days, it seems everyone's an entrepreneur. Actresses sell jewelry on TV, models start clothing lines, and athletes open restaurants" (Del Rey 2008, p.1).

For the purpose of this study, when or how this phenomenon started is not important; what matters is that it does exist. In fact, there are many aspects of the celebrity entrepreneurship phenomenon which are important, but for various reasons are not explored in this thesis. Is it rare or common? Is it growing? Are celebrities truly acting as entrepreneurs and initiating new ventures, developing ideas and taking risks? Are celebrity entrepreneurs more successful than ordinary entrepreneurs? More profitable? Faster growing? What are the driving forces behind this phenomenon? Is it the celebrities trying to find new ways to exploit their celebrity capital or

maybe ventures' stakeholders seeking more effective forms of celebrity endorsement? The answer to virtually every question pertaining to this phenomenon is still locked away in a metaphorical black box.

With the exception of several indirectly related studies such as Hayward, Rindova and Pollack's (2004) conceptual study on celebrity CEOs and Miller's (2004) master thesis focused on cultural aspects of celebrities in their 'tastemaker' roles, as well as research based on the empirical findings in this thesis (Hunter and Davidsson 2007; Hunter, Davidsson et al. 2007; Hunter, Burgers et al. 2008; Hunter and Davidsson 2008), academic interest has been rare. It is evident then, based on scholarly interest, *the study of celebrity entrepreneurship is in its infancy*. Consequently, apart from what we see, hear and read from media sources, we know very little about the nature, cause and consequences of this phenomenon.

1.2 Celebrity entrepreneurship: An interesting phenomenon

The lack of scholarly interest in celebrity entrepreneurship is surprising, however it is hardly worth mentioning unless there are important reasons to investigate this phenomenon. One way of highlighting the importance celebrity entrepreneurship has is by relating it to the similar and familiar phenomenon—celebrity endorsement.

Celebrity endorsers are known to provide certain benefits to companies. The vehicle most often used to associate them with a chosen product is advertising; where celebrities are known to induce more positive feelings toward ads than non-celebrity endorsers (Atkin and Block 1983; Kamins 1990; O'Mahony and Meenaghan 1998). They often turn obscure products into recognised entities full of personality and appeal (Dickenson 1996), and help companies to re-brand and re-position their offerings (Louie, Kulik et al. 2001). Consumer recall rate is heightened when exposed to celebrity ads (Kamen, Azhari et al. 1975; O'Mahony and Meenaghan 1998) and they report greater purchase intentions (Friedman and Friedman 1976; Atkin and Block 1983). As an added bonus, they are particularly effective at generating PR for products (Chapman and Leask 2001; Larkin 2002; Pringle and Binet 2005) because consumers have an "insatiable" desire to learn more about even mundane aspects of their public and private lives (Gamson 1994; Ponce de Leon 2002). Presumably, celebrity entrepreneurs (i.e., celebrities who own and run their own businesses) are in a position to deliver similar benefits while they endorse their own products.

The advantages celebrity endorsers bring to companies have their costs. Tiger Woods is projected to become the first \$US billionaire athlete (Farrell and Van Riper 2008). What makes

this so remarkable is not the wealth he has accumulated, but rather how he has gone about doing so. On the golf course, he has won just over \$US 100 million in career tournament earnings with the rest of his fortune coming from endorsements (Sirak 2008). One of Woods' biggest clients is Nike who alone spent \$US 1.44 billion on celebrity endorsements in 2003 (Seno and Lukas 2007). Between 2003 and 2004 the top 50 sport figures earned a combined \$US 1.1 billion with 40% coming from endorsement deals (Forbes 2004). Precise figures are notoriously hard to come by, but estimates for an average celebrity contract range between \$US 200,000 and \$US 500,000 (Johnson 2005).

Like celebrity endorsement, gaining access to celebrity entrepreneurs is costly when looked at from the venture's perspective (see e.g. Hunter, Burgers et al. 2008). Unlike celebrity endorsers, companies cannot easily fire celebrity entrepreneurs when they underperform, fail to meet expectations, their image changes or are no longer relevant to target markets. By offering equity instead of or in addition to salary, ventures relinquish more financial, strategic and creative control to the celebrity entrepreneur than they do with celebrity endorsers. This makes celebrity entrepreneurship a risky proposition for venture partners.

Despite the costly nature of acquiring celebrity endorsement services, the rewards in many cases seem to outweigh the risks. Research has shown contracting a celebrity endorser has a positive impact on firm valuation (Agrawal and Kamakura 1995; Mathur, Mathur et al. 1997; Farrell, Karels et al. 2000) at least in the short term. Sainsbury partnered with the 'Naked Chef' aka Jamie Oliver to promote their fresh produce and realised a return on their investment of nearly 3000% (Pringle 2004). George Foreman has helped Delaware-based Salton, Inc., the company that manufactures the George Foreman Grill, to sell over 150 million units since inception at prices higher than commensurate products (BusinessWeek 2004) and rapper Nelly managed to break into the highly competitive energy drink market with his (in)famous Pimp Juice (Nielsen 2006).

Yet not all celebrity endorsements turn out well for companies. Italian shoe maker Sergio Tacchini was sued by their celebrity endorser, tennis star Martina Hingis, for what she claimed were serious injuries suffered from wearing their products. Not only did Hingis sue the company, but she refused to wear their products and badmouthed them to the press (Trout 2007). John Wayne's endorsement of the pain reliever Datril seemed like a great fit on paper, but was quietly ended after a few years of lacklustre consumer response. Cybil Shepherd embarrassed the U.S. beef industry when (acting as their leading spokesperson) she admitted to not eating beef (McCracken 1989).

Celebrity entrepreneurs may represent different risks than celebrity endorsers. On the one hand, it is less likely that a celebrity entrepreneur would badmouth or sue their own company. However, once on board, it may become difficult to distance the company image from the

celebrity entrepreneur, which in turn may limit the scope of future opportunities to markets where the celebrity's capital extends.

Because of the prominent place celebrity endorsement holds in marketing, the costs involved with acquiring celebrity endorsers and the associated risks and rewards it is an important area to research. In support of this sentiment, Mohan and Rogers (2001) opined that due to escalating endorser fees, the study of celebrities and their value added is imperative. Of course these same arguments can be made for celebrity entrepreneurs, that is, what is the value added to a company started by a celebrity versus one that hires a celebrity endorser? Unlike celebrity endorsers, due to a lack of scholarly interest we have no way of knowing how their increased engagement and entrepreneurial status interacts with various outcomes. If celebrity endorsers are important to research because of the costs, risks and rewards to companies who employ them, then for the same reasons it is just as important to research celebrity entrepreneurs who, by many media accounts, are becoming more common (cf. Tozzi 2007; Del Rey 2008).

1.3 Relation to celebrity endorsement

When a celebrity is (reported by media as) an entrepreneur they become associated with a product or company. Implicitly, this association makes them an endorser of the product or company (Kamen, Azhari et al. 1975) given that the association is known. It follows that all celebrity entrepreneurs are by default celebrity endorsers and it is fairly obvious that not all celebrity endorsers are entrepreneurs.

Because celebrity entrepreneurs are *also* endorsers, a feasible starting point for researching celebrity entrepreneurship is through a celebrity endorsement framework. The advantage of taking this approach includes the availability of a rich body of research that has already identified many endorser antecedents that influence, for example, communication effectiveness as well as models that measure them (see e.g. Kaikati 1987; Erdogan 1999). But not all endorsers are the same. In fact, as I argue throughout this thesis, there are important differences between celebrity entrepreneurs who are endorsers and traditional celebrity endorsers who are not entrepreneurs. By identifying these differences, it is possible to compare and contrast celebrity entrepreneurs with celebrity endorsers.

In the wider context of what a celebrity does for a product, engagement stands out as a distinguishing aspect (this idea is developed further in Chapter 2). When referring to engagement I mean the *activities* a celebrity performs in relation to a product. It includes such things as idea discovery and development, usage, risk taking, investment, operational and managerial activity, equity ownership and endorsement. With regards to engagement, there is no dichotomy between celebrity entrepreneurs and celebrity endorsers. Rather, as the celebrity

performs more of each engagement activity they move from being perceived as a celebrity endorser only to a celebrity entrepreneur.

In the context of endorsement, there are two main differences. First, the recipient of endorsement is different. Celebrity entrepreneurs endorse their own products/brands/companies whilst celebrity endorsers do so for others. Second, the source of financial recompense is different. Celebrity endorsers receive compensation from a sponsor company in return for their endorsement of products (see e.g. Sinclair 2006; Farrell and Van Riper 2008; Sirak 2008) while celebrity entrepreneurs compensate *themselves* through residuals (e.g. profit sharing, retained earnings and equity) as well as directly (i.e. salary) (Lee and Turner 2004).

Because of the many similarities between the phenomena a feasible and perhaps wise starting point for conducting research is from a celebrity endorsement framework. However, due to the differences I have just covered, existing theory may not sufficiently explain or predict celebrity entrepreneurship outcomes.

1.4 Purpose: Investigating consequences of increased celebrity engagement

Thus far I have argued that celebrity entrepreneurship is a new (scholarly) phenomenon that is interesting, largely un-researched, and in need of academic attention. In many respects, this phenomenon is related to celebrity endorsement and as a result can import much understanding from the field. However, there appear to be enough important differences between celebrity endorsement and celebrity entrepreneurship to question whether theory developed for the former is sufficient to explain the latter. Here, I will try to narrow down this problem and present the overarching aim of this thesis.

One of the main objectives behind marketing communications is to improve brand attitudes and raise purchase intentions (Belch and Belch 1998). For the past 50 years, social psychologists and marketing researchers have attempted to understand the role of (celebrity) endorsement in achieving these objectives (Giffin 1967; Kaikati 1987; Erdogan 1999). *Consequently, we know much about celebrity endorsement, but little in terms of how transferrable this knowledge is to a celebrity entrepreneurship context.*

As I have argued, celebrity entrepreneurs are also celebrity endorsers and as a result it is possible to speculate as to why they may be effective communicators. Three characteristics are particularly recurrent in the communications literature and relevant to an (celebrity) endorser's

success: *trustworthiness*, *attractiveness* and *expertise*⁴ (Giffin 1967; Erdogan 1999). Research has shown that (celebrity) endorsers are more effective communicators when they are seen as trustworthy, attractive or expert in relation to the products they promote (Erdogan 1999). This is because individuals tend to internalise statements and advice made by trustworthy and expert communicators and identify with those they are attracted to (Kelman 1961). Consequently, when an attractive, trustworthy or expert celebrity appears in a promotion, consumers are more apt to positively view the advertisement, the brand, and through this stimulate purchase intention (Friedman and Friedman 1976; Atkin and Block 1983; Kamins 1990; O'Mahony and Meenaghan 1998).

At the time the source models were conceptualised there was little reason to differentiate between the various forms of celebrity endorsement. This is because celebrity entrepreneurship was not identified at the time as a new phenomenon. As a result, it is apparent from looking at the models that an overly narrow view of celebrity endorsement was assumed; one where endorsement was a set of more or less homogenous activities (i.e. brand representative, spokesperson, and 'all-round' endorser). Consequently celebrities were compared on personal characteristics, such as their attractiveness, expertise, and trustworthiness (Cronley, Kardes et al. 1999) while their engagement related to the endorsement was ignored. By default, the engagement of celebrity endorsers was held constant in experimental research (Friedman, Termine et al. 1976; Friedman, Santeramo et al. 1978; Friedman and Friedman 1979; Atkin and Block 1983; Kamins, Brand et al. 1989; Ohanian 1991; O'Mahony and Meenaghan 1998; Goldsmith, Lafferty et al. 2000).

With the emergence of celebrity entrepreneurs, it is clear that celebrities are engaged differently within companies (B, 2008; MyBusinessMag 2001; BusinessWeek 2004; Miller 2004). At times they are simply hired as endorsers to associate themselves with a brand (see e.g. Erdogan and Baker 1999; Johnson 2005; Sinclair 2006; Eaves and Rose 2007), while at other times they act as entrepreneurs through their investments, ownership, product development and other operational and managerial responsibilities with companies (see e.g. B, 2008; Stein 2001; Dow 2005; Del Rey 2008).

If we accept the view that celebrities are engaging in different types of firm activities, then it is questionable whether the source models are sufficient. Simply put, these models do not address engagement issues and as a result they do not allow for variance in situational factors which may affect common outcome measures (Ohanian 1990; Silvera and Austad 2004). For example, consumers are often asked to rate a celebrity's expertise or trustworthiness in relation to a product; but since conditions relevant to endorsement activities are held constant, the

⁴ Collectively these three characteristics are referred to as the source models or disaggregated as the source credibility model (comprised of trustworthiness and expertise) and source attractiveness model (comprised of attractiveness).

situational relationship between celebrity and product is hidden (see e.g. Friedman and Friedman 1976; Friedman and Friedman 1979). Essentially, researchers ask experimental participants to tell them if a celebrity is trustworthy in the things they say about a product, or an expert on it, without informing them if the celebrity uses the product, has experience with the product, are paid to use the product, or are investors in the product. Any one of these additional pieces of information could alter a participant's opinion (directly or indirectly), regarding the trustworthiness or expertise of a celebrity endorser (see e.g. Robertson and Rossiter 1974; Cronley, Kardes et al. 1999; Silvera and Austad 2004).

Thus the extent to which much of our combined knowledge of celebrity endorsement can be applied to the celebrity entrepreneurship phenomenon hinges upon whether or not engagement influences communication effectiveness. Investigating this critical issue poses the key research aim and purpose of this thesis which is to:

- *Investigate the consequences of increased celebrity engagement on communication effectiveness.*

1.5 Research question 1: Engagement and communication effectiveness

The source model(s), most often comprised of trustworthiness, expertise and attractiveness, has been used since the original contributions of Hovland et al. (1953). They were developed to predict an endorser's ability to influence consumers' attitudes towards advertisements, brands and purchase intention (i.e. communication effectiveness). Although scholars refined the model(s) over time, definitional and operational inconsistencies of the constructs meant few net improvements (Ohanian 1990).

In 1990, Ohanian set about reviewing the field and rigorously testing the source model variants used in past research. Interestingly, none of the studies reviewed by Ohanian, nor her final measurement model, even explored or included engagement by an endorser (Pornpitakpan 2004).

As I have argued, engagement is one of the salient differences between celebrity endorsers and celebrity entrepreneurs. Engagement is also a source of situational information which may elicit an attribution from consumers and in turn affect their attitudes towards brands and ads (Kelley and Michela 1980; Folkes 1988). Being engaged more with the product endorsed may make a celebrity appear more trustworthy, expert, attractive, or any combination of these and as

such indirectly influence communication effectiveness. Understanding the effects, if any, engagement has on communication effectiveness is the first question I attempt to tackle:

- *RQ 1: Does celebrity engagement affect communication effectiveness and if so, how?*

1.6 Research question 2: Conceptual development of emotional involvement

A possible answer to RQ 1 is that engagement has a positive effect on one or more of the traditional source model variables. In addition to these, a celebrity's inferred liking or using may also affect communication effectiveness. Cronley et al. (1999) found a strong correlation between consumers *believing* a celebrity likes and uses a product (irrespective of whether they actually do) and communication effectiveness. This finding was supported and extended by Silvera & Austad (2004) who found that a celebrity's inferred disposition towards a product (i.e. whether they like and use the product) was as strong a predictor of attitude towards the ad as the attractiveness dimension espoused by McGuire (1985).

These studies are interesting because they appear to tap into an unidentified characteristic of communicators⁵ that *may be* conceptually distinct from the extent source model dimensions: trustworthiness, expertise and attractiveness. More importantly, the belief that a celebrity likes or uses a certain product may differ greatly depending on whether a consumer believes they are a celebrity brought in simply to endorse the product (i.e. a celebrity endorser), or a celebrity that is an entrepreneur behind the endorsed product (i.e. celebrity entrepreneur).

Together, 'use' and 'like' along with characteristics developed in this study (i.e. a celebrity's passion, excitement, thrill towards and dedication to a product or company) form the dimension I refer to as *emotional involvement*. This dimension differs from the engagement dimension discussed in the previous section in that engagement has to do with the *role* the celebrity has or is portrayed as having in the venture. Emotional involvement concerns the prospective buyer's inferred (emotional) relationship between the celebrity and the venture's offerings.

The Cronley et al. (1999) study does not rule out the possibility that liking and using are conceptually captured by the extent source models and it is not clear from the Silvera and

⁵ See e.g. Erdogan, Z. (1999). "Celebrity endorsement: A literature review." Journal of Marketing Management **15**(4): 291-314., Pornpitakpan, C. (2004). "The persuasiveness of source credibility: A critical review of five decades' evidence." Journal of Applied Social Psychology **34**(2): 243-281., and Ohanian, R. (1990). "Construction and validation of a scale to measure celebrity endorsers' perceived expertise, trustworthiness, and attractiveness." Journal of Advertising **19**(3): 39-52. for literature reviews which include discussions on operationalisations of the source dimensions used in studies.

Austad's (2004) study how well these items hold in models that also include established measures of trustworthiness, expertise and attractiveness⁶. Furthermore, the addition of passion, excitement, thrill and dedication (i.e. the operationalisation of emotional involvement) may not be empirically distinct from existing source model characteristics and may not be empirically related to 'use' and 'like'. Therefore, establishing the conceptual grounds for operationalising emotional involvement is essential, as is establishing the empirical distinctiveness of perceived emotional involvement in relation to the existing source models. This is of particular import if they are to avoid similar critique other proposed dimensions have faced, namely that they are redundant with respect to more established dimensions (Ohanian 1990; Pornpitakpan 2003):

- *RQ 2: To what extent does perceived emotional involvement represent a conceptually and empirically distinct communicator characteristic relative to source trustworthiness, expertise and attractiveness?*

1.7 Research question 3: Perceived emotional involvement and communication effectiveness

It is possible that a celebrity's perceived emotional involvement is an empirically distinct characteristic of endorsers, but such a finding is made more interesting if it also improves or hinders their effectiveness. In addition to understanding the conceptual and empirical relationship between emotional involvement and the traditional source model variables, investigating the direct effect of emotional involvement on communication effectiveness is of interest.

Should perceived emotional involvement improve communication effectiveness, then it also makes sense to explore ways to influence this perception. Entrepreneurs appear to be emotionally involved with their companies (Cardon, Zietsma et al. 2005), but we do not know how well this transfers into a consumer's consciousness. Conceivably, a celebrity that is engaged as an entrepreneur should be viewed by consumers as more emotionally involved with their products than paid celebrity endorsers if for no other reason than, in general, they probably are

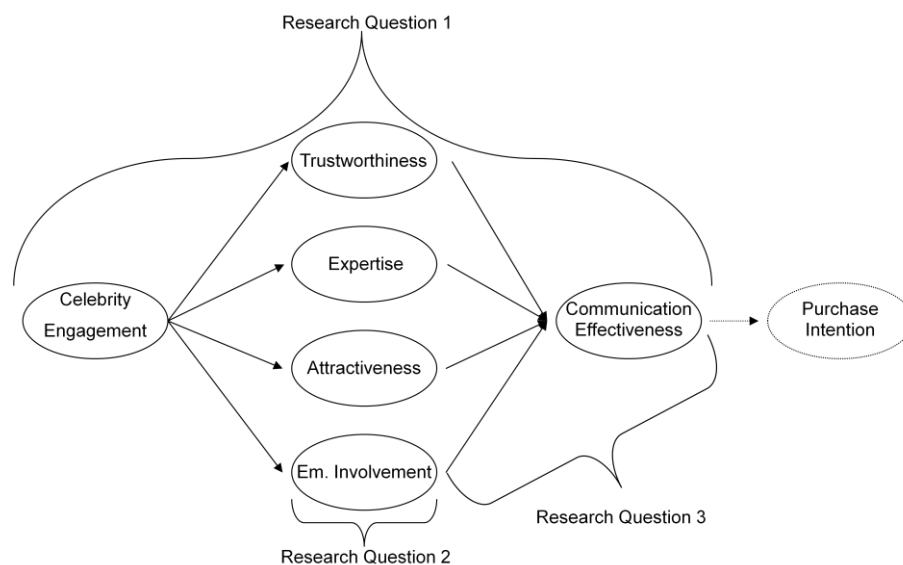
⁶ This appears to be a shortcoming in the Silvera and Austad (2004) study as the operationalisation of their source model dimensions are not clearly articulated.

(Eisenhardt 1989). Thus, the third research question will try to establish whether perceived emotional involvement affects communication effectiveness:

- *RQ 3: Does perceived emotional involvement affect communication effectiveness and if so, can perceptions of it be managed?*

To summarise the first three research questions presented, Table 1 depicts a conceptual model illustrating the described relationships. Research question 1 will look at the indirect effect celebrity engagement has on communication effectiveness through trustworthiness, expertise, attractiveness and emotional involvement as well as the direct effect. Research question 2 is about establishing the conceptual and empirical distinctiveness of emotional involvement. In the conceptual model, emotional involvement is shown at the same level as trustworthiness, expertise and attractiveness. Implicit in this is the need to determine the factor structure of the latent emotional involvement construct and the relationship between constructs. Finally, in research question 3, the relationship between emotional involvement and communication effectiveness is under investigation. The conceptual model shows arrows moving from emotional involvement to communication effectiveness, but also from trustworthiness, expertise and attractiveness. This is done intentionally because the important question is not whether emotional involvement has an impact on communication effectiveness. Rather, it is whether emotional involvement has an impact in addition to the traditional source model constructs.

Figure 1. Conceptual model linking research questions 1-3



1.8 Research question 4: Consequences of negative celebrity information on communication effectiveness

Partnering with a celebrity entrepreneur can be more risky than contracting them as an endorser. Celebrity images do change and what seems like a good fit between a celebrity and product today may be detrimental tomorrow (Money, Shimp et al. 2006). Often this change is expedited when negative information about the celebrity surfaces. Accusations of Michael Jackson's child molestation and O.J. Simpson's murder charges are clear examples of where a celebrity's image was transformed by negative information and became undesirable.

With traditional celebrity endorsers a company can simply distance themselves from them when cooperation is no longer desirable (Louie, Kulik et al. 2001). However in the case of celebrity entrepreneurship, this may be difficult to do for two reasons. First, celebrity entrepreneurs own the company. At least when they have majority ownership, it is up to them whether they will voluntarily be removed from the company. Second, when celebrities are involved with starting or owning a company, they carry their name with them (cf. Kamen, Azhari et al. 1975) and the associations linked to them become closely linked with the company (Hunter, Burgers et al. 2008). So even if they allow themselves to be fired or removed from the company, the close association may remain.

Consumers are normally able to differentiate between an endorser and the product being endorsed (Stem, 1994). Consequently, when negative information is revealed to consumers, their reaction can be different depending on if it is directed towards the celebrity or the product. When the negative information is about the celebrity, then the reaction usually extends only to the advertisement and inversely, when the information is regarding the company it usually only extends to the brand (Stem 1994).

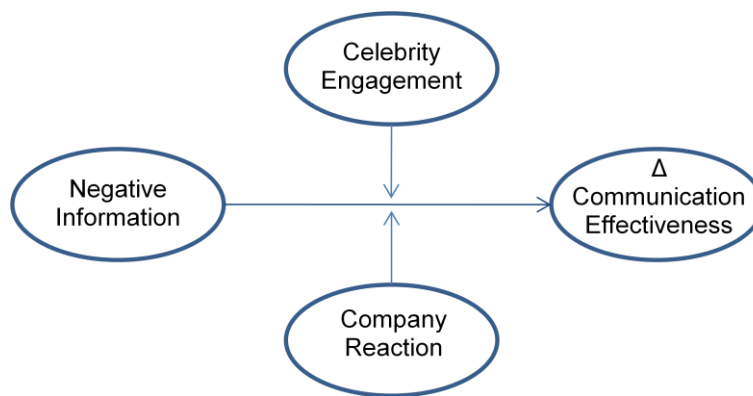
In the case of celebrity entrepreneurship, it is not theoretically nor empirically clear what will happen in the event negative information surfaces. Are consumers able and willing to differentiate between a celebrity entrepreneur who misbehaves and the company they endorse? If they are not, do the negative impressions of the celebrity also transfer to the company's brand more so than would be the case with a misbehaving celebrity endorser? After the initial fallout of negative information surfacing, what can a company do to minimise damage to their brand? If even possible, will removing the celebrity entrepreneur from the company help to save the brand? If not, is supporting the celebrity entrepreneur through, for example, press releases and an apology a viable alternative?

It is assumed at this point, a company coupled with a celebrity entrepreneur fares worse than a company coupled with a celebrity endorser in the event of negative information (in terms of a change in attitudes towards the brand). If this assumption is correct, what possible theoretical explanations can there be?

These questions highlight the potential for the positive effects that were suggested earlier may reverse and actually work against a celebrity entrepreneur when negative information is revealed. Some of the relationships investigated as part of RQ 4 are illustrated in Figure 2, but first, here is the fourth research question:

- *RQ 4: Do the (assumed) positive effects of engagement turn negative when negative info about the celebrity surfaces and if so, is a company able to reduce these effects?*

Figure 2. Conceptual model investigated under research question 4



In Figure 2, a number of relationships related to research question 4 are presented. The first one concerns the effect negative information will have on changes in communication effectiveness. To visualise this, imagine an advertisement containing actor Sean Connery endorsing the (fictitious) Slick Agent clothing company. Then imagine learning about accusations of Connery being involved in smuggling weapons to Sudan to support their, allegedly, genocidal regime. Will this in any way affect your attitude towards Slick Agent? The next relationship this model investigates adds an interaction to the previous example; that of celebrity engagement in the company. Now imagine that you knew Slick Agent was also owned and run by Connery. Will this change your impression of the Slick Agent company? The final relationship shown in this model adds one final interaction; the company's reaction to the negative information. Will distancing or firing Connery from the company prevent you from bearing them ill will?

Alternatively, will an apology help? Would you respond differently to the company's reaction depending on whether you knew Connery was the entrepreneur behind the company or simply a hired endorser? Taken together, the questions built into this model will help to investigate the *relative* consequences negative information will have on a celebrity owned and run company versus a company that just hires a celebrity to endorse their products.

1.9 Research approach

The research approach of this thesis can broadly be divided into two parts. First, a theoretical framework was developed to relate the celebrity entrepreneurship phenomenon to the more general celebrity endorsement literature. On a conceptual level, the theoretical framework was instrumental in providing insights into research question 2. In addition, this framework and the new theory that was developed helped to generate the hypotheses and explain the results. Second, an experimental design was used to control for and recreate the conditions necessary for testing each hypothesis. This design choice was made as experiments lend themselves well to testing causal relationships (Hair, Black et al. 2006).

In total eight experiments were conducted on over 930 participants. These were needed to replicate and improve the generalisability of findings and vary the types of celebrities (e.g. sports stars and entertainers), products (e.g. clothing and fast food) and participants (e.g. retirees and students) across experiments. In general, each participant was exposed to an experimental manipulation that portrayed a celebrity's engagement in an advertisement as either a celebrity entrepreneur, a celebrity endorser or a control condition where the nature of the celebrity's engagement was undisclosed. Based on this manipulation, data was collected using questionnaires which measured the source model items, items developed for this study (e.g. emotional involvement) and dependent variables such as attitude towards the brand, ad and purchase intention. The data were then analysed using a combination of descriptive, multivariate and univariate techniques including analysis of variance, principal component analysis and multiple regression. The actual techniques used are described in more detail in chapters 3 and 4.

1.10 Key findings and contributions

1.10.1 *General*

It was noted earlier that celebrity entrepreneurship is an economically important phenomenon that is understudied. I address this issue by drawing attention to and highlighting the need to

research this area. However, there are many ways one can go about this. I believe I contribute to this emerging field by identifying interesting challenges and areas for researchers to pursue. I first start by defining the concept celebrity entrepreneurship and show how it is different from celebrity endorsement. I then offer a structured approach for studying the differences in these related phenomena. Finally, in the course of exploring this phenomenon, the research findings helped to develop new insights and questions that will provide a basis for future research.

In short, the *general* contributions are made by:

- Drawing attention to (the phenomenon of) celebrity entrepreneurship
- Highlighting important differences between celebrity entrepreneurship and celebrity endorsement
- Developing a structured approach to researching these differences
- Providing suggestions for continued research on celebrity entrepreneurship

1.10.2 *Theoretical*

For researchers in entrepreneurship and marketing communication this study contributes new insights into phenomena within their respective domains. To the marketing communication literature this thesis offers the identification and proven effect of an additional source model variable: *emotional involvement*. As an extension of the source models, emotional involvement increases the ability to predict communication effectiveness. In addition, I introduce the concept of *celebrity engagement*. By doing so I highlight a manageable celebrity activity that in an effective (and novel) way enhances source model variables and ultimately serves to improve communication effectiveness. While celebrity engagement is one factor that increases emotional involvement it is not unique to the celebrity entrepreneurship context. Celebrity endorsers, and for that matter expert endorsers and non-celebrity endorsers, all bring with them varying levels of engagement to the products they endorse. This variation, at least when made known, should affect their ability to communicate with and influence consumers.

To entrepreneurship scholars this thesis contributes the opening up of research into a new, entrepreneurial phenomenon. In this context celebrity entrepreneurship extends the domain of what can be considered entrepreneurship research. Celebrity entrepreneurs and the capital they bring to a venture is a previously neglected perspective, yet relevant resource dimension to consider.

In summation, this study provides the following *theoretical* contributions:

- The identification of a conceptually new and empirically important dimension of communicator characteristics: emotional involvement

- A more complete source model, building on emotional involvement, for understanding communication effectiveness
- The identification of celebrity activities, i.e. engagement, which enhance factors known to improve communication effectiveness in endorsers

1.10.3 *Practical*

Addressing the issue of celebrity entrepreneurship is important for practitioners, celebrities and consumers. Gaining access to celebrity is expensive and the consequence of misusing it has financial as well as reputational ramifications. Therefore, new venture founders and marketers have an interest in knowing if and when it is worth considering engaging a celebrity more deeply than as an endorser. It is argued in this thesis that celebrity entrepreneurship is indeed a more effective form of endorsement. As such, it may make sense to publicise the level of engagement celebrities have with the products they endorse; especially entrepreneurial engagement. However, when the level of engagement by the celebrity is low, a prudent strategy might be to leave it ambiguous, or, a more ethical approach, would be to underemphasise its nature.

Based on the findings, practitioners may also be well advised to consider new forms of endorsement contracts with celebrities—particularly fruitful may be those structured in a way that incentives are created for celebrities to increase their level of engagement with the brand and company. Additionally, offering equity in the company and operational duties may signal to consumers that the celebrities are in fact experts in their endorser domain.

Of course, this study also highlights that celebrity entrepreneurship carries potential drawbacks for the celebrity and company. For instance, celebrities that become ‘too’ involved risk their image and company image becoming entangled. Conceivably, this makes re-branding and re-positioning later on difficult. Furthermore, negative information attributed to the celebrity entrepreneur causes consumer attitudes towards the brand to worsen. Despite strategic reactions by the company to neutralise such negative information, the findings in this study suggest celebrity entrepreneur-led ventures suffer worse than celebrity endorsed ventures.

Consumers and those who protect their interests have an interest in understanding celebrity entrepreneurship as an influential source that potentially affects consumers’ product preferences and choices. The research findings in this thesis suggest perceptions of celebrity engagement can be manufactured. Understanding this aspect provides a first line of defence against unscrupulous marketers who prey on consumer ignorance.

Together the *practical* contributions in this study are:

- Empirical evidence concerning potential benefits and risks of celebrity entrepreneurship

- Suggestions for what aspects of celebrity engagement to (de)emphasise during endorsement
- Discuss strategic choices available to companies in the event negative celebrity information surfaces and their consequences
- Consumer protection by revealing the potential for abusing celebrity entrepreneurship

1.11 Thesis overview

Following this chapter, the conceptual framework is presented and the concepts celebrity endorsement and celebrity entrepreneurship are defined. A literature review focused on the predictors of effective celebrity endorsement along with the underlying psychological mechanisms is presented and discussed. In parallel, a number of problems are identified with trying to adapt the existing framework onto the celebrity entrepreneurship phenomenon and critiqued using an attribution theory perspective. To deal with these problems, a new dimension, emotional involvement, is introduced and the concept of celebrity engagement is discussed. Emotional involvement and celebrity engagement form the basis for a number of hypotheses developed to *investigate the consequences of increased celebrity engagement on communication effectiveness*.

In Chapter 3, issues concerning design and methodology are covered. Alternative methodological approaches to studying the celebrity entrepreneurship phenomena are considered and the specific approach settled upon is justified. Still in Chapter 3, the key independent and dependent variables are operationalised and the decisions leading to the chosen experimental designs and methods used to test the hypotheses are presented.

Starting with Chapter 4 each experiment is analysed. The structure of this chapter is based on the celebrity used in each experiment followed by each hypothesis; rather than by the order in which each experiment was conducted or by hypothesis. In this way, each experiment is compared across similar design choices. After analysing each experiment, the experiment results are summarised across all eight experiments.

In Chapter 5, results from the previous chapter are discussed in two main sections. The first section deals with each of the hypotheses and compares the results across each experiment. This is done to provide both an aggregate view of each hypothesis (i.e. how well the hypotheses hold under different experimental conditions) and a nuanced perspective (i.e. possible explanations for why hypotheses were supported in some but not all experiments). Following this, the next section presents the insights learned with regard to each research question.

Finally, in Chapter 6, the main limitations of this study are presented along with suggestions for future research and final thoughts.

2 Conceptual framework

This section defines several important concepts in this thesis including celebrity, celebrity endorser and celebrity entrepreneur. Following this I review literature related to celebrities and celebrity endorsers that will help in framing the theoretical discussion on celebrity entrepreneurship. Once this is accomplished, I will point out the problems inherent in using existing theoretical frameworks that inform about the celebrity entrepreneurship phenomenon. These problems required the development of several new theoretical concepts based on previously overlooked empirical observations. Finally, based on the theoretical frameworks discussed and theories developed, I submit a number of hypotheses that are tested in subsequent sections.

2.1 Definitions

2.1.1 *Celebrity*

The Merriam-Webster online dictionary defines a celebrity as “*a famous or celebrated person*”. Under this definition, Paris Hilton, Tony Blair, Osama Bin Laden, Michael Jordan and Bill Gates are all celebrities. Yet, few people in the Western world would refer to Osama Bin Laden as a celebrity and while most would agree Michael Jordan is a celebrity, he is hardly celebrated. While it may seem odd that Osama Bin Laden, Paris Hilton and Bill Gates can be lumped into one meaningful category, they all share wide recognition.

Friedman & Friedman (1979) referred to celebrities as individuals who are known to the public (including actors, sports figures, entertainers) for their achievements in areas other than that of the product class endorsed. Explicit in this definition is the assumption that to acquire celebrity one must first achieve something. Compared with celebrities of the past, such as Caesar, Napoleon, Alexander Graham Bell and Babe Ruth, who earned their celebrity through the positions they held or notable achievements, contemporary celebrities seem exempt from this requirement. Turner (2004) believes they are often a product manufactured by celebrity intermediaries such as agents, publicists, marketing personnel and promoters (Marshall 1997; Turner 2004). Noting this cultural shift, Boorstin (1961) pointed out that achievement was no longer a necessary condition for acquiring celebrity. To him, “the test of celebrity is nothing more than well-knownness” (p. 59) and a celebrity was simply a “person who is known for his well-knownness” (p. 57). This distinction allows us to consider individuals such as Paris Hilton,

Lindsey Lohan and Osama Bin Laden celebrities while at the same time including some politicians, sport stars, members of royalty and religious icons. As David Giles (2000) writes:

The brutal reality of the modern age is that all famous people are treated like celebrities by the mass media, whether they be a great political figure, a worthy campaigner, an artist 'touched by genius', a serial killer or Maureen of Driving School [one of the participants in a British reality TV program]. The newspapers and television programs responsible for their publicity do not draw meaningful distinction between how they are publicized (p. 5).

Another way to understand celebrity is through how they affect others. Miller believes celebrities are "tastemakers" (Miller 2004); in this role they help shape public opinions and fashion trends through the actions they take. Aided by various media outlets and cultural intermediaries, celebrities are in a sense a locus for negotiated and organised cultural meanings (Marshall 1997). Thus celebrities are not only, through outstanding achievements or by some creation of cultural intermediaries, persons who are known because of their well known-ness, but they are also in a position to impact public consciousness (Rojek 2001).

Thus, there appear to be at least three important aspects shared by celebrities. First, they are, at least in their realm of celebrity, well known for being well known. Second, in their position of celebrity they appear to hold influence over the public. And third, celebrities come from all walks of life, including politicians, actresses, athletes, successful business leaders, lottery winners, etc. The definition of celebrity presented below reflects these common elements.

Celebrity: an individual who is well known to the public for their well known-ness and has an impact on public consciousness.

How do individuals who are known to the public for their well known-ness use that influence to impact the public consciousness? More specifically for the purpose of this thesis, how do these individuals use their influence to "impact the public consciousness" for the benefit of other companies or themselves? Celebrity endorsement and celebrity entrepreneurship are two important mediums used to exploit celebrity. They are defined below as are the underlying mechanisms that make these mediums effective influencers of public consciousness.

2.1.2 *Celebrity endorser*

Celebrities engage in a range of paid activities when working with companies and products. According to Kamen, Azhari and Kragh (1975) the way in which celebrities are used can be broken down into four (although not mutually exclusive) categories: testimonial, endorser, actor, and spokesman. In a testimonial “the individual attests to the superiority or excellence of a product or service on the basis of personal experience with it” (p. 17), while endorsement occurs when an individual is (often explicitly) associated with a brand. When performing the role of actor “the individual is merely a character in a dramatic presentation... Endorsement is implicit, but no testimonials are ordinarily rendered” (p. 17). Last but not least the spokesman is characterised as “the individual representing the company or brand (much like a salesperson), where the role is more official in nature since the spokesperson is authorized to express the position of their sponsor” (p. 17). Each category shares a common denominator. In some form or another the celebrity is associated with the brand.

In fact, researchers often do not differentiate between the different roles celebrities play and even when they do they often refer to celebrity spokespersons (see e.g. Desarbo and Harshman 1985; Kamins, Brand et al. 1989; Kamins and Gupta 1994) or celebrity endorsers (see e.g. Klebba and Unger 1982; Kahle and Homer 1985; Erdogan and Baker 1999; Knott and St. James 2004) but mean empirically similar things. This is captured in an oft cited definition of celebrity endorser that can be found in McCracken (1989):

Any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement (p. 310).

However, celebrities often fulfil the function of endorser simply by associating themselves with various products (Kamen, Azhari et al. 1975; Stem 1994). Similarly, Seno and Lucas (2007, p.123) state that endorsements can “be explicit (‘I endorse this product’), implicit (‘I use this product’), imperative (‘You should use this product’), or co-presentational (merely appearing with the product)”. The context of association therefore does not seem limited to an advertisement situation. It may for instance take the (implicit) form of a red carpet sighting where the celebrity shows up to an event wearing a Gucci handbag and Rolex watch.

Thus, what seems important in a definition of celebrity endorser is that they are in some way associated with a product, regardless of whether this association takes the form of advertisement or not, and do so with the intent of creating some desirable outcome for their sponsor.

Celebrity endorser: a publicly well known individual who associates her or himself with a brand/ company/ product in order to induce some desirable outcome for their sponsor.

By defining a celebrity endorser in terms of their associative acts (implicit and/or explicit), it would seem that all celebrity entrepreneurs are also celebrity endorsers, provided these acts are known and done for the benefit of a company. Yet not all celebrity endorsers are entrepreneurs. What distinguishes the two terms is the types of engagement acts the celebrity is associated with. These are explained next.

2.1.3 *Celebrity entrepreneur*

It is often difficult to distinguish between a celebrity endorser and a celebrity entrepreneur. Jennifer Lopez, the famous singer, actress and model, recently launched her 'own' line of sportswear named JLO by Jennifer Lopez. To the media and public she was billed as an entrepreneur. According to a company press release, Lopez partnered with the Sweetface Fashion Company for the purpose of a joint venture, where the company designs, markets, manufactures and sells Jennifer Lopez's sportswear collection. Although the product line is named after Jennifer Lopez, and per media accounts also run by Lopez (see e.g. Carmichael n.d.; Degoulange 2005; Tozzi 2007), it seems that her engagement with the firm is little more than as an endorser who licenses them her name. It has even been reported that Jennifer Lopez is suing her partner in the joint venture, Andy Hilfiger (Flypaper 2007). An excerpt from a recent lawsuit filed by the Sweetface Fashion Company brings into question the nature of Lopez's role in the company: "Complainant in this case is Sweetface Fashion Co., LLC, which states that it is the owner of the Sweetface Fashion Co., a trade name, which also is the exclusive licensee of the trademarks 'JLO by Jennifer Lopez' and 'Jennifer Lopez' for women's clothing" (Sweetface Fashion Company LLC and Andy Hilfiger v. Len Molden). Although by licensing out her name Lopez could be considered as engaging in entrepreneurial behaviour that "drives the market process" (Davidsson 2004), the activities she performed for the company are more similar to what is normally considered endorsement (Kamen, Azhari et al. 1975).

Both celebrity endorsers and celebrity entrepreneurs can and do promote brands. In some cases the celebrity endorser, although not officially an employee or owner, has artistic direction, managerial input, etc. over the products they promote and in other cases, the supposed celebrity entrepreneur does nothing more than endorse the products in which they have an equity stake (Kamen, Azhari et al. 1975; Pringle and Binet 2005). Thus the distinction between the two is often a difficult one to make, especially it seems for reporters and consumers.

To overcome this difficulty, a pragmatic view of entrepreneurs which requires ownership in and running of a firm⁷, either alone or in teams, is adopted (see e.g. Kamm, Shuman et al. 1990; Ruef, Aldrich et al. 2003). In this context, both ownership and running are required since an endorser may be seen as running a company (e.g. hold a position in management, artistic direction), but unless they are also owners they would probably not be considered entrepreneurs. Likewise, casual celebrity investors can own stock in hundreds of companies, but unless they also take part in running the company they will probably not be seen as entrepreneurs.

While this distinction is not perfect, it does a reasonable job capturing what non-academics think of when they think of entrepreneurs (Bengtsson and Peterson 2008). However, as I empirically test later, what a celebrity is perceived to do for the venture is as important as what they actually do. Therefore, in this thesis the definition of celebrity entrepreneur(ship) should make room for those celebrities who are perceived to be entrepreneurs and those who actually are entrepreneurs. The definition of celebrity entrepreneur used in this thesis is as follows:

Celebrity entrepreneur: an individual who is known for her/his well known-ness and takes part both in owning and running a venture (or are portrayed as doing so).

Consequently, *celebrity entrepreneurship* is the phenomenon of celebrities engaging in such entrepreneurial activities. Implicit in this definition is that by associating themselves through ownership and running the venture, these celebrity entrepreneurs are also endorsers.

Similar to Friedman and Friedman's (1979) emphasis on areas other than that of the product class endorsed I focus (empirically) on individuals in this thesis who have won their celebrity status in other ways and then utilise it to further their entrepreneurial pursuits. The people who generally fall into this category are entertainers, sports stars and politicians who earned their fame from their main profession and in turn used that fame to start a business. I do not study celebrities who earned their fame as entrepreneurs, such as Bill Gates and Richard Branson, and leveraged this fame to further entrepreneurial pursuits. Even so, I would argue the definition of celebrity entrepreneur presented can be applied to either type.

⁷ Running of a firm includes activities such as developing or designing products, initiating business activities, and the perceived position one has in the company. This will be discussed in more detail in Section 2.8.

2.2 Celebrity endorsement effectiveness

Celebrity endorsement is a heavily employed medium of advertising that, in many respects, is more effective than celebrity-less endorsement. Until now, researchers have compared celebrity endorsers with non-celebrity endorsers and, with some exceptions, have shown that celebrity endorsement is more effective at producing desirable outcomes for the sponsor. In large part this is because celebrities are seen as more attractive (likeable) by consumers (McGuire 1985), and therefore more readily identifiable (Kelman 1961). *Ceteris paribus*, celebrities are also looked upon as more expert and trustworthy than non-celebrities (Ohanian 1990). As a result, consumers identify with celebrities and internalise the ‘things’ they say about endorsed products (Kelman 1961).

Companies use celebrity endorsers for a range of reasons. Celebrities are not only credited with the ability to ‘instantly’ turn an unknown product into a recognised entity, full of personality and appeal (Dickenson 1996), they are also engaged in re-branding and re-positioning (Louie, Kulik et al. 2001). They are particularly effective at generating PR for a product (Chapman and Leask 2001; Larkin 2002; Pringle and Binet 2005) driven by the insatiable desire consumers have to learn more about their private lives (Gamson 1994; Ponce de Leon 2002). The vehicle most often used to associate celebrities with a chosen product is advertising; where celebrities are known to induce more positive feelings toward ads than non-celebrity endorsers (Atkin and Block 1983; Kamins 1990; O'Mahony and Meenaghan 1998). This in turn may be one explanation for the high recall rates consumers experience when exposed to celebrity ads (Kamen, Azhari et al. 1975; O'Mahony and Meenaghan 1998) and greater reported purchase intentions (Friedman and Friedman 1976; Atkin and Block 1983).

Given the findings from academic and company reports, Erdogan (1999) argues that celebrity endorsers are more effective than non-celebrity endorsers in generating ‘all’ desirable outcomes for companies, including but not limited to improving attitudes towards advertising and endorsed brand, intentions to purchase, and actual sales. Underlying many of these advantages are psychological processes. The next section introduces and considers several of the most relevant ones. Table 1 summarises some of the known advantages celebrity endorsers bring to companies.

Table 1. Known advantages of celebrity endorsement

Reference	Advantages
Kamins (1990) Atkin & Block (1983) O'Mahony & Meenaghan (1998)	Positive feelings towards the ad: Celebrities are known to induce positive feelings toward ads more so than non-celebrities
Erdogan & Baker (1999) O'Mahony & Meenaghan (1998) Tom et al. (1992)	Attention grabbing: In the age of channel surfing and TIVO, celebrities are credited with keeping consumers glued to commercials
Atkin & Block (1983) Friedman & Friedman (1976)	Purchase intention: Ads featuring celebrities provoke greater purchase intentions
Dickenson (1996)	Personality and appeal: Incorporating a celebrity in an advertising campaign can create instant recognition, personality and appeal
O'Mahony & Meenaghan (1998) Kamen et al. (1975)	High recall rates: Consumers exposed to celebrity advertisements are able to recall ad messages and brands longer than non-celebrity ads
Chapman & Leask (2001) Pringle & Binet (2005) Larkin (2002)	Increased PR: Ads containing celebrities can create 'buzz' around the product and lead to free PR
Mathur et al. (1997) Agrawal & Kamakura (1995) Farrell et al. (2000)	Higher stock prices: The announcement of celebrity endorser contracts leads to increased stock prices for companies

2.3 Source of endorser effectiveness: Underlying mechanisms

Shortly I will introduce two important concepts, source credibility and source attractiveness, which have been extensively used as predictors of an endorser's communication effectiveness. However, before doing so it is necessary to understand the mechanisms underlying these concepts. A review of Kelman (1961) will help shed light on how source credibility and attractiveness act to influence attitude and opinion change and importantly, whether or not the change is expected to last (Kelman 1958). According to Kelman (1958; Kelman 1961), there are three processes of social influence that elicit different responses from individuals or groups: *compliance*, *identification* and *internalisation*.

2.3.1 Compliance

Compliance has an important influence on behaviour in situations where the source is in a position of power and may control the means necessary to achieve one's goal. For example students taking an oral exam may not share the views of their teacher (source), yet in order for

them to receive high marks (means) they often must comply with their teacher's views in order to achieve their goals (e.g. good job or new car). When behaviour takes the form of compliance, compliant behaviour is usually only exhibited when the individual is observed by the influencing agent, or when the individual feels there is a possibility that the agent may discover the behaviour. Compliance as a behavioural form is highly relevant in personal communications, personal selling, and opinion leadership (O'Mahony and Meenaghan 1998), however in a celebrity advertising context it is of lesser importance because there is only modest, if any, personal interaction between the celebrity and consumer (Kamins 1989).

2.3.2 Identification

An individual or group who is concerned about their "social anchorage" will tend to identify with the influencing source. The source's power is derived from attractiveness; where an attractive source embodies the role the individual desires or seeks to maintain. Attractiveness in this sense does not refer to the qualities that make the source likeable, but rather to "the possession of qualities on the part of the agent that make a continued relationship to him particularly desirable" (Kelman 1961, p. 68).

This type of identifying behaviour can be seen with youths and language. For example, at school a vernacular or slang form of language is used in order to fit in or sound cool, but on Sundays at their local church a more standard form of language surfaces (Reyes 2005). Individuals tend to adopt this form of behaviour "under conditions of salience of (their) relationship to the agent" (Kelman 1961, p. 70). In other words the presence of an influencing agent (e.g. the popular kid at school or the local priest) triggers individuals to act out social roles that may or may not be conscious.

When identification behaviour occurs, the behaviour will remain with the individual until such time that it is "no longer perceived as the best path toward the maintenance or establishment of satisfying self-defining relationships" (Kelman 1961, p. 70). In an advertising context this would imply that the source of information (i.e. endorser) when found attractive or likeable by the recipient, would be in a position to influence attitude and opinion change in the consumer towards a desired product when a salient connection is demonstrated between endorser and product (Desarbo and Harshman 1985). Since identification is related to likeableness and attractiveness this may be the process underlying persuasion by a celebrity endorser (Friedman and Friedman 1979). In other words, we identify with and emulate the behaviours of people we want to be like. Because of this they have a source of influence over us.

2.3.3 *Internalisation*

Individuals concerned that their behaviour is congruent with their values tend to adopt the form of influence Kelman (1961) refers to as internalisation. The means for an influencing agent to induce internalisation in an individual is related to credibility. An influencing agent is credible if “his statements are considered truthful and valid, and hence worthy of serious consideration” (Kelman 1961, p. 68). In turn, credibility can be broken down into two parts: either the agent is credible because she “knows the truth” (expert) or because she is likely to “tell the truth” (trustworthy). When an individual internalises an induced response, the behaviour will occur regardless of surveillance or salience and will continue until it is no longer seen as the ideal path towards maximising the individual’s values. Although Friedman and Friedman (1979) noted that internalisation was the process underlying persuasion by expert endorsers, they may have incorrectly implied that it was a mutually exclusive process that did not extend to celebrity endorsers. To exemplify, Till and Busler (1998) found that celebrity endorsers were a more effective match for certain products in the capacity of expert endorser vs. attractive endorser, thus showing that celebrity endorsers can induce internalisation as well as identification. Succinctly stated, celebrities, whose influence base stems from trustworthy or expert statements about the products they endorse, provoke internalisation in consumers.

In summation, Kelman (1961) provides valuable insights into the processes of opinion change. His work has been credited with significantly advancing the area of communications (Friedman and Friedman 1979; Desarbo and Harshman 1985; Kamins 1989; O'Mahony and Meenaghan 1998; Erdogan 1999; Byrne and Whitehead 2003) and it has had a strong impact on psychological theory and clinical practice (Ryan and Connell 1989). His theories explain how some people are influenced by, for example, celebrity endorsers, the qualities needed to be in a position of influence (e.g. attractive, likeable, trustworthy, expert), and why opinions persist over time and under what conditions they change.

2.4 Source of endorser effectiveness under varied conditions

Understanding the source of influence is not enough when trying to understand the effectiveness of celebrity endorsers (Petty and Wegener 1998). If consumers are not motivated, lack the opportunity, or for whatever reason are not able to comprehend a communicator’s message, influence by an endorser will have little if any effect on the consumer’s attitudes. Not all consumers start off with the same motivation to buy, or even consider a communicator’s

message. Someone who just purchased a new top-of-the-line television (cognitive dissonance reducing behaviour aside) would not be very motivated to process information about a new TV. However, a person who just experienced the loss of their TV would be highly *motivated* to seek out new information.

Motivation to process a message depends on several related factors such as (buyer) involvement, personal relevance and the individual's needs and arousal levels (Belch and Belch 1998). Similarly, if the problem with the broken TV happened to be sound, the consumer may not have the *opportunity* to process information from the communicator. Even if the consumer is motivated and has the opportunity to process a message, it is still important that they are able to process the message. Speaking too fast or an overly complicated message can impair a receiver's *ability* to comprehend a message. Ability may also be dependent on the individual's knowledge or intellectual capacity (Belch and Belch 1998). As a result, different communication strategies are predicted to work better. "Differences in the ways consumers process and respond to persuasive messages are addressed in the elaboration likelihood model (ELM) of persuasion" (Belch and Belch 1998, p. 159).

The ELM is a model developed by Petty and Cacioppo (1981) and holds that "different methods of inducing persuasion may work best depending on whether the elaboration likelihood of the communication situation (i.e. the probability of message—or issue relevant thought occurring) is high or low" (Petty, Cacioppo et al. 1983, p. 137). The elaboration likelihood, as in the preceding paragraph, increases as the motivation, opportunity, or ability increase (Shimp 1997). Social psychologists have found that when the elaboration likelihood of a situation is high, the quality of argument had a greater influence on attitudes, but not the celebrity. When the elaboration likelihood is low (i.e. conditions of low involvement), peripheral cues, such as celebrity attractiveness, had the greatest impact on attitudes, whereas arguments did not (Petty, Cacioppo et al. 1983). This implies that consumers who are highly motivated (such as in the broken TV example above), are more persuaded by the advertiser's arguments when forming their cognitive and emotional responses to arguments. However, when the consumer is not motivated to process information (this may occur with unsought products), peripheral cues such as an attractive celebrity will encourage the consumer to process the advertisement. This means that under different conditions of consumer involvement, different information processes are at work. Under high involvement the consumer is expected to process salient arguments about the product and under low involvement conditions the consumer is expected to process peripheral cues associated with the product, such as celebrity attractiveness.

Although the hypotheses generated in this chapter are not a direct application or test of the ELM, understanding the ELM will help to avoid pitfalls when they are generated, while

designing experiments and explaining results. In particular, the elaboration likelihood scenario used in experiments should be carefully controlled for. This is done primarily through holding the experimental instructions constant in all experimental groups. As the peripheral and direct routes in the ELM act as moderating factors, it is advisable when measuring the effects of attractiveness on persuasion to create a low involvement elaboration likelihood situation. Likewise, when measuring the effects of credibility, a high involvement likelihood scenario may be appropriate, but *only* if substantive arguments are used in an experiment (Petty, Cacioppo et al. 1983). For example, using a celebrity entrepreneur in an advertisement without explicit arguments would encourage mere peripheral processing of the message (i.e. processing of affective characteristics such as attractiveness and likeability); to be effective, salient arguments by the celebrity entrepreneur are needed. The ELM will be returned to when discussing the results of the experiments and ways to improve the design of this study.

2.5 Capturing the effectiveness of a source: the source models

Now that the underlying mechanisms concerning opinion change and the conditions which facilitate receptiveness to this change are explained, the source models can be introduced. Specific models and conceptual frameworks designed to capture influence or the likelihood of a communicator having an effect on consumer attitudes stem from two related streams of research: *source credibility* and *source attractiveness* (also referred to collectively as the source models). Source credibility consists of two distinct dimensions—trustworthiness and expertise while source attractiveness is one-dimensional. Hovland et al. (1953, p.21) established the source credibility model and defined expertise as “the extent to which a communicator is perceived to be a source of valid assertions” and trustworthiness as “the degree of confidence in the communicator’s intent to communicate the assertions he considers most valid”. Source attractiveness does not refer only to physical attractiveness. It is related to three more general concepts: similarity, familiarity, and liking. The model holds that the effectiveness of a message depends on the source’s familiarity, likeability, similarity, and attractiveness to the respondent. Familiarity is considered knowledge of the source through exposure, whereas likeability is affection for the source as a result of the source’s physical appearance and behaviour. Similarity is the supposed resemblance between the source and the receiver of the message (McGuire 1985).

According to the source models, endorsers are effective when they are seen by consumers as trustworthy (Miller and Basehart 1969; Friedman and Friedman 1976), experts (Crano 1970;

Crisi and Kassinove 1973; Woodside and Davenport 1974), and attractive (Joseph 1982; McGuire 1985). Although there are a number of moderating and mediating influences (e.g. fit with product and audience; low vs. high purchase decision; prior attitudes), in general, the more trustworthiness, expertise, and/or attractiveness the endorser has the more effective they are at changing consumer attitude and persuasion (Hovland and Weiss 1951; Hovland, Janis et al. 1953; Sternthal, Dholakia et al. 1978; Harmon and Coney 1982; Gotlieb and Sarel 1991; Grewal, Gotlieb et al. 1994; Brinol, Petty et al. 2004).

Empirical evidence in support of source credibility is abundant. Source credibility is credited with improving consumer confidence (Brinol, Petty et al. 2004), altering negative predispositions (Sternthal, Dholakia et al. 1978), increasing product purchase intentions (Harmon and Coney 1982), and improving consumers' reactions to advertisements and brands (Goldsmith, Lafferty et al. 2000). Additionally, research has shown that highly credible sources "induce more behavioral compliance than do less credible sources" (Ohanian 1990, p. 42). In short, the source credibility literature provides strong evidence to suggest that the more credible a source is the more effective they are at endorsement.

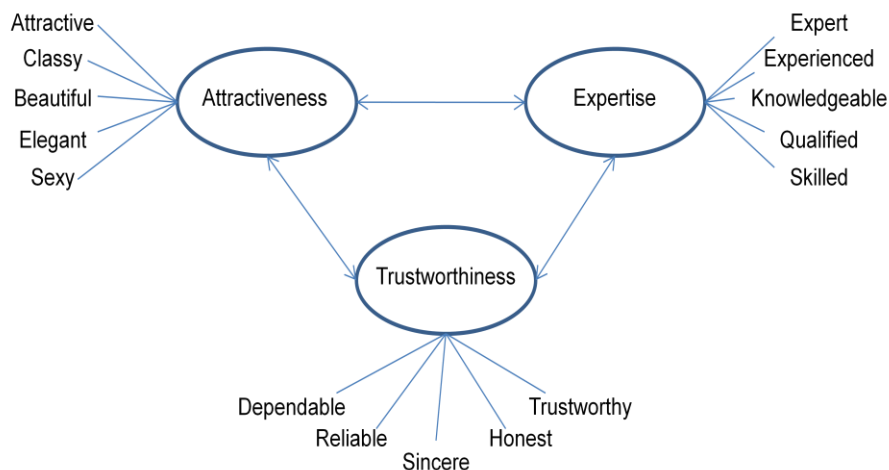
The source attractiveness model is not as well established as source credibility, yet there have been several studies which support the construct. For example, physically attractive communicators are more liked than unattractive communicators (Joseph 1982). In fact, Kahle and Homer (1985) found that brand recall in advertisements is enhanced by an attractive source and led to a change in attitude and purchase intentions. Ohanian (1991) on the other hand found that attractiveness was not significant in altering purchase intentions although expertise was. Ohanian's (1991) finding, although interesting, did not rule out the possibility that attractiveness indirectly influenced communication effectiveness. A partial replication of this 1991 study found attractiveness had a direct effect on purchase intention (Pornpitakpan 2003). In line with the match-up hypothesis, endorsers presenting products that were congruent with their image appeared more attractive than when presenting products that did not fit with their image. Interestingly, this effect was only found with celebrity endorsers but not non-celebrity endorsers (Kamins and Gupta 1994). Similarly, Kamins (1990) hypothesised and found evidence that physical attractiveness only enhances product and ad-based evaluations when there is a close match between product and celebrity.

It can be said that both source credibility and source attractiveness are relevant dimensions to consider when selecting celebrity endorsers, although the importance of these two dimensions may not be equal. Source credibility is likely to have a larger impact on the effectiveness of an endorser than source attractiveness (Ohanian 1991; Shimp 1997; Pornpitakpan 2003), especially in situations of high buyer involvement (Petty, Cacioppo et al. 1983).

A parallel stream of research concerning endorser effectiveness and source attractiveness is fit. Since fit may be a prerequisite to effective endorsement, source attractiveness may play an indirect route to source effectiveness. “Specifically, the match-up hypothesis predicts that attractive endorsers are more effective when promoting products used to enhance one’s attractiveness” (Till and Busler 1998, p. 577). This same study found the evidence for the match-up hypothesis less than convincing and concluded their study of attractiveness vs. expertise noting that in general, attractive endorsers can be effective (at least vs. less attractive endorsers), but still, expertise is likely to be a more appropriate criterion for matching products with endorsers.

Factor analytic techniques have been employed to uncover the source’s perceptual characteristics since the 1960s, resulting in a wide array of dimensions for measuring the source. Within these dimensions, researchers found such factors as safety, qualification, dynamism, authoritativeness, character and objectivity to be pertinent. There was however little consistency between authors as to the numbers and types of dimensions that source credibility and source attractiveness comprised, much less reliable and validated scales (Ohanian 1990; Pornpitakpan 2003). It was not until Ohanian (1990) developed a scale (see Figure 3) for measuring celebrity endorsers’ perceived expertise, trustworthiness and attractiveness that researchers began to employ more consistent measures.

Figure 3. The latent source model dimensions and measurable items⁸



The dimensions in this model were specifically developed for measuring celebrity endorser communication effectiveness (Ohanian 1990). Before and up to the time it was developed, there was no mention of celebrity entrepreneurship in the literature. Consequently, it is not optimised

⁸ Adapted from Ohanian (1990).

to predict the effectiveness of celebrity entrepreneurs, and as will soon become apparent, celebrity endorsers.

2.6 Critique of the source models

The empirical emergence of celebrity entrepreneurs has highlighted the need for a more sophisticated understanding of what makes endorsers persuasive. This section explains why I maintain the source models are inadequate for measuring the effectiveness of celebrity entrepreneurs in particular and endorsers in general. Attribution theory is used to criticise the extant source model and highlight the need for including engagement and a supplemental dimension that I call 'emotional involvement'.

Collectively referred to as the source models (McCracken 1989), expertise, trustworthiness and attractiveness represent the three dimensions most often used to understand and predict celebrity endorser effectiveness (Ohanian 1990; Erdogan 1999; Pornpitakpan 2004). Research has shown that as factors in the source models increase, so does the effectiveness of celebrity endorsers (Miller and Basehart 1969; McGuire 1985; Till and Busler 1998).

At the time these models were conceptualised there was little reason to differentiate between the various forms of celebrity endorsement. Although there have been steady refinements to the items used, the dimensions trustworthiness, expertise and attractiveness have remained stable. It is apparent from looking at the literature that an overly narrow view of celebrity endorsement was assumed; one where endorsement was a set of more or less homogenous activities (i.e. brand representative, spokesperson and all-round endorser). The result of this view is that celebrities were compared on perceived personal characteristics or dispositions, such as their attractiveness, expertise and trustworthiness (Cronley, Kardes et al. 1999). When the time came for researchers to do their experiments, they held constant the activities of celebrity endorsement and manipulated the differences in personal characteristics (Friedman, Termine et al. 1976; Friedman, Santeramo et al. 1978; Friedman and Friedman 1979; Atkin and Block 1983; Kamins, Brand et al. 1989; Ohanian 1991; O'Mahony and Meenaghan 1998; Cronley, Kardes et al. 1999; Goldsmith, Lafferty et al. 2000).

Until recently, celebrities have not been known for their deep levels of engagement with the companies they endorse. As a result, their engagement in these companies, such as operational, managerial, equity ownership, whether or not they used products from a company or even if they liked them, was ignored by researchers (Cronley, Kardes et al. 1999). This situation was acceptable for as long as the objects of their research (usually consumers) also lumped celebrities into a single category. However, media outlets and other celebrity intermediaries have directed

attention towards companies started, managed, or owned by celebrities. Now researchers must ask themselves whether or not such information impacts the effectiveness of endorsements.

If the assertion that celebrities are engaged differently in venturing and endorsement activities is correct, then the existing source models are incomplete. This is because they make no consideration for situational factors, such as a celebrity's engagement with the endorsed product, which may in fact alter their credibility and attractiveness and help them to become more (or less) effective communicators. It therefore makes little sense to ignore these conditions in experimental research.

For example, consumers are often asked to rate a celebrity's expertise or trustworthiness in relation to a product. Since conditions relevant to their engagement are held constant, the situational relationship between celebrity and product is not highlighted enough. In other words, researchers often ask experimental participants to assess if a celebrity is trustworthy in what they say about a product or an expert on a particular product, without informing them if the celebrity uses the product, has experience with the product, are paid to use the product, or are investors in the product, etc. Any one of these additional pieces of situational and dispositional information could alter a participants' opinion (directly or indirectly), regarding the trustworthiness or expertise of a celebrity endorser (see e.g. Robertson and Rossiter 1974; Cronley, Kardes et al. 1999; Silvera and Austad 2004). Therefore the need to explicate in an experimental setting the relationship between a celebrity and product or at least understanding the consequences of omitting such information is acute.

There is an even more pressing reason why the situational and dispositional information must be divulged (or at least the consequence of omitting such information understood). In experiments the product or brand being endorsed is often fake. As such, the relationship between celebrity and product is impossible to know for an experimental participant, nor are the consequences of (a lack of) such information.

Using an attribution theory perspective, the source models can be criticised for omitting information that is relevant when consumers process information and develop attitudes. The basic idea of attribution theory is easy to understand yet difficult to communicate. Gilbert and Malone (1995) provide a skilful example to aid in this purpose:

People care less about what others do than about why they do it. Two equally rambunctious nephews may break two equally expensive crystal vases at Aunt Sofia's house, but the one who did so by accident gets the reprimand and the one who did so by design gets the thumbscrews. Aunts are in the business of understanding what makes nephews act as they do, and social psychologists are

in the business of explaining how aunts achieve these understandings. The theories that provide these explanations are known as attribution theories (p. 21).

Attribution(al)⁹ theory is (in part) concerned with the consequences of these attributions (Kelley and Michela 1980). As the example above notes, individuals are motivated to sniff out the underlying cause of events they observe. This helps them to better order, organise, and thus understand their environment (Smith and Hunt 1978).

Early attribution theorists recognised that when any event occurs and we try to explain the reason for that event's occurrence, we assign either an internal or external reason (Heider 1958). An external attribution is made when the cause is assigned to an external force, (e.g. God told me to do it, or they did it for the money). When an internal attribution is made the cause is assigned to some internal factors within the individual (e.g. that person is dishonest, or I trust her); making that person directly responsible.

To help illustrate internal and external attributions, imagine the scenario of someone bumping into you. Your reaction would be different depending on if you believed the person did it intentionally (internal) to be mean, or because they tripped (external). If you believed the former, you may respond with some unkind words; however if you believe the latter to be true, i.e. it was an accident, you may be more understanding and even apologise for their mistake. The same thought process is at work when a celebrity appears on your TV to entice you to purchase a new pair of jeans (see e.g. Smith and Hunt 1978). If you watch a commercial and you believe the celebrity is telling you to buy the product because they are paid large sums of money you may attribute their motivations to an external cause, in which case you may not extend them much credibility. Of course you may believe that they use the product, like the product, or even designed the product themselves. If that were to happen you may believe their motivation to appear in the ad stemmed from their honest belief that the product is truly excellent, in which case you would have made an internal attribution.

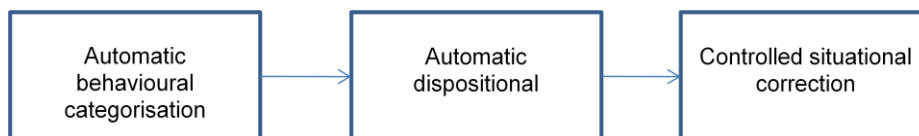
The process behind attributing a cause to one's behaviour is more complex than the sum of situational information and dispositional inferences (Lieberman, Gaunt et al. 2002). At times, despite having all of the information available to make a proper attribution, individuals make errors. The errors people make are known as the fundamental attribution error (Ross 1977) or correspondence bias (Gilbert and Malone 1995) which refer to the "tendency to assume that an actor's behavior and mental state correspond to a degree that is logically unwarranted by the situation" (Andrews 2001, p. 11).

⁹ Kelley, H. H. and J. L. Michela (1980). "Attribution theory and research." *Annual Review of Psychology* **31**: 457-501 write that attribution research can be divided into two streams: Those that look at the *antecedents* of attributions and that which looks at the *consequences* of attributions; the latter of which are referred to as "attributional" research.

An interesting and early example of the fundamental attribution error was found by Jones and Harris (1967). They conducted an experiment where students were asked to read either a pro or anti Fidel Castro speech and, based on the speech, infer the author's true disposition towards Castro. In addition, depending on their group, students were told whether the author wrote the speech freely or was asked to write the speech at the experimenter's behest. Interestingly, students showed a tendency to infer the author had a pro-Castro stance even when they knew the writer was told to write the speech as pro-Castro. In other words, despite having access to situational information that constrained the author's choice in what was written about Castro, the experimental subjects still believed the author actually agreed with what was written. This clear and not uncommon example of a correspondence bias or fundamental attribution error has been repeatedly shown in empirical studies (see e.g. Gilbert and Malone 1995; Forgas 1998; Andrews 2001; Lieberman, Gaunt et al. 2002).

In order to explain the occurrence of the fundamental attribution error a number of 'dual-process' theories were proposed (Lieberman, Gaunt et al. 2002), including the 'characterisation-correction model' (Gilbert, Pelham et al. 1988). The characterisation-correction model (see Figure 4) argues that the attribution process comprises three steps. To help explain this model, picture a typical endorsement. Britney Spears appearing in an advertisement for Pepsi will do fine. In the first step, we *automatically* recognise what the actor is doing and 'categorise' the event (i.e. Britney Spears is endorsing Pepsi). In the second step, we *automatically* 'characterise' the actor by determining what the event implies of their disposition (e.g. Britney must like Pepsi). Finally, in the third step, we adjust our inferences about Britney's disposition based on information about the situation (e.g. Britney was paid to appear in the commercial). This third step however is different from the first two in that it is not automatic. Instead it is a controlled cognitive process which is easier to disrupt than the first two steps (Gilbert, Pelham et al. 1988). Disruption can occur due to a lack of situational awareness, an incomplete understanding of how the situation should affect the actor, inflated categorisations and the inability or unwillingness to correct dispositional inferences (Gilbert and Malone 1995).

Figure 4. Categorisation–correction model of the attribution process¹⁰



¹⁰ Adapted from Lieberman, M. D., R. Gaunt, et al. (2002). "Reflection and reflexion: A social cognitive neuroscience approach to attributional inference." *Advances in Experimental Social Psychology* **34**: 199-249.

Empirically driven attribution research applied to the celebrity endorsement phenomenon has resulted in several interesting findings. A study by Silvera and Austad (2004) looked at whether consumers infer that celebrity endorsers like the products they endorse. The *consequence* of consumers *inferring* celebrities liked the products they endorsed was a more positive attitude towards the product. In a similar study, Cronley et al. (1999) found that as inferences about a celebrity's brand attitude became more favourable, consumers' attitudes towards the ad, brand, and endorser also favourably increased. Eagly, Wood and Chaiken (1978) as cited in (Kelley and Michela 1980) found that both internal and external factors are taken into consideration when audience members view a communications message. In fact, by grade five children are able to make the distinction between internal and external attribution and to some extent already in the first grade (Robertson and Rossiter 1974). In a celebrity endorsement context, Tripp, Jensen, & Carlson (1994) revealed, among other things, that consumers see the motive to endorse as one of money. These studies suggest that individual behaviour is to an extent dependent on attributional processes (Smith and Hunt 1978) and these processes occur in an endorsement context.

As individuals, consumers use attributional processes to organise their world. The critique of the source models is twofold. First, they do not account for situational factors. As I have shown with the categorisation-correction model, a lack of situational information will result in the *inability* of experimental subjects to correct initial dispositional characterisations. As explained earlier, this may have been acceptable if celebrity endorsers were a homogenous group and consumers could just assume that, like all celebrities in advertisements, they are paid. They are however, as the existence of celebrity entrepreneurs make clear, rather heterogeneous.

Second, the types of characterisations measured in the source models do not correspond well with dispositions one normally assigns when thinking about why a celebrity endorser appears in an advertisement. Case in point; ask yourself why Britney Spears appeared in the Pepsi commercial. Would you automatically think it was related to her trustworthiness, expertise, or attractiveness? Or rather, would you assume it was related to whether she liked or used the product? Studies by Cronley et al. (1999) and Silvera and Austad (2004) show relevant dispositional inferences (such as 'like' and 'use') can be used as predictors of communication effectiveness. Therefore, a more complete 'source model' should include those situational and dispositional factors that are relevant when consumers make attributions about celebrity endorsers and entrepreneurs.

2.7 Foundations for source model development

The source models are focused on measuring the trustworthiness, expertise and attractiveness (or internal, personal dispositions) of the endorser while ignoring additional internal and external factors that may also influence communication effectiveness. Consequently, there is a need to identify internal and external factors which systematically affect communicators.

I have argued that engagement is an important differentiator between celebrity entrepreneurs and celebrity endorsers. Later in this section I develop the argument that *entrepreneurial/endorser engagement is an external source of information that affects communication effectiveness by providing consumers with contextual clues regarding an endorser's disposition and motivation (towards the product being endorsed)*. I will also discuss specific aspects of entrepreneurial/endorser engagement and show how they might impact communication effectiveness. I limit the scope of inquiry to those aspects that are suspected to differ between celebrity entrepreneurs and celebrity endorsers even if the general concept of engagement is likely more complex.

While searching for relevant internal factors that may have been omitted by the source models I was inspired by the work of Cronley et al. (1999) and Silvera and Austad (2004). They found when consumers inferred a celebrity liked or used a product they were endorsing, consumer attitudes towards the advertisement and brand improved. This is clear indication that consumers make dispositional inferences and use them as part of their attribution process. However there is still considerable work to be done with the items, 'like' and 'use'. What do they represent conceptually? How do they relate theoretically or empirically to the source model dimensions trustworthiness, expertise and attractiveness? Do liking and using relate somehow to engagement?

In the latter part of this section I develop the items 'like' and 'use' and merge them along with other items into the dimension I have referred to as *emotional involvement*. I will argue that *emotional involvement is, similar to trustworthiness, expertise and attractiveness, a perceived characteristic of an endorser's disposition that is helpful in predicting communication effectiveness*.

2.8 Entrepreneurial engagement

Entrepreneurial/endorser engagement refers to external sources of information that affects communication effectiveness by providing consumers with contextual clues regarding an endorser's disposition and motivation (towards the product being endorsed). These situational clues in turn can be used by consumers to 'correct' automatic dispositional characterisations of the endorser (Gilbert, Pelham et al. 1988).

Drawing from relevant literature and media discourse there are four aspects of entrepreneurial/endorser engagement which generally differ between celebrity endorsers and celebrity entrepreneurs: remuneration, position, initiation and development. These factors, when known to consumers, provide the means to make a situational attribution and a correction of dispositional inferences. By ‘correcting dispositional inferences’, I mean to say knowledge of entrepreneurial/endorser engagement will enable consumers to modify their initial, automatic dispositional inferences about the celebrity. In the current source models these dispositional inferences refer to the measures of trustworthiness, expertise and attractiveness, but also to the perceived emotional involvement construct discussed later.

2.8.1 *Remuneration*

An interesting observation in Tripp et al. (1994, p. 543) mentioned that “all informants stated that celebrities endorse products because they are paid for those endorsements”. This is probably both a good and bad thing for endorsers. On the one hand, celebrities who receive money for their endorsement of products often have their motives or disposition questioned. Comments such as “it basically boils down to money” and “he is only doing it for money, which reinforces my image of him as a shallow commercial person” (Temperley and Tangen 2006, p. 101) are commonly uttered in interviews with consumers exposed to celebrity advertisements. On the other hand, because most if not all celebrity endorsers are seen as ‘doing it for the money’, there are relatively few differential disadvantages among celebrities. Presumably, the cynical view of celebrities endorsing for the money does not translate into a differentially more negative attitude towards one celebrity or brand over another. In fact, Tripp et al. (1994, p. 543) posit that “this money motive, however, does not appear to create negative attitudes towards endorser”. Nevertheless, cynical statements about celebrity endorser motivation are not likely to improve attitudes or inferences about an endorser’s disposition either.

Celebrity entrepreneurs are in a sense a new breed of endorsers that may benefit from the fundamental attribution error. Though they are in some way paid for their association with or endorsement of products, consumers often give them a pass. In an exploratory pilot study (see Hunter, Davidsson et al. 2007), participants often spoke aloud as they read and filled in questionnaires. As part of the pilot study experiment, celebrities were portrayed as either entrepreneurs or traditional endorsers. Under the celebrity entrepreneur condition, when questions were asked such as “do you believe the celebrity uses the products” or “the celebrity is passionate about the company” participants made situational attributions that were positive, for example, “he must, otherwise he would not have started the company” and “well, if he invested his own money, he must be passionate about the company”. However, in the celebrity endorser

and control conditions, several respondents attributed the motivations behind the same questions to greed and money, for example, “he is only in it for the money”. The pilot study revealed that consumers often view a celebrity entrepreneur’s motivations, in an endorsement context, to things other than money and greed. If they are wrong about the assumption, it is a fundamental attribution error (or correspondence bias).

The implication of this is as follows. Celebrity endorsers are viewed, almost by default, as receiving money in exchange for their endorsement. Although there is no empirical research to my knowledge that shows this causes a worsening of attitudes, it is likely that attitudes do not improve when a consumer knows the celebrity “did it for the money”. When the consumer believes the celebrity is an entrepreneur, the automatic assumption of “the celebrity is endorsing for the money” can be corrected using situational information and more introspection such as “he invested his own money and therefore he must be positive about the product”. The end result may be that believing a traditional celebrity endorser is endorsing a product does not worsen attitudes or inferred dispositions, however believing the celebrity to be an entrepreneur may help to correct and improve them.

2.8.2 *Position*

This refers to the celebrity’s position and active role in a company. When playing the role of endorser, celebrities are outsiders. They are to companies and consumers what McKinsey, KPMG and other consulting groups are to companies and their shareholders. The stereotype of ‘endorser outsider’ has changed little since Kamen et al. (1975) identified the functions and roles they play for sponsors as testimonial (attesting to superiority of brand), endorser (explicit association with brand), actor (character in a dramatic presentation; endorsement implicit) and spokesman (represents company or brand explicitly).

This academic characterisation of endorser role is mirrored in the popular press and by ‘celebrity intermediary’ press releases. Referring to actress Sarah Jessica Parker’s recent endorsement contract with the clothing store GAP, Entertainment Weekly online writes:

She’ll be wearing the casual clothes as part of her new endorsement contract with The Gap, the company announced Wednesday in a press release. She’ll be the center of a print and TV ad campaign that will run from August through the end of the year, marking the first time that the company has used any celebrity endorser for more than a single ad (Susman 2004).

Two things from this quote are noteworthy: First, it is clear that Sarah Jessica Parker is being paid to wear clothes from the GAP line along with appearing in promotions. This is typically what is expected from endorsers. The second point worth noting is the temporary nature of this agreement. This quote is typical of articles covering the signing of a new celebrity endorser. Now compare it with this one on a celebrity entrepreneur:

The man formerly known as Puff Daddy isn't just a badass rapper with a predilection for flashy white suits, goofy nicknames, and brushes with the law. He is also an entrepreneur – and an extremely successful one at that. Combs is founder, CEO, and 50% shareholder of Bad Boy Entertainment, a privately held corporation worth an estimated \$100 million (Stein 2001).

Focus here is placed explicitly on Combs' role as founder, CEO and shareholder in Bad Boy Entertainment. Implicitly, he is also an endorser. So part of the differences in engagement between celebrity endorsers and celebrity entrepreneurs pertain to the roles they play in their sponsor companies. The endorser is portrayed as a transient entity, engaged by their sponsor through contracts to associate them with a brand. The entrepreneur on the other hand is cast as something *more* than a typical endorser. They are *also* CEOs, founders and managers. Their reported engagement, which is in *their own* company, is more permanent in nature. Combined with the vested interest they are portrayed to have, celebrity entrepreneurs are insiders.

It is unlikely that being responsible for promoting products will elicit an attribution; at least not an attribution that will create differential effects between celebrity entrepreneurs and celebrity endorsers. This is because by being associated with a product *all* celebrities are making an endorsement. However, responsibilities that go beyond the norm such as making product decisions, hiring and firings, are unusual for celebrity endorsers and are likely more common in celebrity entrepreneurs. In fact, unexpected, surprising outcomes elicit more attributional search than unsurprising ones (Stiensmeier-pelster, Martini et al. 1995). Paying close attention to something that is respected in society, such as a manager's position, should increase the likelihood of correcting initial dispositional inferences and making a positive dispositional attribution. Thus, celebrity entrepreneurs should elicit more positive dispositional correction due to their position than would a celebrity endorser.

2.8.3 *Initiation*

This refers to whether or not a company was perceived to be founded by the celebrity. As with remuneration and position, whether or not a celebrity is seen as the one who initiated the new venture will likely be taken into consideration whilst situational attributions are made.

Initiation is an additional piece of information that when known by a consumer should enter into the attribution process. The act of initiating and starting a company is seen by researchers as crucial to economic and societal development (Acs and Audretsch 2003). Governments aggressively promote and foster environments for start-ups (Hackett and Dilts 2004) and the act of initiation and start up is treated by popular press with reverence (Hart 2003).

Perhaps cognisant of this, celebrity intermediaries are quick to point out if a celebrity initiated the new venture. A recent story on ABC's online news site (2008) introduced several celebrity entrepreneurs: "She *launched* her low-cost Bitten clothing label at Steve & Barry's stores last year..."; "On the television series *Desperate Housewives*, Eva Longoria's character is known more for shopping than cooking, but that hasn't stopped the actress from *opening* her own restaurant..."; "When Bono's not rocking the concert stage, he's rolling in private equity. The U2 front man is a *co-founder* and managing director of Elevation Partners, a private equity firm focusing on investments in media and entertainment." These quotes are typical of news stories covering the 'celebrity entrepreneur' and arguably they become part of the public consciousness. Furthermore, since there is no 'peer review' to the claims made in these stories, their validity is not scrutinised.

Arguably, the general perception of being the initiator behind a new venture will be seen by consumers positively. It follows that this should increase the chance positive dispositional corrections will be made by consumers in favour of the celebrity entrepreneur.

2.8.4 *Participation in development*

Development is a factor which should differ between celebrity endorsers and celebrity entrepreneurs. This factor refers to how the venture products and ideas are influenced by and credited to the celebrity. Again, we can look at media articles to get a feel for how the impression of development is formed. This first quote is from a Businessweek.com article. In it they are discussing entrepreneurial ventures initiated by celebrity real-estate mogul Donald Trump: "I help *design* my shirts for Phillips-Van Heusen...I like my shirts to have a high collar, with a more open cut and I prefer the French cuff and my shirts reflect that" (Gogoi 2008). Internet bloggers also offer their opinions on celebrities. The blogger Andy B., known only by her first name and last initial, frequently writes on celebrities. When not giving credit advice (her main area of interest), she chose to focus on Natalie Portman in one of her blogs: "...*(she)*

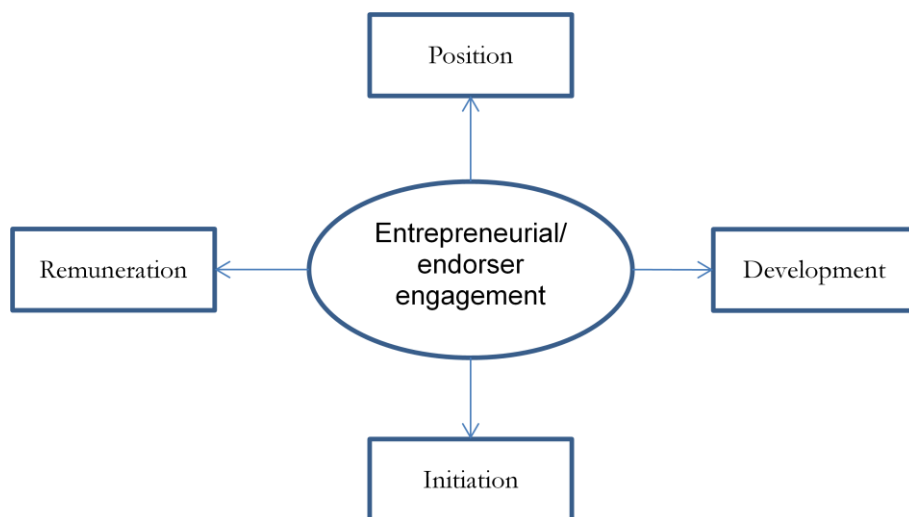
designed a vegan shoe line for the brand Té Casan. Portman *worked closely* with Té Casan designers...she *chose* the materials and colors for the shoes, and the designers brought them to life” (B 2008). These two quotes exemplify how celebrity entrepreneurs are portrayed and the types of things bloggers and other media are interested in mentioning in connection with their venturing.

When a celebrity is credited with development; that is when a celebrity is seen as developing a business, creating products and the like, consumers are provided situational information with which to use while making an attribution or dispositional correction.

Although there are other external factors I am aware of which may enter into the attribution process (e.g. celebrity follows a set script during endorsement, environmental stimuli, coercion, social pressure), they are for the most part constant between celebrity endorsers and celebrity entrepreneurs; as such, they are not expected to have a *differential* impact. There are likely other factors that have a differential impact. Future research should attempt to identify them.

I have shown how remuneration, position, initiation and venture development differ (see Figure 5) between celebrity entrepreneurs and celebrity endorsers. While introducing these concepts, I have also argued for how entrepreneurial engagement may provide consumers with additional situational information that can lead to a beneficial correction (for the company) of the entrepreneur’s personal attribution. Similarly, information about an endorser’s situational engagement may lead to a reduction, or non-beneficial correction (for the company), of their personal attribution.

Figure 5. Factors distinguishing entrepreneurial and endorser engagement



2.9 Emotional involvement

When an (celebrity) endorser is believed to like or use the product being endorsed, consumer attitudes towards the brand and ad improve (Cronley, Kardes et al. 1999; Silvera and Austad 2004). The potential implications this finding has for the source models are important. Like and use appear to tap into an unexplored endorser characteristic that has empirically verified effects on communication. But what do they represent theoretically?

It is my position that like and use along with items I develop throughout my empirical work, including passion and enthusiasm for the product, represent aspects of the latent dimension I refer to as emotional involvement. Similar to trustworthiness, expertise and attractiveness, perceived emotional involvement captures an endorser's disposition that is inferred by consumers. It is theoretically distinct as well. *Perceived emotional involvement measures inferences being made about the endorser's attitude towards the product and attitude towards working with the product.* In this way, perceived emotional involvement provides a measure of an (celebrity) endorser's *motivation* to appear in an advertisement.

I spent some time in this chapter relating trustworthiness and expertise with the source of influence known as internalisation (Kelman 1958; Kelman 1961). It is more likely that consumers will internalize a message from an endorser when they are credible (i.e. trustworthy and/or an expert). Adding to this, *I propose that perceived emotional involvement is also a measure of credibility in the specific endorsement context.* It follows from this assertion that *perceived emotional involvement should also improve the likelihood internalisation occurs and through this the ability to influence receivers of a communication.*

Now I will move to the individual items which comprise emotional involvement and how being perceived as more or less emotionally involved can affect communication effectiveness.

2.9.1 *Like and use*

The items liking and using a product are a measure of a celebrity's attitude towards the product and a good proxy for inferring a celebrity's motivation. Imagine turning on the TV and seeing Britney Spears in an advertisement for Pepsi Cola. Why do you suppose she appeared in that advertisement? I have already explicated some of the external reasons through the concept of engagement (e.g. paid large sums of money).

Interestingly, the fact that Spears was paid to drink Pepsi would also be an external explanation for her appearance with the product. It is perhaps a better explanation for her behaviour than a consumer thinking she liked or used Pepsi. Surprisingly, consumers have a propensity for believing in the purity of celebrity motives. Cronly et al. (1999) found consumers

made correspondent inferences (i.e. they assign cause to the person rather than the situation) when evaluating celebrity endorsed ads despite knowing the celebrity was paid a large endorsement fee (\$6 million). In the example I just presented, believing the motive to endorse for Pepsi was liking or using rather than the money is a clear case of the fundamental attribution error or correspondence bias (Jones and Harris 1967; Ross 1977). However, this can be explained through the categorisation-correction model introduced earlier as being either a problem of lacking the necessary situational information to correct initial dispositional inferences or an unwillingness (Gilbert, Pelham et al. 1988). Nevertheless, the fact that ‘like’ and ‘use’ have already been shown to influence communication (Silvera and Austad 2004) suggests that they are considered by consumers when making attributions.

Like and use represent more than just a measure of a celebrity’s inferred attitude towards a product. They are also a good indicator of a celebrity’s motivation for appearing in a promotional context.

2.9.2 *Passion, enthusiasm, dedication and being thrilled*

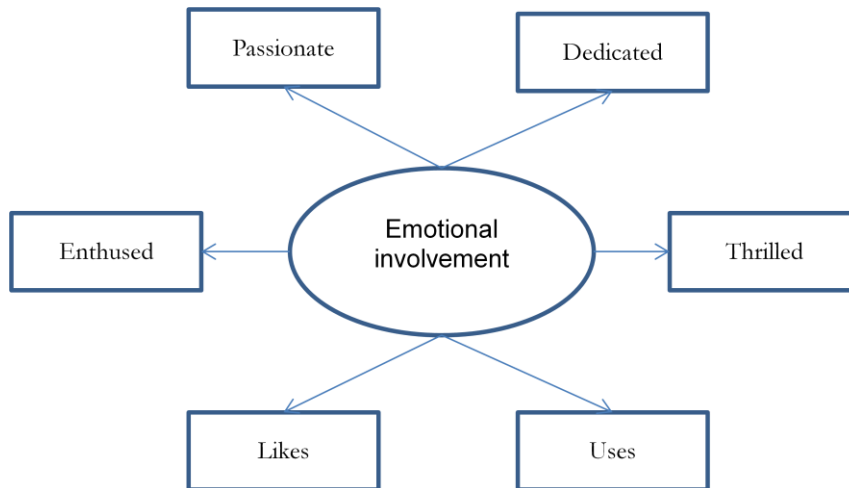
Whereas liking and using for a product represent a celebrity’s attitude towards the product, *passion, enthusiasm, dedication and thrilled*¹¹ represent a celebrity’s attitude towards working with the product. It is conceivable that a celebrity could be very passionate or enthusiastic about a product without actually liking or using the product. An example of this can be found in ‘Starbury’. Starbury is a line of affordable basketball shoes endorsed by Stephon Marbury of the National Basketball Association’s New York Knicks. The interesting thing about this line is that the priciest shoe is only \$ US 15. This is one tenth the price of some other popular brands that run over \$ US 150 (King 2006). Marbury was inspired to create this affordable line of shoes for inner city children who, much like Marbury growing up, could not afford other alternatives (Zirin 2006). Not only does Marbury endorse the product, he also uses the shoes in games. One of his former teammates, Steve Francis, showed support for Marbury’s goals and even wore the shoes in a few games (Anonymous 2007). Like Marbury, Francis appeared very passionate and enthusiastic about the product, but stopped using them in games, assumedly because he did not like them as much as his other shoes.

By including measures such as thrilled, passionate and dedicated to the dimension of emotional involvement (see Figure 6), the celebrity’s inferred attitude towards working with the product is captured along with another aspect of their potential motivation for appearing in advertisements. Together with like and use, they play an important part in measuring a

¹¹ Although I present these items here, they were discovered once I started to think about what they represented theoretically. This began during the third and fourth experiments and then further developed in experiments 5-8.

celebrity's emotional involvement towards the company and provide a good indicator of inferred celebrity motivation.

Figure 6. The latent emotional involvement dimension and corresponding items



2.10 Hypotheses 1-6 development

Now that I have introduced the major theoretical concepts in this thesis, internalisation, identification, the source models, attribution theory, engagement and emotional involvement, I will try to tie them together and develop some testable hypotheses.

2.10.1 *Emotional involvement as a conceptually and empirically distinct dimension*

Earlier in this thesis I argued that the source models were incomplete because they do not account for situational or dispositional information that is relevant for attributing a communicator's intention to endorse a product. To reconcile this, I proposed celebrity engagement (situational cues) affects the traditional source model variables attractiveness, trustworthiness and expertise. It is also assumed to affect the dimension I call emotional involvement.

Emotional involvement is an aspect of communicator credibility. As such, individuals that are perceived to be emotionally involved should influence consumers through the process of

internalisation. That is, *people internalize what the source says because their perceived motivations for telling the truth in the immediate context are genuine*. While it is similar theoretically to trustworthiness, the key difference in operational terms is that emotional involvement captures aspects of intention in the specific endorsement situation whereas trustworthiness seems to capture general feelings of trustworthiness. This however is an empirical issue which needs testing. Therefore, the following hypothesis tests whether emotional involvement is indeed conceptually¹² and empirically distinct from the other source model dimensions:

- *H1: Emotional involvement is a conceptually and empirically distinct characteristic of communicators relative to the traditional characteristics trustworthiness, attractiveness and expertise.*

2.10.2 Celebrity engagement as an antecedent of perceived emotional involvement

Arguably, the more a consumer believes an endorser is emotionally involved with the product they endorse the better. But how then does a celebrity that endorses a product increase the perception consumers have of their emotional involvement? One way was hinted upon in the last section. Silvera and Austad (2004, p. 1522) found their experimental participants “believed that the endorsers liked the product less than most people when the endorser had received a standard fee for appearing in the advertisement...” This finding demonstrates *external* information, such as the remuneration factor discussed above, was used to make inferences about *internal* ones (i.e. like) and corresponds well with the categorisation-correction model proposed by Gilbert et al. (1988).

In the same experiment, Silvera and Austad discovered that attitudes towards the advertisement and product were predicted based on inferences about the endorser’s liking for the product. Put differently, consumers used external cues to help determine if a celebrity liked the product they were endorsing. If the consumer believed the celebrity liked the product, their attitude towards the product and brand improved. This of course has major implications for the coming hypothesis.

When a celebrity is engaged as a traditional endorser, the consumer should perceive them as less emotionally involved as long as the consumer has access to such situational information. That is, they will consider the situation such as being paid for a product and use that as an explanation for the celebrity appearing in an endorsement or as the means to correct initial

¹² Strictly speaking the conceptual nature of emotional involvement is inferred based on a literature review and hypothetically while the empirical distinctiveness is tested using statistical techniques.

dispositional inferences. Without access to the situational engagement, consumers will by default assume the celebrity is a traditional paid endorser.

Similarly, when a celebrity is seen as being highly engaged (such as through the entrepreneurial roles they play) consumers should perceive them as also being more emotionally involved. The greater the perceived celebrity engagement the more likely it is that consumers will believe the celebrity has a positive attitude towards the product and/or a positive attitude about being associated with the product. In general, a celebrity entrepreneur should be seen by consumers as being more engaged with the product they associate than a celebrity endorser.

- *H2: As a celebrity's entrepreneurial engagement increases, perceived emotional involvement will also increase.*

2.10.3 *Celebrity engagement as an antecedent of source credibility and source attractiveness*

Consumers *identify* with celebrity endorsers because they wish to emulate some aspect of the source in order to attain social anchorage (Kelman 1961). In the process, consumers' attitudes and opinions are affected. Using Ohanian's (1990) scale consumers identify with the source because they want to feel attractive, classy, beautiful, elegant and/or sexy. For example, teenage girls identify with Britney Spears because they believe it will help them to look attractive and beautiful. Because of this, Spears is able to influence attitudes towards brands that she endorses.

Celebrity entrepreneurs who are deeply engaged with the product not only possess these influencing characteristics, the nature of their engagement with the product imbues them with a set of 'professional' characteristics which consumers may also identify with. Presumably, this includes positive traits such as being self employed, risk taking, creative, responsible, respectable, and hard-working. For example, rap star P. Diddy started the clothing line Sean John. It is well publicised that he was the driving force behind the venture and as such consumers view him as an entrepreneur. So while he is still able to sell clothes to men that desire social anchorage as classy or attractive men, he is also in a position to influence men that want to look smart or business-like. P. Diddy is only one example of a media discourse that reinforces and transmits values and images ascribed to entrepreneurship (Hang and van Weezel 2005). According to Boyle and Magor (2008) television shows such as *The Apprentice*, *Dragon's Den* and *American Inventor* have glamorised the act of entrepreneurship and led to its positive portrayal in society.

It follows then that by being engaged more closely with the products they endorse, such as through entrepreneurship, celebrities make themselves more attractive (likeable) to consumers. The next hypothesis tests this assertion:

- *H3: As a celebrity's entrepreneurial engagement increases, perceived attractiveness will also increase.*

In 1953 Hovland et al. established the source credibility model and defined expertise as “the extent to which a communicator is perceived to be a source of valid assertions” (Hovland et al. 1953, p. 21). An expert is therefore someone who is likely to know what they are talking about. But how does one go about influencing a consumer's perception of an endorser's expertise? Entrepreneurial engagement should signal to consumers that in the course of working with the product and managing the company the celebrity will have gained competence when talking about the product. Thus, when consumers receive situational information regarding a celebrity's entrepreneurial engagement it is likely that the consumer will use this information to correct initial characterisations of the celebrity's inferred expertise.

- *H4: As a celebrity's entrepreneurial engagement increases, perceived expertise will also increase.*

Earlier I argued that emotional involvement was a dimension made up of dispositional inferences such as liking, using or being passionate about a product. Further, these dispositions were expected to increase as situational cues based on an endorser's engagement increased. In similar fashion, I expect the dispositional trustworthiness of an endorser to be affected by their engagement with the products they associate.

Something that seems to have been missed by the endorsement research community is testing how the perceived situational intentions/motivations behind celebrity endorsements affect trustworthiness. This is surprising since trustworthiness has for many years been seen as a combination of, for example, reliability and *intentions* (Giffin 1967). In defence of previous research, I again point out that carefully measuring intentions was perhaps not the most important question since celebrities were more or less homogenous with respect to their endorsement activities. They have always differed however, in terms of their remuneration and the number of endorsements they involve themselves with. Not surprisingly, these aspects have been shown to influence the effectiveness of endorsers (Miciak and Shanklin 1994; Tripp, Jensen et al. 1994; Charbonneau and Garland 2005).

The engagement by an endorser with the product they associate should inform the consumer as to their motivations/intentions. On the one hand, low engagement takes the form of simple endorsement where the celebrity is regarded as appearing in promotional activities in exchange

for a fee. Arguably, low engagement will also lower trustworthiness in an endorsement. On the other, high engagement as I have defined it, should provide plausible intentions as to why an endorser would choose to appear in a promotion and in turn increase their dispositional trustworthiness. Thus, I expect entrepreneurial engagement will increase the likelihood of one making a more positive dispositional inference about trustworthiness:

- *H5: As a celebrity's entrepreneurial engagement increases, perceived trustworthiness will also increase.*

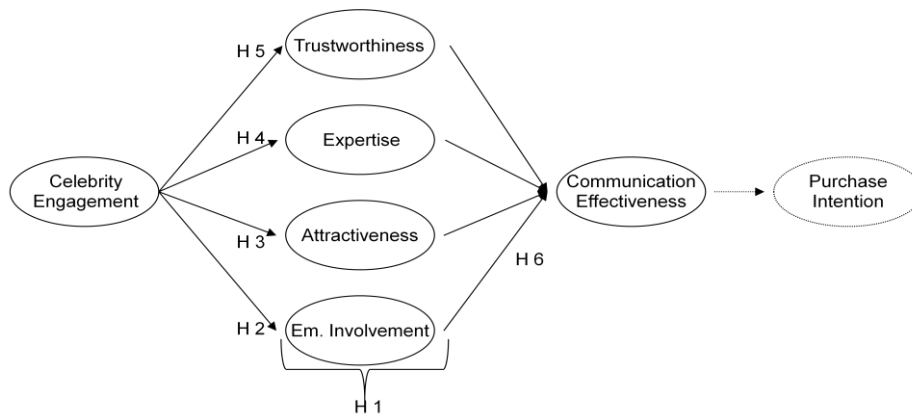
2.10.4 *Emotional involvement as a predictor of communication effectiveness*

Showing emotional involvement to be conceptually different from the traditional source model variables becomes more interesting if it can also be shown to improve the predictive power of the existing source models. Underlying emotional involvement is the concept of credibility. Credible sources are better able to induce internalisation from their communication than non-credible sources. As such, it is to be expected that being perceived as more emotionally involved will facilitate communication effectiveness. Hypothesis 6 tests this assumption.

- *H6: Greater perceived emotional involvement will lead to higher communication effectiveness.*

In Figure 7, a conceptual model illustrating the relationships between H1-H6 is presented. This model includes Purchase Intention, however, this relationship is not analysed in the main body of this thesis. For those interested, a short analysis and discussion on the relationship between communication effectiveness and purchase intention is included in Appendix 1 (see page 190).

Figure 7. Conceptual model containing hypotheses 1-6



2.11 Negative celebrity information and hypotheses 7-10

Even very mundane information concerning the lives of celebrities is newsworthy (Boorstin 1961; Andrews and Jackson 2001; Gabler 2004; Pringle 2004) and researchers have known for some time that negative is more attention grabbing than positive information (Fiske 1980). Even worse, negative information about a product or person is remembered longer and evaluated more harshly than positive information (cf. Wojciszke, Brycz et al. 1993; Kensinger and Corkin 2003).

It is surprising then that “the two-edged sword of positive and negative information about a celebrity endorser has been explored mostly from the positive side, which has a well-established literature” (Money, Shimp et al. 2006, p. 113). Up to this point, the theories introduced and the hypotheses generated to test them in this thesis borrowed heavily from the ‘positive’ focused endorsement literature. Now that the attention is shifted to exploring the consequences of negative information, supplements if not replacements to theory are in order as are fresh hypotheses.

What happens to that same source of influence when the celebrity’s image changes as a result of negative information? What are the consequences for the companies they are endorsing? Are differences to be expected between celebrity endorsers and celebrity entrepreneurs? To help answer these questions, insights from past research on negative celebrity information are presented. Following this, Balance Theory is used to generate hypotheses concerning the consequences of negative information on companies working with celebrity endorsers and celebrity entrepreneurs.

2.11.1 *Review and implications of past research on negative celebrity information*

In retrospect it is easy to say whether information revealed to the public about a celebrity was negative or positive; conversely, doing so beforehand is an important yet much more difficult task. To that end, several studies have tried to categorise the types of negative celebrity information to distinguish their effects on brand attitudes and purchase intention. For example Louie, Kulik and Jacobson (2001) found that the effect negative information will have on a company is partly dependent on how personally responsible their spokesperson was. To establish this they looked at a firm's stock performance and saw that it was influenced differently depending on whether the celebrity is blameworthy or blameless. They concluded that the more culpable a celebrity was, the more likely the firm experienced losses in stock market value (Louie and Obermiller 2002). Similarly, Money et al. (2006) found that when negative information was 'self-oriented' (i.e. only effected the celebrity) versus 'other-oriented' (i.e. effected family and friends) and no negative information (i.e. control), participants were significantly more likely to indicate a positive purchase intention.

If low blameworthy and self-oriented negative information do not negatively affect stock prices or attitudes towards a company's brand are they truly negative? In the sense intended in this thesis they are not. Yet, the aforementioned studies are instructive in that they provide empirically verified cases of negative celebrity information that have truly negative consequences. Thus, when negative celebrity information is referred to in this thesis, only 'strong blameworthy' and 'other-oriented' types of negative celebrity information are intended¹³.

With this intended meaning of negative celebrity information, few but determined researchers have tried to find how it affects consumers' evaluation of brands endorsed by celebrities during or after advertising campaigns. For example, Till and Shimp (1998) found that while negative celebrity information does have a detrimental effect on the brand, it only occurs when the association set of the brand and celebrity is small. In other words, when the company *or* celebrity endorsing the company had large association sets, the brand was not affected by negative information. Their explanation was insightful:

Feelings toward a celebrity and/or meanings in the celebrity are expected to transfer to the endorsed brand through their recurring association. The repeated exposure to two stimuli results in simultaneous activation of memory

¹³ Consistent with literature researching negative celebrity information, the term blameworthy is used in this thesis. However, conceptual distinctions have been made between blame, causality and responsibility in e.g. Shaver, K. and D. Drown (1986). "On causality, responsibility, and self-blame: A theoretical note." Journal of Personality and Social Psychology 50(4): 697-702.

nodes representing those stimuli, building an associative link between the two nodes. After an associative link has been forged between an advertised brand and its celebrity endorser, subsequent negative information about the endorser may result in a lower evaluation of the celebrity, which in turn may reflect back to the endorsed brand through the associative link established between the two entities (Till and Shimp 1998, p. 68).

Stem (1994) has a slightly different take on these matters. She argues that the consumer is able to differentiate between the endorser's credibility and that of the corporation. This may explain why celebrity endorsers are most effective at changing attitudes toward the ad, while corporate credibility is most responsible for attitudes toward the brand (Goldsmith, Lafferty et al. 2000). Regardless of which explanation one believes the implications for celebrity endorser versus celebrity entrepreneur-led companies are interesting. The association set of the celebrity is arguable more similar to the endorsed company when the celebrity is also the entrepreneur behind the company. If this is true, then distinguishing between the company and entrepreneur may be more difficult for consumers than distinguishing between celebrity endorsers and the companies that hire them. In such a case, it can be expected that the negative information about the celebrity will also transfer to or reflect on the company.

One of the more compelling explanations for why a consumer's attitude towards a brand may change when negative information is revealed about a celebrity comes from Klebba and Unger (1982). They found that negative information lowered a celebrity's source credibility (specifically their trustworthiness and likeability but not expertise and power). This is at least indirect evidence that negative information may affect attitudes towards the brand and advertisement by lowering the source credibility of an endorser.

In summary, past applied research on negative celebrity information can help to distinguish between types of negative information and provides some explanations as to why a consumer's attitude towards a company might change when negative celebrity information is revealed (i.e. differences in association set sizes or reduction in source credibility). Further, it is apparent at least under certain empirical conditions that negative celebrity information can damage a company's brand. Yet despite the high quality of work done on the small pool of studies regarding negative celebrity information, there is still room to improve theory on which they are based. Next, I will try to do this by introducing Balance Theory and supplementing it with the aforementioned theoretical frameworks.

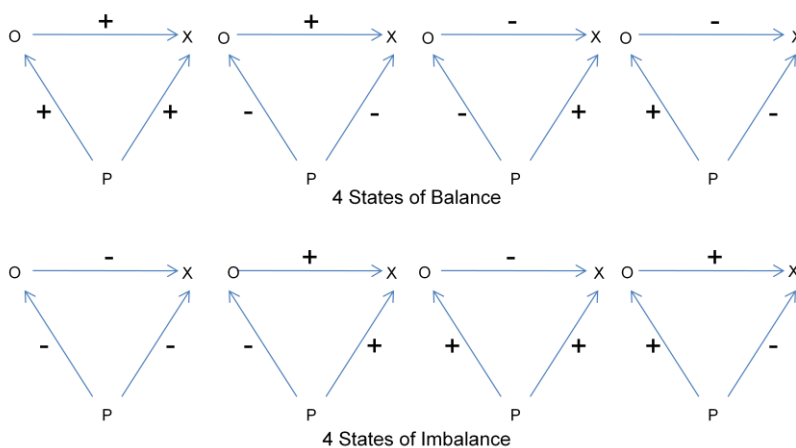
2.11.2 Balance theory

There is an old saying that one should never talk religion or politics at parties. There is also sound psychological reasoning behind this wise saying. When two people do not share similar beliefs, attitudes or feelings about something, tensions can build (Hummon and Doreian 2003). On a cognitive level, individuals seek balance in their relations with other people and objects. If these relations become unbalanced by, say, knowledge that the person they just met at a party is a card carrying member of a Neo-Nazi organisation they are pressured towards restoring balance. Either they can start liking the same organisation or stop liking the person they met at the party. The alternative, as explained shortly, is a state cognitive discomfort.

Heider (1946) is credited with developing the first theory on cognitive consistency; commonly known as Balance Theory (Cartwright and Harary 1956; Simon, Snow et al. 2004). “The fundamental assumption of Balance Theory is that an unbalanced state produces tension and generates forces to restore balance” (Zajonc 1960, p. 283). In Heider’s theory of balance, attitudes toward people and objects and their relation to one another within one person’s cognitive structure organise themselves in meaningful and sensible ways.

The best way to understand Heider’s cognitively (un)balanced states is to depict them visually. Figure 8 shows eight different cognitive scenarios of a ‘person’ (P) in relation to an ‘other person’ (O) and some ‘object’ (X). The lines with a plus (+) sign represent a positive relationship between the person or object while the lines with a minus (-) sign represent a negative one.

Figure 8. Heider’s states of cognitive balance and imbalance



Heider’s Balance Theory makes a distinction between two types of relationships. The first one deals with attitudes and liking or evaluating. P’s relationship with O is positive when P for

example approves of, likes, loves, and respects or values O. This relationship is negative when P disapproves of, does not value or dislikes X. The second type concerns cognitive unit formation, or the relational similarity, possession, causality, proximity or belonging of P to X. When P is close to, owns, or is associated with X the relationship is positive. When P does not own, is not close to, or is not associated with X there is a negative relation. A balanced state exists between two entities when the relationship is positive (or negative) in each of these respects (Cartwright and Harary 1956).

“In the case of three entities, a balanced state exists if all three relations are positive in all respects, or if two are negative and one positive” (Heider 1946, p. 110). When all nodes in the cognitive structures are positive (top left state in Figure 8), that is, when the person is positive towards the object and other person, who is also positive towards the object, a state of balance exists. However, when all conditions are negative or one is negative and two are positive a state of unbalance occurs.

Most of the empirical studies testing Balance Theory assumptions were conducted in the 1950s and '60s. A number of them supported the hypothesis that the POX triad tends towards a balanced state (see e.g. Horowitz, Lyons et al. 1951; Jordan 1953). Nevertheless, by the 1960s Balance Theory had fallen out of favour with psychologists and work in the field came to a ‘virtual standstill’ (Hummon and Doreian 2003; Simon, Snow et al. 2004). This work was supplemented or even replaced by a number of consistency related theoretical developments such as congruity (Osgood and Tannenbaum 1955), symmetry (Newcomb 1953) and cognitive dissonance theories (Aronson 1997).

Cartwright and Harary (1956) summarised some of the main shortcomings which led to improvements in or even supplantation of Balance Theory. The first problem was that it does not consider situations where relationships between dyads are asymmetric. Certainly, in some conditions P can like O while at the same time O dislikes P. Second, much of the early work contained situations where only three entities were considered. Naturally, psychologists were interested in expanding this to richer empirical contexts. Thirdly, Heider’s Balance Theory was conceived to handle cognitive fields rather than social systems. In short, Balance Theory suffered from its inability to represent rich and complex phenomena (Simon, Snow et al. 2004). Nevertheless, the original ideas of Heider are still being discussed and attempts to improve their application continue (Simon, Snow et al. 2004; Kulakowski 2007).

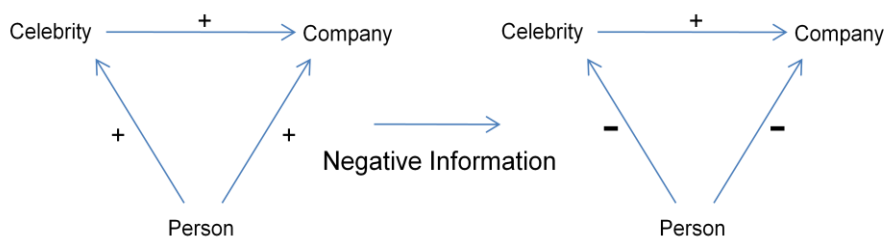
While acknowledging these shortcomings, there is still reason to admire the simplicity and power of Heider’s hypothesis. At least in a negative celebrity information context, Heider’s Balance Theory may still be relevant. The POX triad can be contextualised to very closely represent a situation where negative celebrity information is revealed to a consumer during or after a promotions campaign. The P represents a typical consumer while the O represents a

celebrity and the X represents the company. In this context then, Balance Theory provides a theoretical account of what may happen to the cognitive structure of a consumer in the event of negative celebrity information.

2.11.3 Hypotheses 7-10 development

When negative information is revealed about a celebrity who is in the midst of endorsing a company, how will this revelation affect a consumer? On a cognitive level, such a scenario may create an unbalanced state that causes discomfort in a consumer. For example (see Figure 9), suppose that a person (P) likes a celebrity (O) who is endorsing company (X). In addition, P also likes X. Recently P learned of some disturbing news about O. O has been charged with and convicted of child molestation. Upon learning this, P decides she does not like O any longer. At this point, a state of cognitive imbalance exists because O still likes X, but P does not feel comfortable liking the same things X does. To reduce discomfort and restore balance, according to Balance Theory, P would either need to dislike X or O would have to dislike X. Since there is little reason for O to stop liking X, then the only way for P to restore balance is to stop liking X.

Figure 9. State of balance between person, celebrity and company before and after negative information is revealed



Based on the relationship described in Figure 9, the first hypothesis concerning negative information is submitted:

- *H7: Negative information revealed to a consumer about a celebrity, during or after an endorsement, will have a negative effect on attitudes towards the brand.*

A limitation of Balance Theory as conceptualised by Heider is that it does not account for degrees of differences in the nodes (Heider 1946; Simon, Snow et al. 2004). Either the relationship between a person and the other person or product is positive, or it is not. This

shortcoming makes it difficult then to predict differences between a consumer's attitude towards the brand of a company endorsed by a celebrity entrepreneur or celebrity endorser.

To overcome this, Balance Theory can be supplemented by Till and Shimp's (1998) idea of association set sizes. As discussed earlier, due to engagement the associations between a celebrity endorser and the company they endorse are expected to be smaller than the associations between a celebrity entrepreneur and the company they endorse, own and run. So while it is expected that negative celebrity information about the celebrity will damage the company's brand in either case, this damage is expected to be worse when the company is endorsed by a celebrity entrepreneur. The next hypothesis will test this assumption:

- *H8: The effect of negative information on attitudes towards the brand will be more negative under the celebrity entrepreneur than the celebrity endorser condition.*

Neither Hypothesis 7 nor 8 take into consideration the reaction by a company when negative information is revealed about the celebrity who endorses them. When this happens, companies sometimes distance themselves from the transgressing celebrity, often very publicly, while other companies choose to stand by them. Events surrounding basketball star Kobe Bryant provide an excellent example where both situations occurred. In 2003 Bryant was accused of raping a 19-year-old woman. Soon after the allegations spread, McDonalds terminated their endorsement agreement with Bryant while Nike chose to maintain their relationship (Duncan 2003).

The theories presented in this thesis make similar predictions about the fate of a company that chooses to support or fire a misbehaving celebrity. The source credibility view suggests that the celebrity's trustworthiness and attractiveness drop when negative information surfaces. If a company decides to support a celebrity in this case, at least indirectly, their brand will suffer (Klebba and Unger 1982). Firing the celebrity should prevent damage to the brand because consumers are usually able to distinguish between the celebrity's credibility and that of the company's (Stem 1994; Goldsmith, Lafferty et al. 2000).

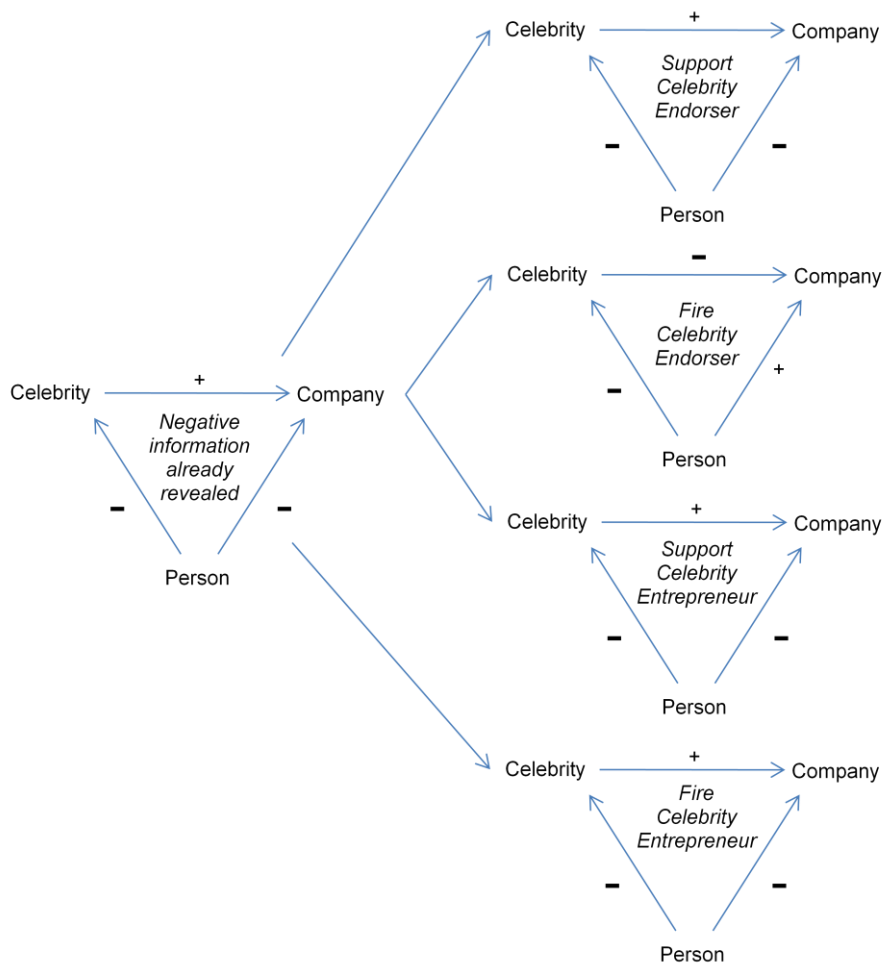
From a Balance Theory Perspective, a consumer's attitude towards a company's brand will depend on the relationship between the celebrity and company. Let us return to the scenario depicted in Figure 9. Initially there was a balanced relationship between the consumer, celebrity and company. Further, each node in this cognitive relationship was positive (i.e. person liked celebrity, person liked company, and celebrity liked company). After negative information was revealed to the consumer, the balance was disturbed and the only way of restoring it was for the person to stop liking the company; unless of course the relationship between the celebrity and company were to change. McDonalds firing Kobe Bryant, it is assumed, changed the

relationship between the two, whereas Nike's support, strengthened the already positive relationship.

The reaction of a company after negative celebrity information is revealed and how it affects cognitive balance is depicted in Figure 10. When a celebrity is supported by a company after negative information, the positive relationship between the two remains positive. As a result, the person maintains balance by disliking both the celebrity and the company. When a celebrity is fired by a company, their relationship changes from positive to negative. In order to restore balance, the person would then, according to Balance Theory, like the company but not the celebrity. In aggregate then, it is expected that companies who support celebrities after negative information will experience more negative attitudes towards their brand than companies who fire the celebrity.

- *H9: The effect of negative information on attitude towards the brand will be more strongly negative when a company supports the celebrity rather than fires them.*

Figure 10. State of balance after negative information is revealed, followed by state of balance after company's reaction to negative information



Notice that in Figure 10 the cognitive balance which results for a person after a company supports a celebrity endorser or celebrity entrepreneur is the same. In both cases it is expected that the person to company relationship remains negative. However, when a company fires a celebrity endorser, the resulting cognitive balance is expected to be different from when a celebrity entrepreneur is fired. In this scenario, even when a company fires a celebrity entrepreneur, the consumer (or person) will still form a negative relationship with the company. The reason for this is that as an owner of a company¹⁴, a celebrity entrepreneur cannot be fired without their consent. Presumably then, even after being fired from the company, they will still maintain a positive relationship with their company. Thus, the obvious prediction to be made is that, at least in aggregate, firing a celebrity entrepreneur will be less effective than firing a

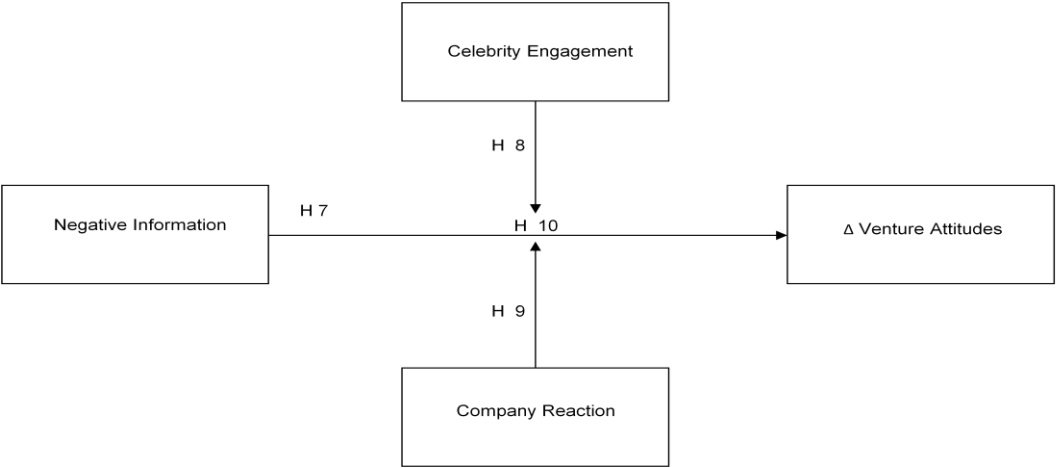
¹⁴ This argument is also related to the different engagement of celebrity endorser and celebrity entrepreneur.

celebrity endorser in terms of maintaining positive attitudes towards the brand. Here then is the final hypothesis:

- *H10: Firing a celebrity endorser when negative information is revealed will benefit a company more, in terms of minimising the unwanted consequences on attitudes towards the brand, than firing a celebrity entrepreneur when negative information is revealed.*

Hypotheses 7-10 are represented in Figure 11. For the reasons mentioned in this chapter, negative celebrity information is expected to have a negative impact on changes in attitudes towards the brand (H7). In addition, these attitudes are expected to be relatively more negative when the company is endorsed by a celebrity entrepreneur due to increased engagement (H8). When a company reacts to negative celebrity information, firing rather than supporting the celebrity will prevent attitudes towards the brand from becoming more negative (H9). However, when a celebrity entrepreneur is involved, neither firing the celebrity nor supporting them will help as attitudes towards the brand will become worse regardless of company reaction (H10).

Figure 11. Hypothesised relationship between negative information and change in venture attitudes depending on celebrity engagement and company reaction and their interaction



Each hypothesis in this section was developed with the research questions in mind. Table 2 describes the relationship between each research question and their accompanying hypotheses.

Table 2. Relation between research questions and hypotheses

Research Question	Related Hypotheses
RQ 1: Does celebrity engagement affect communication effectiveness and if so, how?	<p>H2: As a celebrity’s entrepreneurial engagement increases, perceived emotional involvement will also increase.</p> <p>H3: As a celebrity’s entrepreneurial engagement increases, perceived attractiveness will also increase.</p> <p>H4: As a celebrity’s entrepreneurial engagement increases, perceived expertise will also increase.</p> <p>H5: As a celebrity’s entrepreneurial engagement increases, perceived trustworthiness will also increase.</p>
RQ 2: To what extent does perceived emotional involvement represent a conceptually and empirically distinct communicator characteristic relative to source trustworthiness, expertise and attractiveness?	H1: Emotional involvement is a conceptually and empirically distinct characteristic of communicators relative to the traditional characteristics trustworthiness, attractiveness and expertise.
RQ 3: Does perceived emotional involvement affect communication effectiveness and if so, can perceptions of it be managed?	H6: Greater perceived emotional involvement will lead to higher communication effectiveness.
RQ 4: Do the (assumed) positive effects of engagement turn negative when negative info about the celebrity surfaces and if so, is a company able to reduce these effects?	<p>H7: Negative information revealed to a consumer about a celebrity, during or after an endorsement, will have a negative effect on attitudes towards the brand.</p> <p>H8: The effect of negative information on attitudes towards the brand will be more negative under the celebrity entrepreneur than the celebrity endorser condition .</p> <p>H9: The effect of negative information on attitude towards the brand will be more strongly negative when a company supports the celebrity rather than fires them.</p> <p>H10: Firing a celebrity endorser when negative information is revealed will benefit a company more, in terms of minimising the unwanted consequences on attitudes towards the brand, than firing a celebrity entrepreneur when negative information is revealed.</p>

3 Design and methodology

This thesis investigates the consequences of increased celebrity engagement on communication effectiveness. In Chapter 1 this purpose was operationalised by developing four research questions (see Figure 1 and Figure 2).

In Chapter 2, a framework was introduced to give theoretical insights and to presage the relationships within and between each research question (see Table 1). The result of this was a set of testable hypotheses and a conceptual basis with which to explain them. In this chapter the choices dealing with how I went about designing, operationalising and testing each hypothesis over the course of eight experiments are described and merited.

3.1 Choice of laboratory experiments

Overall there are many different research designs, however most of them can be classified into one of three types: exploratory, descriptive or causal (Churchill 1999; Hair, Bush et al. 2006). When scientists want to know what X causes Y, as is the case in this study, causal designs are employed. Causal designs usually take one of two forms: experimental or observational (Levin 1999), each having its own advantages and disadvantages (Solso and Johnson 1989).

The hypotheses are designed to test causal relationships that lend themselves well to experimental design, for example, ‘As a celebrity’s entrepreneurial engagement increases, perceived trustworthiness will also increase’ and ‘The effect of negative information on attitudes towards the brand will be more negative under the celebrity entrepreneur than the celebrity endorser condition’. Laboratory experiments are an effective way to find answers to these types of questions (Kantowitz, Roediger III et al. 2005), because a carefully designed laboratory experiment enables one to establish causality with great certainty (Shaughnessy, Zechmeister et al. 2006). Because each of the eight empirical studies manipulated a group of conditions (e.g. celebrity engagement) the suitable choice was a factorial experiment (Montgomery 2001). Observational techniques were also used, especially during the pilot studies and whilst listening to participants work through experimental manipulations in Experiment 8, though the reason for this was to gather qualitative insights about the experimental manipulations rather than to quantify cause and effect.

Even within an experimental design there are several choices to be made. Research conducted in a laboratory is often noted for high internal validity, whereas field or quasi experiments are generally better at establishing external validity, albeit at the expense of internal

validity (Cook and Campbell 1979; Shadish, Cook et al. 2002). While researchers strive for high internal and external validity, a trade-off between the two is often necessary. When the aim of a researcher is to generalise results to other field settings, field experiments are suggested. However, if control, or lack thereof, is a concern, laboratory experiments are more appropriate to test causal relationships (Hair, Bush et al. 2006).

The specific hypotheses generated in the theoretical framework (see Figure 7 and Figure 11) require strong control over the treatment groups in order to establish causal relationships between the independent and dependent variables. Randomised experiments are the best available choice for meeting that requirement (Zikmund 2003) and thus are used throughout this study as the means for ensuring a controlled environment with which to examine relationships and collect data. That said, there are a number of design considerations that need to be examined before proceeding. These include choices that build on one another such as whether to use a between or within group design, ensuring necessary conditions are met to infer causation and establishing validity. The next section discusses these choices.

3.2 Experimental method design considerations

3.2.1 *Choice of between group design*

An important consideration when planning an experiment is whether to have a between or within group design. One advantage of having a within group design is that the same subjects are exposed to each experimental condition. This ensures control over all subject variables. Also, the number of participants needed is reduced because the amount of data collected from each participant increases (Levin 1999). Despite these advantages it is necessary to use a between group design in the study's eight experiments.

The reason for this is to avoid any carry over effects and demand characteristics that may occur. Conducting an experiment where participants view an advertisement and are given information that the celebrity is involved in running the company and then turning around and giving information that they are not would create an unacceptable level of dissonance. It may also tip the participants off to the true nature of the experiment. This can be avoided with a between group design and control for subject variables can be accomplished through randomisation.

3.2.2 *Inferring causation in experiments*

All experiments involve at least a treatment, an outcome measure, units of assignment, and some comparison from which change can be inferred and hopefully attributed to the treatment (Cook and Campbell 1979, p. 5).

To increase the likelihood that causation can be attributed to the treatment, three important conditions should be met: *covariation, time-order relationship and elimination of plausible alternative causes*. In satisfying these conditions the internal validity of an experiment is said to be high (Shaughnessy, Zechmeister et al. 2006). Below, the research strategy pertaining to these conditions is discussed.

Covariation, also referred to as concomitant variation (Churchill 1999) and functional relationship (Hair, Bush et al. 2006), occurs when the treatment variables (IVs) vary together with the measurement variables (DVs) in a manner predicted by the hypothesis (Churchill 1999). If in an experiment it is revealed that the trustworthiness (DV) of a celebrity increases when information is given that they are engaged as an entrepreneur (IV) and decreases when they are not, we can say that there is covariation. However it is not possible to conclude that the covariation is exclusively due to the treatment—at least not before a time-order relationship is established and all plausible alternative causes are eliminated.

Elimination of plausible alternative causes. Although a covariate relationship may exist on the surface, undetected extraneous variables might contaminate this relationship (Hair, Bush et al. 2006). Unless the sources of extraneous contamination can be controlled, the results and conclusions from this experiment would be invalid. The main techniques used in this experiment to root out noise are randomisation and holding conditions constant.

Randomisation. Experiments control for extraneous sources of influence through the use of randomisation (Brown and Melamed 1990). In theory, randomisation of ‘treated’ individuals or larger social groups (Cook and Campbell 1979) converts all irrelevant sources of possible systematic variability into unsystematic variability (random error) (Brown and Melamed 1990; Papineau 1994). Thus, the reliability in inferring causation is dependent in part on randomisation in random experiments (Boruch 1997).

The experiments performed depended heavily on randomised groups, since not all factors can be controlled. For example, the treatment used in Experiment 3 uses a well known celebrity (Cameron Diaz) endorsing a fictitious company that sells surfing equipment and apparel. The problem is that the participants have varying degrees of knowledge, likes, dislikes, etc. pertaining to Cameron Diaz. Without randomly assigning participants to groups the situation can more easily arise where one group is loaded with ‘celebrity worshipers’ (Maltby, Day et al. 2004) in

which case they may be more motivated to participate in the experiment, while another group is filled with cynics that have already formed negative opinions. If such a situation were allowed to occur, it could be argued that the dependent variable measures are attributable to group differences rather than the treatment. Randomly assigning participants to experimental groups serves to balance or average out the characteristics of participants in the experiment (Shaughnessy, Zechmeister et al. 2006) so that we can be relatively confident that covariation results from the treatment and not from extraneous contamination.

Holding conditions constant. Although assigning participants to groups at random balances out characteristic differences between the groups, it is necessary to ensure that the independent variable is the only variable allowed to differ systematically across groups (Shaughnessy, Zechmeister et al. 2006). Each experiment in this study holds constant all conditions except for the treatment variables when possible.

Providing the same treatment conditions includes ensuring that room temperature, lighting, time of day, and even the clothing the proctor is wearing are the same for each group. In practice however control to such an extent is rarely possible in the social sciences. Having said that, removing as many sources of variance was attempted; especially when the source of variance was expected to bias results.

Time-order relationship. “The time order of occurrence of variables suggests that *X* must precede *Y* in time if it is to be considered the cause of *Y*” (Churchill 1999, p. 140). The *X*s or independent variables in the experiments are the experimental manipulation which assuredly precedes the *Y*s or dependent variables that are measured afterwards. The *Y*s (DVs) are, for example, trustworthiness and expertise, and the attitude towards the advertisement. By manipulating the information given to participant groups before the questionnaire is distributed, the *X*s do indeed precede the *Y*s.

It is suggested that time order can be improved by “establishing experimental treatment and control groups that do not differ in terms of influencing the dependent variable before manipulation takes place” (Hair, Bush et al. 2006, p. 281). In other words, prior to implementing the actual experimental manipulation, it is important that all groups have received the same treatment.

This last point is rather important and of relevant concern given the *post-test only control group* used in all but experiments six and seven. In a post-test only control group you have no pre-test to measure attitudes beforehand. An example may look like this:

(EG): [R] $X \rightarrow O_1$ ¹⁵

(CG): [R] O_2

¹⁵ EG=experiment group, CG=control group, R=randomised, O=observation and X=treatment.

With such a design however, it may be impossible to know whether the treatment causes the variance and not historical effects. For that reason a ‘pre-test–post-test control group’ is sometimes used where a pre-test measure of attitudes can be checked beforehand as follows:

(EG): [R] $O_1 \rightarrow X \rightarrow O_2$

(CG): [R] $O_3 \rightarrow O_4$

In this type of design, it is possible to control for history effects (Campbell and Stanley 1966) that occurred before the experiment began. For instance some people may have seen the chosen advertisement beforehand, or knew better than others the precise nature of the celebrity’s engagement with the endorsed product; both of which could limit the internal validity of the experiment.

A ‘pre-test–post-test control group’ design may control for historical effects, but it also introduces a potentially more serious effect; that of testing. Participants exposed to a pre-test may become sensitised to the treatment variables, thus making the measurements taken on the second test or observation unreliable (Ross and Smith 1965; Campbell and Stanley 1966). The experiments in this study employ the former over the latter because the risk of sensitising participants to the treatment variables is greater than the risk that historical effects will threaten validity in a post-test only control design; as long as randomisation is totally assured, the historical effects and any extraneous contamination should be controlled (Hair, Bush et al. 2006).

3.3 External validity: A case for theoretical generalisation

It was mentioned in the introduction to this chapter that a trade-off is sometimes necessary between high internal validity and high external validity. In fact some authors go as far as to suggest when the goal of an experiment is to test specific hypotheses derived from theory, external validity is irrelevant (Mook 1983). While laboratory experiments are sometimes criticised for a lack of external validity; it is often a reflection of a misunderstanding in the types of generalisations made (Calder, Phillips et al. 1981; Lynch 1982). The research objective in this thesis is *theoretical generalisability*, and not statistical generalisability or inference to a specific, real world population.

With theoretical generalisability, one asks whether something *can* happen, rather than if something typically *does* happen (Mook 1983). At the moment it is not clear if, for example,

engagement *can* have an effect on communication effectiveness. It makes little sense therefore to try and establish when, where and under what conditions engagement has an effect on communications before knowing if the effect even does occur.

In this thesis establishing whether or not celebrity engagement *can* influence communication effectiveness is more important than finding out exactly when, where and under what conditions it will have an effect. Therefore, creating optimal conditions for establishing theoretical generalisability took priority over statistical generalisability.

Establishing theoretical generalisability requires several additional procedures to those already discussed under internal validity. The first suggested procedure is somewhat counterintuitive. Homogenous subgroups, rather than heterogeneous groups are preferred; in heterogeneous groups error variance is increased and the ability to detect significant relationships decline. Increased variability raises the chance of making a type II error when in fact a theoretical relationship existed (Calder, Phillips et al. 1981). For this reason, using, for example, student participants is actually preferable to a random sample, for they would undoubtedly represent a more homogenous sub-sample (Lynch 1999). A second, more subjective means is for the author to develop a deep understanding of the determinants of the behaviour in question (Lynch 1982).

The argument forwarded here is not meant to suggest that external validity is unimportant, nor is it advocating the importance of theoretical generalisation over statistical generalisation. Rather, for the specific purpose of this thesis certain tradeoffs need to be made. Either one tries to establish external validity in terms of theoretical generalisability or statistical generalisability. Attempting to do both, at least within each experiment, would only serve to lower theoretical and statistical generalisability.

Finally, it may be that the threat to external validity forwarded here is overly pedantic and exaggerated. A study conducted by Anderson, Lindsay and Bushman (1999) found that correspondence between conceptually similar independent and dependent variables in laboratory and field setting was considerable. So much so that they concluded:

...the psychological laboratory is doing quite well in terms of external validity; it has been discovering truth, not triviality. Otherwise, correspondence between field and lab effects would be close to zero (p. 8).

Whether this is true or not, there are still a number of options available to improve the external validity of experiments. The approach taken in this thesis is discussed next.

3.4 Increasing external validity and generalisability

Although theoretical generalisability and internal validity took priority *within* each experiment, some steps were taken to strengthen statistical generalisability and external validity *across* the eight experiments. This was done by varying the sample population across experiments, altering the celebrity, product and celebrity product combinations (see Table 3 for a summary of variation across experiments). For example, Swedish students were used in experiments 1-4 and 6-7, Baltic students in Experiment 5, and Swedish retirees in Experiment 8. By having these different sample populations, I was able to increase the potential generalisability of findings across demographic and cultural boundaries.

Altering the celebrity used in experiments helps to rule out the effect idiosyncratic differences between celebrities (e.g. source of celebrity status, prior knowledge of celebrity) may have on the findings (McCracken 1989). This will help to establish that the effects found in each experiment are due to the manipulations. In addition, the findings can then be extrapolated and generalised to other celebrities, including those who may not be well known to specific audiences. In experiments 1 and 2 singer Britney Spears appeared followed by actress Cameron Diaz in experiments 3-5. World Champion competitive eater Takeru Kobayashi made his debut in experiments 6-7 and Swedish long distance skiing Olympian Gunde Svan was portrayed in Experiment 8.

The reason for using different products across experiments was mainly to ensure the necessary product/celebrity/audience fit (Kamins and Gupta 1994; Till and Busler 1998). A second reason to alter product condition is related to the elaboration likelihood model introduced in the theoretical framework (Petty, Cacioppo et al. 1983; Petty and Wegener 1998). Depending on the importance of the product in a purchase situation¹⁶, consumers are believed to process information about the product differently (i.e. using central or peripheral routes). Across experiments, perfume, surfing and snowboarding equipment, fast food and vitamin supplements were used to try and vary the importance of the buying situation. Assuming at this point that the *effect* of varying buying situation remains stable across experiments, the generalisability of the experimental manipulation of engagement will improve (i.e. engagement will have a significant effect on the dependent variables regardless of product type).

¹⁶ It should be noted that the expected elaboration likelihood is high in all experiments. The reason being that all participants were explicitly asked to pay close attention to the advertisement and experimental manipulation. However, even within experiments the possibility exists that some participants enter into high elaboration while others enter into low elaboration.

In short, theoretical generalisability is more of a concern within experiments, however a number of steps were taken, including varying the population sample, product and celebrity, in order to improve the statistical generalisability across eight experiments.

Table 3. Summary of variation across experiments

Experiment	RQs covered	Hypotheses tested	Subjects	Celebrity	Celebrity's fame	Product
1	--	--	Swedish students	Britney Spears	Hi	Perfume
2	--	--	Swedish students	Britney Spears	Hi	Perfume
3	1-3	1-6	Swedish students	Cameron Diaz	Hi	Surf equipment
4	1-3	1-6	Swedish students	Cameron Diaz	Hi	Skiing equipment
5	1-3	1-6	Baltic students	Cameron Diaz	Hi	Skiing equipment
6	1-4	1-10	Swedish students	Takeru Kobayashi	Low	Hot dogs and fast food
7	1-4	1-10	Swedish students	Takeru Kobayashi	Low	Hot dogs and fast food
8	1-3	1-6	Swedish retirees	Gunde Svan	Hi	Herbal supplements

3.5 Description of experiments 1 and 2

In the first two experiments I was interested in understanding the effect of celebrity entrepreneurial or celebrity endorser engagement on communication effectiveness (i.e. attitudes towards the ad and attitudes towards the brand). However, the research questions and hypotheses developed for these experiments were different from the ones I described in chapters 1 and 2. Part of my interest was in establishing which aspects of celebrity engagement were the most important predictors of communication effectiveness. I wanted to find answers to questions such as:

Is it more important to be seen as the owner of a company that you endorse than having managerial and operational responsibility in the company when appearing in an endorsement?

Can a celebrity be seen as having managerial responsibilities in a company while at the same time have no ownership and still be as effective as an endorser as a celebrity who is seen as an owner who has no managerial or operational responsibility?

Investigating these issues required an experiment that allowed me to manipulate the level *and* type of celebrity engagement and to vary these conditions on three levels: high, low and control (no information). In effect, this necessitated a more complex operationalisation of engagement. Rather than *only* comparing entrepreneurial engagement with endorser engagement (as is the case in experiments 3-8), I wanted to compare *high levels* of engagement with *low levels* of engagement *and high types* of engagement with *low types* of engagement. Table 4 contains a description of each variable and accompanying levels used in experiments 1 and 2.

Table 4. Experimental manipulation of celebrity engagement in experiments 1 and 2

Experimental manipulation (Independent variables)
High level of engagement= celebrity is involved with operations (e.g. employee, board member, planning, designing, etc.)
Low level of engagement= celebrity does not have operational involvement (i.e. contracted employee), but they are endorsers
High type of engagement= celebrity is an owner of the company
Low type of engagement= celebrity is paid on contract basis
No treatment= no information is given on the level(type) of involvement

The drawback to adding conditions in a between-group experiment, is that the number of separate groups needed to control for each experimental variation rapidly increases. In fact, a total of 9 groups are needed to explore a 3x3, between subjects, with post-test only + control group factorial design. A description of the design and groups needed to carry out this experiment can be seen in Table 5. Using the recommended minimum sample size of 20 subjects per group (Hair, Black et al. 2006) the minimum number of subjects needed to properly run this experiment was 190.

Table 5. Randomised experimental groups and treatment for the Britney Spears' experiments

Group	Random-ised	Treatment of independent variables (type of eng.—level of eng.)	Observation/Measurement
EG 1	Yes	X ₁ (high level eng.—high type eng.)	O ₁
EG 2	Yes	X ₂ (high level eng.—low type eng.)	O ₂
EG 3	Yes	X ₃ (high level eng.—no treatment)	O ₃
EG 4	Yes	X ₄ (low level eng.—high type eng.)	O ₄
EG 5	Yes	X ₅ (low level eng.—low type eng.)	O ₅
EG 6	Yes	X ₆ (low level eng.—no treatment)	O ₆
EG 7	Yes	X ₇ (no treatment—high type eng.)	O ₇
EG 8	Yes	X ₈ (no treatment—low type eng.)	O ₈
CG 9	Yes	X ₉ (no treatment—no treatment)	O ₉

In retrospect, the first two experiments can be looked at largely as failures. Little to no support was found for the hypotheses generated and shortcomings in the experimental design limited even the reliability and validity of these findings. The primary failures in these experiments can be attributed to the small sample size, selection of celebrity, and the experimental manipulation. I will now outline these causes of failure and discuss how they were avoided in subsequent experiments.

3.5.1 *Experimental manipulation*

Student participants were shown the same 30 second commercial for a new perfume (Curious) endorsed by Britney Spears. In this commercial, Britney Spears did not speak or make any claims towards the product, however it was implicit that she was behind the product. Accompanying this thirty-second commercial, information was given to participants on company background and Britney Spears' type and level of engagement in the company.

The experimental manipulation failed to achieve the desired results for several reasons. Participants were asked questions in the experiment such as “In relation to this commercial do you believe Spears is trustworthy?” However, because Spears only appeared in the commercial and did not make any product claims, these questions did not make sense to participants. In post-experiment interviews, participants indicated many of the questions made little sense due to a lack of any claims made by Spears. Consequently the measurements were unreliable and could not be used for further analysis. A second problem that became apparent in post-interviews was the product chosen. The product used in the experiment was a perfume named

Curious, by Britney Spears. Unfortunately, several of the participants had already purchased the perfume and knew (or assumed) it was made by Elizabeth Arden and Spears was *only* a paid endorser. This resulted in a lack of credibility for the experimental manipulation.

What was learned from these mistakes? First and foremost, it was important for future experiments to use fictitious companies to eliminate the risk someone had already seen advertisements or purchased products from the company. Second, made-up celebrity claims were included with each subsequent experiment manipulation to ensure participants would have something to make judgments about.

3.5.2 *Choice of celebrity*

Britney Spears is one of the most renowned celebrities of our generation. As of Thursday, January 24, 2008, Spears was the most searched musician online (at least for English speakers) and the seventh most searched person in the world according to the Yahoo! Buzz Index¹⁷. In 2002, Spears was ranked the most powerful celebrity in the world; a compiled measurement based on the money she earned through entertainment, the number of web mentions, amount of times she appeared on the cover of 16 major consumer magazines, and the amount of TV/radio mentions (Cadorette 2002).

In spite of Spears' immense fame, she was a poorly chosen celebrity for my experiments. Participants were in general very sceptical of her engagement with the endorsed products. In post-experiment interviews, participants were highly sceptical that Spears would ever engage herself as an entrepreneur. Evidence for this could be seen in the descriptive statistics where some of the lowest mean scores were found where Britney Spears was portrayed as an entrepreneur. Related to this last problem was the fact that participants had already formed very strong attitudes towards Spears. The experimental manipulation, it seemed, had little chance of changing these opinions. It was apparent from looking at the manipulation checks that they had little to no impact on participants. In other words, attitudes by the participants varied greatly within experimental groups and even more so than across experimental treatments.

This was a costly yet crucial learning outcome for future experiments. In particular, it was necessary to pre-test the celebrity chosen for each experiment to ensure that participants could a) envision them as entrepreneurs and b) their attitudes towards the celebrity were not unshakeable.

¹⁷ The Yahoo! Buzz Index tracks the most searched subjects on Yahoo! for any given day. A subject's buzz score is the percentage of users searching for that subject on a given day, multiplied by a constant to make the number easier to read.

3.5.3 *Inadequate sample size*

If the experimental manipulation and choice of celebrity had not already doomed these carefully planned experiments, then an inadequate sample did. A convenience sample of 88 and 59 undergraduate student volunteers from a first year marketing and second year accounting course at Jönköping University were randomly assigned to one of nine separate experimental groups. The sample size per group was between nine and ten persons in the first experiment and *between only three and five in the second experiment*. Thus even based on very liberal sample size assumptions needed to perform multivariate analytical techniques, the group sizes were inadequate.

The problem of sample size stems from the choices made earlier. In Chapter 2 I discussed the preference for establishing tight controls during experiments. One strategy for achieving that goal was to minimise variation in experimental conditions. To do this, I wanted to ensure that, at least within experiments, all conditions remained exactly the same except for the experimental manipulation. Consequently, the experiments I ran were conducted, with some exceptions mentioned later, in the same room and at the same time. This choice prevented me from adding participants at a later point in time to the sample. Unfortunately, in these first two experiments, the classrooms I had access to were too small to properly gather the necessary data with which to analyse a 3x3 full factorial design.

To overcome this problem in future experiments, the design was simplified (i.e. requiring fewer groups and smaller sample sizes). These experiments are discussed next.

3.6 Description of experiments 3-5

In experiments one and two a full factorial design necessitating 9 separate groups was employed. The manipulated variable was celebrity engagement and was broken down into the type of involvement (high-low-control) and level of involvement (high-low-control). One challenge of this design (i.e. 9 groups) is the need for a large sample. The per group sample size needed is dependent on the homogeneity of participant characteristics and the intended analysis. For controlled experiments, Roscoe (1975) suggests 10 to 20 participants per group is appropriate to ensure reliability and validity. Even with this liberal suggestion, the requirement proved problematic because most of the student samples accessed were too few in total subjects to accommodate a 9 group design.

To overcome this limitation, a simpler design was employed for experiments 3 through 5. Rather than trying to establish what specific aspect of celebrity engagement would have an effect on the dependent variables, I decided to see if celebrity engagement would in fact have an effect at all on communication effectiveness. This allowed me to ignore the differences between type

and level of engagement and combine them into one concept requiring only three levels of manipulation. These experiments address the first three research questions directly and are tested with hypotheses 1-6 (see Table 6).

Table 6. Research questions and hypotheses addressed in experiments 3-5

Research question	Related hypotheses
RQ 1: Does celebrity engagement affect communication effectiveness and if so, how?	H 2: As a celebrity's entrepreneurial engagement increases, perceived emotional involvement will also increase. H 3: As a celebrity's entrepreneurial engagement increases, perceived attractiveness will also increase. H 4: As a celebrity's entrepreneurial engagement increases, perceived expertise will also increase. H 5: As a celebrity's entrepreneurial engagement increases, perceived trustworthiness will also increase.
RQ 2: To what extent does perceived emotional involvement represent a conceptually and empirically distinct communicator characteristic relative to source trustworthiness, expertise and attractiveness?	H 1: Emotional involvement is a conceptually and empirically distinct characteristic of communicators relative to the traditional characteristics trustworthiness, attractiveness and expertise.
RQ 3: Does perceived emotional involvement affect communication effectiveness and if so, can perceptions of it be managed?	H 6: Greater perceived emotional involvement will lead to higher communication effectiveness.

3.6.1 Research Design experiments 3, 4 and 5

To test the research questions listed above, the specific design selected was a randomised experiment using a 1x3, between subjects, with post-test only design. For a description of the design see Table 7. To test hypotheses H1-H6 Swedish (Baltic) University students were given a package that contained the experiment's manipulation, an advertisement promoting a fictitious new company, Guppygear, by celebrity Cameron Diaz and a questionnaire. The complete master version of this experiment package can be found in Appendix 2 (see page 196).

Table 7. Randomised experimental groups and treatment for experiments 3-5

Group	Randomised	Treatment of IVs (Celebrity engagement)	Observation/ Measurement
EG 1	Yes	X ₁ (celebrity entrepreneur)	O ₁
EG 2	Yes	X ₂ (celebrity endorser)	O ₂
CG 3	Yes	X ₃ (no treatment)	O ₃

3.6.2 *Participants and setting*

Experiments three and four were conducted on 77 and 88 first semester, Swedish university students at the Jönköping University School of Education and Communication in November of 2005. The participants were all part of the same course, however due to the size, the course was split into two groups. The experiments were run during the first lecture of a methods course given to all first year students in the university's School of Education. The fifth experiment took place at the Stockholm School of Economics in Riga. In total there were 113 first semester participants from an introductory (required) business course in entrepreneurship. A more detailed sample descriptive is given in the next chapter.

The choice to use students stems mainly from their relatively low cost in terms of the time required to consolidate a large group and in terms of money spent to enlist their participation. Other reasons include their cooperative nature and their willingness and ability to follow instructions well (Hampton 1979). While there are numerous advantages in using students, the appropriateness of using them is a source of debate. At the centre of this debate is whether or not students are 'real people', or more precisely whether or not their response patterns match those of the average consumer (Cunningham, Anderson et al. 1974). If response patterns do not match then external validity, or generalisations one can make when using students as a proxy for consumers is questionable (Hampton 1979). In fact, Shuptrine (1975), in an effort to discourage the use of students as real people, found that students could be used as surrogates for housewives in most cases, but in a minority of the cases their response patterns differ. The inconclusive findings led Shuptrine (1975, p. 390) to suggest "...using students as models in consumer behavior should be discouraged unless there are compelling reasons for assuming validity of the results". Whereas Cunningham et al. (1974, p. 409) found compelling enough evidence to state "...the four dimensions tested strongly supports the general conclusion that student response patterns do not accurately reflect those of other consumers". This may be due to the fact that students as surrogates may not have knowledge of, interest in, or experience with the product class because they are not actually consumers of the product class (Ferber 1977).

Rather than attempting to argue away this obvious threat to external validity, it is easier to just work around the problem. Selecting a product class that is targeted at students and consumed by them should eliminate the 'student as surrogate' problem (Ferber 1977; Lynch 1982). Since the aim of this experiment is to detect the relationship between variables of theoretical significance and not necessarily to generalise results, students are appropriate (Sternthal, Dholakia et al. 1978).

Participation was voluntary. Instructions were given to leave the questionnaire blank should anyone choose not to participate. In all experiments, there was 100% participation. In addition

to this, all questionnaires were correctly filled in and used in the subsequent analyses. An important decision needed to be made concerning the timing of the experiment. Should it be conducted at the beginning, end or in between the lecture? The experiment was purposely held 15 minutes after the start of their lecture. Conducting an experiment at the end of a lecture proved ill advised in the first experiment. In that experiment, those that finished early were restless and some even left early. This distracted participants that were still working and caused social pressure to 'hurry up and finish'. As a result, there was a higher rate of missing data that increased towards the end of the experiment. Starting the experiment at the very beginning of class was dismissed for two reasons. The first deals with students coming in late. It was assumed that this would distract other participants. The second reason was more important. Verbal instructions were given prior to handing out the experiment package. These verbal instructions also served as the ruse. Thus, the decision to hold the experiments after 15 minutes meant no late-comers and since the experiment ended 20 minutes later, there was no pressure to leave. As a result of this decision, no students entered or left the lecture hall during the experiment.

3.6.3 *Cover story*

The experiment began with an oral cover story, or the ruse that I administered. Participants were told that a new company was being established which sold, depending on whether it was experiment three, four or five, surfing or snowboarding equipment. I then asked if anyone had heard of Cameron Diaz and mentioned that the advertisement in the experiment package contained images of her. It is important to note that I did not say what her role was with the company or in the advertisements. The reason for mentioning her name was to establish an association between the company and Diaz. I should also point out that I was careful to call the experiment package a questionnaire. This was to avoid unnecessary suspicion. Next, participants were told the Guppygear company was interested in launching their product lines in Europe and North America and that we were asked to assist them with market research. Specifically, the goal of the research was to establish whether or not Guppygear had chosen an appropriate positioning strategy. Additionally, participants were told that I was asked to conduct this research by university representatives because this was my thesis topic and specialty. I tried to position this research as a win-win for the Guppygear company (they get market research) and for my thesis (I get access to valuable data). It was hoped that the cover story would throw participants off of the true purpose of the experiment and avoid demand characteristics (Cook 1970). The second reason for this cover story was to build credibility for the experiment. Specifically, it was important that the Guppygear company was seen as real and that Cameron Diaz was somehow involved.

3.6.4 *Materials and procedure*

Participants were randomly assigned to one of three experimental groups. Initially, a random number generation program was used to sort the experiment packages. Given the random number generation process, I ended up with considerably more of experiment package one than package two or three. This method was then simplified to ensure similar group sizes by shuffling the three experiment packages into a large pile and then handing the experiments out randomly.

Participants in each group were given an eight page experiment package printed on black and white A4 paper written in Swedish. Each package contained: 1) instructions, 2) demographic questions, 3) one of three experimental manipulations (including cover story), 4) a celebrity advertisement, and 5) a questionnaire¹⁸. Effort was made to ensure that each experiment package was identical in every way except for the (single paragraph) manipulation. The experimental package was originally written in English and translated to Swedish¹⁹. To improve content validity and ensure the translation was accurate, a separate translator did a back-translation to English²⁰ (Beaton, Bombardier et al. 2000). The original English and back-translated English versions were then compared for discrepancies.

3.6.5 *Instructions*

On the cover page simple information and instructions were given regarding the experiment. This information was also repeated by me verbally. Participants were asked to answer all questions in the survey and were provided with one example of a question (unrelated to the experiment) and how it could be answered. After each section in the experiment, a reminder was given in bold type to see that all questions were answered. Participants were also reminded not to return to a section once they turned the page. This piece of information was given specifically so participants did not return to the main questions after reading the manipulation check questions.

3.6.6 *Manipulation*

The idea was to convey in as subtle a fashion as possible the engagement Cameron Diaz had with the Guppygear company. To do this, participants were randomly assigned to one of three experimental groups. The experimental manipulation consisted of a one paragraph piece of information. The name of the products and company varied across these experiments. Group one participants in experiment four received the following information (originally in Swedish):

¹⁸ This experiment package can be found in Appendix 2.

¹⁹ Credit goes to Malin Edvardsson and Per Davidsson for the initial translation.

²⁰ Thanks go to my colleague Olof Brunninge for the back translation.

Guppygear is a newly founded company by celebrity and now entrepreneur Cameron Diaz. In addition to appearing in TV, Radio, and printed advertisements, Diaz runs the company and designs the snowboards, equipment and clothes. As a co-owner of Guppygear, Diaz risks losing her investment if the company is not successful, but if the company is a success, Diaz's shares will be very valuable.

The group one manipulation was intended to represent Cameron Diaz as an entrepreneurially engaged endorser. The second group of participants received the following information that depicted Diaz engaged as a typical endorser:

Guppygear is a newly founded company that has enlisted the help of Cameron Diaz to endorse their new line of snowboards, equipment and clothes. Her responsibilities are limited to appearing in TV, Radio, and printed ads. As compensation, Diaz receives a sizeable yet undisclosed payment.

Group three acted as the control group, and was given no information as to Diaz's entrepreneurial or endorser connection with Guppygear. The stimulus presented to these three groups formed the basis for the independent variable engagement which differed on three levels as celebrity entrepreneur or celebrity endorser or the control.

Directly following the experimental manipulation, a cover story was presented to all groups claiming the purpose of the experiment was to establish the effectiveness of Guppygear's positioning strategy. Finally, a printed link to their homepage was given along with the expected North American and European launch dates.

3.6.7 Celebrity advertisement

In the third and fourth experiment, participants were given a black and white advertisement for a new company called 'Guppygear snowstuff'. To help ensure that the advertisement appeared realistic, a graphic designer was hired to create the advertisement. The fictitious advertisement pictured Cameron Diaz, wearing a winter jacket, back-dropped by a professional snowboarder in mid-flight²¹. On the opposite side of Diaz are small pictures of the 'Guppygear snowstuff' equipment; including a snowboard, glove, boot, and jacket. At the top of the advertisement the words 'Boards—Boardies—Outfits' appears. In the middle of the ad, the logo for 'Guppygear snowstuff' is shown, and finally a quote that is supposed to be inferred as coming from Diaz is at the bottom: "Whether I am snowboarding or hanging with my friends, Guppygear is the perfect combination of style, comfort and quality". This caption was then translated into

²¹ In the actual experiment, the celebrity's face was not blocked out.

Swedish and appeared directly to the right of the advertisement. This was intentionally done to ensure understanding and to maintain the credibility of the advertisement. In Sweden, advertisements for American companies are often left in the original English.

The third experiment was nearly identical to the fourth and fifth except for the advertisement used and the name of the company. In this experiment, Cameron Diaz was used, only this time she was pictured in fictitious ads for the ‘Guppygear surfstuff’ company. In addition to this, two ads instead of one were shown side by side. This was done to increase the plausibility of the cover story; which was to evaluate the positioning strategy of Guppygear and also to raise the believability of the advertisements. The caption in the first ad has Diaz holding a surfboard and reads the same as in the ‘Guppygear snowstuff’ ad. The second ad, where a ‘cartoon’ version of Diaz is riding a pipeline, has a slightly different caption “When I hit the beach, I look for my Guppygear Surfstuff. It is the perfect blend of style, comfort and quality”. Once again to the right of the advertisements was a Swedish translation. The advertisements in both experiments were the same for all participants.

3.6.8 *Choice of Celebrity and Product*

One explanation for the lack of results in experiments one and two was the decision to use Britney Spears as the celebrity entrepreneur/endorser. At the time, Britney Spears was arguably the most famous celebrity in the world within the participant demographic. Along with her fame and notoriety came dislike for who she was and what she stood for. Although her admirers and detractors had their reasons, Britney Spears always seemed to polarise public opinion. In post experiment interviews, all of the people I spoke with had *strong and most often negative opinions about Britney Spears*. Going into the experiment I realised many university aged students had negative attitudes towards Spears, but this was not the problem. The main problem was just how firmly established these attitudes were. As a result, my subtle one paragraph manipulation could do little to alter such well established attitudes.

To avoid this from happening again, I began to build some criteria with which to select my next celebrity. First, the celebrity needed to be famous (i.e. all university aged students I spoke with needed to have heard of her and know why she is famous²²), second, the celebrity needed to appeal to the audience, third there needed to be a fit between celebrity and audience and fourth, the celebrity needed to evoke either positive or negative attitudes (but not both); however prior attitudes should not be extremely strong. The ideal celebrity would then be

²² This requirement was dropped for experiments 6 and 7 in order to further the generalisation of engagement and emotional involvement effects to situations where the celebrity is not previously well known to a population.

someone who is well known and could appeal to university students and above all someone that evokes homogenous attitudes that were neutral in nature.

Using these criteria I interviewed current students and a 'blue ribbon' panel of younger colleagues. I asked them to think about a celebrity that is famous, appeals to college students, and is viewed neither too positively nor too negatively. To this last point, I stressed that it did not matter if the celebrity was viewed as positive or negative, only that attitudes towards the celebrity were fairly homogenous. Several names were suggested including Jennifer Lopez, Madonna, Robyn, Justin Timberlake, and Cameron Diaz. Out of all the names suggested, it was agreed that Cameron Diaz fit the criteria best.

Several additional considerations were made. Matching the product class used in this experiment with university subjects who consume the product class is paramount to ensuring a theoretically relevant sample (Friedman, Termine et al. 1976). In addition to product/student match considerations, finding a celebrity that is known by university students is desirable (Friedman, Termine et al. 1976). In the context of this study this is a desirable condition so the effects of celebrity engagement on a 'true celebrity' (i.e. someone the students know) can be separated from the effects that might otherwise have occurred when using a non-celebrity.

3.6.9 Measures

The questionnaire consisted of three parts. Part one covered control questions. Part two of the questionnaire contained independent and dependent variables, part three contained a manipulation check.

3.6.9.1 Controls

Each participant was asked to indicate their gender, age, native tongue, and whether or not they had heard of Cameron Diaz previously. These questions were asked before the experimental manipulation was given and before any other questions were administered as all of them had the potential of confounding the effects between the IVs and DVs. Thus, it was necessary to remove their effects through control. Finally, the last question in this section was a screening question that asked if participants had seen the advertisement previously.

3.6.9.2 Independent variables generated by group stimuli

Recall that the independent variables which correspond to the experimental manipulation are:

- Group 1: Celebrity engaged as an entrepreneur
- Group 2: Celebrity engaged as an endorser
- Group 3: The lack of information concerning engagement

As mentioned in Section 3.6.6 Group 1 received the following one paragraph manipulation:

*Guppygear is a **newly founded** company by **celebrity** and now **entrepreneur** Cameron Diaz. In addition to **appearing** in TV, Radio, and printed **advertisements**, Diaz **runs** the company and designs the snowboards, equipment and clothes. As a **co-owner** of Guppygear, Diaz **risks** losing her investment if the company is not successful, but if the company is a success, Diaz's shares will be very valuable.*

By breaking this paragraph down into its basic components, we see that a celebrity entrepreneur in this experiment was operationalised as: 1. founder; 2. owner; 3. risk taker; 4. manager; and 5. one that appears in the advertisements. The first four items are attributes students normally associate with entrepreneurs (Bengtsson and Peterson 2008) and relate closely to Gartner's (1990) themes of entrepreneurs as organisation creators and owner managers. The fifth component was included to draw attention to the contrast between typical endorser activities and those of Diaz the celebrity entrepreneur. Cameron Diaz was referred to as a celebrity and entrepreneur to re-enforce that what was to follow was a description of celebrity entrepreneurs.

The Group 2 manipulation also took paragraph form:

*Guppygear is a newly founded company that has **retained** the help of Cameron Diaz to **endorse** their new line of snowboards, equipment and clothes. Her **responsibilities are limited to appearing in TV, Radio, and printed ads**. As **compensation**, Diaz receives a **sizeable yet undisclosed payment**.*

In operational terms, 'celebrity endorser' comprised three important concepts: 1. retained; 2. limited to appearing in advertisements; and 3. sizable fixed payment. The operational objective of this manipulation was to portray Diaz as a typical endorser.

In the third group, no specific information was given about Cameron Diaz's involvement with the Guppygear company. It was assumed that by leaving this information out, participants would, by default, assume Cameron Diaz was a paid endorser. This assumption is analysed later.

3.6.9.3 Independent and dependent variables

Whenever possible, existing measures were used to operationalise the independent and dependent variables. However, in some cases, they were adopted to suit the current study. By using existing questions and scales the likelihood of potential error due to the survey instrument decreases (Fink 2005) while expected reliability increases (Burns and Bush 2000). Burns and

Bush (2000) suggest reliability estimates of .70 and higher can be expected when using previously refined measures.

The source model variables trustworthiness, expertise and attractiveness were used as independent and dependent variables and operationalised using Ohanian's validated (1990) scale (refer back to Figure 3) and 7-point semantic differential scale measurements. Each source model variable is a latent factor measured using scale items as indicators.

To measure *trustworthiness*, participants were asked "in relation to this advertisement Cameron Diaz is:" followed by 5 different measures for trustworthiness (undependable-dependable; dishonest-honest; unreliable-reliable; insincere-sincere; untrustworthy-trustworthy). Internal reliability for all three experiments was strong ($\alpha=.914$, $\alpha=.929$ and $\alpha=.790$). *Expertise* was measured by asking participants "In relation to these products Cameron Diaz is:" followed by measures for expertise (not an expert-expert; inexperienced-experienced; unknowledgable-knowledgable; unqualified-qualified; unskilled-skilled. Internal reliability again was strong ($\alpha=.914$, $\alpha=.911$ and $\alpha=.889$). *Attractiveness* was measured by asking: "Would you say that Cameron Diaz is:" again followed by 5 measurements (unattractive-attractive; not classy-classy; ugly-beautiful; plain-elegant; not interesting-interesting). Here too, internal reliability was good ($\alpha=.814$, $\alpha=.840$ and $\alpha=.819$).

Emotional involvement measure used in experiments 3 and 4. Starting in experiments 3 and 4 questions designed by Silvera and Austad (2004) were included with an initial intention of measuring correspondence bias. Participants were asked the following questions on a 7-point Likert scale (Strongly disagree—Strongly agree):

- Cameron Diaz really likes Guppygear products
- Cameron Diaz often uses Guppygear products
- Cameron Diaz believes using Guppygear products is good

To increase reliability, one additional question was added to measure a slightly different aspect of the correspondence bias. This item, 'enthusiasm' towards the product, was believed to improve the ability to measure correspondence bias and subsequently included by asking the following question (using the same response scales as above):

- Cameron Diaz is enthusiastic about Guppygear products

In addition to these four questions, one question, originally intended as a manipulation check question, was included as part of the emotional involvement scale (using the same response scale as above):

- I believe that Cameron Diaz's engagement in Guppygear is more than an endorsement

The discovery of emotional involvement as a conceptually and empirically distinct measure alongside the source model variables was partly accidental. The crude measures which comprised the emotional involvement measure, in particular the last item, are a reflection of this accidental discovery. Nevertheless, the reliability of these items were good; $\alpha=.89$ and $\alpha=.86$ in experiments 3 and 4 respectively. Starting with Experiment 5, questions were developed with the specific intention of capturing emotional involvement with the goal of arriving at a scale similar to Ohanian's (1990) measures of the traditional source model variables.

Emotional involvement measure used in Experiment 5. The most important question asked in experiments 3 and 4 was arguably the one which measured Cameron Diaz's enthusiasm. The fact that enthusiasm was related to like and use suggested that what was being measured was more than just her attitude towards the product. Conceptually, enthusiasm appeared to represent Diaz's attitude towards working with the product. Consequently, in addition to capturing Diaz's attitude towards the product, questions were added which measured her attitude towards working with the product and toward the company. The following questions were included in Experiment 5 and asked using a 7-point Likert scale—end points were strongly disagree-strongly agree:

- Cameron Diaz is enthusiastic about Guppygear products
- Cameron Diaz uses Guppygear products often
- Cameron Diaz is loyal to the Guppygear company
- *Cameron Diaz believes it is good to use Guppygear products*
- *Cameron Diaz is dedicated to the Guppygear company*
- *Cameron Diaz is thrilled about Guppygear products*
- *Cameron Diaz is passionate about Guppygear products*
- *Cameron Diaz likes Guppygear products*

Of these eight questions the last five (italicised) were combined and used to measure emotional involvement. Even though the reliability did not improve from the previous two experiments, $\alpha=.87$, emotional involvement was conceptually a stronger dimension to work with.

Attitude towards the ad (AAAd) was operationalised using MacKenzie, Lutz, and Belch's (1986) scale by asking participants "what is your overall reaction to the advertisement for Guppygear?", followed by 3 measurements on a 7-point semantic differential scale (unfavourable-favourable; bored-interested; bad-good). In addition to this, one further question was posed to measure AAAd: "In general, how effective is the ad for Guppygear?" followed with one measure on a 7-point semantic differential scale (extremely ineffective-extremely effective). Internal reliability for the three experiments was $\alpha=.875$, $\alpha=.894$ and $\alpha=.888$.

Attitude towards the brand (ABr) was operationalised using the MacKenzie et al. (1986) scale by asking participants "What is your overall feeling about using Guppygear products?", followed by 3 measurements on a 7-point semantic differential scale (unfavourable-favourable; bad-good; foolish-wise). In addition to this, one further question was posed to measure ABr: "Overall how appealing to you is Guppygear?" followed with one measure on a 7-point semantic differential scale (extremely low appeal-extremely high appeal). Internal reliability ($\alpha=.882$, $\alpha=.894$ and $\alpha=.836$).

Purchase intention (PI) was measured with one single item ad-hoc measure: "Indicate the likelihood that you would buy a 'Guppygear' product for yourself in the coming year." This was accompanied with the question on a 7-point Likert scale 'definitely will not-definitely will'. It is important to point out that purchase intention is rarely reported if at all used as a dependent variable in similar celebrity endorsement research. "Contrary to what may seem to be obvious, purchase intention is rarely the direct object of advertising communication strategy" (Percy and Rossiter 1992, p. 263). One explanation for this is that purchase intention for high involvement goods is one of the last steps in many consumer buying behaviour models and depends upon first establishing brand awareness and attitudes. A supplemental analysis of the effects on PI is included in Appendix 1 (see page 190).

Manipulation Checks. The questionnaire ended with two manipulation check questions. "I believe that Cameron Diaz's engagement in Guppygear is more than simple endorsement" and "Cameron Diaz's engagement in the Guppygear company is only in an endorser capacity" served two purposes. First, in experiments three and four, responses to these questions provided the inferred level of Cameron Diaz's involvement in Guppygear which could then be used as an additional dependent variable. Second, responses to these questions served as manipulation checks. They gave me an indication of the extent to which the manipulation was communicated and remembered and also the degree to which the overall story was believed. A summary of the measures used in experiments 3-5 and their reliability are included in Table 8.

Table 8. Scale reliability in experiments 3-5 for IVs and DVs

Scale origin	Scale	Scale type	Variable type	Chronbach alpha experiment
MacKenzie, Lutz, and Belch (1986)	Attitude towards the AD	Semantic differential	DV	.875, .894, .888
MacKenzie, Lutz, and Belch (1986)	Attitude towards the brand	Semantic differential	DV	.882, .894, .836
Ad hoc (single item) measure	Purchase intention	7-point Likert	DV	n/a
Ohanian (1990)	Trustworthiness	Semantic differential	IV/DV	.914, .929, .790
Ohanian (1990)	Expertise	Semantic differential	IV/DV	.914, .911, .889
Ohanian (1990)	Attractiveness	Semantic differential	IV/DV	.814, .840, .819
Own validated measure	Emotional involvement	7-point Likert	IV/DV	.89, .86, .87
Own measure (group 1 manipulation)	Engaged as celebrity entrepreneur	Categorical	IV	n/a
Own measure (group 2 manipulation)	Engaged as celebrity endorser	Categorical	IV	n/a

3.6.10 *Notable differences in Experiments 3, 4 and 5*

Experiment 5 was an exact replication of Experiment 3 with several notable differences including the cover story, administrator, language and country. Briefly I will discuss the reasons for each of these differences.

The manipulation checks in experiments 3 and 4 indicated not all participants processed the experimental treatment. The treatments were subtle and relied on the participants' careful reading of the material they were given. In the fifth experiment, an additional oral manipulation was given before the experiment was handed to the participants to reinforce the treatment. However, in order to do this, it was necessary that only one group at a time was present. The cover story was slightly altered as well. An external speaker came to the classroom claiming to work for a Latvian marketing firm that was helping launch Guppygear in the Baltic countries

and needed to collect market information. The speaker was instructed to subtly divulge information concerning Cameron Diaz's engagement with Guppygear while explaining her own reasons for conducting the 'survey'.

The fifth experiment was conducted in Latvia at the Stockholm School of Economics in Riga (SSER). The student population of SSER consists of Latvian, Lithuanian, Estonian and Ethnic Russians. The language of the experiment was English as that is the common language spoken by these students. Since English is a nuanced language, teaching assistants from SSER were recruited to translate potentially difficult words into Latvian, Lithuanian, Estonian and Russian. This translation was provided to the students for reference while completing the questionnaire.

3.7 Description of experiments 6 and 7

Experiments 3 through 5 were designed to investigate the positive effects celebrity entrepreneurs bring to a new venture. In particular, these experiments looked at the effect celebrity engagement had on attitudes towards the brand and attitudes towards the advertisement. Though only the positive effects celebrity entrepreneurs bring to new ventures was of concern, there is reason to believe companies face different challenges when negative information is revealed about a celebrity entrepreneur than when it is revealed about a celebrity endorser. In particular, the added engagement celebrity entrepreneurs bring may make it difficult for them to disassociate from the new venture when negative information surfaces.

Experiments 6 and 7 introduce negative information as a stimulus to all participants followed by a between group stimulus of the company's response to this negative information. Before the negative information is revealed, these experiments replicate experiments 3 through 5. The observations collected are then used as a pre-test and compared with the post-test negative information observations.

The remainder of this section outlines the treatments and variables used in experiments 5 and 6. But first the research questions addressed in these experiments with accompanying hypotheses can be found in Table 9. RQs 1-3 are covered in the first half of experiments 6 and 7 while RQ 4 and hypotheses 7-10 are addressed for the first time in the second half.

Table 9. Research questions and hypotheses related to experiments 6 and 7

Research question	Related hypotheses
RQ 1: Does celebrity engagement affect communication effectiveness and if so, how?	H2: As a celebrity's entrepreneurial engagement increases, perceived emotional involvement will also increase. H3: As a celebrity's entrepreneurial engagement increases, perceived attractiveness will also increase. H4: As a celebrity's entrepreneurial engagement increases, perceived expertise will also increase. H5: As a celebrity's entrepreneurial engagement increases, perceived trustworthiness will also increase.
RQ 2: To what extent does perceived emotional involvement represent a conceptually and empirically distinct communicator characteristic relative to source trustworthiness, expertise and attractiveness?	H1: Emotional involvement is a conceptually and empirically distinct characteristic of communicators relative to the traditional characteristics trustworthiness, attractiveness and expertise.
RQ 3: Does perceived emotional involvement affect communication effectiveness and if so, can perceptions of it be managed?	H6: Greater perceived emotional involvement will lead to higher communication effectiveness.
RQ 4: Do the (assumed) positive effects of engagement turn negative when negative info about the celebrity surfaces and if so, is a company able to reduce these effects?	H7: Negative information revealed to a consumer about a celebrity, during or after an endorsement, will have a negative effect on attitudes towards the brand. H8: The effect of negative information on attitudes towards the brand will be more negative under the celebrity entrepreneur than the celebrity endorser condition. H9: The effect of negative information on attitude towards the brand will be more strongly negative when a company supports the celebrity rather than fires them. H10: Firing a celebrity endorser when negative information is revealed will benefit a company more, in terms of minimising the unwanted consequences on attitudes towards the brand, than firing a celebrity entrepreneur when negative information is revealed.

3.7.1 *Research design experiments 6 and 7*

The hypotheses were tested with a 3x2 factorial (or two-way factorial) between subjects randomised experiment with a pre-test–post-test group design. This means there is one factor (celebrity engagement) with three levels (entrepreneur engagement; endorser engagement; control) times another one factor (company response to negative information) composed of two levels (fire or support). This design can be found below in Table 10.

Table 10. Randomised experimental groups and treatment for experiments 6 and 7

Part one of experiment (partial replication of experiments 3-5 and 8)				Part two of experiment			
Group	Random	Treatment of IV: Engagement	Observation	Memory clearing task	Observation of memory clearing task	Treatment of IV: reaction to negative info	Observation
EG 1	Yes	X1 Celebrity entrepreneur	O1	Read unrelated article	O7	X4 Fire	O13
EG 2	Yes	X1 Celebrity entrepreneur	O2	Read unrelated article	O8	X5 Support	O14
EG 3	Yes	X2 Celebrity endorser	O3	Read unrelated article	O9	X6 Fire	O15
EG 4	Yes	X2 Celebrity endorser	O4	Read unrelated article	O10	X7 Support	O16
EG 5	Yes	X3 Control	O5	Read unrelated article	O11	X8 Fire	O17
EG 6	Yes	X3 Control	O6	Read unrelated article	O12	X9 Support	O18

3.7.2 *Participants and setting*

The ‘Big Dogs’ experiments were conducted on 149 and 206 Jönköping International Business School students in February and November of 2007. The 149 participants who took part in Experiment 6 were second semester students taking an introductory marketing management course. Experiment 7 participants were taking their first (required) university course: Entrepreneurship and Business Planning.

Experiments 6 and 7 were held in different lecture halls at the Jönköping University campus. The experiments were proctored at the beginning of class. While I would have preferred to wait until 15 minutes after the start of class to avoid late-comers, this was not an option offered to me by their lecturers. The biggest drawback to having the experiment at the beginning of class was the loss of participants who arrived late. To ensure all participants had equal treatment, late students were prevented from entering the classroom until after the experiment ended.

An in depth sample description is provided in the next chapter.

3.7.3 *Cover story*

Once again, the general idea behind the cover story was to disguise the true purpose of the experiment. Participants of all groups were simultaneously told that Big Dogs was a new company that was planning to open up stores in Sweden later in the year. Due to the pending launch, Big Dogs was interested in the opinions of students with regard to the advertisements and products. Shortly, I told the participants, a commercial would be shown; the same one Big Dogs was planning to show at movie theatres. Before that however, I asked students to pay attention to their 'ad copy' promotional campaign. Moments later I showed fake advertisements for the Big Dogs company followed by a 30 second commercial created for these experiments.

While the print advertisements were shown and just before the video was played, I introduced the celebrity Takeru Kobayashi. Showing the advertisements gave me the perfect excuse to discuss Kobayashi. I first asked students if anyone knew who the celebrity was in the picture. Only a handful did know who he was. I then relayed to students that he was the 6 time defending world champion hot dog eater who was well known for his move the 'Kobayashi Shake' and his voracious eating earned him the nickname the 'Tsunami'. Since a major tsunami affected the lives of so many Swedes in 2004, I told the participants that the Big Dogs company decided not to use Takeru's nickname in any of the advertisements.

The reason I took the time to discuss Big Dogs and Takeru Kobayashi before the experiment was to build a credible association set between him and the product (Meyers-Levy 1989). This was necessary to establish fit between the product and endorser (Forkan 1980). My secondary motive was to convince the participants that this was a real company that asked me to help them with research and in fact Takeru was involved somehow with this company.

Although I will cover the entire experimental manipulation later in this section, it is important to point out that at no point did I mention the actual engagement of Takeru Kobayashi with Big Dogs during my introduction, nor did I give any hints of the negative information that would be revealed later.

To ensure the same cover story and pre-experiment treatment was used a script was followed. This was necessary in these experiments particularly because the experiments were separated in time by nearly a year.

3.7.4 *Materials and procedure*

The six different experiment packages were randomly assigned to participants. In Experiment 6 there were 24 to 26 participants per group and in Experiment 7 there were between 28 and 41.

Each participant was given a twelve-page experiment package printed on black and white A4 paper written in English (see Appendix 3 on page 204). Each package contained: 1) instructions,

2) demographic questions, 3) one of three experimental manipulations (including cover story), 4) a celebrity advertisement, 5) a questionnaire, 6) memory clearing task and questions, and 7) a second experiment manipulation and questions. Each experiment package was identical in every way except for the two single paragraph manipulations that appeared on page three and page ten of the package. Below, the rationale for each sections' occurrence in the experiment package is given.

3.7.5 *Instructions*

Instructions were described verbally and in written format on the cover page participants received. Participants were asked to answer all questions in the survey and were provided with one example of a question (unrelated to the experiment) and how it could be answered. Instructions were provided to reduce errant responses and non-response bias (Fink 2005). After each section in the experiment, a reminder was given in bold type to ensure that all questions were answered. Participants were also reminded not to return to a section once they turned the page. This piece of information was given specifically so participants did not return to the main questions after reading the manipulation check questions.

3.7.6 *Manipulation*

The manipulation for this experiment can be broken down into five phases: 1) pre-experiment group product/celebrity association building, 2) between group manipulation of involvement, 3) memory clearing task given to all groups, 4) information given to all groups of the car accident, and 5) a between group manipulation of the new ventures response.

Pre-experiment group manipulation. Before the experiment began participants were given information that attempted to build an association between Takeru Kobayashi and the Big Dogs company. In doing so, it was hoped that celebrity/product fit would improve. Researchers have shown that fit often acts as a mediator towards source credibility (Kamins and Gupta 1994). Thus by improving fit and increasing the likelihood that source credibility will have the predictive impact on attitudinal measures a more robust test for emotional involvement is facilitated.

Between group manipulation of engagement. The same strategy that was used in the previous experiments was again used here to manipulate the perception of Takeru Kobayashi's engagement with the Big Dogs company. Directly beneath the advertisement Kobayashi was depicted as either a celebrity entrepreneur, celebrity endorser or in the control group no information was given concerning his engagement.

Experimental group participants 1 and 2 received the following one paragraph between group manipulation (the second paragraph was the same for all groups) intended to cast Kobayashi as a celebrity entrepreneur:

‘Big Dogs’ is a fast food restaurant serving hamburgers and hot dogs. Big Dogs was started by the six-time consecutive world hot dog eating champion Takeru “The Tsunami” Kobayashi of Japan. In addition to appearing in printed ads, TV and radio, Kobayashi is the company owner/president and oversees all managerial decisions, including company expansion and of course product testing. As the owner in and main investor of Big Dogs, Kobayashi is expected to earn \$ 1 million annually.

The advertisement you saw is part of Big Dogs’ promotional push before they open four locations next year in Sweden (Malmö, Gothenburg, Stockholm, and Uppsala). Appearing in the advertisement was Takeru “The Tsunami” Kobayashi.

Experimental groups 3 and 4 received the following one paragraph treatment intended to portray Kobayashi as the ‘typical’ celebrity endorser (the second paragraph was the same for all groups):

‘Big Dogs’ is a fast food restaurant serving hamburgers and hot dogs. Big Dogs has hired the six-time consecutive world hot dog eating champion Takeru “The Tsunami” Kobayashi of Japan to promote the company and their agreement states that Kobayashi appear in print, TV and radio ads. In exchange for his endorsement of Big Dogs, Kobayashi is expected to earn \$ 1 million annually.

The advertisement you saw is part of Big Dogs’ promotional push before they open four locations next year in Sweden (Malmö, Gothenburg, Stockholm, and Uppsala). Appearing in the advertisement was Takeru “The Tsunami” Kobayashi.

Finally, groups 5 and 6 were the control groups. These groups only received the second paragraph statement that was given to all groups:

The advertisement you saw is part of Big Dogs’ promotional push before they open four locations next year in Sweden (Malmö, Gothenburg, Stockholm, and Uppsala). Appearing in the advertisement was Takeru “The Tsunami” Kobayashi.

The paragraph above was consistent in reinforcing the cover story that Big Dogs was a real company that created advertisements using Takeru Kobayashi.

Having two control groups was a necessary yet costly inclusion in this experiment given the six group design. The control groups provide an anchor to establish whether or not celebrity entrepreneurship was different from celebrity endorsement. Without the control groups it would be difficult to know whether the group differences occurred due to a combination of neutral/positive/negative attitudes towards celebrity entrepreneurs or neutral/positive/negative attitudes towards celebrity endorsers. The control group enables sense to be made of the differences in relation to the anchor. For instance if the control group and the endorser groups show no differences, but the entrepreneurship group does, it may be inferred that the manipulation had a positive effect on the celebrity entrepreneur groups and no effect on the celebrity endorser group.

Memory clearing task: The introduction and manipulation of Kobayashi's involvement in Big Dogs ended the first half of the experiment. To this point, the experimental design was a replication of the previous experiments with a few minor adjustments. Before relaying the negative information treatment to participants a memory clearing task was performed. Memory clearing tasks can be used to limit short term memory in before-after experimental designs where the risk of learning, consistency or memory is a cause for concern (Cowan 2001).

The memory clearing task was similar to the one used by Till and Shimp (1998) and took the form of a fictitious article titled: *Taco Bell Says Increased European Expansion is Probable* supposedly written by Chris Sheridan of the Associated Press²³. Several colleagues were asked to read the article and later comment on the content. In particular I wanted to know if they believed this was a real article and whether or not there were any suspicions. All five people that read the article agreed that it appeared legitimate once a few typos were corrected. To increase the believability of the article, a picture showing the grand opening of a South American Taco Bell was pasted into the article and a phony retrieval link included.

Following the article, participants were asked to answer three closed ended and one open ended question on their attitudes and preferences vis-à-vis fast food culture. Besides having a culinary theme, the article and questions were unrelated to the experiment. Furthermore all participants received the same article and questions. In this way, the manipulation is cancelled out between groups and any effects this article may have had on participants is controlled for. The hope was that following their reading of the faux article and question answering, enough time and cognitive effort took place so they would find it difficult to remember their responses from the first part of the interview (Cowan 2001).

Manipulation of negative information and between group company response. All participants received a phony article titled *Hot Dog Champion Finds Himself in Legal and Financial Limbo* supposedly written by Erin Clarkson which purportedly came from Forbes Online.

²³ This article along with the rest of the experiment package is included in Appendix 3.

The six time defending world champion hot dog eater Takeru “The Tsunami” Kobayashi finds himself in legal and financial trouble. In January, police arrested Kobayashi after causing a near fatal car accident. Kobayashi failed to stop his Toyota Supra from hitting the car in front of him when traffic suddenly slowed. The driver in front of him, Kelly Martin 46, was rushed to Memorial County Hospital. She is in a serious, but stable condition. According to police records, Kobayashi’s blood alcohol level was 0.19 percent, which is more than twice the legal limit in New York of .08. Kobayashi’s attorney agreed to a temporary trial date of March 23 and argued that blood samples obtained on the night Kobayashi was arrested were not legal and should be thrown out of court.

Between group manipulation of the new ventures response. The paragraphs above contained the negative information about celebrity Takeru Kobayashi and all participants received the same negative information. The treatment could have stopped with this information and measurements taken. This did not seem to be the most interesting design choice as the outcome seemed obvious. Instead, each group (celebrity entrepreneur, celebrity endorser, control), received an additional paragraph directly following the first one. Either they received information that the company was supporting Kobayashi or that they decided, together with Kobayashi, that he step down (i.e. fired). The difference between the two pieces of information and the actual treatment is in bold type:

*Fire: Kobayashi has appeared in numerous print and TV advertisements for the Big Dogs Corp., a newly founded fast food outlet offering gourmet hamburgers and hot dogs. Kobayashi’s legal problems have forced Big Dogs to take action. Last week Big Dogs released this statement to the Associated Press: “Big Dogs takes public safety and social responsibility very seriously. Mr. Kobayashi is truly sorry for any suffering he has caused, **however we have decided that it is best for him to step down from his position as company endorser.**” Before the announcement was made to **fire** Kobayashi shares of Big Dogs (nyse: BIGDG) were up \$0.22 to \$12.80 by the close of trading.*

*Support: Kobayashi has appeared in numerous print and TV advertisements for the Big Dogs Corp., a newly founded fast food outlet offering gourmet hamburgers and hot dogs. Kobayashi’s legal problems have forced Big Dogs to take action. Last week Big Dogs released this statement to the Associated Press: “Big Dogs takes public safety and social responsibility very seriously. Mr. Kobayashi is truly sorry for any suffering he has caused. **He has assured us that this type of behavior will not happen again and we support his decision to remain as the company endorser.**” Before the announcement was made to **support** Kobayashi shares of Big Dogs (nyse: BIGDG) were up \$0.22 to \$12.80 by the close of trading.*

With this final piece of information the experimental manipulation was complete.

3.7.7 *Big Dogs' advertisement*

Experiments 1 and 2 used an actual television advertisement containing Britney Spears. Experiments 3, 4 and 5 used print advertisements only containing Cameron Diaz and the fictitious Guppygear company. The advertisements serve two purposes: The first is to create a situation where the celebrity can make some sort of claim. In the Guppygear experiments, Cameron Diaz enticed her audience through quotations. One of them read: "Whether I am snowboarding or hanging with my friends, Guppygear is the perfect combination of style, comfort and quality". Once a celebrity makes a claim such as "buy this product" consumers, or in experiments participants, have something to judge. In essence the advertisements provided context, which is needed in order for the measurements to make sense to participants. The second reason these advertisements are important is that they provide the only credible link between the companies, which in all experiments after one and two were fictitious, and the celebrity.

In the Big Dogs' experiments, both rich multimedia (television commercial) and print advertisements were used. It was assumed that the combination of the two would enhance the believability and credibility of the experiment.

The thirty-second commercial was created by a local advertising agency. The commercial began with classical music playing in the background. The music gave off a pretentious, if not ironic vibe that lasted until the actual product was revealed. The camera zoomed in on a white plate as condiments, a bun with sausage, then ketchup, relish and mustard magically appeared. Once the camera was fully zoomed in on the fancy dinner a message faded in over the plate and after a split second replaced the image of the plate. In the message 'BIG DOGS QUALITY FIRST' was written in all caps and bold face. Underneath there was a quotation "Why settle for a hot dog when you can have a BIG DOG?" Directly below the name Takeru Kobayashi appeared followed by a caption: 'Six Time Defending World Champion Hot Dog Eater'. After this message was displayed the commercial ended.

The commercial attempted to position Big Dogs as an upscale place to eat hot dogs. It was felt that a high end place to eat hot dogs was lacking in the market and as a national chain would be more plausible (similar to Nathan's Hot Dogs) than the ubiquitous hot dog street vendors.

While the commercial was produced by a local advertising agency it was done on a minimal budget. The total cost for producing the commercial and print media was 4000 SEK. As such, the quality of the commercial and adverts were subjectively lower than one might find in a nationally televised campaign. Because of this, participants were told that the commercial would

be shown at movie theatres as part of the local advertisements which often appear before the national advertisements, previews and film.

After the commercial participants were shown six variations of the ad copy (two of which were again shown in the experiment package) that were considered for the campaign. This was done before the experiment package was opened and for the same reason the commercial was shown; to build an association between celebrity and brand and boost the credibility of Big Dogs as a legitimate company. These adverts were shown on a large projector screen in full colour.

The black and white advertisements included in the experiment package were subjectively chosen as the most appealing of the six. Both of them included a small picture of Takeru Kobayashi, his name with text underneath ‘Six Time Defending World Champion Hot Dog Eater’ and a picture of the hot-dog on a plate. Each advertisement contained one quote from Kobayashi. Either “Treat yourself to a Big Dog. The quality and taste of a Big Dog is second to none” or “Why settle for a hot dog when you can have a Big Dog? Big Dogs only uses the highest quality beef and never any fillers or preservatives”.

3.7.8 *Choice of celebrity and product*

To this point only celebrities who were well known to the target audience were used in experiments. The disadvantage of course is the risk prior attitudes towards the celebrity would bias results. Several studies have looked at the use of fictional celebrity spokespersons such as cartoon characters and found that they can be effective in advertisements (Callcott and Phillips 1996). Similarly, ‘fake’ celebrities have been created and compared with well known celebrities. This has been done in order to minimise pre-existing knowledge and affects due to prior exposure and familiarity. An additional benefit is to gain more control over varying association set sizes which if left unchecked may lead to biased results (Till and Shimp 1998). While it may be advantageous to use a fictitious or relatively unknown celebrity for the aforementioned reasons, they are not the primary motivation for doing so in this thesis. Instead, by using a relatively unknown celebrity it is possible to gauge whether the effects of, for example, emotional involvement and engagement generalise beyond well known celebrities and possibly to non-celebrity endorsers.

Before choosing the celebrity for this experiment over 20 students and colleagues were asked their opinions of several celebrities including Takeru Kobayashi. Close to none of the persons asked could readily recognise Kobayashi’s name or likeness from pictures. When further information was given regarding Kobayashi’s source of celebrity one quarter of those

interviewed recalled hearing about Kobayashi. Additionally, most attitudes towards Kobayashi were homogenous, ranging from neutral to slightly positive.

Based on the ad-hoc pre-tests of Kobayashi I was confident he would make a suitable choice to use in an experiment. The fact that he was not too well known and even when he was, meant that prior attitudes toward him were less likely to be firmly established. Further, these experiments introduce *negative* information about the celebrity. Because of this, it was crucial that the negative information could be introduced while at the same time participants could find it plausible that the negative action could have occurred without their knowledge. Finally, Kobayashi was well known enough to be known by several members in the treatment groups. This fact was used to the benefit of the experiment. Before introducing Kobayashi I asked the participants whether or not they had heard of Kobayashi. In both experiments several hands were raised. This added to the credibility and believability of Kobayashi as a celebrity who would involve himself with a hot dog company.

Choosing a 'hot dog' company seemed to be a sensible choice to partner Kobayashi together with. There were several reasons in particular that this fictitious company/product category would be ideal. First, hot dogs are products that are regularly eaten by members of the participant group (vegetarians excluded). Second, Kobayashi's fit with hot dogs is, as the six time defending world champion hot dog eater, excellent.

3.7.9 Measures

Each experiment package contained three sections. The first section contained control questions before the advertisements were shown in the experiment package (but after they were shown on the projector) followed by the main questionnaire. In the second section a cognitive filler task was used and questions unrelated to the experiment were asked. Finally, in the third section, several of the main independent and dependent variable questions were repeated.

3.7.9.1 Controls

Each participant was asked to indicate their gender, age, proficiency in Swedish and English (7-point Likert scale: very poor—excellent), and whether or not they had heard of Takeru Kobayashi previously. These controls were similar to those asked in the previous set of experiments. “Do you eat hot dogs?” and “Do you eat meat?” were asked using 7-point Likert scales (never—very often). These added variables were needed to control for any vegetarians/vegans or simply participants who may be opposed to the idea of eating hot dogs.

3.7.9.2 Independent variables generated by group stimuli

There are two independent variables generated by the experiment. The first one is engagement, which has three levels: entrepreneurial engagement, endorser engagement and no information on engagement. The second independent variable is the company response to negative information. This variable had three levels: the celebrity was fired, the celebrity was supported, or no information was given concerning the company response. The combinations of these independent variables and their levels are broken down below:

Part 1) Manipulation of celebrity engagement:

- Group 1 and 2 – Celebrity engaged as an entrepreneur
- Group 3 and 4 – Celebrity engaged as an endorser
- Group 5 and 6 – The lack of information concerning engagement

Part 2) Manipulation of company response to negative information:

- Group 1 – Celebrity entrepreneur is fired
- Group 2 – Celebrity entrepreneur is supported
- Group 3 – Celebrity endorser is fired
- Group 4 – Celebrity endorser is supported
- Group 5 – Celebrity is fired (no information on engagement)
- Group 6 – Celebrity is supported (no information on engagement)

As mentioned earlier groups one and two received the following one paragraph manipulation:

*Big Dogs was **started by** the six-time consecutive world hot dog eating champion Takeru “The Tsunami” Kobayashi of Japan. **In addition to appearing in** printed ads, TV and radio, Kobayashi is the **company owner/president** and oversees all **managerial decisions**, including company expansion and of course product testing. As the owner in and **main investor** of Big Dogs, Kobayashi is expected to earn \$ 1 million annually.*

This treatment attempted to cast Kobayashi as a celebrity entrepreneur. Taking a closer look at the operationalisation of this paragraph Kobayashi the celebrity entrepreneur is portrayed as: 1. founder; 2. owner; 3. risk taker; 4. manager; and 5. one that appears in the advertisements. Except for the different company, celebrity and product, the operationalisation for celebrity entrepreneur (as well as celebrity endorser and control) were virtually unchanged from experiments 3-5.

Group 3 and 4 participants were exposed to the following paragraph:

*Big Dogs has **hired** the six-time consecutive world hot dog eating champion Takeru “The Tsunami” Kobayashi of Japan to promote the company and their agreement states that Kobayashi **appear in print, TV and radio ads**. In **exchange** for his endorsement of Big Dogs, Kobayashi is expected to **earn** \$ 1 million annually.*

This paragraph was intended to describe the typical celebrity endorser situation. In operational terms, ‘celebrity endorser’ comprised three important concepts: 1. hired; 2. appear in print, TV and radio; 3. endorser. Collectively, this paragraph makes clear that Kobayashi is paid only to appear in advertisements. Whether or not this captures the construct of a celebrity endorser accurately can be debated. It is however certain that based on the operationalisations, celebrity entrepreneurs are more engaged with companies than celebrity endorsers.

The control groups, five and six, received all the same information in the experiment except for the one paragraph manipulations discussed above. The underlying assumption was that without the inclusion of these treatments, participants would by default view Kobayashi as an endorser.

3.7.9.3 Independent and dependent variables

The following variables and the way they were operationalised and measured in the experiments have already been discussed earlier. Please refer back to Section 3.6.9.3 for an account. The scale reliability for each measure is summarised in Table 11:

- Trustworthiness
- Expertise
- Attractiveness
- Attitude towards the ad
- Attitude towards the brand

Emotional involvement was measured using the same items as in Experiment 5 with the exception of one item: “Takeru Kobayashi believes it is good to eat at Big Dogs”. This item was dropped due to low reliability. The wording and items used to measure emotional involvement are:

- Takeru Kobayashi likes Big Dogs’ hamburgers and hot dogs
- Takeru Kobayashi is dedicated to the Big Dogs company

- Takeru Kobayashi is thrilled about Big Dogs' products
- Takeru Kobayashi is passionate about Big Dogs' products

Each of these statements was followed up with a 7-point Likert scale: strongly disagree—strongly agree. Reliability was strong for these items in both experiments ($\alpha=.92$ and $\alpha=.91$).

Manipulation Checks: The questionnaire did not have a dedicated manipulation check. However, responses to the emotional involvement questions could be used as a proxy in determining the effectiveness of the experimental manipulation. One reason manipulation checks were left out was to minimise the length of the questionnaire. A second reason is that these experiments are the sixth and seventh in a series. Since the manipulation was the same with a few minor changes in each experiment, it is reasonable to assume that the effectiveness of treatments in this experiment should mimic that of the previous ones.

Table 11. Scale reliability in experiments 6 and 7 for IVs and DVs

Scale origin	Scale	Scale type	Variable type	Chronbach alpha experiments 6 and 7
MacKenzie, Lutz, and Belch (1986)	Attitude towards ad	Semantic differential	DV	.93, .88
MacKenzie, Lutz, and Belch (1986)	Attitude towards brand	Semantic differential	DV	.92, .93
Ad hoc (single item) measure	Purchase intention	7-point Likert	DV	n/a
Ohanian (1990)	Trustworthiness	Semantic differential	IV/DV	.85, .86
Ohanian (1990)	Expertise	Semantic differential	IV/DV	.89, .90
Ohanian (1990)	Attractiveness	Semantic differential	IV/DV	.80, .83
Own validated measure	Emotional involvement	7-point Likert	IV/DV	.92, .91
Own measure (group 1 manip.)	Celebrity entrepreneur	Categorical	IV	n/a
Own measure (group 2 manip.)	Celebrity endorser	Categorical	IV	n/a

3.7.10 Measures taken in the second half of the experiment

Once the negative information and company response was given, repeat measures were taken. The focus in this part was on measuring attitude towards the brand using the same questions as

in the first half of the experiment. In addition, attitude towards the advertisement was measured; however it is not reported or analysed in this thesis²⁴.

3.7.11 *Notable differences between experiments 6 and 7*

Experiment 7 was an exact replication of Experiment 6. The same experiment package was used and the treatments pre, during, and after were the same. There were however several differences that could not be controlled.

First, the experiments took place at a different time of year (one in February and one in November). Second, the experiments took place in different lecture halls located at the same campus. Third, the participants were at different stages in their university program (first semester versus second year students). This means that they have had different experiences and on average are separated in age by almost one year.

Despite the systematic differences in time, place and setting, they are unlikely to be correlated with the dependent and independent variables of interest. Any differences that arise are assumed to be stochastic. Nevertheless, as a precaution these experiments and data samples are treated separately.

3.8 Description of Experiment 8

The last experiment was the most costly and time-consuming experiment to run. In total 151 elderly Swedish citizens ranging in age from 57 to 92 years old participated in this experiment. While the objective was primarily to replicate the findings from experiments 3-5 with senior citizens, qualitative issues were taken up in this study. In this section Experiment 7 is discussed in detail. Before getting too far ahead, the research questions and hypotheses of interest in this experiment are summarised in Table 12.

²⁴ The data collected on attitude towards the ad is analysed and discussed in Hunter and Davidsson Hunter, E. and P. Davidsson (2008). *Celebrity entrepreneurship: The effect of negative celebrity information on the new venture*. Babson College Entrepreneurship Research Conference. Chapel Hill, NC..

Table 12. Research questions and hypotheses addressed in Experiment 8

Research question	Related hypotheses
RQ 1: Does celebrity engagement affect communication effectiveness and if so, how?	H2: As a celebrity's entrepreneurial engagement increases, perceived emotional involvement will also increase. H3: As a celebrity's entrepreneurial engagement increases, perceived attractiveness will also increase. H4: As a celebrity's entrepreneurial engagement increases, perceived expertise will also increase. H5: As a celebrity's entrepreneurial engagement increases, perceived trustworthiness will also increase.
RQ 2: To what extent does perceived emotional involvement represent a conceptually and empirically distinct communicator characteristic relative to source trustworthiness, expertise and attractiveness?	H1: Emotional involvement is a conceptually and empirically distinct characteristic of communicators relative to the traditional characteristics trustworthiness, attractiveness and expertise.
RQ 3: Does perceived emotional involvement affect communication effectiveness and if so, can perceptions of it be managed?	H6: Greater perceived emotional involvement will lead to higher communication effectiveness.

3.8.1 *Research design Experiment 8*

A one-way with two levels, between subjects, with post-test only design was used to investigate the research questions and hypotheses above. For a description of the design see Table 13. To test hypotheses H1-H6 senior citizens from the surrounding region of Jönköping, Sweden were given a package that contained the experiment's manipulation, an advertisement promoting the new company, Vitalisin, by Swedish celebrity Gunde Svan and a questionnaire.

Table 13. Randomised experimental groups and treatment for Experiment 8

Group	Randomised	Treatment of IVs (celebrity engagement)	Observation/ Measurement
EG 1	No	X ₁ (celebrity entrepreneur)	O ₁
EG 2	No	X ₂ (celebrity endorser)	O ₂

3.8.2 *Participants and setting*

This experiment was performed on 151 Swedish retirees and senior citizens from the Jönköping region in Southern Sweden. The participants were approached either at the library in Jönköping or Huskvarna, or during one of the local Pensionärernas Riksorganisation (PRO) chapter meetings²⁵. The experiment was conducted in Swedish. The descriptive statistics on this sample can be found in the next chapter.

Prospective participants were courteously asked to participate in the experiment and no undue pressure was applied. A script was followed to try and maintain similar pre-experiment experiences. Instructions were given to leave the questionnaire blank should anyone choose not to participate. During the experiments, several participants chose to leave the questionnaire blank, most likely due to the difficulty in filling in the questions. It should be noted that the blank questionnaires and those with many missing variables were those conducted during the meetings.

A small study room was reserved at the Jönköping and Huskvarna libraries where participants engaged in the experiment. The rooms were roughly 10 square metres and had a desk with chairs. While participants filled in their questionnaire a proctor sat with them in case any questions arose. This was needed since many of the retirees required assistance with their questionnaire.

One third of the participants were from the local PRO meetings. In total six different meetings were attended. The first one in Jönköping was the largest, with 30 participants. The other PRO meetings had on average 12 people. All of the places were within 20 kilometres of the town of Jönköping (including Habo, Jönköping and Huskvarna).

3.8.3 *Cover story*

Once participants were seated and given the experiment (but before they began reading it) the cover story was given. Participants were told that a new company was being established which sold herbal energy vitamins. The purpose of the questionnaire was to gauge the effectiveness of their new advertisement that was to appear in magazines and if it was positioned properly to this cohort. The cover story was scripted and all proctors were given instructions to, as casually as possible, relate the information. Despite having a script, the interaction between participants and proctor made it difficult to follow the script exactly. Participants who began to ask questions

²⁵ PRO is an organisation with the stated objective to advance the political and societal interests of Sweden's retirees and to provide activities for them to make friends and meet other seniors. More information can be found on their website: www.pro.se.

before the experiment began were told that all their questions would be answered after the questionnaire was completed.

3.8.4 *Materials and procedure*

Participants were assigned to one of two experimental groups. The process, at least for the PRO meetings, was not perfectly random. When the experiment was done at the first PRO meeting, group one treatment was given to all participants. At the next PRO meeting group two treatment was given, followed by group one at the next meeting and so on.

Randomisation was somewhat better when the experiments were held at the library; although even here there are concerns. Participants were asked to take part in the questionnaire as individuals and sometimes in groups. Whether they completed the experiment alone or with others often came down to whether or not they were at the library alone or not.

For both procedures the lack of randomisation is a concern, especially given the post-test only design used in this experiment. The fact that entire sub-chapters of PRO were given the same experiment and participants were given the same treatment as their friends or loved ones is a serious concern to internal validity.

This concern was known before the experiment took place. There were however three basic reasons why such a serious threat to validity was allowed to exist. First, finding captive subjects that were in the senior cohort was a difficult task. When the opportunity arose to capture two, three or even four participants together at the same time it was much more efficient than having to process them one at a time. Furthermore, many of the seniors were reluctant to leave their friends behind. The second reason is that a stronger manipulation was desired. One way to ensure a stronger manipulation was to repeat, albeit casually, the treatment while the instructions were given. To do this, all participants would need to receive the same treatment if they were in the same room. The third reason a less than randomised group was allowed to exist was the unusually high amount of homogeneity in the sample. Participants were all living in the same region and for the most part were in the same cohort. For this reason it was hoped that the differences within a group of senior friends was as great as the differences across groups of seniors in this sample.

Participants in each group were given a nine-page 'experiment package' printed on black and white A4 paper written in Swedish (similar to the package shown in Appendix 2 on page 196). Each package contained: 1) instructions, 2) demographic questions, 3) one of two experimental manipulations (including cover story), 4) a celebrity advertisement, and 5) a questionnaire. Effort was made to ensure that each experiment package was identical in every way except for the (single paragraph) manipulation.

3.8.5 *Instructions*

On the cover page simple information and instructions were given regarding the experiment. This information was also repeated to participants verbally. Participants were asked to answer all questions in the survey and were provided with one example of a question (unrelated to the experiment) and how it could be answered. This sample question was the same one used in all seven previous experiments and seemed to energise the respondents. After each section in the experiment, a reminder was given to answer all questions and not return to previous sections once complete. This piece of information was given so participants did not return to the main questions after reading the manipulation check questions.

3.8.6 *Manipulation*

The manipulation in this experiment differed slightly from the previous seven. Manipulation checks in the previous experiments confirmed the treatments were weaker than hoped. Previously, the idea was to innocuously deliver the manipulation with written information. To improve upon this manipulation, the proctors pre-enforced the written manipulation by nonchalantly mentioning Gunde Svan's role in the company Vitalisin.

Because of the difficulty in finding participants and the costs involved the control group was left out of this experiment. The experimental manipulation consisted of a one-paragraph piece of information. Participants in group one received the following information (originally in Swedish):

Vitalisin is a newly founded company by celebrity and entrepreneur Gunde Svan. In addition to appearing in printed advertisements, television commercials and radio, Gunde Svan runs the company and makes product decisions. As a co-owner of Vitalisin, Svan risks losing his investment if the company is not successful, but if the company is a success, his shares will be very valuable.

The group one manipulation was intended to represent Gunde Svan as a typical entrepreneur. The second group of participants received the following information that depicted Svan as a typical endorser:

Vitalisin is a newly founded company that has employed Gunde Svan as an endorser for their new energy vitamin. His responsibilities are limited to appearing in TV, radio, and printed ads. In exchange, Svan receives a sizeable, yet undisclosed payment. (Translated from Swedish)

3.8.7 *Celebrity advertisement*

Participants were shown a full A4 page sized advertisement of the fictitious company 'Vitalisin'. Prominently displayed on the left half of the advertisement was Swedish elite athlete Gunde Svan in the middle of a race. To the right of this advertisement a caption, supposedly in Gunde Svan's own words, was shown: "Just a little bit more to go... Twenty years ago I trusted my brute force. Ten years ago I relied on will power. Today I use Vitalisin!" Beneath this quote was another picture of Gunde Svan and the caption: "Get the energy of your youth back".

Following this and underneath was a picture of the herbal energy pills and some product information including where the product could be purchased. The picture of the medicine in the advertisement was scanned from a magazine and using Photoshop the name was changed to Vitalisin. The original text that accompanied this picture was rewritten but the message remained close to the original. The pictures of Gunde Svan were taken from his biography (Svan 2004). The text in the advertisement was formulated to capture the work ethic and fighting spirit Gunde Svan was known for as an elite athlete. This advertisement was shown to participants in black and white.

3.8.8 *Choice of celebrity and product*

In all previous experiments, finding a celebrity that fit my criteria for selection was relatively easy. My friends, colleagues, and of course students all knew the potential candidates and could advise me. Selecting a celebrity that fit my criteria of appealing to the target group, where opinions towards the celebrity were homogenous and more importantly neutral to positive was more difficult. To find the celebrity that best suited my criteria I called the headquarters of Småland's PRO office. Once I relayed what I was looking for there was an emphatic opinion that Gunde Svan should be used. Not knowing who Gunde Svan was at the time, I asked around and the agreement was unanimous; Gunde Svan was the perfect celebrity to use for the retiree plus cohort.

Gunde Svan is a figure of broad public appeal. He is a combined eleven time Gold medallist at the Olympics and World Championships in cross country skiing who was at his prime during the 1980s. After his skiing career ended, he went on to host several TV shows and has appeared in various commercials as an endorser. During his career as an athlete and later he has shown evidence of innovativeness and entrepreneurial inclination.

Finding a product to match with Gunde Svan proved more challenging. I interviewed several retirees to find the perfect product to match with Gunde Svan. I asked them: What product could you see Gunde Svan endorsing? What product would best fit his image? What products do you normally purchase?

To my frustration, many of the seniors I spoke with claimed they did not buy any products besides groceries and the occasional lottery ticket. Fittingly, Gunde Svan was already known to have endorsed the lottery and fibre cereal. These product categories were out of the question since prior knowledge of Gunde Svan's involvement in these businesses was known to most seniors.

Rather than relying on what retirees claimed to purchase (or not purchase), I decided to focus on magazines and the advertisements that targeted them. One product in particular seemed to jump out as a commonly sold product and one that would fit Gunde Svan's image: herbal energy supplements. Energy vitamins then became the product to couple with Svan. On a side note, the ultimate confirmation came after the experiment began from Gunde Svan himself. In a personal interview with him conducted at his office in Vansbro, Sweden on January 10th, 2007, he looked at the fake advertisement I created and smiled. Gunde claims he gets approached weekly to endorse a new energy vitamin!

3.8.9 Measures

The questionnaire consisted of two main parts. Part one covered demographic questions and controls. Part two of the questionnaire contained independent and dependent variables.

3.8.9.1 Controls

Each participant was asked to indicate their gender, age, native tongue, and whether or not they had heard of Gunde Svan previously. I also asked participants whether or not they had seen any other ads with Gunde Svan before and whether or not the participant liked Gunde Svan.

3.8.9.2 Independent variables generated by group stimuli

Celebrity engagement: Two independent categorical variables were generated based on group treatment in a similar manner to the previous experiments (refer back to Section 3.6.9.2):

- Group 1 – Celebrity is an entrepreneur
- Group 2 – Celebrity is an endorser
- No control group

In this experiment there was no control group. Either participants received information that Gunde Svan was an entrepreneur or that he was an endorser. Since previous experiments in this series have confirmed that the control groups are similar to the endorser group, it was assumed that the default assumption for Svan's engagement would be as an endorser.

3.8.9.3 Independent and dependent variables

Once again, the following variables were measured in the same fashion as described in Section 3.6.9.2 and a detailed description will not be repeated here. A summary is available in Table 14.

- Trustworthiness
- Expertise
- Attractiveness
- Attitude towards the ad
- Attitude towards the brand

Reliability was good for each measure although there were several slight variations that need to be pointed out. While operationalising attractiveness, handsome replaced beautiful and charming replaced elegant. This was done as the adjectives beautiful and elegant are normally reserved to describe women. In any case, the test for reliability seemed to vindicate this decision.

Emotional involvement was measured using the following nine items:

- Gunde Svan is enthusiastic about Vitalisin products
- Gunde Svan uses Vitalisin products often
- Gunde Svan is loyal to the Vitalisin company
- Gunde Svan believes it is good if his family and friends use Vitalisin products
- Gunde Svan believes it is good to use Vitalisin products
- Gunde Svan is dedicated to the Vitalisin company
- Gunde Svan is thrilled about Vitalisin products
- Gunde Svan is passionate about Vitalisin products
- Gunde Svan likes Vitalisin products

Together these items proved to be highly reliable $\alpha=.94$.

Manipulation Checks were not measured in this experiment in order to reduce the overall task size for participants.

Table 14. Scale reliability for IVs and DVs used in Experiment 8

Scale origin	Scale	Scale type	Variable type	Chronbach alpha experiment 8
MacKenzie, Lutz, and Belch (1986)	Attitude toward ad	Semantic differential	DV	.91
MacKenzie, Lutz, and Belch (1986)	Attitude toward brand	Semantic differential	DV	.92
Ad hoc (single item) measure	Purchase intention	7-point Likert	DV	n/a
Ohanian (1990)	Trustworthiness	Semantic differential	IV/DV	.94
Ohanian (1990)	Expertise	Semantic differential	IV/DV	.93
Ohanian (1990)	Attractiveness	Semantic differential	IV/DV	.90
Own validated measure	Emotional involvement	7-point Likert	IV/DV	.94
Own measure (group 1 manip.)	Celebrity entrepreneur	Categorical	IV	n/a
Own measure (group 2 manip.)	Celebrity endorser	Categorical	IV	n/a

3.8.10 *Participant treatment and debriefing*

Before starting each experiment, participants were asked if they would like to take part in a marketing research study. Those that were not interested were given the option of leaving the room. In addition to this, participants were told that if they changed their mind at any point they should let the proctor know and their information and data would not be used.

Immediately following each experiment, participants were debriefed together as to the true nature of the study. This included an explanation on what the manipulation was for their particular group, as well as what other groups read. This was then connected with the aim of the research and a brief overview of the working hypotheses. After this, participants were given one final chance to not be included in the study before their data was collected.

The final act was to ask the participants not to discuss the study with others. This was reinforced by explaining the sensitivity of an experimental manipulation and the need to maintain secrecy.

3.9 Statistical techniques

In this section, a brief overview of the main analytical approaches used to test each hypothesis is given. Table 15 below lists each hypothesis followed by the main analytical technique used.

Table 15. Table of hypotheses and analytical technique used

Hypothesis	Main analytical technique
H1: Emotional involvement is a conceptually and empirically distinct characteristic of communicators relative to the traditional characteristics trustworthiness, attractiveness and expertise.	Principal component analysis (factor analysis) and Reliability analysis
H2: As a celebrity's entrepreneurial engagement increases, perceived emotional involvement will also increase. H3: As a celebrity's entrepreneurial engagement increases, perceived attractiveness will also increase. H4: As a celebrity's entrepreneurial engagement increases, perceived expertise will also increase. H5: As a celebrity's entrepreneurial engagement increases, perceived trustworthiness will also increase.	Analysis of variance (ANOVA)
H6: Greater perceived emotional involvement will lead to higher communication effectiveness.	Hierarchical multiple regression (multivariate analysis)
H7: Negative information revealed to a consumer about a celebrity, during or after an endorsement, will have a negative effect on attitudes towards the brand.	T-tests
H8: The effect of negative information on attitudes towards the brand will be more negative under the celebrity entrepreneur than the celebrity endorser condition. H9: The effect of negative information on attitude towards the brand will be more strongly negative when a company supports the celebrity rather than fires them.	Univariate analysis of variance
H10: Firing a celebrity endorser when negative information is revealed will benefit a company more, in terms of minimising the unwanted consequences on attitudes towards the brand, than firing a celebrity entrepreneur when negative information is revealed.	Two way between-groups analysis of variance

3.9.1 Factor analysis

Factor analysis is one way to analyse patterns of complex multivariate relationships among variables and to explain their underlying dimensions. It does this by grouping sets of variables that are highly interrelated (Hair, Black et al. 2006). In this study, Principal Component Analysis is the Factor analytic technique used to test whether or not the items hypothesised to measure emotional involvement form an empirically distinct characteristic (dimension) of communicators relative to the traditional characteristics trustworthiness, attractiveness and expertise (Hypothesis 1).

In addition, many of the dependent and independent variables were composed of a larger set of latent variables. Factor analysis provided the tool for reducing these variables into a smaller set that expressed what was common in the original. It also generated an operational definition of each factor that was used in subsequent analyses. (Tabachnick and Fidell 2001) In this way, factor analysis was used as a data reduction technique and a way to analyse patterns of complex multivariate relationships.

3.9.2 *Analysis of variance*

The most commonly used inferential statistics test used in the analysis of psychological experiments is analysis of variance (ANOVA) (Shaughnessy, Zechmeister et al. 2006), or in the case of several dependent variables, multiple analysis of variance (MANOVA) (Levin 1999). It is with ANOVA that the first four hypotheses are tested. It was hypothesised that celebrity engagement would indeed have an impact on the source model variables and emotional involvement. Effectively, ANOVA can help determine if significant sources of variation exist among the experimental groups on the independent variables of interest. More specifically, one-way ANOVA is used and determined by the number of independent variables followed by one-tailed tests using planned comparisons.

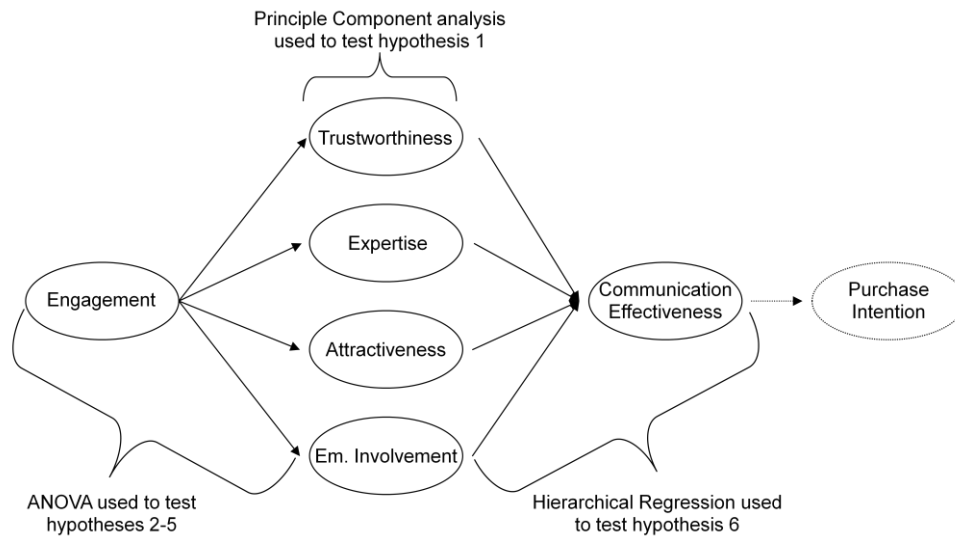
To determine if the variance detected in the ANOVA test is due to the impact of the independent variables under consideration (i.e. experimental manipulation) or to error variation alone, an F-test will be performed. Under any of the hypotheses if variation is confirmed by ANOVA and later substantiated by an F-test (based on a chosen level of significance; $p < .05$) then the null hypotheses will be rejected. This is done to understand the degree of relationship between the independent and dependent variables. In addition to ANOVA and F-tests, degrees of freedom and standard descriptive statistics (e.g. means, standard deviations) are reported.

3.9.3 *Multiple regression*

Regression analysis is one of the most commonly used statistical techniques available for measuring the relationship between a single dependent variable and multiple independent variables (Montgomery, Peck et al. 2006). There are several generic regression strategies that can be used to uncover these relationships including standard and hierarchical regression. Standard regression is sometimes called a 'shotgun' approach and is considered atheoretical. It is often used in explorative research and is good for model building. Hierarchical regression on the other hand is theoretical in the sense that it allows for testing explicit hypothesis (Tabachnick and Fidell 2001). Hierarchical regression allows the researcher to not only decide how many predictors to include in a regression model, but also the order. Order is determined based on

theoretical considerations. Because I deal with factors that are relatively established, it is important that the variable I introduce (i.e. emotional involvement) adds to predictive power. Hierarchical regression then enables the relative contribution of each variable added to the model to be shown (Pallant 2005). In this way it is an excellent technique for model testing. For these reasons, hypothesis 6 is tested using Hierarchical Multiple Regression analysis. I refer to it later simply as regression unless there are specific reasons for pointing out differences. The techniques just described are shown below (Figure 12) in relation to the conceptual model.

Figure 12. Conceptual model and main techniques used to test hypotheses 1-6



3.9.4 Additional techniques

Hypotheses H7-H10 are mainly analysed using techniques from the analysis of variance family. The specific techniques used are t-tests, univariate analysis of variance and two way between-groups analysis. The justifications for choosing these techniques are discussed in more detail in Chapter 4.

4 Findings

Chapter 3 began with an overview of the methodological choices made in this thesis followed by a discussion on each of the eight experiments. These experiments were divided into self-contained units organised around the celebrity and product match: Britney Spears—Curious; Cameron Diaz—Guppygear; Takeru Kobayashi—Big Dogs; Gunde Svan—Vitalisin. In this chapter, the data collected during experiments three through eight are analysed, however, for reasons explained in Section 3.5, the analyses performed on experiments one and two will not be presented. The structure of this chapter is similar to Chapter 3 in that the analyses are first divided by the celebrity used in each experiment followed by the hypothesis tested in sequential order.

4.1 Experiments 3, 4 and 5: Cameron Diaz

4.1.1 *Sample description*

In total there were 77, 88 and 113 completed questionnaires from these experiments. Participants were asked and reminded on several occasions verbally and in the questionnaire to carefully answer all questions. The missing variable analysis routine in SPSS confirmed very low rates of missing variables (less than 2% on all variables). More importantly, none of the questions showed systematic non response. As a result, all of the questions and questionnaires are used in the subsequent analysis. Table 16 shows the descriptive statistics for each case separated by experiment, experiment group and total. To summarise, there were between 23 and 38 participants in each of the three experimental groups. Males comprised 30%, 25% and 54% of the samples in experiments 3-5 respectively.

On average the participants were 23.5, 26 and 19 years of age. In experiments three and four, the Standard Deviation for age was between 6.7 and 8 years while in Experiment 5, age deviated by less than one year. The fifth experiment contains a relatively homogenous sample with regards to age, while the third and fourth experiments are relatively heterogeneous in this regard. Arguably, the fifth experiment is represented by the cohort ‘generation Y’ (Manuel 2002), whereas it is difficult to assign a cohort to our third and fourth experiments.

One question was asked in each experiment as a proxy for cultural similarity. In experiments three and four, participants were asked to state whether or not Swedish was their native

language. 92% and 90% of participants indicated it was. These high percentages were expected since the course language and experiment were Swedish. The fifth experiment was conducted in English and participants were known to be relatively dissimilar concerning cultural origin. To discern cultural similarity, participants were asked to indicate their native land. 58% indicated Latvia, 26% Lithuania, 13% Estonia and less than 3% indicated 'other'. Thus, while Experiment 5 was more homogeneous in terms of age cohort, participants in experiments three and four appear to be more culturally similar.

Across all three experiments, Cameron Diaz was well known. Between 93% and 100% of participants indicated they knew who Diaz was by name. Furthermore, several participants approached me afterward and admitted to recognising Diaz once her image was revealed. Thus the likelihood of everyone at least recognising Diaz as a celebrity is probably closer to 100% across all groups.

Table 16. Sample description by group and total for experiments 3-5

Experiment 3	Sample size	Gender male/female	Age (mean)	Age (min/max)	Age (Std. Dev.)	% Swedish as native language	% heard of celebrity
Group 1: Celebrity Entrepreneur	26	7/19	24	19/55	8.5	96.2%	100%
Group 2: Celebrity Endorser	28	8/20	23	18/43	5.7	96.4%	93%
Group 3: Control	23	8/15	23	19/43	5.6	82.6%	100%
Experiment 3 Totals	77	23/54	23.5	18/55	6.7	92.2%	97.4%
Experiment 4							
Group 1: Celebrity Entrepreneur	29	7/22	25	19/51	8.6	89.7%	93.1%
Group 2: Celebrity Endorser	29	11/18	28	20/45	7.9	82.8%	89.7%
Group 3: Control	30	4/26	25	19/50	7.9	96.7%	96.7%
Experiment 4 Totals	88	22/66	26	19/51	8.1	89.8%	93.2%
Experiment 5	Sample size	Gender male/female	Age (mean)	Age (min/max)	Age (Std. Dev.)	Native land	% heard of celebrity
Group 1: Celebrity Entrepreneur	37	25/12	19	17/20	.70	Latvia-18 Lithuania-10 Estonia-9	100%
Group 2: Celebrity Endorser	38	20/18	19	18/20	.60	Latvia-23 Lithuania-12 Estonia-2 Other-1	100% (1 missing value)
Group 3: Control	38	16/22	19	18/22	.85	Latvia-25 Lithuania-7 Estonia-4 Other-2	100%
Experiment 5 Totals	113	61/52	19	17/22	.72	Latvia-66 Lithuania-29 Estonia-15 Other-3	100%

4.1.2 Experiments 3-5, Hypothesis 1

The first hypothesis states that ‘Emotional involvement is a conceptually and empirically distinct characteristic of communicators relative to the traditional characteristics trustworthiness, attractiveness and expertise’. Already in Chapter 2, theoretical arguments for emotional involvement as a conceptually distinct construct were made. To show that it is also empirically distinct, Principal Component Analysis (PCA) will be used.

In order to test this hypothesis the traditional source model items were included along with the items developed to measure emotional involvement. The emotional involvement items

which, after several iterations of reliability and factor analysis, were included in the final analysis are shown in Table 17.

As can be seen, the items seem capable of capturing variance among the respondents. The full range is used for most of the items and the mean is close to the midpoint of the scale.

Table 17. Wording and descriptive statistics for perceived emotional involvement items

Emotional Involvement Items/Statistics for Experiment 3 (line 1) Experiment 4 (line 2)	Min	Max	Mean	S.D.
Cameron Diaz is enthusiastic about Guppygear products	1 1	7 7	3.6 4.3	1.6 1.4
Cameron Diaz likes Guppygear products	2 2	7 7	3.9 4.5	1.5 1.4
Cameron Diaz uses Guppygear products often	1 1	7 7	3.3 3.8	1.4 1.5
Cameron Diaz believes it is good to use Guppygear products	1 2	7 7	4.1 4.6	1.4 1.3
I believe Cameron Diaz's engagement in Guppygear is more than an endorser	1 1	7 7	3.5 3.7	1.6 1.7
Emotional Involvement Items/Statistics for Experiment 5	Min	Max	Mean	S.D.
Cameron Diaz likes Guppygear products	1	7	4.2	1.4
Cameron Diaz believes it is good to use Guppygear products	1	7	4.1	1.5
Cameron Diaz is dedicated to the Guppygear company	1	7	3.6	1.5
Cameron Diaz is thrilled about Guppygear products	1	7	3.4	1.5
Cameron Diaz is passionate about Guppygear products	1	7	3.4	1.4

In order to determine whether the items in the index capture the same construct a test of internal consistency using the Reliability routine in SPSS was performed. This analysis yielded Cronbach Alpha values for the emotional involvement index of 0.89, 0.86 and 0.87 in Experiments 3, 4 and 5 respectively. These are highly satisfactory levels of internal consistency for this type of measure (Nunnally 1967; Nunnally and Bernstein 1994). No deletion of items would further enhance the Cronbach's Alpha value. However, this alone does not demonstrate that the measure of emotional involvement is distinct from the traditional source model constructs. In order to test for discriminant validity a separate exploratory factor analyses for the three samples, using all trustworthiness, attractiveness and expertise items alongside the emotional involvement items was performed. An ideal result of such an analysis would be a) four factors each with an Eigenvalue greater than one and b) a loading pattern where each item loads highly on its corresponding theoretical factor and at the same time gets a low loading on all other factors. A minimum requirement in relation to Hypothesis 1 is that a factor clearly reflecting emotional involvement can be extracted.

SPSS was instructed to extract components using the Kaiser Criterion or only those that have an Eigenvalue above one. Often with the Kaiser Criterion, too many components are extracted. As such, Pallant (2005) advises a visual inspection of the scree plot. In each experiment, the scree plots confirmed a four factor solution which was in line with SPSS' extraction based on the Kaiser Criterion and conceptual grounds. The results of the PCA are displayed in Table 18.

Table 18. PCA (using varimax rotation) of all trustworthiness, attractiveness, expertise and emotional involvement items

<i>Experiment 3 (n=77)</i>				
Factor (Explained Variance) Variable	Factor 1 Expertise (18%)	Factor 2 Trustworthiness (20%)	Factor 3 Em. Involvement (17%)	Factor 4 Attractiveness (17%)
Expertise 1	.84		.33	
Expertise 2	.81			
Expertise 3	.78		.33	
Expertise 4	.75			
Expertise 5	.70			
Trustworthiness 1		.89		
Trustworthiness 2		.88		
Trustworthiness 3		.85		
Trustworthiness 4		.84		
Trustworthiness 5		.81		
Em. Involvement 1			.87	
Em. Involvement 2			.83	
Em. Involvement 3			.78	
Em. Involvement 4			.70	
Em. Involvement 5			.55	
Attractiveness 1				.86
Attractiveness 2				.81
Attractiveness 3				.80
Attractiveness 4				.79
Attractiveness 5				.54
<i>Experiment 4 (n=88)</i>				
Factor No. Name (Explained Variance) Variable	Factor 1 Expertise (20%)	Factor 2 Trustworthiness (19%)	Factor 3 Em. Involvement (18%)	Factor 4 Attractiveness (16%)
Expertise 1	.87			
Expertise 2	.86			
Expertise 3	.83			
Expertise 4	.82			
Expertise 5	.80			
Trustworthiness 1		.85		
Trustworthiness 2		.85		

<i>Experiment 4 (cont.)</i>				
Trustworthiness 3		.82		
Trustworthiness 4		.80		
Trustworthiness 5	.35	.75		
Em. Involvement 1			.88	
Em. Involvement 2			.85	
Em. Involvement 3			.81	
Em. Involvement 4			.80	
Em. Involvement 5			.65	
Attractiveness 1				.79
Attractiveness 2				.78
Attractiveness 3				.78
Attractiveness 4				.77
Attractiveness 5				.74
<i>Experiment 5 (n=113)</i>				
Factor No. Name (Explained Variance) Variable	Factor 1 Expertise (19%)	Factor 2 Em. Involvement (18%)	Factor 3 Attractiveness (16%)	Factor 4 Trustworthiness (16%)
Expertise 1	.87			
Expertise 2	.86			
Expertise 3	.82		.31	
Expertise 4	.78			
Expertise 5	.68			
Em. Involvement 1		.88		
Em. Involvement 2		.83		
Em. Involvement 3		.76		
Em. Involvement 4		.74		
Em. Involvement 5		.67		
Attractiveness 1			.80	
Attractiveness 2			.79	
Attractiveness 3			.78	
Attractiveness 4			.75	
Attractiveness 5			.67	
Trustworthiness 1				.83
Trustworthiness 2				.82
Trustworthiness 3				.82
Trustworthiness 4				.78
Trustworthiness 5				Excluded ²⁶

Note: The analyses clearly favour a four factor solution. Eigenvalues for the fourth and fifth (non-extracted) factors are 1.87 vs. 0.85 in Experiment 3, and 1.49 vs. 0.89 in Experiment 4 and 1.75 vs. 0.82 in Experiment 5. Principal Component extraction and Varimax rotation were employed. Loadings smaller than $\pm .30$ have been suppressed. Factors were numbered as they came out in each analysis.

The results demonstrate that in line with expectation, four factors corresponding to the default Eigenvalue greater than 1 criterion were extracted in the first two analyses with one anomalous

²⁶ This item was extracted as a fifth factor in an initial factor analysis. For that reason and in the analysis shown, this item was excluded.

variable (not dependable-dependable) in the third analysis loading on a fifth factor. This variable was subsequently omitted and the analysis re-run. Further, the loading patterns are very clear. With the removal of 'dependable', each item consistently has the highest loading on the expected factor, and there are very few 'side loadings' of non-negligible magnitude. The explained variance is as high, and the loading pattern as clear, for the emotional involvement factor as for the well established trustworthiness, attractiveness and expertise constructs. In combination with the high Cronbach's Alpha this is clear support for Hypothesis 1. Thus:

- *Hypothesis 1 is supported in experiments 3-5*

The factor analysis forces orthogonality and hence is able to demonstrate that the (now) four dimensions of the source model (Table 18) can be regarded as distinct. If, however, four summated indices are created on the basis of the four five-item batteries, it is revealed that the four constructs also share common variance. The zero-order correlations among these four indices range from 0.20 to 0.58, and the multiple correlations are even higher than that. This means that it reduces the possibility to correctly discern the unique effect of each dimension if such indices were entered as explanatory variables in a multiple regression analysis. By contrast, factor scores are uncorrelated by definition. Therefore, in order to be better able to assess the unique effect of emotional involvement, factor scores rather than summated indices are used in subsequent analyses.

4.1.3 Experiments 3-5: Hypotheses 2-5

The next important question is whether the experimental manipulation had the expected effect on the source model variables trustworthiness, expertise, attractiveness and emotional involvement. This set of hypotheses state that 'as a celebrity's entrepreneurial engagement increases, perceived H2) emotional involvement, H3) attractiveness, H4) expertise, H5) trustworthiness will also increase'. This increase is expected to occur relative to when explicit information is given that the celebrity communicator is 'just' an endorser and when no information is given.

To test this hypothesis, a 1 x 3 between group analysis of variance (ANOVA) was used, where one factor (engagement) was varied under three experimental conditions (entrepreneur, endorser and control group) as a between subjects variable. The control group acted as an anchor and because participants in this group were not exposed to the engagement treatment, it is possible to deduce whether different levels of engagement (entrepreneur or endorser) positively and/or negatively affect the dependent variables.

Support for this theory would be indicated if scores for the dependent variable (H2=emotional involvement; H3=attractiveness; H4=expertise; H5=trustworthiness) were higher in the groups exposed to the entrepreneur condition versus those in the endorser and control group. Such a finding would indicate that perceptions of the dependent variable are increased by those celebrities who are seen as entrepreneurs, but not those of endorsers and when it is unclear how a celebrity is engaged. Partial support will manifest if the dependent variable is not significantly different in the entrepreneur and control group, but is lower in the endorser group. If this scenario were to present itself, it would mean endorsement as a specific form of engagement will negatively affect the dependent variable. No support will be exhibited however, if there are no differences between the three groups. A result of this nature will be evidence that engagement has no significant effect on the source variables. Finally, it is conceivable that there are statistical differences between all three groups. Should this eventuate, support for the hypothesis would occur if the entrepreneur group was greater than the control group which was greater than the endorser group. Such a finding would suggest that not only does increased engagement have a positive effect on the dependent variable, but also that decreased engagement has a negative effect.

The three group conditions in the Experiment 3 data set were entered into a one-way ANOVA as the independent variables and coded 1 for the entrepreneur group, endorser group 2 and control group 3. Following this the dependent variable, emotional involvement was added. Missing values were excluded analysis by analysis. A planned comparison, rather than post-hoc tests, was conducted as the hypotheses clearly predicted under what condition and the direction of differences expected in the comparison group (Tabachnick and Fidell 2007). The data were then analysed and repeated for each dependent variable and again for the fourth and fifth experimental data sets.

4.1.3.1 Hypothesis H2: Influence of engagement on emotional involvement

Table 19 summarises the results from Hypothesis 2 relating to experiments 3, 4 and 5. There was a statistically significant difference at the $p < .05$ level in emotional involvement scores for the three groups in Experiment 3 [$F(2,85)=6.58, p=.002$], Experiment 4 [$F(2,74)=9.27, p=.000$] and very close to the conventional significance level of .05 in Experiment 5 [$F(2, 110)2.78=, p=.067$]. In addition to reaching statistical significance for emotional involvement, the actual difference in mean scores between the groups was medium and large for the first two experiments and small in the third. The effect size of .13, .20 and .05 for experiments one, two and three respectively, were calculated using η^2 . According to Cohen (1988) a medium effect

size is reached at .06 and a large effect size at .14. These results indicate that celebrity engagement has a significant and non-negligible effect on emotional involvement.

Table 19. ANOVA summary experiments 3-5. The influence of engagement on emotional involvement

Exp.	Dependent variable (main effects)	Ent. (mean)	End. (mean)	Control (mean)	Mean square	Degrees of freedom	Fratio	Effect size (eta ²)
3	Em. involv.	4,22	3,09	3,73	9,2	2 (85)	6.58**	0,13
4	Em. involv.	4,88	3,76	3,85	10,2	2 (74)	9.27***	0,2
5	Em. involv.	4,1	3,6	3,5	3,8	2 (110)	2,78	0,05

Whether or not an overall effect exists is not the only interesting point. It is rather more interesting to determine what kind of celebrity engagement is theoretically and empirically more important. Because the results in Table Table 19 do not provide the information needed to discern which group is different from which other group, a planned comparison was conducted (Table 20). In Experiment 3, emotional involvement differed between the entrepreneurial engaged group (M=4.22 SD=1.44) and the endorser group (M=3.09, SD=1.02). This difference was significant and in line with the hypothesis [$F(1,85)=13.09, p<.001$].

Table 20. Testing the effects of engagement on emotional involvement with planned comparisons

Planned comparison	Exp. 3	Exp. 4	Exp. 5
Ent. vs. End.	$F(1,85)=13.09, p=.000$	$F(1,74)=15.58, p=.000$	$F(1,110)=3.28, p=.04$
Ent. vs. Contr.	$F(1,85)=2.50, p=.058$	$F(1,74)=11.86, p=.000$	$F(1,110)=4.91, p=.01$
End. vs. Contr.	$F(1,85)=4.27, p=.021$	$F(1,74)=0.11, p=.377$	$F(1,110)=0.17, p=.68$

p values are 2 tailed for endorser vs. control condition, 1 tailed otherwise

The entrepreneurially engaged treatment group (M=4.22 SD=1.44) was almost significantly different from the control group (M=3.73 SD=1.02) in the direction predicted by the hypothesis [$F(1,85)=2.50, p=.058$]. Unexpectedly the planned comparison between endorser group and the control group was significant. The results then from Experiment 3 suggest that entrepreneurial engagement increases perceptions of emotional involvement. At the same time, endorser engagement decreases perceptions of emotional involvement compared to when no information is given.

The results in Experiment 4 were similar but different. In this experiment the entrepreneurial engaged group ($M=4.88$) was statistically different from the endorser group ($M=3.76$), [$F(1,74)=15.58$, $p=.000$] and control group ($M=3.85$), [$F(1,74)=11.86$, $p=.000$]. However, the differences between the control group and endorser engaged group were statistically insignificant $F(1,74)=0.11$, $p=.377$.

The results then from Experiment 4 suggest that entrepreneurial engagement increases perceptions of emotional involvement, however endorser engagement does not. It is also worth noting that, at least according to the results in this experiment, being perceived as engaged as a celebrity endorser will not decrease perceptions of emotional involvement. Presumably, celebrities are seen, by default when working with products, as engaged endorsers.

In Experiment 5, the results are very similar to those from Experiment 4. That is, being engaged as an entrepreneur increases perceptions of emotional involvement relative to those engaged as endorsers [$F(1,110)=3.28$, $p=.04$] and those who are uninformed of the celebrity's engagement [$F(1,110)=4.91$, $p=.01$]. Once again however, being portrayed as an endorser does not produce differential affects on one's emotional involvement relative to when no information is given [$F(1,110)=0.17$, $p=.68$].

Taken together, the results from these three experiments suggest that being engaged as an entrepreneur will positively affect how consumers view a celebrity's emotional involvement. They also suggest that being portrayed as endorser engaged will probably not decrease perceptions of the celebrity's emotional involvement, but that the risk is there. Consequently:

- *Hypothesis 2 is supported in experiments 3-5*

4.1.3.2 Hypothesis H3: Influence of engagement on attractiveness

Support for hypothesis 3 was poor. Not only are the overall ANOVA models non-significant, there is not a single finding in the planned comparison to suggest that when the celebrity communicator is engaged in the capacity of an entrepreneur, perceived attractiveness increases relative to when explicit information is given that the celebrity communicator is 'just' an endorser and when no information is given (see Table 21 and Table 22). In fact, it appears from the results in experiments 3,4 and 5 that even a revised hypothesis which only required any effect would be unsupported. Based on these results, there is strong evidence to suggest engagement does not affect a celebrity's attractiveness. Thus:

- *Hypothesis 3 is rejected in experiments 3-5*

Table 21. ANOVA summary experiments 3-5. The influence of engagement on attractiveness

Exp.	Dependent variable (main effects)	Entrepreneur (mean)	Endorser (mean)	Control (mean)	Mean square	Degrees of freedom	F ratio	Effect size (η^2)
3	Attractiveness	5.28	4.86	5.06	1.30	2(85)	1.22	0.03
4	Attractiveness	5.43	5.34	5.24	0.21	2(74)	0.28	0.01
5	Attractiveness	5.44	5.52	5.74	0.89	2(110)	1.22	0.02

Table 22. Testing the effects of engagement on attractiveness with planned comparisons

Planned Comparison <i>Attractiveness</i>	Exp. 3	Exp. 4	Exp. 5
Ent. vs. End.	F(1,85)=2.43, p=.062	F (1,74)=0.14, p=.36	F (1,110)=0.20, p=.33
Ent. vs. Contr.	F(1,85)=0.70, p=.203	F (1,74)=0.56, p=.23	F (1,110)=1.33, p=.07
End. vs. Contr.	F(1,85)=0.54, p=.463	F (1,74)=0.16, p=.68	F (1,110)=1.16, p=.28

p values are 2 tailed for endorser vs. control condition, 1 tailed otherwise

4.1.3.3 Hypothesis H4: Influence of engagement on expertise

In Table 23 the overall ANOVA models predicting engagement will affect expertise, are unsupported by the data. Looking even closer into the planned comparisons between the treatment groups (Table 24) there is only one significant group difference to be found. In Experiment 4, it appears as though being engaged as an entrepreneur ($M= 3.97$) relative to the control group ($M=3.39$) leads to higher perceptions of expertise [$F [(1,74)=3.45, p=.03]$]. However, given that in 8 out of 9 planned comparisons there is no significant group difference, it appears as though engagement does not have an effect on expertise. The one significant finding may be a Type I error. This possibility becomes even more likely given that there are multiple comparisons based on a new theory and a hypothesis that is largely unsupported. Thus:

- *Hypothesis 4 is rejected in experiments 3-5*

Table 23. ANOVA summary experiments 3-5. The influence of engagement on expertise

Exp.	Dependent variable (main effects)	Entrepreneur (mean)	Endorser (mean)	Control (mean)	Mean square	Degrees of freedom	F ratio	Effect size (η^2)
3	Expertise	3.65	3.17	3.75	2.80	2(85)	2.16	0.05
4	Expertise	3.97	3.61	3.39	2.10	2(74)	1.77	0.18
5	Expertise	2.92	3.12	3.16	0.65	2(110)	0.56	0.05

Table 24. Testing the effects of engagement on expertise with planned comparisons

Planned Comparison <i>Expertise</i>	Exp. 3	Exp. 4	Exp. 5
Ent. vs. End.	F(1,85)=2.58, p=.056	F (1,74)=1.42, p=.12	F (1,110)=0.70, p=.20
Ent. vs. Contr.	F(1,85)=0.11, p=.373	F (1,74)=3.45, p=.03	F (1,110)=0.97, p=.16
End. vs. Contr.	F(1,85)=3.79, p=.055	F (1,74)=0.54, p=.23	F (1,110)=0.02, p=.88

p values are 2 tailed for endorser vs. control condition, 1 tailed otherwise

4.1.3.4 Hypothesis H5: Influence of engagement on trustworthiness

In Experiment 3 it appears as though groups that are exposed to the entrepreneur condition ($M=4.05$) view the celebrity as more trustworthy than those in the endorser condition ($M=3.3$) [$F(1,85)=8.96$, $p=.002$] (Table 25). However, exposure to an entrepreneurially engaged celebrity, relative to the control group ($M=4.01$), does not increase trustworthiness [$F(1,85)=0.04$, $p=.424$]. Looking at the planned comparison (see Table 26) between the endorser group and control group reveals why this is the case. Under this comparison celebrities engaged as endorsers are significantly less trustworthy than the anchor, the control group [$F(1,85)=7.98$, $p=.006$]. This result indicates that engagement really only affects trustworthiness negatively, when a celebrity is perceived to be an endorser.

Table 25. ANOVA summary experiments 3-5. The influence of engagement on trustworthiness

Exp.	Dependent variable (main effects)	Ent. (mean)	Endorser (mean)	Control (mean)	Mean square	Degrees of freedom	F ratio	Effect size (eta ²)
3	Trustworthiness	4.05	3.3	4.0	5.2	2(85)	5.64**	0.12
4	Trustworthiness	4.43	3.7	3.6	5.6	2(74)	4.32*	0.10
5	Trustworthiness	4.23	4.0	3.8	1.9	2(110)	1.64	0.03

Table 26. Testing the effects of engagement on trustworthiness with planned comparisons

Planned Comparison <i>Trustworthiness</i>	Exp. 3	Exp. 4	Exp. 5
Ent. vs. End.	F(1,85)=8.96, p=.002	F(1,74)=6.05, p=.008	F (1,110)=0.85, p=.18
Ent. vs. Contr.	F(1,85)=0.04, p=.424	F(1,74)=6.84, p=.006	F (1,110)=3.29, p=.04
End. vs. Contr.	F(1,85)=7.98, p=.006	F (1,74)=0.08, p=.78	F (1,110)=0.81, p=.37

p values are 2 tailed for endorser vs. control condition, 1 tailed otherwise

The results from Experiment 4 reveal a slightly different picture. Here, a celebrity that is seen as engaged as an entrepreneur (M=4.43) is more trustworthy than both those celebrities that are portrayed as endorsers (M=3.67) [F(1,74)=6.05, p=.008] and when no information is given (M=3.58) [F(1,74)=6.84, p=.006]. Unlike in Experiment 3, there are no statistical differences on trustworthiness between the endorser group and control group [F (1,74)=0.08, p=.78]. Thus, at least according to the results in Experiment 4, entrepreneurial engagement increases trustworthiness (relative to endorser engagement and control), whereas endorser engagement neither increases nor decreases trustworthiness.

In Experiment 5 the findings are rather inconclusive. It appears as though in line with expectations, trustworthiness is higher when the celebrity is engaged as an entrepreneur (M=4.23) relative to endorser engaged (M=4). However these findings are non-significant [F (1,110)=0.85, p=.18]. Looking at the second planned comparison, entrepreneurial engaged celebrities are seen as more trustworthy than when no information is given concerning their engagement (M=3.82) [F (1,110)=3.29, p=.04]. In the final planned comparison between endorser and control group, statistically significant differences are not found [F (1,110)=0.81, p=.37]. Based on these results, it appears as though being engaged as an entrepreneur has a positive affect (above no information) on a celebrity's trustworthiness, but not relative to being

engaged as an endorser. At the same time, engagement does not appear to significantly affect endorser trustworthiness (relative to no information) either positively or negatively. So while no support for the hypothesis as stated is found, the results do show that entrepreneurial engagement does improve trustworthiness; just not relative to endorser engagement.

In experiments 3, 4 and 5 there are three different results. In Experiment 3, *endorser engagement decreases* perceptions of trustworthiness relative to entrepreneurial engagement and the control. As stated earlier, this is partial support for the hypothesis. In Experiment 4, *entrepreneurial engagement increases* perceptions of trustworthiness relative to endorser engagement and the control. This result fully supports the hypothesis as stated. In Experiment 5, entrepreneurial engagement *increases perceptions of trustworthiness only relative to the control*. Again, this finding is partial support for the hypothesis. Together, however, these results provide partial, but not full support for the hypothesis. That is, when the celebrity communicator is engaged in the capacity of an entrepreneur, perceived trustworthiness increases relative to when explicit information is given that the celebrity communicator is ‘just’ an endorser and when no information is given. Thus:

- *Hypothesis 5 is supported in experiment 4*
- *Hypothesis 5 is partially supported in experiments 3 and 5*

A summary of the overall ANOVA results and planned comparisons on hypotheses 2-5 from experiments 3-5 can be found below.

Table 27. ANOVA summary for experiments 3-5. The influence of engagement on the source variables

Exp.	Dependent variable (main effects)	Ent. (mean)	End. (mean)	Control (mean)	Mean square	Degrees of freedom	F ratio	Effect size (eta ²)
3	Em. Involv.	4.22	3.09	3.73	9.2	2 (85)	6.58**	0.13
4	Em. Involv.	4.88	3.76	3.85	10.2	2 (74)	9.27***	0.20
5	Em. Involv.	4.10	3.60	3.50	3.8	2 (110)	2.78	0.05
3	Trustworthiness	4.05	3.30	4.01	5.2	2(85)	5.64**	0.12
4	Trustworthiness	4.43	3.67	3.58	5.6	2(74)	4.32*	0.10
5	Trustworthiness	4.23	4.00	3.82	1.9	2(110)	1.64	0.03
3	Expertise	3.65	3.17	3.75	2.8	2(85)	2.16	0.05
4	Expertise	3.97	3.61	3.39	2.1	2(74)	1.77	0.18
5	Expertise	2.92	3.12	3.16	0.6	2(110)	0.56	0.05
3	Attractiveness	5.28	4.86	5.06	1.3	2(85)	1.22	0.03
4	Attractiveness	5.43	5.34	5.24	0.2	2(74)	0.28	0.01
5	Attractiveness	5.44	5.52	5.74	0.9	2(110)	1.22	0.02

Table 28. Summary of hypotheses 2-5 planned comparisons

Planned Comparison	Exp. 3	Exp. 4	Exp. 5
<i>Emotional Involvement</i>			
Ent. vs. End.	F(1,85)=13.09, p=.000	F(1,74)=15.58, p=.000	F (1,110)=3.28, p=.04
Ent. vs. Contr.	F(1,85)=2.50, p=.058	F(1,74)=11.86, p=.000	F (1,110)=4.91, p=.01
End. vs. Contr.	F(1,85)=4.27, p=.021	F(1,74)=0.11, p=.377	F (1,110)=0.17, p=.68
<i>Trustworthiness</i>	Exp. 3	Exp. 4	Exp. 5
Ent. vs. End.	F(1,85)=8.96, p=.002	F(1,74)=6.05, p=.008	F (1,110)=0.85, p=.18
Ent. vs. Contr.	F(1,85)=0.04, p=.424	F(1,74)=6.84, p=.006	F (1,110)=3.29, p=.04
End. vs. Contr.	F(1,85)=7.98, p=.006	F (1,74)=0.08, p=.78	F (1,110)=0.81, p=.37
<i>Expertise</i>	Exp. 3	Exp. 4	Exp. 5
Ent. vs. End.	F(1,85)=2.58, p=.056	F (1,74)=1.42, p=.12	F (1,110)=0.70, p=.20
Ent. vs. Contr.	F(1,85)=0.11, p=.373	F (1,74)=3.45, p=.03	F (1,110)=0.97, p=.16
End. vs. Contr.	F(1,85)=3.79, p=.055	F (1,74)=0.54, p=.23	F (1,110)=0.02, p=.88
<i>Attractiveness</i>	Exp. 3	Exp. 4	Exp. 5
Ent. vs. End.	F(1,85)=2.43, p=.062	F (1,74)=0.14, p=.36	F (1,110)=0.20, p=.33
Ent. vs. Contr.	F(1,85)=0.70, p=.203	F (1,74)=0.56, p=.23	F (1,110)=1.33, p=.07
End. vs. Contr.	F(1,85)=0.54, p=.463	F (1,74)=0.16, p=.68	F (1,110)=1.16, p=.28

p values are 2 tailed for endorser vs. control condition, 1 tailed otherwise

4.1.4 Experiments 3-5; Hypothesis 6

Hypothesis 1 showed that emotional involvement is an empirically distinct endorser characteristic relative to the traditional source model variables trustworthiness, expertise and attractiveness. In addition to this finding, Hypothesis 2 revealed that perceptions of emotional involvement increase when a celebrity is believed to be an entrepreneur. While both of these hypotheses turned out to be statistically significant, the importance of these findings is dependent on Hypothesis 6.

Hypothesis 6 stated that *greater perceived emotional involvement will lead to higher communication effectiveness*. Should an analysis reveal that Hypothesis 6 is supported, it will not only mean that there is evidence that this 'new' characteristic of endorsers helps communication effectiveness; it will also mean that a new means for measuring and improving the understanding of communication effectiveness has been discovered. Also, when combined with Hypothesis 2, an empirically important endorser characteristic that can be improved through entrepreneurial engagement will have been identified for the first time.

In order to test Hypothesis 6 a series of hierarchical multiple regression analyses was performed. Regression analysis, rather than analysis of variance was used, since the hypothesis tested and the independent variables are non-experimental, or created independently of the experimental treatment (Tabachnick and Fidell 2007). Starting with the Experiment 3 data and Attitude Towards the Ad (AAAd) as the dependent variable, four potentially influential control variables were entered into Model 1 as the first step (each model is displayed in Table 29): Age (years), Gender (1=male; 2=female), Country of origin (In the third and fourth experiment: 1= Swedish as mother tongue; 0=other; in the fifth experiment participants were asked what country they are from where 1=Latvia, 0= other) and Prior Familiarity with Cameron Diaz (0 = No; 1=a little; 2=a lot).

In Model 2 the traditional source model variables were entered (as operationalised with factor scores), and in Model 3 the emotional involvement factor scores are added²⁷. In this way, before H6 can be regarded as supported, emotional involvement must have an effect *over and above* what can be explained by the controls and the traditional source model dimensions. In models 4 to 6 the procedure is repeated with Attitude towards the Brand (ABr) as dependent variable. Finally, in estimating models 7-18 the whole sequence is repeated using the data from Experiment 4 then 5. The results are displayed in Table 29.

²⁷ The factor scores for emotional involvement and the traditional source dimensions were generated and saved in SPSS during the Principal Component Analysis discussed during Hypothesis 1.

Table 29. Regression models assessing the impact of emotional involvement on attitude towards the ad and attitude towards the brand

<i>Experiment 3 (n=88)</i>						
Dependent variable	Attitude towards ad			Attitude towards brand		
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Independent variables						
Controls						
Age	-.05	-.09	-.11	-.01	-.11	-.12
Gender	.06	-.07	.00	.13	-.07	-.01
Country of origin	.24*	.21*	.14	.24	.04	-.01
Prior familiarity	.10	-.08	-.07	.23	.02	.02
Source model variables						
Trustworthiness		.26**	.25**		.29**	.29**
Attractiveness		.35***	.34***		.25*	.24**
Expertise		.32***	.30***		.32**	.30**
Emotional involvement			.39***			.31***
Adjusted R ²	.04	.26	.41	.00	.19	.28
R ² Change (unadjusted)	.09	.24***	.14***	.04	.21***	.09***

<i>Experiment 4 (n=77)</i>						
Dependent variable	Attitude towards ad			Attitude towards brand		
Independent variables	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Controls						
Age	-.09	-.05	-.06	.10	.14	.12
Gender	.16	.21*	.16	.09	.10	.07
Country of origin	-.13	.00	.02	-.13	-.03	-.04
Prior familiarity	.39***	.20	.12	.39***	.22	.17
Source model variables						
Trustworthiness		.23*	.25**		.25*	.27**
Attractiveness		.29**	.30**		.23*	.24*
Expertise		.35***	.35***		.20*	.20*
Emotional involvement			.26**			.19*
Adjusted R ²	.17	.35	.41	.11	.20	.23
R ² Change (unadjusted)	.21**	.20***	.06**	.16*	.12**	.03*

<i>Experiment 5 (n=113)</i>						
Dependent variable	Attitude towards ad			Attitude towards brand		
Independent variables	Model 13	Model 14	Model 15	Model 16	Model 17	Model 18
Controls						
Age	-.14	-.15	-.09	.01	.00	.04
Gender	.09	-.06	.00	.15	-.01	.04
Country of origin	.04	-.04	.06	-.09	-.10	-.08
Prior familiarity	-.07	-.03	-.03	-.08	-.05	-.05
Source model variables						
Trustworthiness		.45***	.44***		.50***	.49***
Attractiveness		.26***	.26***		.20**	.20**
Expertise		.32***	.31***		.33***	.32***
Emotional involvement			.28***			.19*
Adjusted R ²	-.01	.34	.40	-.002	.36	.39
R ² Change (unadjusted)	.03	.35***	.07***	.03	.37***	.03*

* = $p < 0.05$; ** = $p < 0.01$; *** = $p < 0.001$. Reported significance levels are single-tailed for source model variables and two-tailed for control variables. The displayed coefficients are standardised Betas.

The results show that while some of the control variables come out significant when entered separately their effects lack consistency and do not hold up when all the source variables are entered. As expected, the traditional source model variables come out with a significant positive effect and contribute substantively to explanatory power in each analysis. Importantly, the same holds for emotional involvement when entered after trustworthiness, attractiveness and expertise. The coefficient is statistically significant in each analysis, and this variable is ascribed a unique contribution to explanatory power of 7% on average, with a range from 3 to 14 %. The average unique contribution ascribed to the traditional source model variables is about 8%. The effect of emotional involvement holds up in both experiments and for both AAd and ABr as dependent variable.

While the effect of emotional involvement varies across the analyses, it is consistently positive and significant. Variations in the estimated magnitude of effect may be due to the cultural homogeneity and differences of the samples. In Experiment 5 participants were very close in age; however they were represented by at least three different countries, whereas in the third and fourth experiment, participants were all Swedish speakers and over 90% were native Swedes. These differences may very well account for the variance found.

In summary, the results clearly support that higher perceived emotional involvement leads to higher communication effectiveness and is manifested in more positive AAd and ABr. Moreover, these effects are of comparable magnitude to the corresponding effects of the well established source model variables trustworthiness, attractiveness and expertise. Therefore:

- *Hypothesis 6 is supported in experiments 3-5*

4.2 Experiments 6 and 7– Takeru Kobayashi

This set of two experiments was designed in part to test hypotheses 1-6, but moves beyond that in order to test the effects of negative information (H7-10). Whereas experiments 3-5 were randomised 1x3, between subjects, with a *post-test only* design, experiments 6 and 7 are two-way, 3x2 factorial between subjects, randomised experiments with a *pre-test–post-test* design²⁸. As discussed in Section 3.7.1, the first part of these experiments contains the needed treatment and questions to replicate the findings from hypotheses 1-6 while a second part was added to the experiment in order to manipulate and capture the effects of negative information. By including an additional treatment and pre-test–post-test measures, change in attitudes (as a result of negative information) as well as interaction effects (between engagement and company response to negative information) are possible to analyse.

4.2.1 *Sample description*

In total there were 149 and 206 completed questionnaires from these experiments. With good instructions and gentle reminders, all participants returned completed questionnaires and carefully answered most questions. SPSS's missing variable routine confirmed less than 2% across all variables were (unsystematically) missing. Consequently, it appears as though none of the questions posed undue difficulty and all questionnaires were used in the subsequent analysis.

²⁸ For H1-6 this experiment can be viewed as post-test only. That is, participants are exposed to a treatment, then measured. For H7-10, an additional treatment is administered followed by measurement of the same variables used in H1-6. Hence, the pre-test–post-test design.

Table 30 below shows the descriptive statistics for each case separated by experiment, experiment group and total. There were at least 24 participants in each of the six groups in both experiments and up to 41. However, at least for hypotheses 1-6, this number is roughly double since experiment groups 1 and 2, 3 and 4, and 5 and 6 are combined during the analysis. Males comprised 51% and 58% of the samples in experiments 6 and 7 respectively.

On average the participants were 21.2 and 20.9 years of age. In both experiments 6 and 7, the Standard Deviation for age was two years. With regard to age, both samples were relatively homogenous and representative of first year university students.

One question was asked in each experiment as a proxy for cultural similarity. In experiments 6 and 7, participants were asked to rate their proficiency of the Swedish language. It was assumed that native Swedish speakers, or those already enculturated in Sweden, would rate themselves as being good or very good in Swedish. Those who were exchange students or recent immigrants were expected to rate their proficiency as average or below. In total, 77% and 80% of participants rated themselves as being good or very good with the Swedish language. This distribution is representative of the Jönköping International Business School; however it may not reflect the ‘average’ Swedish student.

Across both experiments, Takeru Kobayashi was not very well known. Only 11% and 19% of participants indicated they knew who Kobayashi was prior to his introduction. In experiments 3-5 and 8 the celebrities portrayed were known by virtually all participants. By finding similar results in this experiment, some evidence to suggest even lesser-known celebrities, or endorsers in general, are capable of producing the same effects in consumers will be found.

Table 30. Descriptive statistics for experiments 6-7

Experiment 6	Sample size	Gender male/female	Age mean	Age min/max	Age S.D.	% Swedish speaking	% heard of celebrity
Group 1: Ent.+ fire	26	12/14	21	19/26	1.6	77%	19%
Group 2: Ent.+ support	24	9/15	21	19/27	2.2	79%	0%
Group 3: End. + fire	25	13/12	21	19/24	1.4	72%	8%
Group 4: End + support	24	15/9	22	19/31	2.7	79%	21%
Group 5: Control + fire	25	15/10	21	19/24	1.5	76%	16%
Group 6: Control + support	25	12/13	21	19/30	2.5	80%	0%
<i>Experiment 6 Totals</i>	149	76/73	21.2	19/31	2	77%	11%
Experiment 7							
Group 1: Ent. + fire	41	26/16	21	18/25	1.6	80%	25%
Group 2: Ent. + support	34	22/12	21	18/29	2.25	74%	17%
Group 3: End. + fire	28	9/19	21	18/30	2.5	79%	14%
Group 4: End + support	32	19/13	21	18/32	1.3	91%	13%
Group 5: Control+ fire	33	22/11	20	18/25	1.8	70%	18%
Group 6: Control + support	37	22/15	21	18/25	1.7	86%	24%
<i>Experiment 7 Totals</i>	206	119/86	20.9	18/32	2	80%	19%

Group totals may not equal experiment totals due to missing values/rounding.

4.2.2 Experiments 6-7: Hypothesis 1

The first hypothesis states that emotional involvement is conceptually and empirically distinct from the traditional source model characteristics attractiveness, trustworthiness and expertise. Once again this hypothesis was tested using PCA. In Table 31, the five items used in the PCA are shown. As was the case in experiments 3-5, the items used to measure emotional involvement seem capable of capturing variance among the respondents. Although the full range is used for all of the items, the mean is negatively skewed.

Table 31. Selected descriptive statistics for emotional involvement items

Emotional Involvement Items/Statistics for Experiment 6 (1st line) Experiment 7 (2nd line)	Min	Max	Mean	S.D.
Takeru Kobayashi likes Big Dogs' hamburgers and hot dogs	1 1	7 7	5.1 5.5	1.5 1.5
Takeru Kobayashi is dedicated to the Big Dog company	1 1	7 7	5.1 5.4	1.4 1.5
Takeru Kobayashi is loyal to the Big Dog company	1 1	7 7	4.9 5.1	1.4 1.4
Takeru Kobayashi is thrilled about Big Dogs' products	1 1	7 7	4.6 5.2	1.4 1.5
Takeru Kobayashi is passionate about Big Dogs' products	1 1	7 7	4.6 5.3	1.4 1.5

SPSSs Reliability routine was used to determine whether the items in the index capture the same construct. This routine, along with PCA, was used iteratively to arrive at the final five items used to measure emotional involvement. The final Reliability Analysis revealed strong Cronbach Alpha values of .919 and .911, in experiments 6 and 7. The reliability of this index would not benefit from either deleting or adding any items. With this analysis, it appears as though the construct is reliable, but to establish discriminant validity a PCA is needed on the two data sets.

In line with the previous experiments PCA is run by entering the emotional involvement items with trustworthiness, attractiveness and expertise. To support Hypothesis 1, it is important that a four factor solution is extracted by SPSS and that each item loads cleanly on the expected factor with few side loadings. Table 32 displays the rotated factor solution.

Table 32. Varimax rotated factor solution for experiments 6 and 7

<i>Experiment 6 (n=149)</i>				
Factor No. Name (Explained Variance) Variable	Factor 1 Em. Involvement (30%)	Factor 2 Expertise (16%)	Factor 3 Trustworthiness (13%)	Factor 4 Attractiveness (12%)
Em. Involvement 1	.90			
Em. Involvement 2	.90			
Em. Involvement 3	.86			
Em. Involvement 4	.85			
Em. Involvement 5	.77			
Expertise 1		.84		
Expertise 2		.84		
Expertise 3		.84		
Expertise 4		.81		
Expertise 5		.76		
Trustworthiness 1			.86	
Trustworthiness 2			.83	
Trustworthiness 3			.82	
Trustworthiness 4			.80	
Attractiveness 1				.79
Attractiveness 2				.78
Attractiveness 3				.78
Attractiveness 4				.74
Attractiveness 5				.68
<i>Experiment 7 (n=206)</i>				
Factor No. Name (Explained Variance) Variable	Factor 1 Em. Involvement (20%)	Factor 2 Expert (19%)	Factor 3 Attractiveness (17%)	Factor 4 Trustworthiness (16%)
Em. Involvement 1	.91			
Em. Involvement 2	.90			
Em. Involvement 3	.84			
Em. Involvement 4	.83			
Em. Involvement 5	.76			
Expertise 1		.86		
Expertise 2		.84		
Expertise 3		.82		
Expertise 4		.81		
Expertise 5		.79		
Attractiveness 1			.85	
Attractiveness 2			.79	
Attractiveness 3			.78	
Attractiveness 4			.75	
Attractiveness 5			.70	
Trustworthiness 1				.85
Trustworthiness 2				.83
Trustworthiness 3				.82
Trustworthiness 4				.81

Note: The analyses clearly favour a four factor solution. Eigenvalues for the fourth and fifth (non-extracted) factors are 2.2 vs. 0.82 in Experiment 6, and 1.8 vs. 0.79 in Experiment 7. Principal Component extraction and Varimax rotation were employed. Loadings smaller than $\pm .30$ have been suppressed. Factors were numbered as they came out in the original analysis. Note, in both data sets the variable 'dependable' was removed from the trustworthiness dimension due to high side loadings.

The resultant factor analysis provides a four factor solution in line with expectations. One of the trustworthiness items, 'dependable', loaded poorly on the expected variable with a large side loading on the attractiveness dimension. It was therefore deleted and the analysis rerun. In the 'dependable minus' solution all items load cleanly on the expected factor with no side loadings above .30. The loadings for emotional involvement are higher than the other three factors. Furthermore, the explained variance is highest on the emotional involvement factor in both experiments 6 and 7.

With such clear loading patterns and the exceptionally high Cronbach Alphas a strong case is made to support Hypothesis 1. That is, emotional involvement is a conceptually and empirically distinct characteristic of communicators. Therefore:

- *Hypothesis 1 supported in experiments 6 and 7*

The resulting factor scores extracted from the PCA were saved as new variables in SPSS and used as variables in subsequent hypothesis tests.

4.2.3 Experiments 6-7: Hypotheses 2-5

Hypotheses 2-5 deal with whether or not celebrity engagement will have an effect on emotional involvement and the traditional source model variables. To test these hypotheses I again perform a one-way Analysis of Variance using experiment groups as the independent variable and emotional involvement (or trustworthiness, expertise, attractiveness) as the dependent variable. The design in both of these experiments can, for the time being, be seen as one-way experimental designs²⁹ where there was one variable, celebrity engagement, varied on three levels: 1) the celebrity was engaged as an entrepreneur, 2) the celebrity was engaged as an endorser, 3) no information was given as to the celebrity's engagement.

I will try to establish support for these four hypotheses by showing that there is a larger difference in variance between groups than the variance within groups on each of the DVs. This will indicate that there are important differences on, for example, emotional involvement across the groups. By itself however, this is not enough to substantiate each hypothesis. To do so, finding where the difference resides must be established. A planned comparison will reveal the extent of this difference between experimental groups 1 and 2, 1 and 3, and 2 and 3. If there is a sizeable and significant F ratio in the predicted direction when comparing the celebrity

²⁹ In actuality the experiment employed a 3x2 design, however the manipulation was done in two stages. In the first stage the equivalent of a one-way design with three levels was used. Since this data was collected before the next manipulation it is possible to treat, at least for the current hypothesis, all participants as being from one of three groups.

entrepreneur group with the celebrity endorser and control groups the hypotheses will be supported.

When beginning this analysis, a one-way ANOVA from the SPSS menu is ordered. The experimental groups act as treatment IVs. Although there was a total of six groups in each experiment, this hypothesis only covers the first half of the experiment and as a result, the six groups are combined into three. In the first half of this experiment, those three groups were given one of three possible manipulations on the type of engagement Takeru Kobayashi had with the Big Dogs company. Next, the dependent variable emotional involvement was entered into the analysis. The analysis was run once for each experiment and repeated for the remaining three dependent variables: trustworthiness, expertise and attractiveness. These analyses were done using the factor scores established earlier and with summated scales. The results were very similar for both of these analyses; however they were easier to interpret using summated scales. Consequently, summated scales are used to report the results. Table 33 provides a summary of the one-way ANOVA used to test hypothesis 2-5.

Table 33. Descriptive statistics and ANOVA summary for experiments 6-7: engagement's influence on source variables

Exp.	Dependent variable (main effects)	Ent. (mean)	End. (mean)	Control (mean)	Mean square	Degrees of freedom	F ratio	Effect size (eta ²)
6	Emotional Involv.	5.52	4.68	4.4	16.9	2(146)	12.63***	0.15
7	Emotional Involv.	5.84	4.64	5.2	24.4	2(200)	17.63***	0.15
6	Trustworthiness	4.47	4.45	4.27	1.97	2(146)	2.01	0.03
7	Trustworthiness	4.67	4.17	4.44	4.16	2(200)	4.58*	0.04
6	Expertise	5.31	5.23	4.84	3.12	2(146)	2.10	0.03
7	Expertise	5.07	4.77	4.91	1.6	2(202)	0.95	0.01
6	Attractiveness	3.55	3.15	3.13	2.82	2(146)	2.63	0.03
7	Attractiveness	3.29	3.13	3.23	0.398	2(201)	0.32	0.00

p<0.05*; *p*<0.01**; *p*<0.001*** Significance=2-tailed

In both experiments the effect of engagement produces significant results. Starting with emotional involvement as the dependent variable, the *F* ratio is 12.63 and 17.63 for experiments 6 and 7 respectively with both significant at *p*<.001 and medium effect sizes. The effect of engagement on trustworthiness is significant in Experiment 7 [*F*=4.58, *p*<.05] accompanied by a small effect size. For expertise and attractiveness no statistically significant effects were found in the overall models tested.

At this point it is safe to say there are significant group differences regarding perceived emotional involvement and trustworthiness. However, these tests look at the overall model and

potentially obscure otherwise interesting effects between the various groups. Until a closer look at the planned comparisons in Table 34 is made, determining exactly where the significant differences reside or whether they are in line with the predictions is difficult.

Before discussing the table below, it should be pointed out that a test for Homogeneity of Variances was performed³⁰ (see e.g. Hair, Black et al. 2006). This procedure tests the assumption that the variance in score in each of the three groups is the same. The accompanying Levene statistic was *non-significant* for Experiment 6 indicating that the groups did indeed display equal variance. As a result, equal variances are assumed in the contrast test. In the seventh experiment a *significant* Levene statistic was found. As such, equal variance is not assumed and is reflected in the reporting of the contrast test results.

Table 34. Testing the effects of engagement on source variables with planned comparisons for each condition

Planned Comparison	Exp. 6	Exp. 7
<i>Emotional Involvement</i>		
Ent. vs. End.	F (1,146)=12.82, p=.000	F (1,200)=35.78, p=.000
Ent. vs. Contr.	F (1,146)=23.43, p=.000	F (1,200)=11.60, p=.000
End. vs. Contr.	F (1,146)=1.42, p=.118	F (1,200)=5.91, p=.008
<i>Trustworthiness</i>		
Exp. 6		
Ent. vs. End.	F (1,146)=1.17, p=.14	F (1,200)=9.16, p=.002
Ent. vs. Contr.	F (1,146)=4.01, p=.024	F (1,200)=1.95, p=.082
End. vs. Contr.	F (1,146)=0.83, p=.364	F (1,200)=2.68, p=.103
Exp. 7		
Expertise		
Ent. vs. End.	F (1,146)=0.10, p=.37	F (1,202)=1.88, p=.086
Ent. vs. Contr.	F (1,146)=3.66, p=.029	F (1,202)=0.58, p=.22
End. vs. Contr.	F (1,146)=2.50, p=.116	F (1,202)=0.39, p=.531
<i>Attractiveness</i>		
Exp. 6		
Ent. vs. End.	F (1,146)=3.67, p=.029	F (1,201)=0.64, p=.212
Ent. vs. Contr.	F (1,146)=4.19, p=.021	F (1,201)=0.10, p=.38
End. vs. Contr.	F (1,146)=0.01, p=.904	F (1,201)=0.24, p=.624

p values are 2 tailed for entrepreneur vs endorser and control condition, 1 tailed otherwise; Equal variance assumed for Experiment 6; Unequal variance assumed for Experiment 7.

In Table 34 the planned comparisons between the groups are shown. The means for emotional involvement are the highest under the entrepreneur condition in both experiments while the endorser and control group flip between being second and third highest. In addition to this, emotional involvement scores are significantly different between the entrepreneur group and

³⁰ This test was performed in each experiment and is discussed for the first time here because of the significant result found in Experiment 7.

endorser group as well as the entrepreneur and control group. This is clear evidence that celebrities who are engaged in companies as entrepreneurs are seen by participants as also being more emotionally involved than those who are engaged as endorsers only or when no information is given. Therefore:

- *Hypothesis 2 is supported in experiments 6 and 7*

The third hypothesis suggests celebrities who are engaged as entrepreneurs will be viewed by consumers as more attractive than those who are seen as endorsers only. Looking to the planned comparisons from Experiment 6 (Table 34) there is a statistically significant difference between the entrepreneur and endorser group as well as between the entrepreneur and control group [$F(1,146)=3.67, p=.029$]. Furthermore, there are no differences, statistically speaking, between the endorser and control group. Based on these results, being engaged as an entrepreneur will make the celebrity appear more attractive to consumers. However, the effect size is small (only .03) and the results were not replicated in Experiment 7. If the effects seen are indeed real (i.e. did not happen by chance) they appear rather weak. Consequently:

- *Hypothesis 3 is partially supported in Experiment 6*
- *Hypothesis 3 is rejected in Experiment 7*

Perceptions of expertise do not seem to be affected significantly by celebrity engagement. In both experiments, no statistically significant differences between the entrepreneurship group and the endorser group were found, nor were any differences between the endorser group and the control group (Table 34). In Experiment 6 there appears to be a statistically significant difference between the entrepreneur and control group, however this was not replicated in the seventh experiment. Overall, it appears as though expertise is not significantly affected by information regarding a celebrity's engagement with a company. Thus:

- *Hypothesis 4 is rejected in experiments 6 and 7*

Attention is now directed to the last dependent variable: trustworthiness. There seem to be statistical differences between groups. This is to be expected given the overall significance of the ANOVA model in Experiment 7 (Table 33). Looking closer however, the important difference in this experiment is between the entrepreneur and endorser group (Table 34). But because there was no statistically significant difference between the control group and the entrepreneur

group (at $p < .05$), or control group and endorser group, the significant findings that are found only partially support the hypothesis. In all likelihood, this is evidence for a combination of *being* an entrepreneur increasing perceptions of trustworthiness, while *being* an endorser lowers perceptions of trustworthiness.

The results from Experiment 6 lead to the rejection of Hypothesis 5. Even though there is a significant difference between the entrepreneur group and the control group, there is no difference statistically speaking between the entrepreneur group and endorser group. Looking at the mean scores for each group it appears as though trustworthiness increased (similarly) in both the entrepreneur and endorser group relative to the control group. Such a result is interesting, especially if it can be replicated, however it does not support Hypothesis 5 as stated. Therefore:

- *Hypothesis 5 is partially supported in Experiment 7*
- *Hypothesis 5 is rejected in Experiment 6*

4.2.4 Experiments 6-7: Hypothesis 6

Despite demonstrating earlier that emotional involvement is a reliable and discrete dimension, it is of little practical relevance unless it can be shown in this context to add to the predictive power of the dependent variables which represent communication effectiveness. The aim of Hypothesis 6 is geared towards substantiating the practical relevance of the newly constructed dimension, emotional involvement.

Once again this hypothesis is tested using hierarchical multiple regression. In so doing, the newly created dimension, emotional involvement, is forced to have an effect on the dependent variable (either AAd or ABr) that is independent and in addition to the controls and established source model variables. Support for this hypothesis is shown if after entering the control variables in Model 1 and the traditional source variables in Model 2, there is a significant effect of perceived emotional involvement on either AAd or ABr.

The analysis starts by entering control variables that have the potential to confound the results. Similar to earlier experiments, age, gender and prior familiarity with the celebrity are used as controls. Because Big Dogs sells products containing meat, it was necessary to control for those who object to eating meat as this may impact attitudes towards the brand (Povey, Wellens et al. 2001).

Following the controls, the IVs are added to Model 1. The three dimensions, trustworthiness, attractiveness and expertise were included almost unchanged from the original items suggested by Ohanian (1990) with one notable exception. The dimension trustworthiness contains four rather than five items due to the poor factor loading of the item dependable. The

final IV, emotional involvement, was added in the third and final model. The dimension attitude towards the ad was selected as the dependent variable. Finally, missing values were excluded pairwise and SPSS was ordered to enter variables using the Enter method. This process was again repeated for the dependent variable ABr (see models 4-6) and the entire process repeated for Experiment 7.

Table 35 below shows the results.

Table 35. Regression results for experiments 6 and 7: Hypothesis 6

<i>Experiment 6 (n=149)</i>						
Dependent variable	Attitude towards ad			Attitude towards brand		
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Independent variables						
Controls						
Age	.13	.06	.09	.08	.02	.05
Gender	.20*	.21**	.16*	.25**	.26***	.22**
Meat-eater	.06	.09	.06	.17*	.21**	.17*
Prior familiarity	.06	.05	.07	-.09	-.09	-.07
Source model variables						
Trustworthiness		.15	.14		.17*	.17*
Attractiveness		.39***	.38***		.39***	.37***
Expertise		.35***	.35***		.06	.06
Em. involvement			.22**			.21**
Adjusted R ²	.03	.20	.24	.05	.21	.25
R ² Change (unadjusted)	.06	.18***	.05**	.08*	.18***	.04**
<i>Experiment 7 (n=206)</i>						
Dependent variable	Attitude towards ad			Attitude towards brand		
	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Independent variables						
Controls						
Age	-.106	-.061	-.066	-.070	-.014	-.015
Gender	-.056	.045	.032	-.144	-.045	-.047
Meat-eater	.103	.104	.093	.159*	.149*	.148*
Prior familiarity	.059	.088	.075	-.042	-.031	-.032
Source model variables						
Trustworthiness		.138*	.141*		.188***	.188**
Attractiveness		.396***	.389***		.426***	.425***
Expertise		.256***	.252***		.333***	.332***
Em. involvement			.093			.008
Adj. R ²	.011	.231	.236	.048	.342	.338
R ² Change (unadjusted)	.031	.228***	.008	.068*	.299***	.000

* = p<0.05; ** = p<0.01; *** = p<0.001. Reported significance levels are single-tailed for source model variables and two-tailed for control variables. The displayed coefficients are standardised Betas.

Looking at the regression results, some differences between experiments 6 and 7 are found. In Experiment 6, n=149, gender has a significant and consistent effect in models 1-6, while the other controls do not. Of the source model variables, only expertise and attractiveness have an

effect ($p < .001$) on the dependent variables AAd. The IV, perceived emotional involvement shows a significant ($p < .01$) and positive effect on the attitudes participants have towards the advertisement.

In models 4-6 both gender and 'meat eater' has a significant effect on the dependent variable ABr. In models 5 and 6, trustworthiness and attractiveness are significant whereas expertise is not. In Model 6, emotional involvement is both significant and positively correlated with the dependent variable attitude towards the brand (Beta=.21, $p < .01$).

The independent variable standardised Beta coefficients are between .14 and .38 for AAd where trustworthiness is insignificant at .14 and emotional involvement is significant at .22. For the dependent variable ABr, the traditional source variables and emotional involvement variables have a standardised Beta coefficient between .06 and .37 with the latter being significant at $p < .01$.

Importantly for the hypothesis, the R^2 change between models 2 and 3 and models 5 and 6 are significant at a 5% level and improve the predictability of the AAd and ABr models by around 4%.

In Experiment 7, emotional involvement did not significantly add to the predictive power of the participants' attitude towards the advertisement or the brand. While emotional involvement does appear to add somewhat to the predictive power of attitude towards the ad, it is only very slightly and non-significant. In the case of predicting attitudes towards the brand, emotional involvement is *non-significant*.

Looking at the results only in the context of experiments 6 and 7 mixed support for hypothesis H6 is found. Experiment 6 clearly and strongly supports the hypothesis, while Experiment 7 does not. However, if the findings are interpreted with all previous experiments in mind, a strong argument can be made in *support of Hypothesis 6*. That is, as emotional involvement increases, so too does the consumer's attitude towards the brand and advertisement. Thus:

- *Hypothesis 6 is supported in Experiment 6*
- *Hypothesis 6 is rejected in Experiment 7*

It is difficult to distill the reasons for these different results. Both samples contained students from the same university, studying in the same program. Furthermore, the two experiments are exact replications of one another. The only clear differences between the samples are that Experiment 7 was conducted a year later using a sample of students in their second rather than first semester. Neither of these seems to explain why the differences occur. Another possible explanation may be due to the interaction between experimental examiner and sample relationship. In Experiment 6 I was not one of the teachers responsible for teaching the class.

However, in Experiment 7 I was. Perhaps the students were answering in socially desirable ways which may explain the difference.

4.2.5 Experiments 6-7: Hypotheses 7-10

The final hypotheses are geared towards understanding what happens to a new venture’s brand when negative information about the celebrity endorser or entrepreneur occurs and the reaction consumers have towards the company’s response of firing or supporting the celebrity.

Hypothesis 7 states that negative information revealed to a consumer about a celebrity, during or after an endorsement, will have a negative effect on attitudes towards the brand. To test this theory a paired samples t-test was conducted using summated scales for ABr before negative information was given and afterwards. The paired samples statistics table reveals (see Table 36) that the means do in fact decrease due to the negative information as expected in both experiments 6 and 7.

Table 36. Paired sample descriptive statistics Hypothesis 7

Paired Samples Statistics: mean attitude score for all cases	Mean		N		S.D.	
	(6)	(7)	(6)	(7)	(6)	(7)
ABr Before	4.07	3.63	149	204	1.20	1.19
ABr After	3.87	3.49	149	204	1.33	1.15

(6)=Experiment 6, (7)=Experiment 7

Based on the paired samples t-test (see Table 37) in both experiments, ABr decreases significantly ($p < .05$ and $p < .001$) when negative information is revealed about the celebrity. The significant decrease in both experiments of ABr supports H7. That is, attitudes towards the brand tend to worsen when negative information is revealed about the celebrity.

- Hypothesis 7 is supported in experiments 6 and 7

Table 37. Paired samples t-test on Hypothesis 7

Paired Samples Test					
Paired Differences	Decrease in mean	S.D.	t	Df	Sig.*
Experiment (6)					
ABr before/after	0.20	1.17	2.10	148	0.02
Experiment (7)					
ABr before/after	0.14	0.67	3.10	203	0.00

*Reported Sig. 1-tailed

Although Hypothesis 7 adds to the small body of literature concerning the consequences of negative celebrity information on a new venture, a more interesting difference would be between new ventures led by celebrity entrepreneurs compared with those that are only endorsed by a celebrity. The next hypothesis (H8) addresses this issue. Specifically it was suggested that the effect of negative information on attitudes towards the brand will be more negative under the celebrity entrepreneur than the celebrity endorser condition.

This hypothesis is tested using Univariate Analysis of Variance. Before getting started, a new dependent variable for ABr was computed by subtracting the attitude scores before negative information was introduced from after. In other words, a variable is created that captures the difference of attitudes before and after negative information. With this computed dependent variable, a determination can be made on whether or not being an entrepreneur has a more deleterious effect on attitudes than being an endorser. The independent variable for this test, engagement, was entered into the equation as a fixed effect, followed by the computed variable, difference in attitude towards brand as the DV.

Table 38 below gives a summary of the results. The univariate test along with the pairwise comparisons for entrepreneur versus endorser provides some support for the hypothesis.

Table 38. Summary statistics including pairwise comparisons for H8

Univariate Tests-Celebrity Engagement								
Exp.	Dependent variable (main effects)	Mean comparison	Mean difference	Sum of squares	Df	Mean square	F ratio	Partial Eta ²
6	Change ABr	Ent. vs. End.	-0.50	6.41	2(143)	3.2	2.38*	0.03
7	Change ABr	Ent. vs. End.	-0.03	0.33	2(198)	0.2	0.37	0.00

P<0.05*; p<0.01**; p<0.001***; Univariate Tests

In the sixth experiment there is a significant mean difference [F(2,143)=2.38, p=.05] between the change in attitudes towards the brand once negative information is introduced. In this sixth experiment it certainly appears as if the change in attitudes towards the brand is more severe (and negative) when the celebrity is portrayed as an entrepreneur. In the seventh experiment the mean change is in the expected direction however this time the result is not significant [F(2,198)=.37, p=.35]. Thus:

- *Hypothesis 8 is supported in Experiment 6*
- *Hypothesis 8 is rejected in Experiment 7*

Moving to the ninth hypothesis it was argued that the effect of negative information on attitudes towards the brand will be more strongly negative when a company supports the celebrity rather than fires them. The same procedure is followed to test this hypothesis as was used for Hypothesis 8; only this time the company response is used as the independent variable and the pairwise comparison of interest is between supporting the celebrity versus firing them. Table 39 shows the results of the pairwise comparisons.

Table 39. Summary statistics including pairwise comparisons for H9

Univariate Tests- Company Response								
Exp.	Dependent variable (main effects)	Mean comparison	Mean difference	Sum of squares	Df	Mean square	F ratio	Partial Eta ²
6	Difference ABr	Support vs. Fire	-.335	4.17	1(143)	4.17	3.09*	0.021
7	Difference ABr	Support vs. Fire	.192	1.86	1(198)	1.86	4.20*	0.021

P<0.05*; p<0.01**; p<0.001***; Univariate Tests

Similar to the last hypothesis, the results for H9 are mixed. In the sixth experiment there is clear evidence in support of H9. It appears as though supporting a celebrity when negative information is revealed leads to a greater (and negative) change in attitude towards the brand than if the company chose to terminate the celebrity [F(1,143)=3.09, p=.04]. In other words, firing the celebrity (instead of supporting them) would have reduced the negative change in ABr. In the seventh experiment, the hypothesis is not supported. A significant change occurs however it is not in the hypothesised direction [F(1,198)=4.20, p=.02]. Therefore:

- *Hypothesis 9 is supported in Experiment 6*
- *Hypothesis 9 is rejected in Experiment 7*

In the final hypothesis I suggest that firing a celebrity endorser when negative information is revealed will benefit a company more, in terms of minimising the unwanted consequences on attitudes towards the brand, than firing a celebrity entrepreneur when negative information is revealed. This hypothesis suggests there will be an interaction effect between the independent variable engagement and company response. For this hypothesis to be supported, negative information should negatively affect change in ABr and in addition, when company response is included this change should be relatively worse for the entrepreneur condition. Main effects were already covered in the previous hypotheses and will not be repeated here.

This relationship is tested with a two-way, between-groups Analysis of Variance by ordering the Univariate routine in SPSS. The fixed factors are the IVs engagement (entrepreneur/endorser) and company response (fire/support). The control group is removed for the purpose of this test as the hypothesis makes no prediction in this regard. Next, the dependent variable ABr is added using each of the six groups individually as the IV and the change in ABr as the DV.

The interaction effects for ABr did not reach statistical significance in either Experiment 6 or Experiment 7: [$F(1,95)=0.00, p=.50$]; [$F(1,132)=.031, p=.43$]. The low F values and poor significance levels provide virtually no support for Hypothesis 10. That is, no evidence was found to suggest a company that fires a celebrity endorser will fare better than a company that fires a celebrity entrepreneur. It appears as though brands in both scenarios suffer similarly. Thus:

- *Hypothesis 10 is rejected in experiments 6 and 7*

4.3 Experiment 8 – Gunde Svan

Thus far all of the experiments have been performed on students. The reason for choosing students as participants was, to the extent possible, to maximise theoretical generalisability (refer back to Section 3.3). Of course, this is done at the expense of empirical or statistical generalisability. This final experiment is intended to help extend the empirical generalisability of the findings. If support is found for these hypotheses in such a demographically distinct population, arguments for empirical generalisations will carry more weight. Thus, this final experiment is a straight replication of experiments 3-5 and the first half of experiments 6-7.

Beyond the difference in sample population and celebrity/product used in this experiment, the design was slightly altered. A one-way between subjects with post-test design was used. The manipulation consisted of celebrity engagement manipulated at two levels: entrepreneur or endorser. A third level, which corresponded to a control group in experiments 3-7, was not used in the design. As a result of this design decision, some of the requirements needed to support hypotheses 2-5 were adjusted and are discussed in this section .

4.3.1 *Sample description*

Before reporting the results of this analysis, a quick overview of the descriptive statistics is shown in Table 40:

Table 40. Summary of descriptive statistics

	Group 1: Celebrity entrepreneur	Group 2: Celebrity endorser	Total
Sample size	82	67	149
<i>Gender</i>			
Male	47%	43%	45%
Female	53%	57%	55%
<i>Age</i>			
Min/max	57/92	53/92	53/92
Mean	74	70	72
Std. Dev.	8.5	8.1	8.5
<i>Language</i>			
Swedish	98%	99%	99%
Other	3%	1%	1%
Heard of celebrity	100%	100%	100%

Table 40 paints a picture of a relatively homogenous group. 45% were males and 55% females among the 149 total people that participated in this experiment. Their ages ranged from 53 to 92 and they averaged 72 years of age with a standard deviation of 8.5 years. The initial intention was to conduct this experiment on retirees only. A visual screening technique was employed to look for individuals that appeared to be over 65. Unfortunately, some individuals as young as 53 were included in the sample. The differences in age, as shown later, did not appear to significantly influence the results of the experiment. Nearly all of the participants indicated Swedish was their native language, suggesting common and shared cultural experiences (Jiang 2000). Finally, 100% of respondents answered that they either knew or knew very well who Gunde Svan was.

4.3.2 *Experiment 8: Hypothesis 1*

The first hypothesis holds that there is a dimension, emotional involvement, which is both conceptually and empirically distinct from the traditional dimensions, trustworthiness, attractiveness and expertise, used to measure communication effectiveness. In order to be able to test this hypothesis the same procedure was used when testing Hypothesis 1 in experiments 3-7. Nine items measuring emotional involvement were analysed and included in this experiment (see Table 41). Each of the nine items uses the full range of the scale and although some appear negatively skewed, the mean centres for the most part around the midpoint of the scale.

Table 41. Wording and descriptive statistics for perceived emotional involvement items in Experiment 8

Item Statistics for Experiment 8	Min	Max	Mean	S.D.
Gunde Svan is enthused about Vitalisin	1	7	5.2	1.6
Gunde Svan really likes the products from Vitalisin	1	7	5.1	1.6
Gunde Svan uses Vitalisin products often	1	7	4.5	1.8
Gunde Svan thinks using Vitalisin products are good	1	7	5.2	1.7
Gunde thinks that it is good if his family uses Vitalisin	1	7	4.7	1.7
Gunde Svan is dedicated to Vitalisin	1	7	5.2	1.6
Gunde is loyal to the company Vitalisin	1	7	5.6	1.4
Gunde Svan is thrilled in Vitalisin products	1	7	4.8	1.6
Gunde Svan is passionate about Vitalisin products	1	7	4.8	1.6

A test of internal consistency using the Reliability routine in SPSS was used to establish whether or not the items ‘hang together’ or capture the same construct. When looking at the results, the items do indeed form the same construct as evidenced by a very high Cronbach Alpha of .943. The Reliability routine provides an additional statistic that lets the researcher know what the Chronbach Alpha would have been if an item was not included. Normally, if an item deletion results in an improved Alpha, additional steps can be taken to determine if in fact the item should be deleted. However in this case, no deletion of items would improve the Chronbach Alpha. However, this alone does not demonstrate that the measure of emotional involvement is distinct from the traditional source model constructs. In order to test for discriminant validity a separate Principal Component Analysis was performed for both data sets, using all trustworthiness, attractiveness and expertise items alongside the emotional involvement items. An ideal result of such an analysis would be a) four factors with an Eigenvalue greater than unity and b) a loading pattern where each item loads highly on its corresponding theoretical factor and at the same time gets a low loading on all other factors. A minimum requirement in relation to Hypothesis 1 is that a factor clearly reflecting ‘emotional involvement’ can be extracted. The results are displayed in Table 42.

Table 42. Factor analysis of all trustworthiness, attractiveness, expertise and emotional involvement Items

<i>Experiment 8 (n=146)</i>				
Factor Number Name Variance Explained Variable	Factor 1 Em. Involvement (26%)	Factor 2 Trustworthiness (16%)	Factor 3 Expertise (16%)	Factor 4 Attractiveness (16%)
Em. Involvement 1	.86			
Em. Involvement 2	.85			
Em. Involvement 3	.83			
Em. Involvement 4	.82			
Em. Involvement 5	.82			
Em. Involvement 6	.79			
Em. Involvement 7	.73			
Em. Involvement 8	.72			
Em. Involvement 9	.68			.30
Trustworthiness 1		.82		
Trustworthiness 2		.82		
Trustworthiness 3		.82		
Trustworthiness 4		.80	.31	
Trustworthiness 5		.80		.33
Expertise 1			.85	
Expertise 2			.82	
Expertise 3			.80	
Expertise 4			.76	
Expertise 5		.31	.73	
Attractiveness 1				.84
Attractiveness 2				.81
Attractiveness 3				.81
Attractiveness 4				.80
Attractiveness 5				.78

Note: The analyses clearly favour a four factor solution. Eigenvalues for the fourth and fifth (non-extracted) factors are 1.65 vs. 0.83. Principal Component extraction and Varimax rotation were employed. The variance explained is after rotation. Loadings smaller than $\pm .30$ have been suppressed. Factors were numbered as they came out in the original analysis.

As expected, a four factor solution was provided by factor analysis using the default Eigenvalue greater than 1 criterion. The factors load on each expected factor and the loading patterns on each variable are clear with the highest side loading on any factor .33. The explained variance and loading pattern for emotional involvement was higher than the well established trustworthiness, attractiveness and expertise constructs. In combination with the high Cronbach's Alpha this is regarded as clear support for emotional involvement as an empirically distinct characteristic of communicators. Thus:

- *Hypothesis 1 is supported in Experiment 8*

4.3.3 *Experiment 8: Hypotheses 2-5*

The second through fifth hypotheses test the effect of celebrity engagement on the source model variables (including emotional involvement). Specifically, they state when a celebrity communicator is engaged in the capacity of an entrepreneur, perceived emotional involvement (H2); attractiveness (H3); expertise (H4); and trustworthiness (H5); increases relative to when explicit information is given that the celebrity communicator is 'just' an endorser. Unlike hypotheses 2-5 in the previous experiments, 'no information' is not included as part of these hypotheses. As this experiment only comprises 2 groups (i.e. a control group where no information was given is not included in this experiment) only the difference between the celebrity in the capacity of an entrepreneur and endorser is tested.

To test this hypothesis, a one-way ANOVA is used. Support for these hypotheses would be indicated if scores for emotional involvement were higher in the groups exposed to the entrepreneur condition versus those in the endorser group. Also, because there are only two groups, planned comparisons were not needed.

The two group conditions were entered into a one-way ANOVA as the predictor variables. Following this the dependent variable was added. Missing values were excluded analysis by analysis. Because there are only two groups to compare, support for the hypothesis will occur if the group mean for the entrepreneur group is higher than the endorser group and there is a significant *F* score.

Table 43. Descriptive statistics and ANOVA results for engagement effects on IVs

Exp.	Dependent variable (main effects)	Entrepreneur (mean)	Endorser (mean)	Mean square	Degrees of freedom	Fratio
8	Emotional Involvement	5,1	4,9	1,2	1(146)	0,65
8	Trustworthiness	5,2	5,3	0,2	1(147)	0,11
8	Expertise	4,5	4,6	0,5	1(146)	0,26
8	Attractiveness	5,1	5,1	0,03	1(146)	0,02

N=81 for entrepreneur group, N=67 or 66 for endorser group

Table 43 shows that there is not a statistically significant difference between the group scores for the dependent variable emotional involvement [$F(1,145)=.65, p=.423$]. Even though this did not turn out significant, the mean score for the entrepreneur group was 5.1 versus 4.9 for the endorser group. Given these results, Hypothesis 2 must be rejected. In other words, based on this experiment we cannot say with any certainty that promoting a celebrity as an entrepreneur will improve emotional involvement by consumers relative to when they are promoted as simple endorsers. Thus:

- *Hypothesis 2 is rejected in Experiment 8*

Regarding the effect of celebrity engagement on trustworthiness, expertise and attractiveness, no support was found for hypotheses 3-5. Starting with trustworthiness, the mean scores for the entrepreneur and endorser groups were 5.19 and 5.26 respectively. As well, the F ratio was insignificant [$F(1, 146)=.11, p=.736$]. When expertise is the dependent variable, the entrepreneur condition ($M=4.47$) and endorser condition ($M=4.58$) did not have a significant effect [$F(1, 145)=.26, p=.609$]. Finally, the same lack of evidence was found for entrepreneurial engagement ($M=5.09$) and endorser engagement ($M=5.12$) as influential variables on attractiveness [$F(1, 145)=.021, p=.886$]. It follows that:

- *Hypotheses 3-5 are rejected in Experiment 8*

4.3.4 Experiment 8: Hypothesis 6

In order to test Hypothesis 6 Hierarchical Multiple Regression Analyses is used. Starting with the Experiment 8 data and AAd as dependent variable, four potentially influential control variables in the first step: Age (years), Gender (1=male; 2=female), Is Swedish your native tongue 1=yes, 2=no; and 'I like Gunde Svan as a person' on a 7-point Likert scale are entered in

Model 1. In Model 2 the traditional source model variables were entered (as operationalised with factor scores to remain consistent with previous experiments³¹), and in Model 3 the emotional involvement factor score is added. In this way for H6 to be regarded as supported, emotional involvement must display a significant effect *over and above* what can be explained by the controls and the traditional source model dimensions. The results are displayed in Table 44.

Table 44. Regression results for Hypothesis 6 in Experiment 8

<i>Experiment 8 (n=146)</i>						
Dependent variable	Attitude towards ad			Attitude towards brand		
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
<i>Independent variables</i>						
<i>Controls</i>						
Gender	.09	.08	.021	.072	.063	.006
Age	.03	-.13	-.13	.051	-.114	-.120
I like Gunde	.34***	.05	-.01	.295**	-.011	-.062
<i>Source model variables</i>						
Trustworthiness		.40***	.41***		.413***	.424***
Expertise		.30***	.32***		.341***	.355***
Attractiveness		.28**	.33***		.294**	.340***
Emotional involvement			.30***			.273***
Adjusted R ²	.103	.310	.392	.076	.316	.383
R ² Change (unadjusted)	.125**	.219***	.083***	.099**	.251***	.069***

* = p<0.05; ** = p<0.01; *** = p<0.001. Reported significance levels are 2-tailed for all variables. The displayed coefficients are standardised Betas.

The results show that the control variable ‘I like Gunde’ appears to be significant in Model 1. It, along with the other controls, does not hold up to scrutiny once the other source model variables and emotional involvement variables are entered. As expected, the traditional source model variables come out with a significant positive effect and contribute substantively to explanatory power in each analysis. Importantly, the same holds for emotional involvement when entered after trustworthiness, attractiveness and expertise. The coefficient is statistically significant in each analysis, and this variable is ascribed a unique contribution to explanatory power of 8 and 7%. The average unique contribution ascribed to the traditional source model variables is about 8.5%. The effect of emotional involvement holds up for both AAd and ABr as the dependent variable. Therefore:

³¹ This relationship was also assessed using summated scales instead of factor score with similar results.

- *Hypothesis 6 is supported in Experiment 8*

Overall, Experiment 8 supports H1 and H6, but not H2-5. This casts doubt as to whether emotional involvement is a manageable source dimension for this type of audience. In the next chapter this issue is discussed at length along with the previous experiments and hypotheses.

5 Discussion: The consequence of increased celebrity engagement

This research aimed to investigate the consequences of increased celebrity engagement on communication effectiveness. To help facilitate this research objective a new theoretical construct, emotional involvement, was developed. Using this construct, together with the traditional source model measures (trustworthiness, expertise and attractiveness), communication effectiveness was measured. Not only did perceived emotional involvement significantly improve the predictive power of the source models, it did so as strongly and consistently as the existing measures.

Because emotional involvement, as well as trustworthiness, expertise and attractiveness appear to improve communication effectiveness, an obvious question arises. Is it possible to increase the perception of emotional involvement and other source model variables? The experiments in this thesis revealed that celebrities who are portrayed as being engaged in an entrepreneurial role are seen by consumers as more emotionally involved and trustworthy than those celebrities who are portrayed as only an endorser (or portrayed neutrally as neither an entrepreneur nor endorser). Thus, it certainly appears as though perceived emotional involvement and trustworthiness are higher when a celebrity entrepreneur rather than endorser is behind the communication. More importantly, as demonstrated by the experiments, perceptions of emotional involvement and trustworthiness can be manipulated.

The decision of whether to partner with or hire a celebrity is an important one for new ventures. The findings thus far suggest having an emotionally involved and engaged celebrity working with a venture appears to be a virtue under normal conditions as it translates into more successful communication. However, in the event a celebrity misbehaves, is it better to have had a celebrity endorser or celebrity entrepreneur working with the venture? The results in experiments 6 and 7 suggest 'blameworthy' negative information about a misbehaving celebrity will reflect negatively on consumers' attitudes towards the brand. However, when consumers believe that the culpable celebrity is an entrepreneur their attitudes towards the brand become worse than if they believed the celebrity was only engaged in the new venture as an endorser.

When a celebrity endorser misbehaves and knowledge of their transgression is revealed to consumers, companies must decide whether to fire or support their celebrity. Companies who fire their celebrity spokesperson possibly shield their brand from negativity (Stem 1994; Goldsmith, Lafferty et al. 2000); however, whether this same strategy is effective with celebrity entrepreneurs is unknown. Tentative support was found in this thesis to suggest firing a

celebrity after negative information surfaced resulted in less negative attitudes towards the brand. However, whether firing a celebrity endorser when negative information is revealed will benefit a company more, in terms of minimising the unwanted consequences on attitude towards the brand, than firing a celebrity entrepreneur when negative information is revealed was unclear.

5.1 Hypothesis 1

For millennia, scholars, philosophers, public speakers and politicians have attempted to understand what makes spokespersons effective (Andersen and Clevenger 1963; Giffin 1967; Ohanian 1990). Given the prolific and often costly inclusion of celebrity endorsers in advertising, a valid instrument to capture their effectiveness is essential (Ohanian 1990).

Early research efforts in this area identified a number of dimensions used to predict effectiveness including (but not limited to) trustworthiness, expertise, dynamism, likeability, attractiveness, character and competence (Desarbo and Harshman 1985; McGuire 1985; Ohanian 1990; Pornpitakpan 2004). However, these studies were criticised for lacking consistency with regard to the number of items and types of dimensions used and very few assessed the reliability and validity of their scales (Ohanian 1990).

Based on an extensive literature review and empirical study, Ohanian (1990) arrived at a reliable and validated tri-component scale for measuring celebrity endorser effectiveness. The dimensions trustworthiness, expertise and attractiveness were each comprised of five items and seem to have fulfilled Ohanian's research objective which was to establish a validated and reliable measurement researchers could consistently build from (Pornpitakpan 2003; Charbonneau and Garland 2005). Despite the widespread use of these components, there are calls to identify other important dimensions which may improve the measurements (Pornpitakpan 2004).

From the theoretical framework in Chapter 2, I argued that perceived emotional involvement is conceptually distinct from the 'tri-component' dimensions trustworthiness, expertise and attractiveness. Although experiments 3-8 confirmed emotional involvement to be an empirically distinct measure as well (see Table 45), not all items in the dimension fared equally well across all experiments.

Table 45. Summary of Hypothesis 1 findings

Experiment	3	4	5	6	7	8
Hypothesis 1						
Emotional involvement is a conceptually and empirically distinct characteristic of communicators relative to the traditional characteristics trustworthiness, attractiveness and expertise.	Supported	Supported	Supported	Supported	Supported	Supported

Table 46 shows the 10 different items used to measure this dimension across experiments. The most reliable emotional involvement items across the six experiments were likes, dedicated, thrilled, and passionate, followed closely by uses and enthusiastic. Their consistency across the experiments provides reasonable evidence for their reliability (Zikmund 2003) and construct validity (Hair, Black et al. 2006). Furthermore, content validity has been improved relative to previous studies which looked only at aspects such as like and use. Dedicated, thrilled, passionate and enthusiastic represent an additional facet of affective characteristics which have been shown throughout this thesis to improve the ability to measure communication effectiveness.

Table 46. Emotional involvement items used in each experiment followed by reliability

Emotional Involvement Items		Experiment					
		3	4	5	6	7	8
1	CN <i>likes</i> XYZ products	✓	✓	✓	✓	✓	✓
2	CN <i>uses</i> XYZ products often	✓	✓	LR	LR	LR	✓
3	CN believes it is good to use XYZ products	✓	✓	✓	LR	LR	✓
4	I believe that CN's engagement in XYZ products is more than as endorser	✓	✓	LR	NT	NT	NT
5	CN believes it is good if family/friend uses XYZ products	NT	NT	LR	LR	LR	✓
6	CN is <i>enthusiastic</i> about XYZ products	✓	✓	LR	LR	LR	✓
7	CN is <i>dedicated</i> to the XYZ company	NT	NT	✓	✓	✓	✓
8	CN is <i>thrilled</i> about XYZ products	NT	NT	✓	✓	✓	✓
9	CN is <i>passionate</i> about XYZ products	NT	NT	✓	✓	✓	✓
10	CN is <i>loyal</i> to the XYZ company	NT	NT	LR	LR	LR	✓
	Reliability (Chronbach's Alpha)	$\alpha=.89$	$\alpha=.86$	$\alpha=.87$	$\alpha=.92$	$\alpha=.91$	$\alpha=.94$

CN= celebrity name; XYZ=product name; NT=not tested; LR= lowered reliability if included; check=included in dimension; All items were measured using 7-point Likert Scales (Strongly disagree—Strongly agree).

As mentioned earlier, items 1 (like), 2 (use), and 3 (believes it is good to use) have been operationalised previously by Cronley et al. (1999) and Silvera and Austad (2004) primarily to test for the existence of correspondence bias. They were also used as independent variables in competing models, but not included with all the source model dimensions, to predict communication effectiveness (Cronley et al. 1999; Silvera and Austad 2004). As a result, it was unclear whether they empirically measured something new, or simply something that was already captured through the traditional source model dimensions. The results from Hypothesis 1 clarify the issue: emotional involvement is a conceptually and empirically distinct endorser characteristic.

5.2 Hypothesis 6

By itself, the identification and operationalisation of perceived emotional involvement is of limited interest. Over the years numerous dimensions measuring endorser effectiveness have been proposed. The fact that the most commonly used measure today is composed of only three dimensions (Erdogan 1999) is testament to the unreliability, lack of validity and conceptual overlap some of these early dimensions were plagued by (Giffin 1967). Therefore, in order for emotional involvement to be worthy of serious academic consideration and inclusion as a source model variable it must be reliable, valid and predictive. Consequently, the sixth hypothesis³² was intended to not only measure the influence emotional involvement would have on attitudinal measures, but also as a test of its construct validity and reliability.

Hierarchical regression analysis was used to test this hypothesis. In order to confirm the hypothesis using this analysis technique, perceived emotional involvement was required to be tested *alongside* (i.e. in the same model) the source model dimensions. In addition, accepting Hypothesis 6 also required that emotional involvement predict variance in the dependent variables (AAAd and ABr) after the traditional source model variables were entered in the model. By doing this, a significant result for emotional involvement would show that it is an empirically distinct variable *and* it improves the predictive power of the source model.

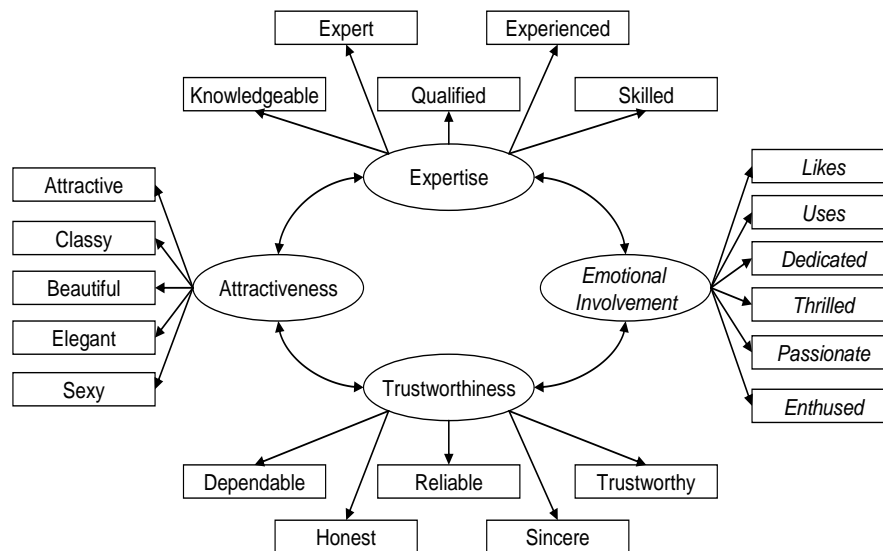
Table 47. Results for Hypothesis 6 across experiments

H6: Greater perceived emotional involvement will lead to higher communication effectiveness						
Exp.	3	4	5	6	7	8
Result	Supported	Supported	Supported	Supported	Rejected	Supported

³² The discussion of Hypothesis 6 is presented before hypotheses 2-5 as it improves the flow of text.

As indicated in Table 47 Hypothesis 6 was supported in five out of six experiments. The replicative and consistent nature of this finding helps to establish the predictive validity of the emotional involvement measure as well as construct validity (Zikmund 2003). Taken together, the support found for Hypothesis 6 provides a strong case for including emotional involvement as a source model variable. Figure 13 shows the tri-component Ohanian (1990) source model with the addition of emotional involvement. It is important to point out that the model suggested is a theoretical model that still needs verification using confirmatory techniques such as confirmatory factor analysis. In addition the covariance pathways may be different from those suggested by the model; especially the pathways leading to and from emotional involvement.

Figure 13. Suggested source model with the inclusion of emotional involvement



There are several theoretical questions that these results add to concerning communication effectiveness or attitude towards the brand and advertisement. For instance, researchers are interested in knowing which source dimension is the most influential for changing attitudes towards the brand and advertisement. Lui and Standing (1989) argue that trustworthiness defeats expertness in this regard and more generally the source credibility dimensions are better predictors than the source attractiveness. The findings in this study suggest all three of the existing source model dimensions are important predictors of attitude towards the advertisement and brand. In addition, the newly developed dimension emotional involvement has an effect, and for the types of products studied, it appears to have an effect of (at least) similar magnitude as the other source model variables.

It bears mentioning however, that the type of products advertised (i.e. clothing, herbal supplements, and fast food) were varied in an attempt to create both 'low' and 'high' elaboration

likelihood scenarios such as those discussed in Chapter 2 (Petty, Cacioppo et al. 1983). What in fact may have happened was that the experimental instructions asking participant to pay close attention to the advertisement and experimental manipulation created a high involvement scenario. If this is indeed the case, the findings are interesting in that both the credibility dimensions and attractiveness dimension showed significant results. However, as these were not specifically controlled for, there is no way to be certain what the elaboration likelihood for each participant was in each experiment. It is conceivable that different purchase situations, when controlled for, would reveal the existence of one dimensions primacy over the others. Perhaps the disparate findings in the literature (see e.g. Lui and Standing 1989; Ohanian 1991) are a result of differences in buyer involvement.

5.3 Hypotheses 2-5

In hypotheses 1 and 6 emotional involvement was shown to represent a conceptually new dimension that is useful for measuring communication effectiveness. As emotional involvement and the traditional source model dimensions increase, endorsers become more influential. Therefore, discovering ways to leverage these dimensions should be a priority for ventures that use endorsers in their marketing communications.

In the theoretical framework some length was reserved for discussing the major differences between celebrity entrepreneurs and celebrity endorsers. I argued that the primary factor distinguishing the two is *engagement*. Although celebrity entrepreneurs are also engaged as endorsers, their relationship with ventures transcends that of traditional celebrity endorsement. As entrepreneurs, they are founders with financial stakes and decision-making roles that become known to consumers through public relations and popular media. This makes them appear more engaged with the venture than ordinary endorsers.

Subsequently, it was hypothesised that increasing engagement (through relaying entrepreneurial activities by the celebrity) would also mediate the source model dimensions trustworthiness, expertise, attractiveness and the new dimension emotional involvement. This theory was put to the test in hypotheses 2-5. By extension, these hypotheses also revealed whether or not the four source model dimensions are actionable (i.e. whether or not companies can manage impressions of trustworthiness, expertise, attractiveness and emotional involvement by manipulating engagement).

When examined across all experiments (see Table 48), expertise and attractiveness do not appear to be consistently influenced by a celebrity's engagement, however emotional involvement and to a lesser extent trustworthiness were.

Table 48. Hypotheses 2-5 tested and results across experiments

Hypothesis	Experiment	3	4	5	6	7	8
H2	As a celebrity's entrepreneurial engagement increases, perceived <i>emotional involvement</i> will also increase	Supported	Supported	Supported	Supported	Supported	Rejected
H3	As a celebrity's entrepreneurial engagement increases, perceived <i>attractiveness</i> will also increase	Rejected	Rejected	Rejected	Partially supported	Rejected	Rejected
H4	As a celebrity's entrepreneurial engagement increases, perceived <i>expertise</i> will also increase	Rejected	Rejected	Rejected	Rejected	Rejected	Rejected
H5	As a celebrity's entrepreneurial engagement increases, perceived <i>trustworthiness</i> will also increase	Partially supported	Supported	Partially supported	Rejected	Partially supported	Rejected

These findings support the view that increasing celebrity engagement (by way of celebrity entrepreneurship), is an effective (and novel) way to enhance perceived emotional involvement and to a lesser extent trustworthiness. Thus, at least indirectly, celebrity engagement should lead to improved communication effectiveness. In conjunction with the results reported in hypotheses 2 and 5 it appears that celebrity entrepreneurship leads to more effective communication through effects on trustworthiness as well as on the previously neglected communicator characteristic emotional involvement. Perceptions of attractiveness (with the exception of partial support in Experiment 6) and expertise appear unaffected by the communicator's status as entrepreneur or 'mere' endorser in relation to the product or company being endorsed.

Upon closer scrutiny, trustworthiness did not always increase significantly when celebrity entrepreneurship and the control group were compared, even though there was a significant group difference between celebrity entrepreneurship and celebrity endorsement. Another way to interpret this is that there was actually a slight decrease in trustworthiness when consumers are consciously aware that a celebrity is a hired endorser. In addition to this interesting finding, increased celebrity engagement did not affect trustworthiness as strongly as emotional involvement. The effect sizes of celebrity engagement on trustworthiness were small whereas

for emotional involvement they were between medium and large. Also, the F ratio changes and significance levels were stronger for emotional involvement than trustworthiness.

The results from hypotheses 2 and 5 were not replicated in the final sample. This means that while consistent results were found with Swedish and Baltic country students, retirees do not seem moved by differing levels of celebrity engagement. Thus, the generalisability of hypotheses 2-5 do not extend to Swedish retirees, at least for the time being.

Several explanations can be offered as to why this was the case. First, this may simply be a case of a Type II error, or the possibility that the hypotheses were true, but due to sampling error or other oversights they were falsely rejected. A second explanation for rejecting the hypotheses is that the experimental manipulations were ineffective. This however is unlikely. During these experiments, participants spoke aloud and responded verbally, often with scorn or astonishment towards the experimental manipulation. On the surface at least, participants appeared to pay close attention and understood the experimental manipulation. A third scenario may have been that Vitalisin represents a product of great importance (i.e. high involvement) to the elderly and it provoked central rather than peripheral processing. In such an instance, it is expected that expert arguments would be more effective than arguments coming from an attractive celebrity such as Gunde Svan (Petty, Cacioppo et al. 1983). While this explanation is somewhat supported by the significant results for expertise it does not fully explain why this hypothesis was rejected. A fourth explanation could be due to an age or maturity affect. If this were the case, the implication is that elderly consumers are harder to fool and therefore the manageability of emotional involvement would be reduced. More interestingly, and perhaps more plausible, is that there was a cohort effect due to older Swedes coming from a time when entrepreneurship was looked upon much less positively than it is now (Davidsson 1993). If this is indeed the case, then elderly Swedes represent an outlier and celebrity entrepreneurship as a way of improving emotional involvement and other source dimensions may still be applicable as a marketing tool across a broad range of demographics.

From a theoretical standpoint, the results pertaining to hypotheses 2-5 make several important contributions. Celebrity engagement is a factor which until now has not been considered in the literature. It adds to a small body of research that looks into the antecedents of the source dimensions and the influence of such factors as fit (Forkan 1980; Kahle and Homer 1985; Kamins 1990), greed (Till and Busler 1998), and multiple endorsements (Tripp, Jensen et al. 1994) on communication effectiveness. More importantly, I connect celebrity engagement with an established body of research on attribution theory. By doing this I am able to explain the underlying mechanism responsible for its effects.

Based on the influence engagement had on the celebrity communicators in these experiments, it is clear that participants made causal attributions while forming their attitudes

(Smith and Hunt 1978). Decades of research has established the existence of what is known as the correspondence bias or fundamental attribution error. As explained in the theoretical framework, a correspondence bias occurs when the cause of a specific event is attributed to the internal dispositions of the source rather than the situation which caused the event to occur. An example of a correspondence bias would occur if you saw, for instance, Britney Spears in a commercial for Pepsi Cola and you thought the reason she appeared in the commercial was because she really liked the product; rather than the more obvious explanation being she was paid several million dollars to do so. In contrast to the unusual findings of Silvera and Austad (2004) where they found an “anti-correspondence bias” (i.e. consumers in their experiments were cynical towards the motives of celebrities in paid endorsements) the findings from hypotheses 2-5 suggest consumers consider the situation rather than only dispositional characteristics of the communicator when making an attribution. Unlike Silvera and Austad, who suggest general cynicism towards celebrity endorsers, the results in this thesis suggest the exact opposite. *Consumers are not naturally cynical towards celebrities.* In fact, even when the celebrity was portrayed as an endorser only (relative to when no information was given concerning celebrity engagement), participants tended to make a statistically significant correspondence bias or none at all. However, the results in this thesis also show that the correspondence bias is stronger and more consistent when the celebrity is portrayed as an entrepreneur. Looked at across experiments it appears as though *celebrity engagement is a mediator of the correspondence bias (or lack thereof)*. The stronger and more consistent findings for the correspondence bias under the entrepreneurship condition fits well with the categorisation-correction dual process theory which argues that situational cues are used by consumers to re-evaluate initial, automatic dispositional inferences (Gilbert, Pelham et al. 1988).

Conceptually, I have argued that emotional involvement is one aspect of a source’s credibility (Hovland, Janis et al. 1953; McGuire 1985). Like trustworthiness and expertise, increasing emotional involvement is assumed to promote internalisation. That is, *people internalise what the source says because their perceived motivations for telling the truth in the immediate context are genuine.* Improving the likelihood internalisation takes place is desirable because it is one of the processes behind opinion change (Kelman 1961).

It appears as though, more so than the dimensions trustworthiness, expertise and attractiveness, emotional involvement is manageable in a variety of contexts. Trustworthiness and attractiveness are endorser characteristics that are likely formed prior to the endorsement and perhaps more permanently affixed in consumers’ minds than emotional involvement. Arguably, the trustworthiness and attractiveness you place on an endorser precedes the endorsement and is often independent of the specific product. Although expertise is related to the specific endorsement context, opinions of what a celebrity can be considered an expert on

are rather fixed and formed before the endorsement occurs (Lui and Standing 1989; Langemeyer and Walker 1991; Ohanian 1991).

The emotional involvement you attribute to an endorser, however, is less likely to be made until the actual endorsement takes place. It is dependent on the endorsement context. For that reason, celebrities can be expected to project highly varying levels of emotional involvement depending on the endorsement context.

Consequently I argue that emotional involvement is a more manageable endorser characteristic than trustworthiness, expertise or attractiveness. In fact, celebrities and their intermediaries are already managing perceptions of emotional involvement. When Paris Hilton comes out and proclaims she is excited about her new video game, or when P. Diddy shows up to an event wearing a product from his new clothing line, they are reinforcing their perceived emotional involvement through their engagement. Whether or not they are purposely managing these activities, the identification and operationalisation of perceived emotional involvement should help marketers measure whether or not such actions by their (celebrity) endorser is helping or hurting their cause. If nothing else, it will highlight their obvious importance.

Perhaps the most interesting theoretical implication in this entire study deals with the real world predictability of the extant source models. In a laboratory, they do a good job of predicting attitudes towards ads and brands. However, they do so while artificially *controlling away* for emotional involvement and engagement. In the 'real world' these two variables are impossible to control for and as such their effects are important to understand. Reading celebrity magazines, blogs, and watching reality shows provides us glimpses into the lives of celebrities and gives us access to information that is used to make attributions. This information may include mundane aspects such as what they had for breakfast, but also what purse they wore, what car they drove, and what type of music they listen to. The findings in this thesis show that when these aspects are made known to consumers they have an effect on the very things the extant source models hoped to predict. Without them included, the validity of the extant source models is questionable at best.

5.4 Hypotheses 7-10

From hypotheses 2 and 3 we can infer consumers process situational cues concerning celebrity motivation when making attributions. In particular, as celebrity engagement increases, knowledge of 'being' an entrepreneur appears to strengthen two dimensions of source credibility, emotional involvement and trustworthiness. Thus the likelihood someone will use situational cues to make a positive dispositional inference is connected to whether or not the consumer has access to this information and how high a celebrity's engagement is. This presents

a potential problem for celebrity entrepreneurs and the companies they are associated with that does not occur with celebrity endorsers. Presumably, when negative information is revealed about a celebrity, being seen as highly engaged with a company is problematic.

Normally, when a celebrity endorser misbehaves, consumers are able to separate between their behaviour and the brand they endorse (Stem 1994). Thus, it is assumed that companies are able to shield themselves from damage to their brands by distancing themselves from the troubled celebrity. However, when a celebrity entrepreneur finds themselves the object of negative information, their engagement may work against the company. As engagement increases, the celebrity image and the image of the company become closely related (Hunter, Burgers et al. 2008). When company and celebrity image are intertwined, it is conceivable that consumers attribute a celebrity's transgression to the company (as well as the celebrity). This is analogous to a correspondence bias that goes terribly wrong for a company. Rather than attributing the cause of negative information to a company's external situation (the celebrity) consumers may attribute the cause of this negative information to the company and hold them directly responsible. If such a case were to occur, it would help little for the company to distance themselves from the celebrity as the blame is already placed on the company.

Looked at from a Balance Theory perspective, the introduction of negative celebrity information may change a balanced cognitive relationship between the celebrity and company and person to an unbalanced state. Because unbalanced states are thought to cause cognitive discomfort, people tend to try and restore balance by changing their relationship with the entities in their cognitive set. In a negative celebrity information context (assuming a positive relationship existed between each entity prior to negative information), this would require the person to stop liking the celebrity and the company. Alternatively, if the company fired the celebrity and the celebrity was believed to no longer like the company who fired them, a balanced state can be restored simply by not liking the celebrity.

Hypotheses 7-10 tested the effects of negative information on communication effectiveness as operationalised by attitude changes towards the brand when negative information is revealed. Additionally, the differential effects of negative information are measured generally and when the celebrity endorser/entrepreneur is fired or supported.

Table 49 contains the results of hypotheses H7-10 from experiments 6 and 7. In Hypothesis 7 it was found that negative information about a celebrity leads to negative attitudes towards the brand. This finding, despite being rather intuitive adds to a very limited body of scholarly knowledge on the effects negative information about a celebrity has on a new venture's brand (Klebba and Unger 1982; Louie, Kulik et al. 2001; Louie and Obermiller 2002; Money, Shimp et al. 2006).

Table 49. Results of hypotheses 7-10 in experiments 6 and 7

	Experiments	6	7
H7	Negative information revealed to a consumer about a celebrity, during or after an endorsement, will have a negative effect on attitudes towards the brand	Supported	Supported
H8	The effect of negative information on attitudes towards the brand will be more negative under the celebrity entrepreneur than the celebrity endorser condition	Supported	Rejected
H9	The effect of negative information on attitude towards the brand will be more strongly negative when a company supports the celebrity rather than fires them	Supported	Rejected
H10	Firing a celebrity endorser when negative information is revealed will benefit a company more, in terms of minimising the unwanted consequences on attitudes towards the brand, than firing a celebrity entrepreneur when negative information is revealed.	Rejected	Rejected

In Hypothesis 8 negative information about a celebrity entrepreneur had a more detrimental effect on the company’s brand than a celebrity endorser. *This finding is interesting as it suggests consumers are no longer able to separate between celebrity and company when engagement is high.* This empirical finding and interpretation should however be viewed with caution. The finding was not replicated in Experiment 7. Nevertheless, the implication of this finding seems similar to a situation actress Paris Hilton experienced when it was revealed she used racial slurs and homophobic language in a leaked video. A group known as the National Boycott of Paris Hilton Movement threatened to boycott the FILA Company unless it stopped using Hilton as a spokesperson while at the same time the movement has promised to boycott all of Hilton’s entrepreneurial ventures (Johnson 2007).

When a celebrity does commit an act that is considered negative, a company will need to decide whether to fire or support them³³. The finding in Hypothesis 9 suggests firing a celebrity after negative information surfaces will result in less negative attitudes towards the brand. Again, this is an intuitive result which would have been more interesting had there been a differential effect between celebrity entrepreneurs and celebrity endorsers. However, in Hypothesis 10, there was no support for this assertion.

Taken together, the hypotheses H7-10 tell an interesting story of the risks involved with celebrity entrepreneurs vs. celebrity endorsers. Negative information about a celebrity is in general a bad thing as far as attitudes towards the brand are concerned. However, in the event

³³ It is unlikely that a company can fire an owner with a majority share. Although George Steinbrenner of the New York Yankees was effectively ‘fired’ by baseball commissioner Fay Vincent, more common perhaps is the situation where an owner fires themselves or removes themselves from operational/managerial responsibility. Another conceivable scenario would be for co-owners with a majority stake to remove or fire a co-owner.

negative information occurs, it is probably less damaging to have a less engaged celebrity working with the company. This may be of little help to companies that have already hired an endorser or partnered with an entrepreneur. Once in this unenviable situation, supporting the celebrity may be unwise as it can make the situation worse. However, firing the celebrity will not necessarily make the situation better.

Previous research on negative celebrity information have built their hypotheses and interpretations using source model (Klebba and Unger 1982) and associative set size (Till and Shimp 1998) arguments. The introduction and use of Balance Theory in this empirical context is, as far as I know, unique. The general prediction made by Balance Theory is that an unbalanced cognitive state creates discomfort in an individual and will tend towards balance. I argued that on aggregate, consumers are in a balanced state in relation to a celebrity and the company they endorse products for.

The introduction of negative celebrity information unbalances this state. Hypothesis 7 indirectly tested how consumers restore balance. The results showed that participants reduced their liking of the company's brand while at the same time (it is assumed) they reduced their liking for the celebrity, thus restoring balance. Hypothesis 9 also was an indirect application of Balance Theory predictions. Here again, it was assumed that negative celebrity information would create an unbalanced cognitive state. It was also predicted that depending on whether the company fired the celebrity or supported them, balance would be restored differently. The results showed that when the celebrity was supported, liking for the company was less than if they had fired the celebrity. This suggests that the participants were able to restore balance by continuing to like the company (when they fired the celebrity) because the celebrity could be assumed not to like the company that fired them. At the same time, the results also showed that by supporting a celebrity, the balance restoring action by participants would be to stop liking the company and the celebrity.

More direct tests of Balance Theory in a negative celebrity information context are needed to ascertain with relative certainty the cognitive happenings in consumers. Yet because of the paucity of theoretically driven predictions and explanations on how negative celebrity information will affect consumers' attitudes towards brands, Balance Theory and its successor theories appear to be useful in this regard.

5.5 Research Question 1

The first research question asks: *Does celebrity engagement affect communication effectiveness? If so how?*

The short answer is yes, celebrity engagement does affect communication effectiveness. Based on the findings from hypotheses 2 and 5, we now have evidence that when a celebrity is

engaged as an entrepreneur, they indirectly affect communication effectiveness by increasing perceptions of emotional involvement and trustworthiness. Emotional involvement is, as I argued in the theoretical framework, an aspect of credibility much like trustworthiness. When an endorser's credibility increases, they influence consumers through a process known as internalisation. As consumers internalise the claims made by celebrities, their attitudes towards the advertisements the celebrities appear in and the brands they support improve.

5.6 Research Question 2

Under the second research question, I was interested in finding out: *To what extent does perceived emotional involvement represent a conceptually and empirically distinct communicator characteristic relative to source trustworthiness, expertise and attractiveness?* During the conceptual framework introduced in Chapter 2, I argued for the conceptual distinctiveness of emotional involvement. In Chapter 4, I was able to show that it was in fact an empirically distinct dimension using Hypothesis 1. And in this chapter, I established that across each experiment, this finding was empirically robust.

5.7 Research Question 3

In research question three, I wanted to know: *Does perceived emotional involvement affect communication effectiveness and if so, can perceptions of it be managed?* Based on the results from Hypothesis 6, I showed that emotional involvement has a direct affect on communication effectiveness as manifested in a more positive attitude towards the advertisement and brand. This finding was replicated in four out of the five experiments and in very distinct sample populations. More importantly, from hypotheses 2-5 out of all the source model dimensions, emotional involvement was the most actionable.

5.8 Research Question 4

The fourth research question turned things around somewhat by asking: *Do the (assumed) positive effects of engagement turn negative when negative info about the celebrity surfaces and if so, is a company able to reduce these effects?* Hypotheses 7-10 were operationalised to help understand this question. While the results in experiments 6 and 7 showed negative information to be in general harmful to communication effectiveness, the findings were mixed as to whether there were differences based on if the celebrity was engaged as an endorser or entrepreneur. In Experiment 6, negative information affected celebrity entrepreneur companies more than those using celebrity

endorsers. However this finding was not replicated in Experiment 7. Companies that supported a celebrity entrepreneur when negative information was revealed saw changes in attitudes towards their brand worsen relative to companies who support celebrity endorsers. Again, however, this finding was not replicated in Experiment 7. Finally, the change in attitudes towards the brand from before and after negative information was revealed and after the company fired their celebrity was looked at in H10. In both experiments 6 and 7, no differences were found between celebrity entrepreneurs and celebrity endorsers.

6 Limitations, suggestions for future research and final thoughts

Hopefully, I have established that celebrity entrepreneurship is not only an interesting and economically important phenomenon, but also a researchable one. However, the research reported so far has merely scratched the surface of the phenomenon. There is a need for considerable further development of knowledge in this field, and hence research opportunities abound. In this concluding chapter I will extend the logic of the research findings by discussing future research opportunities. But before I do this, it is important to discuss the limitations confronting the research findings and conclusions.

6.1 Limitations

This study adds considerable understanding to the consequences of increased celebrity engagement on communication effectiveness. However, some of this understanding must be put into perspective because of the limitations present in this study. At this point, the most serious of them are discussed.

Statistical generalisability is a concern in this study. Experiments 1-4 and 6-7 were conducted on Swedish university students. Cultural differences in attitudes towards celebrities and advertising in general could restrict the extent of the statistical generalisability (Silvera and Austad 2004). In fact, one cross-cultural study on source model efficacy has shown for instance Taiwanese business persons prefer advertisements from expert endorsers whereas Americans prefer those of celebrity endorsers (Hsieh and Chang 2005). However, a large study from Pornpitakpan (2003) showed Ohanian's (1990) source model construct to be a reliable and useful construct for Singaporean undergraduates. There are simply too few studies on this topic to know how cross cultural differences will affect outcomes. It may very well be the case that the findings in this study do not generalise well beyond a Swedish and Baltic population.

To counter generalisability concerns, Experiment 5 was performed in Latvia using undergraduate participants. Overall the findings in this experiment were consistent with those found in the Swedish undergraduate samples. Each item in the Ohanian source model construct, and the newly developed emotional involvement items, loaded strongly on the expected theoretical dimension. In addition, this dimension was a reliable predictor of attitude towards the advertisement and brand. In Experiment 8 Swedish retirees were used in the sample.

Although hypotheses concerning engagement influences on the source model variables H2-H6 were not supported in this experiment, there was statistically significant support for H1 and H6. These findings counter some criticism towards statistical generalisability and suggest the constructs tested in this study may very well apply to other cultural contexts as well as consumer segments that are not comprised solely of university students. While this in no way proves the constructs developed and tested in this study apply similarly to a wider range of demographics, I would like to point out that statistical generalisation to broader populations was of secondary concern to theoretical generalisation (Mook 1983). In other words, this study has established that celebrity engagement and emotional involvement *can* have an effect on communication effectiveness rather than that they typically *do*.

In addition to the sample selection potentially limiting the generalisability of the findings, the specific celebrity product combinations merit discussion. The products used were varied to capture the type of situations where the elaboration likelihood (i.e. the probability of message or issue relevant thought occurring) (Petty and Cacioppo 1981) and motivation to process the advertisement were low and high (Belch and Belch 1998). Under low conditions, consumers are believed to process information peripherally rather than centrally. Peripheral cues, such as an attractive celebrity are thought to be more attention grabbing and more likely to induce attitude change than are central message cues (e.g. an expert on the topic or technical information) (Petty, Cacioppo et al. 1983). Under high conditions, the celebrities chosen to endorse the products may not have been as effective at motivating issue relevant thought and attitude change. The main problem introduced however is the fact that neither low nor high conditions were controlled for. Had they been controlled for, or at least designed with the ability to determine the condition, it would have made it easier to extend the findings to conditions of low and high involvement.

Given the contrived nature of the experimental setting, there is a risk of creating demand characteristics. These occur when design procedures unintentionally hint towards the experimenter's hypotheses (Churchill 1999). When participants figure out the true nature of an experiment, the validity of findings are questionable. To reduce the likelihood participants would 'guess' the purpose of the experiment, cover stories can be used (Zikmund 2003). In each experiment a cover story was implemented to disguise the true nature and intent. In addition to a cover story, post experimental questions were administered to determine whether or not participants 'guessed' the purpose. While these compensating strategies do not guarantee demand characteristics are eliminated, they should be minimised (Hair, Bush et al. 2006).

In experiments 3-8, celebrity engagement was operationalised by placing participants in one of three groups (entrepreneur, endorser, control³⁴). In each respective group, participants received written background information concerning the celebrity's engagement with the product they were endorsing. For instance, when describing Cameron Diaz as an entrepreneur, participants read that she was an entrepreneur, owner, manager, and investor. Because each participant in the 'entrepreneurship' group received the same information, it is impossible to know whether the effects of engagement are due to Diaz being an owner, manager, investor, some combination of the three, or more generally because she was referred to as an entrepreneur. In other words, the findings have established that engagement has an influence, but they do not specify what aspect in particular is responsible for the effects. Experiments 1 and 2 were designed to further tease out specific aspects of engagement. However, a too small sample and demanding design rendered the data useless for this purpose.

The experiments in this study were all cross sectional in nature. Because of this, it is not possible to know the effects celebrity engagement will have on attitudinal change in the medium and long term. Researchers have found that highly credible sources create persistent attitude change in recipients over time (Hennigan, Cook et al. 1982). In addition, researchers have found that under low involvement conditions, cues that are strongly associated with the product (such as celebrity entrepreneurs but not celebrity endorsers) produce greater attitude persistence over time (Sengupta, Goodstein et al. 1997). However, other studies have identified the existence of 'sleeper effects' (Hannah and Sternthal 1984), even though they were weak (Pornpitakpan 2004), they do raise the *possibility* that the persuasiveness of *low credibility* sources increase over time.

Questions may be raised as to why *purchase intention* was not used as a dependent variable in this study. To address this, I would like to point out that the source models do not generally predict purchase intention directly (and when they do they are not very good at it). Rather, highly credible and attractive sources affect the dependent variables attitude towards the brand and ad directly. These dependent variables in turn are generally very good predictors of purchase intention. Despite this, purchase intention has been measured in this study and is reported in Appendix 1 (see page 190). As expected attitudes towards brand and ad, but not source credibility or attractiveness, are significant predictors of purchase intention.

The source models were originally operationalised for an English speaking American audience. Several of the experiments (3-4 and 8) were conducted on a Swedish speaking sample and required translation. Although steps were taken to ensure the original source model translation from English to Swedish retained the nuanced psychological meanings, Swedish is a language of fewer words than English. As a result, some of these meanings did not translate perfectly. To counter this, an acceptable, but not perfect back translation was performed.

³⁴ In Experiment 8 the control group was omitted.

Due to the lengthy design of experiments 6-7, participants were required to read and complete a 12 page experimental package. The length of this experimental package was a concern. To reduce the overall task several important questions were removed related to the manipulation checks. As a result there is no direct way of knowing how successfully the manipulations were internalised. Indirectly, it is possible to rely on the previous, but similar, experiments to assess the effectiveness. The experimental manipulations in them revealed that on the whole the experiments were successful, however as many as 10% of respondents missed key pieces of information. If anything, I believe this has led to an under-representation of the results.

Finally, the small sample sizes used in the experiments (relative to the required number of experimental groups) may have masked some of the more subtle relationships. Following the first two experiments (which required nine experimental groups), the number and levels of factors were reduced to increase participants in each group. Even so, some of the hypotheses tested (especially on negative information), were insignificant and displayed small effect sizes despite directional support. A larger sample size may very well have provided the support needed.

In testing Hypothesis 1, factor analysis was used. For Hypothesis 6 regression analysis. Analysis of variance was used to test hypotheses 2-5 and 7-10. The problem with measuring these hypotheses separately is that they only measure one relationship at a time. Consequently, by using the methods I did, it was impossible to test the entirety of my theories using the available data at the same time. While this is possible to do using structural equation modelling, there are two main reasons for not pursuing this analytical technique. The first reason is that structural equation models are resource intensive and generally require larger sample sizes so as not to violate several assumptions. Had I tried to test my entire model simultaneously I would have needed to test the relationship between a minimum of 6 variables (1. entrepreneur; 2. endorser; 3. control; 4a. emotional involvement; 4b. trustworthiness; 4c. expertise; 4d. attractiveness; 5a. attitude towards advertisement; 5b. attitude towards brand; 6. purchase intention). The sample size requirements even if only one group was used is over 400 cases. Given the experimental nature of this study, a special type of structural equation modelling, multi group analysis, is needed. Multi group analysis is yet again more resource intensive and would require up to 400 cases per group. As the largest group in any experiment was only 82 cases, such a resource intensive method was impossible. The second reason deals with the necessary prior knowledge needed to set 'strict' limits on model choices. Without this knowledge, finding a good model fit becomes an adventure in experimentation where the model "fit will often convey more about the tenacity and good fortune of the investigator than about the world the model is supposed to characterize" (Kaplan 2000, p. xi).

6.2 Suggestions for future research

At this point I would like to outline some suggestions for future research. Some deal with issues that are directly related to the investigation carried out in this thesis and are found directly below, while others are intended to provide ideas for expanding the scope of celebrity entrepreneurship research.

6.2.1 *Extensions of current research*

Starting with the celebrity engagement concept introduced in this thesis, there is still a need to identify and separately examine individual aspects of celebrity engagement. Are consumers influenced by celebrity entrepreneurs because they take risks, initiate business ideas, or are active in managing those businesses? Future research may try to identify which specific aspects of entrepreneurial and endorser engagement have the most influence on consumers (for good and bad). Answering this question will, for instance, enable managers to emphasise or de-emphasise general endorser activities which will help or hinder their objectives. This can be done in several ways. Studies using conjoint analysis can be designed to determine which of the engagement items identified in this study have the greatest influence on consumers. Additionally, researchers may simply use the design already described in experiments 1 and 2. If this approach was followed, researchers will need to ensure a larger sample is chosen and perhaps a different celebrity/product combination.

The focus in this study on engagement was limited to the differences between celebrity endorser and celebrity entrepreneurs. Are there other aspects of engagement which are important influencers of consumers that have been overlooked in this thesis? For example, in the theoretical framework it was argued that differences in celebrity engagement provided consumers with internal and external sources of information that could be used to form and correct attributions. However, there is also an element of attributional stability and variability related to celebrity engagement (see e.g. Shaver, Gartner et al. 2001). A celebrity endorser may be seen as externally motivated due to the large amounts of cash given to promote a company, but this may also be variable when the money disappears. Likewise, a celebrity entrepreneur's engagement may not only be seen as internally motivated, it may also be seen as stable. Such interactions should be taken into consideration as theory on the effects of attributions on communication effectiveness are developed.

For the same reasons mentioned in the above paragraph, identifying a wider range of endorser activity should benefit managers and researchers attempting to measure endorser effectiveness. It will be of particular interest to identify those aspects of engagement, much like

entrepreneurial engagement, which are actionable. Of course, uncovering these unknown influencers will require the researcher to use various qualitative approaches such as unstructured interviews and focus groups.

Emotional involvement held an important role in this thesis as it improved the ability to predict when a celebrity is successful in their endorser roles. Nevertheless, this construct was operationalised and verified using exploratory analytical techniques (i.e. PCA). Given the importance I have argued this measure has, it is imperative that in future more confirmatory approaches are taken. Taking the final suggested operationalisation of emotional involvement proposed in Chapter 5, Confirmatory Factor Analysis using Structural Equation Modelling may then be used to test the measurement and structural model (Hair, Black et al. 2006). In addition, Structural Equation Modelling can be used to test the entire model proposed in this thesis to understand the relationships between celebrity engagement, the source models (including emotional involvement) and communication effectiveness.

The results of hypothesis testing on negative information failed to capture differences between when a celebrity entrepreneur is fired or when a celebrity endorser is fired and the consumer's reaction to the brand and ad. One possibility for these findings is that celebrity engagement does not interact with the decision to fire a celebrity, in which case the theory is wrong or the effects were too weak to detect. Another possibility is that the theory is still applicable, but the operationalisation of the theory was at fault. Certainly, it is questionable whether or not a celebrity entrepreneur can be fired. Future researchers may try to replicate the hypothesis while at the same time improving the experimental manipulations expected to cause the predicted differences.

Despite attempts to replicate many of the finding within this thesis, several limitations including design choices, sample sizes and populations were problematic. Therefore, simple replications of the already designed experiments are needed to substantiate the overall conclusions in this thesis as well as to generalise these findings beyond the limited areas covered already. To do this, researchers may want to replicate some of these studies using not only different celebrities, but also different product categories that include purchasing situations where a high or low involvement purchase decision is created and controlled for (Petty, Cacioppo et al. 1983). Additionally, the theories and hypotheses tested here should be examined whilst controlling for additional factors such as gender, age, country of origin and using different sample populations. By following these recommendations, researchers will better be able to answer for whom and under what conditions some of the theories presented in this thesis apply.

6.2.2 *Expanding research into the celebrity entrepreneurship phenomenon*

So far, only anecdotal and unsystematic evidence seems to exist as regards how prevailing and economically important celebrity entrepreneurship is. Systematic analysis of media content as well as interview and possibly survey methods targeting celebrities and their managers is needed. In particular the celebrity management organisations should themselves have an interest in developing systematic knowledge about this phenomenon and they could thus become important (funding) partners in the research.

The nature of the celebrity entrepreneurship phenomenon is still somewhat unclear. Through case studies, interviews and possibly survey approaches celebrities, their managers and firms having celebrities involved can be researched as regards where on the spectrum from being an initiator of the venture to being a late, ‘make-believe’ add-on the celebrity engagement commonly occurs. Such research would also further explore what specific other entrepreneurial roles (owner; strategic management; operational management; specialist advisor; networking agent, etc.) the celebrity takes, and why. It could further investigate the extent to which the celebrity’s engagement is driven purely by extrinsic, pecuniary reasons or if there is a significant intrinsic component. The latter would have important implications for new, resource-starved ventures’ prospects for benefiting from celebrity capital.

One important reason companies have for hiring celebrity endorser services is that they hope the celebrity’s image will transfer onto their brand (Gwinner 1997; Seno and Lukas 2007). Anecdotal evidence in this thesis suggests that because of deeper engagement, a celebrity entrepreneur’s image should transfer more easily to a company’s brand than that of a celebrity endorser. A related study might examine the extent to which the image of a venture transfers onto the celebrity when they are engaged. Is there a reciprocal relationship? Does this relationship differ for celebrity entrepreneurs and celebrity endorsers? When actions taken by the firm have consequences for a celebrity’s image, this could limit the possibility of engagement in future ventures or even have undesirable consequences for the celebrity’s main activities. For example, a firm might use child labour in sweatshops to fabricate clothes. This may damage the celebrity’s image, as it did with actress Kathie Lee-Gifford, and consumers may boycott concerts or movies the celebrity stars in. Future research should investigate to what extent this is the case and if it differentially impacts endorsers and entrepreneurs.

An aspect that has weighed heavily on my mind in recent years concerns the sustainability of advantages celebrity entrepreneurs currently enjoy. If this advantage comes mainly from consumer perceptions of their engagement in companies, how long will it be before companies and celebrity intermediaries start to exploit this perception? In addition, entrepreneurship today

is something that is respected in many societies, but this has not always been the case (Davidsson 1993). A change in perceptions towards entrepreneurs could nullify or even reverse the influence of celebrity entrepreneurs. For the first concern, longitudinal studies where repeated exposure to celebrity entrepreneurs could determine the sustainability of engagement. The second concern may be examined by carefully controlling for attitudes towards entrepreneurs in research investigating the effects of engagement.

6.2.3 *Expanding the investigation outside of the marketing communication paradigm*

Continued experimental and non-experimental investigation on celebrity entrepreneurship is needed from strategy and entrepreneurship perspectives. Perceptions of emotional involvement and communication effectiveness variables have natural central places when celebrity entrepreneurship research is conducted within a marketing communication paradigm. By leaving that paradigm other alternatives present themselves. The exact aspects of celebrity entrepreneurship that account for the positive (and negative) effects on consumers is an important question also from other perspectives, but other mechanisms and outcomes—and samples—may come to the fore when the perspective is changed. Staying with consumers (or organisational customers) engagement may be de-emphasised as a mechanism and focus placed more on the direct influence of aspects of celebrity engagement on outcome variables reflecting perceptions of legitimacy and other issues related to liabilities of newness or smallness. A change of perspective also makes it natural to expand the research to include other stakeholders. This may include non-experimental approaches as well. Through case studies, interviews, surveys, and conjoint-based as well as true experiments the research could explore how resource providers ascribe legitimacy and monetary value to the venture as a result of celebrity involvement in it. This should be an interesting arena for research on samples of business angels, venture capitalists, bank loan officers, and possible suppliers³⁵.

The research questions in this thesis addressed the specific consequences added celebrity engagement and perceived emotional involvement have on communication effectiveness (and how they are affected by negative celebrity information). If the conclusions in this thesis hold, i.e. celebrity entrepreneurs are more effective communicators, does it also mean that they represent a more valuable resource to a company than celebrity endorsers? This question is difficult to answer for a number of reasons.

³⁵ Parts of this section are based on a published chapter in the *Advances in Entrepreneurship, Firm Emergence and Growth Series* (Hunter, Burgers and Davidsson, 2009). I would like to thank my co-authors for their permission to reuse this material.

First, the value a celebrity potentially provides a company, beyond endorsement, such as the ability to generate PR and facilitate access to financial and human resources (Riezebos 2003), must be identified. For example, when a new venture is launched, founders often find themselves faced with inherent weaknesses such as “liability of newness” (Aldrich and Auster 1986) and a “lack of legitimacy” (Delmar and Shane 2004). In terms of the resource-based view, this can be expressed as a problem of lacking “reputational capital” (cf. Stuart, Hoang et al. 1999). New ventures can try to build reputational capital internally, but might also draw on the reputational capital of others. Prior studies have addressed how reputational capital can be improved by winning awards (Rao 1994; Yiu and Lau 2008) or by attracting prestigious investment banks (Gulati and Higgins 2003). Companies have also relied on celebrity endorsers (Kaikati 1987) to help supplement their reputational capital. Presumably, a celebrity entrepreneur could provide immense value to a company by fulfilling this role.

Second, the differences between celebrity entrepreneurs and celebrity endorsers must be considered. Does, for example, added engagement increase the likelihood a celebrity will gain favourable treatment from suppliers or access to financial capital by lowering the perceived risk for investors?

Third, any perspective on value must take into consideration the goals and needs of the company. For instance, new ventures may have a greater need to access financial and human capital resources than existing ventures (Brush, Greene et al. 2002). Thus, depending on the age of a venture and the context they operate in, the benefits received from a celebrity may differ depending on whether they are an entrepreneur or endorser. By developing these three issues, researchers can begin to answer the question of whether celebrity entrepreneurs represent a more valuable firm resource and why.

In line with these last three points, there is reason to further categorise what is meant by celebrity and celebrity entrepreneurs. Almost everyone has heard of Britney Spears and Michael Jordan, but many celebrities are only well-known in a particular region or sport and attract limited attention outside these areas. Kicki Danielsson, for example, is a famous singer in Sweden, yet attracts limited attention in other countries. A new venture aiming solely at a particular region, country or other niche market could therefore just as well use a celebrity that has appeal within that particular niche instead of a more global celebrity (Carter and Rovell 2003). As the value of celebrity capital is tied to the base of people that know the celebrity, more local celebrity capital might be more affordable (Hunter, Burgers et al. 2008). However, although such local celebrity capital may fit very well with the intended consumers in that particular niche, their value greatly diminishes outside the targeted niche (Yiu and Lau 2008). This potentially limits future expansion options of new ventures when trying to extend beyond that particular local niche market. To test these ideas, a study might compare the advertising

effectiveness of local celebrities with more internationally known celebrities (on consumers who are familiar with the local celebrity and those who are not).

It may be worthwhile to contrast celebrity CEOs with celebrities that were well known before they got involved in a venture. While both types of celebrity entrepreneurs are well known, a major difference is that the image of entrepreneurs turned celebrity, such as Richard Branson, is very strongly associated with the original company they started. Their celebrity capital would presumably create far more legitimacy in the eyes of business partners because their image is based on the ability to successfully build a company. Because of the tight connection between Branson's image and Virgin's image, a new venture might have more difficulty transferring his image in the eyes of consumers than for example Paris Hilton, who has fewer previous associations with companies (Hunter, Burgers et al. 2008). Future research should further delve into the strategic consequences of both types of celebrity entrepreneurs. A fruitful starting point could be to distinguish between business partners and consumers. Celebrity CEO images may contain myriad associations to their entrepreneurial skills that may be valued higher by business partners, while consumers might value other associations more attached to 'regular' celebrities.

Beyond trying to establish the value a celebrity entrepreneur provides to a company, there are a number of issues waiting to be addressed. Much of what has been discussed in this thesis (and the celebrity endorsement literature) starts with the celebrity already being part of a company. The implied focus here has been that the celebrity is the initiator behind the venture. However, this is certainly not always the case. Attracting a celebrity to join the entrepreneurial team in a new venture might be the only viable option for a new venture, as the upfront costs are presumably lower than hiring an endorser. However, celebrities may demand a risk premium to get involved in a new venture, which lacks legitimacy compared to more established firms. Therefore celebrity entrepreneurs might be very costly in the long run, marginalising the positive benefits a celebrity and their capital brings. Future research should carefully consider the costs as well as the benefits over time in attracting celebrity partners. One way to do this is by understanding the resource pathways a celebrity opens for a new venture (Brush, Greene et al. 2002).

Celebrity entrepreneurs are in an enviable position to proactively approach business partners and other stakeholders by making use of their reputational capital (Hunter and Davidsson 2008). Social capital entails the resources and knowledge that are available within and through a network of relationships (Nahapiet and Ghoshal 1998; Yiu and Lau 2008). A distinctive feature of celebrities is that they are known by many people without the celebrity knowing them. When compared with social capital, a celebrity network is more a form of latent or potential social capital, as the network itself technically does not yet exist given celebrities are unlikely to know

who might know them. The role of potential networks and how to access them provides a major opportunity for future research on social capital. Since these networks might be most prevalent for celebrities, a starting point could be to research how celebrity capital relates to social capital.

6.3 Conclusion

Celebrity entrepreneurship appears to be a growing societal phenomenon that until now has been ignored by scholars. However, the extent to which this phenomenon is real or simply celebrity endorsement in disguise is unclear. What is clear is that when a celebrity is perceived by consumers to be engaged in an entrepreneurial role, there are real consequences for the venture. In this thesis, I have examined some of them.

Consumers must realise that their perceptions of a celebrity's engagement and emotional involvement ultimately affect their purchase intentions. This is not a bad thing *per se*. A celebrity's emotional involvement seems to be one heuristic consumers use to gauge credibility. When this is genuine, celebrities may be a more credible source of valuable information consumers can use to assist their overall product evaluation. Of the source model variables however, emotional involvement seems to be the easiest to manipulate. Ironically, disingenuous instances of celebrities portrayed as being highly engaged with a company or product will still improve overall celebrity credibility and lead to increased purchase intention. Consumers who are aware of and understand this potential source of influence will be in a better position to resist its effects (Cialdini 2001).

Companies will be interested to know that celebrity entrepreneurs can be more effective communicators than celebrity endorsers. However, to leverage this it is important that they also understand the source of a celebrity's communication effectiveness. In this regard, past research has shown the importance of a celebrity's trustworthiness, expertise and attractiveness (Erdogan 1999), but ignored emotional involvement. This was an important oversight not only because a celebrity's emotional involvement, just like their trustworthiness, expertise and attractiveness, can improve their communication effectiveness, but also because it seems to be the easiest source dimension to manipulate. Companies that truly work with a celebrity entrepreneur would be well advised to promote the engagement of their celebrity partner through their public relations. This would include explaining the celebrity's actual role in the company as well as their emotional involvement with the products they sell. As a corollary piece of advice, companies should be aware that high levels of involvement are not the exclusive domain of celebrity entrepreneurs. Practitioners may want to consider new forms of endorsement contracts with celebrities—particularly fruitful may be those structured in a way that incentives are created for

celebrities to increase their level of engagement with the brand and company (perhaps using the measures developed in this thesis). This advice however must be accompanied with a caveat. Involving a celebrity too much may cause consumers to view the celebrity and the brands they endorse as one and the same. This could become problematic if and when negative information surfaces about the celebrity (see e.g. Klebba and Unger 1982; Louie, Kulik et al. 2001; Louie and Obermiller 2002), when celebrity fades, or in the event their image changes (Kaikati 1987).

From a theoretical standpoint, celebrities entail rich research opportunities for entrepreneurship and marketing scholars. I have argued that celebrity endorsers and entrepreneurs differ substantively in how their engagement and emotional involvement is perceived. These differences are important because they improve the ability to understand and predict the effectiveness of celebrity communicators. Taking these issues one step further there are a number of theoretical and strategic implications for companies to consider, many of which I have discussed.

The study of celebrity entrepreneurship remains an area ripe with research opportunities. Hopefully, I have conducted this study in a manner in which future researchers see the value in expanding our understanding of this new and under-researched phenomenon.

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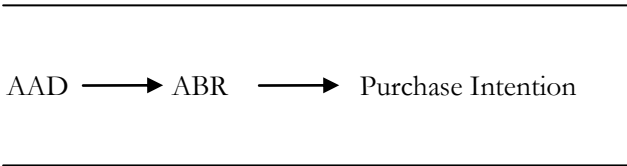
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Appendices

Appendix 1: Regression analysis and results for AAb and AAd as predictors of PI

In this section I will test the hypothesis that attitude towards the brand leads to purchase intention (Figure 14) and is mediated by attitude towards the advertisement using three separate regression analyses (Rauch, Frese et al. 2005). Although I have examined this relationship in all experiments, I will only report the results for one experiment. I chose to test this relationship with Experiment 7 since it contained the largest sample—again, it does not make a difference which one I report as the results are very similar.

Figure 14. Hypothesised relationship between AAd, ABr and purchase intention



To test for mediating effects I will first test the relationship between attitude towards the advertisement and purchase intention. Next I will test the relationship between attitude towards the brand and purchase intention. Finally, in order to show mediation occurs, I will test the relationship between the independent variables attitude towards the brand and attitude towards the advertisement and the dependent variable purchase intention. Figure 15 provides a graphical representation these steps.

Figure 15. Model testing the effect of ABr on purchase intention while mediated by AAd

1 AAd → Purchase Intention

2 ABr → Purchase Intention

3 ~~AAd~~
ABr → Purchase Intention

Support for this theory will occur if step one and two are significant and only ABr (but not AAd) is significant in step three (Baron and Kenny 1986). Along with the independent and dependent variables listed I include four control variables (age, gender, eat meat and language).

The control variables are entered first in hierarchical regression analysis followed by the independent variables in the second model. Finally, purchase intention was entered as the dependent variable in each model. Missing data was deleted pairwise and variables were included using the enter method in SPSS.

Table 50. Model summary for step one

Model	R	R square	Adjusted R square	Std. Error of the estimate	Change statistics				
					R square change	F change	df1	df2	Sig. F change
1	.404 (a)	.164	.147	1.21	.164	9.68	4	198	.000
2	.656 (b)	.431	.416	1.00	.267	92.4	1	197	.000

a Predictors: (Constant), Do you eat meat?, My Swedish language skills are:, age, gender

b Predictors: (Constant), Do you eat meat?, My Swedish language skills are:, age, gender, Summated scale using all AAd items. Alpha=.875

Table 51. Coefficient table for step one

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.142	1.263		3.28	.001
	Gender	-.666	.185	-.251	3.59	.000
	Age	-.067	.043	-.107	-1.58	.117
	My Swedish language skills are:	.022	.043	.033	.507	.613
	Do you eat meat?	.282	.083	.237	3.41	.001
2	(Constant)	1.652	1.077		1.53	.127
	Gender	-.603	.153	-.227	-.930	.000
	Age	-.032	.035	-.051	-.892	.373
	My Swedish language skills are:	.019	.036	.029	.536	.592
	Do you eat meat?	.219	.069	.184	3.19	.002
	Summated scale using all AAd items. Alpha=.875	.589	.061	.524	9.61	.000

a Dependent Variable: Summated scale using all purch items. Alpha=.911

In Table 50 we see that the overall model we test in step one is significant ($p < .000$). Moreover, once AAd is entered in Model 2, adjusted R squares increases from .147 to .431; an R square change of .267. In Table 51 we see that our control variables gender and “do you eat meat” come out significant, however, when we compare the standardised Beta coefficients they are clearly weaker and less predictive of purchase intention than is AAd ($B = .524$). So far so good. AAd is clearly a strong predictor of purchase intention. We now repeat this procedure with step two (only replacing AAd with ABr).

Table 52. Model summary for step two

Model	R	R square	Adjusted R square	Std. Error of the estimate	Change statistics				
					R Square change	F change	df1	df2	Sig. F change
1	.404 (a)	.164	.147	1.21	.164	9.7	4	98	.000
2	.877 (b)	.769	.763	.64	.605	515.7	1	97	.000

a Predictors: (Constant), Do you eat meat?, My Swedish language skills are:, age, gender

b Predictors: (Constant), Do you eat meat?, My Swedish language skills are:, age, gender, Summated scale using all ABr items. Alpha=.933

Table 53. Coefficient table for step two

Model	Variable	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	S.E.	Beta		
1	(Constant)	4.142	1.263		3.28	.001
	Gender	-.666	.185	-.251	-3.59	.000
	Age	-.067	.043	-.107	-1.58	.117
	My Swedish language skills are:	.022	.043	.033	.507	.613
	Do you eat meat?	.282	.083	.237	3.41	.001
2	(Constant)	.506	.685		.738	.461
	Gender	-.301	.099	-.113	-3.04	.003
	Age	-.032	.023	-.051	-1.41	.161
	My Swedish language skills are:	.043	.023	.064	1.86	.064
	Do you eat meat?	.121	.044	.102	2.74	.007
	Summated scale using all ABr items. Alpha=.933	.896	.039	.809	22.7	.000

a Dependent Variable: Summated scale using all purch items. Alpha=.911

For step two we have very similar results as in step one. In Table 52 we see that AAB is significant and along with the control variables explains 76% (on an adjusted R square basis) of the variance in purchase intention. Of all the variables (see Table 53), attitude towards the brand appears to be the most important predictor of purchase intention (B=.809; $p < .000$)

At this point we have strong evidence to suggest attitude towards the brand and attitude towards the ad are strong and direct predictors of purchase intention. However, there are theoretical reasons for assuming AAd actually mediates this relationship. If this theory is correct, AAd should drop out when tested along with ABr, since ABr should capture most of the variance when predicting purchase intention. In step three we once again repeat the procedure with one change. We now include AAd and ABr together in our second regression model.

Table 54. Model summary step three

Model	R	R square	Adjusted R square	Std. Error of the estimate	Change statistics				
					R Square change	F change	df1	df2	Sig. F change
1	.404 (a)	.164	.147	1.21	.164	9.58	4	96	.000
2	.878 (b)	.771	.764	.638	.608	257	2	94	.000

a Predictors: (Constant), Do you eat meat?, My Swedish language skills are:, age, gender

b Predictors: (Constant), Do you eat meat?, My Swedish language skills are:, age, gender, Summated scale using all AAd items after negative information, Summated scale using all ABr items. Alpha=.933

Table 55. Coefficient table for step three

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.14	1.27		3.26	.001
	Gender	-.666	.186	-.251	-3.58	.000
	Age	-.067	.043	-.107	-1.57	.119
	My Swedish language skills are:	.022	.044	.033	.504	.615
	Do you eat meat?	.282	.083	.237	3.39	.001
2	(Constant)	.326	.698		.468	.641
	Gender	-.297	.099	-.112	-2.99	.003
	Age	-.028	.023	-.045	-1.24	.216
	My Swedish language skills are:	.039	.023	.058	1.67	.097
	Do you eat meat?	.125	.044	.105	2.82	.005
	Summated scale using all ABr items. Alpha=.933	.852	.050	.769	16.9	.000
Summated scale using all AAd items after negative information	.076	.053	.064	1.43	.154	

a Dependent Variable: Summated scale using all purch items. Alpha=.911

As predicted, our model is significant at $p < .000$. Our second model is able to predict 76% of the variance in purchase intention (see Table 54). Turning our attention to Table 55, we see in the first model gender and “do you eat meat” are significant predictors of purchase intention. In the second model they are still significant even with the addition of AAd and ABr. However, in this second model AAd is not significant ($p = .154$) while ABr is ($B = .769$; $p < .000$). This supports

the theory that AAd is a perfect mediator of ABr and ABr is a direct predictor of purchase intention.

Based on these results along with the (unreported) replications in the five other experiments, we can confidently claim that ABr is a strong predictor of purchase intention and it is mediated by AAd.

Appendix 2: Information package distributed to participants in Experiment 3 (Swedish version/entrepreneurship manipulation)

Internationella Handelshögskolan i Jönköping
Department of EMM
Marketing & Communications Questionnaire

På följande sidor ombeds du tillhandahålla lite bakgrundsinformation om dig själv och besvara frågor om din attityd till, och åsikt om reklamen. Vänligen läs all information i det här frågeformuläret. Efter att ha läst varje punkt noggrant, besvara frågan i tillhandahållet utrymme. Du kommer att få frågor som besvaras genom att du ritar en cirkel runt den siffra som du anser bäst motsvarar din åsikt. Till exempel, om ett påstående lyder: ”George Bush gör ett bra jobb som president”, men du känner att du är i princip likgiltig inför hans insatser, besvarar du frågan genom att rita en cirkel runt siffran 4.



Även om några av frågorna ter sig i närmast identiska är alla lika viktiga, därför ber vi dig besvara alla frågor.

Tack för din medverkan!

Bakgrundsinformation

Kön (kryssa i en ruta): Man Kvinna Ålder: _____

Är Svenska ditt modersmål? Ja eller Nej

Har du hört talas om Cameron Diaz?

Ja, jag känner till henne mycket väl

Ja, jag vet nog vem hon är

Nej

Har du sett någon reklam med Cameron Diaz tidigare? Ja eller Nej

Bakgrund

Guppygear är ett nystartat företag grundat av kändisen och nu entreprenören Cameron Diaz. Förutom att uppträda i tryckt reklam, TV-reklam och radio-reklam, leder Diaz företaget och designar surfingbrädor, bikinis och badshorts. Som delägare i Guppygear, riskerar Diaz sin investering om inte företaget blir framgångsrikt, å andra sidan skulle företaget bli en framgång kommer hennes aktier att bli mycket värdefulla.³⁶

Reklamen du snart ska få se handlar om företaget "Guppygear surfstuff". De har specialiserat sig på försäljning av surfingbrädor, bikinis och badshorts till män och kvinnor. Bilden i annonsen föreställer kändisen Cameron Diaz. Syftet med det här experimentet är att utvärdera hur effektiv den åsyftade positioneringsstrategin är samt att bestämma vilken av de två annonserna är mest effektiv.

Enligt hemsidan www.guppygear.com, är målgruppen män och kvinnor i alla åldrar. Kollektionerna är tänkta att lanseras i Europa och Nord Amerika i mars 2006.

Vänligen, ta en stund på dig och studera annonsen noggrant.

In the original experiment package there were two different magazine advertisements shown here. Each one depicted Cameron Diaz in swimwear and with a surfboard. The caption in the first advert read: "Whether I am at the beach or hangin' with friends, Guppywear is the perfect combination of style, comfort and quality." The second advert contains the following quote: "When I hit the beach, I look for my Guppygear surfstuff. It is the perfect blend of style, comfort, and quality"

³⁶ This paragraph represented the entrepreneur manipulation.

OBS:

När du studerat färdigt annonsen ska du vända på sidan, det är viktigt att du inte går tillbaka senare för att titta på den igen!

Frågeformulär

1. Med utgångspunkt från annonsen tycker du att Cameron Diaz är (rita en cirkel runt lämplig siffra för varje ordpar):

Opålitlig	1	2	3	4	5	6	7	Pålitlig
Oärlig	1	2	3	4	5	6	7	Ärlig
Ej tillförlitlig	1	2	3	4	5	6	7	Tillförlitlig
Ej uppriktig	1	2	3	4	5	6	7	Uppriktig
Icke trovärdig	1	2	3	4	5	6	7	Trovärdig

2. I relation till produkten är Cameron Diaz :

Icke expert	1	2	3	4	5	6	7	Expert
Oerfaren	1	2	3	4	5	6	7	Erfaren
Okunnig	1	2	3	4	5	6	7	Kunnig
Okvalificerad	1	2	3	4	5	6	7	Kvalificerad
Oskicklig	1	2	3	4	5	6	7	Skicklig

3. I ditt tycke är Cameron Diaz:

Oattraktiv	1	2	3	4	5	6	7	Attraktiv
Sakner Stil	1	2	3	4	5	6	7	Högklassig
Ful	1	2	3	4	5	6	7	Vacker
Alldaglig	1	2	3	4	5	6	7	Elegant
Ointressant	1	2	3	4	5	6	7	Intressant

4. Generellt sett, hur effektiv är annonsen för Guppygear?

Extremt ineffektiv	1	2	3	4	5	6	7	Extremt effektiv
--------------------	---	---	---	---	---	---	---	------------------

5. Generellt sett, hur tilltalande ter sig Guppygear för dig?

Inte alls tilltalande	1	2	3	4	5	6	7	Extremt tilltalande
-----------------------	---	---	---	---	---	---	---	---------------------

6. Vad är sannolikheten att du kommer att köpa en produkt från Guppygear till dig själv under det kommande året?

Kommer definitivt Inte att köpa	1	2	3	4	5	6	7	Kommer definitivt Att köpa
------------------------------------	---	---	---	---	---	---	---	-------------------------------

7. Vad är din sammantagna reaktion på reklam for Guppygear?

Ofördelaktig								Välvillig
	1	2	3	4	5	6	7	
Uttråkad								Intresserad
	1	2	3	4	5	6	7	
Dålig								Bra
	1	2	3	4	5	6	7	

8. Hur känner du inför att använda Guppygear?

Ofördelaktig								Välvillig
	1	2	3	4	5	6	7	
Dålig								Bra
	1	2	3	4	5	6	7	
Löjlig								Klok
	1	2	3	4	5	6	7	

9. Det känns naturligt att sammankoppla/associera en ny kollektion med surfing-prylar och kläder med Cameron Diaz

Instämmer inte alls								Instämmer Helt
	1	2	3	4	5	6	7	

10. Surfing-prylar och kläder är verkligen produkter som i hög grad passar ihop med Cameron Diaz

Instämmer inte alls								Instämmer Helt
	1	2	3	4	5	6	7	

11. Cameron Diaz är entusiastisk till produkterna Guppygear

Instämmer inte alls								Instämmer Helt
	1	2	3	4	5	6	7	

12. Cameron Diaz tycker om Guppygears produkter

Instämmer inte
alls

1 2 3 4 5 6 7

Instämmer Helt

13. Cameron Diaz använder ofta Guppygears produkter

Instämmer inte
alls

1 2 3 4 5 6 7

Instämmer Helt

14. Cameron Diaz anser att Guppygears produkter är bra

Instämmer inte
alls

1 2 3 4 5 6 7

Instämmer Helt

15. Jag gillar Cameron Diaz som person

Instämmer inte
alls

1 2 3 4 5 6 7

Instämmer Helt

16. Vad tror du syftet är med det här experimentet?

Jag vet inte

Om du tror att du vet syftet, skriv ned ditt svar här:

Vänligen se till att du besvarat alla frågor innan du fortsätter till nästa avsnitt. När du väl har avslutat ett avsnitt, gå inte tillbaka och ändra dina svar.

Frågeställningar, efter-experiment:

17. Jag tror att Cameron Diaz engagemang sträcker sig längre än att bara vara taleskvinna för företaget

Instämmer inte
alls

1 2 3 4 5 6 7

Instämmer Helt

18. Cameron Diaz engagemang sträckte sig till att bara vara taleskvinna för företaget

Instämmer inte
alls

1 2 3 4 5 6 7

Instämmer Helt

19. Frågorna i det här frågeformuläret var lätta att förstå

Instämmer inte
alls

1 2 3 4 5 6 7

Instämmer Helt

20. Jag fick uppfattningen att all information jag fått om Cameron Diaz och Guppygear var korrekt.

Instämmer inte
alls

1 2 3 4 5 6 7

Instämmer Helt

Tack så mycket!

Appendix 3: Information package used in Experiments 6-7 (Master version)

Jönköping International Business School
Department of EMM
Marketing & Communications Questionnaire

Directions:

In the pages that follow you will be asked to provide some background information about yourself, and to respond to questions concerning your attitude and opinion regarding the advertisement. Please read all information in this questionnaire. An example below is provided to show you how we would like you to answer certain questions. For instance If you see the statement: "George Bush is doing a good job as president" and you strongly agree you may answer the question by circling the number 7 like so:

Strongly 1 2 3 4 5 6 7 Strongly
disagree agree

Although some of the questions may look similar, all of them are equally important, therefore we ask that you respond to every question.

Thank you for your participation!

Background Information

Gender (check one): Male or Female **Age:** _____

My Swedish language skills are:

Very 1 2 3 4 5 6 7 Excellent
poor

My English language skills are:

Very 1 2 3 4 5 6 7 Excellent
Poor
disagree

Did you know who Takeru Kobayashi was before today?

- Yes
 No

Do you eat hot dogs?

Never 1 2 3 4 5 6 7 Very
Often

Do you eat meat?

Never 1 2 3 4 5 6 7 Very
Often

In the original experiment package there were two different magazine advertisements shown here. Each one depicted a hot dog served on a plate with a small picture of Kobayashi and a quote from him. The first quote read as follows: "Treat yourself to a Big Dog! The quality and taste of a Big Dog is second to none." The second: "Why settle for a hot dog when you can have a Big Dog? Big Dogs only use the highest quality beef and never any fillers or preservatives."

(Entrepreneur Group) "Big Dogs" is a fast food restaurant serving hamburgers and hot-dogs. Big Dogs was started by the six-time consecutive world hot dog eating champion Takeru "The Tsunami" Kobayashi of Japan.

In addition to appearing in printed ads, TV and radio, Kobayashi is the company owner/president and oversees all managerial decisions, including company expansion and of course product testing. As the owner in and main investor of Big Dogs, Kobayashi is expected to earn \$ 1 million annually.

The advertisement you saw is part of Big Dog's promotional push before they open four locations next year in Sweden (Malmö, Gothenburg, Stockholm, and Uppsala). Appearing in the advertisement was Takeru "The Tsunami" Kobayashi.

(Endorser Group) "Big Dogs" is a fast food restaurant serving hamburgers and hot-dogs. Big Dogs has hired the six-time consecutive world hot dog eating champion Takeru "The Tsunami" Kobayashi of Japan to promote the company and their agreement states that Kobayashi appear in print, TV and radio ads. In exchange for his endorsement of Big Dogs, Kobayashi is expected to earn \$ 1 million annually.

The advertisement you saw is part of Big Dog's promotional push before they open four locations next year in Sweden (Malmö, Gothenburg, Stockholm, and Uppsala). Appearing in the advertisement was Takeru "The Tsunami" Kobayashi.

(Control Group) The advertisement you saw is part of Big Dog's promotional push before they open four locations next year in Sweden (Malmö, Gothenburg, Stockholm, and Uppsala). Appearing in the advertisement was Takeru "The Tsunami" Kobayashi.

Questionnaire

1. With regards to the advertisements would you say that Takeru Kobayashi is (please circle the appropriate number for each set of words):

Undependable	1	2	3	4	5	6	7	Dependable
Dishonest	1	2	3	4	5	6	7	Honest
Unreliable	1	2	3	4	5	6	7	Reliable
Insincere	1	2	3	4	5	6	7	Sincere
Untrustworthy	1	2	3	4	5	6	7	Trustworthy

2. In relation to this product would you say that Takeru Kobayashi is:

Not and Expert	1	2	3	4	5	6	7	Expert
Inexperienced	1	2	3	4	5	6	7	Experienced
Unknowledgeable	1	2	3	4	5	6	7	Knowledgeable
Unqualified	1	2	3	4	5	6	7	Qualified
Unskilled	1	2	3	4	5	6	7	Skill

3. Would you say that Takeru Kobayashi is:

Unattractive	1	2	3	4	5	6	7	Attractive
Not classy	1	2	3	4	5	6	7	Classy
Ugly	1	2	3	4	5	6	7	Handsome
Plain	1	2	3	4	5	6	7	Charming
Not interesting	1	2	3	4	5	6	7	Interesting

4. Overall, how effective are the ads for Big Dogs?

Extremely ineffective	1	2	3	4	5	6	7	Extremely effective
-----------------------	---	---	---	---	---	---	---	---------------------

5. Overall, how appealing to you is the Big Dogs Company?

Extremely low appeal	1	2	3	4	5	6	7	Extremely high appeal
----------------------	---	---	---	---	---	---	---	-----------------------

6. Indicate the likelihood that you would eat at Big Dogs:

Definitely will not	1	2	3	4	5	6	7	Definitely will
---------------------	---	---	---	---	---	---	---	-----------------

7. What is your overall reaction to the advertisement for Big Dogs?

Unfavorable	1	2	3	4	5	6	7	Favorable
Boring	1	2	3	4	5	6	7	Interesting
Bad	1	2	3	4	5	6	7	Good

8. What is your overall feeling towards eating at Big Dogs?

Unfavorable	1	2	3	4	5	6	7	Favorable
Bad	1	2	3	4	5	6	7	Good
Foolish	1	2	3	4	5	6	7	Wise

9. I like Takeru Kobayashi as a person:

Strongly disagree	1	2	3	4	5	6	7	Strongly agree
-------------------	---	---	---	---	---	---	---	----------------

10. Takeru Kobayashi would make a good friend:

Strongly disagree	1	2	3	4	5	6	7	Strongly agree
-------------------	---	---	---	---	---	---	---	----------------

11. Takeru Kobayashi appears to be a nice person:

Strongly disagree	1	2	3	4	5	6	7	Strongly agree
-------------------	---	---	---	---	---	---	---	----------------

12. Takeru Kobayashi appears to be a person I can trust:

Strongly disagree	1	2	3	4	5	6	7	Strongly agree
-------------------	---	---	---	---	---	---	---	----------------

13. My overall impression of Takeru Kobayashi is:

Very negative	1	2	3	4	5	6	7	Very positive
---------------	---	---	---	---	---	---	---	---------------

14. My overall feeling towards the company "Big Dogs" is:

Unfavorable	1	2	3	4	5	6	7	Favorable
Negative	1	2	3	4	5	6	7	Positive
Strongly dislike	1	2	3	4	5	6	7	Strongly like

15. Takeru Kobayashi is enthusiastic about the Big Dogs company:

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

16. Takeru Kobayashi likes Big Dog's hamburgers and hot dogs:

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

17. Takeru Kobayashi eats at Big Dogs often:

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

18. Takeru Kobayashi believes it is good to eat at Big Dogs:

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

19. Takeru Kobayashi would approve of his friends eating at Big Dogs:

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

20. Takeru Kobayashi is dedicated to the Big Dogs company:

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

21. Takeru Kobayashi is loyal to the Big Dogs company:

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

22. Takeru Kobayashi is thrilled about Big Dogs products:

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

23. Takeru Kobayashi is passionate about Big Dogs products:

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

Stop! Make sure you have answered all questions before proceeding to the next page.

(Article retrieved from Business Week Online)

Taco Bell Says Increased European Expansion is Probable
By Chris Sheridan, The Associated Press

Irvine—Taco Bell is looking anew at international expansion and has eyed Sweden for possible entrance by the end of the decade. “It wouldn’t surprise me that at the end of the decade there would be a very strong Taco Bell Presence in Sweden,” said John Holt, executive vice president of corporate relations during Taco Bell’s annual shareholders’ meeting. Holt said the company was examining a number of overseas scenarios and locations, from company owned to privately owned franchises and licenses.

In the actual experiment
this was a picture of 4
Taco Bell workers
standing behind the
ordering counter at a
Taco Bell restaurant

Reuters Photo: Taco Bell Grand Opening in São Paulo, Brazil³⁷.

Holt ruled out aggressive domestic expansion. “We must face reality; the US market has become saturated while at the same time competition has forced us to re-evaluate the viability of continuing current domestic expansion strategies.”

As of 2006, there were 5,845 Taco Bell restaurants in United States, including 1,252 company-owned locations, 3,803 franchisees, and 790 licenses. Since 2001, the number of branches has dropped by 5%.

In the past, Taco Bell was reluctant to enter European markets. Problems with localization issues such as language and eating habits meant having to create specific menu items and advertising campaigns for each market.

Holt believes that change is on the horizon. “In the past, Europeans spent much less time dining out than Americans. We have seen a change in eating patterns especially with the younger generation. They value their leisure time and are much more willing to eat out than their parents only one generation earlier.”

About Taco Bell:

Taco Bell Corp., a fast-food restaurant chain, is a division of Yum! Brands Inc. Taco Bell serves food items loosely based on Tex-Mex cuisine, although it has now evolved into a cuisine of its own. It is headquartered in Irvine, California.

Source:

http://www.businessweek.com/tacobell/content/nov2006/tc20061123_340024.htm?campaign_id=yhoo

24. I believe that going out to eat is more common in Sweden today than 5 years ago:

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

25. I think Taco Bell will do very well in the Swedish market:

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

³⁷ This picture was also integrated with text, similar to what one would expect from an internet press release/news article. It was formatted and altered to fit on this page.

26. My overall feeling towards Taco Bell is:

Unfavorable 1 2 3 4 5 6 7 Favorable

27. Please list your 3 favorite fast food restaurants in any order:

28. If I could choose any fast food restaurant to open in Sweden who would it be and why?

Stop! Please make sure you have read all information and answered all questions before turning the page.

(Article Retrieved from Forbes Online)

Hot Dog Champion Finds Himself in Legal and Financial Limbo.

By: Erin Clarkson

The 6 time defending world champion hot dog eater Takeru “The Tsunami” Kobayashi finds himself in legal and financial trouble. In January, police arrested Kobayashi after causing a near fatal car accident. Kobayashi failed to stop his Toyota Supra from hitting the car in front of him when traffic suddenly slowed. The driver in front of him, Kelly Martin 46, was rushed to Memorial County Hospital. She is in serious, but stable condition. According to police records, Kobayashi’s blood alcohol level was 0.19 percent, which is more than twice the legal limit in New York of .08. Kobayashi’s attorney agreed to a temporary trial date of March 23 and argued that blood samples obtained on the night Kobayashi was arrested were not legal and should be thrown out of court.

(Endorser/Fire Group)

Kobayashi has appeared in numerous print and TV advertisements for the Big Dogs Corp., a newly founded fast food outlet offering gourmet hamburgers and hot dogs. Kobayashi’s legal problems have forced Big Dogs to take action. Last week Big Dogs released this statement to the Associated Press: “Big Dogs takes public safety and social responsibility very seriously. Mr. Kobayashi is truly sorry for any suffering he has caused, however we have decided that it is best for him to step down from his position as company endorser.” Before the announcement was made to fire Kobayashi shares of Big Dogs (nyse: BIGDG) were up \$0.22 to \$12.80 by the close of trading.

(Endorser/Support Group)

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(Entrepreneur/Fire Group)

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(Control/Fire Group)

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(Control /Support Group)

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Source: http://www.forbes.com/2007/02/22/Big-dogs-kobayashi-cx_af_0222markets25.html?partner=yahootix

Questionnaire

Have you previously read the article from Forbes Online or heard of the recent publicity?

- Yes
- No

Do you normally read Forbes Online?

- Yes
- No

29. Overall, how effective are the ads for Big Dogs?

Extremely ineffective 1 2 3 4 5 6 7 Extremely effective

30. Overall, how appealing to you is the Big Dogs Company?

Extremely low appeal 1 2 3 4 5 6 7 Extremely high appeal

31. Indicate the likelihood that you would eat at Big Dogs:

Definitely will not 1 2 3 4 5 6 7 Definitely will

32. What is your overall reaction to the advertisement for Big Dogs?

Unfavorable	1	2	3	4	5	6	7	Favorable
Boring	1	2	3	4	5	6	7	Interesting
Bad	1	2	3	4	5	6	7	Good

33. What is your overall feeling towards eating at Big Dogs?

Unfavorable	1	2	3	4	5	6	7	Favorable
Bad	1	2	3	4	5	6	7	Good
Foolish	1	2	3	4	5	6	7	Wise

34. I like Takeru Kobayashi as a person:

Strongly disagree	1	2	3	4	5	6	7	Strongly agree
-------------------	---	---	---	---	---	---	---	----------------

35. Takeru Kobayashi would make a good friend:

Strongly disagree	1	2	3	4	5	6	7	Strongly agree
-------------------	---	---	---	---	---	---	---	----------------

36. Takeru Kobayashi appears to be a nice person:

Strongly disagree	1	2	3	4	5	6	7	Strongly agree
-------------------	---	---	---	---	---	---	---	----------------

37. Takeru Kobayashi appears to be a person I can trust:

Strongly disagree	1	2	3	4	5	6	7	Strongly agree
-------------------	---	---	---	---	---	---	---	----------------

38. My overall impression of Takeru Kobayashi is:

Very negative	1	2	3	4	5	6	7	Very positive
---------------	---	---	---	---	---	---	---	---------------

39. My overall feeling towards the company "Big Dogs" is:

Unfavorable	1	2	3	4	5	6	7	Favorable
Negative	1	2	3	4	5	6	7	Positive
Strongly dislike	1	2	3	4	5	6	7	Strongly like

What do you believe the purpose of this questionnaire was?

I do not know

If you think you know the purpose of this questionnaire, please write it down here: