

MODIFICATION OF THE DIFFUSION MODEL AS A RESULT OF A NEW VARIANT CELEBRITY ENDORSEMENT

Jacob O. Addo

Department of Marketing, School of Business, Takoradi Polytechnic, Takoradi, Ghana

ABSTRACT: *This paper reports on findings from a research project that reflected upon the effectiveness of Celebrity endorsement (CE) and how it impacts on adoption. The study was undertaken to reflect upon the rate at which CE with the aid of modern technology have enhanced and transformed social interactions which have quickened communication within, between and among societies hence spreading information faster and easier throughout communities earlier than anticipated. The Rogers' Diffusion and Adoption Model was applied to capture Customers and Business Executives experiences on using Celebrity Endorsers which provided a basis for observation and reflection. The research adopted both quantitative and qualitative methodology. Questionnaires were used to collect the data. The study surveyed 1000 Customers, and interviewed 30 Business Executives. The outcome of the study has proved that CE greatly impact on the diffusion process of products and services into markets at a faster rate than has been assumed. Hence it has modified the Rogers and Bass Diffusion model in 1983.*

KEYWORD: Celebrity, Endorsement, Diffusion, Adoption, Modified

INTRODUCTION

Celebrity Endorsement has been observed as an accelerator of diffusion of information on innovated products and services, technologies and ideas within, between and among societies and markets because, celebrity endorsement has greater influence on consumer acceptability rate of products and services and has the potential ability of diffusing innovation into societies at a faster rate.

Celebrity endorsement has become one of the most accepted and a rewarding marketing communications tool (ad) in recent times. Companies spend large sums of money to contract celebrities to certify or endorse their products and services just to enhance their brands image, credibility, acceptability, and attractiveness. Marketers spend these enormous amounts of money annually on celebrity endorsement contracts based on the belief that celebrities will be effective interface for their products or brands (Katyal, 2007). For example, in the United States, Edrogan, Baker, and Tagg (2001), and Mistry (2006), estimated that approximately 25% of all televised commercials feature celebrities, 57% in Korea (Choi, Lee and Kim, 2005); and 70% in Japan (Money, Shimps and Sakano, 2006). Similarly, in Germany, approximately 12% of all advertising campaigns employ these endorsers (Ipsos Response, 2008 as cited in Erfgen, 2011) around 40% of the youth-products advertisement featured at least one celebrity in China (Chan, 2008). This shows that CE has assumed a wider dimension the world over because of its effectiveness in persuading its followers to accept the endorsed brand on the market.

According to Hollensen & Schimmelpfennig, (2013) the support of these stars for featuring brands and products comes along in a form of testimonials in which they act as experts in areas related to their fame, their mere appearance in ads subtly influencing consumers or their admirers, or their presence at corporate events connecting a brand to their numerous fans of consumers. These Celebrities with their large followers and with the help of technology (the media) creates awareness and influence the rate of acceptability to be faster than earlier anticipated. It therefore means greater number of people now accept products and services at the earliest time and faster than before because they have been persuaded by their role models.

LITERATURE REVIEW

Celebrities like the Late Michael Jackson, Husein Bolt, Michael Jordan, Britney Spears, Tiger Woods, Tom Cruise, Christian Ronaldo, Lionel Messi and others have become symbolic icons of endorsers in today's advertising industry, (Forbes, 2002). This shows that when an organization decides to use any of these celebrities for its marketing communications, its main focus and intention lies on exposing the brand to the market (Kotler, Armstrong, Wung & Saunders, 2008). These Celebrities' either show their faces at the brands events, their voices are heard on radio, images are seen on TV commercials; appear in print advertisements of Newspapers and magazines, handbills, flyers and billboards and on branded T' shirt for example.

Marketing communications facilitate successful new product introductions and reduce the product failure rate. Successful introduction of new products requires an effective advertising campaign, widespread product distribution, and extensive couponing and sampling, (Shimps, 2007). Once the consumer becomes aware of a new product, with his/her favorite Celebrity endorsing the product or service, there is an increased probability that he will actually try the new offering because of the influence. Consumers will repeat the purchase if advertising reminds them about the brand, showing the Celebrity endorser with the brand.

Ideally, celebrity endorsement activity has been increasing over the past years (Biswas, Hussain, & O'Donnell, 2009). From 1984 to 1999, there was a reported eleven-fold increase in sponsorship expenditure representing \$23.16 billion or 7.0% of the worldwide advertising budget (Pope, Voges & Brown 2009). It is in this vein that the current researcher agrees with other authorities in the field of using celebrities in commercials has got to a point that it has been recognized, accepted and has assumed a greater dimension as a tool to disseminate information, products and services in a market.

Published reports indicate that utilizing celebrity endorsers in marketing communication activities have gone up remarkably. On the average, one in every five ads in UK and one in every four US advertisements feature a celebrity in today's marketing campaigns (Hollensen & Schimmelpfennig, 2013). On a global scale also roughly every fifth ad includes a celebrity, making endorsements a widely used and popular strategy among marketers and advertisers to promote consumer products and services (Halonon-Knight & Hurmerinta, 2010). The number was over twice as high in certain foreign markets (Creswell 2008). These figures support the fact that celebrity endorsements can bring about a more favorable rating to the advertisement and product evaluation (Dean & Biswas, 2001), as well as the financial returns for companies which use

celebrity endorsement for promotion (Erdogan, et. al. 2001). This indicates that celebrity endorsement has assumed a wider dimension the world over because it has a greater influence on consumer adopter categories of new products and services in view of their large followers.

Agrawal & Kamakura (1995), has asserted that approximately 20% of all television commercials feature famous people. Empirical evidence shows that both now and in the past, certain sets of products more often feature celebrity endorsements. Endorsement Insider also estimated that companies in the U.S. spent \$800 million in 1998 to “acquire talent — entertainers, athletes and other high profile personalities — to spotlight in advertising, promotion and PR campaigns” (Clark & Hastmann, 2003).

Companies invest large sums of money to align their brands and themselves with endorsers who have achieved some form of celebrity status to serve as spokespersons for their brand. According to Gurel Atay, Eda, (1980) they stated that millions of dollars are spent on celebrity contracts each year by assuming that the benefits of using celebrities will exceed the costs. Accordingly, many researchers have studied the impact of celebrity endorsements on advertising effectiveness. The rationale behind such endorsements is that such endorsers are seen as influencers with both attractive and likeable qualities (Atkin & Block 1983) and companies plan with the aim that these qualities are transferred to products via marketing communications activities (Langmeyer & Walker 1991a, 1991b; Walker et al. 1992) such as Advertisements, Public Relations and Events Marketing for example.

Historically, the endorsement of products by celebrities, as a marketing practice, has a distinguished history (Seno & Lukas, 2007). In Marketing Communication, the practice is not a recent phenomenon (Kaikati, 1987) because the history goes way in time. Once Queen Charlotte began to use his products, Wedgwood capitalized on his new status by referring to himself as “potter to Her Majesty” (Dukceovich, 2004). Centuries later, celebrity usage in brand management strategies has become a familiar scenario. In markets where advertising plays vital role in influencing consumer purchases, it becomes imperative for companies to employ all possible measures to influence, motivate and inculcate desire to purchase, in the customer through an effective advertising campaign.

From a UK perspective, a report in Marketing (February 1st, 1996), indicated that advertising which used celebrities was 'a key to gaining national headlines' in 1995. In support of this, it is reported that advertising that uses celebrity endorsers enjoys high popularity among brand managers (e.g., Amos, Holmes & Strutton, 2008 as cited in Erfgen, 2011). Following these standpoints, the celebrity is seen as an individual “whose name has attention-getting, interest-riveting and profit generating value that stems from the high level of public attention and interest” (Gupta, 2009).

Each year, companies spend vast amounts of money to convince celebrities to endorse their products and brands (e.g., Jaiprakash, 2008; Klaus & Bailey, 2008; Lee & Thorson, 2008). Specifically, Nike as a single corporate entity spent about \$339 million on endorsements and their dissemination in advertising campaigns in 2004 (Thomaselli, 2004 as cited in Erfgen, 2011). Temperley & Tangen, (2006) confirm these positions and submit that Celebrity Endorsements are

a billion dollar industry today with companies signing deals with celebrities aiming to stand out from the clutter and give them a distinctive and significant position in the minds of consumers.

Studies have shown that celebrity endorsement has proven to be profitable to corporate organizations since its usage of celebrity endorsement contracts have increased the value of company's stock share price on the Stock Exchange Market (Agrawal & Kamakura, 1995). There is empirical evidence that a number of celebrity endorsements have been very successful, Till & Busler, (1998) and Till & Shimp, (1998) indicating that it has helped in disseminating products and services throughout markets.

Tantisenepong, Gorton, & White, (2012), evaluated responses to celebrity endorsements using projective techniques" and concluded that the study illustrated how projective techniques are appropriate tools for gaining greater insight into how celebrity endorsements are interpreted, and how they can be more effectively understood by both practitioners and academics. Pughazhendi & Ravindran (2012) also did a study on the influence of using celebrity endorsements on consumer buying behavior in Tamil, Nadu, India. The results indicated that strong attachment to a celebrity encourages positive attitude towards the advertisement and brand regardless of the number of endorsements. Van der Walddt, Schleritzko & Van Zyl (2007), studied on "Paid versus unpaid celebrity endorsement in advertising: an exploration" and suggested that positive attitudes towards the celebrity endorser lead to positive attitudes towards the advertisement irrespective of the celebrity endorser is an opinion leader for the product of service.

Jain (2011), carried out a research analysis in India on Celebrity Endorsement and its impact on sales. The results indicated that Celebrity Endorsement has an impact on sales to a little extent and that Celebrities should not always be used to endorse Brands of various products. This indicates that what goes on beyond endorsement ought to be explored to know the level of adoption of that particular product or service.

Silvera, & Austad, (2004), researched on Factors predicting the effectiveness of celebrity endorsement advertisements in Norway. The results suggested that advertisers should put more effort not only into choosing endorsers who are well matched with products, but also into making strong arguments and believable explanations for why endorsers truly do like the products they endorse. Balakrishnan & Kumar (2011), studied "Effect of Celebrity Based Advertisements on the Purchase Attitude of Consumers towards Durable Products (A study with reference to the city of Chennai in India) and revealed that the celebrity's convincing endorsement motivates them to materialize the purchase of durables. Modi (2007), after studying the Impact of Celebrity Endorsements on Consumers' Purchase Intentions and Overall Brand proposes that the further studies should be done on reasons on how the media selects celebrities and how the consumers are attracted towards their attributes which in turn leads to buying behavior can also be investigated.

Natekar (2012), researched on Celebrity Endorsement: It's Impact on Brand and concluded that consumers report higher self-brand connections for brands with images that are consistent with the image of a celebrity that they aspire to be like, particularly in the case when the images of the celebrity and the brand match. So the question one can ask is whether in the case when the images of the celebrity and the brand match leads to product acceptability or adoption.

Research has shown that the use of celebrities in advertisements can have a positive influence on the credibility, message recall, memory and likeability of the advertisements and finally on purchase intentions (Menon, 2001; Pornpitakpan, 2003; Pringle and Binet, 2005; Roy, 2005). Theories like; Source Credibility, Source Attractiveness and Meaning Transfer Model, Audience Match up provide a basis on which the methodology of celebrity endorsement works and also explains how the process of the celebrity endorsement influences the minds of consumers that make the choices which reflects in the adoption patterns of products and services of consumers.

Adoption is a micro concept that lays emphasis on the various phases or stages through an individual consumer passes while accepting/rejecting a new product or service offering. The study of adoption is important for a marketer in the sense that it helps him understand the various stages through which a consumer passes right from his initial awareness to the final acceptance/rejection. This could mean that the marketer needs to design his selling strategy accordingly. Schiffman defines adoption as “the stages through which an individual consumer passes while arriving at a decision to try or not to try or to continue using or to discontinue using a new product”.

Widely regarded as the leading authority on innovation diffusion, Everett Rogers (1962) proposes that differences in the rate of diffusion can be attributed to a combination of “product differences” and “people differences. Research suggests that up to 87 percent of the variance in an innovation’s rate of diffusion can be attributed to the following five product characteristics, known as Roger’s Five Factors: Relative advantage; Compatibility; Complexity; Trialability; and Observability.

Relative Advantage refers to the degree to which a product is perceived to be better than the product it replaces. Thus the new product or service is believed or assumed to have possess better qualities than the existing ones in the market. The relative advantage is in terms of product or service performance enhancement as perceived by the consumer. Compatibility refers to the extent to which an innovation is perceived as being consistent with the values, past experiences and needs of potential adopters. This means that the innovation is almost like the previous one which consumers had experience and therefore, will meet their expectations buying and using the product. Complexity is the degree to which an innovation is perceived as being difficult to understand or use. New product and services becomes difficult to use when it has just been introduced into the market. Consumers fear of the unknown and the initial mistakes to have been assumed to be committed make one to avoid the innovation from the beginning and wait till others have used it or have seen a demonstration of it.

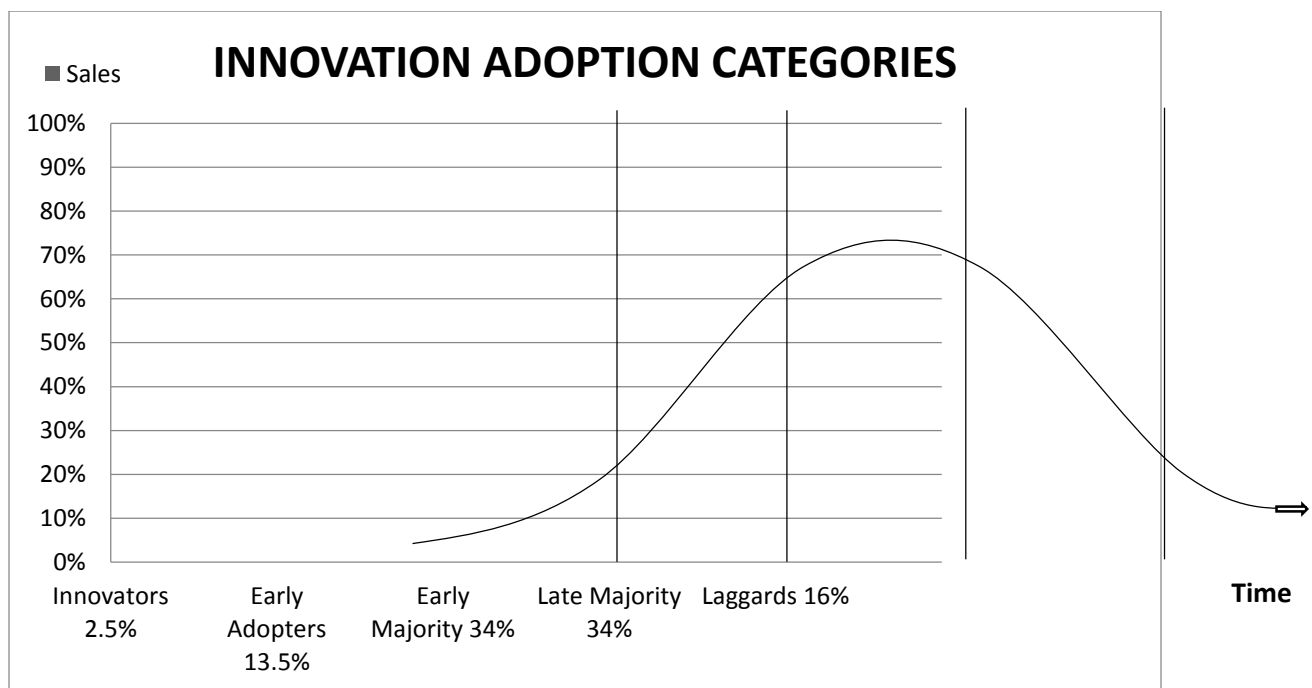
Trialability refers to the degree to which an innovation can be experimented with on a limited basis. Thus during an introduction or testing period of an innovation it has a stipulated period of time for which the trial is done beyond which the innovation recommendation is given for acceptance or rejection for the product or service. Observability is the degree to which the results of an innovation are visible to others. This is the stage where others have started using the new product or service and other potential users look on or admire them and then begin to enquire about the innovation concerning their experiences, expectations, challenges and then their comments about the innovation.

A focus on product differences allows companies to use CE for customers to understand and maximize the appeal of a new product. Once a product’s position in relation to Roger’s Five

Factors is known, the diffusion process is best managed by focusing on people differences. In his well-known book *Diffusion of Innovations* (1962), Rogers divides potential adopters of a new product into five categories as shown in figure 1 below.

Innovators form 2.5% of the population and are risk takers, more adventurous, have more spending power and take most publications. This is followed by Early Adopters which forms 13.5% of the population which are slightly above average age, education and income. They rely on informal sources of information. Early Majority forms 34% of population are second majority group to adopt the innovation through social networking. Late majority forms 34% of population are third group to adopt the adoption through observation and recommendations from other members of society. Lastly, Laggards are last to adopt the innovation. They form 16% of population, characterize as slow adopters because of their age, low incomes and low levels of education.

The distribution of a population across these categories is described by a bell curve, with the propensity to adopt a new innovation being highest amongst the innovators and lowest amongst the laggards. This corresponds to an increasing risk averseness in each successive segment.



Source; Rogers' Diffusion of Innovations Model (1983)

Moore (1999), elaborates on this by proposing that the diffusion of a new technology is most likely to falter in the transition from the early adopters to the early majority, and expresses this visually as a "chasm" on the bell curve. Through a deep understanding of the available market for a new product, and a knowledge of which segments are likely to adopt early and which are likely to lag at the tail end of the bell curve, a firm can focus its limited resources on the customers that are likely to provide the greatest return on investment. Finding early adopters accelerates the rate of innovation diffusion and provides firms with valuable information that helps them refine their marketing program including segmentation, targeting, positioning and the four Ps.

This is irrespective of status as a matter of fact, it becomes necessary to adopt when the innovation has become a necessity which one cannot do without. Again, once an adopter can afford the innovation, status factor do not matter. As one can lay hands on innovated products because of it's availability and price one can easily afford to acquire the innovation and not necessarily status but as a necessity for basic life requirement.

As we can see from the characteristics of the adopters group, opinion leaders (Celebrity Endorsers) are critical in the diffusion of innovations. Opinion leaders are those individuals who are instrumental in changing the consumer behavior of others. If there were no opinion leaders then behavior would stagnate with no new fashions, ideas or attitudes emerging. Marketers are interested in targeting CE as leaders, once they are convinced of the benefits of a new product or service, the rest of the adopters will then follow. Obviously you do not buy everything that is recommended to you, the source of the recommendation must possess other qualities. Research has shown that CE generally possess certain similar characteristics:

CE has special personality traits, thus they tend to be self-confident individuals. They are confident about their own decisions and opinions and are thus more able to convince others. Celebrity Endorsers are also sociable; because of their fan base which indeed enables them to have a network of acquaintances required for communication. People tend to seek information from those whom they perceived to be most knowledgeable in a particular subject matter and who have similar demographic characteristics.

METHODOLOGY

In this exploratory research, the study used both primary and secondary research methods to address the information needs. To have a better conceptual framework to the study secondary research was necessary since many studies have so far been conducted on celebrity endorsement but not linked to the rate of diffusion. Also, primary data was needed because some of the variables used in this study were different from those of the previous studies. Thus, survey was appropriate to confirm the reliability of existing variables, and to test the new variables which were used for the first time. Quantitatively, the survey method was the research instrument for the study. This was appropriate because certain information needed for the study was by nature numerical and could better be handled by quantitative research instruments. Structured questionnaire were used for the survey data collection. A 5 point-likert scale of strongly agree to strongly disagree were used to measure the magnitude of respondents responses.

Both customers from the private and public sectors constituted the respondents for the study. In all 1000 people were selected from the ten (10) regional capitals. For the purposes of the study, this was appropriate because the working class both in the private and public sectors can be found in all the regional capitals at least, making it possible to sample views of workers from diverse business and social situations or backgrounds. In order to arrive at a valid and convergent conclusion on how the use of a properly matched product endorser in advertisements can impact on the diffusion process, both qualitative and quantitative research methods were used. Quantitative survey data is to be obtained from customers of products and services nationwide.

1000 customers were used to provide data for the study; and about 700 usable questionnaires were received. Descriptive statistics would be used to analyze the data.

FINDINGS AND DISCUSSION

Respondent's Profile

Gender, number of years of patronizing products and services of organizations were used as respondent's details for the study. Tables 1 – 3 represent the findings of the profile of respondents.

Gender of Respondent

Table 1 Presents findings on the gender of managers who participated in the survey.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	461	65.9	65.9	65.9
	Female	239	34.1	34.1	100.0
	Total	700	100.0	100.0	

This table shows the gender of respondents. Column two shows the frequency results of number of males against females, while column three shows the percentage of male respondents to female respondents. The frequency distribution table indicates that respondents were made up of 65.9% males as against 34.1% females.

Table 1. Gender of Respondent

The results of Table 1 show that 461 males and 239 females respectively constituted respondents for the survey. This implies that more male consumers patronize products and services as compared to their female counterparts. Similarly the findings of the study represent more of the views of males than females.

Table 2 represents results of number of years respondents have been using product and services of companies and organizations.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1- 3 years	161	23.0	23.0	23.0
	4 - 6 years	196	28.0	28.0	51.0
	7 or more years	343	49.0	49.0	100.0
	Total	700	100.0	100.0	

This table shows the number of years respondents has been using products and services. Column two shows the frequency results of number of respondents have been using products and services, while column three shows the percentage of use. The frequency distribution table shows that

23.0% have patronize products and services of companies for up 3 years, 28.0% have used up to 4 years and 49.0% have used for at least 7 years and more.

Table 2. Years of customers have patronize products and services

As indicated by Table 2, over 49% of the respondents have been using products and services for seven years and above. This suggests that the patronizing of products and services goes way back in time.

Table 3. respondent's organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Public	458	65.4	65.4	65.4
	Private	242	34.6	34.6	100.0
	Total	700	100.0	100.0	

This table shows whether a respondents work in the public or private sector. Column two shows the frequency results of respondents from public and private sectors, while column three concern itself with the percentage public sector workers against private sector workers. The frequency distribution table shows that 65.4% of the respondents were from the public sector and 34.6% were from the private sector

Table 3 shows whether a respondent is working in the public sector or the private sector.

The study's main focus is to find out whether there exist a relationship between celebrity endorsement and the diffusion of innovated products and services into societies. Moreover, is to find out to what extent does celebrity endorsement affect the adoption rate of innovated products and services within markets and lastly to ascertain whether novelty products will succeed at the earliest time of its introduction.

The study's is to find out to what extent does celebrity endorsement affect the adoption rate of innovated products and services within markets and lastly to ascertain whether novelty products will succeed at the earliest time of its introduction.

Table 4. Factors underlying celebrity endorsement on diffusion of product and services

Variables	Components					
	1	2	3	4	5	6
I have a challenge in purchasing the new product	0.973					
The trial encouraged me to accept the new product	0.972					
New product is easily disposable after usage	0.970					
I was able to imagine the perceived benefits of the new product	0.970					
The more I saw people using /with the product made me to accept it	0.970					
The warranty encouraged me to purchase the new product	0.968					

The new product can easily be observed with	0.966					
The technology is a challenge to use	0.966					
The new product has a social visibility and is easily to be identified with	0.966					
I was able to evaluate the new product before making a purchase decision	0.962					
Very easy testing and trying the new product	0.960					
The technology (product) is a challenge to use		0.759				
The new product has social visibility and easy to be identified with		0.755				
CE affects the diffusion of new products into societies		0.693				
CE affects the adoption rate to be faster than earlier anticipated		0.669				
The followers of CE patronize the endorsed brand		0.643				
CE makes novelty products be adopted at introductory and growth stage of the PLC.		0.598				
Extraction Method: Principal Component Analysis.						
Rotation Method: Varimax with Kaiser Normalization.						
a. Rotation converged in 6 iterations.						

Rotated Component Matrix^a

The outcome of the study indicates that there is a relationship between celebrity endorsement and the diffusion of products and services into societies or markets. It came out that all the variables such as relative advantage, compatibility, complexity, trialability and obseverability affect the diffusion process and can influence consumer acceptance of new products and services on the consumer markets. It means Celebrity Endorsement has the capacity to influence or enhance the relative advantage, product compatibility, its complexity, trialability and obseverability to diffuse products and services easily into societies as all these variables per the analyses done indicates, the loadings represent the extent of correlation between a variable and a factor. The higher the absolute value of a loading of variable on a factor, the more influential the variable is on the factor. A loading of 0.50 and above is considered significant for a sample size of 210 (Hair et al., 2006). However, a higher value above 0.50 was attained by all the variables used in the study which shows the variables have practical significance on diffusion of products and services on the market and therefore one can conclude that Celebrity Endorsement really impacts on diffusion of products and services into societies. This confirms the fact that Celebrity Endorsers with their large followers affects the rate of diffusion of products and services because the adoption rate has become faster than earlier anticipated and has shortened diffusion time and period as well.

Celebrity endorsement really affects the rate of diffusion of new Products or Services into Societies. This affirms the fact that Celebrity endorsement makes product and services to be accepted, because of the influence it has on the large followers of these celebrities. Fans seeing their icon in public with these products or endorsing of these services and with such influence they bear on their followers, translate into early adoption of such products and services they endorsed.

The innovation adoption process is described across five distinct phases: Awareness, Persuasion, Decision, Implementation and Confirmation. Awareness refers to a consumer's acknowledgement of the presence of an innovation and is often driven by the intersection of need recognition with marketing communications. Thus CE creates much awareness to the general public through adverts and the fan base. CE persuasion occurs when a consumer processes the available information associated with an innovation and considers the product's appeal based on Roger's Five Factors are the main drivers of persuasion. Having considered the persuasion factors, the consumer will come to a Decision about whether to adopt or reject the innovation as they see their icon is seen in public with the product. Implementation refers to activities undertaken by a consumer to engage with an innovation having made the decision to adopt it. Confirmation is concerned with post-adoption behavior exhibited by the adopter and is reinforced by the innovation's actual delivery against relative advantage, compatibility and complexity.

By considering the way that product factors, people factors and the adoption process interact, one can begin to develop a model for product and services adoption and diffusion into the markets. A product and services breakthrough is only meaningful to consumers if it can solve a well-defined consumer need. This application needs to perform well against Roger's Five Factors, and be positioned strategically to appeal to the categories of potential adopters, if it is to succeed. If the product factors and people factors are managed dexterously, the product will be more likely to fare well in the awareness and persuasion stages of the adoption process, leading to greater consumer acceptance and, ultimately, greater diffusion. By ensuring that the innovation's value proposition stems from a real customer need, companies can maximize diffusion speed up.

Another factor identified as critical is the ability to engage the innovator and early adopter segments the CE is capable influencing them. These two groups play an important role in the socialization of an innovation through word of mouth communications, and failure to target them can lead to slow, or no diffusion. To further accelerate the diffusion of an innovation, companies try to ground their innovation in terms of CE, which are familiar to the target market for which potential users may be familiar with and they do understand the endorser by using language that is meaningful to target markets increases the likelihood of rapid diffusion.

A final critical success factor is ensuring that the target market has a great experience when trialing and ultimately using the innovation. According to Cheng et al, (2007) they argued that less than ten percent of new product launched each year succeed and even those that succeed, most diffuse at a surprisingly slow rate (Rogers, 2005). This illustrates the point that celebrity endorsements with their large followers might accelerate diffusion of an innovation at a go is suggested. This indicates the fact that celebrities serve as catalyst to diffuse innovation to the markets and will impact greatly on the adoption process of new products and services. Once a clear need has been identified and the message has been framed in local languages of CE, customers can instantly understand and diffusion will increase dramatically. CE will increase publicity, through appearances and corporate events through which word-of-mouth communication will be maximized, contributing to market growth.

It therefore means all the various adopter groups would accept the innovated product or service at the earliest times with even the Laggards accepting earlier than before, because CE, availability of information and communication through the power of technology (the media) in modern era

since a higher value above 0.50 was attained by all the variables used which show that the variables have practical significance on diffusion of products and services on the market and therefore one can conclude that Celebrity Endorsement really impacts on diffusion of products and services into societies.

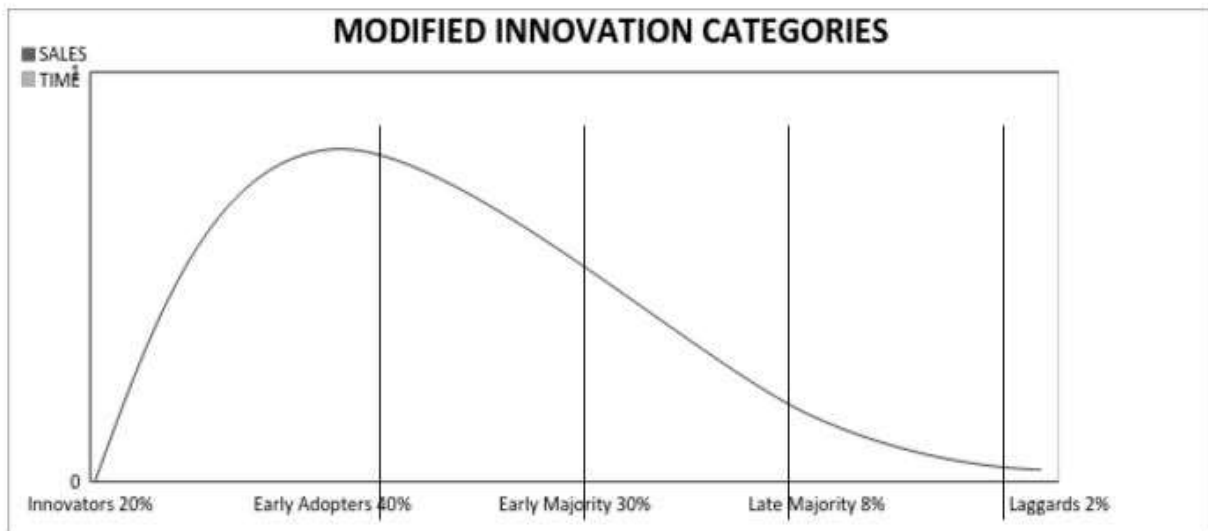
Implication to Research and Practice

This therefore modifies the Bass and Rogers (1985), diffusion model which implies that the various adopter categories /groups are also affected. It means that more consumers would be aware of products and services at the introductory stages, thus Innovators, Early Adopters, Early Majority, Late Majority and even Laggards will be aware of and be persuaded these categories to accept the diffusion faster on the market because they are influenced by their icons to adopt the very product endorsed by the CE. This agrees with the Meaning Transfer model which claims that celebrities impact variety of cultural traits or meanings into people's life, such as lifestyles, status, class, gender, age, perception and personalities. Celebrities develop these personae through the types of roles they play in society as well as how they are portrayed in the media. More importantly, these are considered as values or qualities brought by the celebrity and can be transferred from the endorser to the endorsed products (McCracken, 1989; Brierley, 1995).

Therefore the earlier proposition made by this study that in this 21st century the basic assumptions made by Rogers and Bass Diffusion model (1985) would not hold in this modern era because of the following;

That celebrity with their large followers of admirers (consumers) will translate into early adoption or sales of products and services endorsed, because Technology (media), availability of information, social networking and greater social integration have facilitated and translate endorsements into early acceptance or patronage by their fan based. In effect CE really impacts on the diffusion of products and services processes to markets and at very early stages which makes the innovators and other categories of adopters to the extent that even Laggards would accept innovated products and services at earlier times. Therefore, there exist a relationship between celebrity endorsement and the diffusion of innovated products and services between, among and within the society. This will therefore modified the Diffusion process model.

Thus celebrity endorsement is introduced as a new variable in the determination of the diffusion of innovation within, between and among societies and communities as their followers are persuaded by their icon endorser. This agrees with the transference model and confirms the impacts CE have on consumers of products and services. The result is expected to modify the Rogers normal bell shape diffusion curve which indicates very few customers accepting the innovation initially and the larger majority later on, to a greater number of people accepting the innovation earlier than before which yields a new diffusion curve. This is because the large followers or admirers will automatically translate into huge sales or acceptance at the initial stages when the innovation has been introduced as they are influence and endorsed by their favorite celebrity. When this is achieved the shape of diffusion model curve will be modified as in the figure 2 below.

Figure 2: The Proposed Modified Diffusion

Source; Rogers' Diffusion Model, Adopted and Modified

The above diagram indicates that Sales (adoption) of products and Services are quite high at the initial stages on the market implying that more customers adopt those products and services at the early stages that the products are in their introductory stages. This shows that adopters patronize products earlier than it's been anticipated. Thus the awareness level is very high due to CE showcasing the product appealing to customers and with Celebrity influence is able to attract his or her followers to be on board to accept the products and services.

The time related for adoption also indicated that majority of the adopters or consumers will adopt these products and services at earliest time than previously anticipated. Thus originally, it is assumed that the normal time taken for products and services to diffuse onto the market takes a longer time and consumers have ample time to evaluate and make decisions on those products. That is the reason why we have the various categories of adopters. The various groups have their own time for adoption which spells out or define the time domain for consumption of such products and services. With the introduction of CE it has enhance and influence the time of adoption of products and services by consumers attracting them to accept those products and services early enough than usual shortening the time for adoption. Thus the various categories of adopters do accept innovation at earliest time to the extent that even laggards accept or adopt earlier than before. This implies that the rate of adoption is highly affected and therefore consumers time used for adoption are shorter than before. This brings on board the introduction of a new variant, Celebrity Endorsement as a new determinant variable of the rate of diffusion of innovation. Celebrity Endorsement really impacts on diffusion of products and services into societies. Therefore, to a very large extent celebrity endorsement affect the adoption rate of innovated products and services within markets.

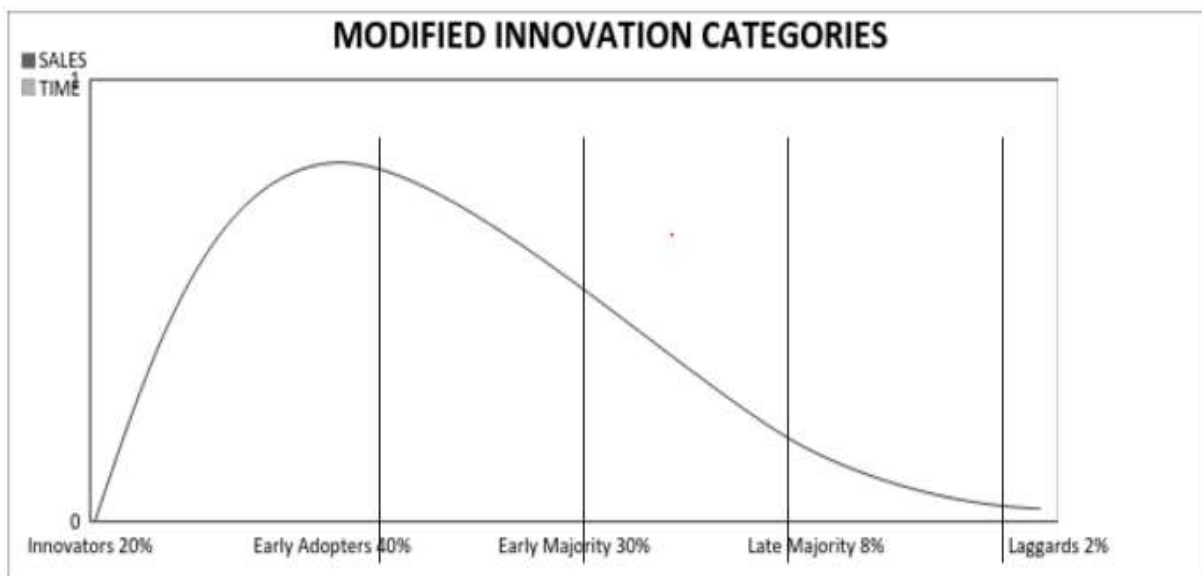
The resultant effect of the modified diffusion model also results in modifying the product life cycle pattern (PLC) because of the changes in the variables. The spread of innovations have been greatly

influenced or affected by CE which in effect persuade more people to adopt an innovated products and services on the market at the early stages or at the introductory and growth stages of the PLC. Thus more people are exposed to the innovation and accept it earlier than before making laggards even accepting it earlier. This modifies the PLC curve through the various stages.

Thus, the spread of innovations is so fast now than earlier times, so the fact that products and services have to go through all the stages in the PLC currently is not the case, because it has come to light that most products and service are accepted earlier than before or used by most people within, between and among societies because of the easy way consumers by seeing, hearing, observing, experiencing it with CE and learning through the various social interactions and Public Events with the CE.

Thus the new diffusion model will impact on the PLC to modify it and the various stages therein. The proposed modified PLC is shown below in figure 3 below.

Figure 3 The Proposed New Product Life Cycle



Source; Rogers, Adoption theory and the PLC (adopted and modified)

The new proposed PLC operates on the assumptions that with the showing of CE with the product in public through interactions with the fan base, it will spread endorsed brand faster making more people accepting the product and services earlier than before as shown in the figure 3 above. The implication is that products and services mature on the market within the shortest possible time which makes companies recoup their investments earlier than before and realized profits within the shortest possible time. Again they have the competitive edge over its competitors. Thus before competitors counteracts the innovated products and services with copied products or 'me too' products, the company would have recoup most of the investments made and would have made some profits by then with the aid of Celebrity Endorser.

Based on the fact that, the large followers or admirers of Celebrities translate into early adoption or sales of those products and services endorsed, it makes novelty products and services to be adopted earlier at the introductory and growth stages of the Product Life Cycle (PLC). This implies that there will be modifications in the various categories of adopters of innovators, early and late majority, and laggards categories respectively to about 20%,40%, 30% 8%,2% with even laggards adopting products and services earlier than before. This is because the time taken for diffusion to spread innovations of products and services have quickened because of Celebrity Endorsement. This has come about as a result of celebrities large followers of admirers, technology (media hype) or availability of information, social networking and greater social interactions have moderated and translate the endorsement into early acceptance or patronage, (sales).

CONCLUSION

From the foregoing discussion one can conclude that CE have a positive relationship with diffusion of innovated products and services into societies at a faster rate than anticipated earlier times, implying that more customers will know of the product and service first and then because of the persuading impact of their Icon they will also adopt that particular product or service thus making novelty products succeed at the earliest time of their introduction onto the market. Thus companies can recoup their investment made at an earlier time before competitors set in because of shortened product life cycle on the market nowadays.

Future Research

The suggested area for further research is to delve into Non-Celebrity endorsement and how it impacts on the rate of diffusion of products and services on the market.

REFERENCE

- Agrawal, J. and Kamakura, W., A. (1995). The economic worth of celebrity endorsers: An event study analysis. *Journal of Marketing*, 59(3), 56-63
- Atkin, C. and Block, M. (1983). "Effectiveness of celebrity endorsers", *Journal of Advertising Research*, Vol. 23 No. 1 pp. 57-61
- Balakrishnan, L. and Kumar, C.S. (2011). Effect of Celebrity Based Advertisements on the Purchase Attitude of Consumers towards Durable Products (A study with reference to the city of Chennai) *World Review of Business Research* Vol. 1. No 2. May 2011 pp. 98-112
- Biswas, S., Hussain, M., and O'Donnell, K. (2009). "Celebrity endorsements in advertisements and consumer perceptions: a cross-cultural study, *Journal of Global Marketing*, vol. 22, no. 2, pp.121-137.
- Carroll, A., (2008). "Brand communications in fashion categories using celebrity endorsement, brand management", *Journal of Brand Management*, Vol. 17 No. 2, pp 146-58
- Cassell, C. & Symon, G. (2004). *Essential Guide to Qualitative Methods in Organizational Research*, London, Sage.

- Choi, S.M., Lee, W.N. Kim, H.J., (2005) Lessons from the rich and famous: A cross-cultural comparison of celebrity endorsement in advertising. *Journal of Advertising*, 34(2), 85-98.
- Creswell, J.W. (2003). *Research Design: Qualitative, Quantitative and Mixed Methods Approaches*, 2nd edition, Sage, Thousand Oaks, CA.
- Cresswell, J. (2008) “Nothing Sells Like Celebrity” *New York Times*.
- Dukceovich, D. (2004) “Forbes most influential businessmen: Josiah Wedgwood”. *Forbes.com*, available at: www.forbes.com (accessed: 12 October 2004)
- Erdogan, B.Z., (1999). Celebrity endorsement: A literature review. *Journal of Marketing Management*, 15,291-314.
- Erdogan, B.Z., Baker, M.J. and Tagg, S. (2001). Selecting celebrity endorser: The practitioner’s perspective. *Journal of Advertising Research*, 41(3) 39-48)
- Erfgen, C. (2011). Impact of Celebrity Endorsement on Brand Image: A Communication Process Perspective on 30 Years of Empirical Research. *Research Papers on Marketing and Retailing*. Institute of Marketing and Media, Univeristy of Hamburg, Welckerstra Be 8, 20354, No. 40 Hamburg.
- Gupta D.D. (2003). The influence of celebrity endorsement on India youth: An empirical study. *ICFAI Journal of Marketing Management*, 2 (4), 23-27.
- Gupta, S. (2009). “How do consumers judge celebrities’ irresponsible behaviour? An attributiontheory perspective”, *Journal of Applied Business and Economics*, Vol. 10 No. 3, pp.1-14.
- Hair, J. F. et al. (2006), *Multivariate Data Analysis*. 6th ed. Upper Saddle River, New Jersey, USA: Pearson Prentice Hall.
- Halonon-Knight, E. and Hurmerinta, L. (2010). “Who endorses whom? Meaning transfer in celebrity endorsement”, *Journal of Product & Brand Economics*, Vol. 19 No. 6, pp. 452-60.
- Hollensen, S. and Schimmelpferning, C. (2013). Selection of celebrity endorsers: A case approach to developing an endorser selection process model. *Marketing Intelligence & Planning* Vo. 31. No. 1, 2013 pp.88-102 Emerald Group Publishing Limited 0263-4503 DOI 10.1108/026345011292948
- Ipsos Response (2008): Sponsoring newsletter.[[http://www.ipsos.de /downloads/ Ipsos-response-05-2008.pdf,](http://www.ipsos.de/downloads/Ipsos-response-05-2008.pdf)] (accessed 11 May 2010).
- Jaiprakash, A.T. (2008). A conceptual research on the association between celebrity endorsement, brand image and brand equity. *Journal of Marketing Management*, 7(4), 54-64.
- Jain, V. (2011). Celebrity Endorsement And Its Impact On Sales: A Research ANALYSIS Carried Out In India. *Global Journal of Management and Business Research*. Volume 1 Issues 4 Version 1.0 March 2011 Tyre: Double Blind Peer Reviewed International Research Journal Publisher: Global Journals Inc. ISSN: ISSN: 0975-5853.
- Kaikati, G.J. (1987). In Baker, J.M., Erdogan, B.Z. and Tagg, S. (2001). “Selecting Celebrity Endorsers: ThePractitioner’s Perspective”, *Journal of Advertising Research*, May-June 2001, p. 39.
- Katyal, Saurbh (2007), “Impact of Celebrity Endorsement on a Brand”, chillibreze writer, [available at <http://www.chillibreeze.com/articles>] (accessed on 16th August, 2007)
- Langmeyer, L. and Walker, M., (1991A). A first step to identify the meaning in celebrity endorsers. *Adv. Consumers*. 18 (1): 364-371.
- Langmeyer, L. and Walker, M. (1991B), PP. 32-42.). *Assessing the Affects of Celebrity*.

- Endorsers: Preliminary Findings. In: R. Holman (ed.). Proc. of the American Academy of Advertising. New York: D'Arcy Masius Benton and Bowles, Inc.
- McCracken, G. (1989). Who is the celebrity endorser? Cultural foundations of the endorsement process. *Journal of Consumer Research*, 16(3), 310-321.
- McCracken G. (1986). Cultural and consumption: A theoretical account of the structure and movement of cultural meaning of consumer goods. *Journal of Consumer Research*, 13(1), 71-84 John Wiley & Sons, Inc.
- Mistry, B., (2006). Star spotting. *Marketing (jun)*, 33-34
- Morin, R. (2002) When Celebrity Endorsers Go Bad, *Washington Post* [On-line Available]
- Money, R.B., Shimp, T.A., Sakano, T., (2006), Celebrity endorsements in Japan and the United States: Is negative information all that harmful? *Journal of Advertising Research*, 46 (10), 113-123
- Natekar, R.A. (2012). *Celebrity Endorsement: It's Impact on Brand: Vol. 1, No.2- Jan-Mar 2012, ISSN: 2277-1468*
- Parasurman, A., Grewal, D. & Krishnan, R. (2004). *Marketing research*. Boston: Houghton Mifflin. (2nd edition)
- Petty, R.E., Cacioppo, J.T., & Schumann. D. (1983). Central and peripheral routes to advertising effectiveness: The moderating role of involvement. *Journal of Consumer Research*, 10(2), 135-146
- Pope, N. Voges, K., and Brown, M. (2009). "Winning ways: Immediate and long-term effects of sponsorship on perceptions on brand quality and corporate image". *Journal of Advertising*, Vol. 38, no2, pp.5-20.
- Pughazhendi, A. Sudharani R. D.S (2012). A study on the influence of using celebrity endorsements on consumer buying behaviour in Tamil Nadu, India *Journal of Research in International Business Management (ISSN: 2251 -0028) Vol. 2(4) pp.89-96 April 2012.*
- Pughazhendi, A. Thirunavukkarasu, R. and Susendiran, S. (2011). "A Study on Celebrity Based Advertisements on the Purchase Attitude of Consumers towards Durable Products", *Far East J. Market. And Manage.* 1(1):15-27
- Seno, D. and Lukas B.A. (2007). "The equity effect of product endorsement by celebrities: a conceptual framework from a co-branding perspective", *European Journal of Marketing*, Vol. 41 Nos 1/2, pp. 121-34
- Silverman, D. (2011). Is Celebrity Endorsement A Midas touch Or A Landmine. *Gurukul Business Review (Gbr) Vol.7 (Spring 2011), pp. 81-86.*
- Sola, O.A. (2012). The Impact of Celebrity Endorsement on Strategic Brand Management *International Journal of Business and Social Science Vol. 3. No. 6: [Special Issue- March 2012] 141*
- Temperley, J. and Tangen, D. (2006). "The Pinocchio factor In Consumer Attitudes Towards Celebrity Endorsement: Celebrity Endorsement, The Reebok Brand, And An Examination Of A Recent Campaign", *Innovative Marketing*, Vol. 2(3), Special Edition on Consumer Satisfaction- Global Perspective.
- Tantisenepong, N., Gorton, M., and White, J. (2012). "Evaluating responses to celebrity endorsements using projective techniques", *Qualitative Market Research: An International Journal*, Vol. 15 Iss: 1 pp.57-69

- Thomaselli, R. (2004): \$192 million: Nike bets big on range of endorsers. Advertising Age (1 May): 8.
- Till, B. D. and Shimp, TA (1998). “ Endorsers in advertising: the case of negative celebrity Information, Journal of Advertising vol.27, no. 1, pp. 67-82.
- Walker, M., Langmeyer, L. and Langmeyer, D. (1992), “ Celebrity Endorsers: Do You Get What You Pay for?,” Journal of Consumer Marketing, 9 (2), 69-76.

APPENDIX: RESEARCH QUESTIONNAIRE

Dear Respondent you have been selected among 30 other Managers and Officers for a survey to investigate *the impact of Celebrity Endorsement on New Product Adoption Process*. Your honest and frank response shall be very much appreciated.

Instruction

Please tick [] one appropriate response from the sets of responses for the questions below:

Respondents Profile

1. Gender

Male [] Female []

2. I have been a customer for

Less than 2 years [] 2 – 4 years [] 5 or more years []

3. Organization

Private [] Public []

Celebrity Endorsement and Product Diffusion

4) I have a challenge in purchasing the new product

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

5) I was able to evaluate the new product before making a purchase decision.

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

6) It is very easy testing and trying the new product.

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

7) The trial encouraged me to accept the new product.

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

8) The new product is easily disposable after usage.

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

9) I was able to imagine the perceived benefits of the new product.

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

10) The more I saw people using /with the product made me to accept it.

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

11) The warranty made me to pursue the new product.

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

12) The new product can easily be observed with.

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

13) The technology (product) is a challenge to use.

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

- 14) The new product has a social visibility and is easily to be identified with.
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []
- 15) Celebrity Endorsement affects the diffusion of new Products or Services into Societies or markets.
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []
- 16) The Endorsement deals make product and services to be accepted earlier than before.
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []
- 17) I think Celebrity Endorsement affects the adoption rate of products and services to be faster than earlier anticipated.
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []
- 18) I think the large followers or admirers of Celebrities patronize products and services endorsed by Celebrities.
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []
- 19) Endorsement make novelty product and services adopted at the introductory and growth stages of the Product Life Cycle (PLC).
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []