

CHALLENGES OF CELEBRITY ENDORSEMENT AND HOW THEY AFFECT THE DIFFUSION PROCESS

Jacob Odei Addo

School of Business, Takoradi Polytechnic, Department of Marketing, P O Box 256, Takoradi
– Ghana,

ABSTRACT: *Celebrity endorsement (CE) has been successful as one of the Marketing Communications tools and has attained such popularity but abundant extant literature and various research works have not considered challenges Corporate Organizations are confronted with in their business endeavor by engaging Celebrities to endorse the organization's brands. It is believed that in every endeavor there are few challenges that are set to militate against whatever good intentions or objectives that venture might have. This paper therefore, focus is on findings from a research project that reflected upon the challenges of Celebrity endorsement (CE) and how they have affected diffusion. CE 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 30 Business Executives. The outcome of the study has proved that despite the enormous feat chalked by CE successes and its popularity attained factors such as Management, Publicity, Contract, Customer match-up and Competition were identified to be the challenging factors that have been drawbacks inhibiting Celebrity endorsements.*

KEYWORD: Challenges, Factors, Celebrity, Endorsement, Diffusion, Ad

INTRODUCTION

Celebrity endorsement (CE) has been successful as one of the Marketing Communications tools and has attained such popularity but abundant extant literature and various research works did not consider challenges Corporate Organizations are confronted with in their business endeavors by engaging Celebrities to endorse the organization's brands. It is believed that in every endeavor there are few challenges that are set to militate against whatever good intentions or objectives that venture might have. This paper therefore, focus is on findings from a research project that reflected upon the challenges of Celebrity endorsement (CE) and how they have affected diffusion. Limiting factors such as Management, Publicity, Contract, Customer match-up and Celebrity Performance were identified to be the challenging factors that have been drawbacks inhibiting Celebrity endorsements to achieve its full potential.

CE 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, Edrogon, 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. Though CE has been a widely used Ad tool, it has been of great service to the business community yet it comes along with some challenges that limit its full potential.

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). Earlier studies were limited to the studying of celebrity endorsers' characteristics, celebrity credibility, attractiveness, expertise, their economic worth, brand match up, the Meaning Transfer Model, source effects model, and negative information (Erfgen, 2011).

CE 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). Published reports indicate that utilizing celebrity endorsers in marketing communications 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 (Halonen-Knight & Hurmerinta, 2010).

Though Celebrity Endorsement has assumed a wider dimension the world over but the challenges that are confronted with Corporate entities using CE is the reason why this study is being undertaken. It is in this vein that the current research adds to existing contributions of various researches in this field of study with other authorities using celebrities in commercials. This is because it has got to a point that has been recognized, accepted and has assumed a greater dimension as a tool to disseminate information, product and services in a market. The focus of this paper is to review the challenging factors that have been militating against the success of CE.

LITERATURE REVIEW

According to McCracken's (1989), a celebrity endorser is an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement. Celebrity endorsement influences the feelings of the consumers and can also influence the attitude consumers have towards the advertisement and attitude towards the brands, which can increase the purchase intentions and, consequently, increase the adoption rate. This is because celebrities appear to be gaining increasing influence in society (Choi and Berger, 2010), marketing managers try to exploit the process of meaning transfer from an endorser to products or brands involved (McCracken, 1986). Erdogan, Baker, & Tagg, (2001) made a strong case for well-known persons since they can effect consumers' behavior and people more easily can identify themselves with these particular persons. These well-known persons are seen as the celebrities who perform varied roles in the public domain and according to Silvera & Austad, (2004) they enjoy public recognition by a large share of a certain group

of people with distinctive characteristics, such as attractiveness, and trustworthiness. Practitioners continually face the difficulty of strategically executing their advertisements in order to draw consumer attention and influence consumer judgments (Ilicic, & Webster 2012). Schlecht, (2003) advanced the previous definitions and tout that Celebrities are people who enjoy public recognition by a large share of a certain group of people whereas attributes like attractiveness, extraordinary lifestyle are just examples and specific common characteristics cannot be observed though it can be said that within a corresponding social group celebrities generally differ from the social norm and enjoy a high degree of public awareness.

Celebrities, as defined in Adeyanju (2013), are people who enjoy public recognition possessing such attributes as attractiveness and trustworthiness. The importance of this assertion is that celebrities are people who have excelled in their respective fields of endeavors and therefore command respect, acceptance, popularity and followership within the society. Likewise, an endorser is a person who makes a 'testimonial', or a written or a spoken statement extolling the virtue of a product. For Sanchez (2004), an endorser is a person who willingly supports or appears with a product or service in a way that is communicable to the public. Tom, Clark, Elmer, Grech and Massetti (1992) assert that endorsers possess expert power, referent power and legitimate power, the amount of these powers determines the extent to which behaviors of others are influenced.

Advertising is used basically to create awareness about products or services, by adopting several strategies that will enhance credibility and increase the popularity of such product and service over the other competitors (Vivian, 2009). According to Erdogan and Baker (2000), the effect and relevance of celebrity endorsement as a strategy in marketing communications has gained the attention of serious research in academic circles. Companies spend huge resources on celebrities to endorse their products or sponsored messages on television, radio, newspapers, magazines, billboards, the internet and mobile phones, in the hope that such an endorsement will induce favorable attitudes towards the brand and ultimately affect sales and profits by increasing consumers' preference for the brand (Nam-Hyun, 2008), in addition, government and non-governmental organizations use celebrities in public messages targeted towards influencing attitudes. Anchalsingh (2013), also states that in the present era of globalized competition, every marketer has to perform the herculean task of getting the products and services into the minds of the customers and therefore has to evolve novel ways by using CE. Marketers therefore, endeavor to endorse their brands through celebrities who evoke closer consumer engagements with the brand under optimal conditions and drives purchases. These celebrities are sometimes named Brand Ambassadors. They are best portrayed as the representative of the organization, institution or corporation that sketch the product or services being produced by a company or an organization (Anchalsingh, 2013)

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.

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 Waladt, 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 one may ask the basis of this success rate because there might be factors that in reality, facilitates or drive these endorsement deals for its success as this has not been assessed. The focus of this paper then is to review the moderating factors of CE which have accounted for its success rate, leading to product and service acceptability by consumers.

Research Design

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 challenges of CE. 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.

Managers from both the private and public sectors constituted the respondents for the study. In all a total of twenty respondents representing 20 Corporate Organizations/Companies comprising of Marketing Managers, Sales Managers, General Managers, Public Relation Officers, (PRO's) Corporate Affairs Managers were used in the study, This implies that these respondents are in managerial positions that are involved in decision making positions in the affairs concerning contracting Celebrities to endorse corporate brands. This requires senior management personnel to make this decision as they are in charge of resources, authority, are responsible and accountable for every action and decisions made since this kind of decisions involves huge capital outlay. The analytical method used is the Anova statistical method, because it is to determine whether these challenging factors of CE are reliable and militates against the rate of the diffusion process, item analysis of each of these factors was conducted using it to find out their reliability and its effects on the diffusion process. This is because we can estimate the proportion of the true score variance that is captured by the factors by comparing the sum of factor variance with the variance of the sum scale.

FINDINGS AND DISCUSSION

Respondent's Profile

Tables 1 represent the findings of the profile of respondents according to gender, number of years respondent have been in the position they held in their company and the sector in which their organizations are found.

Table 1: Summary of Response on Demographic Characteristics of Respondents

Attributes	N	Frequency	Percentage
Gender	20		
Male		13	65.0
Female		7	35.0
For how long have you been in this position of the company	20		
1 – 3 years		3	15.0
4 – 6 years		9	45.0
7 – 9 years		3	15.0
10 and above years		5	25.0
Which industrial sector can your organization be found	20		
Food and Beverages		10	50.0
Services		6	30.0
Medicine		2	10.0
Retail Business		2	10.0

Source: Field data, January, 2016.

This table shows the gender of respondents. Column one shows the number of respondents, while column three shows the percentage of male respondents to female respondents. The frequency distribution table indicates that respondents were made up of 65.% males as against 35.% females. Column three shows the frequency results of number of companies represented in the various sectors in the study.

Gender

In all a total of twenty respondents representing 20 Corporate Organizations comprise of Marketing and Sales Managers, General Managers, Public Relation Officers, (PRO's) Corporate Affairs Managers were used in the study, 13 representing 65% are males and the rest 7 (35%) being females. This implies that more men are in managerial positions than their female counterparts involve in decision making positions or in the realm of affairs concerning contracting Celebrities to endorse their brands. This requires senior management personnel to make this decision as they are in charge of resources, authority, are responsible and accountable for every action and decisions taken since this kind of decisions involves huge capital outlay.

Time with Company

From the table 1 above, it can be observed that 9 out of the 20 respondents have held their present position for 4 -6 years in their companies. Year intervals 1-3years and 7-9 years has 3 respondents each in their companies who have held their current position representing 15% each, while the remaining 5 respondents has held their present position for 10 and more years in their respective companies. This indicates that managers in the study were well versatile, knowledgeable in endorsement issues and well experienced enough to be part of the survey and their input is of worth and contributing to the study.

Sectorial Representation

The table1 above further reveals that 50% (10 out of 20) respondents classified their companies into the food and beverages production, this sector comprises the manufacturing companies. The next is the Service sector representing 30% (6 out of 20) which is also a vibrant sector that uses celebrity endorsement especially in the telecommunication companies. The remaining 10% represent the business retail sector which is mainly the Shopping Malls and Melcom. Medicinal sector is the next sector with 10%.

This paper therefore, reflected upon the challenges of Celebrity endorsement (CE) and how they have affected diffusion. Limiting factors such as Management, Publicity, Contracts execution challenges, Customer Match-up with the celebrity involved and when the Celebrity performance begins to decline were identified to be the challenging factors that have been drawbacks inhibiting Celebrity endorsements. In order to assess how these challenges of Celebrity Endorsement affect the diffusion process, a one- way unstacked analysis of variance was conducted for each category of challenges.

Table 1: Anova Table for Management Challenges

Source	Degree of freedom	Sum of Squares	Mean Square	F	Probability
Factor	5	58.567	11.713	12.39	0.000
Error	114	107.800	0.946		
Total	119	166.367			

Source: Field data, Jan 2016.

$$S = 0.9724 \quad R^2 = 35.20\% \quad \alpha = 0.05$$

Table 2: Anova Table for Publicity Challenges

Source	Degree of freedom	Sum of Squares	Mean Square	F	Probability
Factor	4	14.640	3.660	4.05	0.005
Error	95	85.950	0.905		
Total	99	100.590			

Source: Field data, Jan 2016.

$$S = 0.9512 \quad R^2 = 26.27\% \quad \alpha = 0.05$$

Table 3: Anova Table for Celebrity Contract Challenges

Source	Degree of freedom	Sum of Squares	Mean Square	F	Probability
Factor	4	14.660	3.665	3.76	0.007
Error	95	92.500	0.974		
Total	99	107.160			

Source: Field data, Jan 2016.

$$S = 0.9868 \quad R^2 = 13.68\% \quad \alpha = 0.05$$

Table 4: Anova Table for Customer Match-up Challenges

Source	Degree of freedom	Sum of Squares	Mean Square	F	Probability
Factor	5	56.542	10.612	11.27	0.000
Error	110	103.670	0.926		
Total	115	160.212			

Source: Field data, Jan 2016.

$$S = 0.9512 \quad R^2 = 35.20\% \quad \alpha = 0.05$$

Table 5: Anova Table for Celebrity Performance Challenges

Source	Degree of freedom	Sum of Squares	Mean Square	F	Probability
Factor	4	14.320	3.660	4.05	0.005
Error	97	89.730	0.905		
Total	101	103.050			

Source: Field data, Jan 2016.

$$S = 0.9321 \quad R^2 = 26.27\% \quad \alpha = 0.05$$

Tables 1, 2, 3, 4 and 5 show the one-way Anova for Management, Publicity, Contracts challenges, Customer Match-up and Celebrity Performance respectively. It could be seen from the tables that the respective F- values are significant and have $\alpha = 0.05$ which exceeds the respective Probability values. This suggests that these challenges affect the diffusion process of product and service. The coefficient of determination R^2 indicates that 35%, 26%, 14%, 35% and 14% of the problems in the diffusion process is as a result of management, publicity, contract challenges, Customer Match-up and Celebrity Performance respectively. One can conclude that Challenges of celebrity endorsement has a significant effect on the diffusion process of product and service.

This implies that there are challenges that confront every effort one makes, so as far as CE is concerned there would be few challenges in terms of Managerial, Publicity, the Contract signed between the two parties, Customer Match-up with the celebrity involved and when Celebrity performance begins to decline or is not at its peak as is always expected. Per the analysis in tables 1, 2, 3,4 and 5 above the coefficient of determination, R^2 indicates that 35%, 26%, 14%, 35% and 26% of the problems in the diffusion process are as a result of management, publicity and contract challenges, Customer Match-up with the celebrity and Celebrity performance respectively.

This is an indication that though CE comes to help the company in its communications with the general public, meanwhile management has some challenges with this emanating from the staff as it stifle their creativity and flexibility in innovations of their marketing strategies. However, the handling of and relating to the Celebrity personality involve to an extent is problematic because some Celebrities do not mingle easily with other people. Again some management staff has some issues relating to celebrity lifestyle, style of dressing, and the celebrity themselves found it difficult to live up to management expectations. Management expects that the CE will continue to perform at the peak of his/her performances and also anticipates that the one selected will be right caliber of an endorser for the brand.

On publicity challenges the study found out that in showcasing and outdoorizing the CE, it becomes a challenge during public events of the company. Thus during public events, companies try to showcase their CE to grace such occasions but sometimes the crowd controlling becomes difficult. Also providing security at such events becomes very difficult. Sometimes management wants the events to go in certain direction but then it turns out to be the opposite because of Celebrity Endorser conformity. To add up Celebrity Endorsers and the way they dress to public events or functions may not be official which becomes of grave concern to management but what else can they do. It is difficult controlling what one wears to public functions. The CE begets so much attention to the neglect of other advertising commitments in the media and becomes difficulty fulfilling it. Lastly, is the media mischief to publish any little mishap or unfortunate incident that might happen to the CE which the Company might not want it publish.

In addition to the above is the contract challenges that crop up during the time of the contract execution period, especially when the CE is involve in a scandalous acts or in some kind of demeanor behavior. When this condition crops up it makes the endorsement contract difficult because of the terms and conditions, clauses enshrine in the contract are sometimes difficult to apply. Moreover, the time duration for the contract becomes threatened more so when the time of the contract has not elapsed and even in some cases abrogated because of one or in few instances. Sometimes, to abrogate or not to abrogate becomes a challenge as one finds him/herself in a fix and don't know what to do because of the ethical issues involve. That is indecision crops up again which makes managing the endorsement contract very difficult considering the amount involve in signing the CE.

Performance of the CE becomes an issue when the endorser begins to dip in his/her career. Management expects that the CE will continue to perform at the peak of his/her performance so that he/she continues to be on top and enjoy popularity among the fan base, but as soon the CE performance begins to decline or dips, then it becomes a challenge for management to start prospecting for a new Celebrity endorser. Thus management faces a dilemma as to abrogate or to continue the contract when it becomes clear that the endorser is not performing at that peak as expected or worse off scenario when he or she is injured and is off the cameras.

Lastly, the study found out that Customer match up with the Celebrity, sometimes becomes a challenge as some customers of the company's brands may not like the CE. Thus the CE may not appeal to all segments of the company markets. So the percentage or the segment that might not like the CE may fall out with the brand which becomes a lost market share. Sometimes management choice of a CE may not be the favorite of its customers or staff and therefore, working with such a person becomes difficult. On the other hand Customers' favorite Celebrity that appeals to them might not appeal to management, better still the one is not management's favorite or management cannot affordability of such a CE. Thus the choice of a CE is wrought with lots of challenges as anyone picked has its own challenges to confront with. The choice of the CE becomes critical to companies and institutions as well as customers as they are part of a company's marketing strategy which deals with its market shares, growth and profitability.

CONCLUSION

There are challenges that confront every effort one makes, so as far as CE is concerned there would be few challenges in terms of Managerial, Publicity and the Contract signed between

the two parties, Customer Match-up with the celebrity involved and when the Celebrity performance begins to decline. Per the analysis above the coefficient of determination, R^2 indicates that 35%, 26%, 14%, 35% and 26% of the problems in the diffusion process are as a result of management, publicity, contract, Customer Match-up and Celebrity performance challenges respectively. There is an indication that though CE will come to help the company in its communications with the general public, meanwhile management has some challenges with this emanating from the staff as it stifles their own creativity and flexibility in innovations of their marketing strategies. However, the handling of and relating to the Celebrity personality involve is also a matter of concern and as to some extent is problematic because some Celebrities do not mingle easily with other people. Again some management staff has some issues relating to celebrity lifestyle and celebrity themselves found it difficult to live up to management expectations of them. Lastly, management expects that the CE will continue to perform at the peak of his/her performance so that he/she continues to be on top and still enjoy popularity among the fan base, but as soon the CE performance begins to decline or dips then it becomes a dilemma for management either to drop the CE or should look for another one even though the term is not over.

On publicity challenges the study reveals that in showcasing the CE becomes a challenge during public events of the company. Thus during public events, companies try to showcase their CE to grace such occasions but sometimes the crowd controlling becomes difficult. Also providing security at such events becomes very difficult. Sometimes management wants the events to go in certain direction but then it turns out to be the opposite because of conformity. To add up CE and the way they dress up to public events may not be official which becomes of grave concern to management but what else can they do. It is difficult controlling what one wears to public functions, attitudes, behaviors and certain characters are issues to contend with.

In addition to the above is the contract challenges that crops up during the time of the contract execution period, because of the terms and conditions, clauses enshrine in the contract are sometimes difficult to apply. Moreover, the time duration for the contract becomes threatened and even in some cases abrogated because of one or in a few instances. Sometimes, to abrogate or not becomes a challenge as one finds him/herself in a fix and don't know what to do. That is indecision crops up again which makes managing the endorsement contract very difficult considering the amount involve in signing the CE.

The forms of challenges that confront Celebrity Endorsement and how it impacts on the diffusion process for Management, Publicity, Contract, Customer Match-up with the celebrity and Celebrity Performance respectively could be seen from the tables that the respective F-values are significant and $\alpha = 0.05$ exceeds the respective Probability values. This suggests that these challenges affect the diffusion process of product and service. The coefficient of determination R^2 indicates that 35%, 26%, 14%, 35% and 26%, of the problems in the diffusion process is as a result of management, publicity, contract challenges, customer match up with the celebrity and the celebrity performance respectively.

The study can therefore conclude that, Challenges of celebrity endorsement though has a significant effect on the diffusion process of product and services, it is not too strong a factor to limit the power of Celebrity endorsement from diffusing of products and services between, among and within markets, communities and societies. Therefore, CE is one variant business entities the world over, societies and communities has used and still using to facilitates the diffusion process.

In concluding one can say that these challenges though are issues to contend with relating to CE, its impacts on diffusion will not adversely affect the process. Thus the process of diffusing products and services, information, ideas and technology into markets or communities cannot be stopped by these challenges confronting CE especially when efforts are being made to find solution to these issues.

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, University 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 attribution theory 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>] (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: The Practitioner'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 Resarch*, 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., Cacipppo, 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 Businss and Social Science Vol. 3. No. 6: [Special Issue- March 2012] 141
- Temperley, J. and Tangen, D. (2006). "The Pinocchio factor In Consumer Attitudes Toward 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 **Challenges of Celebrity Endorsement and how they affect the diffusion 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 manager of this company for this time.
1 – 3years [] 4 – 6 years [] 7 years + []
- 3) The company can be found in this industrial sector.
Services [] Manufacturing [] Electronics [] Medicine [] Retail Business []

Management Challenges

- 39) Finding the right caliber of Celebrity to match our product is sometimes difficult.
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []
- 40) Expectations of Celebrity endorsement are sometimes too high from the company.
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []
- 41) Multiple brand endorsement by the Celebrity contracted is difficult to control.
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []
- 42) Terms and conditions of Celebrity Endorsement contracts are difficult to comply with.

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

43) Celebrities sometimes overshadow the brands they endorsed.

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

Publicity Challenges

44) Several media platforms were used in communicating the endorsement to the General Public.

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

45) Providing security at public events is very difficult when the Celebrity Endorser is present.

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

46) Crowd controlling during public events showcasing the Celebrity Endorser is difficult.

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

47). Difficult controlling Celebrity Endorser lifestyle and style of dressing to official events.

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

48) The vibrancy of the media leads to skepticism always wanting to publish any little misconduct of our endorser to tarnish the brands' image.

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

Contract challenges

49) I do some background check of Celebrities before making him/her our brand ambassador.

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

50) I do sign the contract base on ethical issues enshrined in it.

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

51) Terms and Conditions are difficult to comply with in case of scandals or decline in performance.

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

52) Contract termination is very difficult to decide on in case of eventualities because of the legal implications for both parties.

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

53) Existing clause in the contract before the time gives one a window of relief if things go bad.

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

Customers match –up with Celebrity Endorser

14) Not sure the CE chosen is the favorite of our clients.

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

15) The customers' favorite cannot be afforded by the company.

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

16) The Celebrity endorser does not appeal to all segments of the market.

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

17) The Celebrity endorser is management's favorite

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

19) We consider match-up between the large followers of Celebrity before we select him/her.

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

Performance Challenges

39) The decline in performance and fame of Celebrities affects the endorsed brand.

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

20) There is much expectation from our Celebrity Endorser to perform all the time to boot our brand image.

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

21) The dip in performance of our endorser compels management to start prospecting for a new one.

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

22) We are always in dilemma if the celebrity endorser gets injured and do not know what to do.

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