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# ENDORSEMENTS' EFFECTS OF ONE BRANDED SERVICE ON ATTITUDE, PURCHASE INTENTION AND INTENTION OF RECOMMENDATION TOWARDS THE SERVICE CATEGORY

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#### **Abstract**

The study focuses on the effectiveness of endorsement strategies in the beauty service industry. We refer an effective endorsement strategy as a strategy where the endorser is perceived as trustful and we assume that trustworthiness leads to an attitudinal or behavioural change.

This quantitative research aims to identify the changes in attitude, purchase intention and intention of recommendation based on the perceived credibility derived from three different sources of endorsement – celebrities, experts and typical satisfied consumers.

426 subjects participated on an online survey. Their attitudes and intentions related to the service category were measured before and after they were exposed to an ad layout for one branded service. All the tracked changes were significant, leading endorsement to make positive changes in purchase and recommendation intentions, but negative changes in attitude. Differences between consumers and nonconsumers and between males and females were analysed.

Keywords: endorsement sources, perceived credibility, beauty service, change in attitude, purchase intention

JEL classification: M31, M37

# 1. INTRODUCTION

There is a permanent challenge for both researchers and practitioners to find more efficient ways to advertise. There is a wide range of advertising methods used in the beauty services industry. Advertising efficiency in this field can be achieved through a careful selection of communication strategies and this study comes in aid for those who want to find how endorsement strategies affect attitude and behavioural changes in the beauty services area. A recent study (Nielsen, 2015) showed that the most credible advertising comes from those who are in our inner circle. From 19 advertising formats the most preferred was "Recommendations from people I know" (78% of European respondents). But trust is not confined only to the people we know, as 60% of European respondents ranked second the

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advertising format "Consumer opinions posted online". The more common formats ("Ads on TV", "Ads in newspapers", "Ads in magazines", "Ads on radio", "Billboards and other outdoor advertising" and "Brand sponsorships") scored between 40 and 45 percent. The same study concluded that humorous ads and ads depicting real-life situations resonate most powerfully, while celebrity endorsement and athlete endorsement resonate the least. Although the literature is vast in the endorsement area there are no studies that make comparisons between the effectiveness of different sources of endorsement in the beauty service area, therefore this study aims to investigate the particularities of three types of endorsement sources in terms of perceived credibility and attitudinal and behavioural changes.

## 1.1. Endorsement strategies

Literature identifies four types of endorsers – the celebrity endorser, the expert, the satisfied consumer and the presenter (Friedman and Friedman, 1979; Aaker, 1996). According to McCracken, the celebrity endorser is the person who has the recognition of the public and he uses his status in society to influence the opinions in the favour of a product-sponsor (McCracken, 1989). Celebrities are known to the public for their achievements in different areas, which can be associated or not with the endorsed product. They can be athletes, actors, musicians and so on (Till and Busler, 1998). The strategy of using a celebrity as the endorser of a product has the advantage of increased exposure of the brand, regardless of the type of the product (Erdogan and Baker, 1999). Most of the target audience instantly recognizes celebrities and identifies with them, therefore an effect of transfer is happening – the desirability and attractiveness of the endorser is associated with the product (Aaker, 1996; Shimp and Andrews, 2013).

The expert is an individual or a group of individuals that have superior knowledge related to the endorsed product (Friedman and Friedman, 1979). This type of endorser is best suited for a technical product. In this case, the experience and knowledge of the endorser can diminish the fears about the product; this strategy is particularly effective for high risk products (Shimp, 2000).

The typical consumer endorser is often more effective than those mentioned above, especially in the situation when the target audience is known in-depth. This endorser is an ordinary person, without technical knowledge about the product (Shimp and Andrews, 2013). The advantage of using the typical consumer is that potential consumers can easily relate with the endorser. Endorsers' attributes as honesty and trustworthiness are important when delivering the message. In order to stimulate the potential consumer's action a "life sequence" – a scenario very close to reality is created (Friedman and Friedman, 1979).

In the social media era, the typical satisfied consumer strategy becomes more authentic as the endorser usually makes a voluntary endorsement action, without any incentives offered by the brand. This phenomena is referred as the electronic word of mouth. The main advantage of the electronic word of mouth is that the message is less likely to be treated as a spam (Li *et al.*, 2012). Social networks users will advertise on their own page if they expect a positive experience with the brand, if the advertisement is personally relevant and if the message is trustworthy (Wang and Chang, 2013). Some factors that are positively associated with the electronic word of mouth behavior in social media networks are the tie strength between two individuals, the trust towards the brand, the normative influences (conformity with the expectations of others) and the informational influences (the information acceptance from sources that are considerate to be more knowledgeable). Homophily (the

similarity between two individuals that interact with each other) is negatively associated with the word of mouth behavior (Chu and Kim, 2011).

#### 1.2. Attitude and attitude change

Attitude and attitude change are results of the persuasion process. Theories like Elaboration Likelihood Model (Petty and Cacioppo, 1986) and Heuristic - Systematic Model (Chaiken *et al.*, 1989) are stating that persuasion happens either through an elaborate thinking or through a more heuristic processing, using cues as background music or expert source.

The origins of attitude reaction exploitation are based in the early `80. It was MacKenzie, Lutz and Belch who established the importance of affective response toward the ads (MacKenzie *et al.*, 1986). The theory of Dual Mediation Model includes five constructs that measure responses to a persuasive message – ad affective response, ad cognitions, attitude towards the ad and brand and the purchase intent.

#### 2. METHOD

The aim of the study was to explore the relationship between credibility derived from different endorsement sources and changes in attitude, purchase intention and intention of recommendation for the service category. Persuasion is triggered through ad layouts that represent three different types of sources, for a good coverage of the endorsement strategies. The study focuses on Intraceuticals, a cosmetic treatment used for a wide range of skin problems, such as wrinkles, skin degradation, acne, dark circles and pigmentation spots, using hyperbaric oxygen. The technology is relatively new for Romanian market, thus potential consumers are not very familiar with it.

# 2.1. Participants

426 subjects participated in this study. Both men and women were targeted. Previous experience with the cosmetic treatments was not mandatory. The survey was conducted online and it covered a wide range of age and geographic distribution on the Romanian territory.

## 2.2. Materials

Three ad layouts were used, each one representing a different source of endorsement – celebrity, expert and typical satisfied consumer. The first source of endorsement was represented by four celebrities - Madonna, Justin Timberlake as international celebrities and Antonia and Andreea Marin as national celebrities. For the next source were used two dermatologists and two plastic surgeons. Two of them were Romanian doctors, and the other two were from Canada and USA. The last ad layout included four Romanian satisfied users of Intraceuticals. Each ad layout contained four different statements about the treatment and they can be found in Appendix.

All the statements were selected to minimalize the importance of the message in the persuasion process. Moreover, advantages and specific attributes of the branded service were eliminated from the statements.

The materials were integrated into one online survey which covered the initial attitudes, purchase and recommendation intentions, the exposure to materials, the perceived

credibility of each endorsement source, the final attitudes, purchase and recommendation intentions and demographical items.

#### 2.3. Measures

Attitude and intention were measured before and after exposure through the constructs of Dual Mediation Model. Measurement included attitude towards the brand (3 items on a 9 point semantic differential scale – Your opinion about cosmetic treatments? negative/positive, it does not worth the money/is worth the money, bad for skin/good for skin), purchase intention (2 items on a 9 point semantic differential scale – Would you have a cosmetic treatment in the next 4 months? unlikely/likely, definitely not/definitely) and recommendation intention (9 point semantic differential scale - Would you recommend to a friend a new cosmetic treatment, regardless if you use it or not? definitely/definitely not). This set of questions was resumed after exposure, to see if there was a shift in the initial attitude and intention. Items were averaged for attitude measurement and purchase intention. Attitude change was calculated by subtracting the initial attitude from the final one.

Credibility scale (4 items on a 9 point Likert scale) was adapted from Ohanian and included measurement of sincerity, credibility, honesty and trustworthiness (Ohanian, 1990). The average scores were computed for each subject. Demographical data included county, age and sex.

# 3. ANALYSIS AND RESULTS

The mean values were calculated for initial purchase intention, final purchase intention, initial and final attitude, celebrities' trustworthiness, experts' trustworthiness, consumers' trustworthiness and overall trustworthiness. Changes in attitude, in purchase and recommendation intention were computed by subtracting the initial score from the final one. Initial purchase intention variable was dichotomized by median for splitting the subjects into two groups — consumers (people who will use the referred service in the next four months) and non-consumers (people who will not use the referred service in the next four months).

Scales were found to be internally consistent, according to Cronbach's Alpha coefficient –  $\alpha$  = 0.944 for Initial purchase intention (2 items),  $\alpha$  = 0.975 for Final purchase intention (2 items),  $\alpha$  = 0.928 for Initial attitude (3 items),  $\alpha$  = 0.956 for Final Attitude (3 items),  $\alpha$  = 0.950 for Celebrities' trustworthiness (4 items),  $\alpha$  = 0.956 for Experts' trustworthiness (4 items),  $\alpha$  = 0.961 for Consumers' trustworthiness (4 items).

The Wilcoxon Test revealed that Initial purchase intention's mean was 3.760, while the final one was 3.917, resulting in an increase in Purchase intention of 0.157. Initial attitude mean was 5.246, while the final one was 5.164, resulting in a decrease of the attitude of 0.0822. The mean score of Initial recommendation intention was 3.7512, the final score was 4.2746, and there was a positive change of 0.5235 units.

Most of the subjects (225/426) did not change their intention of purchase for the service category, but negatively changed their attitude (170/426) and positively changed their recommendation intention (179/426).

		N	Mean Rank
Final purchase intention - Initial	Negative Ranks	84	96.79
purchase intention	Positive Ranks	117	104.03
	Ties	225	
	Total	426	
Final attitude - Initial attitude	Negative Ranks	170	146.59
	Positive Ranks	123	147.56
	Ties	133	
	Total	426	
Final intention of	Negative Ranks	102	136.68
recommendation - Initial	Positive Ranks	179	143.46
intention of recommendation	Ties	145	
	Total	426	

Table no. 1 - Ranks for attitudes, purchase intentions and intentions of recommendation

Through a Mann – Whitney Test, significant differences were observed only regarding the initial and final purchase intention (sig. < 0.05) between males and females respondents. While the mean rank for female respondents' initial purchase intention was 222.53, for male respondents' was 164.23. It was similar for final intention of purchase (222.95 and 161.95).

Both initial and final recommendation intentions ranks were higher for women (222.71 compared to 163.24 and 217.33 compared to 192.58), although the difference was significant only for the initial intent (sig. < 0.05). Men scored higher in change of recommendation intention (246.76 compared to 207.40) and the difference was significant (sig. = 0.015).

Females had higher scores regarding attitudes towards the service category after the exposure (217.97 compared to 189.11). The difference was significant (sig. = 0.035). There were no significant differences between genders regarding the initial attitude and the change of attitudes (sig. > 0.05). Nor were significant the differences between genders regarding the perceived credibility of each type of endorser (sig. > 0.05). The demographic variable Age did not significantly influenced any of the attitudes or intentions.

Using a Wilcoxon test, it was concluded that the changes in attitude, purchase intention and intention of recommendation were significant (sig. = 0.014 for change in purchase intention, sig. = 0.019 for change in attitude and sig. = 0.000 for change in intention of recommendation).

Through a Mann–Whitney U Test, there were identified some important differences between those who tend to use cosmetic services and those who do not. While the majority of the first group (69/152) negatively changed their intention of recommendation, the majority of the second group (142/274) positively changed their intention of recommendation. Also, there was a difference between these groups regarding attitude. While the majority of consumers did not change their attitude (57/152), the majority of nonconsumers (119/274) did negatively change their attitude. The intention of purchase ratio was similar for both groups (ties).

For the purpose of finding the differences between the subjects who tend to use cosmetic treatments and those who don't, regarding the levels of perceived credibility of endorsers, several Mann-Whitney U tests were used. Consumers tend to have significantly higher perceived credibility of all endorsers compared to non-consumers (p < 0.005 for each group and for each endorser type).

		Mean Rank
Celebrities'	Non-consumers	184.47
trustworthiness	Consumers	265.83
	Total	
Experts'	Non-consumers	181.18
trustworthiness	Consumers	271.76
	Total	
Consumers'	Non-consumers	183.38
trustworthiness	Consumers	267.80
	Total	

Table no. 2 – Trustworthiness ranks for consumers and non-consumers

The highest mean of perceived credibility was 4.251 and represents the experts' trustworthiness. The lowest mean was celebrities' trustworthiness, valued 3.342, while consumers' trustworthiness was 4.032. With the purpose of testing if those means are significantly different, a Friedman test was performed. Friedman test results ( $\chi^2$  (2) = 167.343, p < 0.05) showed that differences between the three types of endorsers were overall significant. Pair wise analysis revealed that the differences were significant between all three pairs of endorsers (sig. < 0.05).

Table no. 3 - Means of perceived credibility

	Mean
Celebrities' trustworthiness	3.3427
Experts' trustworthiness	4.2512
Consumers' trustworthiness	4.0329

Change in attitude was associated more with the perceived credibility of celebrities ( $r_s$  = 0.280), closely followed by perceived credibility of experts ( $r_s$  = 0.276), and less with perceived credibility of typical satisfied consumers ( $r_s$  = 0.209). On the contrary, the change in recommendation intention was mostly associated with perceived credibility of typical satisfied consumers ( $r_s$  = 0.169), then with perceived credibility of experts ( $r_s$  = 0.148) and with perceived credibility of celebrities ( $r_s$  = 0.153). There were small differences of Change in purchase intention regarding the type of endorsement ( $r_s$  = 0.201,  $r_s$  = 0.202,  $r_s$  = 0.193).

Table no. 4 - Correlations between endorsement sources and changes

	Change in attitude	Change in purchase intention	Change in intention of recommendation
Celebrities	0.280	0.201	0.153
Experts	0.276	0.202	0.148
Consumers	0.209	0.193	0.169

# 4. CONCLUSION AND DISCUSSION

The changes in attitude, purchase intention and intention of recommendation were significant, thus, for our sample, endorsement had a noticeable impact for the beauty services area.

An interesting finding was that while purchase intention and intention of recommendation increased, the overall attitude for the service category slightly decreased. Possible explanations for this could be related to the negative effects generated by one or more of the endorsers or the particularities of the beauty industry.

In terms of perceived credibility there were no significant differences between genders, regardless of the type of endorser. However, there are significant differences between males and females respondents regarding purchase intention and attitude and these were expected having in mind the nature of the service. An interesting finding was that men scored higher in changing the intention of recommendation. Even though men probably would not become customers as easily as women, endorsement could transform men into a great ally in developing a word of mouth campaign for beauty services.

The majority of subjects who tend to use this kind of services did not change the attitudes towards the service category after the exposure to the layouts. A potential cause could be the fact that they already done some research and are familiar with brands and techniques, thus they do not particularly find the advertisements useful. Non-consumers however scored a negative change of attitude, in other words the endorsement for the branded service negatively affected the attitude for the entire service category. This is an unexpected psychological effect and it would be interesting to find if the endorsement strategy even annoys non-consumers. Besides researchers, advertisers should also be aware of this kind of repercussions for the service category.

The endorsers were perceived significantly different in terms of credibility. Most credible were the experts and most distrustful, at a considerable distance, were the celebrities. This is an interesting result considering the financial effort for each type of endorser. These are to some extent consistent with the results of Nielsen's recent study (Nielsen, 2015) which showed that celebrity endorsement is an increasingly ineffective strategy while the trust in other consumers' opinions is considerably more and more effective. Nevertheless there are studies (Elberse and Verleun, 2012) showing that celebrity endorsement is an effective advertising strategy. Endorsers are associated with increasing sales and they also have a positive impact on stock returns.

The links between perceived credibility of each type of endorser and changes in attitude, purchase intention and intention of recommendation revealed that typical satisfied consumer affects more the change in intention of recommendation than other changes, while celebrities affect more the change in attitude. Experts affect more the change in purchase intention, but in this case, the differences between the three types of endorser are considerably smaller.

Some managerial implications occurred from these results. If a company targets to change attitude towards its beauty services through endorsement, the most effective way is to use celebrity endorsement since celebrities have the highest association with the change of attitude. However, this decision could imply a considerable risk, because celebrity endorsement could also negatively affect the change in attitude, especially for nonconsumers. If an advertiser tries to boost the purchasing intentions for a beauty service, he could use experts such as dermatologists or estheticians. However, if the goal is to increases the word of mouth trough intentions of recommendations, the company should use the typical satisfied consumer as endorser, more than experts or celebrities.

This study confirms for the first time that endorsement strategies for one particular beauty service have an impact on the service category in terms of attitude and behavioural changes. Another contribution of the present study is the investigation of the links between perceived credibility of each type of endorser and each type of attitude change.

#### 5. LIMITATIONS

All the respondents were from Romania, thus a limitation was the relative homogeneity and small size of the sample compared to the studied population. Another limitation was related to the situation in which the subjects evaluated the ad layout (an online survey). Measurements of the effect of the endorsement were limited by the instrumentality of credibility.

# 6. FUTURE RESEARCH

A future research could aim to find the causes that are leading endorsement to make positive changes in purchase and recommendation intentions, but negative changes in attitude. We also encourage fellow researchers to investigate the relation between credibility and attitude change regarding endorsement strategies using other stimuli than ad layouts. A direction for future research could also aim to find out if endorsers are differently perceived in the beauty industry, possible reasons being the multitudinous ads in this field and the fact that over the time the claims presented in the ads for beauty products and services were exaggerated. Also, a more accurate picture of the effects of endorsement could be experimentally investigated through panel data.

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#### **Appendix**





