

Insiders' Views: The Current Practice of Using Celebrities in Marketing Communications in Greater China

Vivienne LEUNG, S. Y., Kimmy CHENG & Tommy TSE
Hong Kong Baptist University, Hong Kong

Abstract: This research investigated the current practice of using celebrities in marketing communications in Greater China, as well as the factors affecting the effectiveness of it and its values. Three in-depth, individual interviews were conducted with three renowned PR and marketing specialists in Hong Kong. Results showed that the practice of using celebrities in marketing communications is transforming. The effectiveness of it depends on multiple factors (e.g. image congruence, product category, continuity and consistency, etc.) and requires marketers' and communication specialists' careful planning. In this paper, an attempt has been made to know the first-hand perspectives of using celebrities in marketing communications in Greater China.

Keywords: Celebrity, Greater China, marketing communications, media, celebrity effects

1. Introduction

Celebrities sell. Celebrity is an attention-gathering mechanism that can attract media attention and focus the spotlight on a particular issue. They have the ability to influence brand affinity and consumer purchase intent.

As consumers, our minds are bombarded with information and stimulation from time to time. Using celebrities in marketing communication initiatives might be a way to stand out from the crowd. Indeed, matching the right celebrity with the right product/service and placing them in the right marketing communications campaign, can lead to huge profits and an immediate change in the public perception of a company. However, if this is done poorly, it can ruin a brand as well as the celebrity him/herself overnight.

This paper attempts to investigate the current practice of using celebrities in marketing communications and identifies the factors and values of it. We interviewed three public relations and marketing communication professionals in Hong Kong to share their experiences in using celebrities in their marketing communications campaigns, namely: Francis Cheng, CEO of Occasions PR and Marketing Ltd., Anson Shum, marketing and communication director (greater China) of the Bluebell Group, and June Lee, communication director (Asia-Pacific) of a well-known Western cosmetics brand. They will share their real-life experiences in working with celebrities for their brands and companies and their concerns in working with celebrities from the perspective of marketing communications in Greater China.

2. Literature Review

2.1. Using Celebrities in Marketing Communications in Greater China

Marketing communications are used to facilitate the exchange process and the development of relationships between consumers and firms by creating awareness and interest in the companies' products/services (Belch & Belch, 2014). In general, celebrities are perceived to be influential tools in marketing communications (e.g., Elberse, 2013; O'Mahony & Meenaghan, 1997; Pringle, 2004). One of the common types of the use of celebrity in marketing communications is celebrity endorsement, which is a form of brand or advertising campaign involving a relationship between a firm and a celebrity that occurs for an agreed-upon duration of time; in such an arrangement, the fame of the celebrity is used to help promote a product or service.

In Hong Kong, part of Greater China, celebrity is the most frequently used strategy in youth products' television commercials and the second most frequently used strategy in youth magazine advertisements (Chan, 2010). According to Chan (2010), media celebrities are employed in 40% of television commercials in Hong Kong. Nearly half of the public service announcements (PSAs) in Hong Kong feature celebrities. In China, celebrity endorsement is used in 30% of all Chinese TV advertisements (Jiang et al., 2015). Sun (2010) suggested that a slight imbalance exists between the number of male (54.7%) and female (45.3%) celebrities featured in Chinese TV ads. The three major categories with celebrity endorsements in China include medicines and nutritional supplements, apparel and accessories, and food and snacks. In Korea, more than half (57%) of television advertisements are celebrity endorsed (Choi, Lee & Kim, 2005). Similar to China, Korea also uses more male celebrities (56%) than female celebrities (44%). In addition, 75% of Korean commercials feature celebrities in their thirties or younger. Celebrities are normally perceived as more credible than non-celebrities in Korea (Ferle & Choi, 2005). In both China and Korea, only a few exceptions feature foreign celebrities; thus, local relevancy appears to be a crucial factor that contributes to the effectiveness of a brand campaign.

2.2. Effects of Using Celebrities in Marketing Communications

In general, celebrities are perceived as an influential tool in marketing communications (e.g., Agrawal & Kamakura, 1995; O'Mahony & Meenaghan, 1997; Pringle, 2004). They are effective marketing tools because of their ability to attract customers' attention, which might then lead to an increase in product/brand awareness (Chan, Ng & Luk, 2013; O'Mahony & Meenaghan, 1997; Pringle, 2004). Van Krieken (2012) explained that celebrities are able to attract attention because they embody the attention capital—an abstract and self-reproducing form of capital. Moreover, the use of celebrities can boost the sales of a product and improve a firm's stock market valuation (Agrawal & Kamakura, 1995; Chung, Derdenger & Srinivasan, 2013; Elberse & Verleun, 2012; Mathur, Mathur & Rangan, 1997), and their use in marketing communications can lead to greater purchase confidence and intentions (Atkin & Block, 1983; Chan, Ng & Luk, 2013; Petty, Cacioppo & Schuman, 1983). More importantly, celebrity endorsements are a business-stealing strategy. The increase in market value brought by celebrity endorsements for

a firm may lead to the decrease in market value of competing firms (Garthwaite, 2014; Knittel & Stango, 2011; Mathur, Mathur & Rangan, 1997). Therefore, the use of celebrities can give the firms the edge over other competitors.

Notwithstanding that the use of celebrity offers many positive, constructive influences on brand image, there are some inherent risks of using celebrities in marketing communications. If a celebrity spokesperson suddenly changes his/her image or—worse—becomes embroiled in a controversy or a scandal, he/she might negatively affect the firm's reputations or even lead to a decrease in the firm's market values as a result (Knittel & Stango, 2011; Pringle, 2004). Therefore, using celebrities in marketing communications does not necessarily guarantee success.

In fact, some scholars have already cast doubt on the effectiveness of using celebrities in marketing communications, especially in the area of influencing consumers' purchase intention (Agrawal & Kamakura, 1995; Ibrahim, 2010; Ohanian, 1991; O'Mahony & Meenaghan, 1997). Previous academic research has presented mixed results related to celebrities' influences on consumers' purchase intention, and it has been suggested that celebrity has an insignificant impact on consumers' buying behavior (Erdogan, 1999; Ibrahim, 2010; Ohanian, 1991; O'Mahony & Meenaghan, 1997; Temptalia, 2011). Among all criticisms regarding the disadvantages of using celebrity in marketing communications, overexposure and/or multiple endorsements was most often mentioned. A celebrity endorsing multiple products/brands is a common practice in Hong Kong. For instance, famous Hong Kong actor Moses Chan (陳豪) endorses telecom, food and beverage, housewares, and a financial institution. Famed female singer Joey Yung (容祖兒) endorses electrical appliances, skin care products, and food and beverages. Previous studies have suggested that consumers give less credibility to a celebrity who endorses many products, which would weaken the brand association (e.g., Hsu & McDonald, 2002). Market practitioners should carefully consider the use of celebrity in integrated campaign planning and strive for a balance between the frequency of celebrity exposure and effectiveness of campaign outcomes.

2.3. Importance of Source Credibility, Source Attractiveness and Image Congruence in Marketing Communications

Celebrity is not a panacea; nevertheless, some factors might enhance the effectiveness of its use in marketing communications. According to the source credibility model, the expertise and trustworthiness of a source may affect message effectiveness (Hovland, Janis & Kelley, 1953). A celebrity perceived to be trustworthy and knowledgeable about a product category is more effective in spreading the advertising messages (Lafferty, Goldsmith & Newell, 2002; Ohanian, 1991). Source attractiveness is another theoretical framework for explaining endorser effects in advertising. The components of source attractiveness include likability, familiarity, and similarity; the more attractive a source, the more effective the communication (Hovland, Janis & Kelley, 1953; Kelman, 1961; McGuire, 1985). Similarly, a more attractive celebrity spokesperson is more effective in communicating brand messages, and consumers will be more likely to endorse the attitudes that these spokespersons endorse (Chan, Ng & Luk, 2013; Erdogan, 1999; Gilovich, Keltner & Nisbett, 2010).

However, credibility and attractiveness alone are not enough. In order to enhance the advertising effectiveness, the image of a celebrity spokesperson should be congruent with

that of the product/service/brand. The higher the degree of perceived fit between the brand image and the celebrity image, the more effective the communication (Chan, Ng & Luk, 2013; Erdogan, 1999; Kahle & Homer, 1985; O'Mahony & Meenaghan, 1997). Moreover, the nationality of the endorsers should also match the image of the products/service/brands. For example, in the context of China, foreign celebrities are perceived to be a more effective messenger in promoting products with foreign symbols, but they are deemed less trustworthy and knowledgeable than Chinese celebrities when promoting products with Chinese symbols (Sun, 2010; Zhang & Zhang, 2010).

In sum, using celebrities in marketing communications benefits (or tarnishes) both the firms/brands and the celebrities involved. In order to enhance the effectiveness of using celebrities in marketing communications, one should consider the current practice and factors that might affect the use of celebrities in marketing communications, as well as the values it could bring. In this paper, we have three research questions.

RQ1: Does celebrity still work in marketing communications nowadays?

RQ2: What are the crucial factors affecting the use of celebrity in Greater China?

RQ3: What is the value of the use of celebrity in brand communication?

3. Methodology

Three 30-45-minute, in-depth interviews with renowned public relations and marketing communication professionals were conducted from April to July, 2014 in Hong Kong. The contacts were initiated by personal referrals. They are: 1) Francis Cheng (aged 40+). He is the CEO of Occasions PR and Marketing Ltd. Established in 1987, Occasions is a leading PR and event organization company in Hong Kong that specializes in the luxury lifestyle market. Cheng also holds positions as a renowned columnist for multiple magazines in Hong Kong and China as well as being an artist manager for Hilary Tsui, a famous female artist/fashionista in Hong Kong. 2) Anson Shum (aged 35+). He is the marketing and communication director (Greater China) of the Bluebell Group. Affiliated brands of the group include Moschino, Carven, and Ladurée. Before working for the Bluebell Group, Shum was the head of PR and marketing at Jimmy Choo Asia and Hugo Boss Asia. Shum is a skilled professional in fashion and marketing communications 3) June Lee (aged 35+). She is the communication director (Asia-Pacific) of a well-known Western cosmetics brand. Before working for the cosmetic company, she worked as the e-commerce sales director, global marketing director, and regional PR and AD manager for various European brands.

The interviews were started by explaining the importance and the objective of the interview after interviewers' self-introduction. Followed by offering interviewees the tape recording instructions as well as explaining and signing the consent form. Interviewers asked basic and general questions at the beginning of all interviews as to build trust to collect more important data at the later stage from the interviewees. All interview questions were arranged in order from those that are least difficult or contentious to those that are more difficult. Interview questions were developed from the three research questions.

Data was collected through semi-structured, open-ended and in-depth individual

interviews—a method that is well suited to this study’s aim of uncovering interviewees’ views on the use of celebrities in marketing communications in Greater China, thus eliciting rich narratives from the interviewees. Each interview was audiotaped by an MP3 recorder, and all of them were transcribed and thematically codified for later analysis. Thematic analysis was then adopted in this study to examine commonalities and differences among the responses from the interviewees. To do so, interviewers first familiarized with all collected data, followed by generated initial codes with the features of the data that appear meaningful and relevant to the research questions and objective. To start the interpretive analysis of the collated codes, relevant data were then extracted and sorted according to similar themes. This paper is an exploratory study, which aims to gain insights from the PR and marketing communications specialists.

4. Findings and Discussion

4.1. Does Celebrity Still Work in Marketing Communications Nowadays?

Today, the word *celebrity* is commonly used to refer to famous individuals (Giles, 2000; Marshall, 1997). According to Francis Cheng, CEO of Occasions PR and Marketing Ltd, there are three major types of celebrities in Hong Kong. The first type is the “famous celebrity,” who is well-known and acclaimed in a particular area, such as sports, entertainment, or charity. “Famous celebrities” are usually very talented and experts in the sector in which they specialize, such as designers, well-known artists or singers, as well as celebrity sports athletes. The second type is the “topical celebrity.” This refers to celebrities who are usually good in terms of a sound news value. Often, they are the talk of the town within a specific timespan, such as people involved in a scandal or people who contributed to a good social cause in a community, such as lottery winners, mistresses of public figures, and have-a-go heroes. These people are usually covered in “celetoids.” They command media attention one day and are forgotten the next (Turner, 2004). The third type is the “old money.” This group of celebrities includes socialites or the “who’s who” of society. They have high social values because usually socialites have strong, extensive personal networks. They help create noise and attention from media, thereby creating good brand promotional events.

In marketing communications, celebrities are usually characterized by their high presence and familiarity among the public, and they serve as objects of respect because of their “outstanding skill in their chosen field of endeavor” (Pringle, 2004, p. xxiv). They are effective at arousing attention, creating awareness, generating favorable attitudes, and facilitating purchase intention and action (Rossiter & Smidts, 2012). Nowadays in China, producing albums or acting in films is no longer the most lucrative part of a celebrity’s job, and celebrities and their representatives have to rely on endorsement deals and live performance deals to make profits (Montgomery, 2010). Our first interviewee, Cheng, reckoned that the continuously active exposure of an artist is an important indicator of a celebrity’s value. Constant exposure of a celebrity could bring endorsement deals to the artist.

Nowadays, even advertisements of instant noodles and intruder alarms are using celebrity endorsers, and these are all chances for celebrities to make money, so the

celebrities need to capitalize on their ongoing careers in this way to generate profits.

As a professional marketing communication practitioner, our second interviewee, Shum, also believes that celebrities are effective at leveraging their fame to draw attention. However, there is no absolute definition for the term *celebrity*. Shum describes celebrities as “influencers” who have contributed to or received recognition in their own sectors.

If you are the head or founder of an advertising agency, you are a celebrity. A celebrity model is also a celebrity, meaning anyone can be a celebrity in many different sectors in a society.

Shum acknowledged that the use of celebrities is a common practice in Hong Kong for many brand campaigns. He shared one of his experiences in a successful marketing campaign for a brand called Ladurée (a world-famous macaroon shop), in which he employed different famous celebrities in various social media for product promotion. In 2012, Ladurée opened its first retail store in Hong Kong. In order to promote its grand opening in the city, Shum decided to send free samples of the Ladurée macaroons to “influencers” in various sectors, such as stars, writers, DJs, and athletes, and invited them to upload a Weibo post about the products. The viral campaign was a huge success, and more than 600 people lined up outside the retail store on the day of its grand opening. According to Shum, a famous celebrity is useful for generating positive influences in brand promotion. The frequent media exposure of a celebrity might increase consumers’ perceived familiarity with him/her despite the fact that they might not personally know each other. The perceived familiarity may then lead to an increase in consumers’ emotional attachment with and trust in the celebrity.

Imagine you were on the street and someone handed out a flyer to you, if you did not know that person... you could just easily ignore him/her without a second thought. But if he/she was your relative and told you there was a sale nearby, you would probably listen to him/her and think that someone you knew would not lie to you, and you might thus go to the sale. No matter whether you bought something or not, at least you were motivated to go to the sale.

Although celebrities might bring benefits to the firms, there are also some potential risks when using celebrities in marketing communications.

Some customers might be unwilling to purchase certain items just because those items were worn by some particular celebrities.

In order to reduce the risk, Shum rarely chose a controversial celebrity, as he shared Cashmore’s (2014) and Erdogan’s (1999) concerns that the presence of a celebrity might overshadow the brand. He believed that a controversial celebrity might bring extra media publicity, yet consumers might ultimately focus their attention on the celebrity instead of the brand being promoted. He gave Sire Ma (馬賽), who was involved in a sex scandal in 2014, as

an example to explain his views: ‘If I invited her to come to the event, [...] her presence might attract many paparazzi, but would the attention be diverted to the brand or focused only on her? That’s why I rarely invite controversial celebrities’.

For our third interviewee, Lee, a communication veteran, ‘celebrities’ is generally used to refer to well-known people in the entertainment business, such as actresses/actors, TV stars and models. She explained that celebrities are characterized by their ‘charm’ and the ability to attract people:

No matter if you knew this person before or not, [...] the moment you are facing this person, you suddenly become a big fan of this person even though you never really listened to his [or her] song or never watched his [or her] movie before.

In line with various scholars, Lee believed that using celebrities is an effective tool in branding (cf. Elberse, 2013; Pringle, 2004). These popular figures in society are able to grab public attention and generate interest in the brand, thereby increasing or maintaining the brand’s competitiveness in the market (Elberse, 2013; Pringle, 2004). Moreover, celebrities can be used as a ‘brand cue’ (i.e., by closely associating familiar faces with a brand), and can help in generating recognition and communication (Pringle, 2004).

In sum, a famous celebrity is useful for generating a positive influence on brand promotion. Ideally, a brand and a celebrity help each other to grow together, which means that the celebrity might help attract attention to the brand, while the brand might also bring publicity to the celebrity.

4.2. What Are the Crucial Factors Affecting the Use of Celebrity in Greater China?

4.2.1. Image Congruence

It is generally believed that the celebrity image and the brand/product image should be congruent for effective marketing communications (e.g., Erdogan, 1999; Kahle & Homer, 1985; Kamins, 1990). Shum also noted the importance of image congruence. Every brand has its own unique DNA and an established brand identity, and the image of the celebrity has to match up with them. “It is not necessary to look for the top celebrities for every brand; the choice of celebrities depends more on the nature of the brand and the brand DNA.” Shum explained this concept using the example of the French brand Carven, which is an affiliated brand of the Bluebell Group. In Shum’s words, Carven is an affordable designer label, and the brand’s style is pure and fresh. Because of its brand nature, instead of hiring established superstars, the brand prefers up-and-coming artists. “Carven adopts a different approach from that of Louis Vuitton (LV). Usually LV looks for the top celebrities, like Li Bing Bing (李冰冰), but Carven prefers relatively new faces, like Bai Baihe (白百合) or Janice Man (文詠珊).” Although neither Bai or Man are A-list celebrities, their images are coherent with Carven’s brand image. Therefore, Shum reiterated that top celebrities are not always the right choice.

Yet, Lee was aware of a gradual change in the choice of celebrities in the fashion and cosmetics sectors. Pringle (2004) noted that the use of celebrities was well established in the

cosmetics and fashion industries, and the choice of celebrities was one of the determining factors for the success of its brands. Therefore, fashion and cosmetics brands were careful when choosing celebrity spokespeople. Similarly, Lee observed that, around five years ago, big fashion brand names such as Prada, Louis Vuitton and Chanel were very picky and strict when choosing celebrities for their brands, selecting only the *crème de la crème* of celebrities.

In those days, according to Lee, a celebrity spokesperson was chosen chiefly based on the principle of image congruence (cf. Erdogan, 1999; Kahle & Homer, 1985; Kamins, 1990), which means the image of the chosen celebrity and the brand image should be congruent to achieving a more effective communication impact. Lee explained that the chosen celebrities were usually elegant and glamorous, and their image was a perfect fit for the brands: ‘At that time, we were very strict. Our own stance [is] whether this person is really fit for the images that our brands are, you know, speaking to the general public’. In contrast, Lee noted that elegant and glamorous celebrities are no longer as trendy nowadays:

Even though it’s still, like, you know, a US\$10,000 Agnès b. bag that you want to be seen [with]; like some young kids with cool stuff—I don’t know, like a pair of jeans—carrying the Agnès b. bag. We are living in an era that considers, like, something cool.

4.2.2. Product Category

Product category can serve as another important factor affecting the choice/use of celebrities in branding. As Kamins (1990) argued, a physically attractive celebrity might be an effective endorser for an attractiveness-related product category, but might have an insignificant effect on an attractiveness-unrelated product category. According to Lee, because of the varied nature of products, celebrities who are effective spokespeople in product category A might not achieve the same results in product category B.

Alternatively, instead of the choice of celebrities, Lee reiterated that brands of different product categories might adopt separate merchandising strategies because consumer target groups might approach the products in different ways. She observed that consumers cared more about the style of a fashion brand. Instead of insisting on buying the same products featured in advertisements, consumers were willing to purchase other similar items as long as they were of the same style:

It isn’t necessarily the exact white skirt that [a celebrity] was wearing [...]. The thought of setting the images that this brand is leading the style is not like this brand selling the one particular bag [or] particular outfit. I mean, of course, people are talking about it, but it’s not really related to a certain product.

As Lee mentioned, the main focus of branding in fashion is brand style; therefore, fashion brands usually do not focus on a particular product in promotions and can select a celebrity endorser from a relatively wider range of candidates. She offered Prada as an example and explained the process of constructing the brand’s history:

We wouldn't really mention, like, this is the dress that Charlize Theron was wearing at the Oscars in the year 2000. We wouldn't do that. We kind of have a collection of those, you know, of this big collage, a collage of the images where Nicole Kidman, Charlize Theron and Uma Thurman were all wearing Prada dresses to the party.

For cosmetics brands, Lee revealed that they usually hire a particular celebrity to promote and be associated with a distinctive product. For instance, Lee recently invited Susan (pseudonym), a popular New Zealand singer, to promote a dark purple lipstick—a colour closely connected with the singer:

We had just one lipstick colour for her because that's kind of her signature, which is a very dark purple kind of colour. So when we are approaching the celebrity, depending on the industry you are in, I think it's very, very different. So we became very specific about it.

4.2.3. Continuity and Consistency

Continuity and consistency are important determinants in achieving success in using celebrities in marketing communications (Pringle, 2004). Nowadays, celebrities are characterized by their short lifecycle of fame (Elberse, 2013), meaning firms might not be able to use a particular celebrity continually, as he/she might fade out of the limelight after a couple of years. Shum believed that a successful marketing campaign relies on long-term planning. However, he noted that, nowadays, the lifecycle of celebrities has become shorter and shorter, and there is rarely a representative superstar such as Michael Jordan for Nike. Thus, the brands cannot rely on one particular celebrity in marketing communications, so brands have a limited number of superstars from which to choose for promotion in the long run. Shum commented that these situations are not good for long-term business planning and might negatively affect the effectiveness of using celebrities in marketing communications.

4.2.4. Budget

Lee reported that celebrity endorsement fees have continued to rise and might lead to decreasing returns (Agrawal & Kamakura, 1995; Ding, Molchanov & Stork, 2011). She expressed similar concern about the large sum of money paid to celebrities. She noted that, although celebrities could make noise and attract publicity for the brands, the celebrities' services were 'getting a little bit overpriced':

For the big brands, like a fashion brand, when they do the party, the money that they're paying for [the celebrities] to just be there for, let's say, 30 minutes, it's really become a little bit crazy. We are now really thinking, like logically, what kind of value they actually return to the client side.

However, the persistent use of celebrities suggests that it is a profitable and worthwhile

advertising strategy (Agrawal & Kamakura, 1995). Lee also noted that, due to the intense competition among brands, a lot of clients were still willing to pay the high price, especially in the present digital age, when the attention brought by celebrities always has a chance of being amplified in social media rather than being just a one-time headline in the newspapers.

However, in Greater China, Shum emphasized that it is wrong to think that a larger budget guarantees a more successful marketing campaign. He personally expressed that “it is the most challenging and most fun to achieve a good advertising effect with a limited budget.” He presented Ladurée’s viral campaign, mentioned above as an example, and conveyed that the campaign was launched with almost zero budget. In return, the celebrities’ online posts brought great media exposure and attracted much attention to the brand, and they were “100 times more effective than putting an advertisement in traditional media.” Therefore, the budget is a significant factor affecting the use of celebrities, but it is not the most important one.

4.2.5. Regional Preferences

Pringle (2004) suggested that celebrities used in marketing communications should be chosen to appeal to a very specific target audience. According to the source attractiveness model (McGuire, 1985), a source known and liked by the consumers is a more effective messenger than a source not familiar or not liked by consumers (Kelman, 1961; McGuire, 1985). However, an attractive source might not be equally liked by or familiar among consumers in various geographical regions. As Shum noted:

Every region has its particular preference for celebrities. For example, mainland Chinese are not very interested in and are not emotionally attached to Hollywood stars; Taiwanese are not interested in celebrities who are only popular in mainland China; Hong Kong people tend to choose local stars or foreign celebrities, and sometimes they might choose not to favor the mainland Chinese ones.

Therefore, Shum confessed that it is quite difficult to decide on a celebrity who could appeal to consumers in every region of Greater China (including Hong Kong, Taiwan, and mainland China). In his opinion, Angelababy (楊穎), a famous Chinese model/actress in Greater China, is a relatively popular choice for regional marketing campaigns.

Angelababy is quite well known and isn’t negatively perceived by consumers in Taiwan, Hong Kong, or mainland China [...] Also, because she happens to be dating a mainland Chinese actor, and she started her career in Hong Kong, Hong Kong people feel a special attachment to her, and if Hong Kongers like a particular artist, usually the Taiwanese will not have a negative impression of him/her.

All in all, the higher the likability, familiarity and similarity of the celebrity; the better the congruence of celebrity image and the brand; as well as the longer the continuity of a celebrity-brand relationship, it would result in a higher effectiveness in the use of celebrity in marketing communication. To enhance brand communication with the audiences in Greater

China, a brand should also be culturally sensitive to the needs of the target segments in different regions and be able to address to different concerns.

4.3. What Is the Value of the Use of Celebrity in Marketing Communication?

Brand names are used to communicate attributes and meanings of the products and, if put to good use, are able to bring substantial financial value to the companies (Arvidsson, 2006; Belch & Belch, 2014; Vaid, 2003). In order to maximize the sales volume and maintain a competitive advantage over others, companies develop various branding strategies to create and maintain brand equity¹ (Belch & Belch, 2014). Celebrities are generally believed to be an effective tool in branding (e.g., Elberse, 2013; Pringle, 2004). Moreover, celebrities can be used as a “brand cue” (i.e., by closely associating familiar faces with a brand) and aid in generating recognition and communication (Pringle, 2004).

Shum perceived the value of celebrities nowadays as limited in marketing communications. Although the use of a celebrity might temporarily attract attention or increase media exposure, it might not help increase sales significantly or benefit the brand in the long run. He noted that, although fans still worship celebrities, they are now more selective in purchasing what the stars choose or endorse: ‘It’s not like if a star eats a mooncake, then his/her fans follow and buy those mooncakes’. Such an observation resonated with previous academic research, where mixed results were found in terms of celebrities’ influence on consumers’ purchase intention (Erdogan, 1999). Whereas some acknowledged that the use of celebrities in marketing communications has led to greater purchase confidence and intentions (cf. Atkin & Block, 1983; Chan, Ng & Luk, 2013; Petty et al., 1983), some have concluded that celebrity has an insignificant impact on consumers’ buying behaviour (cf. Ibrahim, 2010; O’Mahony & Meenaghan, 1997; Ohanian, 1991).

According to Lee, celebrities’ ability to attract people is a huge benefit for brands, as celebrities can instantly draw much public attention to the brand with which they are associated. She further illustrated her point with her experience working with the famous American singer Lily (pseudonym). In 2014, Lily was invited to be the spokesperson of a new cosmetic brand campaign, and she attended an event in the cosmetic retail store in Hong Kong. Lee was surprised by the instant attention Lily brought to the brand when she noticed that “[Lily] was posting three photos through her Instagram; I think immediately we won a million likes or followers.” The products Lily endorsed sold out, and Lee was told by the staff in the retail store that “in the store, where [Lily] did her autographs...there were people just coming and taking photographs in front of these light boxes.”

In fact, celebrities are not only effective in drawing public attention to the brands. McCracken (1989) observed that celebrities are exemplary and inspirational figures to the public, and the cultural meanings of the celebrities can be transferred to the brand/product for consumers’ appropriation. Similarly, Lee stated that celebrities in Asia serve as public role models whom

¹ Brand equity refers to “an intangible asset of added value or goodwill that results from the favorable image, impressions of differentiation, and/or the strength of consumer attachment to a company name, brand name, or trademark” (Belch & Belch, 2014, p. 59).

people look up to in terms of appearances and lifestyle, and people love to fantasize about the celebrities' glamorous ways of life. She was aware that these positive and glamorous images of the celebrities could be transferred to the brand through mere association. She demonstrated her views with an imaginary situation: "[If] we saw that somebody living cool was carrying the Starbucks tumbler and walking around with it, suddenly [the brand] would become a symbol of the coolness, right?"

When evaluating the economic effect, instead of stock return (Agrawal & Kamakura, 1995; Ding, Molchanov & Stork, 2011) and sales (Elberse & Verleun, 2012), the amount of coverage of the events, the number of Facebook likes, etc., were calculated. Lee admitted that they did not have a precise formula for assessing the effect; however, a benchmark was set for evaluation.

If we spend, I don't know, US\$100K, what makes us feel it is worthy? We don't have that mathematics yet, but what we can do at best is grading all the accumulative data and then believing that this is something that definitely contributed to the brand, our news, and then the buzz around it.

To conclude, although it is hard to assess the value of celebrities, due to the intense competition among brands, a lot of clients were willing to pay the high price, especially in the present digital age in order to gain attention and social mentioning from the public.

5. Implications

Using celebrities in marketing communication is not something new. Celebrity endorsement dates as far back as the 1760s, when Josiah Wedgwood, the founder of the Wedgwood brand of pottery and chinaware, used royal endorsements and various marketing devices to create an aura around the company name that gave the brand a value far beyond the attributes of the product itself (Almquist & Roberts, 2000). As we all now live in a celebrity-fixated world, celebrity endorsement has become a common marketing communication strategy for advertisers, marketers and PR professionals (Turtle, 2013). If executed correctly and effectively, matching up the equity of a celebrity's image with a brand will create a win-win situation (Keller, 2008): the celebrity enjoys the positive impact on their fame and gains publicity (Cashmore, 2014), while the company experiences a boost in product sales (Chung et al., 2013), and product or brand awareness (Chan et al., 2013). However, as shared by the three renowned PR and marketing communication specialists, celebrity endorsement seems to be undergoing a transformation.

While Shum and Lee reckoned that image congruence and a sense of continuity and consistency are both crucial determinants of the effectiveness of using celebrities in marketing communications, Cheng disclosed that celebrities nowadays sign up various endorsement deals in order to gain a constant exposure as well as his/her value. Having a celebrity endorse multiple products or brands has become a conventional practice in the current complex marketing environment. For example, the international actress Carina Lau (劉嘉玲) has had endorsement contracts with Bulgari, Longines and SK-II, to name just a few. Shum mentioned during the interview that using a celebrity familiar to the public can enhance awareness or even purchase

intention, yet overuse or overexposure of a celebrity might generate the opposite result. However, many scholars perceive multiple endorsements to be a disadvantage for a company or a brand (cf. Ilicic & Webster, 2011). In the 1980s, Mowen and Brown (1981) employed attribution theory (Kelley, 1967) to study multiple product endorsements. Their findings showed that, when a celebrity endorses only one product, those advertisements are perceived more favourably and as being more interesting (Mowen & Brown, 1981). Tripp, Jensen and Carlson (1994), on the other hand, utilized the source credibility model to investigate the impact of multiple product endorsements, finding that a celebrity is perceived as more trustworthy and more of an expert when only endorsing one brand. In addition, trustworthiness, expertise and the liking of a celebrity significantly decrease when the celebrity endorses multiple products. More recently, Hsu and McDonald (2002) found that consumers give less credibility to a celebrity endorsing various products, which weakens consumers' process of brand association. Hence, the implication here is that advertisers, marketers and PR professionals should carefully consider using the same celebrity for multiple products or brands. In the long run, multiple endorsements might erode a celebrity's credibility and image, while also making it impossible to evoke the expected response from the target audience. Using different yet less exposed celebrities might be an alternative option to continuously employing an already popular celebrity.

Second, the relationship between the celebrity and the company or brand is relatively weak nowadays for various reasons, which might include the greater number of endorsement opportunities from which celebrities can choose. They might prefer not being tied up by a long-term endorsement contract so as to allow them to look for more monetary rewards. As Shum discovered, today's celebrities have less influential power in marketing communications. Companies or brands might find it difficult to employ a particular celebrity continually, as today's celebrities are characterized by their short life cycle of fame (Elberse, 2013; Pringle, 2004). Also, according to Shum, the value of a celebrity is limited. Using celebrities might temporarily enhance the products' or brands' visibility, but it does not guarantee an increase in sales (Ibrahim, 2010) or the brand's value in the long run. Therefore, in response, today's companies are willing to sign multiple celebrities to maximize the impact in the market and promote their products or brands. However, this leads to another challenge for advertisers, marketers and PR professionals.

Third, celebrity endorsement is hitting an all-time high, with big companies and brands being willing to pay big to take multiple celebrities on board. For example, SK-II signed Tang Wei (湯唯), Ni Ni (倪妮), Ayase Haruka (綾瀨遙), Momoi Kaori (桃井薰) and Godfrey Gao (高以翔) to promote its brand, using celebrities with different nationalities to appeal to different regions in Asia. According to Lee, celebrities can charge extremely high fees nowadays. As there are more endorsement opportunities and stiff competition among brands, companies—especially the big ones—are willing to invest in celebrity endorsement, thereby inflating the costs. At the same time, including celebrities with more endorsements would put them in higher demand and allow them to charge a higher fee than celebrities with fewer endorsements. During the interview, Lee noted that although celebrities could draw attention and publicity for the brands, their services are 'getting a little bit overpriced'. If celebrity endorsement fees continue to rise, this might lead to decreasing returns for companies (Ding et al., 2011). As Shum expressed, it is critical to negotiate with the chosen celebrities carefully to find a mutually

agreeable price and package each time. As suggested by Pringle (2004), finances are one of the guiding principles in the use of celebrities in marketing communications, and marketers need to be aware of the amount of money the company can afford before approaching a celebrity. After all, celebrities can make a product or brand, but they can also break the bank of a company by flushing away millions of dollars.

6. Conclusion

Given the aforementioned concerns, the process of celebrity endorsement has become more complicated and challenging. Change in practice is inevitable. In this digital age, advertisers, marketers and PR professionals have started transforming their traditional model for applying celebrity endorsement. One of the major shifts is that companies and brands are able to market themselves across online and offline platforms (Salup, 2014). Marketing has become much more transparent and more prevalent today thanks to the Internet and social media. As Lee noted, many companies are still willing to pay the high price for celebrity endorsements because, given that they face intense competition among brands in the present digital age, the endorsing celebrity can help amplify the impact via their social media platforms and create a bigger noise. Similarly, together with creativity, Shum expressed that the Internet and social media help a lot in the practice of celebrity endorsement nowadays. As he stated, while adhering to a limited budget, celebrities' online posts about a product or a brand can almost guarantee bringing high visibility and exposure to the market. With the ability to disseminate messages instantly and widely, incorporating celebrity endorsements in social media is a wise tactic today.

In addition, in order to strengthen the relationship between celebrities and brands, companies are now turning to partnerships with celebrities rather than having a one-and-done deal. For example, Popchips, a brand of processed potato and corn products in the United States, invited Katy Perry to create her own flavour of popcorn and become one of the company's investors. Lady Gaga was also invited to be a creative director and inventor for Polaroid. In Hong Kong, Maggie Cheung (張曼玉) was once the brand image creative director of Izzue (a fashion brand), and Michelle Reis (李嘉欣) and Jennifer Tse (謝婷婷) were invited to collaborate with Venilla Suite (a local shoe chain store) to design a collection of shoes:

[The partnership] does not limit the celebrity's endorsement to what is contracted in an agreement, but provides the celebrity with the freedom and hopefully the desire to get behind a brand [and company] and fervently promote it to his or her fan base, ultimately the brand's target consumer. (Turtle, 2013, n.p.)

After all, matching up a celebrity with a brand or a company is just as tricky as a marriage. It takes time to understand one another and compromise to meet one another's needs. If the 'marriage' of a celebrity and a brand has a sustainable commitment between them and can stand the test of time, they can both live happily ever after.

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Author Note

Dr. Vivienne Leung is the Senior Lecturer and Programme Director of Advertising and Branding Concentration at Hong Kong Baptist University. She received her Ph.D. in communication studies at Hong Kong Baptist University. Previously she held positions at Grey Advertising and Fallon Asia/Hong Kong as a strategic planner. Her clients include United Airlines, P&G, Wrigley, Audi, PCCW, McDonald's and Bank of China. Her research interests include advertising, celebrity effects, health communication and social service marketing. Her work has been published in *Service Marketing Quarterly*, *Journal of Nonprofit & Public Sector Marketing*, *Intercultural Communication Studies*, *Asian Journal of Business Research*, *Journal of Consumer Marketing*, *Chinese Journal of Communications*, *International Journal of Health Promotion and Education*, *Journal of Communication in Healthcare: Strategies, Media and Engagement in Global Health* and *Patient Experience Journal*.

Dr. Kimmy Cheng graduated from Western Michigan University with a BA degree in organizational communication. She holds an MA and a PhD degree in communication studies from Hong Kong Baptist University (HKBU). Her primary research area of interest is health communication. Dr. Cheng is currently a lecturer of the School of Communication at HKBU.

Dr. Tommy Tse is an Assistant Professor at the Department of Sociology, The University of Hong Kong. He specialises in Asia's cultural industries, creative labour and sociology of fashion. His work has appeared in *Journal of Consumer Culture*; *Information, Communication and Society*; *Journal of Business Anthropology*; *Asian Journal of Business Research*; *International Journal of Fashion Design, Technology and Education*; *Clothing Cultures*; *International Journal of Fashion Studies* and *Young Consumers*. Previously Tse worked in various media and creative companies, also taught at the School of Communication, Hong Kong Baptist University; Central Saint Martins, University of the Arts London; the Culture and Media Domain, HKU SPACE; and Hong Kong Design Institute.