

How older consumers perceive advertisements with celebrity and KOL engagement

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Obstacles to persuasion

- Consumer multitasking
- Advertising clutter
- Consumers want content, not advertising

Consumer engagement

- Engaging consumers is one of the ways to overcome the obstacles
- Employing celebrity endorsement is a popular tool of engaging consumers

Definition

- McCracken (1989, p. 310) defined a celebrity endorser in advertising as:
- [...] any individual who enjoys **public recognition** and who uses this on behalf of a consumer good by **appearing with it** in an advertisement.
- Can be a product, service, or social cause

Four major theories

Source attractiveness theory

Source credibility theory

Celebrity-brand congruency theory

Meaning transfer theory

Source attractiveness model

Physical attractiveness

Source similarity

Source familiarity (popularity)

Source likeability

Source credibility model

Expertise

trustworthiness

Celebrity-brand congruency theory

Congruence with the product

Congruence with the consumer

Source attractiveness theory

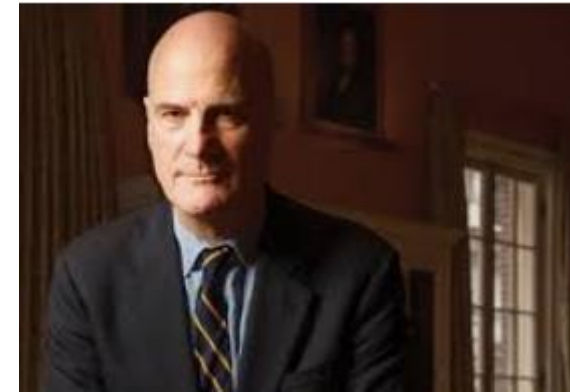
Source credibility theory

Celebrity-brand congruency theory

Under what conditions?

How?

Meaning transfer theory



Who Is the Celebrity Endorser? Cultural Foundations of the Endorsement Process

GRANT McCRACKEN*

This article offers a new approach to celebrity endorsement. Previous explanations, especially the source credibility and source attractiveness models are criticized, and an alternative meaning transfer model is proposed. According to this model, celebrities' effectiveness as endorsers stems from the cultural meanings with which they are endowed. The model shows how meanings pass from celebrity to product and from product to consumer. The implications of this model for our understanding of the consumer society are considered. Research avenues suggested by the model are also discussed.

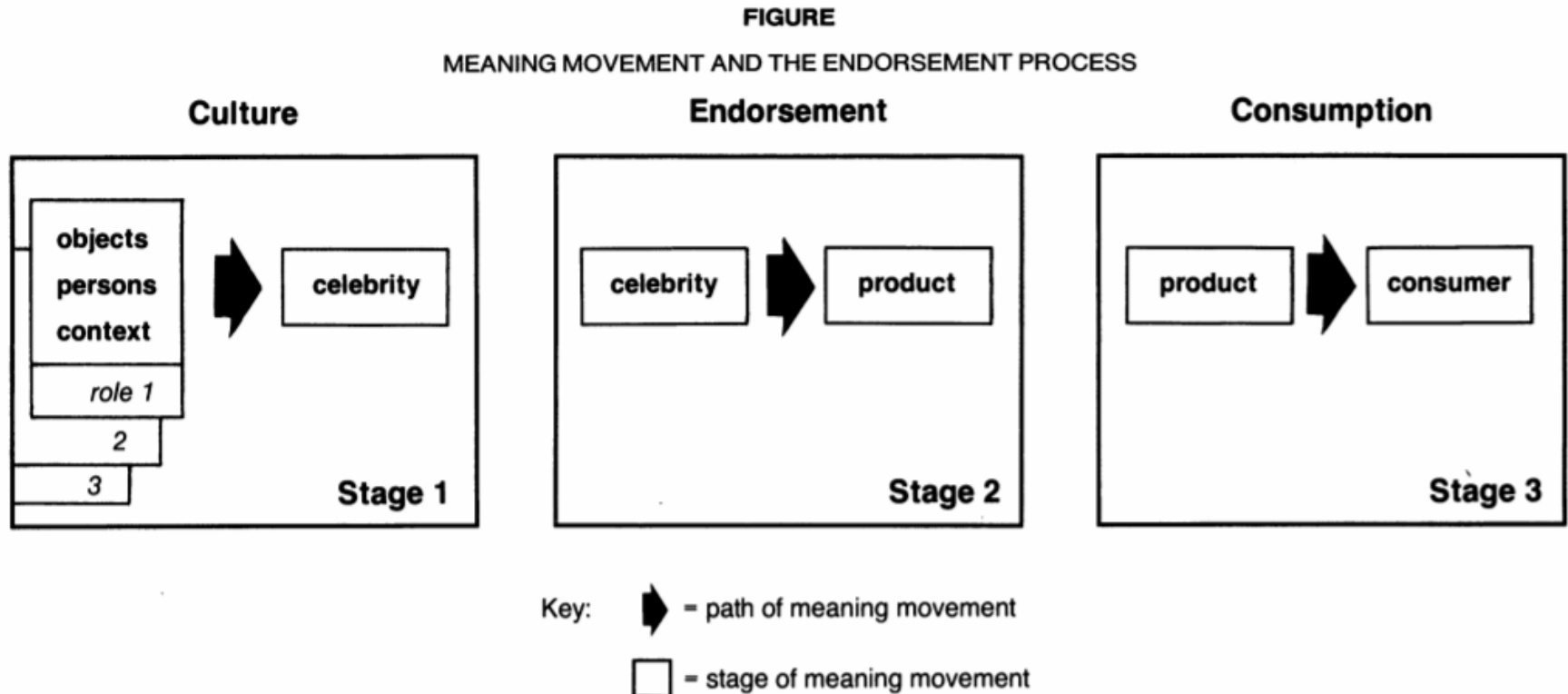
The celebrity endorser is a ubiquitous feature of modern marketing. The actor Robert Young, the quarterback Jim McMahon, the dancer Mikhail Baryshnikov, the CEO Lee Iacocco, the singer Whitney Houston, the test pilot Chuck Yeager, and the politician Tip O'Neill have all lent name and image to recent campaigns. Unfortunately, the popularity of this communications strategy has not earned it extensive study. Nor has it inspired especially illuminating theoretical accounts. As a result, the received wisdom on celebrity endorsement is modest and imperfect, and existing models fail to capture several of the most interesting and central characteristics of the endorsement process.

This investigation of endorsement addresses these

movie and television stars, but also individuals from the world of sport, politics, business, art, and the military. The term "celebrity" is also meant in this article to encompass a variety of endorsements, including those in the explicit mode ("I endorse this product"), the implicit mode ("I use this product"), the imperative mode ("You should use this product"), and the copresent mode (i.e., in which the celebrity merely appears with the product). Moreover, it includes a range of endorsement roles, such as cases in which the celebrity is also an expert (e.g., Bobby Unser recommending motor oil), is associated with the manufacturer in some long term capacity (e.g., Pat Summerall for TrueValue Hardware), or has no special knowledge of, or association with, the product in question

how celebrity endorsement works

- Meaning transfer model



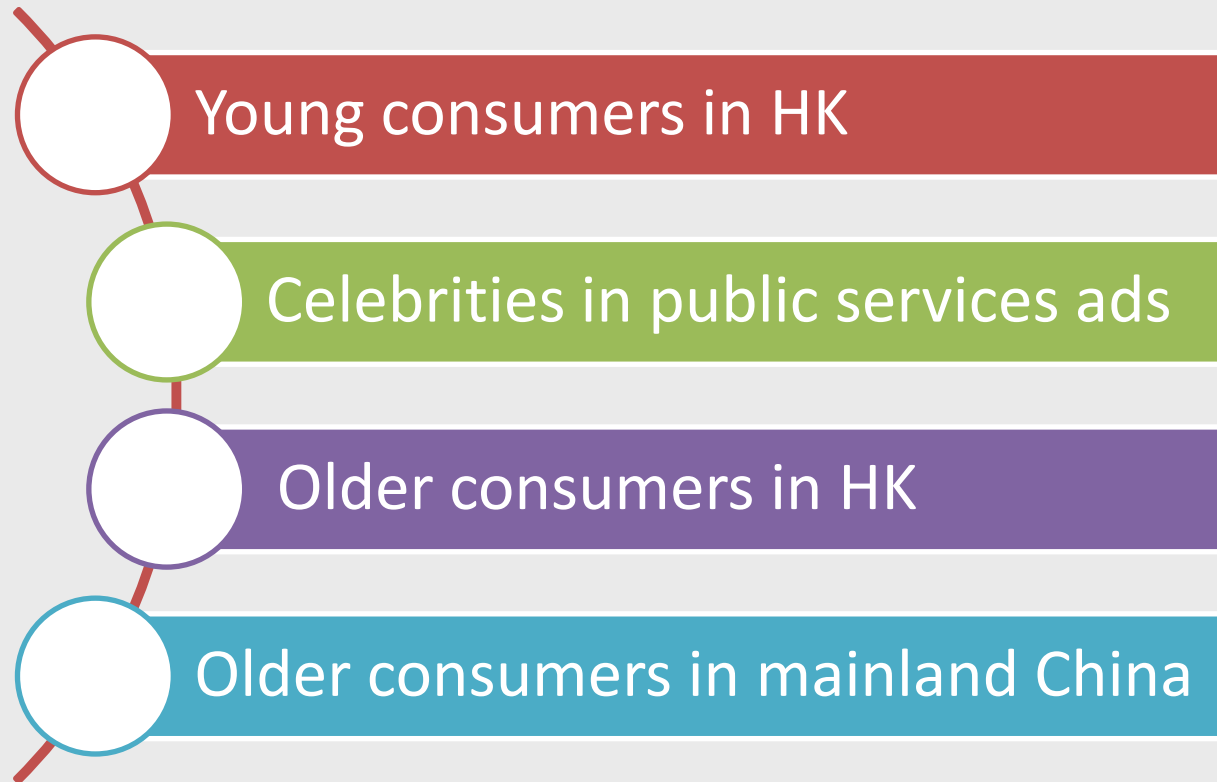
Ad effect of ad with celebrities

- Celebrities enhance recall of advertisements, positive attitudes toward the ad, positive attitudes toward the brand, and purchase intention

Issues related to use of celebrity endorsement

- Use of global celebrities vs. use of local celebrities
- A celebrity endorsing many brands/a few brands
- New breed of social media celebrities in the digital age
- Risk of celebrity scandals to the brand
- Use of celebrities in a high context culture (symbolic-oriented) vs. a low context culture (information-oriented)
- Use of celebrities among different age segments

Our previous studies



Celebrity effect on different demographic groups

Young consumers

- Focus group study: secondary school students (aged 13-19)

Older consumers

- Personal interviews: mature adults

Reading 1: Chan, Ng, and Luk (2013)



The visual prompt



(↑a)

(↓c)



(↑b)

(↓d)



Appendix. English translation of the questions asked

Warm-up question: What are the names of the four celebrities and the brands they endorsed in those commercials?

Who is your most memorable celebrity endorser? What is the name of the brand he or she endorsed? Why is it memorable?

What are the important factors for marketers to consider when selecting a celebrity endorser?

What are the impacts of employing a celebrity endorser on the brand?

Joey Yung and Broadway



Attributes of celebrities that adolescents found most memorable:

<i>Reason</i>	<i>Frequency of mentions</i>
Attractive appearance; funny apparel or expressions; good acting skills	12
Enjoy the singing or the dancing of the endorser in the commercial	8
The celebrity has been the endorser for a particular brand for a long period of time	7
Funny dialogue/animation; the ad was innovative/persuasive	6
The jingle was memorable	4
The celebrity is famous	3
Congruence between the image of the celebrity and the brand	1

Factors in selecting celebrities for brands by marketers

<i>Factor</i>	<i>Frequency of mentions</i>
Popularity	15
Image	15
Congruence between the image of the celebrity and the brand	9
Physical appearance and talents	8
Cost	3
Congruence between the age of the celebrity and target consumers	2

Perceived effects of celebrity endorsement

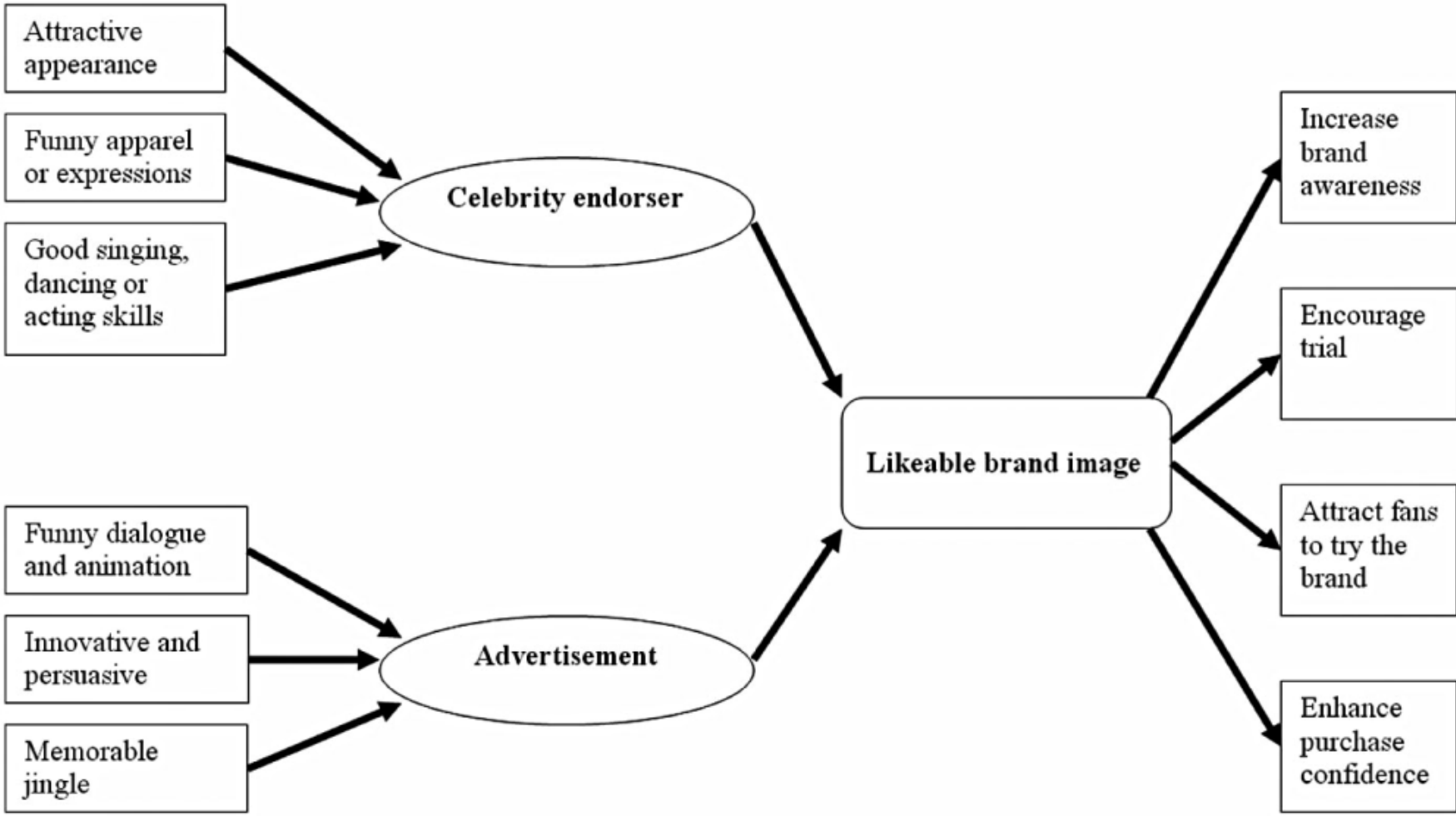
<i>Impact</i>	<i>Frequency of mentions</i>
Increase brand awareness	10
Encourage trial	10
Attract fans to try the brand	9
Enhance brand image/purchase confidence	9
Enlarge the youth market	1
Internationalize the brand	1
Renew brand image	1
Attract people to watch the ad	1

Awareness; attitude toward the brand; trial; impact on fans

Purchase confidence enhanced by:

- The large amount of money invested in using celebrities implies that the company is profitable
- Top celebrities would scrutinize the alternatives and associate with reputable brands only
- Both are from media economy perspective

Figure 1 A proposed theoretical model



Study 2: Chan and Fan (2020)



The ad prompt



Appendix 1 Questions asked in the interview

1. Warm-up question: What are the names of the two celebrities and the brand they endorsed in the television commercial?
2. Who is your most memorable celebrity endorser? What is the name of the brand he or she endorsed? Why is it memorable?
3. What are the important factors for marketers to consider when selecting a celebrity endorser?
4. What are the impacts of employing a celebrity endorser on the brand?
5. Which consumer segment (e.g. age or sex) is most susceptible to the influence of celebrity endorsers in advertisements? Why?

Findings (themes)

- Theme 1: The source attractiveness model and the celebrity-brand fit model were more often cited than the source credibility model and the meaning transfer model in explaining advertising effect
- Theme 2: High advertising frequency is needed to make an advertisement memorable (more often reported by retirees)

Findings (themes)

- Theme 3: Source attractiveness and **civic responsibility** perceived as important factors considered by brands in selecting celebrity endorsers (**as a proxy for trustworthiness**)
- The civic responsibility variable as a specific condition of the meaning transfer model: negative news related to the celebrities would **“contaminate”** the brand

Findings (themes)

- Theme 4: Perceived effects of celebrity endorsement are more influential at the cognitive level than at affective and behavioral levels
- Theme 5: Third-person effect
- Celebrity endorsements work for young people and idol worshippers, not me

KOL/ONLINE INFLUENCERS

Virtual KOL

- <https://www.hangseng.com/en-hk/hangsengstories/article/2022/001-meet-hazel/?category=thoughts>



恒生銀行 HANG SENG BANK

恒生Digital Banking全新「虛擬KOL Hazel」登場

Watch later Share

恒生 *DIGITAL BANKING*
成就 #All of the above

立即下載
恒生個人Mobile App

MORE VIDEOS
Play (k)

0:39 / 0:40

YouTube

The image shows a YouTube video player interface. The video content features a virtual KOL named Hazel, a woman with short dark hair, wearing a light green long-sleeved top and a dark patterned skirt, sitting on a glowing blue and purple digital landscape. She is holding a smartphone and taking a selfie. The background is a bright, cloudy sky. The video title is '恒生Digital Banking全新「虛擬KOL Hazel」登場'. The main text in the video is '恒生 DIGITAL BANKING 成就 #All of the above'. Below this, there is a call to action: '立即下載 恒生個人Mobile App' with a green button containing the Hang Seng logo and 'HK'. The video player includes standard controls like play, volume, and a progress bar showing 0:39 / 0:40. The YouTube logo and other interface elements are visible at the bottom.

KOL (key opinion leaders)/influencers

- social media platform enables people to create contents and interact with followers
- People can influence others more effectively in the digital age; giving rise to Key Opinion Leaders (KOLs) or Influencer Marketing
- Influencer Marketing: to further strengthen a brand's message; add human engagement

SM celebrity/KOLs

- SM celebrities make altruistic recommendations, have expertise in areas they have certified by social media, and are perceived as a celebrity yet an ordinary next-door neighbor. -- Choi, Lee, Tsai (2017)
- Research method: in-depth interviews

Contradicting results in China

- consumers receive a lower level of appreciation of Chinese KOLs than traditional celebrities
- Perceived to be less effective
- Some interviewees had a negative attitude toward them and their endorsements
- Fan (2021)

Study 3 in China: celeb & older consumers in China

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广告



Aging population

About one in five of the population are aged 60 years in 2020

The silver market

- **Banking and investment**
- **Travel**
- **Skincare**
- **Health supplements**
- **Health equipment**
- **Medical services**

Research gap

- **Very few studies about older consumers' perception of advertisements with celebrity and KOL endorsement**
- **Chan and Fan (2020) study in Hong Kong**
- **The importance of advertising frequency factor**
- **Decay in cognitive capacity and memory loss**

Research questions

- **RQ1: What attributes of celebrity endorsers contribute to the most memorable ad?**
- **RQ2: What factors do older consumers perceive marketers should consider in selecting celebrity endorsers?**
- **RQ3: Do older consumers perceive ads with celebrity endorsement as persuasive?**
- **RQ4: How do older consumers perceive the difference between traditional celebrities and online influencers?**

Research method

- **Qualitative interviews**
- **20 persons aged 50-64 living in Shandong**
- **Snowball sampling**
- **Interview through WeChat in March 2021**
- **Interview 14-20 minutes each**
- **A prompt: 15-second ad endorsed by Lang Ping**
- **Coding inspired by the Grounded Theory approach**

OTC

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Sample profile (N=20)

- Average age of sample: 52.9
- 12 females, 8 males
- 6 retired
- 15 with secondary school education; 2 vocational colleges, 3 university graduates

Finding

- **Recalled 24 different celebrities 32 times**
- **Most Chinese celebrities in the entertainment industry**
- **Some are corporation CEOs**

RQ1: attributes of being memorable

- Main attribute: familiarity
- Often watched TV dramas that the celebrity played a major acting role (high media exposure of celebrity)

“Almost everyone my age is watching her TV drama titled Desire.” (Female, aged 50-54)

“Ling Jia is a very popular comedian. She has appeared in many TV programs and even the Chinese New Year Gala.” (Female, aged 50-54)

RQ2: to select celeb endorser

- **Source attractiveness model: popularity, good image, credible, with integrity**
- **Source credibility model: authentic, down-to-earth, no scandals, no drug addiction, high moral quality good reputation**
- **Celebrity-brand fit model: e.g. star athletes for sports brands; pretty women for cosmetic brands**
- **Meaning transfer model: negative news of the celeb will ruin the image of the brand**

“Brands should choose popular celebrities with good reputation. These celebrities should have good personal quality and be authentic.” (Female, aged 50-54)

“I think the bottom line to choosing a celebrity endorser is his or her moral quality. Negative news, such as cheating and keeping mistresses, would affect his or her public image. If the brand invited such a celebrity to do endorsement, it would hurt the endorsed product and its image. For example, Bingbing Fan, a former actress, was investigated for the crime of tax evasion. After this news was released, some supermarkets immediately removed the promotional materials with her image. They worried that the ruined public image of Bingbing Fan would have a negative impact on the company’s or brand’s reputation.” (Female, aged 50-54)

Celeb scandals



RQ3: Celebrity endorsement was effective in cognitive, affective, and behavioral levels

- **Sell better**
- **Enhance brand awareness**
- **Enhance brand liking and confidence in the brand**
- **Enhance buyer confidence “worth buying”**
- **They should be held responsible if the ad is deceptive**

“Celebrity endorsements could attract our attention and arouse our resonance, thus enhancing the recognition of endorsed brands.” (Female, aged 55-59)

“If the brand was endorsed by my favorite celebrities, I would have a sense of closeness to the brand. As the saying goes, love me, love my dog.” (Female, aged 50-54)

RQ4: Online influencers less credible than traditional celeb

- Not familiar with KOL as they seldom use the Internet
- Considered them fake, short-term fame, low quality, get rich too easily, unsubstantiated, unprofessional
- Metaphors: passing smoke; meteor showers 过眼烟云流星雨
- Two KOLs identified as cheaters

RQ4: Online influencers less credible than traditional celeb

- **Traditional celeb as professional, hardworking, developed gradually**
- **They are not of the same class as KOLs**

“I doubt about the moral standard of online influencers although they are very influential. The online influencer Ziqi Li often endorsed food brands that later on found out to have food safety problems.” (Male, aged 50-54)

“I don’t like online influencers. They are man-made by the Internet and enjoyed temporary fame. They are not authentic. Traditional celebrities are more substantial.” (Female, aged 50-54)

“We know nothing about them before they became famous. I feel that they are just a flash in the pan. However, traditional celebrities are able to perform well and are popular in the long term.” (Male, aged 50-54)

Discussion

- All four theories are present
- Differed with Chan and Fan's (2020) findings: ad frequency was not reported
- This can be explained by the prevalence of product placements and native advertising in Mainland China
- In this study, older consumers considered ads with celebrities could influence purchase decisions
- Hong Kong consumers in general place doubt about ad

Credibility of KOLs

- Perceived as authentic and more positive in the western literature
- Found less credible in mainland China among young adults (Fan, 2021) and in this study
- Perhaps because many popular KOLs are involved in e-commerce

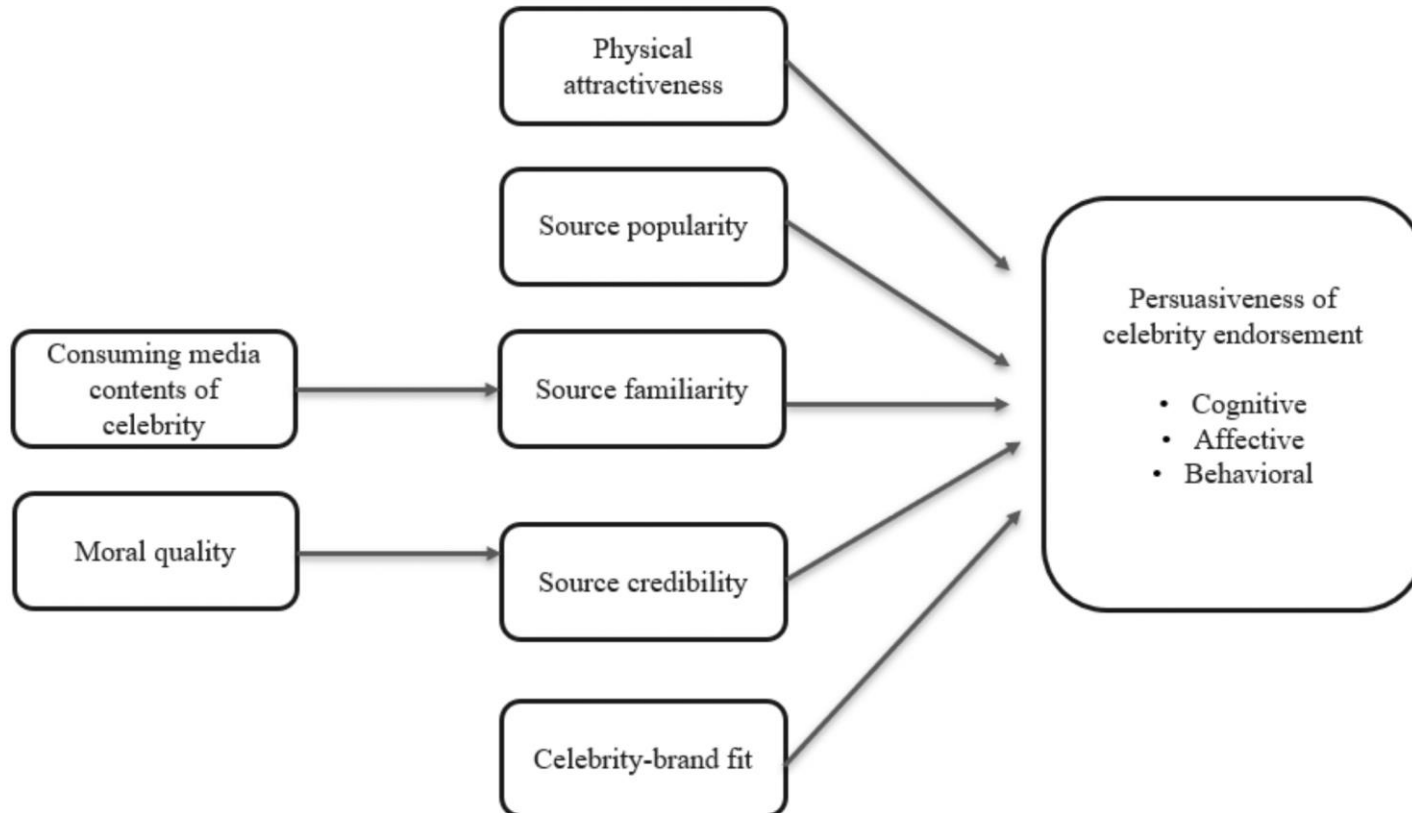
Marketing and PR implications

- Choose celebrities with good public image
- encourage can promote social causes such as protecting China's oceans or endangered species
- KOLs need to enhance their personal branding
- Older consumers recalled the personal attributes of celebrities. The ad copy should make a link between the story of the endorser and the story of the brand
- Sales pitch in ads and celeb images at POP

Use the celebrity's story

Video of KFC X Lang Ping

A proposed theoretical model



Limitations

- **Conducted in Shandong only**
- **No face-to-face interviews**
- **None of them mentioned older KOLs**

Thank you!
Q&A