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**DISSERTATION TITTLE: CELEBRITY ENDORSEMENT IN THE INSURANCE
INDUSTRY IN GHANA. A CASE OF BIMA (A MICROINSURANCE COMPANY)**

SEPTEMBER, 2020

DECLARATIONS

CANDIDATE’S DECLARATION

I, Aviel Benni Derry, the author of this dissertation, do hereby declare that the work presented was done by me at the Ghana Institute of Journalism from March 2020 to October 2020. This work has never been presented either in whole or in part for an award of any other degree in this University or elsewhere.

AVIEL BENNI DERRY..... DATE.....

SUPERVISOR’S DECLARATION

I hereby declare that the preparation of this project work has been supervised by me in accordance with the guidelines on supervision as laid down by the Ghana Institute of Journalism.

ETSE G.D SIKANKU (PHD) DATE:

DEDICATION

This dissertation is dedicated to the Almighty God for His direction, love, and protection towards the entire Benni Derry family. I also dedicate this dissertation to my lovely parents who have been a great influence in my life and for the wonderful support offered to me in my entire education.

ACKNOWLEDGEMENT

I am most grateful to God almighty for the wisdom, strength, and grace to go through the course and the completion of this study.

I would like to express my sincere gratitude to my supervisor Etse G.D Sikanku (PHD) for patiently guiding me through the process of writing this dissertation.

My final thanks go to my family and friends for supporting me in every way. To everyone who contributed to making this study a success, I say God richly bless you.

ABSTRACT

Celebrities are people well known in public either because of their credibility or attractiveness. Advertisers usually leverage this by using celebrities in their advertisement to increase the effectiveness of commercials. Research has proven that celebrity endorsement does cast its impact, but other schools of thought attest the contrary. This study moves on the same line and affirms the impact of celebrity endorsement on customers' buying intention. This study will examine the effect of celebrity endorsement in an advertisement on consumers and identify the factors that lead to celebrity endorsements on consumers. The study will explore the effect of using celebrity as brand ambassadors on consumer buying behaviour. The purpose of this paper is to help organizations, businesspeople, and media to understand the importance of advertising as well as the best ways and tools to use in developing messages for advertisements to reach their target audience. This study will help marketers from the insurance industry in making the right choice of celebrities to use in endorsing advertisements as well as considering how far advertisement will be affected. This paper will critically analyze how celebrity endorsement in advertisement as a tool affects and influences people's opinions in marketing and its effect in the society compared to other forms of advertising. The methodology of collecting data for this paper will be through secondary research which will involve reviewing relevant literature such as journals, articles, texts, print media, social media, and electronic media in this area of study. The data collected will be qualitative and quantitative which will be analyzed and presented in forms of charts and tables.

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CHAPTER ONE

1.0 INTRODUCTION

The main purpose of this paper is to investigate the use of celebrity endorsement in the insurance industry in Ghana. The research paper will further look at the effect of celebrity-endorsed advertisement and the effect on consumers' perceptions. Advertising is an integral part of the society and economic systems for both consumers and businesses. It helps to deliver carefully prepared messages to target audiences thus facilitating marketing programs of the products and services of most organizations. Today celebrity endorsement has become one of the most popular forms of advertising (Choi & Rifon, 2007). Flipping through the various television channels, print media and radios or social media consumers find quite several endorsements. Most of the television channels are now using celebrity endorsers to promote brands (Erdogan et al., 2001). The increase in popularity of celebrity endorsement can be attributed to the ability to grab audience's attention thus giving entrepreneurs a better chance for communicating message to consumers. The use of celebrities is believed to help consumers remember the message of the advertisement and the brand name the celebrity is endorsing, enables to create the personality of a brand because when a celebrity is paired with a brand, this image helps shape the image of that brand in the minds of consumers (Agrawal & Kamakura, 1995). If negative information about either entity is displayed on media may result in a damaged consumer evaluation of both entities. Mass media can influence at both personal and public level in that at a personal level, the mass media may provide information and models that stimulate changes either positive or negative in behavior. At the public level the mass media may also create awareness about issues among policy makers and thus may contribute to changing the context in which people make choices. (Black Jay et al, 1995) In today's competitive world consumers are exposed to thousands of voices and images

in magazines, newspapers, and on billboards, websites, radio and television. Advertisers attempt to steal at least a fraction of a person's time to inform him or her of the amazing and different attributes of the product at hand. Because of the constant media saturation that most people experience daily, they eventually become numb to the standard marketing techniques. The challenge of the marketer is to find a hook that will hold the consumer's attention such as media message content and the hooks that can hold the consumer's attention are the celebrities.

1.1 BACKGROUND STATEMENT

We live in an era of globalization and modernization where many industries are getting advanced in terms of being innovative in ideas. The insurance industry has become competitive and companies and marketers are looking for new ways to make insurance attractive. Marketers in the insurance industry are looking at ways of grabbing the attention of possible customers as well as retaining existing customers. In doing this, celebrity endorsement is one of those techniques to reach the target market towards the purchase and repurchase of their products. Individuals are trying to follow the lifestyles of their most loved celebrity and this makes an awesome effect on their purchasing behavior towards the endorsed brand. This increases market share of that brand and eventually improves organization's profitability. Celebrities' presence has a great impact on customers when they are patronizing brands or recommending product. We try to use those things or brands which our favorite celebrities use so that we get resemble with our loved celebrities (Khatri 2006).

BIMA is a microinsurance company and in the year 2015, launched an education awareness program in Accra. As part of the launch activities they used David Dontoh, a renowned celebrity as an ambassador for the company.

BIMA Ghana Ltd launched its operations in 2010 with the mobile operator then Tigo now AirtelTigo to provide insurance for the then Tigo subscribers. Since MILVIK's launch in 2010, BIMA has transformed the insurance and health landscape in emerging markets and widened access to insurance products for low-income consumers on an unprecedented scale. This transformation has been made possible through several mediums such as advertisement. The use of both traditional and new media to appeal to customers. MILVIK Ghana uses mobile technology to deliver affordable insurance and health products to under-served customers in emerging markets, families who cannot access these vital products through traditional channels. Today they have become a global company with footprint across 15 countries across Africa, Asia and Latin America and has already reached 26 million customers globally. Across the three African markets BIMA operates in, 99% of its customers live on less than \$10 a day, 66% less than \$2.5 and 25% less than \$1.25. More than 60% of its customer base in Africa are also unbanked. In fact, 75% of our customer base are only accessing insurance for the first time.

In Ghana, MILVIK provides over 2 million Ghanaians with insurance. In 2014, BIMA also launched own-branded insurance and health products to widen access to all Ghanaian families and has to date sold over 350,000 policies.

In Ghana, has been a key player in helping increase insurance penetration from 8% in 2010 to 29% in 2015. BIMA has sold over 5.7 million policies to adults in Ghana to date, with one in ten life insurance policies being provided by the BIMA/AirtelTigo partnership. Together, BIMA and AirtelTigo have now paid out more than 45,000 insurance claims worth over GHS 15million.

Currently BIMA has over 600 strong agent workforces in Ghana (3500 globally). BIMA currently has two regional offices, the head office in Accra and the other regional office in Kumasi, however they have agents clustered in 7 regions in Ghana. BIMA makes a key contribution to the local

employment markets and economies. At the same time, the educational efforts advocated by BIMA serves to increase the financial literacy of the local communities and raise trust level in the financial services sector in general. Fundamentally, BIMA's work has resulted in improved financial resilience of the underprivileged and better financial inclusion in the society.

As an insurance company in a competitive industry, BIMA keeps exploring new ways to engage and attract customers. It is an undisputable fact that the use of celebrity in other brands has worked extensively so, in carrying out the educational awareness program, the services of a celebrity was used to carry home the message on the need of insurance and thus appealing to a certain group of people.

1.2 PROBLEM STATEMENT

Research paper written by (Choki Kooli et al, 2018) titled Celebrity Endorsement And Its Effect on Arabic World Perspective gives insight into the beneficiary effects and prospects. The focus of the research was the impact celebrity endorsement has on consumer buying behaviour towards beauty soaps particularly in Karachi city.

Likewise, locally, prior researchers like (Larteley,L.A ,2017), also conducted a research on the Consumer Involvement Theory to ascertain the influence celebrity endorsements have on consumer's purchase behavior towards indigenous brands. The results indicate that consumers have interest in celebrities, and a positive attitude towards Made in Ghana products, which influence their engagement with celebrity endorsed Made in Ghana product advertised. Several researchers have looked at the impact of celebrity endorsement on consumer buying decision. The hypothesis makes it clear that Celebrity Endorsements among many ways will

I. Boost brand awareness by enhancing credibility and gaining visibility for brands. Celebrity endorsement builds credibility and can expose a brand to new markets.

II. Build brand equity

III. Serve as an advertising strategy to promote a brand's recognition, recall and differentiation

IV. Help the brand to stand out over a brand that does not use celebrity advertising

V. Increase attention to the product and the brand

VI. Make the advertisement more noticeable to customers

It means gains for Insurance firms when they adopt the strategy.

However, the relationship between celebrity endorsement in the insurance industry has been inadequately studied with rare documented material. Little or no research have been done to ascertain the use of celebrity endorsement in the insurance industry in Ghana. What is not clear is whether the use of celebrity endorsement (the experience of BIMA for example) is a new innovative way in the country to affect consumers buying decision for insurance products. It is clear that BIMA's adoption of celebrity endorsement for her education policy is largely successful.

The puzzle is, insurance companies thrived without Celebrity Endorsement. What will happen therefore in it's absence. Will the impact be major? Can traditional marketing and advertising be employed without celebrity endowment? Will it have any effects? Evidence show there can be explicit and implicit endorsement by celebrities where the former will coerce a celebrity into what he or she is not interested in. Misconduct of celebrities can affect brands negatively. Celebrities can endorse more than one brand and cause controversy, just to mention a few.

In the light of the concerns raised above, the purpose of this research is to examine celebrity endorsement in the insurance industry in Ghana, with BIMA as a case study. It will give an idea of the impetus of Celebrity Endorsement in insurance marketing.

1.3 RESEARCH QUESTIONS

1. What are the factors that lead to celebrity endorsement?
2. What are the effects of using celebrity endorsement in advertising?
3. What are the effects of using celebrity as brand ambassadors on the consumer buying behavior?

1.4 OBJECTIVES OF THE STUDY

1. To examine the effect of celebrity endorsement in advertisement on consumers
2. To identify the factors that lead to celebrity endorsements on consumers
3. To explore the effect of using celebrity as brand ambassadors on consumer buying behavior.

1.5 SIGNIFICANCE OF THE STUDY

The worth of this paper is to help organizations, business people and media to understand the importance of advertising as well as the best ways and tools to use in developing messages for advertisements to reach their target audience. This study will help marketers in making the right choice of celebrities to use in endorsing advertisements as well as considering how far advertisement will be affected. Consumers are bombarded with several clutter of advertisements daily, and it's not possible for viewers to remember all such commercials that's why marketers

every time try to come up come with more innovative ideas than they have used before. According to Khalid, Muneeba, Saddiqui et al, (2008), nowadays celebrity endorsement is become a game changer or winning technique that helps consumers to remember the brand's message or unique selling proposition or points of differentiation of the brand endorsed by well-known celebrities. Celebrity endorsement based on the factors like, celebrity credibility (trustworthiness, expertise, and attractiveness), emotional involvement, and meaning transfer by celebrity would be a game changer for organizations in a positive aspect.

1.6 ORGANISATION OF THE STUDY

This study has been divided into five chapters. The first chapter gives a brief introduction of the study, background of the study, problem statement, objective, significant of the study, and organization of the study. The second chapter also reviews related literature which includes theories that are related to the study. The third chapter is on the methodology used, which is the research design, population, sample and sampling techniques and data collection method. The fourth covers conclusion, recommendations, limitations and further studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter comprehensively reviews the existing research done in celebrity endorsements to get the better understanding of the research subject. The chapter also looks at theories related to the study.

2.2 FACTORS THAT LEAD TO CELEBRITY ENDORSEMENTS

There is a huge impact of celebrity endorsements among the consumers through television commercials in Ghana. A consumer that observes messages for two different firm's products, one product's message containing a celebrity endorsed and the other not believes the celebrity endorsed product will have more purchases and so be of higher value (Lalitha & C. Kumar, 2010).

According to (Joshi & Ahluwalia 2008), (Matrade Chennai, 2005), celebrity endorsement if used effectively makes the brand stand out, enhances brand recall, and facilitates instant awareness. Celebrity endorsement is a way to get the brand noticed amidst the rush that is there in the marketplace. Celebrities like film stars and footballers have not only been successful in gathering huge public attention, but also in increasing sales volume. For example, Cadbury used Amitabh Bachchan a celebrity to promote the brand when it went through a bad phase in India. Soon the advertisement recreated people's love for the brand and increased Cadbury's sale. Celebrity endorsement has become a prevalent form of advertising. It is reported that 20% of all television commercials features a famous person (Sam ,1996). In Kenya there are many celebrities such as Churchill a comedian who endorsed Omo as the best washing powder on televisions, Ms. Morgan

of Tahidi High programme was used to endorse Faulu Bank and influenced quite a number of people to open accounts, Julie Gichuru a television news presenter endorsed Dettol as the best disinfectant that kills germs effectively and this has become a household name for many families, Jimmy Gathu media presenter was used in “Mpango waKando” campaign to stop spread of HIV/Aids, Celina an actress of Mother in law program endorses Harpic and David Rudisha an athlete who endorses use of Kiwi as the best to use. In Ghana, Nana Ama Mcbrown has been widely used to promote brands from consumable to electronic gadgets. These products have been selling so much because consumers want to associate with the celebrities, and they want to believe the information that they give is accurate and true. Celebrity endorsement has been in application from a long time (Kaikati, 1987), not too late when advertisement techniques were taking on new forms because advertisers realized soon that by using publicly renowned personalities in advertisements, they will be able to align brands personalities with that of the celebrities. It is noteworthy that not all the celebrities prove to be successful endorsers, thus making the selection process more difficult (Giffin, 1967).

In one case in Ghana, Desire Eli-Zafoe stated in his research titled, ‘Analyzing The Effectiveness of Celebrity Endorsement On Consumer Buying Behaviour In The Telecommunication Industry in Ghana (2013)’ that, the telecommunication industry in Ghana is mainly of interest predominantly because of the heavy use of celebrities as brand endorsers and the general increase in activity in the industry. According to Eli-Zafoe, the telecommunication giant MTN uses the following celebrities for advertisements in Ghana: popular Ghanaian musician Samini, famous Ghanaian international football stars Stephen Appiah and Michael Essien, as well as prominent media practitioners Nana Aba Anamoah and Bola Ray. He further mentioned that another media

giant Airtel (as it was then known), also used popular Ghanaian musicians E.L and 4×4; and famous international football stars Sammy Kuffuor and Nii Odartey Lamptey for advertisements. According to Eli-Zafoe, Lily Kwakye, Brand Communication executive of Airtel, Ghana said in an interview that “celebrity endorsement, as a marketing tool, helps extensively to sell the brand. This is largely effective because consumers easily link celebrities to brands. This link is possible because the celebrities that are chosen to endorse the brand are loved by consumers and so will automatically love the brand”. In discussing the issues that are considered in choosing a celebrity endorser, Ms. Kwakye put forward that “the celebrity should generally be of good behaviour and must be famous and loved by most of the customers”.

Advertisers go for a careful selection of celebrities because if any aspect goes wrong in celebrity endorsement selection process, the celebrity endorsed advertisement campaign may collapse. These aspects cast a comprehensive impact upon the customers, as most of the customers prefer those celebrities who are credible and trustworthy, some like those who are attractive possess charming physical features, and some consider both of these dimensions. Advertisers also look for a proper match between the celebrity’s personality and product’s attributes proves to be successful because the congruence of features from the celebrity and the product targets the senses of the customer more positively and leads to the development of favorable perceptions about the brand (Michael,1989), (Ohanin, 1991). This could be done in form of testimonials, promotions, campaigns, or advertisement to ensure that communication is done to specific target audience respectively (Black Jay et al, 1995).

According to (Kotler2009) advertising objectives can be classified by:

2.2.1 TESTIMONIAL

A celebrity can be used for testimonial purposes if he or she has personally used a product or service and is able to attest its quality, then he or she may give a testimonial citing its benefits. For example, a celebrity who has purchased food from NyoNyo Gh and gives decides to give good review about the food. NyoNyo Gh can decide to use that review for advertisement and further engage the celebrity for proper marketing campaign to promote the business.

2.2.2 ENDORSEMENT

Secondly, a company may decide to engage a celebrity on endorsement basis. Celebrities often lend their names to ads for product or services for which they may or may not be the experts. For instance, Dr Senyo, a popular Ghanaian Doctor can endorse Pepsodent as a good tooth paste as an expert.

2.2.3 SPOKESPERSON

In some cases, a celebrity can be engaged as spokesperson. A celebrity who represents a brand or company over an extended period often in print and TV ads as well as in personal appearances is usually called a company's spokesperson. (Schiffman and Kanuk, 1997)

The reason for using celebrities a spokesperson goes back to their huge potential influences. Compared to other endorsers, types, famous people achieve a higher degree of attention and recall. They increase awareness of a company's advertising create positive feelings towards brands and are perceived by consumers as more entertaining (Solomon, 2002) Using a celebrity in advertising is therefore likely to positively affect consumer's brand attitude and purchase intentions. Cyber media research study published in business world unearthed different truths about celebrity endorsement. The study spread over 3 phases in different cities of India (Delhi, Mumbai, Chennai,

Kolkata, Nasik, Coimbatore, Meerut) 12 focus group interviews, 6 expert instruments and 8 expert interviews with ad agencies were conducted.

2.3 EFFECTS OF USING CELEBRITY BRAND ENDORSEMENT IN ADVERTISING?

According to (Miciak&Shanklin1994) this can sometimes work against the brand, however, if the celebrity starts to receive negative press. When an endorser's image becomes tarnished by allegations of illicit, unethical, unusual, or unconventionally behavior might lead to a lower opinion of the celebrity and the brand that is being promoted. Celebrity endorsers attract supporters as well as fans to try the brand, increase brand awareness and consumption intentions. Celebrity likeability and congruence between endorser and the endorsed brand influence predisposition towards the advertisements, which in turn affect attitude toward the brand purchase intention (Fleck et al., 2012). The purchase confidence comes from the credibility and profitability attached to employing a celebrity as an endorser. Effectiveness of the celebrity in endorsement depends on three constructs of the source including expertise, attractiveness, and trustworthiness. The marketing implication is that marketers need to select celebrities that are the most attractive and believed to be most entertaining to audience, popular and talents.

There is a belief that media have powerful effects on audiences either directly or indirectly on attitudes, beliefs, or behaviors (Elizabeth, 2011). It also affects perceptions of reality, level of anxiety and many dimensions on the way we think, feel or act. (Black Jay et al,1995) Celebrity endorsements in advertising are so common that it helps build trust with current and potential customers, increase the chances of the brand being remembered, and attract a new type of audience. Endorsements also may increase the consumer's desire for a product. This is often achieved by

implying that the celebrity is successful, talented, or attractive at least partly because of the product.

Agrawal & Kamakura, (1995), cited that, when a celebrity is paired with a brand, the image helps shape the image of that brand in the minds of consumers. Most of the celebrities used help in developing credibility and trust of the product being advertised on the audience. Many people hold certain celebrities in high regard, so an endorsement of a product instantly increases the amount of trust the consumer has in the brand.

2.4 EFFECTS OF USING CELEBRITY ENDORSEMENT ON THE CONSUMER

According to Mwendwa and Mberia, (2014) people are attached to others by way of where they live or how they socialize. People feel good when you appear like them and be in the same level since there is belief of being in the same social class. This focuses on occurrence of celebrity endorsed versus non endorsed advertisements. On identifying with others and gaining a sense of belonging thus helps one to connect with family, friends, and society (Wes ten, 1999).

2.4.1 IDENTITY

This is all about the people that a person associates within the environment. By observing continuously, a person gets attracted in what they doing (Wes ten, D. 1999) Audience view celebrities as very important, prestigious and unique thus this brings in the perception of practicing what they do and identify themselves with celebrities to have an image similar to them. This helps in finding reinforcement for personal values thus finding model behavior.

2.4.2 MEDIA

According to (Black Jay et al,1995) media exposes the audience to a lot of information each new day. It has got a lot of influence in that we are most likely to believe in what we see, hear, or read. We take it with a lot of concern and put it into practice or rather give it a trial. Media plays a major

role in agenda setting in the society, informing and this process has a cognitive approach. (Mehta, 1994) there are differences found in cognitive responses responded by receivers of information. In the non-celebrity conditions receivers focused more on brand and its features whereas in celebrity endorsement conditions receivers concentrate on the celebrity in the advertisement. On the contrary (Atkin & Block 1983) argue that celebrity endorsers produced more positive attitudes towards advertising and greater purchase intentions than a non-celebrity endorser. (Packard,1957) suggested that celebrity endorsement strategy is effective in selling products and services as status symbols since celebrities are individuals of indisputably high status and in endorsements such individuals invite consumers to join them in enjoying products.

According to Mwendwa and Mberia, (2014):

2.5 ADVANTAGES OF USING CELEBRITY ENDORSEMENT IN ADVERTISEMENT

There are several advantages in using Celebrity Endorsement for advertisement. They include the following:

- a. Establishment of credibility – approval of a brand by a star fosters a sense of trust for the brand among the target audience especially in case of new products.
- b. Ensured attention- celebrities ensure attention of the target group by breaking the clutter of advertisements and making the advertisement and the brand noticeable.
- c. Higher degrees of recall- people tend to commensurate the personalities of the celebrity with the brand thereby increasing the recall value of the product.
- d. Associative benefit- a celebrity’s preference for a brand gives out a persuasive message. Because the celebrity is benefiting from the brand the consumer will also benefit thus this perception increases the sales or consumer’s attachment to the product.

- e. Psychographic connect-celebrities are loved and adored by their fans and advertisers use stars to capitalize on these feelings to sway the fans towards their brands.
- f. Demographics connect- different stars appeal differently to various demographic segments such as age, gender, class, and geographic location, among others. This helps in reaching different target groups.
- g. Mass appeal- some stars have a universal appeal and therefore prove to be good bet to generate interest among the masses.

2.6 DISADVANTAGES OF USING CELEBRITY ENDORSEMENT IN ADVERTISEMENT

- a. The reputation of the celebrity may derogate after he or she has endorsed the product- incase the celebrity used has a tarnished name; the behavior of the celebrity reflects on the brand thus affects the audience attitudes towards the product that they endorse.
- b. The vampire effect- in case the celebrity overshadows the brand. This makes the audience to remember the celebrity and not the product being advertised.
- c. Multi brand endorsement by the same celebrity would lead to overexposure. The novelty of a celebrity gets diluted if he does too many advertisements, thus the advertisement might not have major influence or meaning to the audience.

2.7 CELEBRITY CHARACTERISTICS AND ITS EFFECTS

Researchers have suggested that celebrities have attractive and likeable qualities (Atkin and Block 1983). Celebrity spokespeople can add value to the endorsed product due to a combination of physical attractiveness and their status in society (Friedman and Friedman 1979). Celebrity endorsers can transfer cultural meaning from the celebrity to the advertised product (McCracken

1986). Friedman and Friedman (1979) found that celebrity endorsers were most effective for products with high social or psychological risk, involving elements of good taste, self-image, and opinion of others. Moreover, celebrity endorsers have been found to produce more positive responses towards advertising than non-celebrity endorsers (Atkin and Block 1983). Celebrities provide benefits that unknown endorsers cannot (Garland et al. 2006; Koering and Boyd 2009). Celebrities ‘cut through’ advertising clutter, hold viewer attention, contribute to brand name recognition, and transfer positive qualities such as physical attractiveness and likeability to the brand (Charbonneau and Garland 2005; Ohanian 1991). The source characteristics of a spokesperson, more specifically a celebrity spokesperson, have been studied by researchers for years since each characteristic influence’s audiences in their own unique ways (Marshall, 1997). “Who is shown in an advertisement can say much to the consumer about the intended users of a product and about the benefits resulting from product use” (Lynch & Schuler, 1994, p. 418). Therefore, these characteristics are important to briefly touch upon to entirely, comprehend the impact of a celebrity endorser

2.8 CELEBRITY ATTRIBUTES THAT INFLUENCE ENDORSEMENT

EFFECTIVENESS

1. CELEBRITY PERFORMANCE

In the context of this study, celebrity performance refers to the level of achievement a celebrity attains at any given time in their chosen profession. Performance could refer to the level of athletic performance, acting success, musical success, etc. of any given celebrity. However, no guarantee exists that any celebrity can continuously produce popular music, act in financially successful movies, or win sports championships. In fact, depending on their level of performance, celebrities

do rise and fall in popularity throughout their entire career (Agrawal & Kamakura 1995). When a celebrity fails to perform acceptably, as defined by consumers, a celebrity endorser's effectiveness tends to decline (Agrawal & Kamakura 1995).

2. CELEBRITY EXPERTISE

Erdogan (1999, p. 298) defines celebrity endorsers' expertise as 'the extent to which a communicator is perceived to be a source of valid assertions. The literature investigating source credibility in settings involving persuasive communication generally indicates that a receiver's perception of the source's expertise positively influences source effectiveness (Ohanian 1990). Respondents' actions in response to the source's recommendations seem to vary directly with the source's perceived level of expertise and the target person's level of agreement with those recommendations. Subjects exposed to a source perceived as highly expert exhibit more agreement with the source's recommendation than did those exposed to a source with low expertise (Ohanian 1990). The level of perceived celebrity expertise should predict celebrity endorser effectiveness.

3. CELEBRITY EXPERTISE

Refers to the extent of knowledge the celebrity is perceived to have regarding the subject on which he or she is communicating. Alba and Hutchinson (1987) define expertise as "the ability to perform product-related tasks successfully." Studies done by Maddux and Rogers (1980) and Wood Kallgren (1988) conclude that a source high in expertise as compared to the one low in expertise leads to more positive attitudes towards the source. Individuals tend to exhibit more agreement with the expert's advocated position than with individuals perceived as a source low in expertise (Crano, 1970).

4. CELEBRITY TRUSTWORTHINESS

“Trustworthiness refers to the general believability of the endorser”. Trustworthiness is the degree of confidence consumers place in a communicator’s intent to convey the assertions s/he considers most valid (Ohanian 1990).

Celebrity trustworthiness refers to the extent to which the source is perceived to provide information in an unbiased and honest manner.

Giffin (1967) describes favourable disposition, acceptance, psychological safety, and perceived supportive climate as favourable consequences of trust.

Numerous studies support the effect of trustworthiness on attitude change. For example, in the context of fear-arousing communications, Millers and Baseheart (1969) investigated the impact of source trustworthiness on the persuasibility of the communication. The result indicated positive relationship between communicator’s perceived trustworthiness and attitude change.

Much of the literature supports the positive effect of trustworthiness on effectiveness (Chao et al. 2005). Miller and Baseheart (1969) found that a highly opinionated message from a highly trustworthy communicator produces an effective attitude change, while non-trusted communicators’ impact proved immaterial. Perceived communicator trustworthiness has also been shown to produce a greater attitude change than perceived expertise (McGinnies & Ward 1980).

The extant literature on celebrity endorsers suggests that trustworthiness is an important predictor of celebrity endorsement effectiveness.

5. CELEBRITY CREDIBILITY

Source credibility refers to the extent that a source is perceived to be believable about expertise and trustworthiness (Mowen and Minor, 1998). The greater the expertise and trustworthiness of a source of information is, the more likely an observer will perceive that source as credible.

Researchers agree that source expertise and trustworthiness make independent contributions to source effectiveness. Thus, a source can be trustworthy even though it is perceived to have relatively low expertise. On the other hand, researchers Lafferty and Goldsmith (1999) pointed out the likelihood of respondents purchasing products when endorser credibility was perceived as high rather than low. Silvera & Austad (2004) noted that source credibility is the primary factor determining how influential the celebrity endorser is perceived. According to Goldsmith, Lafferty, and Newell (2000), the credibility of the endorser, celebrity or not, is influential, especially on the attitudes towards the advertisement. Source credibility is classically seen as a function of trustworthiness and expertise (Silvera & Austad, 2004).

The most important aspect and reason for celebrity endorsement is credibility. In a research carried out among 43 ad agencies and companies, most experts believed that the most important dimensions of credibility are trustworthiness and prowess or expertise about the recommended product or service. One of the most obvious reasons of Amitabh Bachchan endorsing plethora of brands is the credibility of the celebrity and his recognition across consumers. To cite one of the most successful campaigns in which the celebrity's credibility has had an indelible impact on the brand and has saved the brand is of Cadbury's. After the worm controversy, Amitabh Bachchan's credibility infused into the brand through the campaign, helping it to get back on track. The campaign has won an award for the same.

6. CELEBRITY ATTRACTIVENESS

John Abraham endorsing Wrangler and Timex Sunglasses are some examples which portray the celebrities' physical attractiveness that helps create an impact. The terms used to measure celebrity attractiveness tend to be physically based adjectives, such as attractive, classy, beautiful, elegant, sexy, etc. (Ohanian, 1990). The study by Lang Meyer and Shank (1994) states that such

constituents as values; habits, personality, and behaviour are the “soul” of beauty. Even though there is evidence to support the stand that celebrity attractiveness does enhance sales and that a person’s beauty is able to change attitudes towards products, there are still more matters to be considered. There are numerous definitions which can be used to operationalize attractiveness. For example, the construct has been defined both in terms of facial and physical attractiveness (Baker and Churchill, 1977; Caballero and Solomon, 1984; Patzer, 1983), “chic”-ness (Mills and Aronson, 1965), sexiness (Steadman, 1969), or sexiness and likeability (Maddux and Rogers, 1980). An attractive person enhances the image of a product offered (Baker and Churchill, 1977) and may be more effective in the interpersonal context of selling than an unattractive individual (Reingen, Gresham and Kernan, 1980). Miller (1970) found a significant difference in perceptions which associated the attractive individual with positive aspects or traits, whereas the unattractive individual was viewed consistently from a negative perspective. Baker and Churchill (1977) suggested that the gender and the physical attractiveness of an advertisement model influence people’s evaluations of the aesthetic qualities of the advertisement and are therefore important determinants of the attention-getting value of the ad and the subjects’ liking of the ad and, eventually, of the product.

Another source characteristic that has been of interest, regarding celebrity endorsement research is source attractiveness. Source attractiveness has been argued to increase the likeability of the source and the advertisement. Most studies have shown that a physically attractive source assists in changing consumers’ attitudes (Baker & Gilbert, 1997; Caballero & Prince, 1984; Chaiken, 1979; Horai et al., 1974; Joseph, 1982; Kulka & Kessler, 1978; Mills & Aronson, 1965; Mills & Harvey, 1972; Petty & Cacioppo, 1980 as cited in Kahle & Homer, 1985; Silvera & Austad, 2004). However, researchers such as Benoy (1982) found source expertise to be more important than

source attractiveness. When the source was expert, [their] physical attractiveness made little difference in terms of subjects' preferences; however, when she was inexperienced, subjects agreed more with the high attractive source than with the medium or low attractive source. Apparently, when objective or task related source characteristics (e.g., expertise) are weak, subjects' resort to "irrelevant" cues (such as physical attractiveness) to form opinions (p. 19).

Joseph (1982) studied endorsers' attractiveness beyond the level of personality traits. Specifically, he examined the impact of endorser attractiveness on opinion change, product evaluation, and other measures of effectiveness. The study concluded that attractive endorsers have a more positive impact on the products they endorse than less attractive endorsers. Baker and Churchill (1977), however, found that while attractiveness was effective in increasing positive advertisement evaluations, it was not effective in producing stronger purchase intentions. Similarly, Caballero et al. (1989) observed that endorser attractiveness had no effect on advertising effectiveness. Within the broader context of celebrity endorsement, endorser attractiveness is certainly a relevant construct. However, the nature and scope of the attractiveness construct remains uncertain, and therefore appears worthy of additional attention.

7. CELEBRITY - PRODUCT FIT

The celebrity/product fit, also called the 'match-up hypothesis', refers to the harmony of the match between the celebrity endorser and the product being endorsed (Till & Busler 2000). Celebrity/product fit is thought to function as a key determinant of endorsement effectiveness (e.g. Friedman et al. 1978; Friedman & Friedman 1979; Kahle & Homer 1985; Kamins 1989, 1990; Kamins & Gupta 1994; Erdogan & Baker 2000; Till & Busler 2000; Erdogan et al. 2001; Batra & Homer 2004). Celebrity effectiveness does vary across different product types. Friedman and Friedman (1979) concluded that the better the celebrity/product fit, as perceived by consumers, the

higher the level of endorsement effectiveness. Till and Busler (2000) found that celebrity/product fit was effective for only certain measures of effectiveness such as brand attitude, but not for other measures such as purchase intention. Regardless of the impact celebrity/product fit has on effectiveness; the absolute weight of the existing literature suggests that the phenomenon should play an important role in celebrity endorser effectiveness (Till & Busler 2000).

2.9 SUMMARY OF THEORETICAL FRAMEWORK

This study is based with the frame work of three theories namely cognitive perspective theory, diffusion of innovation theory and the social learning theory which help in shedding light in understanding how consumers form positive or negative opinions of celebrities and the endorsed product.

2.9.1 COGNITIVE PERSPECTIVE THEORY

According to (Black Jay et al, 1995) the psychologists study learning to consider how people interpret the events and stimuli around them, fashioning of their actions according to their individual understandings. These understandings, thoughts, expectations, and perceptions are known as cognitions that is mental process. This involves decision -making and language. According to (Sullivan, 1953) persons interactions are strongly affected by the images a person forms in his mind and begin shaping self-image, perception, responses, and behavior. Once the person finds a match to a significant other, this will determine how the person will respond to a celebrity endorsing a product (Baum & Andersen, 1994) According to this analogy the mind takes in information, process it in various ways and produce output in the form of codes, words and behaviors. (Black Jay et al 1995) This theory is in support of celebrity endorsement in advertisement on consumers because the more information is mentioned or displayed to audience

the more, they are influenced and perceive the information is true and suitable for them to guide in consumption of products.

2.9.2 SOCIAL LEARNING THEORY

The social learning theory also called observational learning occurs as individuals learn by observing behavior of others (Wes ten, D.1999). Learning to produce behavior exhibited by a model is called modeling; vicarious conditions mean learning by observing the consequences of a behavior for someone else. The impact of observational learning is enormous, from learning how to give a speech, how to feel and act when someone tells an appropriate joke, learning what kind of clothes, haircuts, products, or diets to take. The most well-known modeling studies were done by (Bandura, 1967) and his colleagues on children aggressive behavior (1961, 1963). In these studies children observed an adult model interacting with a large inflatable doll named Bobo. One group of children watched the model behave in a subdued manner, while other groups observed the model verbally and physically attack the doll in real life on film or in cartoon. Children who observed the model acting aggressively displayed nearly twice as much aggressive as those who watched the no aggressive model or no model at all. The likelihood that a person will imitate a model depends on several factors, such as the model's prestige, likeability, and attractiveness. Whether individual performs modeled behavior depends on the behavior's likely outcome. This outcome expectancy is, itself, often learned through an observational learning mechanism called vicarious conditioning meaning a person learns the consequences for someone else. This theory explains how use of celebrity endorsement in advertisement affects or influences audience consumption intentions because they watch, listen, observe, and would want to consume what the celebrities endorse.

2.9.3 DIFFUSION OF INNOVATION THEORY

Theory Diffusion of innovations theory that seeks to explain how, why, and at what rate new ideas and technology spread through cultures. The main proponent and figure of this theory is Everett Rogers in (1986). Diffusion is the process through which an innovation is communicated through certain channels over a period time among the members of a social system. (Rogers,1962) espoused that the theory has four elements that influence the spread of a new idea: innovation, communication channels, time, and social system. Diffusion occurs through a combination of the need for individuals to reduce personal uncertainty when presented with new information, need for individuals to respond to their perceptions of what specific credible others are thinking and doing and to general felt social pressure to do as others have done. If the potential adopter believes the innovation to be interesting and with potential for benefits from respected and trusted opinion leaders, there is a likelihood of getting influenced. This theory is relevant in the adoption process, in which an individual or group individuals are confronted with an innovation and react to it in one way or another. The adoption process is divided in four stages namely, the knowledge, persuasion, decision, implementation, and confirmation stages. The audience acquires idea, knowledge from advertisement endorsed by celebrities about a product in the market, thus making the message influential to the local or ordinary audience. They then form opinions, attitudes, either positive or negative towards or about the innovation or an idea. Persuasion also occurs through peers who already have some experience with the innovation. The behavior is then imitated. The individuals make up their mind about the innovation or idea they can either reject or accept the idea or innovations.

Examples of Celebrity Attributes that Influence Endorsement Effectiveness

1. CELEBRITY-TARGET AUDIENCE MATCH

Smriti Irani endorsing the WHO recommended ORS Campaign in India. Indian mothers can associate with Smriti Irani through the facets she projects on screen or in regular life which helps develop a connect with the target audience since mothers medicate their children with ORS.

2. CELEBRITY VALUES

Tabu endorsing Tetra Packed Milk, Shabana Azmi campaigning for AIDS Awareness, Amitabh Bachchan & Shahrukh Khan campaigning for Pulse Polio or Aishwarya Rai appearing in the Donate Eyes campaign are few examples, which reflect the transfer of celebrity values to the brand, creating an impact that generates recall.

3. CELEBRITY REGIONAL APPEAL

Factors R. Madhavan endorsing Pepsi in southern India or Sachin Tendulkar endorsing in India are few examples of how celebrities are chosen to reach out to target audiences for brands in regional markets.

4. CELEBRITY-PRODUCT MATCH

Cyrus Broacha is the brand ambassador for MTV since both the celebrity and the brand are considered as friendly, young, moodboosting, humorous and outspoken. MTV's brand personality overlaps Cyrus Broacha's image as a brand. Some more examples of compatible celebrity product match in which celebrity brand attributes get transferred to the brand and increases the brand equity is of Govinda & Navratan Tel, Aishwarya Rai & Nakshatra, etc.

5. CELEBRITY CONTROVERSY

Risk The perfect example here is of Salman Khan and the controversy in which he crushed a man to death with his Pajero when he was driving under the influence of alcohol. Also, any act on the

part of the endorser that gives him a negative image among the audience and goes on to affect the brands endorsed. The brand, in most instances, takes a bashing.

2.9.4 CONCEPTUALIZATION

2.9.5 An endorsement

Is defined as: Any advertising message (including verbal statements, demonstrations, or depictions of the name, signature, likeness or other identifying personal characteristics of an individual or the name or seal of an organization) which message consumers are likely to believe reflects the opinions, beliefs, findings, or expertise of a party other than the sponsoring advertiser. According to the Federal Trade Commission (1980). The party whose opinions, beliefs, findings, or expertise the message appears to reflect will be called the endorser and may be an individual, group or institution. Endorsements have shown to be successful in advertisements.

Furthermore, a celebrity can be used as an endorser only when the advertiser has good reason to believe that the endorser continues to promise to the opinions presented. The endorser must have been a true user of the product at the time the endorsement was given and the advertisement can only be run for as long as the advertiser believes that the endorser still remains a user (FTC, 1980). For instance, a study by Hastak & Mazis (2003) factoring testimonials and disclosures in dietary supplement booklets, found that numerous testimonials about a product positively and effectively communicates that the product is successful in the uses described in the testimonials and that the product will work for at least half of people who use it (Hastak & Mazis, 2003). Although this may be true, endorsers used in advertisements have certain restrictions and guidelines that must be considered, according to the FTC (1980). “Endorsements must always reflect the honest opinions, findings, beliefs, or experience of the endorser” (FTC, 1980).

According to Friedman, Termini, and Washington (1976), there are four major different endorsers: The typical consumer, professional expert, company president and celebrity. The typical consumer is a real person, not an actor, and a true user of the product. In fact, the only knowledge of the product is the result of the typical consumer's use of the product. The company president is leader of the company's product in which is being promoted and the professional expert is recognized based on their expertise within the product class that is being endorsed. This person's special understanding or training of the product is more advanced than that gained by average people. The celebrity is a recognized individual who is known for their accomplishments in areas that are not associated to the product class that is being endorsed (Fredman, Termini & Washington, 1976).

2.9.6 Who is a Celebrity?

The term "celebrity", refers to an individual who is known to the public, such as actors, sport figures, entertainers' and others for their achievements in their respective areas other than the product endorsed by them (Friedman and Friedman, 1979:63). Celebrities are people who enjoy public recognition and who often have distinctive attributes such as attractiveness and trustworthiness. (McCracken 1989; Silvera and Austad 2004).

Boorstin in 1961 specified the most important quality of being a celebrity i.e. not being forgotten and known by people for their "well-knownness". According to McCracken (1989), "It can include people from movies, television, sports, politics, business, artists and persons from the military". Whereas, in this modern age of marketing, Celebrities may also be an animated character like Fred Flintstone, or an animal (Miciak and Shanklin, 1994).

A person who enjoys public recognition from a large share of a certain group of people and uses this recognition on behalf of a consumer good by appearing with it in advertisements is known as a "celebrity" (McCracken 1989).

According to Fredman, Termini and Washington, a celebrity is sometimes a sports figure, actor, comedian, or other type of entertainer (1976). However, unlike heroic figures, the modern celebrity may not have achieved anything exceptional except, merely, public attention and a product of media representation (Tuner, 2004). This is evident in contestants from reality shows, such as Big Brother and Survivor.

2.9.7 What is Celebrity Endorsement?

Celebrity endorsements is been accepted to be a “ubiquitous feature of modern-day marketing” (McCracken 1989). It has also been seen that one quarter of all advertisement use/feature a celebrity to endorse a product or brand. This validates the effectiveness of Celebrity endorsements as a means of persuasive communication. It has the potential to enhance audience attentiveness, make the ad more memorable, credible, and desirable and add glamour to the endorsed product (Spielman, 1981). Early Research has found that “celebrities are more effective than other types of endorsers”, such as “the professional expert”, “the company manager”, or “the typical consumer” (Friedman and Friedman, 1979). Using celebrity endorsers, companies may easily crack into consumer’s symbolic association to an aspirational reference groups, as celebrity endorsers are perceived as dynamic, attractive, and likable (Assael, 1984; Atkins and Block, 1983; Kamins, 1990).

The use of celebrities in advertisements is not a new phenomenon (Kaikati, 1987). Celebrity endorsement, as a marketing practice, has a very distinguished history. In the eighteenth century, a famous potter Josiah Wedgwood pioneered in using celebrities to his advantage. Once when Queen Charlotte began to use his products, Wedgwood capitalized on his new status by referring

himself as the “Potter to Her Majesty” (Dukceвич, 2004). For instance, one of the early examples involves Queen Victoria associating with Cadbury Cocoa (Sherman, 1985).

McCracken (1989) further conceptualized endorsement process in different endorser roles and endorsement types. Celebrity Endorser can take the role as an expert, as a spokesperson associated with a product, or as an aspirational figure with no knowledge or relationship with, the product. There can be four types of Endorsement; Explicit (“I endorse this product”), Implicit (“I use this product”), Imperative (“You should use this product”), or co-presentational mode (“merely appearing with the product”).

CHAPTER THREE

METHODOLOGY

3.1 INTRODUCTION

This chapter deals with the methods and process that were used in collecting the data for this research. It briefly explains the source of data, the sampling design, sampling type, data collection techniques and the data analysis that was used in carrying out the study.

3.2 RESEARCH DESIGN

Mixed method will be used for this study. Mixed method is defined as an approach whereby researchers collect and analyze both quantitative and qualitative data within the same study. This study will involve secondary information by conducting literature review. The materials used include texts, journals, and articles. This will help in finding out what has been researched by other scholars especially the factors that lead to celebrity's influence on audience. It will also examine the effect of celebrity endorsement in advertisement on consumer habits. The data collected will be qualitative and quantitative which will be analyzed and presented in forms of charts and tables.

According to Huston and Gerianne (2004), research design is the logical sequence that connects a researcher's claim, data or evidence and warrant. The study was done using the survey strategy, which means, collecting of information on a particular phenomenon. Under survey, questionnaires were used in analyzing data.

Standard questionnaires were administered to fifty (50) people which contained both the open-ended questions and close ended questions. Open ended questions are defined as questions that

ask respondents to provide unstructured or spontaneous answers or to discuss an identified topic, (Huston and Gerianne,2004).

Close ended questions ask respondents to choose from fixed set of alternatives or to give a single numerical value, (Watt& Van den Berg,1995). Thus, the research analyses the respondent's sample will include support staff of BIMA, agents of BIMA, customers of BIMA, subscribers of insurance and non-subscribers of insurance. All participants are people living in some selected part of Greater Accra Region.

3.2.1 TYPE OF STUDY

The study is an exploratory and descriptive research that explores and describes the use of celebrity endorsements as an advertisement tool in Ghana's insurance industry to affect consumer buying behaviour and further recommends how Ghanaian firms can leverage it effectively to their advantage. The use of celebrity endorsements is a very popular trend in the Western world, which is also gaining a lot of ground in Ghana. The study will critically investigate how it is being employed in Ghana and how it can be used to influence buying behaviour in favour of a particular brand.

3.3 POPULATION

Population refers to a collection of elements about which the researcher wishes to make some interference. The population for this study is people living in some selected areas in the Greater Accra Region. The targets for this study are those who have knowledge and those who may have little knowledge in Insurance and are also exposed to celebrities. The targets used in the study are people who can read and write and have knowledge in branding, advertising media and advertizing influence and above are able to understand signs and symbols.

3.4 SAMPLE AND SAMPLING TECHNIQUES

Sample size represents the part of the larger population that will be used by the researcher to elicit information. The sample size for this study is limited to 50 people who live in Alajo, Dome, and Achimota. Probability sampling was used the technique used for the respondent of the study. Under probability sampling, stratified random sampling technique was also used whereby representatives of each category are chosen at random. The researcher sampled equally from each one of the layers in the overall population. Stratified random sampling has the advantage of guaranteeing equal presentation of each of the identified strata. Questionnaires were used as the main research instrument. To improve the likelihood of response, the questionnaire was formulated with easy to understand open and close-ended questions that would take on average five to ten minutes to complete.

3.5 DATA COLLECTION INSTRUMENT

The data collection method which was used for this study is the questionnaires. A questionnaire is the instrument for data collection because it is a flexible option to cover several respondents large enough for the analysis of results. Primarily data has been collected through questionnaire, but interviews have also conducted to get the better understanding regarding views or beliefs of respondents about the topic covered in this paper. The researcher self-administered fifty (50) questionnaires which contained thirteen (13) closed ended questions and one (1) open ended question sampled to the respondents.

The researcher obtained these figures by putting the four classes into strata. A stratum normally provides greater precision and requires a smaller sample size. The respondents were sampled randomly to form the stratum, making each person in the stratum has equal chances of being selected. The language was self-explanatory to prevent any ambiguity.

3.6 DATA ANALYSIS

Data collected was to be analyzed qualitatively and quantitatively. Quantitative data was analyzed using statistical functionalities in Microsoft Excel. The questions presented on the questionnaires were analyzed individually by producing pie charts and bar charts which helped in showing specific frequencies and emphasizing the strengths of the attributes being studied. The tool employed was thus appropriate for analyzing the relationship between consumer behaviour and the celebrity endorsement attributes mentioned in the second chapter.

CHAPTER FOUR

CONCLUSION

This research paper focused on factors of leading to celebrity endorsement, effects of using celebrity endorsement on advertising and the effects on consumer buying behavior. Factors such as credibility of celebrities being endorsed which covers physical attractiveness, trustworthiness and expertise of celebrity fosters a sense of trust for the brand among the target audience especially in the case of new products or company thus making the brand noticeable among the clutter.

Celebrity endorsement has been in application from a long time (Kaikati, 1987), not too late when advertisement techniques were taking on new forms because advertisers realized soon that by using publicly renowned personalities in advertisements, they will be able to align brands personalities with that of the celebrities. It is noteworthy that not all the celebrities prove to be successful endorsers, thus making the selection process more difficult (Giffin, 1967).

Celebrity endorsements has changed the way advertising used to be few decades ago. It is been accepted to be a —ubiquitous feature of modern-day marketing (McCracken 1989).

According to the social learning theory which is also called observational learning occurs when individuals learn by observing the behaviours of others (Wes ten, D.1999). Research by (Bandura, 1967) and his colleagues on children aggressive behaviour showed that the likelihood that a person will imitate a model depends on factors such as prestige, likeability, and attractiveness. This theory further explains how celebrity endorsement in advertising affects consumers.

Unlike the telecom industry, the food industry among others who are effectively using celebrities to promote their business and increase their market share. The insurance sector is laid back to this approach. Many insurance companies in Ghana prefer to use the traditional forms of advertising

to push their brands. However, insurance company like BIMA and MiWay Insurance were able to break the glass ceiling by using celebrities in their advertisement.

Statistics from the National Insurance Commission shows that, only about One (1) percent of Ghanaians have insurance. Adverting using celebrities in the insurance industry is one of the ways to push insurance penetration in Ghana. According to research and the cognitive perspective theory, once a person finds a match to a significant other, it will determine how the person will react to a celebrity endorsing a product (Black Jay et al 1995).

Celebrity endorsement is an expensive engagement and must be planned carefully for firms adopting it to gain profitability. As a result, a greater understanding of consumers 'reactions towards celebrity endorsements can help marketers to use it more effectively.

Based on the data analysis, it was determined that there was a positive correlation between the tested celebrity attributes (obtained from the source-models) and consumer buying behavior, an indication of the effectiveness of celebrity endorsements for advertising purposes by these companies in the industry.

Although there are not as many studies on celebrity endorsement in the insurance industry. The outcome of this study thus would have provided an insight into the Ghanaian situation. The outcome of this study would have also provided practically important results for marketers in the insurance industry to consider when choosing a celebrity for an advertisement.

This chapter also outlines some key recommendations that would ensure an effective leverage of celebrity endorsements by firms in the insurance industry as well as other industries.

4.1 Recommendations

Celebrity endorsements in the Ghanaian context can be used to influence consumer buying behavior more effectively if the following points discussed below are considered. These suggestions are made based on insight obtained from the research.

4.1.1 Proper Management of Celebrity Endorsement Contracts

Consumers, in forming their perceptions about a brand are affected by negative publicity surrounding a celebrity. It is thus important to ensure that contracts sealing these endorsement deals ensure that celebrities maintain good behavior otherwise suffer severe repercussions.

Also, these contracts or agreements should spell out that celebrities actually make use of the brands being endorsed as it will boost the credibility and believability of the entire endorsement deal hence influencing consumer buying behavior in favor of the brand.

Essentially, the costs involved in these endorsement deals are high and companies must reap these by getting celebrities to fulfill their part of the contract.

4.1.2 Major Celebrity Attributes to be considered

The study revealed that the expertise of the celebrity, the trustworthiness of the celebrity and the fame of the celebrity are the main attributes that influence consumer buying behavior in favor of a particular brand. It is thus important for companies to ensure that celebrities chosen to endorse products at least have two of these mentioned attributes, while also making sure that the personas of these celebrities aptly match the objectives of the brand. A perfect blend of this will go a long way to ensure the elimination of responses such as ‘Don’t know’ and ‘Can’t remember’.

The background checks that are conducted on celebrities thus need to be intensified where these mentioned attributes are heavily considered before choosing a celebrity to endorse a brand.

4.1.3 Transmission Media for Celebrity Endorsements

Marketing executives should ensure that the media through which celebrity endorsed advertisements are channeled are effective. From the study, television adverts and billboards stand out as the most effective, followed by the internet. These should be used efficiently and extensively to propagate celebrity endorsed advertisements to consumers. The qualitative part of the study however shows that these channels (TV adverts and billboards) are already being used, but no reference was made to the internet, as a medium through which these celebrities endorsed adverts can be channeled through. The upside of using the internet as a transmission media is that more and more consumers in Ghana are becoming tech-savvy and can access the internet easily. Also, compared to the traditional media of transmitting these adverts, the cost of putting out an advert using the internet is much cheaper and thus helps the company to drastically cut back on costs. The internet also through social media avenues such as Facebook, YouTube and Twitter provide the companies with a platform to interact more with consumers. Hence through this channel, consumers can witness real-time as their favorite celebrities make use of an endorsed brand. Marketers can take advantage of this phenomenon and influence consumer buying behavior in favor of their brand.

4.2 Limitations

The research encountered certain limitations which in a way could influence the findings of the study. These are briefly discussed here.

Firstly, the number of marketing executives that was intended to be interviewed

was not fulfilled. Out of the 6 major companies in the insurance industry, the research sought to interview 5 marketing executives in the various companies. However, only 2 marketing executives

were available to help in the study and this may or may not have skewed responses to questions in a particular direction. Also, the accuracy of the data collected from the questionnaires may be an issue. This is because, despite the fact all technical terms on the research instrument was explained, certain respondents may still not get the full understanding and thus may not respond appropriately.

Furthermore, the sample size was relatively small, and the demographic profile indicated that all respondents fall within only one age bracket and this does not easily make room for certain generalizations to be made.

4.3 Further Studies

As mentioned earlier, celebrity endorsements are now being employed extensively in Ghana. This study however serves as a seminal research into this phenomenon known as celebrity endorsement and how it affects consumer buying behavior, serving as a guide for corporations or companies who want to use this tool to boost market performance. The study was however limited to the insurance industry to facilitate good research based on the time given for the study.

Further research should include an exploration of how this marketing tool performs in other industries in the country and spreading it out to a wider demographic group. This will be interesting based on how diverse the Ghanaian population is.

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