

He's the Sexiest Man Alive, but Will George Clooney Engage?

- An investigation of the impact of celebrity endorsement on brand engagement in today's consumer environment.

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Introduction

Celebrity endorsement in advertising has been around for about as long as advertising itself. However, there have always been questions about what value celebrities add, in terms of whether they help to get the ad noticed and also how they affect the brand image and feelings.

Today, measuring this celebrity value appears to be even more important as we now find ourselves in the 'age of celebrity' with advertisers facing the difficult task trying to engage an increasingly marketing savvy and hard to reach audience. The path of the celebrity endorsement looks more attractive than ever and is also predicted to grow. Using our analysis of over 5000 ads we will shed light on whether it is the right path?

(i) The role of celebrities

When you hear the words dark, very intense, mysterious, rich, very rich, strong character, intense body, deep and sensual with a delicious aftertaste, do you think of George Clooney or do you think of coffee? Well at least half of us would probably rather think of George, but does George also make us feel good about coffee?

In a recent advertising campaign ("Café George"), Nestlé used George Clooney to advertise their pod-system coffee, Nespresso. They use George to gain Attention from the target audience **and** to draw a parallel between Clooney himself and Nespresso. However, what does he do for the brand?



One of the oldest tools in advertising is the use of celebrities for the endorsement of products and services. In 2001, it was estimated that at least 20% of US and UK campaigns use celebrities (Erdogan & Baker, 2001) and this was predicted to increase, given the public's growing and unabated fascination with famous people (Pringle, 2004).

At the most basic level, celebrities are used to generate interest and to cut through the advertising clutter. Souza & Quintanilha (2006) reported that celebrity ads are unique, more involving and interesting, and this means that they are likely to be noticed therefore have higher than average recall in advertising tracking studies.

At a more sophisticated level, advertisers use celebrities in the hope that they will establish credibility for the brand, and that the characteristics of the chosen celebrity will transfer to the brand (Erdogan & Baker, 2001). In the UK, Sainsbury's supermarkets chose Jamie Oliver to help them change their image to become more hip, vibrant and in touch with the foodie culture. Perhaps it was for the same reason that Tefal also used Jamie Oliver to endorse a range of their cooking pans here in Australia.

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However, the celebrities don't have to be from the global "A" List. Some brands use lesser known celebrities to achieve the same result. For example, Macleans Toothpaste in Australia have recently used two "B" list celebrities, Bill Granger and Shelley Craft to successfully advertise the benefits of the brand.

A 'best practice' paper from the World Advertising Research Centre (WARC 2006) concluded that celebrities have the potential to make a major contribution to the brand when they are used properly and creatively. While there is no strict definition of 'proper and creative use', academic research tends to focus on three factors when assessing celebrity effectiveness (WARC 2006):

1. The familiarity, attractiveness or currency of the celebrity.
2. The fit between the brand and celebrity.
3. The credibility of the endorser or the endorsement.

However, in the past few years there has been talk that celebrity ads no longer work. In the WARC (White, 2006), review it was stated that there is a continuing risk of the use of celebrities in advertising, due to the 'currency' of the celebrity being devalued. It is a reasonable hypothesis to make, particularly if we consider how the actual meaning of celebrity has changed over time.

In the 1950s, celebrities were untouchable and typically in the movie star, TV star, sports star categories. They were placed at arm's length from the public and carefully managed by their movie studios or agents, who were virtually the only source of information about their private lives, which would be carefully spun to suit the studio's desired image (e.g. Rock Hudson).

Now, the term 'celebrity' extends to:

- ➔ Survivor Celebrities: e.g. 'I got lost in the Himalayas / down a mine / cut off my own arm to escape a landslide'.
- ➔ Reality TV Celebrities: best represented by the long list of Big Brother evictees (Sarah Jane, Ryan Fitzpatrick) and the Biggest Loser contestants (Adro and Kristie).
- ➔ Celebrities of circumstance: e.g. Schappelle Corby and Michelle Leslie.
- ➔ And, of course, that very new breed, the celebrities who are famous for being famous: e.g. Paris Hilton and Nicole Richie.

The way we 'interact' (or imagine we interact) with celebrities is also different today. We are exposed to their faces and stories everyday. We, especially women, discuss their latest exploits with our friends and colleagues. We know the 'ins' and 'outs' of their lives and can refer to their partners, children and nannies on a first name basis.

We are obsessed with them and the media is responsive to this. Ten of the top 20 magazines (by readership) in Australia are celebrity-driven (Roy Morgan, 2006). Even the news broadsheets, The Age and Sydney Morning Herald, run daily 'Trash Talk' blogs on their websites.

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The question that has not been answered in any of the past celebrity research, and one that is perhaps even more important today, is whether celebrities makes ads more effective. By 'effective' we do not just mean to get cut-through. This is obviously part of it, but it is really just the foot in the door. What we are interested to determine is whether the use of celebrities in ads helps to build the feelings about the brand, because this is the real objective of advertising. Sustainable and successful brands are the ones that have strong positive relationships between the brand and the consumer.

So, in returning to our George Clooney example, while he may be sexy and help to get an ad noticed, we are interested to know whether he will help people engage with the brand to build these positive feelings.

(ii) Harnessing emotion in advertising

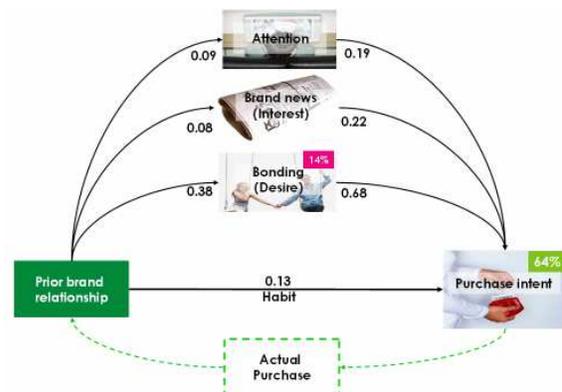
In the past few years, the advertising research industry has improved its understanding of how advertising works. It is now more widely accepted that 'engagement' or emotional attachment with the ad and brand is central to the success of an ad campaign (Heath, 2001).

Each year, the Advertising Research Foundation (ARF) runs a think tank on measuring emotion in advertising at their annual congress in New York. In 2006, the cross-industry task force released its working definition of engagement as '*turning on a prospect to a brand idea enhanced by the surrounding context*'. Further to this, it was noted that 'turning on' can only be achieved if the creative execution achieves a high level of 'feeling' response from the consumer (ARF 2006).

In a global landmark study, Phillips & Cramphorn (2006) confirmed that brand feelings are the dominant predictor of purchase intent after exposure to advertising. Brand feelings are the collection of emotions experienced over time and include the immediate effects of brand advertising.

Based on a huge sample of 230,000 people responding to over 4000 ads in 40 countries, this study provided key empirical evidence that the older hierarchical and linear models once used to explain how advertising works, like AIDA (Attention – Interest – Desire – Action) are no longer relevant. These findings highlighted the fact that many of the "old school" rational ad pre-tests are now redundant as they are based on an outdated and now unsubstantiated model of how advertising works.

Chart 1 – The Integrative Model



Source: Phillips & Cramphorn, 2006

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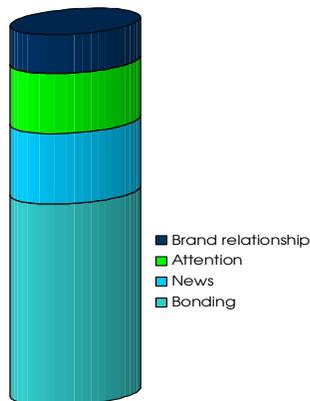


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An alternative, the Integrative Model, was presented in the study to show the elements that contribute to an enhanced likelihood to purchase, following exposure to advertising. Structural equation modelling was used to take account of all the factors that affect purchase propensity. Using AMOS to model an ad's attention-grabbing ability, brand news, brand feelings and brand usage, the Integrative Model (reproduced in Chart 1) identified the very large component determined by brand feelings (Bonding).

Regression analysis was then used to confirm the relative contribution of each of these factors on a global and country basis. It was shown from this analysis that the advertising's effect on brand feelings is the key universal predictor of how well the advertising will work to enhance purchase propensity. The total sample finding is reproduced in Chart 2.

Chart 2 – The relative contribution of the components of the Integrative Model



Source: Phillips & Cramporn, 2006

So, from this we know the importance of brand feelings. However, what helps to build brand feelings? Do celebrities, like George Clooney, help to engage consumers and build these brand feelings?

These questions led us to look at the area of celebrity ads in more detail to see what emotional impact they really have. Can we harness the popularity of celebrities to make more effective ads? If we have a passion for a celebrity will this transfer to feelings about the brand?

Combining the two issues of engagement and celebrities appears to be even more important today as we now find ourselves in the 'age of celebrity' and as advertisers face the difficult task of engaging an increasingly marketing

savvy and hard to reach audience. The path of the celebrity endorsement looks more attractive than ever, and is also predicted to grow.....but is it the right path? Do celebrity ads get more Attention than others? Do they help with engagement? Has this changed over time?

Analysis

1. Data

Since 1991, using the **add+impact**® advertising pre-test, we have been collecting the responses people make to advertising. In this process, the ad is exposed to the respondent without any clutter (other advertising used in an attempt to simulate reality of a TV break). The advantage of this is that people respond to the ad itself, and are not distracted or sidetracked by other

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advertising material. This is of particular benefit during advertising development and crucial for the purposes of unpolluted data for analysis.

Each respondent answers a self-completion questionnaire relating to the ad they have been exposed too. The measures are very extensive, and thoroughly explore how people feel about the ad, its execution and also about the brand.

In 2007, we have the detailed responses from over 400,000 people, in over fifty countries, to over 5000 ads. Around 4% of these are ads featuring celebrities.

2. Procedure

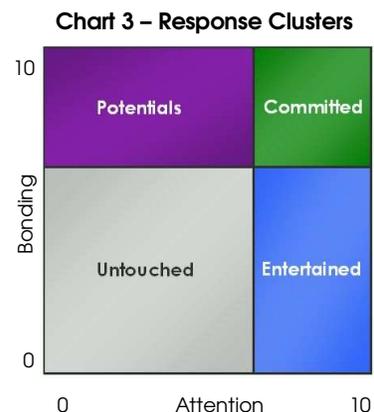
In this study, we analysed the results from the **add+impact®** database. The robust sample is made up of a well-balanced representation of people all over the world, so no particular country or region is over-represented in the results. Equally, with so many respondents, there is no particular bias to any one style of ad, brand or product.

Initially, factor analysis was performed to reduce the number of statements to a number of manageable ideas. The two main factors were then used in this analysis and they are:

- ➔ Ad Attention (the level of interest the advertising will attract – based on 6 statements),
- ➔ Brand Bonding (the strength of engagement with the brand – based on 18 statements).

We used four classifications to measure the response to each ad (see Chart 3):

- ➔ 'Committed' are those who are both Attentive to the ad and Bonded to the brand (high Attention & high Bonding).
- ➔ 'Entertained' are those people who are Attentive to the ad but merely find it 'entertaining', providing no increase in the brand feelings (high Attention & low Bonding).
- ➔ 'Potentials' are people who have high Bonding, but who would not notice the ad (low Attention & high Bonding).
- ➔ 'Untouched' are neither Attentive to the ad, nor feel positive to the brand (low Attention & low Bonding).



For an ad to be considered effective, it must have 50% or more of the target audience Committed. This level has been set based on hundreds of validation studies, showing that ads with high proportions of Committed responses are effective in meeting their objectives (e.g. increasing sales, changing brand image etc).

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As a result of this validation work, we also know that the two factors of Attention and Bonding are predictive of an effective ad. The higher the rating, the more effective the ad will be on that dimension.

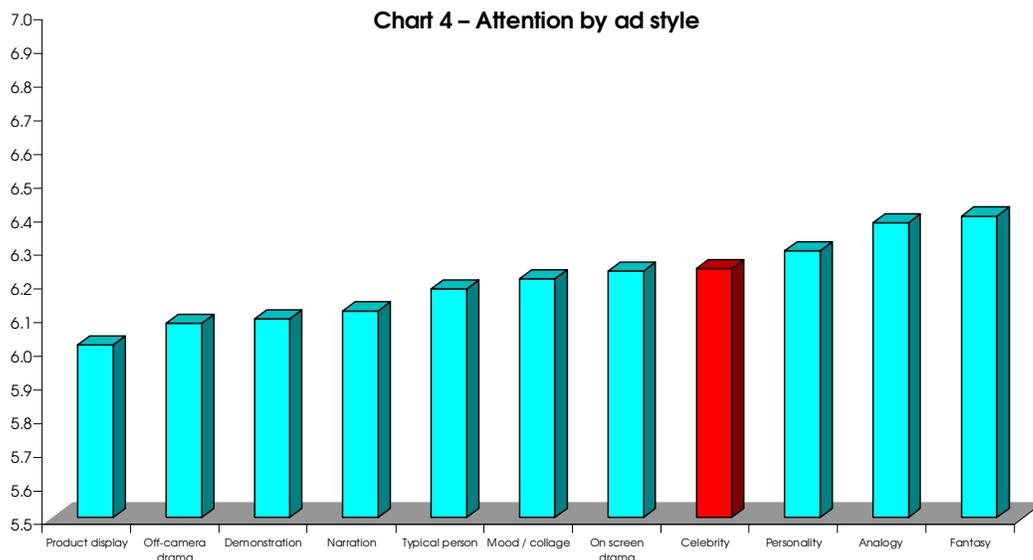
The Results

Do celebrity ads get more Attention than other ad styles?

One of the most obvious and important reasons to use celebrities in advertising is to help the ad to stand out and get noticed. But is this really the case? Does the celebrity help to get the ad noticed more than other ad styles? Are they worth their high price?

To answer this, we have looked at the average Attention rating (ability to cut-through) for each ad style (a definition of the styles is in Appendix 1). What we see (Chart 4) is that, overall, there is only a relatively small difference between the styles (a difference of 0.4 of a rating point on a 10 point scale, where 0 is no Attention and 10 is perfect Attention and 6 is the expected level for an Effective ad).

On average, celebrity endorsed ads are not the most effective at cutting through and getting viewer attention, but they are also not the worst. For the most part, they are effective at getting attention, but they are not necessarily more effective than other styles.



Source: add+impact® data base

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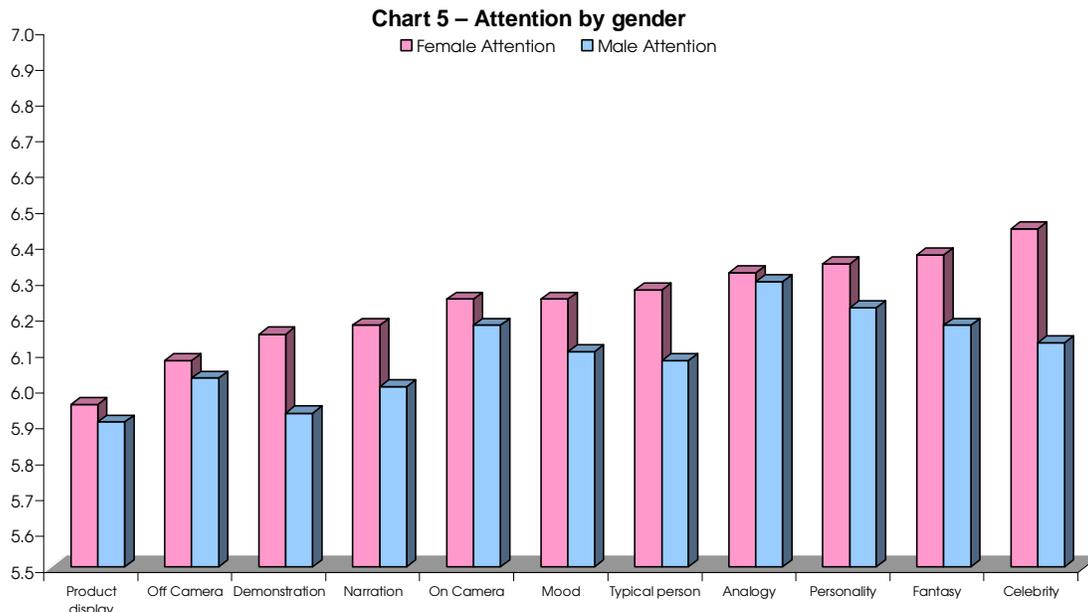


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Is this the same for both men and women?

At the start of this paper we talked about the growing obsession with celebrities, and how, women especially, know the every move of key personalities. As this fascination with celebrities seems to be a female phenomenon, we were interested to see whether these results would be the same for both genders, or whether celebrity ads would be more effective at getting the Attention of women.

The difference is quite clear (Chart 5). Celebrity ads are clearly the most effective style at getting the attention of women. For men, the style that works best is analogy, where the product is compared to an unrelated item. Cramphorn (2007) looks at gender differences in responses to advertising in more detail, but it is not our intention to analyse it deeply here. It is really just to show that celebrity ads are very useful in getting women's Attention, but it is not necessarily an effective route for men.



In our 'Café George' case study, the results show a similar pattern. While still effective with men, women are significantly more likely to notice the ad than men, with Attention ratings of 6.9 for men and 7.5 for the women.

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Do celebrity ads engage?

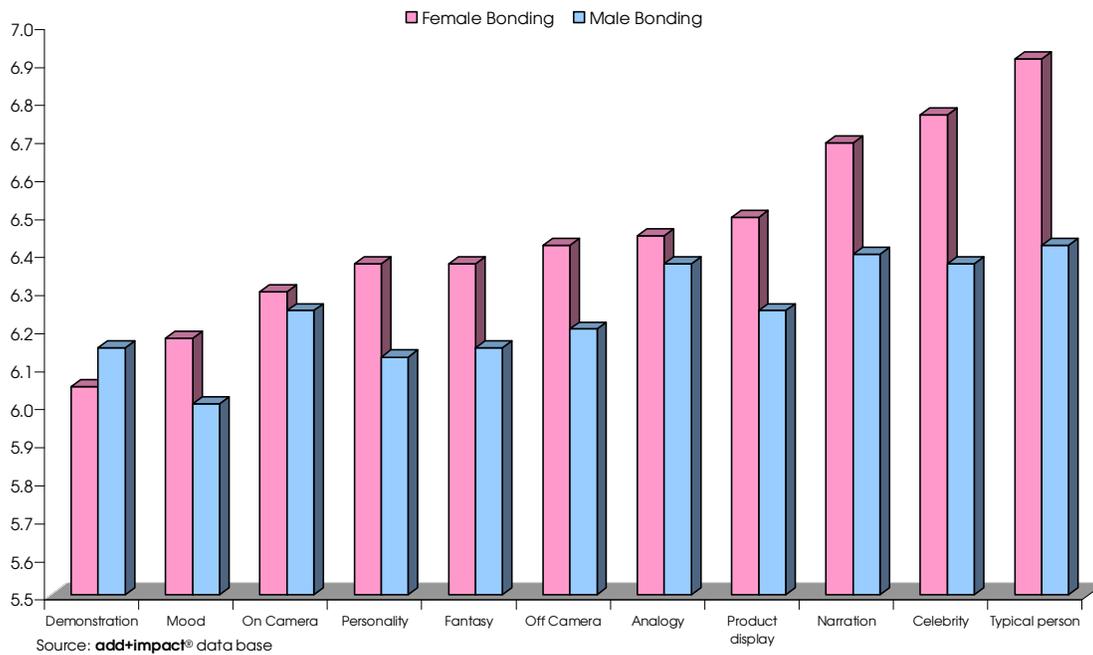
In addition to getting noticed, the ad must also build strong positive feelings about the brand. Do celebrities help to improve people's feelings about the brand? Is there a positive rub-off from the celebrity to the brand? Are celebrity ads more effective than other styles in engaging consumers?

To analyse this, the first step was to plot the average Bonding (brand feelings) ratings for each of the ad styles to see whether celebrity ads are more effective at building brand feelings. We looked at both the total response and also the response by gender, but only show the chart by gender here for reasons of brevity.

In the overall data, there were some small differences between the styles. Although celebrity ads are, in the most part, effective at building strong brand feelings, they are not the most effective style – Typical Person ads are the best at creating the empathy that is needed.

By gender (Chart 6), we see Typical Person ads are the most effective for both men and women in building feelings about the brand. This is likely to be because people can directly relate to the situations and people in the ad and feel the brand understands them and therefore have an affinity with it.

Chart 6 – Bonding by gender



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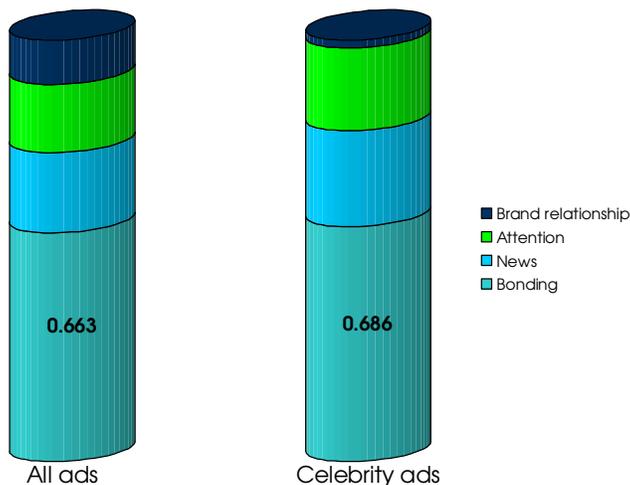
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For women, celebrity ads are the second most effective style at creating a feeling towards the brand and on average, they work well at doing this. Here, while the viewer may not be able to relate to the people directly, the appeal is aspirational – people want to be like the celebrity. This, as you would expect, is the case for all of the cosmetic ads that use celebrity models.

The second way in which we studied the role of celebrities in engagement is to compare the regression for the total data base (chart 2) as shown in the work of Phillips and Cramphorn (2006) with the regression for celebrity ads.

As explained above, a regression analysis was used to confirm the relative contribution of the key factors used to measure the effectiveness of advertising (ad Attention, Bonding, News and Brand Relationship). Here we are mostly interested in looking at the contribution of brand feelings (Bonding). If Celebrities contributed significantly to building feelings about the brand, more than other ad styles, it would be expected that the relative proportion of feelings (the bottom section on the charts) would be larger for celebrity ads (Chart 7).

Chart 7 – Regressing purchase intent (Celebrity v All ads)



Source: add+impact® data base regression

that the use of celebrities can help to encourage brand switching if the celebrity is used appropriately.

What we see from this comparison is that the contribution of feelings is very similar for both celebrity ads and the total database, but slightly higher for celebrity ads. This shows that, irrespective of ad style, feelings are the strongest predictor of purchase intent, but that celebrities can add to this.

We also see from the comparison that brand news and ad attention play a more important role in predicting purchase intent for celebrity ads than for other styles. However, the role of the existing Brand relationship seems to be less important. This may mean

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Impact of having the right 'celebrity' for the brand

At the start of this paper, we referred to a WARC (White, 2006) study which concluded that, in order to be effective, celebrity ads needed to use celebrities that are well-liked and fit the brand. So, we wanted to understand what impact these factors had on the effectiveness of the ad.

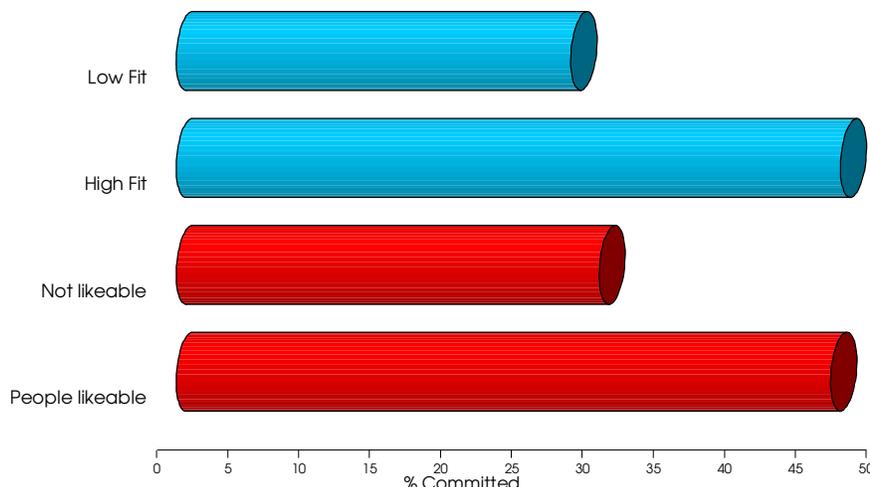
To do this, we first selected just the celebrity ads in our data base (n=200) and looked specifically at two statement ratings relating to 'fit' (Fits with the way I think about the brand) and 'casting' (I liked the people in the ad). We then classified these celebrity ads according to the ratings given on these two statements as high fit/low fit and people right/people not right and compared the responses to the key measure of the ad's effectiveness (the proportion Committed - people who have high Attention and high Bonding ratings after seeing the ad). A Commitment rating of around 50% or higher is a good level and means that the ad is likely to be effective.

The results of our analysis (Chart 8) clearly support the conclusions of the WARC study – i.e. that if you do not have the right celebrity (either not likeable or not appropriate), or if there is not a good fit between the celebrity and the brand, the ad will not be effective.

The 'Café George' case study is a good example of when a celebrity can be appropriately used to make an effective ad. Both the fit (7.0) and casting (7.6) ratings for this ad were high and the proportion Committed was 69%. The same is true for the Australian Macleans' 'Shelley' ad, with high fit (7.4) and casting (7.1) ratings, and 68% of people Committed.



Chart 8 – Impact of fit and casting on ad effectiveness



Source: add+impact® data base of celebrity ads

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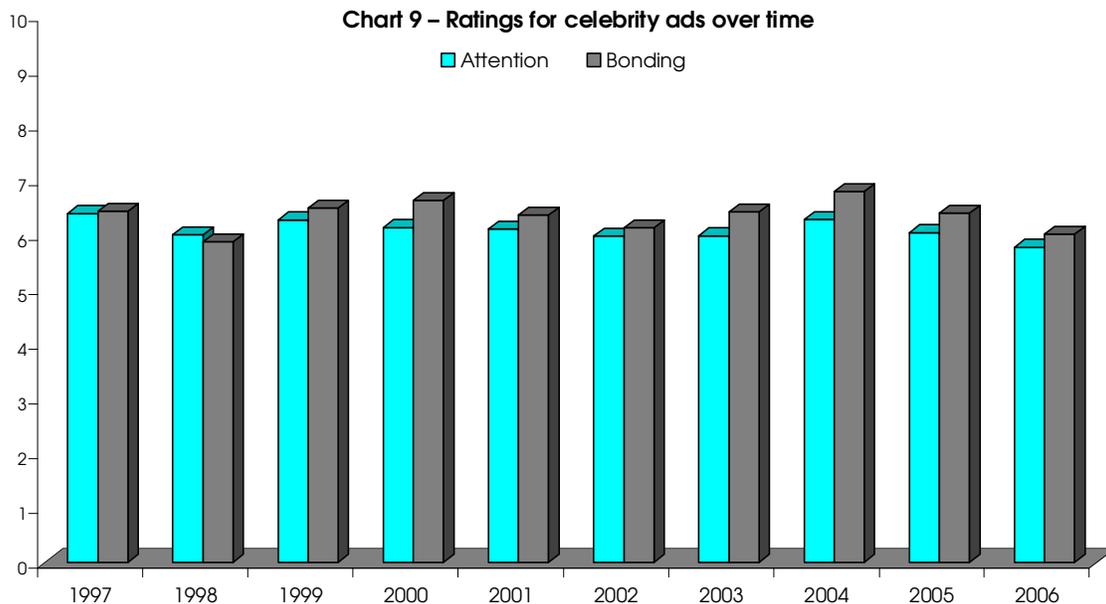


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Do celebrity endorsed ads have the same impact as in the past?

In the introduction, we talked about the current and growing obsession with celebrities and the endless supply of new 'B' level personalities. As a result of this, some commentators have hypothesised that celebrity ads will become less effective than in past.

We wanted to see whether this was the case. Has the appeal of celebrities improved or declined in terms of their effectiveness in advertising? To answer this, we have plotted the average ratings for our two key measures, Attention (cut-through) and Bonding (brand feelings), for the past ten years. The results show (Chart 9) that there is very little difference over time. It seems that celebrity endorsed ads have the same impact now as they did in the past.



Source: add+impact® data base celebrity ads

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Conclusions

It seems from all of this that George is not only sexy, but he also can engage.

Celebrities in advertising can be a very effective means of getting audience attention and also drawing people to the brand. However, it is difficult to make generalisations about celebrity endorsed ads as it seems that it is dependent on which celebrity is used.

However, the following is clear from our study:

- ➔ To be effective, the celebrity used in the ad needs to be likeable and also fit the image of the brand. If they don't, there is little chance of the ad succeeding.
- ➔ Ads with celebrities are the most effective style for women. They are more likely to cut-through and also build feelings about the brand. However, this is not such reliable approach for men, who are more engaged by the use of analogies.
- ➔ Celebrity ads are as effective now as they have always been. There is no evidence that the saturation of celebrities is causing us to tire of them.
- ➔ The use of celebrities helps to build strong positive feelings with the brand needed to make an effective ad and drive purchase intent.

So, George can engage,....even if we all know he is not the marrying kind!

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Appendix 1 – Definition of the add+impact® ad styles

Typical Person	A non-celebrity is used to deliver the product benefits by endorsing the brand.
Celebrity Endorsed	A famous celebrity is used to deliver the product benefits by endorsing the brand.
Personality	An individual who is the focus of the ad is engaged in some activity but is not providing testimonial or verbally endorsing the product.
Off-Camera Drama	A drama portraying life or character by means of dialogue or action is performed in the commercial, but the sales message is delivered by an announcer not involved in the drama (usually unseen by the audience).
On-Camera Drama	Primary sales messages are delivered by the performers engaged in the drama.
Narration	The story is depicted in the video while an off-camera announcer discusses the advertised product and relates what is happening on-camera. The distinguishing feature between narration and drama is that a story is told, not dramatised.
Demonstration	The dominant aspect of the commercial is the demonstration of product features.
Product Display	Product is displayed or shown in use, but no specific product features are demonstrated.
Fantasy	Ads employing imaginative or unnatural plots and characterisations e.g. talking animals or cartoon characters.
Analogy	The product is compared, by analogy, to an unrelated item (such as an animal or a jewel) and the analogy is the focus of the commercial.
Mood / Collage	The ad is made up of a collage of unrelated images and scenes. Voiceover is given by an off camera announcer.