The Effect of Endorser Credibility on Brand Credibility, Consumer-based Brand Equity, and Brand Attachment of Smartphone Users

Valaei, Naser
Department of Marketing, Sunway University Business School
naserv@sunway.edu.my

Nikhashemi, S.R
Department of Marketing, Sunway University Business School
farhadn@sunway.edu.my

Purpose

The purpose of this research is to examine the structural relationships between endorser credibility, brand credibility, consumer-based brand equity, and brand attachment of smartphone users. Grounded in theory of brand signaling, this research provides a better understanding on the extent to which endorsers' culture and attitude impact on the brand related constructs and the way it effects on users' brand attachment.

Worldwide marketers often consider celebrity endorsement as one of the effective promotional tools. To demonstrate the outcome of the endorser credibility, Steph Curry, one of NBA star has now become the endorser of the Apple IPhone 6 with a 15-second commercial video demonstrating his live photos, which is supposed to represent the new features of IPhone. It is likely that credibility or reliability of the endorser consequently be transferred to a particular brand. Celebrity endorsers can help in building brand equity (Till and Shimp, 1998, Till *et al.*, 2008). An endorsement helps in creating the remembrance effect for the endorsed brand as well as emotional connection with the brand, i.e., brand attachment (Park *et al.*, 2010).

Hypotheses

There is a positive relationship between endorser's credibility and **H1:** Brand credibility; **H2:** Consumer-based brand equity; **H3:** Brand attachment of smartphone users.

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According to Erdem and Swait (2004), the credibility aspect can be considered as the most significant characteristic of a brand indicating a product's market positioning. Furthermore, greater credibility would bring higher consumer's evaluations of quality (Wernerfelt, 1988). In other words, consumers might appraise brands that are high in credibility as good/high quality brands (Baek and King, 2011). The credibility of brands support consumer-based brand equity (Erdem and Swait, 1998). The brand signaling theory proposes that brand credibility is able to build brand equity. Even though Erdem and Swait (2004) claim that credible brands are able to function with lesser information-gathering, information-processing costs as well as lower risk perceived, the influence it may have on the brand's emotional connection remains as yet untapped.

H4: There is a positive relationship between brand credibility and consumer-based brand equity of smartphone users.

H5: There is a positive relationship between brand credibility and brand attachment of smartphone users.

Aaker (2009) operationalizes brand equity as a group of assets or liabilities consisting of several aspects: perceived quality, brand associations, brand awareness, and brand loyalty (Pappu *et al.*, 2006). Alternatively, Keller (1993) defines customer-based brand equity as the customer's response in order to market a brand. Consumer-based brand equity also can be described as consumer's associate value or connection with a certain product or brand (Pappu *et al.*, 2006). Little research was conducted on the role of consumer-based brand equity and brand attachment. Therefore, it is hypothesized that:

H6: There is a positive relationship between consumer-based brand equity and brand attachment of smartphone users.

Methodology/approach

This study used convenience sampling approach and to measure the variables, measurement items were adopted from prior established researches as a methodological norm in measuring latent variables (Westland, 2015, Valaei *et al.*, 2017). The first order measurement items were adopted from previous studies: endorser credibility from Ohanian (1990), brand credibility

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from Erdem and Swait (2004), consumer-based brand equity from Spry *et al.* (2011), and brand attachment from (Zhou *et al.*, 2012, Thomson *et al.*, 2005). Prior to data analysis, we applied several steps to ensure that any possible bias is avoided. For instance, Harman's one factor test (Podsakoff et al., 2003) was used to address common method bias. We addressed missing values through expectation-maximization algorithm (EMA) (Little, 1988) applying SPSS software (Version 20). Finally, a-priori sample size calculator for structural equation models (Soper, 2015) was used to assess sample size adequacy.

A total of 497 responses were used to assess the measurement and structural models using partial least squares (PLS), a variance-based structural equation modeling approach (Valaei and Jiroudi, 2016). To analyze the hierarchical component model, SmartPLS software version 3.2.4 (Ringle *et al.*, 2015) is applied. As a part of measurement evaluation, this study considers composite reliability, average variance extracted (AVE=convergent validity), outer loadings, Cronbach's alpha, cross loading and discriminant validity. To test the reliability of measurement model, composite reliability and Cronbach's Alpha values are examined to ensure the reliability of the measurement model. Furthermore, to assess the discriminant validity between constructs, Fornell and Larcker (1981), loadings and cross-loading criterion, and Heterotrait-Monotrait ratio of correlations are used. Validity and reliability of the first order factors on their respective second order factors are also assessed. Bootstrapping algorithm is applied to examine significance level of the paths between each construct. Blindfolding technique is used to assess the predictive relevancy of the proposed model. Finally, to examine the role of demographic factors as categorical moderating variables, PLS-multi group analysis (PLS-MGA) is applied.

Findings

The findings show that all hypotheses are supported (shown in Appendix A). The positive relationships between endorser credibility and brand credibility (**H1:** path coefficient = 0.488, standard error = 0.040, T-value = 12.050), consumer-based brand equity (**H2:** path coefficient = 0.151, standard error = 0.029, T-value = 5.252), and brand attachment (**H3:** path coefficient = 0.125, standard error = 0.039, T-value = 3.219) are supported. The hypotheses on the positive associations between brand credibility and consumer-based brand equity (**H4:** path coefficient = 0.762, standard error = 0.026, T-value = 29.689), and brand attachment (**H5:** path coefficient = 0.137, standard error = 0.057, T-value = 2.398) are substantiated. The results also show that there is a positive relationship between consumer-based brand equity and brand attachment (**H6:** path coefficient = 0.639, standard error = 0.056, T-value = 11.458).

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Moreover, endorser credibility is confirmed as a second order factor of three first order factors: attractiveness, expertise and trustworthiness. Consumer-based brand equity is corroborated as a second order factor of four first order factors: brand awareness, brand associations, brand loyalty, and perceived quality. Brand credibility is confirmed as a second order factor of expertise and trustworthiness and brand attachment is corroborated as a second order factor of three first order factors: affection, connection, and passion. The results of PLS-MGA show that gender, age, and race moderate the structural relationships between constructs.

Theoretical contributions

As one of the eventual goal of marketing is to establish a bond between the consumer and the brand (Hiscock, 2001), the results of this study reveal that the relationship between endorser credibility and brand attachment, brand credibility and brand attachment, and consumer-based brand equity and brand attachment (schematically shown in Appendix A) are supported. Taking into account that brand attachment develops over time (Thomson *et al.*, 2005), the impact of endorser credibility, brand credibility, and consumer-based brand equity could be considered as a surprising findings in smartphone industry.

Marketers often consider celebrity endorsement as one of the effective promotional tools (Biswas *et al.*, 2006). An endorsement helps in creating the remembrance effect for the endorsed brand (Dean, 1999). Celebrity endorsement can directly affect the perceived value of the product and quality and it can help the customers in understanding more about the brand details as to satisfy customer's needs and expectations. Furthermore, in order to convince customers to buy the specific products, the celebrity's posture acts as an important tool that can influence their buying decisions and guarantee the success of company's advertising in mass media (Leung and Kee, 1999). It helps in creating a recognition impact in customers' minds with the celebrities' attractive voice (Mohammad and Mohammad, 2011). Consistent with the findings of Spry *et al.* (2011), higher level of credibility of the endorsers can essentially lead to greater levels of credibility of the brand. Thus, it implies that the use of endorser credibility is one of the favorable approaches amongst hedonic goods i.e., smartphones to capture market share and more sales. Finally, in line with the results of this study, enhancing brand credibility can help in building brand equity effectively and provide methods for choosing endorsers (Jafar *et al.*, 2011).

The reputation of the endorser will have positive impacts on the financial outcomes of companies (Wang *et al.*, 2013). However, the extent to which endorser credibility could have influenced the branding perceptions of the customers was unclear in smartphone industry and the proposed model of this study provided a clearer understanding towards the concepts of brand credibility, consumer-based brand equity, and brand attachment for hedonic goods through the influence of endorser credibility.

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Practical contributions

The results showed that the proposed model has high level of predictive relevancy in terms of R^2 (shown in Appendix B) and Q^2 values. Taking endorser credibility as the exogenous construct, the findings indicate that all endogenous constructs received medium to high effect sizes: brand credibility ($R^2 = 0.238$, $Q^2 = 0.145$), consumer-based brand equity ($R^2 = 0.715$, $Q^2 = 0.367$), and brand attachment ($R^2 = 0.689$, $Q^2 = 0.426$). These findings help managers in their strategy formulation in terms of the extent to which endorser's attitude, culture, posture, and voice can influence on different brand related contents. In addition, managers should notice that the break-up of the brand-consumer bond is impending when the brand disappoints the consumer (Schmitt *et al.*, 2015). Therefore, magnifying endorser credibility, brand credibility, and consumer-based brand equity is a prime concern in creating brand attachment in cellphone industry.

Another significant implication of this research is revealed through the results of PLS-MGA. Examining group differences, managers can observe the extent to which the role of endorser credibility on brand attachment can vary across different demographic groups. In terms of the moderating effect of gender, the study found that the relationship between endorser credibility and brand credibility as well as endorser credibility and consumer-based brand equity is stronger for female smartphone users. The relationship between brand credibility and consumer-based brand equity is stronger for male smartphone users. The relationship between consumer-based brand equity and brand attachment is stronger for age range of 18 to 24, 25 to 34, and 45 to 54. Furthermore, the relationship between endorser credibility and brand attachment is stronger for 25-years-old and above. However, these results imply that when the users grow older the endorser's culture, attitude, posture, and voice can influence their degree of attachment to the brand. Also, the relationship between endorser credibility and brand credibility is stronger for age range of 25 to 34 and the relationship between endorser credibility and customer-based brand equity is stronger for age range of 18 to 24.

Examining the moderating role of race between latent constructs, the relationship between brand credibility and brand attachment is stronger for Chinese users and the relationship between brand credibility and consumer-based brand equity is stronger for Indian users. Interestingly, the relationship between consumer-based brand equity and brand attachment is stronger for Malay users. Finally, the results showed that the relationship between endorser credibility and brand attachment as well as endorser credibility and brand credibility is stronger for Malay and Indian users. Therefore, these results help marketing managers to come up with better variations in their promotion mix activities to address different races effectively.

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Limitations

Even though Malaysia has a multi-cultural environment consisting of Malays, Chinese, and Indians and its cultural values is somehow identical with its neighboring South-East Asian countries, one of the limitations of this research is that the collected data may have biases in terms of generalizability. In addition, the role of product types such as Apple vs. Samsung should be considered as another moderating variable that need to be investigated in future studies.

Originality/value

This is the first study that examines the relationships between endorser credibility, brand credibility, and consumer-based brand equity on brand attachment. No previous study has examined these relationships in the context of smartphone users.
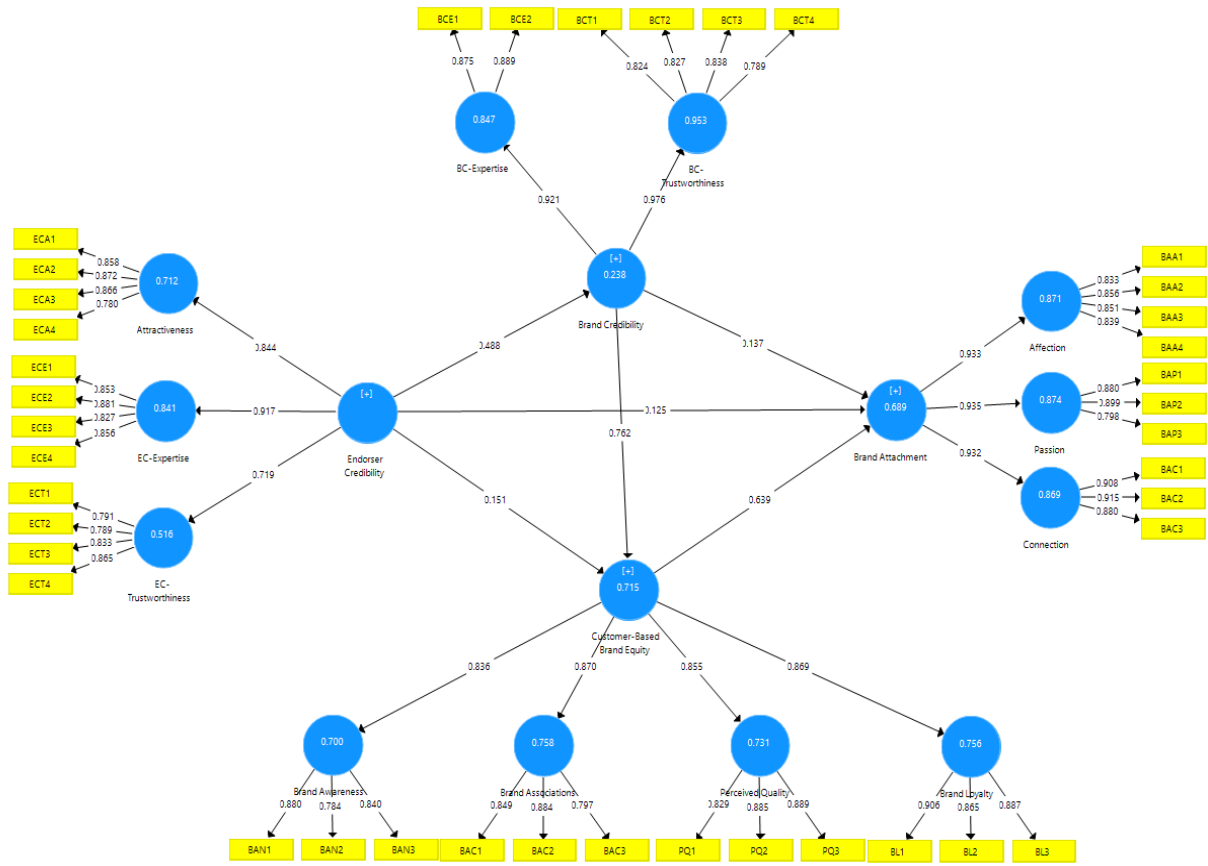
Keywords

Endorser credibility; brand credibility; consumer-based brand equity; brand attachment; smartphone users

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Appendix A: Bootstrapping results

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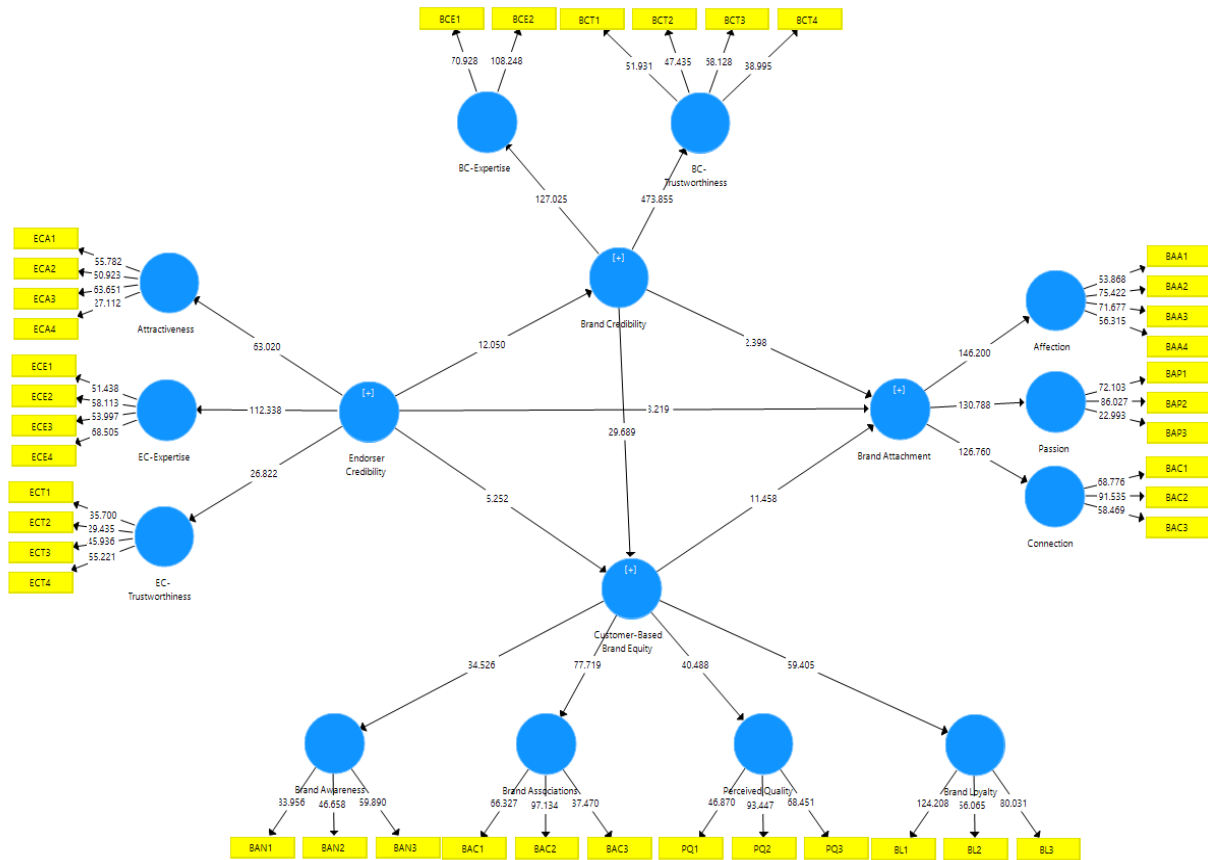
Appendix B: PLS results

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