

## CEOS AND SPOKESPERSON-PRODUCT FIT

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### ABSTRACT

Advertisements which feature a well-known spokesperson can be effective in building product image. In recent years, CEOs have increasingly been featured in advertising, but there has been little research into the effectiveness of this approach. Previous studies find that to achieve the best effect, there needs to be a good fit between the spokesperson and product being advertised. However, does the concept of spokesperson-product fit apply when a company uses its CEO in its advertising? The purpose of this research is to investigate whether it is true that a certain type of spokesperson is more effective for a certain type of product, and whether CEOs can only be effective advertising spokespeople for specific products. An experimental design is used to test the hypotheses. The managerial implications of the results are provided, and these may help firms to choose more suitable spokespersons and thus have more effective advertising.

Keywords: spokesperson; spokesperson-product fit; advertisement

### 1. INTRODUCTION

In recent years, an increasing number of companies have been using their CEOs in their advertising. For instance, the top two motorcycles companies in Taiwan both feature their CEOs in their commercials to attract consumer attention and raise their awareness of their brands. Previous research shows that to achieve the best effects, the spokesperson used in a firm's advertising needs to have a good fit with the product they are promoting. Products can be classified into three broad types: hedonic products, utilitarian products and commodities. In addition, three results can be generalized from the related studies with regard to effective spokespeople: (1) celebrities have greater effects on consumer attitudes and purchase intentions for hedonic products, (2) experts have greater effects for utilitarian ones, and (3) using typical consumers as spokespeople can lead to greater identification among viewers, and thus have greater effects for commodities. However, little work has been carried out to examine the concept of spokesperson-product fit with regard to CEOs, who are generally used in advertising utilitarian items, and thus this is the motivation for the current study.

Advertising that makes use of spokespeople is known as "advertisement(s) with endorsers" in the literature (Mowen, 1981), and this approach can be very effective in building product image quickly in the minds of consumers. As noted above, there have traditionally been three categories of spokesperson, which are celebrity, expert and typical consumer (Freidman, 1979). However, Freiden (1984) later noted the rise of the Chief Executive Officer (CEO) as a fourth type of spokesperson. The characteristics of these four are described in more detail below:

1. Celebrity: famous people can be used to promote products by using their popularity and charisma to attract consumers.
2. Expert: people with professional knowledge and authority can give more credibility to their endorsements, and thus raise consumer trust.
3. Typical consumer: since these spokespeople are easy for consumers to identify with, they can make advertising seem more natural and believable.
4. CEO: business leaders can make an impression on the public based on the size of their firms.

McCracken (1989) found that consumers often transfer their impressions of the spokesperson to the products they are promoting, and thus it is very important to choose the right person to be linked to the product. According to Lafferty et al. (1999) and Wang et al. (2002), there are three dimensions for measuring the effects of advertising, which are attitude towards the advertisement, attitude toward the brand, and purchase intention. These are explained in more detail below:

1. Advertisement attitude: this is the viewer's opinion about an advertisement they have seen (Gardner, et al., 1985), and can be considered as being on a continuum from like to dislike (Lutz et al., 1983; Lutz, 1985).
2. Brand attitude: this is the viewer's opinion about a brand after watching an advertisement (Lutz et al, 1983), and can also be considered as being on a continuum from like to dislike (Lutz et al., 1998).
3. Purchase intention: this is the likelihood that a viewer will purchase a product after seeing the related

advertisement (Lutz et al, 1983), and Lafferty (1998) showed that this is significantly and positively correlated with attitudes to the advertising and brand.

This research uses advertisement attitude, brand attitude, and purchase intention as the indicators to measure whether there are any different effects when different kinds of spokespersons, and specifically CEOs, are used in advertisements, and also examine the fit between a spokesperson and product type. Kamins (1990) proposed and found support for the “match-up hypothesis”, which suggests that endorsers are more effective when there is a good fit between them and the endorsed product. Similarly, Till and Busler (2000) noted that when the product being advertised and the image of the spokesperson are congruent, then this can lead to better advertisement attitude and purchase intention. In addition, according to Stafford et al. (2002), who examined the effects of spokesperson and service type to find the most appropriate spokesperson-service linkage, the right spokesperson is required for an effective advertising campaign to deliver a persuasive message.

## 2. HYPOTHESES

Wood (1960) classified products into the three types: hedonic, utilitarian and symbolic. Hedonic products bring customers sensual feelings of pleasure and fantasy, while utilitarian ones are necessary or functional, but have no great cultural or social implications. Finally, symbolic products are those that have a certain level of ego-involvement, and that consumers can use to show their identity or status symbolically. Since symbolic products are more likely to involve personal preferences and attitudes, this study replaces them with commodities, as these are more familiar and easily understood by normal customers.

The literature shows that hedonic products and services, which are usually associated with more social or psychological risk, as they are more fun, experiential (Ahtola, 1985; Babin et al., 1994), and value expressive (Johar and Sirgy, 1991; Day and Stafford, 1995), are more suited to being promoted by a celebrity (Friedman and Friedman 1979). Therefore, we propose the first hypothesis:

***H1: For hedonic products, using a celebrity as a spokesperson leads to better advertising effects than using a CEO.***

Utilitarian products are associated with more knowledgeable customers and differentiated offerings (Johar and Sirgy 1991), and are better suited to spokespersons with related experiences and skills, because such products are related to rational task performance, tangible performance characteristics, and functionality (Dhar and Wertenbroch, 2000). As a result, the second hypothesis is as follows:

***H2: For utilitarian products, using an expert as a spokesperson leads to better advertising effects than using a CEO.***

Products with little inherent perceived risk, such as commodities, do well when a typical consumer is used as the spokesperson (Day et al., 2002). Consequently, the third hypothesis is as follows:

***H3: For commodities, using a typical consumer as a spokesperson leads to better advertising effects than using a CEO.***

## 3. METHODOLOGY

Friedman and Friedman (1979) stated that spokespersons can be classified as celebrities, experts, and typical consumers, while Freiden (1984) added CEOs to this list. As a result, we use the following factors to examine the hypotheses in this study: (1) the type of spokesperson: celebrity, expert, typical consumer and CEO, and (2) the type of product: hedonic product, utilitarian product, and commodity. The three product types are further divided by price into two price-level types, a high-level and medium/low-level. We then identify the effects of various types of advertising based on the three constructs in Baker and Churchill (1977), attitude toward the advertisement, attitude towards the brand, and purchase intention, as explained earlier.

We designed twelve posters, each with a different advertising scenario. The three products used in these are a suit (hedonic product), fitness equipment (utilitarian product), and shower gel (commodity). In addition, we investigated the spokesperson-product fit with two levels of prices, high-and medium/low, to assess whether each spokesperson is really suitable for endorsing a type of product regardless of its price.

When distributing the questionnaires, we explained our research objectives and methods to the respondents to help them understand how to complete them. The questions were designed to examine the respondents' advertisement attitude, brand attitude, and purchase intention after viewing the posters, with four or five questions for each factor. Baker and Churchill's (1977) model is used as the measurement framework for the present study. All the responses were based on a seven-point Likert scale, ranging from strongly

disagree (1) to strongly agree (7). Demographic information with regard to the respondents' gender, age, education background, and occupation were also collected. The questionnaire was written in Chinese and validated by a back-translation (Chinese to English) procedure, as prescribed by Brislin (1970).

The subjects in this study were graduate and undergraduate students at a university in Taiwan. We chose the students from the full name list of enrolled students in the class years from 2007 to 2010, with 150 subjects chosen in random sampling. Each student was asked to complete the questionnaire after they had seen the printed advertisements. Two hundred questionnaires were completed, of which 23 were excluded because of incomplete responses, yielding 177 usable responses, and thus a response rate of 88.5%.

#### 4. ANALYSIS OF THE RESULTS

The key aim of this study is to examine the effects of spokesperson-product fit between CEOs and various product types. We compared the different types of spokespersons and the different product types by using analysis of variance (ANOVA) with the, SPSS 18 software. The Cronbach's alpha of the results was 0.887, showing good reliability.

To compare the spokesperson-product fit, we used the three dependent variables, namely advertising attitude, brand attitude and purchase intention, as presented in Lafferty et al. (1999) and Wang et al. (2002). For the first dependent variable, advertising attitude, the results show that there is no difference with regard to the effects of the advertisements for the hedonic product and commodity (Table 1). Table 1, which shows the p-values for the various types of spokespersons as analyzed via ANOVA, reveals that the advertising attitude for the hedonic product and commodity are not significantly different ( $p > 0.05$ ). On the contrary, there is significant effect of spokesperson on advertising attitude ( $M_{EU} = 4.678$  vs  $M_{CEO} = 4.201$ ,  $p = 0.014$ ).

With regard to brand attitude, the results show that there is no difference with regard to the main effects of spokesperson types for the hedonic product and commodity ( $p > 0.05$ ) in Table 2. It is simply found a significant effect of spokesperson type on brand attitude ( $M_{EU} = 4.772$  vs  $M_{CEO} = 4.183$ ,  $p = 0.04$ ). When a company uses an expert as a spokesperson, consumer will have more positive attitude toward the brand of product in the advertisement.

Table 1 Advertising Attitude ANOVA Table

Hedonic product - suit				
Source	SS	df	MS	F (p-value)
Price level	0.070	1	0.070	0.054 (0.817)
Spokesperson types (celebrity, CEO)	0.604	1	0.604	0.465 (0.498)
Interaction	8.459	1	8.459	6.515 (0.014*)
Error	71.414	55	1.298	
Total	80.547	58		
Utilitarian product - fitness equipment				
Source	SS	df	MS	F (p-value)
Price level	0.247	1	0.247	0.267 (0.607)
Spokesperson types (expert, CEO)	4.685	1	4.685	5.060 (0.029*)
Interaction	3.642	1	3.642	3.934 (0.052)
Error	50.916	55	0.926	
Total	59.49	58		
Commodity - shower gel				
Source	SS	df	MS	F (p-value)
Price level	6.135	1	6.135	4.734 (0.034*)
Spokesperson types (typical consumer, CEO)	0.543	1	0.543	0.419 (0.520)
Interaction	0.007	1	0.007	0.005 (0.943)
Error	71.289	55	1.296	
Total	77.974	58		

Table 2 Brand Attitude ANOVA Table

Hedonic product - suit				
Source	SS	df	MS	F (p-value)
Price level	1.352	1	1.352	1.692 (0.199)
Spokesperson types(celebrity, CEO)	0.104	1	0.104	0.130 (0.720)
Interaction	1.124	1	1.124	1.407 (0.241)
Error	43.929	55	0.799	
Total	46.509	58		
Utilitarian product - fitness equipment				
Source	SS	df	MS	F (p-value)
Price level	0.251	1	0.251	0.407 (0.526)
Spokesperson types (expert, CEO)	2.719	1	2.719	4.414 (0.040*)
Interaction	1.940	1	1.940	3.150 (0.081)
Error	33.881	55	0.616	
Total	38.791	58		
Commodity - shower gel				
Source	SS	df	MS	F (p-value)
Price level	3.382	1	3.382	4.748 (0.034*)
Spokesperson types (typical consumer, CEO)	0.025	1	0.025	0.035 (0.853)
Interaction	0.953	1	0.953	1.338 (0.252)
Error	39.173	55	0.712	
Total	43.533	58		

Table 3 shows the results for purchase intention, and these reveal that the differences between the main effect of two spokesperson types for hedonic product and commodity are not significant ( $p > 0.05$ ). However, there is significant difference for utilitarian products ( $M_{EU}=4.863$  vs  $M_{CEOU}=4.122$ ,  $p=0.045$ ). To sum up, it is found that the effects of using a CEO in advertising were not significant for the hedonic product and commodity, but were significant for the utilitarian product. Therefore, H1 and H3 are rejected, but H2 is supported from the data from experiments.

Table 3 Purchase Intention ANOVA Table

Hedonic product - suit				
Source	SS	df	MS	F (p-value)
Price level	0.358	1	0.358	0.359 (0.551)
Spokesperson types(celebrity, CEO)	0.130	1	0.130	0.131 (0.719)
Interaction	1.696	1	1.696	1.699 (0.198)
Error	54.904	55	0.998	
Total	57.088	58		
Utilitarian product - fitness equipment				
Source	SS	df	MS	F (p-value)
Price level	0.001	1	0.001	0.001 (0.970)
Spokesperson types (expert, CEO)	4.043	1	4.043	4.189 (0.045*)
Interaction	2.647	1	2.647	2.742 (0.103)
Error	53.090	55	0.965	
Total	59.781	58		
Commodity- shower gel				
Source	SS	df	MS	F (p-value)
Price level	2.464	1	2.464	2.861(0.096)
Spokesperson types	0.001	1	0.001	0.001 (0.971)

(typical consumer, CEO)

Interaction	1.886	1	1.886	2.190 (0.145)
Error	47.375	55	0.861	
Total	51.726	58		

## 5. DISCUSSION

Previous studies proposed several different perspectives to examine spokesperson-product fit, but as yet there have been no unambiguous conclusions. Most studies focus on the use of celebrities as spokespeople, examining how this can affect attitudes toward the advertisements. However, a number of studies have found negative outcomes with regard to spokespeople-product fit, and thus we wondered whether this factor is really important. In this work we carried out an experiment with various advertising scenarios to examine the respondents' resulting attitudes toward the advertisements and brands, as well as their purchase intentions.

Based on the data from 177 respondents, the results of some previous studies are partially subverted. This work found that the type of spokesperson does not always perfectly correspond to the product type. Based on the examination of the three hypotheses, the following three conclusions are presented:

1. The effects of advertisements that have CEOs as spokespeople are just as good as those that have celebrities.

According to the findings of this work, the interaction between product price level and the type of spokesperson is significant. We find that effects of advertising are more significant when the CEO is used to promote a product with a medium/low price, while celebrities are more effective for more fashionable and expensive products. Therefore, we conclude that advertisers should consider the price of the product when choosing the spokesperson, especially for hedonic products.

2. For utilitarian products, the effects of using an expert in advertising are better than those of using a CEO.

The ANOVA results show that the correlation between utilitarian product (product type) and expert (type of spokesperson) is significant, and thus this type of spokesperson is more effective in this context.

3. For commodities, the effects of using CEOs as spokespeople are the same as using typical consumers.

The results show that both CEOs and typical consumers have the same effects as spokespeople, and thus H3 is rejected. With regard to higher priced products, more respondents preferred CEOs as spokespeople than typical consumers. There are two other reasons why using a CEO in advertising may be a better choice for such products: (1) it can reduce marketing costs, and (2) it can increase the value of the product and create more economic benefits. On the other hand, for the medium/low priced commodities, the effects of using a typical consumer are better than those of using a CEO, although the difference is very small. In addition, for commodities, which people tend to purchase based on habit and experience, the use of CEOs in advertising is rather novel, and thus more likely to catch people's attention. In addition, CEOs' recommendations were also seen as more credible and reliable by the respondents in this study.

Based on the findings presented above, we can see that for certain products a CEO can be an effective advertising spokesperson. In addition, using a CEO can have various other positive effects, such as cutting marketing costs, increasing product and brand value, and even inspiring the company's employees. Although there are still relatively few advertisements that feature CEOs, this seems to be an increasingly popular marketing strategy.

This research contributes to the existing literature in the following ways. First, the results provide empirical support for Baker and Churchill's theoretical model (1977) of the effects of advertising, especially in a Taiwanese context, where the advertising industry is gradually growing. Second, this study advances a framework for understanding public attitudes toward advertising in developing economies in Asia. Third, and most importantly, the results provide the advertisers with a new perspective on choosing a spokesperson. Previous studies show that to achieve the best effect, the spokesperson needs to correspond with the product type. According to our findings, the resulting advertisement attitude, brand attitude, and purchase intention are not significantly different when choosing the CEO as spokesperson. We suggest that choosing a CEO as the spokesperson for the three types of product examined in this work – hedonic, utilitarian and commodity – can have positive effects, and that such endorsements can make the related items seem more valuable and useful.

There are several limitations to his study, which present some avenues for future research. First, the data was collected at the end of 2010, and consumer attitudes might have changed since this time. Second, we used Baker and Churchill's model (1977), which was developed in a western context, may or may not have been able to adequately capture the range of advertising effects and attitudes in Taiwan. Third, we used graduate and undergraduate students as the respondents, and thus the findings cannot be generalized to consumers of all ages and educational backgrounds.

Future studies should aim to get a greater number of respondents. In addition, the focal product was a commodity in this research to make the survey easier for our respondents to complete, and future works could focus on different product types, such as symbolic products (Wood, 1960). Third, in this paper we examined the

effects between spokespersons and products. Although we distinguished the products into high and medium/low prices before the experiment, we did not really examine the interaction effects among the independent and dependent variables. If further research could investigate these effects, then this would strengthen the robustness of our measures and findings.

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