Celebrity Endorsement - Consumers’ willingness to pay for celebrity endorsed products

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Ekonomie, kandidat
2018

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Abstract

Celebrity endorsement has become a widely studied and applied concept by the marketers and managers in modern business organizations. With the progressive marketing and business methods, new promotional tools have also been introduced to provide a competitive edge to the organizations. This paper deals with the research question i.e. investigating the effects of celebrity endorsement on consumers' willingness to pay. The topic is examined through a qualitative method and inductive approach is adopted to proceed with the study. Secondary data is collected through journals, online publications and forms the background knowledge of the study. Primary data is obtained through eight semi-structured interviews conducted with a sample comprising 5 football players located in the Norrbotten County. The outcomes indicate that 4 out of 5 respondents are willing to pay a higher price for the football shoes and equipment endorsed and promoted by the famous football players. However, the willingness to pay varies due to income and substitution effects in different situations. However, it may be concluded that celebrity endorsed products substantially influence the buyers' behavior to buy.
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Chapter 1 - Introduction

In this part of the project, the background of the topic will be presented followed by the problem discussion. The main purpose and delimitations will also be presented.

1.1 Background

Organizations adopt different strategies to promote their products or brands. They include advertising on TV, newspapers and social media. However, a common promotion tool is celebrity endorsement, which means that a well-known person represents the brand. The celebrity endorsement strategy is extremely useful in order to differentiate the brand and enhance competitive advantage (Spry et al., 2011). A celebrity is defined as an individual who possesses public recognition and uses that recognition for the promotion of products, brands or services (Pradhan et al., 2016). Celebrities are constantly being watched by people around the world, which means that they are widely recognized and possess fame which helps them capture people's attention. Therefore, their influence on a product, brand or purchase intentions is huge (Sola, 2012). Celebrity endorsement can be seen as part of a company's design and promotion of a brand. This practice has given an opportunity for companies to create a link between their brand and a well-known profile, like a celebrity (Jain and Roy, 2016).

Many reputed organizations have been using celebrity endorsements as a primary promotion tool for almost two decades. For instance, in 1997, Nike signed a five-year-long contract with the legendary golf player, Tiger Woods. The partnership between Tiger Woods and Nike resulted directly in terms of sales. In the first quarter, Tiger Woods endorsement doubled sales of Golf apparels and increased the total sales of the company with 55 percentage (Farrell et al., 2000). In total, Nike gained $103 million after getting endorsed by Tiger Woods (Chung, Derdenger & Srinivasan, 2013). A more recent and successful celebrity endorsement occurred when Volvo Cars hired Zlatan Ibrahimović for a new campaign, called Made By Sweden. The same weekend as the campaign got launched, the sales of Volvo Cars were boosted by 500 percentage and its first quarter of 2014 measured an increase of 200 percentage in their sales (Byberg et al., 2015). Thus, it may be concluded that celebrity endorsement is greatly effective in increasing the sales of products and services.
In order to increase the company's profit, one of the approaches is to gain knowledge about consumers’ willingness to pay. Since celebrity endorsement leads to awareness and recalls (Spry et al., 2011), companies may work towards making consumers less price sensitive. This means that customers will be willing to pay more for a product. Willingness to pay refers to the maximum amount a customer is willing to pay for a product or service (Chatterjee & Kumar, 2017). Studies have shown that willingness to pay is linked to consumers’ value perception of the product or service (Homburg et al., 2005). As has been seen in many instances that celebrity endorsements help in increasing the sales of the products or services, therefore we could posit that they have a direct influence on the consumers’ willingness to pay.

1.2 Problem discussion

It is widely known and researched that a celebrity endorsement is a great tool in contributing towards boosting sales. Celebrities promote service and product in ways which help in building credibility and brand awareness. By vouching for and advertising a product, celebrity endorsements increase trust, familiarity, and awareness, which are the significant factors in determining the consumers' purchase decision-making process (Muda et al., 2017). It creates a psychological effect as people subconsciously believe that buying a celebrity-endorsed products will enable them to obtain the desired attributes of the celebrity. They also feel a strong connection and association with them and believe that the celebrities actually use the products they market. All these elements lead to a drastically increased and clear brand value, and the presence of legitimacy is visible in the company due to the power of the celebrity's name supporting it. Consequently, the product's demand and sales are increased (Muda et al., 2017). However, in order to promote a product or service through celebrity endorsement, a manager needs to know exactly how the endorsement would affect consumers’ willingness to pay, and what factors are likely to drive consumers' willingness to pay more. When a manager gains access to all these details, only then he would know exactly what to focus on when conducting such type of promotion. Therefore, the purpose of this study is to carry out a detailed research on this topic further.

1.3 The Purpose

The purpose of the research is to find out how consumers’ willingness to pay is affected by celebrity endorsement. This question is very important because celebrity endorsement is
commonly being used by the companies as a significant promotional tool for their products or services. It is important for the organizations to know how celebrity endorsement would affect consumers’ willingness to pay. Based on that, the following research question has been constructed:

How does celebrity endorsement affect consumers’ willingness to pay?

1.4 Delimitation

This research will be delimited into a consumer perspective as the purpose is to find out the consumers’ experience and the impact of celebrity endorsement. In order to conduct the study, the effects of celebrity endorsement on the football industry have been chosen. The reason for this choice is that sports have now become one of the potential disciplines in which a higher number of people are engaged. The sports industry is making a stronger impact through its assumption to associate the promotional messages on a wider level by uniting the audiences around the world through their passions. Therefore, celebrity endorsement play a huge role in differentiating various sports brands and enhancing consumers' willingness to pay. Furthermore, the methodology and data collection for the study will be delimited into the football industry, where football players in Norrbotten county will be the primary data source.
Chapter 2 - Literature review

This chapter highlights previous findings and concepts that are relevant to this project. The concept of celebrity endorsement is presented and followed by an explanation of celebrity and willingness to pay.

2.1 Celebrity and Celebrity Endorsement

A celebrity is defined as an individual who possesses public recognition and uses that recognition for the promotion of products, brands or services (Jain and Roy, 2016). In the sports world, celebrity is defined as a famous athlete or coach who uses the popularity to promote products, brands or services (Stafford et al., 2003). Celebrity endorsement is an advertising tool, where celebrities are meant to promote a product, brand or service. This tool has gradually become more common by advertisers. It is the spread of recognition, fame and the high status the celebrities possess that is the key factors of celebrity endorsement (Jain and Roy, 2016). An endorsement implies that the well-known person will transfer his own values to the product, which means that the product or the brand will be linked to the celebrity (Pradhan et al., 2016).

Johannes Knoll and Jörg Matthes (2017) claims that celebrity endorsement draws attention to a product, brand or service. Individuals that follow certain celebrity also get interested in what the celebrities advertise (Wi and Lu, 2013). That is because of the celebrities' popularity which makes consumers more motivated to appraise the endorsed products (Petty et al., 1983). Friedman (1979) mentions that consumers' purchase intentions increase with celebrity endorsement. In addition, the companies receive significantly more attention, recall rates and it enhances the brand equity. According to Pradhan et al., (2016), it is important to find a well-known person who can stand for the characteristics demanded by the consumers. Once the company has decided a known profile that is suitable for marketing the product or the brand, it is necessary to design the campaign in such a manner that their values transfer to the product and are clearly perceived by consumers. It is relevant that these factors are accomplished in order to maximize the endorsement of a well-known person (Pradhan et al., 2016). Therefore, it is important for a company to choose a suitable celebrity for the employment, which is called match-up.
In order to promote a successful celebrity endorsement and maximize the effect of celebrity endorsement, a company has to choose the most suitable celebrity for the brand or product that is being promoted, which is called match-up. This is because the celebrity will be representing the promoted product. Essentially, the celebrity's values have to match-up with the product or brand he or she is promoting (Byrne et al., 2003). Choi et al., (2005) points out the importance of choosing an appropriate celebrity for the target market. Thus, not only is it important to choose a suitable celebrity for the promoted product, but the chosen celebrity also needs to be the most appropriate one towards the target market. On some occasions, it is more effective to use a local celebrity rather than a foreign celebrity (Choi et al., 2005).

There are four criteria that need to be fulfilled to choose the right celebrity (Miciak and Shanklin, 1994). Celebrity credibility is a criterion where the main point is that the chosen celebrity has to be trustworthy. Celebrity/audience match is a criterion that emphasizes that the chosen celebrity must be popular in the eyes of the target market. At this stage, a company can use either a local celebrity or a foreign celebrity. Therefore, it is important that a company chooses the most suitable celebrity for the target market (Miciak and Shanklin, 1994). Celebrity/product match is a criterion which emphasizes that the celebrity's values and image must match-up with the promoting product or service. Celebrity attractiveness points out that the representative celebrity must be popular. He or she has to be recognized by name, looks and working associations (Miciak and Shanklin, 1994). According to Khatri (2006), a company can use a celebrity in different ways, and he brings up four characters that a celebrity can act. Those are testimonial, endorsement, actor, and spokesperson, which are explained below.

Testimonial means that a celebrity uses or tests a product or a service and then praises the products or service's attribute in a statement. This could be done in writing as well as in oral form (Khatri, 2006). An example of this is the testifying of former football star David Beckham for the quality of Gillet's razors (Thomaselli, 2004, April 27).

The endorsement is when celebrities lend their names to companies, for using it in the advertisement of products or services, regardless of the extent of expertise about the actual product or service (Khatri, 2006). This is when Cristiano Ronaldo and the Portuguese hotel chain Pestana started to collaborate, where they used Ronaldo’s signature name, CR7, as the hotel's name (Soo, 2016, August 4).
Figure 1: Celebrity Endorsement Example 1

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Figure 2: Celebrity Endorsement Example 2
Involvement of a celebrity in an advertisement as an actor means that he or she will be presenting a product or a service in the advertisement as a character. The difference between being an actor and the first two roles is that in an act, a celebrity is a certain character in the actual advertisement rather than being himself (Khatri, 2006). A clear example of acting is the commercial made by the chips company Lays featuring football superstar Lionel Messi [figure 3] (Bruck, 2014, June 16).

![Lays Commercial](image)

Figure 3: Celebrity Endorsement Example 3

Spokesperson, via agreements, is when a celebrity has the role of being representative of a brand on behalf of a company over the arranged period. Spokespersons are in simple terms the face and voice of the brand. This type of role gets a higher response in terms of attention, recall, and awareness (Khatri, 2006). An example of this is the agreement between Nike and the legendary Mikeal Jordan. Nike and Mikeal Jordan started a new shoe collection, basketball shoes mixed with sneakers, and named that collection after Mikeal Jordan, Air Jordan [Figure 4]. Not only did they name it Air Jordan, but they also positioned Mikeal Jordan as the spokesperson (Rovell, 2013, February 16).
2.2 Willingness to pay

In order to design an optimal pricing strategy, the focus should be placed on setting the prices of products by considering consumers' willingness to pay for them. To increase the prices of products, a company needs knowledge about customers' willingness to pay. According to Homburg et al., (2005) willingness to pay is defined as the maximum amount of money that a consumer is prepared to pay for a product. This term measures the maximum price a consumer is willing to pay for a product before substituting for another product (Homburg et al., 2005). It is vital for a manager to have great knowledge of consumers’ willingness to pay when calculating and predicting product demand. With the help of this knowledge, the manager can plan optimal price strategies for the products in order to maximize the profit and return on the investments (Sukhu et al., 2017). An appropriate price strategy for companies to use is customer value-based pricing strategy where the focus of the price setting is on consumers’ willingness to pay (Hinterhuber, 2008). Moreover, Wertenbroch and Skiera (2002) explain that a buyer's willingness to pay is at least as high as the posted prices by companies, and nonbuyers willingness to pay is lower than the posted price.

Homburg et al., (2005) claimed that willingness to pay is connected with customer satisfaction. In 1996, Anderson made an effort in finding that an increased customer satisfaction leads to an increased brand loyalty and that in turn lead to lower price sensitivity which means that they are willing to pay more. Meier (2017) discuss that consumers’
willingness to pay varies depending on the perceived quality and value of the product. Busler (2002) also discusses the quality as an influencing factor of willingness to pay, but the performance of the product has a role as well. Another factor that can have an impact on the willingness of pay is time. Arbin and Holmberg (2005) claim that time can have a relatively huge effect on consumers’ willingness to pay. A consumer’s willingness to pay for an example of a Coca-Cola drink on a hot day can be more than on a cold day (Arbin and Holmberg, 2005). Since football, in many countries, is not played all year around, the willingness to pay for football equipment can therefore vary.

In Hanemann’s (1991) study of willingness to pay and willingness to accept, he highlights two major influencing factors, namely the substitution effect, and income effect. These two factors have a big role in willingness to pay. The substitution effect is the simplicity with which products can be substituted for another product. Hanemann (1991) claims that the more substituted products are available in the market the less is the consumer willing to pay, and in contrast, the less substituted products there is the more is a consumer willing to pay. The other factor, income effect, is an effect the income has on the demand for the product, which indirectly affects the willingness to pay. The income effect is determined by the income elasticity, which is the percentage alteration of the income that results in alteration of a product's or service's demand (Ramskov and Munksgaard, 2001). The higher income a consumer has, the more is the consumer willing to pay. Conversely, the lower income a consumer has, the less is the consumer willing to pay (Hanemann, 1991).

The decision making process about consumers' willingness to pay includes value, acceptable price, and reference price. Satisfaction and culture also influence buyers' decisions. According to Davvetas (2015), reference price (RP) is defined as the price which is used by the buyers as a basis against which they compare the new prices that are offered by the seller. Value is defined as the assessment of consumers' experiences with the purchased object on the basis of benefits and sacrifices attached to it (Davvetas, 2015). Willingness to pay definitely corresponds the optimal level of monetary benefits and sacrifices that the customers agree to make as compensation for the benefits achieved by the product (Rehdanz & Sundt, 2015).

It is essential for a company to understand the customer's willingness to pay before starting any negotiations. Managers need to develop relevant strategies in order to realize the prices of their products. Salespeople are usually dependant on their selling skills and experience for understanding the ways in which customers value the products and make purchase decisions.
However, there are different factors that impact the buyers' willingness to pay. Price vs. quality effect describes buyers' willingness to pay more when they are of the opinion that high price signifies a high-quality product (Campbell et al., 2014). According to (Chatterjee & Kumar, 2017), unique value effect also influences buyers' willingness to pay. If the unique or distinctive attributes of the product are valued by the buyers, they will pay more. According to expenditure effect, the willingness of the buyers to purchase an item will decline if the total expenditures are higher. Besides this, various macro-environmental factors may also have major impacts on the buyers' willingness (Chatterjee & Kumar, 2017). For instance, an economic recession may demand consumers to pay lesser in comparison to the conditions of economic boom. The perception of the buyers regarding the falling or rising prices of products in the future may also influence their willingness to pay for the products, ultimately, enhance their willingness to pay for these products (Chatterjee & Kumar, 2017).

2.3 Effects of Celebrity Endorsements on Consumers' willingness to pay

The strategy of celebrity endorsement is feasible and extremely beneficial in order to build credibility, promote products, and increase brand awareness. Almost 20 percentage of all the advertisements aired on televisions in the United States feature brands and products that are celebrity endorsed (Albert et al., 2017). According to statistics, Nike spends almost $480 million every year on endorsing their brand by athletes (Slater, 2018). There are endless benefits of celebrity endorsements for the company, product, and the consumers.

According to Wadhera & Chawla (2015), the celebrity endorsement results in boosting sales of the product and help attracting new consumers for the business. They inspire the confidence of the consumers and motivate their purchase intentions positively. The addition of the brand value is clear and immediate. As soon as a celebrity signs the agreement to endorse a product, the company obtains a factor of legitimacy due to the strength of a celebrity's name (Wadhera & Chawla, 2015). Signing celebrity endorsement contract results in an immediate rise of 25 per cent in the stock when the news goes public thus, representing a boost in the perceived legitimacy of the company, although the fact that the product is same. According to studies, advertisements using a celebrity, who is admired by people, tend to draw the attention of the audience more quickly and easily than some other standard, traditional designed advertisement (Wadhera & Chawla, 2015). Therefore, one of the many positive outcomes of celebrity endorsement is that the brand image is refreshed, consumer awareness is enhanced, attention is gained and a new dimension is added to the brand image.
According to a study, consumers tend to present a better recall for the products or services that are celebrity endorsed even if they are not the actual fan. The human brain is used to recognizing celebrities just like the way it recognizes and values people it actually knows. As an impact of this, consumers tend to position the celebrity endorsed products on a higher level (Lim et al., 2017). Thus, a psychological impact is created resulting in the consumers' increased willingness to pay.

In addition to the many other existing benefits of celebrity endorsements, awareness along with familiarity and trust is increased when a celebrity vouches for or promotes a product. These are the essential variables in the purchase decision-making process of the consumer. They possess more sympathetic feelings for a brand if it is promoted by their favorite celebrity (Dwivedi et al., 2015). Moreover, a psychological impact is created which lets consumers believe subconsciously that buying a product advertised by their admired celebrity will help them in imitate the desired traits of the celebrity. This increases their willingness to pay and thus lead to a boost in sales.

Although many research shows that celebrity endorsements affect willingness to pay yet finer understanding of why and how it affects in the context of consumer is still not understood well. It may be their loyalty and affiliation with the celebrity, the pride that they feel by associating themselves with a high performing football player or the satisfaction and value that they obtain from celebrity endorsed products. It can be anything ranging from maintaining a status quo to gaining personal satisfaction and benefits by consuming a celebrity endorsed product.

2.4 Frame of Reference

The study mainly focuses on consumers’ willingness to pay for the celebrity endorsed products. In order to proceed with the research question, the main concepts that are identified, including studying celebrity endorsement as marketing and promotional tool, and willingness to pay as the consumers' ability to make purchase decisions. Celebrity endorsement is defined as a commonly used promotion tool where famous people are used for promotion of a product or service. Previous findings emphasized that celebrity endorsement have an effect on consumers’ willingness to pay (Busler, 2002). According to Busler (2002), an advertisement gets more credible and relevant when a favorable celebrity endorser is involved. Willingness to pay is defined as the maximum amount of money a consumer is prepared to pay for a
product. This term measures the maximum price a consumer is willing to pay for a product before substituting for another product (Homburg et al., 2005).

Both concepts, celebrity endorsements and consumer’s willingness to pay are related to each other in practice. The celebrity endorsed products tend to boost consumer’s willingness to pay for them by attracting them psychologically. In order to investigate how celebrity endorsement affects willingness to pay, following theoretical framework serves as a guiding tool for the empirical collection.

The current study takes into consideration the effects of celebrity endorsements on consumer’s willingness to pay for a product. The literature review provided above discusses concepts in detail. The following chapters in the thesis will be a detailed investigation of concepts shown in the figure 5. Through qualitative research, primary and secondary data will be gathered in an attempt to study the impacts of celebrity endorsement of football equipment and consumers willingness to pay after being inspired and motivated. In addition to this, the trade-offs such as income and substitution effects will also be discussed which are likely to influence the purchase decision-making process.

**Figure 5: Frame of reference**

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Chapter 3 - Methodology

This chapter presents the methodology of the research; it discusses the choices and motives of methods. The methodology chapter is divided into research purpose, research approach, data collection, research analysis, sample selection, and reliability and validity which all will be introduced and explained in detail below.

A method according to Saunders et al., (2009, p. 3) is “… the techniques and procedures used to obtain and analyze research data. This includes examples of questionnaires, observations, interviews, and statistical and non-statistical techniques”. The description in the method explains how and why the particular research has been applied. The approaches and choices of this study are discussed in the following sections.

3.1 Research purpose

By using scientific procedures, a research purpose focuses on gathering answers to questions. The research purpose is dependent on the main research problem, as it helps the author decide the research purpose. There are three types of purposes, namely explanatory, exploratory and descriptive (David and Sutton, 2016), which will be explained below.

A research based on an explanatory purpose aims to explain how and why phenomenon or events occur and different connections between phenomenon and events. Explanatory researches answer on the “why” questions (ibid). A descriptive research purpose describes characteristics of a group of people, population or another phenomenon and mainly answers the "what" question (ibid). Additionally, there is already knowledge existing in the area in question. Descriptive purposes are, usually, in form of quantitative researches (ibid). Exploratory research purposes are investigations of problems or situations that are not studied clearly and do not have a lot of existing information. Therefore, exploratory researches are meant to study more about the area in question, and also more in detail to extend the knowledge. Exploratory studies answer questions such as “how” (ibid). This research has conducted an explorative study and is based on the fact that the problem area has less research that focuses on the link between celebrity endorsement and willingness to pay. Therefore there seems to be a gap that could be filled in. In addition, the problem area is of the “how” question and the author have, therefore, decided to conduct an exploratory research.
3.2 Research approach

When the research purpose has been decided, then the next step is to choose the research approach. There are two types of research approaches, quantitative and qualitative approaches. The choice between quantitative and qualitative approach depends on how the author wants to collect its data. Some researchers conduct a combination of the qualitative and quantitative method (David and Sutton, 2016). It is important to distinguish them because the purposes of them are different and that is the base of the divergence between them.

Quantitative approach tests different theories by collecting quantifiable data, for instance, statistics and other numeric measurable values. The data collection can be done by different sort of questionnaires and the results obtained by the sample could often be generalized to its population (David and Sutton, 2016). A qualitative approach is a non-numeric approach where the aim is to gain deeper knowledge about a phenomenon. It gathers data for research questions as “why” and “how”. Some examples of qualitative tools to collect data include focus groups or in-depth interviews. Focus groups are when a researcher gather several people to hold a discussion within the group about the topic, while in-depth interviews is a one on one interview with a couple of representative respondents (Bryman, 2011). More on, a qualitative approach is often based on the respondents' interpretations and opinions. In this way, the respondents' point of view will be enlightened (Bryman, 2011).

This research applies a qualitative approach since the author strives for a deeper understanding of the phenomenon, how consumers behave in their buying intentions. The primary reason for using a qualitative approach is that it will allow gaining detailed information and a good understanding of the consumer behavior towards celebrity endorsements by providing explanations and answering questions (Lewis, 2015). Since data being collected for this study relates to consumers' willingness to pay for celebrity endorsed products, the experiences and observations of the selected population through qualitative method will be more useful. Additional questions may also be developed following existing interview responses. Qualitative research will be extremely useful because any data target can be followed which may enhance the quality of the information being gathered, unlike other types of research which require particular framework possessing zero deviation (Lewis, 2015). Besides this, the open-ended nature of interview questions also makes it easier and possible to comprehend the rational thoughts and superficial responses of the participants to gather required information from the emotional responses. This is extremely important in the
current study as the emotional responses of the consumers trigger their purchase decisions and influence consumers' buying behavior. Therefore, the research question is constructed based on qualitative criteria. Furthermore, the author has conducted in-depth interviews as a data collection tool, which will be explained more in detail in the data collection section.

Research approaches may also be classified into inductive, deductive, and abductive approaches. Inductive approach is defined as the research process that involves searching the pattern by initiating observations and developing it through hypothesis (Bryman, 2016). It starts with an in-depth observation of the subject and then moves to idea abstraction and generalization. Deductive approach refers to initiating the research process by developing hypotheses on the basis of available theory and then proceeding to design a systematic strategy of research for testing the hypotheses (Bryman, 2016). Abductive approach is defined as a type of logical inference that begins with an array of observations and ends up finding a simple and most possible explanation for the problem being studied. In such type of reasoning, the conclusion is not guaranteed by the premises, but it just infers to the best possible explanations (Bryman, 2016). This study utilizes the inductive approach of research to study the topic. Relevant data is collected at the first step and then, explanations are driven from those data. In this way, research has become more exploratory in nature and seeks to provide a detailed look into consumers' behavior towards the celebrity endorsements of the products, and their own willingness to pay.

3.3 Data collection

Data collection is a process where an author takes the initiative to gather data in order to analyze, reflect, find patterns, find differences and similarities, and to compare. There are two sorts of data, namely secondary and primary data (David and Sutton, 2016), which will be presented up next. Primary data is data collected by the author, and it does not already exist. Some primary instruments to apply for gathering data is by surveys and interviews (Bryman, 2011). Even if the interviewer is not able to gather as many respondents as in a survey, the collected data is more extensive and detailed. That is because the respondents give their thoughts and opinions, mostly based on their experience, freely rather than answering already given options as in surveys, which many times may not be the desirable answer options for the respondents (Bryman, 2011).
An interview can be structured in different ways, such as unstructured, structured and semi-structured questions. Semi-structured questions are when the authors have prepared a number of questions but do not need to be questioned in order. In addition, the author can come up with supplemental questions during the interviews (David and Sutton, 2016).

The researcher conducted semi-structured in-depth interviews to collect the primary data to proceed with this research. These interviews are conducted as they are a useful tool in obtaining detailed information regarding the opinion, perceptions, and personal feelings and emotions of the respondents about celebrity endorsement of products. One of the primary reasons to employ this method is that interviews allow more detailed questions regarding the topic and help in getting a higher response rate. As mentioned in the delimitation section, the data collection is delimited into football industry. The author has prepared a questionnaire as an interview guide for the interviews, but some supplementary questions were asked as well in order to understand how they were thinking and acting in particular moments. In addition, supplementary questions were needed because sometimes one respondent could not understand one or two questions, and sometimes the answers were a little bit short. In addition to these benefits, it is also possible to obtain answers to the incomplete responses and clarify the uncleanness by following up. Thus, interviews can be beneficial in undertaking this study and reaching conclusions.

Secondary data according to David and Sutton (2016) is data that already exists. It is collected originally by another author and is reused by other authors for their own purposes. This type of data is usually available in articles, on the internet or in journals. Secondary data is the valuable knowledge that complements the research. Here one can find other authors’ conclusions, knowledge, findings and recommendations (David and Sutton, 2016). This research study utilizes secondary data as the main source of information on the topic. It is used to obtain the essential background knowledge required to refine and clarify the research problem and answer research questions sufficiently. In addition to this, it is an easier and inexpensive method to collect the required data which is also handy when conducting a research. The entire introduction and literature review of this research is constructed based on the secondary data, gathered from several different scientific articles. Three of the most used databases, to find scientific articles, are Google Scholar, Scopus, and the library's own database. Some keywords that I used to find relevant scientific articles were celebrity endorsement and willingness to pay.
3.4 Sample selection

It is impossible to collect primary data from every single one in the population, therefore a representative sample of the population has been chosen. Sampling is defined as a process utilized to undertake statistical analysis by selecting a particular number of respondents from the bigger population (Etikan & Bala, 2017). It is important to be accurate when it comes to choosing a sample because of the result dependents on the information that is being collected (Saunders et al., 2009). Sampling methods can be classified as probability and non-probability sampling. According to Etikan & Bala (2017), probability sampling refers to collecting a sample in which each unit of the population possesses a chance and has an equal possibility of being chosen. Some of the examples include simple random sampling, stratified sampling, and multi-stage sampling (Etikan & Bala, 2017). Non-probability sampling method, on the other hand, relates to a technique in which some units in the population possess absolutely no chance of being selected; in this method, the selection possibility cannot be determined accurately. Such a type includes judgment sampling, voluntary response sampling, convenience sampling and various other types (Etikan & Bala, 2017).

In this research, the author desires as accurate and sufficient information as possible. Therefore, a sample has been carefully selected through non-probability, convenience sampling. Convenience sampling method has been chosen because it is easy for the researcher to choose the sample according to the requirement and relevance of the study, and is easier to manage. The major advantage is that the selected sample is the representative of the population that is required to conduct the interviews. The author conducted eight semi-structured interviews with five different individuals located in Norrbotten County. Every respondent in the sample has several years of experience in purchasing football equipment. Football players have particularly been chosen to interview as they are the consumers and direct users of the football equipment. Therefore, they will be in a better position to provide data regarding their willingness to pay for celebrity-endorsed products.

3.5 Research Analysis

Taylor (2015) describes research analysis or data analysis refers to process related to the systematic application of logical and statistical techniques of describing, illustrating, condensing, recapitulating, and evaluating the data. It is done in three stages. Data preparation is undertaken in which the information obtained is organized for the purpose of analyzing
(Taylor et al., 2015). It is checked for accuracy, and transformed, developed and documented in a database. Data is then described, which is known as descriptive statistics. At the final step, models, hypothesis, and research questions are investigated, and judgments are made and results are inferred. The open-ended coding has been used to analyze the data gathered from the surveys. Through this method of analysis, the responses obtained have been clarified, and thorough results of the survey are effectively obtained and interpreted.

3.6 Reliability and validity

In order to measure the quality of the collected data, reliability and validity are the tools used by the researchers. Reliability implies the extent of replicability of the findings by using the same method. This questions if the right instrument has been chosen for the test. Furthermore, the tests should give the same response regardless of who conducts the tests and should also give the same response in different occasions. Once that is fulfilled then one can consider the data is highly reliable content (Saunders et al., 2009). This collected data could be considered as moderately reliable, that is since four out of five responses were quite similar. It could be improved by letting someone else do the same test and see if the same response will be given. Additionally, adding the number of respondents to the test is also something that could affect the reliability. Therefore, as mentioned earlier, this data is considered moderately reliable.

Validity refers to how the collected data reflects the reality. In addition, it measures how valid the collected data is. This questions if the author has measured what was intended to measure. Validity is usually divided into two aspects, namely external validity, and internal validity. The latter refers to if the data reflects the study's purpose, and if the respondents' opinions are valid to the study. External validity implies the ability to generalize the captured data with the entire population, thus if the data is representative of a larger population (Saunders et al., 2009). Construct validity is another type of validity which relates to the extent to which the test in the study measures its claims or appears to be measuring. In order to assure the construct validity, a pilot study was conducted first. That was in order to see how valid the data were and if the data was relevant for the purpose of the study. The responses to the pilot study reflected a high validity as well since all of the respondents were highly active in the research area. Furthermore, the research purpose is to find out how consumers’ willingness to pay gets affected by celebrity endorsement in general. Since the data is delimited into the football industry, it would be unlikely to generalize it. However, there is a possibility to generalize the data within the football industry.
Chapter 4 - Results

This section presents the result which is collected from eight semi-structured interviews. Furthermore, the section has been divided into three sub-headlines, namely inspiration, price and willingness to pay, and decision factors.

4.1 Inspiration

The responses obtained from the participants show that the purchase intentions and buying behavior among them was quite different from another, yet some connection can be found. Four of the respondents could consider buying a pair of football shoes endorsed by famous football players while one focused mostly at purchasing low priced shoes. Firstly, the respondents were asked how often they purchase football shoes. All of them confirmed purchasing 2-3 pair of shoes a year. Later, they were asked where they got inspiration from and what brand they choose when they purchase football shoes. The responses indicated that majority of them were inspired by the famous football players (Respondent 1, 2, 3 and 5) to different degree.

"Of course by Messi, I always buy the football shoes Messi uses and post in social media, usually Adidas launch new pair of football shoes 1-2 times a year and I tend to buy them almost every time, he is my idol" – Respondent 1

“I get inspired by Ronaldo because he is my favorite player but I do not purchase the most recent Ronaldo designed football shoes because they are too expensive, however I am still loyal to Nike because they still do similar football shoes as Ronaldo designed ones” – Respondent 2

When interviewees were asked why they liked purchasing the football equipment endorsed by a famous celebrity, 3 of the 5 respondents replied that they admired the celebrity and liked their style. While the other 2 respondents remained indifferent about celebrity preferences and mentioned that they made purchases on the basis of comfort and style of the products.

"I admire Messi for his sportsmanship and like to buy things that he uses. It gives me a sense of being affiliated with him. -Respondent 2
To the question regarding the attributes of the product endorsed by famous celebrities, all interviewees opined that credibility and trustworthiness matter the most. 3 of the respondents found Ronaldo to be the most influential, while the other 2 were inspired by Messi.

"I think the shoes endorsed by Ronaldo will be reliable and trustworthy just like his performance and personality is." - Respondent 3

The direct statements by the respondents during interview indicated that people, in general, take inspiration by the celebrity endorsements. They appeared extremely inspired by the shoes the famous players used in their football matches, and this enhanced their admiration for the celebrities. In addition to this, respondents 2 and 5 also prefer buying products endorsed by famous football player. Respondent 2 explained:

"Even if I do not buy shoes that are worn by Ronaldo, I still use the same brand as I like it." - Respondent 2

Respondent 5 also mentioned purchasing the latest shoes advertised by Messi.

On the contrary, one respondent was not as influenced by the endorsements of famous players and remained indifferent. He preferred fitness and price of shoes instead of the advertisers. He responded:

"I don't get influenced by celebrity endorsed items. I only consider the real things which make the products worthy of purchase. For me, they are price, quality, comfort and the satisfaction that they offer."

“I do not get inspired by anything or anyone, I normally search and compare online and collect 2-3 football equipment that I try on in physical stores” – Respondent 4

One of the questions asked the respondents about the importance of promotion of sports product by famous players. To this, Respondent 4 replied,

"To me it is not much important because, in the end, all football equipment is the same but advertised with different qualities and design.'

Meanwhile, respondent 1, 2 and 3 stated:
"It is important to me because if this kind of promotion didn't exist we would not be loyal to the brand and the specific shoe model."

When football players purchase football shoes promoted by their favorite football player, they get the different feeling than buying football shoes that are not endorsed. They get excited, satisfied and this gives them a different kind of energy in a football court. The fact that the football players use the shoes themselves increases consumers’ motivation when buying shoes for playing football (Respondent 1, 2, 3 and 5). In addition, just having to wear football shoes promoted by famous players enhances one’s individual status, which means that it uplifts them and make others envious (Respondent 3).

It was observed during interviews that respondents got inspired by the shoes worn by famous players during matches, and this is because of their admiration for those players. Consumers are primarily made familiar with the branded and celebrity endorsed products through either picture on social media or by players wearing them in football matches. Another way of enhancing consumer awareness is that the brands often put pictures of popular athletes, using their products, as cover photos on their official websites and post them in their own social media platforms as well (Respondent 1 and 2).

When asked if the famous celebrity motivates them to buy the football shoes, the respondents replied that the shoes worn by football players in matched increases consumers’ motivation to buy (Respondent 1, 2, 3 and 5).

“To wear the same shoes as Ronaldo makes me happier, more motivated and excited, and I also think that famous football players encourage younger kids to play football and to feel motivated when they play” – Respondent 3

Thus, it can be seen from the responses that there are mixed thoughts and opinions about the importance of football player promotion. However, the purchase decision of most of the respondents is influenced substantially by celebrity endorsements and only a few respondents remained indifferent to whatever the celebrities promoted. The discussion about the presence of psychological impacts by celebrity endorsements of products has been verified by the interview responses. Moreover, it is the celebrity match-up that has inspired consumers; they connect the excellent quality of shoes endorsed by Messi with his impressive performance.
4.2 Affiliation and Loyalty

The interview responses offer mixed opinions regarding consumers' affiliation with a specific celebrity or for the products endorsed by them. This can be indicated by the question which asked if people were willing to pay 3000 SEK for shoes promoted by their favorite celebrities. Respondent 1 replied:

"I would pay 3000 SEK if the shoes are endorsed by my favorite football player, Ronaldo."

On the other hand, respondent 4 answered that he would not buy anything over 600 SEK even if Messi promoted it. For some, affiliation, belongingness, or loyalty to a celebrity was important, while for the other respondent, it was not worthy. Moreover, sometimes, it is easier to pick the best and most favorable football shoes regardless of the affiliation when the club pays for them. Even if a club does not compensate, football fans purchase the endorsed football shoes.

“"I am extreme Ronaldo fanatic, I order his model in advance even if it costs me a little bit more” – Respondent 3

The respondents were also asked if average income allowed them to buy expensive, celebrity endorsed shoes only because they liked a celebrity. The Reponses showed that those who have a decent income are more inclined towards buying the products that their preferred celebrity endorsed.

When the respondents were asked if they would be willing to pay much for those football shoes too which were not promoted by their favorite football player, all were confused except respondent 4. They all mentioned that celebrity endorsement makes the product reliable and trustworthy in terms of style and design along with quality. Above all, it was the love, affiliation and loyalty for a particular celebrity that mattered the most and this is what makes them trustworthy. Therefore, the endorsed shoes are worth the amount instead of non- endorsed ones. People understand their favorite individuals more than any other person, and the promotion done by them is most likely to affect their psyche about the product. Football shoes promoted by famous football players have nice design and are perceived to be having a better quality.
Looking back at literature review and the frame of references, it is clear that though celebrity endorsements influence the consumers' willingness to pay, through affiliation and a sense of belongingness.

4.3 Value and Satisfaction
As discussed in the literature review and frame of reference chapters, consumers' decision-making is largely affected by factors such as price, perceived value of the product, satisfaction, and other variables. Respondents were also investigated about their decision-making variables. When asked to choose one variable from income, satisfaction, and admiration for celebrity that would influence their decision to buy celebrity endorsed shoes, respondent 3 and 4 chose income, while others preferred satisfaction and admiration for celebrity. Respondent 1 stated:

"I mostly look for shoes worn by my favorite players. Being a football fan, I love keeping the style and design of celebrities."

The responses showed that majority of the respondents considered style and design to be the value of football shoes along with admiration for the famous players. This clearly is the psychological impact that celebrity endorsement had on consumers' decision making. However, respondent 4 mentioned the factor of price to be his primary decision maker:

"I can buy the low priced shoes too since I only have to wear it. For me, it doesn't have to be expensive"

Thus, it may be concluded that endorsements play a significant role in promoting certain products and services. Celebrities inspire and impress consumers with their style which motivates them to buy a certain brand. Moreover, consumers also wish to show loyalty and affiliation to their favorite celebrities as a form of support and gesture of admiration.
Chapter 5 - Conclusion

Celebrity endorsements play a vital part in the promotional strategies of the organization and are considered important in influencing consumers purchase decision-making process. The purpose of the research is to find out how consumers’ willingness to pay gets affected by celebrity endorsement. Celebrity endorsement generates psychological impacts on consumers through affiliating the products with famous celebrities that are liked and admired by the general audience. This strategy influences the purchase intentions of buyers, which convinces them to pay higher prices for the products. However, other factors such as unique value effect, price vs. quality effect, and expenditure effect also impact the consumers' willingness to pay. Additionally, the income and substitution effects convey negative impacts on the willingness to pay. In order to test this assumption and answer the research question, data has been gathered through qualitative research and interviews are conducted. A sample of 5 football players in Norrbotten County has been selected through convenience sampling method to collect the primary data. The outcomes indicated that majority of the respondents are willing to pay more for the products that are promoted by famous celebrities, while few are sensitive towards high prices. Even if there are mixed thoughts and opinions about the importance of football player promotion, the consumers get either directly or indirectly affected by the promotion. Therefore, one can conclude that celebrity endorsement has a great effect on the buying intention.

For future research

For future research, it would be interesting to try same research in other industries, and see the similarities and differences between the results. Furthermore, trying this research in other countries would also contribute with knowledge. This since other country’s currency rate is different along with difference in economics and its development level. I could image that only few people in less developed countries has afford with modern celebrity endorsed football equipment. If one makes a similar research, try to have a bigger sample if possible. One could also narrow similar research into investigating differences between domestic and foreign celebrity endorsement.
References


Appendix

Interview guide

- What is your name?
- Have you ever bought football equipment? Do you still do it?
- What elicit you to purchase football equipment?
- From which store do you purchase football equipment? And why that specific store?
- What brand do you shop for your Football equipment from? And why that brand?
- What are your thoughts and feeling when you buy football equipment promoted by a famous player, for instance, Messi and Ronaldo?
- Does your favorite football player motivate you to buy certain equipment that you have not planned to buy? How?
- Does your famous football player’s promotion of football equipment affect your willingness to pay off a product? How? And why?
- Do you perceive that football equipment that is advertised by a famous football player is better than the alternative products? If yes, why do you think so?
- Would your willingness to pay be different if the exact same football shoes were promoted without a famous player? Why? Why not?
- Will you be willing to pay 3000 SEK for shoes endorsed by famous players as Messi or Ronaldo?
- Why do you like to purchase the football equipment endorsed by a famous celebrity?
- Which celebrity endorser did you find to be the most influential?
- In your opinion, what should be the most important characteristic or attribute possessed by a celebrity to be a product endorser? (Appearance, Popularity, Credibility, Trustworthiness)
- Will you still be willing to pay for a football equipment if its price goes up but it is endorsed by your favorite celebrity?
- If income, satisfaction, and admiration for celebrities is considered, which of the three factors influence your decision to buy celebrity endorsed shoes?