

Brand Endorsers and Cause Related Marketing: An Empirical Investigation

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Abstract

This research focuses on celebrity endorsers, the charities they represent, and their impact on donation decisions. The research objectives was to see if celebrities with a personal connection to a certain charity increase the chances of donation compared to those without a personal connection to a charity. Data was collected through a survey from a random sample of 245 individuals. Findings indicated that there is a positive correlation between celebrity endorsers with personal connection to charities and the popularity of the charity. In addition to this conclusion, the celebrity image, trustworthiness, honesty and credibility affect whether or not a person will donate to a charity. We found support for likelihood of recommendation to others based on a celebrity with a personal connection to the cause. Based on our findings we make managerial recommendations that would benefit cause related marketing managers and provide directions for future academic research.

Introduction

What is the relationship between celebrities and non-profit organizations and how does it affect customer's donation decisions? There are many non-profit organizations that have been endorsed by celebrities; endorsers may or may not have a personal connection to the cause they are supporting. Recently, more and more celebrities are supporting variety of not-for-profit organizations, from cancer to anti-bullying and domestic violence, but does their personal connection to the organization effect the marketing strategy success? Many consumers donate thousands of dollars a year to these non-profits, how much of that is because endorsers have a personal connection to the cause? Are donors driven by being fans of the celebrity endorser? What is the relationship between the cause and the donors and how does that play into decisions regarding donations? According to the National Philanthropic Trust, with an estimated \$373.25 billion that have been donated to charitable organizations in 2016 alone, it is worth considering which types of strategies are successful.

This paper examines the relationship between celebrity endorsers and the organizations they support to see how it affects the donation decision of consumers. Prior research suggests that, “in 2001, US companies paid \$897 million to athletes, coaches and sports personalities... and an estimates suggest that as much as 10% of advertiser’s budgets involve celebrity endorsements” (Lett 2011). This research will be useful to marketing decision makers because it will give them insight as to whether or not having a celebrity with a personal attachment will increase donations or if they should endorse popular or famous celebrities just because they lead to increased donations.

In the following sections we begin with previous research in the area, based on past research we proffer hypothesized relationships, followed by the methodology. The subsequent sections focus on data analysis, managerial implications, and conclusions of this study.

Theoretical Framework

By doing a literature review before launching our project, we were able to look at past finding of other scholars in regards to celebrity endorsement and the effect they have on businesses and non-profit organizations. Our review found that having a celebrity endorsement is a massive benefit for businesses as it brings in large amounts of revenue for the business. “Signing the kinds of endorsers that featured in our research on average generates a 4% increase in sales – which corresponds with around \$10 million in additional sales annually,” (Agrawal, Kamakura 2011) is just one example of companies increasing their revenue by millions of dollars simply by having a celebrity endorsement for their brand. When constructing our survey, we wanted to find out if the image of a celebrity affected donation decisions of consumers. Several studies report how celebrity motivations affects their relationship with businesses they are endorsing and also how consumers view the firm and the endorser. However, there are limited studies on celebrity endorsements in the non-profit sector. One such study concludes that celebrity endorsers who were viewed to act altruistically, were viewed in a more positive light than those who were viewed to act in their own benefit (Kelly et. al, 2014).

Based on past research five major hypotheses emerged:

1. Consumers are more likely to recommend a charity that uses an endorser with a personal connection to the charity’s cause than an endorser without a personal connection to the charity’s cause.
2. Individuals are more likely to recommend charitable organizations that use celebrities with personal connections to their cause.
3. Individuals are more likely to donate to organizations that use a celebrity endorser.
4. Celebrity endorsers make a charitable organization more memorable and therefore successful in soliciting donations.
5. Donating to charitable organizations elevates a consumer’s connection to the celebrity and their cause.

For instance, one of the ads we utilized in our survey was the No More campaign, endorsed by Eli Manning, which aims to end domestic violence and sexual assault. Manning has no personal connection to domestic violence or sexual assault, so we were interested in seeing how consumers felt about Mr. Manning endorsing the No More campaign. Another

ad we used was with Michael J. Fox and his endorsement of the Parkinson’s Research foundation. We believed that customers would feel a stronger connection to Fox and this charity than the No More campaign, backed by Manning, because people are aware that Michael J. Fox is battling Parkinson’s disease himself. Thirdly, we used a St. Jude Children’s Research Hospital ad with no celebrity endorsement that aims at finding cures for childhood cancer. We were interested in what consumers would think of an appeal that used children with cancer to raise awareness and generate donations instead of a celebrity endorser like the No More campaign and Parkinson’s Research foundation used.

Scales & Validation

In order to gain a general conception of individual’s feelings towards charitable organizations and celebrity endorsers, we made use of the “Trustworthiness” scale within the “Construction and Validation of a Scale to Measure Celebrity Endorsers’ Perceived Expertise, Trustworthiness, and Attractiveness,” by Roobina Ohanian (1990). It is in this scale of “Trustworthiness” that the “degree of confidence in the communicator’s intent to communicate the assertions he or she considers most valid,” is considered (Ohanian, 1990). The “Trustworthiness” scale originally contains 5 items including, dependability, honesty, reliability, sincerity, and trustworthiness. To summarize, our survey presented three different advertisements for charitable organizations. Two of these ads make use of a celebrity endorser and one does not. Therefore, there are questions pertaining to the each of the three ads regarding elements of the “trustworthiness” scale, including credibility and honesty. For the two ads that contain celebrity endorsers, the same two elements are addressed for each ad and the associated endorser.

Original Scale	Our Adaptation	Mean	Std. Deviation
“Construction and Validation of a Scale to Measure Celebrity Endorsers’ Perceived Expertise, Trustworthiness, and Attractiveness.” Journal of Advertising.			
Cronbach’s Alpha: 0.90	No More Ad: 0.893	4.131	Credible:1.753 Honest:1.765 Scale:3.343
	No More Celebrity (Manning): 0.972	4.201	Trustworthy:1.751 Credible:1.785 Honest:1.765 Scale:5.158
	St. Jude Ad : 0.958	6.233	Credible: 1.119 Honest:1.194 Scale: 2.266
	Fox Ad: 0.962	5.555	Credible:1.433 Honest:1.435 Scale:2.814
	Fox Celebrity (Fox): 0.968	5.873	Trustworthy:1.482 Credible:1.414 Honest:1.465 Scale:4.230

Methodology

We designed our survey starting with a simple, five part psychographic question with Likert-type scales items that had seven anchors (1=Strongly Disagree and 7=Strongly Agree) that asks individuals about their openness to new experiences, organization, extroversion, agreeableness, and nervousness. After psychographic questions we started with the No More ad, then moved to the St. Jude’s ad with no celebrity endorser, and finally to the Parkinson’s ad. This order was established because we felt that as the survey progressed the respondents would feel a greater connection to the charities and the celebrities that were endorsing them.

Initial pretests further supported the flow of survey and ease of responding. After respondents completed the ad sections they were asked to answer questions about the important characteristics of a celebrity endorser, donation decisions, their likelihood to be influenced by celebrities, and how frequently they're exposed to charitable ads through specific mediums. We ended our survey with a short demographic section so if any respondents quit the survey before this part we were still able to collect some useful information from their responses. We sent our survey out to predominantly contacts, personal friends and family members and requested further snowballing. A random sample of 245 emerged for our data analysis. The self-administered online survey forced all respondents to answer every survey question.

Our sample consisted of 245 participants. Of these participants, 31.5% were male, 66.8% were female and 1.70% did not identify their gender. A majority of participants had some college for education level (40.7%). One must note that the sample is predominantly Caucasian. However, a good representation of household income, education levels, and age was seen.

Sample Profile (n=245)	
Gender	
Male	31.5%
Female	66.80%
No identity	1.70%
Education Level	
Highschool/ GED	6.60%
Some College	40.70%
Bachelor's Degree	27.80%
Master's Degree	22.80%
Doctoral Degree	2.10%
Household Income	
\$1 - \$25,000	10.80%
\$25,001 - \$50,000	11.60%
\$50,001 - \$75,000	19.90%
\$75,001 - \$100,000	19.90%
\$100,001 - \$125,000	16.20%
\$125,001+	21.60%
Age	
18-24	10.40%
21-24	23.70%
25-34	19.10%
35-44	12.40%
45-54	17.40%
55-64	12.40%
65+	4.60%
Marital Status	
Single	36.50%
Married	41.10%
In a relationship	22.40%
Race	
White/Caucasian	96.30%
African American	0.40%
Hispanic	0.80%
Asian	1.20%
Other	1.20%

Findings and Discussion

Based on the level of significance for each of the four demographics in the chi-square analysis, we can conclude there is a statistically significant correlation between three of the demographics (age, gender and education) with the type of charity a person is donating. Income does not have a significant relationship to the type of charity. We also wanted to run tests to determine recommendations based on how consumers felt about the ads in their entirety using a t-test to compare means. The factors we used to compare the celebrities of the No More and Parkinson's ads were: credibility, honesty and trustworthiness. We found that the mean recommendation for the No More ad was 3.52 and for the Parkinson's ad was 5.40; this finding was significant. Secondly, to compare all three ads the factors we used were: credibility and honesty. We found that the mean recommendation for the No More ad was

3.56, while the Parkinson’s ad received a 5.18, and the St. Jude ad scored a 5.97, all results were significant, once again.

Every ANOVA ran for the dependent variable of, donate to a charity endorsed by a celebrity with personal connects, and the composite trust scores of our ads and celebrities demonstrates statistical significance. The composite trust score measures the convincing and honest scores for the ad, as well as convincing, honest, and trustworthy scores for the celebrity. The individuals who rated these factors higher, generally demonstrated a higher mean score for donate to a charity endorsed by a celebrity with personal connections. When the same independent variables are run against the dependent variables of influenced by a celebrity endorser, affected by celebrity image, and recommend to a friend (Net Promoter Score), statistical significance was found in all but one of the tests. What this analysis is suggesting is that with a higher association of trust, credibility, and honesty, a celebrity endorser has an increased ability to influence and affect an individual’s donation to a charity.

When it comes to recommending charitable organizations to others these trust factors are of extreme importance. For the composite trust score of celebrity Eli Manning, in the No More ad, on a scale of 1-7, there were 28 respondents that gave a ranking of 7. The mean score of these 28 respondents to recommend this ad to a friend based on endorser Eli Manning was 5.68. However, for the composite trust score of celebrity Michael J. Fox, in the Parkinson’s ad, on a scale of 1-7, there were 107 respondents that gave a ranking of 7. The mean score of these 107 respondents to recommend this ad to a friend based on endorser Michael J. Fox was 6.43. Recall that while Eli Manning has no direct connection to domestic violence, Michael J. Fox is living with Parkinson’s disease.

Dependent Variable	Independent Variable	F Value	p Value
Donate to a charity endorsed by a celebrity with personal connections:	Composite Trust Manning Ad	2.9	0.001***
	Composite Trust Manning Celebrity	1.938	0.014**
	Composite Trust St. Jude Ad	2.035	0.031**
	Composite Trust Fox Ad	3.751	0.001***
	Composite Trust Fox Celebrity	3.418	0.001***
	Disagreeable-Agreeable	3.399	0.003***
* p ≤ 0.10			
** p ≤ 0.05			
*** p ≤ 0.01			

Results indicate that the composite trust Fox celebrity score has a statistically significant impact on the donations to a charity endorsed by a celebrity with personal connections (F= 3.418; p: 0.0001). We concluded that consumers are more likely to recommend and donate to a charity that is endorsed by a celebrity with personal connections to its cause.

Dependent Variable	Independent Variable	F Value	p Value	R^2	B Constant	B
Donate to a charity endorsed by a celebrity with personal connections:	Composite Trust Manning Ad	3.23	0.074	0.013	4.431	0.131
	Composite Trust Manning Celebrity	14.775	0.0001	0.057	3.87	0.266
	Composite Trust St. Jude Ad	11.054	0.0001	0.044	2.795	0.352
	Composite Trust Fox Ad	32.615	0.0001	0.118	2.392	0.467
	Composite Trust Fox Celebrity	34.894	0.0001	0.126	2.167	0.48

Further, testing the effect of a celebrity endorser on a charity and whether or not having a personal connection would have a bigger impact, we chose to test specific variables relating to the three ads we had in our survey. We ran a series of sixteen regressions using composite variables with the ad and the celebrity to see if they were significant to our hypothesis. We ran three sets of regressions each having a different dependent variable,

these including donating to a charity with a celebrity with a personal connection, the influence of a celebrity endorser, and the effect of a celebrity endorser. All of this data was taken from our survey results with specific questions being each different dependent variable. After running the regressions, we found all of them to be significant at the 0.10 level. For the first dependent variable, donating to a charity with a celebrity with a personal connection, we found that the composite variable we created for the celebrity endorser Michael Fox was significant at the 0.01 level. The composite variable included the scale of how the credible, honest, and trustworthy survey takers viewed him as. The St. Jude advertisement composite was also significant at the 0.01 level. The Eli Manning composite variables were significant at the 0.10 level. Our findings indicate that there is in fact a statistically significant relationship between a celebrity that has a personal relationship to a charity and those who do not.

Managerial Implications and Conclusions

A charity's main purpose is to generate awareness and receive donations to support their cause, and people and families affected by that cause. Many ad campaigns for charities are endorsed by celebrities. Knowing this, we wanted to create a research study that would give a non-profit manager suggestions on whom to have endorse their charity to generate a greater inflow of donations. We then examined the connection between celebrity endorsers and charities they endorsed based on personal connection or not. Our research demonstrated the clear impact of a celebrity's personal connection to a charity and a celebrity's image (credibility, honesty and trustworthiness) being pivotal to the marketing strategy employed. Decisions regarding which celebrity is best suited to represent their organization can be made with ease based on our findings. Results clearly indicate that one can expect that appropriate strategic decisions will generate favorable responses and larger amounts of donations.

Our findings indicate that Michael J Fox's personal connection of having Parkinson's disease led respondents to believe both him and his campaign to be more trustworthy, honest and credible than Eli Manning's No More campaign. This also drove respondents to give higher recommendation scores to the Fox campaign. When comparing ad recommendations, including the St. Jude's ad, we found that the St. Jude's ad scored higher recommendation values than *both* celebrity endorsed charities, regardless of the personal connection factor, though the Parkinson's and St. Jude's ad recommendation values were not far off. If a non-profit wants to use a celebrity endorser they should have a personal connection to the cause, otherwise the endorsement is not worth the investment. Furthermore, it isn't majorly important for a non-profit organization to use a celebrity endorser at all. As long as the endorser used has a personal connection to its cause, the recommendations will be higher than a celebrity with no personal connection at all. Put simply, our findings indicate that managers use an endorser (celebrity or otherwise) with a personal connection to their cause or don't use an endorser at all.

If an organization is using a celebrity without a personal connection to the specific charity, the charity may be better off with not using a celebrity endorser at all. Our regression results show that Michael J. Fox's Parkinson's disease charity had the best results, while the St. Jude's charity advertisement without a celebrity endorser had better results than the Eli Manning No More advertisement. This shows that people are more willing to donate to a charity that does not have a celebrity endorser than a charity with a celebrity endorser with no personal connection. The reason that this could be the case is because the St. Jude's advertisement shows children who have terminal illnesses and despite them not having a

celebrity endorser, the audience still see a personal connection to the specific subjects in the ad. These results show that as long as there is a personal connection to the charity it does not seem to matter whether or not the individual shown on the advertisement is a celebrity or not.

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