A qualitative research study exploring the impact of Puma’s celebrity endorsement deals on their brand equity, in a South African sportswear industry context.

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ABSTRACT

This research study will add value to market research conducted by the sportswear industry because it confirms that the impact of celebrity endorsements on brand equity is positive. It has been said in the research findings that celebrity endorsement adds a unique value to the sportswear brand that will help distinguish it from competitors in the same market.

Furthermore, based on preliminary explanatory research and findings using qualitative research methods, the research study shows that a celebrity endorser will be regarded as credible if they are trustworthy, attractive and experts in their own field. For that reason, sportswear brands will be able to use the criteria identified in this research study to help them select, recruit and retain successful celebrity endorsers that will contribute towards brand building and brand equity.

Lastly, the findings of the research study will aid the brand building process while also creating a solid foundation for further research. The findings can support brand managers in making decisions about using celebrity endorsement deal more logically and positively with regard to brand equity.
Introduction

Background
This study will provide insight into a growing sportswear industry where the importance of consumers’ perceptions of value is highlighted in order to assess overall brand equity. The research study states that the celebrity endorsement strategy has become a major component of the marketing communication strategies deployed by sportswear brands (Mukherjee, 2009).

Sportswear brands like Puma have used celebrity endorsements to enhance their brand equity which has proven to be successful and beneficial for these sportswear brands. In an article by Tong and Hawley (2009), it was concluded that brand association and brand loyalty are influenced by brand equity created by deploying a celebrity endorsement strategy.

Brand equity can be defined as a set of brand liabilities or assets that are linked to a brand’s name or symbol (Aaker, 2013). Brand equity is the commercial value derived from a customer’s perception of the brand’s name, rather than the value of the product or service offered by that brand (Aaker, 2013). For that reason, brand equity will either add or subtract value from the brand with regards to brand building.

For the purpose of this study the following brands and their celebrity endorsements have been identified. Puma’s biggest success was endorsing pro-runner Usain Bolt who has represented Puma’s athletic footwear (Rodman, 2016). On the other hand, endorsing Kylie Jenner was not as successful because customers responded negatively to her campaign saying she was a designer not an athlete (Rodman, 2016).

Problem Statement
The use of celebrities as key components in marketing communications strategies are considered a common practice in the sportswear industry in order to support brand building and thus brand equity (Erdogan, 2010). For example, Puma invest significant amounts of capital into the celebrity endorsement strategy in order to distinguish their brand from its competitors (Erdogan, 2010). Puma will endorse celebrities that share the following three qualities, namely: attractiveness, likeability, and trustworthiness (Erdogan, 2010). Puma will then ensure that these qualities can operate in a transferable manner, and, will generate desirable campaign and/or strategy outcomes (Erdogan, 2010). However, some celebrity qualities may be undesired or considered inappropriate and irrelevant (Erdogan, 2010).
The objectives of conducting this research study are:

- To provide insight into a growing sportswear industry, in order to better understand the market.
- To better understand consumer preferences with regard to various sportswear brands and how brand loyalty is created.
- To address the relationship between celebrity endorsements and brand equity within the sportswear industry.
- To provide a better understanding of what factors and/or criteria is used when selecting the “right” celebrity to endorse for a sportswear brand.

Based on past studies and other sources, this study will be worth investigating because it will address whether or not there is a relationship between successful celebrity endorsements strategies and improved brand equity.

**Research Question**

This study seeks to answer the question: What is the impact of celebrity endorsements on brand equity within the sportswear industry? This question will be answered by gaining insight into how sportswear brands select, recruit and retain the “right” celebrity, while simultaneously managing these resources in such a way that maximum benefits are achieved (Erdogan, 2010).

There are four sub-questions that the study may address:

1. Do Celebrity Endorsements aid brand building, and how do they influence consumer perception of a brand?
2. How are celebrity endorsements used by brands as part of their brand equity and brand building strategies?
3. What criteria are in place to help brands make decisions when selecting a celebrity to endorse their brand?
4. How do brands measure the success or failure of their celebrity endorsements?

**Purpose Statement**

This study will provide insight into a fast growing sportswear industry where the importance of consumers' perceptions of value is highlighted in order to assess overall brand equity. Furthermore, this study will discuss key factors or criteria used to determine which celebrities should be endorsed in order to reap maximum benefits for the various sportswear brands.
This study will focus specifically on the operations of Adidas, Nike and Puma in a South African context. Therefore, participants of the study include sportswear consumers, sportswear managers and/or strategists involved in the brands decision making, and some reference to the actual celebrity endorsements of the various sportswear brands. Data collection and analysis for this study will be done using qualitative methods in order to effectively answer the research question and problem (Maree 2016, p35-44).

**Key Concepts**
The most pertinent concepts related to the research study are listed and explained below (Maree 2016, p.32).

<table>
<thead>
<tr>
<th>Concept</th>
<th>Connotative Meaning</th>
<th>Denotative Meaning</th>
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<tbody>
<tr>
<td>Brand</td>
<td>A unique design, symbol, word, or a combination of these, used to create an image that identifies a product or service, and differentiates it from its competitors (Business Dictionary, 2016).</td>
<td>This research study makes references to three brands, namely: Adidas, Nike and Puma. A brand is the most valuable asset of any business.</td>
</tr>
<tr>
<td>Sportswear</td>
<td>Clothing designed for casual or informal wear when participating in recreation and/or sporting activities (Webster, 2016).</td>
<td>Active wear clothing and/or footwear that is sold by Adidas, Nike and Puma at a premium price because of the value attached to the brand.</td>
</tr>
<tr>
<td>Celebrity Endorsement</td>
<td>A type of channel in brand communication where a celebrity acts as the brands spokesperson (Sola, 2012). This celebrity will certifies the brands claim and position by encompassing his or her personality, popularity, status and expertise in the field (Sola, 2012).</td>
<td>Adidas has endorsed Kanye West and Stella McCartney (Frias, 2016). Nike has endorsed Michael Jordan and Maria Sharapova (Arshad, 2016). Puma has endorsed Usain Bolt and Rickie Fowler (Rodman, 2016).</td>
</tr>
<tr>
<td>Consumer Preference</td>
<td>The ranking of products and/or services according to how much benefit they offer the consumer in terms of value for money as well as value attached to the brand (Raines, 2016).</td>
<td>The way in which a consumer differentiates one competitor from another by choosing the brand that they prefer.</td>
</tr>
<tr>
<td>Brand Equity</td>
<td>Brand equity can be defined as a set of brand liabilities or assets that are linked to a brand's name or symbol (Aaker, 2013). Brand equity is the commercial value derived from customer's perception of the brand's name, rather than the value of the product or service offered by that brand (Aaker, 2013).</td>
<td>Unique value that the consumer attaches to a brand that makes it more superior to its competitors.</td>
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<tr>
<td>Brand Building</td>
<td>Brand Building is generating awareness, establishing and promoting company using strategies and tactics (Reads, 2016). Therefore, brand building is about improving brand equity using advertising campaigns and promotional strategies (Reads, 2016).</td>
<td>Using various strategies to increase the brand's value.</td>
</tr>
<tr>
<td>Brand Communication</td>
<td>A combination of activities that influence customers' opinions of a company and its products (Cambridge, 2016).</td>
<td>Marketing and advertising techniques used by the brand to attract customers and add value.</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>The tendency of some consumers to repeatedly purchase the same brand of goods rather than competing brands (Lesson, 2016).</td>
<td>Choosing one brand over another. Repeat purchases from the same brand over a period of time.</td>
</tr>
<tr>
<td>Marketing</td>
<td>An action that involves promoting and selling products or services, including market research and advertising (Business Dictionary, 2016).</td>
<td>A strategy used to increase brand value by positioning products and/or services in a specific way in the market.</td>
</tr>
<tr>
<td>Advertising</td>
<td>The non-personal communication of information about products or services by identified sponsors through various media which is usually paid for (Taflinger, 1996).</td>
<td>A strategy used to increase sales of a product and/or service.</td>
</tr>
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**Paradigm**
This research study follows an interpretivist research paradigm as it searches for the causes of changing consumer preferences due to celebrity endorsement deals, with an aim to
identify how those celebrity endorsements will affect brand equity (Du Plooy-Cilliers, Davis and Bezuidenhout, 2014).

An interpretive approach to research identifies cause and effect relationships where there are different influences and other dimensions that also need to be considered (Du Plooy-Cilliers, Davis and Bezuidenhout, 2014). This research study will focus on two dimensions. Firstly, the effect that celebrity endorsements have on brand equity; and secondly, the effect of consumer preferences on brand equity.

**Research Methods**

There are two research methods for this research study, a questionnaire and a case study.

Firstly, a questionnaire will be used to understand the consumer’s behaviour and how celebrity endorsements influence their brand preference. A qualitative case study is a methodology tool that uses various sources of data to help researchers explore and understand complex phenomenon’s (Baxter and Jack, 2008). It allows the researcher to explore individuals, organizations, simple or complex interventions, relationships, communities, and various programs (Baxter and Jack, 2008). Therefore, case studies are a useful tool for investigating trends in specific situations (Shutterworth, 2016)

Secondly, case studies will be used to analyse previous research and findings in order to better understand the relationship between celebrity endorsement deals and brand equity in the sportswear industry.

**Research Design and Approach**

The research design will use a procedural plan that is adopted by the researcher to answer questions validly, objectively, accurately and economically (Du Plooy-Cilliers, Davis and Bezuidenhout, 2014).

Explanatory research methods will be used in order to explore the research question using qualitative methods of data collection and analysis (i.e. case studies and a questionnaire).

This research study will make use of an inductive research design because it will look at how brand equity is created using celebrity endorsements as a strategy for brand building (Maree, 2016). With regards to the time dimension, this research study will follow a longitudinal design because it focuses on the long term effects that celebrity endorsement deals have on brand equity.
Consumers are constantly exposed to a number of different messages from various brands in magazines, newspapers, billboards, websites, radio and television (Casir, 2014). Each brand endeavours to be better or different from its competitor by advertising different attributes of their product (Mukherjee, 2009). The predominant challenge of marketers is to find a hook that will hold the consumer’s attention. To achieve this, brands have made use of celebrity endorsements to encourage brand building and enhance brand equity (Casir, 2014). Celebrity endorsement deals have become a popular marketing strategy used to create brand awareness and enhance the brands value by increasing brand equity (Kaneria, 2015). Successful celebrity endorsement deals will influence the purchase decision of customers which will benefit sportswear brands in the long run by enhancing brand equity. However, unsuccessful celebrity endorsements can negatively impact on the sportswear brand as they can easily alter the customer’s perception of value attached to that brand (Kaneria, 2015). This literature review will highlight key factors and/or criteria used to select celebrity endorsers as well as the impact that they may or may not have on various sportswear brands.

Celebrity endorsement is a strategy used by sportswear brands to contribute to brand building and enhance brand equity. A theory presented by Spry, Pappu and Cornwell (2011) suggests that the credibility of the celebrity endorsement has an indirect impact on brand equity if the perceived customer value of the brand is already more dominant than its competitors (Spry, Pappu and Bettina Cornwell, 2011). On the other hand, the theory suggests that the celebrity endorsement will have a direct impact on brand equity if the sportswear brand is still in the brand building stage of its strategy (Spry, Pappu and Bettina Cornwell, 2011).

An additional theory by Mukherjee (2009) refers to celebrity endorsements as a “two-edged sword” because the strategy has many positives as well as many negatives if not implemented correctly (Mukherjee, 2009). The theory states that if the celebrity endorser is properly matched to the sportswear brand then it will be an extremely successful strategy that secures maximum rewards (Mukherjee, 2009). However, if the celebrity endorser is not adequately matched with the sportswear brand the strategy can have detrimental effects on the brand equity of the sportswear company (Mukherjee, 2009).

Both theories share similar findings providing guidelines for sportswear managers who plan to use and execute celebrity-based campaigns for the purpose of brand building. These guidelines will be identified and explored further in the present research study in order to understand how celebrity endorsements will contribute towards brand equity as well as what makes a celebrity endorsement successful or unsuccessful.

Celebrity endorsement deals have a high level of importance because the bigger and better the celebrity’ image, the bigger the reward for the brand because that celebrity can easily
catch the attention of the customers (Kaneria, 2015). In an article by Casir (2014) it was said that brand value is directly influenced by how consumers act, think and feel about a brand as well as the prices, market share, and profitability of that brand (Casir, 2014). Therefore, it is important for sportswear brands to select celebrities that endorse the same values as the brand and who possess some sort of relevance towards the products provided by the brand (Kaneria, 2015).

Signing up celebrities for endorsements is a renowned strategy that has been effectively used by top brands in the sportswear industry like Adidas, Nike and Puma (Casir, 2014). Preliminary research has shown that using celebrities will increase consumers' awareness of the advertisement, while capturing the attention of consumers and making the advertisements more memorable (Martinez, 2001). Therefore, high-profile endorsements from celebrities will set the brand apart from its competitors, and for that reason, customers are more likely to choose products that are endorsed by celebrities than those without celebrity endorsements (Mukherjee, 2009).

Celebrity endorsements are used by brands to create distinct differentiation, to change or enhance the brands positioning, to generate interest in the market, and to help consumers remember advertisements (Sengupta, 2014). To ensure a successful collaboration between brand and celebrity, the brands strategist should consider the credibility of the celebrity in terms of their influence on consumers (Sengupta, 2014). The greater the compatibility between celebrity and brand the greater the success of creating a powerful brand identity and positioning the brand in the market (Sengupta, 2014). No single celebrity can fit every brand. For that reason sportswear brands should choose celebrities that are athletic and familiar with the sports industry or with those that have superior popularity which can be tailored to the needs of the brand (Sengupta, 2014). Brands will chose a celebrity based on their marketing budget as well as their target audience (Mukherjee, 2009).

When choosing a celebrity, the strategy must be integrated with specific target market characteristics as well as other elements of the marketing mix like product design, branding, packaging, and pricing (Casir, 2014). The following five factors should be kept in mind when selecting a celebrity to endorse: there must be a match between the brands image and the celebrity’s image, the celebrity must be popular, the celebrity must be trustworthy, the celebrity must be an expert in their field, and lastly, the celebrity must be attractive to the target market (Casir, 2014). If these factors can be upheld, then the celebrity endorsement deal will enhance one’s brand equity (Mukherjee, 2009).

Celebrity endorsements are a popular brand building strategy for the following six reasons: It is a good brand awareness tool, it sustains the brand over the long run, it helps position the brand, it helps generate good public relations opportunities, it helps create international awareness for the brand, and lastly it helps to promote the brand as well as the brands products and/or services (Sengupta, 2014). These six reasons also highlight the benefits of having a celebrity endorser. However there are also some risks attached to having to
endorse a celebrity. According to a Strategic Brand Management article published online (2014), there are five risks attached to endorsing a celebrity. Firstly, if the celebrity was to make a mistake and it became public news this would negatively affect the brand (Segupta, 2014). For example, Maria Sharapova was recently dropped by Nike for failing a performance enhancing drug test (Arshad, 2016). As a result of the bad publicity, Nike lost sales and revenue on products that Sharapova endorsed.

The second risk of having a celebrity endorsement is customer confusion (Segupta, 2014). Confusion occurs when the celebrity overshadows the brands message. This may lead to the third risk of being over exposed (Segupta, 2014). Some celebrities will represent a variety of brands. For example, Cristiano Ronaldo endorses Nike footwear as well as Calvin Kline underwear which may confuse the consumer as they do not know which advert to focus on.

The fourth risk of endorsing a celebrity is not choosing the right person for the right target market (Segupta, 2014). For example, a brand may choose a celebrity that is old and does not appeal to the youth of its target market. This will make the endorsement unsuccessful especially in the sportswear industry where the youth are extremely fashion forward. Lastly, there is a risk that the brand-celebrity collaboration becomes too successful (Segupta, 2014). In this case, consumers will not identify well with a new celebrity endorsement because they have become accustomed to the brand representing the old celebrity.

In conclusion, success of the celebrity endorsement is based on the celebrity-brand collaboration. Brands in the sportswear industry will need to ensure that they chose an appropriate celebrity to reach their target market in order to maximise the success of the strategy while reducing the risks of the celebrity endorsement deal.
Celebrity endorsement deals have become one of the most popular tools of advertising in recent times (Mukherjee, 2009). Celebrity endorsements have become a trend which is now recognized as a winning formula for product marketing, brand communication techniques and brand building (Mukherjee, 2009). This is where the problem comes in; it is considered easy to choose a celebrity but it is difficult to choose the right celebrity and to establish a strong association between that celebrity and the brand’s product (Mukherjee, 2009). This research study will then analyse the impact of celebrity endorsements on brand building and brand equity. Therefore, this study seeks to answer the question: What is the impact of celebrity endorsements on brand equity within the sportswear industry?

Data collection methods, procedures, materials and resources
Qualitative research methods are exploratory and inductive by nature (Trochim, 2006). Therefore, qualitative data includes any information that can be gathered and stored that is not numerical in nature because numerical data would be quantitative (Trochim, 2006). This research study has used primary as well as secondary sources of data to produce the results and findings.

This research study will use a mail survey to deliver a questionnaire of ten questions to participants. The questionnaire will form the primary source of data. Respondents’ answers will be anonymously recorded to create findings that are non-bias. The sample size for this questionnaire was 200 participants. Respondents would have received the questionnaire in their email. Using this type of survey is fairly inexpensive to administer and it is able to target a wide number of people (Trochim, 2006). Mail surveys allow the respondents to fill out the questionnaire at their own convenience and limits lengthy or detailed answers in order to generate more precise findings (Trochim, 2006). The questionnaire has been attached in Annexure A. The findings will be used to determine the extent to which celebrity endorsements influence the consumer’s behaviour when choosing and purchasing a sportswear brand.

In addition, case studies will be used to understand what defines a successful celebrity endorsement deal versus an unsuccessful celebrity endorsement deal. The case study made up the secondary data portion of the research study. The secondary sources of data include the following: information made available on websites, other research papers, and professional articles found online or in magazines, newspapers or educational books.

Findings from the data collected will be explained and elaborated on using diagrams and/or graphs.
Population
The population refers to the total group of people or thing from whom information is required.

Nature of the population: The people or things in the population share the same characteristics which relate to the research question (Du Plooy-Cilliers, Davis and Bezuidenhout, 2014). The population consists of various members of the sportswear industry including managers, customers and competitors.

Size of the population: There are a number of different sportswear brands. Three of the most popular and well-known brands include Adidas, Nike and Puma. This research study will focus specifically on Puma in a South African sportswear industry context.

Target population: The research study will target people who share the same level of expertise in the sportswear industry who have done prior research on the topic. The research study will also target customers and/or consumers of sportswear products. This group is the target population that the researcher hopes to understand better. There are a number of sportswear brands that the research study could take into consideration. However, Puma is the primary sportswear brand being focused on.

Accessible population: Availability of participants will be a constraint for the researcher. The accessible target population will be made up of customers and/or consumers in the sportswear industry. This group will be smaller and easier to analyse as it is difficult to contact managers of sportswear brands because they are not willing to release sensitive or confidential information.

Population Parameters (Characteristics):
- The population is willing and able to participate in the research study.
- The population is between the ages of 18 and 55.
- Older participants will be targeted because they are considered more knowable and will most likely be brand loyal.
- The population works for one of the sportswear brands.
- Both male and female participants will make up the population.
- Participants will be able to provide in-depth insight into the sportswear industry.
- Participants are customers of one of the brands being analysed in terms of brand equity.
- The brand being analysed operates within the sportswear industry.
Sample
The sample refers to a subset of the population that is considered to be a representative of the population (Du Plooy-Cilliers, Davis and Bezuidenhout, 2014). Findings from the sample can be generalized for the population (Du Plooy-Cilliers, Davis and Bezuidenhout, 2014).

Sampling method: The research study will follow a probability sampling methods because a specific industry will be targeted. Probability sampling will be used because it gives each population an equal opportunity to be a part of the sample. For the purpose of this research study a Multi-stage cluster sampling method will be used because the study is widespread and the cost of reaching each element of the sample is very high (Du Plooy-Cilliers, Davis and Bezuidenhout, 2014).

Sample Size: The research study will look at a specific brand in the sportswear industry – Puma (in a South African context). Customers and/or consumers of sportswear products will be asked to participate in the study to gain knowledge of how consumers and/or customers think when choosing brands to purchase from.

The questionnaire needs to reach at least 200 participants to make up the sample size for the research study.

Ethical Considerations
• Voluntary Participation – prospective respondents can choose to participate in the research study at their own will (Trochim, 2006). If they do not wish to participate the researcher will respect their choice.
• Informed Consent – prospective respondents must be fully informed of the research study’s procedures before participating (Trochim, 2006)
• Risk of Harm- ethical standards must be upheld to protect participants (Trochim, 2006).
• Confidentiality – the respondent’s personal information will be treated as sensitive and private (Trochim, 2006). In addition, information about the brand will not be shared with anyone not directly involved in the research study.
• Anonymity – the respondents will remain anonymous in order to guarantee privacy and protection of sensitive information (Trochim, 2006).
Data Analysis, Results and Findings

Data analysis techniques
Qualitative data collection and analysis techniques have been used to conduct this research study. Before qualitative data can be analysed, it needs to be prepared. Data preparation includes the following: logging all collected data; checking the collected data for accuracy; entering the collected data into a computer; transforming the data where necessary; and lastly, developing and documenting the data (Trochim, 2006).

Once this has been done the research study will focus on descriptive statistics. Descriptive statistics will be used to describe the basic features of the data (Trochim, 2006). This phase of the analysis will provide simple summaries about the sample involved in the questionnaire in order to describe results. Therefore, with descriptive statistics you are simply describing what is as well as what the data shows (Trochim, 2006). Various graphs will be used here to represent the most important information and results from the questionnaire.

The last step in data analysis is inferential statistics. This is when the research study investigates questions, models and hypotheses in order to try conclude from the sample data what the population thinks through generalization (Trochim, 2006). Inferential statistics will also be used to make judgements of the probability that an observed difference between themes, topics or groups is predictable or not predictable (Trochim, 2006).

Furthermore, a content analysis will be used to code and classify the data in order to make sense of the collected data, while highlighting important messages, features or findings of the research study (Institute Learning, 2016). A content analysis will identify themes in the collected data that relate to the research problem and research question, in an attempt to solve the problem by answering the questions (Skills You Need, 2016).

Evaluation of analysed data
Reliability is about the credibility of the research study. To assess reliability the researcher needs to ask whether the same results would be present if the study were to be conducted again; or the researcher could determine the extent to which the findings can be generalized (Du Plooys-Cilliers, Davis and Bezuidenhout, 2014).

On the other hand, validity is about determining whether the research measured what it was supposed to measure (Du Plooys-Cilliers, Davis and Bezuidenhout, 2014). To assess validity the research findings can be published, the researcher will need to determine if the findings answer the initial research study question, before the research can be published (Du Plooys-Cilliers, Davis and Bezuidenhout, 2014).
Furthermore, pilot studies will be used to increase validity and reliability by making use of feasibility studies and mini research studies; it will also make use of pre-warning system for errors (Du Plooy-Cilliers, Davis and Bezuidenhout, 2014). The researcher can pre-test the questionnaire on individuals that are not bias to the research study. These individuals will test the questionnaire and determine whether or not all the questions are relevant to the study as well as whether or not they will produce and/or provide the desired outcome in terms of necessary information.

Lastly, this study will need to ensure that a non-bias approach is taken when conducting research in order to ensure reliability and validity of the study.

Questionnaire Results and Findings
From the results obtained from respondents of the questionnaire, the following findings can be concluded. Only specific questions were summarized as major findings.

When asked what influences one’s brand preference the most, more than 40% of respondents said that celebrity endorsement deals will influence their brand preference. The graph below shows that after celebrity endorsement deals, customer service and brand loyalty play a role in influencing brand preference.

Q4: From the list below, what influences your brand preference the most?

<table>
<thead>
<tr>
<th>Preferences</th>
<th>Respondents ranking of preferences, in percentages (%)</th>
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<tbody>
<tr>
<td>Price</td>
<td></td>
</tr>
<tr>
<td>Celebrity Endorsement</td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td></td>
</tr>
<tr>
<td>Customer Service</td>
<td></td>
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<tr>
<td>Brand Loyalty</td>
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To reiterate the above result, 30% of respondents agree that celebrity endorsements will play a big part in their purchase decisions for a specific brand, as shown in the chart below. Less than 10% of respondents feel that celebrity endorsements have an influence on their purchase decisions.

**Q5: Do you think sales for a branded product will be higher when there is a celebrity to endorse it?**

With regards to Puma’s current celebrity endorsement deals, only 35% of respondents were aware of the celebrities endorsed by Puma. Puma’s Celebrity endorsers include: Usain Bolt, Rickie Fowler, Kylie Jenner, Rihanna, and Cara Delevingne. As a result, only 7% of respondents would switch to Puma as their preferred brand based on a celebrity endorsement deal.

**Q6: Which sportswear brand comes to mind when you see the following celebrities: Usain Bolt, Rickie Fowler, Kylie Jenner, Rihanna, and Cara Delevingne.**
It is important to note that from the questionnaire, this research study has proven that celebrity endorsement deals enhance brand equity through brand preference. However, the celebrity endorsement deal is not a measure of quality for the branded product. When asked if celebrity endorsement deals influence their preference and buying, 78% of respondents said yes.

**Case Study Results and Findings**

The definition of brand equity varies widely. For the purpose of this research study brand equity is referred to as the preferred product, or product of choice. Findings from the case study have shown that celebrity endorsement deals help the customer recall or recognize the brand, which in turn fuels purchases for a brand that has an above average level of perceived value which is added by the endorser (Bradley, 2016).

According to Luke Bradley (2016), who wrote a report on Puma’s most recent celebrity endorsements, Puma has boasted a popular string of official and unofficial celebrity endorsers like Usain Bolt (runner), Rickie Fowler (golfer), Kylie Jenner (Kardashian socialite), Rihanna (singer), and Cara Delevingne (model). This case study is important because it highlights the importance of celebrity endorsement deals.

Sportswear companies, like Puma, will chose to endorse a celebrity for the potential competitive advantage that he or she will deliver upon endorsing the brand. Celebrity endorsements are used in three different ways (Pringle, 2004). Firstly, when launching a new brand or new product of the brand, Puma can use a celebrity endorser to reassure customers of the new category (Pringle, 2004). Secondly, Puma will use a celebrity endorsement to maintain or reinforce the brands competitive position in the sportswear market.
Therefore, a celebrity endorser can be used to combat new entrants into the market or used to change the dynamics of the market (Pringle, 2004). Lastly, celebrity endorsers can help Puma reposition themselves in the market by using brand communication tools along with celebrity endorsement deals to show customers that the brand is changing in order to effectively target its audience’s needs and wants (Pringle, 2004).

Without Nike’s ground-breaking marketing or Adidas’s heritage, Puma has had an uninterrupted period of operations fuelled by a near-miss relationship with what is considered “cool” sportswear (Bradley, 2016). This being said, according to Luke Bradley (2016) “Puma isn’t the sneaker of winners… But now, Puma is on to the attack”. Puma has tried to enrich their brands heritage by endorsing a sports star who has won gold medals at big sporting events (Bradley, 2016). By doing this, Puma has managed to maintain their elite sportswear image and reputation as the fastest brand. In 1968, Puma used a historic moment where Olympic gold medallist, sprinter and black power figure Tommie Smith, made history in his red Velcro Puma spikes to mark the start of their “forever faster” brand (Bradley, 2016). In recent years, sprinter Usain Bolt and famous footballer Mario Ballotelli have been the faces of Puma, endorsing and dominating billboards and TV adverts (Bradley, 2016).

Endorsing sport stars has created a positive image for Puma, an image that portrays a winner and/or hard worker (Bradley, 2016). However, Pumas recent endorsement of Kylie Jenner highlighted the near-miss relationship for Puma because Kylie Jenner is not a sports star. This left customer confused about the brands message as Kylie Jenner did not endorse the tag line “forever faster” (Brandley, 2016). Instead, she was just another famous figure sporting a brand. Puma managed to turn this negative publicity around by saying Kylie Jenner was endorsed as a designer to innovate the brand and give life the tagline (Bradley, 2016).

**Important Findings:**

- More than 20% of respondents see celebrities in advertisements each day, but only 4% of those people will buy the products because of the celebrity endorsement deal (Naidu, Shah and Charjer, 2015).
- Only 9% of respondents will buy at least one product that is endorsed by a celebrity per day (Naidu, Shah and Charjer, 2015).
- More than 80% of respondents said they will not change their buying habits regardless of the celebrity endorsement deal surrounding a product even a similar product category (Naidu, Shah and Charjer, 2015).

From the various case studies, we can conclude that sportswear brands like Puma will chose to endorse a celebrity based on certain characteristics and/or attributes. Celebrities must be likeable, believable, pursuable, and trustworthy (Pringle, 2004). This will ensure that the brand and the celebrity are compatible in order to effectively market the brands product.
It is therefore important to note that celebrity endorsements can be a risk when there is a lack of compatibility between the brand and the celebrity which may cause negative publicity (Pringle, 2004).
Celebrity endorsement deals have been proven to be an efficient and successful marketing vehicle that reaches a wide audience and delivers the brands message. Celebrity endorsers have become key instruments in the modern advertising world and have been used as drivers of brand equity.

The following four research questions were posed at the beginning of the research study and have been answered as follows:

1. **Do Celebrity Endorsements aid brand building, and how do they influence consumer perception of a brand?**

   The popularity and the credibility of the celebrity will play a very important role in the success of the campaign because the celebrity needs to be able to convince people that Puma is the best and their products are of a high standard.

2. **How are celebrity endorsements used by brands as part of their brand equity and brand building strategies?**

   Celebrity endorsement deals focus primarily on business or brand growth. Sportswear brands use celebrities and their popular personalities to attract customers. Celebrity endorsement deals are attractive advertising campaigns that make use of product tag lines or captions endorsed by famous individuals to persuade the consumer and create top of mind brand awareness.

3. **What criteria are in place to help brands make decisions when selecting a celebrity to endorse their brand?**

   Sportswear brands like Puma will employ a celebrity that consumers find trustworthy. Trustworthiness is one of the key attributes that consumers identify with when selecting one product over another simply because it is endorsed by a celebrity for s specific brand. Different celebrities will influence consumers differently.

4. **How do brands measure the success or failure of their celebrity endorsements?**

   Sportswear brands will measure the success of the celebrity endorsement deal by assessing the compatibility of the brand with the specific celebrity. If the consumer can identify with that celebrity and that celebrity “fits” the brand then brand equity can be created because consumers will make repeat purchases.
Findings

In conclusion, this research study has found that celebrity endorsement deals play an integral role in creating brand preference. Within the sportswear industry, brand preference is closely related to brand equity. For that reason, this research study has proved that celebrity endorsements have a positive influence on brand equity for Puma.

Furthermore, this research study has found that the celebrity endorsement strategy has become an increasingly important element of the marketing communications strategy for the sportswear industry (Mukherjee, 2009). Consumers think and act differently based on the circumstances or situation that they are in. Furthermore, consumers often change their preferences and taste based on seasons or trends. Therefore, celebrity endorsement strategies should not replace the comprehensive brand building process of a brand (Mukherjee, 2009). They should be used together with other brand building strategies in order to maximise returns for both the celebrity and the brand involved in the deal.

Having celebrities in advertisements will increase the chances of creating a strong sense of brand equity. However, it also increases the cost of the product for the consumers (Naidu, Shah and Charjer, 2015). However, it is important to note that majority of the customers in the sportswear industry do not necessarily buy products because of the celebrity endorsing it; other factors like price, quality and brand preference are considered (Naidu, Shah and Charjer, 2015).

There are successful endorsements and there are unsuccessful endorsements. Some consumers are not able to associate a specific celebrity with specific advertisements because one celebrity endorses more than one products product per brand (Naidu, Shah and Charjer, 2015). Therefore, brands that continuously use the same celebrity for the same product have a higher success rate than those brands that use more than one celebrity (Naidu, Shah and Charjer, 2015).

The findings highlight some of “dos and don’ts” when using a celebrity endorsement strategy (Mukherjee, 2009). These “dos and don’ts” can be used as a set of guidelines for managers in the sportswear industry that plan on utilizing and executing a celebrity-based marketing campaign (Mukherjee, 2009). This will now be explained under implications.

Implication of findings on the future

Through research and analysis of findings, the following guidelines should be considered:

- The celebrities’ acceptability, availability, popularity, attractiveness, image and belief system are important factors that impact on the effectiveness of the celebrity endorsement on the brand using the strategy (Mukherjee, 2009).
- The credibility and acceptability of the celebrity endorser are two of the main factors that consumers will analyse when choosing to purchase a brand. (Mukherjee, 2009).
• The mind of the consumer will be cluttered if too many celebrities are endorsed by the brand (Mukherjee, 2009).
• The overall success of a celebrity endorsement for a particular brand is dependent entirely on the power of that brand (Mukherjee, 2009).
• From the celebrity’s point of view and apart from the financial gains that the celebrity gets from an endorsement deal, the celebrity must ensure that their own image matches that of the brand offering the deal (Mukherjee, 2009).
• Association of the celebrity with controversial behaviour can cause and have a negative impact on the endorsement deal as well as the brand (Mukherjee, 2009).
• The amount of impact of the effect of celebrity endorsement deals is varied based on celebrity and the product profile (Mukherjee, 2009).

Possible future actions
This research study will provide insight for managers in the sportswear industry. This insight will create an understanding of a fast growing and highly competitive market where the importance of consumers' perceptions of the brand a well as the value offered by that brand is highlighted in order to assess overall brand equity. Furthermore, this research study has discussed key factors and/or criteria used to determine which celebrities should be endorsed in order to reap maximum benefits for the various sportswear brands.

This research study can be taken further by elaboration on how a celebrity endorsement deal that doesn’t fit the brand or is not compatible with the brand will create negative publicity as well as additional consequences to the brands equity. The findings of this research study can be used in other research where the aim is to understand the consumer’s behaviour in various scenarios in order to understand the psychology behind tastes and preferences.

Evaluation of the success of the study
Limited time and resources had affected the methodology of this research study because given more time, a mixed methods approach could have been used in order to have quantitative data and results that would further support the qualitative findings. In addition, given more time, the questionnaire could have been carried out for a longer period of time in order to reach more participants which would make the respondents results more accurate. Lastly, with the right resources, the research study would have been able to reach more senior and knowledgeable respondents with the questionnaire.

The questionnaire was answered well – complete answers rather than half-hearted answers were given and as a result better quality results were produced. As previously mentioned, given more time and resources the results could have been explained and elaborated on
further. However, adequate answers were achieved, thus meeting the purpose of the research study.

Although this research study had limitations, it was executed and concluded successfully. The research questions have been answered in order to create a better understanding of the sportswear industry in South Africa. This research study was successful in highlighting the importance of celebrity endorsement deals for sportswear brands.

**Ethical implications**

This research study is of a low risk with regard to ethics. Participants will remain anonymous in order to ensure that various brands and sensitive information provided by those brands remains confidential and uncompromised.

In order to remain ethical at all times, the researcher must ensure that a non-biased approach has been taken to conduct the research and construct the final report of findings.

**Limitations of the study**

**Limitation:** The research study has been conducted under certain time constraints that may limit the scope and depth of data analysis. Availability of participants to partake in this research study could also limit the scope and depth of data collection. Lastly, there is a cost attached to printing out questionnaires for data collection. This could limit the study unless alternative methods of sharing the questionnaire have been taken into account.

**Delimitation:** This research study was conducted in a South African context. For that reason, some of the findings may vary when looking at other countries because customer perceptions may vary in different economies. Looking at the research question and/or problem from an international point of view is out of the researcher’s scope.
Bibliography


Celebrity Endorsements. Kimiko L. Martinez, Entrepreneur’s Start-Ups magazine, May 2001


Annexure A

Questionnaire
A draft questionnaire has been formatted below.

1) In your opinion, what is the most successful form of advertising?
   A Television
   B Radio
   C Newspaper and/or Magazine
   D Internet

2) Do celebrity endorsements influence your purchases?
   Yes / No

3) Did a celebrity endorsement deal influence your brand preference?
   Yes / No

4) Rank the following from 1 to 5 (5 being the most and 1 being the least).
   What influences your preference the most?
   Price  Celebrity  Quality  Brand Loyalty  Customer Service

5) Do you think sales for a product will be higher when there is a celebrity to endorse it?
   Strongly Agree  Agree  Neither  Disagree  Strongly Disagree

6) Which sportswear brand comes to mind when you see the following celebrities?
   Usain Bolt, Rickie Fowler, Kylie Jenner, Rihanna, Cara Delevingne,
   Under Armour
   Nike
   Adidas
   Puma
   New Balance
   Reehbok
   Other

7) Do you think celebrity endorsements have an impact of consumer preferences and buying behaviour?
   Strongly Agree  Agree  Neither  Disagree  Strongly Disagree

8) In your opinion, are products that are endorsed by a celebrity of a better quality?
   Yes / No
9) Would you switch brands because of a celebrity endorsement deal?
   Yes / No

10) What type of celebrity do you relate to?
    A Politician
    B Film Star
    C Music Artist
    D Sports Star
ETHICAL CLEARANCE CONSENT FORM

No research may be carried out by any student or staff member; or independent contractor or person associated with The Independent Institute of Education (The IIE) that will be associated with The Independent Institute of Education; or that involves in any way, The Independent Institute of Education; without formal ethical clearance to conduct the research having been obtained.

The process is similar for students registered on IIE qualifications or for researchers wishing to conduct research on, or at The IIE.

In order to get consent to do research associated with or on or at The IIE the following need to be submitted to the R&D Manager via the appropriate academic (normally your supervisor for internal students) or the designated academic manager at your brand if you are associated with a site and not a registered student of The IIE or the Academic Manager if you are employed in the Central Academic Team (CAT).

Please submit the following:

<table>
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<th>Proposal — select one:</th>
<th>Please tick</th>
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<tr>
<td><strong>IIE and other registered students:</strong> Proposal as approved by supervisor with a declaration in relation to the status of the proposal at your institution where you are a student, if you are a student.</td>
<td><strong>√</strong></td>
</tr>
<tr>
<td><strong>Research by internal people who are not students:</strong> Proposal as approved by your designated academic manager or the CAT Academic Manager if you are not a student but are directly associated with The IIE.</td>
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<tr>
<td><strong>External researchers who are not students:</strong> Formal research</td>
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proposal plus full details of the sponsoring body.

**Ethical clearance application form:** Please check that all sections are complete and that the form has been signed by the person who will supervise your research and by the designated academic manager where required. If you are a student and you are working or you are otherwise associated with The IIE and its campuses; your form needs to be signed by both the designated manager and your institutional supervisor. If you are an external researcher the form also needs to be signed by a senior manager at the sponsoring organisation.

**Participant consent form:** Example of participant consent form (where applicable). The original signed forms have to be provided to the supervisor after permission is granted.

1. **Identifying information**

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<td>Di Bartolo</td>
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<tr>
<td>Student number:</td>
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<tr>
<td>Institution where registered:</td>
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<tr>
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</table>

2. **Supervisor’s Name and Contact Details**

| Name and surname and designation: | Alexander Sudheim |
| Contact telephone number:         | 0832312909 |
Contact e-mail address: alexandersudheim@googlemail.com

Signature confirming that this form is being submitted with Supervisor's consent and signifying that the information submitted is accurate:

Date of signature:

3. Designated academic manager's details (if applicable)

Name and surname and designation:
Contact telephone number:
Contact e-mail address:
Signature confirming that this form is being submitted with Academic Manager's consent and signifying that the information submitted is accurate:
Date of signature:

4. Designated manager of sponsoring organisation (if applicable)

Name and surname and designation:
Contact telephone number:
Contact e-mail address:
Signature confirming that this form is being submitted with Manager's consent and signifying that the information submitted is accurate:
Date of signature:

5. Title of Research

A qualitative research study exploring the impact of Puma's celebrity endorsements on their brand equity, in a South African sportswear industry context.
6. **Proposal:**

If this information is contained in your attached research proposal please reference the page; if not please provide full detail.

6.1 **Abstract – no more than 250 words**

This research study will add value to market research conducted by the sportswear industry because it confirms that the impact of celebrity endorsements on brand equity is positive. It has been said in the research findings that celebrity endorsement adds a unique value to the sportswear brand that will help distinguish it from competitors in the same market.

Furthermore, based on preliminary explanatory research and findings using qualitative research methods, the research study shows that a celebrity endorser will be regarded as credible if they are trustworthy, attractive and experts in their own field. For that reason, sportswear brands will be able to use the criteria identified in this research study to help them select, recruit and retain successful celebrity endorsers that will contribute towards brand building and brand equity.

Lastly, the findings of the research study will aid the brand building process while also creating a solid foundation for further research. The findings can support brand managers in making decisions about using celebrity endorsement deal more logically and positively with regard to brand equity.

6.2 **Research Aims/ Goals/ Objectives**

- To provide insight into a growing sportswear industry, in order to better understand the market.
- To better understand consumer preferences with regard to various sportswear brands and how brand loyalty is created.
- To address the relationship between celebrity endorsements and brand equity within the sportswear industry.
• To provide a better understanding of what factors and/or criteria is used when selecting the “right” celebrity to endorse for a sportswear brand.

6.3 Methodology

This research study will use qualitative methods to collect and analyse research that will produce explanatory findings. The research design is inductive and follows an interpretive research paradigm.

6.4 Ethical considerations

- Low risk.
- Participants are anonymous.
- Non biased approach to research.

6.5 Research impact on people and or brand/IIE (directly as participants or in terms of the use of their data or conducting research in their environment):

If your research involves anything other than investigation of publicly available information or data or documents please detail this and the steps you are taking or will take to protect the rights of people involved.

Please detail measures to avoid harm and to gain informed consent.

This research study is of a low risk with regard to ethics. Participants will remain anonymous in order to ensure that various brands and sensitive information provided by those brands remains confidential and uncompromised.

In order to remain ethical at all times, the researcher must ensure that a non-biased approach has been taken to conduct the research and construct the final report of findings.
7. **Particular elements of study:**

<table>
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<th>No</th>
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<td>Observation of an environment with no interaction with participants and no manipulation of the environment.</td>
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<tr>
<td>Observation of an environment with no interaction with participants and with manipulation of the environment.</td>
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<td>Data is collected about individual participants but they are taken from existing available records (e.g. an existing report or student record).</td>
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<tr>
<td>Data is collected about groups but they are taken from available records (e.g. an existing report) and will only be reported at the group level.</td>
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<tr>
<td>General and/or personal information required to be collected <em>de novo</em> from participants through interviews, surveys, questionnaires, observation, etc.</td>
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<tr>
<td>Collecting information from participants via an existing validated and approved test instruments (e.g. an approved psychometric test).</td>
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<td>X</td>
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<tr>
<td>Collecting information from participants via an invalidated test instrument.</td>
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8. **Description of participants:**

   Please detail the age, demographics and context of the participants. The IIE will not normally give consent for the involvement of persons who are under the age of 18 or who are vulnerable (physically, socially, mentally or psychologically) unless you are an experienced researcher with a proven track record of conducting research involving participants from these groups. You are thus encouraged to provide such evidence if your participants could be deemed to be vulnerable or under the age of 18.

   In all instances informed consent would be required:

   **Participants are all over the age of 18.**
9. Please describe the impact that your research may have on participants and or the brand/IIE CAT – positive or negative and the measures you will have in place to reduce the risk of harm.

The research study aims to only have a positive impact. Feedback and findings could provide positive insight for the participants involved.

10. Declaration on Ethical Conduct in Research

I have read and understand the requirements laid out in the ethical clearance form as well as the Code of Ethics (see below) as extracted from The IIE Research Policy (IIE007) and commit to observe and uphold the principles of this Code in all aspects of the research work carried out in association with The IIE.

I confirm that all the information I have provided to enable The IIE to make a decision about my research is honest, complete and accurate and that I have not withheld any information that may adversely influence the decision.

I confirm that I will not hold The IIE liable for any action taken against me in relation to this research and its impacts and I take full legal and moral responsibility for the research and its impact.
Research Code of Ethics:

Researchers are required to:

- Familiarise themselves with ethics guidelines and observe such guidelines throughout their projects;
- Accept that they are ethically accountable for honesty, objectivity and integrity of carrying out and reporting on their research;
- Strive to conduct research of a high standard;
- Always clearly indicate the limitations of their work to provide perspective of the validity of their data and reports;
- Ensure that data is not falsified, misinterpreted, fabricating, misrepresented or changed;
- Ensure that data is collected in a manner that will not affect its validity and make known any aspects of their project that might have affected such validity of their data;
- Disclose their methodologies and processes in a transparent manner to uphold its integrity;
- Keep data safely and securely for a period of three years and produce this in support of other researchers’ work or to confirm the authenticity of a project, in consideration of any agreement(s) with individuals who were part of the sample group;
- Recognise sources of information by accurately and appropriately referencing such sources and respecting the copyrights of all reference work and sources;
- Recognise fellow workers and co-workers who are part of the project;
- Be considerate and professional in dealing with individuals and sample groups, respecting their right to refuse to participate and the rights to their privacy;
- Accept responsibility to ensure that data with personal particulars of individuals and sample groups must be secured, in particular, when it is in digital format;
- Avoid placing the safety or security of participants at risk through any research that is conducted;
- Demonstrate commitment to sharing knowledge, disseminating the results of research work in an appropriate manner;
• Retain objectivity to prevent bias throughout any research project;
• Adhere to the conventions associated with publication which includes only submitting to one publisher at a time and always citing where papers have been used before.

RESEARCHER

Full name: ________________________________
Identity number: __________________________
Signature: ________________________________
Date: ________________________________

WITNESS

Full name: ________________________________
Identity number: __________________________
Signature: ________________________________
Date: ________________________________
WITNESS

Full name: ____________________________

Identity number: ______________________

Signature: ____________________________

Date: ________________________________

Please note: You may not proceed with the research until you have written confirmation of approval of your study from the Postgraduate Committee of The IIE.