

Celebrity Endorsement and Customer Patronage

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Abstract: In this study, we examined the effect of celebrity endorsement on customer patronage in consumer goods manufacturing industry in Rivers State Nigeria using cross-sectional regression approach. The study also considered the moderating role of brand image in the relationship between celebrity endorsement and customer patronage. Celebrity endorsement were measured using three dimensions; namely, celebrity fit, celebrity credibility and celebrity expertise. On the other hand, customer patronage was measured in terms of brand choice, repeat purchase and customer referral. All variables were measured using the Likert scale with five ordered options from strongly disagree to strongly agree. Seventy-Six (76) final year marketing students from the three universities (University of Port Harcourt, Rivers State University and Ignatius Ajuru University of Education) in Rivers state constitute the sample. The students were randomly selected, and the response rate is 86%. The results show evidence that the three dimensions of celebrity endorsement; celebrity fit, celebrity credibility and celebrity, all have positive relationship with customer patronage. However, while the effect of celebrity fit and celebrity credibility both are highly statistically significant, the effect of celebrity expertise is significant only at 10% level. Also, the joint effects of celebrity fit, celebrity credibility and celebrity expertise is highly significant and explain approximately 82% of the variance of customer patronage. The results also show evidence of a highly significant positive effect of brand image on customer patronage both directly and through its interaction with celebrity endorsement. Therefore, we conclude that brand image enhances the relationship between celebrity endorsement and customer patronage in the consumer goods industry in Rivers State. Based on these findings, we recommend that consumer goods companies in Rivers State should advertise their products using only well-known celebrities that are credible, trustworthy, knowledgeable and whose physical appearances match with the products that are being promoted.

Key words: Celebrity Endorsement, Celebrity Fit, Celebrity Credibility, Celebrity Expertise, Customer Patronage.

I. INTRODUCTION

Celebrities are influential media figures who are seen as part of social elites and engage in public relations (Hu, Parsa & Self, 2010). People often believe that objects that are owned or touched by celebrities are valuable and are willing to pay high amounts to possess them even when those objects are mere artifacts (Newman & Bloom, 2013).

This is because, celebrities are often revered, respected and are seen as role models, especially by young adults who copy the personalities of such celebrities to enhance their self-worth (Boon & Lomore, 2001). Therefore, celebrities are well-regarded and inspirational figures who wield great influence on the society and command large number of followers and

admirers. Hence, they are perceived, especially by young adults, as classic examples of great achievers.

Despite the huge cost of securing celebrity endorsers, celebrity endorsement has become a common practice in marketing promotion and advertising campaigns (Choi & Rifon, 2012). Many empirical studies (For example, Choi and Rifon (2012), Ibok (2013), Koernigand Boyd (2009), Nnamochaand Chukundah 2018 and ZorBari-Nwitambu and Kalu (2017))have also considered the effect of celebrity advertising and endorsement on consumer buying behaviour both in Nigeria and other countries. These studies generally suggest that the use of celebrities to endorse a product or brand is a persuasive way of influencing customer purchase intentions and patronage.

Among the dimensions of celebrity endorsements that have emerged from the literature are celebrity fit, celebrity credibility and celebrity expertise. Celebrity fit is the congruence between the celebrity and the endorsed product. Celebrity credibility is the integrity, sincerity and dependability of the celebrity regarding the subject matter. Despite the popularity of these constructs in the endorsement-consumer behaviour literature, it appears that no previous Nigerian study has examined their effects in one single study. This study, therefore, fills this important gap by considering the effects of celebrity fit, celebrity credibility and celebrity expertise on customer patronage in the consumer goods industry from the perspective of final year marketing students in both State and Federal Universities in Rivers State. Further, it may be the case that examining the effect of celebrity endorsement in the consumer goods industry using the responses from marketing final year students would provide an empirical insight on how celebrities affect young adults in terms of their buying behaviour.

Another neglected aspect of the celebrity endorsement-consumer behaviour research is the moderating role of brand image. This study also fills this gap by considering the influence of brand image on the relationship between celebrity advertising customer patronage. The following hypotheses would be tested in this study:

1. Celebrity fit has no significant effect on customer patronage in consumer goods manufacturing industry in Rivers State.
2. There is no significant effect of celebrity credibility on customer patronage in consumer goods manufacturing industry in Rivers State.

3. Celebrity expertise has no significant effect on customer patronage in consumer goods manufacturing industry in Rivers State.
4. There is no significant effect of brand image on the relationship between celebrity endorsement and customer patronage in consumer goods manufacturing industry in Rivers State.

II LITERATURE REVIEW

2.1 Conceptual Framework

The conceptual framework for the relationship between celebrity endorsement and customer patronage is given in Figure 1.

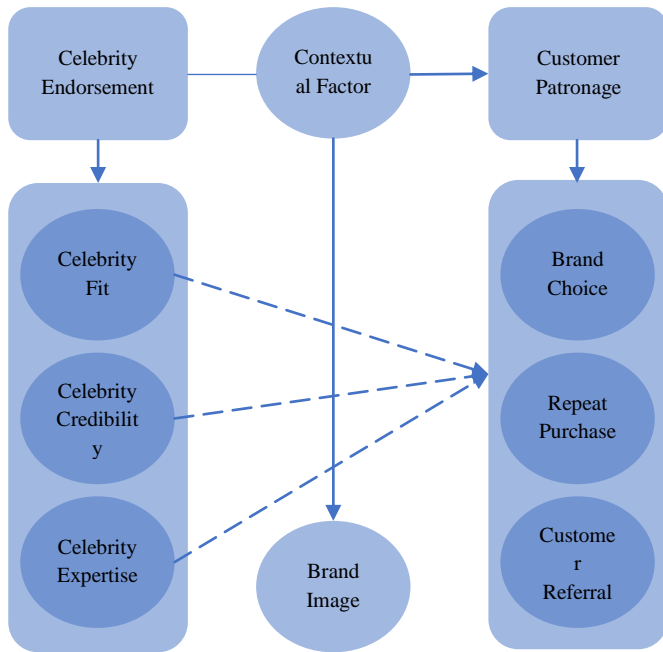


Figure 1: Conceptual Framework for the relationship between celebrity endorsement and customer patronage.

2.2 Celebrity Endorsement

Celebrities are influential media figures who are seen as part of social elites and engage in public relations (Hu, Parsa & Self, 2010). People often believe that objects that are owned or touched by celebrities are valuable and are willing to pay high amounts to possess them even when those objects are mere artifacts (Newman & Bloom, 2013). This is because, celebrities are often revered, respected and are seen as role models, especially by young adults who copy the personalities of such celebrities to enhance their self-worth (Boon & Lomore, 2001). Therefore, celebrities are well-regarded and inspirational figures who wield great influence on the society and command large number of followers and admirers. Hence, they are perceived as classic examples of great achievers.

Celebrity endorsement has received considerable attention in the marketing communication literature. Celebrity endorsement is the strategy of using well-known individuals who enjoy public recognition to promote a brand or product

(McCracken, 1989). The essence of celebrity endorsement is to promote a company’s image (Erdogan, 1999). As an influential reference group, celebrities can influence customer patronage regarding a particular product or brand by endorsing the product and confirming the benefits of using it (Chan, Leung Ng & Luk, 2013).

Celebrity endorsement has been conceptualized and examined using different dimensions. Erdogan (1999) define celebrity endorsement in terms of three endorser’s qualities: namely, attractiveness, likeability and trustworthiness. ZorBari-Nwitambu and Kalu (2017) measure celebrity endorsement using four dimensions; namely, perceived expertise, trustworthiness, credibility and belief. Nnamocha and Chukundah (2018) conceptualize celebrity endorsement using two dimensions: endorsement coverage and frequency of endorsement. Abbas, Afshan, Aslam and Ewaz(2018) measure celebrity endorsement using five constructs; likeability, credibility, personality, attractiveness and experience. Ibok (2013) argues that effectiveness of celebrity endorsement depends on four critical factors: namely, perceived expertise, trustworthiness, credibility and attractiveness. According to Choi and Rifon (2012), the fit or congruence between the celebrity and the product being endorsed as well as the congruence between the celebrity and consumer self-image both determine the success of celebrity endorsement.

From the forgoing, it is clear that celebrity endorsement has been examined using different dimensions. Thus, we argue that celebrity fit, celebrity credibility and celebrity expertise are important dimensions of celebrity endorsement.

2.1.1 Celebrity Fit

Celebrity fit is a key concept in the celebrity endorsement literature that has attracted considerable attention. According to Choi and Rifon (2012), celebrity fit, which is also known as congruency or relevance, is the degree of similarity between the endorser and the endorsed product or brand. Koernig and Boyd (2009) found that a well-known athlete is effective when endorsing a sport brand compared to a non-sport brand. The Match-Up theory suggests that when the attributes of the celebrity endorser match with the product features, consumers tend to increase their patronage (Roy, 2006). The theory also implies that perceived lack of fit or incongruency between the celebrity endorser and the product characteristics leads to negative evaluation effects (Bergkvist, Hjalmarson&Mägi,2016). For example, using a male celebrity with feminine looks to advertise or endorse “a stamina-associated product such as Nautilus weightlifting equipment”(Ilicic, & Webster, 2011; Lynch & Schuler, 1994) would have a negative evaluation effect on the product. Thus, celebrity fit is an important factor for celebrity endorsement.

2.1.2 Celebrity Credibility

Perceived credibility of the product endorser is one of the factors that influence customer buying behaviour. Celebrity

credibility is defined in ZorBari-Nwitambu and Kalu (2017) as the integrity, honesty and dependability of the celebrity regarding the subject matter. Credibility determines how the advertising information would impact the receiver in terms of the communicated message (Serban, 2010). Spry, Pappu and Bettina Cornwell (2011) argue that celebrity credibility has a positive impact on the credibility of the endorsed brand. A survey of 120 consumers conducted by Ibok (2013) show that the effectiveness of celebrity endorsers depends mostly on perceived expertise and credibility. Thus, celebrity credibility is a significant determinant of the effectiveness of celebrity endorsement.

2.1.3 Celebrity Expertise

Celebrity expertise has been defined as the extent to which the celebrity is perceived to make valid assertions (Chekima, Wafa & Sulong, 2018; Erdogan, 1999; ZorBari-Nwitambu & Kalu, 2017). Put differently, the celebrity is considered to have the competence regarding the information or message he is delivering to the public. Thus, expertise relates to the skill, experience and knowledge of the celebrity to endorse or recommend the product to the public. Studies suggest that expertise and effectiveness are positively related (Ohanian, 1990) and that persuasive endorsers tend to have higher degree of expertise (Chan, Leung Ng & Luk, 2013; Chekima, Wafa & Sulong, 2018; Erdogan, 1999).

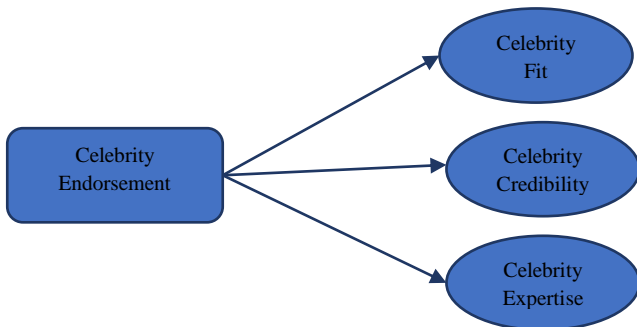


Figure 2: The conceptual model for Celebrity Endorsement

2.1.4 Customer Patronage

Researchers’ have conceptualized customer patronage in different ways using both financial and non-financial dimensions. According to Adiele, Grend and Ezirim (2015), customer patronage is the commitment of an individual to purchase a product because of its quality or perceived quality. They use two financial dimensions; namely, sales volume and profit margin, and one non-financial dimension; namely, customer retention, to measure customer patronage. Lam, Shankar, Erramilli and Murthy(2004) contend that customer patronage is a component of customer loyalty that has to do with repeat purchase. Ogbuji, Onuoha and Abdul (2016)measure customer patronage in terms of customer

satisfaction and referrals. In the context of green restaurant patronage, Hu, Parsa and Self (2010) measure customer patronage using three dimensions; namely, considerable chance to patronize, recommend others to patronize and predominantly patronize. According to Seock (2009), patronage behaviour is measured in Pan and Zinkhan (2006) using two dimensions: store choice and frequency of visit. While store choice is defined as a customer’s preference for a particular store, frequency of visit denote show often the customer buys from that store. Similarly, Shim and Kotsiopulos (1992) use store choice behaviour, which represents a customer’s preference for a particular store, to measure patronage behaviour.

As stated above, customer patronage has been conceptualized and measured in different ways. However, the mostly used dimensions include brand choice, repeat purchase, customer referral. Thus, we conceptualize customer patronage using these three non-financial dimensions as shown in Figure 3.

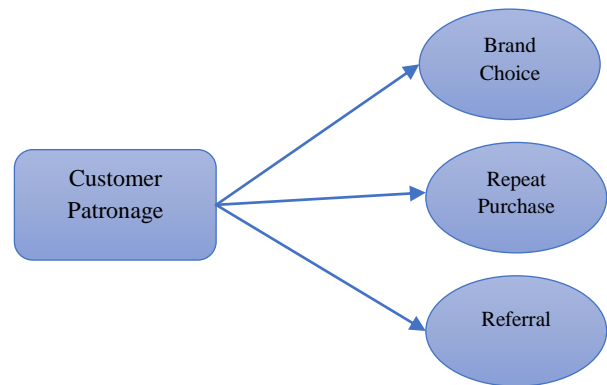


Figure 3: The conceptual model for Customer Patronage

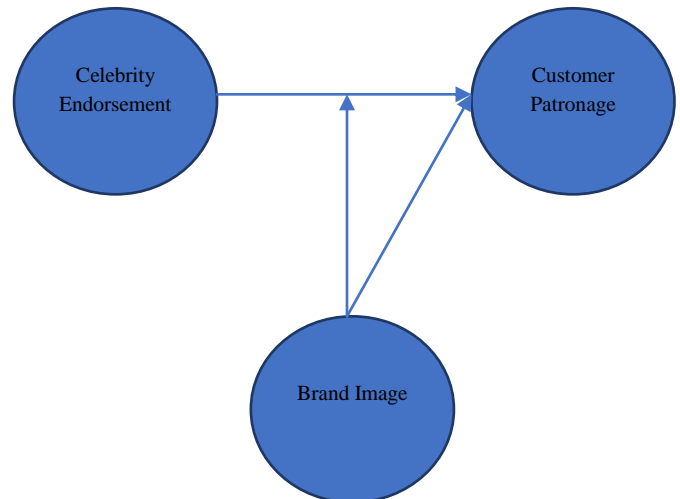


Figure 4: The conceptual model for the Moderating Role of Brand Image

2.1.5 Brand Image

Marketing research has since recognized brand image as strong factor for customer patronage. According to Park, Jaworski and MacInnis (1986), a well-communicated image helps to establish a brand’s position, shield the brand from competitive forces, and enhance the marketing performance of the brand. Hanzaee and Farsani (2011) contend that favourable brand image the effect of public relations on customer loyalty. This implies that effectiveness of celebrity endorsement depends on the image of the endorsed brand. Thus, we hypothesize that the relationship between celebrity endorsement and customer patronage is moderated by brand image as follows:

2.3 Empirical Review

Koernig and Boyd (2009) examined the product-endorser fit between celebrity endorsers and noncelebrity endorsers on a variety of consumer responses in the context of schema theory. Specifically, they compared the effect on consumer behaviour of using a famous athlete with a regular or unknown model. They found that using a famous athlete to endorse a sport brand is more effective than a non-sport brand, but only for enhancing the celebrity image. They also found that an anonymous endorser identified as an athlete is more effective when there is match between the product and the endorser.

Using path analysis, Choi and Rifon (2012) examine the effect of both celebrity-product congruence and celebrity-consumer self-image congruence on endorsement effectiveness in terms of attitude toward advertising, attitude toward the product or brand and purchase intention. Their sample comprises 251 undergraduates of Midwestern university that are enrolled in introductory advertising and communication courses. They found that the fit between celebrity image and consumers’ ideal self-image contributes significantly to a congruence model of celebrity endorser effects.

Ibok (2013) examined the effect of perceived expertise, trustworthiness, attractiveness and credibility of the celebrity endorser on celebrity effectiveness in product advertising in the Nigerian telecommunications industry using the classical regression analysis. Their sample comprises 150 randomly selected customers of five major telecommunications companies: namely, MTN, GLO, AIRTEL, ETISALAT and VODACOM. The study found that the effectiveness of celebrity endorsers depends mostly on perceived expertise and credibility of the celebrity endorser.

ZorBari-Nwitambu and Kalu (2017) examined the link between celebrity endorsement and customer loyalty in the telecommunications industry in Port Harcourt using both Pearson correlation and regression analysis. Specifically, they examine the effect of perceived celebrity expertise, trustworthiness, credibility and belief on customer trust, customer commitment and customer satisfaction using a sample comprising of 50 top managers/contact staff of five

big telecommunication companies in Port Harcourt: MTN, Airtel,

Glo, 9mobile and Starcomms. They found that credibility and expertise both consistently show a positive relationship with all the dimensions of customer loyalty.

Nnamocha and Chukundah (2018) examined the relationship between celebrity endorsement and customer patronage in Nigeria, focusing on the Nigerian Bottling Company in Port Harcourt. Their sample comprises 150 management staff from various divisions and departments of the company as well as 250 customers (direct buyers and marketers) that are registered with the company. Using correlation analysis, they found that both endorser’s coverage and frequency of endorsement have strong positive correlation with customer patronage, measured by repeat purchase and brand loyalty.

Hanzaee and Farsani (2011) examined the moderating effect of brand image on the relationship between perceived public relation and customer loyalty in the electronics industry in Iran using Hierarchical regression analysis. Their sample comprises 385 consumers of LG Electronics in Tehran. The results show that there is positive relationship between perceived public relation and customer loyalty and the effect of perceived public relations is moderated by brand image.

2.3 Conclusions

The review of the literature shows that celebrity endorsement has been conceptualized using different dimensions. Among these dimensions are celebrity fit, celebrity credibility and celebrity expertise. However, previous studies have examined the effects of these dimensions separately, especially, in the context of Nigeria. Further, it appears that no previous empirical study has examined the moderating role of brand image on the relationship between celebrity endorsement and customer patronage. Therefore, this study would fill these important gaps.

III. METHODOLOGY

3.1 Population of the Study

The population of this study comprises all main final year marketing undergraduate students in the three Universities in Rivers State: namely, University of Port Harcourt, Rivers State University and Ignatius Ajuru University of Education. Records obtained from the marketing department shows as follows:

Table 1: Number of Final Year Marketing Students in Rivers State Universities

S/N	University	No. of Final Year Marketing Students
1	University of Port Harcourt	120
2	Rivers State University	100
3	Ignatius Ajuru University of Education	94
Total		314

Source: Departments of Marketing of the Three Universities

Table 2: Selected Students

S/no	Company	Students	Sample	Returned
1	University of Port Harcourt	120	29	25
2	Rivers State University	100	24	21
3	Ignatius Ajuru University of Education	94	23	19
TOTAL		314	76	65 (85%)

3.2 Sample and Sampling

Our sample comprises 76 randomly selected final year marketing students from the three universities in Rivers State. The sample size of 76 was determined following Yamane (1967) as follows:

$$n = \frac{N}{1 + Ne^2} = \frac{314}{1 + 314 \times 0.1^2} = 75.84 \approx 76$$

The sample for each University is determined using the following formula:

$$\text{Firm A} = \frac{\text{No of Final Year Marketing Student in University A}}{314} \times 76$$

The instrument for data collection is a well-structured questionnaire titled Celebrity Endorsement and Customer Patronage Questionnaire (CECPQ). The administration of the instrument is by hand and the response rate is 86% (see Table 2).

The preliminary analysis of the data reveals that 60% of the participants are male, 20% are married and the average age is 22.

3.3 Measurement, Validity and Reliability

All variables are measured on a 5-point Likert scale. The original ordinal responses or scale were converted into interval scale using the SPSS variable transformation window. Both validity and reliability of the research instrument were established. Specifically, while the validity of the research instrument is based on expert opinion, its reliability is based on Cronbach Alpha method.

3.4 Methods and Models

The classical regression analysis is employed to analyse the empirical relationship between celebrity endorsement and customer patronage.

The Functional Models

$$CP = f(FIT, CRE, EPT) \tag{3.1}$$

$$CP = f(CEC, BI, BI * CEC) \tag{3.2}$$

Where;

CP = Customer Patronage (Composite of Brand Choice, Repeat Purchase and Customer Referral)

FIT = Celebrity Fit

CRE = Celebrity Credibility

EPT= Celebrity Expertise

CEC = Celebrity Endorsement (Composite of Celebrity Fit, Celebrity Credibility and Celebrity Expertise)

BI = Brand Image

BI*CEC = Interaction between Brand Image and Celebrity Endorsement

The Empirical Models

Given the above functional models, the empirical models are specified as follows:

$$CP_i = \alpha_0 + \alpha_1 FIT_i + \alpha_2 CRE_i + \alpha_3 EPT_i + e_i \tag{3.3}$$

$$CP_i = \phi_0 + \phi_1 CEC_i + \phi_2 BI_i + \phi_3 BI * CEC_i + v_i \tag{3.4}$$

Where α_0 and ϕ_0 are the regression constants; α_1 is the slope coefficient that captures the effect of celebrity fit on customer patronage; α_2 is the slope coefficients that captures the effects of celebrity credibility on customer patronage; α_3 is the slope coefficient that captures the effects of celebrity expertise on customer patronage; e_i and v_i are the classical regression error terms. Further, while ϕ_2 captures the direct effect of brand image, ϕ_3 , which is the coefficient on the interaction term, captures the moderating effect of brand image on the relationship between celebrity endorsement and customer patronage.

IV. DATA ANALYSIS AND RESULTS

4.1 Descriptive (Univariate) Analysis

The decision criterion for the descriptive analysis is given in Table 3 below.

Table 3: Decision Criteria for Univariate Analysis

Original Rating	Mean Range	Decision
1	1.00 – 1.49	Strongly Disagree
2	1.50 – 2.49	Disagree
3	2.50 – 3.49	Neither Agree nor Disagree
4	3.50 – 4.49	Agree
5	4.50 – 5.00	Strongly Agree

4.1.1 Independent Variable:

Table 4 shows the descriptive analysis for team display, club name and club image.

Table 4: Celebrity Endorsement

Item	Description	\bar{x}	σ	Decision
Celebrity Fit (Alpha = 0.846)				
FIT1	I like using products that match with the features of the promoter	4.23	0.728	Agree
FIT2	I trust products whose features fit with the attributes of the promoter	4.20	0.664	Agree
FIT3	Quality products are those that match the description of the celebrity	4.56	0.544	Strongly Agree
Celebrity Credibility (Alpha = 0.893)				
CRE1	I patronize a product or brand that is endorsed by a dependable celebrity	4.07	0.691	Agree
CRE2	I can identify with a brand that is promoted by a trusted celebrity	4.10	0.712	Agree
CRE3	I buy only products that have been confirmed by a known and reliable celebrity	4.20	0.610	Agree
Celebrity Expertise (Alpha = 0.866)				
EPT1	I am comfortable to use products that are promoted by experienced celebrities	3.87	0.776	Agree
EPT2	Products that are advertised by skilled celebrities attract me	3.89	0.629	Agree
EPT3	I like products that are endorsed by well-known and expert celebrities.	3.80	0.714	Agree

Source: SPSS output based on survey data.

4.1.2 Dependent Variable:

Table 5 shows the descriptive analysis for customer patronage.

Table 5: Customer Patronage

Item	Description	\bar{x}	σ	Decision
Brand Choice (Alpha = 0.902)				
BC1	I like brands that are endorsed by known celebrities	4.17	0.741	Agree
BC2	I only use products that celebrities recommend	4.08	0.735	Agree
BC3	I prefer only famous and celebrated brands	3.98	0.673	Agree
Repeat Purchase (Alpha = 0.890)				
RP1	I consistently buy products that are endorsed by famous individuals	4.12	0.740	Agree
RP2	I consider myself to be loyal to any brand that is promoted by known celebrities	4.05	0.598	Agree
RP3	If I have the money, I buy endorsed products in bulk.	4.17	0.675	Agree
Customer Referral (Alpha = 0.857)				
CR1	I recommend brands endorsed by known celebrities to my friends	4.55	0.543	Strongly Agree
CR2	I campaign for endorsed products through word of mouth	3.99	0.767	Agree
CR3	I like friends who use celebrated brands	4.01	0.711	Agree

Source: SPSS output based on survey data

4.1.3 Moderating Variable:

Table 6 shows the descriptive analysis for brand image.

Table 6: Brand Image (Alpha = 0.912)

Item	Description	\bar{x}	σ	Decision
BI1	I consider brand image when patronizing an endorsed product	4.17	0.741	Agree
BI2	Brand image influences my choice of a product even if it is endorsed by a credible celebrity	4.08	0.735	Agree

4.2 Empirical Analysis and Hypothesis Testing

4.2.1 Brand Management and Customer Patronage:

Table 7 presents the empirical results for the relationship between celebrity endorsement and customer patronage. Panel A contains model estimates while panel B contains goodness of fit tests.

Table 7: Celebrity Endorsement and Customer Patronage

Panel A: Model estimates		
Variable	Coefficient	p-value
Constant	0.1150	0.7358
FIT (α_1)	0.8975	0.0000
CRE (α_2)	0.1420	0.0065
EPT (α_3)	0.0984	0.0609
Panel B: Goodness of Fit statistics		
R-squared	0.8314	
Adjusted R-squared	0.8231	
F-statistic	100.28	
Prob(F-statistic)	0.0000	
Durbin-Watson stat	2.0284	

Source: EViews output

From Panel A of Table 7, all the estimated coefficients are associated with positive signs, indicating that celebrity fit, celebrity credibility and celebrity expertise all have a positive relationship with customer patronage. However, while the coefficient on FIT ($\alpha_1 = 0.8975, p\text{-value} = 0.0000$) and CRE ($\alpha_2 = 0.1420, p\text{-value} = 0.0065$) both are significant at 1% level, the coefficient on EPT ($\alpha_3 = 0.0984, p\text{-value} = 0.0609$) is significant only at 10% level. Thus, there is evidence that celebrity fit and celebrity credibility both have a positive and highly significant effect on customer patronage, while the effect of celebrity expertise on customer patronage is positive but weakly significant.

From Panel B, the Adjusted R-squared is 0.8231, indicating that celebrity fit, celebrity credibility and celebrity expertise all have a high joint effect on customer patronage. The F-statistic ($p\text{-value} = 0.0000$) is associated with a zero probability, suggesting that the fitted customer patronage model is highly statistically significant. Thus, approximately 82% of the variability in customer patronage is explained by the joint effect of celebrity fit, celebrity credibility and celebrity expertise, while the remaining 18% are due to unmodeled factors. The Durbin-Watson (= 2.0284) statistic is

almost 2, indicating that the fitted customer patronage model is well-behaved. Hence, our results are reliable.

Testing of Hypotheses 1, 2 and 3

We restate the hypotheses 1, 2 and 3 as follows:

H_{01} :Celebrity fit has no significant effect on customer patronage for consumer goods companies in Port Harcourt.

H_{02} :Celebrity credibility has no significant effect on customer patronage for consumer goods companies in Port Harcourt.

H_{03} :Celebrity expertise has no significant effect on customer patronage for consumer goods companies in Port Harcourt.

The above hypotheses would be tested using the empirical results in Table 7. Specifically, the p-values would be used, and the chosen significant level is 5%.

For hypothesis 1, the decision rule is to reject the null hypothesis if the p-value associated with α_1 is less than 0.05. Otherwise, the null hypothesis would not be rejected. As Table 7 shows, α_1 is associated with a p-value of 0.0000, which is much lower than 0.05. Therefore, there is strong evidence to reject hypothesis 1 and our conclusion is that celebrity fit has a positive and highly significant influence on customer patronage for consumer goods companies in Port Harcourt.

For hypothesis 2, the decision rule is to reject the null hypothesis if the p-value associated with α_2 is less than 0.05. Otherwise, the null hypothesis would not be rejected. As Table 7 shows, α_2 is associated with a p-value of 0.0065, which is substantially lower than 0.05. Therefore, there is strong evidence to reject hypothesis 2 and our conclusion is that celebrity credibility has a positive and highly significant influence on customer patronage for consumer goods companies in Port Harcourt.

For hypothesis 3, the decision rule is to reject the null hypothesis if the p-value corresponding to α_3 is less than 0.05. Otherwise, the null hypothesis would not be rejected. As Table 7 shows, α_3 is associated with a p-value of 0.0609, which is slightly higher than 0.05. Therefore, at 5% level of significance, there is no evidence to reject hypothesis 3 and our conclusion is that celebrity expertise has a positive but weakly significant influence on customer patronage for consumer goods companies in Port Harcourt.

4.2.2 The Moderating Influence of Brand Image:

H_{04} :Brand Image has no significant influence on the relationship between celebrity endorsement and customer patronage for consumer goods companies in Port Harcourt.

Table 8 presents the empirical results for the effect of brand image on the relationship between celebrity endorsement and customer patronage. Panel A contains model estimates while panel B contains goodness of fit tests.

Table 8: The Moderating Influence of Brand Image

Panel A: Model estimates		
Variable	Coefficient	p-value
Constant	0.5246	0.0250
CEC (ϕ_1)	0.5744	0.0000
BI (ϕ_2)	0.6489	0.0000
BI*CEC (ϕ_3)	0.0283	0.0093
Panel B: Goodness of Fit statistics		
R-squared	0.8848	
Adjusted R-squared	0.8791	
F-statistic	156.23	
Prob(F-statistic)	0.0000	
Durbin-Watson stat	1.8668	

Source: EViews output

From Panel A of Table 8, the results are significant in three ways. First, the coefficient on CEC ($\phi_1 = 0.5744, p\text{-value} = 0.0000$) is positive and highly statistically significant. This shows that the composite of celebrity fit, celebrity credibility and celebrity expertise has a very strong influence on customer patronage. Second, the coefficient on BI ($\phi_2 = 0.6489, p\text{-value} = 0.0000$) is positive and has a zero associated probability. This suggests that brand image has a positive direct relationship with customer patronage and its impact is highly statistically significant. Third, although, BI*CEC ($\phi_3 = 0.0283, p\text{-value} = 0.0093$) has a small positive coefficient, it is associated with almost zero probability, indicating that the interaction term is highly statistically significant. This suggests that brand image has a positive and highly significant moderating influence on the relationship between celebrity endorsement and customer patronage.

From Panel B, the Adjusted R-squared of 0.8791 indicates that the model that captures the moderating influence of brand image is very well fitted. Thus, approximately 88% of the variance of customer patronage are captured by the model, hence, there is an improvement of fit compared with the model without the moderating variable. The F-statistic also has a zero probability, suggesting that the estimated model is highly statistically significant. The Durbin-Watson statistic is 1.8668, which is very close to the theoretical 2. Thus, the model is well-behaved, and the results are reliable.

Testing of Hypotheses 4

We restate the hypotheses 4 as follows:

H_{01} :Brand image has no significant moderating influence on the relationship between celebrity endorsement and customer patronage.

The above hypotheses would be tested using the empirical results in Table 8. Specifically, the p-value corresponding to BI*CEC (ϕ_3) would be used, and the chosen significant level is 5%.

As Table 8 shows, ϕ_3 is associated with a p-value of 0.0093, which is much lower than 0.05. Therefore, there is strong

evidence to reject hypothesis 4 and our conclusion is that brand image has a positive moderating influence on the relationship between celebrity endorsement and customer patronage.

4.3 Discussion of Findings

First, our regression results show evidence that celebrity fit has a positive and highly significant effect on customer patronage. This implies that consumers tend to increase their patronage of a product or brand whose features matches with the physical appearance or features of the endorser. This is consistent with the Match-Up theory which suggests that when the attributes of the celebrity endorser match with the features of the endorsed products or brand, consumers tend to increase their patronage. This also agrees with results of many empirical studies including Koernig and Boyd (2009) who find that a well-known athlete is effective when endorsing a sport brand compared to a non-sport brand.

Second, our regression results show evidence that celebrity credibility has a positive and highly significant effect on customer patronage. This is consistent with the source credibility theory of Hovland, Janis and Kelly (1951) which states that people tend to be persuaded if the information is perceived to come from a credible source. In other words, celebrities who are perceived to be highly credible generate more behavioural compliance than less credible sources. This finding agrees with findings of Ibok (2013) and ZorBari-

Nwitambu and Kalu (2017) that effectiveness of celebrity endorsers depend mostly on perceived expertise and credibility of the celebrity endorser.

Third, our regression results show that celebrity expertise has a weak positive effect on customer patronage. The positive relationship between perceived expertise and customer patronage is consistent with the findings of Ibok (2013) and ZorBari-Nwitambu and Kalu (2017) that perceived expertise is among the factors that influence the effectiveness of celebrity endorsement. However, the weak effect of celebrity expertise suggests that the skills, experience, and knowledge of the celebrity regarding the endorsed product are not the main consideration of consumers in the consumer goods industry.

Finally, our results suggest that brand image has a positive direct influence on customer patronage and also plays a positive moderating role in the relationship between celebrity endorsement and customer patronage. This implies that brand image enhances the relationship between celebrity endorsement and customer patronage. This finding agrees with the findings of Hanzaee and Farsani (2011) that the positive relationship between perceived public relations and customer loyalty is moderated by brand image.

The contribution to knowledge of this study is represented in the heuristic framework as shown in Figure 5 below:

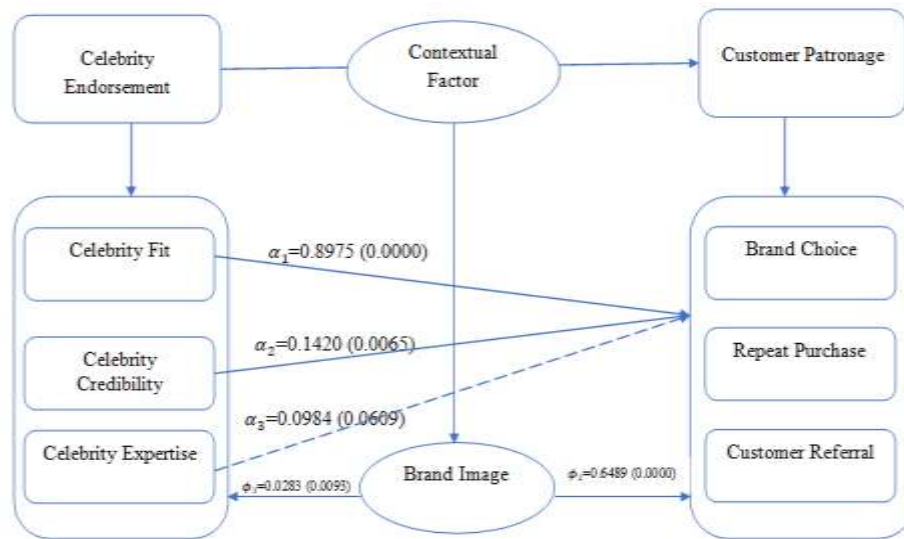


Figure 5: Celebrity Endorsement – Customer Patronage in Consumer Goods Industry in Rivers State Nigeria

Key

———— Significant Effects

- - - - - Weak significant Effect

V. SUMMARY AND CONCLUSIONS

In this study, we examined the effect of celebrity endorsement on customer patronage in consumer goods manufacturing

industry in Rivers State Nigeria using cross-sectional regression approach. The study also considered the moderating role of brand image in the relationship between celebrity endorsement and customer patronage. Celebrity

endorsement were measured using three dimensions; namely, celebrity fit, celebrity credibility and celebrity expertise. On the other hand, customer patronage was measured in terms of brand choice, repeat purchase and customer referral. All variables were measured using the Likert scale with five ordered options from strongly disagree to strongly agree. Seventy-Six (76) final year marketing students from the three universities (University of Port Harcourt, Rivers State University, and Ignatius Ajuru University of Education) in Rivers State constitute the sample. The students were randomly selected, and the response rate is 86%. Two empirical models were employed, one for the analysis of the effects of the three dimensions of celebrity advertising and the other one for analysing the moderating influence of brand image. The main findings are as follows:

First, there is evidence that the three dimensions of celebrity endorsement; celebrity fit, celebrity credibility and celebrity, all have positive relationship with customer patronage. However, while the effect of celebrity fit and celebrity credibility both are highly statistically significant, the effect of celebrity expertise is significant only at 10% level. Also, the joint effects of celebrity fit, celebrity credibility and celebrity expertise is highly significant and explain approximately 82% of the variance of customer patronage.

Second, there is evidence of a highly significant positive effect of brand image on customer patronage both directly and through its interaction with celebrity endorsement. Therefore, we conclude that brand image enhances the relationship between celebrity endorsement and customer patronage in the consumer goods industry in Rivers State.

Based on these findings, we recommend that consumer goods companies in Rivers State should advertise their products using only well-known celebrities that are credible, trustworthy, knowledgeable and whose physical appearances match with the products that are being promoted.

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