

The Effects of Celebrity Scandals on the Adoption Process

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Abstract

The use of Celebrity Endorsement (CE) in Ghana by Corporations has become a dominate phenomenon in recent years. The introduction of CE makes it possible for Companies to engage a Celebrity as a brand endorser for its products and services. The expectation is that celebrities with their large followers through persuasive powers will attract customers to the brand in question. The study sought to find out how Celebrity Scandals does affect the diffusion of such products and services into societies or markets. Using top, middle and lower level managers of both private and public sector companies of the economy, thousand customers who patronize products and services of these companies were surveyed in Accra where all Companies, Ministries, Institutions and Departments are located. The study used Analysis of variance to test if factors have individual or joint influence on the response variable. It is an instrument for reviewing the goodness of fit of the chosen model. It is used to analyze treatments (factors) means by identifying sources of variability of the data.

The study revealed that though CE scandals are disturbing and have several business implications yet it does not move customers away from using the brand. The article further showed that Celebrity scandals do not abrogate the diffusion of product and services into societies. Further, it was revealed that Customers do not buy products and services because of the Celebrity Endorsers but the reality is the benefits they derive from using such products and services. Therefore, CE scandals do not stop diffusion of products and services into societies or markets.

Key Words: Scandals, Celebrity, Endorsement, Diffusion

1. Introduction

Corporate organizations seem to have realized the enormous benefit of using celebrity endorsement to promote their brands and this has become a new wave of promotion to one's customer target groups in the market. Quite a number of Celebrities have been involved in a lot of activities that have brought embarrassment to the companies whose products and services they endorsed and themselves. When the endorser's image is tarnished it actually leads to a greater fall in the image of the brand (Belch & Belch, 2001) and these can receive negative publicity by the media (Till and Shimps, 1998) in the public domain. The nature of these negative events involve incidents that change, or damage the endorser's reputation, whether innocent or not, but they can damage the reputation of the firm. Typically, these negative events can range widely from accidents that hinder a celebrity's ability to perform including career ending injuries, exposure to substance abuse (Louie & Obermiller 2002) or could be as serious as criminal charges brought against a celebrity endorser.

White et al.(2008) agrees that one of the greatest fears of using celebrities is the possibility of bad publicity arising involving the celebrity endorser – with reference to Miciak and Shamklin (1994), when an endorser's image becomes 'tarnished by allegations of illicit, unethical, unusual, or even slightly unconventional behavior', this instantly creates problems for the endorser.

This negative publicity can spread from the endorser to the company and by that way may have a rub off effect on the company's image in a negative way. This is because companies want their consumers to associate the brand with the celebrity. When negative information about a celebrity comes out, this may lower the evaluation of the celebrity, which in turn reflects on the endorsed brand through the associative link established between celebrity and company (ibid.). Transference theory assumes that "the effect of past relationships (positive and negative) will carry over into future relationships" (Bunker and Ball, 2005). When a negative event occurs, audience gain new information into the celebrity's bundle of meanings and in turn it will impact the social relational process into the future (ibid).

In fact, it has been found that negative information about a celebrity endorser not only influences consumers' perception of the celebrity but also the endorsed product (Klebba and Unger, 1982; Till and Shimp, 1998). This effect was clearly an embarrassment to Hertz, which had utilized O.J. Simpson as their endorser.

This issue of negative celebrity information influence stems from celebrity scandals and moral violation on brands is becoming a disturbing issue to the business community and therefore ought to be assessed to know what companies should do in the aftermath of celebrity scandal happening irrespective of the contractual agreement between the two. When advertisers employ celebrities as their product endorser, they also take a risk of their brand being tarnished by negatively published celebrity information (Erdogan & Baker, 2000). Amos, Holmes, and Strutton (2008), speculated that the high risk associated with using celebrity endorsers as well as the substantial impact negative information about those celebrities can have on consumers' perceptions would exercise the largest impact on the effectiveness of celebrity endorsements in advertising. This is believed to affect the product or service that is endorsed by the celebrity. As a result "any negative news about a celebrity may reduce the celebrity's allure, and therefore the appeal of the brand that the celebrity has endorsed" (Bruce et al., 2004: 127).

A number of entertainers and athletes have been involved in activities that have embarrassed the companies whose products they endorsed. When the endorser's image is finished it actually leads to a greater fall in image for the brand (Belch & Belch, 2001) and these can receive negative information or publicity (Till and Shimp, 1998) in the public domain. Negative information can spread from the endorser to the company and by that way affect the company in a negative way. This is because companies want their consumers to associate the brand with the celebrity. Thus, this paper explores the extent to which Celebrity Scandals impact on the Diffusion process. The remainder of the study considers review of related literature, data and methodology, results and discussions, and concluding comments.

2. Literature Review

According to McCracken's (1989), a celebrity endorser is an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement. Celebrity endorsement influences the feelings of the consumers and can also influence the attitude consumers have towards the advertisement and attitude towards the brands, which can increase the purchase intentions and, consequently, increase the adoption rate. This is because celebrities appear to be gaining increasing influence in society (Choi and Berger, 2010), marketing managers try to exploit the process of meaning transfer from an endorser to products or brands involved (McCracken, 1986). Erdogan, Baker, & Tagg, (2001) made a strong case for well-known persons since they can effect consumers' behavior and people more easily can identify themselves with these particular persons. These well-known persons are seen as the celebrities who perform varied roles in the public domain and according to Silvera & Austad, (2004) they enjoy public recognition by a large share of a certain group of people with distinctive characteristics, such as attractiveness, and trustworthiness. Practitioners continually face the difficulty of strategically executing their advertisements in order to draw consumer attention and influence consumer judgments (Ilicic, & Webster 2012). Schlecht, (2003) advanced the previous definitions and tout that Celebrities are people who enjoy public recognition by a large share of a certain group of people whereas attributes like attractiveness, extraordinary lifestyle are just examples and specific common characteristics cannot be observed though it can be said that within a corresponding social group celebrities generally differ from the social norm and enjoy a high degree of public awareness.

Celebrities, as defined in Adeyanju (2013), are people who enjoy public recognition possessing such attributes as attractiveness and trustworthiness. The importance of this assertion is that celebrities are people who have excelled in their respective fields of endeavours and therefore command respect, acceptance, popularity and followership within the society. Likewise, an endorser is a person who makes a 'testimonial', or a written or a spoken statement extolling the virtue of a product. For Sanchez (2004), an endorser is a person who willingly supports or appears with a product or service in a way that is communicable to the public. Tom, Clark, Elmer, Grech and Massetti (1992) assert that endorsers possess expert power, referent power and legitimate power, the amount of these powers determines the extent to which behaviours of others are influenced.

Advertising is used basically to create awareness about products or services, by adopting several strategies that will enhance credibility and increase the popularity of such product and service over the other competitors (Vivian, 2009). According to Erdogan and Baker (2000), the effect and relevance of celebrity endorsement as a strategy in marketing communication has gained the attention of serious research in academic circles. Companies spend huge resources on celebrities to endorse their products or sponsored messages on television, radio, newspapers, magazines, billboards, the internet and mobile phones, in the hope that such an endorsement will induce favourable attitudes towards the brand and ultimately affect sales and profits by increasing consumers' preference for the brand (Nam-Hyun, 2008), in addition, government and non-governmental organizations use celebrities in public messages targeted towards influencing

attitudes. Anchalsingh (2013), also states that in the present era of globalized competition, every marketer has to perform the herculean task of getting the products and services into the minds of the customers and therefore has to evolve novel ways by using CE. Marketers therefore, endeavour to endorse their brands through celebrities who evoke closer consumer engagements with the brand under optimal conditions and drives purchases. These celebrities are sometimes named Brand Ambassadors. They are best portrayed as the representative of the organization, institution or corporation that sketch the product or services being produced by a company or an organization (Anchalsingh, 2013)

Despite the potential benefits of using celebrity endorsers in advertising campaigns, the disadvantages of using them deserve serious consideration. Some theorists both advertisers and academics have shown a greater interest in the potential hazards and risks associated with the adoption of celebrity endorsements. That is the use of celebrities involve a huge amount of risk and in some cases it is not worth this risk.

McKee (2008), agrees to the above position and submit that celebrity spokespeople are expensive and risky, and they don't always pay off due to the following specific potential risks. There is the issue of negative celebrity information influence that stems from celebrity scandals and moral violation on brands. When advertisers employ celebrities as their product endorser, they also take a risk of their brand being tarnished by negatively published celebrity information (Erdogan & Baker, 2000). Amos, Holmes, and Strutton (2008), speculated that the high risk associated with using celebrity endorsers as well as the substantial impact negative information about those celebrities can have on consumers' perceptions would exercise the largest impact on the effectiveness of celebrity endorsements in advertising. That is, when negative information about a celebrity endorser emerges, the accompanying unfavorable perceptions consumers develop can dilute the brand equity of the celebrity associated product. Till and Shimp (1998) also found that a strong associative link between celebrity and product must be lessened if negative celebrity information happen to lower consumers' brand evaluations.

In fact, it has been found that negative information about a celebrity endorser not only influences consumers' perception of the celebrity but also the endorsed product (Klebba and Unger, 1982; Till and Shimp, 1998). This effect was clearly an embarrassment to Hertz, which had utilized O.J. Simpson as their endorser. Although many companies include clauses in celebrity contracts for termination on grounds of moral turpitude and/or take out "death, disablement, and disgrace" insurance to cover the shortcoming of celebrity endorsers, they may still lose out on their investment and image. Another important strategic issue is subsequent overexposure when a celebrity becomes an endorser for many diverse products and the relationship between the celebrity and a particular brand ceases to be distinctive (Mowen and Brown, 1981).

The nature of these negative events involve incidents that change, or damage the endorser's reputation, whether innocent or not, but they can damage the reputation of the firm. Typically, these negative events and can range widely from accidents that hinder a celebrity's ability to perform including career ending injuries, to exposure to substance abuse (Louie & Obermiller 2002) or could be as serious as criminal charges brought against a celebrity endorser. White et al.(2008), agrees that one of the greatest fears of using celebrities is the possibility of bad publicity arising involving the celebrity endorser – with reference to Miciak and Shamklin (1994), when an endorser's image becomes 'tarnished by allegations of illicit, unethical, unusual, or even slightly unconventional behavior', this instantly creates problems for the endorser.

This is believed to affect the product or service that is endorsed by the celebrity. As a result "any negative news about a celebrity may reduce the celebrity's allure, and therefore the appeal of the brand that the celebrity has endorsed" (Bruce et al., 2004: 127). A number of entertainers and athletes have been involved in activities that could embarrass the companies whose products they endorsed. When the endorser's image is finished it actually leads to a greater fall in image for the brand (Belch & Belch, 2001) and these can receive negative information or publicity (Till and Shimp, 1998) in the public domain. Negative information can spread from the endorser to the company and by that way affect the company in a negative way. This is because companies want their consumers to associate the brand with the celebrity. When negative information about celebrity comes out, this may lower the evaluation of the celebrity, which in turn reflects back to the endorsed brand through the associative link established between celebrity and company (ibid.). Transference theory assumes that "the effect of past relationships (positive and negative) will carry over into future relationships" (Bunker and Ball, 2005). When a negative event occurs, audience gain new information into the celebrity's bundle of meanings and in turn it will impact the social relational process into the future (ibid).

Another risk is the "Vampire Effect" or the celebrity overshadowing the brand (Khorkova, 2012). Viewers of commercials featuring both celebrity and the brand radically ignore the brand endorsed by the celebrity, others

are so enthralled and fascinated by the personality of the endorser that they completely forget about the brand being advertised, and according to Fill (2005) leads to the celebrity moving to the first place leaving the product or brand outside of consumer attention. Cyber media research study shows that 80% of the respondents remember the celebrity but could not recall the brand being endorsed.

The overshadowing by celebrities on their endorsed products puts forth another negative aspect on using celebrity endorsements. That is, consumers would focus their attention on the celebrity and fail to notice the brand being promoted (Belch & Belch, 2001). The authors caution that it is important that the celebrity spokesperson will attract attention and enhances the sales message without overshadowing the product (ibid). This often occurs when celebrities are endorsing multiple products or brands in the marketplace. Petty, Cacioppo, & Schumann, (1983) maintain that due to the enhanced attention drawn to celebrities in many types of advertisements, a general lack of people's interest in assessing merits of the product may occur, which can result in reductions in their brand recognition. Rossiter and Percy (1987) also added that the celebrity overshadowing effect is likely to occur when the ads featuring celebrity endorsers focus on the celebrity rather than on the products endorsed. For this negative effect, Cooper (1984) cautioned advertising practitioners that the product, not the celebrity, must be the star.

Similarly, the other risk likely to be associated with celebrity endorsement is over exposure (Belch & Belch, 2001). Thus celebrity greed and the frequent appearance of a particular celebrity in TV commercials or in print ads are likely to undermine the effects of his/her endorsement. For example, Tiger Woods endorses for Nike, Buick, American Express, Accenture, Electronic Arts and Heuer whereas David Beckham endorses for Adidas, ESPN, Motorola, Gillette, Pepsi, Soccer-lite America and many more (Shimp, 2003). As Mowen and Brown (1981) suggested, if a celebrity's image is associated with many brands in the consumer mind, the celebrity and the particular brand would not be distinctive. If then, consumers tend to attribute the true nature of the celebrity's endorsement to generous compensation, leading consumers to overt cynicism about the celebrity's motives (Tripp et al., 1994). Previous studies suggest that the use of multiple product endorsements negatively affects consumers' perceptions of endorser trustworthiness, as well as their brand evaluations (Mowen & Brown, 1981; Moore, Mowen, & Reardon, 1994; Tripp et al., 1994). Kaikati (1987) and Mowen and Brown (1981) have found that the more products or brands a celebrity endorses then the less credible he or she is seen by consumers. That is, if the amount of the endorsements is increasing the audience may feel that the celebrity is losing his or her trustworthiness, and commitment to the original brand (Khorkova, 2012). The consumers may also decide that the celebrity is purely motivated by financial considerations, in turns it will reduce their credibility. Mowen and Brown (1981) discovered that the product and ad evaluation were higher and product purchase intention was greater when a celebrity endorsed only one product. Using multiple print ads as the stimuli, Tripp et al. (1994) also found that as the number of products endorsed increased, consumers' perceptions of celebrity credibility, celebrity likability, and their attitude toward the ad become less favorable.

Marketing have felt that once the brand rides on the back of celebrity it becomes difficult to promote it without the star as it becomes difficult to separate the role of the message and the role of the celebrity in selling the brand. The celebrity activity becomes an addiction and the task to find substitute becomes more and more difficult. So in a sense it leads to what Belch and Belch, (2001) describe as a Necessary Evil.

According to Walker et al (1992) it is a big financial risk for companies to invest in celebrity endorsement. The cost of hiring celebrities as endorsers cost several millions of dollars to endorse a single product. Till(1998) and Shimp (1997) says that this makes it huge a financial risk since companies have no control over the actions of the celebrity and that the use of celebrity is a high-risk decision.

An image transfer occurs when an advertisement can establish contingency between the two entities (Till, 2008). Managers pursue such connectivity with the goal of obtaining a favorable brand image outcome (TNS Sport, 2005). Brand image encompasses all perceptions of a brand, stored as brand associations in consumer memory (Keller, 1993).

It also constitutes a meaningful brand value driver and influences the formation of brand equity (Faircloth, 2001). Ogunshiji, A.Sola (2012), claims that there is a 98% correlation between success of celebrity endorsement of brand and the power of the brand in the market place. Furthermore, celebrities have positive effects on both attitude toward advertisement and brand. Bardia Yousef hakimi, Abed Abedniya and Majid Nokhbeh Zeaim (2011), pointed out that there exist a major relationship between the credibility of the endorser of a product and its brand image. We want to find out the customer's mindset about the brand that is affected by the celebrity endorsement and its dimension. Credibility of the celebrity leads to the growth of the brand equity. It is suggested by source credibility that the success of a message is dependent on two factors; the "expertness" and

“trustworthiness” of the source (Holvand, Janis, and Kelley, 1953; Sternthal, Dholakia, and Leavitt 1978). A message source with greater credibility is usually more effective compared to a message source that has lower credibility. Behavioral changes are caused by positive attitudes which are created when the message is delivered by a highly creditable source. Belch & Belch (2001) explains that it is often the celebrity’s knowledge, experience, and skill in a certain product or service that leads to them being selected as the spokesperson for that product or service. Also the celebrity’s achievements and special skills may act as a suitable connection with the product, and result in the endorsement being more acceptable by the consumers (Till and Bulser, 2000). Based on reviews, it was discovered that the impact of celebrity endorsement on brand equity message is delivered by a highly creditable source. (Craig and McCann, 1978; Woodside and Davenport, 1974), so advertisers tend to go for celebrities whom they believe have a greater level of credibility the connection between celebrity attractiveness and attitude changes towards products, issues, and advertising evaluations have been shown in many studies (Chaiken 1979; Kahle and Homer, 1985). Belch & Belch (2001) explains that it is often the celebrity’s knowledge, experience, and skill in a certain product or service that leads to them being selected as the spokesperson for that product or service. Generally in persuasive communication, the source’s expertise and skill refers to the skill and expertise observed from them, has a positive effect on changing consumers’ attitudes. Also the celebrity’s achievements and special skills may act as a suitable connection with the product, and result in the endorsements being more acceptable by the consumers (Till and Bulser, 2000). Nowadays, many companies spent billions of dollars per year on celebrity endorsement to create the good or positive awareness their products and brands.

When Tiger Woods signed his original endorsement deal with Nike back in 2000, plenty of people said Nike would never get its money’s worth. Based on analysis, it looks like in fact, but the overall positive effect stands despite the 2009 scandal in Woods’ personal life in 2010. When the endorsement deal expired, Nike re-upped with Woods for an undisclosed amount, indicating that the company, too, thought Woods’ endorsement was a sound investment, but eventually got meshed with marital infidelity. Lance Armstrong the ace cyclist in 2013 got busted for using drug enhancement performance for several years in many competitions across the world which won him several medals, awards and contracts. When the truth came out, his stardom fell and almost all companies that have endorsement deals with him withdrew or cancelled their contracts resulting in big losses.

In another dimension Marian Jones, the three times Olympics Gold Medalist was also found to have used drugs which led to stripping off her medals and thrown into jail for three months. The current trial of Oscar Pistorius in South Africa and consequent incarceration in prison eventually charging him for murder have dents on his image and serious implications on all brands endorsement contracts.

Reports published indicate that utilizing celebrity endorsers in marketing communication activities have gone up remarkably. On the average, one in every five ads in UK and one in every four US advertisements feature a celebrity endorsement in today’s marketing campaigns (Hollensen & Schimmelpfennig, 2013). On a global scale roughly every fifth ad includes a celebrity, making endorsements a widely accepted, used and popular strategy among marketers to promote consumer products and services (Halonen-Knight & Hurmerinta, 2010).

The risk is whether consumers would continue to patronize products and services after the celebrity endorser has engulf himself or herself in a scandalous act which has brought an untold embarrassment to the company and how this can impact on the diffusion process of goods and services throughout the markets. The study therefore aims at examining the degree of impact, a celebrity scandal may have on the diffusion process of new product and services, to find out whether celebrity scandals impact on consumers patronizing the endorsed brand after the scandal and lastly, to examine how Societal perception about celebrity scandals on products and services. The study’s focus therefore is on how Society’s perceives or evaluates celebrity scandals on the diffusion process of products and services into societies.

3. Methodology / Techniques

In this exploratory research, the study used both primary and secondary research methods to address the information needs. To have a better conceptual framework to the study secondary research was necessary since many studies have so far been conducted on the risk of celebrity scandals on diffusion. Also, primary data was needed because some of the variables used in this study were different from those of the previous studies. Thus, survey was appropriate to confirm the reliability of existing variable, and to test the new variables which were used for the first time. Quantitatively, the survey method was the research instrument for the study. This was appropriate because certain information needed for the study was by nature numerical and could better be handled by quantitative research instruments. Structured questionnaire were used for survey data collection. Close-ended questions were used to limit the responses to specific and manageable items, and thus avoid

possible exhaustive list of items that might defeat the purpose of the study. In this connection, a 5-likert scale of strongly disagree to strongly agree were used to measure the magnitude of respondents responses.

In all a total of twenty respondents representing 20 Corporate Organizations/Companies comprising of Marketing Managers, Sales Managers, General Managers, Public Relation Officers, (PRO's) Corporate Affairs Managers were used in the study, This implies that these respondents are in managerial positions that are involved in decision making positions in the affairs concerning contracting Celebrities to endorse corporate brands. This requires senior management personnel to make this decision as they are in charge of resources, authority, are responsible and accountable for every action and decisions taken since this kind of decisions involves huge capital outlay. One thousand customers were also surveyed to know their responses to the issues.

The analytical method used is Analysis of variance, because it is one of the most flexible and practical technique for comparing several factor means. Thus one main aim of ANOVA is to test if factors have individual or joint influence on the response variable. It is an instrument for reviewing the goodness of fit of the chosen model. It is used to analyze treatments (factors) means by identifying sources of variability of the data. Factor analysis was used to analyze customer's responses because of the volume of the data.

4. Findings and Discussion;

4.1 Respondent's Profile

Gender, number of years of patronizing products and services of organizations were used as respondent's details for the study. Tables 1 – 2 represent the findings of the profile of respondents.

4.2 Gender of Respondent

Table 1 presents findings on the gender of managers who participated in the survey.

Table1. gender of respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	461	65.9	65.9	65.9
Female	239	34.1	34.1	100.0
Total	700	100.0	100.0	

This table shows the gender of respondents. Column two shows the frequency results of number of males against females, while column three shows the percentage of male respondents to female respondents. The frequency distribution table indicates that respondents were made up of 65.9% males as against 34.1% females.

The results of Table 1 show that 461 males and 239 females respectively constituted respondents for the survey. This implies that more male consumers patronize products and services as compared to their female counterparts. Similarly the findings of the study represent more of the views of males than females.

Table 2 represents results of number of years respondents have been using product and services of companies and organizations.

Table 2. years of customers have patronize products and services

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1- 3 years	161	23.0	23.0	23.0
4 - 6 years	196	28.0	28.0	51.0
7 or more years	343	49.0	49.0	100.0
Total	700	100.0	100.0	

This table shows the number of years respondents has been using products and services. Column two shows the frequency results of number of respondents have been using products and services, while column three shows the percentage of use. The frequency distribution table shows that 23.0% have patronize products and services of companies for up 3 years, 28.0% have used up to 4 years and 49.0% have used for at least 7 years and more.

As indicated by Table 2, over 49% of the respondents have been using products and services for seven years and above. This suggests that the patronizing of products and services goes way back in time.

The study find out whether celebrity scandals have effect on diffusion process of product and services into societies or markets because once in a while a Celebrity Endorser is involved in a scandal with its subsequent consequences on endorsement contracts he/she might have signed. Thus the study wants to find out Celebrity scandals and its effects on the diffusion process as to what happens to the endorsed product or service, the Celebrity in question, the Company and the customers or the fan base reactions.

Anova Table 3 for Celebrity Scandals and its effects on Diffusion-Adoption

Source	Degree of freedom	Sum of Squares	Mean Square	F	Probability
Factor	2	17.03	8.52	8.10	0.001
Error	57	59.95	1.02		
Total	59	76.98			

Source: Field data, April 2015.

S= 1.026 R Squared =22.13% $\alpha = 0.05$

Anova Table 4 for Celebrity Scandals and its effects on Diffusion-Performance

Source	Degree of freedom	Sum of Squares	Mean Square	F	Probability
Factor	4	74.040	18.510	26.74	0.000
Error	95	65.750	0.692		
Total	99	139.790			

Source: Field data, April, 2015.

S= 0.8319 R Squared =52.97% $\alpha = 0.05$

The tables 3 and 4 above show the Anova for Celebrity Scandals and its effect on diffusion with relation to Adoption and Corporate Performance of diffusion of Product and Service respectively. The respective probability values are less than the alpha value, $\alpha = 0.05$ and the F-values (8.10 and 26.74) indicating that celebrity scandals have a significant effect on the Adoption and Corporate Performance of diffusion process of product and services into societies/markets. We can also say from the respective R squared that about 22.13% and 52.97% of the problems encountered in the adoption and performance of the diffusion of product and service is accounted for by celebrity scandals.

4.3 Celebrity Scandals and its effects on Diffusion-Adoption

The study task itself to find out whether any celebrity scandal will affect the diffusion process because of the large admirers of Celebrities which translate into early adoption of products and services they endorsed to decline, Managers argue that Celebrity scandals will not affect the diffusion process because they have strong brands in terms of image, quality products and services and better customer deals which can withstand in times of crisis befalling the company's endorser.

Again, the study found out from Managers if their customers will switch over to other competitor brands because of the Celebrity endorser involving in a scandal, Managers reaction were that their customers will not shift because of the bond of tie between them which is the product benefits derived and which meet their needs and good customer relationship management provided by the company. The above scenario indicates that irrespective of the nature of scandal involving a Celebrity endorser it would not break the diffusion cycle of products and services into societies. Hence one can conclude by saying that Celebrity scandals do not impact on the diffusion process negatively with the reason being that scandals themselves are relative to societies and their cultures.

4.4 Celebrity Scandals and its effects on Diffusion-Performance

However, upon further analysis of celebrity scandals, the study went on to determine whether it has a reflection on corporate performance. Thus as to whether scandals will affect the sales or patronage of products and services of the Company negatively, the results indicate it would not affect performance in terms of sales, as Managers believe in their strong brands, quality products, good customer care and customer loyalty to the brands. It therefore implies that these brands qualities are the key things that hold their customers from switching to other competitor products and services, so irrespective of the nature of Celebrity scandals, consumers because of benefits derived from products and services would continue to patronize those products no matter how the scandal nature as it is relative to societies, communities and cultures.

Likewise Managers were asked whether scandals will affect the Profitability level of the Company, Managers replied in the negative meaning that since celebrity scandals would not affect sales it therefore means profitability would also not be affected. Furthermore, the implications are that the Company would not lose its market share because of Celebrity's scandal and Shareholders would also not lose the value of their shares on the Stock Exchange Market, because the consequences would not affect consumer patronage of the said product and services because of benefits derive from usage.

Anova Table 5 for Celebrity Scandals and its effects on Diffusion-Profitability

Source	Degree of freedom	Sum of Squares	Mean Square	F	Probability
Factor	4	0.700	0.175	0.48	0.747
Error	95	34.300	0.361		
Total	99	35.000			

Source: Field data, April 2015.

S= 0.8319 R Squared =2.00% $\alpha = 0.05$

Lastly, Celebrity scandals irrespective of its nature will lead to the achievement of corporate marketing objectives (profitability) since customers would still patronize products and services of the company but rather will suffer a slight image dent or crises for a short while, which they manage it or have to do a damage control to overcome the situation in the short-run.

CE has gained currency, popularity and its prominence in business circles cannot be overlooked as it is a multi-million dollar industry which requires heavy investments with high expectations to yield the highly expected goals of companies. However, this dreams of companies are short lived as some CE are rocked with scandals which leads to the curtailment of expectations of companies. CE comes along with its own challenges as a few scandals that rock some celebrities have diverse effects on the contracts/the relationship between the two parties that becomes sour most of the time.

Table 6: Factors underlying celebrity endorsement scandal on diffusion of products and services Rotated Component Matrix^a

Variables	Components					
	1	2	3	4	5	6
Celebrity scandals breaks diffusion process in societies			0.799			
Celebrity scandals affects the brand image of products and services			0.735			
Celebrity scandals affects my patronage of product and services			0.721			
I will switch the brand to other competitors			0.644			

This table shows respondent response on CE scandals and its effects on consumer reaction whether they would switch the brand or they would stop patronage, all the variables were above 0.5 indicating scandals has effects.

The study wanted to know if the followers/ fan base of these Celebrities would continue to patronize products and services if their icon is involved in a scandal, whether it would affect their patronage and for that matter diffusion of product and services on the market. Respondents responses were above 0.50 as was attained by all the variables used which show that the variable Celebrity scandal has practical significance on diffusion of products and services on the market. Though consumers think Celebrity scandals have effects on the brand's image negatively, it does not affect their purchase decisions because of products and services benefits derived from its usage which satisfied their needs and wants. Clients insisted that irrespective of Celebrity's scandal they will still buy the products and continue to use the services again or repeat the purchase. Customers would not switch the brand to other Competitor's product or service because of the Scandal. Scandals make Celebrity's more 'popular' and become more or 'well' known to the General Public but in effect they are not credible and have blurred image. Thus, Celebrity scandals really impacts on diffusion of products and services into societies, but its impact would not be significant enough to stop the diffusion process of products and services as consumers would not stop patronizing those products and services because of benefits they derived from using them. So Celebrity scandals would not halt the diffusion process though it significantly impacts on it.

With reference to the Anova Table for Celebrity Scandals and its effect on diffusion with relation to rate of Adoption, Corporate Performance and Profitability of diffusion of Product and Service respectively. The respective probability values were less than the alpha value, $\alpha = 0.05$ and the F-values (8.52 and 26.74) indicating that celebrity scandals have significant effect on the Adoption and Performance of diffusion process. We can also say from the respective R squared that about 22.13% and 52.97% of the problems encountered in the adoption and performance of the diffusion of product and service is accounted for by celebrity scandals.

5 Conclusion

The study task itself to find out whether any celebrity scandal will affect the diffusion process because of the large admirers of Celebrities which translate into early adoption of products and services they endorsed to decline, Managers argue that scandals will not affect the diffusion process because they have strong brands in terms of image, quality products and services and better customer deals which can withstand in times of crisis befalling the company's endorser.

Again, the study found out from Managers their views on customer reactions to the CE scandal and in their view whether they will switch over to other competitor brands because of the Celebrity endorser involving in a scandal. Managers reaction were that their customers will not switch over to other competitors, because of the bond of cordial relation between them which to the managers is the product or service benefits derived which meet their needs and the good customer relationship management provided by the company staff to their entire clientele base.

The above scenario indicates that irrespective of the nature of scandal involving a Celebrity endorser it would not break the diffusion process or the adoption of products and services into societies. Hence one can conclude by saying that Celebrity scandals do not affect the diffusion process with the reason being that scandals themselves are relative to societies and their cultures pertaining to a particular group of people which is limited to that group of people. Thus based on the accepted norms and values that is peculiar to that society, the determination of the scandal will be based on that principle which do not apply to everybody. So judging whether an act is a scandal or not is subjective based on one's orientation in life. Thus once the diffusion machinery is set in motion and given the moderating factors which facilitates the diffusion process of products and services into markets, nothing stops it irrespective of the nature of the scandal, customers would continue to

patronize those products and services because of the benefits derived which is their main concern and not a mere demeanor of a celebrity.

However, upon further analysis of celebrity scandals, the study went on to determine whether it has a reflection on corporate performance. Thus as to whether scandals will affect the sales or patronage of products and services of the Company negatively, the results indicate it would not affect performance in terms of sales, as Managers believe in their strong brands, quality products, good customer care and customer loyalty to the brands. It therefore implies that these brand qualities are the key things that hold their customers from switching to other competitor products and services, so irrespective of the nature of Celebrity scandals consumers because of benefits derived from the product and services would continue to patronize those products no matter how the scandal nature as it is relative to societies, communities and cultures. It also implies that Companies should develop strong/quality brands that can withstand any storm on the market or from competitors. Thus, no matter how the robust nature of the competition or the CE scandal hits the brand it can still stand on its own merit on the market.

Likewise Managers were asked whether the Scandal will affect the Profitability level of the Company, Managers replied in the negative meaning that since celebrity scandals would not affect sales it therefore means profitability would also not be affected. Furthermore, the implications are that the Company would not lose its market share because of Celebrity's scandal and Shareholders would also not lose the value of their shares on the Stock Exchange Market, because the consequences would not affect consumer patronage of the said products and services because of benefits derive from the usage but this does not mean consumer must be taken for granted. Lastly, Celebrity scandals irrespective of its nature will lead to the achievement of corporate marketing objectives since customers would still patronize products and services of the company but rather will suffer a slight image dent or crises for a short while, which have to be well managed or the companies will have to do a damage control in order to overcome the situation in the short-run.

However, in conclusion one is saying that irrespective of the nature of the scandals, it is the benefits derived from products and services which is sought by consumers, that is all the importance customers attached to the buying of products and services so more emphasis should be placed on the delivery of total benefits rather than investing in CE which sometimes be a disservice to the brand. It would therefore not be prudent to spend those huge amounts of money on Celebrity signings only, but rather some investments should also be made in quality products which meet consumers' needs and satisfy them, embarking on other rigorous promotional activities and to render quality customer service to their clients. So the degree of impact, a celebrity scandal may have on the diffusion process when an endorser is involved in a scandal may have a minimal impact on diffusion process, but not necessarily stopping the process set in motion. Though enthuse by the followers/customers of the company of the signing of the CE, the study has revealed that clients are equally interested in quality products and services benefits for which they sought and interested in and not the extravagant spending on CE.

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APPENDIX: RESEARCH QUESTIONNAIRE

Dear Respondent you have been selected among 30 other Managers and Officers for a survey to investigate *the effects of Celebrity Scandals on Adoption Process of products and services..* Your honest and frank response shall be very much appreciated.

Instruction

Please tick [✓] one appropriate response from the sets of responses for the questions below:

Respondents Profile

- 1) Gender : Male Female
- 2) I have been patronizing products and services of the company for this time.
1 – 3years [] 4 – 6 years [] 7 years +

Celebrity Endorsement Scandal on Diffusion

- 3) Celebrity scandals break diffusion process in societies.
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []
- 4) Celebrity scandals affect my patronage of endorsed products and services
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []
- 5) I will switch the brand to other competitor products and services because of the endorser scandal.
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []
- 6) I think the Scandal will affect the brand image.
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []
- 7) Scandals are relative to societies so it does not really matter.
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

Celebrity Scandals and its effects on Diffusion-Performance

- 8) I think the scandal will affect the sales of products or services of the Company.
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []
- 9) The Celebrity scandal affected the sale of other products/service range of the company.
1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []
- 10) The brand loss face with its customers because of the scandal.

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

11) I will continue to buy the product and services because of the benefits derived.

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

Celebrity Scandals and its effects on Diffusion-Profitability

12) I think the Scandal will affect the Profitability level of the Company.

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

13) The Company loss revenue because of Celebrity's scandal.

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

14) Shareholders lose value of shares on the Stock Exchange Market because of Celebrity's scandal.

1. Strongly agree [] 2. Agree [] 3. Neutral [] 4. Disagree [] 5. Strongly disagree []

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