

ABSTRACT

This experimental study examines what is the optimal decision for a company whose brand is endorsed by a celebrity immersed in the midst of a scandal (revoking *versus* continuing the endorsement) as a function of brand-endorser fit (congruence *versus* incongruence). In addition, the uncertainty regarding the veracity of the negative event created by the reaction of the celebrity (denying *versus* admitting the facts) is investigated. The results show that the match-up hypothesis mitigates the negative effects of a celebrity scandal: when brand-endorser congruence is high, the firm's decision to revoke the endorsement is suboptimal with respect to brand attitude and purchase intention. Furthermore, denying the truth of the negative event lowers the trustworthiness of the endorser which in turn lowers attitude toward the endorsed brand as well as the intention to purchase the brand's products. Managerial and theoretical implications are discussed as well as directions for further research.

In 2007, after having denied at several occasions taking steroids, world famous American sprinter Marion Jones admitted that she had used banned substances since 1999 in order to enhance her athletic performances. Five times gold medalist, Marion Jones was condemned to six months of jail because she had lied to federal agents about her usage of steroids. She became the first world-class athlete to be condemned following charges of doping. At the time she was a top athlete, Marion Jones had signed endorsement deals with companies such as Nike and Gatorade worth several millions of dollars (Gaffney, 2007).

More recently, in 2009, the career of golf superstar Tiger Woods was abruptly stopped after the news spread in the media that he had committed infidelity with several women. Although he returned to golf competition in 2010, Woods never quite got back to the dominant competitive position he held before the negative publicity that this episode generated. Tiger Woods's life earnings as an endorser for brands, including Nike, are estimated to represent several hundreds of millions of dollars (Wilson, 2008).

Examples of celebrities acting as spokespersons for well known brands abound. Celebrity endorsement is indeed a widespread communication strategy that is estimated to represent 1 in 4 ads today (Datamonitor, 2006). Celebrity advertising accounted for between 2 and 3 billion dollars in 2006 (White, Goddard, and Wilbur, 2009) with top endorsers benefiting from deals worth millions of dollars, such as Tiger Woods' \$100 million dollar contract signed with Nike Golf in 2005 (Chung, Derdenger, and Gupta, 2011). In light of its economic weight, the risks associated with celebrity endorsement are even more worrisome for companies.

Although it has been shown that as a marketing communication strategy, celebrity endorsement brings several benefits to brands, such as better evaluations of their products and advertisements or a positive impact on the financial performance of companies that own them (see e.g., Choi and Rifon, 2007; Ding, Molchanov, and Stork, forthcoming; Silvera and Austad, 2004), it may turn into a brand's nightmare when the endorser becomes involved in some negative event that gets in the public eye. A cautious strategy for companies might be to act on the moral or legal clauses of their endorsement contracts and stop their association with the endorser in order to distance themselves from the negative event. On the other hand, managers might think that the endorser's effectiveness will be not altered by the negative event or that her or his image can be salvaged in the future and, consequently, decide to keep supporting the endorser. Of particular relevance in the context of this decision is the fact that a contract termination could represent an opportunity for competitors to become associated with a strongly sought after endorser. For instance, when Kobe Bryant was facing rape allegations in 2003, Nike decided to maintain its association with him although their endorsement deal was announced just days before the accusation became public. Nike thought it was better to weather the media storm than to terminate the contract and eventually see a potentially powerful endorser return to Adidas whose contract with Bryant ended a few months earlier (Watkins, 2010).

As can be seen, it is not clear what the endorsed brand should do in this type of situation. Should it continue its relationship with the endorser or should it rather bring it to an end? In order to address this question, the study presented in this article empirically examines the conditions under which announcing the end of the brand-endorser

association, or its continuance, is in the best interest of the brand. It is argued that the decision must be examined in the context of the “match-up” hypothesis (Till and Busler, 2000). More precisely, the study results show that when the brand-endorser couple is congruent, it can sustain negative events more effectively than when they poorly fit together.

Previous research that has examined the impact of endorsers’ involvement in a negative event on the endorsed brand has been restricted to cases where there is little or no uncertainty as regards the responsibility of the endorser (see Louie and Obermiller, 2002; White, Goddard, and Wilbur, 2009). However, in real-world situations it is common to see endorsers denying the charges that have been made against them, sometimes quite forcefully and consistently. Celebrity endorsers are media favorite due to their mass appeal and they can easily find a forum to express their opinions, especially following a negative event. In the Marion Jones case, for instance, the athlete’s denial lasted for several years. The reaction of the athlete to the announcement of the negative event can mitigate the impact it may have on consumers’ opinion about the endorser or the endorsed brand. However, the uncertainty regarding the occurrence of the negative event triggered by the endorser’s reaction has never been studied in the literature despite the pervasiveness of this phenomenon. In order to address this gap in the literature, this research also investigates the impact of the brand endorser’s reaction to the allegations that he or she faces (acceptance *versus* denial) on consumers’ perceptions and, ultimately, their appreciation of the brand and willingness to purchase its products.

This article is structured as follows. First, a conceptual background is provided regarding brand endorsement, negative events involving endorsers, and the match-up

hypothesis which leads to the formulation of research hypotheses. The results of an experiment are reported next before developing managerial recommendations. Finally, extensive guidelines for further research are proposed.

BACKGROUND

Brand endorsement

Associating themselves with endorsers (or spokespersons) is a marketing communication strategy that brands commonly use. Different persons may act as endorsers, such as typical consumers (real or not), product experts or even the company president (see Kamins, 1990). In many cases however, brands elect to be endorsed by famous people in order to benefit from the several advantages that celebrity endorsement may bring about, notably enhanced attention from the consumer audience (Erdogan and Baker, 1999), better recognition of the brand name (Premeaux, 2005), better memory of advertising messages (Misra and Beatty, 1990), improved stock market value of the firm (Agrawal and Kamakura, 1995), or even decrease in competitors' stock market value in some extreme cases (Mathur, Mathur, and Rangan, 1998), more favorable brand evaluations (Atkin and Block, 1983; Silvera and Austad, 2004; Tripp, Jensen, and Carlson, 1994), more positive word-of-mouth (Bush, Martin, and Bush, 2004) as well as the opportunity to develop a distinct and credible brand personality (Kamins, 1990; Ohanian, 1990).

The benefits of celebrity endorsement may be explained using different perspectives. In McCracken's (1989) view, a celebrity is an entity characterized by a set of meanings that are inferred from a plethora of attributes such as gender, age, social class,

personality, life style, and past experiences. In step one of McCracken's (1989) meaning transfer model, the meanings are combined to form the image of the celebrity. In step two, the meanings are transferred to the brand or the product and, in the final step; they are transferred to the consumer through usage/consumption. McCracken's (1989) model implies that the benefits that brands may gain from celebrity endorsement are likely to depend on the transfer of an appropriate set of meanings. Consequently, brands should choose celebrity endorsers who carry meanings that they want to be associated with. Interestingly, the process can also be reversed as the brand's meanings may be transferred to the celebrity (Till, 2001).

Source models represent another perspective found in the literature. The source attractiveness model (McGuire, 1968) conceptualizes the effectiveness of an endorser through three elements: similarity with consumers, familiarity among consumers, and likeability. Marshall, Na, State, and Deuskar (2008) recently showed that when the image of the celebrity endorsing a brand (in this case, a brand of lipstick) and the self-image of the consumer are too dissimilar, this can lead to post-purchase cognitive dissonance. Another source model is the source credibility model which proposes that an endorser's effectiveness has three underlying components: expertise regarding the product domain, trustworthiness as a person, and physical attractiveness (Ohanian, 1990; 1991).

The effectiveness of celebrity endorsement may also be understood through consumers' need to identify themselves with admired persons (see Kelman, 1961). For example, brands of sport equipment are likely to benefit from using performing athletes as endorsers because sports fans who admire these athletes and would like to be like them are likely to adjust their brand preferences accordingly (Carlson and Donovan, 2008).

The match-up hypothesis

According to the match-up hypothesis, the effectiveness of celebrity endorsement is a function of the congruence between the endorser and the brand (Baker and Churchill, 1977; Friedman and Friedman, 1979; Joseph, 1982; Kahle and Homer, 1985; Kamins, 1990; Peterson and Kerin, 1977). When the associative memory networks of both the endorser and the brand have many nodes in common (Keller, 1993), they are more likely to become interconnected when paired together (Till and Busler, 2000). As a result, aspects of the endorser's meanings such as attitudes, image elements, or favorable behavioral intentions become associated with the endorsed brand (Fazio, Powell, and Williams, 1989; Keller, 1993; Till and Busler, 2000). For instance, research has found that the physical attractiveness of the endorser is an appropriate meaning – i.e., it leads to more favorable brand and advertising evaluations – if physical attractiveness is consistent with the characteristics of the brand (Kahle and Homer, 1985). Similar findings have been reported regarding the expertise dimension of the celebrity (Till and Busler, 2000).

The benefits of brand-endorser match-up have been widely demonstrated in the literature. For instance, in situations of high brand-endorser congruence, studies have shown that the endorser is perceived as more believable (Kamins and Gupta, 1994), and that attitude and affect toward the advertisement (Kamins, 1990; Misra and Beatty, 1990) as well as brand attitude and purchase intentions are improved (Kahle and Homer, 1985; Till and Busler, 1998). Recent research findings suggest that a more refined level of analysis regarding the degree of congruence is warranted. Lee and Thorson (2008) have demonstrated that examining congruence on a continuum rather than as a dichotomous variable is important. Their results showed that a celebrity that is moderately incongruent

with the endorsed product can lead to stronger purchase intentions than an extremely congruent endorser. This is especially true when consumer involvement with the product category is high. In other words, match-up effects are more pronounced when consumers are motivated to process the stimuli in greater depth. With respect to other outcome variables such as attitude toward the advertisement or toward the brand, moderately incongruent endorsers did not perform better than extremely congruent ones; outperforming only extremely incongruent associations. In sum, in terms of purchase intentions, moderately incongruent associations seem to yield better results than extremely congruent ones, although that does not appear to hold in the case of attitudinal variables. The importance of avoiding extremely incongruent brand-endorser couples is, on the other hand, a very consistent result.

When things go wrong

Although associating brands with famous endorsers appears to be a valuable marketing communication strategy, it is not risk-free as endorsers may get involved in negative events (e.g., drug use, sex scandal). When such negative events become the focus of media attention, this may not only have a disastrous impact on consumers' opinions of the endorser but also on their opinions of the brand as well (Erdogan, Baker, and Tagg, 2001; Till and Shimp, 1998). White, Goddard, and Wilbur (2009) have examined the effects of negative information about a celebrity endorser on consumer perceptions of the endorsed brands. In their study, when consumers saw an ad featuring a celebrity endorser (in this case, a well-known football player) and were informed that the endorser was involved in some negative event (in this case, drug charges), their perception of the advertised product was significantly less favorable than when they did not know about

the event. Louie, Kulik, and Jacobson (2001) examined the link between the stock market and the announcement of an endorser's involvement in negative events and found that only events for which the celebrity could be blamed (e.g., Andre Rison accused of speeding at 111 miles per hour) led to negative consequences for the firm's stock value. In fact, events for which the celebrity could not really be blamed (e.g., ice skating star Nancy Kerrigan being attacked) had a positive impact on the stock market value. The authors explained their findings by the greater sympathy individuals feel for non blameworthy endorsers whom negative events fall upon; in fact the measure of sympathy they used showed an almost perfect negative correlation with blameworthiness ($r = -0.96$). These results are in line with those of Money, Shimp, and Sakano (2006) who found that Japanese and American consumers both had stronger purchase intentions toward the endorsed product when the negative event (i.e., drug abuse) regarding the endorser was "self-oriented" (i.e., it caused him pain and anguish) rather than other-oriented (i.e., it caused his friend and family pain and anguish). The authors explained their results by the fact that respondents felt greater sympathy toward the celebrity when the event had a negative impact on her or him instead of on other people. Overall, these results are consistent with McCracken's (1989) meaning transfer model because they show that a negative event may contribute to the set of meanings characterizing an endorser and, thereafter, be transferred to the product which consumers may then decide to avoid.

Although the above studies shed light on the impact of a negative event involving an endorser on the brand, they do not address the question of whether that impact can be mitigated by the reaction of the brand to the event. Essentially, the brand may decide to

continue its association with the endorser or it may decide not to. That decision is likely to be based on the brand's expectations regarding the effects of each reaction on consumers' perceptions. These effects may be contingent upon other factors. The study by Louie and Obermiller (2002) is relevant in this context. Their results show that the level of blameworthiness of the endorser in a negative event moderates the impact of the decision to revoke or to continue the endorsement agreement on the brand's image. When the decision was to revoke the agreement, the level of blameworthiness had a positive effect on the brand's image. However, when the decision was to continue, the effect was negative.

To our knowledge, no research has yet investigated the optimal reaction from the company as a function of the degree of brand-endorser congruence. The most powerful endorsers belong to the athletic or artistic realms (Forbes, 2010) and many endorsed brands or companies are inherently incongruent with these domains (automotive, alcoholic drinks & beverages, consulting, etc.) and do not benefit from the match-up effect. The question of whether the level of congruence moderates the impact of negative events involving endorsers remains unexplored.

In addition, the literature on negative events involving endorsers has overlooked the effect on the brand of the endorser's reaction to the event. When such news breaks out, endorsers become the center of attention from the media and the public alike and their reaction is often solicited directly from the media. They then have the opportunity to take position regarding the veracity of the allegations. In such cases the endorser may either deny or recognize the event as being true while the company that owns the endorsed brand will make claim regarding its support or lack thereof of the endorser following the

negative event. The interplay between these factors and how they may impact on consumers' responses are formalized in the next section.

DEVELOPMENT OF RESEARCH HYPOTHESES

When an endorser who is accused of being involved in some negative event rejects that accusation, consumers are likely to reflect about the endorser's reaction due to the uncertainty her or his claim creates. As evidenced by Louie, Kulik, and Jacobson (2001) as well as Money, Shimp, and Sakano (2006), the endorser's denial may lead to lesser sympathy from consumers; this is especially likely if the allegations are backed by credible information. Lesser sympathy toward the endorsers may decrease his or her perceived trustworthiness. Since trustworthiness is positively related to favorable consumer responses toward the endorsed product (Ohanian, 1990), this in turn should have an impact on consumers' attitude toward the brand and intention to buy products from the brand.

The preceding discussion leads to the following research hypothesis:

H₁: In a situation where the involvement of a celebrity endorser with a negative event is the focus of media attention, consumers' perceptions of the endorser's trustworthiness are more positive when the endorser acknowledges than when he or she denies the allegations; in turn, these perceptions have a positive impact (a) on attitude toward the brand and (b) on consumers' intention to buy products from the brand.

When the endorser has been chosen because his or her profile is relevant to the brand (e.g., a top tennis player as spokesperson for Wilson, an attractive actress for a brand of luxury perfume), the brand and the endorser are highly congruent. In this case, they share a rich set of (mostly positive) interconnected meanings, and according to the match-up hypothesis (Kamins, 1990; Till and Busler, 2000), this is likely to create an effective endorsement for the brand.

However, previous research has not examined the role of the match-up hypothesis in negative publicity situations, although this variable appears to be pertinent. A decision by the brand to not support the endorser should lead to a perceived disconnect between the brand and the endorser in consumers' mind. As a consequence, the brand would no longer benefit from the positive associations created by the endorsement. Although there is a possibility that the endorser's reputation be affected by the event, that should not in general call into question his or her competence as a spokesperson for the brand. Consequently, when brand-endorser congruence is high, standing behind the endorser, i.e., maintaining the brand-endorser alliance, should be a better strategy than revoking the arrangement.

The situation should be different in the case of low brand-endorser congruence. In that situation, the brand and the endorser do not have a well-developed set of shared meanings, the endorser having been chosen by the brand principally on the basis of his or her reputation (Ohanian, 1990). Because the possible involvement of the endorser represents a significant threat to that reputation and because reputation is the central attribute that unites the brand and the endorser, the support of the endorser by the brand in such risky scenario should lead to less favorable brand perceptions. Therefore, when

brand-endorser congruence is low, cancelling the association with the endorser should be a better strategy.

The following research hypothesis is based on the above rationale:

H₂: In a situation where the involvement of a celebrity endorser with a negative event is the focus of media attention, (a) consumers' attitude toward the brand is more favorable when the brand maintains than when it revokes its association with the endorser when brand-endorser congruence is high, whereas it is less favorable when congruence is low, and (b) consumers' intention to buy products from the brand is greater when the brand maintains than when it revokes its association with the endorser when brand-endorser congruence is high, whereas it is lower when congruence is low.

METHOD

Overview

Sport was chosen as the business context for this research. A pilot study was conducted in order to select stimuli (i.e., one athlete, sport brands) with which consumers were familiar and that they appreciated. In addition, one brand had to have a high level of congruence with the celebrity endorser (a sport brand) and one a low level (a non-sport brand). The research hypotheses were tested by means of an experiment conducted among a sample of adult consumers.

Pilot study

The pilot study involved a convenience sample of 37 adult consumers randomly divided in two groups. Twenty participants were exposed to five high-congruence brand-endorser

combinations (e.g., Callaway Golf and Phil Mickelson) whereas 17 participants saw five low-congruence combinations (e.g., IBM and Shaquille O'Neal). The combinations were presented in a self-administered questionnaire in a different order across the participants and featured the same five athletes in each group; only the brands differed (sport brands in one group, non-sport brands in the other). After the presentation of each brand-endorser combination, the participants answered a set of items aimed at assessing the perceived fit between the athlete and the brand as well as the participants' familiarity with and appreciation of the athlete and the brand (because the items used to measure these concepts are the same as those used in the experiment, they will be discussed later).

Among the combinations tested, two combinations featuring David Beckham as the endorser led to the best results. The Adidas-Beckham combination was perceived as significantly more congruent ($M = 5.76$) (all seven-point scales) than the Apple-Beckham combination ($M = 4.42$) ($t(33) = 3.56, p < 0.001$). In addition, familiarity with the brands ($M_{\text{Adidas}} = 5.23; M_{\text{Apple}} = 4.88$) as well as attitude toward the brands ($M_{\text{Adidas}} = 4.79; M_{\text{Apple}} = 4.80$) were not statistically different (familiarity: $t(35) = 0.69, \text{NS}$; attitude: $t(35) = -0.01, \text{NS}$). In the case of the other combinations, some statistically significant differences with respect to familiarity or brand attitude were observed. On the basis of these results, the Adidas-Beckham and Apple-Beckham combinations were retained for the experiment.

Experimental study

Design and stimuli. A 2 (brand-endorser congruence: low *versus* high) \times 2 (athlete's reaction: denies *versus* admits the allegations) \times 2 (brand's reaction: revokes *versus* continues the association) completely randomized factorial design was used to test the

research hypotheses. Because athletes are among the most sought-after endorsers (Forbes, 2010) and because doping cases are a very common form of scandal in the world of sports, doping was chosen as the negative event context. Many articles in newspapers and on the Web dealing with real doping cases were examined in order to construct fake media excerpts that would look credible. A total of eight excerpts were prepared to reflect the different experimental conditions of this study. In all of them, the doping charges were presented as serious as they were based on the results of an anti-doping test. An example is displayed in Figure 1 (condition: high brand-endorser congruence, athlete denies, brand chooses to maintain the association). The format of all excerpts was the same as that presented in Figure 1 except for the text which differed to reflect the different manipulations (i.e., brand revokes the association: “...Apple/Adidas representatives announced to the medias that their company will stop to financially support David Beckham.”; athlete admits: “David Beckham admits wrongdoing”).

[Insert Figure 1 about here]

Questionnaire and measures. Before the presentation of the experimental stimulus (i.e., the media excerpt), familiarity with the athlete (Beckham) and the brand (Adidas or Apple) was measured with two items adapted from Kent and Allen (1994) (e.g., “Adidas is a brand that I do not know at all/know very well”) (all items in the questionnaire were associated with seven-point numerical bipolar scales).

Several measures appeared after the excerpt. Attitude toward the brand was assessed with five items (bad/good quality, negative/positive opinion, does not like/like, inferior/superior to other brands, undependable/dependable) adapted from MacKenzie and Lutz (1989). Three items taken from Carrillat, Lafferty, and Harris (2005) followed

to measure the intention to buy a product from the brand (Adidas: a pair of athletic shoes; Apple: a computer) in the event that a need would exist in that category (improbable/probable, impossible/possible, very unlikely/very likely).

The perceived brand-endorser congruence was measured with seven items. Three items were taken from Gwinner and Eaton (1999) (e.g., “My image of David Beckham is very different from the image I have of Apple”; totally disagree/totally agree) whereas the four others were developed specifically for this study (e.g., “I find it plausible that David Beckham is the spokesperson of Adidas”).

Next, perceptions of the endorser were assessed with a 15-item scale developed by Ohanian (1990) purported to assess a celebrity endorser’s expertise, trustworthiness, and attractiveness. The questionnaire ended with a set of socio-demographic questions (gender, age, education, occupation, income). Following the questionnaire, there was an explicit statement mentioning that the stimulus information was totally fictitious and was created only for the objectives of the study.

Sample and data collection. The data were collected in a large North-American city using drop-off delivery. Several interviewers were dispatched to different residential areas of the city in order to obtain the collaboration of residents. The questionnaire was left with people having accepted to participate and was picked up later in the day or at a convenient moment. The experimental conditions were distributed randomly across respondents. From a total of 568 visited residences, a contact was made with 414 persons (contact rate = 73%) and 283 accepted to fill out the questionnaire (acceptance rate = 68%). From the 278 questionnaires that were collected (global response rate = 98%), 252 could be utilized for statistical analysis (actual response rate = 89%).

RESULTS

Sample description

The sample is composed of a slightly higher number of women (51.2%) than men (48.8%). The participants are somewhat young as only 21.7% are 45 years old or more. They are well educated with 41.5% of them having a university degree and are almost uniformly distributed across seven income categories ranging from less than 10,000\$ to more than 60,000\$ a year. The sample size in the different experimental conditions ranged from 29 to 35.

Creation of variables

The items of each additive scale were subjected to a factor analysis using maximum likelihood as an extraction method. This analysis was done for each experimental condition and across all conditions. In all cases where the scale was expected to be unidimensional, a single factor was obtained using the eigenvalue-greater-than-one criterion, except for the brand-endorser congruence items for which two factors emerged. An examination of the matrix of factor loadings revealed that one factor contained positively formulated items whereas the other contained negatively formulated items, which indicated that some response bias had probably taken place. Therefore, a parallel analysis (Patil et al., 2008) was performed in order to see if the second factor corresponded to random error. The results of this analysis confirmed that the second factor was residual and the scale was therefore considered unidimensional.

A factor analysis of Ohanian's (1990) 15-item scale led to three factors with the items properly loading on their appropriate perceptual dimension, i.e., physical attractiveness,

trustworthiness, and expertise in that order with the exception of one item of the trustworthiness dimension which had a low item-to-total correlation ($r = 0.23$). This item was discarded leaving four items for that dimension. For all additive scales, the mean of the corresponding items served as the indicator of the concept. Cronbach's alpha coefficients ranged from 0.78 to 0.98.

Manipulation check

An analysis of variance (ANOVA) model was estimated using perceived brand-endorser congruence as the dependent variable and the three experimental factors (i.e., brand-endorser congruence, athlete's reaction, and brand's reaction) as independent variables. The only statistically significant effect was that of congruence ($F(1, 244) = 4.46, p < 0.05$). As predicted, the participants in the high congruence conditions perceived the brand-endorser association as more congruent ($M = 4.51$) than those in the other conditions ($M = 4.21$). It was therefore concluded that the congruence manipulation was successful.

Test of H₁

H₁ predicts a mediating effect of the athlete endorser's perceived honesty (or trustworthiness) in the context of the relationship between his reaction (denies *versus* confirms) and brand attitude (H_{1a}) and purchase intention (H_{1b}). To conclude that there is a mediation effect requires that there be a statistically significant effect of the independent variable (i.e., athlete's reaction) on the mediator (i.e., trustworthiness) and a statistically significant effect of the mediator on the dependent variable (i.e., brand attitude or purchase intention) when both the independent variable and the mediator are included (see MacKinnon, 2008).

A first ANOVA model (model 1) was estimated using the endorser's perceived trustworthiness as dependent variable and the three experimental factors as independent variables. In addition, the model included familiarity with the athlete and the brand as covariates. A second ANOVA model was estimated using brand attitude (model 2) or purchase intention (model 3) as dependent variable and the experimental factors, the covariates, and the endorser's trustworthiness as independent variables.

The results are displayed in Table 1. As can be seen, the athlete's reaction had a statistically significant impact on his perceived trustworthiness (model 1, panel a): the endorser was perceived as more trustworthy when he acknowledged the facts ($M = 4.30$) than when he denied them ($M = 3.61$). The effect of brand familiarity in model 1 was also statistically significant and regression analysis showed that the effect was positive (beta = 0.25).

In addition, the effects of the endorser's perceived trustworthiness on brand attitude (model 2, panel b) and purchase intention (model 3, panel c) were statistically significant. A regression analysis revealed that trustworthiness had a positive impact on both brand attitude (beta = 0.17) and purchase intention (beta = 0.17). Brand familiarity and familiarity with the athlete also had a statistically positive significant effect on brand attitude (betas = 0.44 and 0.19 respectively), and brand familiarity had a positive and statistically significant effect on purchase intention (beta = 0.41). Taken altogether, these results confirm that perceived trustworthiness acted as a mediating variable in the context of the relationship between the athlete's reaction following the accusation and brand attitude and purchase intention and therefore support H_1 .

Following Zhao, Lynch, and Chen's (2010) recommendation, the mediation effect was tested using the bootstrap procedure implemented by Preacher and Hayes (2008) which estimates the significance of the product between path a (from the endorser's reaction to trustworthiness) and path b (from trustworthiness to either brand attitude or purchase intentions) by building a 95% confidence interval around the $a \times b$ parameter. This procedure accounts for the fact that the distribution of the product of two parameters is skewed rather than normal and is therefore more powerful than the Sobel test. In the context of the model including the brand's reaction as well as the familiarity with the brand and with the endorser as covariates, for both attitude toward the brand and purchase intention the confidence intervals did not include zero (attitude: 0.01 – 0.12; purchase intention: 0.01 – 0.18) which confirmed that the indirect effect was statistically significant and positive. In addition, the direct paths from the endorser's reaction to the dependent variables were not significant when controlling for trustworthiness (attitude: 0.02, $t(223) = 0.19$, NS; purchase intention: -0.18, $t(223) = -1.07$, NS). From this analysis, it can be concluded that trustworthiness is an indirect-only mediator (Zhao, Lynch, and Chen, 2010) of the impact of the athlete's reaction on attitude toward the endorsed brand and purchase intention of the product.

[Insert Table 1 about here]

Test of H₂

To test H_{2a}, an ANOVA model was estimated using brand attitude as the dependent variable and the three experimental factors as independent variables. In addition, the model included familiarity with the athlete and the brand as covariates. The results are

displayed in Table 2 (see panel a). As can be seen, two effects were statistically significant: familiarity with the brand and the congruence \times brand's reaction interaction.

[Insert Table 2 about here]

The brand attitude means in the experimental conditions relevant to the statistically significant interaction are displayed in Figure 2 (see panel a). The cross-over interaction is consistent with H_{2a}. Brand attitude was more favorable in the maintain-association condition ($M = 5.73$) than in the revoke-association condition ($M = 5.47$) when brand-endorser congruence was high ($t(238) = 1.67, p < 0.05$, one-tailed test). But, brand attitude was not statistically different in the revoke-association condition ($M = 5.87$) than in the maintain-association condition ($M = 5.65$) when congruence was low ($t(238) = 1.36$, NS). H_{2a} is therefore partially supported.

[Insert Figure 2 about here]

To test H_{2b}, an ANOVA model including the manipulated factors and the same covariates was estimated using purchase intention as the dependent variable. Two effects were statistically significant: familiarity with the brand and the congruence \times brand's reaction interaction (Table 2, panel b). The pattern of means in the conditions of the statistically significant interaction (Figure 2, panel b) is generally consistent with H_{2b}. In the high congruence conditions, purchase intention was higher when the brand supported the athlete ($M = 5.51$) than when it did not ($M = 4.85$) ($t(239) = 2.9, p < 0.01$) whereas in the low congruence conditions the mean purchase intention when the brand's reaction was to not support the athlete ($M = 5.32$) was not significantly different from that in the other condition ($M = 5.27$) ($t(239) = 0.22$, NS). There is therefore partial support for H_{2b} as well.

DISCUSSION

The research results presented in this article contribute to the literature on celebrity endorsement by identifying the conditions under which, in the context of a negative event involving an endorser, the reactions of the two partners in the endorsement agreement have different effects on consumers' attitudes and purchase intentions. How these two sources of communication react were shown to impact on consumer responses in different ways.

When a celebrity endorser refuses to admit his or her fault in light of charges that appear to be serious (e.g., denying having used drugs after having been tested positive), the results of this research show that consumers are inclined to question the endorser's sincerity. The endorser is then perceived as less trustworthy and the effect of this perception has a significant impact on consumers' attitude toward the endorsed brand and intention to purchase products.

The research results also show that the brand can take actions that will have a positive impact on consumer responses. The type of action is contingent upon the strength of the brand-endorser relationship in terms of shared meanings. When brand-endorser congruence is high (e.g., a sports brand and a performing athlete), the results clearly show that the brand should support its endorser and announce that the endorsement agreement continues, whatever the reaction of the endorser. This should have positive effects on consumers' attitude toward the brand as well as their intention to purchase products that the brand markets. When brand-congruence is low, there does not seem to be any advantage associated with a decision to maintain or to revoke the endorsement relationship with respect to either brand attitude or purchase intention.

As regards these latter results, it is interesting to consider some real negative publicity cases involving athletes and the reactions of the brands with which they were associated. In February 2009, an article published in the newspaper *Britain's News of the World*, suggested that Michael Phelps had smoked marijuana (Klayman, 2009). Following this news report, Kellogg's company, a low-congruence partner, announced that its association with Phelps was revoked whereas Speedo, a high-congruence partner, decided that it would support the athlete and continue its business relationship. According to the findings of the present research, the reaction of these brands was appropriate given their overall level of congruence with the star American swimmer.

The more recent Tiger Woods negative publicity case also brings real-world evidence supporting the findings and conclusions of this research. Following the news that the superstar professional golfer had committed infidelity, brands that had endorsement deals with Woods reacted in different ways. For instance, Nike, an important and highly congruent partner of the athlete, decided to maintain its endorsement deal whereas Gillette and Accenture, two brands with commercial activities that are not directly in line with sport, chose to end their partnership. The reactions of these brands too were consistent with this research's findings.

From a theoretical perspective, this research contribution is twofold. It is the first study to focus on the reaction of the celebrity involved in the negative event. More precisely, the results demonstrate that when the endorser's reaction creates some uncertainty regarding the veracity of the event, this jeopardizes her or his trustworthiness. This shows that source credibility can be further damaged following the negative event if the endorser contradicts a very likely occurrence (e.g., her or his having used banned

substances). In addition, this study is enhancing knowledge regarding the benefits associated with the match-up effect. Beyond leading to more effective endorsement (Kamins, 1990; Till and Busler, 2000), the congruence between the celebrity's schema and the endorsed product schema can also inoculate against the need for the company to revoke the endorsement contract.

External validity

The applicability of this study's findings for business practice depends ultimately on the extent to which the observed relationships may be generalized. Although it is always problematic to make firm conclusions about the external validity of experiments such as the one presented in this article, some reasonable arguments militate in favor of concluding that these findings are likely to hold over variations in persons, settings, treatment variables, and measurement variables (see Shadish, Cook, and Campbell, 2002).

As regards the generalization to other persons, it is worth noting that the sample of participants is composed of adult consumers selected from a city's residential areas. The participants thus seem representative of people susceptible to be exposed to media coverage of scandals involving celebrity endorsers. With respect to generalizing to other settings, the experimental set-up developed in this study (a media report showing an athlete addressing the press) appears to mimic, in a prototypical way, how scandals involving celebrity endorsers generally unfold. The case of an athlete being accused of doping is very relevant because famous athletes represent a large category of the celebrity endorsement business and doping is a common scandal in which such sports celebrities are implicated. This contributes to enhance the belief that the experimental treatments are

generalizable. The fact that the content of the media excerpts was developed on the basis of a thorough examination of articles dealing with real doping cases brings some additional confidence in the generalizability power of the treatments. The external validity of the measurement variables seems to be established by the use of existing scales having been utilized successfully in other research contexts. Finally, the observation that the theoretical development is not contextually bound (eg, as regards the type of celebrity, the type of product, and the type of scandal) and that most theoretical predictions were confirmed contributes to reinforce the impression that the findings of this experimental study are fairly robust from an external validity point of view.

MANAGERIAL IMPLICATIONS

Anticipating public scandals involving brand celebrity endorsers is of utmost importance for companies and their advertising agencies. The results obtained in this study suggest managerial guidelines in the case of a celebrity endorser scandal regarding the optimal actions the celebrity and the brand should take in different situations. In the decision tree displayed in Figure 3, the optimal action is indicated at the bottom of each possibility in bold characters whereas the suboptimal action is italicized; when there is no clear superior action, normal characters are used followed by a question mark.

[Insert Figure 3 about here]

The first element to consider by firms or agencies is the degree of congruence between the brand and the celebrity. In the case of high brand-celebrity congruence, the brand should continue its relationship with the celebrity because revoking it would be

detrimental to consumers' attitude and impact negatively consumers' intention to buy its products. In the case of incongruence, revoking or maintaining the relationship appear to be equivalent options and, therefore, other criteria need to be factored in to take the decision.

As shown in Figure 3, whether the celebrity is congruent or not with the brand, his or her reaction should be to admit the facts. A denial would adversely impact his or her perceived honesty and, *in fine*, lower the evaluation and purchase intentions with respect to the firm's products. Firms and agencies should carefully discuss with celebrities and their agents the importance of admitting the truth in the case of a scandal when the incriminating evidence is hardly disputable (e.g., a positive outcome in a drug test).

Knowing the degree of congruence between the celebrity and the endorsed brand even before making the endorsement deal would be advantageous for firms and agencies. First, this knowledge would give them the opportunity to prepare in advance an appropriate response strategy in the case of a scandal. Second, it may help them to justify to the firm's employees a decision to maintain the relationship with a celebrity that may, right or wrong, be suddenly abominated by the public. If a congruent celebrity endorser is caught in a scandal, the best economic decision, which is to continue the endorsement, might indeed be difficult to understand internally if the scandal breaches legal or ethical barriers. Scales aimed at measuring congruence between two entities have been developed in the academic literature and could be used to assist managerial decisions (e.g., Gwinner and Eaton, 1999).

LIMITATIONS AND DIRECTIONS FOR FURTHER RESEARCH

Several avenues for further research follow from this study. First, it must be noted that in all negative publicity conditions considered in this experiment, there was strong evidence that the charges against the endorser were founded, because the athlete had failed an anti-doping test. However, there may be negative event situations involving brand endorsers where the evidence is weak, being based on rumors or having not been confirmed in a convincing manner. Hence, it would not be clear whether or not the endorser would have committed the faults that he or she is accused of. The conclusions of the present research regarding the appropriate actions that the brand should take may not generalize to such situations. For instance, if the evidence is very weak, supporting the endorser might be the proper thing to do whatever the level of brand-endorser congruence. Further research where the strength of the evidence against the celebrity endorser is systematically varied would be necessary to test this proposition. In addition, although a real celebrity was used in this experiment, the situation was fictitious and does not reflect an actual scandal. It should be noted however that the type of scandal used to operationalize the experimental manipulation is very common for athletes such as David Beckham.

In this study, the reaction of the endorser athlete was to confirm or deny the allegations that were raised against him. However, there are different ways to model the celebrity endorser's behavior following what may often be very serious accusations that are likely to have enormous consequences on one's career. It would be pertinent to study the effects of the presence of additional information accompanying the endorser's denial or confirmation on consumers' perceptions (Dean, 2005), such as some sensible explanation (e.g., "I used this drug for medical reasons"), excuses (e.g., "I did not realize

the consequences of my behavior”), justification (e.g., “I am addicted to sex”), logic (e.g., “No way, this drug would be useless to increase my performance”), rejection of the blame (e.g., “I was forced to do it”), corrective action (e.g., “I will retribute all my monetary gains from competitions since the date of the positive test”), or self-punishment (e.g., “I am taking a break from sport for the next few months in order to help underprivileged kids in my community”). Although the endorser’s reaction depends ultimately on the whole context in which the charges that he or she faces are made, examining how different communicational strategies impact on consumer responses with respect to the endorser and the brand would be useful.

This research was limited to a single brand and a single celebrity endorser. In reality, brands may have several endorsers and celebrities may endorse more than one brand. Therefore, some brands and celebrities may be connected in consumers’ mind through their mutual associations in various endorsement contracts. For instance, the fact that Roger Federer and Tiger Woods were at one time both spokespersons for Nike and Gillette was perhaps be sufficient to create a link between them in consumers’ memory network. This may have eventually resulted in memory links being formed between brands that had either Federer or Woods as endorsers. Through the process of spreading activation (Collins and Loftus, 1975), the transfer of meanings that occurs between brands and celebrities (McCracken, 1989; Till, 2001) may also take place between brands (Carrillat, Harris, and Lafferty, 2010). Just as competitors of brands involved in scandals may be considered guilty by association (Roehm and Tybout, 2006), brands that have endorsement arrangements with celebrities who share meanings with other celebrity

endorsers involved in some negative events may eventually suffer. Research is needed to look at this possibility.

In this research, negative events in the context of celebrity endorsement were restricted to the endorser's involvement. However, an endorsement relationship may be hurt by a negative event when it is the brand that is involved. In such a situation, it is relevant to consider the celebrity endorser as a human brand (Thomson, 2006). First, it would be interesting to see if the findings of this research extend to this particular case. Would the relationship between the brand's reaction to the negative event and the attitude toward the endorser be mediated by the degree of sincerity that consumers attribute to the brand? Would the effects of the celebrity endorser's reaction be moderated by the level of brand-endorser congruence? Second, following the spreading activation argument developed before, the possibility that other brands with which the celebrity has an endorsement deal be affected by the negative event should be investigated.

In this research, it was found that consumers' perceptions of the athlete's trustworthiness following his reaction to the media intervened as a mediating antecedent of their brand attitude and purchase intention. This result suggests that when they are exposed to a celebrity endorser's response to allegations of misbehavior, consumers are not passive listeners and probably engage in some form of causal reasoning in order to understand the motivations behind the endorser's position. For instance, using Kelley's (1973) covariation model, consumers who learn that the endorser denies any misconduct might infer that he or she is sincere because they think the endorser is not the kind of person who would behave like this (low distinctiveness), or because the endorser has been very critical of this type of behavior in the past (high consistency), or because there

is not a general agreement in the media concerning the case (low consensus). An investigation of consumers' attribution processes would help to better understand the effects of the brand's and the endorser's reactions on consumer perceptions and responses.

Finally, there is a need to define what is meant by a negative event. Although, for instance, cheating on one's spouse and using drugs to improve one's athletic performance are both negative events a brand endorser may be involved in, many people would probably consider that doping is a more serious fault as it casts doubts on the particular abilities which have concurred to make the endorser a celebrity. Research is needed to bring some understanding of what negative events involving brand endorsers mean to consumers. The illegal character of the behavior, the consequences for other people, and the personal nature of the wrongdoing are dimensions that consumers might use to organize their perceptions. In addition, it is possible that a behavior considered as abominable by someone would represent a minor sin for someone else. Consequently, the remedial actions that might possibly be undertaken when a celebrity endorser is involved in some negative event should be evaluated in light of the perceptions that people and, more importantly consumers who belong to the brand's target market, have formed about the event. These perceptions are especially likely to differ across cultures which are fertile grounds for research in the domain of endorsers' scandals.

CONCLUSION

Celebrity endorsement is a marketing communication strategy that brings many benefits to brands. However, when the reputation of the celebrity endorser is hurt because of some

misconduct, the brand has some tough decisions to make. Should it pursue its association with the celebrity or should it cancel it? The answer to this question appears to depend on the extent to which the brand and the celebrity are interconnected in consumers' mind in terms of shared meanings. According to the findings presented in this article, a strong congruence between the two partners represents a situation where the brand would lose more by breaking off the endorsement deal than by maintaining it whereas when brand-endorser congruence is low, there is no clear indication as to what the brand should do. Therefore, in the latter case (i.e., low brand-endorser congruence), the decision should be based on other relevant factors, such as the content of the contractual agreement between the two parties (e.g., monetary consequences associated with revoking the contract), the nature of the misconduct (e.g., illegal or moral issues) or market conditions (e.g., competitors possibly getting their hands on the celebrity).

As shown in this research, it is important also to consider what the celebrity endorser does in the midst of the turmoil created by his or her involvement in a negative event. When there is strong evidence that the endorser is guilty of wrongdoing, it is in the best interest of the endorser and the brand that the alleged facts be acknowledged by the celebrity endorser. Failing to do so is likely to result in consumers developing the belief that the celebrity endorser is not sincere, which will have some detrimental effects on brand attitudes and purchase intentions.

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Figure 1

Example of an experimental stimulus

Beckham denies doping charges

British football player David Beckham was recently tested positive after an anti-doping test. Beckham has been a spokesperson for Adidas for many years. The athlete was seen in several advertising campaigns for the brand.

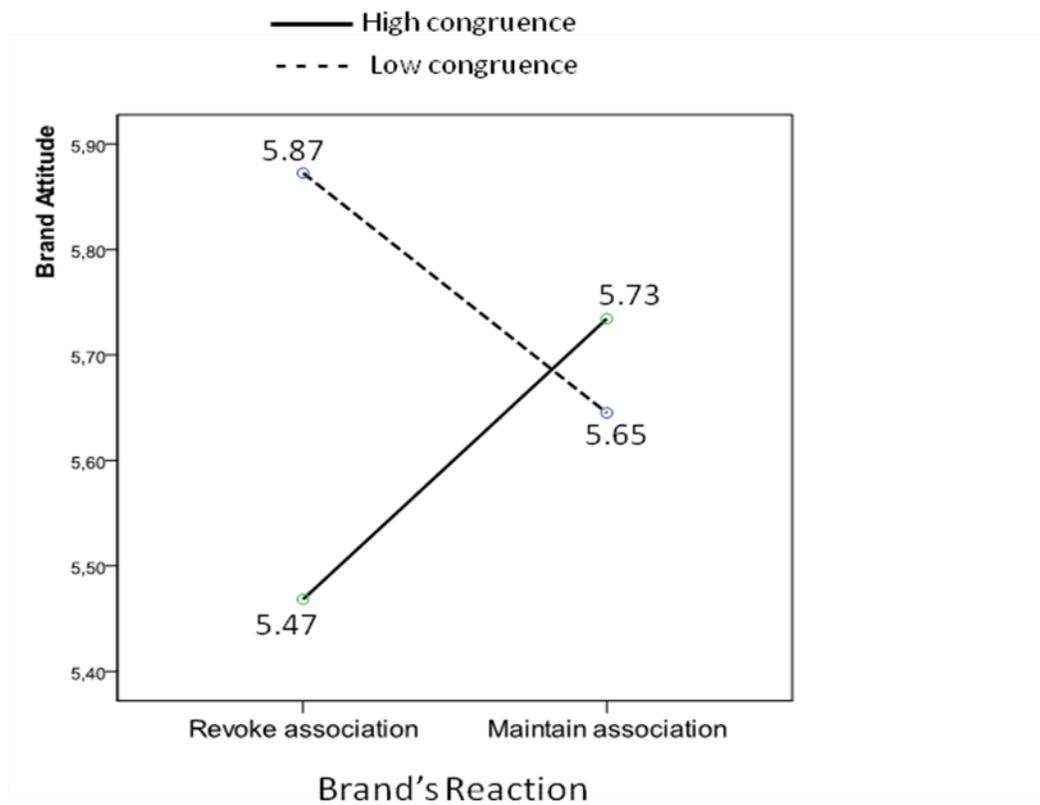
In an interview broadcast on the U.S. CBS TV network, the athlete has denied having taken Erythropoietin (EPO). "I have never consumed EPO!"

Following this statement, Adidas representatives confirmed to the medias that the company would continue to associate its image to David Beckham.

Figure 2

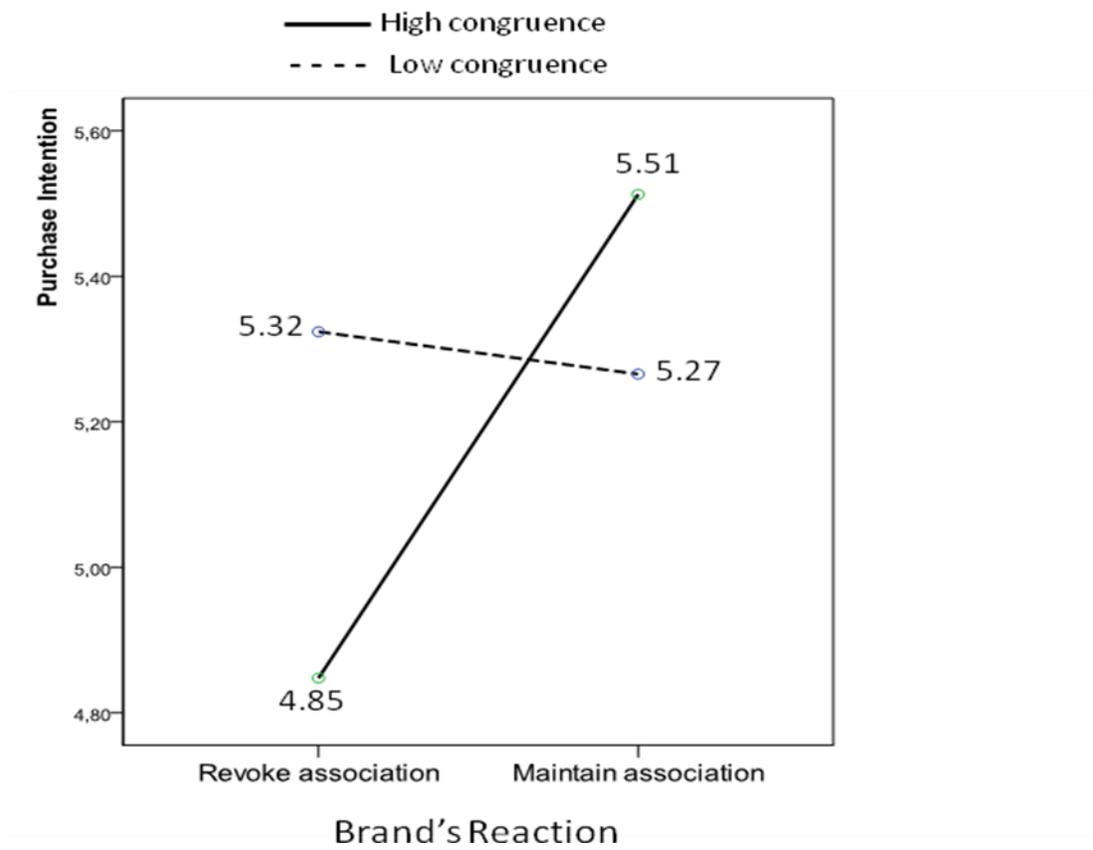
Test of H₂ – Pattern of means in the endorser-brand congruence × brand's reaction interaction¹

(a) Dependent variable: Attitude toward the brand



¹ Marginal means adjusted for the covariates familiarity with the athlete and familiarity with the brand.

(b) Dependent variable: Intention to purchase the brand's products



¹ Marginal means adjusted for the covariates familiarity with the athlete and familiarity with the brand.

Figure 3

Managerial decision tree

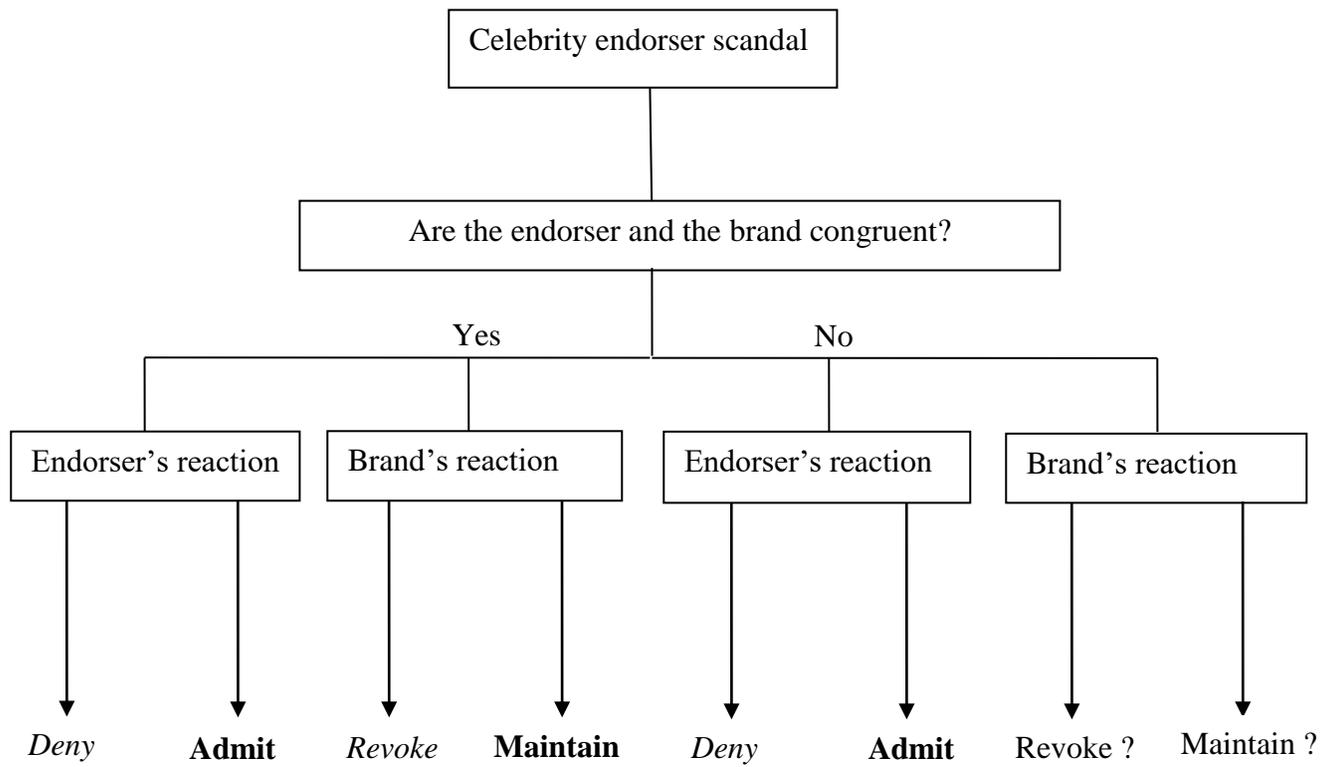


TABLE 1Test of H_1 – ANOVA Results¹

(a) Dependent variable: Endorser's Perceived Trustworthiness (Model 1)

Source of variation	Sum of squares	Degrees of freedom	Mean Squares	F statistic
Congruence (A)	0.77	1	0.77	0.32
Athlete's reaction (B)	23.05	1	23.04	9.44 ^b
Brand's reaction (C)	0.08	1	0.08	0.03
Familiarity with the brand	17.83	1	17.83	7.31 ^b
Familiarity with the athlete	2.15	1	2.15	0.88
Error	578.64	237	2.44	

(b) Dependent variable: Brand Attitude (Model 2)

Source of variation	Sum of squares	Degrees of freedom	Mean Squares	F statistic
Congruence (A)	1.34	1	1.34	1.73
Athlete's reaction (B)	0.03	1	0.03	0.04
Brand's reaction (C)	0.08	1	0.08	0.11
Familiarity with the brand	70.80	1	70.80	90.96 ^a
Familiarity with the athlete	3.18	1	3.18	4.08 ^c
Endorser's trustworthiness	2.48	1	2.48	3.19 ^d
Error	182.91	235	0.78	

(c) Dependent variable: Purchase Intention (Model 3)

Source of variation	Sum of squares	Degrees of freedom	Mean Squares	F statistic
Congruence (A)	0.94	1	0.94	0.58
Athlete's reaction (B)	1.81	1	1.81	1.11
Brand's reaction (C)	5.63	1	5.63	3.47 ^d
Familiarity with the brand	60.56	1	60.56	37.28 ^a
Familiarity with the athlete	0.78	1	0.78	0.48
Endorser's trustworthiness	6.48	1	6.48	3.99 ^c
A × C	7.39	1	7.39	4.55 ^c
Error	383.36	236	1.62	

¹ All main effects and only statistically significant interactions are shown.

^a $p < 0.001$

^b $p < 0.01$

^c $p < 0.05$

^d $p < 0.10$

TABLE 2Test of H₂ – ANOVA Results¹

(a) Dependent variable: Brand Attitude

Source of variation	Sum of squares	Degrees of freedom	Mean Squares	F statistic
Congruence (A)	1.40	1	1.40	1.78
Athlete's reaction (B)	0.20	1	0.20	0.25
Brand's reaction (C)	0.02	1	0.02	0.03
Familiarity with the brand	75.94	1	75.94	96.12 ^a
Familiarity with the athlete	2.91	1	2.91	3.68
A × C	3.73	1	3.73	4.72 ^b
Error	188.03	238	0.79	

(b) Dependent variable: Purchase Intention

Source of variation	Sum of squares	Degrees of freedom	Mean Squares	F statistic
Congruence (A)	0.75	1	0.75	0.46
Athlete's reaction (B)	0.66	1	0.66	0.41
Brand's reaction (C)	5.67	1	5.67	3.47
Familiarity with the brand	71.47	1	71.47	43.73 ^a
Familiarity with the athlete	1.37	1	1.37	0.84
A × C	8.03	1	8.03	4.91 ^b
Error	390.61	239	1.63	

¹ All main effects and only statistically significant interactions are shown.^a $p < 0.001$ ^b $p < 0.05$