Trust-commitment as a mediator of the celebrity endorser-brand equity relationship in a service context

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ABSTRACT

The current study extends the endorsement literature by examining it in the trust–commitment framework. Specifically, the trust–commitment framework is examined as a mediator of the effect of endorser credibility on consumer perceived brand equity as well as consumer expectations of relationship continuity. The current study is conducted within a pure service (i.e., telecom service) context; adding incremental value to the findings given the pivotal role of the trust–commitment framework. The conceptual model is estimated using a sample of 525 Indian consumers that evaluate some of the major Indian telecom sector brand-and-endorser combinations. The model fits the data adequately, and the analysis supports a fully mediated role of the trust–commitment framework in explaining the hypothesized outcomes. The study complements theoretical perspectives on endorser effects, and suggests a relationship facilitating role of celebrity endorsements.

1. Introduction

Advertisers often use celebrity endorsers in their advertising as a way to influence potential buyers of their product or service. Academic interest in this issue has led to a wide variety of approaches to the examination of the mechanism and effectiveness of the use of celebrity endorsers (see Tantiseneepong et al. (2012), pp. 58–60 for a good brief review). Examination of the influence of celebrity endorsers has spanned a wide range of issues such as the type of celebrity (Bush et al., 2004), type of media (Rossiter and Smidts, 2012), and the outcome of the endorsement (e.g., attitude toward the brand – Silvera and Austad, 2004; risk perceptions – Biswas et al., 2006).

Recently Spry et al. (2011) provide a detailed examination of the relationship between celebrity endorsement, brand credibility and brand equity. They use a field experiment where they manipulate endorser credibility, type of brand and brand name, and they use plasma TVs as the product category. In the current paper, we extend this work in several important ways. First, we use as a context a service (namely telecom services) as opposed to a physical product. Because of this, instead of using brand credibility as a mediator between endorser credibility and brand equity, we use the trust–commitment framework developed by Morgan and Hunt (1994) and used by, for example, Aurier and N’Goala (2010) as a mediator of the service evaluation-patronage behavior relationship. Third, we add consumer relationship continuity intentions as an additional outcome given that services marketing entails a relational component (Grönroos, 2006). Fourth, we conduct a field survey instead of a field experiment, thereby increasing the external validity of our empirical results.

Next we briefly discuss our conceptual model of the celebrity endorser-relationship continuity/brand equity relationship mediated by trust and relationship commitment. This is followed by a section on our research design, and then the analysis of our data. We then present a discussion of our contributions and end with an acknowledgment of the study’s limitations.

2. Conceptual model

Our conceptual framework is illustrated in Fig. 1. The model is similar to that analyzed by Spry et al. (2011) in that endorser credibility impacts brand equity, mediated by an intermediate construct (in their case brand credibility). Instead of brand credibility, which is appropriate in the case of a physical product, we draw on the trust–commitment framework of Morgan and Hunt (1994) and use brand trust and relationship commitment as mediators. Also along with brand equity, we examine a further outcome construct, namely relationship continuity intentions.

The potential influence of endorser credibility on the trust–commitment framework is understood using the reciprocal action theory (Li and Dant, 1997). A central tenet of the theory is that con-

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Consumers often develop a sense of commitment towards a firm (or a brand) in response to its relationship building efforts. The principle of reciprocity can be extended to celebrity endorsements. The literature validates the reciprocity principle in various consumer brand relationship contexts (Kim et al., 2008; Yoon et al., 2008). Celebrities provide consumers with symbolic and aspirational benefits that are critical to development and maintenance of consumer self-identity (Escalas and Bettman, 2003; McCracken, 1989). Consumers are therefore likely to reciprocate by engaging in long term relational behavior with the brands that are endorsed by preferred credible celebrities. They engage in such behavior so that they continue to receive (reinforce) such self-definition benefits (Dolich, 1969), which in turn is likely to enhance the importance and quality of the relationship for the consumer. Thus, we offer the following hypothesis:

**H1.** Endorser credibility has a direct positive impact on brand trust.

The relationship between brand trust and relationship commitment is well established in the literature. We define trust as a consumer perception of a brand’s benevolence and integrity (Aurier and N’Goala, 2010; Doney and Cannon, 1997). Commitment refers to the relative intensity of identification and affiliation with the service provider and the involvement in the relationship (Garbarino and Johnson, 1999). Relationships that are characterized by trust are valued by consumers (Morgan and Hunt, 1994). This leads consumers to develop emotional bonds with brands, thus creating a sense commitment to the relationship so that they continue receiving emotional benefits that arise out of trust (Hess and Story, 2005). The literature specifies a positive relationship between trust and relationship commitment (e.g., Garbarino and Johnson, 1999; Morgan and Hunt, 1994). Hence, the following hypothesis is formulated:

**H2.** Brand trust has a direct positive impact on relationship commitment.

Given that commitment has a strong emotive element (Aurier and N’Goala, 2010), committed consumers are likely to invest personal resources into maintaining the relationship (Anderson and Weitz, 1989). Such consumers are less prone to switching to competing offerings, thus exhibiting higher future intentions of repeat purchase (Garbarino and Johnson, 1999) and a tendency towards relationship maintenance (Gounaris, 2005). Hence, we hypothesize as follows:

**H3.** Relationship commitment has a direct positive impact on consumer expectations of relationship continuity.

Consumer–brand relationships are considered critical to consumer brand evaluations (Fournier, 1998) as well as overall brand equity (Blackston, 2000). Such relationships assume a greater importance for service consumers (Grönroos, 1995), especially for consumers of purely intangible (no physical support) service offerings as in the current study. Brand equity evaluations are thus likely to be based heavily on the strength of ongoing relationship with a service provider (Lovelock et al., 2007). Thus, commitment to a relationship is likely to foster favorable, strong and unique associations in consumer memory (Keller, 1993), thus impacting brand equity. Fragmented empirical evidence suggests a positive association between relationship commitment and brand equity (Fournier, 1998; Rego et al., 2009). Thus, we offer the following hypothesis:

**H4.** Relationship commitment has a direct positive impact on brand equity.

Apart from the hypothesized direct effects outlined above, we expect the trust–commitment framework to fully mediate the effect endorser credibility on expectations of relationship continuity as well as brand equity. In case of intangible services, celebrity endorsers add tangibility to the offering to the extent that the endorser becomes the representation of the service (Stafford et al., 2002), potentially anthropomorphizing the brand and endowing it with a personality. A process, rooted in meaning transfer theory (McCracken, 1989), facilitates the development of a consumer–brand relationship (Fournier, 1998). Thus, celebrity endorsers that are perceived as credible are likely to foster favorable relational outcomes (i.e., trust and relationship commitment) towards the endorsed brand, thereby evoking feelings of relationship continuity as well as perceptions of enhanced brand equity. We therefore expect trust and relationship commitment to fully mediate the relationship between endorser credibility and relationship continuity expectations/brand equity. The following hypotheses are presented:
H5. The trust–commitment framework fully mediates the effect of
derouser credibility on expectations of relationship continuity.

H6. The trust–commitment framework fully mediates the effect of
derouser credibility on brand equity.

3. Research design

A cross-sectional survey design was adopted using the Indian
telecom service sector as the context. A self-administered survey
was conducted with 620 Generation Y (18–25 year old) consumers
in New Delhi, India. The young consumer segment (under 25 years
old) constitutes around 50% of the Indian population (Euromonitor,
2007), and is considered as a major consumer segment for telecom
services (Euromonitor, 2009). The segment is even speculated as
driver of future growth in the telecom services sector (Chaturvedi,
2011). Further, the survey was targeted at respondents belonging
to middle income households, which represent the biggest con-
sumer group in the country (Ablett et al., 2007). Thus, the survey
targets the population of interest.

3.1. Stimulus

Around three quarters of the market share of the Indian telecom
services is controlled by five brands, viz., Airtel (20% share), Reliance
(17% share), Vodafone (16% share), Idea (11% share) and BSNL (11% share)
(Telecom Regulatory Authority of India, 2011). Three of the
top five brands (i.e., Reliance, Idea and BSNL) were offered as
choices to respondents. Airtel was not offered as a choice, since it is
endorsed by multiple celebrity endorsers, thereby potentially
introducing confounding effects of multiple endorsers in the cur-
rent study. Vodafone was excluded since Vodafone India’s current
advertising campaign uses spokescharacters, the study of which is
beyond the scope of the current research.

The chosen three brands are endorsed by Indian movie celeb-
rities, viz., Hritik Roshan (Reliance), Abhishek Bachchan (Idea),
and Deepika Padukone (BSNL) respectively. Indian movie celebri-
ties represent a dominant group of the celebrity brand endorse-
ment market (Indiantelevision.com, 2009), which is valued at
around 45 billion Rupees (Sinha, 2009) or approximately $1 bil-
ion, thereby suitable for a consumer study of celebrity endorse-
ments. The respondents were asked to nominate one service
brand as their primary (most used) brand, and answer the survey
considering the endorser–brand combination pertaining to their
choice.

The telecom service context was specifically chosen for pri-
marily three reasons. First, telecom services represent a purely
intangible offering, thus being suitable for a study of the trust–commitment framework. Second, the telecom service sector in India represents one of the dominant adopters of celebrity endorsers (Indiantelevision.com, 2009), thereby being suitable for the current study. Third, India is one of fastest growing mobile phone markets in the world (Euromonitor, 2007), thereby maintain-
ing a high demand for telecom services. The Indian telecom
sector includes around 890 million subscribers nationally
(Telecomcircle.com, 2012), and in New Delhi alone, where the
data for the current study was collected, includes around 42
million active subscribers, with a penetration rate of 169%
(Telecomcircle.com, 2012).

3.2. Measures

The measures for the current study are derived from the litera-
ture. Endorser credibility is operationalized as a second-order
construct, measured using three items each for perceived
attractiveness, expertise and trustworthiness as dimensions
(Ohanian, 1990). Brand trust and relationship commitment are measured using three and four items scales respectively, derived from
Aurier and N’Goala (2010). Brand equity is operationalized
(three items) based on Johnson et al. (2006). Relationship continu-
ity expectations are measured using three items derived from Hess
et al. (2003). We include three control variables that we expect to
also have an impact on brand equity and relationship continuity
expectations, namely endorser–brand fit, customer satisfaction
and perceived value. The control variables are each measured using
three items scales derived from Till and Busler (2000), Johnson
et al. (2006) and Aurier and N’Goala (2010).

3.3. Structural equation modeling

Structural equation modeling (SEM) with AMOS 17.0 is used as
the analytic tool. Model fit (misfit) is assessed using indices sug-
gested by Bagozzi and Yi (2012), that is, Comparative Fit Index
(CFI; cut off: > 0.95), Tucker and Lewis Index (TLI; cut off: > 0.95),
Root Mean Square Error of Approximation (RMSEA; cut off:
< 0.06), and Standardized Root Mean Square Residual (SRMR; cut off: < 0.07).

4. Data analysis

The 620 responses were initially cleaned for substantially large
missing data, extreme and mid-point responding, as well as for
multivariate outliers. A final useable sample of 525 was attained
for subsequent data analysis. Missing values were less than 3% of
the total values, and were replaced using expectation–maximiza-
tion algorithms (Baumgarth, 2009).

As regards choice of telecom service, 38% of respondents chose
Reliance, 36% of respondents chose Idea, and 26% of respondents
chose BSNL as their primary service, consistent with respective
market share rankings. The sample includes 47% male respondents,
which is comparable to gender demographics in the Indian popu-
lation (Euromonitor International, 2006).

4.1. Common method bias

A post hoc single factor test was conducted (Podsakoff et al.,
2003), by comparing an 8-factor measurement model of the current
research with a ‘common method’ factor with all items loading on
it. The common factor model elicits a significant Chi-square
($\chi^2 = 3695.04$; degrees-of-freedom = 434, $p < 0.05$) with poor fit to
data (e.g., CFI = 0.63; RMSEA = 0.120). Alternatively, the 8-factor
measurement model ($\chi^2 = 743.66$, degrees-of-freedom = 403;
$p < 0.05$), elicits acceptable fit (e.g., CFI = 0.96, RMSEA = 0.040).

4.2. Summarizing statistics

The means, standard deviations, inter-construct correlations
and square-root of average-variance-extracted (AVE) scores are re-
ported in Table 1. All pairs of inter-construct correlations are posi-
tive and significant ($p < 0.05$). The means range from 3.07 to 3.82
(out of 5.0), and corresponding standard deviations range from
0.84 to 0.98. Multicollinearity diagnostics did not signal a serious
threat in the data.

4.3. Assessing psychometric properties

Standardized factor loadings, reliability estimates and AVE
scores are reported in Table 2. Cronbach Alphas for all constructs
range from 0.78 to 0.87, whereas Composite Reliability estimates
range from 0.77 to 0.87 for all constructs suggesting adequate
construct reliability. All items load strongly (i.e., all standardized
loadings > 0.50) and significantly ($p < 0.01$) on respective constructs.
Additionally, the AVE score for each construct is greater than 0.50, supporting convergent validity (Fornell and Larker, 1981). Further, the square-root of AVE (reported in Table 1 along the upper diagonal) for all constructs is greater than the standardized correlation of those constructs with all other constructs, signaling adequate discriminant validity (Fornell and Larker, 1981). Finally, an 8-factor measurement model of the current study (analyzed using confirmatory factor analysis in SEM) reveals an acceptable fit to data, that is, $\chi^2 (403) = 743.66$, $p < 0.05$, TLI = 0.95, CFI = 0.96, SRMR = 0.035, RMSEA = 0.040. Thus, adequate construct validity can be assumed in the current study.

### 4.4. Structural model analysis and hypothesis testing

Structural model analysis reveals that a significant Chi-square is elicited, $\chi^2 (414) = 815.68$ ($p < 0.05$), with acceptable fit to data

### Table 1
Descriptives, correlations and square-root of AVE.

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>S.D.</th>
<th>EXP</th>
<th>ATT</th>
<th>TW</th>
<th>BT</th>
<th>COM</th>
<th>BE</th>
<th>RCE</th>
<th>FIT</th>
<th>VAL</th>
<th>SAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXP</td>
<td>3.13</td>
<td>0.84</td>
<td>0.73</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ATT</td>
<td>3.82</td>
<td>0.91</td>
<td>0.27</td>
<td>0.79</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TW</td>
<td>3.40</td>
<td>0.84</td>
<td>0.49</td>
<td>0.39</td>
<td>0.78</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BT</td>
<td>3.34</td>
<td>0.93</td>
<td>0.31</td>
<td>0.17</td>
<td>0.28</td>
<td>0.79</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COM</td>
<td>3.23</td>
<td>0.92</td>
<td>0.24</td>
<td>0.18</td>
<td>0.21</td>
<td>0.64</td>
<td>0.79</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BE</td>
<td>3.07</td>
<td>0.98</td>
<td>0.24</td>
<td>0.10</td>
<td>0.20</td>
<td>0.54</td>
<td>0.60</td>
<td>0.79</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RCE</td>
<td>3.20</td>
<td>0.96</td>
<td>0.17</td>
<td>0.17</td>
<td>0.19</td>
<td>0.62</td>
<td>0.69</td>
<td>0.67</td>
<td>0.77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIT</td>
<td>3.30</td>
<td>0.86</td>
<td>0.48</td>
<td>0.23</td>
<td>0.36</td>
<td>0.35</td>
<td>0.32</td>
<td>0.37</td>
<td>0.74</td>
<td>0.79</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAT</td>
<td>3.33</td>
<td>0.96</td>
<td>0.15</td>
<td>0.10</td>
<td>0.21</td>
<td>0.62</td>
<td>0.58</td>
<td>0.57</td>
<td>0.67</td>
<td>0.32</td>
<td>0.71</td>
<td>0.71</td>
</tr>
</tbody>
</table>

Note: All correlations are significant at the 0.05 level (2-tailed). The figures corresponding to square-root of AVE for each column construct is typed in bold along the diagonal. EXP = Celebrity expertise; ATT = Celebrity attractiveness; TW = Celebrity trustworthiness; BT = brand trust; RCE = Relationship continuity expectations; COM = Relationship commitment; BE = brand equity; FIT = Endorser–brand fit; VAL = perceived value; SAT = Overall satisfaction.

### Table 2
Reliability and validity estimates.

<table>
<thead>
<tr>
<th>Factor and items</th>
<th>Convergent validity $r^2 &gt; 0.50 \text{ (sig.)}$</th>
<th>Reliability Alpha</th>
<th>Composite reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expertise</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endorser is an expert</td>
<td>0.77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endorser possesses experience</td>
<td>0.71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endorser is knowledgeable</td>
<td>0.71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Attractiveness</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endorser is attractive</td>
<td>0.82</td>
<td>0.83</td>
<td>0.62</td>
<td></td>
</tr>
<tr>
<td>Endorser is good looking</td>
<td>0.87</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endorser is classy</td>
<td>0.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trustworthiness</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endorser is trustworthy</td>
<td>0.81</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endorser is honest</td>
<td>0.79</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endorser is reliable</td>
<td>0.74</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brand trust</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>[Brand] cares about me</td>
<td>0.82</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>[Brand] is honest in addressing my concerns</td>
<td>0.81</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can count on it do what is right</td>
<td>0.75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Relationship commitment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel a sense of belonging</td>
<td>0.81</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Committed to maintaining a relationship</td>
<td>0.80</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has a great deal of personal meaning</td>
<td>0.78</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proud to be a customer</td>
<td>0.77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brand equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My brand and personality fit well</td>
<td>0.83</td>
<td>0.83</td>
<td>0.62</td>
<td></td>
</tr>
<tr>
<td>[Brand] reflects my lifestyle</td>
<td>0.83</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I can identify with my brand</td>
<td>0.73</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Relationship continuity expectations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expect to use the service for a long time</td>
<td>0.82</td>
<td>0.82</td>
<td>0.60</td>
<td></td>
</tr>
<tr>
<td>I expect my relationship to be enduring</td>
<td>0.78</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It is likely that I shall use service in future</td>
<td>0.77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Endorser brand fit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is match-up</td>
<td>0.78</td>
<td>0.78</td>
<td>0.55</td>
<td></td>
</tr>
<tr>
<td>The combination goes together</td>
<td>0.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combination is appropriate</td>
<td>0.74</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Perceived value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I find it worthwhile to use my service</td>
<td>0.83</td>
<td>0.84</td>
<td>0.63</td>
<td></td>
</tr>
<tr>
<td>Provides level of performance for money</td>
<td>0.81</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provides a good relative to competitors</td>
<td>0.79</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I did the right thing when I signed up</td>
<td>0.83</td>
<td>0.83</td>
<td>0.62</td>
<td></td>
</tr>
<tr>
<td>I am satisfied with my service</td>
<td>0.83</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My choice is a wise one</td>
<td>0.73</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: * $r$ refers to the standardized factor loading. All loadings are significant at 0.01 level.
Table 3: Structural parameters of the research model.

<table>
<thead>
<tr>
<th>Hypothesized path</th>
<th>β</th>
<th>C.R.</th>
<th>p</th>
<th>Hypothesis support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endorser credibility → Brand trust</td>
<td>0.31</td>
<td>6.71</td>
<td>***</td>
<td>Supported</td>
</tr>
<tr>
<td>Brand trust → Relationship commitment</td>
<td>0.79</td>
<td>15.34</td>
<td>***</td>
<td>Supported</td>
</tr>
<tr>
<td>Relationship commitment → Relationship continuity expectations</td>
<td>0.42</td>
<td>8.72</td>
<td>***</td>
<td>Supported</td>
</tr>
<tr>
<td>Relationship commitment → Brand equity</td>
<td>0.40</td>
<td>7.24</td>
<td>***</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Note: β refers to standardized beta coefficient; C.R refers to critical ratio; p refers to significance level. **p < 0.01. Impact of control variables are not noted in the current table.

(TLI = 0.95, CFI = 0.95, SRMR = 0.041, RMSEA = 0.043). Further, the research model explains approximately 61% of the variation in brand equity and, 86% of the variation in relationship continuity expectations, the ultimate dependent variables. The model also explains approximately 69% of the variation in brand trust and 62% of the variation in relationship commitment.

Individual hypotheses are examined next. Examination of path estimates reveals that all the direct hypothesized paths are significant (refer to Table 3). Endorser credibility exerts a direct significant impact on brand trust (β = 0.31, C.R. = 6.71), supporting H1. Brand trust, as expected, significantly impacts relationship commitment (β = 0.79, C.R. = 15.34), thereby supporting H2. Relationship commitment exerts direct significant influences on relationship continuity expectations (β = 0.42, C.R. = 8.72), as well as brand equity (β = 0.40, C.R. = 7.24). Thus, Hypotheses H3 and H4 are supported. As regards the impact of control variables, significant impacts are observed for the effect of satisfaction on brand equity (β = 0.27, C.R. = 2.16, p < 0.05), endorser–brand fit on brand equity (β = 0.17, C.R. = 3.64, p < 0.01), satisfaction on brand trust (β = 0.71, C.R. = 14.72, p < 0.01), and satisfaction on relationship continuity (β = 0.55, C.R. = 4.95, p < 0.01).

Bias-corrected bootstrapping analysis using 5000 bootstrap samples with 95% confidence intervals was conducted to examine indirect effects that indicate mediation (Preacher and Hayes, 2008). The analysis reveals that endorser credibility exerts a significant indirect effect on expectations of relationship continuity (95% confidence interval: 0.06–0.17, p < 0.01), supporting H5. Additionally, endorser credibility exerts a significant indirect influence on brand equity (95% confidence interval: 0.06–0.16; p < 0.01), thus supporting H6. This analysis supports the mediating role of the trust–commitment framework as hypothesized.

4.5. Alternative model analysis

An alternate model analysis is conducted to check for competing explanations (Anderson and Gerbing, 1988). The competing explanation that is of interest to the current study is the presence of direct influences from endorser credibility to the two ultimate dependent variables, which reveal whether the hypothesized effects are fully or partially mediated by the trust–commitment framework. The hypothesized model, called Model M1 (Fig. 2, Panel a) serves as the base model, which is compared to an alternate model called Model M2 (Fig. 2, Panel b). Model M2 allows for direct influences from endorser credibility and brand trust to each of the two ultimate dependent variables (i.e., brand equity and relationship continuity expectations).

Model M2 elicits a significant Chi-square, χ² (410) = 809.30, (p < 0.05) with acceptable fit to data (i.e., TLI = 0.95, CFI = 0.95, SRMR = 0.040, RMSEA = 0.043). However, a Chi-square difference test reveals a lack of significant difference among the two models, that is, χ² difference = 6.38, which is less than the critical value of 9.49 at 0.05 level for a degrees-of-freedom difference of four. In other words, the added paths from endorser credibility each to relationship continuity expectations and brand equity do not introduce a significant difference relative to Model M1. More importantly, none of the added direct influences are significant in Model M2. The lack of significance of direct paths from endorser credibility and brand trust each to the ultimate dependent variables indicates that the trust–commitment framework fully mediates the effect of endorser credibility on brand equity as well as expectations of relationship continuity.

As regards, model superiority, four criteria are used for comparing Model M1 and Model M2 (Morgan and Hunt, 1994), namely, model fit as measured by CFI, percentage of a model’s significant
path estimates, model's ability to explain the variance in the focal variables and, model parsimony, as measured through parsimonious Normed fit index (PNFI). CFI for both Model M1 and Model M2 is similar (0.95). The variance explained in each of the four constructs (i.e., brand trust, relationship commitment, brand equity and relationship continuity expectations) improves by 1% in Model M2. More importantly, none of the added direct influences are significant in Model M2; thus 50% of its paths are non-significant. Finally, model parsimony is examined using the PNFI index. Experts advise that the PNFI index 'is not simply a goodness-of-fit index' (Mulaik et al., 1989; p. 439). PNFI is informed by both the goodness-of-fit and parsimony of a model; thus, combining two logically interdependent pieces of information about a model into a single index (Mulaik et al., 1989). Therefore, it is possible to obtain parsimony fit indices within the 0.50 region while other goodness-of-fit indices achieve values over 0.90. The current analysis reveals that PNFI is lower for Model M2 (PNFI = 0.80), as compared to Model M1 (PNFI = 0.81). Therefore, given that the research model (Model M1) fits the data adequately, has all significant path estimates, and is more parsimonious than Model M2, it is preferred over the alternate model.

5. Discussion and conclusion

The current study complements multiple perspectives on celebrity endorsements. The results of the study are consistent with the tri-component source credibility model (Ohanian, 1990). Endorser credibility (measured as attractiveness, trustworthiness and expertise) significantly influences consumer trust and commitment towards a brand, which in turn leads to favorable outcomes such as enhanced brand equity and consumer expectations of relationship continuity. This chain-of-effects complements the associative network memory theory (Keller, 1993), as per which consumer knowledge of a brand in memory is represented as a network (a schema) of interconnected brand associations. Knowledge pertaining to an endorser of a brand represents secondary brand associations, which are vital to building brand equity (Keller, 2008). Therefore, a credible endorser evokes favorable relational responses from a consumer (trust and commitment). In turn, such favorable relational response flows over to the endorsed brand, manifested as favorable brand evaluations (i.e., enhanced brand equity).

A second contribution of the current study pertains to its pioneering role in empirically examining a relationship building role of the celebrity endorsement process. The finding that the trust-commitment framework fully mediates the influence of endorser credibility on expectations of relationship continuity supports meaning transfer mechanisms that suggest that celebrity endorsers bring cultural and symbolic meanings into the endorsement process that transcend from the endorser to the brand being endorsed (McCracken, 1989). Celebrity endorsers provide aspirational value to consumers, thereby potentially facilitating a consumer brand relationship. Given that the current study is conducted in India where movie celebrities are highly regarded and thus extensively used in brand advertising (Warc Exclusive, 2010), their cultural and symbolic role is supported. Besides, the literature considers the trust-commitment framework as pivotal to consumers' perception of relationship quality with brands (Aurier and N'Goala, 2010). Thus, the current study reconciles the endorser credibility literature with the literature on relationship quality, thus enabling an understanding of celebrity endorsers as facilitators of consumer brand relationships.

A third contribution pertains to the service context of the current study. A majority of the endorsement literature uses product brand endorsements as the context (Spry et al., 2011; Marshall et al., 2008), thus limiting the contextual scope of the findings. Services are characterized largely by experience and credence attributes and lack of physical evidence, thereby making services marketing a challenging task. Thus, a vital element in fostering long term retention of service consumers is the development of emotional bonds (Lovelock et al., 2007). Furthermore, services entail joint creation of value (inseparability), which enables consumers to engage in meaningful relational behaviors with service brands. The results of the current study suggest that consumers indeed engage in meaningful relational behaviors during the celebrity endorsement process. Celebrity endorsements influence consumer expectations of relationship continuity with a service brand after controlling for critical service evaluative aspects like consumer satisfaction and perceived value.

A practical implication of the study pertains to a novel assessment of celebrity endorser effectiveness. Specifically, practitioners can now address the issue of whether a hired celebrity endorser is able to evoke favorable relational responses among a brand's consumers as well as facilitate continuity of a relationship in future. In case of purely intangible services, the issue assumes greater importance due to a lack of tangible evaluative attributes. A celebrity endorser adds tangible properties to the intangible offering. The results suggest that a celebrity endorser can generate consumer perceptions of trust and relationship commitment towards the brands being endorsed. These perceptions in turn facilitate feelings of relationship continuity with the endorsed service brand. Thus, the current study proposes a consumer relationship building role of celebrity endorsers. Additionally, the study informs practitioners about how endorser-based brand-equity effects materialize. In highly competitive service markets (e.g., the Indian telecom sector), competing brands may provide comparable satisfaction and value, which may not suffice to generate incremental perceived brand equity. The results suggest that (after controlling for perceived satisfaction and value), credible endorsers can indirectly impact brand equity enhancement via affecting consumer perceptions of brand trust and brand relationship commitment.

6. Limitations of the study

We acknowledge three limitations of the current study. First, the current study is conducted using consumer responses from India, thereby limiting the generalizability of the findings. Future investigations should consider replicating the research model in service industries internationally in order to achieve greater external validity of the results. Two, the conceptual path from endorser credibility to brand equity is potentially moderated by consumer-based variables such as consumer expertise. Experts, as compared to novices, have well developed memory structures that enable them to use greater brand related information for making evaluative judgments (Mitchell and Dacin, 1996), thereby potentially reducing their reliance on celebrity endorsements for making brand equity judgments. Thus, the path form endorser credibility to brand trust may be weaker for experts as compared to that for novices. Finally, the current study investigates the hypothesized relationships at a given point in time, thus being limited with regards to modeling change in consumer perceptions of endorser credibility over time and the subsequent effects on brand-equity and relationship continuity expectations. Future research should consider examining the research model using a longitudinal design to model such changes in consumer perceptions over time.

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