Celebrity Endorsement’s Impact on Brand Image and Sales

- A Case Study on Volvo Cars Sweden

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Abstract

Background: Celebrity endorsement is a widespread phenomenon today, over 20% of advertisements in the United States feature celebrities (Solomon, 2009) and it has become an integral part of marketing communications these days (Chung, Derdenger & Srinivasan, 2013). A well-known example of successful celebrity endorsement usage is the collaboration between Nike and golf star Tiger Woods with estimated additional profit of $103 million (Chung, Derdenger & Srinivasan, 2013). Hunter (2010) states that celebrity endorsement is an under-researched phenomenon overall, which opens up for further research.

Purpose: This thesis intends to explore and understand the impact celebrity endorsement as a marketing tool has on a firm’s brand image and sales. In order to accomplish and get up to date results, Volvo Cars Sweden and their recent marketing activities will be studied and evaluated.

Method: In order to carry out the intended purpose of this thesis, an abductive study with qualitative data has been used. To retrieve appropriate data and valid information, interviews were conducted with Volvo Cars Sweden and two large Volvo retailers.

Conclusion: We have identified several important factors in order to increase a firm’s brand image and sales. These include likeability and having a congruent image between the brand and the celebrity. By following these and successfully achieving their performance indicators, Volvo have managed to significantly increase both brand image and sales, indicating the impact this marketing strategy might generate.
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I Introduction

In this section we introduce the topic, celebrity endorsement. We present the background related to the topic and also the problematization. At the end of the part we state the purpose of this thesis.

1.1 Preface

Marketers claim that the twofold goal of marketing is to create value for customers and build strong customer relationships, which in turn the company will benefit from when capturing value in return (Kotler, Armstrong & Parment, 2011). An effective approach to building relationships between the company and its customers is through the usage of celebrity endorsement. It is known that customers tend to feel stronger about a product or brand when someone they can relate or look up to is endorsing it (Erdogan, 1999).

“The celebrity endorser is known as any individual who enjoys public recognition and who uses this recognition on behalf on a consumer good by appearing with it in an advertisement (McCracken, 1989, p. 310).” According to Sherman (1985) the first known usage of celebrity endorsement dates back to the late nineteenth century. However, it gained popularity among companies during the growth of commercial radio in the 1930s as well as the commercial television in the 1950s (McDonough, 1995). Ever since the technological progress the usage of this strategy has constantly increased (Howard, 1979; Motavalli, 1988; Shimp, 1997; Chung et al., 2013).

Due to this increase in the usage of celebrity endorsement the authors of this thesis find it interesting to further investigate the impact this marketing strategy has on a company’s brand.

1.2 Background

Celebrity endorsement is a widespread phenomenon today, over 20% of advertisements in the United States feature celebrities (Solomon, 2009). Hence, there are a great number of well known examples and celebrities from all kind of different professions that are used in order to endorse brands and products, for example athletes, actors, pop stars, television personalities and business men. Golf star Tiger Woods has been endorser and spokesperson for Nike during a long time; he has appeared in several commercials and is playing with Nike equipment. Fashion brand Gap has used television star Sarah Jessica Parker in commercials in order to promote its products, and Pepsi has used several celebrities over
the years, both pop stars like Madonna and Britney Spears and football players like David Beckham (Edwards, 2011; La Ferla, 2005; Hand, 2009).

Martin Roll (2014) states that celebrity endorsement is thought to provide a specific differentiation and strengthen the brand image in a market with intense competition, of local, regional and international brands. Furthermore, in order to be effective, it is said that a symbolic match should exist between the celebrity image and the brand image (McCracken, 1989). The endorser should also be able to fulfil the objectives of familiarity, relevance, esteem and differentiation. Familiarity means that the celebrity is recognised by the target market and that they find him or her likeable and trustworthy. Relevance is about the link from the endorser to the product and the audience. Esteem stands for the credibility the celebrity claim and offer, and differentiation means that he or she stands out and towers above the rest (Lalwani, 2006).

If the right criteria’s are met it is argued that celebrity endorsement can be a successful marketing strategy in order to raise awareness, increase sales and revenues, and differentiate a firm’s products and services from those of competitors’. (Ohanian, 1991; Rosa, 2010; Schlecht, 2003; Solomon, 1996). It is also argued that it is efficient when it comes to generate purchase intentions and change beliefs among consumers (Debevek & Kernan, 1984; Friedman, Termini & Washington, 1976). It might be difficult to assess the economic value of using celebrity endorsement and if it has an effect on sales (Segrave, 2005). However, in order to illustrate a successful example of using celebrity endorsement, there is Nike’s famous collaboration with sport athlete Tiger Woods. During a time-period of ten years, 2000 to 2010, the estimated additional profit of using Woods in their campaign was as high as $103 million. That number was from the sales of golf balls alone. This also covered 57% of Nike’s investment, and this is a great example of how celebrity endorsement can generate brand recognition and also increase a firm’s sales (Chung, Derdenger & Srinivasan, 2013).

Another example of successful usage of celebrity endorsement was the luxury brand Chanel and their cooperation with the famous actress Nicole Kidman that had an estimated boost on sales with 30% (Creswell, 2008). The correlation between celebrity endorsement and the effect it has on sales is an important discussion these days, since celebrity endorsement has become an integral part in companies marketing strategies (Chung et al., 2013).
1.3 Problem

Celebrity endorsement as a marketing strategy and its impact on a firm’s brand image has been moderately researched during recent decades (Erdogan, 1999). Apart from the findings mentioned in the background section, research has shown that celebrity endorsement increase attention and brand recognition. It also helps underpin global campaigns, simplifies potential image polishing and brand repositioning, and makes a product or service more believable (Erdogan, 1999; Spry, Pappu & Bettina, 2011).

However, most of the comprehensive research conducted is out-dated and Hunter (2010) states that it is an under-researched phenomenon overall. Hence, the authors of this thesis want to present how a modern company today might be able to improve its brand image by using celebrity endorsement in its marketing strategy. Another interesting issue identified that certifies our choice of Volvo Cars Sweden is the lack of existing research conducted outside the United States (Doss, 2011).

Existing literature will be applied to the research that will be conducted, and will work as a base when analysing Volvo Cars Sweden’s recent activities within this field. It will aid us when trying to comprehend the incentives Volvo had when choosing to adopt certain strategies and if it has been successful or not. By studying Volvo we will get a real life example of a company that in recent years have been using this marketing strategy. This will increase our understanding of the phenomenon celebrity endorsement and its impact for a firm. Previous findings within this area will be combined with the preliminary data that this thesis will present, in order to get more reliable results in the evaluation of Volvo and their marketing campaigns.

1.4 Purpose

The purpose of this thesis is to explore and understand the impact celebrity endorsement as a marketing tool has on a firm’s brand image and also on a firm’s sales. Furthermore, the influencing factors that play a key role when applying this tool will also be considered. Volvo Cars Sweden and their recent marketing communication activities will be studied and evaluated in order to analyse the possible influence of using celebrity endorsement today.
1.5 Definitions

1.5.1 Celebrity

A celebrity is a person who is publicly recognised by a large share of a certain group of people, and in the context of celebrity endorsement it is someone who is publicly known for achievements in other areas than the product class endorsed. Celebrities are further said to enjoy a high degree of public awareness and they generally differ from the social norm in a corresponding social group. Attributes like special skills, attractiveness and extraordinary lifestyle are examples and specific common characteristics that are recognised. (Friedman & Friedman, 1979).

1.5.2 Celebrity Endorsement

McCracken’s (1989) definition of a celebrity endorser is probably the most recognized, he describes the celebrity endorser as a person that is publicly known and who uses his or her recognition in order to promote a product or brand in advertisement. According to Martin Roll (2014) endorsement is a brand communication channel where the celebrity certifies a brand’s position and claim by extending his or her popularity, personality, expertise in the field or stature in the society to the brand and overall acts as a spokesperson for the brand. It is also argued to be effective in a market with intense competition and a high variety of brands since it can provide differentiation. Endorsement as a communications tool also provides the endorser to transfer its already existing credibility to the brand promoted (Spry et al., 2011; Ogunsiji, 2012).
2 Frame of Reference

In this section we provide information about the process of celebrity endorsement, we discuss the advantages and disadvantages of using celebrity endorsement and also some theoretical and practical models for using it. Models are discussed and analysed in order to show the theoretical part of celebrity endorsement. All in order to be able to interpret the empirical findings later, and to analyse and understand Volvo’s choice of strategy and its effectiveness and impact, as will be made in the analysis section.

2.1 Celebrity Endorsement

2.1.1 Celebrity Endorser vs. Created Spokesperson

Celebrities offer less controlling power for companies compared to created spokespersons, and in order for this marketing communication strategy to be effective the endorsers should be perceived as experts in the specific category, this by being experienced, knowledgeable and qualified (Ohanian, 1991; Tom, Clark, Elmer, Grech, Masetti & Sandhar, 1992). Advertising is the vehicle most frequently used in order to associate a celebrity with a specific product, and celebrities are argued to induce more positive feelings about an advertisement and generate more desirable outcomes than created spokespersons (Hunter, 2010).

Created spokespersons have a greater controlling power, this since companies themselves develop these characters in order to match their brands and target audiences. Created spokespersons furthermore only endorse one particular product category and are thus more effective when it comes to create a strong connection between the product and the endorser. It is argued that in marketing communication contexts consumers start to associate an unconditional stimulus, endorser in this case, with a brand and/or product through repeated exposure (Tom et al., 1992). This association further grows stronger with original rather than popular material, thus, with created spokespersons rather than celebrity endorsers since a celebrity is associated with many other things than the product class being endorsed. Also, the spokesperson is unique in accordance to the product class. Celebrities’ personality and product match are more difficult to have control over since they have created their own personality and public reputation during the years (Tom et al., 1992).

However, according to Erdogan (1999) other studies have revealed that a celebrity creates stronger purchase intentions and creates more positive attitudes towards an advertisement compared to created spokespersons. Furthermore, if a company successfully matches a ce-
lebrity with a product it is argued to have a higher increase on overall sales, and Hunter (2010) states that it is more effective to use a celebrity in an advertisement in many respects. This since they are more likable, attractive, trustworthy and readily identifiable than created spokespersons.

2.1.2 Pros and Cons with a Celebrity Endorser

Several studies have been conducted during the years stating pros and cons with celebrity endorsement as a marketing strategy. Erdogan (1999) has summed up five advantages with the strategy; increased attention, image polishing, brand introduction, brand repositioning and underpin of global campaigns. Due to increased consumer power over programmed advertisements, as a result of technological innovations, advertising has become more challenging in recent years (Croft, Dean & Kitchen, 1996). Celebrity endorsement is thus argued to ease this challenge by creating and maintaining consumer attention towards advertisements, and it also helps in the communication process by cutting through excess noise and standing out (Erdogan, 1999; Sherman, 1985). Hunter (2010) further develops this and states that consumers experience high recall rates when exposed to a celebrity endorser in an advertisement and that it increases purchase intentions.

Furthermore, if a company has received negative public reputation, a strategically chosen celebrity connected to the product can give the product and brand its personality and appeal, hence turn the whole situation around. It is a strategic tool if a company wants to generate effective public recognition for a product or brand (Dickenson, 1996; Hunter, 2010). Likewise, a celebrity might have the necessary means to reposition an existing product, and it is also a powerful tool when it comes to entering foreign markets. This since a global celebrity can help overcome the cultural challenges for a firm in a new market, for example relationships, language, time and space (Mooij, 1994; Erdogan, 1999).

Hunter’s (2010) findings further revealed that celebrity engagement affect the communication effectiveness positively due to increased perceptions of emotional involvement and trustworthiness. Further, two more potential advantages with celebrity endorsement as a marketing communication tool are mentioned; personality and appeal, and that it can lead to higher stock prices. Using a celebrity in a marketing campaign can create connections between consumers and the product and brand. It is said to give instant recognition, personality, and appeal. Higher stock prices as an advantage with celebrity endorsement is more difficult to interpret, however, when a firm announces the collaboration with a celeb-
rity it is argued to have some impact on the stock prices, and mostly in the positive direction (Dickenson, 1996; Hunter, 2010).

However, Erdogan (1999) also states some cons with using celebrity endorsement as a marketing communication strategy; it can overshadow the brand, create public controversy, cause image change and overexposure, create loss of public recognition, and it is expensive. The celebrity’s own reputation is thus an important aspect, especially if the celebrity drop in popularity, is involved in a controversy, or loses its credibility over the product class endorsed. It is understood that negative publicity about the celebrity can have influence over both the celebrity and the product being endorsed. Cooper (1984) states that the product, not the celebrity, must be the star. The risk is that the celebrity overshadows the brand and that the focus of attention is directed on the celebrity rather than the product being endorsed. This is sometimes referred to as the vampire effect, since it is argued that the celebrity absorbs all the attention (Cooper, 1984).

Furthermore, as mentioned, a celebrity that becomes embroiled in a controversy might cause failure for a whole campaign or even for a complete brand. A famous example is the Tiger Woods scandal in 2009 where several of his sponsors terminated the collaboration after it became publicly known. This since they were afraid to get bad reputation and lose customers. Fact is that he in 2013 only had two of his sponsors from that time remaining (The Week, 2013). Erdogan (1999) continues with overexposure as another threat for companies, and by overexposure he means that the celebrity endorses several different products and brands and might lose his/her identity with a specific brand. Mowen and Brown (1981) explain it as a lesser relationship between the brand and the celebrity.

Due to these above mentioned pros and cons with celebrity endorsement, Erdogan (1999) states that celebrity endorsement is anything but an easy strategy and that the choice of celebrity can be crucial when it comes to success or failure for a firm and its marketing efforts.

### 2.1.3 Previous Impact by Celebrity Endorsement

Using celebrity endorsement as marketing communications strategy has in many cases resulted in great results, both in terms of sales and brand image. Volvo have released some numbers for the campaigns being examined in this thesis. Their most known campaign, ‘Made By Sweden’, featuring the Swedish football star Zlatan Ibrahimovic, contributed to great results. It was a campaign for Volvo’s model XC70, and the sales during the first four
weeks after the campaign was released measured 269% over Volvo’s expected goal. Further, people that ‘built’ their car at Volvo’s car configurator increased with 146% compared to normal, whereas the goal was an increase with 35% (Andersson, 2014). Volvo also indicates on numbers showing how their brand image have strengthened. Their advertising recall, which tells how many receivers that do remember specific campaigns, increased to an all time high of 75%. Also, the campaign became a great hit on social medias, the ad had been showed over one million times and shared over 100 000 times on YouTube after only 26 hours. This led to the campaign being the second most shared commercial in the world during the first week, and to one of the most shared and viewed commercials ever from Sweden (Andersson, 2014). Furthermore, focusing on social medias, during the most intense period for the campaign the frequency on Twitter was one tweet per second, and Volvo integrated the communication in 21 different channels (Matter, 2014). As of October 2014, Volvo Sweden had experienced an overall increase of 18%. Globally the increase was 10%, much due to the campaigns, according to Stefan Elfström, spokesperson at Volvo Cars (El-Mochnatief, 2014).

Previous mentioned is Tiger Woods impact on the sales of Nike’s golf balls. Tiger Woods is a perfect example on how much impact a celebrity can have for a firm, and for an entire industry. Tiger was involved in an infidelity scandal in 2009, which resulted in many of his sponsors leaving and terminating the contracts (Edwards, 2011). However, Nike stood with him, and actually made $2 million in sales after the scandal. Further, Tiger has been such a big name for the entire golf industry due to his success and additionally by endorsing vastly for Nike. While Tiger was absent from the game following the scandal as well as due to injuries, regular golfers forgot about the game since their biggest star was not involved. This caused the entire golf ball industry a total loss of $10.2 million in revenues while he was absent (Edwards, 2011). Furthermore, according to Edwards (2011) the president for Nike Golf has said, “He elevates the energy around golf as a whole”. The vice president of Bridgestone, one of Nike Golf’s biggest competitors, even admitted that it is better to have him in the game, although endorsing a competitor, since he brings energy to the game. Mentioning the success of the golf balls again, Nike made $103 million extra in profit the first 10 years of working with Tiger Woods. Also, 4,5 million new customers went with him and chose Nike Golf according to studies (Chung et al., 2013; Edwards, 2011).
There are numerous other successful examples in different industries with different kinds of celebrities. Movie star George Clooney has been ambassador for Nespresso since 2005, and since then their sales have increased instantly, for example with 22% globally and 35% in Great Britain in 2009. This making Nespresso Nestlé’s fastest growing business, much argued to be thanks to their commercials with George Clooney (Teather, 2010). Since former footballer David Beckham made an own men’s underwear collection at H&M sales rose from £718.5 to £777.6 million. It has also been a rise for the entire industry of body wear since his commercial. Department store Selfridges have seen a 28% increase in sales of body wear, accounting for 46% of their overall sales in 2013 (The Independent, 2013; Winter, 2013).

2.2 The Main Models Within Celebrity Endorsement

Several models have been conducted in order to understand the process of celebrity endorsement. The four most commonly discussed and most comprehensive are based on the endorsers’ credibility and attractiveness, the match between product and celebrity, as well as the meaning transfer of the message (Erdogan, 1999). If these are followed and the timing is right, as well as if a company works sufficiently with the other tools in order to strengthen its brand image, celebrity endorsement is argued to be a successful marketing communications strategy (Erdogan; 1999; Schlecht, 2003; Hunter, 2010). Hence, the focus will be on these models. The four models presented will be the two source models; the Source Attractiveness Model and the Source Credibility Model, as well as the Product Match-Up Hypothesis and the Meaning Transfer Model. Further why these models are being brought up is since they, apart from being the most discussed, are the most developed and the ones that have been emphasized the most in previous research and studies in the field, thus being the ones most applicable to this study and Volvo’s case (Erdogan, 1999; Hunter, 2010).

The source models are categorised under the same name since the models are based on and reflect on social influence theory, which specifies that certain characteristics of a source in any communication can have influence on message receptivity (Erdogan, 1999). In order to understand these models and why they work it is important to understand the underlying factors for these concepts. Kelman (1961) discussed how credibility and attractiveness have influence on attitude change and argues that there exists three processes of social influence that evokes different responses; compliance, identification and internalisa-
Identification and internalisation are of greater importance when it comes to celebrity advertising (Hunter, 2010), hence they will be discussed more thoroughly.

### 2.2.1 Underlying Factors

#### 2.2.1.1 Identification

If an individual or group is concerned with its social status they tend to identify with the influencing source. An influencing source’s power descends from attractiveness, attractiveness in that sense of the set of qualities that makes a continued relationship to one person particularly desirable. An attractive source manifest what an individual or group concerned with its social status desires or seeks to maintain, and they adapt their behaviour in order to match this or to fit in social situations. Especially under presence of their influencing source where individuals can act out social roles consciously or unconsciously. This type of identification behaviour will remain until it no longer is seen as the best way towards the establishment or maintenance of satisfying outlined relationships (Kelman, 1961). In accordance to celebrity endorsement this means that when an endorser is seen as attractive he/she has the power to influence attitude and opinion change among consumers regarding a product when a salient connection exists between the endorser and the product (Hunter, 2010). According to Friedman & Friedman (1979) this may be the process leading to persuasion by a celebrity endorser. The conclusion is that individuals identify and try to emulate attractive people’s behaviour, and in the case of an attractive endorser he/she has influence over recipients (Kelman, 1961; Hunter, 2010).

#### 2.2.1.2 Internalisation

Kelman (1961) argues that individuals who think that their behaviour is equivalent with their values often adopt internalisation, a form of influence. When an influencing source generate internalisation in a receiver it is related to credibility, and the source is credible if his/her statements are valid, truthful and worthy a serious consideration. Credibility relates to whether the source is trustworthy or an expert in the field. Trustworthy in this sense is whether the source is likely to tell the truth, and expert is whether the source knows the truth. An individual’s behaviour will continue as long as it maximizes the individual’s values after being internalised an induced response (Kelman, 1961). It is further argued that celebrity endorsers can generate internalisation and identification, and if they are seen as trustworthy or experts in the product category being endorsed they provoke internalisation in consumers (Hunter, 2010).
2.2.2 The Source Attractiveness Model

The attractiveness model is McGuire’s (1985) theory about gaining efficiency from celebrity status and physical attractiveness. This model is not all about physical attractiveness though; a message’s effectiveness also depends on the similarity, likeability and familiarity the receiver feels towards the source. Similarity is about the resemblance between the source and the receiver, likeability is about the devotion for a source depending on his/her behaviour and physical attractiveness, and familiarity is about the knowledge a receiver has of the source through previous exposure (McGuire, 1985). Other attributes that receivers’ feel about a source are for example personality properties, athletic prowess, lifestyles or intellectual skills (Erdogan, 1999). These factors are demonstrated to change beliefs among consumers, form positive stereotypes and generate stronger purchase intentions (Debevek & Kernan, 1984; Friedman, Termini & Washington, 1976).

Generally, it is assumed that the effectiveness of persuasive communications is determined by physical attractiveness through identification, as described above. It is also measured that an attractive celebrity generates greater recall for a brand compared to an unattractive one (Erdogan, 1999; Hunter, 2010). However, according to the Elaboration Likelihood Model (ELM) persuasion under high and low involvement conditions varies, for example the quality of arguments has greater impact when involvement is high, whereas peripheral cues such as source attractiveness have greater impact on persuasion under low involvement conditions. Hence, the efficiency of the source attractiveness model may differ depending on the involvement conditions (Erdoğ, 1999).

2.2.3 The Source Credibility Model

The credibility model is a more established model than the attractiveness model (Hunter, 2010) and was developed by Hovland, Janis & Kelly (1953). The model argues that the expertise and trustworthiness of an endorser are dependent for the effectiveness of the message (Hovland et al., 1953). A credible source can have influence on consumers’ opinions, beliefs, attitudes and in the end behaviour through internalisation (Ohanian, 1991; Solomon, 1996; Erdoğ, 1999). Further, Hunter (2010) states that source credibility is argued to improve consumer confidence, improve consumers reactions towards a brand, alter negative predispositions, and that a credible source is more effective at endorsement.

The credibility model consists of two dimensions; expertise and trustworthiness. Expertise is whether or not the target audience perceive that the endorser is a valid source of asser-
tions, that he or she has experience and knowledge in the area of the product category. This is of importance since an expert is argued to generate more intentions to purchase a specific brand, thus to be more persuasive (Aaker & Myers, 1987; Ohanian, 1991; Hunter, 2010). Trustworthiness is also about the target audience perceptions, how honest, dependable and believable the endorser is perceived to be. Untrustworthy endorsers are argued to be questionable sources of a message (Smith, 1973; Shimp, 1997; Hunter, 2010). Friedman & Friedman (1978) argues that trustworthiness is the major part in source credibility and that likeability was the most important attribute, however, Ohanian (1991) states that it is not particularly related to purchase intentions among consumers.

Ohanian (1990) developed a scale with dimensions for both source models that measured celebrity endorser communication effectiveness through expertise, trustworthiness and attractiveness, and argued that both source models should be applied in order to be as effective as possible.

Figure 1: The Latent Source Model Dimensions and Measurable Items (Ohanian, 1990; Hunter, 2010, p. 32).

Further, Erdogan (1999) argues that even though source credibility has a direct and significant effect on behavioural intentions and attitudes, and that it is important for advertisers to take into account when selecting endorsers, it is not the only factor that should be considered. McCracken (1989) strengthens this as he argues that there are many more influen-
tial factors than just attractive and credible individuals, thus criticizing both source models. His view on the influencing factors that are important will be discussed later.

2.2.4 The Product Match-Up Hypothesis

This is perhaps not a complete model for celebrity endorsement effectiveness, rather a complement for the other models (Hunter, 2010). However, due to its significance it will be viewed as and discussed like a model in this section. This hypothesis states that in order for advertising to be effective, the product message and the celebrity image should be congruent (Kamins, 1990). Whether it is congruent and there is a match or not depends on the perceived fit between the celebrity’s image and the brand, including brand name and attributes. If the match is high it leads to greater celebrity and advertiser believability compared to if it is low (Kotler, 1997). It has been argued that if there is a close link between the product and the celebrity’s image, advertisers can get both the tie-in and the fame out of it, and further that celebrities in advertising are an unnecessary risk unless there is a logical connection to the product. It is also reported that consumers expect congruity and a perceived fit between the celebrity and the brand (Erdogan, 1999). If not there is a risk that the receivers of the message will remember only the celebrity and not the product or service being endorsed, called the vampire effect. The celebrity sucks the life out of the product when there is not a distinct relationship between the celebrity image and the product (Evans, 1988).

Furthermore, previous research have found that a close match-up between the brand and the celebrity enhances the believability and attractiveness of a celebrity endorser (Kamins & Gupta, 1994; Hunter, 2010). Hence, Ohanian (1991) states that emphasis should be put on choosing the right celebrity, with direct connections to the product category in order to be perceived as an expert in the field. However, even though the product match-up hypothesis is of importance for firms when selecting the right endorser it is limited as a model since it does not identify or measure dimensions valid for a specific product. Thus, as mentioned above, it works best as a compliment for the other, more extensive, models (Erdogan, 1999; Hunter, 2010).

2.2.5 The Meaning Transfer Model

The meaning transfer model is McCracken’s (1989) view of how a celebrity deliver meanings to the endorsement process through already existing status and personality. “Meanings begins as something resident in the culturally constituted world, in the physical and social
world constituted by the categories and principles of the prevailing culture” (McCracken, 1989, p. 313). Meanings in this sense are for example lifestyle, status, gender and age. Further McCracken (1989) argues that meanings move to consumer goods and then to the life of the consumer. The movement of cultural meanings to consumer goods is accomplished by advertising and the movement from consumer goods to the individual is accomplished by individual efforts of the consumer. Thus, advertising works as a tool for the transfer process. Advertisers decides the cultural meanings intended for a product, what they want the product to say or stand for, and celebrity endorsement is an important strategy for the meaning transfer process (McCracken, 1989). This is of importance since products are argued to have their own personalities and people intend to consume brands and products with similar personalities as their own, and if managed thoroughly a company can, through the endorser, move its meanings to consumers successfully (Fortini-Campbell, 1992).

Hence, according to McCracken (1989) the meaning transfer model consists of three stages; the formation of celebrity image, meaning transfer from celebrity to product, and from product to consumers.

Figure 2: The Meaning Transfer Model (McCracken, 1989, p. 315).

In stage 1, the ad gets through endorsement access to a special category of person, charged with powerful and detailed meanings. Compared to created spokespersons celebrities deliver meanings with more depth, power and extra subtlety. Celebrities possesses these meanings due to previous experiences where they have generated them, for example roles in movies and television, athletic achievements or political careers. In stage 2, advertisers must decide what symbolic properties the product should have, and then choose a suitable
celebrity for these properties. Then, an advertising campaign that successfully deliver and identify those properties and meanings to the product must be designed. The ad must show on essential similarity between the product and the celebrity in order for the consumer to take the second step of the meaning transfer. In stage 3, the celebrities are important since they have created the ‘self’, making them an inspirational and exemplary figure to consumers (McCracken, 1989). According to Batra, Myers & Aaker (1996) people acquire goods that matches their preferred identities since they regard belongings as part of themselves, hence, they transfer the meanings of the product into themselves. It is argued that consumers try to create their own stage 1 with own meanings and identities.

It has however been argued that the meaning transfer model is merely a theoretical concept, but Erdogan (1999) state some real-life examples where it has been successful in practice. Accordingly, findings do support that celebrities embody meanings, which, through endorsement, are passed on to products. In general, advertisers should explore what meanings celebrities encompasses and select the celebrity whose meanings matches the desirable meanings for the brand. This since part of the effectiveness with celebrity endorsement depends on the meanings the celebrity brings to the endorsement process (McCracken, 1989; Erdogan, 1999). Yet, there are arguments stating that this mostly is a model for delivering meanings from the celebrity into the product and further on to the consumer. Furthermore, it does not take every factor into consideration, if one compare to the models above (Erdogan, 1999).

### 2.3 An Integrated Approach

A summary, or an integrated approach covering previous models pros and cons, will here be implemented. Ohanian (1990) developed a model for both source models since he argued that both should be applied in order to be effective. Accordingly, that the source models are insufficient independently. Hence, the integrated approach will be based partly on his assembled model. The Source Attractiveness Model focuses on physical attractiveness as well as the similarity, likability and familiarity the receiver feels towards the endorser (McGuire, 1985). These factors are argued to change beliefs, create greater recall for a product or service, form positive stereotypes and generate stronger purchase intentions (Debevek & Kernan, 1984; Friedman, Termini & Washington, 1976; Erdogan, 1999; Hunter, 2010), which all are important factors. The Source Credibility on the other hand focuses on how credible the celebrity is perceived to be by the receivers, and that credibility
increase the effectiveness of a message and influence consumers perceptions (Ohanian, 1991; Solomon, 1996; Erdogan, 1999; Hunter, 2010). As mentioned above, Friedman & Friedman (1978) argued that trustworthiness is the major part in this model, and that likeability is the most important attribute in the Source Attractiveness Model. Also, expertise can be argued to be a part of trustworthiness, since an expert in a certain field is seen as more trustworthy (Hunter, 2010).

Furthermore, the Product Match-Up Hypothesis and the Meaning Transfer Model are similar in that sense that both indicates that the celebrity’s image, or meanings, should correspond to those intended for the product being endorsed. This in order to increase believability and to make consumers purchase products with congruent meanings as their own (Kamins, 1990; McCracken, 1989; Batra, Myers & Aaker, 1996).

Physical attractiveness is argued to be an attribute for likeability (McGuire, 1985), and Friedman & Friedman (1978) argued that likeability is the most important attribute in source credibility. It is about how the receivers feel about the celebrity, their perceptions of the source (Friedman & Friedman, 1978). Since trustworthiness is seen as crucial in order to succeed, and is argued to be the most important part in the source models, it is evident to include that one (Friedman & Friedman, 1978; Erdogan, 1999). Last, the Product Match-Up Hypothesis is seen as a crucial factor (Erdogan, 1999; Hunter, 2010), and McCracken (1989) argue with his Meaning Transfer Model that the source models are not sufficient while at the same time he states how transferring cultural meanings can have impact on receivers.

**Figure 3: An Integrated Approach**
Also, McCracken (1989) and Erdogan (1999) argued that the source models were not sufficient and did not cover every factor, the Product Match-Up is not a complete model but is a highly relevant factor (Hunter, 2010), and the Meaning Transfer Model focuses mostly on the cultural meanings one can get out of a celebrity (Erdogan, 1999).
3 Method & Data Collection

In this section the methodology is introduced along with the research purpose and research approach. In order to be able to answer the formulated questions and reach the expected goals, appropriate data is required. When researching for this thesis both primary data and secondary data have been considered and evaluated. Interviews have been used to retrieve primary data and different interview techniques are discussed.

3.1 Methodology

Saunders, Lewis & Thornhill (2009) explains that authors use the terms method and methodology often without conveying that there is a difference between them (e.g. in articles one can read the term methodology but what the author is referring to is methods). Saunders et al., (2009) refer to methods as different techniques and procedures that is being used when finding and analysing data. Hence, methods include qualitative and quantitative analysis techniques as well as interviews, observations and questionnaires etc. Contrary to methods, methodology is about how the research should be undertaken and the theory behind it. Kothari (2004) states that methodology has many dimensions and that research methods have a part of the overall research.

3.1.1 Research Philosophies

There are different research philosophies that should be acknowledged within methodology, Saunders et al., (2009) mention two main philosophies; positivism and interpretivism. Within positivism one would work with an observable social reality and some of the generalizations that will be made is considered ‘law-like’. Furthermore, another element within positivism is that the research should be conducted in a value-free way, meaning that it should be objective. Additionally, Farquhar (2012) explains that positivism has the main focus on casual relationships and providing explanations, this by discovering patterns. Interpretivism is unlike positivism focusing on understanding humans and their particular dissimilarities as social actors, without the focus of ‘law-like’ generalizations (Saunders et al., 2009). The term ‘social actors’ is considered meaningful, additionally, Saunders et al., (2009) states that this shows that rather than doing research on objects like computers and trucks, instead the research is done among people.

The philosophy that is applied in this thesis is interpretivism. Together with the collection of qualitative data gathered from different interviews that will be conducted, and comparing positivism and interpretivism, the latter one suits this research most. According to
Saunders et al., (2009) some would argue that the interpretivist approach is, when it comes to management research and business, in fields such as marketing, exceedingly appropriate.

### 3.1.2 Research Purpose

The main purpose of research is to find answers to questions with the help of scientific procedures (Kothari, 2004). There are three main objectives within research methods that define the research purpose; these are the exploratory, descriptive and explanatory (Saunders et al., 2009). Exploratory research is suitable when the purpose is to clarify the understanding of a specific problem and this is done by asking questions, seeking new insights and when assessing a phenomena from a new perspective. There are three main ways of using exploratory research; searching for the literature, asking ‘experts’ within this subject as well as conducting focus group interviews. In descriptive studies before collecting any data it is necessary to have a clear picture of the phenomena. According to Robson (2002) the goal of descriptive research is to portray an accurate profile of persons, events or situations. The last one is called explanatory research where the focus is to explain relationships between variables by emphasising on studying a specific problem or a situation (Saunders et al., 2009). When doing case studies, it is possible to use more than one of the three objectives mentioned, exploratory, descriptive and explanatory. Some of the best case studies conducted have used both descriptive and explanatory qualities (Schell, 1992).

This thesis will focus on celebrity endorsement with a case study conducted on Volvo Cars Sweden. Given that the purpose of our thesis is to explore and understand the impact celebrity endorsement has on a firm’s brands image and sales, as well as consider the key factors for success, an exploratory approach will be used. This since we do not use research questions. According to Robson (2002), an exploratory approach is useful when asking questions, to see what is happening, to seek new insights and to assess a phenomena in a new light, thus this shows that this approach is applicable to our thesis.

### 3.1.3 Research Approach

Different strategies can be used when conducting research and one should carefully decide which strategy to choose and focus on. According to Saunders et al., (2009) the different strategies that can be used are; case study, experiment, survey, action research, grounded theory, archival research and ethnography. The strategies listed can be used together in some cases, even though the choice of strategy is driven by the choice of research questions or purpose.
3.1.3.1 Case Studies

The strategy chosen for this thesis is case study and it can be used in different ways. Morris & Wood (1991) explains that the case study strategy is useful in order to get a better understanding of the processes being used as well as the context of the research. Yin (2003) mentions four different strategies that can be used when choosing to conduct a case study. He further bases them on two dimensions: single case vs. multiple case and holistic case vs. embedded case. He explains that the single case study may be used if one wants to observe and analyse something that few have considered before. Yin (2003) further says that the single case strategy is used when it is a unique or extreme case, or in a case regarded as a critical case. As the name implies the multiple case strategy is used when several cases are incorporated in the same case study. The need for multiple case studies is to see if the same findings from one case occur in others. Yin (2003) also claims that one should justify the choice of a single case study over a multiple case study, as he believes that the latter one is considered more preferable. The single and multiple case studies is part of the first dimension that Yin (2003) divided the four strategies in. The second dimension contains holistic and embedded cases and these strategies insinuates to the unit of analysis. The holistic case study can be applied if one was to research one organization as a whole and not have other subunits. The embedded is if one still would have an organisation in the research but choose to study other subunits within this organization, for example work groups or different departments (Yin, 2003).

Yin (2003) states that the case study strategy as a whole can be looked upon as being ‘un-scientific’, making people doubt whether to use it in the research or not. However, he argues that the case study strategy, if being well structured, can serve as a great way to find answers as well as to find a new source of new research questions. Out of the four case study strategies mentioned, this thesis is built on a single case study where the company Volvo and their marketing activities with celebrity endorsement will be in focus. As mentioned above, Yin (2003) states that the single case study is useful when wanting to observe and analyse something that few have considered before. Further, Saunders et al., (2009) mentioned case studies being of great use when trying to solve ‘how’ and ‘why’ questions. Thus, the case study approach is suitable for this thesis, based on above statements from Yin (2003) and Saunders et al., (2009), along with the main purpose of this thesis.
3.1.3.2 Deductive, Inductive & Abductive Research Approaches

There are three different research approaches suggested by Saunders et al., (2009); deductive, inductive and abductive. There are quite a few differences between the inductive and deductive approaches. The deductive approach focuses on gathering quantitative data, whilst qualitative data is mostly used in the inductive approach. The need to where the causal relationships to variables are sought to be explained is found within the deductive approach, whereas the inductive wants to get a closer understanding of the research context as well as the different meanings that humans attach to events. Furthermore, distinctive differences between these two approaches are that in the deductive approach a hypothesis is created based on theory that is developed. Moreover, in the inductive approach, theory is based on different findings and analysis, by collecting data first (Saunders et al., 2009). However, the third approach, which is a mix of the two mentioned above, are also discussed in the book. It is called the abductive approach. Saunders et al., (2009) states that it is possible to mix two approaches in the same research and that it can be of great help. The abductive approach, according to Saunders et al., (2009) is about collecting data in order to either generate new theory or altering existing theory. This by explaining patterns and recognise themes when exploring a phenomenon.

By looking at the three different approaches, and their dissimilarities, the one we consider most suitable for our thesis it the abductive approach. The research conducted in this thesis is based on qualitative data, and given the nature of our purpose the abductive approach will be most suitable since aspects from both the inductive and deductive will be used.

3.2 Method

3.2.1 Primary Data

In order to collect primary data several approaches can be applied. As a researcher you can retrieve data by using for example questionnaires, interviews or focus groups (Saunders et al., 2009). Since this paper aims at studying celebrity endorsement by using a case study of Volvo Cars Sweden, interviews is an appropriate way of collecting primary data due to the fact that it provides reliable and credible answers (Saunders et al., 2009). Interviews will be conducted with representatives from Volvo Cars Sweden, as well as from two Volvo retailers.
Collecting data can according to Saunders et al., (2009) be done in three different ways. These include qualitative data, quantitative data and mixed methods. The quantitative data is frequently used to describe a technique for gathering data that already exist in literature today, graphs and available statistics is a form of quantitative research. Post-positivist claims are used for developing knowledge by the investigator in a quantitative approach. Qualitative research on the other hand is used for different kind of data techniques. Conducting an interview is a qualitative method for gathering data (Creswell, 2003). In qualitative research approaches the knowledge claims that are made from the inquirer are commonly based on constructivist perspectives. In the mixed methods approach, where the author uses both quantitative and qualitative data, the person conducting the research usually has knowledge claims on pragmatic grounds (Creswell, 2003).

The quantitative data approach is not suitable to this research, since it was decided to conduct interviews in order to get a better understanding of the impact celebrity endorsement has had on Volvo’s brand image and sales. Moreover, the mixed method is neither applicable due to us not using quantitative data (Saunders et al., 2009). This thesis will use the qualitative data approach, since a case study has been chosen and in-depth interviews will be conducted. This thesis is based on the purpose, rather than research questions and according to Balnaves & Caputi (2001) the qualitative approach would be more appropriate to this research since it is more applicable when looking at the meaning of particular circumstances and events.

Collecting primary data revolves greatly about observing, whether it is an organisation or a person. The answers from the interviews will depend on the purpose of the research, thus it is important to carefully design the questions in order to make them fit with the objective of the thesis (Saunders et al., 2009).

There are some potential threats to the primary data and it is important to account for these when researching. Saunders et al., (2009) states that a potential problem might be the fact that your own beliefs of what you consider to be “true” can cause problems when drawing a conclusion based on the retrieved data. It is important to avoid this potential moral framing in order to analyse the data correctly.

3.2.2 Secondary data

Secondary data can be regarded as data that has been created and used for other purposes than a specific thesis; however it can still be an important contribution and supply im-
important information to others using it in their work-progress (Saunders et al., 2009). There is a variety of different secondary data and it can be either qualitative or quantitative. The data can either be raw-data, meaning that it has been barely managed, while compiled data has often been summarised or selected (Kervin, 1999). Saunders et al., (2009) present their own take on classifying secondary data and they categorise it into three different groups; documentary data, survey-based data and those compiled from multiple sources.

For this thesis the most appropriate secondary data can be found in documentary data. This type of data is usually used in projects that also include primary data; it includes a various types of different sources. Examples would be written materials like diaries, e-mails and transcript of speeches. However it can also include written documents, for instance books, journals and articles (Saunders et al., 2009). When researching for this thesis, the main focus has been to find suitable books and articles, which presents previous studies made within the area of celebrity endorsement. This secondary data has been retrieved using databases including Primo and Google scholar.

Both pros and cons can be identified when using secondary data. One of the main advantages is that it saves time for the researcher, compared to creating primary data, which is highly time-consuming. Another advantage is that secondary data tend to be quick and easily accessible since most information can be found on the Internet these days. The sources available can also be of higher quality compared to your own research, meaning that they can contribute to your work if used (Saunders et al., 2009).

There are potential setbacks in secondary data that needs to be considered, and being prepared for these is therefore important. Potential disadvantages might be that the data does not fit with the desired outcome of the paper. Another factor is that even though it is easy to get access and retrieve information these days, it can also be a costly and difficult process, depending on the information that you wish to acquire. The quality can also be questioned; even if a great deal of available information is of high quality one can also encounter poor data (Saunders et al., 2009).
3.2.2.1 Search Parameters

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3.2.3 Interviews

Conducting interviews are regarded as an efficient way to retrieve useful information and it is a vital part of doing a case study. There are several different options when it comes to structuring an interview and in the following sections different techniques will be presented and analysed, in order to find out which are the most applicable to this project (Yin, 2003). Interviews might be perceived as more of conversations between two parties than actual questions and Rubin & Rubin (1995) claim, “…a case study interview is likely to be fluid rather than rigid”. It is argued that the interviewer has two tasks during the course of the interview; first follow the prepared protocol which should aim at answering the questions that you have, and secondly you should ask the formulated questions from a neutral point of view and they ought to be in line with the researcher’s desired outcomes (Yin, 2003). Something that is important to bare in mind is that instead of asking “why” questions, which might put the informant in a defensive position, one should formulate “how” questions which will make the participant more relaxed. This will in turn lead to a better conversation during the interview (Yin, 2003). If a research question has not been formulated and the objectives are unclear, a research interview can assist to define these and the findings can be a beneficial resource to the researchers. Within the term “Research interviews” there are numerous different techniques that can be used in order to get the required findings to the study that you are conducting (Saunders et al., 2009). The different interview types presented will be structured interviews, semi-structured interviews, and unstructured or in-depth interviews.
3.2.3.1 Structured Interviews

These kinds of interviews are based on surveys, which consist of a set of already determined questions, and these are referred to as interviewer-administered questionnaires (Saunders et al., 2009). Even if there is some social interaction between the interviewer and the informant, the questions should be asked strictly to script and the tone should be neutral throughout the interview. These types of interviews are categorised as quantitative research interviews, and the retrieved data will be considered as quantifiable information (Saunders et al., 2009).

3.2.3.2 Semi-Structured Interviews

While structured interviews are regarded as standardised interviews, semi-structured generally has an overall topic and questions that should be included, the difference lies in the flexibility in the interviews. Semi-structured interviews can differ from interview to interview and can be modified based on the person that is being consulted. How you structure the questions may differ during the course of the interview and can be adapted based on how the conversation goes. During the interview it is common to either take notes or use an audio-recorder (Saunders et al., 2009).

3.2.3.3 Unstructured or In-depth Interviews

This is a casual type of interviewing and is suitable when the researcher desires to gain a deeper knowledge in a selected area, and thus Saunders et al., (2009) name it in-depth interviews. Before the interview it is important to be clear about the overall intended outcome, however, no previously made questions should be used during the interviews. The idea is to enable the participant to speak more spontaneously about the given topic and provide the interviewer with their input and how they perceive the matters discussed (Saunders et al., 2009). Since it is the interviewee who drives the whole interview, this can also be called an informant interview, in comparison to a participant interview where the interviewer is in charge and simply asks question and receives answers (Easterby-Smith, Thorpe & Jackson, 2008; Ghauri & Grønhaug 2005; Robson 2002).

3.2.4 Interview Questions

The research for this thesis is conducted using an exploratory study (Saunders et al., 2009), and this often means that the interviews will be qualitative. When approaching Volvo, the interview will be non-standardised in order to be able to study the reasons and logic behind
using celebrity endorsement in their marketing communications. The same approach will be used in the interviews with the retailers, since this will most likely enable them to discuss their attitude and sentiments towards the campaigns from Volvo (Saunders et al., 2009).

Given qualitative approach, appropriate types of questions are required. Saunders et al. (2009) discuss different types of questions that can be used in semi-structured or in-depth interviews. Three types of questions are; open questions, probing questions and specific/closed questions. Open questions are suitable when the researcher wish to find out attitudes or get more general facts about a situation or event. The essential part of open questions is that they should be formulated using either “how”, “what” or “why” (Saunders et al., 2009). Probing questions are similar to open questions but the difference is that the question is often directly linked to the actual topic of the research, which makes the response from the candidate more focused. They can be formulated like an open question, using “how”, “what” or “why” but with added focus on the topic. They can also be used to assess the researcher to understand the reasoning from the candidate by asking, “What do you mean...?” (Saunders et al., 2009). Specific or closed questions are similar to questions used in structured interviews, where questions are asked to find out specific details or detailed data. If specific questions are used, it is important to avoid formulating them into leading questions.

The questions during the interviews are mainly formulated based on probing questions theory, since it is the most appropriate approach towards the selected candidates. Given that probing questions are similar to open questions with the difference of being more focused on the actual topic; this is suitable when interviewing Volvo and the retailers and links the answers to the topic of the thesis. The questions during the interviews are formulated using “how”, “what” and “why” in order to avoid being leading questions and will help in gathering the required information.

3.2.5 Selecting Candidates

In order to attain the information about Volvo Cars marketing strategy, Volvo Cars is a logical choice when deciding interview candidates. It was decided that the most suitable candidate would be the head of marketing at Volvo, since this person was most likely to have the greatest understanding of the marketing campaigns they have been using. Per Carleö is the Head of Marketing and Communications at Volvo Cars Sweden and he will
be contacted and interviewed following the earlier described approach, using probing questions to gather sufficient qualitative data. The authors have also decided that two retailers will be approached, to get their perspective on celebrity endorsement and their opinion about Volvos strategy. When approaching the local retailer in Jönköping, Nybergs Bil, their Head of Marketing and Communications Susanne Enger will be contacted. The other retailer is Bilia, the largest car retailer in Scandinavia (Bilia.se, 2015), and their Head of Marketing and Communications Anders Rydheimer will also be contacted. Since the retailers are the ones that meet customers on a regular basis the authors think that it is interesting to find out the retailers opinions and if they have noticed changes in customers perception of Volvo. The reason why the Head’s of Marketing at both Nybergs Bil and Bilia will be contacted is that they probably have an understanding of the potential changes in demography and also statistics regarding sales of cars. Since it is also interesting to find out their opinions regarding celebrity endorsement as a marketing strategy, the Head’s of Marketing are appropriate since they have greater understanding of marketing strategies than other people within the companies.

3.2.6 Recording an Interview

When conducting an interview it is necessary to record this meeting. There are various options on how to record these sessions. King & Horrocks (2010) present different options that are available and how to maximise the utility of these. When conducting qualitative research interviews (semi-structured or unstructured interviews), a recommended option is to use an audio-recorder during the whole session. Also on rare occasions where video recordings are used. As a complement the researcher can take notes by hand, if the participant refuses to be recorded or if there are some technical issues.

3.2.6.1 Taking Notes

Even if recording a session is the most recommended option in order to get all the statements from an interview correct, taking notes can be a useful tool as well. It is often used as complementary tool during an interview, and as such it will assist the researcher when compiling the material from an interview session (King & Horrocks, 2010).

3.2.6.2 Building Rapport

Often regarded as a key ingredient when doing a qualitative research, building rapport is something that a researcher has to be aware of before meeting with the participant. It revolves around making the person that you interview trust you and this is crucial in order to
have a successful interview. However, there is an important difference between building trust and try too hard to integrate with the participant. As a researcher you can experience setbacks if you solely focus on relating with the participant, which ultimately makes the interview and the questions leading. Instead it is important to make the participant feel comfortable and trust you (King & Horrocks, 2010).

### 3.2.7 Evaluation of Interview Techniques

When evaluating the different techniques, one has to consider which type is most applicable to the research that is being conducted and more importantly the person that is being interviewed. Since the interviews for this project will be held with representatives from Volvo Cars and two of their retailers, all techniques have been considered and evaluated in order to find out which one is the most suitable. Structured interviews does not fit with the intended approach as this paper aims at presenting qualitative research instead of quantifiable research. Given the fact that a structured interview consists of a set of pre-determined questions and does not allow the interview to be flexible (Saunders et al., 2009) also weighs into the decision of not using this type of interview.

Semi-structured interviews are more appropriate to the interviews that will be conducted. When interviewing Volvo and their retailers, the main theme is already set and also some of the questions that will be asked are already formulated (see appendix 1 & 2). However, we think that it is important to be flexible and adapt to the person that is being interviewed. It can be positive to have a main theme and structure to rely on when doing the interviews and that is one of the main reasons to why this type of interview will be used when meeting the representatives of the companies. However, these interviews might also turn into more unstructured interviews depending on how the first sessions goes. Since the purpose with this paper is to gain a deeper knowledge in celebrity endorsement and how companies like Volvo uses it, it might become useful to follow a more unstructured approach. Given that this is more of an in-depth approach it can be applicable to this case and can help to enable the participants in the interviews to feel more comfortable and speak freely about the topic (Saunders et al., 2009). As long as the desired outcome is clear during the interviews, unstructured interviews can definitely be applied.
3.3 Method of Analysis

Within qualitative studies, there are no rigid procedures or rules of how the data should be analysed, whereas in quantitative studies there are (Ritchie & Lewis, 2003). Yin (2003) states that interviews are one of the most important ways of gathering information in case studies. Throughout this thesis a case study on Volvo Cars has been conducted, with gathered qualitative data in terms of interviews, however, there are number of things that has to be considered when conducting an interview. Saunders et al., (2009) argues that when conducting interviews, in order to make an easier analysis of the interviews later on, they should be recorded and transcribed.

When we conducted the interviews we followed the suggestions made by Saunders et al. (2009). All interviews that we conducted were done in Swedish, this to make it as convenient as possible for the interviewees and due to potential language barriers. We recorded all interviews that we conducted; moreover, we were still taking notes during them in case there would be complications with the recordings. Later on, we listened to the recordings whilst writing down the entire interviews and translating them into English. Since our research is based on the abductive approach, we analysed the interviews with relevant models from our frame of reference. By doing this, we identified different flaws or insufficiencies in the models, which in turn resulted in the creation of an integrated approach; an approach based on the four existing ones.

3.4 Delimitations

The collection of primary data has been retrieved solely by using interviews. Both Saunders et al. (2009) and Yin (2003) argue that it is important to use different ways of collecting data in case studies, which might have negative implications for this thesis. However, for this single-case study, we believe that the information retrieved from the interview sessions are sufficient enough in order to analyse and draw a conclusion based on that information. Other methods of collecting data include documents, archival records, participant observation etc. (Yin, 2003), and even though we could have used a multiple sources of evidence, we do believe that out of these alternatives, interviews were the most appropriate and time efficient alternative. Further, this research is only focused on the Swedish market, delimitating the findings applicability in an international context.
4 Findings

Here we present the interviews conducted. First is the interview with Per Carleö, Head of Communications at Volvo Cars Sweden. Second is Susanne Enger, Head of Communications and Commercial at Nybergs Bil. Last is an interview with Anders Rydheimer, Head of Marketing and Communication at Bilia.

4.1 Interview with Volvo Cars Sweden

In order to be able to answer whether Volvo’s recent strategy with celebrities in their ads actually gave positive results, both for the brand and in terms of revenues, the authors of this thesis held an interview with Per Carleö, Head of Marketing Communications at Volvo Cars Sweden. The authors further wanted to find out what the underlying factors were for their recent change in marketing strategy and how they have reasoned about it. The interview was held the 10th of April 2015.

4.1.1 Reason to Change Marketing Strategy

Per started to discuss their decision to change marketing strategy. He argued that Volvo’s previous marketing efforts had been successful, however, in January 2013 they decided to go with something different. The reason for this was that, unlike before where people purchased Volvo cars for 90% rational reasons such as safety, people today purchases a Volvo for more emotional reasons. This is much due to new products, and emotional reasons are for example design, functions and technology. Hence, Volvo noticed that their communication should focus on this as well. Per argued that “we wanted to add the emotional part to our marketing, the communication had to reflect on the recent change and push the brand in the new direction” (P. Carleö, personal communication, 2015-04-10). He further argued that using celebrities is a good strategy in order to detect the emotional part to customers. However, Volvo did not use any specific model to work after.

4.1.2 Impact on Sales

Per furthermore discussed Volvo’s first campaign with the new strategy, which was a “rather ordinary campaign” (P. Carleö, personal communication, 2015-04-10). It was a campaign with the Swedish rock band Mando Diao, together with the texts by the former Swedish author and poet Gustaf Fröding, which Mando Diao was accompanying. “It was something that happened there, the music together with the Swedish pictures and descriptions about the Swedish landscape made people interested” (P. Carleö, personal communi-
cation, 2015-04-10). Volvo found this very exciting, that the Swedish part in the commercial generated such emotions. They knew that music generated feelings, but the combination was something they looked deeper into.

When they were about to launch the model Volvo XC60 they proceeded with the Swedish character and music, but also with symbols and symbols marketing. Together with Volvo’s overall strategy ‘designed around you’, which focuses on individuals, they found it suitable to work with people in their marketing communication activities as well. When the Swedish electronic dance music super group, Swedish House Mafia, announced that they were going to split up and leave that hectic life and go back to their roots Volvo found that very interesting. This due to that customers purchase the XC60 for emotional reasons, such as the desire to leave the urban life and go out in the nature. Hence, Volvo choose to do a campaign together with Swedish House Mafia, where one could see the three guys in the band leave the urban life. “This campaign evoked great effect and reception in general, but above all there was one guy in Paris that was watching and got excited, Zlatan Ibrahimovic (the famous Swedish footballer)” (P. Carleö, personal communication, 2015-04-10).

Per further discussed that Zlatan, which at that time did not do that much commercials, felt like this would be a suitable commercial for him and he therefore called Volvo and expressed his feelings about doing a collaboration with them. Volvo felt that Zlatan, who is somewhat of a national idol for Sweden, would suit very well with their upcoming campaign for Volvo XC70. This since the XC70 is one of the most sold cars in Sweden and to some extent regarded as a national icon. Volvo wanted to continue with the Swedish concept and character in their commercials and even made a new version of the Swedish national anthem together with the famous Swedish songwriter Max Martin. Hence, Volvo called this and their future campaigns ‘Made by Sweden’.

Per mentioned that the previous campaigns generated great results, however, he discussed more thoroughly the results with the Volvo XC70 and the Zlatan campaign. They had premiere for the commercial a Saturday night at their resellers, which ended up being a great success. Thousands of people all over the country went to their local reseller and people actually purchased a vast amount of cars there at the moment. Potential Volvo customers felt that this specific car is exactly what they wanted, which in turn resulted in that they ordered it directly. “It is Zlatan’s car, I want to drive the same car as him” (P. Carleö, personal communication, 2015-04-10), was a general feeling. This resulted in that Volvo sold 500% more cars during that weekend compared to a general weekend. The campaign
overall was aired on Swedish television during the first quarter of 2014, and during that period Volvo sold 200% over their expected sales goal. They then launched the same campaign again in the last quarter of 2014 and achieved similar results. After Zlatan, Volvo have launched campaigns with the Swedish singer and superstar Robyn, and latest with a range of celebrities such as former ice hockey player Börje Salming and the artist Timbuktu, representing different parts of Sweden.

4.1.3 Impact on Brand Image

Furthermore, Volvo sees the correlation between marketing and sales, but also for marketing and branding. The campaigns resulted in great results in terms of sales, but also great results for the brand Volvo. Volvo measures people's interests and feelings towards the brand and how the brand develops through KPI's, Key Performance Indicators. Per stated that KPI's as Volvo's ‘share of voice’, i.e. how much ones brand is seen compared with competitors', 'advertising recall', how many people that remember specific commercials, how many people that holds Volvo as a potential alternative and as preference, and how Volvo is viewed in terms of quality, design, environment, have risen to levels they have never seen before. Mostly due to the commercial with Zlatan, but also as an overall result from their previous campaigns and the change made in marketing strategy. Thus, both sales and the brand image have strengthened considerably.

When Per was asked about whether their target market has expanded through these campaigns, he argued that even though Volvo have such a large target market today due to a wide range of cars, they noticed one specific difference. People that before perceived Volvo as boring and that wanted more emotional triggers in a car started to choose Volvo. This is a great and interesting customer group for Volvo since they often are the ones that fully equip their cars and are ready to put a lot of money into their cars. He continued by discussing that even though the campaigns generated greatest results in Sweden, Volvo successfully launched some of the commercials in other countries all over the world as well. He argued that keeping the Swedish connection to these commercials have been a strategic and important move. ‘Made by Sweden’ as theme for their campaigns works well in an international context for the car industry as well due to tough conditions. A car made for Swedish conditions does well in virtually any place.
4.1.4 Celebrity Endorsement in General

Per explained all the background mentioned above in order to give his and Volvo’s view on their strategy. First the concept of using Sweden as theme, but also why they chose to work with celebrities. On the question about whether he thought that Volvo would be able to see the same results with other marketing communication strategies than celebrity endorsement he clearly answered; “No, we do not think so, it has an enormous effect today and we do not think that we would have been close to these results without this strategy. The media society is built upon social medias, around superstars and individuals, and thus it is kind of a shortcut to use celebrities in ads today” (P. Carleö, personal communication, 2015-04-10). He further argued that celebrities have a huge range through their own personal network as well as through public relations.

When discussing risks with using celebrities in advertising, Per argued that Volvo strongly believes that the upside overweight the potential downside. Even though the connection always will be there with the celebrity, the firm and the celebrity do not keep together forever, and even though there are a lot of costs when using celebrities, it is worth it in the long run. Hence, Volvo will continue working with celebrity endorsement in the future. Their upcoming launch of the Volvo XC90 will follow the same structure since Volvo feels that this type of advertising gives an additional effect and is easier to build upon. “Our goal is to create a recognition and continuity, and that is easier with this type of strategy.” (P. Carleö, personal communication, 2015-04-10). Per then gives a general conclusion for celebrity endorsement as a marketing communication strategy; “It is absolutely worth it, one just have to have the courage to invest” (P. Carleö, personal communication, 2015-04-10).

4.2 Interview with Nybergs Bil

The second interview was held with Nybergs Bil, Volvo’s local retailer in Jönköping. This in order to see their view of Volvo’s new strategy and the campaigns containing celebrities, since they are the ones actually working with customers face to face. Interviewed was Susanne Enger, Head of Communications and Commercial, in order to see what differences and results they have noticed as a retailer. The interview was held the 13th of April 2015.

4.2.1 Differences in Consumer Perceptions

Susanne started with giving a general explanation of the most notable differences among customers’ perceptions and feelings towards Volvo since they started to communicate with
celebrities. She argued that there has been a lot of attention and focus on Volvo’s recent campaigns, that people share them among friends and discuss them. Her general feeling was that Volvo uses the celebrities in a way that is genuine and reliable, which she argued has reflected on the customers. The customers recognises themselves with the commercials. Further, Susanne and Nybergs Bil overall strongly believes that Volvo have succeeded not just by using celebrities, but in the way they have used them and in the way they have designed the commercials. She stated that “Celebrities bring a lot of attention themselves, but it is not the single factor for their success, it is the whole structure of their campaigns and their long-term thinking for the brand Volvo” (S. Enger, personal communication, 2015-04-13).

As an effect of Volvo’s recent change in strategy, customers are more excited about the brand compared to before, they feel proud to own a Volvo. Nybergs Bil have thus noticed an increased desire and interest, and even an extension in demographics. Susanne argues that a younger audience have been interested in Volvo, not least the younger influencers, prejudices their parents to buy the car that Swedish House Mafia or Zlatan drives. Nybergs Bil have clearly noticed Volvo’s increase in sales and in terms of brand status. “Since Volvo launched the ‘Zlatan campaign’ two times in 2014, we choose to look at sales of the Volvo XC70 over the whole year, and we doubled our sales in 2014 for that specific model” (S. Enger, personal communication, 2015-04-13). Further, Nybergs Bil sold 50% over expected goal for the Volvo XC60 after the campaign with Swedish House Mafia.

4.2.2 Celebrity Endorsement and the Campaigns

Susanne then argued that Volvo have succeeded extremely well with their campaigns, and that no other national campaign within the industry has reached the same level of attention as the ‘Zlatan campaign’. It was widely discussed in different forums like debate programmes, newspapers and social medias. “After the first weekend the entire campaign, with production and exhibition expenses, had paid off when calculated on the amount of unfunded space that was received” (S. Enger, personal communication, 2015-04-13). Susanne finally concludes that she does not believe that Volvo would have been that successful without using celebrity endorsement as marketing communication strategy. She stated it is done in a modern and successful way, and that it is impressing that such a small brand globally as Volvo is world leading when it comes to create new and different commercials that differs compared to others in the industry.
4.3 Interview with Bilia

The last interview was held with Bilia, which is the largest car retailer within the Nordic countries. This to strengthen the findings about consumer perceptions, and to get a wider view of how Volvo’s brand image has changed. Also in order to see actual results from one of Volvo’s main retailer. The interview was held the 21st of April 2015, with Anders Rydheimer, Head of Marketing and Communications at Bilia.

4.3.1 Improved Brand Image and Demography

Anders argued that they clearly have noticed an effect of Volvo’s recent marketing strategy, and that Bilia have had strong sales after it. Volvo’s new journey with the brand has increased the Brand Image, and even though it makes it harder for Bilia to build its brand as a car retailer due to this, it is still something that Bilia solely looks positive upon.

When asked about differences in demography and consumer perceptions, Anders indicated that it has changed to some extent. However, the biggest impact Bilia have noticed is the more emotional, rather than rational, sought for older Volvo models. “When the campaign with Zlatan went, Volvo XC70 became the most frequently sold Volvo car for Bilia during a time after, which it never had been before” (A. Rydheimer, personal communication, 2015-04-21). Further, the demography has changed for Bilia in some sense, even though they still see much of their former, usual, target group. However, Anders does not think this is solely due to Volvo’s change in marketing communication strategy, but also due to their line extension.

4.3.2 Celebrity Endorsement and the Campaigns

Furthermore discussed was his personal thoughts of celebrity endorsement in general in accordance to this specific case. Anders clearly stated that for this specific case it has only been positive outcomes, both in terms of sales and brand image. However, otherwise he argued that he sees a lot of risks with the strategy. “You put a lot of risk in one single person, if the celebrity makes a mistake or gets bad reputation it does not solely affect the celebrity, but also the brand he or she stands behind” (A. Rydheimer, personal communication, 2015-04-21). He gives an example of that if Zlatan would have been involved with the same controversy in media back then as he has been in recent weeks (Zlatan has made some critical statements about France and its football system), he does not know whether it would have been only positive response towards Volvo’s commercial with Zlatan. How-
ever, overall one cannot argue against Volvo’s strategy, the outcome has been great and if a firm gets a chance to work with a superstar like Zlatan, Anders argued that one just have to take the chance.

Anders also discussed that he do believes that celebrity endorsement can give an increased effect on a firm’s brand image, and he believes Volvo are smart when using different types of celebrities for the different campaigns. He argued that Volvo makes it easy to continue with the concept, and that they do attract and appeal to different target groups when using different celebrities, not just for example football enthusiasts with Zlatan Ibrahimovic. This is something he believes Volvo have succeeded very well with, and he concluded that Volvo’s strategy has been a success both for themselves, but also for Bilia as a retailer.
5 Analysis

In the following section we will present an analysis of the research conducted in order to see a correlation between the literature review and the empirical findings. The aim is to get an understanding of Volvo’s decision to choose celebrity endorsement as marketing strategy, to discuss the impact and outcomes in terms of brand image and sales, and to analyse the underlying factors for the impact. Also, in order to relate and analyse Volvo’s strategy and whether it has been successful or not, the integrated approach will work as a base.

5.1 Reason to Choose Celebrity Endorsement

Numerous different reasons to choose celebrity endorsement as a marketing strategy can be presented, however, one must keep in mind that the reason of using it depends on the company and the goals that are aimed to be achieved. Depending on the size of the company, celebrity endorsement may not always be the best choice. Per Carleö said that there are huge costs that are being paid to the endorsers. This indicates on that the cost of using celebrity endorsement can usually not be afforded by small businesses or new start-ups. It is however, by numerous people, suggested that celebrity endorsement is a great strategy to use in order to promote new or existing products. Erdogan (1999) presented five different advantages that have a positive effect when using celebrity endorsement, which also was mentioned earlier in this thesis.

With the help of the gathered qualitative data about Volvo’s celebrity endorsement campaigns, one can see that several goals have been accomplished. Erdogan (1999) listed five different advantages with celebrity endorsement; increased attention, image polishing, brand introduction, brand repositioning and underpin of global campaigns. There are other factors that strengthen the implication of celebrity endorsement as being a great marketing strategy. For instance, (Ohanian, 1991; Rosa, 2010; Schlecht, 2003; Solomon, 1996) stated that it can be used in order to raise awareness, differentiate the products from those of the competitors’ as well as increase the sales and revenues.

By assessing the answers received from the interviews conducted with Volvo and the retailers, one can clearly see that several of the advantages mentioned have been accomplished by their celebrity endorsement campaigns. Celebrity endorsement is a great marketing strategy to use if a company seeks to increase revenue and sales, reach a larger demographic and increase attention for example. Studies have shown that, if being used cor-
rectly, it can have positive outcomes. Looking at the results Volvo had with their marketing strategy it shows that celebrity endorsement can be very successful. Per Carleö said that the customers were more rational when purchasing their products in the past and that emotions are more in focus today. Meaning that by using a celebrity to endorse the company’s products, the consumer today will more likely be purchasing the product even if he/she does not necessarily need it, and instead because they feel connected to the celebrity in the commercial.

A large amount of companies use celebrities in their marketing campaigns and Per Carleö also mentioned that the impact of social media should be considered and used. He said that it is easier to reach a large amount of customers through social media since most celebrities today have a strong following on these websites. Companies who can afford this marketing strategy should consider using it because it is a relatively easy way to reach out to customers through celebrities that they admire and look up to. As mentioned, since consumers today mostly purchase their products based on emotions a celebrity endorser is highly suitable for sparking these emotions.

5.2 Celebrity Endorsement’s Impact

5.2.1 Impact on Sales

Analysing the available secondary data and trying to assess the actual impact of using celebrity endorsement, many points at the collaboration between Nike and Tiger Woods. It is one of the most successful examples of using celebrity endorsement and the economic benefits that it can generate. Using Tiger Woods as the face of the golf division has been economically profitable for Nike over the last decade. Both the financial impact as well as the impact on brand equity has been vital to Nike. As mentioned earlier, an interesting fact is that even after the scandal surrounding Tiger Woods in 2009, Nike still managed to make $2 million in sales. The value and importance of Tiger Woods for the golf industry as a whole is also evident with the mentioned example that the industry dropped a staggering $10.2 million during his absence from the sport as well as Nike’s additional profit of $103 million during a ten-year period (Edwards, 2011). Other successful examples of celebrity endorsement are as mentioned earlier George Clooney and Nespresso, Nicole Kidman and Chanel and also David Beckham and his collaboration with H&M (Creswell, 2008; Teather, 2010; Winter, 2013). All these collaborations have been successful and managed
to boost sales for the companies, which in turn strengthens the arguments that celebrity endorsement can be an effective and useful marketing communications tool.

During the interview session with Per Carleö at Volvo Cars Sweden, he discussed the influence the commercial with Zlatan Ibrahimovic had and the effect on sales that it generated. In terms of sales, Volvo measured an estimated boost of 500% during the launch weekend, and it raised Volvo’s sales during the first quarter of 2014 with 200% compared to the previous year. However, an interesting finding is that this campaign also increased the interest for Volvos online car configurator, in other words the campaign generated several positive synergies. Given that the immediate effect of the campaign was successful and also that it generated raised sales in a longer perspective clearly shows how celebrity endorsement can contribute to increase both the interest and sales for a company. Volvo’s decision to work with some of the most popular celebrities in Sweden has been a successful choice, since all of the campaigns have managed to increase sales for the company and as revealed during the interviews, they have also gained in popularity among new types of customers, mainly a younger crowd.

From the two retailers perspective, the interviews revealed that these marketing campaigns made a positive impact on sales, and both Nybergs Bil and Bilia noticed these changes. They were also able to see the effect of the commercials in increasing demand for the models shown, which led to increased sales for these specific cars. Nybergs Bil noted that the sales of Volvo XC70 more than doubled and Bilia also noticed that the same model sold all-time high. During the interviews the overall impression was that the retailers were satisfied with sales of Volvo’s models and that there is a clear difference between how it was before Volvo started using celebrity endorsement and how the situation is now.

As mentioned earlier, an integrated approach has been developed, derived from four different models. The approach reveals how a positive outcome can be reached. The way Volvo have been selecting celebrities is a vital part in how they have achieved to increase sales. The likeability of the celebrities is an important factor and the likeability of the ones like Mando Diao, Swedish House Mafia, Zlatan Ibrahimovic, Robyn and everyone else used in the commercials, are high and has had a significant impact on the revenues. The celebrities used also have a great reputation among the population of Sweden and the image of the celebrities is also vital in order to get positive results. As mentioned in likeability theory, one possible outcome of having likeable celebrities is that it can create stronger purchase intentions (Friedman, Termini & Washington, 1976). For example, as Per Carleö
mentioned, the fact that Zlatan Ibrahimovic had such a strong impact that people wanted to drive the same car as Zlatan, reveals that the image of the person is certainly important in order to get a positive impact on the revenues. Due to previous research and the findings of this thesis, it indicates that a celebrity in an advertisement can have a significant effect on a firm’s sales.

5.2.2 Impact on Brand Image

The interview sessions conducted have revealed that the campaigns had a strong impact on Volvo’s brand image. Per Carleö mentioned that Volvo measures how people perceive them, using for example ‘Share of voice’. He said that the overall image of Volvo has strengthened after they started using celebrity endorsement. An interesting finding is that demography has changed over the last couple of years and Volvo have started to attract new types of customers. Using celebrities has enabled Volvo to reach younger customers, with different preferences and they are generally more interested in design and the equipment in the cars. Both Nybergs Bil and Bilia confirmed that age of the customers have changed due to Volvo’s marketing and this indicates that Volvo have been able to enhance their brand image. The emphasis on making the advertising more emotionally orientated plays a vital part in how the perception of Volvo has changed. By communicating the ‘Made by Sweden’ campaign, Volvo have also been able to strengthen their Swedish roots.

As Susanne Enger discussed during the interview, one important factor to the changes is that people have started to talk about the commercials and sharing them on social networks. Achieving great results virally is important and helps communicating with potential customers. This strengthens Erdogan’s (1999) arguments that using celebrities in advertisements makes it easier to stand out in the noise and increase the attention for the brand. As the campaigns have managed to change how people think about the brand and customers also take pride in owning a Volvo further tells that celebrity endorsement has had a strong impact on the image of the brand. Anders Rydheimer at Bilia, who have experienced similar changes as Nybergs Bil, also confirms the statement that the demography has changed. All this indicates that a celebrity might be able to influence the receivers to change their behaviour. To be able to make a strong impact and change the perception of the brand has been vital to Volvo Cars, and they have managed to do it using celebrity endorsement, which is in line with earlier research within this area.
As mentioned in the frame of reference, Erdogan (1999) discussed advantages and disadvantages of using celebrity endorsement. One of the advantages was that it can support brand repositioning, and considering Volvos achievements this is something that celebrity endorsement has enabled, given the changes in the demography and the shifts in customers perception of the brand. Erdogan (1999) also mentioned that an important benefit of using celebrity endorsement is that it can generate increased attention. Given the viral success of the campaigns and the statements from both Volvo and their retailers, the increased attention of the brand has made a major impact on the image of the company.

5.3 Volvo’s Strategy

5.3.1 Applicable Model

As demonstrated in the findings, one can see that Volvo did not choose to work according to any specific model. Thus it is hard to argue for any particular model being favourable compared to others, and to see a complete correlation between a previous model and Volvo’s outcomes. However, in order to apply Volvo’s strategy and choice of working with celebrity endorsement to the integrated approach, it is possible to compare the previous conducted models to their strategy they have used and then compare it towards the integrated approach developed above.

5.3.2 Applicability to the Source Models

As being described above, the attractiveness model is about gaining efficiency from celebrity status and physical attractiveness (McGuire, 1985). This is something one can apply to Volvo’s strategy since Volvo have made use of some of Sweden’s most famous persons. Swedish House Mafia was perhaps the biggest electronic dance music group in the world before they split up, Zlatan Ibrahimovic is one of the best and most famous footballers in the world, and Robyn is extremely famous over in the United States, as well as here in Sweden. Thus, this indicates that Volvo have followed the source attractiveness model to some extent, not least when it comes to familiarity and likeability. All celebrities Volvo have used are very famous, and most people in the country surely do have some knowledge about them due to previous exposure on TV or in newspapers for example.

Zlatan is furthermore extremely popular in Sweden, hence, people do most likely want to feel some kind of similarity with him, and as being explored in the interview with Per Carleö, that campaign did evoke emotions such as ‘I want to drive the same car as him’. 
Hence, Volvo succeeded very well with that specific campaign when it comes to similarity, but also likeability in that sense. Further mentioned about the source attractiveness model is that it is supposed to change beliefs and generate stronger purchase intentions (Erdogan, 1999), and this is something Volvo clearly noticed when launching the campaigns. People did actually purchase a Volvo car immediately after having seen the commercial with Zlatan for example. Hence, even though Volvo argue that they did not follow any specific model when working with celebrity endorsement, one can clearly see a correlation between their strategy and the source attractiveness model, and the intended outcomes the model is supposed to generate compared to Volvo’s.

When it comes to the credibility model, which argues that the expertise and trustworthiness of the celebrity are dependent factors for a messages effectiveness (Ohanian, 1991), it is hard to argue that any of the celebrities have any particular expertise in the area being endorsed, at least not due to their professions. However, a celebrity can still be credible by being perceived as trustworthy by the target audience. If the target audience perceive any of the celebrities Volvo have used as dependable, reliable, sincere or honest, the celebrity can be argued to be credible (Smith, 1973; Shimp, 1997; Hunter, 2010). Yet, this thesis does not take customers perceptions and feelings into consideration in that sense, and whether the celebrities used are seen as trustworthy or not is thus difficult to interpret and analyse. Hence, the source credibility model is hard to apply on Volvo’s case.

### 5.3.3 Volvo’s Product Match-Up

As Kamins (1990) describes, the product message and the celebrity image should be congruent in order to be effective, and according to the interview with Per Carleö, one can see that this is something that Volvo clearly have taken into consideration. As described, it all depends on the perceived fit between the celebrity’s image and the brand being endorsed, and if successful it enhances believability and attractiveness of the message and endorser (Kamins, 1990). Per discussed that customers purchased the Volvo XC60 for emotional reasons, for example the desire to leave the hectic urban life and go out in the nature. This is in line with his explanation of why Swedish House Mafia choose to split up, to leave their hectic life and go back to their roots. Hence, one can clearly see a connection between the celebrity and the product in this case, and it is obvious that Volvo have thought about having a close match-up.
Furthermore, looking at their campaign with Zlatan and their model Volvo XC70, Per discussed the correlation between Zlatan being seen as a national idol and XC70 being some kind of a national icon since it is one of the most sold cars in Sweden. When looking at the Swedish concept, they have further chosen celebrities representing different parts of Sweden in their last campaign. This strengthens the argument that Volvo carefully have considered having a close tie between their product being endorsed and the celebrity. This is in line with Erdogan (1999) who stated that celebrities in advertising is an unnecessary risk unless there is a close connection to the product, and certifies previous research that shows that the Product Match-Up Hypothesis is highly important to consider when working with celebrity endorsement. As Volvo have considered these factors for their campaigns one can argue that there is less risk that the celebrity overshadows the product and the brand being endorsed in their campaigns.

5.3.4 The Meaning Transfer

Celebrities bring and deliver, through already existing personality and status, meanings to the endorsement process (McCracken, 1989). One can argue that Volvo have used celebrity endorsement as marketing communications strategy in order to deliver extra powerful meanings and messages, which a celebrity provides. As being discussed above one clearly sees a close link between the celebrity chosen and the product being endorsed, hence, one might further develop this and argue that Volvo have sought to transfer similar meanings as the celebrity already possesses into the product. As mentioned from previous studies, people tend to acquire goods that matches their personality and preferred identity, and Volvo clearly strengthens what they want the product to stand for when using a celebrity with similar meanings. If Volvo have actually used their campaigns and advertisements in order to transfer certain meanings from celebrities into the product is difficult to identify, however, the results clearly shows that Volvo tries to work with meanings for their products and the brand as a whole, and that they have tried to use a fitting celebrity for those meanings. Hence, this indicates that Volvo have followed the Meaning Transfer Model in some way, and that it has been successful since they state that customers do want to drive the same car as a certain celebrity with certain meanings. Since people do regard belongings as a part of themselves, one can further argue that the transfer process is completed since customers in this sense try to create their own meanings.
5.3.5 Applying the Integrated Approach

Since the above sections consider Volvo’s strategy compared to previous conducted models for celebrity endorsement, one can convey how Volvo’s strategy synchronise with the integrated approach being discussed in the frame of reference section. This in order to relate their strategy to the most significant factors according to previous literature and get a better understanding for success factors and attributes in a strategy and in a celebrity.

Figure 3: An Integrated Approach

Starting with Likeability one clearly detects that this is something Volvo have thought about. As mentioned when applying the source models to Volvo’s strategy, Volvo have chosen to work with some of the most famous people in Sweden, and seen positive result out of it. That it evoked feelings among receivers, for example ‘I want to drive the same car as him” supports the findings that it form positive stereotypes, generate stronger purchase intentions and create greater recall for a product (Debevek & Kernan, 1984; Friedman, Termini & Washington, 1976; Erdogan, 1999; Hunter, 2010). Further, applying trustworthiness to Volvo’s strategy, it is as discussed difficult to see whether this is something that Volvo have considered or not since it is about the customers perceptions. However, when looking at how congruent the celebrity image and its cultural meanings are with the product being endorsed, one see a distinct relation. The celebrity’s image and the product’s image clearly conform in two of their campaigns, and Per Carleö argued that this was something that Volvo had taken into consideration. Developing this, one can also see that Volvo have tried to match the products meanings with those the chosen celebrity already possesses. Since this is argued to increase believability and that people intend to purchase
products representing similar meanings as their own, one can as a result of Volvo’s increase in sales, draw the conclusion that they have succeeded according to this factor in the integrated approach.

Hence, Volvo’s strategy corresponds more to the integrated approach than to the four models alone. Two of the three factors in the integrated approach seems to be a base for Volvo when selecting endorsers for their products. Since Volvo clearly have been successful with their strategy, this reinforces that the integrated approach, based on the most crucial factors to consider within those four models, would be a valid and useful approach for firms to operate after when working with celebrity endorsement. Since those models described above indicates different strengths and weaknesses one could argue that an integrated approach of the four models would be a successful one. The approach represent different factors being important to take into consideration when working with celebrity endorsement, and it covers the parts that are argued to be most comprehensive and crucial for an effective outcome. Further, as it covers the most comprehensive factors from the above models, it also covers each model’s advantages and disadvantages.

5.3.6 Volvo’s Model

As one can see Volvo have clearly followed a strategy that focuses on the same attributes as some of the previous models and the integrated approach, as being discussed. However, even though being similar in some sense, Volvo have chosen to go with their own strategy and considered other factors as well. According to the findings, Volvo wanted a marketing communication strategy that was suitable in order to detect the emotional part to customers, since they realised that customers now purchased a Volvo for more emotional reasons. Further, Volvo’s intended strategy, apart from increase sales, was to raise their Key Performance Indicators, KPI’s. As Per Carleö mentioned, through KPI’s Volvo measures people’s interests and feelings towards the brand and how it develops. These KPI’s includes share of voice, advertising recall, how many that have Volvo as an alternative and preference, and how people think about Volvo in terms of attributes such as design, quality and environment. Hence, Volvo strategy must have been to find a suitable marketing communication strategy for raising these indicators, and thus chosen celebrity endorsement. As Per further discussed, these KPI’s rose to levels Volvo have never seen before after their campaigns featuring celebrities. Hence, one can conclude that celebrity endorse-
ment as marketing communication strategy is suitable in order to increase a firm’s brand image, and that Volvo succeeded with their intended outcomes.

Due to this and above dissection of previous literature combined with the findings one can argue that Volvo have succeeded with their strategy due to their ability to select the appropriate celebrities, being unique and innovative, and that they have managed to increase awareness of the brand. This has also provided an understanding that one does not have to follow any specific model in order to be successful, as long as a firm follow and successfully achieve their own intended outcomes.
6 Discussion

In this part of the thesis we discuss what the research conducted have contributed with to the literature of celebrity endorsement and what we have learned. Also, during the laps of time it has come clear to us what limitation and shortcomings the research has, that we would have taken into account if we had to do it again. Also, based on the shortcomings, we provide an explanation of what factors future research in the area should consider and what matters they should raise.

6.1 Contributions

This thesis firstly add to the celebrity endorsement literature a research conducted on a market outside the United States, more particularly the Swedish market, which is lacking according to Doss (2011). The research gives an indication on that celebrity endorsement might be a successful marketing communication strategy for a firm to apply in the Swedish market since, as explored, it has been very successful for Volvo in the car manufacturing industry during recent years.

Hence, secondly, it strengthens previous literature in the area (e.g. McCracken, 1989; Ohanian; 1991; Erdogan, 1999; Scheldt, 2003; Hunter, 2010) that argues that celebrity endorsement is an applicable model in order to increase a firm’s revenues as well as brand image. The case on Volvo Cars Sweden clarifies and indicates how much impact this marketing communication strategy can have for a firm. Distinct numbers on increased sales as well as indications on strengthened brand image measurements as an effect of Volvo’s campaigns containing celebrities, demonstrates on the effectiveness of this strategy.

Additionally, it discusses and explores previous conducted models for celebrity endorsement (McGuire, 1985; Friedman & Friedman, 1978; Ohanian, 1991; Kamins, 1990; McCracken, 1989), and each model’s strengths and weaknesses and develops a summary based on these in order to come up with a stronger and more extensive approach. It also adds to the celebrity endorsement literature an up to date approach, which there accordingly is a lack of (Hunter, 2010). Since it was possible to apply and compare this model to Volvo’s successful strategy it gives an indication that this integrated approach is more than a theoretical concept, which strengthens its validity and effectiveness.
6.2 Limitations

Even though we, as authors of this thesis, do recognise the findings as reliable and valid, we still see some shortcomings and limitations. These limitations will be discussed since they contributed to weaker results; however, as stated, we still see the results as essential for the topic of celebrity endorsement in the Swedish market.

First, it is a case study based on a single firm in the Swedish market. In order to get more reliable results about the topic celebrity endorsement and its impact on a firm’s sales and brand image, a larger study conducted on a large number of firm’s within different industries would have given us more valid results. Also, on firms operating in international markets to a larger extent and on firms operating within different countries. Even though the study made is a valid guide for how celebrity endorsement as marketing communications strategy can have influence and increase a firm’s results, it is hard to say whether it works in other industries and in an international context with these results.

Second, since we only interviewed Volvo Cars Sweden and two of their retailers in Sweden, there is a risk that the results are not impartial. Obviously, Volvo and their retailers would not admit a failure and negative results to a large extent, and might exaggerate the positive results. Biased findings would decrease the reliability of any study made. However, the thesis presents previous findings that demonstrates positive results for Volvo, making it more reliable and clarifies that Volvo actually have seen some positive results as an effect of their change in marketing communications strategy.

Thirdly, a shortcoming when it comes to whether celebrity endorsement is effective in order to increase brand image is that the study does not take customer perceptions and attitude change towards the brand Volvo into account. This would have strengthened the trustworthiness of the results and would have been a reliable indicator on whether Volvo’s brand image actually has changed as a result of their previous campaigns, in terms of customer perceptions. Further, it would have been imperative in order to apply Volvo’s strategy to the complete integrated approach, where customer perceptions about trustworthiness was one of the factors.

Lastly, the research is based on Volvo’s new strategy and their campaigns starting from early 2013, hence, it is not possible to see how this might have an effect on Volvo’s brand in a long-term perspective. Celebrity endorsement has been a successful marketing communication strategy in order for Volvo to immediately strengthen the brand image, however, it
would be interesting to see whether this is something that helps build their brand image in a positive direction for a longer period of time.

6.3 Suggestions for Future Research

This section is based partly on the limitations above, and we as authors have through the implementation of this thesis recognised how future studies in the area would be beneficial in order to understand the topic to a larger extent and to present even more reliable results. We strongly believe that our study contributes to the topic of celebrity endorsement since it is based on a firm in a market that largely is undiscovered and unexplored within the topic, and that our findings are reliable and demonstrates that celebrity endorsement can have a large impact on a firm’s revenues and brand image. However, this research indicates early on that research within the topic celebrity endorsement in general is mostly out-dated and based mostly on studies in the U.S. Hence, we believe that more up to date studies on a wider geographical area would be of importance to the literature and in order to understand this phenomenon and marketing communication strategy to a larger extent. Furthermore, a study conducted on a larger number of firms within different industries would increase the reliability and would provide information whether celebrity endorsement works effectively as marketing communication strategy in different industries and markets. Also, as mentioned in the previous section, to explore customers perceptions about the brand would have given more reliable indicators about how Volvo’s brand image has changed and increased. Hence, a study based on a large sample of customers and their perceptions about a brands image would increase the width of the study, and is something that we highly influence future researches in the area to investigate.
7 Conclusion

Here we present an overall inference of the research conducted and Volvo’s case. Also whether it has fulfilled the intended purpose, if we did get the answers we expected and if any new questions have been raised.

The intended outcome of this thesis was to explore and gain better knowledge about using celebrity endorsement as a marketing communication strategy. This in order to understand how it can generate a positive impact on brand image as well as increase sales for a company. A case study was conducted, studying Volvo Cars Sweden and their recent use of celebrity endorsement. We have been able to successfully achieve our purpose due to following a structured method of collecting secondary as well as primary data. We have, through interviews, been able to collect trustworthy primary data and combined with previous literature retrieved, this has supported us in analysing Volvo’s usage of celebrity endorsement. The retrieved data has enabled us to study the work that Volvo have been conducting as well as evaluate the results from these activities in order to comprehend celebrity endorsement as a whole and also measure the potential effectiveness.

Whether celebrity endorsement might have a positive impact on brand image or not, the findings and analysis support previous research in the area indicating on positive outcomes. Since the start of Volvo’s campaigns in 2013, Volvo have increased their Key Performance Indicators to a large extent. This together with the retailers remarks about changes in customer perceptions and demography indicates that celebrity endorsement has the potential to increase a firm’s brand image among individuals. Furthermore, in terms of increased sales both Volvo and their retailers have seen great results as a direct effect of the campaigns, which supports the argument that celebrity endorsement can make a major impact for a firm.

Existing models have been studied and compared with Volvo’s strategy in order to see what major factors that have played an influencing role in their success. The most influential factors from these models have been considered and used in order to develop an integrated approach, which also covers each models shortcomings. The approach consists of three different factors; likeability, trustworthiness and congruent image and meanings. The issue of whether the integrated approach is more than just a theoretical concept was addressed by applying Volvo’s marketing strategy to it. In addition, this was also done in order to see if it is applicable in this specific case as well as if it can serve a useful purpose for other companies.
Through this thesis we strengthen the argument that celebrity endorsement, if managed successfully, can be an effective strategy in order to increase brand equity and sales. Hence, the findings supported our intended outcome, however, how much impact it has for a brand like Volvo in a long-term perspective is yet to be answered.
References


**Appendices**
Appendix 1 – Interview Questions: Volvo

1. Varför valde ni att börja använda kändisar i er marknadsföring strategi? *(Why did you choose to start with celebrity endorsement as a marketing communications strategy?)*

2. Hur stor effekt har det haft försäljningsmässigt? *(How much impact have you seen on sales?)*

3. Hur stor effekt har det haft på ert varumärke? *(How much impact have you seen on brand image?)*

4. Tror du att ni hade kunnat uppnå liknande resultat med en annorlunda strategi? *(Do you think that you would have experienced similar results with another strategy?)*

5. Generellt sett, vad är din personliga åsikt om att använda kändisar i marknadsföring? *(In general, what is your personal take on using celebrities in marketing?)*
Appendix 2 – Interview Questions: Retailers

1. Vilka är de mest påtagliga skillnaderna som ni märker från kunderna och deras uppfattning om Volvo, efter att de började satsa på att använda kändisar i sin marknadsföring? (Which are the most notable changes that you have experienced from the customers and their perceptions of Volvo, after they started to include celebrities in their advertisements?)

2. Vad har ni märkt för andra eventuella spin-off effekter från Volvos marknadsföring till er som återförsäljare? (What other potential spin-offs have you as a retailer noticed from Volvos marketing communications?)

3. Har ni märkt att demografin har förändrats bland era kunder (t.ex. Kön och Ålder)? (Have you noticed any changes in demography among your customers (ex. Gender & Age?))

4. Hur mycket har efterfrågan ökat på de modeller som har figurerat i reklamfilmerna (t.ex. XC 70 i Zlatans reklamfilm och XC 60 i Swedish House Mafias reklamfilm)? (How much did the demand for the models that was displayed in the commercials increased?)

5. Vad är din personliga åsikt om att använda kändisar i sin marknadsföring? (What is your personal opinion of using celebrities in marketing?)

6. På vilka sätt tycker du att Volvo har lyckats i sin strategi? (In what ways do you think that Volvo has succeeded with their strategy?)

7. Tror du personligen att en annan strategi hade varit mer framgångsrik? (Do you personally think that another marketing strategy would have been more successful?)