



Effects of Word of Mouth and Celebrity Advertisement Under the Internet Era

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Abstract. This paper analyses the effect of word of mouth in the internet era and how celebrity endorsement affects it. We will also focus on other key parts of this topic including impulse consumption, buying intention due to many factors, and advertisement effectiveness. This paper included studies that indicated the effect of celebrity endorsements in advertisements has a significant impact on customers' intentions, factors attributing to customers' buying intentions.

Keywords: Advertisement · Internet · Effect

1 Introduction

Word-of-mouth (WOM) is widely recognized as one of the most influential factors affecting consumer behavior, but traditional models have been constructed ignoring the potential of electronic word-of-mouth (eWOM) and social media. In particular, little is known about the dynamics influencing consumer attention in a two-way many-to-many mediated environment, although attention constitutes a key step. Therefore, the authors construct a conceptual framework that grounds consumer attention in the larger progression of behavioral responses to eWOM. They then experimented to find that the value of WOM messages interacts with brand type to differentially influence attention by using behavioral eye-tracking.

Buying impulsiveness is frequently triggered by point-of-sale information. In order to impact consumer behavior, this information must be visually noticed. In this study, researchers propose that consumers' level of buying impulsiveness impacts their visual attention to point-of-sale information (i.e., signs, displays). Specifically, individuals scoring high on the buying impulsiveness scale (BIS) fixate less on point-of-sale information. This was tested in two experiments where participants' task was to rate their purchase likelihood for ornamental plants. Both experiments demonstrate that consumers with high BIS fixate less on in-store signs but more on displays than low BIS consumers.

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High BIS participants' visual attention to informational signs positively impacts their purchasing behavior while their visual attention to the displays does.

It is widely believed that the human brain has a limited capacity for perceptual stimuli. Then consumers' visual attention should be limited by the boundaries of their own perceptual abilities when searching for a specific product or brand in a grocery store. In this exploratory study, the authors examined the relationship between the abundance of in-store stimuli and the limited perceptual capacity of humans. Specifically, they tested the effect of packaging design features on visual attention. Data were collected through two eye-tracking experiments, one in a grocery store using a wireless eye-tracking device and the other in a laboratory setting.

This paper discusses the implications of these findings for promoting eWOM and suggests future directions for research. The findings suggest that consumers have fragmented visual attention when purchasing groceries and that their visual attention is simultaneously influenced and disturbed by shelf displays. Physical design features such as shape and contrast dominate the initial phase of the search. Time pressure and familiarity with the grocery store were studied and discussed.

2 Literature Review

Overall, studies indicate that celebrity endorsements in advertisements have a significant impact on the purchase intention and attitude toward the product [1]. Different reasons contribute to or affect the customer's attention and buying intention towards the celebrity-endorsed advertised products [2]. Different aspects and traits of the celebrity such as attractiveness and credibility will affect the customer's perception of the advertised product. As a result, the celebrity endorsement on advertisements will lead to an increase in sales of the advertised product, the article also mentioned the impact of celebrities and social media has an important influence on purchase intention and choices made by the consumers, which resulted in the product quality as a secondary factor, where the attractiveness and credibility of the celebrity as the first and most important factor.

Nguyen Minh Ha and Nguyen Hung Lam summed up the 7 main factors that contribute to customer's attention and buying intention, which are Celebrity Trustworthiness, Celebrity Expertise, Celebrity Attractiveness, Celebrity Similarity, Celebrity Familiarity, Celebrity Match-up Congruence with The Brand/Product, and Customer's Attitude toward Brand [2]. These factors significantly contributed to the consumer's attention given to the advertisement and the intention of purchasing the advertised product. The importance of the factors varies from culture to culture and ethic to ethic, like the example taken by the author in the article, Vietnam consumers focus mostly on celebrity match-up congruence with the brand/product, celebrity trustworthiness, and celebrity expertise [2].

Although the customer's attention is an important part of celebrity endorsement advertisement, Lina Pilelienė, and Viktorija Grigaliūnaitė point out that it is more important to establish brand recognition which will create a good attitude of customers toward the advertisement for the brand. This can mainly be done through the layout of the advertisement, the complexity of the layout of the advertisement can either help the advertisement gain more attention or it can cause dislike by the customer if not designed

correctly. A good advertisement layout can create brand awareness and implement into the potential consumer's memory, this should be done with low complexity of advertising layout. On the other hand, when the brand gains enough awareness and word of mouth among the customers, it should implement a higher level of advertising layout, such as including complexity, which will create an emotional value. With the proper form of advertisement and the right tactics, it is able to make the celebrity endorsement advertisement successful.

Some papers examine and analyze the effectiveness of celebrity advertising. According to Peter Yannopoulos, the reason to use celebrity advertisement is its uniqueness in today's advertising market. The primary goal of using a celebrity in an advertisement is its ability to increase publicity and influence the consumer's knowledge and perspective about the brand. Celebrity advertisement not only stand out among all the normal advertisements, but it also has the ability to attract a new group of potential customers while maintaining sales from the old returning customers. There are five main advantages or reasons for employing celebrities to advertise the products: drawing attention, crisis management, brand repositioning, global marketing, and boosting sales [3]. Although most celebrity endorsements will have a positive effect on sales and publicity, there are a lot of potential risks of using a celebrity to advertise products. Taking athletes, for example, the performance of the athlete will most likely have a large impact on the effectiveness of the advertisement, if he/she does not get a good place in a game or loses as a team, the publicity will decrease. Especially for athletes, there are numerous examples of athletes taking stimulants before the game or being found taking drugs, many potential risks lie within athletes. The same goes for famous celebrities, celebrities might have scandals that will have a negative impact on their celebrity image, or they have some controversial behaviors outside the public, this will for sure bring down the publicity and trustworthiness of the advertisement. These can all be effects and possible risks of using a celebrity endorsement, ultimately affecting the advertisement. To sum up, in the right circumstances with the right choice, celebrity endorsement can have a significant return in sales with a high cost, but these advertisements have the most effect on the publicity of the product advertised, but not the brand, which does not turn directly into purchase intention [4]. But there are also potential risks of celebrity advertisement, mostly, the celebrity image will be directly related to the brand/product image in the eyes of the customer, and any controversial behaviors or scandals of the celebrity can all have a significant effect on the advertisement effectiveness, and the sales of the product, also the brand publicity and trustworthiness. The best choice of celebrity to advertise is the celebrities that are well known and also have relevant things that connect to the product, a good choice of celebrity in advertisement can gain both sales for the product and word of mouth for the company.

3 The Impact of Advertising

Celebrity advertising also has an important role regarding brand equity. Brand equity is a commercial value of the company that can not be easily measured by one or some factors. Every business company's goal is to succeed, which means gaining more profit by selling products, enriching brand awareness using the products and advertisements,

which then sells more products, gaining more profit, and eventually forming a virtuous circle within the firm. In order to keep this virtuous cycle going, it is important to choose good advertisements for the company, as a result for many companies, celebrity advertisement is implemented, it is currently the best way to gain market share in the dense competition. It not only attract customer and make sales for the company but also has the ability to build brand awareness and image, which eventually turns into brand equity, brand equity is important to a firm because it is a way to “sustain in the market for a long time. [5]” There are many factors to build strong and good brand equity, and two of the most important are brand image and brand awareness [6]. The reason why it helps create brand equity is how the celebrity is able to relate to the brand and how the advertisement will build around it. First is brand image, which is the perception of consumers in their minds about the brand [7]. It enables the customers to think of the products of the company whenever they see the logo of things that represent the brand, it is an important part of brand equity, and the use of celebrity advertising can prompt the brand image and have positive effects on brand equity. The other is brand awareness, it is basically the consumer’s knowledge about the brand, which means they recognize this brand among all other brands in the market share. Celebrity advertisements can help increase brand awareness because the celebrity’s fans are encouraged to purchase the brand’s product. All in all, implementing celebrity advertisement for a product will most likely have a positive effect on the company’s brand image and brand awareness, which ultimately turns into brand equity, and brand equity is a key part to determine whether a firm can long stand in the industry.

Call-to-action phrases refer to the next step or action that marketers want consumers to take, giving prospects a clear idea of what action to take next. This article [8] demonstrates that ads persuade people to take action through call-to-action phrases, which are called calls to action. The author [8] shows that advertising has a greater impact on everyday life than many people realize. The impact of advertising often affects consumers in such subtle ways that many consumers are unaware that they are being influenced by advertising and marketing when their behavior is changed. The article concludes that many of the ads are direct response ads, ads designed to get viewers to take a specific action now, as consumers quickly navigate through a set of ads. For example, “Buy now, Book now, Click here, Get started, Try now, Start your trial, Schedule your call [8].” This call-to-action needs to be relevant to the consumer’s best interests, and the business can follow the call-to-action with persuasive language to get the consumer to choose them.

Social media allows marketers to connect and engage with their prospects and is an effective way to attract new audiences through compelling content. This article [9] describes the role of social media advertising in enhancing the competitiveness of brands and increasing consumers’ purchase intentions. Through this article, the author [9] discovers the role of two marketing approaches, advertising and promotional messages, in increasing consumer purchasing power. The article concludes that advertising on social media increases people’s socialization and interaction and that there is a positive and significant relationship between social media ad content, brand image, and consumer behavior anger. I argue that the characteristics of different media and their immediate

and long-term effects on consumers vary, as consumers have different expectations and preferences for different media.

Advertising plays a very important role in influencing consumers' purchasing behavior by attracting their attention and creating the desire to buy products. This author felt that personalized advertising would be more easily accepted by consumers and would become a source of information for them. This article [10] describes the role of advertising in the consumer decision-making process, both in terms of information and for the product concept, because advertising always seeks to influence consumers and follow their behavior, so it can influence their behavior. The article [10] concludes that consumers are confused at the stage of searching for information to find the information they need to solve their problems. The author [10] shows that "Advertising and consumer behavior have a strong relation. The role of advertisement is to influence the consumer decision- The role of advertising is to influence the consumer decision-making process and influence consumer decisions in all stages based on the marketing and advertising goals. They can use social media, television, radio, newspaper or even any printed material to appeal to the consumers. These different channels also have different effects based on the demographics and characteristics of the consumers. Advertisers also study consumers' behavior not only to reach them but also to By understanding these reactions, advertisers will be able to create more effective By understanding these reactions, advertisers will be able to create more effective advertising for later campaigns and better targeting and message to the consumer [10]." Advertisers focus on rational advertising in order to help consumers understand how the advertised products can solve their problems so that at the same time they find the consumers who need them through the information that allows their products to be pushed to them through shortcuts. In the decision-making stage, as consumers know what type of product they want, advertising should make core values visible and increase the competitiveness of their products, the consumer's decision-making process and also how advertisers can approach consumers at different stages of decision making.

A good advertisement will increase sales and brand awareness and can make consumers aware of the products they need. This article [11] illustrates the impact of advertising on consumers' Awareness Creation. The article concludes that the main purpose of advertising is to increase awareness of a company's products and build a preference for the product, to inform customers of new products, to remind them of existing products, and to increase the likelihood that consumers will make repeat purchases. The article also mentions that "Consumer protection laws require businesses to refrain from false and misleading advertising. [11]" Therefore, companies must comply with the law and avoid illegal practices when communicating information about their products and services.

Some authors have insights about Internet advertising versus brick-and-mortar stores. This author [12] shows that advertising on the Internet increases sales in brick-and-mortar stores more than sales online. Search ads and display ads have the ability to drive purchases, but they increase sales the most when the two ads are used together. The authors show that. "The internet is widely considered the most measurable of advertising media, but those easily tracked click-throughs and e-commerce Internet advertising

stimulates off-line sales, too—in most cases, our firm Internet advertising stimulates off-line sales, too—in most cases, our firm finds that online campaigns increase sales more at advertisers' retail cash registers than on their websites. Embolden executives to shift ever more dollars to online advertising [12].” The authors examined the impact of online advertising on consumer behavior by comparing the purchase history of people who had seen online ads with those who had not. The authors concluded that online search advertising is closely related to the topics of interest to viewers and that the use of online advertising in product promotions increases sales.

4 Conclusion

In conclusion, this paper expresses the word-of-mouth effect in the Internet era, where advertising has a significant impact on customer intentions, factors attributed to customer purchase intentions. Among the advertising effects, we find that advertising persuades people to take action through call-to-action phrases, social media advertising is effective in enhancing brand competitiveness and increasing consumer purchase intention, attracting new audiences through content, and advertising plays a decisive role in the consumer decision-making process as well as increasing people's brand awareness. This includes impulse spending, purchase intent caused by multiple factors, and advertising effectiveness.

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