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## CELEBRITY ENTREPRENEURSHIP: INSIGHTS FOR NEW VENTURE STRATEGY

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### ABSTRACT

In this study we investigate a relatively new empirical phenomenon: Celebrity Entrepreneurship. By conducting three experiments on a total of 314 participants, designed to reflect a new venture promotional setting, we find support for our hypothesis that celebrity entrepreneurs are more effective communicators than ordinary celebrity endorsers. This is apparently due to an increase in their perceived involvement with the companies they endorse. Specifically, our results show that increasing levels of perceived involvement has a positive effect on attitudes towards new ventures and advertisements.

### INTRODUCTION

When a new venture is launched, founders often find themselves faced with inherent weaknesses such as “liability of newness” (Aldrich & Auster, 1986) and a “lack of legitimacy” (Delmar & Shane, 2004). In terms of the resource-based view, this can be expressed as a problem of lacking “reputational capital” (cf. Stuart, Hoang, & Hybels, 1999). To circumvent this problem, some new ventures contract celebrities to endorse them.

There are several ways in which companies can try to increase their reputational capital. One familiar way is to associate the company or its product with a celebrity through paid endorsements, thus benefiting from some of that individual’s “celebrity capital” (Kaikati, 1987). However, for new ventures trying to make it in a market, hiring a celebrity to endorse their products is often out of the question; celebrity endorsement contracts average between \$200,000 and \$500,000 (Johnson, 2005) and reach to over well over \$10 million (McBride). In spite of this, celebrities increasingly appear associated with new ventures, but in more entrepreneurial roles—as initiators, part owners and/or in managerial capacities rather than being mere endorsers (Dow, 2005; Miller, 2004). We call this phenomenon *Celebrity Entrepreneurship* (Hunter & Davidsson, 2007). For new ventures whether the “celebrity entrepreneur” is one of the real initiators or brought along later on a stock ownership rather than upfront payment basis—presents an alternative way for these ventures to gain access to reputational capital. By allying with a celebrity on an equity/commission basis, new ventures can engage in a sort of financial “bootstrapping” (Bhide, 1992; Winborg & Landström, 2001) and avoid paying upfront endorsement fees. For the celebrity this option presumably represents opportunities with even higher financial gain in case of success. At the same time it may be a type of engagement that is inherently more fulfilling than traditional endorsement for fixed pay.

In one of the most widely cited articles on the resource based view, Barney (1991) argues that in order for a firm to have the potential for a sustained competitive advantage, they must possess resources that are: a) valuable, b) rare, c) imperfectly imitable, d) and impervious to substitution. Celebrities carry resources that have the potential for sustained competitive advantage because they are valuable, rare, imperfectly imitable and *probably* impervious to substitution. By possessing such a resource, a firm increases their legitimacy and in doing so reduces their “liability of newness” (Aldrich & Auster, 1986).

The celebrity endorsement literature abounds with studies reporting the effectiveness of celebrities in promotional settings. Special interest is paid to measuring three characteristics in particular: trustworthiness, attractiveness, and expertise (Erdogan, 1999). Hence, it is very plausible that the

perceived trustworthiness, attractiveness and expertise of celebrity entrepreneurs will also improve their communication effectiveness. However we maintain that engaging celebrities in entrepreneurial roles makes better use of celebrity capital as it also increases perceptions of involvement, a neglected factor in the literature and one we believe further improves communication effectiveness. Consequently, in this research we aim to demonstrate that a) *involvement* is a communicator characteristic that is distinct from the traditional characteristics *trustworthiness*, *attractiveness* and *expertise*, b) the degree of perceived involvement contributes to communicator effectiveness over and above what can be explained by the other three communicator characteristics, and c) under otherwise identical conditions a celebrity entrepreneur is ascribed higher involvement than is a traditional celebrity endorser.

## THEORETICAL FRAMEWORK AND HYPOTHESES

Researchers have found that as an (celebrity) endorser's trustworthiness, attractiveness and expertise increase so to does their ability to influence a consumer's attitude towards the advertisements they see and the brands they are exposed (see e.g., Brinol, Petty, & Tormala, 2004; Friedman & Friedman, 1979; Friedman, Santeramo, & Traina, 1978; Gotlieb & Sarel, 1991; Grewal, Gotlieb, & Marmorstein, 1994; Harmon & Coney, 1982; Hovland, Irving, & Kelly, 1953; Hovland & Weiss, 1951; Sternthal, Dholakia, & Leavitt, 1978). Collectively, trustworthiness, attractiveness and expertise have been dubbed the "Source models" (McCracken, 1989) and their general efficacy in empirical settings have been validated over the past 40 years (Erdogan, 1999).

Until recently, celebrities have not been known for their deep levels of involvement with the companies they endorse. As a result, their varying levels of perceived involvement, such as operational, managerial, equity ownership, whether or not they used products from a company or even if they liked them, could be ignored by researchers. However, due to increased media attention directed towards companies started, managed, or owned by celebrities, we must start to ask ourselves whether or not this impacts in any way the effectiveness of endorsements.

Attribution theorists are interested in just such questions. Their concerns rest in trying to explain the relative contributions to behavior of situational and dispositional factors (Gilbert & Malone, 1995). Suppose a celebrity is endorsing a new miracle hair growth product claiming that "it really works". If you believe them because you think they are trustworthy and therefore perhaps believable, or an expert and therefore they know what they are talking about, or even attractive and hence you listen because you want to be like them then you will have made a dispositional attribution. However, if you think: "no way, they were just paid to say that", or "...well, they started the company and invested a lot of their money and therefore must know something about the product" then you will have made a situational attribution. The problem with the existing Source Models is that they are focused on dispositional factors rather than the combination of dispositional *and* situational factors.

It has been known for some time that in promotional contexts attributions are invoked by consumers (Smith & Hunt, 1978). Moreover, when audience members view communication messages both situational and dispositional factors are taken into consideration (Eagly, Wood, & Chaiken, 1978). If individual behavior is guided even somewhat by the attributions we make, it follows we should measure them to better understand a celebrity communicator's effectiveness. In this regard, we suggest that the traditional source models are incomplete. Accordingly, our first hypothesis represents an important test of whether Involvement represents a different and distinct attribute of celebrity communicators.

*H1: Involvement is a conceptually and empirically distinct characteristic of communicators relative to the traditional characteristics trustworthiness, attractiveness and expertise.*

Several studies have looked specifically at the consequences of consumers inferring that a celebrity liked the products they endorsed and found that it led to improved attitudes towards the brand and advertisement (Silvera & Austad, 2004) even when they knew the celebrity was paid (Cronley, Kardes,

Goddard, & Houghton, 1999). However, when consumers do not infer the celebrity likes the products they endorse and instead attribute the motivations to money, a probable outcome is the formation of a negative attitude (Chapman & Leask, 2001; Cooper, 1984; Dickenson, 1996; King, 1989; Silvera & Austad, 2004). This phenomenon is known as the Correspondence Bias<sup>1</sup> where individuals tend to draw inferences about a persons dispositions based on behaviors that can better be explained by the situation in which they occur (Gilbert & Malone, 1995). The studies support the notion that when claims made by celebrities are attributed to dispositional factors, they are more effective endorsers.

Similarly, we believe that as perceived Involvement increases, which we operationalize as liking for the product, using the product, and passion for the product/company, consumers will make a correspondence bias. That is, as consumer perceptions of celebrity involvement increases, the more likely it is that they will discount situational information which otherwise could explain the behaviors of endorsers and instead rely on more positive dispositional factors. In turn, this should lead to more positive attitudes towards the ad and brand.

*H2: Higher Perceived involvement leads to higher communication effectiveness as manifested in*

*H2a: more positive attitude towards the ad, and*

*H2b: more positive attitude towards the brand*

In an exploratory pre-study, we listened to participants as they read and filled in our questionnaire. Under the Celebrity Entrepreneur condition, when involvement items were presented, e.g., “do you believe the celebrity uses the products” or “the celebrity is passionate about the company” participants made situational attributions that were positive e.g., “he must, otherwise he would not have started the company” and “well, if he invested his own money, he must be passionate about the company”. However, in the celebrity endorser and control conditions, several respondents attributed the motivations behind the same questions to greed and money. In short, it appears as though situational cues in a celebrity entrepreneurship (endorsement) context have a positive (negative) affect on perceived involvement.

*H3: When the celebrity-communicator is involved in the capacity of an entrepreneur, perceived involvement increases*

*H3a: relative to when explicit information is given that the communicator is ‘just’ an endorser, as well as*

*H3b: relative to when no information is given concerning the nature of the communicator’s involvement.*

In Figure 1 the existence of a separate Involvement variable reflects Hypothesis 1. The arrows depicting hypotheses 2 and 3 are also marked in this over arching model of the conceptual logic of our research.

## METHOD

To test these hypotheses, three separate 1 x 3 between subject experiments were conducted on first year Jönköping University students. The experiments all contained a celebrity advertisement for a fictitious, recently launched or soon to be launched new venture. In the first experiment, actress Cameron Diaz appeared in ad copies for the Guppygear Snowstuff Company which sold skiing equipment and gear. In the second experiment she appeared for the Guppygear Surfstuff company selling surf boards and clothing. Our third experiment portrayed Takeru “The Tsunami” Kobayashi who is an internationally renowned competitive eater appearing in ads for an upscale hot dog and hamburger restaurant aptly named Big Dogs.

Participation was voluntary during all three experiments, however one extra credit point was offered as an incentive in experiment three. Instructions were given to leave the questionnaire blank in the event a student chose not to participate- although in all three experiments everyone participated. Furthermore, all questionnaires were completed and used in the subsequent analysis. Table 1 provides a short demographic summary of the participants in experiments 1-3.

## Materials and Procedure

In each experiment, participants were randomly assigned to one of three experimental groups and given an “experiment package” printed in black and white. Experiment 1 and 2 were similar- each package contained: 1) instructions, 2) demographic questions, 3) one of three experimental manipulations including a cover story, 4) an advertisement including the celebrity and product (experiment 2 contained two ad copies instead of one), and 4) a questionnaire. The packages received by the three groups were identical except for the (single paragraph) manipulation. The third experiment added a commercial that was played before the experimental package was given; in addition 5 full colored advertisements were shown with a projector. The commercial and advertisements were not part of the experimental manipulation; rather, they were shown to everyone to facilitate an association between the celebrity and product and doubled as our ruse. Before running our experiment a pilot study using 13 colleagues was conducted to determine and improve the face validity of our scale items and to detect any poorly worded questions.

## Instructions

Information instructing students on how to answer scale questions in the survey were provided on the cover page through an example (unrelated to the experiment). Where appropriate, participants were reminded not to return to any section once completed. This information was given to prevent students from returning to questions after reading manipulation check questions. Additionally, participants were asked to carefully read all text and questions.

## Manipulation

Our intention was to portray Cameron Diaz as either an entrepreneur or endorser and to leave one (control) group with no information regarding her company involvement. In experiments 1 and 2, all participants received the same information except for this paragraph administered between groups:

Cameron Diaz the Entrepreneur –

*“Guppygear is a newly founded company by celebrity and now entrepreneur Cameron Diaz. In addition to appearing in TV, Radio, and printed advertisements, Diaz (Kobayashi) runs the company and designs the snowboards, equipment and clothes. As a co-owner of Guppygear, Diaz risks losing her investment if the company is not successful, but if the company is a success, Diaz’s shares will be very valuable.”*

Cameron Diaz the Endorser-

*“Guppygear is a newly founded company that has enlisted the help of Cameron Diaz to endorse their new line of snowboards, equipment and clothes. Her responsibilities are limited to appearing in TV, Radio, and printed ads. As compensation, Diaz receives a sizeable yet undisclosed payment.”*

Cameron Diaz in the control condition- No information concerning celebrity/company involvement.

Following our manipulation the same cover story was presented within groups explaining the purpose of the questionnaire was to establish the effectiveness of Guppygear's positioning strategy. Next participants read the expected launch dates of the fictitious company in North America and Europe along with a printed link to the non-existent Guppygear homepage.

In the third experiment we created a fictitious company named "Big Dogs" whose advertisements contained Takeru Kobayashi. This experiment was a replication of our first two and followed the same design, however differed in the celebrity/product combination as well as our use of a video commercial and 6 different ad copies.

### **Celebrity Advertisement**

In the first experiment, participants were given one black and white advertisement for a new company called "Guppygear snowstuff". The second experiment's advertisement was similar in concept to the first, however two instead of one were used and the company name/product range was changed. Finally, the third experiment consisted of a 26 second commercial followed by 6 similar ad copies for the big dogs company- two of which were also printed in the experiment package (see figure 2).

### **Measures**

Experiments two and three were replications of the initial experiment with a few minor additions and changes. Therefore, the measures we present will be the same for all three experiments unless otherwise noted.

There were three parts in the questionnaire. Part one contained demographic questions and other controls such as gender (1=male; 2=female), age (years), Country of origin (1= Swedish as mother tongue; 0=else), and whether or not they had heard of the celebrity previously (0 = No; 1 = A little; 2 = A lot). These questions were asked before the experimental manipulation was given and before any other questions were administered so they could later be used as controls. Experiment 3 was conducted in the same manner, however, the control "country of origin" was replace with a question on "meat" consumption using a 7 point semantic differential scale (never-very often).

In the second part we measure our independent and dependent variables. Trustworthiness, expertise, and attractiveness were operationalized using Ohanian's validated (1990) scale using 7 point semantic differentials. To measure trustworthiness, participants were asked "in relation to this advertisement Cameron Diaz (Takeru Kobayashi) is:" followed by 5 different measures for trustworthiness (undependable-dependable; dishonest-honest; unreliable-reliable; insincere-sincere; untrustworthy-trustworthy). Internal reliability for all experiments was satisfactory ( $\alpha=.914$ ;  $\alpha=.929$  and  $\alpha=.846$ ). Expertise was measured by asking participants "In relation to these products Cameron Diaz (Takeru Kobayashi) is:" followed by measures for expertise (not an expert-expert; inexperienced-experienced; unknowledgeable-knowledgeable; unqualified-qualified; unskilled-skilled. Internal reliability was satisfactory ( $\alpha=.914$ ;  $\alpha=.911$  and  $\alpha=.890$ ) Attractiveness was measured by asking: "Would you say that Cameron Diaz (Takeru Kobayashi) is:" again followed by 5 measurements (unattractive-attractive; not classy-classy; ugly-beautiful; plain-elegant; not interesting-interesting). Here too, internal reliability was acceptable ( $\alpha=.814$ ;  $\alpha=.840$  and  $.805$ ). Since the items "beautiful" and "elegant" were not gender neutral, they were changed to "handsome" and "charming" in the third experiment.

Attitude towards the ad (Aad) was operationalized using MacKenzie, Lutz, and Belch's (1986) scale by asking participants "what is your overall reaction to the advertisement for Guppygear (Big Dogs)?", followed by 3 measurements on a 7 point semantic differential scale (unfavorable-favorable; bored-interested; bad-good). In addition to this, one further question was posed to measure Aad: "In general, how effective is the ad for Guppygear (Big Dogs)" followed with one measure on a 7 point semantic

differential scale (extremely ineffective- extremely effective). Internal reliability ( $\alpha=.875$ ;  $\alpha=.894$  and  $\alpha=.930$ ).

Attitude towards the Brand (Abr) was operationalized using the MacKenzie et al. (1986) scale by asking participants “What is your overall feeling about using Guppygear products?” and for experiment 3 “What is your overall feeling towards the company Big Dogs?”, followed by 3 measurements on a 7 point semantic differential scale (unfavorable-favorable; bad-good; foolish-wise). In addition to this, one further question was posed to measure Abr: “Overall how appealing to you is Guppygear (the Bigs Dogs Company)” followed with one measure on a 7 point semantic differential scale (extremely low appeal- extremely high appeal). Internal reliability ( $\alpha=.882$ ;  $\alpha=.894$  and  $\alpha=.919$ ).

Table one reports the items used for operationalizing Perceived Involvement. Despite considerable success with the initial version used in Experiments 1-2 the measure was further refined in preparation for Experiment 3. This was for several reasons. First, we wanted the measure to have greater structural similarity to the corresponding measures of the traditional source variables Attractiveness, Trustworthiness and Expertise. This increased structural similarity translates to a stricter test of Hypothesis 1. Second, we wanted to further reduce any conceptual overlap between the measure and our experimental manipulation of status as celebrity entrepreneur vs. endorser (or control; no information given). This improvement refers mainly to the elimination of item 5 (which was originally included as a manipulation check) and translates to a stricter test of Hypothesis 3. As shown in Table 2 (further below) there was also empirical reason to revise this particular item as it fit somewhat less well in the factor structure (lower loading than the other items). As the measurement results relate to our hypotheses a fuller description of the operationalization of Perceived Involvement will follow in the Results section.

## RESULTS

Our first hypothesis states that involvement is conceptually and empirically distinct from the traditional Source Model characteristics attractiveness, trustworthiness and expertise. In order to test this, we first performed a factor analysis (PCA) with the 20 items intended to measure Attractiveness, Trustworthiness, Expertise and Perceived Involvement. This was repeated for each of the three experiments. The results are displayed in Table 3.

Four factors were extracted in each analysis using the default Eigenvalue>1 criterion. Items loaded clearly on each factor as expected with few, albeit negligible, side loadings. Overall, the Involvement factors load as well and high as the established Trustworthiness, Attractiveness and expertise constructs with a comparable level of explained variance.

We performed a further test of the internal consistency of the summated indices corresponding to the four factors using the Reliability routine in SPSS. Cronbach Alpha values for the Perceived Involvement index were 0.89, 0.86 and 0.92 in Experiments 1, 2 and 3 respectively. For measures of this type, the levels of internal consistency were highly satisfactory (Nunnally, 1967; Nunnally & Bernstein, 1994). Additionally, the Cronbach's Alpha value would not benefit from any further item deletion. The Factor and Reliability analyses clearly demonstrate that Perceived Involvement is an internally consistent construct that is distinct from the traditional source variables. Hypothesis 1 is supported.

Hypothesis 2 was tested with a series of hierarchical multiple regression analyses. Using data from Experiment 1 and Aad as our dependent variable, control variables were first entered in Model 1. In model 2, we added the traditional Source Model variables (using factor scores) and in model three our Involvement factor scores. The reason for this is to ensure Involvement has an affect in addition to what is already explained by the controls and Source Model dimensions. In models 4-6 the procedure is repeated using Abr as the dependent variable. Next, we rinse and repeat this sequence for experiments 2 and 3 (models 7-18). Regression results are displayed in Table 4.

The base models (1, 4, 7, 10, 13 and 16) show that although some control variables come out significant when entered separately, with exception of experiment 3, their effects do not hold up when all variables are entered. The traditional Source Model regressions (2, 5, 8, 14 and 17) show that these variables contribute substantively to explanatory power in all three experiments. All individual coefficients are positive as expected, and in most cases statistically significant. However, while positive as expected some coefficients in experiment 3 do not reach statistical significance at these estimated effect sizes with the sample sizes used in these experiments (Trustworthiness with respect to Aad and Expertise with respect to Abr).

More importantly, the respective “full” models (3, 6, 9, 12, 15 and 18) show that the effect of Perceived Involvement is consistently positive, statistically significant and substantively contributes to the explanatory power of Aad and Abr in all three experiments. That is, the variable has a demonstrable effect over and above those of Trustworthiness, Attractiveness and Expertise. Perceived Involvement is ascribed a unique contribution to explanatory power of 7 percent on average, with a range from 3 to 14 percent, while the average unique contribution to the traditional Source Model variables is 6 percent. That is, Perceived Involvement has an effect of the same order as these well-established constructs and held up more consistently than some of these other constructs did. These results clearly support Hypothesis 2. That is, higher Perceived Involvement leads to higher communication effectiveness as manifested in a more positive Aad and Abr.

Our final hypothesis stated that when the celebrity communicator is involved in the capacity of an entrepreneur, perceived involvement increases relative to when explicit information is given that the celebrity communicator is ‘just’ an endorser and when no information is given. To find out whether perceived involvement was affected by our experimental manipulation we conduct a 1 x 3 between group analysis of variance (ANOVA). Recall if you will, our participants were presented with one of three pieces of unique information. This manipulation was supposed to present the celebrity as an entrepreneur or endorser or no information control. Support for our theory would be indicated if our manipulation led to significant and positive differences in mean scores for Perceived Involvement in the groups exposed to the entrepreneur condition versus those in the endorser and control group.

In all three experiments we find a statistically significant difference in the three groups: experiment 1 [ $F(2,85)=6.584, p=.002$ ]; experiment 2 [ $F(2,74)=9.270, p=.000$ ] and experiment 3; [ $F(2,146)=12.63, p=.000$ ]. In addition, the effect sizes of .13, .20 and .15 calculated using eta squared were large (except for a medium effect in experiment 1) according to according to Cohen (1988), whereby a medium effect size is reached at .06 and a large effect size at .14 (see table 5).

Thus far, we can be fairly certain in our claim that Involvement is in some way affected by our manipulation. However, to ascertain whether it was specifically due to the entrepreneur condition or a combination of all three, planned comparisons are needed between the 1) entrepreneur and endorser group, 2) entrepreneur and control group and 3) the endorser and control group. As seen in table 6, perceived involvement was higher in all three experiments and statistically significant at the  $p=.000$  level when entrepreneurs were compared with endorsers. In all but the first experiment, perceived involvement was higher and significant at  $p=.000$  level when the entrepreneur condition was compared with the control group, and very nearly significant in experiment 1 at  $p=.058$ . As we hoped, the endorser and control group comparisons were, at least in experiments 2 and 3, not significant. This coincides well with our assumption that the main positive effects on Involvement are due to the entrepreneur condition and the general perception of celebrity involvement when appearing in advertisements is limited to simple endorsement. That said, the findings in experiment 1 suggest being made consciously aware a celebrity is a paid endorser reduce perceived involvement.

The ANOVA findings, both total model and planned comparisons, provide ample evidence to accept H3 (both *a* and *b*). That is, when a celebrity communicator is perceived to be involved as an entrepreneur, perceived involvement increases more so than it does when explicit information is given that the celebrity is an endorser, and when no information is given.

## DISCUSSION AND CONCLUSIONS

The results from these experiments suggest that in the context of promoting a new venture, celebrity entrepreneurs are more effective. The findings indicate that this is due to the increased *perceived involvement* by the celebrity entrepreneur. Under the celebrity entrepreneur experimental condition, celebrities were viewed as more involved with the new venture than in the celebrity endorser or control conditions. Specifically, our results show that increasing levels of *perceived celebrity involvement* has a positive effect on attitudes towards new ventures and advertisements.

When a celebrity endorser is associated with a firm, their “brand” represents a valuable resource (Wernerfelt, 1984) that can act as a catalyst for creating legitimacy. Zimmerman & Zeitz (2002) argue that legitimacy is, among other things, “a resource important for acquiring other resources such as...financial resources.” (p. 414) For consumers, the benefits incurred from a brand are experiential and attitudinal (Srivastave, Fahey, & Christensen, 2001). In a company a strong brand can lead to incremental product cash flows above and beyond products that are unbranded (Agrawal & Kamakura, 1995; Simon & Sullivan, 1993) including higher sales and margins (Riezebos, 2003). For new ventures faced with a choice of whether to hire or partner with a celebrity, the smart money may be on partnering. This is because celebrity entrepreneurs are able to increase consumer attitudes toward advertisements and brands more effectively than celebrity endorsers. By extension, this should also reward the new venture with a valuable resource that can help in establishing legitimacy.

Another conclusion that can be drawn from this study applies to celebrity entrepreneurship and endorsement equally. Perceived involvement on the part of the celebrity is not exclusive to entrepreneurship or endorsement. Therefore, companies would be well served communicating the involvement of their celebrity associates, especially when there is genuine liking, passion, and excitement for the product.

One finding in this study that should not be overlooked is the identification of a conceptually and empirically distinct characteristic of communicators that we call *Involvement*. Moreover, we have shown that this characteristic provides unique explanatory power, above and beyond, the extent source model predictors (trustworthiness, expertise and attractiveness) of Aad and Abr. This finding should assist marketers and managers in making the tough decision about *which* celebrity to hire/partner with and more importantly, how they can better leverage their celebrity capital resource.

We feel this study is important for two main reasons. First, it is well known that new ventures attract knowledge resources or human capital that they “cannot afford” by offering key employees ownership stakes rather than high salaries. Celebrity entrepreneurship offers new, cash strapped ventures a potentially more effective and feasible option for acquiring in a similar fashion the resources needed to reduce liability of newness and lack of legitimacy. Second, by focusing on Celebrity Entrepreneurship we introduce a new empirical phenomenon in the field of entrepreneurship, one which until now has been overlooked in academic research.

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## NOTES

1. Correspondence bias has its roots in attribution theory and is one of the many diverse theories that constitute the field (Cronley et al., 1999)

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**Table 1: Demographic Summary for Experiments 1-3**

<i>Experiment</i>	<i>Course</i>	<i># of Participants</i>	<i>Average age</i>	<i>Gender Split</i>
1	Methods	88	26	22m; 66f
2	Methods	77	23	23m; 54f
3	Marketing	149	21	76m; 73f

**Table 2: Wording and Descriptive Statistics For Involvement Items**

<b>Item</b>	<b>Statistics for Experiment 1 (1<sup>st</sup> line)</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>S.D.</b>
	<b>Experiment 2 (2<sup>nd</sup> line)</b>				
Cameron Diaz is enthusiastic about Guppygear products		1	7	3.6	1.6
		1	7	4.3	1.4
Cameron Diaz likes Guppygear products		2	7	3.9	1.5
		2	7	4.5	1.4
Cameron Diaz uses Guppygear products often		1	7	3.3	1.4
		1	7	3.8	1.5
Cameron Diaz believes it is good to use Guppygear products		1	7	4.1	1.4
		2	7	4.6	1.3
I believe Cameron Diaz’s engagement in Guppygear is more than an endorser		1	7	3.5	1.6
		1	7	3.7	1.7
<b>Item</b>	<b>Statistics for Experiment 3</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>S.D.</b>
Takeru Kobayashi likes Big Dog's hamburgers and hot dogs:		1	7	5.1	1.5
Takeru Kobayashi is dedicated to the Big Dogs company:		1	7	5.1	1.4
Takeru Kobayashi is loyal to the Big Dogs company:		1	7	4.9	1.4
Takeru Kobayashi is thrilled about Big Dogs products:		1	7	4.6	1.4
Takeru Kobayashi is passionate about Big Bogs products:		1	7	4.6	1.4

**Table 3: Factor Analysis of All Trustworthiness, Attractiveness, Expertise and Involvement Items**

*Experiment 1 (n=88)*

<b>Factor No.</b>	<b>Factor 1</b>	<b>Factor 2</b>	<b>Factor 3</b>	<b>Factor 4</b>
<b>Name</b>	<b>Expertise</b>	<b>Trustworthiness</b>	<b>Involvement</b>	<b>Attractiveness</b>
(Var. Expl. after rotation)	(20%)	(19%)	(18%)	(16%)
<b>Variable</b>				
Expertise1	.87			
Expertise2	.86			
Expertise3	.83			
Expertise4	.82			
Expertise5	.80			
Trustworthiness1		.85		
Trustworthiness2		.85		
Trustworthiness3		.82		
Trustworthiness4		.80		
Trustworthiness5	.35	.75		
Involvement1			.88	
Involvement2			.85	
Involvement3			.81	
Involvement4			.80	
Involvement5			.65	
Attractiveness1				.79
Attractiveness2				.78
Attractiveness3				.78
Attractiveness4				.77
Attractiveness5				.74

<i>Experiment 2 (n=77)</i>				
<b>Factor No.</b>	<b>Factor 1</b>	<b>Factor 2</b>	<b>Factor 3</b>	<b>Factor 4</b>
<b>Name</b>	<b>Expertise</b>	<b>Trustworthiness</b>	<b>Involvement</b>	<b>Attractiveness</b>
(Var. Expl. after rotation)	(18%)	(20%)	(17%)	(17%)
<b>Variable</b>				
Expertise1	.84		.33	
Expertise2	.81			
Expertise3	.78		.33	
Expertise4	.75			
Expertise5	.70			
Trustworthiness1		.89		
Trustworthiness2		.88		
Trustworthiness3		.85		
Trustworthiness4		.84		
Trustworthiness5		.81		
Involvement1			.87	
Involvement2			.83	
Involvement3			.78	
Involvement4			.70	
Involvement5			.55	
Attractiveness1				.86
Attractiveness2				.81
Attractiveness3				.80
Attractiveness4				.79
Attractiveness5				.54

<i>Experiment 3 (n=149)</i>				
<b>Factor No.</b>	<b>Factor 1</b>	<b>Factor 2</b>	<b>Factor 3</b>	<b>Factor 4</b>
<b>Name</b>	<b>Expertise</b>	<b>Trustworthiness</b>	<b>Involvement</b>	<b>Attractiveness</b>
(Var. Expl. after rotation)	(19%)	(16%)	(20%)	(16%)
<b>Variable</b>				
Expertise1	.84			
Expertise2	.84			
Expertise3	.84			
Expertise4	.81			
Expertise5	.76			
Trustworthiness1		.86		
Trustworthiness2		.83		
Trustworthiness3		.82		
Trustworthiness4*		.80		
Involvement1			.90	
Involvement2			.90	
Involvement3			.86	
Involvement4			.85	
Involvement5			.77	
Attractiveness1				.79
Attractiveness2				.78
Attractiveness3				.77
Attractiveness4				.74
Attractiveness5				.68

*Note:* All three analyses clearly favor a four factor solution. Eigenvalues for the fourth and fifth (non-extracted) factors are 1.87 vs. 0.85 in Experiment 1, 1.49 vs. 0.89 in Experiment 2 and 2.21 vs. .82 in Experiment 3. Principal Component extraction and Varimax rotation were employed. Loadings smaller than  $\pm .30$  have been suppressed. Factors were numbered as they came out in the original analysis in Exp. 1. \*In experiment 3, the 5<sup>th</sup> trustworthiness item (undependable-dependable) was deleted due to poor loading.

**Table 4: Regression Analyses Assessing the Effects of Involvement**

<b>Experiment 1 (n=88)</b>						
Dep var.	<i>Attitude towards Ad</i>			<i>Attitude towards Brand</i>		
<b>Independent variables</b>	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
<i>Controls</i>						
Age	-.05	-.09	-.11	-.01	-.11	-.12
Gender	.06	-.07	.00	.13	-.07	-.01
Country of origin	.24*	.21*	.14	.24	.04	-.01
Prior familiarity	.10	-.08	-.07	.23	.02	.02
<i>Source Model Variables</i>						
Trustworthiness		.26**	.25**		.29**	.29**
Attractiveness		.35***	.34***		.25*	.24**
Expertise		.32***	.30***		.32**	.30**
<b>Involvement</b>			.39***			.31***
Adj. R <sup>2</sup>	.04	.26	.41	.00	.19	.28
R <sup>2</sup> Change (unadj.)	.09	.24***	.14***	.04	.21***	.09***
<b>Experiment 2 (n=77)</b>						
Dep var.	<i>Attitude towards Ad</i>			<i>Attitude towards Brand</i>		
<b>Independent variables</b>	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
<i>Controls</i>						
Age	-.09	-.05	-.06	.10	.14	.12
Gender	.16	.21*	.16	.09	.10	.07
Country of origin	-.13	.00	.02	-.13	-.03	-.04
Prior familiarity	.39***	.20	.12	.39***	.22	.17
<i>Source Model Variables</i>						
Trustworthiness		.23*	.25**		.25*	.27**
Attractiveness		.29**	.30**		.23*	.24*
Expertise		.35***	.35***		.20*	.20*
<b>Involvement</b>			.26**			.19*
Adj. R <sup>2</sup>	.17	.35	.41	.11	.20	.23
R <sup>2</sup> Change (unadj.)	.21**	.20***	.06**	.16*	.12**	.03*
<b>Experiment 3 (n=149)</b>						
Dep var.	<i>Attitude towards Ad</i>			<i>Attitude towards Brand</i>		
<b>Independent variables</b>	Model 13	Model 14	Model 15	Model 16	Model 17	Model 18
<i>Controls</i>						
Age	.13	.06	.09	.08	.02	.05
Gender	.20*	.21**	.16*	.25**	.26***	.22**
Meat-eater	.06	.09	.06	.17*	.21**	.17*
Prior familiarity	.06	.05	.07	-.09	-.09	-.07
<i>Source Model Variables</i>						
Trustworthiness		.15	.14		.17*	.17*
Attractiveness		.39***	.38***		.39***	.37***
Expertise		.35***	.35***		.06	.06
<b>Involvement</b>			.22**			.21**
Adj. R <sup>2</sup>	.03	.20	.24	.05	.21	.25
R <sup>2</sup> Change (unadj.)	.06	.18***	.05**	.08*	.18***	.04**

\* = p<0.05; \*\* = p<0.01; \*\*\* = p<0.001. Reported significance levels are single-tailed for Source Model variables and two-tailed for control variables. The displayed coefficients are standardized Betas.

**Table 5: ANOVA summary for experiments 1-3 (group influence on perceived involvement)**

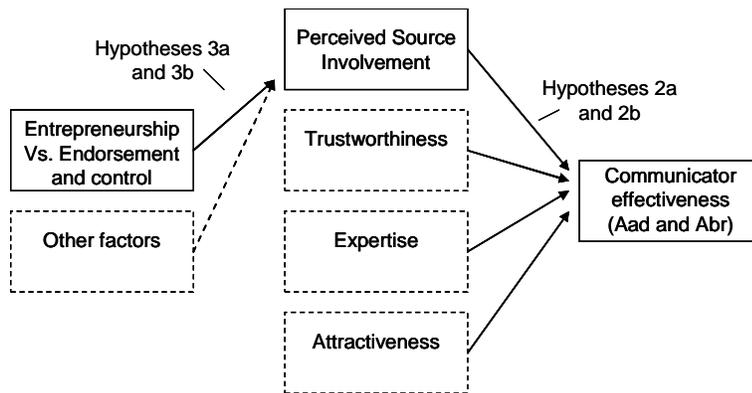
Exp.	Dependent Variable (main effects)	Entrepreneur (mean)	Endorser (mean)	Control (mean)	Mean Square	Degrees of freedom	F ratio	Effect size (eta squared)
1	Perceived Involvement	4.22	3.09	3.73	9.2	2 (85)	6.584**	0.13
2	Perceived Involvement	4.88	3.76	3.85	10.2	2 (74)	9.27***	0.20
3	Perceived Involvement	5.52	4.68	4.4	16.9	2 (146)	12.63***	0.15

*p* < 0.05\*; *p* < 0.01\*\*; *p* < 0.001\*\*\*

**Table 6: Planned comparisons for entrepreneur Vs. endorser and control conditions**

Planned Comparison	Exp. 1	Exp. 2	Exp. 3
Ent. Vs. End.	F(1,85)=13.09, <i>p</i> =.000	F(1,74)=15.58, <i>p</i> =.000	F(1,146)=12.82, <i>p</i> =.000
Ent. Vs. Contr.	F(1,85)=2.50, <i>p</i> =.058	F(1,74)=11.86, <i>p</i> =.000	F(1,146)=23.43, <i>p</i> =.000
End. Vs. Contr.	F(1,85)=7.98, <i>p</i> =.006	F(1,74)=0.11, <i>p</i> =.377	F(1,146)=1.42, <i>p</i> =.118

**Figure 1: Conceptual model used to test hypotheses 2 and 3**



**Figure 2: Celebrity ads used in experiments 1-3 from left to right**

