Country-of-origin effects in celebrity endorsements: The case of China

By: Xiao Tong and Jin Su


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Abstract:

This study examines the impacts of country of origin (COO) of the celebrity and the endorsed brand on consumers’ quality perception and attitudes in the Chinese sportswear market based on data collected from 249 young Chinese consumers. It is the first empirical effort to investigate the effectiveness of a new hybrid type of celebrity endorsement ‘international sports star of China’. The results reveal that celebrity COO has a significant impact on Chinese consumers’ brand attitudes, and the congruence between celebrity COO and brand COO is required for international sportswear brands to create a high level of perceived quality in China.

**Keywords:** Chinese consumers | country of origin | sportswear market

Article:

1. Introduction

Celebrity endorsement, a multi-billion-dollar industry globally, is among the most popular and effective advertising strategies used in today's global marketplace (White, Goddard, & Wilbur, 2009). Celebrities are effective because they are viewed by consumers as highly trustworthy, believable, persuasive, and likeable (Albert, Ambroise, & Valette-Florence, 2017; Erdogan, 1999; McCormick, 2016). Researchers in source credibility in the context of celebrity endorsement have suggested that the effectiveness of a celebrity endorser originates from the perceived credibility of the endorser, and trustworthiness, expertise, and attractiveness were identified as the three dimensions of source credibility (Ohanian, 1990; Pornpitakpan, 2003). Studies found that celebrity endorsements can result in more favourable advertisement ratings and product evaluations, increase brand awareness, and enhance consumer attitude and purchase attention; moreover, they can also substantially impact financial returns for the companies that use them (Dwivedi, Johnson, & McDonald, 2015; Erdogan, Baker, & Tagg, 2001; Um, 2018). However, companies need to choose the appropriate celebrity endorsers for their products and
brands to achieve the desired results from celebrity endorsement. For international brand managers, determining the most appropriate endorser to increase an advertisement's effectiveness in promoting a product or brand in a global market is vital. Previous studies suggest that success in celebrity-endorsed advertising in international markets depends on whether the celebrity endorser is considered a good match with the brand and proves meaningful within a culture's consumer values and norms (Desmarais, 2014; McCracken, 1989).

The global sportswear market has witnessed significant growth owing to growing health awareness and increasing fitness activities among consumers worldwide. It is expected to increase from 180.63 billion US dollars in 2019 to a projected 207.79 billion US dollars in 2025 (O'Connell, 2020). The global sportswear market is highly competitive and fragmented, with many brands competing from discount brands to high-end fashion. That is why, in this market, celebrity endorsement has become one of the prevalent strategies for creating positive associations in the minds of consumers. Global and national sportswear brands enthusiastically hire global and national sports celebrities to participate in their promotion events or take them as brand ambassadors. In line with the increasing prevalence of global expansion strategies by sportswear firms worldwide, country of origin (COO) has been given a lot of consideration by international marketers to promote global brands with celebrity endorsers. The traditional marketing practice of using brand COO cues has been upgraded to a new approach of integrating celebrities’ COO with brand COO cues. Although both celebrity endorsement and COO have been extensively studied by researchers, celebrity endorsement in international advertising contexts has not received much attention, and limited research has examined the interaction effect of celebrity endorser COO and brand COO on consumers’ perceptions and attitudes.

China is the second-largest sportswear market globally, and sports celebrities have significant influence amongst Chinese consumers, especially with the young demographic, which represents the major consumer group of China's sportswear market (Du, 2016; Market Me China, 2015). However, few empirical studies have investigated the effectiveness of celebrity endorsement and the COO effects of celebrity endorsers in this market. In the light of the earlier studies on celebrity endorsement, changing practices in advertising and marketing communications, and the rapid development of robust and lucrative sportswear consumer markets in China, this study attempts to examine the COO effects in the context of celebrity endorsements in China's sportswear market. Specifically, this experimental study was implemented to investigate the impacts of celebrity endorser COO and brand COO on consumer perceptions and attitudes toward sportswear products. In particular, this study aims to offer potential contributions to the current celebrity endorsement and COO literature by empirically investigating the impact of brand COO and celebrity endorser COO on Chinese consumers’ quality perceptions and attitudes in the context of the ever-growing Chinese sportswear market. This study also examined the moderating role of consumer ethnocentrism in the effect of brand COO and celebrity endorser COO in China's sportswear market. In this study, brand COO is the country where a brand is associated; celebrity endorser COO is the country where the celebrity is associated. The ‘COO effect’ refers to a consumer’s dependency upon COO when developing perceptions of and forming attitudes on brand performance (Ha-Brookshire, 2012).

2. Literature review and hypothesis development
2.1. Celebrity endorsement and using sports celebrities in advertising in China

Using celebrities to promote a brand or sell a product has been considered a popular and effective marketing and advertising strategy for both global and local marketers. With the rapidly growing middle-class population and the huge consumer market, China has seen increasing use of celebrities in advertising. It is crucial to investigate how Chinese consumers interact with advertisements using celebrity endorsement. The root of Chinese people's strong respect for authority lies in Confucius's five cardinal relations (Yau, 1988). Yau (1988) has suggested that advertising tends to be more effective when opinion leaders are in commercials recommending products/services. Although the Chinese value system emphasises uncertainty avoidance and conformity (Fan, 2000; Hofstede, 1984), people might also feel uncomfortable from being left behind in a new fashion and thus might be easily induced to follow what the innovator has tried. Schmitt and Pan (1994) further suggested that Chinese consumers are likely to use reference groups as influencers under the collectivist culture system. Thus, opinion leaders like celebrities have a significant effect on Chinese consumer attitudes and behaviours by introducing the new product/brand and influencing the majority to purchase it. Yau (1988) maintained that Chinese consumers are more likely than US consumers to be influenced by opinion leaders in their purchasing decisions. For this reason, many advertisers have invited famous Chinese and foreign celebrities to appear in commercials and recommend products to target Chinese customers. Examples include Nicole Kidman and Cindy Crawford, who went to Shanghai to promote Omega watches.

According to Euromonitor International, the sportswear market in China is the second-largest sportswear market globally after the US, and it is expected to grow to 43.1 billion dollars by 2020 (Gonzalez-Rodriguez, 2017). Aiming to gain a competitive edge in such a promising market, local and foreign brands such as Nike and Adidas seek celebrities’ endorsement to gain market share. Therefore, ads involving celebrity endorsements are typical for sportswear products in China, with many ads featuring sports celebrities. Famous domestic or international athletes, who are attractive to Chinese sportswear consumers, are actively present in Chinese news media, sports events, and social media. For example, Kobe Bryant, a famous international sports star, has millions of loyal Chinese fans, and most of the fans belong to the post-’80s generation. Yao Ming, one of China's best-known athletes, served as the first real basketball ambassador between China and the US. Besides, Liu Xiang, China's top track and field star, has become one of China's most famous athletes. Previous research indicates that Chinese consumers generally have favourable attitudes toward athlete celebrity endorsers (Schaefer, Parker, & Kent, 2010).

2.2. Brand COO

In literature, it is well documented that the country image serves as a prototype and biases consumers’ product evaluation and choices either in the general or specific product category level (Reierson, 1967). Phau and Prendergast (2000) contended that consumers associate a brand with its origin country even they are aware that in most cases, the brand product is not made in its origin country. As each country has its own resources, economic structures, and its unique social and cultural history, the brands originated from it may be inevitably embedded with all these traces. Therefore, it is argued that the country of brand origin will stimulate consumers’
associations with a country's relative advantages and status of a particular industry as well as the social and cultural aspects of the country, which may add value to branded products. Previous research has found that consumers use a brand's country of origin (COO) as a cue in inferring its quality and acceptability (Baugn & Yaprak, 1993; Bilkey & Nes, 1982). A right brand origin country image will lead to a better evaluation, subsequently a stronger purchase intention. Previous literature also demonstrates that brand COO is a significant factor in consumers’ perception of and purchase decision-making of apparel products and affects how consumers view and evaluate apparel product attributes (Samiee, 1994).

China has become a battleground for both foreign and local companies aggressively competing for shoppers with rising incomes. While international brands are still leading the market, domestic brands, such as Li-Ning and Anta Sports, are working hard to catch up with international players. Although Chinese domestic clothing brands have a competitive advantage in terms of price, they are still less stylish and have lower brand recognition than international brands (Wang, Siu, & Hui, 2004). When Chinese consumers are becoming more sophisticated, their emphasis on value for money is rising. A brand is perceived as adding a note of distinction and value beyond the product features in China's sportswear market (Deloitte, 2013). For brand origin effect, some studies indicate that Chinese consumers prefer local brands and think purchasing local brands is the right thing to do (The Boston Consulting Group, 2008). However, other studies have suggested that while Chinese consumers value patriotism, their patriotic feelings do not prevent them from purchasing and using foreign brands (Madden, 2004; Tong & Li, 2013). Given these mixed results and only a handful of studies examined this important topic in China, the influence of brand COO on Chinese sportswear consumers’ evaluations needs to be further investigated. Therefore, we propose the following non-directional hypotheses:

H1: In the context of China's sportswear market, brand COO has a significant, direct impact on consumers’ attitudes towards the celebrity (H1a), attitude towards the brand (H1b), and perceived quality (H1c).

2.3. Celebrity endorser COO

There is enough evidence in the celebrity endorsement literature to indicate that proper utilisation of celebrity endorsers can be highly effective in promoting a product or brand and getting the consumers’ right response (Chao, Wührer, & Werani, 2005; Misra & Beatty, 1990). Research has shown that the characteristics of advertisement endorsers effectively convey product imagery to consumers by creating a positive connection between consumers and the reputation of the product/brand represented by the endorsers (Kim, Wang, & Ahn, 2013; Wang & Doong, 2010). As one of the endorsers’ essential characteristics, the endorser's nationality is believed to influence celebrity endorsement advertisement effectiveness in an international market (Dom, Binti Ramli, Chin, & Fern, 2016). That is why the traditional practice of using brand COO cues to influence consumer attitudes is now juxtaposed with celebrity endorsers’ COO cues to influence consumers’ attitudes (Roy & Bagdare, 2015).

For the Chinese market, previous studies on celebrity endorser COO have produced conflicting results. One stream of the literature on celebrity endorsement suggested that using a local celebrity in the Chinese market may help a company express adaption to the local market and
identify with the native culture and language (Cui & Yang, 2009; Frith, Cheng, & Shaw, 2004; Roy & Bagdare, 2015). However, other studies suggested that Chinese consumers now are a large part of the global consumer community and they prefer global appeals in advertising and prefer ads featuring international celebrities/spokespersons (Apaolaza, Hartmann, Barrutia, Echebarria, & He, 2014; Frith et al., 2004; Liu, Tao, & Tsai, 2017). This implies that Chinese consumers are more inspired by international celebrities in purchasing global brands and luxury brands. Therefore, employing a foreign star can help a brand build a global international image (Venkatesh & Swamy, 1994; Zhuang, Wang, Zhou, & Zhou, 2008). The different results resulted in the ambiguous effect of celebrity endorser COO in the Chinese market, thus calling for further studies. Therefore, we propose the following non-directional hypotheses:

**H2:** In the context of China's sportswear market, celebrity endorser COO has a significant, direct impact on consumers’ attitudes towards the celebrity (H2a), attitude towards the brand (H2b), and perceived quality (H2c).

### 2.4. The interaction between brand COO and celebrity endorser COO

Celebrity endorser/product fit affects the effectiveness of celebrity endorsement advertisements. Previous studies suggest that celebrities will be most effective when there is congruence between the endorsed product and the spokesperson, which is referred to as the ‘matchup hypothesis’ (Albert et al., 2017; Choi & Rifon, 2012; Till & Busler, 2000). The matchup refers to the degree of similarity or consistency between the celebrity and the brand, implying that the matchup hypothesis occurs when the spokesperson's highly relevant characteristics are consistent with the brand's highly relevant attributes (Misra & Beatty, 1990, p. 161). A good match between an advertisement endorser and a brand elevates brand equity by promoting brand image, improving consumer attitudes and purchase intentions of the brand (Kim et al., 2013; McDaniel & Heald, 2000; Till & Busler, 2000). This implies that the more noticeable the celebrity-brand congruency is, the more the consumer accepts the celebrity's influence (Kamins & Gupta, 1994), which leads to identification with and positive attitudes toward the endorsed brand (Albert et al., 2017; Erdogan, 1999; Kamins & Gupta, 1994; Misra & Beatty, 1990). Besides, advertising a brand via a celebrity who has a relatively high congruent image with the brand could lead to the greater believability compared to an advertisement with a less congruent brand/celebrity image (Erdogan, 1999; Kamins & Gupta, 1994).

In China's sportswear market, brand managers usually adopt a glocalization advertising strategy, a combination of globalisation and localisation. While Chinese celebrity athletes are commonly featured as endorsers in international sportswear brands’ ads targeting Chinese consumers, international athletes are increasingly endorsing local Chinese sportswear brands in the Chinese market (Schaefer et al., 2010). Given these mixed celebrity endorsement practices, no study has investigated the interaction effect between brand COO and celebrity endorser COO in China's sportswear market. Therefore, it would be interesting to explore whether the COO of the endorsed brand and the COO of the celebrity would interact with each other and create differences in Chinese consumer perceptions and attitudes. Thus, the study hypothesised:

**H3:** In the context of China's sportswear market, the congruence between celebrity endorser COO and brand COO has a positive significant effect on consumers’ attitudes
towards the celebrity (H3a), attitudes towards the brand (H3b), and perceived quality (H3c).

2.5. Consumer ethnocentrism (CE) and COO

Consumers’ level of ethnocentrism is an essential consideration in COO studies. Consumer ethnocentrism (CE), defined as the consumers’ beliefs about the appropriateness, indeed morality, of purchasing foreign-made products, gives the individual a sense of identity and feelings of belongingness (Shimp & Sharma, 1987, p. 280). A product's COO serves as a cue activating a consumer's ethnocentric tendency (Huddleston, Good, & Stoel, 2001; Tong & Li, 2013). Similar to COO effects, which suggest that country information availability activates cognitive processing and evaluation, CE is activated when foreign or global brands are compared with local alternatives (Balabanis & Siamagka, 2017). In this case, brands closely linked to the homeland should evoke stronger effects than brands with weaker homeland associations. Consumers with high levels of ethnocentrism tend to emphasise the positive aspects of domestic products, discount the virtues of foreign-made items, and are more likely to purchase local products (Tong & Li, 2013). Previous studies have suggested that consumer ethnocentrism may moderate global brands’ effectiveness in international markets, such as China (Akram, Merunka, & Shakaib Akram, 2011; Supphellen & Grønhaug, 2003).

The Chinese market is characterised by an influx of global brands and advertisements with a dramatic proliferation of local brands (Henninger, Alevizou, Tan, Huang, & Ryding, 2017; Liu et al., 2017). As a consequence, Chinese customers have an ever-expanding choice of purchase options. However, Chinese consumers’ choice of domestic vs. imported brands often involves a dilemma between ethnocentrism and brand quality/image judgments (Wang & Chen, 2004). Studies have found that consumer ethnocentrism has moderating effects on Chinese consumers’ evaluations and purchase intentions of foreign and domestic brands (Han & Guo, 2018; Wu, Zhu, & Dai, 2010). Thus, we propose the following hypotheses:

H4: The effects of brand COO on consumer attitude towards celebrity (H4a), attitude towards the brand (H4b), and perceived quality (H4c) for domestic brands are positively moderated by consumer ethnocentrism (CE).

H5: The effects of brand COO on consumer attitude towards celebrity (H5a), attitude towards the brand (H5b), and perceived quality (H5c) for international brands are negatively moderated by consumer ethnocentrism (CE).

H6: The effects of celebrity endorser COO on consumer attitude towards celebrity (H6a), attitude towards the brand (H6b), and perceived quality (H6c) for Chinese sports stars are positively moderated by consumer ethnocentrism (CE).

H7: The effects of celebrity endorser COO on consumer attitude towards celebrity (H7a), attitude towards the brand (H7b), and perceived quality (H7c) for international sports stars are negatively moderated by consumer ethnocentrism (CE).

Based on the literature review above, a conceptual model was proposed, as shown in Figure 1.
3. Research design and methodology

3.1. Study design

This study used a 3×2 factorial design. COO of the celebrity has three levels (Chinese sports star, international sports star of China, and international sports star), COO of the brand has two levels (Chinese vs international). Subjects were randomly assigned to one of the six experimental conditions.

3.2. Measures

3.2.1. Independent variables

COO of the brand (the country with which the brand or firm is associated) was manipulated at two levels: domestic brand (China) and international brand (USA). Regarding the two countries selected, China was the home country. USA was chosen as the foreign country because several popular sportswear brands (e.g. Nike, Converse and New Balance) in the Chinese market and some of the most popular foreign athletes (e.g. Kobe Bryant and Dwyane Wade) who are known to Chinese consumers originated in the USA. COO of the celebrity was manipulated at three levels: Chinese sports star (Liu Xiang), international sports star of China (Yao Ming), and international sports star (Kobe Bryant). China's world champion hurdler, Liu Xiang, was the first man to win a men's track and field event for China (Chase, 2008). Since Liu is the most famous athlete in China, and he is relatively unknown in the West, we chose him for the Chinese sports star condition. We chose Kobe Bryant for the international sports star condition because he was the most dominant player in the NBA (National Basketball Association) for many years and is also well-known in China (Du, 2016). As compared to previous studies, our study introduced a new hybrid type of sports celebrity, the international sports star of China. It refers to Chinese sports stars who have gained international success and fame, such as Yao Ming. Yao Ming is the
most successful NBA player from China. He played for the Houston Rockets from 2002 to 2011 and he made to the NBA all-star team eight times. Therefore, he was chosen for the international sports star of China condition.

The shortened version of the CETSCALE developed by Shimp and Sharma (1987) was used to measure consumers’ ethnocentric tendencies in this study. The six-item version of the CETSCALE was developed and validated on a Chinese sample by Klein, Ettenson, and Krishnan (2006) and Tong and Li (2013), including items such as ‘Only those products that are unavailable in China should be imported’ and ‘It may cost me in the long-run, but I prefer to support Chinese products’.

3.2.2. Dependent variables

The dependent variables were measured by existing scales. All variables were measured using a 5-point Likert Scale (1 = strongly disagree to 5 = strongly agree). Items measuring attitude towards the celebrity were adopted from studies conducted by Kamins and Gupta (1994) and Magnini, Honeycutt, and Cross (2008). The attractiveness, trustworthiness, and expertise of the spokesperson (three dimensions of source credibility) were measured. Attitude towards the brand was measured by asking each respondent how she/he feels about the brand using three items of a five-point semantic differential scale: bad-good, unsatisfied-satisfied, and unfavourable-favourable (Chao et al., 2005). Product quality perception was measured with two items ‘This quality of this brand is reliable’ and ‘The quality of this brand is not good (R)’ (Rao & Monroe, 1989).

The questionnaire also included a 1-item manipulation check for celebrity endorser COO and 1-item manipulation check for brand COO. Respondents were asked to identify the COO of the celebrity included in the advertisement as: ‘Chinese sports star’, ‘Intentional sports star’ or ‘Intentional sports star of China’, and the COO of the brand as: ‘Chinese sportswear brand’ or ‘International sportswear brand’.

3.3. Questionnaire

We originally drafted the questionnaire designed for this study in English, translated it into Mandarin, and then backtranslated it into English. To ensure the correct meaning of the translated version, we asked two bilingual scholars (Chinese and English) to review the transcribed copies in English and Chinese. The final questionnaire, in Chinese, was pretested by administering it in China to a sample of 25 Chinese college students.

The questionnaire consisted of four parts. The first part focused on the advertising stimulus. For the experiments, hypothetical advertisements were selected as the stimuli. Six versions of mock-up advertisements were created to represent the six conditions of this study. The celebrity's COO and brand's COO information (such as ‘a brand from the USA’ or ‘NBA basketball star from China’) was embedded in each ad along with colour pictures of the spokesperson and the product (sports shoes).
Since athletic footwear segment contributed maximum revenue in the sportswear market, the sports shoes were targeted in this study to represent the sportswear market (Research and Markets, 2018). In the second part, after reading the description, participants were asked to complete a questionnaire that collected information on the dependent measures (attitude towards the celebrity, attitude towards the brand, and perceived quality) and manipulation check. In the third part, respondents were asked to complete the CETSCALE to measure their ethnocentric tendencies. The questions measuring consumer ethnocentrism were asked at the end of the questionnaire to prevent responses to consumer ethnocentrism measures from affecting those to other measures. Demographic questions were included in the last part of the questionnaire.

### 3.4. Sample and data collection

College students enrolled in a large university located in Shanghai, China, were invited to participate in this study. This particular segment was chosen in this study for the following two reasons. First, college-aged consumers between the ages of 18 and 24 comprise the major consumers of branded sportswear products in China (Dickson, Lennon, Montalto, Shen, & Zhang, 2004; Lu & Xu, 2015; Tong & Hawley, 2009). Second, the members of this one-child generation are the youngest and newest generation of independent consumers in China. They are willing to spend money, love international brands, and have significant influence over their families’ consumption behaviour. This makes them a critical target market for international companies/brands interested in the Chinese market (Lu & Xu, 2015). A written questionnaire was distributed to students in classes at the target university. Each participant was randomly assigned to one of six versions of ads.

### 4. Data analysis and results

#### 4.1. The sample

The questionnaire was administered to a sample of 275 students at the target university, and 249 responses were usable, with a response rate of 90 percent. Ages in the sample ranged from 18 to 27, with an average age of 20. Females constituted 77 percent of the sample, and males constituted 23 percent. The levels of family income in 2017 were reasonably balanced: 33 percent of the respondents reported monthly earnings less than $1,500, 34 percent earned between $1,500 and $3,000, and 32 per cent reported incomes over $3,000. Of all respondents, 93 percent were athletic shoes owners, and over 72 percent had more than three pairs of athletic shoes, indicating that they were quite familiar with the selected product category.

The mean CETSCALE scores obtained in this study were shown in Table 1. The results were largely consistent with previous studies (Ding, 2017; Wang & Chen, 2004). This relatively low rating on ethnocentrism would lead to the conclusion that most Chinese young consumers participating in this study do not hold high levels of ethnocentrism and are therefore open to the purchase of foreign-made products and foreign brands. Only one statement – ‘It may cost me in the long-run, but I prefer to support Chinese products’ – was rated as being slightly higher than the mid-point of the scale. This interesting finding suggests that these consumers (younger, better-educated university students living in a big city) maintain collectivist beliefs without feeling the need to be focused only on their country when making purchases (Parker, Haytko, &
In the present study, participants were classified as low \((N = 84, M = 1.88)\) and high \((N = 165, M = 2.60)\) on customer ethnocentrism scores using a median split. Besides, the values of Cronbach's alpha for the 6-item ethnocentrism measure was 0.84. Thus, it was accepted as being reliable for the research.

**Table 1.** Consumer ethnocentrism – CETSCALE.

<table>
<thead>
<tr>
<th>Item statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Mean score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only those products that are unavailable in China should be imported.</td>
<td>10.4%</td>
<td>52.6%</td>
<td>16.1%</td>
<td>16.1%</td>
<td>4.8%</td>
<td>2.52</td>
</tr>
<tr>
<td>Chinese products, first, last and foremost.</td>
<td>16.1%</td>
<td>65.1%</td>
<td>12.9%</td>
<td>4.8%</td>
<td>1.2%</td>
<td>2.10</td>
</tr>
<tr>
<td>A real Chinese should always buy Chinese-made products.</td>
<td>19.7%</td>
<td>61.0%</td>
<td>15.3%</td>
<td>2.4%</td>
<td>1.6%</td>
<td>2.05</td>
</tr>
<tr>
<td>Chinese should not buy foreign brands, because this hurts Chinese business and causes unemployment.</td>
<td>23.7%</td>
<td>58.6%</td>
<td>11.6%</td>
<td>5.2%</td>
<td>0.8%</td>
<td>2.01</td>
</tr>
<tr>
<td><strong>It may cost me in the long-run but I prefer to support Chinese products.</strong></td>
<td>4.4%</td>
<td>17.7%</td>
<td>32.1%</td>
<td>37.8%</td>
<td>8.0%</td>
<td><strong>3.27</strong></td>
</tr>
<tr>
<td>Chinese consumers who purchase products made in other countries are responsible for putting their fellow Chinese out of work.</td>
<td>26.9%</td>
<td>43%</td>
<td>21.7%</td>
<td>6.8%</td>
<td>1.6%</td>
<td>2.13</td>
</tr>
</tbody>
</table>

4.2. Manipulations

A majority (95%) of respondents answered the manipulation check for the COO of the brand correctly (Chinese brand vs international brand). 90% of the respondents exposed to the ad containing *Liu Xiang* were able to correctly identify him as a Chinese sports star, 95% of the respondents exposed to the ad containing *Kobe Bryant* were able to correctly identify him as an intentional sports star, and 85% of the respondents exposed to the ad containing *Yao Ming* were able to identify him as an intentional sports star of China correctly. Therefore, the manipulation used in this study was deemed successful.

4.3. Reliability and validity of measures

An exploratory factor analysis (EFA) was first done on the items measuring attitude towards the celebrity, attitude towards the brand, and perceived quality with a varimax rotation. Exploratory factor analysis produced three distinct factors among the items (attitude towards the celebrity, attitude towards the brand, and perceived quality). The values of Cronbach's alpha for ‘attitude towards the celebrity’, ‘attitude towards the brand’, and ‘perceived quality’ were 0.70, 0.74, and 0.72 respectively, all greater than or equal to the recommended cutoff value of 0.70 (Nunnally, 1978).

Next, a confirmatory factor analysis (CFA) for the measurement model with three constructs was performed to assess the convergent and discriminant validity of the three dependent variables. The goodness-of-fit statistics indicated that all criteria met the recommended values in the measurement model \((\chi^2/df = 1.96; \text{GFI} = 0.98; \text{AGFI} = 0.94; \text{CFI} = 0.97; \text{RMR} = 0.02, \text{and} \text{RMSEA} = 0.06)\). All factor loadings were significant \((p < 0.001)\) and varied from 0.60 to 0.81, satisfying the convergent validity criteria. Discriminant validity was tested by conducting \(\chi^2\) difference tests between all possible pairs of constructs (Anderson & Gerbing, 1988). The
\(\chi^2\) difference tests confirmed significant lower \(\chi^2\) values \((p < 0.001)\) for the unconstrained model for all comparisons that were tested, implying the achievement of discriminant validity.

4.4. Hypothesis tests

We conducted a multivariate analysis of variance (MANOVA) with COO of the celebrity, COO of the brand, and consumer ethnocentrism as independent variables. Attitude towards the celebrity, attitude towards the brand, and perceived quality were the dependent variables. The results of MANOVA indicated a significant main effect of celebrity endorser COO (Wilks lambda = 0.92, \(F = 3.29\)) and a significant two-way interaction effect between celebrity endorser COO and brand COO (Wilks lambda = 0.95, \(F = 2.69\)). No other findings were significant. To provide for and to interpret the various individual and combined effects, a series of specific sub-design analyses were conducted, and the results are presented in Table 2.

Table 2. Results of univariate analysis.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Attitude towards celebrity</th>
<th>Attitude towards brand</th>
<th>Perceived quality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean square</td>
<td>(F)</td>
<td>Mean square</td>
</tr>
<tr>
<td>Brand COO (A)</td>
<td>0.20</td>
<td>0.31</td>
<td>0.04</td>
</tr>
<tr>
<td>Celebrity COO (B)</td>
<td>1.31</td>
<td>2.08</td>
<td>1.37</td>
</tr>
<tr>
<td>Consumer ethnocentrism (C)</td>
<td>0.05</td>
<td>0.08</td>
<td>3.23</td>
</tr>
<tr>
<td>A×B</td>
<td>0.75</td>
<td>1.17</td>
<td>0.62</td>
</tr>
<tr>
<td>A×C</td>
<td>0.45</td>
<td>0.71</td>
<td>0.14</td>
</tr>
<tr>
<td>B×C</td>
<td>0.98</td>
<td>1.55</td>
<td>0.14</td>
</tr>
<tr>
<td>A×B×C</td>
<td>1.23</td>
<td>1.96</td>
<td>0.13</td>
</tr>
</tbody>
</table>

Note: * \(p \leq .05\); ** \(p < .01\); *** \(p < .001\).

Follow-up univariate tests on each of the dependent measures indicate the main effect of celebrity endorser COO on attitudes towards the brand is significant \((F_{2,246} = 4.05, p < .05)\), indicating \(H2b\) was supported. The subsequent Tukey post hoc comparisons suggest that the mean score of brand attitude for the international sports star of China situation \((M = 3.11)\) is significantly higher than the Chinese sports star situation \((M = 2.90)\) and higher than the international sports star situation \((M = 2.92)\). This implies that using a China athlete who has gained international fame \(\text{(such as Yao Ming)}\) as spokesperson can generate more favourable brand attitude \(\text{(for both domestic and international brands)}\) than using a domestic sports star \(\text{(such as Liu Xiang)}\) or using a pure international sports star \(\text{(such as Kobe Bryant)}\). Follow-up univariate tests on each of the dependent measures also show that the significant interaction between the celebrity endorser COO and brand COO is driven by its effect on perceived quality, indicating \(H3c\) was supported. The direction of interaction between celebrity endorser COO and brand COO is shown in Figure 2. For an international sportswear brand, the mean perceived quality is higher when the brand uses an international star as spokesperson \((M = 3.14)\) than a Chinese star \((M = 2.64)\). Whereas for a Chinese brand, the difference between the three types of sports stars is not significant. The results imply that celebrity endorser COO and brand COO congruence is required for foreign sportswear brands to create a high level of perceived quality in China.
Celebrity endorser COO was found to have no significant impact on the attitude towards the celebrity as a whole in our study. When we examined the impact of celebrity endorser COO on each of the three dimensions of source credibility (attractiveness, trustworthiness, and expertise) using ANOVA, however, we found that the international sports star was perceived more attractive (M = 3.94) than both the international star of China (M = 3.56) and Chinese star (M = 3.43) (F_{2,246} = 5.29, p < .05) (see Table 3). The moderating role of consumer ethnocentrism was also not observed in our study (see Table 2).

Table 3. Means and standard deviations of three dimensions of source credibility.

<table>
<thead>
<tr>
<th></th>
<th>Attractiveness</th>
<th>Trustworthiness</th>
<th>Expertise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chinese star</td>
<td>3.43 (0.98)</td>
<td>4.39 (0.66)</td>
<td>3.57 (0.79)</td>
</tr>
<tr>
<td>International star of China</td>
<td>3.56 (1.09)</td>
<td>4.46 (0.75)</td>
<td>3.66 (0.84)</td>
</tr>
<tr>
<td>International star</td>
<td>3.94 (0.83)</td>
<td>4.50 (0.78)</td>
<td>3.61 (0.93)</td>
</tr>
</tbody>
</table>

5. Discussion and implications

Compared with the volume of research in celebrity endorsements, few empirical studies have investigated the COO effects in the context of celebrity endorsements. The Chinese market has become a focus of global competition, and China's sporting goods industry is the second biggest market in the world behind the USA (Tuchman, 2017). The use of celebrities was well established in the sportswear industry, and the choice of celebrities was one of the determining factors for the success of its brands (Lu & Xu, 2015). Many foreign firms seek local celebrities to endorse products or brands in order to enhance brand power and competitiveness in the market. In contrast, as Chinese consumers are becoming more global, many domestic sportswear
brands use international celebrity endorsers to hope that the celebrity endorser's positive images will also be passed on to their brand image: a premium brand with a global image. This study aimed to examine COO effects in the context of celebrity endorsements in China's sportswear market.

This paper makes important contributions to our understanding of the COO effects of celebrity endorsers in an emerging market. Compared with the volume of research in celebrity endorsements, few empirical studies have investigated the COO effects of celebrity endorsers. Even fewer of them have examined the interaction effect of celebrity endorser COO and brand COO. Therefore, the findings from the present study could contribute to filling a gap in this research field. Besides, this study is the first empirical effort to introduce and investigate the effectiveness of a new hybrid type of sports celebrity endorser in an emerging market. Thus, our study can also contribute to the existing knowledge in COO research and celebrity endorsement in emerging markets such as China and provide insight into young consumers’ sportswear consumption behaviour in these markets. Consequently, important implications could be derived from this study for managerial choices for domestic and global brands in increasing the effectiveness of celebrity endorsement and building strong brands in the Chinese market.

5.1. Impact of brand COO

Previous studies have found that brand COO affects consumers’ perceptions about the brand and the brand's quality, and the tendency is that consumers rate brands from industrialised countries more favourable than those from less developed countries (Kaynak, Kucukemiroglu, & Hyder, 2000; Lu & Xu, 2015). Like consumers in other developing countries, Chinese people tend to perceive imported brands as superior to domestic brands. However, our results contrast to previous research showing that brand COO has no significant impact on young Chinese consumer attitudes and quality perception. The results may be explained by the recent evidence in the Chinese market: the novelty of foreign brands has declined; many global brands products are actually made in China, and Chinese brands become more attractive due to increased quality and lower prices. In other words, global sourcing and improvements by Chinese brands have erased the perception that a foreign brand is always of higher quality and more attractive than a Chinese brand for young Chinese consumers. Another possibility is that as China is embracing globalisation, Chinese consumers’ information processing may shift from utilising external and more general cues (i.e. COO, company reputation) to intrinsic and more specific product cues (i.e. quality, price, and style). The more product cues Chinese consumers consider and the more sophisticated they become, the less likely they are to be influenced by brand COO when they evaluate and purchase local or foreign brands.

5.2. Impact of celebrity COO

Our study confirms that the COO of the celebrity has a significant impact on Chinese consumers’ attitudes towards a brand, no matter it is an intentional brand or a Chinese brand. Specifically, we found that the international sports star of China (the new hybrid type of sports celebrity) can generate the most favourable brand attitude in the Chinese sportswear market. This study's results are consistent with several prior studies, suggesting that Chinese consumers thus find themselves in a situation of conflict between two consumption values: ethnocentrism vs
conspicuous consumption. The new type of hybrid celebrity endorsers introduced by this study is a combination of two attractive elements: Chinese identity + global image, seeming to be an effective way to satisfy Chinese consumers’ conflicting needs.

As cultural symbols, celebrities represent the values and ideals of a particular culture (Hung, Chan, & Tse, 2011). Chinese consumers preferring sports stars with Chinese identity as brand spokespersons reflect their strong faith in their deep-rooted cultural heritage and their conscious or unconscious efforts to negotiate a collective Chinese identity in a rapidly changing global market dominated by Western consumer culture. Although participants in this study generally show low ethnocentric tendencies, it does not mean an abandonment of national pride, patriotism, or Chinese value. Nor does it imply that participants embrace Western values and disparage local and traditional values. Sports have long been part of Chinese nationalism, and Chinese people demonstrate extreme nationalist tendencies in sports (Xu, 2006). With internationally successful Chinese athletes as spokespersons, there is an appeal to Chinese nationalism. It is a face (prestige and social status) shared by Chinese consumers and is transferred in part through the brands these athletes endorsed. On the other hand, the global image represented by the hybrid sports stars allows Chinese consumers to have a strong connection with their foreign counterparts in consumption, thereby enhancing their global identity (Roy & Bagdare, 2015).

5.3. Interaction effects of celebrity endorser COO and brand COO

The results of our study demonstrate that if an international sportswear brand endorsed by a spokesperson with global appeal, consumers’ perceived quality on the brand is higher compared with the case a local celebrity is endorsing the brand. This is consistent with the results of prior studies that have found that the image of a celebrity spokesperson should be congruent with that of the brand to enhance the advertising effectiveness, including the nationality of the endorsers and the brand (Chan, Ng, & Luk, 2013; Erdogan, 1999). This means that celebrity endorser COO and brand COO congruence is required for international sportswear brands to create a high level of perceived quality in China. In this case, since both the celebrity and the brand are global, Chinese consumers perceive the celebrity's image is congruent with the brand's image, which leads to a more favourable quality assessment. This result also indicates that both international celebrities and international brands are more likely to be associated with high quality and prestigious image by Chinese consumers.

5.4. Moderating effect of consumer ethnocentrism

One of the important contributions of the present study is integrating consumer ethnocentrism as a moderator of endorser's effectiveness. Analysis results from this study show that most Chinese young consumers hold low levels of ethnocentrism, and ethnocentrism doesn't drive Chinese consumers to evaluate domestic brands and celebrities more favourably than foreign brands and celebrities. The mean ethnocentrism score for the participants in this study who were classified as higher on consumer ethnocentrism is even lower than the midpoint of the 5-point Likert scale. The low level of consumer ethnocentrism implies that young Chinese consumers seem to be more international and more open to accepting foreign products and foreign celebrities than their parents. The change toward more global orientation in China probably explains why consumer
ethnocentrism doesn't have a significant moderating effect on the COO effects in celebrity endorsement in the Chinese market. Another possible reason for the insignificant moderating effect could be that materialism and conspicuous consumption are on the rise among urban Chinese consumers so that they could negate or reduce the impact of Chinese consumers’ ethnocentric views (Podoshen, Li, & Zhang, 2011). This result also confirms that young Chinese consumers are more likely to make their consumption decisions according to intrinsic product characteristics (i.e. quality, price, and style) than the COO cues.

5.5. Managerial implications

Our study shows that international sports stars are significantly more attractive to Chinese consumers than Chinese sports stars. Thus, they perceive higher quality for international brands when an international star endorses them. Prior studies indicate that a more attractive celebrity spokesperson is more effective in communicating brand messages, and consumers are more likely to buy from brands that offer higher quality products. Thus, we think international brands, especially well-established brands in the Chinese market, should use an international celebrity as the endorser in order to maintain a high quality and attractive brand image. On the other hand, the present research shows that advertisements featuring international sports stars with Chinese identity can generate the most favourable brand attitude among young consumers. According to previous studies, consumers familiar with and often exposed to that celebrity endorser will automatically like that celebrity more (Miciak & Shanklin, 1994; Zajonc, 1968). Compared to international celebrities, Chinese celebrities are certainly more familiar to Chinese consumers. Therefore, for international brands seeking entry into the Chinese market, we would recommend a hybrid celebrity strategy, using a local celebrity with a global image as the spokesperson, because they would be more effective in drawing attention to the brand, connecting with local consumers, and boosting brand evaluations. Similarly, for local Chinese brands, using Chinese sports stars with international success as endorsers of their brands could be more effective in creating a positive brand attitude among young Chinese consumers and more financially affordable than using an international star as top-tier global celebrities usually command a higher price tag.

This study discovered low levels of consumer ethnocentrism among young Chinese consumers, and brand COO shows an insignificant effect on their attitudes and quality perception. The implication for international marketers targeting the Chinese market is that ethnocentric tendency in China doesn't pose a serious threat to foreign brands; products’ country of origin is only one of the extrinsic cues (among many others) and is no longer a determining factor in advertising effectiveness and brand evaluation in this market. Therefore, for global brands to differentiate their brands from Chinese domestic brands, they could leverage other features associated with the brand origin, such as the innovative and fashionable brand image (Lu & Xu, 2015).

6. Limitations and future research

This research has several limitations that suggest promising avenues for future research. First, the present research was carried out among more educated consumers in one Chinese city, Shanghai. Although most participants came from elsewhere in the country, China is a diverse nation with significant regional and urban/rural differences. To enhance the generalizability of
findings from this study, future research could recruit a larger sample from different premier cities in China. Also, it is crucial to investigate the consumers in Tier-2 or Tier-3 cities when the Chinese sportswear market expands. Second, studies have suggested that young Chinese consumers have low levels of ethnocentrism, but conspicuous consumption values are on the rise among them. Therefore, future studies should likely explore the moderating role of conspicuous consumption in the context of celebrity endorsement in China. Third, although this study was deliberately performed for a specific category (sportswear), the COO effect may vary across product categories. Thus, future research could reassess the present findings with other product categories.

References


