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# Examining the effects of celebrity negative publicity on attitude to, and reputation of brand and corporation, directly and based on moderating factors

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# Examining the effects of celebrity negative publicity on attitudes to, and reputation of brand and corporation, directly and based on moderating factors

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# ABSTRACT

Purpose - This study examines the effects of celebrity negative publicity on attitude towards brand, corporation, brand reputation, and corporate reputation, both directly and through the moderating effects of social media involvement, brand commitment, identification, and attribution (both types). Associative network theory has been used to explain these effects.
Design/methodology/approach - A quantitative survey of 550 respondents was carried out in London and surrounding areas. Structural equation modeling was used to analyse the data.
Findings - The findings suggest that celebrity negative publicity affects brand reputation and corporate reputation. Further, the moderating effects of social media involvement and brand commitment on attitude towards brand and corporation, identification on attitude towards brand, attribution types on attitude towards corporation were not found.

**Originality** - To the best of the authors' knowledge, this is the first paper to examine the effects of celebrity negative publicity on attitudes towards brand, attitude towards corporation, brand reputation, and corporation reputation, directly, and through the moderating effects of attribution (both types), identification, commitment, and social media. Findings from this study will minimise the gap in the literature on the topic and will help managers and policy makers to understand the effects of celebrity negative publicity in detail. **Keywords** Celebrity negative publicity, attitude towards brand, attitude towards corporation, brand reputation, corporate reputation, moderators

Paper type Research paper

## 1. Introduction

The use of celebrities as brand endorsers is widespread around the world. This strategy has greater potential advantages than other advertising techniques (Ohanian, 1991; Kim et al., 2014; Kim & Kim, 2020). Celebrities grab consumers' attention, give retailers a better chance of communication, improve product recall, and help in creating brand personalities (White et al., 2009). Firms hire them in the hope that their personality will transfer to the brand, deploying a huge level of financial resources in the process: some estimates suggest that about 10% of firms' advertising budgets is spent on celebrity endorsers (White et al., 2009; Zamudio, 2016; Chan & Fan, 2022). Notable examples of celebrity endorsements include Beyoncé, paid \$50 million to endorse Pepsi, 50 Cent received \$80 million from Reebok, LeBron James earned \$90 million from Nike over seven years, and Adidas paid \$160 million to David Beckham (Shimp, 2000; Hsu et al., 2002; Dhotre and Bhola, 2010; Jain et al., 2011; Bergkvist and Zhou, 2016).

The positive outcomes for firms can be dramatic: returns as high as 27 times their expenditure have been reported by some studies (Singh & Banerjee, 2018). However, associating a brand or corporation with a celebrity is not risk-free (Carrillat et al., 2014; Yoon & Shin, 2017; Lee et al., 2020; Huang, 2021). It is evident that celebrities can also cause significant damage to consumer attitudes, tarnishing the reputation of the brand or corporation that they endorse (Choi & Reid, 2015; Um & Kim, 2016; Hussain, 2021). Over the years, scandals that have made the headlines include the extramarital affair of Tiger Woods, the marijuana scandal involving swimming hero, Michael Phelps, domestic violence allegations against Ray Rice, illegal dog fighting involving Michael Vick, Lance Armstrong's fixing regimen during his career, Madonna's gyrating around a burning cross, and Oscar Pistorius's murdering his girlfriend (Choi & Reid, 2015; Juberg, 2020). These scandals have the potential to seriously disrupt the reputations of brands and corporation endorsed by the disgraced celebrities (Carrillat et al., 2014; Yoon & Shin, 2017; Jurberg, 2020).

Previous studies have addressed the effects of negative celebrity involvement on attitudes towards brand, corporation, and purchase intentions (Till & Shimp, 1998; White et al., 2009; Johnson et al., 2022). They have found that negative information surrounding a celebrity endorser can have detrimental effects on consumers' attitude towards brand and can decrease purchase intentions (Yoon & Shin, 2017). Little is known about the moderating effects of consumers' differential attribution styles, brand commitments, and levels of identification on the outcomes for the brand or corporation of negative publicity about their celebrity endorsers (Um, 2013; Um & Kim, 2016; Um, 2018; Hock & Raithel, 2019;

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Hussain, 2021). The results of previous studies have, however, suggested that consumers who show a high level of identification with the celebrity, a high commitment to the brand, and external attributions have a positive effect on the celebrity (Um & Lee, 2015; Um & Kim, 2016; Hock & Raithel, 2019; Hussain, 2021).

There is also some weak anecdotal evidence suggesting that negative publicity about a celebrity has a direct effect on the reputation of the brand and corporation (Um, 2013; Erfgen et al., 2015). The literature vaguely suggests that when celebrity endorsers are involved in any negative publicity, the reputation of linked nodes is affected, creating, for example, heavy damage to the reputation of the brand or corporation (Till & Shimp, 1998; Spry et al., 2011; Erfgen et al., 2015; Lee et al., 2020; Hussain, 2021). Reputation indicates a value judgment about the attributes of a brand or firm (Nguyen & LeBlanc, 2001; Brammer & Millington, 2005; Walsh et al., 2009; Lee et al., 2020). It influences consumers' willingness to either provide for, or withhold support from the brand and corporation (Gray & Balmer, 1998). When celebrity endorsers with positive characteristics are attached to a brand or corporation, they enhance the favourable reputation of both, with a resulting increase in morality, trust, confidence, and loyalty in the eyes of consumers; while celebrity endorsers involved in negative publicity decrease consumers' perception of the reputation of the brand or corporation, and damage sales and profits (Brammer & Millington, 2005; Walsh & Beatty, 2007; Walsh et al., 2009).

Most previous studies have focused on the effect of negative publicity about the celebrity endorser on brand attitude, but to the best of our knowledge, there has been no research studying the equivalent effects on attitude towards corporation, brand reputation, and corporate reputation (Um, 2016; Hussain, 2021; Yi et al., 2021; Johnson et al., 2022). Therefore, the first objective of the present study is to examine the effects of negative publicity about the celebrity endorser on attitudes towards brands, attitudes towards corporations, brand reputations, and corporate reputations.

Our second objective is to examine the moderating role of social media, brand commitment, identification, and attribution in examining the effect of celebrity negative publicity on other constructs. Previous studies give frail evidence that the relationship between celebrity negative publicity and brand and corporate evaluation are moderated by certain factors including social media involvement, commitment, identification, and attribution (Money et al., 2006; Edwards and La Ferle, 2009; Um, 2016). Despite this, little is known about these effects (Hussain et al., 2021; Johnson et al., 2022). Our first moderator is social media involvement. Social media has changed the way that consumers interact with celebrity endorsers (Erkan & Evans, 2016; Ahmed et al., 2019; Kim & Kim, 2020). Consumers use this new technology to actively exchange their experiences of celebrity endorsers with their friends and families (Hudson et al., 2015; Erkan & Evans, 2016). They synchronously engage in two-way communication and spread positive word-of-mouth about the endorsed brand or corporation (Schivinski & Dabrowski, 2013; Kowalczyk & Pounders, 2016; Kim and Kim, 2020). However, consumers can also engage in negative word-of-mouth when they find the celebrity endorser is involved in wrongdoing. The involvement of celebrities in negative publicity can also affect connected sources, such as the brand or corporation (Till & Shimp, 1998; White et al., 2009). These effects are higher when consumers are heavy users of social media than when they have a low level of use (Soh et al., 2009; Ahmed et al., 2019; Hussain, 2021). Consumers who are heavily involved in social media are more likely to notice negative information, which creates a higher level of negative beliefs in terms of attitudes towards, and reputation of the brand or corporation. However, despite its importance, there is no evidence in the literature on the moderating role that social media plays in the effect of celebrity negative publicity on attitudes towards and reputation of the brand or corporation. This study seeks to fill this gap.

Second, the study examines the effect of brand commitment on celebrity negative publicity towards the brand or corporation. Commitment toward a brand is one of the primary constructs. It defines how far consumers are emotionally and psychologically attached to the brand. When commitment to a brand is lower, consumers process information in a comparative manner compared with consumers who are highly committed (Ahluwalia et al., 2000; Um, 2013; 2016). In the case of high commitment, consumers ignore celebrity negative publicity and maintain their attitude and behaviour towards brand and corporation (Um, 2013). Similar to brand commitment, identification with celebrity endorsers can also affect consumers' attitudes and behaviours towards a celebrity's negative publicity. People with low levels of identification are more likely to feel ashamed of being connected with the celebrity than individuals with a high level of identification with the celebrity endorser (Johnson, 2005; Um, 2013). The more individuals identify with the celebrity, the less likely it is that negative information will affect them. In a similar vein, this study also examines consumers' attribution. Consumers attribute the causal structure of celebrity negative events to the environment or their engagement in the event (Um, 2016). When the negative events are attributed to a celebrity's internal factors, consumers adopt harsher evaluations, especially when the internal attribution is higher (Um, 2013). Similarly, when the negative events are attributed to celebrity's external factors, consumers adopt a less harsh evaluation, especially

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when the external attribution is higher (Um, 2013; 2018). In this case, consumers do not blame the celebrity endorser, but rather put the blame on the external factors. Although previous researchers have examined the effect of internal versus external attributions on the effect of celebrity negative publicity (Um and Lee, 2016; Um, 2018), there is frail evidence suggesting that high versus low internal attribution and high versus low external attribution can affect celebrity negative publicity on other constructs (Zhou and Whitla, 2013; Johnson et al., 2022). However, these relationships haven't been examined in the literature yet.

Overall, the purpose of this study is to examine the effects of celebrity negative publicity on attitude towards brand, attitude towards corporation, brand reputation, and corporate reputation, based on the moderating effects of brand commitment, identification, and internal/external attribution levels. To understand the overall conceptual model, we employ associative network theory. This theory suggests that human memory consists of interconnected nodes (Spry et al., 2011), each consisting of information that is connected via associative links to other nodes (Spry et al., 2011; Cuomo et al., 2019; Hussain, 2021). When an individual thinks of something, s/he also activates other connected nodes (Cuomo et al., 2019; Hussain, 2021). This study considers the celebrity endorser, brand, and corporation as nodes, and examines whether celebrity negative publicity has any effect on attitudes towards brand, attitude towards corporation, brand reputation, and corporate reputation, both directly and through the moderating effects of social media involvement, brand commitment, identification, and attribution.

Our research focused on a Pepsi advertisement that was seen as inappropriately evoking the image of Ieshia Evans, a US nurse who was photographed standing in front of police lines during a Black Lives Matter protest in 2016. The advertisement, featuring Kendall Jenner as a celebrity endorser, was withdrawn, and both Pepsi and Jenner faced negative publicity. This study takes Jenner and her other major corporate endorsement contract, Calvin Klein, as an example to examine the effects of celebrity negative publicity on attitude towards brand or corporation, and brand or corporate reputation.

The following sections provide a review of the literature on celebrity negative publicity, before the conceptual model, theory, and hypotheses are presented. The research method is then explained, with details of the survey, followed by discussions, and finally the conclusions are presented.

# 2. Theoretical background

A celebrity endorser is defined as an individual who enjoys public recognition, and uses this recognition on behalf of products or services by appearing with them in advertisements (McCracken, 1989; DeShields Jr et al., 1991; Dwivedi et al., 2016; Hussain et al., 2020). The practice of using celebrity endorsers can be traced as far back as the Nineteenth Century, when the British heir, Queen Victoria was associated with Cadbury's Cocoa (Akturan, 2011). This legacy continued throughout the early Twentieth Century, when firms selling tobacco and beauty products, electrical equipment, alcoholic and non-alcoholic beverages, etc., were found to be using celebrity endorsers (Francis & Yazdanifard, 2013; Zamudio, 2016). Today, 20% to 25% of advertisements include celebrity endorsers in the United Kingdom and the United States, while 60% to 70% of advertisements use celebrity endorsers in countries such as China, India, and Japan (Thwaites et al., 2012; Hock & Raithel, 2019).

Firms engage successful celebrities to transfer their attributes to brands and corporation (DeShields Jr et al., 1991; Louie et al., 2001; Murray & Price, 2012; El Hedhli et al., 2021). The use of celebrity endorsers is seen as an effective tool because their symbolic and inspirational attributes help increase consumers' perceptions and purchase intentions (Thwaites et al., 2011; Zhou & Whitla, 2013; Zamudio, 2016; Chan & Fan, 2022). Among other things, celebrity endorsers break down the clutter of advertising, create desired and favourable attitudes, enhance sales and profits and, most importantly, put a face to the success of the brand or corporation (DeShields Jr et al., 1991; Um, 2016; Ahmed et al., 2019; Kamel, 2020; El Hedhli et al., 2021).

However, this practice involves an inherent risk if the reputation of a celebrity endorser is tarnished by allegations of wrongdoing (Choi & Reid, 2015). Over the years, there have been numerous occasions on which celebrities are involved in undesirable activities, damaging their own reputation and that of the brands and corporation they endorse (Murray & Price, 2012). Scandals involving celebrity endorsers include the extramarital affairs of Tiger Woods, the marijuana scandal around swimming hero, Michael Phelps, the steroids example of baseball, Alex Rodriguez, Ray Rice's involvement in domestic violence, O.J. Simpson's involvement in armed robbery and kidnapping, Madonna's burning of crosses, and Michael Vick's participation in illegal dog fighting: all provide examples of celebrities who have "gone bad" for brands (Akturan, 2011; Thwaites et al., 2012; Um, 2013; Carrillat et al., 2014). Inappropriate behaviours of celebrities attract a great deal of unwanted media attention, lower consumers' opinions and evaluation of the brand or corporation, negatively affect firms' values, and reduce their stock price (Fong & Wyer, 2012; Carrillat et al., 2014; Um, 2016; Hock & Raithel, 2019). In one example, after reports of Tiger Woods'

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extramarital affair, sales of Nike golf balls decreased by \$1.5 million (Carrillat et al., 2014; Hock & Raithel, 2019; Zakari et al., 2019).

Most previous studies have examined the positive effects of celebrity endorsers on attitudinal and behavioural constructs, but very few have examined their potential negative effects, and even fewer have examined the effects of celebrity negative publicity based on situational and conditional information (White et al., 2009; Carrillat et al., 2014; Um, 2016). Of the studies that have been carried out on negative effects, most have found that negative information on celebrity endorsers transfers to the brands and corporation (Choi & Reid, 2015). In 1998, Till and Shimp were the first to examine the effects of celebrity negative information on brands, basing their study on an Olympic cyclist to examine the effect of celebrity negative publicity on brand evaluation. Using associative network theory as a theoretical framework, they found that negative information regarding the celebrity endorser resulted in a lower evaluation of the brand. Louie et al. (2001) examined how a firm's stock returns were affected when celebrity endorsers were found to be involved in undesirable activities. The results suggested that stock market reactions to celebrity negative publicity was negatively related to the celebrity endorsers' wrongdoing. White et al. (2009) later investigated the impact of celebrity endorsers' negative publicity on consumers' perceptions of a brand. They concluded that when consumers found negative information about the celebrity endorsers, they started disliking the brand.

In recent years, the field of research has continued to expand. Fong and Wyer (2012) examined the relationship between consumers' perceptions of celebrities' responsibility for the events that had occurred, their affective reactions to both the events and the celebrities, and their consequent reactions to the products endorsed by the celebrities. Their results showed that consumers' attribution of responsibility to the celebrities was positively correlated with perceptions of negative consequences, but were not correlated with general attitudes towards celebrities' involvement in the incident. The study also found that consumers' attribution of blame had an effect on attitudes towards celebrities, and that consumers' attributes towards celebrities had harmed the incident. Carrillat et al. (2014) examined the possibility that the adverse effects of a negative celebrity event on consumer brand attitudes could spill over into other brands in the same product category. Their results, however, suggested that negative publicity involving an athlete did not have a negative effect on consumers' attitudes towards competitors' brands.

Other researchers have added moderating factors such as brand commitment, identification, and attribution to the study of these effects (Um, 2013; Um & Lee, 2015; Yoon

& Shin, 2017). Zhou and Whitla (2013) examined consumers' reactions to celebrity negative publicity based on the sociological analysis of morality. They proposed that consumers' concerns regarding the moral norms of a celebrity's conduct, and the apparent wrongness of his/her act to consumers had severe effects on attitudes towards celebrity, brands, and other celebrities. Their results supported the significant role of the evaluation of moral reputation in influencing consumers' reactions to misbehaving celebrities and the brands they endorse. Um (2013) investigated the effects of consumers' attribution styles (dispositional or situational), and the moderating effects of brand commitment (high or low level) and celebrity identification (high or low level), in assessing negative information about a celebrity endorser. The results suggested that situational circumstances, consumers who identified heavily with celebrities, and consumers who were highly committed to a brand resulted in low levels of negative attitude towards brand.

Um and Lee (2015) investigated the effects of culture (individualistic or collectivistic) and consumers' attribution styles (dispositional or situational) on brand and purchase intentions. They also examined how consumers perceived different types of celebrity negative publicity (self-orientated or other-orientated) and how far identification affected their responses to negative information. The findings suggested that culture influenced consumer responses to celebrity negative publicity; that dispositional attributions led to more negative brand evaluation and purchase intentions; that other-orientated negative information led to more negative brand evaluation; and that consumers who highly identified with a celebrity endorser were less likely to be influenced by negative information. Similarly, Um and Kim (2016) investigated the effects of consumers' associative links between the brand and celebrity endorser, congruence between negative information about the celebrity and the endorsed brand, and the relationship between consumers and brand commitment. The findings suggested that congruence between negative information and endorsed brands moderated consumers' evaluation of the brand and purchase intention. The study also suggested that an associative link between endorsers and brands led to lesser evaluation towards brand and purchase intentions, and that consumers with a lower level of brand commitment were more likely to react negatively to bad publicity than consumers with a higher level of brand commitment.

Yoon and Shin (2017) examined the impact of two types of negative information (immorality and incompetence) on consumers' perceptions of sports stars and their sponsors. They also explored the moderating roles of game relevance (game-related or non-gamerelated information) and fan identification level (high or low). The results suggested that

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sports stars' involvement in negative events damaged their reputation and that of the sponsor. Both factors were shown to moderate the effects (Yoon & Shin, 2017, p. 332). Hock and Raithel (2019) examined the impact on stock returns of a firm's response to negative publicity, in terms of their reaction (removing or not removing the celebrity endorser), timing (slow or fast removal of the endorser), and type of response (suspending or not reacting) impact stock returns. Using 128 instances of celebrity negative publicity that had occurred between 1988 and 2016, they found that early announcements of the removal of the celebrity endorser increased the firm's stock return by 2.1%. Their results also showed that suspending the celebrity endorser had a positive impact on stock returns rather than a negative impact. Similarly, another study (Um, 2018) examined the effects of celebrity endorsers on attitude towards brand, advertising, and purchase intention based on the moderating factors of congruence, identification, and attribution. Findings suggested that congruence, identification, and attribution styles indeed impacted consumers' attitudinal and behavioural constructs. More recently, Huang (2021) examined the effects of a sex scandal concerning a celebrity endorser on Chinese vs US consumers. Results suggested that when exposed to a scandal, the attitude towards the endorsed brand was less favourable among Chinese consumers, especially when the celebrity endorser was male.

Although these studies have laid a foundation for suggesting the effects of celebrity negative publicity on attitude towards brand and purchase intentions, little is known about effects on attitude towards corporation, brand reputation, and corporate reputation; or about the moderating effects of social media involvement, brand commitment, identification, and internal and external attribution levels on these relationships. Hence, considering these gaps, this study examines the effects of celebrity negative publicity on attitude towards brand, corporation, brand reputation, and corporate reputation, both directly and through the moderating effects of social media involvement, brand commitment, identification, and attribution (both types).

#### 3. Conceptual model and theory

<<<Insert Figure I.>>>

## Associative learning theory

According to associative learning theory, individuals hold related subjects in their memory as an interconnected structure consisting of nodes that are linked to each other: when the individual thinks of one concept, the connected concepts also come to mind (Carrillat et

al., 2014; Cuomo et al., 2019; Wang et al., 2020). Its use is appropriate in the present study because the objective of advertising using celebrity endorsers is to create a link between the celebrity and endorsed brand, so that when consumers think of the celebrity, the endorsed brand comes into their mind, and when they think of the brand, the celebrity endorsement comes into their mind. Till and Shimp (1998) and Cuomo et al. (2019) explained that, as with positive information, negative information on the celebrity or brand can also activate connected nodes. Celebrity negative publicity may result in a lower evaluation of the celebrity, which may also affect the endorsed brand and corporation's reputation along with consumers' attitudes towards brand and corporation (Till & Shimp, 1998; Hussain et al., 2021). This study draws on these effects and examines the effects of celebrity negative publicity on attitude towards brand, attitude towards corporation, brand reputation, and corporate reputation, based on associative network theory. Later, the frail evidence suggests that the negative effects on attitudinal and reputational constructs are moderated by social media involvement, commitment, identification, and attribution, such that high levels of social media involvement, internal attribution, and external attribution, while low levels of commitment and identification increase the effects on the above relationships (Um, 2013; Um & Lee, 2015; Yoon & Shin, 2017). Hence, we also examine the effects of celebrity negative publicity based on the moderating factors. Once again, associative network theory is used to explain these effects. The conceptual framework shown in Figure I., depicts the spreading activation of negative publicity about celebrity endorsers to attitude towards brand, attitude towards corporation, brand reputation, and corporate reputation, both directly and through the moderating effects of social media involvement, brand commitment, identification, and internal/external attribution levels.

#### Hypotheses

# *The effect of celebrity negative publicity on attitude towards brand*

Most celebrity endorsers have characteristics of attractiveness as well as popularity. They can draw attention to the endorsed brands, and can make the message more memorable, credible, and desirable (Thwaites et al., 2012). Consumers often see them as role models and emulate their style and behaviour (Yang et al., 2012; Chan & Fan, 2022), choosing to buy the endorsed brands because they believe the celebrity endorsers genuinely like the products and use them in daily life. When consumers learn that the endorsers do not use the brands, or are involved in negative publicity, they may stop buying them. Negative publicity triggers consumers' concern over celebrities' bad behaviour. Moral concerns about bad behaviours

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can affect individual consumers' judgment, leading them to downgrade the endorser's attractiveness, expertise, and trustworthiness (Zhou & Whitla, 2013), and ultimately resulting in poorer attitudes towards the endorsed brand (Thwaites et al., 2012; Zhou & Whitla, 2013; Zakari et al., 2019).

Research based on associative theory suggests that consumers' repeated exposure to a celebrity and the brand they endorse strengthens the associative link between the two (Till & Shimp, 1998). When consumers think about the celebrity, the link to the brand is activated, and when they think about the brand, the link to the celebrity is activated (Till & Shimp, 1998; Thwaites et al., 2012). When a celebrity endorser is involved in negative publicity, this information also triggers the brand node, leading to a lower evaluation. Of the prior studies on the link between celebrity negative publicity and the endorsed brand (Till & Shimp, 1998; Zhou & Whitla, 2013), most found that negative publicity had a significant effect on attitude towards brand (White et al., 2009; Um, 2013). However, despite the importance of the effects of celebrity negative publicity on attitudes towards brand, only a handful of studies has researched this topic (Till & Shimp, 1998; White et al., 2009; Um, 2013; 2016; Zakari et al., 2019). Therefore, the first hypothesis is:

*H1. Celebrity negative publicity has a significant negative effect on attitude towards brand.* 

## The effect of celebrity negative publicity on attitude towards corporation

Negative publicity about celebrity endorsers affects not only consumers' attitudes towards celebrity and the brand, but also their evaluation of the corporation (Till & Shimp, 1998; Zakari et al., 2019; Lee et al., 2020). Corporation hire celebrity endorsers in the hope that the celebrity's equity will transfer to the equity of their firm. The potential advantages include positive stock market responses, awareness and association, and adding a face to their products and services (Zakari et al., 2019). Firms use them as a strategic tool to send positive messages and enhance consumers' beliefs and attitudes (Kim et al., 2014; Hussain et al., 2020).

However, celebrity endorsers also come with the possibility of negative publicity. It is evident from the literature that such occurrences not only decrease firms' stock performance and value but also lower consumers' perceptions and beliefs, which leads them to think negatively about the brand and corporation (Louie et al., 2001; Thwaites et al., 2012; Um & Kim, 2015). Major firms including Pepsi, Nike, Gillette, Accenture, Electronic Arts, McDonald's, AT&T, and Burberry have suffered badly from negative publicity about celebrity endorsers (Thwaites et al., 2012), with lower sales, reduced market values, and the risk of the development of negative attitudes towards m. The negative effects of celebrity endorsers on firms have hardly been explored in the literature (Yoon & Shin, 2017). Based on associative network theory, which suggests that feelings can be transferred in both directions between the celebrity endorser and brand nodes (Till & Shimp, 1998; Spry et al., 2011), we suggest that subsequent negative information about a celebrity endorser may lower consumers' evaluation of the corporation. The second hypothesis is, therefore:

*H2. Celebrity negative publicity has a significant negative effect on attitude towards corporation.* 

# The effect of celebrity negative publicity on brand reputation

As celebrities are used as a communication tool, it seems likely that some of their attributes are transferred to the endorsed brand; hence this is another area of focus in the present study. Attributes such as likeability, credibility, and especially reputation persuade consumers and influence their attitudes towards a brand (Chan & Fan, 2022). Spry et al. (2011) suggested that celebrities with these attributes convey this association to the endorsed brand and increase their reputation. Owing to these endorser-infused values, consumers may think that what is true of the celebrity must also be true of the brand: they are likely to trust and buy brands associated with highly reputable celebrities.

Similarly, the transfer of negative reputation from a celebrity to a brand is also a possibility. When celebrities are involved in wrongdoing or negative publicity, they transfer their negative reputation to the brand (Louie et al., 2001; White et al., 2009; Um, 2013). This negative publicity affects consumers' attitude to and evaluation of the brand, reduces purchase intentions, and lowers brand reputation (Louie et al., 2001; White et al., 2009; Um, 2013). Most previous researchers have explained this phenomenon based on associative learning theory (Um, 2013; Carrillat et al., 2014; von Sikorsi et al., 2018; Zakari et al., 2019). Consumers absorb the association between the celebrity and the brand through repeated exposure (Um, 2013; Carrillat et al., 2014; von Sikorsi et al., 2018). After the first few occasions of exposure, consumers regard the celebrity endorser is likely to enhance the effectiveness of a brand. When the celebrity endorser does something positive, consumers appreciate them and evaluate the connected brand positively (von Sikorsi et al., 2018; Hock & Raithel, 2019). Conversely, when they are involved in inappropriate publicity, consumer

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evaluation of them spills over to the endorsed brand and badly damages its reputation(Thwaites et al., 2012). Despite the importance of this topic, there is little evidence of it in the literature. Therefore, the next hypothesis is:

# H3. Celebrity negative publicity has a significant effect on brand reputation.

# The effect of celebrity endorser negative publicity on corporate reputation

Another important area of focus for this study is the effect of celebrity negative publicity on corporate reputation. Research suggests that celebrity endorsers, who require high levels of marketing expenditure and whose opinions are seen as trusted sources, are perceived as important and effective assets in increasing the reputation of a firm (Brammer & Millington, 2005; Walsh et al., 2007; Prameswara & Sjabadhyni, 2018; Lee et al., 2020). The "halo effect", based on the credible characteristics of the celebrity endorsers, is transferred to the corporation and enormously enhances its reputation (Wang et al., 2002; Kim et al., 2014). There is little evidence in the literature suggesting that a higher level of celebrity credibility can have a direct effect on a firm's reputation (Yoo et al., 2018; Lee et al., 2020). Conversely, it is also suggested that the adverse effect of a celebrity endorser can have a direct impact on corporate reputation (Walsh et al., 2007; Kim et al., 2014; Prameswara & Sjabadhyni, 2018; Hock & Raithel, 2019). If negative information about a celebrity is widely publicised, it harms the connected sources, including the corporation (White et al., 2009; Fong & Wyer, 2012; Um, 2013). In other words, negative coverage of a celebrity leads consumers to evaluate the associated corporation negatively and to think of them as having a weaker reputation. As explained by associative network theory, positive or negative information about the celebrity endorser moves towards the connected corporation (Till & Shimp, 1998; Um & Kim, 2016; Hock & Raithel, 2019). Repeated exposure to negative information about the celebrity stimulates consumers' negative feelings towards the reputation of the corporation and badly damages it (Till & Shimp, 1998; Prameswara & Sjabadhyni, 2018; Hock & Raithel, 2019). Despite the importance of this topic, there is little evidence in the literature on this effect. To minimise this gap, the next hypothesis is therefore:

*H4. Celebrity negative publicity has a significant negative effect on corporate reputation.* 

The effect of celebrity negative publicity on attitude towards brand, attitude towards corporation, brand reputation and corporate reputation, based on the moderating effect of social media involvement

The next few hypotheses are based on indirect (moderating) effects. The first examines the moderating role of social media in the effect of celebrity negative publicity on attitude towards brand, attitude towards corporation, brand reputation, and corporate reputation. Previous studies (Daugherty & Hoffman, 2014) highlighted the extent to which social media empowers individuals to connect with friends and family. It is an extremely consumer-centric space that individuals rely on for research purposes, including information on experiences and suggestions (Hudson et al., 2015; Erkans & Evans, 2016; Kim & Kim, 2020). It enables the building of relationships between various sources, such as celebrities, brands, corporation, and individuals, and creates active two-way many-to-many connections (Chung & Cho, 2014; Hudson et al., 2015; Kim & Song, 2016; Ahmed et al., 2019).

Communicating with and about sources on social media does not necessarily require any special access. Individuals can easily follow other people, peek into their private lives, and get to know them closely and personally (Kim & Song, 2016; Chung & Cho, 2017). Every activity or engagement by a source is watched (Kim & Song, 2016). It is an ideal platform for individuals to follow, share, converse, and exchange information about various aspects of a source, which spreads quickly to a large audience at minimal cost (Daugherty & Hoffman, 2014). If the source is involved in positive activities, individuals will respond with positive comments and positive word-of-mouth, while negative activities may be judged harshly, and negative word-of-mouth will spread (Daugherty & Hoffman, 2014; Dijkmans et al., 2015; Ahmed et al., 2019). In most cases, messages based on negative activities are more likely to become widely dispersed ("go viral") than messages based on positive activities (Tsugawa & Hiroyuki, 2015). As a result, they have a powerful effect, and can badly damage attitudes and the reputation of the source, along with everything connected to it (Dijkmans et al., 2015; Tsugawa & Hiroyuki, 2015).

Celebrity endorsers are one such source. Social media has changed the nature of their engagement with consumers. It has transformed their ability to manage their endorsements online and to connect with millions of consumers directly (Kowalczyk & Pounders, 2016). Consumers can feel emotionally close to, and connect with celebrity endorsers by engaging in two-way communications with them (Kowalczyk & Pounders, 2016; Lee et al., 2020). In return, the celebrity endorsers offer opinions on various aspects of life, including reviews of products and brands. This connection enhances consumers' attitudinal and behavioural

investments towards the brands and corporation (Kowalczyk & Pounders, 2016). However, celebrity endorsers involved in wrongdoing can badly harm attitudes towards, and the reputation of all connected sources on social media, depending on consumers' level of involvement in social media (Haghirian et al., 2005; Spry et al., 2011; Lee et al., 2020). Other studies have shown that consumers heavily involved in social media have a more negative attitude towards celebrity endorsers, and regard them as having a lower reputation than consumers with a low level of social media involvement (Haghirian et al., 2005; Spry et al., 2005; Spry et al., 2011; Kim et al., 2014). Highly involved individuals look for information more extensively on social media, leading to repeated exposure to negative information (Lim et al., 2013). The repetition of negative information causes a backlash effect in individuals and makes them resistant to it (Lim et al., 2013). However, very little research can be found on this topic in the literature. It is not clear whether, in cases of negative publicity about a celebrity endorser, the moderator of consumers' social media involvement has any effect on attitude towards brand, attitude towards corporation, brand reputation, and corporate reputation. Thus, the next hypothesis is:

H5. The effects of celebrity negative publicity on attitude towards brand (H5a), attitude towards corporation (H5b), brand reputation (H5c) and corporate reputation (H5d) will be higher among consumers with a high level of social media involvement than among consumers with a low level of social media involvement.

The effect of celebrity negative publicity on attitude towards brand, attitude towards corporation, brand reputation and corporate reputation, based on the moderating effect of brand commitment

The second moderating factor examined in this paper is an individual's commitment to the endorsed brand. Brand commitment is defined as an emotional and psychological connection to a brand (Um, 2016). It is the enduring desire to maintain a valued relationship with a brand (Walsh et al., 2010). Consumers with a high level of brand commitment show relational exchanges, bonds, and connections between themselves and the brand, and consider it to be an important part of their lives (Walsh et al., 2010). They feel tied to it and are less committed than others to changing that position (Raju et al., 2009). This sense of being tied to a brand creates a persistence in consumers' attitudes, even if the brand becomes involved in negative publicity (Raju et al., 2009). Previous studies have confirmed that commitment to a brand plays a vital role in the processing of negative information (Um, 2013; Chang & Wu,

2014; Um, 2016). When brand commitment is low, consumers give high relevance to negative information; when it is high, consumers refuse to accept the negative information, engage in biased processing of it, and retain their attitude towards brand (Um, 2013; Chang & Wu, 2014; Um, 2016). Thus, consumers with high brand commitment are less likely to accept negative information (Um, 2013).

In terms of the objectives of this study, it might be suggested that consumers with high brand commitment will ignore negative information regarding the celebrity endorser (Um, 2016). They resist the information and maintain their original attitude; in other words, they are less likely to accept the negative information (Um, 2016). Their level of brand commitment moderates the relationship between celebrity negative publicity and attitude towards brand, attitude towards corporation, brand reputation, and corporate reputation, such that those with a high level of brand commitment process negative messages in a less objective manner, and thus do not show any effects when negative information is revealed. Thus, the next few hypotheses are:

H6. The effects of celebrity negative publicity on attitude towards brand (H6a), attitude towards corporation (H6b), brand reputation (H6c) and corporate reputation (H6d) will be higher among consumers with a high level of brand commitment than among consumers with a low level of brand commitment.

# The effect of celebrity negative publicity on attitude towards brand, attitude towards corporation, brand reputation and corporate reputation, based on the moderating effect of identification

The third important moderating factor examined in this research is an individual's level of identification with a celebrity endorser. Identification has been widely explained using Burkes' dramatism theory (1985), Kelman's theory of opinion change (1961), Tajfel's social identity theory (1970), and Bandura's social cognitive theory (1977). These theories suggest that identification occurs when individuals feel a sense of intimacy or similarity with others (Um, 2016; Osei-Frimpong et al., 2019), and argue that it causes a change in individuals, pushing them to adopt the attitudes and behaviours of other people (Um, 2013; Um & Lee, 2015). Individuals who highly identify themselves with other people adopt their behaviours more quickly than those who identify less with others (Um, 2016; Yoon & Shin, 2017).

Identification theories are also relevant in the context of celebrity endorsement. Studies confirm that when consumers identify with celebrity endorsers, they are more likely

to develop a sense of intimacy, and as a result interact with them (Um, 2013; 2016; Osei-Frimpong et al., 2019). They follow them and adopt their values, attitudes, beliefs, and behaviours (Um, 2013; Um & Lee, 2015; Wang & Kim, 2019). On the other hand, consumers with a low level of identification with celebrity endorsers are less likely to change their attitudes, behaviours, and thoughts to match those of the celebrities (Wang & Kim, 2019; Osei-Frimpong et al., 2019).

When celebrity endorsers are involved in negative publicity, consumers who have a high level of identification with them are less likely to react negatively, or to feel guilty or ashamed of being connected with them (Um, 2013, 2016; Wang & Kim, 2019). Such consumers feel proud of being their fans, and show fewer negative attitudes towards m and their endorsements (Um, 2013, 2016; Yoon & Shin, 2017). They continue to purchase the endorsed products and brands without any criticism (Um & Lee, 2015; Wang & Kim, 2019). Previous studies repeatedly found that consumers' identification with a celebrity endorser moderates the relationship between negative publicity and their attitudes and beliefs towards the connected nodes (Um & Lee, 2015; Um, 2016). The present study takes a step further, by examining the effects of celebrity negative publicity on attitude towards brand or corporation, and brand or corporate reputation. While the effects on attitude towards brand and purchase intentions have received some attention (Um, 2013, 2016; Wang & Kim, 2019), there is little evidence on the effects on attitude towards corporation, brand reputation or corporate reputation. The next hypotheses are therefore:

H7. The effects of celebrity negative publicity on attitude towards brand (H7a), attitude towards corporation (H7b), brand reputation (H7c) and corporate reputation (H7d) will be higher among consumers with a high level of celebrity identification than among consumers with a low level of celebrity identification.

The effect of celebrity negative publicity on attitude towards brand, attitude towards corporation, brand reputation and corporate reputation, based on the moderating effect of internal/external attribution levels

The final moderating effect examined in this study is attribution, i.e. effect of internal and external locus of controls at lower and higher levels. Attribution theory suggests how individuals view the motives and reasons behind the criminal actions of other people. In other words, it describes and explains the cognitive processes that individuals use to form causal explanations for accidents. For example, when they think action is due to external issues, they

blame external attributions, and when they think that the action has been caused by internal factors, they blame internal attributions. External attribution includes circumstances caused by situational or environmental issues that are outside the other person's control, while internal attribution includes circumstances that occur and are caused by the person's disposition (Gupta, 2009; Um, 2013, 2016; Yoon & Shin, 2017).

A body of literature indicates that people differ in their attributional thinking towards others (Gupta, 2009; Um, 2013; Zhou & Whitla, 2013; Um & Lee, 2013). Crimes that are due to other people's internal factors lead to harsher punishments than crimes caused by external factors. Um (2016) explained both scenarios based on controllable and uncontrollable situations, arguing that crimes based on internal factors could be considered as controllable, since individuals have control of their actions, while those based on external factors are defined as uncontrollable, since individuals do not have control of their actions.

Similarly, in the celebrity endorsement context, when consumers see a negative event involving a celebrity endorser's internal factors in the committing of a crime, they become more negative, whereas when the negative event involves external factors, they blame these factors rather than the celebrity (Gupta, 2009; Um, 2013). Consumers' reactions to a celebrity endorser based on external factors are more tolerant and less negative than those based on internal factors. The previous literature (Um, 2013; Um & Kim, 2016; Yoon & Shin, 2017) confirms that consumers who attribute celebrity negative information to external factors hold a fewer negative attitudes towards brand than those who attribute celebrity negative information to internal factors.

Um (2018) described this based on moral rationalisation and suggested that moral rationalisation, described as the development of immoral behaviour, when occurring due to low internal reasons, could mitigate the negative evaluation compared with when it was due to high internal reasons (Um, 2018). Similarly, moral rationalisation, when occurring due to high external reasons, could mitigate the negative evaluation compared with when it occurred due to low external reasons (Um, 2018). Considering the moral rationalisation and internal and external attribution reasons, there is some evidence of the internal versus external attributions in the literature. Despite this, there is limited research on the separate effect of high versus low internal attribution and high versus low external attribution on the effect of celebrity negative publicity on the other constructs. Previous literature vaguely suggests that high versus low levels of internal and external attributions can have a different effect on the negative publicity of the celebrity endorser, such that a high level of internal and external attributions would have a higher effect on the effects of celebrity negative publicity on the

other constructs (Zhou and Whitla, 2013; Johnson et al., 2022). Despite its importance, little evidence supports the above. Taking this into consideration, this study examines the effects of celebrity negative publicity on attitude towards brand, attitude towards corporation, brand reputation and corporate reputation, based on the moderating effect of internal and external factors. The next hypotheses are therefore:

H8 There will be differences among consumers with low internal attribution versus high internal attribution in terms of the effects of celebrity negative publicity on attitude towards brand (H8a), attitude towards corporation (H8b), brand reputation (H8c) and corporate reputation (H8d), such that the consumers who think the negative publicity is based on a high level of internal attribution will show greater effects than those with a low level of internal attribution.

H9 There will be differences among consumers with high external attribution versus low external attribution in terms of the effects of celebrity negative publicity on attitude towards brand (H9a), attitude towards corporation (H9b), brand reputation (H9c), and corporate reputation (H9d), such that consumers who think the negative publicity is based on a high level of external attribution will show greater effects than those with a low level of external attribution.

# 4. Methodology

The data for this quantitative study was collected using a non-probability convenience sampling technique. The only drawback of the non-probability convenience sampling technique is that some units in the population are more likely to be selected than others (Hussain et al., 2020). To mitigate this issue, the researchers ensured that data were collected from a sample that was as representative as possible of the general population. The sample was 48% male and 52% female, 60% from the younger generation and 40% from the older generation, with participant ages varying between 18 to 68 years old. A total of 550 questionnaires were distributed, of which 20 responses were rejected due to missing data and 530 were used for the final analysis. The sample size was determined by considering the numbers required to satisfy issues such as non-response bias, multi-variate analysis, the number of items and moderating variables, and the use of the structural model (Hair et al., 2006; Malhotra, 2010).

The questionnaire was designed to measure the effects of celebrity negative publicity on attitude towards brand or corporation, and brand or corporate reputation, along with the moderating factors of social media involvement, brand commitment, identification, and attributions. It was distributed face-to-face in London for the following reasons: London is the second global city, second largest global financial center, second most multicultural city, and third largest fashion city in the world (The Culture Trip, 2017; Wow Travel, 2019). The data were collected from the 32 London boroughs between early August 2018 to late April 2019. In terms of social media consumption, participants spent less than 30 minutes to over 3 hours a day using between one and seven social media platforms.

The exemplar, Kendall Jenner's Pepsi advertisement, had been launched in early April 2017 on various television channels in the UK and US. She was shown bringing a harmonious end to a protest march by giving a Pepsi can to a police officer. As noted earlier, the advertisement was perceived as borrowing imagery of Ieshia Evans, who was photographed standing in front of police dressed in riot gear during a Black Lives Matter protest against police brutality in the US. Ms. Evans was arrested, and the Pepsi ad was not seen as a true representation of her story. Pepsi received criticism from multiple sources before apologising and pulling the advert within a few hours of its launch. Kendall Jenner also received bad publicity and was heavily criticised for undermining Black Lives Matter by making a commercial based on such a sensitive topic. Her fans and other celebrities also condemned the advertisement. This study, therefore, chose Kendall Jenner as a celebrity who had attracted negative publicity through the Pepsi advertisement, and examined its effect on her other endorsed brand and corporation, Calvin Klein. Consumers were given written information about Kendell Jenner and Pepsi Co. and then questioned on each of the constructs.

The data gathered from the questionnaires were analysed using structural equation modeling. A few preliminary tests were conducted before the main analysis. A non-response bias test was used to examine whether the respondents differed in any apparent systematic way from non-respondents (Hill et al., 1997). A comparison of observations was carried out using the Mann-Whitney U-test. The results suggested that there was no significant difference found on all the variables (Whitten et al., 2010). To examine this test, the first 267 observations were used as early respondents, while the last 268 respondents were used as late respondents. The results showed no significant difference between the early and late observations on all the variables.

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A test for outliers was also carried out, to identify observations that departed from others in the data and therefore created suspicion. Identifying outliers helps to highlight inappropriate representations of the population, which are then deleted from the analysis. In this study, univariate and multivariate outliers were identified. A standard score for each variable was examined (Tabachnick & Fidell, 2007). The standard score for a sample size of more than 332 is  $\pm 3.0$  (Hair et al., 2006; Tabachnick & Fidell, 2007). Six cases were  $\pm 3.0$  or beyond and as a result were deleted from the study (Hair et al., 2006). To identify multivariate outliers, the Mahalanobis D2 measure was engaged. A function of SPSS 24.0 "1-CDF.CHISQ (quant, df)" was used, where quant = D2 and df = 5 (5 is the number of constructs). The results showed that there were only two extreme outliers, which were deleted before further analysis took place (Hair et al., 2010).

To reduce biases, this study also considered common method bias and social desirability bias. To conduct the common method bias, Roni's (2014) suggested procedural and statistical approaches were used. The procedural methods involved obtaining measures of the predictor and criterion variables from different sources, protecting respondents' anonymity, using counterbalanced question orders, and improving scale items (Roni, 2014). Further, statistical methods such as Harman's one-factor test and the common latent factor test were also used, which are given in the analysis section (Hultman et al., 2009).

The study also considered social desirability bias by adopting several methods: giving additional information concerning the purpose of the questions, emphasising the confidentiality and anonymity of respondents, providing a self-completion questionnaire with minimal interference from the researcher, using fewer personal questions, and using a seven-point Likert scale (Gordon, 1987).

#### Survey measures

The questionnaire in the study was based on items carried over from previous studies. Their wording was changed based on the topic. These are given in Table I. Definitions of all nine constructs are provided in the following paragraphs.

The definitions and items taken from previous studies are given below. Celebrity negative publicity is defined based on 'consumers' negative feelings toward celebrity endorsers (Um & Kim, 2016). It was measured based on four items taken from Um and Kim's (2016) study. The second construct, attitude towards brand, is defined as the consumers' evaluation of a brand concerning its expected capacity to deliver on a currently relevant buying motive (Rossiter, 2014, pp.7). It was measured using three items (Louie et

al., 2001; Hunter & Davidson, 2008). The third construct is attitude towards corporation, defined as consumers' evaluation of a corporation with respect to its expected capacity to deliver on a currently relevant buying motive (Rossiter, 2014, pp.7; Lee et al., 2009). It was measured using three items (Lee et al., 2009). The fourth construct, brand reputation, is considered to be an immediate picture of a brand based on aggregated multiple images held by both its internal and external stakeholders (Foroudi, 2019). This was measured using three items (Veloutsou & Moutinho, 2009). The fifth construct is corporate reputation, which is described as the collective perception of an organisation's prior dealings and potential prospects that defines the organisation's overall appeal to all of its customers when compared with its main competitors (Fombrun, 1996; Foroudi et al., 2014). Eight items were used to measure this construct (Foroudi et al., 2014).

The moderating factor of social media involvement was the sixth construct, defined as the perceived relevance of social media to consumers based on their inherent needs, interests, and values (Lim et al., 2013). Fourteen items were included for social media involvement (Lim et al., 2013). The seventh construct, also a moderator, was brand commitment, defined as an emotional or psychological attachment to a brand within a product class (Um & Kim, 2016). It was measured using three items (Um & Kim, 2016). The eighth construct, the moderator identification, is defined as the process by which consumers seek to adopt the values, beliefs, or behaviour of a celebrity endorser (Um, 2013). This study used six items to measure identification (Um, 2013; Um & Kim, 2015, 2016). In terms of attribution, the study used two types, i.e., internal attribution and external attribution. Internal attribution is defined as a process whereby consumers think that a negative event has occurred because of the celebrity endorser's internal factors, which as a result causes anger (Um, 2013); while external attribution is defined as a process whereby consumers blame the negative event on uncontrollable external events, which has a lesser effect on their anger (Um, 2013). Each attribution was measured using three items (Zhou & Whitla, 2013). All the items used in this study are given in Table. 1.

#### Analysis

The study used a two-step approach to test the measurement and structural models separately, thereby reducing interpretational confounding. Data from the survey were randomly split into two halves. The first half was used to carry out reliability testing using SPSS 25.0, while the second half was used for confirmatory factor analysis (CFA) and structural modeling using AMOS (Hussain et al., 2020). Further, CFA was carried out to test the validity of the

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measures and uni-dimensionality of the constructs (Hair et al., 2010). The reliability tests were performed to test internal consistency at the items level by mean of Cronbach's alpha and at constructs level by mean of composite reliability. Based on previous researchers' suggestions (Hair et al., 2006; Malhotra, 2010), the results above 0.7 confirmed the requirements of reliability – results are given in Table I.

## <<<Insert Table I.>>>

Validity testing was then carried out using convergent, discriminant, and nomological tests. For convergent validity, average variance extracted (AVE) was performed. Based on previous researchers' suggestions (Hair et al., 2006; Malhotra, 2010), the results above 0.5 confirmed the requirement of adequate convergent validity (Malhotra, 2010). Next, discriminant validity testing was performed, which is used to establish the extent to which the constructs are distinct (Malhotra, 2010), unique, and capture a phenomenon that is not held by other constructs. In this study, discriminant validity was examined by comparing maximum shared variance (MSV) with AVE for each construct. MSV is the square of inter-correlation between two constructs. If AVE for each factor is higher than all the MSV of that factor with other factors, discriminant validity is confirmed. The results in this study confirmed that discriminant validity had been achieved – results are given in Table I.

Finally, nomological validity was examined using goodness-of-fit. The adjusted goodness-of-fit index (AGFI), comparative fit index (CFI), goodness-of-fit index (GFI), incremental fit index (IFI), non-normed fit index (NNFI), root mean square of approximation (RMSEA), root mean square residual (RMSR), standardised root mean square residual (SRMR), and Tucker Lewis index (TLI) were used to examine the model fit (Malhotra, 2010). Higher values (i.e. above 0.90) of AGFI, CFI, IFI, NFI, and TLI and a lower value (i.e. below 0.08) of RMSEA indicate a good model fit (Hair et al., 2006). The results of this study showed that GFI (0.947), NFI (0.966), CFI (0.981), AGFI (0.902), IFI (0.981), and TLI (0.970) were all higher than the suggested value of 0.90, while RMSEA (0.52) was lower than the suggested value of 0.80 (Hair et al., 2006; Malhotra, 2010). Overall, the model suggested a good model fit.

Furthermore, due to the multi-group, configural and metric invariances for the moderating factors of social media involvement, identification, brand commitment, and attribution were also measured. The results of the configural invariance tests suggested an adequate model fit for all four, as shown in Table II. (Hair et al., 2006). The results of the metric invariance testing showed that the groups were different at the model level, which

required a delta test to be carried out: the result revealed that the differences were not very large, hence, none of the items were deleted from the study (Van den Berg & Lance, 2000).

# <<<Insert Table II.>>>

To determine if common method bias was an issue, Harman's one factor test was performed. According to this test, if no single factor emerges with more than 50% of the variance, there is not an issue (Podsakoff et al., 1984). The results showed a maximum of 25% of the variance, much lower than the recommended value, suggesting common method bias was not an issue. Nevertheless, a common latent factor (CLF) test was performed. A  $\chi 2$  difference test between the unconstrained and constrained models was used (Hultman et al., 2009). The results suggested that both of the two models had significant differences, which meant that the researchers had to retain the CLF in the study and impute the model before the structural model was analysed (Hultman et al., 2009). The new dataset after imputation was used for the future analysis taking account of the shared variance in the constructs (i.e. celebrity negative publicity, attitude towards brand, attitude towards corporation, brand reputation, and corporate reputation) explained by the CLF (Hussain et al., 2020). The model fit found from the CLF model suggested an adequate fit, with AGFI (0.919), GFI (0.966), NFI (0.979), IFI (0.991), and CFI (0.991) higher than the suggested value of 0.8, while RMSEA (0.054) was lower than the recommended value of 0.08 (Hair et al., 2006).

The final stage of analysis was to examine the hypotheses, i.e. both the direct and moderating relationships. Table III. includes the results for the structural path coefficients, standard errors, and p-value for all the direct hypotheses. H1 and H2, regarding the impact of celebrity negative publicity on attitude towards brand and attitude towards corporation did not show any significant effect ( $\gamma = -0.06$ , t-value = -1.176, p = 0.240, and  $\gamma = 0.06$ , t-value = 1.090, p = 0.276, respectively), while H3 and H4, i.e. celebrity negative publicity effects on brand reputation and corporate reputation, were found to be statistically significant ( $\gamma = 10.58$ , t-value = 1.701, p = 0.049, and  $\gamma = -48.69$ , t-value = -3.586, p = 0.000, respectively).

#### <<<Insert Table III.>>>

Next, the moderating hypotheses were examined (see Table IV.). First, the moderating effect of social media involvement (high versus low), on the effect of celebrity negative publicity on attitude towards brand (H5a), attitude towards corporation (H5b), brand reputation (H5c), and corporate reputation (H5d) was examined. The results suggested that social media involvement did not make a significant difference to the effects of celebrity

negative publicity on attitude towards brand ( $\Delta \chi 2(1) = 0.12$ , not supported) or the corporation ( $\Delta \chi 2(1) = 1.073$ , not supported). However, the results for the effect on brand reputation ( $\Delta \chi 2(1) = 21.01$ , p < 0.05) and corporate reputation were found to be significant ( $\Delta \chi 2(1) = 19.23$ , p < 0.05). The results for H5c suggested that consumers with high social media involvement showed a higher level of effect ( $\beta = 0.42$ , t = 9.042, p < 0.05) than consumers with a low level of effect ( $\beta = 0.12$ , t = 1.489, p > 0.05). Furthermore, analysis of H5d suggested that consumers with high social media involvement showed higher levels of response in terms of the effect of celebrity negative publicity on corporate reputation ( $\beta = 0.79$ , t = 1.489, p > 0.05), while no effect of celebrity negative publicity on corporate reputation ( $\beta = -30.705$ , t = -1.961, p < 0.05).

Second, we examined the moderating role of brand commitment in the effects of celebrity negative publicity on attitude towards brand (H6a), attitude towards corporation (H6b), brand reputation (H6c), and corporate reputation (H6d). In terms of attitude towards brand and corporation (H6a and H6b, respectively), the effects were not found to be significant ( $\Delta \gamma 2(1) = 2.672$ , not supported;  $\Delta \gamma 2(1) = 1.647$ , not supported, respectively), while the results for brand reputation and corporate reputation suggested that brand commitment had a significant moderating effect ( $\Delta \chi 2(1) = 3.756$ , p < 0.05;  $\Delta \chi 2(1) = 14.50$ , p < 0.05, respectively). Further analysis of H6c suggested that consumers with high brand commitment showed a higher level of response in terms of the effect of celebrity negative publicity on brand reputation ( $\beta = -3.52$ , t = -2.220, p > 0.05), while consumers with a low level of brand commitment did not show any effect of celebrity negative publicity on brand reputation ( $\beta = -0.023$ , t = -0.435, p < 0.05). Similarly, analysis of H6d suggested that consumers with a high level of brand commitment showed a higher level of response to the effect of celebrity negative publicity on corporate reputation ( $\beta = -50.475$ , t = -3.469, p < -50.475) 0.05) than consumers with a low level of brand commitment ( $\beta = -21.358$ , t = -6.16, p < -21.358) 0.05).

Third, we examined the moderating effect of identification on the effects of celebrity negative publicity on attitude towards brand (H7a), attitude towards corporation (H7b), brand reputation (H7c), and corporate reputation (H7d). For H7a, the results suggested that identification did not play a significant role ( $\Delta\chi 2(1) = 1.286$ , not supported). However, the results of H7b, H7c and H7d showed significant results ( $\Delta\chi 2(1) = 29.574$ , p < 0.05;  $\Delta\chi 2(1) = 8.464$ , P < 0.05; and  $\Delta\chi 2(1) = 13.96$ , P < 0.05, respectively), confirming that identification had a moderating effect on the effect of celebrity negative publicity on attitude towards

corporation. Furthermore, analysis of H7b suggested that consumers with high levels of identification showed a higher level of response in terms of the effect of celebrity negative publicity on attitudes towards corporate reputation ( $\beta = 0.355$ , t = -4.354, p < 0.05) than those with a low level of identification ( $\beta = 0.001$ , t = 0.009, p > 0.05), for whom the effect of celebrity negative publicity on attitude towards corporation was unchanged. Analysis of H7c suggested that consumers with high levels of identification showed more significant responses in terms of the effect of celebrity negative publicity on brand reputation ( $\beta = -17.533$ , t = -1.655, p > 0.05) than those with a low level of identification ( $\beta = -50.963$ , t = -2.997, p < 0.05). Finally, the H7d results suggested that consumers with high levels of identification showed a more significant response to the effect of celebrity negative publicity on corporate reputation ( $\beta = -108.845$ , t = -4.234, p < 0.05) than those with low levels of identification ( $\beta = -30.705$ , t = -1.961, p > 0.05), where no effect was found.

Fourth, we examined the moderating effect of internal attribution on celebrity negative publicity on attitude towards brand (H8a), attitude towards corporation (H8b), brand reputation (H8c) and corporate reputation (H8d). The results for H8a suggested that internal attribution had a significant effect ( $\Delta \chi 2(1) = 11.373$ , P < 0.05). Further analysis suggested these effects were higher among consumers with high internal attribution ( $\beta = -1.177$ , t = -2.250, p < 0.05) than among those with low internal attribution ( $\beta = 0.462$ , t = 0.411, p > 0.05). The H8c results also suggested that internal attribution had a significant moderating effect ( $\Delta \chi 2(1) = 13.235$ , P < 0.05). Further analysis suggested a more significant effect among consumers with high internal attribution ( $\beta = -1.044$ , t = -2.104, p < 0.05) than among those with low internal attribution ( $\beta = 0.462$ , t = 0.419, p > 0.05). Similarly, the H8d results suggested that internal attribution had a significant effect ( $\Delta \chi 2(1) = 18.818$ , P < 0.05). Further analysis suggested these effects were higher among consumers with high internal attribution ( $\beta = -1.519$ , t = -3.836, p < 0.05) than among those with low internal attribution ( $\beta = -0.730$ , t= -0.699, p > 0.05). However, hypothesis H8b did not show a significant effect ( $\Delta \chi 2(1) =$ 4.439, not supported).

Finally, we examined the moderating effect of external attribution on celebrity negative publicity on attitude towards brand (H9a), attitude towards corporation (H9b), brand reputation (H9c), and corporate reputation (H9d). The results for H9a suggested that external attribution had a significant effect ( $\Delta\chi 2(1) = 10.296$ , P < 0.05). Further analysis suggested these effects were higher among consumers with high external attribution ( $\beta = -1.1034$ , t =6.60, p < 0.05) than among those with low external attribution ( $\beta = -0.265$ , t = -0.384, p > 0.05). The H9c results also suggested that external attribution had a significant moderating effect ( $\Delta \chi 2(1) = 5.57$ , P < 0.05). Further analysis suggested a more significant effect among consumers with high external attribution ( $\beta = 0.141$ , t = 12.21, p < 0.05) than among those with low external attribution ( $\beta = -0.730$ , t = -0.699, p > 0.05). Similarly, the H9d results suggested that external attribution had a significant effect ( $\Delta \chi 2(1) = 7.20$ , P < 0.05). Further analysis suggested these effects were higher among consumers with high external attribution ( $\beta = 0.141$ , t = 9.87, p > 0.05) than among those with low external attribution ( $\beta = -0.541$ , t = -0.750, p > 0.05). However, H9b did not show a significant effect ( $\Delta \chi 2(1) = 3.129$ , not supported).

# <<<Insert Table IV.>>>

## 5. Discussion

First, we address the outcomes of the direct effect (H1) and moderating effects of social media involvement (H5a), brand commitment (H6a), identification (H7a), internal attribution (H8a), and external attribution (H9a) on the effects of celebrity negative publicity on attitude towards brand. Unlike previous studies (Till & Shimp, 1998; Um, 2013), which suggested that celebrity negative publicity had a significant negative effect on attitudes towards brand, our findings show that such publicity does not affect attitude towards brand either directly, or through the moderating factors of social media involvement, identification, and brand commitment (Till & Shimp, 1998; White et al., 2009; Osei-Frimpong et al., 2019). Only internal and external attributions were shown to moderate the effect of celebrity negative publicity on attitude towards brand. The reason for the first two hypotheses could be that consumers do not care about celebrity negative publicity on attitude towards brand, i.e. negative publicity does not affect their feelings about the brand. However, when they find that the celebrity endorser is involved in high negative publicity, i.e. either it is high internal or high external attributions, consumers show a more significant effect than those with low internal and low external attributions (Zhou & Whitla, 2013; Um & Lee, 2013; Yoon & Shin, 2017). These findings might not be similar if the negative publicity was due to external factors. However, as this study included a scenario, where the incident occurred both due to the celebrity and the firm, hence, consumers equally blamed high internal as well as high external attributions.

Turning to the effect of negative publicity on attitude towards corporation (H2), both directly and through the moderating effects of social media involvement (H5b), brand commitment (H6b), identification (H7b), internal attribution (H8b) and external attribution (H9b), the results suggested that, similar to attitude towards brand, no effects were found,

either directly or based on the moderating effects of social media involvement, brand commitment, and attribution. However, identification was found to have a moderating effect (Um & Lee, 2015; Wang & Kim, 2019). The reason why no effect was found directly or through the other three moderators could be that most consumers do not know which brand is endorsed by which corporation, and do not conceive of or have a direct attitude towards corporation: rather they have a relationship with the brand. Since it is the brand that the celebrity endorser is directly attached to, the effect of the celebrity endorser on the corporation is lower than it is on the brand. Further, the results confirmed the effect of identification and that could be that when consumers identify themselves with the celebrity endorser, they do care about everything, which is associated with the celebrity endorser including the corporation.

In terms of the effects of celebrity negative publicity on brand reputation directly (H3) and through the moderating effects of social media involvement (H5c), brand commitment (H6c), identification (H7c) internal attribution (H8c), and external attribution (H9c), our findings confirmed that celebrity negative publicity has a positive effect on brand reputation, both directly and through the moderating factors. Similar to the effects on brand reputation, our findings confirm that celebrity negative publicity has a significant effect on corporate reputation (Prameswara & Sjabadhyni, 2018; Hock & Raithel, 2019), both directly (H4) and through the moderating effects of social media involvement (H5d), brand commitment (H6d), identification (H7d), internal attribution (H8d) and external attribution (H9d). These outcomes confirm that, although consumers do not place any importance on attitudinal constructs, negative publicity affects reputational constructs, such as brand and corporate reputation. This demonstrates that, while consumers' attitudes towards brand and corporation do not change, they do see celebrity negative publicity as damaging and having a bad effect on the reputation of both entities. It may be because negative publicity does not stop consumers from creating negative attitudes and feelings toward a brand or corporation but makes them perceive the brand's and corporation's reputation negatively affected by celebrity endorsements. However, as this study has considered a dilemma where celebrity and the brand/corporation are equally involved in negative publicity and the level of publicity isn't too high, hence, a different scenario may have a completely different effect on celebrity negative publicity on other constructs (Louie et al., 2001; Um, 2013).

Theoretical and managerial implications

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This study can help researchers to understand the effects of celebrity negative publicity on attitude towards brand, attitude towards corporation, brand reputation, and corporate reputation, both directly and through the moderating effects of social media involvement, identification, brand commitment, internal and external attributions. Most previous studies focused only on attitude towards brand (Till & Shimp, 1998; Zhou et al., 2012; Um, 2016, 2018) and have widely neglected the effects on other constructs explored in this study. The findings through this study would minimise the gap in the literature and would help to understand how studied relationships in the study could be affected directly or through the moderating factors. Further, this study would also contribute to the associative network theory and confirms that alike positive effects, negative effects can also be possible, however, it is only limited to reputational constructs and does not show any effect on the attitudinal constructs including most of the moderating factors have not shown any effect. These explorations are therefore a new and significant contribution to the existing literature.

In addition to theoretical contributions, this study has a few implications for marketing and advertising managers. First and foremost, marketers considering the findings from this study will be able to understand the negative effects a celebrity endorser may have on the reputation of a brand or corporation in the event of negative publicity (Till & Shimp, 1998; Um, 2013, 2016; Lee et al., 2020). This should emphasize the need for care in the celebrity hiring process, ensuring they choose endorsers with high credibility. Our study suggests that, since advertisers and marketers cannot control the private lives of celebrities (Um & Kim, 2016), they should choose endorsers who are not known to engage in ill-advised behaviour or to take controversial stands, and if this does occur, they should be removed.

Our findings also suggest that marketers and advertisers should consider moderating factors, such as social media involvement, brand commitment, identification, and internal and external attributions, on the effects that celebrity negative publicity has on the reputation of both the brand and the corporation. When negative publicity about a celebrity endorser comes to light, marketers should understand that social media plays a vital role in spreading the news. Consumers who highly use this platform are therefore more likely to be exposed to this bad publicity. However, consumers who highly identify with a celebrity and/or have more brand identification than others are more likely to avoid or ignore negative information reducing its influence. Marketers need to know the level of consumer-celebrity identification and consumer-brand identification so they can respond in the most appropriate way when negative information does emerge. Finally, marketers and advertisers can also understand

from our results the importance of high internal and external attributions, which were found to be of importance in whether the reputation of the connected sources is damaged.

# Limitations and future studies

This study has some limitations that could be addressed in future research. First, to improve generalisability, future studies could be carried out in different cultural contexts to establish whether the same results are obtained. Second, this study uses convenience non-probability sampling, whereas a future study could use a different sampling method. Third, as this study used only one celebrity endorser, and the negative publicity surrounding her was not extreme, this limitation could be addressed by using different celebrity endorsers with different types of involvement, such as high, medium, or low (Soh et al., 2009). Fourth, rather than using famous global brands, as we did, a future study could use different types of brands, such as national versus local versus international, to examine the effects in more detail (Zhu et al., 2019).

Finally, future research could also consider the effects of celebrity negative publicity on other behavioural, credibility, and equity constructs (Kim et al., 2014; Hussain et al., 2020). Consideration could also be given to its effects on brand credibility, corporate credibility, brand image, corporate image, brand equity, and corporate equity, etc. (Dwivedi et al., 2016; Lee et al., 2020), since each of these constructs has different meanings and effects.

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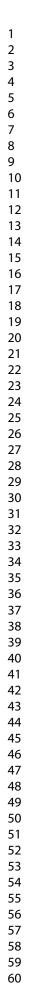
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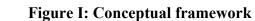
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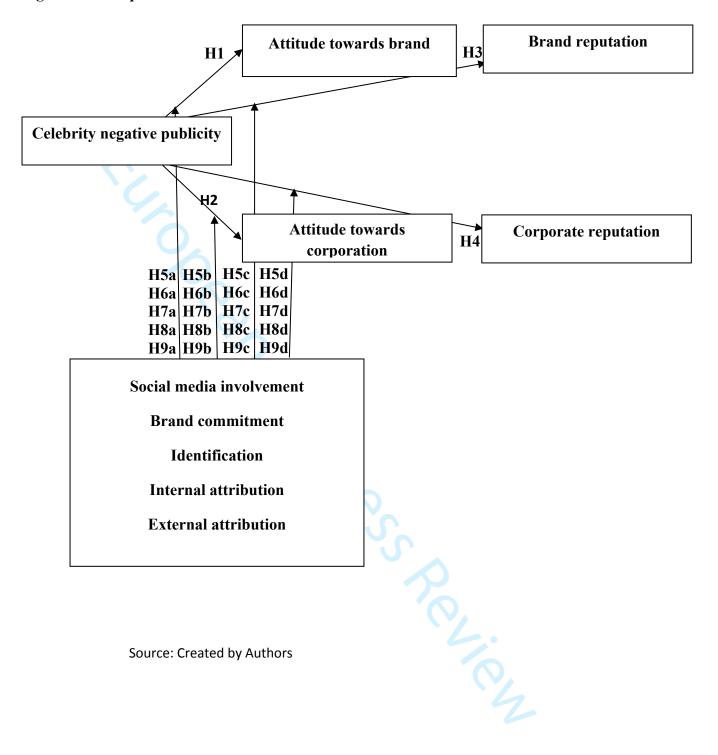
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## Table I. Items, Cronbach Alpha, CR, AVE, scales taken from

Items	Cronbach alpha	CR	AVE	Scale taken from
Celebrity endorser has acted unethically Celebrity endorser's act is culturally unacceptable Celebrity endorser's act is unjustifiable	0.93	0.91	0.85	Um and Kim (2016)
I would not act like the celebrity endorser				
My overall feeling towards brand is favourable	0.89	0.88	0.80	Hunter and Davidson (2008)
My overall feeling towards brand is positive			C	i e
I strongly like brand's act				12
Corporation produces high quality products	0.85	0.88	0.76	Lee et al. (2009)
Corporation does not				

	l	I	1	1
deceive				
consumers				
The celebrity				
endorser of				
corporation is				
a respected				
celebrity				
Brand is	0.95	0.97	0.00	Valenteen en l
	0.85	0.87	0.60	Veloutsou and
trustworthy	~			Moutinho (2009)
Brand is				
reputable				
Brand makes				
honest claims				
nonest claims	Q			
I have a good	0.88	0.87	0.58	Foroudi et al. (2014)
feeling about				
the corporation		0		
I admire and		C.		
respect the		S.		
corporation				
I trust the				
corporation			J.	
The				
corporation				
offers products				
and services				
that are good				
value for				
money				CZ
The				
corporation				
has excellent				
leadership				
The				
corporation is				
well-managed		1	1	1

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1 2					
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49	The corporation is an environmentall y responsible company I believe the corporation offers high quality services and products The corporation's advertisement is favourable Social media is important Social media is interesting Social media is relevant Social media is exciting Social media is exciting	0.895	0.88	0.587	Zaichkowsky (1985)
44 45 46 47 48 49	me Social media is				ien
50 51 52 53 54 55 56 57 58 59 60	Social media is fascinating Social media is valuable Social media is involving				

Social media is needed				
Social media is beneficial				
Social media is desirable				
Social media is useful				
Social media is essential	0			
If the brand is not available at the store, it would make little difference to me if I had to choose another brand	0.75	0.76	0.52	Um & Kim (2016)
I consider myself to be highly loyal to the brand			655	
When another brand is on sale, I will generally purchase it rather than the other brand			Re	, IEW
I like celebrity endorser	0.74	0.75	0.51	Um & Kim (2015)
I can easily relate to celebrity endorser				

2					
3	I think of				
4 5	celebrity				
6					
7	endorser as a				
8	good friend				
9	I have no				
10 11					
12	doubt celebrity				
13	endorser				
14					
15	I would work				
16 17	well together				
18	with celebrity				
19	endorser	O,			
20					
21 22	The negative	0.83	0.80	0.56	Zhou & Whitla (2013)
22 23	publicity is				
24	something that				
25	reflects an		5		
26					
27 28	aspect of the				
28	celebrity				
30	endorser				
31			BUSI		
32	The negative				
33 34	publicity is				
35	something that			0	
36	is inside of the				
37	celebrity			U C	
38				J.	
39 40	endorser				
41	The negative				
42	-				
43	publicity is				
44 45	something that				LICN
45	is related to				
47	celebrity				
48	endorser's own				
49 50	responsibility				
50	responsionity				
52	The negative	0.78	0.77	0.53	Zhou & Whitla (2013)
53	publicity is				
54	something that				
55 56					
57	is controllable				
58	by other				
59					
60					

people or			
organisations			
The negative			
publicity is			
something			
intended by			
other people or			
organisations			
organisations			
The negative			
publicity is			
something for	0,		
which			
someone else			
is responsible			
is responsible			

## Table II. Configural invariance

	Social media	Identification	Brand commitment	Attribution
AGFI	involvement 0.862	0.857	0.861	0.846
GFI	0.898	0.893	0.897	0.840
NFI	0.953	0.929	0.924	0.884
FI	0.962	0.958	0.951	0.949
ГLI	0.938	0.931	0.919	0.915
CFI	0.962	0.958	0.950	0.948
RMSEA	0.072	0.076	0.074	0.077
RMR	0.074	0.0785	0.767	0.079

## **Table III. Direct effects**

Hypotheses	Estimate	CR	Р	Results
H1	-0.06	-1.176	0.240	Not supported
H2	0.06	1.090	0.276	Not supported
Н3	10.58	1.701	0.049	Supported
H4	-48.6	-3.586	0.000	Supported
urce: Created b	y Authors			

Table IV.	Multi-group	analysis
	mun sivup	anary 515

Н	DF	CMIN	Р	Result
Н5а	1	0.12	0.913	Not supported
H5b	1	1.073	0.300	Not supported
Н5с	1	21.01	0.0303	Supported
H5d	1	19.23	0.0331	Supported
Нба	1	3.077	0.53	Not supported
Нбb	1	2.672	0.102	Not supported
Н6с	1	3.756	0.049	Supported
H6d	1	14.50	0.0438	Supported
Н7а	1	1.286	0.257	Not supported
H7b	1	29.574	0.000	Supported
Н7с	1	8.464	0.004	Supported
H7d	1	13.96	0.045	Supported
H8a	1	11.373	0.010	Supported
Н8Ь	1	4.439	0.218	Not supported
Н8с	1	13.235	0.04	Supported
H8d	1	18.818	0.000	Supported
Н9а	1	10.296	0.001	Supported
Н9b	1	0.293	0.588	Not supported
Н9с	1	4.97	0.0257	Supported
H9d	1	3.945	0.047	Supported
urce: Created by A	uthors	L	I	

Source: Created by Authors