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IMPACT OF CELEBRITY ENDORSEMENTS ON SALES PERFORMANCE: A STUDY OF THE BEVERAGE INDUSTRY IN GHANA

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ABSTRACT

The study investigates the impact of celebrity endorsements on the sales performance of the beverage industry in Ghana, specifically focusing on the dimensions of celebrity credibility, popularity, and acceptance as key measures of the effectiveness of such endorsements. It addresses a notable gap in the literature by providing a clearer understanding of the factors firms can utilize to assess the strengths and weaknesses of potential celebrity endorsers in the Ghanaian context, particularly within the beverage industry. Data were collected from

100 respondents selected from the beverage industry. Hypotheses were tested using structural equation modeling (SEM) and partial least squares (PLS) to explore the relationships between variables. The findings reveal significant relationships between celebrity endorsements and sales performance, confirming the importance of considering popularity and credibility as critical measures in selecting celebrity endorsers to promote products. Based on the analyses and interpretations, the study recommends that firms intensify their use of popularity and credibility, along with attention to the acceptance of celebrities, to promote their products and safeguard brand image effectively.

Keywords: Celebrity endorsement, sales performance, beverage industry, Ghana.

INTRODUCTION

The significance of celebrity endorsement (CE) in marketing communication has surged, offering organizations a strategic tool to bolster their performance. Butt (2022) highlights its role in triggering product recalls, increasing visibility, and boosting exposure. Notable collaborations, such as Chanel and Nicole Kidman resulting in a 30% sales increase and Tiger Woods propelling Nike's market share from under 1% to 3.9%, underscore CE's potential impact on sales (Padgett & Loos, 2023; Dial, 2022). However, Webster (2023) cautions that CE can be a double-edged sword, capable of either enhancing or damaging an organization's reputation.

This study focuses on the beverage industry in Ghana, investigating the effects of CE on sales performance, and considering both the benefits and risks associated with this marketing tool. In today's media and advertising clutter, organizations seek alternative ways to engage consumers, and celebrity endorsements emerge as a viable option. Celebrities' endorsement of products or services reflects the belief that celebrity attributes can positively impact the brand they endorse. Empirical evidence, such as Chan, Selvakumaran, Idris, and Adzharuddin's (2021) findings on celebrities enhancing credibility and expertise and Omorodion and Osifo's (2019) correlation between celebrity physical attractiveness and consumer behavior, underscores the scholarly attention CE has garnered.

Despite the extensive literature on CE, the impact of celebrity characteristics on the sales performance of the beverage sector remains understudied, presenting a significant research gap. Existing literature emphasizes the impact of CE on consumer brand loyalty, purchase intention, and behavior, yet its influence on sales performance remains unclear and inconclusive (Giorgiotti, 2023; Luis, 2019; Boateng, 2020). Studies, such as Carrillat et al. (2019), suggest that endorsers like Tiger Woods not only shape consumer preferences but may also impact demand without explicitly examining their correlation with improved sales performance. Therefore, this research aims to address this gap by investigating the specific developments of celebrity endorsements on the sales performance of the beverage industry in Ghana.

The study's significance extends beyond academic inquiry, offering practical implications for industry practitioners in both alcoholic and non-alcoholic beverages. By exploring the benefits and challenges of CE, the findings may guide managerial decisions and strategies. If a strong and significant relationship between CE and sales performance is identified, recommendations can inform managerial focus on this critical aspect of marketing. Additionally, insights into the challenges faced by producers in employing CE can lead to suggestions for improvement. The study's potential to inform policies in the advertising sector adds a layer of societal impact, with policymakers leveraging the research framework to design interventions that enhance the overall effectiveness of advertising activities.

In conclusion, this research addresses the gap in understanding the effects of celebrity endorsements on sales performance in the beverage industry in Ghana. By shedding light on the specific dynamics of CE in a developing country context, the study contributes to knowledge, practice, and policy, providing valuable insights for academia, industry practitioners, and policymakers alike.

LITERATURE REVIEW

Theoretical Review

This study is based on the idea of meaning transfer, which was explained by Odionye, Yareh, Ibekwe, and Salami (2021). This idea

says that when celebrities promote products, those products take on symbolic and cultural meanings, which makes advertising more effective. Additionally, Lee and Jeong (2023) have proposed a three-stage model to explicate the relationship between meaning transfer theory and celebrity endorsement. The initial stage of this model involves consumers associating specific meanings with a celebrity, followed by the communication of these meanings from the celebrity to the endorsed products. The culmination of this process occurs when consumers acquire the brand's meaning through their purchase.

Furthermore, to comprehend the varying responses of consumers to stimuli and their subsequent changes in attitudes and behaviors toward these stimuli, Petty and Cacioppo (1983) introduced the Elaboration Likelihood Model (ELM). Elaboration, within this model, pertains to the amount of effort audience members exert in processing information during decision-making processes. The ELM delineates two distinct methods of information processing: the central route and the peripheral route. The central route entails active and in-depth processing of informational content, whereas the peripheral route relies on simpler inferences, such as source characteristics. In models where cognitive resources are limited, individuals tend to rely on peripheral cues to make decisions. Therefore, the attractiveness of celebrity endorsers may serve as a peripheral cue, facilitating the formation and transformation of product attitudes, particularly when consumers' processing motivations and abilities are constrained.

The Concept of Celebrity Endorsements

Celebrity endorsement or advertisement is defined as “the use of a celebrity’s image to sell a product or service, using one’s riches, notoriety, or fame to advocate a product or service” (Bogollu & Saravanan, 2023). In celebrity endorsement, the celebrity serves as the brand’s spokesperson and supports its claims and reputation by equating his own character, notoriety, and status with that of the brand (Caan & Lee, 2023). Genuine endorsement happens when a famous person donates their name and stands in for a good or service in which they may or may not be an expert (Rifon, Jiang, & Wu, 2023). The purpose of a celebrity endorsement is to draw in the consumer and build favorable associations that affect recall, trial, and eventually purchase decisions. Levitan (2020) noted by that “celebrity endorsement serves as a channel for brand communication, and celebrities who serve as brand spokespersons validate the claims and standing of the brand by

enhancing their persona, notoriety, and status within it. Social or the effect of industry knowledge on a brand”.

Celebrity Acceptance

Celebrity acceptance refers to the degree to which a celebrity is accepted or embraced by the public, fans, or certain communities (Osorio et al., 2021). Consumers need to embrace celebrity spokespersons for products and services. Shobowale, (2022). Rodrigues (2021) defined the so-called celebrity matching principle, which has to do with how well-liked celebrities are in society. demonstrating that acceptability is essential to providing positive feedback. Brathwaite, DeAndrea, & Vendemia (2023) argued that if celebrities were not perceived as the ideal match for the things they were advocating, audiences would not embrace such products. They believe that refusing celebrities is just an extra expense.

Celebrity Popularity

Celebrity popularity refers to the extent to which a public figure is well-known and admired by a significant number of people (Onu, Nwaulune, Adegbola, & Kelechi, 2019). Celebrity popularity contributes to brand awareness, which encourages or draws attention from consumers to the brand, fostering or igniting desire and enthusiasm (Usta, 2023). According to analysts, a celebrity’s decline in popularity has a significant impact on the business (Firmansyah, 2023). When the celebrity image of the endorsement brand suffers in the marketplace, the image of the endorsement brand might deteriorate just as rapidly in customers’ perceptions (Lee, Lam, Ng, Ooi, & Tai, 2019). Also damaging to endorsers and brands is combining popular imagery with items. Celebrity breaches, which claim that celebrity misbehavior spills over to the products the celebrity endorses, are inherent in celebrity loss of exposure. Multiple studies on celebrity transgressions have shown that these behaviors can negatively impact consumers’ evaluations of celebrity-endorsed brands (Thomas & Fowler, 2021).

Celebrity Credibility

Celebrity credibility refers to the perceived trustworthiness, believability, and expertise associated with a celebrity, especially

about a specific product, cause, or industry (Deshbhag & Mohan, 2020). When a celebrity endorses a product or advocates for a cause, their credibility plays a crucial role in influencing public opinion and consumer behavior (Rourke, 2023).

Effect of Celebrity Endorsement on Sales Performance

Liu, Zhang, and Keh (2018) claim that current events have shown interest in the return on advertising investment. Thus, businesses that employ celebrity endorsements are investigating the financial effects of these endorsements by examining how they affect sales results (Bergkvist and Zhou, 2016). Frameworks and multiple research studies have conceptualized sales performance as the result of numerous endogenous, moderator, and mediator variables (Høgevold, Rodriguez, Svensson, & Otero-Neira, 2023). There is no agreement in the literature about which factors are more closely associated with a product's sales performance (Da Silva, de Negreiros, & da Silva Faia, 2022). While some people think celebrity endorsements just increase brand memory and recognition (Rourke, 2023), others think they have a positive impact on an organization's ability to sell more. For instance, Chanel reportedly saw a 30% increase in global sales of Chanel Classic Fragrances after signing Nicole Kidman in 2003. (Ofori-Okyere & Asamoah, 2015).

Because of this, some previous researchers have discovered a substantial connection between celebrity endorsements and the sales results of a business. Leung (2022) discovered that 110 celebrity endorsement contracts were profitable and that the market reacted favorably to the mere notion of a celebrity endorsement. Additionally, Tiger Woods' 2009 incident hurt the firms' sales of the products he advocated, costing stockholders \$5–12 billion more than the brands he did not endorse (Caan & Lee, 2023).

Feder (2023) studied the brand sales that corresponded to 51 athletes' endorsements to determine the economic value of celebrity endorsements. Feder (2023) discovered that 43 of the 51 endorsements had substantial sales as a result. The rise (average 4%) shows a significant correlation between celebrity endorsements and sales results. In a different study, Nadube & Gowon (2023), investigated Tiger Woods' impact on sales of Nike golf balls and found that celebrity endorsements significantly impacted sales.

Boydston (2023) called for a greater study on the connection between celebrity endorsements and sales for various celebrity types due to the dearth of existing studies and the singular focus on athlete endorsements. According to İpek (2023), a celebrity spokesperson is a person who benefits from public recognition and uses it to promote a consumer product by starring alongside it in advertisements (marketing communications). More significantly, Patrick (2022) claims that a celebrity endorser is a person who exploits his or her notoriety to advertise a specific product. Also, prior research has demonstrated that celebrity endorsements frequently change consumers' perceptions of and attitudes toward a particular product, hence maximizing sales (Bisetegn, 2021). Furthermore, it was discovered in Sutanto & Widianto (2023) that celebrity spokespersons were more credible and effective when they supported one or two products as opposed to numerous. The Correlation Between a Brand and a Celebrity Given the presence of a positive correlation, one can reasonably conclude that celebrity endorsements are effective. Still, it is important to recognize that there are risks associated with the connection (Ratriyana, 2020).

Alam, Tao, Rastogi, Mendiratta, & Attri (2024) further classify celebrities based on their work/performance domains, familiarity, and demographic data. This includes athletes, based on their profession or performance, as well as artists (musicians, actors, and models). Wessels, Viviers, & Botha (2022) based on familiarity level (local, national, and worldwide). Therefore, to attract marketers, an endorser must have specific attributes; these attributes include talent, athleticism, strength, and beauty (Kainyu, 2022).

Hypothesis Development

Celebrity's Credibility and Sales Performance

A study by Yoo (2020) examined the impact of endorser credibility on purchase intention based on golf product attributes. The study found that endorser credibility positively influenced purchase intention. This study suggests that companies should consider the credibility of the celebrity endorser when selecting a celebrity to endorse their product or brand to increase their sales performance. Similarly, Khan, Sabir, Majid, Javaid, Anwar, and Mehmood (2022) examined the impact of celebrity endorsement on sales performance in the cosmetics industry

and found that audience acceptance of the celebrity endorser had a positive impact on effectiveness and that celebrity recommendation had an impact on sales performance. This study highlights the importance for companies to carefully select the right celebrity endorser who will be well-received or embraced by the target audience to increase their sales performance. Furthermore, Pradhan, Duraipandian, and Sethi (2016) found that the effectiveness of celebrity endorsements depends on the degree of congruence between the celebrity and the product or brand. The study found that celebrity endorsements can have a positive impact on sales performance when there is a high level of alignment between the celebrity and the product or brand. This study highlights the importance of companies carefully selecting the right celebrity to endorse their product or brand based on the level of fit between the celebrity and the product or brand. Therefore, we hypothesized that:

H1: Celebrity's credibility affects sales performance.

Celebrity's Popularity and Sales Performance

A study by Yoo (2020) examined the impact of celebrity endorser popularity on purchase intention related to golf product attributes. The study found that the popularity of the celebrity endorser positively influenced purchase intention. This study suggests that companies should consider the popularity of the celebrity endorser when selecting a celebrity to endorse their product or brand to increase their sales performance. Similarly, Laksono, Fernando, Ikhsan, Prabowo, and Sriwidadi (2022) examined the effect of celebrity attractiveness and credibility on digital brand awareness and found that celebrity attractiveness positively influenced digital brand awareness. This study highlights the importance of considering the celebrity endorser's appeal when selecting a celebrity to endorse a product or brand to increase its sales performance. Furthermore, Xiong, Yang, and Su (2023) used machine learning techniques to examine the effects of popularity, face, and voice on live streamers' sales performance. The study found that the popularity of the livestreamed had a positive impact on sales performance in live-streaming commerce. This study suggests that companies should consider the popularity of the live streamer when selecting a live streamer to promote their product or brand to increase their sales performance. It can therefore be hypothesized that:

H2: Celebrity's popularity affects sales performance.

Celebrity Acceptance Affects Sales Performance

A study by Falebita, Ogunlusi, and Adetunji (2020) examined the impact of celebrity endorsements on sales performance in the Nigerian fashion industry. The study found that the acceptance of the celebrity endorser by the target group has a positive influence on the effectiveness of celebrity advertising on sales performance. This study highlights the importance for companies to carefully select the right celebrity endorser who will be well-received or embraced by the target audience to increase their sales performance. Similarly, Chan & Fan (2022) examined the impact of celebrity endorsement on the sales performance of the cosmetics industry and found that the audience's acceptance of the celebrity endorser had a positive influence on the effectiveness of celebrity endorsement on sales performance. This study suggests that companies should consider the target audience's acceptability or acceptability of the celebrity endorser when selecting a celebrity to endorse their product or brand to increase their sales performance. Furthermore, Duraipandian and Sethi (2016) found that the effectiveness of celebrity endorsement depends on the degree of congruence between the celebrity and the product or brand. The study found that celebrity endorsements can have a positive impact on sales performance when there is a high level of alignment between the celebrity and the product or brand. This study highlights the importance of companies carefully selecting the right celebrity to endorse their product or brand based on the level of fit between the celebrity and the product or brand. Therefore, we hypothesized that:

H3: Celebrity's Acceptance affects sales performance.

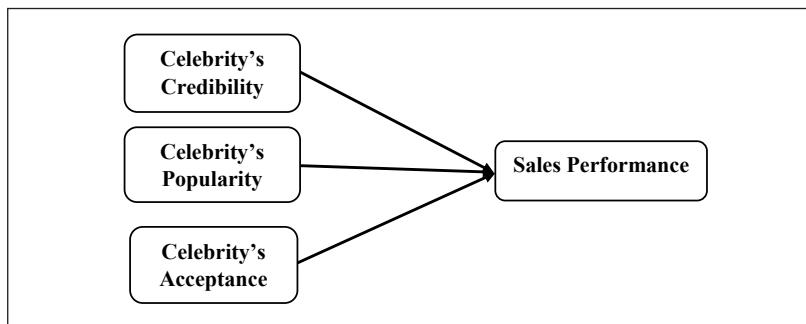
Conceptual Framework

According to Dadang (2022), specific traits of a source (celebrity) can favorably affect buyers' perceptions of a product. This is broken down into two sections: source credibility and source appeal. According to the Source Credibility Model, a celebrity's credibility, competence, and understanding affect how well a product is received and accepted. According to Ladipo (2018), a celebrity's perceived level of brand-related competence and trustworthiness is the source of credibility. The possibility of sales is increased when a celebrity is well-versed in the subject matter of the product (Pick, 2020). The source attraction model postulates that consumer acceptance and response to a certain

product are based on likeness, likeability, and familiarity. More explanations of the ideas of familiarity, liking, and likeness are provided by Gurel-Atay (2022). According to the study, “similarity” refers to the perceived similarity between the celebrity and the target audience.” Familiarity refers to the knowledge consumers gain about a celebrity through media exposure. Thus, a celebrity’s physical appeal can cause a larger social reaction to a certain product (Dadang, 2022). Figure 1 conceptual framework assumes that celebrity endorsements have a direct and considerable impact on sales performance in Ghana’s beverage industry.

Figure 1

Celebrity Endorsements Impact on Sales Performance



METHODOLOGY

This section contains subsections describing the target population and content of sampling, survey instruments, data collection, and analysis. The content of each section is as follows.

Target Population and Sampling

The target population of this study is employees of the beverage industry in Ghana which comprises 21 companies including Coca-Cola Bottling Company of Ghana, Accra Breweries, Guinness Ghana Breweries, Kasapreko, Twellium, GIHOC Distilleries, Voltic, etc. The sampling method involves a random sampling technique that ensures that every respondent in the beverage industry has an equal chance of being selected to participate in the study. Alvi (2016)

describes a sample as a representation of a population selected for research purposes. According to Kothari (2004), sample size is also defined as the number of elements selected from the universe to form a sample for research. In this study, the sample consisted of managers, finance and sales employees. Beverage industry employees were chosen as the target group because they are directly involved in sales activities, analysis, and monitoring of product performance. Involving executives, finance, and sales staff ensures comprehensive representation of key stakeholders with insights into industry sales performance.

Survey Instrument

The primary tool used to carry out the survey is the questionnaire, which was adapted from Elangovan and Sundaravel's (2021) suggestions. To ensure that the questionnaire was appropriate for the scope of the study, each step in its development was carefully carried out. Identifying the questionnaire's purpose is the first step in this procedure. This questionnaire's principal goal in this regard is to get first-hand information about how businesses are faring in the industry. Primary data collection is required for this study's analysis to conduct an empirical examination of the suggested correlations in the context. The results obtained from the gathered data are crucial for both assessing the current model and extrapolating the study's findings into a larger population through implications. This survey intends to measure the procedures and conduct of businesses operating in the industry. Items used to measure the various constructs were all adapted from previous studies; Sales Performance was adapted from Brown, & Peterson, (1994) with six items, Celebrity's credibility was adapted from Honeycutt and Cross (2008) with six items, Celebrity's popularity was adapted from Honeycutt and Cross (2008) and Celebrity's Acceptance was adapted from Siddiqui & Khalid, (2018). The choice of Interval measurement is a more suitable method for assessing sales performance than ratio measurement, as it allows for the identification of nuanced differences in perceptions without requiring a true zero point.

Data Collection and Analysis

This study used a quantitative approach. Therefore, the primary data used in this study was primary data collected as part of the official

survey. The survey was conducted on a technology application platform from October to January 2023. The questionnaire was initially distributed to 150 respondents according to the list of eligible samples listed above. To achieve the highest response rate and the most objective responses, the survey questionnaire was sent along with an open letter highlighting the main objective of this study; Accordingly, the researcher expects the accuracy of all answers that best reflect the company's situation. At the same time, we are committed to keeping all information provided in response to the survey questionnaire confidential and only used for this research. At the same time, a reminder system was set up to track participants and remind them to respond. After completing the survey, 115 response sheets were collected, resulting in a response rate of 76.66%. A re-evaluation of the answer sheets was then carried out to remove the invalid (incomplete) answer sheets. As a result, 15 people were eliminated, and the remainder were 100, giving a response rate of 66.66%. These valid response sheets were then processed according to the appropriate steps for inclusion in the analysis. Partial least squares structural equation modeling (PLS-SEM) is used as the analysis technique in this study because it is suitable for models with complex structural relationships. The item scale according to Fullerton (2011) was used to measure customer trust. They were asked to indicate their level of agreement with each statement on a five-point Likert scale, where 1=strongly disagree, 2=strongly disagree, 3=neither agree nor agree/neutrally agree, 4=agree, and 5=completely agree. The model in this study involves direct relationships and is therefore considered a complex model (Hair et al., 2017). The study adheres to ethical considerations such as obtaining informed consent from the participants, ensuring the confidentiality and anonymity of the participants, and using the data only for research purposes.

RESULT

This section includes sub-sections such as statistical results of the collected sample characteristics, measurement model evaluation, structural model evaluation, and hypothesized relationships.

Demographic Profile of Respondents

The demographic information of respondents showed that out of 100 (100%) respondents, 64(64%) were males and 36(36%) were

females. This shows that the majority of the respondents were males, as compared to females. Furthermore, the results showed that 40 (40%) of the respondents were between 16- 20 years, 25 (25%) were between 21 to 30 years, 32 (32%), of the respondents were between 31 to 40 years and 3 (3%) of the respondents were 41-50 year. Thus, the majority of the respondents were between 16 to 20 years old. As regards the educational level of the respondents, those with JHS as their highest educational level were 3 (3%). SHS's educational level was 20 (20%). Respondents with diplomas were 18 (18%), Degree holders were 32 (32%) and Postgraduate level had 27 (27%). The results showed that 10 (10%) were management members, 79 (79%) were sales and marketing personnel and 11 (11%) were finance personnel.

Structural Equation Modelling Results and Analysis

The data and hypotheses reported in this study were evaluated using the PLs-SEM (Partial Least Squares-Structural Equation Model) statistical technique, which was supported by the Smart-PLS version 3.0 software. In the PLs-SEM analysis, there are two different types of correlations: the outer model, which tests convergent validity, discriminant validity, and reliability; and the inner model, which tests convergent validity, discriminant validity, and reliability, Gerbing and Anderson (1988).

Table 1

Validity and Reliability Results

Research constructs	Cronbach's alpha	Rho _A	CR	AVE	Loadings
Celebrity's Acceptance	0.916	0.937	0.940	0.797	
CA1					0.896
CA2					0.881
CA3					0.898
CA4					0.895
Celebrity's Credibility	0.943	0.949	0.954	0.776	
CC1					0.886
CC2					0.876
CC3					0.874
CC4					0.863
CC5					0.891

(continued)

Research constructs	Cronbach's alpha	Rho_A	CR	AVE	Loadings
CC6					0.896
Celebrity's Popularity	0.903	0.911	0.932	0.773	
CP1					0.894
CP2					0.891
CP3					0.877
CP4					0.855
Sales Performance	0.839	0.851	0.885	0.607	
SP1					0.750
SP2					0.730
SP3					0.786
SP4					0.835
SP5					0.792

Source: Field data (2023)

Validity and Reliability of Results

The variable with reflected indications is considered to have passed the test if Cronbach's alpha and composite reliability have values greater than 0.70. (Hair et al., 2011). The reliability test findings are shown in Table 1, and they demonstrate that all Cronbach's alpha and reliability values are greater than 0.70, indicating that all study constructs are regarded as dependable. The principle is that a construct measure's (indicator's) correlation must be high. The reflexive indicator is true, as demonstrated by Convergent Testing Smart-PLS 3.0 because the loading factor value for each necessary construct manifest variable is greater than 0.70. (Hair et al., 2011). Based on the findings, Table 1 demonstrates that all construct indicators have loading factors greater than 0.70, demonstrating their validity and the fulfillment of convergent validity.

Discriminant Validity

Discriminant validity aims to showcase distinctions between variables in different dimensions. Ab Hamid, Sami, and Sidek (2017) propose that the correlations between any two components should be below the square root of the average variance extracted (AVE) for each factor. Table 1 illustrates that the square root of the AVE for the factors (highlighted in bold and underlined) exceeds the correlation between the components. The analysis's findings therefore supported the utilized instrument's acceptable convergent and discriminant validity.

It is known that all the items had loadings higher than 0.60, according to the data provided in Table 3. Compared to cross-loading values on other variables, the research's variables had the highest cross-loading value.

Table 2

Discriminant Validity

	CA	CC	CP	SP
Celebrity's Acceptance	0.893			
Celebrity's Credibility	0.283	0.881		
Celebrity's Popularity	0.579	0.369	0.879	
Sales Performance	0.334	0.612	0.565	0.779

Source: Field data (2023)

Table 3

Cross Loadings

	CA	CC	CP	SP
CA1	0.896	0.220	0.606	0.355
CA2	0.881	0.193	0.479	0.231
CA3	0.898	0.284	0.477	0.313
CA4	0.895	0.313	0.481	0.264
CC1	0.260	0.886	0.406	0.555
CC2	0.250	0.876	0.342	0.587
CC3	0.226	0.874	0.270	0.615
CC4	0.319	0.863	0.373	0.440
CC5	0.207	0.891	0.248	0.454
CC6	0.244	0.896	0.315	0.538
CP1	0.471	0.304	0.894	0.533
CP2	0.464	0.375	0.891	0.538
CP3	0.509	0.332	0.877	0.493
CP4	0.626	0.280	0.855	0.406
SP1	0.257	0.417	0.390	0.750
SP2	0.322	0.317	0.463	0.730
SP3	0.266	0.623	0.484	0.786
SP4	0.266	0.513	0.451	0.835
SP5	0.200	0.454	0.408	0.792

Source: Field data (2023)

Coefficients of Determination (R2) and Adjusted R2 (R2 adj.)

R-square is a metric measuring how much variation in an endogenous (value that is influenced) value can be explained by exogenous (variables that affect it) variables. It is important to determine how good or terrible a model is. The endogenous latent variable's r-square value of 0.75 indicates a considerable (excellent) model; 0.50 indicates a moderate (medium) model; and 0.25 indicates a weak model (poor). To boost the explained variance R², the R² adj. value decreases the R² value to adjust for the addition of non-significant exogenous latent variables. Table 4 demonstrates that the model has a predictive accuracy (R² adjusted) value of 0.494 for sale performance. Liao, and McGee (2003).

Table 4

Coefficients of Determination (R²) and R² Adjusted

	R Square	R Square Adjusted
Sales Performance	0.509	0.494

Source: Field data (2023)

Table 5

Model Fit Summary

	Saturated Model	Estimated Model
SRMR	0.071	0.071
d_ULS	0.949	0.949
d_G	0.511	0.511
Chi-Square	277.507	277.507
NFI	0.821	0.821

Source: Field data (2023)

Figure 2

Results of the PLS Structural Model

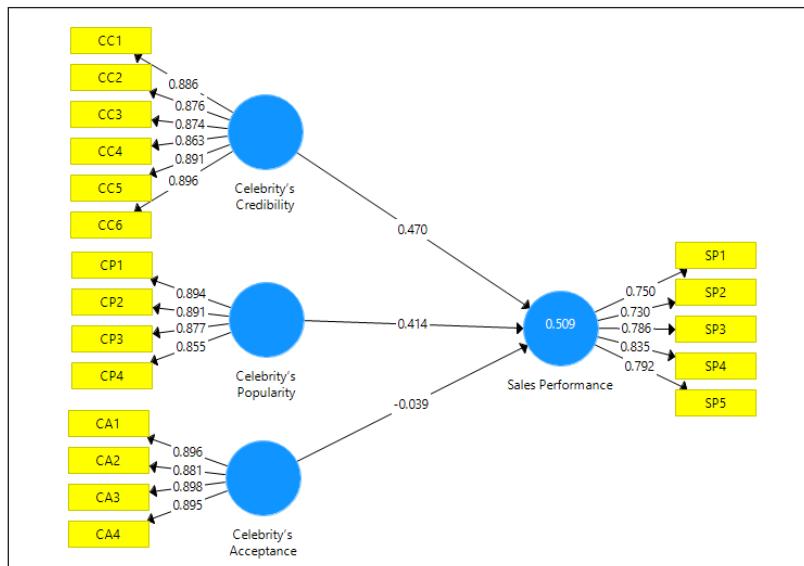


Figure 3

Structural Model of the Path Coefficient

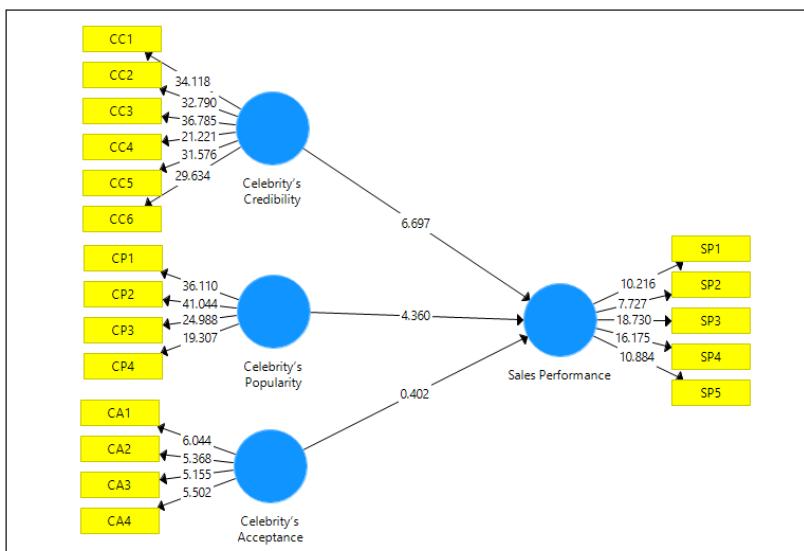


Table 6

Structural Analysis

Study's hypothesis	Hypothesis	Path coefficients	T -Statistics	P -Values	Supported/Rejected
CC-> SP	H2	0.470	6.697	0.000	supported
CP-> SP	H3	0.414	4.360	0.000	supported
CA-> SP	H1	-0.039	0.402	0.688	Rejected

Source: Field data (2023)

Note: CA=Celebrity's Acceptance; CC=Celebrity's Credibility; CP = Celebrity's Popularity whereas SP=Sales Performance. *Significance at $p < 0.05$; **Significance at $p < 0.01$; *** Significance at $p < 0.001$.

Summary of the Hypothesized Relationships

The study assessed the impact of celebrity endorsements on sales performance, evident from the beverage industry in Ghana. Table 6 and Figure 1 reveal the outcomes of the tests of the hypotheses on the association between each of the factors. Celebrity's acceptance ($\beta = -0.039$, $t = 0.402$, $p = 0.688$) was found not to have a significantly positive effect on sales performance, thus rejecting H1. Celebrity's credibility ($\beta = 0.470$, $t = 6.697$, $p = 0.000$) was found to have a significantly positive effect on sales performance, thus supporting H2. Celebrity popularity ($\beta = 0.414$, $t = 4.360$, $p = 0.000$) was found to have a significantly positive effect on sales performance, thus supporting H3.

DISCUSSION

The study's purpose was to establish a link between celebrity endorsement elements and sales performance, evident from the beverage industry in Ghana. The specific objectives for the study were analyzed, and the empirical findings support all the hypotheses as follows:

The analysis result agrees that celebrities' credibility ($\beta = 0.470$, $t = 6.697$, $p = 0.000$) was found to have a significantly positive effect on sales performance. Also, the data from the respondents shows that there exists a major relationship between the credibility of the

endorser of a product and its sales performance among products in the beverage industry. This shows that the effectiveness of communication is commonly assumed to depend to a considerable extent upon who delivers it (Høgevold, Rodriguez, Svensson, & Otero-Neira, 2023).

Moreover, Yoo (2020) examined the effect of endorser credibility on purchase intention based on golf products' attributes and found that endorser credibility positively influenced purchase intention. This study suggests that companies should consider the credibility of the celebrity endorser when selecting a celebrity to endorse their product or brand to enhance their sales performance. Other studies suggest that the effectiveness of celebrity endorsements on sales performance is influenced by various factors, such as the presentation context, endorser credibility, and the level of congruence between the celebrity and the product or brand. Companies should carefully consider these factors when investing in celebrity endorsements to enhance their sales performance. (Liu, Wu, & Cai, 2023; Yoo, 2020).

In addition to the above, the analysis outcome shows that celebrities' popularity ($\beta = 0.414$, $t = 4.360$, $p = 0.000$) was found to have a significantly positive effect on sales performance. This conforms with the views of Rathee & Milfeld (2023) that a successfully endorsed advertising campaign by a reputable celebrity can achieve the advertising objective of boosting product or service sales. Also, the findings are in line with Moreover, Laksono, Fernando, Ikhsan, Prabowo, and Sriwidadi (2022) examined the impact of celebrity attractiveness and credibility on digital brand awareness and found that celebrity attractiveness positively influenced digital brand awareness. This study highlights the importance of considering the attractiveness of the celebrity endorser when selecting a celebrity to endorse a product or brand to enhance their sales performance. In conclusion, these studies suggest that the effectiveness of celebrity endorsements on sales performance is influenced by various factors, such as the popularity and attractiveness of the celebrity endorser. Companies should carefully consider these factors when investing in celebrity endorsements to enhance their sales performance. (Yoo, 2020; Laksono, Fernando, Ikhsan, Prabowo, & Sriwidadi, 2022).

Finally, analysis shows that celebrities' acceptance ($\beta = -0.039$, $t = 0.402$, $p = 0.688$) was found not to have a significantly positive effect on sales performance. The study finding that celebrity acceptance does

not have a significant positive effect on sales performance is consistent with the results of a study by Adam & Hussain (2017), which found that celebrity endorsement did not have a significant positive effect on sales performance in the cosmetic industry. Similarly, Um (2018) found that the effectiveness of celebrity endorsements depends on the level of congruence between the celebrity and the product or brand. The impact of celebrity acceptance on sales performance is influenced by various factors, and the findings are not always consistent. While some studies have found a positive relationship between celebrities' acceptance and sales performance, such as the study by Ladipo, Oniku, Akeke, and Chileuwa (2018), other studies have found no significant relationship, such as the regression analysis mentioned earlier. The mixed findings suggest that the effectiveness of celebrity endorsements on sales performance is influenced by various factors, such as the type of product, the level of congruence between the celebrity and the product or brand, and the presentation context. Companies should carefully consider these factors when investing in celebrity endorsements to enhance their sales performance.

CONCLUSION

This study highlights the immense potential of celebrity endorsements as a powerful advertising tool within Ghana's beverage industry. Through comprehensive hypothesis testing and analysis, specific dimensions and traits of celebrity endorsements have been underscored as crucial determinants of effectiveness. Particularly, the celebrity's popularity and credibility emerged as pivotal factors shaping consumer perceptions and, consequently, influencing sales performance while the celebrity's acceptance was rejected. Therefore, beverage industry businesses must prioritize these aspects when selecting celebrity spokespersons, recognizing their profound impact on brand image and market success.

One significant insight gleaned from this research is the need for a careful balance between the brand and the celebrity endorser. The findings emphasize the importance of maintaining the brand's prominence to prevent the celebrity from overshadowing the product. This delicate equilibrium is essential for preserving the brand's intended objectives and relevance in the market. Managers and decision-makers must navigate this dynamic interplay between brand identity

and celebrity influence, striving to create a synergy that enhances the brand's appeal while maintaining its integrity. Ultimately, the study's conclusion underscores the critical importance of a thoughtful and strategic approach to celebrity endorsements in the beverage industry. By meticulously selecting celebrities and managing their association with the brand, businesses can ensure sustained success and market relevance.

RECOMMENDATIONS FOR MANAGEMENT

The study's findings propose several key managerial implications for firms operating in the beverage industry in Ghana. Firstly, the study recommends a strategic reinforcement of the use of celebrity endorsers to promote products, emphasizing a thorough evaluation of the celebrity's popularity and credibility. This suggests that managers should prioritize selecting celebrities with a strong public image and reputation, ensuring that the endorser's attributes align closely with the brand they are promoting. The study suggests that a meticulous selection process based on popularity and credibility can enhance the effectiveness of celebrity endorsements in positively influencing consumer perceptions and, subsequently, sales performance.

Moreover, the study indicates that there is no emphasis on the importance of celebrity acceptance in the context of promoting and safeguarding a brand's image, as celebrity acceptance was dismissed. Although popularity and credibility hold importance, the research indicates that a celebrity's acceptance by the target audience is also pivotal. Managers ought to weigh not just the favorable attributes linked to the celebrity but also their overall reception in society. Such an approach could foster a deeper connection between the celebrity and the endorsed brand, potentially enhancing the endorsement's impact on sales performance.

Consistency emerges as a key theme in the managerial implications. The study recommends consistent and prolonged use of celebrity endorsements over time to strengthen the bond between the celebrity endorser and the brand. This implies that a one-time endorsement may not yield the same positive effects as a sustained and ongoing partnership. Managers should, therefore, plan for long-term collaborations to maximize the potential benefits of celebrity endorsements on sales performance.

Additionally, the study highlights the importance of simplicity and relevance in the execution of celebrity endorsements. Managers are advised to adopt straightforward and clean advertising strategies without unnecessary design elements. Aligning celebrities and brands, following a congruent approach, is crucial for effective communication. Managers should ensure that the celebrity endorser's association with the product or service is seamless and does not distract from the main message. This emphasis on simplicity and relevance can contribute to a more impactful and persuasive celebrity endorsement strategy.

In conclusion, the managerial implications derived from the study suggest a comprehensive approach to utilizing celebrity endorsements in the beverage industry in Ghana. Firms are encouraged to not only focus on the popularity and credibility of celebrities but also consider their general acceptance, maintain consistency in their endorsements, and prioritize simplicity and relevance in their advertising strategies. By adhering to these recommendations, managers can harness the potential of celebrity endorsements to reinforce or create a positive image for their products or services, ultimately influencing sales performance in a competitive market.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

While this study aimed to make a significant contribution to the marketing field, focusing specifically on the impact of celebrity endorsements on sales performance in the Ghanaian beverage industry, certain limitations and avenues for future research are worth considering. The study is confined to the examination of individual celebrity endorsements and their influence on sales, leaving room for future investigations into the impact of multiple celebrity endorsements on a single brand. Exploring the breadth and depth of celebrities' influence on the products they endorse is another avenue for further inquiry, providing a more comprehensive understanding of the dynamics involved. Additionally, future research should extend beyond consumer goods to explore the capacities for endorsement in developing nations like Ghana and broaden the scope to include industrial items. Furthermore, it would be fruitful to introduce new moderators into the analysis, such as employee commitment, as it has been identified as a significant factor affecting sales performance in

the alcohol industry in Ghana. By addressing these limitations and pursuing these future research directions, scholars can contribute to a more nuanced and comprehensive understanding of the intricacies of celebrity endorsements and their implications for sales performance across diverse industries and contexts.

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