

# “Celebrity endorsements vis-à-vis brand equity of high fashion products: a cross cultural perspective”

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## Celebrity endorsements vis-à-vis brand equity of high fashion products: a cross-cultural perspective

### Abstract

The present research aims to explore the relationship between celebrity endorsements and the brand equity of high fashion ready-to-wear products from a cross-cultural perspective. This is an empirical work and data have been collected through survey of 277 business students. The proposed model on celebrity endorsement and brand equity of high fashion products is based on extant literature. The results of this study support that celebrity endorsement does have potential to create brand equity for high fashion ready-to-wear products. However, the impact of the celebrity endorsement varies among the three selected countries. India showed the maximum potential for creating direct brand equity, whereas the United States and Finland showed potential for creating indirect brand equity, through celebrity endorsements. The theoretical framework proposed in this study may be empirically tested through a primary research. In addition, further research in the same area may be undertaken with a larger sample covering more countries. Celebrity endorsement is critical as the consumers' attitude toward celebrity endorsement vary with respect to market and culture. For celebrity endorsements the managers should consider certain factors like nationality of the endorser and negative celebrity information. This research would be very valuable for the brand managers of global companies as it highlights that celebrity endorsement should be carried out in the light of the cultural dimensions of a country.

**Keywords:** brand image, brand equity, high fashion products, celebrity endorsement, cross-cultural perspective.

### Introduction

Celebrity endorsement, as an effective marketing strategy, is in vogue (Biswas, Hussain, and O'Donnell, 2009). The success stories have turned this fad into a movement which is gaining its momentum all over the globe. The concept of celebrity endorsement has advanced from celebrities appearing in commercials to have stake in the endorsed brand. Nowadays, celebrities look for the best ways to benefit from endorsement deals. Celebrity endorsement has the potential for creating a win-win situation for the company and the celebrity endorser (Shimp, 2008). The fashion industry has already witnessed many celebrities appearing in designer clothes, but the occasion that brought celebrity endorsement to the public's eye was in 1980 when Richard Gere wore an Armani suit in the movie *American Gigolo*. For the first time a suit became an extension of the leading character (Tungate, 2004). Ever since designers have competed to get their clothes on celebrities in movies, TV shows and award ceremonies.

The endorsement of high fashion ready-to-wear products by the celebrities is increasingly gaining popularity. More recently celebrity endorsement seems to be more of a rule than an exception in the high fashion industry, especially in the countries like the United States, Britain, France and Italy, as the fashion houses are trying to exploit the potential of associating their products with the fame of the celebrities. However, using celebrity endorsements in promoting high fashion ready-to-wear products is not at the same level everywhere. For instance, in countries like Finland the only celebrity endorsements featuring high

fashion can be spotted in foreign magazines like *Vogue*, *Elle* and *Harper's Bazaar*. In India, celebrities with endorsed high fashion products can be seen in the award ceremonies, TV commercials, as well as in the fashion and film magazines.

As celebrity endorsement offers many benefits there are also pitfalls for companies engaging celebrities in promotional activities (O'Mahony and Meenaghan, 1998). A good example of this was the revelation of celebrity Kate Moss' cocaine addiction in 2005 that got fashion houses Chanel and Burberry to terminate their endorsement relationship with Moss while fashion house Dior decided to stick with the star (Financial Times, 2005). More recently, Accenture, AT&T, Gatorade, and General Motors completely ended their sponsorship deals with Tiger Woods due to his infidelity scandal (Financial Times, 2010).

The current academic literature about celebrity endorsement does not focus on the high fashion industry, but instead more on mass market fashion and consumer goods. So, we have made an attempt to carry out the study with reference to the high fashion industry. High fashion can be described as trend setting fashion that is made by designer fashion houses that offer luxurious haute couture and/or ready-to-wear fashion products. The high fashion products are exclusive, expensive and of high quality. Ready-to-wear products are a combination of haute couture and mass market products. These products are made in limited quantities by exclusive fashion houses ([www.wikipedia.com](http://www.wikipedia.com)).

### 1. Objectives of the study

The main objective of the study is to analyze the relationship between celebrity endorsements and brand equity of high fashion ready-to-wear products in

three different cultural contexts. This study also intends to develop a theoretical framework exhibiting the process of creating brand equity through celebrity endorsement; identify the important attributes of the celebrity endorsers; analyze the relationship between the nationality of the endorser and the effectiveness of the celebrity endorsement; and examine the impact of negative celebrity information on the brand equity.

**2. Literature review and theoretical framework**

Using celebrities in advertising is a very common advertising practice (Erdogan, 1999). Two key factors that have been investigated in extant literature are related to source credibility and attractiveness models (Ohanian, 1990, 1991). Another stream of research maintains that celebrity endorsement is more effective

when the images or characteristics of the celebrity are well matched with the endorsed product (Kahle and Homer, 1985; Kamins, 1990; Kamins and Gupta, 1994; Till and Busler, 2000). Thus, if we take a comprehensive view of the literature, we see that celebrity attributes such as image, trustworthiness, and familiarity, as well as fit between celebrity and the product become key factors for selecting celebrities (Erdogan, Baker, and Tagg, 2001; Miciak and Shanklin, 1994; Silvera and Austad, 2004). However, as suggested by Erdogan et al. (2001), endorser selection criteria may vary from culture to culture. Indeed, very few cross-cultural content analyses of advertising have investigated the differing incidence of celebrity endorsements across cultures and countries (Biswas et al., 2009).

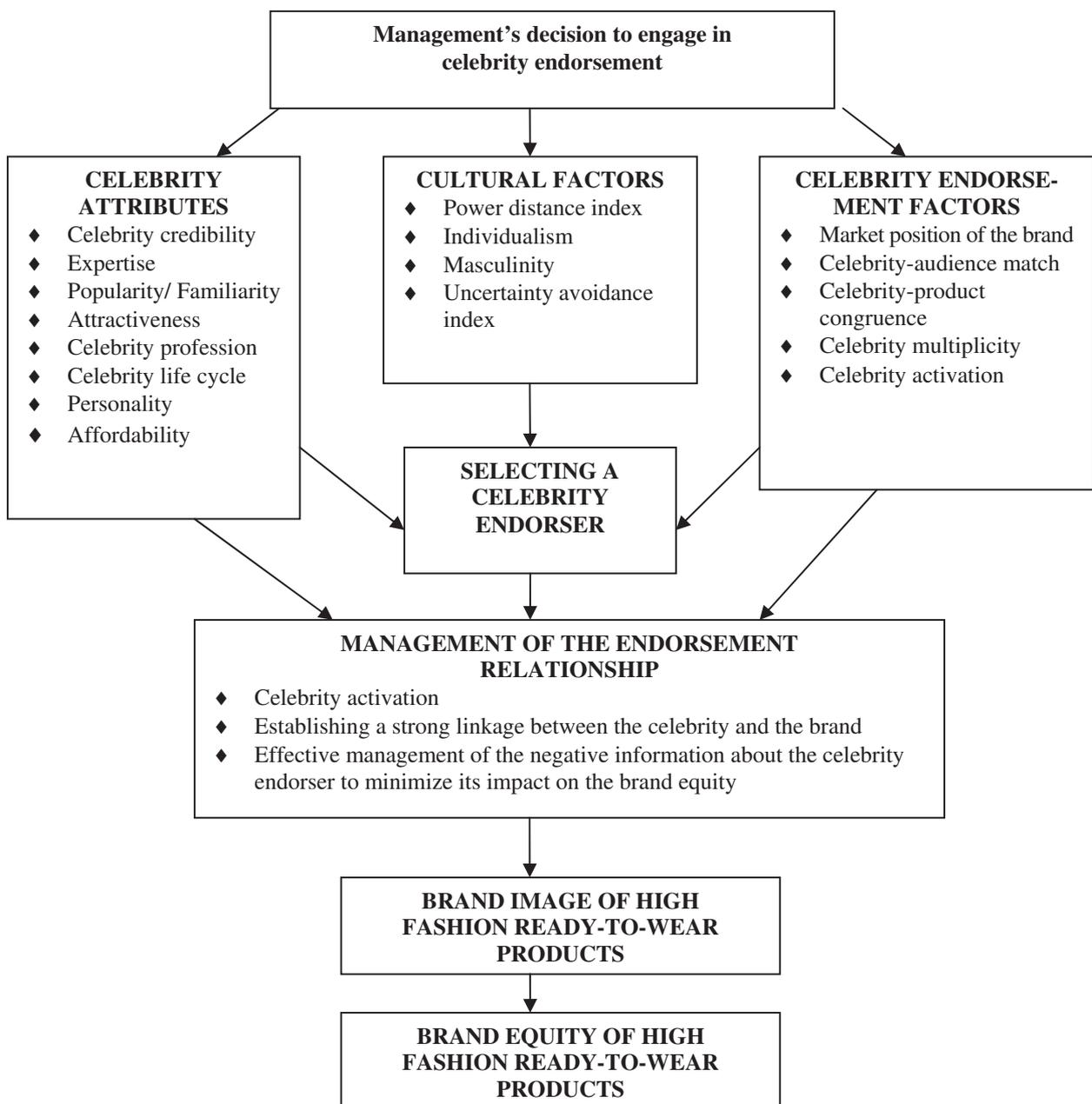


Fig. 1. Celebrity endorsement vis-à-vis the brand equity of the high fashion products

The theoretical framework proposed in this study has been developed after thorough review of the extant marketing literature on celebrity endorsements and brand equity. The framework comprises the most important features and practices that influence the conception of brand equity through celebrity endorsements. The proposed model explains the process how celebrity endorsements can create brand equity of the endorsed product.

The process of creating brand equity through celebrity endorsement starts with the management's decision to pursue an endorsement relationship. The management needs to consider three sets of factors – celebrity attributes, cultural dimensions, and the celebrity endorsement factors. The celebrity attributes like credibility, expertise, popularity, attractiveness, affordability (Silvera and Austad, 2004), celebrity profession, celebrity life cycle (Erdogan et al., 2001), and personality (Keller, 2003) have been considered for the proposed model.

The other set of factors that seeks the mind of the management is the cultural factors. The Hofstede's cultural dimensions – power distance index (PDI), individualism (IDV), masculinity (MAS), and uncertainty avoidance index (UAI), have been considered in this study. PDI expresses the extent to which the less powerful members of organizations and institutions accept and expect that power is distributed unequally. IDV refers to the degree to which the individuals are integrated into groups. MAS refers to the distribution of role between the genders. UAI indicates the society's tolerance for uncertainty and ambiguity, and ultimately it refers to "man's search for the truth" (www.geert-hofstede.com). Hofstede's cultural dimensions help in determining the cultural factors that affect the target audience, the brand, the celebrity and, therefore, the overall celebrity endorsement process. So, these cultural factors should be considered before making any decision on celebrity endorsements.

The third set of factors, celebrity endorsement factors, includes five major issues like market position of the brand (Erdogan et al., 2001), celebrity-audience match (Till, 1998), celebrity-product congruence, celebrity multiplicity, and celebrity activation (Seno and Lukas, 2007). Erdogan et al. (2001) suggested that the criteria for choosing a celebrity endorser depend on the market position of the brand and the already existing meanings of the brand. Till (1998) emphasizes that there should be a match between the brand and the celebrity as well as between the celebrity and the target audience. Celebrity multiplicity is the practice to employ quite a few celebrity

endorsers who complement each other in terms of meaning that they transfer to a brand (Hsu & McDonald, 2002). Celebrity activation describes the practice in which the management communicates carefully chosen positive information about the endorser to the target market of the product for brand development reasons (Seno and Lukas, 2007).

These three sets of factors are crucial for the selection of the celebrity endorser and the management of the endorsement relationship. For the proper management of the endorsement relationship, activities like celebrity activation, establishment of a strong linkage between the celebrity and the brand, effective management of the negative information about the celebrity endorser are required. Managing the endorsement relationship is the central activity in the celebrity endorsement-brand equity process. This is the stage when the entire process is set in motion. The case of celebrity activation must be carefully planned. Managing negative celebrity information is closely related to the issue of celebrity activation. Depending on the culture and the target audience, negative celebrity information can be crucial for a brand and its equity. Concerted efforts need to be taken up by the management to create a strong linkage between the celebrity and the endorsed brand.

Overall, the process of creating brand equity through celebrity endorsements is a delicate issue, but it has the immense potential for creating brand equity. With an appropriate choice of the endorser and effective management of the endorsement relationship the brand image of the endorsed product can be enhanced which in turn augments the brand equity of the endorsed product.

### 3. Hypotheses of the study

On the basis of review of extant literature, this study hypothesizes that there is positive relationship between celebrity endorsements and the brand equity of the high fashion ready-to-wear products. Thus:

*H1: Celebrity endorsements have positive impact on the brand equity of the high fashion products.*

With respect to H1, we further hypothesizes that:

*H1a: Favorite celebrity's appearance in the high fashion product affects the purchasing decision of the respondent.*

*H1b: Celebrity endorsement advertisements in magazines affect the purchasing decision of the respondent.*

*H1c: Respondent's personal view about the celebrity endorser affects his/her purchasing decision.*

*H1d: Celebrity endorsements affect the consumer's perception of the endorsed high fashion brand.*

This study also hypothesizes that the celebrity endorsers should be from the host nations to make the celebrity endorsements process more effective. So,

*H2: Celebrity endorsers of high fashion ready-to-wear products should be from host nations.*

The literature reveals that the negative information about the celebrity endorsers adversely affects the brand equity of the product endorsed by the individual (Erdogan et al., 2001). So, the third hypothesis of this study is:

*H3: Negative information about the celebrity endorser have adverse impact on the brand equity of the product endorsed.*

Each of these hypotheses has been tested to draw a general picture about the relationship between celebrity endorsements and brand equity.

#### 4. Methodology

For this study, we have considered three different countries, the United States, India and Finland, which reflects three different cultures. We have considered the Hofstede’s cultural dimensions – power distance index, individualism, and uncertainty avoidance index. The Hofstede’s scores for the different cultural dimensions for each of the selected countries, reflects the cultural diversity.

The “raison d’être” behind the selection of the high fashion industry is that this industry is mainly engaging the top-notch celebrities as their brand am-

bassadors. Ample research studies have established the positive association between the celebrity endorsement and the brand equity of a product. Most of the studies have focused on the consumer goods and mass market fashion. There is hardly any study which has made an attempt to examine the relationship between the celebrity endorsements and the brand equity of the ready-to-wear products of the high fashion industry. This study is an endeavor in this perspective.

Table 1. Hofstede’s score for the cultural dimensions of the selected countries

Cultural dimension	United States	India	Finland
Power distance index	40	77	28
Individualism	91	40	58
Uncertainty avoidance index	46	35	52

Source: Hofstede (1980)

This study is an empirical research. A structured questionnaire was filled in by the youth of the three selected countries. The focus group members were business students in the age group of 18-25 years. The members were selected on the basis of certain other criteria like family income, usage of high fashion ready-to-wear products, and exposure to the fashion world. In order to analyze the data collected with the aid of the structured questionnaire, descriptive statistics has been used. The chi-square tests and the Marascuilo procedure have also been applied. The questionnaire has been filled in by 277 respondents.

Table 2. Demographic profile of the respondents

Country	Male	Female	Age group	No. of respondents	Percentage
United States	48	46	18-25	94	33.9 %
India	41	57	18-25	98	35.4 %
Finland	37	48	18-25	85	30.7 %
Total	126	151	-	277	100 %

Since the basics for celebrity endorsement process and brand equity building are the same across industries, the information used for developing the theoretical framework on celebrity endorsement vis-à-vis brand equity of high fashion ready-to-wear products have been adapted from the current literature.

The rest of the paper has been divided into the following four sections. First, the relationship between the celebrity endorsements and the brand equity of the high fashion products has been examined. Second, an attempt has been made to find out whether the celebrity endorsers of high fashion products should be from host nations or not for the creation of brand equity. Third, the impact of negative information about the celebrity endorser on the brand equity of the product endorsed has been analyzed. Finally, the implications for international

business, limitations of the study, scope for further research, and concluding remarks have been offered.

#### 5. Impact of celebrity endorsements on the brand equity of the high fashion ready-to-wear products

In order to examine the relationship between celebrity endorsements and the brand equity of the ready-to-wear products of the high fashion industry, four variables – favorite celebrity’s appearance in the high fashion product and purchasing decision of the respondent; celebrity endorsement advertisements in magazines and the purchasing decision of the respondent; respondent’s personal view about the celebrity endorser and the purchasing decision; and celebrity endorsement and the respondents’ perception of the endorsed high fashion brand, have been considered in this study.

With respect to the first variable, it has been observed that the purchasing decisions of the Indian consumers are more prone to be influenced by the appearance of the celebrity in the branded high fashion products. In case of the American and Finnish consumers, the impact of celebrity's appearance in high fashion products have moderate influence on their purchasing decision. From the figures depicted in Table 3, we can conclude that the impact of favorite celebrity's appearance in high fa-

shion products on respondent's purchasing decision can be said to be very low in case of the United States and Finland, with India being the exception in this matter. The chi-square test results reveal that the observed value ( $\chi^2_{obs} = 83.76$ ) is greater than the tabulated value ( $\chi^2_{0.05, 8} = 15.50$ ), and therefore the hypothesis H1a, favorite celebrity's appearance in the high fashion product affects the purchasing decision of the respondent, has been accepted.

Table 3. Celebrity's appearance in high fashion products and respondent's purchasing decision

	United States		India		Finland		Total	
	No. of responses	Percentage (%)						
Very much	7	7.45	37	37.75	2	2.31	46	16.61
Fairly much	13	13.83	25	25.51	13	15.29	51	18.41
Somewhat	31	32.99	26	26.53	28	32.91	85	30.68
Fairly little	17	18.08	8	8.16	29	34.10	54	19.49
Very little	26	27.65	2	2.04	13	15.29	41	14.81
Total	94	100	98	100	85	100	277	100

In case of the second variable a statistically significant relationship between magazine celebrity endorsement advertisements' impact on respondent's purchasing decision and the respondent's nationality has been found. From Table 4, it can be observed that almost 93% of the Indian respondents are over-represented at the positive end of the scale which means that the Indian respondents' purchasing deci-

sion is more likely to be affected by the advertisements. On the basis of the chi-square test on the overall responses the hypothesis H1b, celebrity endorsement advertisements in magazines affect the purchasing decision of the respondent, has also been accepted. The chi-square test results reveal that the observed value ( $\chi^2_{obs} = 96.40$ ) is greater than the tabulated value ( $\chi^2_{0.05, 8} = 15.50$ ).

Table 4. Celebrity endorsement advertisements in magazines and purchasing decision

	United States		India		Finland		Total	
	No. of responses	Percentage (%)						
Very much	7	7.45	39	39.79	2	2.35	48	17.33
Fairly much	13	13.83	28	28.57	13	15.29	54	19.49
Somewhat	31	32.97	24	24.49	28	32.94	83	29.96
Fairly little	17	18.10	7	7.15	29	34.13	53	19.14
Very little	26	27.65	0	0	13	15.29	39	14.08
Total	94	100	98	100	85	100	277	100

The third variable attempts to examine whether the respondent's personal view about the celebrity endorser affects his/her purchasing decision of a high fashion ready-to-wear product. No statistically significant relationship between the effect of respondent's personal view about the celebrity endorser on purchasing decision and the respondent's nationality has been found and, hence, there is no significant difference between the responses from the three countries. About 71 percent of the respondents fall on the negative side of the scale. This implies that the respondent's personal view about the celebrity endorser seems to have not much influence on the purchasing decision of a high fashion ready-to-wear product. The hypothesis H1c has also been accepted.

The fourth variable tries to explore whether the use of celebrity endorsement influences the respondent's perception of the endorsed high fashion brand. No relationship between how appropriate use of celebrity endorsements affects respondent's perception of the endorsed brand and the respondent's nationality has been detected. It has been observed that 40 percent of the responses fall into the category of 'somewhat'. Most of the responses from Finland (42 percent), the USA (35 percent) and India (56 percent) fall into the same category of 'somewhat'. So we can remark that the use of celebrity endorsement do not have significant impact on the respondent's perception of the endorsed high fashion brand. On the basis of the results of chi-square test, the hypothesis H1d has also been accepted.

From the above analyses, we can conclude that the impact of celebrity endorsements on brand equity of the high fashion ready-to-wear products is least in case of Finland, for the United States it is low also, whereas in case of India it is quite high.

This relationship between celebrity endorsements and the brand equity of high fashion ready-to-wear products in the three selected countries can be explained well with the help of the concept of power distance index (PDI) proposed by Hofstede. The PDI (2003) for the United States is 40, India is 77, and Finland is 28 (www.geert-hofstede.com). This cultural dimension, PDI, fits very well with celebrity endorsement given the popularity and mass appeal of celebrities (Biswas et al., 2009). In our study, it has been observed that the relationship between celebrity endorsements and brand equity of the high fashion products is the lowest in case of Finland, and the PDI score of this country is the lowest among the countries selected for the study. The relationship is also weak in case of the United States, which is also having a low PDI value. In case of India, the relationship is strong, and it has a high PDI score. So, we can see that the culture dimension has a strong influence on the relationship between celebrity endorsements and the brand equity of the ready-to-wear high fashion products.

### 6. Nationality of the celebrity endorser and its influence on the brand equity

First, we have enquired whether the celebrity endorsers should be host nation celebrities or international celebrities. Most of the respondents from Finland (69.49 percent) and United States (64.89 percent) have shown preference for the international celebrity as the endorser of high fashion ready-to-wear products. However, the significant difference between the three countries is that most of the respondents from India (72.45 percent) wanted the celebrity endorser to be a host nation celebrity. Almost 47 percent of the total respondents wanted the celebrity endorser to be from the host nation whereas 53 percent have expressed preference for international celebrity. A significant relationship between the respondent's nationality and their opinion on whether the celebrity endorser should be host country celebrity or international celebrity has been found. The Marascuilo procedure further reveals that the responses from India are significantly different than the responses from Finland and the United States. Since the results of the chi-square test performed on the figures of Table 5 reveal that the observed value ( $\chi^2_{obs} = 40.01$ ) is greater than the tabulated value ( $\chi^2_{0.05, 2} = 5.99$ ), we can conclude that the celebrity endorser should be from the host nation.

Table 5. Nationality of the celebrity endorser

	United States		India		Finland		Total	
	No. of responses	Percentage (%)						
Host nation celebrity	33	35.11	71	72.45	26	30.51	130	46.93
International celebrity	61	64.89	27	27.55	59	69.49	147	53.07
Total	94	100	98	100	85	100	277	100

Second, we have enquired whether the respondent's intention to buy a high fashion product is based on the nationality of the celebrity. Table 6 reveals that 60.64 percent of the American respondents, 86.73 percent of the Indian respondents, and only 11.76 percent of the Finnish respondents are more likely to buy the high fashion ready-to-wear products if the celebrity endorser is from their own country. It has been observed that the preference for international celebrities is very strong in case of Finland. A statistically significant relationship between the respondent's buying intention based on celebrity endorser's nationality and the respondent's nationality has been found. The Marascuilo procedure shows that there is a significant difference between the responses from Finland and the United States, and be-

tween Finland and India, while there is no significant difference between responses from the United States and India. The results from the Marascuilo procedure show that the Indian respondents are most likely to buy high fashion products if the celebrity endorser is from the host nation than respondents from the United States and Finland. Almost 45 percent of the respondents expressed that they would not buy a high fashion product more likely if the celebrity endorser was from the host nation. The results of the chi-square test performed on the figures of table 6 reveal that the observed value ( $\chi^2_{obs} = 105.24$ ) is greater than the tabulated value ( $\chi^2_{0.05, 2} = 5.99$ ), and thus we can conclude that the host nation celebrity endorser has a greater impact on the purchasing decision of the consumers.

Table 6. Celebrity endorser from host nation and purchasing decision

	United States		India		Finland		Total	
	No. of responses	Percentage (%)						
Yes	57	60.64	85	86.73	10	11.76	152	54.87
No	37	39.36	13	13.27	75	88.24	125	45.13
Total	94	100	98	100	85	100	277	100

These issues of preference or no preference for host nation celebrities can be explained with the help of the individualism (IDV), one of the Hofstede’s cultural dimensions. The IDV scores for the United States, India and Finland are 91, 40, and 58 respectively (www.geert-hofstede.com). From the IDV scores it may be expected that the preference for celebrity from host nation will be the strongest in case of India, followed by Finland and the United States. The preference for international celebrities is the highest among the Finnish respondents (69.49 percent), followed by the American respondents (64.89 percent) and the Indian respondents (27.55). Based on the IDV score (91), it was expected that the American respondents will have the highest preference for international celebrities, but they have been ranked second. One of the reasons that may be put forwarded in this context is that, since the United States has many celebrities of international repute, their preference seems to be inclined towards the celebrities of their own country. The issue of international celebrities is of not much relevance for the American respondents. In short, we can say that the celebrity endorsers of high fashion ready-to-wear products should be from host nations is true for India but its relevance for the United States is low, and its least for Finland.

**7. Negative information about the celebrity endorser and its impact on the brand equity**

Negative information about a celebrity endorser not only affects consumer’s view of the celebrity but

also the brand that the celebrity is associated with (Erdogan et al., 2001). A celebrity endorser with a bad reputation can affect the endorsed product negatively or a badly chosen celebrity endorser can arouse consumers questioning the relevance or motivation of the endorser (Miciak and Shanklin, 1994).

A relationship between negative celebrity information’s effect on respondents purchasing decision and the respondent’s nationality has been found and the difference among the responses from the three nations has been found to be statistically significant. Almost 51 percent of the total respondents, 71 percent of the respondents from Finland and 68 percent of the respondents from the United States expressed that the impact of negative information about the celebrity endorser on their purchasing decision is ‘fairly little’ or ‘very little’. While the purchasing decision of 83.67 percent of the respondents from India are affected by negative celebrity information. It indicates that respondents from India are more affected by negative celebrity information than the respondents from Finland and the United States.

The chi-square test has been performed on the overall responses. The hypothesis H3, negative information about the celebrity endorser have adverse impact on the brand equity of the product endorsed, has been accepted, since the observed value ( $\chi^2_{obs} = 92.77$ ) is greater than the tabulated value ( $\chi^2_{0.05, 8} = 15.50$ ).

Table 7. Negative information about the celebrity endorser and purchasing decision

	United States		India		Finland		Total	
	No. of responses	Percentage (%)						
Very much	1	1.06	17	17.35	2	2.35	20	7.22
Fairly much	8	8.52	35	35.71	3	3.53	46	16.61
Somewhat	21	22.34	30	30.61	20	23.53	71	25.63
Fairly little	32	34.04	6	6.12	31	36.47	69	24.91
Very little	32	34.04	10	10.21	29	34.12	71	25.63
Total	94	100	98	100	85	100	277	100

This issue of negative information about the celebrity endorser and its impact on the brand equity can be examined in the light of the uncertainty avoidance index (UAI), the fourth cultural dimension proposed by Hofstede. The UAI score for the United States, India and Finland are 46, 35 and 52

respectively (www.geert-hofstede.com). On this basis of the UAI it may be remarked that the impact of negative information about the celebrity endorser will be least in case of Finland, followed by the United States and India. The figures in Table 7 validate the same.

## Implications for international business

Celebrity endorsement of high fashion ready-to-wear products has a lot of potential for creating brand equity. However, the topic is not well researched yet, so management would have to rely on previous studies on the topic of building brand equity through celebrity endorsement based on consumer goods and mass production fashion markets. The theoretical framework of this study will definitely provide some knowledge about the celebrity endorsement process. However, due to lack of research in the field of high fashion management it is recommended to research the target market's attitudes toward celebrity endorsement while deciding to engage in high fashion celebrity endorsement. This is critical as the attitudes toward celebrity endorsement vary with respect to market and culture. When choosing celebrity endorsers the managers should take certain factors into consideration, like nationality of the endorser, celebrity attractiveness, celebrity expertise or occupation, and negative celebrity information. The authors would like to suggest that the celebrity endorsement process should be in general well-planned and well-executed although majority of the consumers claim they are not affected by celebrity endorsements.

For high fashion marketing in the USA, the managerial implications are – the celebrity endorser should be a host nation celebrity and negative celebrity information should be managed well but it's not a major issue in the US. The managerial implications for high fashion marketing in Finland are – the celebrity endorser should be an international celebrity and negative celebrity information should be managed but it has the least impact on the Finnish consumers. In case of India, the celebrity endorsers should be an Indian and the negative celebrity information should be managed delicately as it can have dramatic implications on the endorsed product's brand equity. The celebrity endorsement process should be well planned, properly executed and effectively managed because the potential for creating brand equity for the endorsed product is very high in India.

Regarding India and the celebrity endorsement process, one should notice that high fashion celebrity endorsement has the utmost potential in India out of the three selected countries for creating direct brand equity by affecting consumers' purchasing decisions.

## Limitations of the study and scope for further research

One of the major limitations of this study is the small sample size. The study also suffers from the

typical problems associated with the studies carried out with the students as the focus group members. As there is not much previous research done on the topic of celebrity endorsement of high fashion ready-to-wear products, the authors consider that the knowledge generated by this study serves as a good starting point for further research. The theoretical framework proposed in this study may be empirically tested through a primary research. In addition, further research in the same area may be undertaken with a larger sample.

The authors further suggest that more in depth research may be carried out for determining the appropriate celebrity endorser of high fashion ready-to-wear products. This issue is extremely important as the process of selecting an appropriate celebrity endorser is one of the most critical aspects of the endorsement process as the outcome of the marketing strategy mostly relies on how appealing the endorser is, how his/her behavior affects the endorsed brand and how the customers adopt the endorsements and, therewith, the endorsed products.

Another area that the authors believe is worth of further research is the effect of negative celebrity information on the brand equity of the product endorsed. The importance of this issue has increased since almost every celebrity endorser has something negative on their record these days. Thus, from the management point of view it would be extremely important to learn to deal with the negative celebrity information as it seems to become more and more common.

## Conclusion

In conclusion, we can say that celebrity endorsement does have potential for creating brand equity for high fashion ready-to-wear products, but the impact of the celebrity endorsement on brand equity varies from country to country. In this study, India showed the maximum potential for creating direct brand equity through celebrity endorsements by affecting consumers' purchasing decision positively, whereas Finland and the United States showed potential for creating indirect brand equity through celebrity endorsements by affecting consumers' brand image positively. The celebrity endorsement process seems to be very crucial for the brand equity of the high fashion products. We can expect to have a universally accepted procedure for celebrity endorsements, but the global marketers need to customize the celebrity endorsement process with reference to the cultural dimensions of the identified market to enhance the effectiveness of the process and to obtain the desired outcomes.

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