Parasocial Relationships and Instagram Celebrities

Sarah Dodds
Massey University
Alexandra Hess
Massey University
Nadia Rahman
Massey University

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Abstract:

In this research we investigate the impact of celebrity product endorsement on Instagram and its effects on consumers' purchase likelihood. In particular, we examine how consumers react to traditional compared to non-traditional (i.e. Instagram) celebrities depending on consumers' perception of their parasocial relationship towards the celebrity. We propose a moderated mediation model with parasocial relationship as moderator and credibility as mediator. Consistent with our model, across two product brands using an online experiment, we find that a strong parasocial relationship is paramount for Instagram celebrities, yet less critical for traditional celebrities (in terms of moving consumers to purchase). Further, a weak parasocial relationship with Instagram celebrities can be detrimental, but has little impact on traditional celebrities. We find that this effect is mediated by the perceived celebrity credibility. Implications for brand managers utilising celebrities for product endorsement are discussed.

Keywords: celebrity endorsement, Instagram, non-traditional celebrities, parasocial relationships, credibility

Track: Digital Marketing and Social Media

1. Introduction

In recent year's celebrity endorsements have increasingly shifted to online platforms changing the way information is delivered to a more persuasive and influential form of electronic word of mouth (Djafarova & Rushworth, 2016). Networking platforms such as YouTube, Facebook, Twitter and Instagram, allow not only for more interaction amongst users but interactions between celebrities and users also, enabling them to share their experiences with goods and services, and consequently influencing purchase decisions (Wei & Lu, 2013). Although celebrity endorsement is well documented in academic literature, many of these studies fail to investigate the influence of utilising celebrity endorsements through the use of the social media platform Instagram. Instagram is one of the most well-known social media platforms with over 700 million monthly active users (Statista, 2017). Marketing revenues were expected to reach $2.81 billion in 2017, from advertisements on Instagram alone (Djafarova & Rushworth, 2017).

Despite the widespread use of Instagram by celebrities there is a lack of academic research on the credibility of different types of celebrities on this and other social media platforms (Spry et al., 2011; Jin & Phua, 2014). As companies are increasingly using Instagram for their product placements, it is unclear whether and under what conditions a traditional or a non-traditional celebrity would be beneficial for endorsement (Djaforova & Rushworth, 2016). Research is also still required to understand the mechanisms that influence the effects of celebrity endorsers on social media (Chung & Cho, 2017). Recent research has begun to demonstrate the importance of parasocial relationships with celebrities on social media (Chung & Cho, 2017). However, more research is required to understand the effects of parasocial relationships, particularly with different types of celebrities (traditional versus non-traditional).

This research studies the effects of traditional versus non-traditional celebrity endorsement on the social media platform, Instagram. Specifically this research investigates the effects of parasocial relationships on celebrity endorsement, and purchase likelihood. This research contributes to the growing literature on celebrity endorsement and social media (DeVeirman, Cauerghe & Huddrs, 2017) by demonstrating that a strong perceived parasocial relationship has a higher purchase likelihood for products endorsed by Instagram celebrities compared to traditional celebrities. Further, a weaker parasocial relationship leads to a higher purchase likelihood amongst traditional celebrities compared to Instagram celebrities. The interaction between parasocial relationship and celebrity type is further mediated by

credibility of the celebrity. Finally, parasocial relationships have been studied widely in mass communication and media studies, very few have studied the effects of parasocial relationships on social media celebrity endorsement (Chung & Cho, 2017), a gap this research aims to fill.

2. Theoretical Development

2.1. *Celebrity Endorsement*

Celebrity endorsement is a widely used strategy in marketing communications with known positive outcomes for brands (Chung & Cho, 2017). Extant literature supports the use of celebrity endorsers to generate positive impacts when advertising products and services (Djafarova & Rushworth, 2017), including: drawing attention to the endorsed product/brand and transferring the celebrity's image to the product/brand (Dom, Ramli, Chin & Fern, 2016); strengthening the value of the brand (Liu et al., 2016); increasing brand distinguishability (Sallam & Algammash, 2016); and helping form positive attitudes towards the brand (Amos, Holmes & Strutton, 2008).

Traditionally restricted to traditional channels, the celebrity endorsement landscape is changing with the growing popularity of social media as a platform (i.e. Instagram), for both consumers and celebrities (Chung & Cho, 2017). In the past, the line between fame and obscurity was easy to distinguish because celebrities were generally famous for being film stars, musicians, athletics, TV personalities, comedians or politicians (Knibbs, 2013; Djafarova & Rushoworth, 2017). However, this has changed over recent years due to the prevalence of social media and the rise of the smartphone culture that has notability reformed the way traditional celebrities are treated and how people are able to use online platforms for fame (Knibbs, 2013). The use of media outlets such as YouTube, Tumblr, Vibe, Facebook and Instagram has created a new type of 'digital' celebrity also referred to as non-traditional celebrities (Djafarova & Rushworth, 2017).

These non-traditional celebrities are models, insta-models, bloggers, vloggers, and influencers that have gained a recognised name online, without the need of traditional agent methods, by attracting a huge number of followers on their social media accounts (Abidin, 2016; Djafarova & Rushworth, 2017). Non-traditional celebrities have gained a recognised name through the social media platform they optimise by sharing their 'everyday lives as lived' and opinions on various topics including products and brands (Abidin, 2016). The public view non-traditional celebrities as regular people that were once *part of the 'public' and therefore*

more relevant to themselves (Djafarova & Rushworth, 2017). As a result of the social connection between the influencer and their audience, a *strong personal bond is formed*. Non-traditional celebrities in comparison to traditional celebrities are perceived to be more *authentic, accessible and relatable* (Nouri, 2018). Followers relate to them because they have similar characteristics, personality, lifestyle and demographics, and therefore are perceived to understand and resonate with the follower (Escalas & Bettman, 2017). Furthermore, followers are influenced by non-traditional celebrities' effortless sincerity, spontaneity and authenticity, and therefore perceive them to be more credible than traditional celebrities (Nouri, 2018). Non-traditional celebrities' similarity and perceived authenticity translates into perceived *low distance between followers and celebrities* (De Veirman et al., 2017).

Traditional celebrities are often used in brand communications because of their status, success, wealth, glamour, beauty, talent, and distinctiveness, where the meaning of these characteristics can then be transferred to the endorsed brand (Halonen-Knight & Hurmerinta, 2010). The high status of a traditional celebrity enables endorsed brands to stand out from competitors and enhance their credibility. Traditional celebrities embody the prestige and the aesthetic value of these brands (Seo & Buchanan-Oliver, 2015), which in turn reflects their relative high status and *high perceived distance between themselves and consumer*.

2.2. Source Credibility

Source credibility refers to the way that consumers interpret the source's message, in this context the celebrity's message, in terms of being trustworthy and knowledgeable (Djafaova & Rushworth, 2017). Source credibility is based on two key components of the communicator: Trustworthiness and Expertise (Ohanian, 1990). Credible sources have been proven to be more influential and produce positive attitudinal changes leading to behavioural changes (Ohanian, 1991). The credibility of a celebrity endorser has a positive impact on the credibility of the endorsed brand. As a result, consumers associate the endorsed brand with the celebrity's level of trustworthiness and expertise (Djafaova & Rushworth, 2017). Source trustworthiness (as part of credibility) has been linked to positive parasocial relationships with celebrities on social media, in that, consumers who have parasocial relationships with a celebrity perceive them to be more trustworthy (Chung & Cho, 2017).

2.3. *Parasocial Relationships*

The concept of parasocial relationships has been identified as one reason why celebrity endorsement on social media is effective and can have a positive effect on brand credibility and purchase intention (Chung & Cho, 2017). Coined by Horton and Wohl (1956), parasocial relationships are the *perceived close relationships between a media persona* (presenter, actor, celebrity etc) and individual, whereby the individual can identify with and feel a deep connection and friendship with that person. The few studies that have studied parasocial relationships on social media have found that fostering interactions on social media is an effective way of developing positive relationship outcomes which drives brand loyalty (Chung & Cho, 2017; Labrecque, 2014; Yuan, Kim & Kim, 2016). It is the perceived authentic two-way communication between individual and celebrity on social media and the feeling of being connected that explains why social media platforms are effective celebrity endorsement channels (Labrecque, 2014).

Based on our knowledge of parasocial relationship and non-traditional celebrities, we argue that prosocial relationships are paramount for the credibility of Instagram celebrities, since the nature/base of an Instagram celebrity is close to their follower (low distance), and also a key requirement of parasocial relationships. A strong prosocial relationship fits with the expectation of an Instagram celebrity which subsequently translates into higher credibility. If an Instagram celebrity has a weak parasocial relationship, consumer feel higher distance towards the celebrity, contradicting expectation, which subsequently relate in a loss of credibility (De Veirman et al., 2017). Further, this lost credibility reduces purchase likelihood.
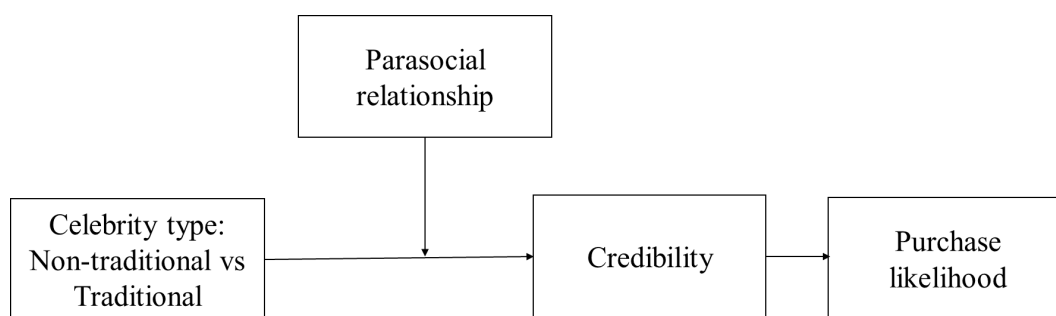
Figure 1: Moderated Mediation Model

In contrast, the expectation towards a traditional celebrity are different. Namely, consumer naturally feel a bigger distance towards themselves and traditional celebrities. In this scenario, a weak parasocial relationship does not contradict expectations and subsequently does not impact its credibility negatively (and subsequently does not reduce purchase likelihood).

More formally, as featured in figure 1, we predicted a moderated mediation model whereby a consumer's level of parasocial relationship affects his/her perceptions of a celebrity: When exposed to an Instagram Celebrity (in comparison to a traditional celebrity), a high level of parasocial relationship is expected to evoke credibility of the Celebrity which in turn increases purchase likelihood. In case of low perceived parasocial relationship, however, perceived credibility decreases, which in turn decreases purchase likelihood.

3. Methodology

An online experiment using the social media platform Instagram was implemented to test the hypotheses. We tested our hypothesis across two product brands associated with a different levels of luxuriousness, endorsed either by an Instagram celebrity or a traditional celebrity. Together, we used a 2 (celebrity type: traditional versus Instagram) x 2 (luxury vs. non-luxury beauty product) between-subject design. We manipulated celebrity type, by asking participants to name their favourite traditional celebrity versus their favourite Instagram celebrity they are following on Instagram. Luxuriousness of the brand was manipulated by asking participants to imagine that their favourite celebrity was endorsing on Instagram either the luxury facial moisturiser, Yves Saint Laurent (YSL) or the non-luxury facial moisturiser, Garnier. We collected data by posting a link to an online survey on social media including Facebook, Snapchat and Instagram. For this study we focused on female respondents only (Abidin, 2016). The total sample consisted of 132 respondents randomly assigned to the 4 experimental conditions. Participants were shown a description of a moisturiser that also included the price. Next, they were asked to imagine their favourite celebrity is endorsing this product. Participants then indicated their purchase likelihood on a 7 point scale (1 = extremely unlikely; 7 = extremely likely). Next we measured credibility using a 10 item scale (7 point scale) from Ohanian (1990). Last we measured prosocial relationship using a 10 item scale (7 point scale adapted from Rubin, Perse & Powell (1985); Escalas & Bettman (2017)).

3.1 Results

Given the continuous nature of parasocial reletionship, we conducted a regression analysis with purchase likelihood as dependent variable and celebrity type (0 = Instagram, 1 = Traditional celebrity), parasocial relationship, and their two-way interaction as independent variables. Before creating the interaction term, we mean centered the parasocial relationship variable to increase interpretability of its main effect (Grewal, Chakravarty, & Saini 2010). The results revealed that Celebrity type did not have a significant main effect on purchase

likelihood ($b = .134$, $t(131) = .481$, $p = .631$). Unsurprisingly, we did find a significant main effect of parasocial relationship ($b = .82$, $t(131) = 4.619$, $p = .00$) on purchase likelihood. In support of our model (figure 1), we found a (marginal) significant parasocial relationship $\times$ celebrity type interaction ($b = -.456$, $t(131) = -1.676$, $p = .096$, please see figure 2). This interaction becomes significant when controlling for luxuriousness of the product in interaction with parsocial relationship ($b = -.576$, $t(131) = -2.104$, $p = .037$). Using procedures by Aiken and West (1991), Dawson (2013), and Dawson and Richter (2006) to plot the interaction effects (see figure 2), we can see that a parasocial relationship is paramount for Instagram celebrities compared to traditional celebrities where a high parasocial relationship has a very small impact. In contrast, a celebrity having a weak parasocial relationship is more successful when they are traditional celebrities compared to Instagram celebrities.
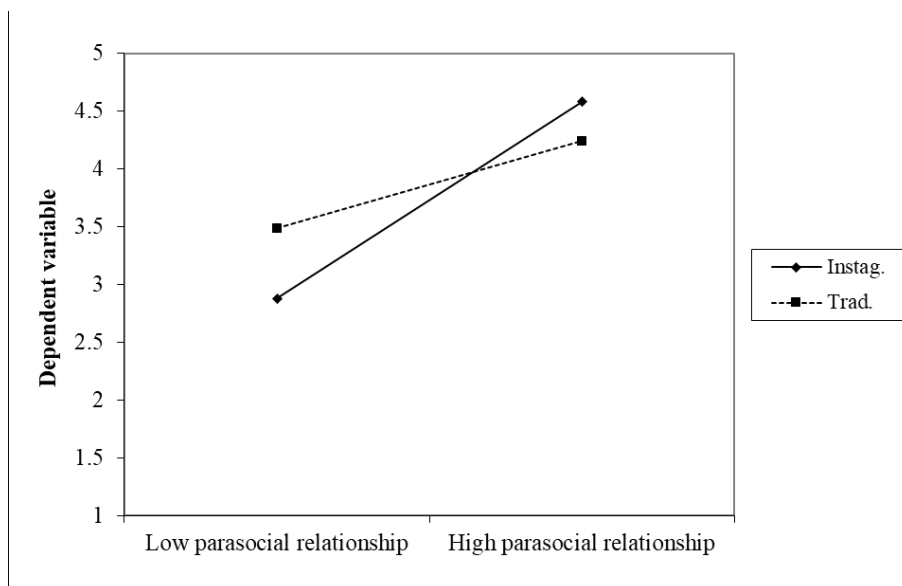

Figure 2: Purchase Likelihood. Parsocial Relationship, Celebrity type

To further test the moderated mediation model proposed in figure 1, we used a bootstrap-based analysis (Preacher & Hayes 2008). In this model, purchase likelihood served as the dependent variable, credibility was the mediators, parasocial relationship was entered as the moderator, and celebrity type (0 = Instagram, 1 = traditional) as the predictor variable.

The analysis revealed a significant indirect interaction effect of celebrity type and parasocial relationship on purchase likelihood that was mediated by credibility (95%CI = -.4096 to -.0156), as the confidence interval (CI) did not include zero. Considering the mediating effect, we found no main effect of celebrity type on purchase likelihood ($\beta = -.24$,

95%CI = -.3399 to .8126). Hence, in support of our model (figure 1) the positive effect of prosocial relationship for Instagram celebrities is driven by credibility.

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4. Discussion and Managerial Implication

More and more companies are using Instagram and traditional celebrities alike to promote their products on the social media platform Instagram. Thus, understanding what kind of celebrities are most successful under what conditions is of crucial important for managers. This work demonstrates that creating a parasocial relationship is paramount to Instagram Celebrities but not for traditional celebrities. However, the reverse is also true, Instagram celebrities that lack parasocial relationship with their followers lose credibility which translates to lower purchase likelihood. In contrast traditional celebrities are largely unaffected by a weak parasocial relationship. In fact, in a situation of a weak parasocial relationship, traditional celebrities are more successful in comparison to Instagram celebrities. Our findings have several practical implications. First, from the perspective of celebrities, Instagram celebrities need to create and nurture their relationship with their followers to maintain their credibility. In contrast consumers do not expect the same from traditional celebrities, since their credibility is not dependent on their perceived parasocial relationship. From a managerial perspective, if a company choses an Instagram celebrity they should consider how close the celebrity is to their followers.

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