



Research article

CELEBRITY ENDORSEMENT ADVERT STRATEGY AS A CORRELATE TOWARDS TAX PAYMENT IN SELECTED MARKETS IN LAGOS STATE

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Abstract

Tax is a major source of revenue which governments everywhere in the world rely on to provide basic social amenities for their citizens. In developing countries like Nigeria, people evade tax on the excuse of fund misappropriation and corruption which is prevalent among the ruling class. This paper evaluates the effectiveness of celebrity endorsed tax adverts towards a positive disposition in tax payment among traders in selected markets in Lagos state. Using the survey design and questionnaire as research instrument, this paper examines if there is a positive change in the dispositions of traders most of who have been reticent in tax payment, and if there is a significant relationship between celebrity endorsement, and traders disposition to tax payment. The findings revealed that there is a significant correlation between celebrity endorsement and the positive disposition of majority (64%) of the traders in Lagos State. It was therefore recommended that this strategy should be reinforced by adopting it at the interpersonal level to discourage reticent and indifference towards tax payment. **Copyright © WJJMC, all rights reserved.**

Keywords: Tax, Celebrity Endorsement, Perception, Disposition



Introduction

Tax is a financial levy or charge that cannot be avoided in any civilized society of the world. It is a civil obligation that must be observed by every citizen. Because it is a civil obligation, evasion of tax in most countries is regarded as contravention, and it is an offence that is punishable under the law. According to Oxford Advanced Learner's Dictionary (2000), tax is the money an individual has to pay so that government can pay for public services. Soyode and Kajola (2006) in a similar manner define tax as "a compulsory extraction by a public authority for the purpose of governance by means of contributions from individuals and corporate bodies".

Government revenue is derived mainly from tax. It is from this source that funds for provision of basic amenities are provided for the citizenry. Affirming this stance, Association of Accounting Bodies in West Africa (2009) avers that, "taxation is a compulsory levy imposed on a subject or upon his property by the government to provide security, social amenities and other amenities for the well-being of the society". Similarly, Ngerebo and Masa (2012) says "taxation has been taken as a veritable source of funding public sector activities as well as being an economic tool for the management of consumption, investment and production patterns".

The crux of this study is anchored on the knowledge that irrespective of the race, color, creed or other socio-economic status, human beings everywhere in the world prefer to take than to give. This is also reflective in the fact that nobody likes to pay tax. Another factor that discourages people in having a favorable disposition towards the payment of taxes in Nigeria could be traced to corruption which has permeated virtually every sector of governance. In spite of the above however, the taxes that are paid into the coffers of the government constitutes the major source of revenue through which the government can make available social amenities and facilities for the citizenry. For most salary earners, income taxes known as PAYE (pay as you earn) are deducted officially from source and this makes remittance of taxes to the coffers of government easy. This is not the case with traders or business owners as they are directly in charge of their business income.

In order to persuade the citizenry, especially those whose income the government has no direct control over, the government of Lagos state has employed several strategies one of which is the use of celebrity endorsed tax adverts. The broad objective of the study is to investigate if there is a relationship between the use of celebrity in tax adverts and traders disposition to tax payment.

Research Questions

Emanating from the broad objective of the study, the following research questions were structured to elicit responses from selected traders in Ikeja and Tejuosho markets of Lagos state:

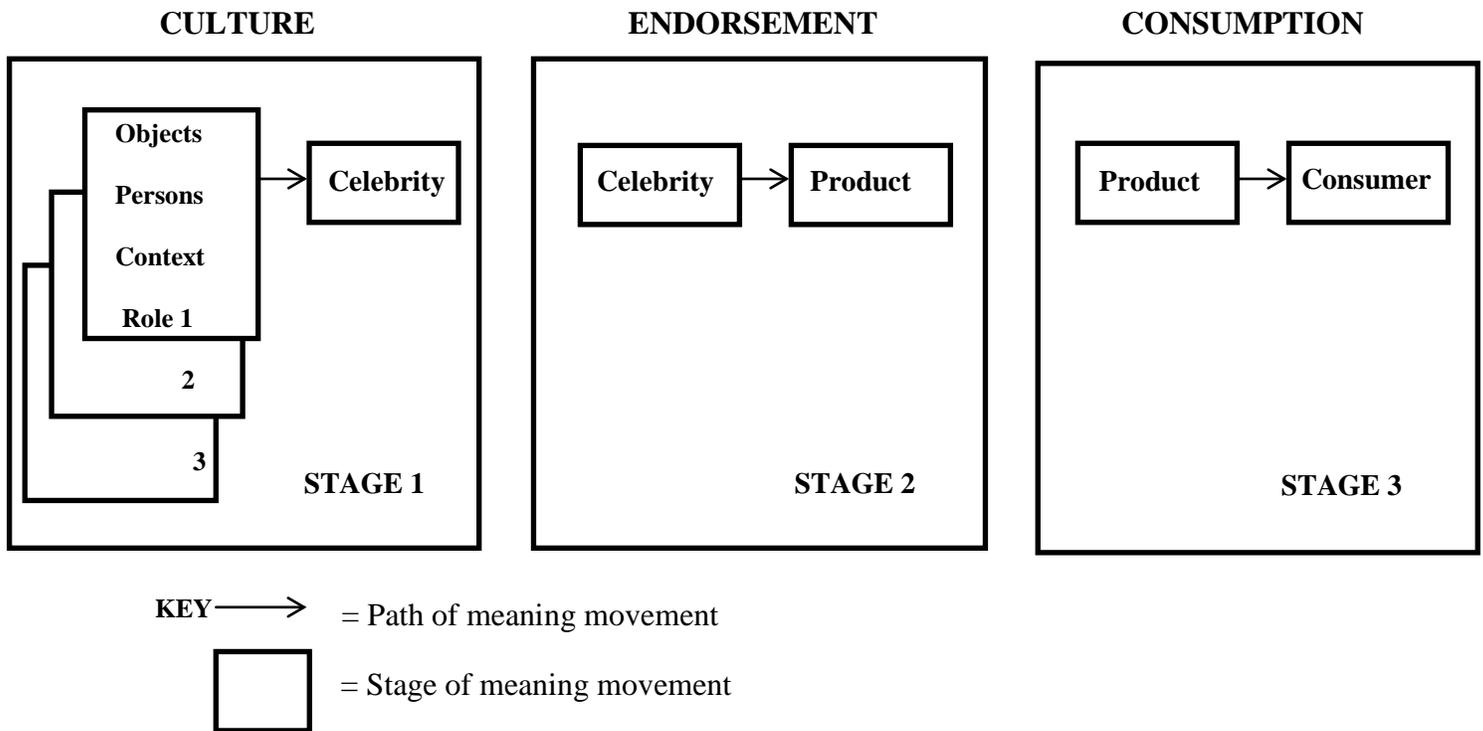
1. What is the awareness level of celebrity endorsed tax payment adverts among traders in Lagos State?
2. What is the disposition of the traders towards the use of celebrity endorsers in television tax payment adverts?



Theoretical Framework

The Meaning Transfer Model provides the theoretical anchor in this study. The model was developed by Grant McCracken in 1989 in a study on “who is the celebrity endorser? Cultural Foundations of the endorsement process”, where consumers attach the meanings they associate with the endorser and eventually transfer it to the brand. According to this model, a celebrity’s effectiveness as an endorser depends on the culturally acquired meanings he or she brings to the endorsement process. This model is divided into three stages; culture, endorsement and consumption.

FIGURE 1: MEANING TRANSFER MODEL



(Source: Belch and Belch, 2003)

The Meaning Transfer Model as seen in figure 1 is composed of three stages:

Stage One: Culture

This stage deals with identifying the nature of the brand and matching it with a celebrity of equal caliber. Here the attributes of the brand is put into consideration to ease selection of celebrity for endorsement. According to McCracken, he talks about the individual qualities, unique character and power celebrities possess that may not be found in an anonymous model. This stage talks about the influence the presence of a celebrity with similar qualities



as the brand or concept can have on the brand or even the pattern the qualities of the endorser can also be of influence to the brand. Celebrities draw these powerful meanings from the roles they assume on television, personality and other careers. Each new dynamic role brings the celebrity into contact with a range of objects, persons and contexts. Out of these objects, persons and contexts are transferred meanings that then reside in the celebrity. In relation to this study, the religion appeal which has as its nucleus the concept of morality and integrity was used, with the adoption of Pastor Adeboye as the endorser.

Stage Two: Endorsement

This stage of meaning movement is the aspect which shapes the product's personality. The customer who must take a glance in a moment of similarities between the elements and the product in the advertisement performs transferring meaning from the celebrity endorser to the product. McCracken suggests that the choice of particular celebrities is based on the meaning and interpretation they put into the activation.

Once a celebrity is chosen, the advertising campaign is mandated to identify, deliver the meaning of the product and capture all the meanings it wishes to obtain from celebrity to the product. As discussed in the first stage, celebrities have particular configurations of meanings that are drawn from the roles they play on television and daily career life which the audience identifies them with. They own these meanings because they have created them on the public stage by dint of intense and repeated performance.

The advertisement must be structured to portray the necessary resemblance between the celebrity and the product or concept so that the consumer will be given the responsibility of taking the final step in the meaning transfer process. When this stage is complete and advertisement is placed before the consumer, he/she will be able to identify the similarities between the celebrity and the product. In relation to the study, this stage was achieved with the adoption of the artistes engaged as endorser. The endorser, Funke Akindele was adopted to use the humor appeal through the 'Jenifa' character to reach in particular both the elites and other members of the society, while Segun Arinze and Kate Henshaw's target audience are the elites.

Stage Three: Consumption/ Adoption

Here, the meanings the celebrity has given to the product are transferred to the consumer. The value and experience which is being promised and exhibited by the concept through the celebrity are transferred to the customers. The final stage is the act of adoption wherein the target audience key into the endorsed idea or concept. This stage is dependent upon the successful execution of advertising leading to consumers' perception of transfer from celebrity to product/concept.

Literature Review

The history of official tax payment in Nigeria began in 1904 when late Lord Lugard introduced income tax. An income tax is a tax levied on the financial income of persons, corporations or other legal entities. This tax is mandatory to any person who is working or doing business that brings in income. Lagos state is one of the



commercial nerve centers in Nigeria. Since the inception of this new democratic dispensation, Lagos State government has placed a lot of emphasis on the payment of taxes based on the fact that it is a major source of revenue through which social welfare and amenities can be provided for the citizenry. Some of these social amenities are: provision of good roads, portable water, and good health care delivery, standard transportation system and so on.

Premised on the knowledge of reticent on tax payment by the citizen, the Lagos state government has adopted many strategies to compel and persuade people towards the payment of taxes. One of these strategies includes the use of celebrity endorsed tax adverts on television. This strategy involves the use of notable personalities like actors/actresses, religious icons and other reputable personalities/public figures in adverts to persuade the citizenry towards the payment of taxes. According to McCracken, (1989) cited in Renton (2006) celebrity is someone who is well known and popular, whereas a celebrity endorser is someone who enjoys public recognition and who uses that recognition on behalf of a consumer good by appearing with it in an advertisement.

Also affirming this, Shrimp (2000), averred that celebrity is a personality (actor, entertainer, or athlete) who is known to the public for his or her accomplishments in areas other than the product class endorsed. These categories of individuals are usually employed to serve as spokespersons for the prospective brands, concepts or ideas. In order to persuade the people of Lagos state towards the payment of taxes, some of the notable personalities that have been used as endorsers in tax adverts include: Pastor Enoch Adejare Adebayo a renowned Christian clergy, Funke Akindele, Kate Henshaw, Segun Arinze who are famous actresses and actor respectively and so on.

Celebrity endorsement is a strategy in advertising that entails the association of well-known and credible personalities to a brand, product, cause or ideology. Based on the fact that these category of people are held in high esteem and have large followership or fans, the expectation is that celebrities can actually serve as positive catalyst in the adoption of brand, product, course or idea they are associated with. This presumption is based on the fact that the love and high esteem celebrities enjoy from their followership could be transferred to the products, service or idea they endorsed as followers also attach certain degrees of credibility to these icons (celebrities). Ultimately this plays significant role in the adoption of the product or concept endorsed by these icons. Other benefits that the adoption of celebrity endorsement strategy can bring include:

- i. **Attract adopters of an idea, concept or brand:** when a celebrity endorses a brand, he introduces it to a new market and also to an old one in a new way by re-introduces the brand to the consumers with his or her own style and flavor. An example here is the use the 'Jenifa' act by Funke Akindele to highlights the benefit that prompt and accurate payment of taxes can bring to the citizenry. The 'Jenifa' character is a well loved one by most people, and it engages the humor appeal to persuade the audience towards tax payment; a concept that people overtly or covertly avoid based on some of the reasons earlier identified.
- ii. **Breathe Life into a Failing Brand or concept:** however one looks at it, tax is an endeavor most people are reticent over. A lot of ingenuity and persuasive skills must be engaged in a creative manner in order to convince people about the importance of payment. With the help of the followership and popularity they



enjoy, a celebrity has the power to breathe life into an already failing brand. With regards to the present study, Pastor Enoch Adejare Adeboye, a renowned Christian clergy and the General Overseer of The Redeemed Christian Church of God was engaged to use moral and religious appeal to induce conformity in the citizenry. This was done by using Bible as a point of reference to support the tax obligation which ab initio can be classified as a failing concept.

- iii. **Build Awareness:** although the primary function of advertising is to build awareness, crucial in the awareness process also is the enlightenment on how the advertised product or concept can be of benefit to the consumer or adopter of the product or concept. The more aware people are about a product or concept, the more the chances of growth through patronage and adoption. In relation to this study, is the use of the veteran Nigerian actress Kate Henshaw, who extolled the value that can accrue to the citizens through prompt payment of taxes.

The meaning transfer model was adopted to give depth and insight into the endorsement concept which is the thrust of this study.

Method

The survey quantitative research design was adopted in this study. This choice was premised on the knowledge that the survey design provides a quantitative or numeric description of trends attitudes or opinions of a population by studying a sample of that population. There are two types of surveys; the descriptive and analytical survey. The descriptive survey, according to Wimmer and Dominick (2000) attempts to picture or document current conditions or attitudes i.e., describing what is presently happening at the moment, while analytical survey attempts to describe and explain why certain situation exist. These two were adopted in order to examine the interrelationships among variables and draw explanatory inferences.

Other rationales for sticking to this method by the researcher was based on the fact that, not only did this method guarantee the researcher the opportunity and means of sampling a cross section of the chosen population which is economical, it also guaranteed a rapid turnaround of data collection, whose analyzed results, had minimal or no error in generalization. Using questionnaire as the research instrument, 300 Shop owners from the selected markets constituted the respondents.

Results and Discussion

Out of the 300 copies of questionnaire distributed, 294 were retrieved thereby recording 98% response rate.

Research Question 1: What is the awareness level of celebrity endorsed tax payment adverts among traders in Lagos State?



Figure 2 shows that 132(45%) traders sampled in this study has seen celebrity endorsed tax adverts 'very often', 118 (40%) had saw such adverts 'once in a while', 29 (10%) had no idea of celebrity endorsed tax adverts as they had 'not seen them at all', while 15 (5%) traders could not recall if they had seen it as they were 'not sure'. The result reveal that 250 (85%) of the traders sampled had seen celebrity endorsed tax adverts. Hence, this establishes the fact that celebrity endorsed tax adverts is not an unknown concept to traders in Lagos State.

Also, based on the findings, it can therefore be concluded that there is a high awareness level of celebrity endorsed tax adverts among traders of Lagos State as a majority (85%) of them are aware of the existence of the adverts, majority of which recall seeing such adverts 'very often'.

In order to lend credence to the high level of awareness claim of the traders to celebrity endorsed tax payment advert, they were further required to identify how many celebrity endorsers they had seen, as well as the names of the celebrity endorser(s) as seen in Figure 3 and Table 1.

With regards to the number of celebrity endorsers the traders have seen in the tax payment adverts, about 176 (60%) traders see 1-3 celebrities advocating for tax payments, 132(45%) see 3-5 celebrities advocating for tax payment, while 59 (20%) were not sure of the number of celebrity endorsers they have seen in tax payment adverts. This shows that majority (60%) of the traders had seen 1-3 celebrity endorsers advocating for tax payment in Lagos State through adverts.

Table 1 shows the specific celebrity tax endorsers that the traders have seen in the adverts. With multiple option selection whereby each respondent is at liberty to identify all the celebrity endorsers they have seen (more than one celebrity), the result revealed that the most seen celebrity endorsers were: Pastor E.O Adeboye (37%), Actress Kate Henshaw Nuttal (45%), Actor Segun Arinze (51%), and Actress Funke Akindele (76%). Only a few traders had seen Actress Bimbo Akintola (13%), and Sheikh Abdulrahaman Ahmad (3%).

The findings also show that majority (76%) of the traders had seen the tax advert endorsed by Actress Funke Akindele. This is not surprising as Funke Akindele endorsement was at a time when the actress had recently gained popularity over her well executed role in the movie 'Jenifa', a humorous character which she also played in the tax payment advert.

Research Question 2: What is the disposition of the traders towards the use of celebrity endorsers in television tax payment adverts?

Figure 4 presents respondents' perception of the use of celebrity endorsement as a strategy in tax payment adverts. 176 (60%) traders perceive the use of celebrity endorsement to be a positive advert strategy, 65 (22%) traders are indifferent – they perceive the use of celebrity endorsement to be inconsequential to their decision on advert messages, 44 (15%) traders perceive the use of celebrity endorsement as a negative strategy which is utilized to lure



the audience to comply because of the desire to associate themselves with celebrities and not necessarily because the advert message will gratify any personal need, while 9 (3%) traders are not quite sure of their perceive of celebrity endorsement strategy in advertising. Therefore, the findings reveal that quite a majority (60%) of the traders perceive the use of celebrity endorsement to be a positive advertising strategy which is born out of the desire to associate with celebrities as is seen in the meaning transfer model.

Table 2 presents the influence of the use of celebrity endorsement on the respondents' tax payment. 233 (79%) traders have come to perceive the tax payment advert to be important, and credible because of the use of celebrity endorsement. Hence, 188 (64%) traders (which is in majority) make tax payment as a result of the importance and credibility added through celebrity endorsement.

The table also reveals that not all traders are positively influenced by the use of celebrity endorsement in the tax payment adverts as 51 (17%) respondents did are not influenced by the use of celebrity endorsement advert strategy in the tax payment adverts.

Based on the findings from Figure 4 and Table 2, it can be concluded that majority of the traders in Lagos State have a positive disposition towards celebrity endorsement because it adds importance and credibility to the message on tax payment, and this has led majority of them to pay their taxes.

Figure and Tables

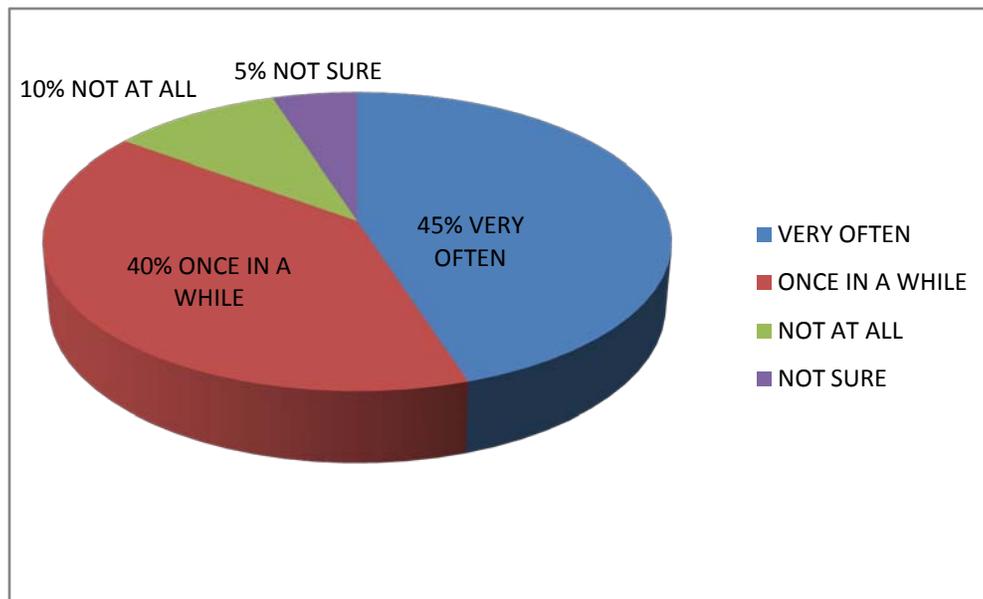


Figure 2: Distribution of the trader's response to if they had seen celebrity endorsed tax adverts.

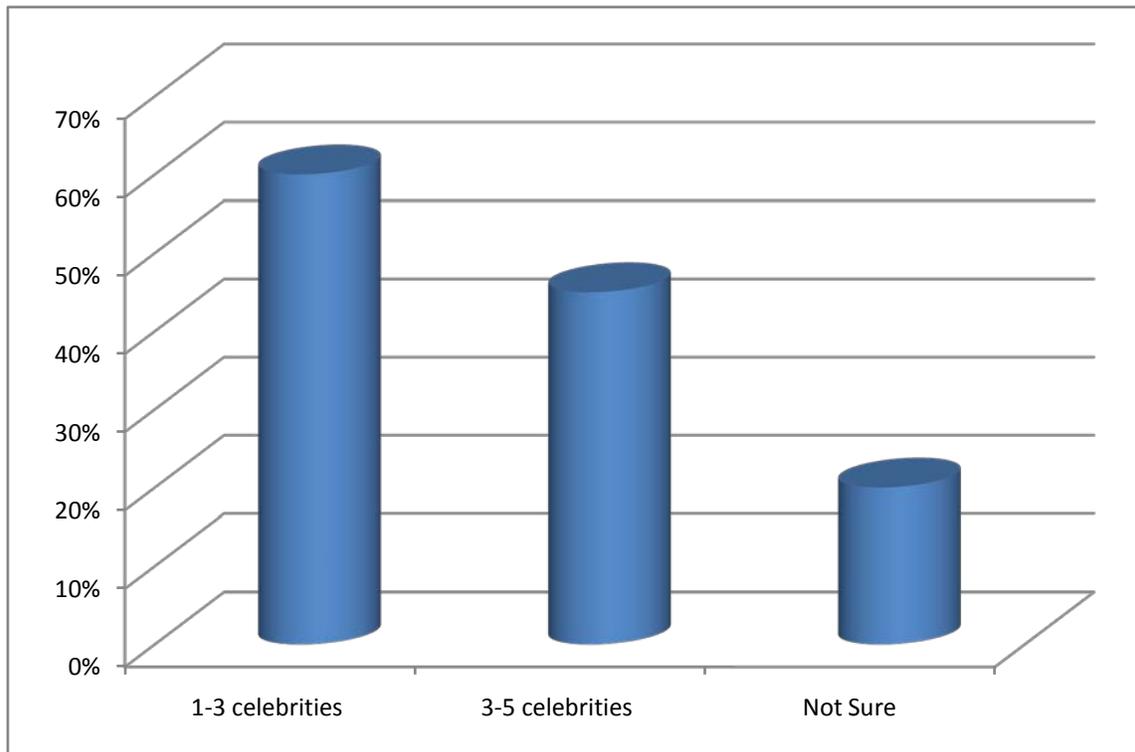


Figure 3: Number of tax payment advert celebrity endorsers seen by the traders

Table 1: Distribution of the celebrity endorsers the traders have seen

Celebrity Endorsers	Frequency	Percentage
Pastor E.O Adeboye	110	37%
Sheikh Abdulrahaman Ahmad	10	3%
Kate HenshawNuttal	133	45%
SegunArinze	151	51%
Bimbo Akintola	39	13%
FunkeAkindele	222	76%

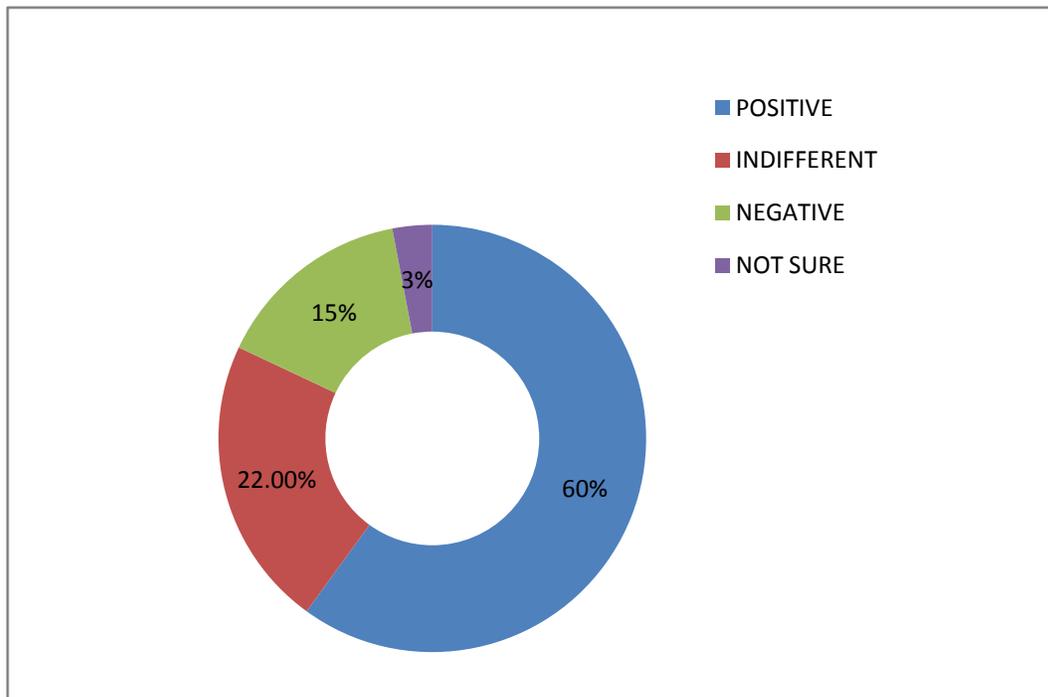


Figure 4: Traders perception of celebrity endorsement advert Strategy

Table 2: Influence of celebrity endorsement on the trader’s attitude toward tax payment

Options	Frequency	Percentage
Celebrity endorsement adds importance, and credibility to tax payment adverts.	233	79%
Celebrity endorsement is inconsequential to my tax payment.	51	17%
I pay my tax because of the use of celebrity endorsement in the tax adverts.	188	64%

Conclusion

Conclusively, the above results provides strong evidence that celebrity endorsement is indeed an effective strategy, and there is a strong correlation between this advert strategy and the positive disposition of traders in Lagos State towards tax payment. However in order to have a more desirable improvement and conversion of the reticent and indifferent individuals, the strategy could be reinforced at the interpersonal level. This is a strategy that would involve engaging chosen personalities/celebrities once in a while to physically go to some of these various markets/malls where they can be seen by traders. At these strategic meetings, celebrities can be used as facilitators to extol the values and benefits that could accrue to the citizen and the overall development that could be achieved from tax payment. This interpersonal endorsement would serve dual purpose: firstly, it provides a platform where celebrities who are the spoke persons for the tax concept can directly win over their fan towards payment. Secondly, it is a platform that can be used to augment lacuna created as a result of non-accessibility to other adopted media by the audience. Some of the respondents albeit few in this study claimed not to have seen some of these adverts before.



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