Exploring the role of spiritual leaders as celebrity business founders and brand endorsers

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Purpose: This paper explores the role of spiritual leaders as celebrity business founders and brand endorsers by investigating the mediating role of perceived value in the impact of normative community pressure and perceived brand credibility on purchase intention.

Design/methodology/approach: We collected data from two studies in India, one with urban (N=307) and another with rural (N=206) consumers of FMCG brands being endorsed by popular celebrity business founders. We tested all our hypotheses using partial least squares structural equation modelling (PLS-SEM) approach with SmartPLS software.

Findings – Perceived value mediates the positive impact of normative community pressure and perceived brand credibility on purchase intention for the brands endorsed by spiritual leaders as celebrity business founders.

Research limitations/implications – Results from Indian consumers may not be generalizable to other emerging markets with diverse cultural and socio-economic conditions.

Practical implications - This research would help international marketers understand the unique branding and marketing strategies used by local players to learn how to successfully target both urban and rural consumers in the emerging markets.

Originality/value – This paper extends the celebrity endorsement literature by exploring the role of spiritual leaders as celebrity business founders and brand endorsers, a growing trend in the emerging markets with high cultural and religious diversity (e.g., India and Indonesia).

Keywords: brand credibility; business founders; celebrity endorsement; emerging markets; normative community pressure; spiritual leaders

Paper type: Research paper

Introduction

A recent literature review on celebrity endorsements highlights the impact of personal attributes of consumers and celebrities, and their relationships with each other, on the effectiveness of celebrity endorsements (Moraes *et al.*, 2019). However, despite the important role played by celebrity business founders as endorsers for their own brands by leveraging their popularity through a strong social media presence, there is limited research on their role as brand endorsers with mixed findings (e.g., Agnihotri and Bhattacharya, 2019; Bendisch et al., 2013; Gilal et al., 2021; Saldanha et al., 2018). This has led to concerns about the perceptions of celebrities as genuine advocates or simply paid endorsers, celebrities' cultural meanings and the transfer of those meaning, and the process by which these perceptions and meanings influence consumer decisions (Moraes et al., 2019; Scheidt et al., 2018). In addition, most of these studies focus on the urban consumers with little attention to rural consumers, especially those in the emerging markets despite their growing importance (Agnihotri and Bhattacharya, 2019; Arunachalam *et al.*, 2019; Liu *et al.*, 2020; Osei-Frimpong *et al.*, 2019; Sharma *et al.,* 2018; Sun *et al.,* 2017; Tanusondjaja *et al.,* 2015).

In this paper, we address the above research gaps by developing a conceptual model to study the socio-psychological mechanism underlying the process by which spiritual gurus as celebrity business founders influence purchase intention for the brands endorsed by them. Specifically, we use the *source credibility model* (Knoll and Matthes, 2017), to argue that the perceived trustworthiness and expertise of a celebrity business owner would make their consumers experience a high normative community pressure and perceive high credibility, which in turn would translate into high perceived value and purchase intention for the brands endorsed by them. This is in line with past research on spiritual leaders showing that their influence is the outcome of their personalities, popularity and the reputation, which gets amplified by their dominant social and media presence and a series of events in their personal

and professional lives (Bendisch *et al.*, 2013). We also test our model with both urban and rural consumers in India to address the paucity of research on rural consumers in the emerging markets. Specifically, we test our conceptual model with data from two survey-based studies, with urban and rural Indian consumers respectively, and find support for most of our hypotheses. We discuss the conceptual contribution and managerial implications of our findings along with some limitations of our studies and useful directions for future research.

Theoretical background and hypotheses

Celebrity business founders as brand endorsers

Celebrity endorsement works by transferring a set of meanings to the consumers, who may then consume this set of meanings associated with the brand besides the actual product or service itself (Miller and Allen, 2012; Moraes et al., 2019). Celebrity business founders represent a popular category of celebrity endorsers due to their high visibility and impact on the performance of their businesses (Scheidt *et al.*, 2018). For example, Donald Trump, Elon Musk, Richard Branson, and Warren Buffett are celebrities in their own right with a larger than life presence, often driven by their high-risk, high-reward strategies, compared to their relatively more traditional counterparts (Lee *et al.*, 2020). Celebrity CEOs are seen as official spokespersons for their companies and reflecting their values (Gilal *et al.*, 2021). In view of their dominant social and media presence, it is not surprising to see many celebrity business founders and CEOs also leveraging their popularity to endorse their own brands. However, research on their role as brand endorsers remains limited and inconclusive (e.g., Agnihotri and Bhattacharya, 2019; Bendisch *et al.*, 2013; Gilal *et al.*, 2021; Saldanha *et al.*, 2018).

For example, early research on the role of CEOs as brand endorsers shows that their brands are strongly influenced by the CEOs' personalities and the ongoing changes in their popularity and reputation due to events in their personal and professional lives (Bendisch *et*

al., 2013). Hence, it is not surprising to see the brands being endorsed by a successful CEO showing high perceived value and greater firm value. In contrast, others find no significant effect of endorser type (Celebrity vs CEO) on purchase intention for different types of endorsement (Endorsement, Spokesperson, and Progenic) (Saldanha *et al.*, 2018). Moreover, CEOs were rated significantly higher than celebrities on expertise, whereas celebrities were rated significantly higher than CEOs on attractiveness and trust (Saldanha *et al.*, 2018).

Agnihotri and Bhattacharya (2019) extend the above results by showing that consumers find an advertisement with CEOs being identified with their name and designation as more credible than those with regular celebrities. Moreover, advertisements with the business founders as endorsers were more effective for new products and those with CEOs as endorsers were more effective for existing products (Agnihotri and Bhattacharya, 2019). More recently, Gilal et al. (2021) provide further insights into these effects by showing that a match between endorser types and product types may help firms resurrect their brands by leveraging the celebrities' attributes (attractiveness, trustworthiness and expertise). However, they found mixed results about the mediating role of these attributes between endorser types and brand resurrection for hedonic versus utilitarian products (Gilal *et al.*, 2021).

Despite the useful contribution made by all these studies, all these focus on the role of CEOs and not the business founders or owners, which may not provide a complete picture of how these business leaders may perform as brand endorsers. Moreover, these studies focus on the direct effects of the types of endorsers, endorsements, and products, on consumer attitudes and purchase intention, without explaining the process underlying these effects. Finally, this literature ignores the growing role of spiritual leaders as celebrity business founders and brand endorsers (Sardana *et al.,* 2018). We address all these research gaps by developing a new conceptual model to help us explore the socio-psychological mechanism underlying the process by which perceived value may mediate the influence of the perceived

normative community pressure and brand credibility on the consumers' purchase intention toward the brands being endorsed by spiritual leaders as celebrity business founders.

Normative community pressure (NCP)

Established norms within a society have a major influence on the behavior of the people and their choices; however, the motivation to comply with these social norms may vary from very deep intrinsic involvement to a cursory identification with a social group and simple extrinsic compliance (Nguyen *et al.,* 2019). Generally, people abide by the norms to be seen as compliant in order to obtain a favorable reaction from the other members of the group or society that are of direct concern and relevance to them. A related primary motivation could be to identify with a particular target group and subscribe to their norms to develop and maintain a satisfying relationship with that group. The social rewards from following norms and being affiliated with a group can also engender stronger commitment, which may result in a stronger influence of social norms on individuals who subscribe to these norms (Nguyen *et al.,* 2019). In this context, we define normative community pressure as a strong and intrinsic motivation that goes beyond mere simple compliance and drives individuals to conform to social norms in their behaviors.

Perceived value (VAL)

Customer perceived value (CPV) represents the trade-off between the costs incurred by the customers and benefits received by them and is defined as an overall assessment of the utility based on perceptions of benefits received and sacrifices made in purchasing and consuming products. In the context of spiritual leaders as celebrity business founders endorsing their own brands, it may become a two-way self-reinforcing process wherein the founders, and the consumers are engaged in a mutual process of encouragement and appreciation to do more social and moral good by their actions, such as simply altering their preference to consume

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brands endorsed by the spiritual leaders as celebrity business founders (Burns, 1978). Past research using the *associative network memory model* has affirmed the positive effect of the credibility of endorsers on the perceived quality of the product because multiple associations for a memory node are easier to locate and recall and a highly credible endorser is able to enhance these connections with a brand (Spry *et al.,* 2009).

We expect this process to also translate into a greater perceived value of the brands endorsed by spiritual leaders as celebrity business founders. Moreover, the perceptions of moral and virtuous roles played by these leaders are likely to put normative pressure on their followers and even the general public to pay attention to their messages and feel motivated to buy the brands endorsed by these spiritual leaders, by possibly even redefining their own social identity in this process (Zeugner-Roth *et al.,* 2015). Thus, spiritual leaders with a massive base of followers would not only have them as their natural consumers but also use their political and social contagion to create a normative community pressure to buy the brands endorsed by them (Kretschmer *et al.,* 1999). Accordingly, we hypothesize as follows:

H1. The normative community pressure has a positive effect on the perceived value of the brands endorsed by spiritual leaders as business founders.

H2. The normative community pressure has a positive effect on the purchase intention for the brands endorsed by spiritual leaders as business founders.

Perceived brand credibility (CRE)

Scholarly work on *brand signaling* suggests that brand credibility is an important contributor to a brand signal, and that endorser credibility impacts brand credibility (Spry *et al.,* 2009). A recent meta-analysis shows that celebrity endorsements evoke greater attention, interest, and awareness as well as favorable perceptions and attitudes towards the endorsed brands (Knoll and Matthes, 2017). One reason for the success of these brands endorsed by celebrities could

be their reliance on emotional and cognitive elements linked to *social contagion* rather than political elements associated with *political contagion* (Kretschmer *et al.,* 1999). In the case of spiritual leaders as celebrity business founders who highlight and aggressively endorse the culturally relevant, traditional, purity, and natural aspects of the brands endorsed by them, they may become almost synonymous with the brands endorsed by them. Hence, the perception of being honest and virtuous may have a direct positive influence on the perceived value and purchase intention towards the brands endorsed by these spiritual leaders.

In other words, the authentic leadership traits of spiritual leaders as business founders (e.g. trustworthy, honest and competent) are likely to be transferred to the brands endorsed by them. These ideas find their theoretical justification in McCracken's (1989) *meaning transfer theory* that talks about cultural meaning of a celebrity endorser. Spiritual leaders who are able to convey cultural meaning within the culturally constituted world of consumer society may be able to arouse a favorable attitude towards the brand they endorse (Mishra *et al.,* 2015). Such celebrity spiritual leaders also have the potential to elicit deep cognitions related to self-identity among consumers, as explained by *self-concept theory* (Dwivedi *et al.,* 2014). Therefore, we posit that the perceived credibility of the brands endorsed by these spiritual leaders as celebrity business founders would make the consumers perceive greater value in those brands and to exhibit a stronger intention to buy those brands, as follows:

H3. The perceived credibility has a positive effect on the perceived value of the brands endorsed by spiritual leaders as celebrity business founders.

H4. The perceived credibility of the brands endorsed by spiritual leaders as celebrity business founders has a positive effect on purchase intention for these brands.

H5. The perceived value of the brands endorsed by spiritual leaders as celebrity business founders has a positive effect on purchase intention for these brands.

Figure 1 shows our conceptual model with all these hypotheses (H1-H5).

< Insert Figure 1 about here >

Mediating effects of perceived value

Spiritual leaders highlight the natural and ethnic attributes of the brands endorsed by them and make these integral parts of their explicit narrative and communication strategy to bring these attributes to the target consumers' consciousness and direct their behaviors to act on these norms (Jaggi and Ghosh, 2017; Mehrotra *et al.,* 2017). Thus, by locating the origin of these brands in the cultural context of their target customers, the spiritual leaders endorsing them may create an "emotional dynamics of collective effervescence" (Mellor, 2000). Such powerful conceptualizations drawing on national identity, culture and religion can exude "vital energies" that not only transform and shape people's sentiments, but also can stimulate a "contagious circulation of emotional energy" within the society (Mellor, 2000). In view of the above, we argue that spiritual leaders may not only be able to leverage their credibility arising from their expertise and trustworthiness but also use it to directly enhance the perceived value and purchase intention for these brands. Similarly, the favorable pioneer status built on the rhetoric of championing unique product features may not only enhance the credibility of the brand but also help improve the perceived value of the products promoted by them and the preference for the brands endorsed by them. Accordingly, as follows:

> *H6.* Perceived value mediates the influence of normative community pressure on the purchase intention for brands endorsed by spiritual leaders as celebrity business founders.

> *H7.* Perceived value mediates the influence of perceived brand credibility on the purchase intention for brands endorsed by spiritual leaders as celebrity business founders.

Research methodology

Research setting

This research consists of two empirical studies with urban and rural Indian consumers because of the significant differences in their demographic profile and socio-cultural norms with each other (Javalgi and Grossman, 2016; Sehrawet and Kundu, 2007). We chose India as our research setting for several reasons. First, India is one of the largest and fastest-growing emerging markets in the world. In fact, India is also the second-largest country in the world by population with about 1.3 billion people (World Population Review, 2021) and among the top ten economies by GDP with an estimated GDP per capita (PPP) of $7,200. Indian economy is also expected to grow faster than most other emerging economies in the post-Covid period (CIA World Factbook, 2021). Hence, it provides a very useful research setting for a study of consumers in emerging markets (Sharma, 2011).

Second, many Indian celebrity spiritual leaders (e.g., Baba Ramdev and Sri Sri Ravi Shankar) have been endorsing FMCG brands quite aggressively in recent years, resulting in a dramatic rise in their market share across India (Jaggi and Ghosh, 2017). Both these brands are widely popular and available in both urban and rural markets all over India. For example, 'Patanjali', an FMCG brand endorsed by Baba Ramdev has grown to a US$ 1.6 billion turnover in just ten years (Mehrotra *et al.,* 2017). Similar results are reported for 'SriSri' range of FMCG products endorsed by Sri Ravi Shankar (Sardana *et al.,* 2018). Hence, these brands provide a useful frame of reference to study the impact of brand endorsement by these spiritual leaders as celebrity business founders on both urban and rural Indian consumers.

Questionnaire and measures

We developed our original questionnaire in English, by adapting well-established scales to operationalize all the constructs in our model, based on the socio-cultural context of our

research. Specifically, we operationalized normative community pressure using items for community identification, community engagement and normative community pressure (Algesheimer *et al.,* 2005), interpersonal influence (Bearden *et al.,* 1989) and social contagion (Kretschmer *et al.,* 1999). Finally, we adapted scales for perceived value and brand credibility (Spry *et al.,* 2011) and purchase intention (Arli *et al.,* 2017).

To assess the participants' purchase intention for the brands endorsed by the spiritual leaders, we asked them about their purchase intention in ten relevant product categories giving them five choices, consisting of two focal brands, 'Patanjali' endorsed by Baba Ramdev and 'SriSri' endorsed by Sri Ravi Shankar, two other popular brands from domestic or MNC competitors, and a fifth choice as 'others'. We then calculated factor scores using the respondents' answers to the above ten questions. For example, if a respondent chose either Patanjali or SriSri for all the ten questions, the factor score is '10'. Similarly, if a respondent did not chose Patanjali or SriSri on any of the ten questions, then the factor score of the respondent is '0'. For all the other combinations of the brands, the factor score is a number between 1 and 10. To make the factor score a continuous measure, we divided the scores by 10. Thus, all the factor scores (purchase intention) range between 0 and 1.

As we used a single questionnaire in a single setting to collect the data for all our variables, common method variance (CMV) may be a concern. Hence, we used several recommended methodological approaches when designing our questionnaire to minimize the likelihood of CMV (Chang *et al.,* 2010). First, we adapted all the items for our measures from well-established scales to ensure that these were clear, concise, and easy to understand. Next, we used different types of response-formats for the scales to measure our predictor and outcome variables and also located these two sets in different parts of the questionnaire to avoid any response set bias. Specifically, all our predictor variables were measured with Likert-type response formats, ranging 1 to 7 (1 = strongly disagree, 7 = strongly agree);

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whereas our dependent variable (purchase intention) was derived from the participants' responses to questions related to the brands endorsed by spiritual leaders and other brands across multiple product categories. Finally, we used multiple methods to administer our questionnaire, including online, email, and offline (print version), to collect our data, which helped further reduce the possibility of CMV.

Pilot study

We began with a pilot survey of 53 randomly selected respondents from three locations in India - Mumbai, Bengaluru, and NCR (Northern Capital Region) - to test our questionnaire. The response rate of this survey was almost 98% because the questionnaire was administered in person. We used exploratory factor analysis (EFA) to assess the validity and reliability of all the scales (Nunnally 1978). Based on the factor loadings, commonalities, and variance extracted, some items were rephrased to make them clearer. For example, we introduced a stem with the phrase, "I am motivated to use brands being endorsed by a business founder" for items used to measure NCP, to avoid its repetition in all the items. Similarly, many items that were too long and unclear were shortened to reduce participant fatigue.

Study 1 (Urban)

We used a combination of an online platform (www.surveygizmo.com) and an offline printed version of our original questionnaire in English to recruit urban Indian consumers from mainly metro cities and large 'B' category cities, including NCR (Northern Capital Region), Bangalore, Mumbai, Hyderabad and Pune. We first approached about 800 potential respondents using referrals and snowballing via several social media platforms (e.g., Facebook, LinkedIn and WhatsApp) for our online survey and received 299 responses of which 86 were incomplete, thus we were left with 213 valid and relevant responses. Next, we used a printed version of our questionnaire to approach about 300 potential participants using

convenience sampling and collected 117 additional responses out of which 23 responses were incomplete, leaving us with 94 valid responses and a final sample size with 307 responses. Table 1 summarizes the demographic profile of our samples for both the studies.

< Insert table 1 about here >

Next, we calculated the respondents' purchase intention (PI) for the brands endorsed by the spiritual leaders using the method described in the 'Questionnaire and measures' section above. For our urban group, we chose four food products (honey, cheese, biscuits, and cooking oil), two medicinal products (pain relief balm, and cold rub), and four household and personal care products (toilet cleaner, detergent powder, shampoo, and moisturizer), which are commonly consumed by urban Indian consumers. The competitors' brands included Dabur, Himalaya, Britannia, Amul, Parle, Saffola, and Sundrop for the food products; Iodex, Moov, Vicks Vaporub, and Amrutanjan for medicinal products; and Harpic, Lysol, Surf, Ariel, Sunsilk, Clinic Plus, Nivea, and Palmolive for household and personal care products.

Study 2 (Rural)

We collected a total of 206 valid and complete responses from a few villages in Uttarakhand (a state in North India). Gathering data from rural consumers was a big challenge, and it was not possible to take the same approach as in Study 1 with urban consumers. For example, we translated the survey instrument from English to Hindi (local language) and administered it in person to help the respondents understand all the questions and answer them correctly. We also got the Hindi questionnaire back-translated into English by an independent person who was not familiar with the research team. We found a few minor grammatical issues that were resolved by revising the Hindi questionnaire. We then hired a team of local social workers and trained them as surveyors to collect the data, to overcome the socio-cultural barriers in rural India where people may be illiterate or less educated and not easily trust outsiders. The

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surveyors collected the data in person by helping the respondents fill in the survey.

We chose different products for our rural sample because their consumption habits are very different from the urban consumers. Hence, the food products included honey, *namkeen* (a savory snack), biscuit, and cooking oil; whereas the household and personal care products included dish washing bar, detergent soap, hair oil, and toothpaste. We used the same medicinal products (pain relief balm and cold rub) due to their popularity in rural India. Most brands used in our urban survey were retained in the rural survey, and a few new brands were included that are more popular in rural India, such as Haldiram and Bikano for food products and Vim, Vishal, Parachute, Dabur, and Colgate for personal care and household products.

Data analysis and results

We chose SmartPLS3 to conduct our data analysis using partial least squares structural equation modelling (PLS-SEM) approach, because in this paper, our main aim is to predict the variance in our dependent variable purchase intention, and we have a relatively smaller sample size for both our urban and rural groups of participants (Hair *et al.,* 2018). We began by assessing the psychometric properties of all our scales for our full sample as well as separately for our urban and rural samples. We observed two items (one from NCP and CRE each) with low factor loadings, item-to-total correlations, and communalities. We dropped these items from NCP ("*It makes me feel belong to my community*") and CRE ("*This brand reminds me of the leader who is competent and knows what he/she is doing*"). As our scales were reflective in nature, dropping these items did not have a substantive impact on the representativeness of the constructs. To improve the reliability and validity specifically in the rural group, we had to drop one more item each in NCP ("*I am motivated to use this brand as I consider it to be more culturally related to me*"), and CRE ("*This brand reminds me of the leader who is competent and knows what he/she is doing*"). In the end, we were able to obtain

and maintain an identical scale for both urban and rural sample groups. Table 2 shows all the scale items and their descriptive properties.

< Insert table 2 about here >

Our measurement model shows a close fit for the full sample ($\chi^2 = 533.94$; SRMR = 0.053; NFI = 0.804) with all the model fit indices in line with the recommended values (Hair *et al.*, 2018). The outer loadings of the model were higher than .70 as shown in Appendix I. Average variance extracted (AVE) for the scales of full sample group (> .70) and the construct reliabilities, CR (> .88) were quite high, for the urban group the AVE (> 0.72) and CR (> .89), and for rural group the AVE (> .57) and the CR (> .80) showed a strong convergent validity. Finally, square root of AVE for each factor exceeds its bi-variate correlations with all the other factors in each group, showing discriminant validity (Table 3).

< Insert table 3 about here >

Next, we tested our hypotheses using bias corrected and accelerated (BCa) bootstrap with 5000 iterations and 90% confidence intervals. Table 4 shows all the results. First, we found that the effects of NCP on VAL ($\beta = .21$, $p < .001$), NCP on PI ($\beta = .13$, $p < .01$), CRE on VAL ($\beta = .56$, $p < .001$), CRE on PI ($\beta = .10$, $p < .10$), and VAL on PI ($\beta = .13$, $p < .10$) were all positive and significant in our full sample. Therefore, H1-H5 were all supported for the full sample. Next, the indirect effect of NCP on PI via VAL ($\beta = .03$, $p < .10$) is positive and significant, hence the mediation hypothesis H6 is supported. Finally, CRE has a significant positive effect on PI via VAL ($\beta = .07$, $p < .10$), thus H7 is also supported.

< Insert table 4 about here >

We found support for all the direct and indirect (mediating) effects hypothesized in our base model with full sample of Indian consumers but with some differences between the urban and rural samples. These findings support our basic argument that due to their lower

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education and income levels coupled with the relatively closer and more cohesive social structures of their communities, the rural Indian consumers are likely to be influenced by the spiritual leaders connoting purity, simplicity and lack of commercial intent. In other words, the rural consumers seem to be less skeptical of the commercial nature of the spiritual leaders' involvement in promoting their range of FMCG brands, compared to their relatively better educated and higher income urban counterparts who seem to accept the commercial roles of the spiritual leaders as celebrity business founders.

We also found that NCP has a strong positive effect on PI for the rural group, hence it seems that as predicted by us, the rural Indian consumers are likely to be influenced by normative community pressure, possibly again due to the close-knit communities that they live in and their greater susceptibility to interpersonal influence, unlike their relatively more insular and secluded urban counterparts who are more likely to be independent in their decision-making. In contrast, VAL has a strong positive effect on PI for the urban group, which confirms that the urban Indian consumers are more likely to focus on a relatively more objective criterion such as perceived value of the brands endorsed by the spiritual leaders rather than something more abstract such as normative community pressure. However, we did not find any significant effect of CRE on PI for both urban and rural groups, which suggests that both these groups of consumers may consider the brands endorsed by spiritual leaders as credible enough due to multiple reasons, including social factors (discussed earlier) and their continuous high-decibel advertising campaigns on mass media, and hence may not be much concerned about their credibility.

Finally, VAL mediates the effect of NCP and CRE on PI only for the urban and not for the rural group, which further substantiate one of our basic premise that due to their higher education and awareness levels, urban consumers are likely to focus on the relatively more objective criteria such as perceived value or the benefits of the products promoted by the

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spiritual leaders. They are also likely to use complex cues to engage in elaborate information processing unlike their relatively less educated and less sophisticated rural counterparts who are likely to use simpler heuristics for making their decisions. We believe this could be because of differences in the perceived value of the brands endorsed by spiritual leaders as celebrity business founders for the urban and rural consumers. Specifically, the urban consumers may focus more on the product attributes whereas the rural consumers may focus on the personal attributes of these spiritual leaders as celebrity business founders.

Discussion and implications

Theoretical contributions

This paper makes several theoretical contributions. First, it looks beyond the traditional celebrity endorsement literature to extend the scant but growing literature on the impact of celebrity CEOs and business founders on the consumers' attitudes, intentions and behaviors towards the brands endorsed by them (e.g., Agnihotri and Bhattacharya, 2019; Bendisch *et al.*, 2013; Gilal *et al.*, 2021; Saldanha *et al.*, 2018). We develop a new conceptual model to investigate the socio-psychological mechanism underlying the process by which spiritual leaders as celebrity business founders impact the value perceptions and purchase intention of their consumers via normative community pressure and perceived brand credibility. We also explore the differences between urban and rural consumers in this process without doing a direct comparison as our samples from these two groups are not statistically equivalent.

Past research shows that consumers are influenced by the celebrity business founders who are considered to be important role models by their followers (Agnihotri and Bhattacharya, 2019), although their influence may differ among people based on demographics and geographic locations. Our findings extend these past studies to show that the influence of these celebrity business founders may also be different between urban and rural consumers,

especially in a socio-culturally diverse emerging market like India. The findings thus also support the ideas presented by McCracken (1989) using *meaning transfer theory* that highlights the ability of business founders as endorsers to more deftly associate cultural meaning to the products they endorse in a culturally constituted world.

We also use *cue utilization theory* (Dodds and College 1995) to argue that one of the reasons for the dramatic recent rise in the popularity of FMCG brands endorsed by spiritual leaders in India could be that the consumer may perceive the endorsement of these brands by the spiritual leaders as a cue to product superiority and greater perceived value. In other words, consumers may perceive some unique physical and spiritual benefits from purchasing these brands, and this may increase their confidence in selecting these brands (Jaggi and Ghosh, 2017; Mehrotra *et al.,* 2017; Sardana *et al.,* 2018). This may be more likely if the endorser is able to link the brand to other associated nodes in the memory, which are linked to the development or enhancement of self-concept (Dwivedi *et al.,* 2014).

As expected, our findings from the urban and rural consumers diverge in this context, with the rural customers showing stronger normative community pressure and perceived brand credibility than their urban counterparts, which suggests that while the urban consumers are more likely to accept the brand endorsements by spiritual leaders, rural consumers are more likely to be swayed by the credibility of the brands endorsed by these spiritual leaders. This is an interesting conundrum because the rural consumers are more willing to believe in the superiority of the brands endorsed by the spiritual leaders; whereas the urban consumers are less willing to trust the brands promoted by them. These findings extend past research on brand endorsements by celebrity CEOs and business founders by showing significant differences in the way these may influence the attitudes, intentions, and behaviors of consumer segments with diverse socio-economic and cultural backgrounds.

Next, we find that while perceived brand credibility has a strong positive effect on the

value perceptions of both urban and rural consumers, NCP has a significant positive effect on the value perceptions of only urban consumers. In contrast, NCP has a stronger positive effect on the purchase intention of rural consumers, whereas value perceptions have a stronger positive effect on the purchase intention of urban consumers. We explain these mixed effects using the *heuristic-systematic model* of information processing (Eagly and Chaiken 1993). Specifically, based on past research (e.g., Sehrawet and Kundu, 2007), we argue that urban Indian consumers may be generally less aware of natural or herbal products and being more exposed to mass media coverage of the brands endorsed by spiritual leaders, they may be more likely to use a systematic information processing style, relying on both NCP and CRE in evaluating these brands. In contrast, their rural counterparts have less access to mass media and are probably already quite familiar with the natural ingredients of the brands being endorsed by the spiritual leaders, and therefore they may rely on different heuristic cues when evaluating these brands (e.g., CRE) and making their purchase decisions (e.g., NCP). However, these ideas would need to be empirically tested (possibly by asking the respondents to list their thoughts and asking them to mention which cues they used) before we can accept these as suitable explanations for the phenomena observed by us in our data.

Managerial implications

Our findings offer useful insights to the managers responsible for devising marketing strategies in the emerging markets with high socio-economic diversity as manifested in the urban and rural consumer segments with distinctly different demographic characteristics. First, we find that the consumers in urban areas do not show any direct influence of either community pressure or brand credibility on their purchase intention. However, they do not seem to be averse to buying brands endorsed by spiritual leaders because they may perceive these brands as more valuable than regular local or MNC brands. New brands entering the market can also use similar cues to create value, which leads to higher purchase intention. In

contrast, consumers in the rural areas seem to be influenced by the spiritual leaders but this does not seem to translate into purchase intention. Hence, marketers may focus less on commercial cues and more on the social context for these rural consumers.

Second, the results also show that the rural consumers are more likely to be influenced to purchase these brands under normative community pressure. Hence, using Word-of-Mouth (WOM) strategies, as part of community pressure, will be a more effective way to increase purchase intention for consumers in rural areas. Finding influencers within the community may also enhance consumers' likelihood to purchase the brands. Normative community pressure is shown to play an important role in the purchase of items that are often consumed in private, which is a significant realization for marketing strategists. Whereas, in the rural context, NCP has a direct impact on the purchase intention of the brands endorsed by spiritual leaders, it is shown to have an indirect influence on the purchase intention of the urban consumers. This means that the brand strategists can no longer afford to ignore NCP in their marketing mix for even privately consumed products. At the same time, it is also important to realize that brand credibility and perceived value will not necessarily translate directly into purchase intention, as observed for rural consumers.

Finally, based on the unique nature of our samples and the choice of brands, we find that more than 76% of our rural sample and 80% of our urban sample buy only one or no brands endorsed by the spiritual leaders. Therefore, from a broad perspective, it looks as if the appeal and penetration of the brands endorsed by the spiritual leaders is still limited in India. Yet, a close look shows that their growth is accredited to nearly 20% of the Indian population willing to buy at least 20% of their consumable daily need items, a significant proportion given the total market size of India, which is continuing to grow rapidly (Singhi *et al.,* 2017). Boston Consulting Group estimates FMCG India market to be $185 billion strong (Equitymaster, 2021). Whereas, only 30% of staple food items (e.g. pulses, cereals, edible

oils, etc.) are branded, the proportion of branded items for packaged foods, beverages, consumer health, and home and personal care products is considerably high and constitutes about 30% of overall FMCG market (Equitymaster, 2021). Hence, our findings confirm the growing appeal of the brands endorsed by spiritual leaders, which warrants innovative strategies by their competitors to understand and address the growing challenges posed by the brands endorsed by these spiritual leaders in order to retain their own consumer bases.

Overall, this research highlights the importance of understanding the need to develop and deploy the right marketing strategies across different socio-economic and cultural contexts in a large culturally diverse emerging markets like India. While MNC managers have been trying to design suitable strategies for the emerging markets that are quite different from the strategies used in their developed markets, our findings suggest that a one-size-fits-all model of strategy making is not likely to reap dividends in large and complex emerging markets. Specifically, as discussed above, the factors driving the purchase intention and the underlying socio-cultural process are likely to be quite different for the urban and rural consumers. This insight is significant not only to the managers working in MNCs, but is equally relevant to managers of the local companies as well, to understand the differences in the competitive dynamics in urban and rural markets, especially in the emerging markets.

Limitations and future research

This paper has some limitations that future research may address. First, the findings are only applicable to the specific context of spiritual leaders as celebrity business founders and may not be generalizable to the brands endorsed by other types of celebrity business founders or CEOs. Moreover, both the studies were conducted in India, hence the findings may not be generalizable to other countries. Future research may address these limitations by testing our conceptual model in other types of celebrity business founders and in countries with high cultural and religious diversity similar to India (e.g., Indonesia). Second, we used random

sampling for our pilot study due to its relatively limited geographical scope and smaller sample size requirement, but we had to use referrals and snowballing for our main studies due to their wider geographical scope and larger sample requirement. Although we found similar sample profiles and construct scores across all our studies, future research may use random sampling method for all their studies to ensure greater empirical rigor.

Third, we used different product categories for the urban and rural samples in view of the differences in their consumption habits and preferences. However, this makes it difficult to compare our findings across these two groups. Future research may use exactly the same or equivalent product categories to allow such a comparison. Finally, we used survey method for both our studies, which does not provide a strong test of causality implied in our model. Hence, future research may use other methods (e.g., lab or field experiments) to explore the effects of various cues (e.g., pricing, packaging etc.) for a more rigorous test of all the relationships included in our conceptual model by controlling for extraneous variables.

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Figure 1
Conceptual Model
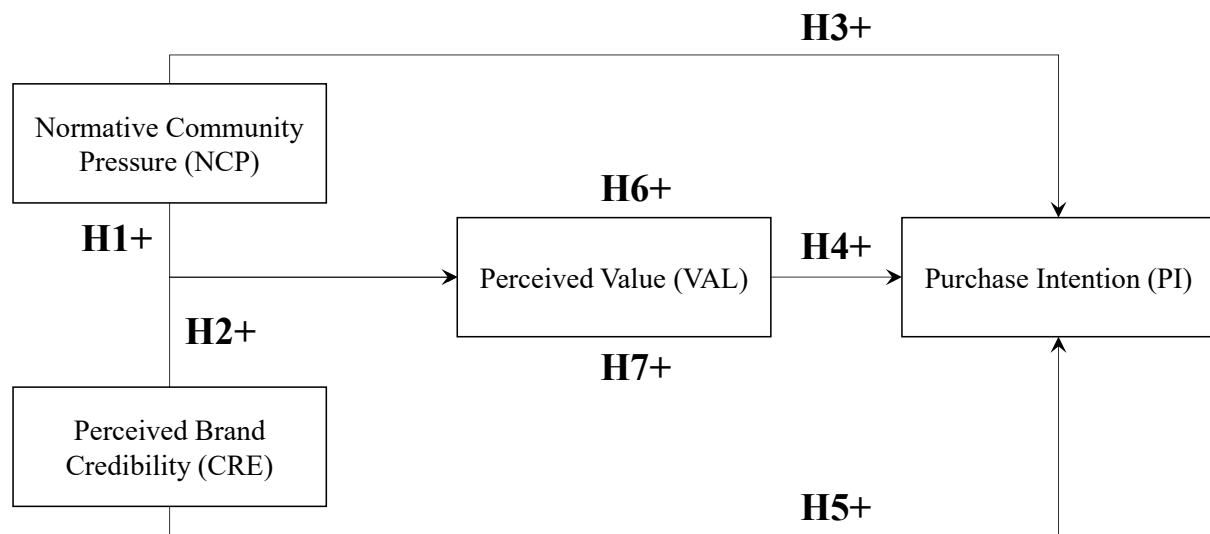
Table 1
Sample profiles

Demographic Variable	Categories	Full Sample (N=513)	Urban Sample (N=307)	Rural Sample (N=206)
Gender	Male	63.0%	72.0%	49.5%
	Female	37.0%	28.0%	50.5%
Age	Less than 21 years	7.2%	2.0%	15.0%
	21-30 years	42.1%	44.3%	38.8%
	31-40 years	38.4%	41.0%	34.5%
	41-50 years	8.6%	8.1%	9.2%
	51-60 years	2.7%	3.3%	1.9%
	More than 60 years	1.0%	1.3%	0.5%
Marital Status	Married	60.6%	57.7%	65.0%
	Unmarried	37.2%	40.7%	32.0%
	Divorced	1.0%	1.3%	0.5%
	Widow	1.2%	0.3%	2.4%
Education Level	High School or less	25.0%	2.3%	58.7%
	Graduate	32.9%	45.3%	14.6%
	Post-graduate or higher	37.0%	52.4%	14.1%
	Others	5.1%	0.0%	12.6%
Household Income	0.50 and below	42.7%	7.8%	94.7%
	0.51 to 1.00	15.2%	23.1%	3.4%
(Million Indian	1.01 to 1.50	14.2%	22.5%	1.9%
Rupees Per Annum)	1.51 to 2.00	11.3%	18.9%	0.0%
	2.01 to 2.50	5.5%	9.1%	0.0%
	2.51 to 3.00	3.7%	6.2%	0.0%
	Above 3.00	7.4%	12.4%	0.0%

Table 2
Scale items and psychometric properties

Groups	Full Sample (N = 513)			Urban Sample (N = 307)			Rural Sample (N = 206)		
Constructs	λ	M	SD	λ	M	SD	λ	M	SD
Normative Community Pressure (NCP) - Algesheimer et al. (2005)									
I am motivated to use this brand as:									
1. I consider it to be nationalistic brand	0.88	3.03	1.63	0.90	2.79	1.72	0.49	3.38	1.41
2. It makes me feel belong to my community	0.88	3.00	1.68	0.88	2.45	1.49	0.79	3.83	1.62
3. Several people I know use this brand	0.75	3.71	1.83	0.76	3.43	1.81	0.96	4.14	1.78
Brand Credibility (CRE) - Spry et al. (2011)									
1. This brand delivers what it promises	0.89	3.51	1.50	0.91	3.38	1.53	0.89	3.70	1.42
2. The claims made by this brand are believable	0.91	3.62	1.50	0.95	3.35	1.49	0.79	4.01	1.42
3. This brand can be trusted	0.88	3.72	1.43	0.94	3.42	1.51	0.72	4.18	1.16
Perceived Value (VAL) - Spry et al. (2011)									
1. I consider this brand to be better in quality than the brands from other companies	0.85	3.62	1.56	0.86	3.34	1.72	0.80	4.04	1.18
2. Products under this brand use more natural ingredients and less preservatives	0.88	4.20	1.58	0.92	3.93	1.66	0.75	4.59	1.34
3. Products under this brand are pure and divine	0.84	3.85	1.76	0.86	3.11	1.64	0.71	4.94	1.29

Note: λ = Parameter estimates (Outer loadings); M = Mean; SD = Standard deviation

Table 3
Correlations table and discriminant validity

Variables	1	2	3	4	5	6	7	8	9
1. Age	NA								
2. Income	**0.20****	NA							
3. Gender	-0.02	**-0.16****	NA						
4. Marital Status	**-0.40****	**-0.12****	-0.00	NA					
5. Educational Level	**0.17****	**0.28****	0.06	-0.04	NA				
6. NCP	**-0.11***	**-0.27****	0.05	-0.00	-0.06	**0.84**			
7. CRE	0.05	**-0.22****	-0.05	-0.05	**-0.13****	**0.33****	**0.89**		
8. VAL	0.06	**-0.30****	0.05	-0.06	**-0.12****	**0.42****	**0.66****	**0.86**	
9. PI	0.05	**-0.12****	-0.06	0.01	-0.04	**0.21****	**0.24****	**0.26****	NA
Mean	2.60	2.62	1.37	1.43	2.23	3.24	3.61	3.88	0.09
SD	0.91	1.89	0.48	0.58	0.90	1.44	1.31	1.39	0.17
AVE	NA	NA	NA	NA	NA	0.70	0.80	0.73	NA
CR	NA	NA	NA	NA	NA	0.88	0.92	0.89	NA

Note: Figures on the diagonal represent square roots of average variance explained (AVE)
NA = Not applicable; $* p < .05$, $** p < .01$, $*** p < .001$

Table 4
SEM Path Model Results

#	Details	Full Sample N = 513		Urban Sample (U) N = 307		Rural Sample (R) N = 206	
		Coeff.	*t Stat*	*Coeff.*	*t Stat*	*Coeff.*	*t Stat*
	Direct Effects						
H1	NCP --> VAL	**0.21***	5.70	**0.27***	5.00	(0.14)	1.68
H2	NCP --> PI	**0.13***	2.63	0.02	0.27	**0.14***	1.82
H3	CRE --> VAL	**0.56***	14.77	**0.51***	8.58	**0.51***	7.85
H4	CRE --> PI	**0.10***	1.79	0.12	1.50	0.10	1.12
H5	VAL --> PI	**0.13***	1.87	**0.29***	4.24	0.04	0.30
	Indirect Effects						
H6	NCP --> PI (Via VAL)	**0.03***	1.70	**0.08***	3.07	(0.01)	0.23
H7	CRE --> PI (Via VAL)	**0.07***	1.86	**0.15***	3.89	0.02	0.29
	Controls (DV: VAL)	Adjusted R^2 = 0.495		Adjusted R^2 = 0.526		Adjusted R^2 = 0.312	
	Age --> VAL	**0.07****	2.32	**0.16***	4.10	(0.08)	1.15
	Income --> VAL	**(0.12)***	3.27	(0.02)	0.38	(0.06)	1.09
	Gender --> VAL	0.05	1.57	(0.01)	0.06	**0.10***	1.78
	Marital Status --> VAL	(0.02)	0.72	(0.01)	0.11	0.05	0.89
	Education Level --> VAL	(0.02)	0.73	0.04	1.00	(0.05)	0.80
	Controls (DV: PI)	Adjusted R^2 = 0.082		Adjusted R^2 = 0.176		Adjusted R^2 = 0.043	
	Age --> PI	0.08	1.50	0.04	0.61	0.04	0.64
	Income --> PI	(0.04)	1.27	**(0.11)****	2.37	0.21	1.89
	Gender --> PI	(0.07)	1.65	(0.06)	1.65	(0.03)	0.43
	Marital Status --> PI	0.05	0.86	0.09	0.92	(0.01)	0.31
	Education Level --> PI	(0.00)	0.04	0.08	1.46	(0.06)	0.95

Note: β = Standardized beta coefficient; * $p < .1$, ** $p < .05$, *** $p < .01$