

The Influence of Celebrity Effect on Commercial Brand Marketing - Taking Nike as An Example

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Abstract. Nowadays, consumers tend to rush for celebrity endorsement, today's more transparent information, celebrity endorsement has been a business opportunity for many companies to take advantage of, through which the brand's influence is rapidly expanding, casting a lot of successful win-win case between the enterprise and the star, a lot of brands will go through the star endorsement to enhance the influence and sales, the star can also be in the co-operation to obtain income as well as more business opportunities, but this is not necessarily a sure-fire business, which contains a lot of decision-making and a lot of data analysis as support to ensure a successful partnership. This paper analyses the role of the celebrity effect in branding by using literature analysis, and marketing model analysis. It addresses the issue of reliance on the celebrity effect and how brand loyalty can be sustained due to the fan effect. In response to these issues, brands can optimize their branding by strengthening community ties, linking online and offline, and combining multiple marketing tools with the celebrity effect.

Keywords: Celebrity economy, Brand promotion, Nike.

1. Introduction

1.1. Background

Nowadays, with the continuous development of the Internet, consumer cognition and behavior have changed a lot. People from the beginning through television advertising on the attention of some of the brands, to now a variety of social media channels know a variety of brands, from the product quality-oriented consumption pattern, change to the crowd perspective of the product market heat and novelty of the first consumer concepts, many brands based on this change in the market environment, the goal of some of today's popular celebrities, inviting them to endorse the product to get more attention[1]. Based on this change in the market environment, many brands have targeted some popular celebrities and invited them to endorse their products to gain more attention and to promote the sales of their products through the celebrity effect and fan economy to enhance brand awareness [1].

1.2. Literature review

Brand marketing, which is the key to every brand's development path, is a means to attract consumers by marketing their products to make them known. Research has shown that the star effect has a significant impact on brand marketing, but at the same time, excessive star effect may affect the existence of the brand [1]. Not only that, in the celebrity economy, excessive celebrity economy does not help brand promotion. There have even been endorsements of the Peak players in the game who do not choose to wear Peak shoes. This not only reflects the inconsistency between the players and the brand but also affects the promotion of the brand [1]. However, making full use of the star economy still plays an important role in brand marketing. For example, Anta, also one of China's largest sports brands, has signed NBA players like Kyrie Irving and Klay Thompson, which are popular with young fans, and the brand has rapidly increased its popularity and market influence and has successfully penetrated the market of young consumers [1,2]. Moreover, the fan economy also has an equally important position in brand marketing, specifically, the fan economy is mainly based

on the fans' love for the stars and choosing the products of this brand [2]. By converting the number of fans into the number of brand consumers, the influence and visibility of the brand can be enhanced. However, the fan economy still has its limitations, specifically, the fans are more likely to follow the star to choose the brand, if the star leaves the brand, the fans will also continue to follow the star rather than continue to choose the brand [2].

1.3. Aim & Importance

Based on the current state of the brand marketing market, it is found that the fan economy can increase brand awareness in a short period, but it does not create a long-lasting customer adhesion, and the fan base changes according to the products endorsed by the celebrities. Therefore, the purpose of this paper is to explore a more effective role of the star economy, to help brands' sustainable development to enhance brand influence and customer stickiness, and to achieve the effect of increasing market share.

2. Method

This paper will take Nike as an example to study the influence of the star effect in brand promotion using the literature analysis method as well as the model analysis method.

2.1. Literature analysis

The main way of literature analysis method is to analyze the selected target through the existing literature. This paper will use the existing literature on brand marketing and celebrity effect to analyze and explain the impact of celebrity effect on Nike's popularity, sales, and brand loyalty.

2.2. Contrastive analysis

The main role of contrastive analysis is to compare the status quo of other companies in the same industry with that of the target company, which is used to analyze the status quo of the target company and to clarify the future planning of the target company through contrastive analysis, this paper compares and analyses Nike with Adidas and Li Ning.

2.3. Marketing Model Analysis

The main way is to use marketing models to analyze the relationships and trends between evaluate various factors of the enterprise, look at the current situation through a more comprehensive perspective, help the enterprise to identify the areas that need to be improved strategically, and help the user to categorize and understand the information more easily [2].

This paper will analyze Nike's celebrity endorsement strategy through the AIDA model, analyze the opportunities and challenges it may be facing, and the role that celebrity endorsement can play in attracting attention and prompting consumer behavior.

3. Celebrity economy in Nike

3.1. Nike's brand promotion strategies

Nike, one of the most successful sports companies in the world, was founded in 1964, initially focusing on designing sports goods, and after gaining wide acclaim the scale gradually did, and today its breadth covers nearly all sports, and it is one of the leaders in the global sporting goods industry [3]. Nike not only focuses on design, but it has also gained a certain influence through its strong marketing ability, making it one of the symbols of sports, in which Nike focuses on promoting an active lifestyle and sportsmanship, which influences global consumer groups. Specifically, in the brand marketing strategy, Nike has been using very creative segments to promote its products, for example, it will specialize in some cities to design a city characteristic of the clothes sold locally, and

promote cooperation with local celebrities or regional stars, so that not only gets the praise of the local people, but also can be used to enhance the brand influence of Nike [3]. Nike will also use its unique technology to launch personalized custom sports equipment, So that everyone can create their favorite product or copy the star's product design, to attract more people to try to customize unique products.

Analyzing Nike's financial reports through sales, it can be found that celebrity endorsements have a very positive effect on Nike's sales. Neymar first endorsed the sneaker Nike Mercurial Vapor VIII in 2012, it was widely acclaimed in all regions, and Nike's global revenue from the sneaker increased quite a bit from the previous year [4]. However, when the market is more competitive, Nike's sales performance will struggle slightly. For example, In 2023, as Chinese sports brands introduced other high-quality sporting goods, combined with price strategies and celebrity cart-carrying promotions, Nike's net profit in the first quarter decreased by 23%, which is very unfavorable to Nike's China market [4]. This shows that although the celebrity effect can help companies promote sales, in the highly competitive market environment, brands also need to use celebrities in conjunction with other marketing strategies to further enhance the role of the star economy in boosting sales [5].

Moreover, in the ratio of gender, consumers have not been subject to changes in marketing means great change; but the teenage group is now the focus of online marketing, as well as the main audience of the star economy, for online marketing, the star effect has an obvious brand linkage viscous correlation [5]. Therefore, the application of star economy should pay more attention to the segmentation of segmentation, and use targeted consumer groups to enhance the marketing effect.

3.2. The use of celebrity economy with Nike brand promotion

The main way of the celebrity effect is to utilize the popularity and influence that a celebrity possesses to connect the brand with consumers who are interested in that celebrity, utilizing the celebrity thus increasing brand awareness and boosting sales.

Take Nike, Adidas, and Li Ning brands' promotion strategies comparison as examples. Nike, as the first global sports brand, international ranking and market sales are second to none. Nike is one of the best companies to use the star effect strategy, which makes every player who has been endorsed by Nike get more attention, such as cooperation with Michael Jordan, LeBron James, and other top athletes [6], not only makes Nike occupy a dominant position in the field of basketball, but also gradually bring the brand to the high end, so that the product has become more high-end, and introduced its unique trend culture. Adidas as the world is also a very influential brand, although not as influential as Nike, but still able to stabilize the world's second sports brand throne [7]. The star endorsement on the choice of Leo Messi, James Harden, and other international superstars [7], is in no way inferior to the quality of Nike's contracted stars. The aid of these star effects has also helped Adidas to become a major international brand that competes with Nike. Similarly, as a Chinese local brand, Li Ning, although only ranked around 30 among international sports brands, can better use the star effect for promotion because of its familiarity with local sports stars and the control of Chinese consumers' focus [8]. However, due to the commercial use of sports celebrities in the Chinese consumer market, as well as the commercial marketing of sports stars themselves being less mature than in other countries, therefore, the role of the star effect in China's sporting goods is not as obvious as foreign countries [8].

In terms of brand concept promotion, Nike and Adidas iconic slogans "Just do it" and "impossible is what" celebrity advertising endorsement is also very successful [6,7]. Through the cooperation of sports stars with the same values or personality design, the story is told to encourage all people to break through and strengthen themselves through sports, which can not only promote the brand concept and celebrity thoughts but also weaken the promotion traces and deepen people's cognition of the brand through the example of "sports stars"[9]. In terms of innovation and product development, Nike and Adidas will utilize their technology to launch different series of sneakers, such as the familiar Air, Boost, and Dunk series [6,7], which successfully promoted the comfort of sports shoes

through marketing means such as celebrity fitting and Internet celebrity evaluation, even helped consumers to identify the right type of sneaker for them. This level of investment helps consumers, athletes, and even celebrities who endorse them to make choices that cater to all types of people.

However, today's other sports brands, such as 361, Hongxing Erke, and Peak [8], have gradually become homogenized in their brand marketing, using similar marketing strategies with only star signing, which lack uniqueness in the minds of consumers, resulting in people not knowing much about their brands. For example, Peak, one of the largest sports brands in China, Peak especially focuses on the basketball market, they signed Tony Parker, Andrew Wiggins, Dwyane Howard, and other famous NBA players, but their brand image is not through the personal image of these players to play the effect of endorsement, and there have even been endorsements of the Peak players in the game do not choose to wear Peak shoes [8]. Therefore, the marketing results that the brand only wants to produce the economic effect of the star by signing the star are very single and limited. In the signing of stars, it is not the main celebrity station, but more to match other marketing strategies, as well as the selection of stars in line with the brand concept to cooperate.

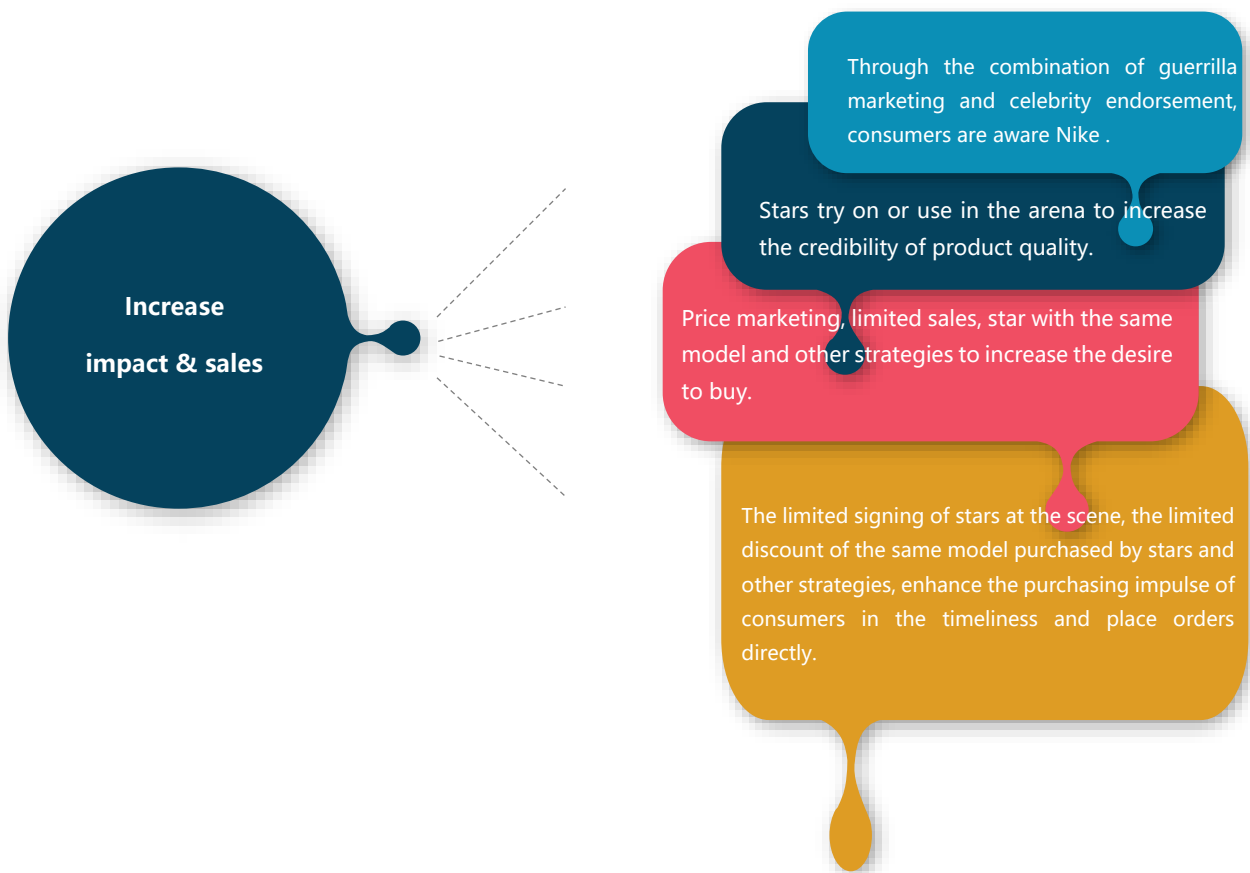


Figure 1. The AIDA analysis with celebrity economy in Nike's promotion process [6,9]

Through the AIDA analysis (refer with: Fig. 1) it is reflected that celebrity economy can serve as an effective means of brand promotion and sales guidance. However, over-reliance on the celebrity economy or underestimation of the brand impact brought about by the fan effect can also bring negative effects to brand marketing promotion [9]. For example, NBA star Kyrie Irving, in 2023, Nike due to a variety of reasons ended cooperation with Kyrie Irving, Irving's series of sneakers, also occupied a large proportion of Nike's basketball sneaker market, and Irving's departure also caused Nike to suffer a heavy blow, a study shows that because of Irving's departure, Nike's proportion of the basketball market in the two years have appeared to be low [9].

3.3. The impact of the celebrity economy on Nike's brand promotion

A successful marketing promotion often needs a variety of strategies, and the star effect is the typical one. Although, the other marketing strategies, such as the brand and the star together with community service, enhance the brand and the community between the link, funding the construction of local sports venues to help the community to have specialized sports venues, and actively contribute to the community, can better match the star effect to get better marketing results [10].

However, there are also inappropriate strategies, such as relying completely on the star to bring the heat, but in the brand and star cooperation products do not show good quality, but will bring consumers a worse experience, which leads to a lose-lose situation [10]. Also, it can be found that excessive reliance on the star effect is more like a kind of bet. In detail, if any degree of reputation crisis occurs during the cooperation period, it may directly affect the image of the brand, for example, when Tiger Woods was caught in the situation of sex scandal in 2009[9], the sales of Nike's golf equipment were directly affected greatly. Therefore, simply relying on the star effect can't bring benefits steadily, it should rely on some other marketing means to help the star effect maximize the help brand enhancement [11], for example, through the incident decisively and the partner to lift the relationship, win the praise of the society, and find a replacement, use other stars to win back the market.

Therefore, the use of the star effect, not only needs the ability of the brand to support but also needs to pay enough attention to consumers, so that consumers feel the brand through the star effect consumers take a positive attitude so that the brand's promotion is more successful. In addition, today's brand marketing strategy is gradually turning to star live with goods to improve sales. Celebrity endorsement live sales have gradually increased as a percentage of brand sales over the last decade [11]. This does bring a positive impact on sales, but for brand users, stickiness is very unfavorable, users may be through the fan effect of impulse consumption but will not be long-term purchases in Nike. In this case, Nike can increase offline brand publicity activities, linked to online live with goods, so that consumers experience the quality of the entity at the same time, for the quality of Nike goods and Nike brand culture to form a kind of identity.

4. Summary

To summarize, this paper focuses on the challenges of the star effect on long-term brand loyalty and risk management and finds that the star effect in brand marketing promotion can help enhance brand awareness and short-term sales of positive effects, but at the same time, such a marketing strategy will also have the risk of dependence. The brand risk and unstable fan loyalty brought about by the star effect can be optimized by adopting diversified marketing means, strengthening the interaction between the brand and the community, as well as online and offline linkage promotion. In addition to the star effect, brand marketing also needs to comprehensively consider a variety of factors, such as channel promotion, user positioning, price strategy, and so on. Therefore, considering the limitations of the article only on the star effect, further in-depth research will be carried out in the future on how to enhance the brand's long-term user stickiness and the establishment of risk control mechanisms, aiming to help sports brands be able to develop sustainably.

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