

FASHION BRANDS 1

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Q4. Discuss the positives and negatives of a fashion brand, or brands, use of celebrity endorsement. Consider this celebrity endorsement from both a historic and contemporary perspective.

Celebrity Endorsement is defined as “A form of brand or advertising campaign that involves a well-known person using their fame to help promote a product or service.” – (businessdictionary.com). In terms of the fashion industry, celebrity endorsement usually pertains to a celebrity appearing, usually wearing clothes or accessories from the brand, in an advertising campaign – thus becoming a spokesperson for the brand. It is considered a mutually rewarding arrangement, as the celebrity gains more exposure to a wider audience, and the brand’s sales usually increase after featuring a celebrity as consumers are more responsive to seeing a celebrity they like. Successful celebrity endorsement involves the brand choosing a celebrity that relates in some way to their brand image and equity. One in four advertisements use celebrity endorsement (MarketWatch, 2006) and this marketing tool’s prevalence is reflected in the fashion industry. With the rise of digital marketing and social media the gap between a celebrities’ life and their fans has grown smaller, this had meant that the chances for brands to do sponsored post and be showcased by a celebrity has increased. Celebrity culture today means that every day is an opportunity for a celebrity to be photographed in a brand’s clothing. “By now there must be few readers of glossy magazines who still believe that, when an actress is photographed carrying the latest ‘must-have’ bag, she has actually paid for the item” – (Tungate, 2005). Because celebrity endorsement has become such a popular marketing tool, it is important to look at the effect it has. This essay will use Adidas as an example to explore how celebrity endorsement can be used to further a brand and will consider it’s positive and negative effects.

Most research on the subject shows that celebrity endorsement is successful for fashion brands and does lead to an increase in sales. This is evidenced by an experiment conducted for the university of Pakistan by Ahmed et al in 2017, they found: “This research concluded that the Celebrity endorsed advertisements are more attractive than the non- celebrity endorsed advertisements.” Looking at this correlation begs the question why does this effect occur? The consumer’s psychological response to celebrity endorsement can be explained by Bandura’s Social Learning theory. Bandura’s theory is that behaviour is copied from role models: in this case the celebrity featured in the brand’s campaign. Social Learning theory is a four-step model, the first step is attention, i.e. the brand using different mediums to get the campaign, which features the celebrity, out so that potential consumers will view it. The second step is retention, this pertains to the content of the campaign and the story it tells, successful campaigns will invoke an emotional response which translates into a higher investment from the customer. The third step is reproduction which would be the product being accessible (which can also relate to choosing a suitable price for target demographic) and available for the customer to purchase. The final step is motivation to imitate, this can be facilitated by a number of different things; in the case of celebrity endorsement it is vicarious – the consumer sees said celebrity as likeable and being

rewarded by the clothes or accessories shown in the advert and therefore wants to emulate them. This theory offers an explanation of the cognitive process behind a consumer's reaction to an advertising campaign. One problem with Social Learning Theory is that Bandura originally published it in 1977 meaning that it lacks time validity, however you could apply the basis of the theory to today's marketing and in particular digital marketing which has become more prevalent in recent years.



Screenshot taken from YouTube

Adidas is one of the world's biggest sports clothing brands and they have used celebrity endorsement numerous times from their founding in 1940. Adidas is a branded house so it stands by itself, however the 'Adidas Group' does own other brands such as reebok which have also used celebrity endorsement in the past, for example Reebok's new campaign with singer Ariana Grande. A good example of Adidas' use of celebrity endorsement is the 2018 'Original is never finished' advert directed by Manu Cossu, which features different zooming shots of numerous people wearing the brands clothing in different settings. From the very first shot, you can see Adidas imagery – this is a good thing as it is important to constantly remind the audience what it is that is being advertised. A big risk in using celebrity endorsement is the possibility that the celebrity featured will outshine and detract attention from the brand or product, this phenomenon is known as 'The Vampire Effect'. A study on 'The Vampire Effect' by the Central European Business Review found that "The Fact that the audience remembers the advertisement does not automatically mean they received the core message about the product or brand." (Kuvita and Karlicek, 2014). This means that although advertising campaigns featuring celebrities are more memorable for the audience, the brand needs to make sure the product or message that is being advertised comes across and does not get lost behind the celebrity that is used. Adidas avoids this in said advert by constantly reminding the audience of the brand and using an equal balance of product shots and shots of the celebrities

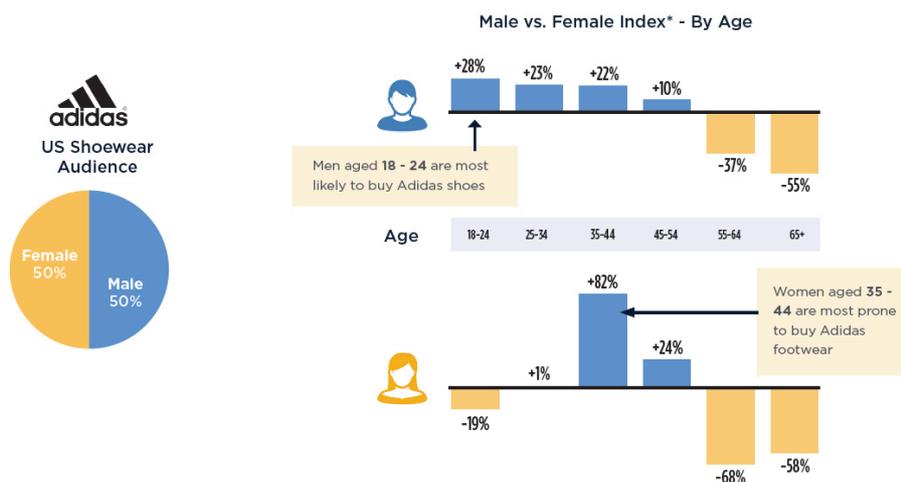
featured. Iconography is used a lot with Adidas adverts, this works so successfully for them because Adidas has an iconic and instantly recognisable logo: the three stripes. Adidas have featured the three stripes from their beginnings, fully acquiring the rights in 1952. Creating an iconic logo is a massive positive marketing tool for brands to achieve as once it becomes synonymous with a brand, like the Adidas three stripes, it means the image can stand alone without any mention of the company – the average consumer will see a piece of clothing with three stripes down it and know it is an Adidas products instantly without having to look it up. “Consumers are far more likely to choose a brand that they recognize over something unfamiliar” – (Millennium Agency, 2018). In this advert, the three-stripe logo is featured numerous times., and there is a closing shot showing the logo with the word Adidas underneath to further remind the audience what brand the advert was for. The advert also features shots of different people on different levels, but all stacked on top of one another so it resembles lines or stripes. There are also some shots of the celebrities that have been edited to appear 3 time in a row - this is a more understated and subliminal reference to the three-stripe logo.



Screenshot taken from YouTube

As Adidas is a sports brand, using famous sportspeople as spokespeople makes sense as they will share the same mission, vision, and values, it also means that that the sports person can demonstrate the product for its intended purpose. The ‘Original is never finished advert is “cast with 10 new “creators.” They include singer/song writer Dua Lipa, model/fashion designer Adrienne Ho, professional skateboarder Miles Silva, rapper Playboi Carti, NBA player Nick Young, hip-hop artist A\$AP Ferg, actor and singer Lu Han, soccer player Marcelo Vieira, producer Kaytranada and soccer player and DJ Florencia Galarza.” – (WWD, 2018). Staying on brand the advert features two sportspeople (Nick Young and Marcelo Viera), but the rest of the celebrities are from different professions. Although these celebrities are not sportspeople, they are very

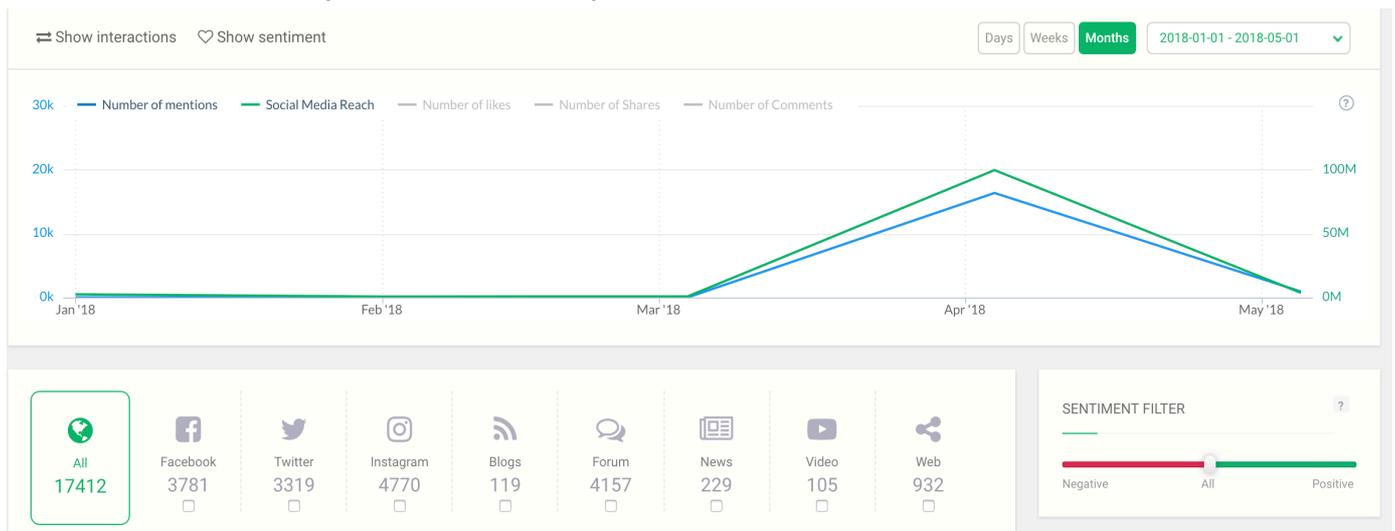
popular artists at this moment and have links to the brand. Using more than one celebrity in one advert would have been expensive for Adidas, as the brand has to pay a fee to the celebrity for appearing in the advert, but this fee is usually outweighed by the benefits which would be that it attracts the fans of all the celebrities involved. Using Playboi Carti as a celebrity spokesperson could turn out to be a disadvantage for Adidas as the rapper has had controversies in the past - he was arrested for domestic assault in 2017, “The ‘Magnolia’ artist was arrested for misdemeanour domestic battery and released on Friday morning after posting \$20,000 in bail.” – (Fact Magazine, 2017). One of the biggest risks of a brand using celebrity endorsement is that when you use a celebrity as a spokesperson any controversies or scandals in that person’s career can reflect badly on the brand. Another potential issue when choosing celebrities is that the celebrity must appeal to the brands target demographic. Adidas have quite a mixed demographic: their most popular demographic among men are age 18-24, the celebrities featured in this advert would appeal to this demographic as there will be overlap in fans of the celebrities and Adidas customers. However, for women the age range that buys the most is women aged 35-45 (this could potentially be mothers buying for their children), women this age are not going to relate to the celebrities featured in this advert which could be potentially harmful to Adidas. These risks are reflected in a Forbes article that states “Celebrity Endorsements not worth the cost” – (Kevin Harrington, 2018). It is interesting to see if in the future Adidas will do any marketing to target this specific demographic or if they will continue to target a younger audience.



Infographic from hitwise, 2017

The use of such a broad variety of celebrities in this advert is a good thing as it brings in the celebrity’s audiences’ that will be from a variety of different backgrounds. All the celebrities featured have big fan bases and a large social media following. If we apply Bandura’s Social Learning Theory, then it is important for these celebrities to be influential as they are then more likely to work as role models for the audiences and the audiences will want to wear the same Adidas clothes that the celebrity they like and admire is wearing. It is hard to measure the effect one advert can have on a brand, especially for a brand like Adidas that have such huge sales across the globe. The profits for the year of 2018 will not be made public knowledge until the end of the financial year so it is not possible to see if there is a correlation between the release

of this 'Originals is never finished' advert in January of 2018 and Adidas' sales. However, the brands sales last year were very good: "Growth is especially rapid in North America and online according to the brand's 2017 earnings report." – (Fashionista, 2018). Adidas did of course use celebrity endorsements throughout 2017 which could explain this growth of sales. Adidas have been using more celebrity endorsements in current years due to massive success with collaboration projects with celebrity designers, with Kanye West's 'Yeezy Boost' shoe and Pharrell William's range of 'Superstar' shoes in 2015. "The secret to Adidas' success is Kanye, Pharrell & Fashion Girls" – (Refinery 29, 2015). Another way of measuring the success of this example of celebrity endorsement is to look at how well it resonated online. Social media has a huge influence on marketing and the selling of products. It can help celebrities create a more open and intimate connection with their fans and show their support of a brand. For example, when this Adidas advert first debuted, featured celebrity Dua Lipa shared a paid sponsorship video with her 10 million Instagram followers, today (10/05/2018) the video has had 1,371,999 views. This is good exposure for Adidas. As digital marketing is so important in modern day, how many mentions a product gets on social media can offer an insight into the success and poignancy the advert has had. Using the Brand24 website, you can see the number of times that the phrase 'Adidas originals' has been used on public social medias from the 1st of January 2018 to 1st of May 2018:



Screenshot taken from brand24.com, 2018

Comparing a modern-day advertising campaign from Adidas to an older advert illustrates the changes that have happened within the brand throughout the years and how Adidas has adapted to what audiences want. Take for example, the 1990 'I want, I can' Adidas advert featuring Steffi Graf. The advert features music that includes the words "I want" and "I can" which echo the ethos behind the brand which is to not limit yourself and push boundaries. Graff appears playing tennis, but the visuals have been manipulated and edited to appear in a very colourful almost pop-art style. The use of such bright contrasting colours is a good marketing tool as it captures the eye and thus the attention of the viewer. Steffi Graf is an excellent fit for the Adidas brand as she is a famous sportswoman so she can demonstrate the product in a sports context and she echoes the brands ethos. Another advantage of using a sportsperson as a celebrity endorser is that they will wear the brands clothing and accessories in their matches which will bring exposure to huge audiences. Graf was extremely popular

amongst audiences when this advert came out in the 1990s as she was at the height of her career. One criticism of this advert is that it doesn't feature the Adidas logo. Brands logo's, imagery, or slogans, are reinforced by always being shown in any promotional material that the brands put out to the public. It is doing this successfully that allows the logos and imagery to become iconic overtime. It is interesting to see that the three stripes do not feature in the 1990 advert but play a huge part in the 2018 advert. This could be because the brand has established its brand identity and the imagery that is linked to that more in modern day.



Screenshot taken from YouTube

Adidas' biggest competitor is Nike, as they both are at the forefront of the market for sportswear and active wear. Looking back at the past 20 or so years Nike has been more fiscally successful as evidenced by this quote from 2015: "adidas is now the *third* biggest footwear brand in the States after UA – but none of them can, it seems, realistically topple Nike at the top of the sportswear game." – (highsnobiety.com, 2015). Nike, like Adidas, have used celebrity endorsement for years now. A recent example of a Nike advert using celebrity endorsement is their 'Air' advert that was released in February 2018. It features some well-known sportspeople: "The better-known endorsers include track and field athlete Deajah Steve, NBA player Giannis Antetokounmpo, pro surfer John John Florence, Paralympian and triathlete Sarah Reinertsen, and snowboarder Sani Alibabic." – (adweek.com, 2018). This is a smart choice for the same reasons that it is for Adidas, as a sports brand sportspeople will echo the brand values and ethos of Nike. However, only sportspeople are used as celebrities (the other people in the video are not celebrities) compared to Adidas' advert which featured celebrities from other professions. Nike's mission, vision, and values are made very clear on their website with the quote "Bring inspiration and innovation to every athlete* in the world *if you have a body, you are an athlete." – (Nike.com, 2018). This statement clearly demonstrates the notion that Nike are

creating products designed for sports and activities and designed in a way to enhance your performance. The choice of celebrities in this recent 'Air' advert therefore echo this statement, and highlights a point of difference between Nike and Adidas. This difference being that Nike is focusing more on function to aid sport whilst Adidas is focusing somewhat on streetwear. Just like Adidas Nike has managed, over time, to establish an iconic logo: the swoosh tick, which has become synonymous with the brand. In this advert, the logo appears as the final shot, this further solidifies the logo which is an advantage for Nike.



Screenshot taken from YouTube

It is interesting to note that since creating collaborations with musicians in 2015, Adidas sales have risen massively and have even begun to take over Nike.



Graph created by YCharts, taken from seekingalpha.com, 2017.

Again, this graph does not show any data from this current year, but as Adidas has more collaborative collections scheduled for release this year it is a safe prediction that Adidas sales will continue on this incline. The data clearly shows a correlation between the beginning of Adidas' using of musicians for celebrity endorsement, and an increase in sales. This would suggest that the marketing tool is working for Adidas, and that the profit is outweighing the cost of putting this promotional material together and paying the fees to include celebrities. "Somewhere between Yeezy's collab, Pharrell's Superstar sneakers and Gosha Rubchinskiy's new designer tie-in, Adidas became the most important sportswear brand of the moment." – (Grazia, 2017). Nike, however, has also been using celebrity endorsements in their advertising so this begs the question: why is it working more for Adidas? One possible answer is that the difference comes down to the *type* of celebrity that is being featured. A clear distinction between the two is that Nike is only featuring celebrities that are known for being athletes or sports players, Adidas is branching out and using different celebrities. The average person is not an athlete, so it could be that the celebrities featured in the Adidas advert are more relatable and therefore easier to emulate. This links to the 'motivation' step of Bandura's Social Learning Theory. It seems this is a conscious decision Adidas' marketing team are making as shown in this quote from Arthur Hoeld, Adidas' senior vice president of global brand strategy: "We are open to influencers who are dominant in youth culture, which is why we have recent partnerships with Pharrell Williams, Kanye West, Rita Ora. They're ground breaking, not just for our industry, but how kids are looking at brands." – (GQ, 2017).

To conclude, I think celebrity endorsements have played a huge part in a movement that has been happening in the last five years: sportswear becoming streetwear. This is happening due to sportswear brands working closer with influencers in the fashion industry and creating products that are less about function and how they enhance activity and more about aesthetics. "From global brands to niche labels, sportswear is the uniform of the street" – (Global Blue, 2017). Nike has recently worked with model Karlie Kloss and designer Pedro Lourenco, but Adidas is thwarting them with collaborations with Stella McCartney, Jeremy Scott, and Yohji Yamamoto to name a few. They are also of course collaborating with celebrities which is capitalising on the height of celebrity culture in modern day. Dirk Schonberger, creative director of Adidas' sport style division is quoted: "I think what is great and intriguing about Adidas is the bandwidth of this brand, that it can go from high performance athletic wear to something that attracts the young lifestyle consumer." – (Business of Fashion, 2015). Adidas's sales are increasing and beating competitors because the brand is embracing this trend of sportswear being streetwear. They are creating points of difference between competitors by doing collaborations with many different designers and celebrities. Adidas are capitalising on all the benefits of using celebrity endorsements by using celebrities that are popular amongst youth and encapsulate the notion of wearing Adidas branded clothing as streetwear. They are therefore picking the correct, influential celebrities and reaping the benefits that celebrity endorsement can bring.

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