Horizontal construction: Research on the Proper sub-brand marketing benefit the main-brand

Leyi Chen¹, *· †, Wanni He² †, Yihan Huang³ †

¹Shekou International School, Shenzhen, 518000, China
²Ningbo University, Ningbo, 315211, China
³Changzhou Senior High School of Jiangsu Province, Changzhou, 213003, China

*Corresponding author: 24mc02@sis.org.cn
†These authors contributed equally.

Abstract: Nowadays, people’s life is permeated by the Internet. Internet development has been seized as a commercial opportunity by businesses. An increasing number of enterprises started to use the Internet to spread awareness. This is known as the network effect, and the products which became famous through this way are called internet celebrity products. It is believed that the Internet is providing and will be creating a huge business opportunity as it becomes ever more prevalent. Yeezy has masterly used exciting, word-of-mouth, and hunger marketing as a typical example of enterprises that have successfully generated network effects. Its marketing strategy is worthy of studying and valuable for reference. In the exploration, Yeezy’s marketing strategy will be studied. In order to discover its marketing limitations and the perspectives of the enterprise by its biggest potential consumer——Generation Z, the survey will be handled and analyzed.

Keywords: Sub-brand; Main-brand; Marketing; Horizontal construction.

1. Introduction

1.1 Research background

With the development of the Internet and social media platforms, some products will become popular because of being aware of by people. We call this kind of product an Internet celebrity product, such as Kendall Jenner’s brand Tequila 818 and Kylie Jenner’s Kylie Cosmetics. As long as companies make good use of the power of the Internet, Internet celebrity products can become a powerful marketing tool, which can help improve the competitive advantage of enterprises, increase brand awareness and brand recognition, and increase customer loyalty to the brand [1].

One essential way for brands to create a popular product is to co-brand with influencers. Co-branding is a marketing strategy that establishes partnerships with multiple brands on a single product or service. Its significance lies in combining the market strength and brand awareness of two or more brands and using the influence of different brands to drive customer consumption. Because co-branded products contain the personal opinions of celebrities on fashion, the product itself is a concrete embodiment of celebrity aesthetics; such products are more likely to stimulate consumers’ purchase behavior. At the same time, the brand has a cooperative relationship with celebrities, resulting in higher product prices, which forces consumers to pay a higher premium for these products [2]. Internet celebrities include not only ordinary people who become popular through major social media platforms, but also contain well-known designers, celebrities, and singers who are active on social media. Using the celebrity effect to open the market can turn influencers’ huge fan base into loyal brand customers. The strong stickiness and loyalty of fans can bring a steady stream of business income [3].

1.2 Literature review

According to the official definition on Google, Yeezy is a fashion collaboration created by the German sportswear company Adidas and the famous American rapper, designer, and entrepreneur Kanye West. This collaboration has been a great success since it was released. 500,000 dollars worth
of products were sold in 30 minutes when the shoes were first launched [4]. Several serious of products were sold out as soon as they were available.

According to data released by Wikipedia, in 2019, the turnover of Yeezy series sneakers reached 1.3 billion dollars. In 2020, the annual revenue climbed up to 1.7 billion dollars, netting Yeezy 191 million dollars in royalties. This thesis is based on the co-branding success of Yeezy [5]. This study aims to determine the influence of popular product marketing methods on consumers’ behavior. Why did Yeezy shoes sell out as soon as they were released? What’s the customer’s psychology behind this phenomenon? What determines the success of Yeezy? Studying these questions can help companies understand the marketing methods of internet celebrity products better and fully understand target consumer groups’ psychology and behavior.

1.3 Research gap

Most researchers focused on one of the marketing strategies Yeezy has successfully generated through the Internet——scarcity. According to The Psychology of Persuasion by Robert Cialdini, “people want more of those things they can have less of” [6]. Yeezy has masterly used consumer psychology that the scarcer an item is, the more aspired people want to have it. For instance, Yeezy released a new tinct with a semi-frozen yellow hue with red and grey highlights. The newly released sneaker is not a new model but still Yeezy Boost 350 V2. The price of the shoe is in the same range as other sneakers. However, the shoe is special because it was the most limited released Yeezy sneaker to date. Yeezy was excited about the new sneaker and created a buzz on the Internet. The hype reached its crescendo at ten in the morning when the sneakers were available for consumers to purchase. Within fifteen to thirty seconds, the shoe sold out [7]. Through case studies like this, researchers discovered Yeezy’s marketing strategy among scarcity and how the enterprise has successfully used network effects, including buzz words and hype, to spread awareness of the insufficient new products. On the other hand, most researchers neglected Kanye West’s celebrity effect on social media and the strength of co-branded products. This will be further discussed in further sections.

1.4 Research framework

The paper will be talking about how internet celebrity products became popular and the marketing strategies used behind them. The passage will first introduce marketing strategies, including celebrity and influencer effects, network effects, and advantages of co-branding brands and products. Using data and graphs, the case study of the cooperation between Kanye West and Yeezy will then be analyzed and discussed in the ways marketing strategies mentioned above are used. Also, it will be compared with another brand. Further, Yeezy’s marketing strategies will be evaluated, and Yeezy’s marketing suggestions will be put out. Finally, conclusions will be made about the article.

2. Method

Marketing methods are an important factor in determining whether a brand is successful. The study’s goal is to determine the influence of Internet celebrities marketing methods on consumers’ purchasing behavior. To delve deeper into the subject, four methods will be used: textual analysis method, survey method, case study, and comparative analysis.

2.1 Textual analysis method

Textual analysis is a broad term for various research methods used to describe, interpret, and understand texts. All kinds of information can be gleaned from a text – from its literal meaning to the subtext, symbolism, assumptions, and values it reveals. The methods used to conduct textual analysis depend on the field and the research aims. It often aims to connect the text to a broader social, political, cultural, or artistic context [8]. Through browsing websites, marketing methods of Internet celebrity products will be found. By reading papers and reports, the marketing method of internet celebrities affects consumers’ behavior, and consumer psychology will be discovered.
2.2 Survey method

The survey method gathers data by asking questions to people who are thought to have desired information. A formal list of questionnaires is prepared. Generally, a non-disguised approach is used. The respondents are asked questions on their demographic interest opinion [9]. 100 questionnaires will be handed out about what channels they mainly use to obtain commodity information and purchase commodities. By distributing and analyzing the questionnaire, consumers’ preferences will be summarized and concluded. It is useful for us to study the effects of marketing methods on consumers in the next step.

2.3 Case study

A case study is a detailed study of a specific subject, such as a person, group, place, event, organization, or phenomenon. Case studies are commonly used in social, educational, clinical, and business research [10]. The marketing strategies that Yeezy generated will be discovered. Yeezy is a successful example of an Internet celebrity. The principles behind its success will be explored.

3. Result

3.1 Current analysis

3.1.1 Internet celebrity product marketing

At present, the most common ways to create an internet celebrity product are:

1. Cooperate with influencers or celebrities and establish a partnership with them. This uses influencer marketing, which lets influencers spread the word through various social media platforms. Around 40% of people will buy relevant products after they see them on social media, according to the data given by Twitter and Annalect [11].

2. Enhance brand or product awareness through word-of-mouth marketing strategy on well-known social media platforms. Many brands will choose social media such as YouTube and Instagram to promote their products, mainly because these platforms have more users than other apps do. What’s more, some Internet celebrities are relatively more active on these social media platforms.

3. Create a brand story. When an unfamiliar brand appears in front of the public, an appealing story is needed to impress customers. Sellers need some differentiated highlights to attract customers and show their uniqueness.

4. Use the method of hunger marketing. Reducing the supply of products and adjusting the relationship between supply and demand makes people more likely to believe that the brand is popular once the supply is less than the demand. This may lead to people’s queuing behavior, which is undoubtedly conducive to brand image forming so that the product will become popular on the Internet [12].

3.1.2 Consumer behavior and psychology of Generation Z

According to a report released by McKinsey, in 2021, social media has already influenced 58% respondents’ purchasing decisions. Consumers claimed that the social media platforms that influenced their purchasing decisions are: Facebook (67%), YouTube (57%), and Instagram (52%). Mckinsey noted that many apparel retailers use TikTok to help their turnover grow. According to the data released by Bridgepearl.com in October, more than two-thirds of Gen Z shoppers plan to shop in a non-traditional way. The study found that Z Generation typically browses Facebook, WhatsApp, Instagram, YouTube, and live shopping on these apps [13]. Gen Z has been surrounded by various social media and diverse information from a very young age; people of this generation like to build their image by buying trendy items. They always want to keep up with the trend and hope to express their individuality with their outfits and accessories. Young people will use these platforms to search for inspiration, and they are more likely to follow the trend and buy products recommended on social media platforms by famous bloggers they follow.
Take the Asia-Pacific region, for example, and there are some latest consumer trends among Generation Z in the Asia Pacific.

1. Personalization

40% of youngsters tend to buy products from brands that are popular with their peers [14]. They prefer brands that can set them apart and highlight their individuality. In addition to the uniqueness of the brand image, Generation Z also expects brands to offer services and features that are personalized, customized, exclusive, and have limited-edition quality. Once the brand can align with the values and needs of Generation Z, they are more likely to become a long-term customer. Personalization is an expectation with generation Z [15].

2. Influence of Videos

Generation Z spends much time online. Their screen time can be as high as 6 hours or more per day; data shows that Gen Z is most affected by videos on social media. These videos can influence their brand awareness and product choices [16].

3.2 Results of the questionnaire

Questionnaires are released to investigate the conditions of Gen Z purchasing popular products and the psychology behind their buying behavior. Most of the respondents are Generation Z. When it comes to the question, “how do you get the information about Internet celebrity products”, more than half of the respondents chose the option “commended by blogger,” and nearly 30% of the respondents chose the option “advertising”. Regarding the frequency of their purchase behavior, nearly half of the respondents denoted that they never buy Internet celebrity products. More than half of the respondents said they would purchase a product once every three months. The factors that stimulate their buying behavior are shown in the pie chart below: affordable price (54.55%), new technology (48%), good appearance (30.3%), and people they know have bought it (27%), and good service (21.2%). As shown in Figure 1.

But when they were asked, “Do you often repurchase Internet celebrity products,” only about 20% of the respondents said they would buy these products again. Good quality was the main reason (71.43%), followed by low prices (42.86%), and several respondents chose the option “enable me to discuss with others about i” (also known as social currency). Also, the drawbacks of the internet celebrity marketing method are quite clear. The questionnaire also reflects that most people believe that advertisements about Internet celebrity products are over-descriptive. As shown in Figure 2.
Still, these advertisements have not caused general psychological disgust among customers. In the Yeezy section, the respondents learned about the brand through various channels such as friends’, recommendations by bloggers, advertisements, etc. As shown in Figure 3.

Nearly 80% of the respondents said that they would not buy Yeezy in the future. Only 18% of respondents have already purchased or will purchase its products. The main reasons for purchasing are comfort (50%), high popularity (50%), and good looks (16.67%), As shown in Figure 4. But at the same time, they think that Yeezy is expensive (39.39%), The price/performance ratio is not high (45.45%), and it is not so popular now (33.33%), As shown in Figure 5.
Judging from the results above, it is not difficult to find that Yeezy, as an Internet celebrity product popularized by Kanye West, is facing a difficult situation. The questionnaire shows that although people from the Z generation know this brand well, it does not stimulate their purchase behavior. The essential reason is this product is too expensive. In addition, it also reflects that many customers of the Z generation think Yeezy is not as popular as it used to be, which may also lead to the situation Yeezy is facing. Since youngsters like to follow the trend, this brand seems to have lost its appeal to the Z generation, undoubtedly a serious problem for Yeezy.

3.3 Yeezy’s marketing strategy

The two most important marketing methods of Yeezy are influencer marketing and hunger marketing. As a successful rapper and designer, Kanye West is well-known worldwide. He cooperated with Adidas’s well-known sports brand to create this “Yeezy” series of shoes. The news was posted on social media, and in a very short time, the youngster that always kept up with the trend became crazy about this brand. Kanye’s products are very popular among young people as an influential designer. Kanye is very aware of the power of hunger marketing, and he can make good use of the scarcity of products to stimulate customers buying behavior. When he and Adidas teamed up to launch the Yeezy boost 350, he only rolled out this series in limited quantities, and only thousands of pairs of shoes were available for sale. When these shoes were launched, they were sold out immediately. Kanye and his team created the scarcity of the product and ensured that the product remained popular [17].

3.4 Problem identification

On the other hand, since Yeezy has re-sailed lots of different tincts and the number of shoes is not as limited, consumers’ enthusiasm for buying Yeezy shoe decreases. Since the sale of Yeezy shoes was exclusive and limited, Yeezy gained loyal consumers who scrambled and collected every Yeezy tinct. However, since Yeezy has re-sailed and released the gargantuan number of each tinct, it doused consumers’ desire, which therefore decreases its consumer loyalty will suffice. According to Stockx, one of the biggest re-sale platforms, the price of Yeezy Boost 350 V2 Zebra was $1,536 as it was first released in 2017. However, as Yeezy re-published this tinct over time, its price dropped $349 on average at the end of 2020. The shoe price on re-sale platforms reflects the clients’ fading enthusiasm, which illustrates the recession of Yeezy shoes.
4. Discussions

4.1 Cooperating with well-known e-commerce companies

Cooperating with e-commerce apps would help Yeezy with spreading awareness. Well-known e-commerce companies possess stable consumers. For instance, Taobao is the biggest e-commerce platform in China, in which it will have 863 million annual active consumers by the end of 2021 [18]. By cooperating with e-commerce apps like Taobao, Yeezy will spread awareness and expand its market, which will help the enterprise attract new consumers. When people want to buy shoes, they will search keywords in the app. Because the number of consumers is so large in the app, there are more opportunities for a group of people who have never seen Yeezy to buy it. In addition, selling in the app can also provide a reliable way for consumers to buy it.

4.2 Using some unique techniques on shoes

Unique techniques can add a high value to the product. Yeezy already used a new material called boost to make its shoe sole. Other Adidas shoes that have the same material are also expensive. The minimum price of a pair of boost shoes is 190 dollars [19]. So, a unique technology on the shoes is quite attractive. Yeezy can try to invent more specific technologies to make the shoes comfortable. This is not only a good point that can be widely publicized but also increases the cost performance.

4.3 Inviting more famous people to advertise

Inviting more famous to advertise can brings many advantages. Firstly, it can enhance the reliability of Yeezy. Some famous people on social software will test it in all aspects. An expert suggestion can affect consumers’ behavior. Authority effects are very real because factors can compel obedience as much as a more formal authority [20]. Besides, having a celebrity endorsement can improve a business’ reputation. It is important to establish the corporate image because it needs to be accepted by the target group. Finally, there is a psychological phenomenon where people strive for consensus within a group [21]. So, finding more people to advertise to can also affect the consumers’ behavior.

4.4 Having collaboration oration with other famous brands

This market method can also attract more new consumers. Because the other brand also has many fans. The jointly signed is meaningful for two friends. Some people will collect this type of shoes. Air Jordan shoes are also a celebrity product. A normal type of AJ is 150 dollars [22]. However, AJ 2 was jointly signed with Off-White. The price of the shoes is 250 dollars [23]. In addition, the amount of shoes is limited, so the second-hand price is higher. From that case, the conclusion is that appropriate collaboration with other famous brands can increase sales and price.

4.5 Providing a service that consumers can let the shop wash Yeezy for free in one year

After-sales is an important part when people buy a thing. It will affect the consumers’ happiness of the whole purchasing experience. A good attitude toward after-sales can increase the probability that consumers buy the brand again or introduce the product to others. Offering this washing service can satisfy consumers’ needs. It can also increase the contact between the shops and consumers. Because when they need to wash their Yeezy, they need to come to the shop. Then they can see more products and buy some if they like them.

4.6 Using technology that consumers can try Yeezy on the Internet

China is a large market. But because of the COVID-19, many Chinese cannot go to the Adidas shop. So, they can only buy things on the Internet. It is difficult for them to see what the shoes look like in reality. They also do not know which color is more suitable for them. So Yeezy can provide a function that consumers can use the camera. It can identify feet and out the model of shoes. As a
result, consumers can see what they look like when they wear the shoes. It is a good way to improve consumers’ purchasing experience.

4.7 Punishing shops which sell the fake Yeezy

Many shops are now selling fake Yeezy. Some of these shoes are as real as the original ones. But its price is very low. So, a group of people will buy fake shoes. Piracies infringe on consumers’ and producers’ benefits. People who decide to buy the piracy will no longer buy the real one. Those who want to buy real ones may not identify which is real. Many people are deceived, and they use a high price to buy piracy. Yeezy producers can add more invisible signs on the shoes, so it can help people to identify whether it is a real or a fake. Shops that sell piracies also need to be punished severely.

5. Conclusion

In conclusion, the paper analyzed Yeezy’s marketing strategy and limitations. Possible solutions and suggestions for Yeezy’s marketing are given. By craftily using the Internet as an intermediate, enterprises successfully conducted a network effect and gained internet celebrity products. By contrapositing generation Z’s consumer psychology and behavior, it is suggested that they are the potential long-term consumer and targeted audience of the network effect. Moreover, Yeezy used exciting, word-of-mouth marketing, net-work effect, and hunger marketing. Yeezy generated these strategies well, but it is currently facing a difficult situation among the biggest potential clients—the Z generation. It is suggested from the questionnaire that although Yeezy is well-known by Generation Z, however, due to its high price and recession trend, generation Z is not likely to purchase Yeezy items. This is further reflected through the declining price of Yeezy shoes on re-sale websites. In contrast, this can be solved by cooperating with e-commerce platforms with abundant loyal consumers, inventing distinctive techniques used on the shoes, hype, and inventing more celebrities to advertise its products. Moreover, cooperating with other successful brands expands brand awareness, provides extra services, and punishes those who manufacture fake Yeezy shoes.

By analyzing the Z generation’s purchasing behaviors, it is suggested that the Z generation is the biggest potential client for many companies in the future due to its strong association with the Internet. This is valuable to be referenced by companies because recognizing the importance of network effect and potential clients helps enterprises expand their market. The article analyzed Yeezy’s marketing strategies and suggested possible improvements they could make, and all companies could reference this.

On the other hand, the number of participants who have done the questionnaire is limited, resulting in inaccurate results. To specify, there were only 30 questionnaires handed in and analyzed. 30 questionnaires are not enough for the investigators to analyze, and only part-of-view are analyzed. Participants are likely to be in the same age group due to the investigators’ similar ages. In this case, the investigators were only able to analyze a limited view of perspectives.

Additionally, due to the region in which all investigators live being big urban cities, they could not interpret perspectives from people who live in rural and suburban areas. This will cause a huge difference due to their different consumption concepts and abilities. Thus, the questionnaires are not comprehensive enough for the investigators to analyze.

References

[1] G.K.Grant, A Case Study of Brand Associations for Yeezy Brand, 2018


[12] L. Corbitt, How you can build a powerful influencer marketing strategy in 2022


[14] A. Insyirah, 5 ways to appeal to the Gen Z Market in Asia Pacific, 2021


[16] A. Insyirah, 5 ways to appeal to the Gen Z Market in Asia Pacific, 2021

[17] E. McCullough, T McKinnon, Kanye West’s Yeezy Strategy: How to Create a $1.5 billion brand, 2019


[22] Nike, 2022, https://www.nike.com/cn/w/jordan-shoes-37eefzy7ok