

# **Does Star Endorsement Work in China?**

## **A Case Study of Star Endorsed Basketball Sneakers**

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**ABSTRACT:** This research was conducted to investigate to what extent the fan-based economy is effective in China. Basketball sneakers, one of the commodities that are most frequently endorsed by celebrities in the field, was used as the center of the study. The research used a survey and received 547 valid responses using the online survey website wjx.cn. The behavior of the consumers was analyzed based on how long he or she plays or practices basketball each week. Based on the survey results, we concluded that factors such as brand preference, time dedicated to basketball, and people's weekly or monthly spending amount indeed have impacts on the tendency of buying celebrity endorsed sneakers.

**KEYWORDS:** star endorsement, fan-based economy, basketball sneakers, idol marketing

JEL classification codes: D, H, M, R

### **Introduction**

Basketball is one of the most popular sport around the world, and basketball sneakers are seen not only on basketball courts but also on the streets as casual wear. Some claim that they improve athletes' performance in competitions, while others take it mostly as a fashion statement. Started from Michael Jordan and his famous signature shoes, "Air Jordan," endorsing big shoe brands has become a major component of the stars' income. LeBron James, one of the greatest basketball players who has won 4 NBA MVP awards, 3 NBA champions and 3 finals MVPs, has signed a 90 million deal with Nike for 10 years, then prolonged it to a 600 million lifetime contract. There's no doubt that the star endorsed shoes are selling well on markets.

Recently, basketball has been gradually becoming the most popular sports in China and other countries in East and Southeast Asia, such as Philippines and Taiwan, especially among teens. The Chinese market has been valued by famous basketball players and organizations and NBA stars such as Steph Curry, James Harden, and Kevin Durant, for example, visit China every year to advertise their shoes and other affiliated products. While there, they interact with fans and play in commercial games. Other all-star players such as Klay Thompson, Kevin Garnett, and Dwayne Wade, have signed shoe contracts with Chinese sports companies such as Anta, Xtep and LiNing. They do have a lot for Chinese fans, but is star endorsement that effective? Is there a true correlation between the popularity of a player and the sale of their products?

This study used surveys to explore how effective star-endorsement is when it comes to a consumer's decision on buying basketball sneakers in China. There were three specific questions focused by this study.

- 1) How important is star endorsement compared to quality and look in influencing a consumer's purchasing decision?
- 2) Is the star endorsement more effective among younger consumers?
- 3) Does it have to do with the consumers' monthly spending amount?

### **Literature Review**

There have been several researches conducted on how celebrity endorsement influences the decision making of the customers. Walker, L. Langmeyer, and D. Langmeyer (1992) studied celebrity endorsement and its relationship with the quality of the product and concluded that the accordance of celebrity's field and that of the product he or she endorses weighs heavily on the success of the advertisement. That could have impacted how sports companies picked their star partners. For example, I have never seen something like Taylor Swift endorsing basketball sneakers.

Kim and Na (2007) found that the congruence between the consumer's familiarity of the concept and the product will have a proportional influence on the effect of the celebrity's

endorsement. My survey captured this idea and explored how frequent basketball players differ from infrequent ones in their purchasing behavior. Questions were also designed to gather information on their motivation behind their purchases. Kim and Na's study targeted the college students, who are mostly not financially independent consumers, and I avoided this defect in my research.

Dom et al. (2016) found that attractiveness, expertise, and trustworthiness are keys to the success of an endorsement, and people admire and desire products from the developed countries or countries that have expertise in this industry. Therefore, since the basketball level and sneaker technology of the United States no doubt supersedes other nations, and the NBA superstars will definitely be more influencing on shoe endorsement than the Chinese sneaker brands endorsed basketball players.

## **Methodology**

A survey of 10 questions was used to gather data on consumers' motivation and preferences when buying basketball sneakers. The first four questions are on general background, serving to get an insight of the responder's capability of making purchase decisions independently and how dedicated he or she is toward basketball. A balance of conciseness and efficiency was maintained when age and spending info were designed to be multiple-choice questions with ranges as choices. For example, the respondents were required to choose from different age groups, marked by real life events, such as graduating from high school, from college, from graduate school, and above. The third question, "how much time do you play basketball each week?" intends to tell whether the consumer bought the shoes mainly to play ball or just for casual wear. With different purpose wearing them, consumers would take factors such as price, appearance, quality, celebrity endorsement, and protection to feet into account with different degrees.

The second part is directly relevant to the perceived preference of their shoes, including which brand and what attributes matter most to which group of consumers. Responders were required to estimate to what extent they pay attention to each of the factors when weighing their purchasing options. These factors included price, quality, endurance, performance, advertisement, and most critical to this research, the star that endorsed the shoe. Then the question about their preference on Chinese versus foreign brand was asked in order to see if any potential bias existed.

The last four questions asked the number of endorsed and regular sneakers they possess, which kind they would wear to play basketball, whether people were really willing to use their favorite star's shoes on the court with the risk of attrition, and the price of the sneakers the respondent most recently purchased.

## **Results and Analysis**

I received 547 valid responses (449 male respondents and 98 female) and there are 46 invalid responses since these people own neither star endorsed sneakers nor regular basketball sneakers. To my surprise, consumers do not actually place superstar endorsement as the main driving factor when making purchase decision, as the average rating of "endorsed by a star" is only 4.56, whereas appearance, performance, quality, comfort and all have ratings higher than 7.28 (Table 1). However, after close examination, I found factors such as brand preference, time dedicated to basketball, and people's weekly or monthly spending amount indeed have impacts on the tendency of buying celebrity endorsed sneakers.

### *A. Brand Preference leans toward Foreign brands*

Regardless of playing time, a general trend was also found in the survey. First, Chinese consumers have a strong preference on shoes from foreign brands, such as Nike and Adidas. Among the 547 samples, 415 preferred foreign sneaker brands and only 132 samples have no preference or prefer Chinese shoe brands (Figure 1), which may be one underlying reason of fans buying more signature shoes than regular shoes, since most star endorsed shoes are sold from Nike and Adidas. Second, fans generally valued comfort and protection of the sneakers more than anything else, as comfort earning an 8.84 out of 10 rating (Table 1). Third, fans preferred regular shoes when they are actually playing on the court, but they actually own more endorsed sneakers (figures 3 & 4).

Table1. The factors considered by consumers when purchasing sneakers

Factors Considered	Factor Score (out of 10)
Comfort and protection to feet and ankles	8.84
Quality, endurance	8.34
Performance	7.55
Appearance	7.28
Price	6.51
Evaluation by experts	5.27
Endorsement by stars	4.56
Advertisement	3.24

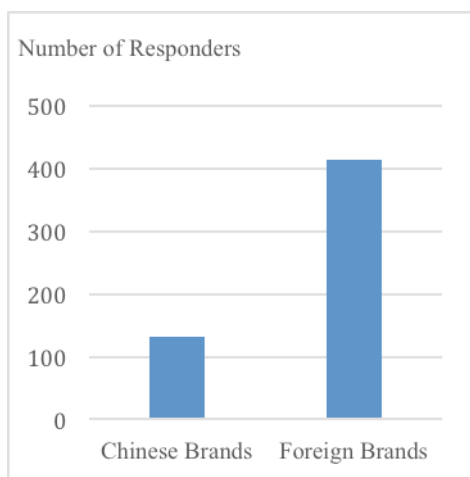


Figure 1. The factors considered by consumers when purchasing sneakers

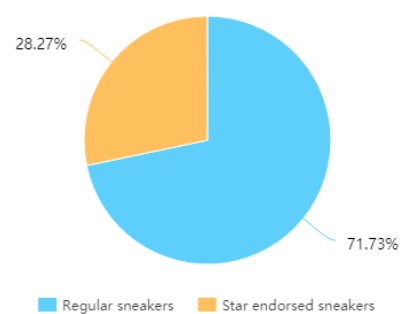


Figure 2. Type of sneakers worn when playing basketball

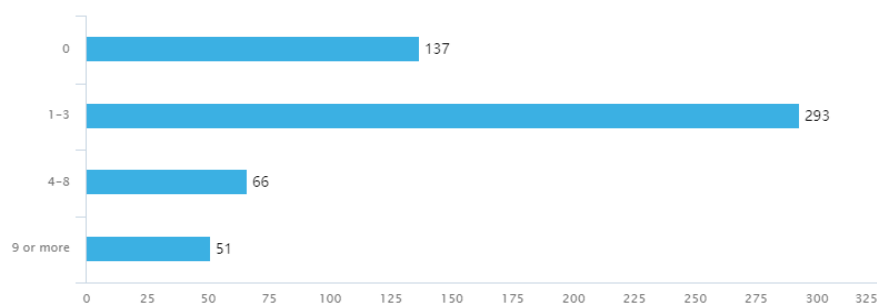


Figure 3. Number of star endorsement shoes owned by responders

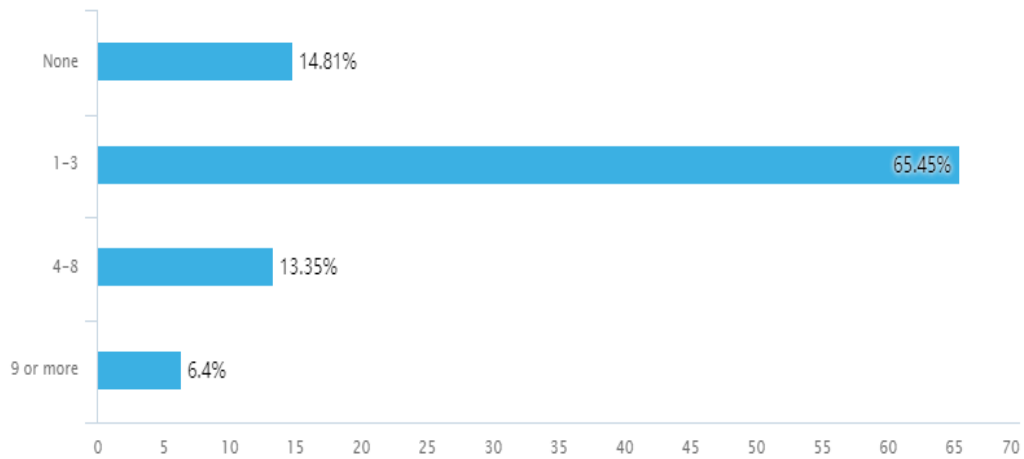


Figure 4. Number of regular (non-star endorsed) shoes owned by responders

*B. More Serious Players Wore Endorsed Shoes When Playing*

The sample in this range are usually semi-pro or pro basketball players. The result showed that the more time a consumer spend to play basketball each week, the more likely he will be to purchase celebrity endorsed shoes, and wear them on basketball courts (table 2). In particular, the players who play basketball over 12 hours each week tend to favor celebrity endorsed shoes, and as the their monthly expense increases, the more likely they are going to buy signature shoes. Quite interestingly, the people in this group that has low monthly expense tend to focus on quality and endurance rather than superstar effect when they choose which type of sneaker to purchase (graph 5), but more than often they are buying star endorsed sneakers. This phenomenon is intriguing because it indicates that the star-endorsed shoes tend to have better quality and utility than the regular shoes, which makes sense because it is likely that for the big shoe brands, putting their best technology on the bestselling shoes is plausible. Or the star endorsed sneakers engender a psychological effect that star endorsed means high-quality.

Table 2. Type of shoes to wear on the court for consumers who plays more hours

Type of Sneakers Worn at Play	# of Responders
Regular sneakers	3
Star endorsed sneakers	13

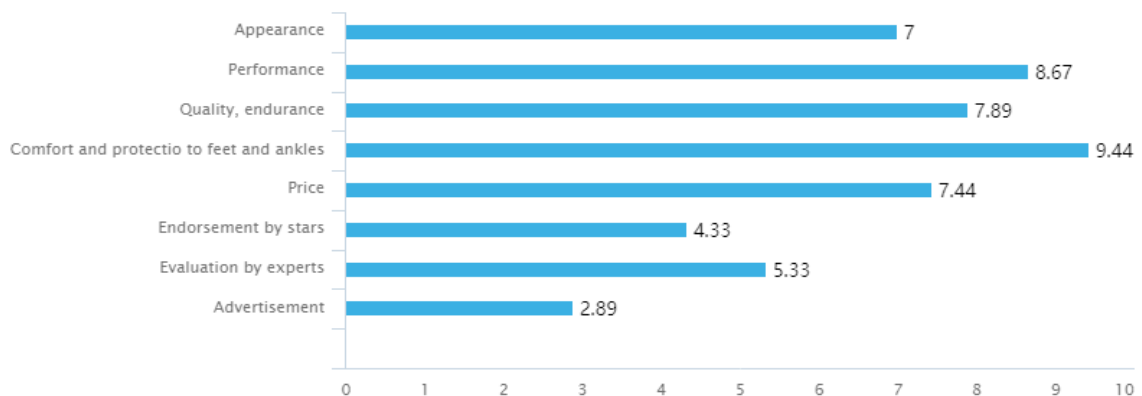


Figure 5. The rate of factor considered by serious players

*C. Amateur Players Wore Endorsed Sneakers for “Showing Off”*

This range is the typical Chinese amateur basketball players. They do not spend much on basketball sneakers, as most of them spend less than 3000 on shoes (table 3). For this group of people, star endorsement seems to bipolarize. 48 of 166 rated this factor 9-10, whereas 42 of 166 rates this factor below 2 (figure 6). It is understandable that some of the ballers like to show off on courts by wearing their idols’ shoes, whereas some of the fans values utility, evinced by their relative high demanding for the shoes to be comfortable and less demanding on the appearance of the sneaker (figure 7).

Table 3. The weekly spending level of consumers that play between 3 and 12 hours each week

¥ 3000 (\$440) or below	63	37.95%
¥ 3000-8000 (\$440-1170)	79	47.59%
¥ 8000-15000 (\$1171-2196)	16	9.64%
¥ 15000 (\$2196) or above	8	4.82%

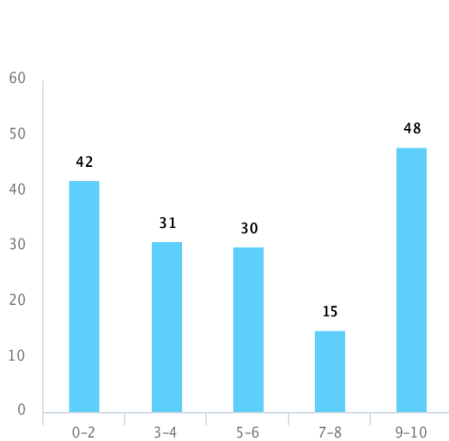


Figure 6. # of serious players who focus on endorsement by stars when purchasing

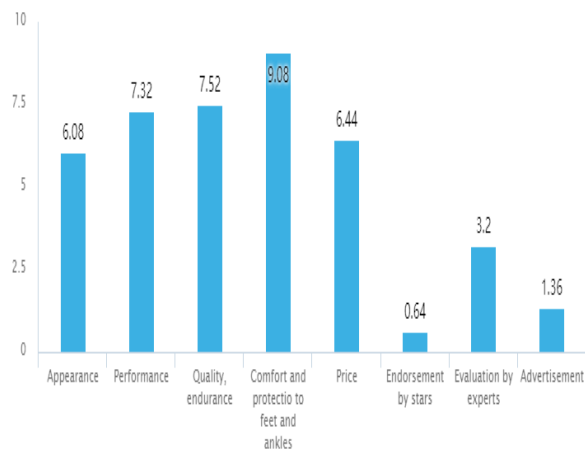


Figure 7. Factors considered by serious players when purchasing

*D. Fans Prefer Appearance over Performance*

These survey takers do not play basketball that much, so they will not tend to judge sneakers by their performance on courts, and the trend is obvious: they like to buy shoes with good appearance, as 301 out of 361 put a rate of 5 or above on appearance, giving it an average rate of 7.21. Moreover, some of these survey takers may not be that familiar with professional basketball stars, therefore they do not value star endorsement as a big factor, only giving it a rate of 4.09 (table 4), and 85.9% of them own less than 3 pairs of star endorsed shoes (figure 8).

Table 4. Factors influencing the fans

Factors	Score
Comfort and protection to feet and ankles	8.78
Quality, endurance	8.32
Appearance	7.21
Performance	7.18
Price	6.55
Evaluation by experts	5.06
Endorsement by stars	4.09
Advertisement	3.1

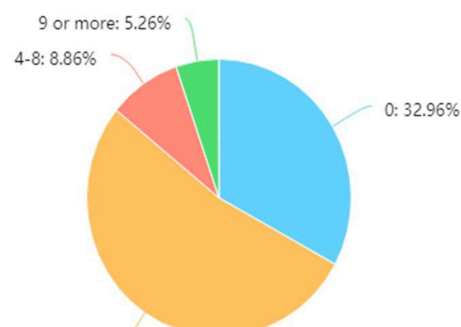


Figure 8. Star endorsed shoes owned by fans

## Conclusion

This study suggests that star endorsement has marketing potential in China, but responsiveness really differ by the fan's affiliation with the sport. The more easily influence by stars, vice versa. The more serious players wear for performance, while the lesser player fans use them as a fashion statement. It would make more sense for companies to tailor their messages by different target groups.

## Limitation

The questionnaire was sent and answered online, which may incur self-selection bias because of voluntary responses. However, the potential bias can be ignored because the number of responses was high and the purposed target was hit, who are mostly fans and players. Moreover, some of the questions were designed to be multiple choice questions, with choices being ranges, in order for the survey to be concise and easy to take, but a precise number was not able to be obtained, such as monthly spending, hours spend each week playing basketball, and number of sneakers of each type, for a closer analysis.

On the other hand, the data collected were mostly from the most prosperous cities in China, and the majority of the samples have better economic situation than that of the average Chinese citizens, so the result can only be applied to consumers living in big cities. That may influence the conclusion drawn on preference of Chinese and foreign brand. In addition, the Chinese market and economy is unique in different ways, such as influence by culture and ideology, so the conclusion drawn by this research will be hard to apply to other countries and economic systems, but it surely has some indications on the sports fan-based economy, such as the preference on foreign commodities on sports gears.

## Further Research

Further research can be conducted with face-to-face interview to acquire a direct and profound understanding on the psychological effect behind each type of consumer, and can go into areas with less advantaged economic situation. The questionnaire can also be sent in other countries and regions to distinguish the different consuming pattern of different areas in the world.

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