

How Different Digital Marketing Techniques Drive and Empower Sneakerhead Purchasing Behaviors: A Theoretical Literature Review

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ABSTRACT: Marketing to consumers has become an art that needs to be further studied, particularly in the sneaker industry. The sneaker product category has exploded in the last few years, forcing retailers to be creative when developing marketing strategies. Technology has allowed consumers to be in control, extending their connection with a particular brand. Consumers have become digitally enabled and can shop at any time and on any channel. For brands to be successful, they must be able to realign their business around the consumer rather than the brand. The use of technology is a competitive force that strengthens competitiveness by using social media as an outlet to reach specific market segments, in this case, the Sneakerhead segment. Consumers will be attracted to brands that treat them intelligently and know their preferences creating a seamless experience at the time of purchase. This literature review will explore different types of marketing, as well as collaborations between brands and celebrities, and how these strategies can influence purchasing behavior.

KEYWORDS: digital marketing, hunger marketing, live-stream marketing, influencer marketing, relationship marketing, parasocial interaction, metaverse, collaborations, consumption, Sneakerheads

Introduction

Marketers have faced new and emerging challenges and opportunities in reaching consumers through digital marketing. Digital marketing is the promotion of brands to connect with consumers using the internet and other forms of digital communication. Digital marketing encompasses the actions companies take to advertise, sell, and deliver a product or service using electronic media. Digital marketing casts a wide net to include mobile phones, social media marketing, display advertising, search engine marketing, content marketing, email marketing, pay-per-click (PPC) advertising, and many other forms of digital media (Yasmin et al. 2015). Digital marketing allows brands to reach their target audience and promote their products or services. It is not difficult to see the differences between traditional and digital marketing. Traditional marketing incorporates strategies such as print, broadcast, direct mail, and telephone; digital marketing uses digital technology such as the internet, smartphones, and other emerging devices. Popular forms of digital marketing include email campaigns, mobile phones, company websites, display advertising, and social media postings and advertising. While both forms of marketing have benefits, digital marketing includes a broader reach, getting real-time analytics of customers' purchases, including clicks, device access, and email views, reaching customers via phones, and focusing on a highly-targeted audience. How customers experience a brand is now taking place online.

Due to the rapid growth in the sneaker industry, it is crucial to adopt marketing strategies that will engage the consumer from the moment they become interested in a product to the moment they complete the purchase. Consumers are known for using different devices and channels to make

a purchase; hence brands must keep all channels open for consumers to interact with them. Effective marketing is about collecting data that gains insights into particular market segments. Because consumers are now in control, marketers must play by their rules when developing marketing strategies.

Digital Marketing Techniques

Hunger Marketing

Hunger marketing has been defined as a psychological strategy that increases a consumer's desire to purchase a product that is perceived to have an attractive price point. Companies are known to create imaginary shortages that restrict supply, hence playing into consumers' emotions, who then purchase the product. Regardless of whether the scarcity is real, low supply will grab a consumer's attention which can, in turn, increase the perceived value of a product. Perceived scarcity drives consumers to make emotional purchases; such purchases are sometimes made to enhance a consumer's status, wealth, and identity.

There are three known techniques used in hunger marketing. The first technique occurs when companies create scarcity by promoting a product as *limited stock*. Consumers believe that limited-stock products are popular and valuable, leading them to purchase them. The second technique will mark a product as a *limited-time* product, encouraging consumers to purchase out of fear of missing out. The last technique occurs when companies introduce "*special discounts*." Discounted pricing may cause consumers to spend more than usual; consumers see this as an opportunity to have a product few other people have.

Live Streaming Marketing

Limited research has shed light on how e-commerce live-streaming marketing influences impulsive purchase behavior. A study by Chen et al. (2021) used a framework of "marketing-involvement-impulsive purchase behavior" to investigate impulsive purchase behaviors based on live-streaming online shopping. The study sought to investigate how *e-commerce anchor attributes*, *perceived scarcity*, and *immersion* played a role in a consumer's purchase behavior. Chen et al. (2021) defined *e-commerce anchor attributes* as a marketing strategy in live streaming retail that displays products to consumers, provides guidance by sharing experiences based on consumption, uses real-time to answer consumer questions, and interacts with consumers. *Perceived scarcity* was defined as actions by companies that further influenced panic and impulse buying, and *immersion* was described as a sense of being deeply absorbed in a world where nothing else matters. This study used *involvement* as a variable that affects purchase decision-making; *product involvement* is defined as "the perceived relevance of the product based on a consumer's needs, values, and interests" (Zaichkowsky 1985, 32). Chen et al. (2021) found that perceived e-commerce anchor attributes, perceived scarcity, and immersion positively influences impulsive purchase behavior. These findings align with other studies that report on the relationship between e-commerce anchor attributes, scarcity, and impulse purchase behaviors.

Influencer Marketing

Still another method used by marketers is the use of Influencers. Chopra et al. (2020) conducted a qualitative study on how influencers drive consumer behavior. Influencers are described as individuals with a large number of followers on a social media platform. In this sense, an influencer can be anyone with product or service knowledge that can represent or recommend brands using social media platforms. Smart Insights (2017) defined influencer marketing as commanding a mass

following using social media while reaching an intended target audience and promoting a brand's message. Through influencers, marketers can connect with consumers who would typically avoid advertisements.

Endorsements are critical in building positive brand images of certain brands. Companies have noticed that influencers can forge product engagement and brand loyalty the same as celebrity endorsers but are not as costly. Chopra et al.'s (2020) study provided strategic marketing insights to reach target markets using the right influencer and message. The study revealed that consumers who are aware and informed could tell the difference between an endorsement and a genuine recommendation. The lesson for marketers in reaching marketing goals is to use the right influencer with brand knowledge who can take a brand story and achieve maximum conversions.

Zhu et al. (2021) studied how anchors' characteristics influenced a consumer's behavior intention. This study defined an anchor as a "kind of internet celebrity who relies on social media to become popular (Gerrath & Usrey 2020; Chen et al. 2021). The scales used in the study included the anchor's physical and social attractiveness and the anchor's professional ability. According to Zhu et al. (2021), an anchor has a high level of product knowledge and appeals to the consumer by establishing a social relationship which could then translate into purchasing conversations. Findings from this study confirmed that an anchor's physical and social attractiveness and professional ability indirectly influenced a consumer's intention to follow the anchor's recommendation.

Relationship Marketing

Research by Seonjeong et al. (2017) investigated types of customer relationships on customer interactions based on social media and *parasocial interactions* (PSI). This study focused on relationship marketing. Relationship marketing focuses on customer satisfaction based on receiving personalized services that enhance satisfaction, trust, and commitment. Grönroos (1994, p. 9) defined relationship marketing as "the process of identifying and establishing, maintaining, enhancing, and when necessary, terminating relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met, where this is done by a mutual giving and fulfillment of promises." Like many other marketing techniques, relationship marketing serves as a competitive advantage and a strategic resource for companies. This technique strengthens relationships through interactions between the customer and the service provider (Webster 1992). The PSI theory was used to explore the types of relationships that can be used in the context of social media that lead to brand-relevant responses and conversions. Lee et al. (2017) found that customers who use social media platforms are able to form lasting relationships with a brand or service as well as other customers. When companies use social media platforms to share customer interactions, hence relationships, they are building a strong competitive advantage.

The study by Seonjeong et al. (2017) also found a relationship between customers' relationships and their *parasocial interactions* (PSI). Three different relationships, between customer and service, between customer and brand, and between a customer and other customers, were found to be positively influenced when customers used social media. Such interactions are said to promote favorable brand evaluations.

Parasocial Interaction

Few studies have been conducted on the use of parasocial interaction (PSI) theory as it relates to consumer buying behavior. Labrecque's (2014) study sought to understand how traditional PSI could be used as a theoretical lens to design successful marketing and social media strategies. PSI is described as an illusionary experience where consumers interact with personas as if they were

present (Houlberg 1984; Levy 1979; Rubin, Perse, and Powell 1985). Traditional PSI is defined as a brand's success in developing a strong relationship with consumers and includes two message components, *perceived interactivity* and *openness in communication*. Labrecque's (2014) study examined how these message components could be transferred to online environments. Perceived interactivity is signaled through message cues indicating responsiveness and listening, whereas openness in communication is the consumer's self-disclosure signaled through message content. The findings of this study showed a significant effect of openness and interactivity on PSI. PSI was also found to increase loyalty intentions and willingness to provide information. Such findings highlight the value of message cues that signal interactivity and openness to communication leading to consumer-brand relationships.

Metaverse Marketing

Metaverse marketing is typically focused on Gen Z and Millennials but has the potential to reach a larger audience by engaging existing communities. Metaverse marketing allows for an emerging experience by creating a world specific to a product or service. This type of marketing focuses on creating an experience based on a brand and target audience. According to McKinsey (2022), investment in the metaverse surpassed \$120 billion in 2022 and is expected to reach \$5 trillion by 2030. A study by Gartner (2022) found that 25% of people are expected to spend at least one hour a day in the metaverse for work, education, shopping, social media, and entertainment in 2026. Such findings offer marketing opportunities for companies that want to reach unique audiences (Emeritus 2022). Metaverse marketing examples include companies such as Shopify using AR to create 3D models of a product, Nikeland by Nike on Roblox, which allows players to unlock new gear for avatars, and Zed Run, a blockchain horse-racing game that allows players to race, buy, and breed virtual horses.

These are a large number of digital marketing techniques used to reach consumer segments based on different factors. One specific consumer group of interest is Sneakerheads. Revenue for the Sneaker segment amounts to \$86.58 bn in 2023 and is expected to grow annually by 5.34% (CAGR 2034 – 2027) (Statista 2023).

Empowering Sneakerheads Through Collaborations

The Sneakerhead culture has been defined as individuals with a strong interest in collecting sneakers because of their rare and exclusive designs and history. Sneakerheads feel a sense of belonging in an inclusive community that is built on a mutual appreciation for sneakers and the history that surrounds them. Brands must be able to build strategies that will attract this market segment by appealing to the components of history, nostalgia, culture, identity, and customized interactions. Sneakerheads expect brands to provide a sense of community that will connect them to other like-minded consumers.

Several companies have appealed to the Sneakerhead community by forming relationships that strengthen both the Sneakerhead community and marketing campaigns. Companies such as Nike and Adidas have introduced innovative and modern marketing by building a timeless brand through storytelling and purpose to reach this unique audience. Nike and Adidas have been in a competitive rivalry for nearly 60 years in an attempt to dominate the \$310 bn global sporting goods market (Marketing Dive 2022). Such competitiveness is fueled by the relationship formed with athletes and celebrities to expand product lineups and embed themselves into consumer culture,

namely the Sneakerhead culture. Both brands understand that reaching such an audience requires more than selling a product and more of appealing to the feelings and identity of consumers and the value of sneakers. This rivalry has now taken on new terrain using digital marketing and metaverse channels.

In 2019, Adidas started a partnership with the e-commerce app Storr allowing consumers to open storefronts from their phones; this partnership also allowed consumers to become *social sellers* of Adidas products. This partnership gave Adidas social sellers early access to products and social events and a 6% commission from each sale. This strategy by Adidas opens the door to marketing by consumers where Sneakerheads thrive by giving advice to other sneakerheads (Fast Company 2019). In August 2019, Footlocker announced the "We live Sneakers" digital campaign in conjunction with Nike's "Evolution of the Swoosh" shoe and apparel collection. Such partnership and content were meant to resonate with die-hard sneaker fans. Footlocker's marketing strategy and goal were to connect with Sneakerheads in their sneaker-obsessed journey (Total Retail 2019).

In 2021, eBay and Playa Society collaborated to allow sneakerhead content creators and sellers to be featured across eBay channels. This collaboration began with a month-long initiative to launch female sneakerhead merchandise. Such a strategy sought to celebrate the prominence of women in the sneakerhead community. eBay recognizes that women are one of the most passionate segments of the sneakerhead community and plans to continue meeting the growing demand of this segment. Advertising, such as Vice-President Kamala Harris wearing sneakers on the cover of *Vogue*, is one example of empowering women in fashion (EBay Inc. 2021).

Brand marketing campaigns know that celebrities and sneakers share a strong relationship. This relationship and the strong sense of identity of the Sneakerhead community has propelled a number of sneaker/celebrity collaborations such as Nike Air Jordan 1, Adidas Yeezy Boost 350 v2 x Kanye West, Billie Eilish x Air Jordan 1KO and Air Jordan 15, Rihanna x PUMA, Pharell Williams x Adidas, Adidas Stan Smith, to name a few. Collaborations have dominated the sneaker culture for many years and will continue to evolve as more celebrities team up with brands to bring in the latest trends.

While collaborations empower and drive purchasing behavior, more must be done to reach this unique segment. For Sneakerheads, sneakers are part of their identity, especially for African-American men who grew up in the 70s and 80s. Marketers must be able to tap into a consumer group's passion and respect and celebrate this audience. Companies that tell stories and connect with a consumer group's passion will build a loyal following.

Sneaker Culture and Consumer Behavior

Digital marketing, e-commerce, and the Sneakerhead culture are all impacted by the Sneakerhead's passion for nostalgia and the history of sneakers. Research has shown that *nostalgia* is a distinguishing attribute shared by Sneakerheads. BYU Communications professor Scott Church (2022) attributes the strong Sneakerhead culture to successful collaborations between brands and celebrities, such as Nike and Michael Jordan. Scott (2022) describes sneakers as an example of power and identity of whom consumers want to be and how they want to present themselves.

Research by Cassidy (2018) found that sneaker companies are introducing more limited-release sneakers in order to charge higher prices and entice consumers to purchase what is perceived as a scarce product. Examples include the remastered Nike Air Jordan and Adidas and Kanye's Yeezy line, which have led to higher profits for both companies. Cassidy's research (2018)

found that consumers may be looking for products with limited supplies rather than focusing on the product itself. The author further states that for sneakers to become popular, they must sell out quickly to have a higher resale value. Cassidy (2018) cited research by Michael Lynn (1989) that explores the impact of unavailability on consumer preference, stating that perceived scarcity of a product leads consumers to assume exclusivity, followed by a desirability behavior. High demand scarcity is about consumer demand for popular sneakers creating hype or desire to purchase such a sneaker. In most instances, consumers cannot purchase the limited supply of shoes and opt to purchase more widely available models as an alternative. This strategy by large shoe companies allows for a *limited supply of exclusive sneakers* to maintain their aftermarket value.

Conspicuous Consumption

Conspicuous consumption is a term used to convey spending on luxuries to enhance a consumer's prestige or status. Conspicuous consumption occurs when consumers seek products associated with a particular celebrity, athlete, or unique group. Wu and Lee (2016) found that quality and product features are not the only factors determining conspicuous consumption; other factors include scarcity, popularity, and uniqueness, which also trigger spending. Branding has been found to play a role in conspicuous consumption. Brands carry certain connotations and values, enhancing a consumer's status. Based on prior research, Sneakerheads are inclined to make a purchase if the product is perceived as a limited product, limited availability, is tied to a celebrity athlete, or the product depicts them as having a higher social status (O'Cass & Frost 2002).

Discussion

There is much non-academic content related to the sneaker market, but very few academic articles concerning digital marketing and collaborations targeting a specific market segment. The marketing strategies presented in this paper are only a few of the many ways brands reach a target market segment to promote a product or service. Consumers browse, shop, work, and share content online, hence the importance of digital marketing and connecting brands and consumers. Digital marketing is also known to strengthen brand awareness. Regardless of the segment a brand is trying to reach; digital marketing is the most reliable way to introduce sneaker collaborations and limited-release sneakers. High-profile companies such as Nike and Adidas are well aware of how consumers respond to limited-stock and limited-time marketing, leading to conspicuous consumption. There is much more to learn regarding consumer behaviors of what is perceived as a scarce or exclusive product, especially in a highly competitive and dynamic sneaker industry.

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