

The Successful Strategy of Yeezy in Digital Marketing

Xinyuan Zhang

School of Visual Arts, NY 10010, USA

xzhang25@sva.edu

Keywords: Consumer purchase intention, e-commerce, Hunger marketing, Resale.

Abstract: Adidas Yeezy is a fashion collaborated brand founded by Kanye West and Adidas. It uses the power of hunger marketing to create an exclusive brand image and stimulate consumers' desire to buy. The purpose of this study was to explore the reasons why Yeezy can succeed with its digital marketing strategies. This paper further addressed consumer purchase intention and marketing mix modelling and explains how the 4Ps (product, price, place, promotion) affect consumer purchase intention, respectively. SWOT analysis was used to clearly state the brand's strengths, weaknesses, opportunities, and threats. This research concludes Yeezy's advantages in product quality and promotion and disadvantages in price; identifies its future possibilities in the global e-commerce marketplace. In addition, the paper gave opinions about the limitations of hunger marketing. The choice of celebrities to help promote the brand needs to be careful since this marketing strategy highly depends on the brand's reputation. Over implementation of the strategy may raise customers' expectations of the merchandise beyond their actual quality and lead to failure of brand loyalty.

1. Introduction

1.1 Background

In the 1980s, the hobby of sneaker collecting started to exist and was greatly influenced by the emergence of Michael Jordan and his Air Jordan shoes released in 1985. The boom of the Air Jordan shoes pushed forward the sneakerhead subculture in the United States [1]. Adidas Yeezy, a Fashion collaborated brand, made "athleisure" go high fashion [2]. The brand is founded by American rapper Kanye West and German sportswear Adidas, and its merchandise includes shoes, clothing, accessories for both men and women. The brand transcended the symbol of sneakers to become an icon of fashion and social status instead of athleticism [2].

Hunger marketing was greatly applied to Yeezy's promotional strategies by releasing limited stocks on various online shopping platforms. Besides building the sense of scarcity, social media plays a pivotal role in the construction and identification of sneaker value and influences the target audience's purchase decisions. Through social media, consumers are allowed to obtain the latest information and engage with community members. Celebrity endorsement was much included in Yeezy's brand promotion as Kanye recruited a group of celebrities and influencers posting products on Instagram to bring exposure for Yeezy.

1.2 Research Gap

Previous researchers indicated that how irrational consumer behavior existed in the sneaker market by Zhanxiang and how did social media affect consumer attitudes by Michael [3, 4]. However, Adidas Yeezy, a brand that brings innovative changes to the whole sneaker market, needs to be further studied. As there is little research emphasizing the digital marketing strategies of the specific brand Adidas Yeezy, to fill the knowledge gap, the research question has been raised: How did Yeezy succeed in its digital marketing strategies and lead to its prominent position among other sports brands?

1.3 Importance of Topic

With the phenomenon of Yeezy's success, the answer to what motivates consumers' purchase desire even when the merchandise shows scarcity should be further discussed. This paper aims to discover the reasons why Yeezy Adidas can take such a significant place in the sneaker market. How do consumers perceive sneakers under the influences of celebrity endorsement? To analyze what leads to consumers' irrational purchase behavior, this paper will discuss the relationship between the 4Ps factors (product, price, place, promotion) of Marketing Mix Theory and consumer purchase intention. In addition, several cases of Yeezy's digital marketing strategies will be mentioned to help explain how the brand itself establish to be one of the most coveted in the sneaker market with the power of social media and other online platforms.

2. Literature review

2.1 Consumer Purchase Intention

Consumer purchase intention is related to the consumer's attitudes concerning specific purchasing performance and the consumer's aspiration to purchase [5]. Substantially, it is the signal of purchasing performance of the consumer. Purchase intention is defined as a behavior for consumers to make decisions. It is used to study factors that drive consumers to buy a particular product or brand [6]. Morinez and others also made a definition of purchase intention: they summarized purchase intention as a situation where consumers tend to buy a certain product in a certain condition [7]. The intention may be affected due to either internal or external factors under different circumstances, such as price fluctuation or change in perception towards quality and value [5]. Several researchers have suggested six stages before consumption behavior: awareness, knowledge, interest, preference, persuasion and purchase [8, 9].

2.2 Marketing Mix Theory

To effectively and systematically learn what influences consumer purchase intention, researchers started to develop the marketing mix theory, which has multiple approaches as part of a comprehensive marketing plan. The development of the marketing mix theory started when Stackelberg proposed an early concept of marketing that was similar to the idea of the marketing mix. It is on account of inspiration of action parameters. Rasmussen then developed what came to be known as parametric theory and then later improved it as the parameter theory. He presented that the four core determining factors of sales and competition are price, quality, service and advertising [10]. After that, Mickwitz utilized this theory in the Product Life Cycle Concept [11]. Borden's original marketing mix had 12 elements: product planning, pricing, branding, channels of distribution, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact-finding and analysis [12]. McCarthy integrated the 12 elements presented by Borden into 4Ps by simplifying Borden's viewpoints and defining the marketing mix to be a mixture for marketing specialists to satisfy the target market. And then the most well-known and widely-accepted theory of the marketing mix was introduced by McGrathy, which refers to a common classification that began with the 4Ps as a means of switching marketing programs into marketing practice which are product, price, place, and promotion [13].

2.3 Product

Product is a key factor that affects consumer purchasing intention. Chi et al. summarized that consumer are more likely to buy products in good quality [14]. In other words, product quality has a positive impact on consumers purchase intention. In addition to the product quality, the packaging of the product is also a crucial factor that could potentially affect consumer purchasing intention [7]. In the research by Rahimniya et al., it showed that the visual and functional effects of packaging influenced the process of purchasing food by customers [15]. Khraim also stated that packaging has

a great influence on brand loyalty, and brand loyalty also directly links to consumer purchasing intention [16]. To a certain extent, customers think of purchasing little-known products and shoddy packaging as a high risk because quality of such products are not credible. Therefore, the quality and packaging of the product both have significant impact on consumer purchasing intention.

2.4 Price

Price influences consumer purchasing intention. Similar to the product packaging mentioned above, Khraim stated that price also creates influence on brand loyalty and thus influences consumer purchasing intention [16]. Pricing is the process of assigning a value to a good or service [17]. At the same time, price is the only element that generates revenue, so it's probably most critical. The intention of the customer to buy the product depends entirely on their perception of the price and how they define the actual price of the product instantly [8, 18]. In addition, it is crucial to identify customers' understanding of product price in terms of the marketing mix. In the short term, customers will prefer products that offer promotional prices. In the long run, price promotion can create brand loyalty and thus influence consumer purchasing behaviour [7]. Hermann et al. researched that the price of a product has a significant impact on consumer satisfaction [19]. All the studies show the price make a crucial impact on consumer purchasing intention.

2.5 Place

Distribution is often an overlooked factor in the marketing system, which reflects the process of the product from the manufacturer to consumers [20]. Companies typically use three distribution strategies to sell products: intensive, exclusive, and selective [21]. Intensive distribution strategy is often utilized for high-low price strategy mainly to get the product noticed everywhere. Exclusive distribution strategy is used in fewer sites to sell the limited brand. Selective distribution strategy is to sell the product outside the company where it is the middle way but with high connection.

2.6 Promotion

According to the research by Nabsyeh & Bostan, advertising can convey information and create the effect of influencing consumer behavior [22]. That is to say when customers observe the advertisement, which is a way of promotion, it is very likely that they will develop a good impression on the brand and the product, and thus affecting their purchase intention. Brand building also plays a crucial role in creating customer loyalty because it helps establish positive images for consumers. Loyal consumers are more likely to repurchase or make recommendations [23]. Therefore, customers' brand awareness may increase the likelihood of purchasing the product. Hernández also supported this argument by claiming that consumers' attitude towards brands significantly impacts their purchase intention [24]. Therefore, consumer purchasing intention is greatly affected by the promotion of the product.

3. Methodology

In this paper, the qualitative method will be used to analyze the research object, Yeezy. Meanwhile, SWOT analysis will help to achieve this goal as well. The reason for choosing SWOT analysis is that it is a visible way to understand the circumstance by identifying its strengths, weaknesses, opportunities and threats. This method helps the organization better determine its market positioning, future business planning, investment opportunity, etc.

3.1 Brand Review

When Yeezy first released the shoe model ("Boost 750") in February 2015, its production was limited to 9000 pairs and was sold out within ten minutes. Due to the introduction of the shoes, reports indicated that there was a 5% increase in sales of Adidas and its share of the more than \$1 billion secondary market jumping from 1% to 30% [25].

Not only did Yeezy successfully promote sales of Adidas, but it also boosted the resale market. Web servers crashed every time when each season of Yeezy launched, and the resale values of the shoes reached new record highs since they sold out in under an hour [26]. A loyal fan of Kanye West and his sneaker brand once paid \$10,999 for a pair of light brown Yeezy Boost 750, roughly the same price of an economy car. The surprising fact of spending \$10,999 on a pair of shoes was quite abnormal, especially when its retail price was only \$350 in 2015 [27]. Yeezy sneakers can be categorized as supply-scarce products, intentionally setting the release amount's limit to create a desirable and exclusive brand image [28]. The preference shown in sneakerheads towards supply-scarce products forced them to shop in resale platforms.

3.2 SWOT Analysis

1) Strength

Yeezy does a great job in its product and promotion in digital marketing. When customers shop online, it is usually challenging to determine the product quality and its fitness. Yeezy successfully eliminates customers' worries by paying attention to details on every pair of shoes and presenting premium quality. To compare the real products with their depiction on e-commerce platforms, the answer is that they are almost the same. Yeezy shoes are highly recognizable and suitable for all kinds of consumers with different fashion tastes. There are 3D models of Yeezy shoes on certain online shopping platforms that enable customers to try on with augmented reality. The introduction of the new technique helps customers to pick appropriate products that better suit their needs.

Without any labels, graphics, prints emphasized on the clothing, Yeezy still succeeds in building a remarkable identity by its distinctive design. The wide use of plain colours becomes a distinguishing feature to differentiate this brand from others. According to customers' reviews, comfortability is as outrageous as how Yeezy advertises.

Besides these, Yeezy has always been influential in branding itself with brilliant promotional strategies. Many brands use the scarcity principle as a promotional strategy to boost their sales successfully, and Yeezy does the best among them. This principle refers to that the rarer the product is, the more valuable people think it is [29]. It is barely impossible for consumers to purchase the shoes in store with the original release price. The limited supply of Yeezy shoes affected the perception of consumers towards them and made the products more desirable, thus stimulating the purchasing behaviour [30].

The use of celebrity for endorsements helps to promote via various platforms, which directly drives product sales. Kim Kardashian, as Kanye's wife with hundreds of millions of followers on Twitter and Instagram, has always been fully supported her husband's business. Kanye once recruited celebrity Paris Hilton and a few other social media stars dressing in the same outfit as Kim and recreated the paparazzi shots of her [31]. According to the fashion search platform Lyst, there was a 45% increase in search demand from this campaign compared to the week before [32]. Under the background of hunger marketing, the massive online promotion will push forward the brand's exclusivity. By using the popularity of these celebrities, Yeezy effectively influences consumers' purchase intention, including their fans. Since Yeezy's target audience is fashion-conscious millennials, social media platforms generate their purchasing awareness and offer a chance to build engagement and create emotional connections between celebrities and consumers.

2) Weakness

Price can be seen as a huge weakness for Adidas Yeezy. Due to its hunger marketing strategy, the price of several popular shoes has incredibly increased compared to the release price. Figure 1 shows that Yeezy 750's high price in the resale market. The premium price range confines Yeezy to only target limited customers who can afford the shoes. In this case, the purchase intention of low-income customers or whom in developing countries will be weakened.

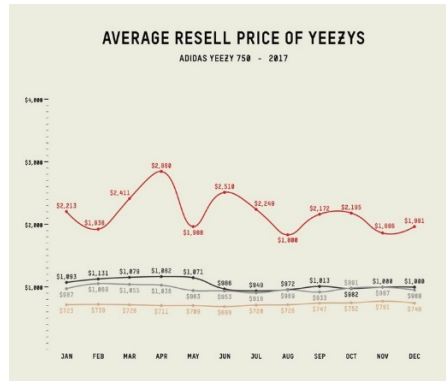


Fig. 1. Average Resell Price of Yeezys in 2017– Addidas Yeezy 750 [33].

Yeezy Supply, as the official shopping website of the brand. Trustpilot, a consumer review website, rated Yeezy Supply as “a bad e-commerce experience”. One out of five stars rating was given by customers, and that shows how dissatisfied they are. Hundreds of customers claimed that they never received their products after purchasing online, and customer service didn’t respond [34]. It can be implied that the supply chain shortage made Yeezy fail to keep up with customers’ demands.

3) Opportunitis

The global expansion of e-commerce platforms will offer Yeezy more opportunities, such as a larger target market. It means customers from other countries will bring a large number of potential profits. To help with the faster growth of e-commerce, both global and local sites should offer worldwide shipping. Thus, it will help to broaden the target market. The brand can also invite customers to customize their products to have more personalized options to buy. To better satisfy customers worldwide, the brand should have promotional activities catering to the local culture. For instance, if the brand wants to retain new customers in China, it should focus on elaborate advertising with Chinese New Year.

4) Threatens

The threats of expanding e-commerce platforms in a global marketplace can be considered from two aspects. Firstly, it will face increased competition and be hard to maintain customers’ loyalty. Yeezy needs to compete with all the domestic brands in other countries and also its main competitor Nike. When the brand enters other crowded marketplaces, it increases the difficulty to maintain its market share. Meanwhile, customers will have more choices of brands in the globalized market. They can easily find substitutes for similar products from other brands.

Secondly, with the globalized advancement of e-commerce, the authenticity of the product may not be ensured. Some fake shoe manufacturers noticed how hunger marketing attracts consumers, so they produced a large number of fake Yeezy shoes to satisfy their desire. Since there are too many platforms, shoes may vary from different places. The selling of fake shoes will cause damage to the brand image.

4. Result

In conclusion, Yeezy has advantages in premium quality and distinctive design of products sold online and brilliant promotional strategies. Scarcity, as the key impression of Yeezy shoes, stimulates customers to purchase and successfully boost Yeezy’s sales. To more precisely target millennial customers, Yeezy uses celebrity status and image to help promote the brand on social media channels. However, because of the hunger marketing, the high price of the shoes weakened the purchase intention of low-income customers. Expanding e-commerce in the global marketplace can give opportunities for a larger target market. When it comes to threats, Yeezy may face intense competition from both its original competitor and other domestic brands. In addition, the authenticity of the shoes may be worrying due to the increasing number of different e-commerce platforms. From these points, Yeezy will have increased difficulty maintaining market share.

5. Discussion

From what this paper discussed above; it can be drawn that digital hunger marketing can effectively enhance customers' desire to buy online. Yeezy fans are more likely to make emotional decisions rather than making rational ones. The brand succeeds in doing this by its good product quality and design, so as the literature review suggested the same. Brand building and advertising are as important as these factors, which help to have a positive impact on consumer purchasing intention. There is something to notice that price seems not to be the most crucial factor that Yeezy fans pay most attention to. The brand's target audience can be categorized as those who are less sensitive to price. Their intention to buy depends more on how they perceive the actual value of the products.

However, there are still some limitations for hunger marketing. On the one hand, the success of this strategy highly depends on the brand's reputation, especially when it operates with the use of celebrity endorsement. Due to the great influence of the Internet, celebrities' live status on digital platforms can easily affect consumers' attitudes. Considering West himself is a star, anything negative about his image might lead to brand harm and a decrease in sales. On the other hand, if this marketing strategy is over-implemented, customers will have excessive expectations towards the products [35]. Not to mention that constant limited stock may wear down customers' patience. Yeezy once received tons of complaints because customers were tired of the long waiting time for shoes bought online. In this case, customers may switch to another brand when they accumulate enough disappointment. Lastly, the brand needs to keep a balance of the product scarcity so that it can maintain customers' enthusiasm.

In August 2019, West restocked a massive amount of Yeezy 350 V2, which was extremely exclusive in the past [36]. Kanye's plan to get everyone to wear Yeezy shoes was carried out successfully. From this, the price of Yeezy shoes dropped significantly in the resale market. Although the shoes had sufficient stock and were attainable to many people, this action certainly made the brand less desirable.

6. Conclusion

The main purpose of this paper is to study the factors affecting on Yeezy consumers' purchase intention, mainly from the perspective of its digital marketing. This paper examined the 4Ps (product, price, place, promotion) to discussed about the success of Yeezy. The limitation of this paper is that it doesn't discuss about the recent performance of Yeezy. As the background of this paper suggested, Yeezy won big popularity when it released its first shoes in 2015. However, customers are now becoming more rational when purchasing Yeezy shoes compared with those in the past few years. There is more to discuss concerning the future performance of Yeezy. When customers are tired of hunger marketing, Yeezy should seek to find out some other ways that can help retain old customers. Hunger marketing is a commonly used strategy in brand promotion and can be implemented for many situations. In that case, researchers can observe and research on other brands using similar strategy and do the comparative study to analyze. Further study should focus on how other brands manage to maintain a more stable relationship with consumers. The whole paper mainly focuses on Yeezy's major target customers, who are millennials. Therefore, in the future, Yeezy can try to shift its focus to Generation Z because their frequent usage of social media.

The importance of this paper is to study how Yeezy became one of the most popular fashion brands in recent years. Supported by the statistics above, Yeezy managed to use its innovative way to attract the attention of the crowd and gain huge profits from it. In conclusion, Yeezy is a symbolic case representing not only the success of hunger marketing but also the purchasing pattern of young generation.

References

[1] Skidmore, Sarah. "Sneakerheads love to show off shoes". The Washington Post (15 January 2007). Retrieved 2008-01-19.

- [2] Hine, Samuel. "Athleisure Has Finally Gone High Fashion". *GQ*. Retrieved 1 Oct 2021.
- [3] Zhenxiang, G. U. A. N. "Irrational Consumer Behaviors in the Sneaker Market." *Management Science and Engineering* 14.1 (2020): 49-52.
- [4] Pütter, Michael. "The impact of social media on consumer buying intention." *Marketing* 3.1 (2017): 7-13.
- [5] Gogoi, b. Study of antecedents of purchase intention and its effect on brand loyalty of private label brand of apparel, *International Journal of Sales & Marketing*, Vol. 3, Issue 2, Jun 2013, 73-86
- [6] Shah, H., Aziz, A., Jaffari, A. R., Waris, S., Ejaz, W., Fatima, M. and Sherazi., K. The Impact of Brands on Consumer Purchase Intentions, *Asian Journal of Business Management* 4.2 (2012): 105-110.
- [7] Mirabi, Vahidreza, Hamid Akbariyeh, and Hamid Tahmasebifard. "A study of factors affecting on customers purchase intention." *Journal of Multidisciplinary Engineering Science and Technology (JMEST)* 2.1 (2015).
- [8] Kotler P. & Armstrong G. "Principles of Marketing", New Jersey: Pearson Prentice Hall. (2010)
- [9] Kawa, L. W., Rahmadiani, S. F. & Kumar, S. Factors Affecting Consumer Decision-Making: A Survey of Young-Adults on Imported Cosmetics in Jabodetabek, Indonesia, *The SIJ Transactions on Industrial, Financial & Business Management (IFBM)*, Vol. 1, No. 5, November-December 2013
- [10] Rasmussen, A. Pristeori Eller Parameter-teori - Studier Omkring Virksomhedens Afsætning (Price Theory or Parameter Theory - Studies of the Sales of the Firm. Denmark: Erhvervsøkonomisk Forlag (1955).
- [11] Mickwitz, G. *Marketing and Competition*. Finland: Societas Scientarium Fennica, Helsingfors (1959).
- [12] Borden, N. H. The concept of the marketing mix. In Schwartz, G. (Ed), *Science in marketing*. New York: John Wiley & Sons (1965), 386-397.
- [13] Goi, Chai Lee. "A review of marketing mix: 4Ps or more." *International journal of marketing studies* 1.1 (2009): 2-15.
- [14] Chi, H. K., Yeh, H. R., Huang, M. W. The Influences of Advertising Endorser, Brand Image, Brand Equity, Price Promotion, on Purchase Intention- The Mediating Effect of Advertising Endorser, Retrieved December 5, 2011 J. Williams, "Narrow-band analyzer," Ph.D. dissertation, Dept. Elect. Eng., Harvard Univ., Cambridge, MA, 1993.
- [15] Rahimniya, F., Alavi, S.M & Najafi Siyahrudi, M. Studying the effects of visual and functional aspects of packaging on the purchase of foods with customers' ecology variable as moderator, *business management*, 4.3 (2012): 65-82.
- [16] Khraim, H.S. The Influence of Brand Loyalty on Cosmetics Buying Behavior of UAE Female Consumers, *International Journal of Marketing Studies*, 3.2: 123-133
- [17] Riggs, T. *Everyday finance: Economics, personal money management, and entrepreneurship*. Vol. 2 (2008)
- [18] Keller, K. L. *Strategic Brand Management. Building, Measuring, and Managing Brand Equity*. 3 Ed., New Jersey. Pearson Education International (2008)
- [19] Herrmann, A., Xia, L., Monroe, K. B. & Huber, F. The influence of price fairness on customer satisfaction: an empirical test in the context of automobile purchases. *Journal of Product & Brand Management* 16 (2007): 49-58.
- [20] Majumdar, R. *Marketing Strategies*, New Delhi: Allied publishers (2016)

- [21] Mena, C., Bournlakis, M., Ishfaq, R., Defee, C. C., Gibson, B. J., & Raja, U. Realignment of the physical distribution process in omni-channel fulfillment. *International Journal of Physical Distribution & Logistics Management* (2016)
- [22] Kurdsholi, H. R., Bozjani, A.Y. Studying the effects of green marketing mix on the green purchase decision of consumers (A case study of Peghah Dairy products in Shiraz), *academic-research quarterly of new marketing research*, 2.1 (2012)
- [23] Erics, A., Unal, S., Candan. The effect of brand satisfaction, trust and brand commitment on loyalty and repurchase intentions, *social and behavioral sciences* 58(2012) 1395 – 1404.
- [24] Hernández, A. and Küster, I. Brand impact on purchasing intention. An approach in virtual social networks channels, *Economics and Business Letters*, 1(2),1-9, 2012
- [25] Germano, Sara. “Adidas Bets on Expanded Partnership with Kanye West.” *The Wall Street Journal*, Dow Jones & Company, 29 June 2016
- [26] Lee, Andrea, et al. “How Kanye West's Yeezy Boost 350S Sold out in 12 Minutes.” *Word-of-Mouth and Referral Marketing Blog*, 25 June 2020, www.referralcandy.com/blog/yeezy-boost-marketing-strategy/. Oct 5, 2021
- [27] Verry, Peter. “How Kanye West's Yeezy Has Boosted the Resale Market.” *Footwear News*, Footwear News, 6 Apr. 2016, footwearnews.com/2016/influencers/collaborations/kanye-west-adidas-yeezy-boost-sneakers-resale-ebay-208959/. Oct 7, 2021
- [28] Cassidy, Nicholas George. The effect of scarcity types on consumer preference in the high-end sneaker market. Diss. Appalachian State University, 2018.
- [29] Bernazzani, Sophia. “The Scarcity Principle: How 7 Brands Created High Demand [Research].” *HubSpot Blog*, 1 July 2021, blog.hubspot.com/marketing/the-scarcity-principle. Oct 15, 2021
- [30] Nora. “How Does Hunger Marketing Strategy Go into Your Head?” *Medium*, 15 Oct. 2019, medium.com/@tripleynora/https-medium-com-tripleynora-how-does-hunger-marketing-strategy-go-into-your-head-a56b4ac4c5ac. Oct 17, 2021
- [31] Munzenrieder, Kyle. “Paris Hilton Does Kim Kardashian Drag for Yeezy Season 6 Campaign.” *W Magazine*, W Magazine, 31 Jan. 2018
- [32] Hanbury, Mary. “Kanye West's Secret to Building a Footwear Empire to Compete with Nike.” *Business Insider*, 26 Apr. 2018, www.businessinsider.com/how-kanye-west-made-yeezy-brand-a-success-2018-4. Oct 18, 2021
- [33] Danforth, Words by Chris, and Chris DanforthFeatures Editor. “Adidas Yeezy Resell Price Guide: 2016 to 2018.” *Highsnobiety*, 10 Apr. 2019, www.highsnobiety.com/p/yeezy-resell-price-guide/. Oct 18, 2021
- [34] Ofiaza, Words by Renz, and Renz OfiazaStaff Writer. “Yeezy Supply Customers Are Saying They're Getting Ripped Off.” *Highsnobiety*, 14 Mar. 2019, www.highsnobiety.com/p/yeezy-supply-customers-ripped-off-trustpilot/. Oct 18, 2021
- [35] *Hunger Marketing (Others-Community)*, titanwolf.org/Network/Articles/Article?AID=b1bf6767-7ab6-4e5c-9e57-aed9953096cb. Oct 21, 2021
- [36] Servantes, Ian. “How Kanye's Lusted-after Yeezy 350 V2 Lost Its Hype.” *Input*, Input, 21 Feb. 2020, www.inputmag.com/style/kanye-has-lost-control-of-the-yeezy-350-v2. Oct 21, 2021