

The Impact of Brand Spokesperson Selection Decisions on the Sales of Necessities Companies

—In the Fan Economy of China

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Abstract: The fan economy is a business model that is widely used in China. This study aimed to examine the impact of the fan economy as a business model in China on the decision of companies to choose their brand spokesperson. Therefore, this study selected one city in the south and one in the north of China and sampled them separately. A total of 120 people of all ages from all walks of life were selected for the questionnaire survey, and ten of them were also interviewed. Based on the data statistics and interviews, significant differences were found in the effects of both consumer income and consumer gender on the study results. The group with stable income cares more about the consumer experience and will use their own experience as a prerequisite for purchase, while the student group will tend to use the spokesperson as a reference for selection; women care more about the celebrity status of the brand spokesperson, while men show less care than women. While a larger study sample is needed to determine if there are other influencing factors in the study, the results suggest that consumer income status and gender are factors that should be considered when influencing the selection of spokespeople for essential goods brands.

Keywords: spokesperson, fan economy, necessities companies

1. Introduction

With the expansion of the media and entertainment industry, the economic relationship between fans and celebrities and their associated brands is becoming inextricably linked. Nowadays, fan economy has become one of the factors that brand leaders cannot ignore when making decisions. According to relevant data, in 2022, a Chinese actress named Tao Liu had an endorsement index of 97.28, and the number of brands she endorsed was as high as 57. There is extensive literature on the issue of the celebrity effect and the benefits of the fan economy for brands in China. However, there is a lack of criteria for the selection of endorsers and the selection criteria, and there is no in-depth research on the selection of endorsers for essential brands. The common advertising strategy of selecting spokespeople has been developed by companies for more than thirty years, but there are no clear criteria for the specific selection specifications of spokespeople. This paper is based on the psychology of consumers in choosing brands, combining research on related literature and the results of questionnaires and interviews with consumers in two cities in North and South China. This paper provides a

reference for the conditions that necessity brands should consider when choosing celebrities as spokespersons.

2. Literature Review

2.1. China's Fan Economy

The Fan Economy refers to a business model that brings celebrities into the public vision, often in the form of meeting the needs of their fans. Today, this business model has become a powerful economic force that has a significant global reach and can drive the development of various industries [1]. Yang and Shim mention that the Fan Economy uses the emotions between celebrities and their fans to support the economic generation [2].

Fans (i.e., the majority of consumers in a fan economy) are the starting and ending point for spokesperson selection decisions, and this group directly determines the extent to which the brand contributes to the interests of the company [3]. In the common perception, fans can be divided into three categories: passerby fans, basic fans, and avid fans.

The success of Xiaomi cell phones is a classic example of a company that has developed a "fan-centric" social media business model using a strong social media presence [4].

2.2. Necessity of Life

The study of what constitutes a 'necessity of life' has been around for a long time, even as far back as 1983. After extensive research, the study found that people could reach a consensus on the necessities of life across classes [5]. But gender differences are a key point that cannot be ignored. It can be easily observed that advertisements for household products, such as laundry detergent and floor polish, are usually presented from a feminine perspective and have a more feminine style compared to other products.

With the economic development of society, the definition of 'necessities of life' is no longer limited to the distinction between rich and poor but has developed into a pursuit of a better life. The range of necessities is gradually expanding from the basic material aspects of food and clothing to items that can influence people on a spiritual level, such as smartphones. Basic necessities and mobile phones are becoming increasingly related because people's daily lives are basically all through their smartphones, for example through takeaways and online shopping [6].

2.3. Brand Spokesperson

Zou. et al. point out that an advocate is someone who disseminates information for a business, either for profit or for non-profit purposes [3].

It is quite common for companies to choose a brand spokesperson as an advertising strategy, who can act as a vehicle for the brand and more visually present the product to the consumer. The act of choosing a spokesperson for an advertisement is an empirically validated traditional view [7]. Misra and Beatty have found through their research that when brands and spokespersons are matched, it has a positive effect on the impact of the brand and the sales of the product [7].

Since 2015, 'celebrity endorsements have become a trend among companies, especially in China [8], where around 70% of advertisements choose celebrities as spokespersons for their brands [9].

2.4. The Relationship Between Consumers and Spokesperson

Consumer evaluation of brand endorsers develops in three ways: attractiveness, reliability, and professionalism [3]. In the context of the fan economy, attractiveness becomes particularly important. Zou. et al. also mentioned that consumer goodwill towards a particular spokesperson extends from

the spokesperson himself (or herself) to the goods associated with him (or her) [3]. However, this attractiveness could be influenced by factors such as time, the image of the spokesperson, and changes in reputation.

3. Methodology

The study was conducted by distributing a questionnaire combined with qualitative and quantitative analysis. A questionnaire (see Appendix 1) was developed with the technical support of the website “Wenjuanxing” with 106 participants and was distributed through the Chinese social media platforms “Xiaohongshu”, “Weibo” and “WeChat”, and a total of 106 valid data were collected. The data collected was used to calculate and compare the proportion of relevant options selected by the respondents to draw some useful conclusions. The study was divided into three sections depending on the subject matter: research on fan economy, brand spokesperson, and consumer psychology.

3.1. Research on Fan Economy

This part of the study was carried out by reading the literature and analyzing the data. By reading the literature on the background and development of the fan economy, the actual economic benefits and hidden benefits of fans' purchasing power to brand products are summarized and future trends are speculated. In the case of OPPO phones, for example, the brand's market share grew from 2.2% in 2015 to 5.5% in 2016, a 153.3% change in one year. Rowlan Tkaya has shown that this is due to the public and more people being interested in this brand [10]. By comparing the sales of similar products without celebrity endorsement over the past years, the impact of celebrity endorsement on product sales in a fan economy can be seen more clearly.

To facilitate the understanding of fan purchase dynamics in the fan economy, this study also made an understanding aid by looking at the content of fan comments on product purchase pages and information on spokesperson homepages.

3.2. Brand Spokesperson

This part of the study is based on reading the literature. Read about the brand spokesperson from the literature and analyze the profits and drawbacks that brand spokesperson brings to companies. This leads to an inference of the risks that the decision to choose a brand spokesperson may entail for the company.

The use of celebrities as spokespersons is one of the major strategies of brand marketing. Consumers create mutual associations between the brand and the spokesperson, which have different positive promotion effects for all three parties. A positive brand image will attract consumers' attention and bring good benefits to the brand; on the contrary, it will bring risks to the brand. Therefore, there is a direct relationship between the brand image and the image of the celebrities themselves. Consumer interest is influenced by the level of brand image, and a good brand image will make consumers want to buy the product again [10].

3.3. Consumer Psychology

The study population was divided according to age group into three groups: students who are not financially independent, young people who have just entered society and have formal jobs, and working people who are fully financially independent. According to the questionnaire study, a total of 82 of the respondents belonged to the student group, 22 were newcomers to society and 2 were fully financially independent.

Among the 106 valid survey results, 74 people, or 69.81% of the total, said they were “comfortable” with the growing number of celebrities as spokespersons for necessities products. There were 60 people under the age of 23, of which women accounted for 86.67 (52 people) of the total number, more than 13.33% (8 people) of men.

Moreover, the study calculated the difference in the distribution of subjects between the north and the south, with 17 of the 38 respondents in the north preferring to buy necessities products with a celebrity spokesperson (44.74% of the total number of respondents in the north in this survey), while for 68 respondents in the south, 26 of them in the south preferred to buy such products (68.42% of the total number of respondents in the south in this survey).

This approach provides insight into the consumer psychology of different age groups and can help companies optimize their spokesperson selection strategy. For the research to go deeper, extending from the superficial study of consumer behavior to the study of consumer psychology, thus finding the root of the research problem.

The study has been conducted using different methods in the above three sections, with a focus on the data statistics and questionnaire sections. This study analyses this part of the data categorizes it and summarises the results regarding the extent to which the choice of a company's brand spokesperson affects lifestyle products.

4. Results

4.1. Fans Bring a Strong Purchasing Power

A review of the literature shows that Chinese fan groups have clear hierarchies and tend to have certain rules and leaders within them (called "big fans") for organizing purchases and other economic behaviors that can increase the economic value of celebrities. The data show that, for the same cell phone products, those products that are endorsed by more youthful celebrities sell more in the same time frame than those products that do not have a spokesperson. (For example, sales of Vivo phones, known for their celebrity endorsements, increased year by year from 2016 to 2018, while sales of Xiaomi phones trended slightly downward). So Xiaomi phones developed a business model centered on fan demand.

4.2. The Necessity of Emphasizing the Personal Social Image of Brand Spokespersons

A study of the relevant literature led to the following conclusions: first, the criteria for selecting a brand spokesperson should be the ability to positively promote the company's message; second, nearly 70% of brands choose to use brand spokespersons as an advertising strategy, proving its economic value. The data shows that the emotional tendency of Internet users (i.e. consumer groups) is related to the search volume of keywords with high popularity in the search list. (Research on the Dissemination Process of Hot Words — Focus on the Connection between Netizens' Emotions and the Search Volume of Hot Words, 2021)

4.3. The Impact of the Target Consumers' Differences

The first finding of this study was obtained by comparing the overall data in terms of age and gender (see Table 1). Among the 106 celebrities, the majority (82 people) were students, and 60 of them (57% of the total number of students) expressed a positive attitude toward the phenomenon of "celebrity endorsement of necessities". Therefore, this marketing strategy is more likely to be promoted and have a positive effect on brands whose main audience is the student population.

Table 1: The results of choosing celebrities as spokespersons on the purchase impact of each group of people.

Heading level	Example	Value	Willing to buy	Percent-ages	Not willing to buy	Percent-ages
Age/income situation	under 23	82	60	57%	25	24%
	24-44	22	11	10%	6	6%
	over 45	2	2	2%	0	0%
Total		106	73		31	
Gender	male	15	13	12%	2	1.9%
	female	91	60	57%	31	29%

The second finding was again tested through percentage data analysis, where the control variable “willing to buy” remained unchanged, with "age/income status" as the dependent variable, and was statistically summarized (see Table 2). The results prove that among subjects “under 23” (student group), women were more positive in their willingness to purchase than men (86.67% > 13.33%). However, the difference was also reflected in the geographical aspect.

Table 2. The gender ratio of those who chose "Willing to buy".

		Gender				
		male	Percentages	female	Percentages	Total
Age/income situation	under 23	8	13.33%	52	86.67%	60
	24-44	4	36.36%	7	63.64%	11
	over.45	1	50.00%	1	50.00%	2
Total		13	17.81%	60	82.19%	73

The final findings were made by comparing data on respondents' buying attitudes, which were successively studied by controlling variables for the urban location from which the respondents came (see figure 1 and figure 2), and found that people in southern China were more receptive to celebrity-endorsed necessities (68.42% > 44.77%).

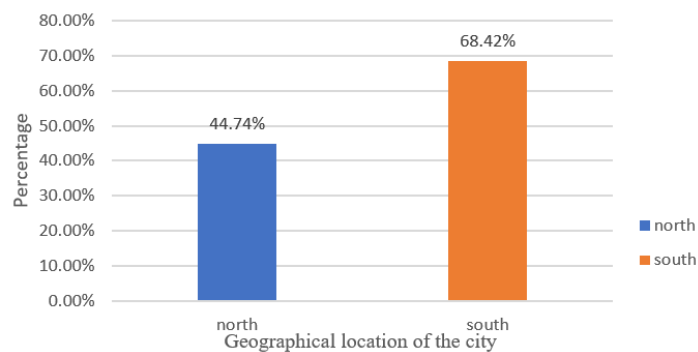


Figure 1: Percentage of people with a positive attitude towards product purchase.

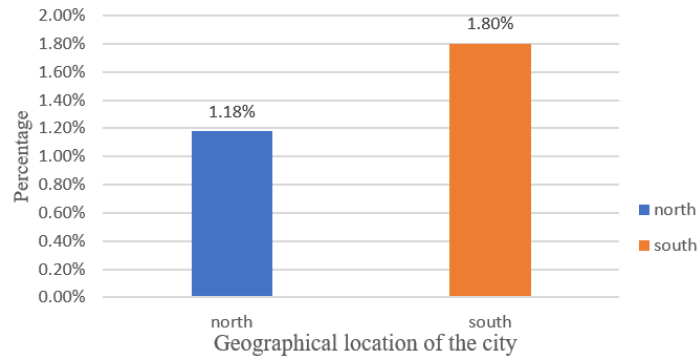


Figure 2: Percentage of people with a negative attitude towards product purchase.

When asked whether the celebrity status of a spokesperson has a positive or negative impact on the willingness to purchase a necessity when purchasing that product, respondents tended to believe that it does to some degree, but they did not indicate whether the impact was positive or negative. One respondent from Southern China noted her perspective as a university student.

"For me and my close friends, I often follow celebrities on social media, especially the young ones. Because big data leads to the fact that even we will unintentionally learn about celebrities we have never even heard of. [...] But in any case, we are unconsciously influenced by the celebrity effect when we buy essential products. For example, when I buy a toothbrush, the price difference between different brands of toothbrushes is not that big. When I don't know which brand to choose, the spokesperson in the advertisement will attract my attention more. "

Another interviewee, however, had a different perspective.

"I'm a university student from northern China, and as a male student, I don't spend much time in the process of choosing a brand when buying necessities in most cases. For example, when buying toilet paper, as long as I am familiar with the name of the brand or it is affordable enough, I will not hesitate to choose it. "

It is clear from the feedback that a brand's choice of spokesperson identity is influenced by the gender of the consumer. Women consider whether a spokesperson is a popular celebrity to be an important factor in determining their purchase intentions; men consider price to be the primary factor to be considered.

5. Discussion

The purpose of this study is to analyze consumer attitudes toward brand advocates and to provide selection criteria for decision-makers in the early stages of choosing a brand advocate for essential products. It is predicted that women attach more importance to the identity of a brand spokesperson than men when purchasing essential products, and it is tentatively suggested that when choosing a celebrity as a brand spokesperson, decision-makers should consider the economic and social benefits of the celebrity, and take into account all aspects of the celebrity's personality for long-term planning, rather than just the short-term economic benefits. The data in this study shows more positive attitudes in the south than in the north, with students caring more about celebrity-endorsed products than those already working. These findings provide a reference for the factors that corporate decision-makers need to consider when choosing a brand spokesperson. However, there is no data to support the additional factors that companies need to consider and the reasons that may affect the social evaluation of brand endorsers, and future research can focus on business owners as a key research target for more in-depth study. When choosing a brand spokesperson, companies can consider their social

ratings, predict their future trends, and try to choose celebrities who are popular with a wide range of age groups as spokespersons.

6. Conclusions

This study aims to identify norms and basic selection criteria for brand endorsers. Based on a quantitative and qualitative analysis of data on consumer intentions and past endorsers, it can be concluded that the promotional power and social buzz (sometimes in terms of entertainment) of brand endorsers are important factors for companies to consider when selecting endorsers. The results show that women in the consumer group of essential products tend to care more about the celebrity status of the brand spokesperson. This study analyzes the differences in consumer preferences for brands of essential products in North and South China but lacks more data to support the analysis of the decision maker's choice of brand spokesperson for corporate image and future corporate development plans from the perspective of companies. Based on these findings, corporate decision-makers should consider the economic and social evaluation of celebrities when choosing them as brand spokespersons and make long-term plans based on their personality and other factors, rather than only looking at the short-term economic benefits. To better study the specific criteria for choosing brand spokespersons, future research can focus on business owners as a key target for further study. For now, this study can provide a basic reference for corporate decision-makers in their initial selection of brand spokespersons.

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Appendix

The study interviewed each group with a questionnaire covering the following points:

- Gender
- Age group
- Income situation
- Are most of the people around you fans of celebrities?
- Perceptions of the social phenomenon of the increasing number of celebrity spokespersons of necessities products in advertising.
- Do you live in the southern or northern part of the city?
- Attitudes towards celebrities. (Positive or negative)
- (If you are not a fan of a celebrity) How much of an impact does a brand's choice of a celebrity endorsing a product have on your willingness to buy that product?
- Do you actively know the most popular celebrities or do you usually hear about them from other people?
- How often do you follow the latest news of celebrities?

Link to the questionnaire: <https://www.wjx.cn/vm/OtWXz9F.aspx?v=26#>