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## Brand Activism & Celebrity Endorsement's effect On Customer-Based Brand Equity

- *A case study on Nike's "Dream Crazy" campaign with Colin Kaepernick*

International Marketing  
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## **Abstract**

The purpose of this project is to examine how a brand can use brand activism and celebrity endorsement to build customer-based brand equity with the case of Nikes “Dream Crazy campaign. In order to understand what generates brand activism, celebrity endorsement and customer-based brand equity a literature review have been developed to gather current knowledge about the subject. The project is based on primary and secondary data. The primary data is developed through an interview with Kenneth Cortsen and the secondary data is collected through the literature review and other reports on the subject. To ensure the quality of the secondary sources the articles have been read and analyzed through a systematic review. After the articles have been included in the project the literature leads to a conceptual framework.

The conceptual framework consists of brand activism, celebrity endorsement and the elements that can create customer-based brand equity. The elements that can create customer-based brand equity are brand awareness, perceived quality, brand loyalty and brand association. The purpose of this paper was therefore to analyze the relationship between brand activism, celebrity endorsement and customer-based brand equity in the context Nikes “Dream Crazy” campaign.

In order for a company to increase customer-based brand equity through brand activism and celebrity endorsement, there needs to be created brand awareness that are strong enough for customers to create an opinion. If this opinion is perceived positive and the association thereby is positive it will increase the customers relative attitude toward the brand and increase the repeat patronage intentions from the customer. This will increase the customers loyalty and make them less price sensitive and less aware of the companies’ competitors.

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## Chapter 1 – Introduction

In the first chapter of the project the introduction to the project is presented. Within the introduction the problem formulation, research question and research design will be presented.

### 1.1 Introduction

It has been recognized for more than half a century that marketing skills are necessary for a financially successful global business. The marketing behavior of a business depends undeniably on an organization's knowledge and understanding of its consumers (Schmidt, 2011). A deeper understanding of consumer behavior is essential in order to grow, raise competitiveness and thus remain a relevant player in the market. The successful 21st century companies have understood that consumers are part of a relationship with the company where there is interdependence. Key concepts such as customer value, customer satisfaction and repurchase are used to analyze how important this relationship is (Schiffman, 2008).

Companies are beginning to realize that brands associated with their products are one of the company's most valuable assets. In an increasingly complex world, both consumers and businesses have less time to make more decisions. Therefore, a brand's ability to create customer-based brand equity (CBBE) is invaluable (Keller, 2003). One of the ways companies can create CBBE is through brand activism and celebrity endorsement.

Brand activism has become more and more attractive from companies throughout the world. Brand activism has attracted not only the biggest brands of the world, but also the smaller brands. Brand activism takes place when a company or brand support promote the economic, cultural, environmental and social issues that can be compared with the values and vision of the company.

Studies show that more and more consumers have a positive effect on brand activism, but is their only positives with brand activism? Or can it actually do more harm than good for the company?

One of the most popular advertising strategies used by companies is celebrity endorsement. The use of celebrities in advertising is an effective for attracting attention of consumers. Celebrities can to some be seen as role models. Celebrities can influence customers styles and habits. Companies use celebrities to promote their brands or products and also to influence purchase intentions of the buyers. What happens when a company uses a celebrity endorser with a strong political standpoint? Can a global brand actively take a stand in a political case, without risking the credibility to their consumers?

## 1.2 Problem statement and research questions

This project is based on the interest of understanding the components and factors of brand activism and celebrity endorsement, that can have an effect on CBBE. The project will include a literature review consisting of a conceptual framework, that will identify the factors within brand activism and celebrity endorsement that can have an effect on CBBE. In order to answer the problem formulation primary qualitative data will be gathered. The reason for the qualitative data is to investigate if the factors gathered from the literature review consist with the literature in this project in order to understand how brand activism and celebrity endorsement affect CBBE. The problem formulation and research questions are based on the imperial collections such as articles and textbooks. In order to answer the problem formulation in this project a number of research questions are created to understand the underlying factors of brand activism, celebrity endorsement and CBBE. Furthermore, it is important to understand the relationship between brand activism, celebrity endorsement and CBBE. This project will furthermore look at how brand activism and celebrity endorsement can affect CBBE through the case with Nikes “Dream Crazy” campaign from 2018.

**Problem formulation:**

*“How can brand activism and celebrity endorsement affect customer-based brand equity?”*

**Research questions:**

- What is the relationship between brand activism, celebrity endorsement and CBBE?
- What factors, within brand activism, have a negative or positive influence on CBBE?
- What factors, within celebrity endorsement, have a negative or positive influence on CBBE?

### 1.3 Research design

In this paragraph the overview of the study will be presented to the reader. The reason for this paragraph is to give a better understanding of the components within the study. In the first chapter of the project the introduction to the project is presented. Within the introduction the problem formulation, research question and the research design are shown.

In the second chapter of the study the philosophical position, review method, search strategy and selection will be displayed. In the philosophical position the social constructivism paradigm is chosen. The systematic review is chosen in order to have as much literature on how brand activism and celebrity can affect CBBE. In the search strategy paragraph, the inclusion and exclusion criteria will be presented. The inclusion and exclusion criteria are there to ensure that the literature that will be gathered relates to the problem statement. Lastly the selection paragraph consists of the selection where the selected articles will be read to analyze in the literature review.

In the third chapter the literature review will be shown. The purpose of the literature review is to discover how brand activism and celebrity endorsement can have effect CBBE. Furthermore, the objective of the literature review is to understand the correlation between brand activism, celebrity endorsement and CBBE. In the first part of the literature review, the three concepts will be examined individually, thus, to see how the three concepts have been described and analyzed over time. It will also be used to investigate if there is any relationship between the three concepts. The possible relationship between the three will be used to create the concepts that can be presented in the conceptual framework.

In the fourth chapter the case study will be presented. Furthermore, it will be analyzed on how brand activism and celebrity endorsement can affect CBBE, with the case of Nike's "Dream Crazy" campaign. The theory from the literature review will analyzed together with the qualitative interview from Kenneth Cortsen and the secondary data surrounding the campaign.

Chapter five will consist of a discussion, limitation paragraph and conclusion paragraph. The discussion explores the interview and the secondary data from articles and books, together with the literature review findings. The limitation paragraph will consist of the process of the project were the learnings from the process of writing the project will be presented. At the end of chapter five the conclusion, appendix and references can be seen.



## Chapter 2 – Philosophical position

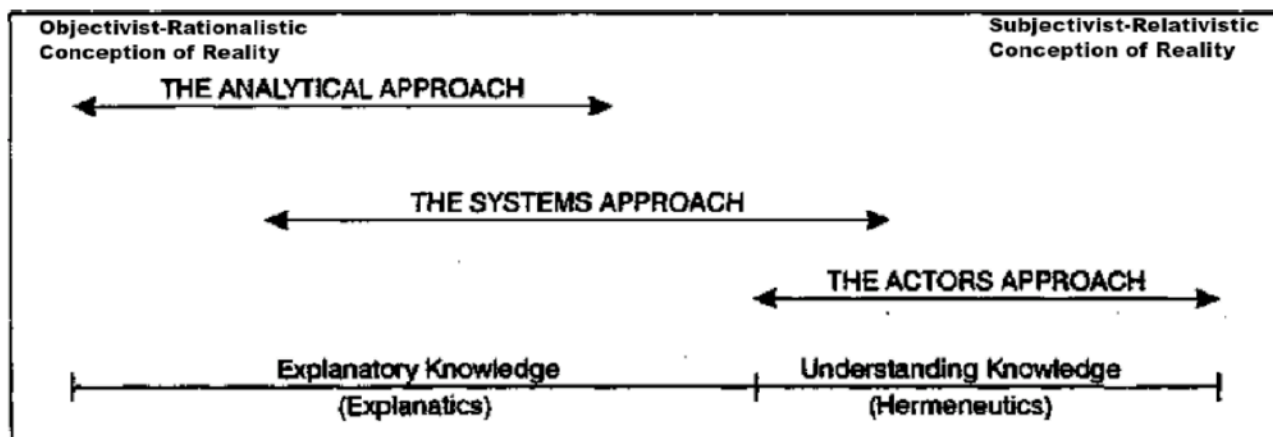
In the second chapter of the project the philosophical position, ontology, epistemology, systematic review, search strategy and selection will be presented.

### 2.1 Philosophical considerations

The philosophical position in this project will be seen from the social constructive perspective, due to the writer of the project have been part of the choices that are investigated. The literature there will be used in the literature review will be seen from an objective perspective. The analyze of this project will also be seen from an objective perspective with the gathering of objective literature and data, but there will be a degree of subjectivity in the qualitative data that is collected through the interview. The social constructivist standpoint is that the knowledge is being constructed actively as a reaction to the interactions with the environment. In this project the inductive approach will be used as the literature first will be analyzed and then investigated in practice. Based on the literature review the investigator will incorporate theories and frameworks to answer the problem formulation and research questions.

To specify the paradigm further the projects philosophical position is clarified with the help of Arbnor and Bjerkes link theory of science and methods. According to Arbnor and Bjerke the theory of science covers the ontological and epistemological discourses (Arbnor & Bjerke, 2009). The methodology approach clarifies the presumptions as they relate to more specific study and gives the researcher a model to approach the study. Arbnor and Bjerke have developed three methodology approaches that the researcher can use to create their knowledge (Arbnor & Bjerke, 2009). The three methodology approaches can be seen in the figure below.

**Figure 1 – Arbnor and Bjerkes methodology approaches**



The analytic approach is within the paradigm positivism. Under the analytic approach the reality is seen as objective, which means that the results the researcher will find can be generalized, independent of the subjective person. Under the analytic approach the researcher search for causal explanations where only one effect only occurs due to one course (Arbnor & Bjerke, 2009). In the analytic approach it is that the whole is the sum of the parts that creates the reality.

The system approach is within functionalism, system theory and pragmatism, which create the foundation to this system. The reality is perceived as objective, but there is a degree of subjectivity, and the reality is not only understood by the whole is the some of the parts but also the synergy between the parts. This is different from the analytic approach where it is the parts of the sum that creates the reality (Arbnor & Bjerke, 2009). In the system approach the goal is not to find causal explanations, since there are more factors in consideration in the system approach, due to these factors being more complicated (Arbnor & Bjerke, 2009) . This is the reason that the system approach is in the middle of the analytic approach and the actor approach.

The actor approach is located within the social constructivist, hermeneutics and phenomenology paradigm, which create the reality for this approach. With this approach is the reality seen from a social constructivist point of view, where the researcher gathers information from individuals' actions and interactions. Therefore, the reality is seen as subjective. The people are part of a context and through this context the reality is displayed (Arbnor & Bjerke, 2009).

## 2.2 Philosophical position

Due to the purpose of this project is to investigate how brand activism and celebrity endorsement can affect CBBE, with the case of Nikes "Dream Crazy" campaign with Colin Kaepernick, the approach will be the system approach. The case of Nike will in this project be seen as an open system where Nikes campaign can be influenced by the outside environment. Therefore, Nikes campaign will be investigated as the whole where both the internal and external components can affect Nikes brand (Arbnor & Bjerke, 2009). The system approach can move in two directions. In this project the system approach moves more towards the actor approach due to the qualitative interview. The aim of the project is to be as objective as possible but acknowledging that there is a level of subjectivity (Arbnor & Bjerke, 2009). The subjective part of this project will be through the qualitative interview and the creation of the conceptual framework. In order to be as objective as possible the literature review is objective findings. Furthermore, the secondary data on the subject can be seen as objective due to the investigations are quantitatively created.

## 2.3 Ontology

The ontological question can be defined as "what is reality" and the ontology can be described with the term "field of research". The field of research in this project is how brand activism and celebrity endorsement can affect CBBE. This study is seen from the social constructivism the ontological

considerations will be that every individual creates their own social world. The social world is constructed through subjectivity and therefore created by human cognition (Kuada, 2012). The perception that the environment is created by human cognition, the researcher's observation, objective literature and the humans of the data collection may lead to a possible bias of the truth, and how the knowledge should be acquired (Kuada, 2012).

## 2.4 Epistemology

Epistemology describes the nature of knowledge and the means of knowing, thus how we know or what we know or what we conceive as the truth (Kuada, 2012). Furthermore, the epistemology is about determine the truth from the false. To determent the truth from the false the understanding of the social world must be meet. Through the research study, the aim is to reach the truth which will establish the ground ability for analyzing the newly acquired knowledge. Thereby the study can be the constituent parts of a social phenomenon in order to understand the whole; looking for regularities and casual relationships to understand and predict the social world (Kuada, 2012). These findings are derived from what we consider as the truth, impacting how we approach the mission of reaching truthful results. The knowledge of this research is based on theoretical findings, qualitatively interview and objective secondary data, which has the goal to understand the truth of this study (Kuada, 2012).

## 2.5 Systematic vs. Thematic review

The systematic review locates existing studies, selects and evaluates contributions, analyses and synthesizes data, and reports the evidence in such a way that allows reasonably clear conclusions to be reached about what is and is not known (Kumar, 2011). Systematic means comprehensive accumulation, transparent analysis, and reflective interpretation of all empirical studies pertinent to a

specific question (Kumar, 2011). A systematic review can be used when there is a wide range of research of research on a subject but key question remain unanswered. The aim of a systematic review is to investigate a specified subject with a specific review question with an objective approach. The focus of the systematic review is narrow, and the findings must be presented for transparency. The criticism of the systematic review is that it often requires scoping reviews and that it is very time consuming (Kumar, 2011).

The primary purpose of a traditional or narrative literature review is to analyze and summaries a body of literature. This is achieved by presenting a comprehensive background of the literature within the interested topic to highlight new research streams, identify gaps or recognize inconsistencies. This type of literature review can help in refining, focusing and shaping research questions as well as in developing theoretical and conceptual frameworks (Kumar, 2011). The criticism of the traditional review is the lack of transparency. Furthermore, there is no inclusion and exclusion criteria in the gathering of literature. The project cannot be replicated from others.

In this project it is chosen to develop a systematic review where the information and existing studies will be collected with exclusion and inclusion criteria. The projects main focus is seen as narrow and therefore a thorough investigation of the subject needs to be completed. Due to the social constructivism the literature review will be objective. By using the systematic review, the study will be more objective, and the validity increases. Furthermore, when doing a systematic review all previous studies are collected. In this project the systematic review is used through a search strategy that helps the project with the gathering of all previous studies surrounding the subject.

## 2.6 Search strategy

To collect previous scientific studies for the literature review, databases are used to retrieve relevant articles on the subject. The platform used to access relevant articles from various databases is AUB (Aalborg Universitetsbibliotek). The databases offered by the university gives access to a wide range of articles and studies. To exclude irrelevant information, the searches are made with a specific search string which will be dissected presented in the following sections. To select the relevant articles among those found through the search string, certain exclusion and inclusion criteria is made to ensure that the articles relates to the problem statement;

1. The article must study the link between brand activism, celebrity endorsement CBBE.
2. The article must focus on consumers

The articles are considered relevant for literature review if these criteria are met in the title or abstract. The articles were included if the articles were about brand activism, celebrity endorsement CBBE. Furthermore, the articles should explain the relationship between brand activism, celebrity endorsement and CBBE.

The subject of the project is to understand if brand activism and celebrity endorsement can have an effect on CBBE. Furthermore, it is relevant to the project to discover which factors within brand activism and celebrity endorsement that have an influence on CBBE. This is formulated as the projects problem statement:

*“How can brand activism and celebrity endorsement affect customer-based brand equity?”*

**Search string:** Celebrity endorsement\* AND or Brand activism AND or brand equity

In the search for information, articles and studies in the databases, the key search terms were used as an inclusion criterion to maintain a consensus among the articles selected in order to ensure that what is collected is simultaneous. The results of these searches had to meet the following inclusion criteria; B2C-market and must have an effect on the customer.

When the search was conducted, information, articles and studies went through a three-staged process. First of all, the sources were reviewed based on the title. The title had to have relevance to the subject and had to be in a B2C context. After an evaluation based on title, the selected sources were examined based on their abstract. The abstract should express both relevant methods and results in order to be accepted, Finally, the full text was evaluated to determine if the articles were relevant enough to be accepted or not. By going through this process, the sources were collected based on the same criteria.

## 2.7 Selection

From the search string a total of 654 results was listed on AUB. From those 654 results 108 of the results were books and 478 was reviews on either books or articles. These results were disregarded because they did not meet the inclusion criteria. Therefore, a total of 68 articles that needed to be examined if they meet the inclusion criteria. Out of the 68 articles and reports 31 articles were included in the literature review.

## 2.8 Data collection

The primary data collection for this project is through an interview with Kenneth Cortsen. The reason for the interview was to find out how celebrity endorsement and brand activism can affect CBBE, with the case of Nike's "Dream Crazy" campaign, with Colin Kaepernick. Kenneth Cortsen is a Sport Business Researcher & Business Development Strategist (Cortzen , 2020). He has a Ph.D. in Master of Science in Business Economics & MBA and focusses on sport economics, sport management and sport marketing (Cortzen , 2020).

Due to Kenneth Cortsen qualifications in business of sport it was necessary to conduct an interview with the him in order to understand the how celebrity endorsement and brand activism affected the CBBE of Nike in the case of their Just Do It campaign with Colin Kaepernick. The interview method is a semi-structured interview. The data is subjective data and must be seen open with some critics. The semi structured interview was done face to face in order to provide more in-depth responses and will therefore provide the interviewer with more answers. The transcribed interview can be seen in appendix 2.

Interviewee: Kenneth Cortsen

Profession: Sport Business Researcher & Business Development Strategist. Ph.D., Master of Science in Business Economics & MBA.

Interviewer: Anders-Christian Jensen

Length of interview: 45 minutes



## Chapter 3 – Literature Review

In the third chapter the literature review will be presented. The review will be based on the information, articles and studies found in the search-string, and will thereby be evaluated and explained, in order to examine the current state of knowledge in the chosen literature field. The purpose of the literature review is to understand the correlation between brand activism, celebrity endorsement and customer-based brand equity. The literature review will end up with a development of a conceptual framework.

In order to study this problem, the independency of the three concepts will first be examined. The reason for that is to see if the literature has found any correlations between the three concepts, before it in the end will be examined together. First of all, the concept of brand activism will be studied, followed by the concept of celebrity endorsement and in the end customer-based brand equity.

### 3.1 Brand Activism

This chapter will aim to explore the notion of brand activism by identifying its key dimensions and the intertwining relationships between them through a review of the current literature.

Brand activism has been attracting attention of global and local companies throughout the world. Brand activism takes place when a company support and promote the environmental, social issue economic or cultural issues and align it with the core values and vision for their company (Shivakanth Shetty, 2019). A company can take action by making open statements, donating money or making cause-related statements through marketing and advertising communication.

Mandfredi-Sanchez, (2019), defines brand activism *as a strategy that seeks to influence citizen-consumers by means of campaigns created and sustained by political value*. Furthermore, Mandfredi-Sanchez states that political activity from companies is one of the most relevant subjects in the recent literature in a social context of growing public distrust for the institution. The reason for that is that political activity from companies can create expectations that can lead to recruitment of talent, shareholders and implementing new sustainable marketing strategies (Mandfredi-Sanchez, 2019). These marketing strategies have exploited consumer brands to promote specific aspects and to broaden the range of values that companies convey to include core political issues, even controversial ones. This is what has been known as “corporate political shift”, where the aim is not to increase direct sales of products or services, but to take a stance in political issues (Mandfredi-Sanchez, 2019). Kutler, (2018), refers to the corporate political shift as a change in management corresponds to a transformation in marketing, which has abandoned good intentions to take actions.

The characteristics of brand activism is that there is a level of symbolic character and value, and that it is not associated with any product or service (Mandfredi-Sanchez, 2019). Brand activism is not built for an audience who consume according to rational criteria, but for those who believes that the brand influences the status of citizen-consumer. The link between identity, consumption and values relies on the public nature of private goods that can be described as the social value (Mandfredi-Sanchez, 2019). The second characteristic is that brand activism has to do with the redefinition of politics that are different from the conventional structures. It does not involve political parties but the defense of certain controversial positions by different sectors of the society (Mandfredi-Sanchez, 2019). The third characteristic is defined by the recipient. Companies attempt to engage with the global audience which is essential to define the campaign. Even though what is in the campaign might be local it is important that the campaign is transparent and the message can be understood on a global

stage (Mandfredi-Sanchez, 2019). The brand activism is completed with third parties, such as non-governmental organizations (NGO), activist and celebrities. The actions of brands must have digital roots, whose repertoire is hybrid. That means that the campaign allows for redistribution of videos and the use of logos while the campaign can be understood on both the local and global market (Mandfredi-Sanchez, 2019). The act of activism does not only get the attention from the companies target group, but also creates awareness around the brand and how it is perceived (Shivakanth Shetty, 2019). If brand activism through advertising is communicated correctly the statements can have a direct influence on their profit and enhance customer loyalty and create a stronger bond to their customers that goes beyond product quality or price (Shivakanth Shetty, 2019).

The negative side of brand activism is if the activism of the brand is not in complete link with the company's core values, ethics and vision the activism can be seen as advertising and marketing gimmicks that can alienate the core customer base (Shivakanth Shetty, 2019). Furthermore, the level of activism can result in backlash and boycotts from the customer base towards the company, if the customers have a different social, cultural, political and environmental beliefs than the company (Shivakanth Shetty, 2019). That means that if brand activism is implemented properly and aligns with the customers values it can increase the level of loyalty and make the customers less price sensitive. On the other hand, if brand activism is not implemented correctly and the values or beliefs of the customers are not align with the companies message the company may alienate its loyal customers (Shivakanth Shetty, 2019).

### 3.2 Celebrity endorsement

This chapter will aim to explore the notion of celebrity endorsement by identifying its key dimensions and the intertwining relationships between them through a review of the current literature.

One of the most popular advertising strategies in today's world used by companies are celebrity endorsement. The reason for the popular use of celebrity endorsement is that it increases the attention from the consumer towards the advertising due to celebrities is viewed more powerful and relatable than anonymous models (Emmadi, 2016). Celebrity endorsement have become a very popular communication strategy for companies and Dominguez, 2016, defines celebrity endorsement as *anyone who is familiar enough to the people a brand wishes to communicate with to add value to that communication by association with their image and reputation* (Dominguez, 2016). According to Dewalt, 2016, celebrity endorsement is a *form of advertising campaign or marketing strategy used by brands, companies, or a non-profit organization which involves celebrities or a well-known person using their social status or their fame to help promote a product, service or even raise awareness on environmental or social matters* (DeWalt, 2016). According to Emmadi, 2016, celebrity endorsement can be defined as *an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing in advertisement to bring their own cultural related meanings in a required promotional role* (Emmadi, 2016). Kotler, 2006, explains that celebrity endorsement is a *particular strategy used by marketers to advertise a product from such a platform through which consumers can associate themselves with the brand value from the perspective of the celebrity personal* (Emmadi, 2016).

In this study the definition of celebrity endorsement will be taken from Kotlers standpoint that celebrity endorsement is a *particular strategy used by marketers to advertise a product from such a*

*platform through which consumers can associate themselves with the brand value from the perspective of the celebrity personal* (Emmadi, 2016).

There can be positive and negative outcomes for companies using celebrity endorsement. On the positive side using a celebrity endorser increases the brand recall from the consumer towards the brand and can increase the brand loyalty for customers (Emmadi, 2016). From the earlier it was shown than brand activism also could increase the brand loyalty and by increasing the brand loyalty the consumer becomes less price sensitive. Celebrities are more powerful in connecting consumers to brands compared to other types of endorsers.

The negative impact of celebrity endorsement is on the other hand if the person who is used in the advertising is too controversial the perception of the brand can have a negative influence on the consumers (Emmadi, 2016). Furthermore, any negative information related to the celebrity endorser can bring negative consequences toward the brand campaign and even the company's stock value (Emmadi, 2016). The consequences relating to negative information about the celebrity endorser can also impact the brand campaign positively if the information given is perceived as positive (Emmadi, 2016). Another risk of using celebrity endorsement is that the celebrities can become overexposed and overshadow the brand. This can happen if the celebrity endorser is advertising for several brands. The impact of multiple product endorsements by the same celebrity can lead towards that the brand and celebrity become less favorable and trustworthy (Emmadi, 2016).

Celebrities are more efficient, and it is important that advertisers facilitate recognition in ads of any celebrities they use. It is also important to know the characteristics of target audience members and their perceptions of the both the brand and celebrity. However, advertisers need to understand how

to choose celebrities, and how to use display them in advertising. The celebrities used in advertising can create positive reactions and help focus attention on the brand in the advertisement. Celebrities may lose popularity or may disappear from the media spotlight. Celebrities can negatively influence consumers' perceptions of endorser credibility and attitude toward the ad and brand when they endorse too many products, thereby becoming overexposed. Therefore, it is very essential to plan the advertising strategy to provide a guide for the advertising activities.

### 3.3 Customer-based brand equity

In order to define brand, it is necessary to understand what a brand is. A brand can be defined as “a distinguishing name and/or symbol (such as a logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors (Aaker, 1991). Aaker also states that a brand differentiates a product from the products of possible competitor. As the brand has the ability to differentiate itself from competitors, it has intrinsic value, also called brand equity (Aaker, 1991).

In this study, brand will be seen from the perspective of the consumer. Therefore, brand equity will be defined as customer-based brand equity (CBBE). The reason being CBBE gives a unique definition on what brand equity is and how it best can be managed and measured (Keller, 2003). There are two predominant definitions of CBBE. Aaker defines CBB as *a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a company and/or to that company's customers* (Aaker, 1991). Keller describes CBBE as *the differential effect of brand knowledge on consumer response to the marketing of the brand*. Both Keller and Aaker see brand equity from the same point of view, their approach to CBBE is different. Keller argues that brand knowledge is the main factor of brand equity, driven from

brand image and brand value (Keller, 2003). On the other hand, Aaker believes that the main factors within CBBE are brand awareness, brand loyalty, perceived quality and brand associations (Aaker, 1991).

Brand image can according to Keller, 1993, be defined as the perception about a brand as reflected by the brand associations held in consumers memory (Schmidt, 2018). Keller describes that brand image is determined by a set of linkage the consumer holds in their memory towards a brand. These memories toward a brand can also be defined as brand association and these associations can compromise strong, favorable and unique beliefs concerning the brand (Schmidt, 2018). According to Keller, brand image, can be seen as the intangible and extrinsic sides of the brand. The extrinsic has everything to do with what is considered outside of a brand that has to accommodate the psychological and social needs of the consumer (Keller, 2003). The intangible side refers to the consumers own perception of the brand that the consumer form through commercials and through word-of-mouth. It is important to establish brand personality in order to gain positive brand equity (Keller, 2003). Aaker connects brand image to concept of brand associations. Aaker defines brand associations as *anything linked to the memory of a brand*. Therefore, brand associations can be defined as all different thoughts in the mind of a customer in relation to the brand (Aaker, 1991). Keller states that brand associations strength, uniqueness and favorability of the associations affects their impact on CBBE, which can be both negative and positive (Keller, 2003). Therefore, brand association can have a direct influence on CBBE.

Keller states that the additional value a given brand has over another brand or a non-branded product is CBBE (Keller, 2003). Aaker however states that brand loyalty often is the essential factor for CBBE

as continued purchases by consumers, even possible superior products from competitors, means the brand has an implied extra value associated with the brand (Keller, 2003).

Most authors state the fact that CBBE consist of four elements; brand loyalty, brand awareness, perceived quality and brand associations, and therefore this will be the definition of CBBE used in the following chapters.

### 3.4 The relationship between brand activism, celebrity endorsement and CBBE

In the previous chapter, the concepts were examined individually. This was done in order to define the concepts by themselves, so it can be possible to investigate the correlations between the concepts in this chapter. The relationship between brand activism, celebrity endorsement and CBBE will be examined by linking celebrity endorsement and brand activism to the four components that define CBBE; brand loyalty, brand awareness, perceived quality and brand associations.

#### 3.4.1 Brand Awareness

Brand awareness can be defined *as anything that relates to the likelihood that a brand name will come to mind and the ease with which it does so* (Keller, 2003). Brand awareness is based on brand recognition and recall (Aaker, 1991). Brand awareness are mostly focused on its effect on brand choice. Participants with no brand awareness tended to choose the high-quality brand more often than those with brand awareness (Aaker, 1991). Weber argues that the recognizable factor of a consumer to a brand not is the important factor. The important factor is how likely the consumer is to recommend the brand to others (Weber, 2009). Usually consumers relate a well-known brand with good quality. But the most important thing for companies focusing on brand awareness is not just to be a well-known brand, but to focus on what their brand is known for (Melin, 1999). It is important for companies to focus on the external environment, when it comes to building brand awareness.



Companies must focus on developing brand loyalty in consumers mind. This loyalty can be achieved by triggering the consumers commitment and interest for the brand. This brand loyalty in consumers mind, will lead to the ultimate goal, which is to decrease the consumer's price-sensitiveness at the same time as the brand-sensitiveness increases (Melin, 1999). Celebrities can be employed to increase the customers attentiveness towards the campaign, enhance the memorability, credibility and effectively glamorize the product or service (Sharma, 2015). Keller argues that a celebrity can attract attention toward the brand and shape the perception based on the customers knowledge and the celebrity endorser (Keller, 2003). The increased awareness was found to be a very important reason companies choose celebrity endorsers. Celebrity endorsers can improve advertisements' credibility and enhance recall from the customer. Celebrity endorsement therefore affects the brand awareness positively (Sharma, 2015).

Nike is widely known in the world and it will be virtually impossible to find people who do not recognize Nike. For this reason, the very basic part of the theory of recognition and recall is ignored, which is based solely on whether people know and can recognize the brand. This 'initial' brand awareness means that brand awareness can be said to influence brand associations (Keller, 1993). This project will focus on brand knowledge and brand opinion. Brand knowledge deals with whether the individual consumer knows what the brand stands for. The consumer here is the step further in the mental process of simply being able to recognize and recall a brand, since a consumer needs to have a more in-depth knowledge to know what a brand stands for. Brand opinion is defined according to Aaker's set of measurement variables for the concept, which when a consumer has formed a subjective attitude to the brand (Aaker, 1991). Once again, you are at a higher mental level than the initial stages of brand awareness, since the consumer in question has dealt with all the information / associations that the consumer has been exposed to about the brand and, on this basis, formed an

opinion. As a respondent moves from brand recognition to brand opinion, brand awareness increases (Gill & Dawra, 2010).

### 3.4.2 Perceived Quality

Perceived quality refers to the customer's judgment about a product's overall excellence or superiority (Keller, 2003). Perceived quality can both have positive and negative influence on customer-based brand equity. Aaker argues that perceived quality must be measured separately from the remaining factors, since the individual variable has a significant effect on brand equity in a consumer perspective (Aaker, 1991). Perceived quality can be seen as a component of brand value; therefore, a consumer may choose a brand due to its high perceived quality rather than other competing brands (Keller, 2003). When companies use a celebrity endorser the aim is that the company can benefit from the awareness the celebrity endorser creates (Sharma, 2015). One of the beneficial things about celebrity endorsement is that it can increase the quality perception based upon the celebrity endorser. A credible celebrity endorser is normally a sign of the high quality in the customers mind (Sharma, 2015). Celebrities are used in order to give an impression which is so strong that it can persuade the consumer to purchase from the company. Celebrity endorsers may help in enhancing a brand's perceived quality, and by that allowing the brand to charge higher prices (Sharma, 2015).

Perceived quality is a subjective concept - a perception from the consumers. Perception is based on the overall quality or superiority of a product or service, held against its alternatives. Because perceived quality is first and foremost a perception, it differs from nearby concepts such as; real (objective) quality and product-based quality. Real quality also relates to the superiority of alternative products, but this concept has nothing to do with the personal perception of the consumer and is thus completely objective. However, these concepts contribute to the understanding of perceived quality,

but the concept embraces wider than objective quality. This makes perceived quality a bit more difficult to measure, since what is important for one consumer may not necessarily mean quality for another consumer. It is an intangible size and feeling that the consumer has around a brand (Yoo & Donthu, 2001).

A high perceived quality means that the consumer, in the longer term, recognizes his favorable relationship with a brand. By this is meant the perceived differentiation and superiority that the consumer associates with a brand. Several researchers regard perceived quality as a component of brand value, which suggests that high perceived quality will drive consumers to choose a brand over other competing brands (Aaker, 1991). At the same time, the concept contributes to a reason to buy and possibly pay a higher price, in addition, the perception of quality can also be part of the differentiation of the brand (Aaker, 1991). Furthermore, it is stated that perceived quality can effectively impact the purchase intentions and therefore correlates with brand loyalty.

### 3.4.3 Brand Loyalty

The aim of any business is to maintain and improve customer loyalty toward a brands products or services (Sharma, 2015). Loyal consumers response more favorable towards a brand marketing effort when compared to non-loyal or switching consumers. Companies that have been focus on building customer loyalty can increase their profitability, reduce their marketing costs and increase the competitive advantages towards other brands (Sharma, 2015). Brand loyalty can be defined as *a measure of a customer's attachment to a brand* (Aaker, 1991). Brand loyalty is the extent to which a consumer concentrates its purchases over time on a particular brand within a product class. Brand loyalty is a commitment to rebuy or patronize a preferred product or service on regular basis in the future, despite competitor's influences and advertising (Sharma, 2015). According to Keller, 1993,

brand loyalty arises when positive perception and attitude about a brand results in behavior with repeated purchases. Loyalty can be rooted in real characteristics of a product or service, in which case there is no underlying customer-based brand equity. In other cases, attitudes may be due to a favorable, strong or unique association that goes beyond the actual characteristics of the product or service - this kind of loyalty is due to a more undefined relationship with the brand and is rooted in brand equity (Keller, 1993).

There are two dimensions of loyalty. The first being behavioral loyalty (in the form of repeat patronage) and the second being attitudinal loyalty (relative attitude). For example, customers may have behavior towards a particular brand, such as buying products or services from this brand repeatedly, but without necessarily having an attitude, and if a better offer pops up, the customer will therefore immediately switch to another brand. At the same time, the customer can also express a positive attitude towards a brand and see themselves as loyal, but where it is still another brand that is purchased from (Dick & Basu, 1994). True loyalty is therefore a matter of repurchase on the one hand, but this cannot be done alone. It also depends on the relative attitude. This can be seen in figure 2.

**Figure 2 – Dick and Basus loyalty matrix - (Own creation)**

		Repeat Patronage	
		High	Low
Relative Attitude	High	Loyalty	Latent Loyalty
	Low	Spurious Loyalty	No Loyalty

Although the consumer has several repurchases of the product, there may well be a low relative attitude towards the brand, and this gives a form of false loyalty. Loyalty can thus occur in different types, where different factors play into it: emotions (affective), reason (cognitive), the situation in question and involvement (Dick & Basu, 1994). In this project, brand loyalty is sought to be created from a series of measurement variables that together define true loyalty. One of the variables that can create brand loyalty is repatronization, that is a celebrity endorser where you recommend or endorse a face for a longer time period, without being sensitive to other brands' attempts to change the consumer's attitude through marketing initiatives and the like. The understanding behind this definition must be found in the fact that loyalty has previously been solely a matter of repurchase or not, but looking at this component is not enough, given the consumer attitude also relates to the question whether a consumer is loyal or not. Attitudes about loyalty, however, are relatively unmeasurable, at least compared to behavioral loyalty, but to establish a brand loyalty, these two sides must be combined (Dick & Basu, 1994).

The celebrity endorser can increase the brand loyalty if the customers identifies with the celebrity endorser. If the customers can identify themselves with the celebrity endorser the customer is more likely to stay with the brand and then the customer becomes less price sensitive. Therefore, celebrity endorsement can impact CBBE in a positive direction (Sharma, 2015).

#### 3.4.4 Brand Association

Brand associations is essential for a company because it is a factor that increases the emotion from the consumer, and thereby differentiates the company from its competitors (Keller, 2003). The consumers use brand associations to organize and control information's related to a specific brand. Brand associations are thus the starting point for consumer opinions, attitudes as well as intentions of purchase and use. Keller argues that a company must create brand awareness in order to get customers to form associations to a brand (Keller, 2003).

Brand associations can be distinguished by how tangible they are. Aaker believes that brand associations include: Product attributes, customer benefits, usage situation, users, lifestyle, product categories, competitors, and place of origin (Aaker, 1991). Keller agrees with the above but elaborates on the association between brand associations. Based on this, Keller establishes three overarching types of brand associations: Attributes, Benefits, and Attitudes (Keller, 1993).

Attributes are the descriptive characteristics that characterize a product or service. Attributes can be categorized in many ways, but Keller distinguishes how directly they relate to a product or service's performance. Keller identifies two types of attributes; product related attributes and non-product related attributes. The product-related attributes are characterized by the physical characteristics of a product or the requirements of a service. Non-product-related attributes are defined by Keller as the

external aspects of a product or service related to their purchase or consumption (Keller, 1993). Benefits are the personal values the consumer attaches to the attributes of the product or service, that is, what the consumer believes the product or service can do for them (Keller, 1993). Benefits can be categorized into three categories depending on the underlying motivations they relate to: Functional benefits, Experiential benefits and Symbolic benefits. Functional benefits are the real benefits of using the product or service, which is generally consistent with the product-related attributes. These are often associated with basic motivations such as physical and safety needs and involve a need for problem solving and avoidance (Keller, 1993). Experiential benefits relate to how it feels to use the product or service, which also matches the product related attributes. These benefits satisfy needs such as sensory enjoyment, diversion and cognitive stimulation (Keller, 1993). Symbolic benefits are the outside benefits of using the product or service. The usual matches the non-product related attributes and relates to them underlying needs for social approval and self-esteem (Keller, 1993). Attitudes are defined as the consumer's overall evaluation of a brand. They are important since they most often form the basis of a consumer's behavior. Attitudes can be related to the perception of product-related attributes as well as the functional and experiential benefits that exist in consistency with research on perceived quality. Attitudes can also be related to the perception of non-product-related attributes and symbolic benefits (Keller, 1993).

Celebrity endorsement links the image of the celebrity with the brand and strengthen the companies brand image (Schmidt, 2018). From a product perspective the celebrity endorsement can increase the customers willingness to pay premium prices for the brand, willingness to accept a brand extension, and the willingness to recommend the brand to other people (Schmidt, 2018). Furthermore, the stronger brand image can lead customers to become more loyal towards the brand and increase their consumption behaviour. On the other hand, if the celebrity endorser gives the brand a negative light,

the brand image is likely to be negatively affected (Schmidt, 2018). If the celebrity endorser brings negative light toward the brand, it can lead to the loyal customers decreasing their interest in the brand and influences their consumption behaviour in a negative way (Schmidt, 2018). Celebrity endorsement involves associating a product or service of a company to a celebrity endorser (Sharma, 2015). Celebrities can impart culturally constituted meanings of their own to the product or service in the process of endorsement. Memory can be considered to be a network of various nodes which are connected by associative links (Sharma, 2015). The pairing of a celebrity and brand over a period of time will build a link between the two and that feeling and or meanings toward a celebrity will transfer to the endorsed brand after repetition. Celebrity endorsement and brand activism can therefore affect the brand association positively (Sharma, 2015). Brand activism and celebrity endorsement can therefore impact brand association by the customers perception of non-product-related attributes and symbolic benefits (Keller, 1993).

### 3.5 Consumer

The generation born from 1980 to 2000 sharing the same attitudes, ethics, characteristics and moral codes are called millennials (Shivakanth Shetty, 2019). The millennials are considered a lucrative customer base, due to their high spending power and their spending years ahead of them. Furthermore, the millennials are also known for influencing the behaviour of their parents. Millennials have higher expectations from a brand and with the use of brand activism brands can communicate more efficiently with the customer base (Shivakanth Shetty, 2019). Millennials are viewed as more responsible than the older generations and they tend to promote brands that are socially responsible. Brands that invest in corporate social responsibility and activism can have success with positive feedback from the millennials that can lead to a competitive advantage, increasement in the purchase



intention, willingness to buy and better product performance, from the millennials (Shivakanth Shetty, 2019).

With the millennials being more value and ethical driven they do not hesitate to boycott or switch the brand if the brands stand on certain cause or issue upsets them. Consumers may overlook the factors such as price, quality, familiarity and brand loyalty and punish the company if it shows unethical behaviour (Shivakanth Shetty, 2019). The main reason for backlash or boycotts from the consumer is to make the company aware of their unethical behaviour. Depending of the consumers perception of the brand activism the advertising can positively or negatively influence sales, cash flow and stock prices (Shivakanth Shetty, 2019).

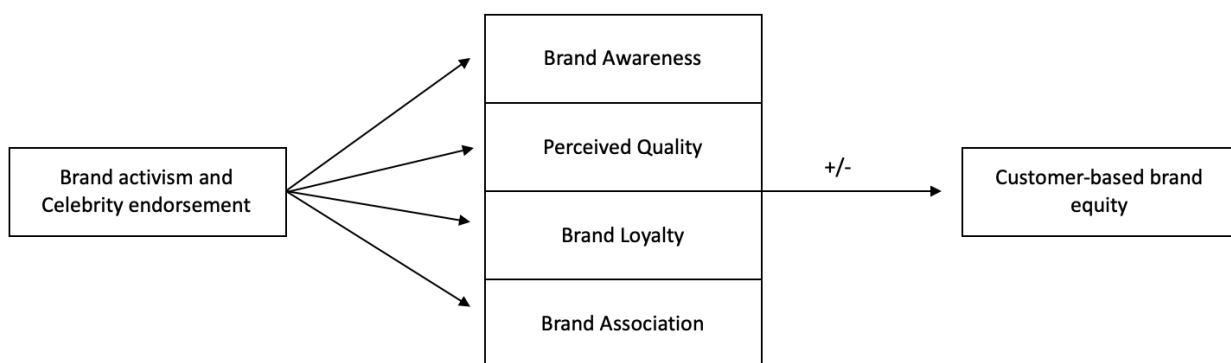
If consumers have a positive feeling to the endorser, the desire to purchase may increase in the mind of the consumer. Organizations can use a celebrity endorsers credibility to build the purchase intent of their products (Shivakanth Shetty, 2019). Negative information surrounding the celebrity endorser could hurt the purchase intention. It is therefore important to address that a celebrity endorser can bring both positive and negative feelings to the consumer, depending on the customers attitude toward the endorser (Shivakanth Shetty, 2019). The same can be stated on brand activism. Positive feelings toward the activism can lead to increasing sales, less price sensitivity and more loyal customers. On the other hand, if the consumer does not agree with the activism it can lead to negative feelings such as boycotting and backlash of the brand. From the literature it can be stated that millennials expect more from companies than other customer groups and millennials will have a positive reception of companies using brand activism (Shivakanth Shetty, 2019).

### 3.6 Conceptual framework

This chapter will present the conceptual framework in the chosen research field whereas the findings from the previous chapters will be presented. Thus, explaining the positive or negative relationship between celebrity endorsement, brand activism and the enhance of customer-based brand equity.

From the previous chapter, a connection between brand activism, celebrity endorsement and CBBE is identified. As mentioned earlier, the concepts that is linked to CBBE is brand loyalty, brand awareness, perceived quality and brand associations. Brand activism and celebrity endorsement can affect these parameters in a negative or positive way, as clarified in the previous chapters. This is also the reason for their appearance in the conceptual framework. Brand activism and celebrity endorsement can affect brand awareness, perceived quality, brand loyalty and brand associations which all are factors that build CBBE. Thus, by using brand activism and celebrity endorsement the literature describes how it is possible to build customer-based brand equity through these four factors.

**Figure 3 – Conceptual Framework**



## Chapter 4 – Analysis

In the fourth chapter the case study of Nikes “Just do it” campaign will be presented together with the analysis. The analysis will display how brand activism and celebrity endorsement can affect CBBE, with the case of Nikes just do it campaign.

### 4.1 Case study – Nike and Colin Kaepernick

Colin Kaepernick was chosen by the San Francisco 49ers during the NFL draft in 2011 and Nike signed him to an endorsement deal. In 2012 Colin Kaepernick and the San Francisco 49ers brought the team to the Super Bowl and the following year he signed a six-year \$126 million contract extension with the San Francisco 49ers. In 2016, Colin Kaepernick began his protest kneeling during the national anthem as a silent demonstration to protest police brutality, racism and social injustice (Avery, 2019). Colin Kaepernick stated, *“I am not going to show pride in a flag for a country that oppresses black people and people of color”*. The reason why the political debate became a national topic is that standing during the national anthem is considered to be a sign of respect toward the country and for those people who have served for America (Avery, 2019). Colin Kaepernick’s #TakeAKnee protest movement quickly spread to other players in the NFL that joined him in taking a knee during the national anthem (Avery, 2019). During the 2016 season of the NFL, Colin Kaepernick used an option to get out of his contract with the San Francisco 49ers that made him eligible to be signed for any other team. None of the 32 teams in the NFL signed him for the 2017 season and Colin Kaepernick has not played in the NFL since. Despite not being signed for the 2017 season Colin Kaepernick’s jersey was one of the top 50 bestselling items in 2017, even though he was no longer playing (Avery, 2019).

On the September 3<sup>rd</sup>, 2018, a social media post on Instagram introduced Nike's followers to their newest advertising campaign (Avery, 2019). The post was a close-up of the former National Football League (NFL) quarterback Colin Kaepernick with the tagline "*Believe in something. Even if it means sacrificing everything. #JustDoIt*". The campaign with Colin Kaepernick was a part of Nike's 30<sup>th</sup> anniversary of the brand's original "Just Do It" campaign (Avery, 2019). Within hours of the release of the post had attracted more than 1 million responses across social media platforms and within 24 hours, more than 2.7 million social media post were referencing the brand of Nike (Avery, 2019). After the post on social media Nike used the Colin Kaepernick post on billboards in New York and San Francisco followed by a commercial entitled "Dream Crazy" that was narrated by Colin Kaepernick featured athletes such as Serena Williams and LeBron James and unknown people who had overcome personal challenges (Avery, 2019). The "Dream Crazy" ad aired for the first time the September 5<sup>th</sup> before the opening NFL season game. Furthermore, the ad aired during all games during that weekend. A 30-second ad during an NFL game is reported to cost \$505,000 and around 15 million people are watching each game (Avery, 2019).

## **Nike and NFL**

Even though Nike used Colin Kaepernick in their campaign with the slogan "*Believe in something. Even if it means sacrificing everything. #JustDoIt*" Nike signed a \$1.1 billion contract with the NFL that will last until 2028 (Avery, 2019). Nike stated that *Nike has a long-standing relationship with the NFL and works extensively with the league on all campaigns that use current players. Colin isn't currently employed by an NFL team and has no contractual obligation to the NFL* (Avery, 2019).

## 4.2 Analysis – Brand activism and celebrity endorsements effect on CBBE – Nike

The analysis will consist of how the four factors that can create CBBE were influenced by Nike's Just Do It campaign, with Colin Kaepernick, based on brand activism and celebrity endorsement. The analysis will consist of the information gathered from the literature review, the qualitative interview with Kenneth Cortsen and the secondary data from several studies surrounding the subject and campaign.

### 4.2.1 Brand Awareness

From the literature review Brand awareness can be defined as *anything that relates to the likelihood that a brand name will come to mind and the ease with which it does so* (Keller, 2003). Furthermore, Keller argues that a celebrity can attract attention toward the brand and shape the perception based on the customers knowledge and the celebrity endorser (Keller, 2003). The increased awareness was found to be a very important reason companies choose celebrity endorsers. Celebrity endorsers can improve advertisements' credibility and enhance recall from the customer. Furthermore, brand knowledge that leads to brand opinion increases brand awareness and the brand association (Gill & Dawra, 2010).

Nike used brand activism and celebrity endorsement in their "Dream Crazy" campaign. Nike used Colin Kaepernick fame in order to spread awareness towards a political statement regarding social injustice. Since Colin Kaepernick's unemployment in the NFL, due to his political standpoint Nike decided to take a standpoint on the political issue of social injustice. Nike's campaign created a media storm throughout the campaign where both negative and positive awareness was surrounding Nike. Within the first hour of the commercial release it has reached more than 5 million views on Youtube. After the first month of the campaign the commercial had reached over 80 million views on Twitter,

Instagram and YouTube. From social media mentions, of Just Do It, increased with 3460% from the September 2 to the 4. Of September.

Even though the campaign was spreading rapidly in the world, the campaign was viewed as controversial both with Nike's customers as with commentators in both the sport and political business. The Just Do It campaign received both positive and negative response from its viewers. CNN investigated how different customer groups viewed the use of Colin Kaepernick. The first wave of brand awareness showed that 44% of people in the age between 18-34, who can be described as millennials, supported Nike's decision to use Colin Kaepernick in their Just Do It campaign. Whereas, 52% of those in the age group of 35-44 supported the decision to use Colin Kaepernick in the Just Do It campaign. In the literature review it was stated that millennials have higher expectations from a brand and with the use of brand activism and celebrity endorsement brands can communicate more efficiently with the customer base (Shivakanth Shetty, 2019). Millennials are viewed as more responsible than the older generations and they tend to promote brands that are socially responsible. Therefore, there are an inconsistent relationship between brand activism, celebrity endorsement and the millennials that were stated in the literature review. However, the literature also states that if the activism of the brand is not in complete link with the company's core values, ethics and vision the activism can be seen as advertising and marketing gimmicks that can alienate the core customer base. An explanation to why millennials did not react higher than the older generations could be that the consumers saw the ad as a publicity stunt, from Nike's side, rather than a true recognition and celebration of Colin Kaepernick's actions. Questions were raised from the customers about how Nike could state "Believe in something. Even if it means sacrificing everything", when Nike both supported Colin Kaepernick and at the same time was one of NFL's most lucrative sponsors. To that Nike stated the following:

*“Nike has a long-standing relationship with the NFL and works extensively with the league on all campaigns that use current players. Colin isn’t currently employed by an NFL team and has no contractual obligation to the NFL.” (Hartmann, 2018)*

The positive sentiments concerning Nike dropped from a 90% positive to a 30%, when the commercial was launched (Avery, 2019). This shows that the first wave of sentiments impacted the evaluation of Nike in a negative way. Before the campaign it was reported that negative talk surrounding Nike was only 2% and that percentage increased to 33% following the commercial. However, this was the first reaction from the customers and people who had seen the commercial. These numbers changed by the end of October (Avery, 2019).

After the first media wave of both positive and negative reactions towards the campaign things started to develop positive for Nike and the campaign. Ultimo October 2018, 50% of American customers aged over 18 had seen the advertising from Nike in the past two week and positive mentions from the millennials were 33% above normal. The older generations also grew, but not in the same degree as millennials. Nike’s stock decreased right after the commercial was launched, but the stock saw positive trends in late September and Nikes stock reached an all-time high stock price. The all-time stock price also resulted in Nike’s online sales increased by 31% (Avery, 2019). The commercial created both increased sales and boycotts from different customer bases.

From the campaign launched the 3<sup>rd</sup> September to the 5<sup>th</sup> September 2018 Nikes social media mention increased from under a million to more than 4 million. This shows that there in the “Dream Crazy” is a high level of brand opinion. In the literature review it was stated that brand awareness was built

when brand knowledge turned into brand opinion. In this case there was a high level of brand opinion on both positive and negative feelings toward Nike (Kantar, 2018). Brand awareness in the case of Nike can affect the CBBE due to brand knowledge turns into brand opinion. Based on how the customers associate and perceive the brand activism and celebrity endorser the CBBE can either affect the CBBE positive or negative.

#### 4.2.2 Perceived Quality

From the literature review we learned that a high perceived quality means that the consumer, in the longer term, recognizes his favorable relationship with a brand. By this is meant the perceived differentiation and superiority that the consumer associates with a brand. Several researchers regard perceived quality as a component of brand value, which suggests that high perceived quality will drive consumers to choose a brand over other competing brands (Aaker, 1991).

One of the beneficial things about celebrity endorsement is that it can increase the quality perception based upon the celebrity endorser. A credible celebrity endorser is normally a sign of the high quality in the customers mind (Sharma, 2015). Celebrities are used in order to give an impression which is so strong that it can persuade the consumer to purchase from the company. Celebrity endorsers may help in enhancing a brand's perceived quality, and by that allowing the brand to charge higher prices (Sharma, 2015).

Perceived quality can be affected on two different level. The first being at a product level and second, at an experiential level. At the product level they satisfy the functionality such as craftsmanship, materials, high quality, and uniqueness in designs. The experiential level appeal to the emotions of the consumers (Kumar, 2011). Celebrity endorsement and brand activism may appeal to customer emotions and motivate them to purchase the product. This can only happen if the customer finds the



perceived value of the brand to be trustworthy (Kumar, 2011). On the functional, Nike does not with the use of brand activism and celebrity endorsement increase the customers perception of the quality in terms of craftsmanship, materials, high quality, and uniqueness in designs. On the experiential level Nikes “Dream Crazy” campaign can mirror the quality of the athletes used in the campaign. In the campaign, some of the biggest athletes in the world appears. Athletes such as Serena Williams, Lebron James and more (Sharma, 2015). These athlete’s quality in their sport can be transferred onto the products of Nike from the by the perception of the consumer. Therefore, Nikes use of celebrity endorsers did not only increase attention and brand recall but also creating positives attitudes toward a brand by creating better quality perceptions. One of the reasons for Nikes success is that a celebrity endorser is viewed as being more authentic. According to Kenneth Cortsen it is important for a company to communicate in an authentic matter.

*“The important thing today in any business is that there is a consistency and authenticity around the way companies communicate.” – Kenneth Cortsen*

Nike increased the perceived quality via the experiential level with the use of celebrity endorsers from the “Dream Crazy” campaign. Athletes such as Colin Kaepernick, Serena Williams and Lebron James helped Nike mirror their quality in the sports world onto the Nike brand (Avery, 2019). The increase in perceived quality can result in customers speaking more positively about the brand or product. The word-of-mouth can be seen to have a positive effect on the overall satisfaction. It was also shown that it is important how the customer perceive the celebrity endorser and the brand activism as a negative perception towards the “Dream Crazy” campaign and Colin Kaepernick can have a negative influence on how customers perceive the overall evaluation of Nike. In the case of Nike, the positive perception did increase from their main customer base but did however decrease

from consumers that did not agree with Nike using brand activism or costumers that had negative feelings toward Colin Kaepernick.

#### 4.2.3 Brand Loyalty

The aim of any business is to maintain and improve customer loyalty toward a brands products or services (Sharma, 2015). Loyal consumers response more favorable towards a brand marketing effort when compared to non-loyal or switching consumers. Companies that have been focus on building customer loyalty can increase their profitability, reduce their marketing costs and increase the competitive advantages towards other brands (Sharma, 2015). Furthermore, the brand loyalty can decrease the customers price sensitivity toward a brand.

From the literature review it was stated, that brand loyalty can be increased by the customers relative attitude toward the brand, combined with the customers repeat patronage behaviour. This means that by increasing the customers relative attitude toward the brand and increasing the repurchase behaviour the customers become more loyal toward the brand. The aim for Nike is to move their customer target group to become more loyal and moving the from latent loyalty, no loyalty or spurious loyalty to loyalty in the Dick and Basus loyalty matrix (Dick & Basu, 1994). By positively increasing the relative attitude and the repeat patronage behaviour the customers can reach loyalty in the loyalty matrix, where the customers become less price sensitive and less influenced by Nikes competitors (Dick & Basu, 1994). Nike used brand activism, by displaying social injustice with the “Dream Crazy” campaign together with the celebrity endorser in order to positively increase the relative attitude from the customer toward Nike as a brand. In the “Dream Crazy” campaign Nike use athletes such as Lebron James, Colin Kaepernick and Serena Williams who can transfer their likability and fanbase to become loyal customers at Nike. On the other hand, will be customers who have mixed

emotions about for instance using an athlete like Lebron James, based on the fact that he plays for a team some customers do not support.

*“There may be Golden State Warriors fans who hate the Los Angeles Lakers and therefore say we shouldn't touch Lebron James because we are Steph Curry fans.” – Kenneth Cortsen*

Like the “Dream Crazy” campaign sport and athletes can divide the waters and by the perception on the receiving customer he or she can become more or less drawn toward Nike. The reason for Nike to use these athletes is because they can help with the identification from the customer.

*“These great athletes are moving customers and market shares... “– Kenneth Cortsen*

As stated, previous Nikes “Dream Crazy” campaign with Colin Kaepernick had both positive and negative influence on different customers. Therefore, it is important to understand how and by whom the campaign effected positive and for whom the campaign was perceived as negative, in order to determinant, where brand loyalty was increased. Previous study has shown that the perception from people differed from race. African Americans had a positive responded towards Nike using Colin Kaepernick in their campaign, Nike should address social issues in their ads and lastly Nike should contribute to Colin Kaepernick’s charity (Intravia, et al., 2019). Furthermore, it was investigated how strongly African American and Caucasian American agreed with the three outcomes. It was illustrated that 87.5% of African American strongly agreed or agreed with Nike using Colin Kaepernick in their campaign compared to 47.5% of Caucasian Americans (Intravia, et al., 2019). For Nike addressing social issues in their ads, 81.2% of African American strongly agreed or agreed compared to 52.9% of Caucasian Americans. Lastly, for Nike contributing to Colin Kaepernick’s charity, 87.1% of

African Americans strongly agreed or agreed while 64.3% of Caucasian Americans felt the same way (Intravia, et al., 2019). Race therefore play an important role in how positive the use of the celebrity endorsement and brand activism is perceived from the consumer. African Americans can therefore be more likely to move higher in the relative attitude in the loyalty matrix and become more loyal toward Nike.

From the literature review we learned that millennials have higher expectations from a brand and with the use of brand activism brands can communicate more efficiently with the customer base (Shivakanth Shetty, 2019). Millennials are viewed as more responsible than the older generations and they tend to promote brands that are socially responsible. Brands that invest in corporate social responsibility and activism can have success with positive feedback from the millennials that can lead to a competitive advantage, increasement in the purchase intention, willingness to buy and better product performance, from the millennials (Shivakanth Shetty, 2019). That is also the case, were millennials, within the age group 18-34, were 37% more likely to purchase Nike sneakers after watching the campaign. Comparing that with the people over the age of 50 they were 41% less likely to purchase sneakers after watching the campaign (Avery, 2019). It is also shown that democrats were 14% more likely to purchase from Nike whereas republicans were 12% less likely to purchase from Nike.

Another study shows how customers react when the customer agrees or disagrees with companies taking a stand on political or social issues. Here it can be seen that when a customer agrees with the company's message 44% of them will purchase more from the brand, and 52% of them will show greater brand loyalty. The study also shows that when customers disagree 53% will purchase less from the brand and 33% will boycott the brand (Avery, 2019). From the study 29% said that they

were more likely to buy Nike products and 21% said they were less likely to buy Nike products after viewing the campaign. A total of 50% said it would not affect their buying decisions (Avery, 2019). This shows that the general perception of people who in theory would buy more or less from a brand taking a standpoint in political or social issues is significantly higher in theory, than the results shown from the specific example with the “Dream Crazy” campaign.

Nike increased brand loyalty for, especially within African American, millennials and democrats. CEO of The Harris Poll, John Gerzema said “*Nike took a strategic risk to alienate some customers in order to appeal to their core base of 18 to 29-year old males*” (Barker, et al., 2018). By the use of celebrity endorser and brand activism that resonated with their core customer base and Nike invested in increasing the brand loyalty for their core customer base, which seems to have worked (Barker, et al., 2018). Although, there have also been a decrease in brand loyalty for the customers that did not share the opinions of the campaign.

#### 4.2.4 Brand Association

Brand associations is essential for a company because it is a factor that increases the emotion from the consumer, and thereby differentiates the company from its competitors (Keller, 1993). Keller establishes three overarching types of brand associations: Attributes, Benefits, and Attitudes (Keller, 1993). With Nikes use of celebrity endorsement and brand activism it is not believed that the “Dream Crazy” campaign influences the product related attributes. This is due to that the product-related attributes mainly operate on the functionality of the product. From the brand loyalty chapter, it was stated that 29% said that they were more likely to buy Nike products and 21% said they were less likely to buy Nike products after viewing the campaign. A total of 50% said it would not affect their buying decisions (Avery, 2019). These 50% could be because they buy Nike products due to the functionality and product-related attributes instead of the non-product related attributes. Kenneth

Cortsen states in the interview, that there are people who buys Nike products based on the product-related attributes.

*“... what is the reason why people buy Nike shoes? It doesn't have to do with Colin Kaepernick, or Nike's messages. It may also just have something to do with their design.” – Kenneth Cortsen.*

For those customers that are not affected by the brand activism and celebrity endorsement, Nike used in their campaign, shop based on the product-related attributes and not the non-product attributes (Keller, 2003). For those customers where their purchase behaviour is only based on product-related attributes brand activism a celebrity endorsement does not increase or decrease CBBE. Another reason why the percentage of people who are not impacted by Nikes brand activism and celebrity endorsement could relate to the authenticity of the campaign. From the brand awareness chapter, it was stated that if consumers saw the campaign as a publicity stunt, from Nike's side, rather than a true recognition and celebration of Colin Kaepernick's actions the consumers would be skeptical (Emmadi, 2016). From the interview with Kenneth Cortsen and he addresses the importance of authenticity.

*“For me, it is a matter of authenticity or the fact that one is clear in one's communication and signaling an authenticity around the communication. If there are some who perceive what one does as false, or being something were one tries to manipulate consumers, then the prosumers will be negative and lifting the parades and saying no, we do not like that.” – Kenneth Cortsen*

If the customers are in doubt over were Nike stands in the brand activism subject that is displayed in the case the message will be received with doubt. This doubt can have a negative influence on how

the customers perceive Nike as a brand and influence the CBBE in a negative way. Even though Nike used Colin Kaepernick in their campaign with the slogan “*Believe in something. Even if it means sacrificing everything*” Nike signed a \$1.1 billion contract with the NFL that will last until 2028 (Avery, 2019). Kenneth Cortsen addresses the issue of Nike making a contract with NFL the following way.

*“So, you could say that when Nike makes use of him as the face of Nike, then for critical consumers it might be perceived as negative that Nike makes contract with the NFL.”* – Kenneth Cortsen

By Nike making a deal with the NFL the campaign can lose its authenticity to some consumers and thereby influence how the customers perceive and associate the brand activism of the campaign and lead towards that the customers do not increase their CBBE through brand activism and celebrity endorsement.

However, the “Dream Crazy” campaign is influencing the symbolic benefits. The reason for that is the symbolic benefits matches the non-product related attributes and relates to the underlying needs for social approval and self-esteem (Keller, 1993). Brand associations that result in high brand awareness are positively related to CBBE as the associations can be a benchmark for quality and commitment. Furthermore, brand associations can result in a positive perception of the brand. A positive perception of Nikes “Dream Crazy” campaign is important, because it can lead to positive word-of-mouth, repeat sales, customer loyalty contributes to company's profitability and CBBE. Previous studies have shown than when companies take a stand on political or social issues and people agree with the brand activism, they are more likely to recommend the brand to family and friends (Avery, 2019). A negative perception of Nikes campaign can on the other hand lead to boycotts and

backless (Avery, 2019). A study shows that 35% of customers will recommend the brand to family and friends when they agree with the social or political stand. On the other hand, 38% would warn their family and friends about a brand if they do not agree with the standpoint (Avery, 2019). As mentioned earlier Nike experienced both positive and negative attention surrounding the campaign. As mentioned earlier the customer base that had a positive perception and association to the “Dream Crazy” campaign is millennials. Especially millennials, within the age group 18-34, were 37% more likely to purchase Nike sneakers after watching the campaign. Furthermore, it was stated that African American and democrats had a positive perception to the “Dream Crazy” campaign. People within this customer will have a strong and positive perception of the campaign, and that can lead to the customers increase their repurpose intentions and relative attitude toward Nike. This means that the loyalty from this customer base will increase their brand loyalty and positively affect the perception of Nike as a brand. Therefore, Nike have increased CBBE from the customer base of millennials.

However, republicans that are older than 50 in general had a negative perception of the campaign. From the brand loyalty chapter, we learned that people over the age of 50 they were 41% less likely to purchase sneakers after watching the campaign (Avery, 2019). It is also shown that republicans were 12% less likely to purchase from Nike. When the association toward the campaign is viewed negative the CBBE from this customer base will decrease. This means that the non-product related attributes will not align with the customer base values and therefore have a negative influence on perceived quality. The negative influence on perceive quality can also affect the repurchase intentions and therefore decrease the brand loyalty from this customer base. Therefore the “Dream Crazy” campaign had a negative influence on CBBE to this customer base.



## Chapter 5 – Discussion

Chapter five will consist of the discussion, limitation, conclusion, appendix and references.

### 5.1 Discussion

From the research, it was clear, that there is a relationship between the use of brand activism, celebrity endorsement and customer-based brand equity. In this chapter, the findings from the last chapter will be discussed and compared to the literature. Most of the authors did find a direct relationship between brand, activism, celebrity endorsement and customer-based brand equity, but most of the connections were found between brand activism, celebrity endorsement and the underlying factors of brand equity; brand awareness, perceived quality, brand associations and brand loyalty.

Brand awareness in the case of Nike can affect the CBBE due to brand knowledge turns into brand opinion. Nike used Colin Kaepernick and his focus on social injustice to create brand awareness. As stated previously the campaign divided the customers of the market. One of the reasons to why companies use celebrity endorser can be that the quality an athlete has can be transferred to the product. Furthermore, there is a high level of identifications from consumers towards athletes.

*“Celebrity endorsers have been seen for many years, and that is because there is a high degree of identification with many of these celebrity endorsers and they are really used in sports sponsorships because there is a passionate appeal about celebrities.”* – Kenneth Cortsen

As mentioned previously athletes can move market share and customers do to the level of appeal that can be from the customers towards the athletes. Nikes controversial campaign was a strategic risk to target the younger segment were the objective for Nike was to increase the loyalty from the millennials. The strategic risk Nike made in this campaign comes with a price for anyone who did

not agree with the political standpoint Nike took in this campaign. Based on the use of brand activism and celebrity endorsement Nike successfully created brand awareness due to the customers went from having brand knowledge to a brand opinion. Nike was aware that this campaign would have both positive and negative feedback and therefore the overall success of the campaign depends on the association of the campaign and how the campaign is perceived.

The “Dream Crazy” campaign were perceived more positive from the millennials, African Americans and democrats than the older generation, Caucasians and republicans. This shows that there is a difference in how the campaign was perceived among the public. When a group of the public associate and perceive the campaign in a negative way the level of CBBE will decrease in that group. Although, Nike might lose customers by their use of brand activism and celebrity endorsement, Kenneth Cortsen argues that the campaign is calculated to do so.

*“... they (Nike) are strategically conscious and measure things. Then they still have a loyal customer base that buys Nike products for other reasons, so it's also a matter of creating new customers and facing strong segments. Here, I think Nike wins more than they lose on such a campaign.” – Kenneth Cortsen*

Herby it can be argued that in order for Nike to gain new costumers and increase the CBBE with millennials they need to risk other segments. It was stated in the literature review that brand activism and celebrity endorsement could affect perceived quality based on product-related and non-product related attributes. In the case of Nikes “Dream Crazy” campaign it was shown that Nikes campaign did not influence the customer on the product-related attributes. Therefore, the perception of quality can only affect the non-product related attribute and therefore Nikes campaign does not impact the

customers without attitudes toward the level of brand activism and celebrity endorsement used in their campaign, and that is a problem when measuring perceived quality. Nike successfully influenced the perception of the brand with millennials by non-product related attributes with the use of brand activism and celebrity endorsement. The same dilemma goes with association where Nikes campaign did not influence or affect the functional benefits but only the symbolic benefits that have to do with emotions and identification. With that being said the symbolic and non-product related attributes with Nikes commercial is unique and therefore increases both brand perception and perceived quality.

Although there is a positive association between brand activism, celebrity endorsement and brand association, the theory showed a higher percentage of people that were not affected by the campaign than people who would purchase Nike more frequently. This could be due to the customers not having an opinion about social injustice in America or knowledge about the Colin Kaepernick. It could however also have something to do with the authenticity of Nike collaborating with the NFL while using Colin Kaepernick in their campaign. Nikes contract with NFL can decrease how authentic the millennials perceive and associate with Nike, and as the literature shows the implications of this could be that millennials see the campaign as a publicity stunt.

*“...the critical consumers can say, if you support Colin Kaepernick and use him as the face of Nike in that year or at that time, how can you, on the same page, support the NFL...”* – Kenneth Cortsen

The reason why it is important for Nike that the millennials perceive the campaign in a positive way is due to perceived quality have a direct influence on how likely customers are to share their opinion via word-of-mouth. Word-of-mouth can affect how the relative attitude from the customer is toward Nike. The relative attitude addresses brand loyalty and the aim is to get customers to have a positive

relative attitude and repeat patronage intentions in order to increase their level of loyalty. The increasement in brand loyalty is important due to that the perception and associations towards Nike would then be positive and give Nike a competitive advantage. Customers who experience an increase in brand loyalty become less price sensitive and more connected to the brand.

## 5.2 Limitations

In this project the limitations are that the project both investigate brand activism and celebrity endorsement at the same time. This could have had influence on the results of the study. In the case of Nikes “Dream Crazy” campaign with Colin Kaepernick it was decided to investigate both, due to that Nike used both brand activism and celebrity endorsement in the campaign.

The limitation for the project is the validity due to the interview with Kenneth Cortsen. Due to the fact that the interview was made by the investigator the questions was gathered and created from the investigator it pushes the validity of the project in a more subjective direction. The literature review however is collected objectively and the questions from the interview is made based on the literature review. The quantitatively data used in the analysis are secondary data and even though this data is objective a primary data collection could also have benefited the project positively.

### 5.3 Conclusion

The literature did not find a direct relationship between brand activism, celebrity endorsement and customer-based brand equity but did however find a connection between brand activism, celebrity endorsement and the underlying factors of customer-based brand equity; brand awareness, perceived quality, brand associations and brand loyalty.

Based on the literature brand activism and celebrity endorsement can positively impact all underlying factors of customer-based brand equity. The factors that decide if brand activism and celebrity endorsement impact positively or negative are how the customer perceive and associate with the brand activism and celebrity endorser.

Brand awareness can be defined *as anything that relates to the likelihood that a brand name will come to mind and the ease with which it does so*. Brand awareness is based on brand recognition and recall. Since Nike is a well-known brand, and therefore have a high level of brand recognition and recall, brand awareness will be assessed from how brands can move customers from brand knowledge to brand opinion. Nike used brand activism and celebrity endorsement in their “Dream Crazy” campaign. Nike used Colin Kaepernick fame in order to spread awareness towards a political statement regarding social injustice. A month after the campaign aired 50% of American customers aged over 18 had seen the advertising from Nike in the past two weeks and positive mentions from the millennials were 33% above normal. From the campaign launched the 3<sup>rd</sup> September to the 5<sup>th</sup> September 2018 Nikes social media mention increased from under a million to more than 4 million and therefore Nike moved their customers from brand knowledge to brand opinion which positively affected customer-based brand equity.

Perceived quality refers to the customer's judgment about a product's overall excellence or superiority (Keller, 2003). Perceived quality can both have positive and negative influence on customer-based brand equity. When companies use a celebrity endorser the aim is that the company can benefit from the awareness the celebrity endorser creates. Brand associations is essential for a company because it is a factor that increases the emotion from the consumer, and thereby differentiates the company from its competitors. Nike was had both customers with positive and negative association on their products due to the “Dream Crazy” campaign. Brand activism and celebrity endorsement did however not affect the product related part of the perception of Nike. However, the brand activism and celebrity endorsement used in the “Dream Crazy” campaign affected the non product-related association and perception of Nike. Therefore, associations and perceived quality is partly successful in the case of Nike. Perceived quality can lead to word-of-mouth and in the case of Nike 28% would be more likely to promote the brand versus the 20% that would criticize Nike. The positive perception and association towards Nike lead to a higher reparative attitude that is one of the two factors in order to increase brand loyalty with a customer. The other factor is repeat patronage and customers stated they were 44% more likely to buy more from the brand. 52% of customers stated they would show grater loyalty towards Nike were 33% stated they would boycott the brand. Therefore, based on the association and perception of the “Dream Crazy” campaign Nike increase the level of customer-based brand equity through the four underlying factors of customer-based brand equity.

In order for a company to increase customer-based brand equity through brand activism and celebrity endorsement, there needs to be created brand awareness that are strong enough for customers to create an opinion. If this opinion is perceived positive and the association thereby is positive it will increase the customers relative attitude toward the brand and increase the repeat patronage intentions from the customer. This will increase the customers loyalty and make them less price sensitive and less aware of the companies’ competitors.

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## Appendix

### Appendix 1 - Nike's "Dream Crazy" Advertisement Featuring Colin Kaepernick



Source: <https://news.nike.com/content/a-crazy-dream-becomes-reality-when-you-just-do-it-posters>

### Appendix 2 – Interview with Kenneth Cortsen

Interviewer: Why do so many companies use Celebrity endorsers?

Kenneth Cortsen: Celebrity endorsers have been seen for many years, and that is because there is a high degree of identification with many of these celebrity endorsers and they are really used in sports sponsorships because there is a passionate appeal about celebrities, sports for example, as there are many emotions involved. I think the best example of this degree of identification is Gatorade's "be like Mike" campaign back in the 90's. Gatorade's "be like Mike" campaign reflects that people want a bite of these celebrities. Many children and young people, but also older sports star fans have a high degree of identification with these stars and this is also in the rhetoric of the "be like Mike" advertisement, as he dribbles between children where this slogan "be like Mike" runs around all the

time. Here, there was a sports star (Michael Jordan) who set new standards, both on and off the field, in relation to branding and sponsorships, and this to tap into the pop culture, as Michael Jordan also did with "Space Jam" for example. That sports star at that level when we speak the highest professional sports level, especially in the US market ... Now I have lived there for four years and I still teach Sports Management or have done it for the last three years in USA, and there is just a huge passive consumption of sports. Passively in the way that people sit at home in front of the couch watching the matches on TV or in the arenas and consuming these giant stars and all that becomes associated with the stars are also sponsorships, such as Gatorade, who buy into that brand appeal and the fan following and the degree of identification that lies in and around Michael Jordan. The same is true for other athletes, there is just another level that exists because if we talk to Lucas Andersen at AaB, then it is local or at best nationally where it is different if we talk NBA and Michael Jordan, NFL or Premier League or Champions League. Then it's international or global, so you have to think about level, but that's also why AaB players are out and writing autographs in the mall. It is about identification. It's about being role models for kids and young people who practice football or other sports and have a dream of becoming a professional themselves, or just looking at these high-level elite athletes who can show some skills about it so is in the arena, on the field or on the TV.

Interviewer: This identification you are talking about can it create more loyal customers, for the individual brand that uses a celebrity endorser?

Kenneth Cortsen: Yes and no. Because sports are also characterized in that it sometimes divides the waters. There may be Golden State Warriors fans who hate the Los Angeles Lakers and therefore say we shouldn't touch LeBron James because we are Steph Curry fans. After all, the world has changed too, so more people have a higher degree of identification because we live in a more individualized

time than we did 20 or 30 years ago. It is also something we see, and it goes into your first question ... Cristiano Ronaldo, who has switched from United to Real Madrid and then Juventus. There are many fans who say I have been a United fan and a Real Madrid fan, but today I am a Juventus fan because Ronaldo is there and he is the ultimate example of identification and fan following when looking at the social media platforms where he has hundreds of millions of followers. Juventus sells about 520,000 jerseys in the first 24 hours when he switched to Juventus, speaks the truth. At the same time, after Ronaldo's signed for Juventus, Real Madrid experienced the lowest number of spectators in 10 years. These great athletes are moving customers and market shares, and I have previously stated that to the press and written that in a blog. It is also one of the reasons why companies use celebrity endorsers for marketing or branding platforms to drive messages or products.

Interviewer: What about brand activism? Here, we also see several companies investing in CSR in both productions, but also in campaigns where it becomes a form of storytelling.

Kenneth Cortsen: The storytelling part lies in a branding process if you look at a simplistic model for branding that a company must first have some awareness and that you can create through campaigns and the stories that will come to live in one way or another. It is a form of staging that talks into the next step, which is the image part that is about how to perceive. If we look at Michael Jordan and see how much hype is around the Netflix series "the last dance", despite it being many years since he quit, then we are talking about the next step which is brand equity. Where a brand through the association between the celebrity endorser and the company gets competitive advantages, which is what brand equity is all about. That the company have some differentiation factors that ultimately creates preferences or loyalty, or at least contributes to that part. Then it is also about the world has evolved. Today's world is a more individualistic world versus the more community-oriented we lived

in before, but we have also seen a development in the consumer market where we see consumers becoming more politically active and we have a concept called prosumers that means that consumers have become more conscious and have a sharper access to knowledge and information. When we live in an open and transparent society in terms of social media and globalization, it is natural that the CSR part, which many decades ago began to fill something on the corporate agenda, has also become more integrated into a sports world. Because sports brand also knows that CSR, can leave positive impressions on the surrounding community, that it can have a beneficial effect. It is also scientifically proven that the relation to brand awareness in comes through a brands perception, but also in relation to the bottom line. Studies have also been conducted to show that this may have an impact on consumer purchase intentions. Nike suffers a little from "getting hurt gets you wise, but rarely rich." Now, it's not about Nike not doing well financially, but they were in a scandal or a crisis, back in the 90s - surrounding these sweatshops in Asia. The interesting thing about that case was that ... that's also an article about the Harvard business review, where Simon Sinek has written about it with strategies in relation to crisis management, and how it also relates to CSR, where Nike to start with was very defensive and said they didn't do anything their competitors like Adidas and Puma didn't do. It wasn't the best strategy, but they found out along the way where they have applied and put CSR as part of their strategic foundation, where they would like to be pioneers in the field and were they would like to set standards for best practice that others can learn from, for example, their "re-use a shoe program" where Nike can say you (the consumer) can reuse your shoes to develop new courses for athletic participation and when they do this also strengthens their own product so that it becomes not just CSR but strategic CSR. It's interesting when Nike thinks it into their strategic foundation, and that's what I think Nike are good at. So you can say that the whole strategic foundation for Nike is also about inspiring and innovating, and like Nike also says, "we need to inspire the world" and they also say "if you have a body, you are an athlete". They do a high degree of innovation around

that part to allow people to practice sports. There, they are very innovative, and they have been in many of their campaigns too, where they are also not afraid to be controversial and go in and split the waters. Mark Parker, who was CEO. I do not know if he is still CEO, but he wrote this letter to Mo Farah when Trump joined, and it became more difficult to move across borders. Nike have also taken a stand in the same way they have in relation to Colin Kaepernick or gender equality or LeBron James campaigns with the gold color symbol they have run in Nike stores around the world. They have a great diversity when we look across the athletes who represent them. In doing so, they are very strategically aware of this, but are not afraid of being innovative, and being innovative is also sometimes going against the flow and being controversial. Another example could be when Tiger Woods was in this controversial infidelity scandal and he came back as the world's best, where Nike created the "winning takes care of everything" campaign and split the waters in the domestic market. How is that campaign being received in the Bible Belt versus San Francisco, where people are more progressive. I think that was about Tiger Woods not breaking the law but breaking ethical boundaries. Nike sometimes go into ethical gray zones, but Michael Vick, who is taken to arrange dog fights, they drop the contract because it is against the law. There is a scolding ... I also think Oscar Pistorius was a Nike athlete and when he is accused of murder, it is not a violation of ethical boundaries, but of the law that also terminated the contract.

Interviewer: Do you mean in relation to the Colin Kaepernick campaign that is about social injustice, where he took a knee during the national anthem and Nike makes a campaign with him with the slogan called "Believe in something. Even if it means sacrificing everything.". Can Nike, on the one hand, take Colin Kaepernick's party and at the same time extend contact with the NFL, as one of the biggest sponsors?

Kenneth Cortsen: That's a really good question. Because the critical consumers can say, if you support Colin Kaepernick and use him as the face of Nike in that year or at that time, how can you, on the same page, support the NFL, which is special in professional sports in compared to the structure it has, where the NFL is not just a sports league, but a business that is set in the world to make money for the owners. Colin Kaepernick would still have played football if it wasn't American football, but if it was European football. Because the model in European football is much more decentralized than it is in the NFL, where it is central. When he goes head-to-head, there are no teams who want him. Furthermore, the position he plays is not any position he plays, he's a quarterback, so it was a vital player and we know players on vital positions is high valued. Had this been European football and had he played in Manchester United, then Inter or another club would have thanked him for making a difference and wanted to sign him. I don't understand he was dropped from the NFL because why don't NFL use it for something positive when you look at what market they are playing in. So, you could say that when Nike makes use of him as the face of Nike, then for critical consumers it might be perceived as negative that Nike makes contact with the NFL. But what is the negative of social injustice? He just uses some form of rhetoric or communication that earlier athletes before him have also used. Tommy Smith, who was wearing black gloves back in the Olympics, Mohammed Ali has done that too. Michael Jordan also took a stand during the Olympics when he covered the Reebok logo with the American flag because he was sponsored by Nike, and when an American political candidate asked if he would support him, he said "republicans buy sneakers too". That way it becomes a form of an ambiguous message Nike sends when looking at branding.

Interviewer: What can Nike do to prevent too many negative feelings towards them when they use social injustice in their campaign, so that it doesn't seem like a marketing gimmick?

Kenneth Cortsen: It's also a good question, but it's about authenticity in the messages. John Barmer and Steven Glassmire ... now I know Steven from Harvard, they have done an article on multiple identities, where they investigate what is a company's current identity, such as culture, habits and values. How does the company communicate, that is communicated identity. What is the perceived identity among the stakeholders and where they look they explore the ideal identity based on trends and trends. Here, they explore the business intelligence that a company like Nike has people who see what the next trend in the market might be. It must be held against the visionary desired identity and gaps must be avoided. So, what you stand for, what you want to stand for and therefore the way you are perceived. For me, it is a matter of authenticity or the fact that one is clear in one's communication and signaling an authenticity around the communication. If there are some who perceive what one does as false, or being something where one tries to manipulate consumers, then the prosumers will be negative and lifting the parades and saying no, we do not like that. Then you have the situation with social media, where these generations are very active and can quickly see that a company is not just in a storm, but a shit storm. An example of this is the Olympics, where Russia had a very tough appearance compared towards homosexuals, where suddenly there was a large consumer group saying - why does Coca-Cola and the other big companies not go in and take a stand? Why has Adidas, as a long-time sponsor of FIFA in football, not taken a stand on corruption? This is where it becomes a complex management question back to this one with the NFL on the one hand and Colin Kaepernick on the other. Both brands are moving customers and market share and it is the same with FIFA and Adidas. Adidas knows that there is only one FIFA World Cup and if we cut the connection, Nike stands with open arms. Coca-Cola knows as well that Pepsi is in the background. There are therefore some financial issues that complicate because if we look at CSR research, Carrolls for example, then it was here that Milton Friedman said back in the 1960s that companies are set in the world to make money, to maximize shareholder value. The important thing today in any business is



that there is a consistency and authenticity around the way companies communicate. What does it mean about the way you communicate - it is also the way companies act. It's not just verbal communication. Poor customer service is also a form of communication.

Interviewer: Can there be an advantage in a company eliminating potential customers to raise their target group?

Kenneth Cortsen: For brands, it's about being right here, right now. Brands are dynamic phenomena and lives in periods when there are things that get hyped. This is what this case is capable of, because there is a reason, we sit around talking about it today. This case is not just something that affects people, but also in the social debate. That's one of the things that I think Nike has been good at taking part in the community debate in recent years. The messages also become the issue that when you start a hype by taking a stand on a deeper level, it becomes something that can have a greater impact. Brands should be something here and now... now I just forgot the question.

Interviewer: Can there be an advantage in a company eliminating potential customers to raise their target group? Anyone who does not have the same position as Colin Kaepernick will look negatively at this campaign.

Kenneth Cortsen: Here is a complexity of buying behaviour motives because what is the reason why people buy Nike shoes? It doesn't have to do with Colin Kaepernick, or Nike's messages. It may also just have something to do with their design. I think this is the fact that addressing something that goes deep in the social debate is positive. Especially because gender equality or social injustice are important messages in 2017, 2018, 2019 or 2020. Times have changed and CSR and a positive social

difference have become more important over time. Here, it must be considered that when something creates a lot of hype and attention, how much do they move then? I think Nike move a lot. After all, they (Nike) are strategically conscious and measure things. Then they still have a loyal customer base that buys Nike products for other reasons, so it's also a matter of creating new customers and facing strong segments. Here, I think Nike wins more than they lose on such a campaign. Also, because social justice and gender equality are some of the things that are very positive.

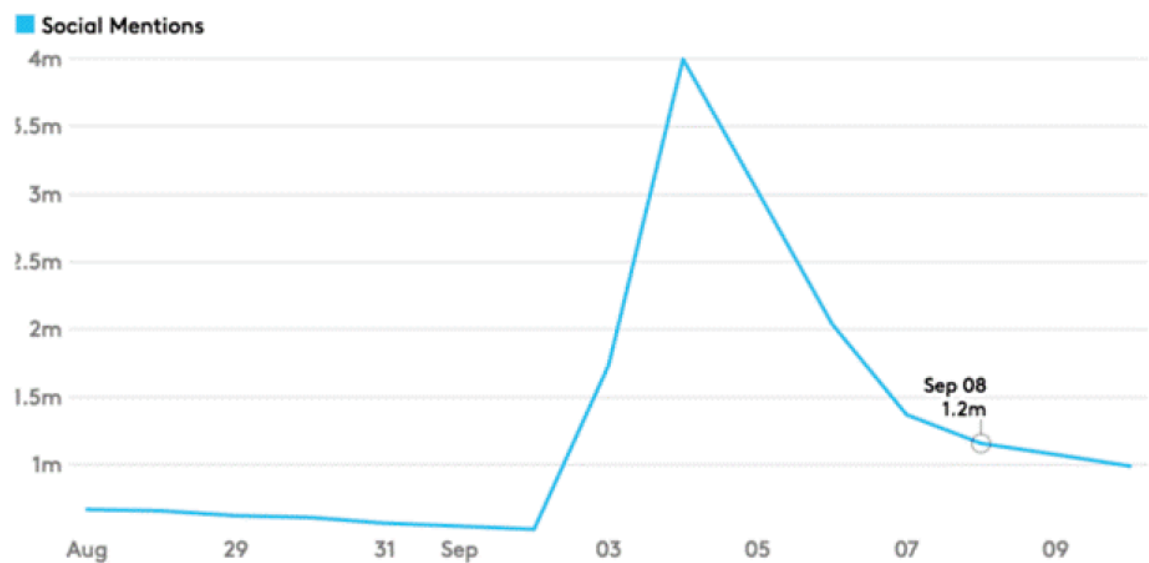
Interviewer: For those customers who have the same opinion as Colin Kaepernick, can such a campaign make them less price sensitive or less quality conscious about Nike's products?

Kenneth Cortsen: There will be some consumers that will think like that. I don't have scientific evidence to say that, but I can make myself a representative sample here because it was the way I bought it when they had the campaign with Lance Armstrong "LiveStrong". I thought that was a great example of how something just grew. It was also a positive message. LiveStrong, ie the fight against cancer - Lance Armstrong's own story through storytelling that you mentioned before. The way he fought his way back is also something that is the rhetoric of many Nike campaigns. It was a perfect narrative for Nike, and they tore many on the consumer dimension with the yellow bracelets. I remember wearing the yellow and black Nike sneakers and running shoes with LiveStrong. It was big that time, so it's not for fun they do it. History helps to give an understanding of the present and sets the direction for the future. There are some parallels between Lance Armstrong and Collin Kaepernick. Also, not everyone has dropped Nike because Lance Armstrong tested positive for doping. It's not like Nike has been closed since it happened, because consumers know that it can be difficult to place a business in charge of a single individual's action, although there should always be some kind of crisis communication around it. There are just risks when using celebrity endorsers. But

LiveStrong is a good example of how brand equity can be created. It becomes a matter of what branding is all about. Branding is about meaningfulness. For a brand to be meaningful because things that are meaningful are attracted to us. Looking at what Nike's brand strength is, it's not just a matter of Nike, but an interaction. Understanding that what creates the strength of a brand is the consumption of the consumer who decides it. So, what a consumer says is that Nike is interesting, whether it is the product or whether it deals with what the company stands for. The difference between product brand and the personal brands associated with Nike, such as Colin Kaepernick or Michael Jordan. Or whether it's about corporate branding that reflects and the organization's foundations and values. Here you can say that Nike's development is about the consumer adopting both Nike as a company and Nike's products, while at the same time the company has been strategically sharp compared to seeing what they have done with Lance Armstrong. Michael Jordan never played in Nike until they bet everything and paid \$ 500,000, which was a huge amount at that time. Or Nike's football bet in the 1990s on football in the US, here you can see return on investment 20 years after there were more teams during the World Cup playing in Nike than Adidas. Nike has also shown that they can recover from crises from sweatshops in the 1990s to where they are today. Nike has probably recognized that they can't live without taking important standpoints. It is about choice and deselection.

Kenneth Cortsen: It's interesting to look at a blog post I made back in 2014 where Colin Kaepernick was ranked No. 1 in terms of top-selling jerseys in the NFL. It's a ranking made by the NFL. What I would like to say, is that when we talk inspiration and innovation, there are some strategic values, that Nike has taken the role very seriously. Compared to constantly trying to set new standards. I thought they did that with by Colin Kaepernick and I feel they did that with Lance Armstrong. Similarly, Colin Kaepernick has set new standards where he has sacrificed his professional career to make a stand.

Appendix 2 – Social media mentions Nike (August-September)



Source: Kantar Media (2018) “Examining the Earned Media Impact of Nike’s New Campaign,” (Kantar, 2018)