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Creator brands: What is the driving factor behind Creator brands success in the Norwegian market?

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Preface

Working on this study was very exciting and gave us a lot of insight into the rapid development of marketing. The group work was very good, as each week scheduled meetings occurred to work together on the paper. It was time consuming, and it was very insightful.

A special thanks to our supervisor Øyvind Osjord for his guidance throughout this semester. It has been very helpful. We would also like to thank everyone who took their time to answer our survey.

Abstract

The rise of influencer marketing has led to a new concept called creator brands. Through creator brands, influencers capitalize on the influence over their audience by launching their own products. Prime Hydration is the current largest creator brand in the world. It is a relatively new beverage brand, co-founded by Logan Paul and KSI. Prime has seen substantial success, becoming one of the fastest-growing hydration beverages in the world. Despite the growing popularity of creator brands as a concept, there is a lack of empirical studies on creator brands and what drives their success. This study aims to fill in those gaps.

This study seeks to gain a deeper insight into the factors contributing to creator brands' success in the Norwegian market. This will be done by examining Prime Hydration's success in the Norwegian market. The method consists of a survey of 178 participants within Prime's target demographic providing quantitative data that will be analyzed.

A factor analysis found three factors influencing the success of Prime in the Norwegian market. The factors are from the marketing mix where “Product” and “Promotion” are individual factors, and “Place” and “Price” fall under the same factor. By conducting a regression analysis of the survey, the results found the scarcity principal strategy was a substantial factor contributing to Prime’s success when it was first introduced to the market. As sales declined, the reason for the continued success was the popularity of the creators of the brand. A logistic regression was constructed to get insight into the gender difference in the popularity of Prime. The results predicted males to buy significantly more of the product.

The results of this study gain deeper insight into the concept of creator brands. The study can benefit marketers in developing more effective strategies in a changing marketing landscape where creator brands are becoming increasingly influential.

1. Introduction

For years, influencer marketing has seen a substantial increase, with the influencer industry reaching a 16.4 billion market share in advertisement. Many brands now dedicate large portions of their marketing budget toward influencer marketing, making it an important tool for reaching the target customers (Fine et al., 2022). In influencer marketing, influencers endorse or become ambassadors for products to augment sales. For the last several years a new concept called creator brands has emerged. The difference between creator brands and influencer marketing is that content creators themselves also create the products instead of just endorsing it (Antolino, 2023).

Creator brands are undergoing immense growth worldwide. MRBeast is the biggest YouTuber in the world, with a following exceeding 200 million subscribers. When he announced his new chocolate bar on YouTube, the video received more than 200 million views. This illustrates the potential reach of creators. The Super Bowl in comparison, where millions of dollars are spent for 30-second ads, had a combined 140 million viewers (Antolino, 2023). KSI (Olajide Olatunji) and Logan Paul are among the most famous YouTubers in the world. They had previously been fierce enemies, and even fought two boxing matches against each other (Netherton, 2022). Following the boxing matches that attracted considerable attention, they decided to collaborate. The duo later created a hydration drink called Prime Hydration, and sales grew rapidly. Prime soon became the fastest-growing sports drink in history (Antolino, 2023). Within the first year, Prime announced on Instagram that they had reached one billion bottles sold worldwide (Olusegun, 2023).

When Prime was first launched, it was not sold directly to distributors in Norway. This resulted in the import of the product from the United States and Great Britain, primarily through candy stores. When first imported, half a liter of Prime could be priced at NOK 139,- upwards to NOK 190,-, and the supply was still not enough to meet the demand (Hvitmyhr, 2023). The brand was officially released in the Norwegian market in June 2023, now selling in some of the largest grocery-chains in Norway. The influencer duo physically came to Norway for the launch (Viskjer, 2023). When the product was announced, it was sold for around NOK 30,-, but as demand fell, so did the price. In april

2024 Prime could be found in stores for NOK 4.90,- (Schjønberg, 2024). Several grocery stores revealed a decrease in quantity sold (Aga, 2023).

The article “Prime kan lide samme skjebne som andre eksklusive varer, mener trendforsker” by Nijjer discusses Prime’s strategy. In the article the journalist interviews trend-researcher Gunn Helen Øye, who has a master's degree in Luxury Management. According to Øye, the main reason for the popularity of Prime was the high price and limited supply when Prime first was imported to Norway. This created a hype that led to high demand. Once it was released in Norway, and became more accessible, people lost interest since it no longer held a status (Nijjer, 2023). The NRK article looks further into the price decrease of Prime. Kjell Erik Lommerud, professor at the University of Bergen, explains the reason for the decrease in demand is due to price elasticity(Nijjer, 2023). This is covered more thoroughly in chapter 2.3.4.1.

Prime utilizes influencer marketing to a large degree as a part of their marketing. Influencers range from athletes to creators and artists, but Prime predominantly uses athletes from sports like football, American football, World Wrestling Entertainment (WWE), Ultimate Fighting Championship (UFC), hockey, boxing, and NASCAR in their influencer marketing. They have partnered up with professional athletes, like Erling Håland, Alisha Lehmann, Israel Adesanya, and Patrick Mahomes as ambassadors (drinkprime, 2024),(Hellenes, 2023). They have even teamed up with sports clubs like Arsenal FC, Bayern München FC, and Los Angeles Dodgers. Prime also has deals with companies, including WWE and UFC. Prime also has creators as ambassadors, the most notable being the YouTuber IShowSpeed who has over 20 million subscribers on YouTube (drinkprime, 2024).

An example of a creator brand from Norway is "Trippel-sjoko" from Oscar Westerlin. "Trippel-sjoko" is a bun that the Norwegian influencer Oskar Westerlin sold. The bun became popular when supply could not meet demand. In stores the bun was priced at around NOK 20,- but it was attempted resold for NOK 1000,- as the demand could not be met (Hassan & Hilton, 2023).

Creator brands are an interesting new concept. Based on our research related to this study, it appears that the landscape of existing studies on the success of creator brands is limited. Most articles assume that the success stems from the owners being famous and therefore

automatically draw in loyal customers. Is this the case? Are creators good at using marketing strategies or is their success pure luck? Common characteristics that Antolini found in successful creator brands are: organic content, decentralization, relatableness, and the faces of the creators used as a logo (Antolino, 2023). Prime is a good example of a creator brands as it ticks all the characteristics Antolino describes. With primes success it should give valuable insights into the factor driving creator brands.

1.1 Problem statement

The objective of the text is to do an in-depth study of why Creator brands have such tremendous success in the Norwegian market. The study has limited the scope of creator brands to focus on Prime Hydration and look into their success. The reason for the delimitation is that Prime is the biggest creator brand on the market. The study is also geographically limited to the Norwegian market as the questionnaire will be distributed in Norway. The problem formulation is thereby:

What is the driving factor behind Creator brands success in the Norwegian market?

The study is structured in six parts. First is the introduction with background, concept clarification and formulation of the thesis. The second part is our theoretical framework where we will present previous research on the topic, and build the foundation of the study. The theory chapter contains previous research into influencer marketing, marketing theories and pricing strategies. This will be utilized in the analysis of the results. Part three presents our hypotheses on presumed factors affecting Primes success. The hypotheses will be tested in the analysis chapter. In part four we present the method that we will use to study creator brands. In the fifth part we will present and analyse the results from applying our model to Prime. In the conclusion we will identify which factors, and to which degree they affect the success of creator brands. After that we will discuss our limitations throughout this study and how this can be further researched.

Having limited the scope to Prime as a product, and the Norwegian market as the geographical delimitation has some negative effects. By focusing on Prime, the success of creator brands in this study may be limited to food and beverages. The geographical

limitations can make the study non-significant in countries with a different economic status, as Norway is a country with a good economy.

1.2 Demographic

To effectively analyze the factors contributing to a creator brand's success, we must first identify its target audience. Prime is a hydration drink which could be associated with physical activity. This could lead us to assume that Prime is targeted towards consumers living an active lifestyle. However, upon taking a closer look at the product itself, its simple packaging with bold letters and vibrant colours suggests a potential appeal to a younger demographic. Children are naturally drawn to vibrant colours due to their developing visual systems (Fofana, 2023). This can be leveraged by companies to make their product visually appealing for children. The effect of colours on consumers will be further explored in chapter 2.4. This could indicate that Prime is more targeted towards a younger audience. Moreover, if the followers of KSI and Logan Paul's on YouTube and other platforms are researched, their audience mostly consists of children, teenagers and young adults (Semeraro, 2023). The followers of creators will most likely be the most loyal customers and is therefore an important demographic. All these clues lead to believe that Prime's target demographic includes children, teenagers and young adults

2. Theory and literature

Our study builds upon existing marketing theories, consumer behaviour and previous research. This will be used in the analysis of Prime’s success in the Norwegian market. The following chapter presents previous research into creator brands and several marketing theories. This will make up the framework of this study. In order to do this we have conducted an extensive review of academic journals, articles and relevant case studies on creator brands and relevant marketing theories. This will be used to create the foundation for our research.

We searched through several academic databases like Google Scholar and University of Stavangers database Oria.We used keywords like 'creator brands,' 'influencer marketing,' 'consumer behaviour' and 'Prime Hydration' to find studies and research papers. We could not find any substantial research into creator brands or Prime Hydration on any databases. To broaden the scope of our investigation, we utilized the google search engine. This led to

a few blog posts and news articles discussing Prime, but their credibility and methodological rigor remain uncertain. We uncovered numerous studies on influencer marketing and consumer behavior, which provided a robust foundation for our research. Additionally, we sourced credible materials explaining the relevant marketing theories.

The models we will present are highly relevant, frequently used and widely acknowledged models in marketing. They also cover the key aspects of marketing and will ensure the examination of the driving factors for its popularity will be comprehensive and relevant.

2.1 Creator brands

Despite the growing popularity of creator brands, there is limited amount of academic literature studying creator brands success. This highlights the need for further investigation into these brands. An article written by Alex Antolino published on Brandingmag explains the strengths of creator brands. Although this article is not an academic study, it can still be a valuable starting point for understanding the topic. The article starts by pointing out that the creators network helps to create brand awareness. When the creator makes a product, fellow creators make content talking about it to capitalize on its popularity, resulting in free advertisement for the brand. The creators also have experience with content creation, distribution and content consumption, leading to a better marketing performance. The last point made is that the already existing community will make the start up phase a lot easier with an existing customer group. Consumers also create a feedback loop for the content creators to know what they need to improve on (Antolino, 2023).

2.2 Prime Hydration

There is a limited amount of research into why Prime has succeeded, especially in the Norwegian market. The information mainly consists of articles about Prime, but no studies with any thorough research into the topic. Furthermore, the articles discuss Prime in the American or global market, not the Norwegian market. Though not being specific to the Norwegian market, they are still relevant for our study as Prime has used the same pricing principles and scarcity strategies in both markets (Nijjer, 2023).

A research paper written by a senior lecturer in media from Sheffield Hallam University expresses why he thinks Prime has had a huge success. He explains that Logan and KSI have done a great job connecting with their audience through social media. They tell their own life stories and people can relate to them. They also collaborate with other famous YouTubers and are good at using YouTube's algorithm to recommend their videos(Zhang, 2023, p.2). Combining this with a limited supply creates a demand for the hydration drink (Zhang, 2023, p.4).

David Olusegun has written an article where he does a deep dive into why Prime has had a huge success. He says that Prime has created a place in the competitive beverage market by making a healthier alternative. This alternative consists of less sugar, a larger amount of electrolytes and added BCAAs. They have capitalised on the recent trend that focuses on fitness. The diversity with both hydration drinks and energy drinks caters to the different consumer needs (Olusegun, 2023). The claim of Prime being a healthier alternative is controversial, and is further discussed later in the chapter.

Olusegun also highlights that the owners being celebrities and the influence they wield led to a large brand visibility and credibility. It also explains their marketing strategy as a reason for their success. By making the product scarce in the beginning, they created a sense of urgency and exclusivity which resulted in Prime becoming a status symbol. Prime partnering with huge sports clubs and athletes expands its reach. The article ends with emphasizing that for Prime to keep succeeding, it must create its own identity separate from its owners. If Prime this is not accomplished, it could result in the hype dying down(Olusegun, 2023).

An article on Care.com written by Josie Powell discusses the health concerns of Prime for children. In the article they have asked several health experts (Dr. Johns, Gervacio and Boufous) about Prime. Their conclusion is that Prime is safe for children to drink in moderation, but they would still recommend water. Prime is made to meet the electrolyte needs of adults and not children. The children do not need the BCAA’s (branched chained amino-acids) in Prime. If children consume more than half a liter per day they can consume too much vitamin A, or get an electrolyte imbalance. If the children eat a well balanced diet and drink enough water there is no need for Prime, but it could be beneficial to some degree if the consumer is physically active (Powell, 2024).

Nutritionist Eli Anne Myrvoll also addresses the health concerns of Prime. She has analyzed the contents of the Norwegian variation of Prime. She explains that the coconut water in Prime does not have a significant effect on the consumers health. It also contains twice the amount of vitamin B12 that an adult should consume per day. It contains two and a half times the recommended dose for adults of vitamin B6 and a quarter more of vitamin E. It is not inherently dangerous to exceed the recommended dose of these specific vitamins, but it has no significant positive effect either. It also contains a few acidic regulators, stabilizers and sweeteners. At the end of the article she concludes Prime being ultra-processed water (Myrvoll, 2023).

2.3 Four ps of marketing

The four Ps of marketing are tools that collectively make up the marketing mix to produce the desired response from the target customers. The four Ps are: product, price, place, and promotion. Altogether the four Ps demonstrate how a product delivers value to customers.

Figure 1: 4Ps of the marketing mix (Kotler et al., 2020, p. 61)

Istiqomah (2015) tested for the marketing mix in customers decision of using Bank Syariah Mandiri (BMS) saving products, which is an Islamic bank in Indonesia. Istiqomah gathered a sample of 112 people and conducted a survey to see the purchasing decisions for customers of BSM bank (Istiqomah, 2015, p.73). The questions posed in the survey all

pointed to the different Ps in the marketing mix. After gathering the results a regression analysis was constructed, and a significant model was found. Using a regression model is a very fitting method in answering the problem, as it will reveal the variables that are important (P-value<0.05) and how much effect they have on the dependent variable. This is explained to detail in chapter 4.4. Of the four Ps in the marketing mix, the only significant value found in the model (P-value<0.05) was promotion (Istiqomah, 2015, p.89). Another study from Kumar on the marketing mix in the banking sector today also found promotion to be very important (Kumar, 2013, p.26). Contrary to Istiqomah's findings, the other Ps and service had a significant effect in the model. Istiqomah's regression model seem to have very low explanatory power with an R^2 only being 36% (R^2=0.36). A mistake that seems to have occurred is in the survey is the right questions have not captured the right variables in the four Ps of marketing. This appears to have given somewhat of a misguided result. Thereby demonstrating the importance of preparation in posing the right questions in a survey to ensure an accurate result. Thereby preparations for the survey in chapter 4.3 have considered this to a high degree.

Odunlami (2013) did a factor analysis testing if the four Ps of the marketing mix are factors of organisational objectives of the food and beverage industry. The results found that the correlation matrix had adequacy on the questionnaire (Odunlami, 2013, p.53). The questionnaire consisted of 25 questions given out in a survey to 90 participants (Odunlami, 2013, p.49). A problem in the study is the Total variance explained table demonstrating nine components with an eigenvalue over 1 (Odunlami, 2013), meaning that the results reveal nine factors in the objectives of food and beverage industry (Taher Doost et al., 2022, p.378). Another problem is the sample size is far too small for a factor analysis. Comrey indicates a sample size of 100 participants is poor and Odunlami study has less, with a sample size of only 90 participants (Taher Doost et al., 2022, p.377) . The conclusions drawn with a small sample size will have diminished accuracy. This critique will be included in evaluation for the factor analysis in chapter 5.3.

2.3.1 Product

The product in the marketing mix is the physical product the consumer is paying for, and is the first and one of the key levels of marketing mix (Išoraitė, 2016, p.27). A product

consists of three levels. The first is the augmented product, second is the actual product and lastly the core product. The core of the product is the problem-solving benefits of the product. The actual product level is elements of the product, where design, name parts etc. need to be specified. The furthest level is the augmented product, which consists of the additional benefits given to the customers (Kotler et al., 2020, p.330). There are many types of products. A consumer product is bought for personal consumption, convenience product is a product that is bought frequently, and shopping products are often bought while comparing quality and fit in the process (Kotler et al., 2020, p.331).

The appearance of the product is important as it gives the first impression a customer gets when they see the product. First impressions are a vital part in our decision making and can often be difficult to change. A good first impression can increase a customer's likelihood of purchasing a product(Ho & Mu, 2021).

When choosing the design of a product, it is important to have in mind what the target customer is. The font type, colour and size of the text impacts the consumer's emotions. Images can make one associate the product with something the individual either likes or dislikes. A good graphic design can appeal to the more creative costumers. The quality of the packaging gives an impression of the quality of the product. All these small details affect how a person feels about the product and therefore the likelihood of them purchasing it. Up to 93 percent of customers rely on the product's visual appearance when deciding which product to buy (Popovic, 2022).

A study by Tijssen (2019) with others has concluded that when a customer buys a new product, the packaging is more important than the taste. It influences the expectations and associations a customer gets with a product, and is the deciding factor if the customer will buy it. Although when repeating a purchase the deciding factor changes. It is now the taste, texture and scent that is most important for a customer (Tijssen et al., 2019, p.27).

Variety is an essential aspect of a product. Providing a high variety-strategy of options allows businesses to meet a diverse range of customer needs and preferences. This will avoid customers losing interest due to lack of variation, but rather keep them intrigued and curious about the new version. A high amount of variety is highly preferred over a low. In addition to meeting diverse customer preferences, variety can help in adapting to new trends in the market (Desmeules, 2001, p.8).

Prime has utilized many aspects of the product from the marketing mix. Prime has vibrant, bright colours with a large font displaying the name “PRIME”. The variety of taste also plays a large role in the marketing of Prime. Prime has four variants available in Norway, but more worldwide. There are ten different flavours available on the global market, and many special edition bottles have been made, adding to the principle of scarcity. As a hydration drink, taste is believed to be the major factor in the participants liking Prime. This is further analysed in chapter 5.

2.3.1.1 Product life cycle

The life cycle of a product describes how long the product will last on the market. Most products demonstrate similar developments over the span of the product’s life cycle. This can be divided into 5 distinct stages: the development, introduction, growth, maturity and decline of a product (Kotler et al., 2020, p.334). Not all products follow the five stages, some products have shorter introduction stages. This is also the case for Prime. It is also possible for a product to return to the introduction stage after the growth phase (Kotler et al., 2020, p.335).

The product life cycle of Prime has, as referred to in chapter 1, had a short introduction and growth phase. The maturity phase lasted about one year before hydration beverage recently began to decline (Nijjer, 2023). The reason for the decline is possibly due to the scarcity principle. This gives the foundation for the hypothesis in chapter 3.0.2, and is further analysed in chapter 5.4.

2.3.2 Place

Choosing the right place, also known as distribution is a key factor of the marketing mix. Distribution helps the customer find, and repurchase the product (Tijssen et al., 2019, p.28). Accessibility and convenience are important considering how fast-paced the consumer environment is today (Kotler et al., 2020, p.335). Making the product easily accessible ensures that customers can buy the product quick and easy, which can increase the likelihood of repeat-purchase and building brand loyalty.

Distribution can happen directly and indirectly. Distributing indirectly occurs when the company sells through wholesale to a retailer. The retailer then sells the product to the consumer. Direct distribution is straight from the company to the consumer. When

choosing distribution it is important to analyze the consumers need, determine the objective and obstacles, identify alternatives and assess the alternatives (Tijssen et al., 2019, p.28).

With the right distribution channels, a company can increase their market reach to customers in diverse locations and demographics. Each store has a brand identity that either represents quality, health, affordability or a wide selection of products. These distinct brand identities appeal to specific groups of customers, and it is important to reach the customers whose preference and expectation aligns with your product.

There are plenty of distribution channels to choose from, but one is certainly gaining more attention. E-commerce is now a part of our everyday life and is increasing in popularity. From an article by Forbes (2024) it was found that 20.1 percent of all retail purchases in 2024 are expected to take place online (Snyder & Aditham, 2024).

The distribution channels for Prime in the beginning was limited to candy stores and kiosks, as the price was high and quantity was limited. This caused customers to resell the product after buying it, to turn a profit (Schjønberg, 2024).When the product came to Norway it was sold through the biggest grocery chains like Rema1000, Kiwi and Coop Extra (Schjønberg, 2024). The special introduction to the market for the product established framework for the hypothesis in 3.0.1 To test the relationship of the marketing mix, a factor analysis is conducted in chapter 5.3.

2.3.3 Promotion

Advertisement serves as a company's way of introducing themselves to consumers and creating awareness of their product (Tijssen et al., 2019, p.34). This offers a platform for companies to differentiate themselves from their competitors. Promotion of a brand is essential in showcasing the unique value proposition, and why the product is the optimal choice for the consumer.

The objective of promotion is to be the first solution a consumer would prefer. Advertisement is one of the most important ways a company communicates with their consumers (Khan, 2014, p.101). Studies demonstrate that 65 percent of a business revenue comes from customers who have gained brand loyalty (Kopp, 2023).

There are numerous strategies to use for promoting a product. One common approach is to use exclusive offers to attract customers, such as limited time discounts or bonus points for club memberships (Tijssen et al., 2019, p.34). Another strategy is to engage in a brand rivalry with a competitor, like the iconic rivalry between Coca Cola and Pepsi. These rivalries often generate large media attention, increasing their visibility in the marketplace. In recent years this has been one of the most important promotional strategies.

The situation of Prime's promotion from the marketing mix is also a special case. The reason is because the owners are famous creators with a large following (Zang, 2023, p.2). As chapter 2.3.4.1 will alute to, the owners will have an increased perception of trustworthiness and expertise. The relationship of the popularity of the owners and the sales is therefore an interesting concept to study. The hypotheses in chapter 3.0.3 and 3.0.4 explores this concept in the analysis, chapter 5.5-5.8.

2.3.3.1 Influencer marketing

Influencer marketing is a relatively new marketing strategy where companies use influencers, athletes, actors, musicians and other celebrities to endorse a product. This strategy leverages the products credibility and reach, to attract more customers. Influencers often have a loyal fanbase that trusts them, so when they recommend a product, the fans will often try it out. Influencer marketing heavily relies on the trust the influencer has gained with their followers. The company can use this trust to gain new and loyal customers. Therefore, it is important that the influencer is someone who shares the same values as the brand (Trinh, 2023, p.4).

It can be more cost-efficient for a company to promote a brand through influencers than making commercials and other typical advertisements. An article by Harvard business (2022) review if the Return On Investment (ROI) is affected by how the influencer chooses to promote the product. This could be how frequently a influencer posted. Either extreme of the posting frequency can decrease the ROI so it is important to post just the right amount of content. The number of followers has a huge impact on the ROI. Originality of content seems to stand out, resulting in more attention and a higher return. Other factors are the level of positivity and if the promotion includes a link to the product (Leung, 2022).

Huy Trinh from Bournemouth University (2023) studied why influencer marketing is effective. It discovered that influencers wield a substantial impact on consumers purchasing intent through expertise, attractiveness and trustworthiness. The influencer is usually a person with knowledge in a specific field and can therefore explain what is good and bad about a product. The attractiveness is important because it impacts the consumers subconsciously. An individual will usually be more open to recommendations from someone who looks good and respectful. The trustworthiness of an influencer gives a great value to the information they give (Trinh, 2023, p.4). These aspects make influencer marketing highly effective.

A study by Jan-Frederik Gräve (2017) from the University of Hamburg studies how individuals perceive celebrities and influencers differently. The study asked 590 respondents to rate 14 different celebrities and influencers in pairs. The respondent preferred more traditional celebrities to a higher degree, but in the case of trustworthiness and familiarity they tended to prefer influencers. This indicates a closer relationship, and thus higher influential ability (Gäve, 2017, p. 4).

2.3.4 Pricing

Price is the suggested retail price minus the suggested discounts negotiated from the promotion part of the marketing mix (Kotler et al., 2020, p.60). It plays a crucial role in determining the perceived value of a product. First Insight discovered price and discounts is the biggest deciding factor for consumers when they are deciding upon which brand to choose from (First Insight, 2023). The study by Khan (2014) also mentioned price to be the most significant factor affecting a consumer's choice (Khan, 2014, p. 99). Consumers often associate higher prices with a greater quality, and lower prices give the impression of affordability and accessibility.

Considerations when setting price is based upon three principles: The customer's perception of the value is the ceiling of the price, while product costs being the floor of the price. Other internal and external considerations like: marketing mix, objectives, strategy, nature of the market and demand, are the last principle (Kotler et al., 2020, p.363).

Most importantly, from the business perspective, price impacts the revenue of a business. It is important that the price exceeds the cost. A good pricing strategy will consider all

factors like production cost, delivery, competition, demand and perceived value to maximize profits. With this in mind the product has to have a perceived value greater than the price, for a customer to consider it (Kotler et al., 2020, p.363).

As explored in chapter 2.3.2 the import of Prime to the Norwegian market, in its introduction phase, had special implications on the quantity and price. The price of Prime was high in the beginning with price reaching over NOK 140,- (Schjønberg, 2024). The principle of the price as a factor of sales of Prime will thereby be closer examined in a factor analysis in chapter 5.3.

2.3.4.1 Pricing strategies

Pricing strategies builds upon the concept of price elasticity of demand. Price elasticity of demand is a measurement of how responsive the demand of a product will be to a change in price (Kotler, 2020, p.377). The formula is:

$$Price\ elasticity\ of\ demand\ = \frac{\%change\ in\ quantity\ demanded}{\%change\ in\ price}$$

Using price elasticity of demand in marketing strategy consists of capturing price sensitive and insensitive customers, capturing a larger market share (Kotler et al., 2020, p.377). Price elasticity of demand can, as information is gained, be used to give the product the optimal price based on data. A product can either be elastic or inelastic. If it is elastic the demand is highly sensitive to the price. The demand will usually decrease if the prices go up. If the product is inelastic, the demand will not be very responsive to change in price (Kotler, 2020, p.377). Whether there are substitutes to the product or not will affect the demand. If the product has no substitutes, the demand will most likely be inelastic(James, 2024).

Premium pricing is a strategy a company uses when they sell a product priced higher than their competitors to create a perception that the product's value is higher. The result is that the company's brand is now perceived by the customers as a higher quality product (Kotler et al., 2020, p.374). With this perceived value they can charge more for the product and the customers will still be willing to pay.

Premium pricing was explored in a paper by Ali (2021), which found a premium pricing strategy to have a positive and significant relationship with consumer behaviour (Ali et al.,

2021, p. 35). Ashraf also studied the premium pricing strategy. In the study he concludes that premium pricing leads to the product gaining a higher status, people strive for (further studied in chapter 2.4). It also discovers that women are more brand conscious than men, and also spend more on premium products. Another discovery was that friends and family can influence a person's purchasing behaviour with premium products (Ashraf, 2017, p. 637).

In the NRK article, Lommerud (2023) tells us that Prime most likely has changed their strategy from premium pricing to price elasticity to be able to sell to a larger group of customers. When selling at a premium price, there will be a large group of potential customers that won't be able to afford the product. He explains that another reason could be that consumers are more price conscious now, since inflation is high in Norway. (Nijjer, 2023).

Another pricing strategy that is common to use is market skimming. The objective of market skimming is to set a high price in the beginning to attract buyers with a strong desire for the product. The price will fall to a follow-on price to attract an extended number of customers who are more price sensitive. The advantages of price skimming is giving a perception of higher quality, while giving the company high profitability as it captures a big proportion of the market with both price sensitive and insensitive customers (Kotler, 2020, p.380). It is a contradicting strategy to the normal penetration pricing model where a product sells for a low price at first to attract customers, and then raise the price along with the increased demand (Kotler, 2020, p.380). In a pricing strategy study by Ali (2021), he found market penetration and skimming to be strategies having a positive impact on consumers (Ali, 2021, p. 34). Prime seems to have utilized market skimming and premium pricing strategies to a large degree. This is explored further in the analysis chapter 5.

2.3.5 Scarcity principle

The scarcity principle is an economic theory that describes how prices are influenced by the balance between limited supply and high demand. It explains how a low supply of a product will follow up with an increased price to reach equilibrium in supply and demand. Psychologically the scarcity of a product will give a perception of high quality (Chen, 2020). The scarcity principle can also give customers a fear of missing out (FOMO). This

fear of missing out on a product/service causes customers to often make irrational and impulsive decisions when the product is obtainable (Gupta, 2021, p.1).

The study "Scarcity tactics in marketing: A meta-analysis of product scarcity on consumer purchase intentions" by Barton, Zlatevska and Oppewal (2022) deems scarcity as an essential tool for marketers. The study distinguished the principle into demand-based scarcity, being effective for utilitarian products, and supply-based scarcity, having large effects on purchase of experiences. demand based scarcity can be empty shelves and queuing, while supply based is based on limited edition product and fewer items produced (Barton et al., 2022, p. 744). The conclusion to the model displayed that scarcity is a highly effective method to increase interest and sales of a product (Barton et al., 2022, p. 756). The study also found emphasising the importance of not overdoing the scarcity principle where for example way too few products are produced or too few are in store, which can create a negative experience for the consumer(Barton et al., 2022, p. 756).

Prime used the scarcity principle to a significant degree in the beginning. The combination of the scarcity principle and pricing strategies could have had a substantial effect on the popularity of Prime in the beginning. The principle is therefore tested as a hypothesis analysed in 5.3.

2.4 Demographic

The effects of marketing depends on the demographic. Children often respond to different impressions in a product compared to teenagers. A study done by the University of York (2018) studies how social influence affects people at different stages and how it can have a positive effect. This study has 759 participants from ages 8 to 59 (Foulkes et al., 2018, p.3). The study concluded that influence reduces with age. Children are more susceptible to influence than teenagers and adults, whether it is from influencers on social media or friends and family (Foulkes et al., 2018, p.7).

Prime has made a deal in the United States with Base Sportsgroup. The deal will bring Prime to courts and fields where young athletes play (Base Sportsgroup, 2023). This indicates Prime's marketing is aimed towards children and teenagers. Children can influence their parents' shopping and are therefore an integral part of the marketing. In regards to marketing towards children up to 13 years of age, it is important to be conscious

with the ads content.The markeding act in Norway states that when marketing is directed towards children, or can be seen or heard by children, there must be particular caution towards children's impressionability, natural gullibility and lack of experience (markedsføringsloven, 2007, §19-21). The content of the advertisement must be suited for children and it must not be manipulative.

A research paper published on BMC Public Health (2014) did a study on children from 7 to 12 years of age. The children were asked what they preferred and associated with several food products. They found that most children choose their food based on taste, which can be influenced by the color on the packaging. Visual elements also influenced, and even tricked children into thinking certain foods had healthy ingredients. It also found that the four most important parts of a product were the product name, price, images and characters (Letona, 2014, p. 5).
In another study from the University of Tehran (2021) they conducted a recognition test on 372 children between the ages of 6 and 12. The results revealed that colour play a significant role in how children recognize a brand. Specifically, chromatic colours were more desirable for children. This point to children prefer more vibrant (Shahtahmasbi et al., 2021, p.2).

Teenagers on the other hand might be affected by different aspects of marketing. In an article from the University of California (n.d) the results found teenagers are in an age with increasing awareness and attention to social status. When they receive positive attention it feels rewarding. This could explain why there is a big focus on being popular in teenage years (UCLA, n.d). For Teenagers the status that follows with a product can be a large deciding factor for purchasing a product.

Another article by Lexington Law (2019) explains that social status is something people always have tried to obtain. Social status dates back to the primitive times where our ancestors could see that those with status lived a better life (Law, 2019). Social status is something we strive for and are willing to pay more for. Social status gained with a product can affect customer purchasing decisions. Although social status often is associated with expensive and exclusive products, it can be relevant to other products as well, like Prime. Taking into consideration the scarcity principle and premium pricing from chapter 2.3.5 and 2.3.4.1, any product can obtain social status.

3. Hypothesis

Theory and the information about Prime as a product will lay the foundation for the constructed hypotheses. The hypothesis will aim to answer the thesis, and will be constructed based on the research questions. A hypothesis is a proposed explanation to a phenomenon. The hypothesis needs to be tested and falsifiable to be viable. The hypotheses has to be specific and simple, to make sure that it leaves no ambiguity. The purpose of hypothesis testing is to research whether there is a correlation between two variables. When conducting a hypothesis test, a null hypothesis and an alternative hypothesis is constructed. These are mutually exclusive, meaning one is false given the other is true. A hypothesis test will test for the alternative, trying to prove the alternative is right. If the alternative is proven right, the null-hypothesis will be falsified, thereby discarded (Ubøe, 2017, p.189).

When conducting the hypothesis there is a chance of getting a type 1-, and type 2 error. A type 1 error is a false positive, which means a correct null hypothesis is rejected. A type 2 error is when one fails to reject a null hypothesis when it is false. To make sure these types of errors are avoided as best as possible, it is important to have a large enough sample size (Ubøe, 2017, p. 189).

3.1 Hypothesis 1

The first research question is:

"Are the four Ps of the marketing mix affecting Prime's sales?"

The first hypothesis is the factors affecting the product can be explained by the 4 Ps of marketing. This hypothesis will be tested, as it is important for later analysis built upon the principle of the marketing mix. This will be answered through a factor analysis (explained to detail in 4.2). The following hypothesis is:

H0: $\lambda_1 \cap \lambda_2 \cap \lambda_3 \cap \lambda_4 \geq 1$

H1: $\lambda_1 \cap \lambda_2 \cap \lambda_3 \cap \lambda_4 < 1$

The hypothesis is true when the first four components in a "Total variance explained"-table has a eigenvalue larger than or the same as 1, indicating four factors affect the sales of Prime. This builds upon Odunlami's approach explained in chapter 2.3. The considerations from the factor analysis he conducted will be important.

A downside of this hypothesis is that the findings are crucial for further regression analysis and the conclusion. If the model is wrong, it will greatly affect the discussion and results of the findings in the regression analysis. With this, emphasis of accuracy in each step has been essential.

3.2 Hypothesis 2

The second research question posed is:

Is the scarcity principle the reason for the decline in sales of Prime?

The reason for testing this builds upon the article from NRK where trend researcher Øye claimed the popularity of Prime was due to the scarcity principle, meaning low volume and high price which led to an increase in popularity (Nijer, 2023). Prime has now seen a decrease in sales, and thereby Øye's hypothesis about the decrease in sales can be tested (Schjønberg, 2024):

H0: $\beta_8 \cup \beta_9 \cup \beta_{13} = P\,Value \leq 0{,}05$
H1: $\beta_8 \cup \beta_9 \cup \beta_{13} = P\,Value > 0{,}05$

The coefficient above are the coefficient representing volume and sales, where the survey questions posed have captured the essence of the scarcity principle for the purpose of answering this hypothesis.

3.3 Hypothesis 3

As the sales has now seen a decrease, the research question posed below will try to capture the present driving factor of the popularity of Prime's sales. The hypothesised driving

factor is fans of the creator duo is the prominent reason for the popularity. The research question posed is:

Is the driving factor for Prime's sales now due to the owner's popularity?

Another regression analysis will be made to test this research question, where buying Prime will be the dependent variable. The hypothesis is:

H0: $\beta_5 \cup \beta_6 \cup \beta_7 \cup \beta_8 = P\,Value \leq 0{,}05$
H1: $\beta_5 \cup \beta_6 \cup \beta_7 \cup \beta_8 = P\,Value > 0{,}05$

If the coefficient capturing the participants relationship with the owners have a significant P-value, the hypothesis will be accepted.

3.4 Hypothesis 4

The owners of Prime has, as previously mentioned, a primary demographic of boys (Semeraro, 2023). A research question that captures if this has an effect on the sales of Prime will thereby be:

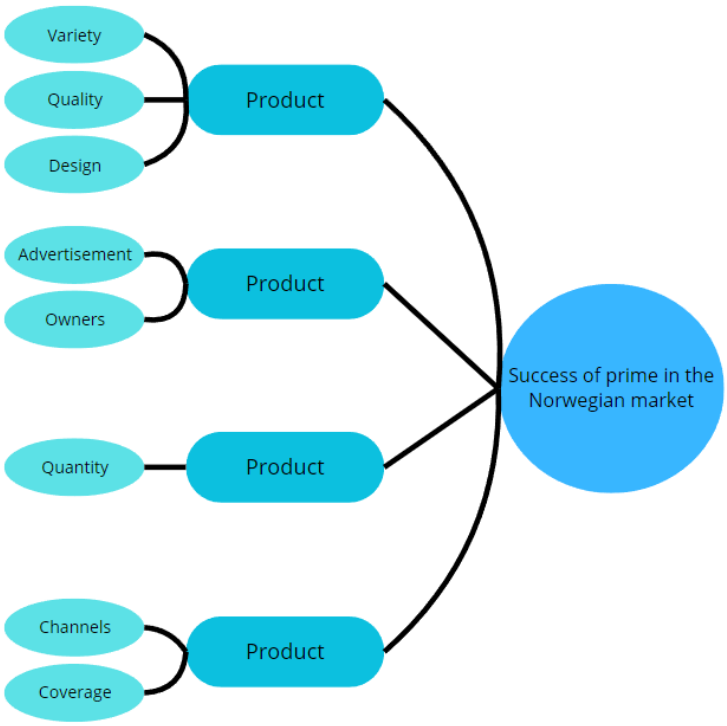
Do boys buy more Prime than girls?

This will be tested with a logistic analysis (explained in detail in 4.3). The hypothesis is:

H0: Ext(B) > 1 ∩ P-value ≤ 0,05
H1: Ext(B) ≤ 1∪ P-value > 0,05

When the Ext(B) is under one, the result implies a decrease in the probability of the participant being a girl, as the odds ratio of the participant buying Prime increase (1-Ext(B)*100%).
A weakness in this hypothesis is it does not give a concrete answer to why girls buy less, if the null is accepted. The best that can be done is to infer based on demographic data of the creators. The hypothesis is also somewhat contingent on a correct null-hypothesis in hypothesis 2 and 3, as this hypothesis is dependent upon demographic data from the creators..

3.5 Hypothesis 1, hypothesized model



The hypothesised model demonstrates the variables from the questions posed in the survey affect the four Ps of the marketing mix. The four Ps are then hypothesised to be the factors affecting the success of Prime in the norwegian market.

For the product-factor, the relevant variables are the variety of hydration beverages, the quality thereby taste of the product, and how the design has affected the sale of Prime. This will cover most of the utility of the product from the marketing mix. These variables are captured in the survey in question 3-7, 13-14.

When testing how big an effect the promotion has on the success of Prime in the norwegian market, the obvious outliers are the owners and how they promote their products on social media. Therefore the significance and effect of the promotion will be tested based on the popularity of the owners and how big an effect their promotion on social media has on the consumers. This is covered in the survey in questions 8-10, 16-17.

The questions on price are captured in question 12. The questions trying to capture the place of the marketing mix are covered in question 18, 11. A problem that can pose a problem here is having only one question for price. This will not be a deciding factor for the factor, or regression analysis. The downside is that a variable from price can have been neglected, but the question covers the aspect of price from the consumer's perspective.

4. Method

The methodology chapter will aim to explain how information will be gathered and analysed to get answers for the hypothesis leading to a conclusion for the problem. To get a generalized explanation for the hypothesis posed, the method used is quantitative research. Quantitative research is a method where a quantity of data is collected and then later analyzed to get a generalized answer for a given problem (Grønmo, 2023). With quantitative research, numerically measurable data will emerge from the data collection method. The method ensures objectivity and applicability to a population as the data collected is representative of a larger population. According to Winston-Salem State University there are four types of quantitative design (Winston-Salem State University, n.d). Descriptive research wants to describe a phenomenon using quantifiable data. Descriptive research usually doesn't start with a hypothesis, but develops data that is being collected. Correlation research wants to explore the relationship variables using statistical data. Causal-comparative, or quasi-experimental research, seeks to establish a cause effect relationship between two or more variables. Experimental research uses the scientific method to establish the relationship among variables. As the quantitative data collection will further be used to run a regression analysis to establish a relationship between the dependent and independent variables, correlation research will thus be used in this study (Winston-Salem State University, n.d).

Qualitative research is a research method which aims to get a deeper insight into a given problem. This can be done through interviews or qualitative collection methods like looking at articles (Grønmo, 2023). This study will aim to utilize relevant marketing theory to analyze and explain how data affects the problem issued. The reason for using quantitative research in this study about Prime is the generalizability of the data received from the participants. With a qualitative approach, a large enough and a representative

sample size, the sample can give proclamations about the population as a whole. This study can later be supplemented with qualitative research, whether it be through interviews with individuals or paper collection. This can strengthen or provide evidence against the given results of this study.

Our method involves searching on the internet and through databases to find articles and analyses that discuss why Prime has succeeded and which marketing strategies they have utilised. We will also use our own expertise to explore and try to understand Prime's strategies. The Four Ps of marketing will be used to analyse what Prime has done and the effectiveness of their marketing.

The data programs Statistical Package for the Social Sciences (SPSS) and Microsoft Excel will be used to conduct the analysis in this study. The reason for utilizing these programs are their reliability and versatility. SPSS is designed for statistical analysis, making it suited for the analyses made in this study. Excel provides high quality data and is very suitable for conducting a regression analysis. The problem with using Excel is that graphs are not visually displayed for advanced regression-, or logistic analyses.This can make it more difficult for the reader to understand the findings.

4.1 Demographic

When choosing a demographic for the regression analysis, we have to gather the target market of Prime to ensure precision in the given data upon the relevant segment of the population. Furthermore we use cluster sampling, which divide the participants into samples that are randomly selected. The sampling will only consist of participants within this cluster. This will ensure statistically significant analysis (Statistics Canada, 2021).

To better capture the right participants, the approach for selecting participants in the study has been grounded in the demographic of Logan Paul and Olajide Olatunji`s (KSI) audience. KSI and Logan Paul has a demographic consisting of over 60% male with KSI reaching upwards of 80% male. 50% of the audience are between the age of 18-24 years old according to TVREV using sources from Creator IQ (Semeraro, 2023). Examining the age group of the people attending the launch of Prime in Norway, the participants seemed to be from the age group 10-25 years old (Viskjer et al, 2023). Considering the information

of the demographic, the ages between primary school and college students will be the main population of the study.

After conducting the survey, a cluster analysis will be run through SPSS. The cluster analysis in SPSS will seek to find how many significant clusters there are, with a cluster center. After this an age range will be constructed from the centers, to fit all participants in the given clusters.

4.2 Survey

Conducting quantitative research is normally done through surveys. The data collected will then be used for further analysis. When collecting the data, the method is important. Whether it is through email, in person or telephone it will have implications for the response rates, quality of the survey and the form of the survey. As previously discussed in chapter 1.4 and 2.4, the demographic of Prime is mostly teenagers to young adults, and thus the surveys conducted will aim to capture this population. This has been done by sending surveys to schools, conducting studies at malls, as well as sending to relevant participants. The rate of response is also high at schools, where it is near 100%, while costs are minimized (Floyd & Fowler, p. 66).

A disadvantage of just sending surveys to only the target market is that the data is not generalizable to the whole population to a significant degree. If older age groups would have been researched, their relationship with the creators and the brand would possibly be different. This is because older age groups (age 30+) do not have the relationship with influencer marketing as younger age groups. This will be covered to detail in chapter 2.3.4.1 (Trinh, 2023, p.4) This is a point that could possibly be studied further.

Sending surveys to schools will also ensure the sample size is significant enough to generalize. The study “Understanding Power and Rules of Thumb for determining Sample Sizes” concludes that the rule of thumb for good sample size for multiple regression analysis will be about 50 participants, while for a factor analysis it is approximately 300 participants. (Carmen et al., 2007, p. 48). Comrey, A. L. indicates that there can be fewer participants in factor analysis, but with a lower degree of confidence in the analysis, where

100 is poor, 200 is fair, 300 is good and more is excellent. (Taherdoost et al., 2022, p.377). The more participants, the more generalizable the data is.

The survey starts with collecting demographic details about the participants. This is primarily gender and age, as these are the parameters that will be used in a cluster analysis to determine the different clusters. A silhouette measure of cohesion and separation will be done. The study then follows on with the questionnaire.

The questions in the survey are primarily answered through a semantic differential scale. A semantic scale asks respondents to pick a number on a scale, usually a scale between 1-8, where 1 strongly disagrees, 5 is neither agree or disagree and 8 strongly agree. Answers given through a semantic scale are metric and thereby good to use in a regression analysis, thus this is what is used in this survey (Al-Hindawi, 1996, p.1). The reason the survey has a scale from 1-8 is because of the possibility for more diverse answers. This is very important as there are many variables affecting the success of Prime, thus it the scale has to be wide to accommodate this.

The survey consists of one page, starting with a quick introduction about the survey and a manual on how to conduct the analysis. As the survey is distributed to Norwegian teenagers and young adults, it is important to make it understandable and clear for the target population. Writing the questions in Norwegian with clear language ensures the answers are not misinterpreted. The survey consists of 18 questions targeted at each of the four Ps in the marketing mix. The survey was made in Google forms as the survey could easily be distributed to schools. It also ensures a better response rate as the completion time for the survey is highly reduced in comparison to answering it on paper.

4.2.1 Multicollinearity

Multicollinearity is when a multiple linear regression contains variables that are highly correlated. This will result in the statistical power of the model being weaker. To prevent multicollinearity from occurring, a variance inflation factor (VIF) can be used. The first step to discovering multicollinearity is to examine a correlation matrix to see if there is a high and significant correlation between variables (Shrestha, 2020, p.40). The method used

will be a Pearson's Correlation coefficient in SPSS. If significant correlations are found, a further VIF will be run. A VIF demonstrates how much the variance of the regression coefficient is related if there is a correlation (Shrestha, 2020, p.42). The formula for VIF is:

$$VIF = \frac{1}{1 - R^2} = \frac{1}{Tolerance}$$

If the result of the VIF has a value over 5 the variables have moderate correlation with each other. If the VIF has a value of 10 there is a strong correlation. To ensure the best result, a VIF with a value higher than 5 will lead to the less important variables with multicollinearity will be discarded. Avoiding multicollinearity will produce a better result in the regression analysis, with the coefficient becoming more reliable as well as the models overall fit will be better (Shrestha, 2020, p.43).

As the regression analyses in this study contains many variables from the survey, multicollinearity has an increased possibility of happening. The reason for running the multicollinearity test in this study is because of having 18 variables tested for, with some of them having a high probability of containing multicollinearity. As later explained in chapter 5.2, this was crucial for the results.

4.3 Factor analysis

Factor analysis here will be used for two reasons:

1. A factor analysis can help discover any questions that can be discarded as they are covered by one of the other questions. This will be done thought “Cronbach Alpha if item deleted” as the last step.
2. A factor analysis aims to bring intercorrelated variables together under factors more underlying (Taherdoost et al., 2022, p.375) . If there are 4 factors there will be an eigenvalue over 1 in the total variance explained table. The rotated component matrix will further reveal if the questions in the survey are within their relevant factor.

After gathering the answers from the survey, a factor analysis will be the first step as it aims to answer the first hypothesis. When conducting a factor analysis, the following steps will be made:

1. The first step is to test if the sample size is big enough. To test if the sample size is adequate enough to conduct a factor analysis, Kaiser-Meyer-Olkin Measure of sampling Adequacy (KMO) will be used (Taherdoost et al., 2022, p.377). The KMO test will be conducted through SPSS. KMO returns values between 0 and 1, where kaiser put the values for the results as: 0.0-0.49 is unacceptable, 0.50-0.59 is miserable, 0.60 to 0.69 is mediocre, 0.70-0.79 is middling, 0.80 to 0.89 is meritorious and 0.90 to 1 is marvelous. As the satisfactory value is above 0.80, this is the value that will be adequate for the factor analysis conducted in this study. (Kaiser-Meyer-Olkin (KMO) Test for Sampling Adequacy, 2024).

2. The next step is to test if there is intercorrelation. The variables should be correlated, but not too highly. For this a Bartlett's test of Sphericity will be used to test if the matrix in the factor analysis is an identity matrix, which is not ideal. A significance lower than 0.05 will indicate it is not an identity matrix and the factor analysis can be continued. (Taher Doost et al., 2022, p.377)

3. To test for problems in the questions we will look for Extractions in Communalities. We can look at the Communality the same way we look at R^2 (explained in 4.2.1), the closer it is to 1 the better it is. We want the extractions in communality to be higher than 0.30 (Taher Doost et al., 2022, p.377).

4. Next up is extracting relevant factors from the total variance explained table. To see how many factors should be extracted from the table we use the Guttman-Kaiser Rule which keeps the eigenvalues that are above 1. This is combined with studying the scatterplot and keeping the values before the breaking point of the elbow (Taher Doost et al., 2022, p.378).

5. A factor rotation will be done to clarify the interpretations of the factors that are extracted from the total variance explained table. There are two types of rotations: orthogonal and oblique rotation. A orthogonal has no correlation between the extracted factors, but a oblique has (Taher Doost et al., 2022, p.378). First a

rotation will be run in SPSS with the fixed number of factors extracted from the total variance table. If the results from the component correlation matrix after running the rotation has a value over 0,5 the matrix has an orthogonal design and the rotation will once again be run with the resulting design as the rotation found.

6. The next step is finding which variables are contained in which variable. After running with the analysis again in SPSS with either an orthogonal or oblique rotation the rotated component matrix will determine which questions will be in which factor.

7. The last step is to find the reliability of each of the factors. By running a reliability analysis of each individual factor with their respective variable the results will show a Cronbach's Alpha. If the Cronbachs Alpha is over 0,7 it is acceptable (Taher Doost et al., 2022, p.379). There will also be run ‘Cronbach's Alpha when the item deleted’ to see if the survey would be improved after deleting any of the questions raised.

By using this factor analysis valuable information about the survey will be gathered. The factor analysis will demonstrate if there are questions that should be left out, as they will make the analysis weaker. It will also reveal which factors contain the different variables and thereby assist in answering the first hypothesis.

4.4 Regression analysis

After gathering the data from the surveys, a regression analysis will be run. The aspect from Istiqomah’s study from chapter 2.3 will be taken into consideration when the regression analysis is run. A regression analysis is a statistical method with a dependent variable Y and independent variable X. In a linear regression there is an independent variable X, which explains a dependent variable Y. A linear regression model has an intercept and slope X. The formula is:

$$Y = \alpha + \beta \cdot X + \epsilon$$

To better explain the survey results a multiple regression model is needed. In a multiple regression model there are more independent variables explaining the dependent Y. In this case we will look at how the marketing mix affects the sale, thus the success of Prime in the Norwegian market. The formula for multiple regression is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \ldots + \beta_r X_r + \epsilon$$

Where α is the intercept, the explanatory variables are $X_1, \ldots, X_r$ and the regression coefficients are $\beta_1, \beta_2 \ldots, \beta_n$. This is not particularly different from linear regression, except it has more variables (Ubøe, 2017, p. 263). The multiple regression model will be run through excel to ensure the results are accurate. After conducting the regression analysis, four important factors need to be studied to further interpret the results and reach a conclusion. These three factors are R^2, Coefficient, P-value and F-significance.

When conducting a multiple regression analysis it is important to make sure all relevant variables are included in the model. If variables are not counted for, omitted variable bias can occur, which can skew the results. With this it is crucial to use logic and reasoning when reading the results to make sure the findings are reasonable. Omitted variable bias is also the reason for looking at every p of the marketing mix in the survey to make sure all factors are accounted for and the results are accurate. Another very important consideration when conducting a regression analysis is to make sure the answers in the survey are on the same scale. It is crucial the answers are on the same scale to ensure the magnitude of the coefficients are comparable.

4.4.1 R^2

To test how much of the dependent variable is explained by the independent variables R^2 is used. If the dependant variables of the model, explains 100% of the variation in the independent variable Y, R^2=1. If 75% of the independent variable Y is explained by dependant variables, R^2=0,75. Given this a higher R^2 is more favorable as it reveals the model having a greater explanatory power (Ubøe, 2017, p.253). Ensuring a high enough R^2 is important to make sure the data gathered explains the regression model. With this, it

is also crucial that the data size is big enough to conclude, meaning important variables have to be in the model. The formula for R^2 is:

$$R^2 = 1 - \frac{SSE}{SST}$$

Where SSE(Sum of Squared Residuals) is given by:

$$SSE = \sum_{i=1}^{n} (Y_1 - \hat{Y}_i)^2$$

And SST (Sum of squared Total) is given by:

$$SSE = \sum_{i=1}^{n} (Y_1 - \underline{Y})^2$$

In this study the calculations will be done through excel and SPSS to ensure accurate results when computing at a large scale.

4.4.2 Coefficient

The coefficient measures how much a dependent variable will increase/decrease when the independent variable increases by 1 unit, when all the other variables are fixed. Measuring the coefficient (when p-value is significant) is crucial to answering the hypotheses as we see what variables are more or less important for the success of Prime in the norwegian market for the consumers. The regression coefficients are $\beta_1, \beta_2 \ \ldots, \beta_n$.

The coefficient is crucial when answering the problem of the driving factors. It is important as the coefficient with a significant value will state to which degree the variables of each factor in the marketing mix affect the sales of Prime. The results of the coefficient will be crucial when answering the hypothesis and reaching a conclusion.

4.4.3 F-significance and P-value

F-test for overall significance is used to see the overall significance of the multiple regression model. It is fundamental to make sure the regression model can be used, or if the model is of no significance. The value for F-significance in a regression model is less than 0.05 (F-significance<0.05).

P-value will be used to measure the significance of the independent variables in the regression model. The P-value also has a confidence interval of 95%, as with F-significance, meaning the P-value also needs to be less than 0.05 to be of significance (P-value<0.05). A 95% confidence interval means a test statistic only will see an extreme case 5% of the time (Ubøe, 2017, p. 189).The P-value will be automatically calculated in excel and SPSS.

For the factor analysis, regression analysis and the logistic regression the P-value and F-significance will be essential when interpreting the results.While coefficient from the previous chapter (4.2.2) tells to which degree the variables are important, the P-value will tell if they are significant for the success of Prime.

4.5 Logistic Regression

Logistic regression will primarily be used to answer hypothesis 4: Boys are more likely to buy Prime than girls. From the survey the question regarding gender of the participant will be the dependent variable.

The difference between regression analysis and logistic regression is that the coefficient is not calculated, rather the odds ratio is calculated. A logistic regression does not have residuals and thus OLS (ordinary least squared) and R^2 can not be calculated. The logistic regression is done through SPSS to ensure the results are accurate. The logistic regression will be run in SPSS.

As logistic regressions are binary with a non metric variable, in this case girl or boy, the first step is to conduct dummy coding where metric variables are transformed to binary variables. After these transformations “Girls" will be assigned number 1 and “Boys” will be 0. The other variables that will be used are “bought often” and “have been bought often" to see how gender affect sales, and the change over time.

Important data SPSS will provide is a classification table, and variables in the equation table. The classification table expresses the predicted and observed values. This will give an insight into how well the model can predict the dependent variable. If the probability of

the event occurring is more than or equal to 0.5, SPSS predicts it is occurring. The variables in the equation table demonstrate the outcome of the model. The table demonstrates a coefficient Ext(B) that will, if P-value is of significance, show how the independent variable effects the dependent variable and thus implies how gender affects sales (Sweet, 1999,p. 162).

5.0 Analysis

This chapter will examine the results from the survey, analyzing and drawing conclusions from the results gathered. As mentioned in chapter 4.2, the survey has gathered answers from primary schools to early college students. The regression analyses run in this chapter will give conclusions to the hypotheses constructed. The analyses will assist in answering what the driving factors are to the popularity of creator brands with an emphasis on Prime in the Norwegian market.

The statements in the survey were made to fill the 4ps of marketing explained in the theory chapter 2.0. The regression models posed will use these as independent variables explaining the dependent variable which is the success of Prime. The dependent variables we want to examine from the survey are:

"I often buy Prime" and *"I previously often bought Prime"*

These statements capture the essence of what we want to examine, which is the sales of Prime previously and now. This will give the concept of time. As mentioned in chapter 4.2, a regression analysis will also be run in the different clusters found in 5.1. From the independent variables we can then determine what factors of the 4ps are the most important to the sale of Prime. The answers from the survey were captured in google survey, where we could extract them to an excel page for further regression analysis.

5.1 Cluster analysis

The marketing mix varies to great degrees between different demographics. As explained in chapter 2.3.1 the different characteristics of a product will vary to a great degree depending on the age of the consumer. For example, in chapter 2.3.5.1 Ashraf found that women are more brand conscious than men (Ashraf, 2017, p. 637). Because of the marketing mix affecting demographics differently, a cluster analysis can help distinguish between the different age groups. The respondents gathered were from the survey was:

	N	%
Participants	178	100
Gender		
Male	99	55,60 %
Female	76	42,70 %
Other	3	1,70 %
Age		
10	8	4 %
11	42	24 %
12	30	17 %
13	12	7 %
14	2	1 %
15	6	3 %
16	10	6 %
17	15	8 %
18	13	7 %
19	11	6 %
20	5	3 %
21	7	4 %
22	11	6 %
23	6	3 %

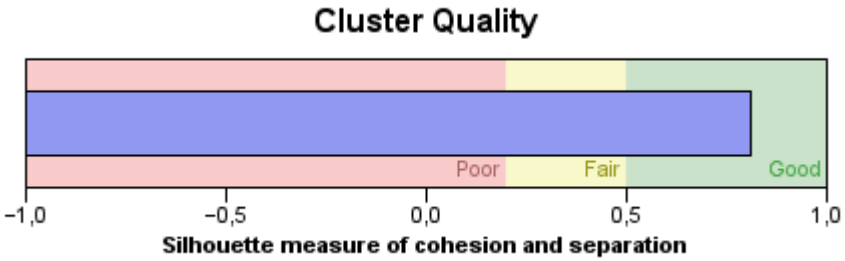
The demographic had a high concentration of kids aged 13 and lower. The reason is, the surveys could not be performed in classrooms in high schools as they did not have the capacity. They were thus only shared on teaching spaces among the students. As this is the case it is more important to run regression for the different ages as the result of the whole group can be highly affected by the great number of younger participants. To run further analysis the requirement of at least 50 participants for a regression analysis are taken into consideration, although this might be more complicated among older clusters.

The results from the survey were taken into a cluster analysis in SPSS to find the center of the clusters. The centers calculated were:

Initial Cluster Centers

	Cluster		
	1	2	3
Alder	16	23	10

The clustering analysis found that there were three significant clusters. The silhouette measures cohesion and separation that measures the cluster quality evaluates these clusters to be of good quality:



The next step is to further find the ranges of the clusters. The appropriate approach in this context was to cluster into different stages of adulthood as the psychological effect of the marketing could be further examined in the different developmental stages of the participant. As the survey is done at primary schools, high schools and for young adults the optimal approach is to tailor the ranges with approach to these stages and the ranges was derby as follows:

	Centroid	Range
Cluster 1	16,00	14-17
Cluster 2	23,00	18-23
Cluster 3	10,00	10-13

Another clustering that will help evaluate the difference in how genders reach the survey are by clustering by gender. As there are just 3 variables the clustering will be: male, female and other. As the demographics gathered shows there is 95 participants (60%) were male, 73 were female (42,70%) and 3 were other (1,70%) . As there is not enough data on the others, the clustering here will only consist of 2 variables, respectively being male and female. This will also allow further analysis with logistic regression.

5.2 Multicollinearity

Testing for multicollinearity we looked at the correlations and found a very high correlation in the promotion factor. The question about the participant being a KSI or Logan Paul fan, and having watched them for several years had a Correlation of 0,9.

Correlations

		KSI/Logan paul fan	Forbinder med Ksi/logan paul	Kjøpt pga eierne KSI/Logan Paul	Fulgt med KSI/Logan paul over flere år
KSI/Logan paul fan	Pearson Correlation	1	,662**	,663**	,900**
	Sig. (2-tailed)		<,001	<,001	<,001
	N	104	104	104	104

Looking further into the Collinearity Tolerance and statistical VIF (Variance inflation factor) it was lower than the threshold of 0,2 in collinearity tolerance, and above the threshold of 5 in VIF. One of these factors had to go to prevent multicollinearity. For the survey the most relevant one is “I am a fan of KSI and/or Logan Paul”, as this will affect the result of the dependent factor in further analysis more than the question “I have been a fan of logan Paul and/or KSi over several years”. Therefore this was taken away to prevent multicollinearity in the regression analysis. After this was taken away the coefficients of the promotion factor had acceptable levels of Collinearity tolerance and Statistical VIF.

Collinearity Statistics	
Tolerance	VIF
,188	5,320
,503	1,987
,170	5,886

The multicollinearity found will not be used in further factor or regression analysis. This is to ensure a better result and to prevent the statistical power of the analysis being weaker. In the first regression analysis conducted from chapter 5.4.0 the regression analysis was non-significant with the question “I have been a fan of logan Paul and/or KSi over several years” indicating running multicollinearity test was crucial for the results of regression analysis.

5.3 Factor Analysis

As further explained in chapter 4.2, factor analysis will be run to see if the questions posted in the survey are all worthy to be kept in the survey for further analysis, and to see the relevant factors of the analysis. All the individual answers from the survey were put in SPSS and the factor analysis was conducted. The KMO and Bartlett's Test has a KMO measure of sampling adequacy over 0,5 which means there is no sample issue. As previously mentioned, the model only having about sample space of about 200 participants will be ok for the factor analysis, but can make it somewhat weaker than the recommended sample space of 300 participants. The Bartlett's test of sphericity is also significant with a value lower than 0,05. These values show the factor analysis can be run.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,891
Bartlett's Test of Sphericity	Approx. Chi-Square	1642,777
	df	120
	Sig.	<,001

Going further to look at the communities there is no value under 0,3 which is the threshold when looking for problems under specific questions. All values are relatively high here, except for training which barley is beyond the threshold with it being at 0,36. An explanation for this can be that when looking at the answers of the participants very few used Prime as consciously in training to perform better and thereby the scale had very low ratings with the average being only 0,45 out of 8.

Communalities

	Initial	Extraction
Taste	1,000	,570
Variant	1,000	,542
New _variants	1,000	,674
Design	1,000	,457
SOME_ads	1,000	,636
KSI/Logan_Paul_Fan	1,000	,777
Associate_Ksi/Logan_Paul	1,000	,701
Bought_because_of_owners	1,000	,841
Hard_to_get	1,000	,813
Higher_price_more_interested	1,000	,779
Prefer_over_substitute	1,000	,548
Training	1,000	,367
Friends_recommended	1,000	,538
I_recomenned	1,000	,730
Easy_access_more_intrested	1,000	,628

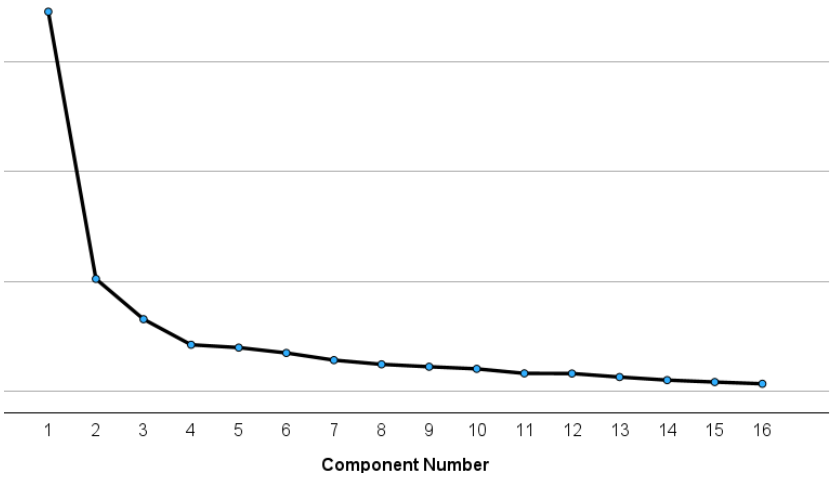
Extraction Method: Principal Component Analysis.

The total variance explained should, as said before, have an eigenvalue over 1 to keep the component as a factor. Looking at the total variance explained table there are only three components with an eigenvalue over 1. We also see the elbow cutting at around 3 and thereby these are the amount of factors we choose to retain. This will be used further when answering hypothesis 1.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6,913	43,207	43,207	6,913	43,207	43,207
2	2,050	12,811	56,019	2,050	12,811	56,019
3	1,316	8,226	64,245	1,316	8,226	64,245
4	,851	5,317	69,562			
5	,799	4,995	74,557			
6	,702	4,385	78,942			
7	,571	3,569	82,511			
8	,494	3,090	85,601			
9	,451	2,817	88,418			
10	,413	2,578	90,997			
11	,330	2,062	93,059			
12	,327	2,045	95,104			
13	,263	1,645	96,749			
14	,207	1,296	98,045			
15	,172	1,076	99,122			
16	,141	,878	100,000			

Extraction Method: Principal Component Analysis.



As the correct number of eigenvalues to contain is known, another factor analysis in SPSS with three factors contained. With this we found the component correlation matrix with no values over 0,5 which means the matrix was orthogonally related, and thereby ran with varimax which is the orthogonal of choice.

Component Correlation Matrix

Component	1	2	3
1	1,000	,143	,435
2	,143	1,000	,360
3	,435	,360	1,000

Extraction Method: Principal Component Analysis.
Rotation Method: Oblimin with Kaiser Normalization.

The rotated component matrix shows the questions posed belonged to the relevant factor of each of the 4ps, except for the questions in price and place. This will also be discussed in chapter 5.2 Hypothesis 1. Looking at the “friends recommended” and “I recommended”, these do not belong in the groups they should. As this rotated component matrix measures the questions similar within a factor the reason for these being out of place could be that these are questions highly related to word of mouth, and this can be heavily correlated with the 4p`s as all of the Ps of marketing will have a effect on how people talk about the product to friends.

Rotated Component Matrix[a]

	Component		
	1	2	3
Bought_because_of_owners	,842		
KSI/Logan_Paul_Fan	,840		
Associate_Ksi/Logan_Paul	,824		
SOME_ads	,761		
I_recomenned		,791	
New _variants		,717	
Taste		,647	
Prefer_over_substitute		,635	
Variant		,577	
Training		,546	
Design		,525	,416
Hard_to_get			,820
Higher_price_more_interested			,807
Easy_access_more_intrested			,789
Friends_recommended		,454	,576

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

As we now have found the relevant factors for each of the questions the next reason for running a factor analysis is to see if leaving out the questions will make for a better model. A reliability test will thereby be run in SPSS of the relevant survey questions with scale if

deleted as a descriptive. For reminder the minimum is 0,7 in the Cronbach alpha if we want to keep the question in further analysis. The first factor had a good enough Cronbach alpha of 0,888, where deleting any questions doesn't make it better, the second factor had 0,831 with deleting a question making no difference and the last factor had a Cronbach of 0,830. In the last factor the Cronbach's alpha if deleted was greater with 0,913. This will be taken into consideration when regression analysis is being constructed, but with all values being fairly high this will probably not pose a problem.

Reliability Statistics

Cronbach's Alpha	N of Items
,831	7

Reliability Statistics

Cronbach's Alpha	N of Items
,830	3

Reliability Statistics

Cronbach's Alpha	N of Items
,888	4

5.4 Hypothesis 1

The first hypothesis is that the factors affecting the product are the 4 Ps of marketing. The hypothesis is true when the first 4 components has a eigenvalue larger than or the same as 1:

$$H0: \lambda_1 \cap \lambda_2 \cap \lambda_3 \cap \lambda_4 \geq 1$$

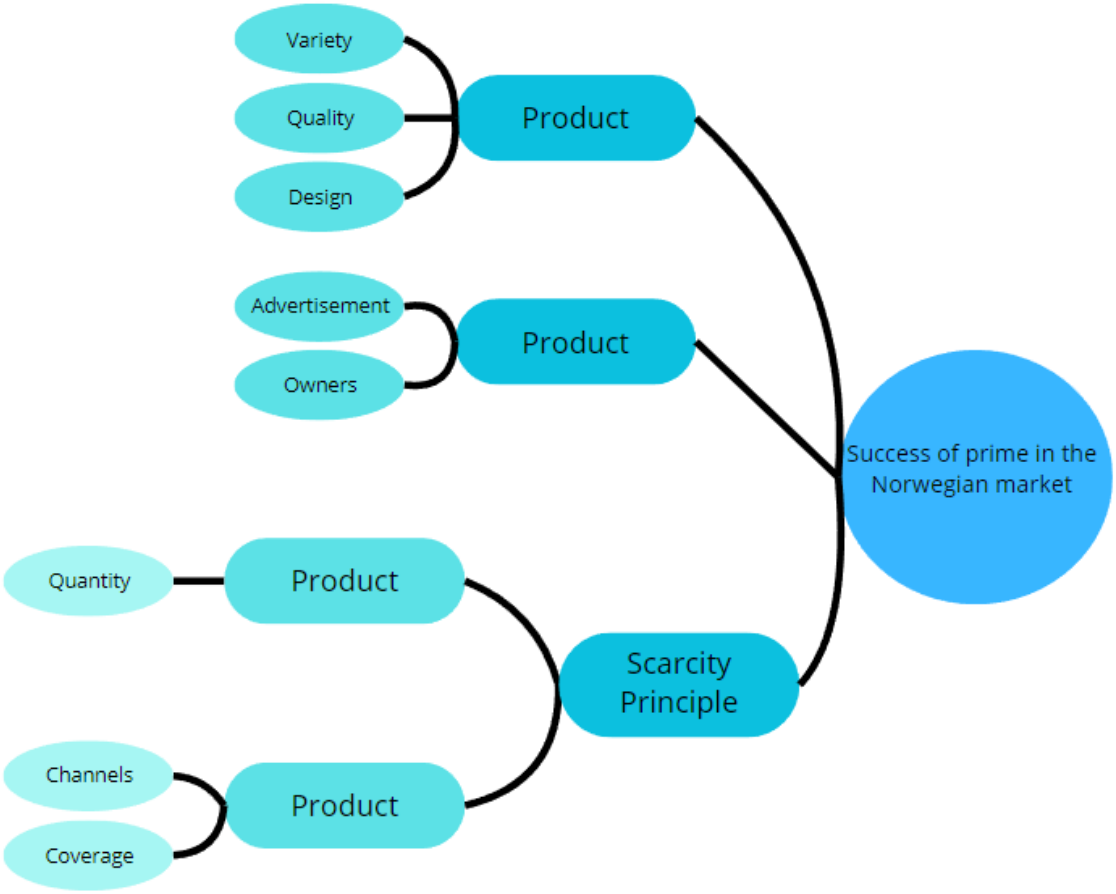
$$H1: \lambda_1 \cup \lambda_2 \cup \lambda_3 \cup \lambda_4 < 1$$

From the factor analysis we found that only the first 3 factors had an eigenvalue larger than 1. This means that there are three factors and not the hypothesised 4 that is relevant for the sales of Prime. Looking at the rotated component matrix a possible explanation for this can be found. The questions posed about the price and place fall under a common factor, the third one. As previously mentioned, Prime was difficult to get a hold off in the beginning when the product was expensive, with one product going for more than 100 kroner in stores that had to import them (Hvitmyhr, B, 2023). The result of this is that there is a high correlation between the place and price causing them to fall under the same

factor. The common denominator explaining the factors is the scarcity principle. This is because, as mentioned in chapter 2.3.8, the scarcity principle is closely related to quantity and price. Looking at the study by Barton with others, the scarcity tactic is highly effective in increasing sales and interest of a product (Barton et al., 2022, p. 756). The scarcity principle seems to be combined with pricing strategies.

From chapter 2.3.5.1 it was found that Prime used market skimming and premium pricing to a high degree. The scarcity principle has a close relationship to these strategies as a common factor is the use of lower quantity of products, resulting in supply not meeting demand. This also supports the fact of the common factor being the scarcity principle as the strategies for price and place seem to be dependent.

This means that the hypothesized model constructed for the first hypothesis, as well as the null hypothesis, were proved to be incorrect. The new hypothesized model considered place and price to have scarcity as the common underlying factor. The new hypothesised model is as a result:



To further examine whether scarcity principle could be the relevant underlying factor explaining why there are 3 factors affecting Prime's success in the Norwegian market and not the hypothesised 4, a correlation analysis was made. The variables in the third factor in the rotated component matrix were analysed and the result demonstrates every component having a significant value less than 0,001.

Correlations

		Hard_to_get	Higher_price_more_interested	Easy_access_more_intrested
Hard_to_get	Pearson Correlation	1	,842**	,529**
	Sig. (2-tailed)		<,001	<,001
	N	178	178	178
Higher_price_more_interested	Pearson Correlation	,842**	1	,494**
	Sig. (2-tailed)	<,001		<,001
	N	178	178	178
Easy_access_more_intrested	Pearson Correlation	,529**	,494**	1
	Sig. (2-tailed)	<,001	<,001	
	N	178	178	178

**. Correlation is significant at the 0.01 level (2-tailed).

With this as a result the null hypothesis was thrown out and the alternative was adapted. The new result illustrated: $\lambda_1 \cap \lambda_2 \cap \lambda_3 \geq 1$.

5.5 Regression analysis 1

As the NRK "Prime kan lide samme skjebne som andre eksklusive varer, mener trendforsker", mentioned in theory, alerted to Prime decrease in sales was due to the scarcity principle (Nijjer, 2023). As mentioned in chapter 3.0.2 this made ground for exploring the reason for the decrease. Looking into the results from the data received in the survey, the percentage decline in Prime is 10% on average. To test if the reason for decline of sales is due to the scarcity principle, we performed a multiple regression analysis in Excel. The dependent variable to test for the scarcity principle is:

"I used to buy Prime"

The reason for using this as the dependent variable is that it explains the cause for the participants having bought Prime. With this the analysis can give a satisfactory answer to the second hypothesis in chapter 5.3. All variables are accounted for in this regression analysis to make sure all factors are considered, except for two: q11 "I have watched Logan Paul and KSI for many years" as a multicollinearity was found, and q19 "I have recommended Prime to family and friends" as this is not a reason for them buying Prime previously. The variable "friends recommended" should cover the variable for this regression analysis. Running a regression analysis with q19 portrayed a regression analysis with an F-significance being too high. The results of the regression analysis for the all the participants was:

$$\text{Sales of Prime (previously)} = \beta_0 + \beta_1 Taste + \beta_2 Variant + \beta_3 Design + \beta_4 SOME\ ads + \beta_5\ KSi_{or} Logan\ Paul\ fan - \beta_6 Associate_{with} KSI_{or} Logan\ Paul + \beta_7 Bought\ Because_{of} Owners + \beta_8 Hard_{to} Get + \beta_9 Higher\ Price_{more}\ interested \beta_{10} Prefer_{over}\ Substitute + \beta_{11} Training + \beta_{12} Friends\ recommended + \beta_{13} Easy\ Access_{more} Interested$$

Regression Statistics	
Multiple R	0,827501
R Square	0,684758
Adjusted R Square	0,659769
Standard Error	1,768694
Observations	178

ANOVA

	df	*SS*	*MS*	*F*	*gnificance F*
Regression	13	1114,401	85,72313	27,40266	1,44E-34
Residual	164	513,0375	3,128277		
Total	177	1627,438			

	Coefficier	Standard	t Stat	P-value	Lower 95%	Upper 95%	Lower 95,(	Upper 95,0%
Intercept	-0,4308	0,300474	-1,43375	0,153548	-1,0241	0,162492	-1,0241	0,162492
Taste	0,188567	0,084265	2,237791	0,026581	0,022183	0,35495	0,022183	0,35495
Variant	0,312912	0,059522	5,257072	4,51E-07	0,195383	0,43044	0,195383	0,43044
Design	0,014168	0,059358	0,238692	0,811643	-0,10304	0,131372	-0,10304	0,131372
SOME_ads	0,053188	0,05879	0,904714	0,366944	-0,06289	0,169271	-0,06289	0,169271
KSI/Logan_Paul_Fan	0,094896	0,071401	1,329058	0,185675	-0,04609	0,23588	-0,04609	0,23588
Associate_Ksi/Logan_Paul	-0,05637	0,058714	-0,96005	0,338441	-0,1723	0,059564	-0,1723	0,059564
Bought_because_of_owners	0,136721	0,080965	1,688635	0,09319	-0,02315	0,29659	-0,02315	0,29659
Hard_to_get	0,003573	0,0875	0,04083	0,967481	-0,1692	0,176345	-0,1692	0,176345
Higher_price_more_interested	0,179256	0,086411	2,074466	0,039598	0,008635	0,349876	0,008635	0,349876
Prefer_over_substitute	0,08085	0,088921	0,909232	0,364562	-0,09473	0,256427	-0,09473	0,256427
Training	-0,05513	0,13323	-0,41383	0,67954	-0,3182	0,207933	-0,3182	0,207933
Friends_recommended	0,210433	0,062593	3,361944	0,000963	0,086842	0,334024	0,086842	0,334024
Easy_access_more_intrested	0,052673	0,053343	0,987446	0,324879	-0,05265	0,158	-0,05265	0,158

Taking into consideration the important values of the regression model from chapter 4.2, the model seems to give great results. The regression model shows a R^2 with a value of approximately 70% (R^2= 0,69) which is an acceptable value, and reveals that the model fits the observations quite well. Such a high R^2 for the model when containing so many variables is also noteworthy. This results in the independent variables explains the dependent variable very well. R^2 and adjuster R^2 is also close, which is good as the additional prediction does not give much more explanatory power to the model. The F-significant also is far lower than the significant value of 0,05. This model is thus significant and the coefficient can be further examined.

When interpreting the values of significance “taste”, “variant”, “higher price more interested” and “friends recommended” has a p-value lower than 0.05 (P-value<0.05). This means that for the participants these are the factors that led to them buying Prime before. The values with the highest coefficient is the “variants”-variabel, which means the biggest reason for them buying Prime before is the amount of variants Prime has to offer with a coefficient of 0.31 (β_2=0.31). This indicates an increase in one rank for “variants” will lead to an increase in 0,31 (β_2=0.31) in buying Prime. The second most important are “friends

recommended" with 0.21 (β_{12}=0.21) as the coefficient, and "taste" comes in at a third with a coefficient of 0.19 (β_{1}=0.19). The least of the significant values that affected if the participants bought Prime was "higher price more interested" with a coefficient of 0,18 (β_{9}=0.18). These will be used to answer the second hypothesis, but to go a bit further a regression analysis will be run within the different clusters.

5.5.1 Cluster 1 (10-13 years old)

The same principles were applied under running a regression analysis for the first cluster as the whole model. The difference was only conducting the analysis of the participants within the range of the cluster. The number of participants were much higher in this cluster than the following other clusters, meaning the results are more generalizable to a larger population. The cluster used is the first cluster from chapter 5.1.

Regression Statistics	
Multiple R	0,822311
R Square	0,676195
Adjusted R Square	0,621526
Standard Error	1,689389
Observations	91

ANOVA

	df	*SS*	*MS*	*F*	*gnificance F*
Regression	13	458,9206	35,30159	12,36901	4,94E-14
Residual	77	219,7607	2,854035		
Total	90	678,6813			

	Coefficients	*tandard Erro*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*ower 95,0%*	*pper 95,0%*
Intercept	-0,4847	0,355163	-1,36471	0,176318	-1,19191	0,222525	-1,19191	0,222525
Taste	0,219555	0,109185	2,010844	0,047843	0,002139	0,43697	0,002139	0,43697
Variant	0,347533	0,081419	4,268424	5,55E-05	0,185406	0,509659	0,185406	0,509659
Design	0,196905	0,094247	2,089245	0,039989	0,009235	0,384574	0,009235	0,384574
SOME_ads	0,006161	0,071468	0,086202	0,93153	-0,13615	0,148471	-0,13615	0,148471
KSI/Logan_Paul_Fan	0,060138	0,101919	0,590054	0,556882	-0,14281	0,263084	-0,14281	0,263084
Associate_Ksi/Logan_Paul	-0,08862	0,108616	-0,81589	0,417083	-0,3049	0,127664	-0,3049	0,127664
Bought_because_of_owners	0,063652	0,124048	0,513121	0,609336	-0,18336	0,310663	-0,18336	0,310663
Hard_to_get	-0,15389	0,111991	-1,37412	0,173392	-0,37689	0,069114	-0,37689	0,069114
Higher_price_more_interested	0,279351	0,118754	2,352356	0,021211	0,042882	0,51582	0,042882	0,51582
Prefer_over_substitute	0,065162	0,124746	0,522357	0,602921	-0,18324	0,313564	-0,18324	0,313564
Training	0,055072	0,24237	0,227225	0,820851	-0,42755	0,537693	-0,42755	0,537693
Friends_recommended	0,126518	0,079668	1,588064	0,11637	-0,03212	0,285157	-0,03212	0,285157
Easy_access_more_intrested	0,05147	0,073854	0,69692	0,487952	-0,09559	0,198532	-0,09559	0,198532

The R^2 are 67% (R^2=0.67) which is acceptable and have a very significant F of less than 0.05 (F-significance<4,94E-14). The results from the first cluster differ a bit from the regression model of the whole group. “Taste”, "variants", “design” and “higher price more interested” has a significant p-value (P-value<0.05). The coefficient showing the biggest effect for the first cluster is the “variant” with 0.34 (β_3=0.34) and “higher price” coming second at 0,28 (β_9=0.28). Thereafter “taste” and “design” comes second with a coefficient of approximately 0,20(β_2=0.22)(β_4=0.34). The results indicate more heavily the product being the “p” form the marketing mix having the most significance here, while higher price also having a big significance for the cluster. This will be further analysed in chapter 5.6

5.5.2 Cluster 2 (14-17 years old)

The observations from this cluster are fewer than those of the previous regression models. The observation has 9 fewer participants than wanted, but it is sufficient enough to run a regression model and get noteworthy results. The same preparations were done with this cluster as for the previous.

Regression Statistics	
Multiple R	0,88879
R Square	0,789948
Adjusted R Square	0,688811
Standard Error	1,651041
Observations	41

ANOVA

	df	*SS*	*MS*	*F*	*gnificance F*
Regression	13	276,7899	21,29153	7,810718	3,94E-06
Residual	27	73,60032	2,725938		
Total	40	350,3902			

	Coefficients	*tandard Erro*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*ower 95,0%*	*pper 95,0%*
Intercept	-0,7237	1,275628	-0,56733	0,575179	-3,34107	1,893673	-3,34107	1,893673
Taste	0,140424	0,243249	0,577285	0,56853	-0,35868	0,63953	-0,35868	0,63953
Variant	0,004347	0,159616	0,027237	0,978471	-0,32316	0,331852	-0,32316	0,331852
Design	0,098969	0,153422	0,645076	0,524322	-0,21583	0,413766	-0,21583	0,413766
SOME_ads	0,313547	0,190201	1,648503	0,110839	-0,07671	0,703807	-0,07671	0,703807
KSI/Logan_Paul_Fan	-0,09641	0,205178	-0,46988	0,642214	-0,5174	0,324581	-0,5174	0,324581
Associate_Ksi/Logan_Paul	-0,0245	0,196927	-0,12443	0,9019	-0,42856	0,379557	-0,42856	0,379557
Bought_because_of_owners	0,44473	0,206437	2,154316	0,0403	0,021157	0,868303	0,021157	0,868303
Hard_to_get	0,109835	0,273028	0,402284	0,690642	-0,45037	0,670041	-0,45037	0,670041
Higher_price_more_interested	0,03357	0,237273	0,141482	0,88854	-0,45328	0,520415	-0,45328	0,520415
Prefer_over_substitute	0,25417	0,213784	1,188911	0,244827	-0,18448	0,692819	-0,18448	0,692819
Training	-0,49497	0,340176	-1,45505	0,157184	-1,19296	0,20301	-1,19296	0,20301
Friends_recommended	0,167397	0,202602	0,826234	0,415913	-0,24831	0,583102	-0,24831	0,583102
Easy_access_more_intrested	0,007172	0,201572	0,035581	0,971878	-0,40642	0,420764	-0,40642	0,420764

The model explains approximately 80% (R^2=0.78) of the observations which are very good. The F-significance is also very acceptable here, being far less than 0.05 (F-significance<0.05). With this model the only variable with a significant p-value (P-value<0.05) was the “bought because of the owners”. The variable had a positive coefficient of 0.45 (β_7=0.45) which is substantial, demonstrating an increase in 1 rank in “buying because of the owners” increase the sales of Prime (previously) with 0.45 in rank.

5.5.3 Cluster 3 (18-23 years old)

This model also had a relatively low observation of only 47 participants. As for the other model for the second cluster the trends within the model can be analysed and discussed further and predictions for a model with a large sample of participants can be made.

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0,880026275
R Square	0,774446244
Adjusted R Square	0,685591734
Standard Error	1,547625697
Observations	47

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	13	271,3857371	20,87582593	8,715891245	2,61651E-07
Residual	33	79,03979482	2,395145298		
Total	46	350,4255319			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95,0%*	*Upper 95,0%*
Intercept	0,135949899	0,607218235	0,223889684	0,824223488	-1,099444889	1,371344687	-1,099444889	1,371344687
Taste	0,175557303	0,190159445	0,923211062	0,362598629	-0,211324996	0,562439602	-0,211324996	0,562439602
Variant	0,44463283	0,107111238	4,151131477	0,000218654	0,226713379	0,662552282	0,226713379	0,662552282
Design	0,091129344	0,13093651	0,695981154	0,491313647	-0,175262989	0,357521677	-0,175262989	0,357521677
SOME_ads	-0,126363976	0,123808725	-1,020638697	0,314850123	-0,378254721	0,125526769	-0,378254721	0,125526769
KSI/Logan_Paul_Fan	-0,077533163	0,115996098	-0,668411824	0,508519495	-0,313528998	0,158462672	-0,313528998	0,158462672
Associate_Ksi/Logan_Paul	-0,042676785	0,100450562	-0,424853623	0,673700839	-0,247044991	0,16169142	-0,247044991	0,16169142
Bought_because_of_owners	0,077225776	0,117463059	0,657447345	0,51545317	-0,161754614	0,316206166	-0,161754614	0,316206166
Hard_to_get	0,475612568	0,171802377	2,768370123	0,009168665	0,126078003	0,825147133	0,126078003	0,825147133
Higher_price_more_interested	-0,251056704	0,165998019	-1,512407836	0,139948817	-0,588782213	0,086668804	-0,588782213	0,086668804
Prefer_over_substitute	0,322038279	0,293760712	1,096260549	0,280900746	-0,275622383	0,91969894	-0,275622383	0,91969894
Training	0,13169981	0,189237135	0,695951192	0,491332167	-0,253306037	0,516705657	-0,253306037	0,516705657
Friends_recommended	-0,130432916	0,142190458	-0,917311314	0,365635342	-0,419721578	0,158855746	-0,419721578	0,158855746
Easy_access_more_intrested	-0,009461721	0,097710049	-0,096834672	0,923443414	-0,208254309	0,189330868	-0,208254309	0,189330868

The R^2 has a great value of 77% of the observations being explained by the model (R^2=0.77). The F-significance for the whole model also has a high significance with a value lower than 0.05 (F-significance=2,62E-07). The variables with a significant value here is the “hard to get” and “variant” with them both having a very low P-value (P-value<0.05). The coefficient for “design” and “hard to get” are also large being at 0.45 ($\beta_2 = 0.45$) and 0.48 ($\beta_8 = 0.48$) Note that, although not significant, there are several variables that have a negative impact on whether adults choose to buy Prime previously.

5.6 Hypothesis 2

The second hypothesis is that Prime`s decline in sales is due to the scarcity principle. To answer this hypothesis the regression analyses above in chapter 5.5.1, 5.5.2 and 5.5.3 were conducted. The hypothesis is:

$$\text{H0: } \beta_8 \cup \beta_9 \cup \beta_{13} = P\,Value \leq 0{,}05$$

$$\text{H1: } \beta_8 \cup \beta_9 \cup \beta_{13} \neq P\,Value \leq 0{,}05$$

Examining the model for the whole group, the P-value of “higher price more interest” was of significant value. This indicates that the scarcity principle was in part one of the reasons that the participants were interested in Prime. The product having a higher price gave a significant p-value. From the factor analysis the factor for price and place fell under the scarcity principle. The results indicate the popularity of Prime for the whole group very much came from the scarcity principle. As mentioned in chapter 5.3, the combination of the factors place and price with few distributors, high price, and low volume are strategies Prime has used . The result is that the scarcity principle disclosed a great effect on the group as a whole, but with differences in demographics. The results follow theory as Barton also found the scarcity principle to be a highly effective marketing strategy (Barton et al., 2022, p. 756). This is widely covered in chapter 2.3.5.

The biggest effect of any of the variables was the “variants” of Prime that were on the market. “Taste” and "recommendation" also had a significant coefficient. The coefficient for "recommendations” indicates that Prime being talked about among friends has given the drink a social status. As covered in 2.4, Law found that social status is a primitive instinct people strive for. It is associated with exclusivity (Barton et al., 2022, p. 756). This can, along with the scarcity principle, have driven price.

When looking at the youngest cluster the predominant reason for the popularity of Prime was primarily the variables related to product from the marketing mix in chapter 2.3. The scarcity principle also seems to have a significant effect here. But in contrast "hard to get”, although it did not have a significant p-value, revealed a negative coefficient. This can to some degree underlie the principle. This also poses a problem to the results of the factor analysis which are negative. A possible explanation is that younger children are not as concerned with status as older participants, like UCLA found (n.d). This could mean the scarcity provide some significant value for the cluster, although only being inconvenient as they can not get a hold of the product (UCLA, n.d)

Taking into consideration chapter 2.3.1 about the product in the marketing mix: for the age group of kids between 10-13 years old the results seem to follow psychological marketing theory. The study by Letona, Chacon, Roberto & Barnoya shows that children are more affected by the packaging of the product, its visual design and the taste. The study also found that the biggest factors for children are price, image name and characters, which was

covered by the significant variables found in the regression model for the youngest cluster (Letona, 2014, p.5). As explained in chapter 2.3.1, Prime has a very large font with simple design. This may contribute to these variables having such an effect on younger children. Esmaeil Shahtahmasbi, Zeynab Ahmadi and Sajad Mazarei also found that vibrant colours attract children (Shahtahmasebi et al., 2021, p.2). Prime also has bright colours:bright blue (colour code=09abe5), red (colour code=fa3945), green (colour code=abde0c) and pink (colour code=d87ea2). The factor of product is the main factor affecting children, and this is to a high degree reflected in theory.

The second cluster only has one variable with a significant p-value, being "bought by owners". The coefficient shows a considerable value. The result shows that the only relevant factor from the marketing mix for the age 14-17 years old is promotion. This may have a close association with influencer marketing. The psychology of marketing for teens seems to explain this to a large degree. In chapter 2.3.4.1, the study by Trinh (2023) found that influencers have a significant impact on consumers purchasing intent. They are perceived as trustworthy, with expertise (Trinh, 2023, p.4). The fact that KSI and Logan Paul are the owners would add to that trustworthiness. As mentioned in the introduction, Prime also has big names like Erling Haaland and Patrick Mahomes as ambassadors. The hydration beverage is also the official sports drink for teams like Arsenal, Bayern München and Barcelona could increase trustworthiness to a large degree. The scarcity principle not being a factor seems to go against theory about social status for teenagers from chapter 2.4 (UCLA, n.d). The sample size for the second cluster is a bit lower than the recommended 50 (Carmen et al., 2007, p. 48), and can pose as a problem.

For the oldest cluster the most significant reason for having previously bought Prime is "variants" and "hard to get, more interest". This implies that the scarcity principle is affecting older participants to a substantial degree. Delving into Barton (2022) with other's study on the scarcity principle, Prime seems to have used a demand-based scarcity where the shelves often were empty thus triggering FOMO in the consumers, thereby driving popularity of the product (Barton et al.,2022). The popularity of the product could have contributed to higher status for consumers. The study Respect & social status by UCLA (n.d), explains that after puberty, our attention to social status heighten (UCLA, n.d). Implementing the scarcity principle may have contributed to this cluster buying the product as it may have given a higher social status.

When reaching a conclusion based on the analyses, the scarcity principle appears to be the most prominent factor. This supports the null-hypothesis to a high degree and thus the null-hypothesis is kept. For the second cluster the only impact of significance is “being a fan of KSI and Logan Paul". The reason for this can be that influencers are highly effective in familiarity, likeability and similaribility (Gräve, 2017, p.4). This can make a celebrity feel more like a friend, and thereby give the impression of helping a friend for the second cluster as further explained in chapter 2.3.4.1.

5.7 Regression analysis 2

When testing for purchasing behaviour of the participants buying Prime the dependent variable is the question.

“I often buy P*rime”*

With this as the dependent variable we can test for which of the relevant factors of the marketing mix has the greatest effect on the participants buying prime frequently as of recent.

$$\textit{Buy Prime often}=\beta_0 + \beta_1 Taste + \beta_2 Variant + \beta_3 New\ Variants - \beta_4 Design + \beta_5\ SOME\ ads +$$
$$\beta_6 KSi_{or} Logan\ Paul\ fan + \beta_7 Associate_{with} KSI_{or} Logan\ Paul$$
$$+ \beta_8 Bought\ Because_{of} Owners -$$
$$\beta_9 Hard_{to} Get - \beta_{10} Higher\ Price_{\ more}\ interested + \beta_{11} Prefer_{over}\ Substitute +$$
$$\beta_{12} Training + \beta_{13} Friends\ recommended\ \ \beta_{14} I\ Recommended$$
$$+ \beta_{15} Easy\ Access_{more} Interested$$

Regression Statistics	
Multiple R	0,84322
R Square	0,71102
Adjusted R Square	0,68443
Standard Error	1,50536
Observations	178

ANOVA

	df	SS	MS	F	gnificance F
Regression	15	908,848	60,5898	26,7374	2,4E-36
Residual	163	369,376	2,26611		
Total	178	1278,22			

	Coefficient:	ndard Err	t Stat	P-value	ower 95%	pper 95%	ower 95,0%	pper 95,0%
Intercept	-0,14941	0,26319	-0,5677	0,57102	-0,66911	0,37028	-0,66911	0,37028
Taste	0,18717	0,07429	2,51963	0,01271	0,04049	0,33386	0,04049	0,33386
Variant	-0,03678	0,05562	-0,6613	0,50936	-0,14661	0,07305	-0,14661	0,07305
New_variants	0,1695	0,05852	2,89629	0,00429	0,05394	0,28507	0,05394	0,28507
Design	-0,18399	0,05344	-3,44295	0,00073	-0,28952	-0,07847	-0,28952	-0,07847
SOME_ads	0,10537	0,05044	2,08914	0,03825	0,00578	0,20497	0,00578	0,20497
KSI/Logan_Paul_Fan	0,23125	0,06091	3,79641	0,00021	0,11097	0,35153	0,11097	0,35153
Associate_Ksi/Logan_Paul	0,00061	0,05078	0,01195	0,99048	-0,09967	0,10089	-0,09967	0,10089
Bought_because_of_owners	0,13567	0,07025	1,93134	0,04918	-0,00304	0,27438	-0,00304	0,27438
Hard_to_get	-0,01774	0,07522	-0,23578	0,8139	-0,16627	0,1308	-0,16627	0,1308
Higher_price_more_interested	-0,01504	0,07407	-0,20307	0,83934	-0,1613	0,13122	-0,1613	0,13122
Prefer_over_substitute	0,272	0,07776	3,49804	0,0006	0,11846	0,42554	0,11846	0,42554
Training	0,18181	0,11711	1,55252	0,12248	-0,04943	0,41306	-0,04943	0,41306
Friends_recommended	0,06489	0,05824	1,11423	0,26682	-0,05011	0,1799	-0,05011	0,1799
I_recommended	0,04717	0,07569	0,62317	0,53404	-0,10229	0,19663	-0,10229	0,19663
Easy_access_more_intrested	0,02544	0,04589	0,5544	0,58006	-0,06517	0,11605	-0,06517	0,11605

The model has 178 observations, as the previous model. The R^2 is 0.71 (R^2=0.71) which is good with an F-significance being very low (F-significance=2.4E36). Looking at the observations there are a lot of variables with a p-value of significance (P-value<0.05). From the marketing mix, the variables related to product and promotion are the factors that influence the participants the most when buying Prime. The biggest factor for the participants buying Prime now is "preferring it over substitutes" with a coefficient of 0.27 ($\beta_{11} = 0.27$). The second biggest is "fan of KSI and Logan Paul" with a coefficient of 0.23 (β_6=0.23) . "Taste" also is a big factor with 0.19 ($\beta_1 = 0.19$) and design having a negative effect on the rating ($\beta_3 = -0.18$). "New variants", "social media ads" and "bought because of owners" all have a close to similar effect of around 0.14 ($\beta_1 = 0.17$) . This demonstrates the reason for the participants purchasing Prime now are primarily because of liking the product and being a fan of KSI and Logan Paul.

5.7.1 Cluster 1 (10-13 years old)

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0,812002202
R Square	0,659347575
Adjusted R Square	0,594666735
Standard Error	1,322005672
Observations	91

ANOVA

	df	*SS*	*MS*	*F*	*ignificance F*
Regression	15	267,2370425	17,8158	10,19386	5,5811E-13
Residual	79	138,0682207	1,747699		
Total	94	405,3052632			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95,0%*	*Upper 95,0%*
Intercept	-0,105088542	0,288022883	-0,36486	0,71619	-0,6783837	0,46820667	-0,6783837	0,46820667
Taste	0,227789618	0,090927055	2,505191	0,014295	0,04680384	0,40877539	0,04680384	0,40877539
Variant	-0,084648377	0,066136564	-1,2799	0,204325	-0,2162899	0,04699316	-0,2162899	0,04699316
New_variants	0,128760017	0,06992357	1,841439	0,069311	-0,0104194	0,2679394	-0,0104194	0,2679394
Design	-0,01745075	0,075756525	-0,23035	0,818413	-0,1682403	0,13333884	-0,1682403	0,13333884
SOME_ads	0,029746938	0,055641226	0,53462	0,594414	-0,0810042	0,14049803	-0,0810042	0,14049803
KSI/Logan_Paul_Fan	0,201570505	0,075972976	2,653187	0,009636	0,05035008	0,35279093	0,05035008	0,35279093
Associate_Ksi/Logan_Paul	0,026677205	0,083966837	0,317711	0,751542	-0,1404546	0,19380901	-0,1404546	0,19380901
Bought_because_of_owners	0,146448189	0,09665641	1,515142	0,133728	-0,0459416	0,33883796	-0,0459416	0,33883796
Hard_to_get	-0,05136725	0,087160588	-0,58934	0,557315	-0,2248561	0,12212156	-0,2248561	0,12212156
Higher_price_more_interested	-0,07457312	0,092532307	-0,80591	0,422711	-0,2587541	0,10960783	-0,2587541	0,10960783
Prefer_over_substitute	0,092634482	0,098352038	0,941866	0,349132	-0,1031304	0,28839932	-0,1031304	0,28839932
Training	0,458485476	0,193518331	2,36921	0,020268	0,07329687	0,84367408	0,07329687	0,84367408
Friends_recommended	0,049783024	0,065730155	0,757385	0,451073	-0,0810496	0,18061563	-0,0810496	0,18061563
I_recommended	0,099772037	0,085554104	1,166186	0,247048	-0,0705191	0,27006322	-0,0705191	0,27006322
Easy_access_more_intrested	0,043462363	0,057316464	0,758288	0,450535	-0,0706232	0,15754793	-0,0706232	0,15754793

The R^2 for the cluster of 10-13 years old are 60% (R^2=0.66) which is not as big as the other but still acceptable. The F-significance is also very low (F-significance=5,56E-13). There are three variables with a P-value of significance (P-value<0,05). The relevant variables are “Taste”, “KSI and Logan Paul fan” and “training”. Surprisingly the biggest factor for 10-13 year old is “training” with a coefficient of 0.46 ($\beta_{12} = 0.46$). “Taste” and “KSI and Logan Paul fan” has a coefficient of about 0.21 ($\beta_1 = 0.23$),($\beta_6 = 0.20$). This shows that the biggest factor for children is the perceived value it gives for training.

5.7.2 Cluster 2 (14-17 years old)

Regression Statistics	
Multiple R	0,922610299
R Square	0,851209763
Adjusted R Square	0,795413424
Standard Error	1,457205969
Observations	41

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	15	485,9191734	32,39461	15,25566	4,80452E-12
Residual	40	84,93796946	2,123449		
Total	55	570,8571429			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95,0%*	*Upper 95,0%*
Intercept	-0,831535697	0,89994754	-0,92398	0,361036	-2,650397522	0,98732613	-2,650397522	0,98732613
Taste	-0,13103196	0,174424054	-0,75123	0,456914	-0,483556124	0,2214922	-0,483556124	0,2214922
Variant	0,134291879	0,141165964	0,951305	0,347163	-0,151015177	0,41959894	-0,151015177	0,41959894
New_variants	0,188948742	0,149551442	1,263436	0,213747	-0,113305998	0,49120348	-0,113305998	0,49120348
Design	-0,292902829	0,123774785	-2,36642	0,022892	-0,543061002	-0,0427447	-0,543061002	-0,0427447
SOME_ads	0,319302819	0,134786684	2,368949	0,022755	0,04688877	0,59171687	0,04688877	0,59171687
KSI/Logan_Paul_Fan	0,273224063	0,136730419	1,998268	0,049517	-0,003118422	0,54956655	-0,003118422	0,54956655
Associate_Ksi/Logan_Paul	0,040448665	0,171508239	0,235841	0,81476	-0,306182416	0,38707975	-0,306182416	0,38707975
Bought_because_of_owners	0,013352436	0,17261916	0,077352	0,938729	-0,335523899	0,36222877	-0,335523899	0,36222877
Hard_to_get	0,280348353	0,188406969	1,487994	0,144594	-0,100436336	0,66113304	-0,100436336	0,66113304
Higher_price_more_interested	-0,045126249	0,157930571	-0,28573	0,776556	-0,364315838	0,27406334	-0,364315838	0,27406334
Prefer_over_substitute	0,571263618	0,16056986	3,557726	0,000981	0,246739825	0,89578741	0,246739825	0,89578741
Training	0,096935966	0,256137842	0,378452	0,707096	-0,420737923	0,61460986	-0,420737923	0,61460986
Friends_recommended	0,102907554	0,163866719	0,627995	0,533576	-0,228279439	0,43409455	-0,228279439	0,43409455
I_recommended	-0,33644888	0,1943338	-1,73129	0,091107	-0,729212141	0,05631438	-0,729212141	0,05631438
Easy_access_more_intrested	-0,174931363	0,169455287	-1,03232	0,308126	-0,517413273	0,16755055	-0,517413273	0,16755055

The R^2 in this regression analysis has a value of 0.85 (R^2=0.85) which is very high and indicates a strong linear relationship. The R^2 and adjusted R^2 are a bit far from each other, but not to a substantial degree. The F-significance is very low, indicating the model is of significance (F-significance=4,8E-12). There are four values with a significant p-value (p-value<0,05) in the regression model for the cluster. The biggest effect comes from "Prefer over substitutes" with a high coefficient of 0.57($\beta_{11} = 0.57$). The second biggest are "social media ads" and "KSI and Logan fan" with coefficient being about 0,3 ($\beta_5 = 0.32$), ($\beta_6 = 0.27$). Design has a negative coefficient with 0,29 ($\beta_4 = 0.29$) meaning the design has a negative effect on buying behaviour for teenagers. For the ages 14-17 as well as the younger cluster promotion is a big factor for buying behaviour.

5.7.3 Cluster 3 (18-23 years old)

Regression Statistics	
Multiple R	0,916213
R Square	0,839446
Adjusted R Square	0,761759
Standard Error	1,354852
Observations	47

ANOVA

	df	*SS*	*MS*	*F*	*ignificance F*
Regression	15	297,521206	19,83475	10,80546	1,95E-08
Residual	31	56,90432596	1,835623		
Total	46	354,4255319			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95,0%*	*Upper 95,0%*
Intercept	-0,77404	0,557443606	-1,38856	0,174865	-1,910956	0,3628713	-1,910956119	0,362871342
Taste	0,524533	0,189036774	2,774769	0,009276	0,1389903	0,9100764	0,13899035	0,910076433
Variant	0,202137	0,098858597	2,044707	0,049454	0,0005134	0,4037603	0,000513404	0,403760281
New_variants	-0,20983	0,188477493	-1,11327	0,274152	-0,594228	0,1745766	-0,594228168	0,174576596
Design	-0,18875	0,118872811	-1,58787	0,122465	-0,431197	0,0536884	-0,431196984	0,053688409
SOME_ads	0,067324	0,130944831	0,514137	0,610802	-0,19974	0,3343873	-0,199740152	0,334387336
KSI/Logan_Paul_Fan	0,038741	0,112374599	0,344745	0,732614	-0,190449	0,2679301	-0,190448891	0,267930121
Associate_Ksi/Logan_Paul	0,154995	0,091359291	1,696547	0,099803	-0,031333	0,3413238	-0,031333175	0,34132383
Bought_because_of_owners	0,219454	0,104837747	2,093269	0,044601	0,0056356	0,4332716	0,00563562	0,433271611
Hard_to_get	0,425277	0,172380971	2,467076	0,019349	0,0737037	0,7768503	0,073703696	0,776850314
Higher_price_more_interested	-0,50583	0,154024778	-3,28411	0,002541	-0,81997	-0,1916993	-0,819970479	-0,191699267
Prefer_over_substitute	0,565357	0,328322465	1,721958	0,095043	-0,104261	1,2349755	-0,104260633	1,234975533
Training	0,283028	0,170574293	1,659263	0,107148	-0,064861	0,6309162	-0,064860974	0,630916152
Friends_recommended	-0,04192	0,142362015	-0,29443	0,770394	-0,332264	0,248434	-0,332264477	0,24843401
I_recommended	-0,24014	0,256253854	-0,93711	0,355945	-0,762772	0,2824948	-0,762771577	0,282494787
Easy_access_more_intrested	-0,10941	0,103767206	-1,05439	0,299852	-0,321046	0,1022231	-0,321046124	0,102223099

The R^2 in this regression analysis has a value of 84% (R^2=0.84) which is very impactful. The model is significant as the F-significance is very low (F-significance=1,95E-08). For the older cluster there are 5 variables with P-values of significance (P-value<0.05). Of these "Taste" has the largest coefficient of 0.52 ($\beta_1 = 0.52$). The second highest is a negative coefficient with "higher price more interest", implying that the older generation is much more price sensitive($\beta_{10} = -0.51$). It being "hard to get" also had a big effect with 0.42 ($\beta_9 = 0.42$) as the coefficient. "Bought because of owner" and "variant" has coefficients of 0.22 ($\beta_8 = 0.22$) and 0.20 ($\beta_2 = 0.20$) as coefficient. This indicates that for the older generation the place and price, with a common factor of scarcity principle, has the biggest effect of the older generation.

5.8 Hypothesis 3

The third hypothesis posits that the primary motivation behind individuals purchasing Prime presently is their conn. To test for this the regression analysis 2 from chapter 5.7 will be used. The hypothesis formulated is:

$$\text{H0: } \beta_5 \cup \beta_6 \cup \beta_7 \cup \beta_8 = \ P\,Value \ \leq 0{,}05$$
$$\text{H1: } \beta_5 \cup \beta_6 \cup \beta_7 \cup \beta_8 = \ P\,Value \ > 0{,}05$$

When looking at the driving factor for the whole model there are many factors that are of significance. The two main factors from the marketing mix are product and promotion. The biggest effect is the promotion with three variables having a positive coefficient. “Taste” and “prefer Prime over substitutes” are also significant variables for buying Prime. From chapter 2.3.1 it was found “Taste” and “preferring over substitute” are condition with the most importance according to Tijjsen (Tijssen et al., 2019, p.27). Wanting to test new variants also points to the same principle as under hypothesis 2 in chapter 5.6, where Prime has a wide range of variants not yet available in Norway making it desirable. Desmeuls (2001) also found having a variety of variants are important (Desmeules, 2001, p.8). The second biggest factor is “KSI and/or Logan Paul fan”. “Bought because of owner” also has a significantly big coefficient. This strongly indicates a reason for participants buying Prime now is because of being a fan of KSI and/or Logan Paul. These variables are part of the promotion, and strongly point to the null-hypothesis being correct.

For cluster group 1, the biggest factor is the product from the marketing mix. Training is the variable with the highest coefficient. This indicates younger children drink Prime for its intended purpose, as a hydration drink when exercising. From chapter 2.4 Foulkes (2018) study found the amount a person get influenced reduces with age, revealing children to be more influential (Folkes, 2018). Prime using influencer marketing, with Norway's most popular athlete Erling Braut Håland as an ambassador can have a big effect on the use of Prime in training (drinkprime, 2024). For the youngest, as for the whole sample, being a fan of KSI and Logan Paul asserts a great positive coefficient, indicating this being a big variable for children buying Prime now. From chapter 2.4, in the article from Powell (2024), many experts within the professional field gave their opinion on the hydrating effect of Prime. The overall conclusion is that Prime is not a better substitute

than water. The amount of electrolytes in Prime are tailored to meet an adults needs, and a consumption of over one bottle a day can result in exceeding the daily upper limit of recommended vitamin A intake (Powell, 2024). Clinical nutritionist Eli Anne Myrvoll (2023) also describes Prime as “"A Drink with a variety of unnecessary additives at a high price and an unpleasant taste" (Myrvoll, 2023). This gives an insight into how influencer marketing can give a perceived value for the consumer which is not inherently true. Utilizing trustworthiness and expertise of the influencers, as for example with Håland, can be a significant strategy. This was also shown in the study by Trinh (2023) (Trinh, 2023, p.4) from chapter 2.3.3.1.

The second cluster of teenagers primary reason for buying Prime is also highly related to the promotion from the marketing mix. The biggest coefficient is “preferred over substitute”. This is not surprising as previously mentioned for the whole group, the most significant factor for repeat factor in taste (Tijssen et al., 2019, p.27). Thereafter being a fan of KSI and Logan Paul is the prominent reason for its current popularity for ages 14-17. Design has a strong negative correlation portraying an increase in rank of design causes a decrease in rank of buying Prime. A possible explanation for this can be teenagers not wanting to associate with a design meant for children. Prime has vibrant colours, and is thus more tailored towards children (explained to detail in chapter 2.4).

The last cluster with the young adults also supported the hypothesis to a high degree, as Bought because of owners had a coefficient of 0.22 ($\beta_8 = 0.22$) with a significant P-value. The largest factor is “Taste”, as expected from chapter 2.3.1 (Tijssen et al., 2019, p.27). The second largest factor after “taste” shows “higher price” having a significant negative impact, displaying an increase of one rank in “higher price more interest” portrayed a -0.5 rating in “often buy Prime” rank. This indicates that older participants are much more price sensitive. This is also supported with this cluster being the cluster with highest mean value in “often buy prime”. Prime went for over NOK 100,- in the beginning, fell down to NOK 20,- and can now be found at the cost of NOK 4.90,- in grocery stores in Norway (Schjønberg, 2024). This is possibly a pricing strategy consciously used to capture price sensitive and insensitive customers in order to capture a bigger market share (Kotler, 2020, p.377). It could also be the case that the grocery stores also was influenced by the scarcity principle, and thus bulk ordered too many bottles of Prime. The product can then have

been perceived as less valuable due to high supply, lowering its status and thereby the demand (Law, 2019).

The conclusion for the hypothesis seems to be “being a fan of KSI and Logan Paul”, “buying because of owners” and “associating with owners” shows to be the recurring variables for the participants buying Prime. These all go under the common factor from the factor analysis of promotion. By this the null hypothesis is to be kept and the alternative hypothesis is thrown away.

5.9 Logistic regression

We want to look at how gender affects the chance of buying Prime and having bought Prime. By doing a logistic regression in SPSS of the two variables the results are:

Classification Table[a]

Observed			Predicted Gender: Gutt	Predicted Gender: Jente	Percentage Correct
Step 1	Gender	Gutt	49	49	50,0
		Jente	21	56	72,7
	Overall Percentage				60,0

a. The cut value is ,500

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B) Lower	95% C.I.for EXP(B) Upper
Step 1[a]	Buys_often	-,284	,073	14,962	1	<,001	,753	,652	,869
	Constant	,293	,199	2,176	1	,140	1,341		

a. Variable(s) entered on step 1: Buys_often.

The logistic regression shows a significant value of under 0.05 (P-value<0.01) which means the results are useful. When looking at how gender affects if Prime is bought often the Exp(B) shows a value under 1 (Exp(B)=0,753). This shows that as the rating of buying Prime increases, the chance of the participant being a girl decreases by 24,7% (1-0,753*100%).

Classification Table[a]

Observed			Predicted Gender		Percentage Correct
			Gutt	Jente	
Step 1	Gender	Gutt	65	33	66,3
		Jente	31	46	59,7
	Overall Percentage				63,4

a. The cut value is ,500

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B) Lower	Upper
Step 1[a]	Bought_often	-,235	,057	16,996	1	<,001	,790	,707	,884
	Constant	,446	,223	3,996	1	,046	1,562		

a. Variable(s) entered on step 1: Bought_often.

The logistic regression for having bought Prime often has a significant p-value lower than 0.05 (P-value<0.01). This logistic regression also indicate that if the rating of having bought Prime increase, the chance of the participant being a girl decrease by 21% (1-0,79*100%).

5.10 Hypothesis 4

The hypothesis is that Boys are more likely to buy Prime. With a Ext(B) being under one meaning that as rating in buying Prime increase the chance of the participant being girl decrease the hypothesis is:

$$H0: Ext(B) > 1 \cap \text{P-value} \leq 0{,}05$$
$$H1: Ext(B) \leq 1 \cup \text{P-value} > 0{,}05$$

The results supports the null-hypothesis with expected beta being lower than one, and having a p-value of significance. This means that as the odds ratio for buying Prime increases, the probability that the participant is a girl decreases. As mentioned in the chapter 3.4, this can be because the demographic of KSI and Logan Paul has a very high percentage of boys. This can also serve to further support the third hypothesis, stating the participants buying Prime now does it because they are a fan of KSI and Logan Paul, and vice versa.

A possible reason for the model predicting a 3,7% difference in buying Prime now and having bought Prime can also be because of the scarcity principle. When the demand was high, so was the popularity. The study by Ashraf (2018) shows that women are more brand conscious and more willing to spend money on premium products (Ashraf, 2018, p. 637). This gives a satisfactory explanation for the percentage change in the odds ratio being lower for women buying Prime now than previously.

Looking into the sample space gathered from the survey the percentage of male to female has a 12% difference, with male being the predominant gender of the participants. The predicted model can have been impacted by this. With this taken into consideration there is still a significant beta demonstrating the probability of male buying is greater than females. The conclusion is therefore to keep the null-hypothesis, but the strength is decreased because of the sample space.

6.0 Discussion

The study focused on the largest example of a creator brand in Norway, being Prime. As different age groups respond differently to marketing, it was crucial to cluster into different age groups. This gives the study more validations when looking at driving factors for creator brands success in Norway. This is because it gives more complete answers, with the different developmental stages for the participants and development over time being considered.

We can now see that Prime is a good example of a creator brands as it ticks all the characteristics Antolino describes. If Prime Hydration hadn't been a good example, the generalizability of this study's findings to other creator brands might have been limited

To answer the thesis, 4 hypotheses were created. The study took the marketing mix as the foundation for the popularity of Prime, and therefore the first hypothesis was made to test if the 4Ps were factors of the success of Prime. Finding the factors for the success of Prime would confirm if the marketing mix was the factors behind their success. The other hypotheses also covered previous driving factors (hypothesis 2), current driving factors (hypothesis 3), and demographic considerations (hypothesis 4).

The significant increase of creator brands over the last few years have made a big impact on theories of marketing. Influencer marketing seems to have evolved further into influencers creating their own creator brand instead of being an ambassador or endorsing a product. Although close to no studies have focused on creator brands, except for nutrition studies (Myrvoll, 2023)(Powell, 2024), large amount of marketing and advertising studies have together supported the findings of the popularity of creator brands. Studies regarding influence of marketing to different age groups, (Ashraf, 2018),(Folkes, 2018),(Shah Tahmasebi et al., 2021,),(Letona, 2014,), promotion (Barton et al., 2022),(Gräve, 2017), pricing strategies. The study was limited to studying Prime in the Norwegian market, as the impact has been the greatest of the creator brands. This study can be used to predict the outcome of other creator brands in the norwegian market. In chapter 6.3 this is explained in detail.

6.1 Conclusion

To reiterate from chapter 1.1 the thesis of this study was:

What is the driving factor behind Creator brands success in the Norwegian market?

The regression analyses and logistic analysis all supported the 3 hypotheses posed, providing a clear result of driving factor for creator brands in the norwegian market. The factor analysis portrayed the survey variables to be of great effect and being under their respective factor in the marketing mix, but the hypothesis was proven false. The result revealed there only being three factors for the success of Prime. The reason for this is that Prime was sold in few stores through import in the beginning, causing price and place to have a common factor of scarcity principle. The Total Variance explained table also supported the variables under price and place being under a common factor. With the questions falling into the right variables, and the scarcity principle as an explanation for the common factor in price and place, the overall factors in success for prime in the norwegian market have strong support.

To answer the thesis, the driving factor for Prime in the beginning was to a significant degree because of the factor related to the scarcity principle as found in chapter 5.6. For

the whole group, as well as cluster 1 and 3 individually, the scarcity principle was the most prominent factor. Teenagers seemed to only have bought Prime because of the creators. The hypothesis has nonetheless strong enough indications to confirm the driving factor for buying Prime before being the scarcity principle.

The driving factor for the popularity of Prime in current times has strong indications pointing to product and promotion being the largest factor. For the product this is in a way necessary as consumers does not continue buying a hydration product they dislike. The group as a whole and all the different clusters, had coefficients strongly suggesting promotion being to a high degree the driving factor for success. To answer the third hypothesis the variables of significance display a strong driving factor for the success of Prime currently is because of the owners.

The fourth hypothesis was also proven true, which gave a stronger indication to the driving factor of success of prime previously and presently. For promotion the results of the logistic analysis demonstrates boys are more likely to buy prime. This is because the demographic of Prime is at a larger degree male. The likelihood of being a boy and buying Prime seems to be a very close percentage to the demographics of the creators. The logistic analysis also indicates females were more likely to buy Prime before rather than currently. This could be because females are more likely to buy products with premium pricing. As the factor for price and place falls under the same factor, this further supports the scarcity principle.

6.2 Weaknesses of the survey

When retrospectively looking at the areas of improvement of the survey there are a few adjustments we would have made to further improve the answers gathered. When sending the survey to primary school we made sure to simplify the statements posed, so the participants would understand it thus giving a more accurate answer. A factor omitted was the participants with Norwegian as their second language in primary school. This caused the survey to take a considerably longer time for the non-native speakers, as they needed more time to understand the statements posed. This could also have had a slight effect on the regression results as the statements could have been misunderstood or interpreted differently. On the overall results of the survey we judge this not to have a significant

impact as the sample of non-native speakers is diminishing in comparison with the overall sample of over 170 participants.

Another weakness was due to the limitations of doing the survey through google forms. When forming the statements there was a limit to how many ways we could receive the answers. We were not able to do any ranking of any sort in a good manner for a possible part worth analysis. The survey did not have the ability to create paths depending on what the participants answered in the survey.

The sample space could also have been greater. The conclusion to the fourth hypothesis was set on a weaker premise because of the gender imbalance in the sample. The regression and factor analysis would also have increased accuracy with a larger sample size, and conclusions about for example product from marketing mix having a greater impact for the first cluster seems to have been a possibility, given to more participants.

A critique to the source credibility in the study is the use of news publications and blog posts. As alluded to in chapter 2, this primarily is because of the lack of studies in this field. The news articles and blog posts does have experts in their articles, providing a degree of strength to the source credibility. The reason for using these sources are the lack of studies and information available about Prime or creator brands in general, and the sales and revenue of Prime not being readily available.

6.3 Further research

There is a lot of further research that can be built upon this thesis. As other creators are quick to establish their own business trying to profit on their popularity and influence. The YouTuber MrBeast who has a follower base of over 250 million subscribers on YouTube has done exactly this. The YouTuber has a brand called Feastables which is chocolate bars. This has been immensely popular in the United States and other parts of the world, but has yet to come to Norway. This study can be further used to see the factors of success for this brand if it were to be established in Norway.

As mentioned in chapter 1 the Norwegian influencer Oskar Westerlin also had his own creator startup. He sold chocolate covered buns. The buns were immensely popular when it

was available on the market, where shelves were empty within hours of their release. (Henriksen, 2023).
These were later taken away from the market. One of the reasons was the marketing was determined to be illegal (Kvatningen, 2023). The study presented can be used to further examine the reason for the popularity of Oskar Westerlin’s success with the bun.

In this study we chose to mainly focus on Prime's main demographic which consists of children, teenagers and young adults. It could be interesting to conduct another study that includes an older demographic as their connection with the founders might be less influential. They might care less about the gained status as well.

Since this study primarily used a quantitative study method, it could be beneficial to undertake a new study that uses a qualitative method. In depth interviews could shed a light on the emotional drivers, brand loyalty factors and the personal connections consumers form with the influencers which will give us a better understanding of their success.

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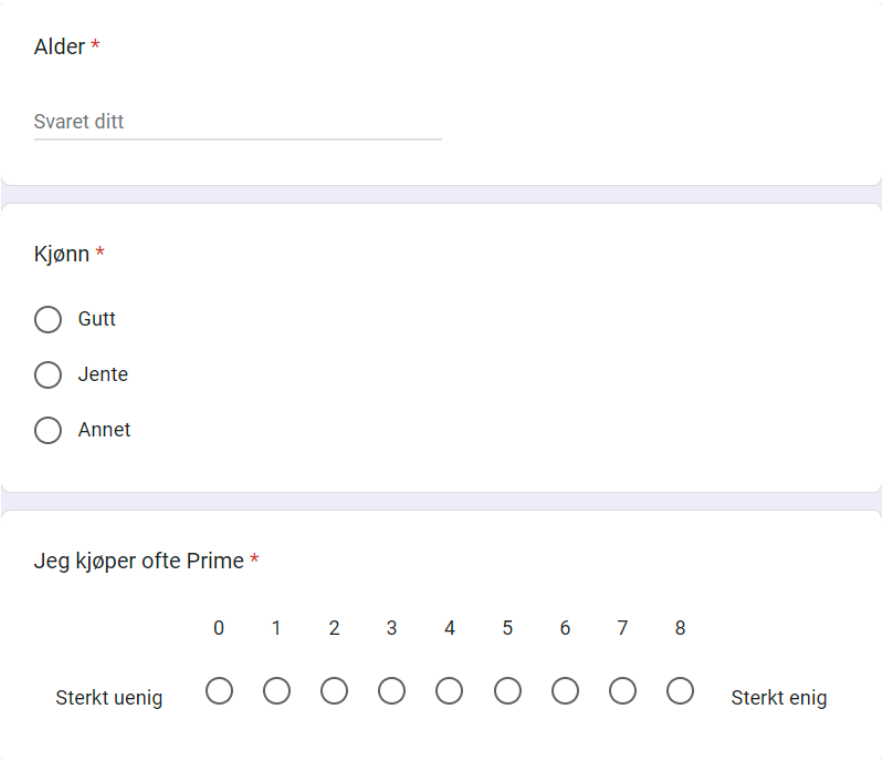
8.0 Appendix

8.1 Survey



Jeg har tidligere kjøpt mye Prime *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg liker smaken av en eller flere av Prime sine drikker *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg har smakt alle smakene som er tilgjengelig i Norge *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg er interessert i å prøve de nye smakene som kommer *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg liker utseendet på flasken til Prime *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg har ofte sett reklame for Prime på sosiale medier *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg følger med på KSI og/eller Logan Paul *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg har over flere år fulgt med på KSI og/eller Logan Paul *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg forbinder Prime i stor grad med KSI og/eller Logan Paul *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg har kjøpt Prime bare på grunn av at eierne er Logan Paul og KSI *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg var mer interessert i Prime da det var vanskelig å få tak i *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg var mer interessert i Prime da prisen var høyere *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg foretrekker Prime over andre brus eller energidrikker *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg bruker Prime i forbindelse med trening for å yte bedre *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg fikk lyst til å smake Prime etter mine venner kjøpte det *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg har anbefalt Prime-drikker til venner og/eller familie *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig

Jeg er mindre interessert i Prime nå som det er veldig lett å få tak i *

	0	1	2	3	4	5	6	7	8	
Sterkt uenig	○	○	○	○	○	○	○	○	○	Sterkt enig