



WELLVEST CAPITAL

Wellness Investing™

The Rise of Culture and Media in the Health and Wellness Industry

A Three-Part Series

Using high-profile and famous people to add validity to a brand and increase sales has been around since Royal families allowed their suppliers to add “Royal warrants” to their products centuries ago. In the 1880’s actor and socialite Lilly Langtree endorsed Pears Soap ushering in the modern celebrity endorsement era. While the general concept may be old, the digital age has drastically and irreversibly transformed this dynamic, reshaping the relationship between celebrities, pop culture, consumers, and businesses.

Wellvest Capital predicts that this foundational shift will accelerate and take more mindshare of consumers going forward. We have previously written about the crucial convergence of “off-line” with “on-line” retail. The blurring of traditional bricks and mortar retail with eCommerce is now ubiquitous with consumers. This technology-driven dynamic has created a more powerful platform for culture to drive consumer preferences, and ultimately sales. Culture is created, shaped, and evangelized by celebrities, actors, musicians, artists, athletes, social media influencers and the news media, with consumer engagement providing a real-time feedback loop. For companies in the health and wellness sector understanding and adopting this new paradigm is paramount for success, from generating sales to building brand loyalty to raising capital.

In this engaging three-part series, we will explore this topic, leveraging Wellvest Capital’s unique position as advisors to leading health and wellness brands and cutting-edge media and entertainment companies.

*“THERE'S A LOT OF BAGGAGE THAT COMES WITH US,
BUT IT'S LIKE LOUIS VUITTON BAGGAGE; YOU ALWAYS WANT IT.”*

— KIM KARDASHIAN

THE DIGITAL AGE – REVOLUTIONIZING CELEBRITY INFLUENCE A NEW PARADIGM FOR HEALTH AND WELLNESS

PART ONE OF A THREE-PART SERIES

The digital age has initiated a fundamental transformation in the way celebrities and influencers engage with their followers and interact with businesses. The emergence of social media platforms and global internet access have enabled these personalities to communicate directly with their fans, fostering a more intimate and authentic connection. This shift has granted these figures increased power and influence in shaping consumer preferences, notably in the health and wellness sector. In this three-part series, we will probe the revolutionizing impact of the digital age on celebrity influence, its implications for the health and wellness industry, and how businesses can harness this power to boost sales and growth.

The Power of Social Media

Social media platforms such as Instagram, Facebook, YouTube, and Twitter have given celebrities, athletes, musicians, and influencers a direct line of communication to their fans. They can share their lives, opinions, and product recommendations with millions of people globally. Consequently, these platforms have become potent marketing tools, enabling brands to reach a vast audience and forge a strong connection with consumers through the power of celebrity influence. While yet unproven, cutting-edge “web 3.0” platforms and digital capabilities open the door for new and innovative connections between celebrities, influencers, the products they represent, and their community of followers.

In the health and wellness sector, the digital age has amplified the importance of authenticity and relatability. Consumers are more likely to trust the recommendations of those who share their values and promote products that cater to their well-being. These values span a wide swath of current trends and top-of-mind topics, from healthy ingredients to sustainability to women and minority business ownership to social causes. Celebrities and high-profile personalities amplify these messages. When aligned with brands, they can be a potent and effective marketing tool. The halo effect of an association with a charity brings added credibility. This has led to a surge in partnerships between health and wellness brands and high-profile personalities, who

VALUE ALIGNMENT DRIVES NEW CELEBRITY PARTNERSHIPS

THE EAR AND EYE OF THE CUSTOMER ARE A CLICK AWAY

mobilize their influence to drive product awareness and sales with social media platforms serving as the modern “town square.”

Notable Celebrity Founded Health and Wellness Companies

| Celebrity | Company | Category | Value* |
|---------------------------------------|------------------|-------------------|---------------|
| Tom Brady | TB12 | Fitness | Not Available |
| Gwyneth Paltrow | Goop | Wellness Products | \$380M |
| Jasmine Tookes / Josephine Skriver | JOJA | Fitness Apparel | Not Available |
| Madonna | Vita Coco | Coconut Water | \$1.4B |
| Jennifer Garner | Once Upon a Farm | Organic Food | Not Available |
| Sarah Michelle Gellar | Foodstirs | Organic Baking | \$300M |
| Issa Rae and Hannah Diop | Sienna Naturals | Natural Haircare | Not Available |

*Last publicly available valuation

The Rise of Celebrity and Influencer-Driven Consumer Products

In the past, celebrities merely endorsed products for a fee, lending their star power to promote a brand. However, today's celebrities and influencers are no longer just the face of a product. Leading A-List celebrities and other lesser-known figures have evolved beyond their core careers in acting, music, and sports to become full-fledged business leaders, entrepreneurs, and investors. Renowned names like Jay-Z, Beyonce, Ashton Kutcher, Tony Hawk, George Clooney, Kim and Khloe Kardashian, George Foreman, Oprah Winfrey, and Snoop Dogg are almost equally recognized for their business achievements as their careers in TV, films, music, and sports. They actively participate in the creation and marketing of new companies and products. This shift has led to a surge of health and wellness companies and products that are created by, owned by, invested in, endorsed by, and linked with well-known personalities.

Some high-profile examples include Gwyneth Paltrow's Goop, a lifestyle brand offering a range of wellness products; Jessica Alba's The Honest Company, focusing on eco-friendly and non-toxic household items; and Tom Brady's TB12, which specializes in performance and nutrition products. TB12 is a fitting example of an authentic approach to business endeavors since the company applies Tom's personal training techniques to their products and services. These ventures are just a few examples of how celebrities and influencers increasingly use their personal brand and core beliefs to impact the world of consumer goods.

The global health and wellness market has experienced significant growth in recent years, with consumers increasingly prioritizing their well-being. Celebrities and influencers are capitalizing on this trend, applying their fame to promote products that promise to improve physical and mental health. These endorsements can originate from many angles, from dietary supplements to fitness equipment, organic food lines, and mental health platforms.

In some cases, these partnerships are not just about marketing existing products but creating entirely new ones or transforming tired, left-for-dead categories. For example, the collaboration between Kim Kardashian and Swedish entrepreneur Jens Grede, led to the development of the SKIMS x Fits Everybody activewear line. This product offering not only catered to a demand for fashionable and functional fitness gear but also helped to promote a message of body positivity and inclusivity. While the company name and value proposition are very on-trend, the product category traces its lineage to Victorian-era girdles. This is the power of celebrity manifested.

Micro-Influencers: The Niche Celebrity

As the digital landscape continues to evolve, the rise of micro-influencers – individuals or small teams with a smaller but highly engaged following – has presented a new opportunity for health and wellness brands. While these influencers may have fewer followers than their celebrity counterparts, they often boast higher engagement rates and a more loyal fan base. The power of celebrities to leverage their personal brands through endorsements is the same for social media influencers. These individuals and sometimes teams build substantial followings of fans. In many instances, they can dominate a “white space” in a specific cohort thereby generating tremendous leverage to promote products. Consider “trick shot” YouTubers “Dude Perfect” with billions of views, 10’s of millions of subscribers, \$25-50M+ annual revenue and a blue-chip list of brand sponsors. What started as a small narrow niche evolved into a marketing juggernaut. The micro-influencer relationship has the opportunity to create a mutually beneficial feedback flywheel with the success of each party positively impacting the other. By partnering with micro-influencers who share their target audience's values and interests, health and wellness brands can achieve more targeted and cost-effective marketing campaigns with the potential for outsized success.

Coil the Spring – be prepared

This shift towards celebrity and influencer involvement has altered the way consumer brands grow, as these high-profile figures bring with them a significant fanbase. The power of their personal brand, combined with social media reach, allows them to create an immediate buzz around their products. This combination, in turn, can lead to faster and more substantial growth for the brands they are affiliated with. Moreover, celebrity and influencer-backed brands often enjoy a halo effect, where the positive attributes of the famous individual become associated with the product itself. Consumers may trust the product more, as they feel that the celebrity or influencer has put their personal reputation on the line. This increased trust can result in higher sales and brand loyalty.

AUTHENTICITY AND, RELATABILITY RESONATES

CELEBRITIES MAKE THE CROSS OVER TO H&W ENTREPRENEURS

The digital age has revolutionized the role of celebrities and influencers in the consumer market, particularly in the health and wellness sector. Businesses must adapt to this new reality by incorporating digital strategies into their marketing campaigns and leveraging the power of celebrity influence to drive sales and growth. Our experience is that the traditional model of test-and-learn in eCommerce as a path to retail distribution continues to be the dominant strategy of entrepreneurs and many of their financial backers. They view the outsized successes of celebrity-driven businesses as outliers and one-offs. Wellvest believes that the celebrity-driven business model has permanently changed the paradigm and will quickly come to dominate the health and wellness landscape. Entrepreneurs, management, investors, and industry participants should embrace this dynamic now to get their fair share of the spoils in the future.

In Part II of our three-part series, we will dive into the paradigm of “Culture Capital,” what it is, the impact it has and how health and wellness companies can benefit from it.

For more information on this topic or others please visit our website: [Newsroom - Wellvest Capital](#)

