



WELLVEST CAPITAL

Wellness Investing™

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

Part Two of a Three-Part Series

“BROUGHT TO YOU BY THOSE WHO DRINK IT”

— CASAMIGOS TEQUILA, GEORGE CLOONEY CO-FOUNDER

LEVERAGING CULTURAL CAPITAL *A NEW PARADIGM FOR HEALTH AND WELLNESS*

In today's dynamic and rapidly evolving consumer market, the concept of “cultural capital” is playing a significant role in shaping society, commerce and the success of health and wellness companies. As the influence of celebrities, actors, athletes, musicians, and social media influencers continues to grow, businesses must effectively utilize cultural capital to stay competitive and attract investments. In the second part of our series, we delve into the concept of cultural capital, how it can be capitalized and key considerations.

Why Cultural Capital Matters

Cultural capital, within the sphere of celebrities, actors, athletes, musicians, and influencers, pertains to the accumulation and exertion of cultural influence, visibility, and power to shape, define, mold, and evangelize societal values, preferences, and trends. This power doesn't merely sway public opinion; it also plays a substantial and growing role in commerce and consumer preferences for goods and services. Celebrities are increasingly looking to monetize their value creation by becoming business creators, founders, owners, and investors. As consumers increasingly look to these high-profile personalities for guidance and inspiration, the power of cultural capital becomes paramount to the success of health and wellness businesses. These influential figures not only catalyze sales and shape consumer preferences, but they also forge an emotional bond between consumers and brands. This connection can be the deciding factor for the long-term success of a business, as consumers are more likely to invest their time, money, and trust in brands they resonate with. Ideally the initial buzz and discovery a celebrity generates can be converted to enduring brand loyalty.

The concept of cultural capital extends far beyond a simple endorsement. Consider the journey that Adidas has been on since the 1980's. In 1986, the pioneering Hip-hop group Run-DMC released a hit song “My Adidas”. The song was a tribute to the group's preferred street-style

sneakers, encapsulating their culture. This led to a surge in Adidas Superstar model sneakers in the US and globally. At the time the group had no commercial relationship with the brand and was not looking for one. After discovering the group's impact on the brand, Adidas signed them to an endorsement deal creating enormous success. In 2013 Adidas partnered with Ye (formerly known as Kanye West) on the "Yeezy" clothing and footwear line. Despite the partnership's controversial end in late 2022, the brand generated about \$2 billion in sales in 2021 alone. For Adidas, embracing "the culture" charted a new course, pushed them in a direction they may not have gone, opened the brand to fresh consumer demographics, and fueled sales growth over an extended period.

The shifting cultural landscape can create opportunities that once were difficult or nearly impossible to imagine. Take "*Martha and Snoop's Potluck Dinner Party*," a cooking TV show starring Martha Stewart and the rapper Snoop Dogg, which aired for three seasons from 2016-2020. The cultural implications of this show are legendary. The pairing of the polished and genteel domestic icon with the cannabis-promoting rapper was virtually absurd. Astonishingly, the show was immensely popular with fans, critics, and ratings, earning an Emmy nomination. This unlikely duo's success opened numerous commercial opportunities for them, both collectively and as individuals, including commercials, streaming/TV specials, cookbooks, and even wine. The secret to their success lies in the authenticity of their relationship; the strong chemistry and bond are palpable. As individuals they are both extremely successful in their chosen domains. It was their collective cultural capital, authenticity and embrace of diversity that powered them to new heights, elevating both of their personal brands and providing a halo effect to the products and companies they are associated with.

Capitalizing on Cultural Capital

Rappers from the '80s, footwear, and cooking shows – what relevance do these have to contemporary health and wellness companies? These are striking examples of the proliferation and impact of cultural capital in society, particularly commerce. The paradigm is rapidly expanding in size and scope. Celebrities, athletes, news media, artists, musicians, and social media influencers have tremendous power over consumer trends, habits and purchasing decisions. To successfully leverage the enormous potential of cultural capital, health and wellness companies need to integrate it into their business models. While a celebrity-centric branding and marketing approach may not suit every company, all participants in the health and wellness sector need to recognize the significance of this component. While branded products are the obvious target, opportunities exist further down the supply chain, from functional better-for-you supplement ingredients, to clean and sustainable packaging. Celebrities are finding unique ways

CELEBRITY AND CULTURE ARE NO LONGER JUST AN INTERESTING SIDE SHOW

CULTURAL CAPITAL HAS ITS OWN ORGANIC MOMENTUM

to drive change, engage consumers and monetize their fame. Culture and celebrity have transitioned from an interesting side-show to center stage, claiming more consumer mindshare every day.

Health and wellness companies, regardless of their stage of development, should contemplate forging strategic partnerships with influential personalities that align with their brand's values and target audience. This can involve collaborations on product development, celebrity endorsements, and influencer marketing campaigns. Companies should also weigh the potential benefits of collaborating with micro-influencers, who often boast smaller but more engaged followings. Besides developing strategic partnerships, health and wellness companies should effectively integrate these collaborations into their broader marketing and branding efforts. This includes maintaining a strong online presence across websites, social media platforms, and eCommerce channels, as well as ensuring a consistent and cohesive brand image across all consumer touchpoints.

Important Considerations

The traditional celebrity endorsement model was primarily deployed by deep-pocketed well-established brands that already had an entrenched brand identity. The Celebrity was used to amplify the existing brand message while adding elements of style, pizzazz, flash or even comedy. As we know, this came with the risk of the spokesperson's reputation, and indirectly the brands they promote, being tarnished in a scandal. Cultural capital transcends this dynamic by providing a deeper imprint with multiple attributes for health and wellness companies to consider.

The digital megaphone of celebrity can often align well with the core values of companies in the health and wellness space including:

- **Economic Impact:** Cultural capital can positively impact the economy by driving consumer preferences, increasing sales, and promoting new products and services.
- **Foster Innovation:** Celebrities and influencers can create demand for new and innovative products, compelling companies to invest in research and development.
- **Amplification of Societal Issues:** Celebrities and influencers can use their cultural capital to raise awareness about important social, environmental, or political issues, thereby mobilizing public opinion and effecting change.

While the scope, breadth and benefits have evolved the inherent weaknesses tied to one individual or small group of individuals continue to be a factor, including:

- **Reliance on Personal Brand:** Cultural capital often hinges on an individual's personal brand, which can be volatile and challenging to sustain over time.
- **Short-lived Trends:** The fast-paced nature of pop culture can lead to ephemeral trends that quickly become irrelevant, leaving businesses struggling to adapt.

- **Superficial Engagement:** Celebrities and influencers might lack genuine interest or knowledge about the issues, causes and products they promote, leading to superficial engagement that can undermine the credibility of their message.

To be positioned for success when employing cultural capital, health and wellness companies should apply a common-sense management approach, including:

- **Vetting:** Taking the same level of care to conduct due diligence as any other important business partnership/relationship. The depth of due diligence should correspond to the level of commitment; a new investment partner is different than a new vendor. Don't let the celebrities' "star-power" influence sound business decisions.
- **Confirm Alignment of Values:** Take the time to ensure celebrities and influencers promote values that align with those of your audience, your company, and your brand.
- **Do it for the Right Reasons:** Building a brand is a long-term exercise. Excessive focus on short-term, "jumping-on-the-band-wagon" marketing can erode authenticity, causing consumers to question the credibility of celebrities, influencers, and your brand. Stay true to your authentic message to foster credibility.

CULTURAL CAPITAL IS A SHARP TOOL, USE IT WISELY

ALIGNMENT OF VALUES IS KEY TO SUCCESS

Coil the Spring – be prepared

The role and influence of culture on consumer preferences have always been part of the business landscape. What has changed is the speed of change, the power of celebrity, and the roles of the players. Cultural capital's power is rapidly growing in today's evolving consumer market, particularly in the health and wellness sector. Businesses that effectively deploy the influence of celebrities, actors, athletes, musicians, and influencers can strengthen their brand image, boost consumer loyalty, and attract investments. However, it is crucial to be aware of the potential weaknesses and risks associated with this model, such as reliance on personal brands, fleeting trends, and reputation risk. Mitigating these risks requires careful due diligence and a thoughtful approach. To capitalize on cultural capital, health and wellness companies should strategically collaborate with influential personalities who align with their brand values and target audience. They should also maintain a strong online presence and consistently integrate these partnerships into their marketing and branding efforts. Don't miss the opportunity to harness the power of this foundational shift. Start forging strategic partnerships with influential personalities today and elevate your brand to new heights.

In Part III of our three-part series, we will rethink the endorsement model and provide strategies on how to integrate the paradigm of “Cultural Capital” into your business.

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

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 radically and permanently transformed this dynamic and the relationship between celebrity, pop culture and business.

Wellvest Capital believes that this foundational shift will accelerate and take more mindshare of consumers. We have written in the past about the importance of the merging 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, top 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 leveraging this new paradigm is paramount to success, from generating sales to building brand loyalty to raising capital.

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



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