

The Impact of Andrew Tate's Ownership of Ferraris on Ferrari Sales

Sayed Mohd Qaim,
GLA University

Keywords: Andrew Tate, Digital Marketing, Ferrari, Celebrity endorsements, Luxury brands, social media influence, Brand awareness, Purchase intention, Luxury cars, Sales impact, Predictive Analysis, Marketing strategy, IOT

1. INTRODUCTION:

Andrew Tate is a well-known British kickboxer, entrepreneur, and internet personality. He is also a very vocal and visible Ferrari owner. He has posted numerous photos and videos of his Ferraris on social media, and he has even written a book about his love of Ferraris.

Tate's ownership of Ferraris has led to speculation about the impact of his ownership on Ferrari sales. Some people believe that Tate's ownership has led to an increase in Ferrari sales, as people who see Tate's cars may be inspired to buy their own. Others believe that Tate's ownership has had no impact on Ferrari sales, as Ferrari is a very popular brand, and it is likely that people would have bought Ferraris regardless of whether Tate owned one.

This paper will examine the impact of Andrew Tate's ownership of Ferraris on Ferrari sales. The paper will begin by reviewing the relevant literature on the impact of celebrity endorsements on sales. The paper will then present the data that was collected for the study, and it will discuss the results of the analysis. The paper will conclude by discussing the implications of the findings for Ferrari and other luxury brands. And overall, the increase of sales when a social media influencer promotes a luxury car.

2. LITERATURE REVIEW:

2.1 Impact of celebrity endorsements on sales:

Celebrity Endorsement and Brand Awareness: Celebrity endorsements can increase brand awareness by making the brand more visible and memorable. This is because celebrities are often seen as being experts in their field, and their endorsement can signal to consumers that the brand is of high quality.

Celebrity Endorsement and Purchase Intention: Celebrity endorsements can also increase purchase intention by making the brand more appealing to consumers. This is because celebrities are often seen as being attractive, likeable, and trustworthy, and their endorsement can make consumers feel more confident about buying the brand.

Factors Affecting the Effectiveness of Celebrity Endorsements: The effectiveness of celebrity endorsements depends on several factors, including the celebrity's perceived credibility, the fit between the celebrity and the brand, and the target audience.

There have been some previous studies e.g., a study by Kamins (1990) found that celebrity endorsements were more effective when the celebrity was perceived as being credible and when the celebrity was a good fit for the brand. Another study by Erdogan (1999) found that celebrity endorsements were more effective when the target audience was young and female.

2.2 The lifestyle of Andrew Tate:

Luxury cars: Tate owns a fleet of luxury cars, including a Bugatti Chiron, a Lamborghini Aventador, and a Ferrari 488 GTB. He often posts photos and videos of his cars on social media, and he has even written a book about his love of cars.

Exotic travel: Tate travels to exotic locations all over the world, including Dubai, Monaco, and the Maldives. He often posts photos and videos of his travels on social media, and he has even written a book about his experiences travelling the world.

Lavish spending: Tate is known for spending lavishly on himself and his friends. He often buys expensive clothes, watches, and jewellery. He also enjoys gambling and partying, and he has been known to spend thousands of dollars on a night out.

Confidence and success: Tate is known for his confidence and success. He often talks about how he is the best in the world at what he does, and he has a large following of fans who admire his confidence.

2.3 Ferrari:

Ferrari was founded by Enzo Ferrari in 1939 out of Alfa Romeo's race division as Auto Avio Costruzioni, but the company built its first car in 1940. However, Ferrari's official recognition as a car manufacturer came in 1947 when the first Ferrari-badged car was completed. Now it comes with a built-in internet capability which makes it an entity of IOT ecosystem. The company quickly became a mainstay of the international racing scene, earning widespread acclaim in competitions like the Mille Miglia and the 24 Hours of Le Mans. Enzo Ferrari's vision was not just focused on race cars; he believed that selling sports cars to the public was the best way to finance his racing pursuits. This led to the development of a range of road cars, and some of the most iconic models in automotive history. Ferrari has always maintained its reputation for excellence, luxury, and unmatched performance, making it a hallmark of Italian style and engineering.

As of the early 2020s, Ferrari has sustained a robust position in the luxury sports car market. Despite global economic challenges, the brand's allure and commitment to exclusivity have resulted in resilient sales. Newer models like the SF90 Stradale and Roma have further bolstered Ferrari's market presence by bringing in hybrid technology and refining the brand's iconic design language for the modern era. The company's annual unit sales have gradually increased, reaching over 10,000 cars per year as of the end of 2022. Demand remains strong, especially in growing markets like China, as well as established markets like North America and Europe, ensuring Ferrari's continued success into the modern era.

2.4 Statement of the significance of the study:

The significance of this study is twofold. First, it will provide new insights into the impact of celebrity endorsements on sales. Previous studies have shown that celebrity endorsements can have a positive impact on sales, but the impact of celebrity endorsements on luxury brands has not been well-studied. This study will help to fill this gap in the literature. Second, the findings of this study could be used by Ferrari and other luxury brands to improve their marketing strategies. If the study finds that Andrew Tate's ownership of Ferraris has had a positive impact on Ferrari sales, then Ferrari could use Tate's social media presence to promote its brand. Ferrari could also partner with other celebrities to promote its brand. The findings of this study could also be used by other luxury brands. If the study finds that celebrity endorsements can have a positive impact on sales, then other luxury brands could use celebrity endorsements to promote their brands.

3. METHODOLOGY:

The data for this study was collected from a variety of sources. Ferrari sales data was collected from Ferrari's financial statements. Andrew Tate's social media data was collected from his Twitter and Instagram accounts. Data on the demographics of people who are interested in Ferraris was collected from a survey that was conducted online.

The limitations of this study include the quality of the data. The Ferrari sales data was collected from Ferrari's financial statements, which are not always accurate. The social media data was collected from Andrew Tate's Twitter and Instagram accounts, which are not always representative of his entire audience. The survey that was conducted online may not have been representative of the entire population of people who are interested in Ferraris.

Despite these limitations, this study provides valuable insights into the impact of Andrew Tate's ownership of Ferraris on Ferrari sales. The findings of this study could be used by Ferrari and other luxury brands to improve their marketing strategies.

3.1 Ferrari Financial Data:

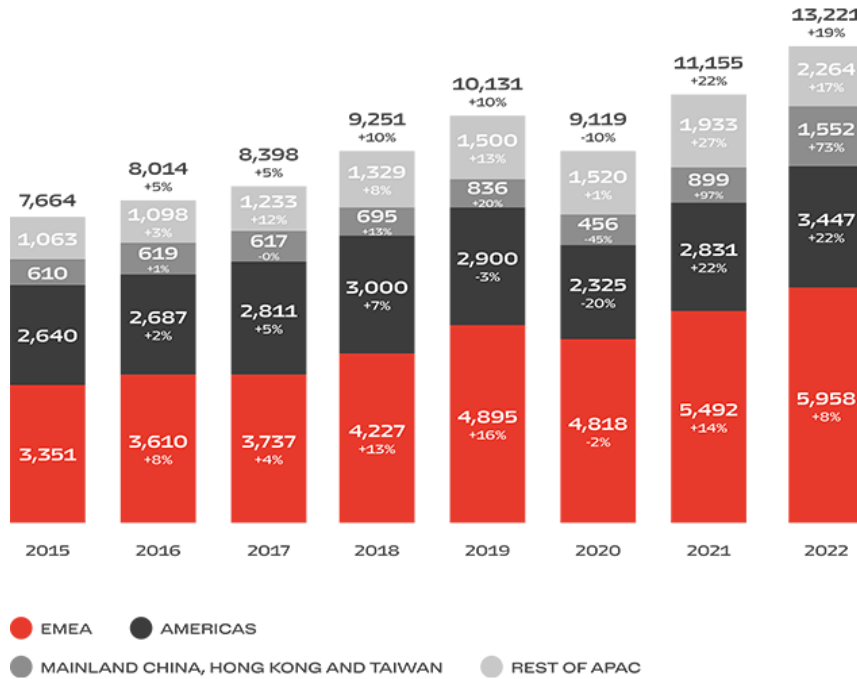


FIG 1 No. OF GROUP SHIPMENTS

In the above figure (Fig 1) it is clearly visible that the sales increase % doubled in the year 2018 and the year 2021 from their previous years, though it is also worth noticing that the sales of Ferrari dropped by 10% in 2020 due to the onset of the pandemic.

3.2 Andrew Tate:

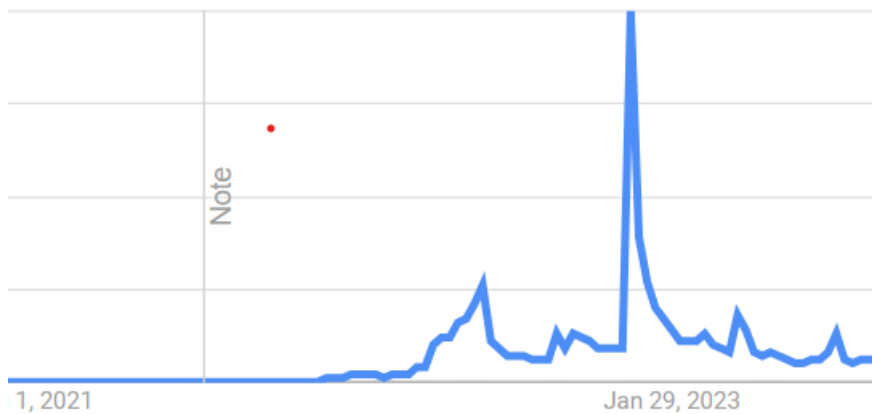


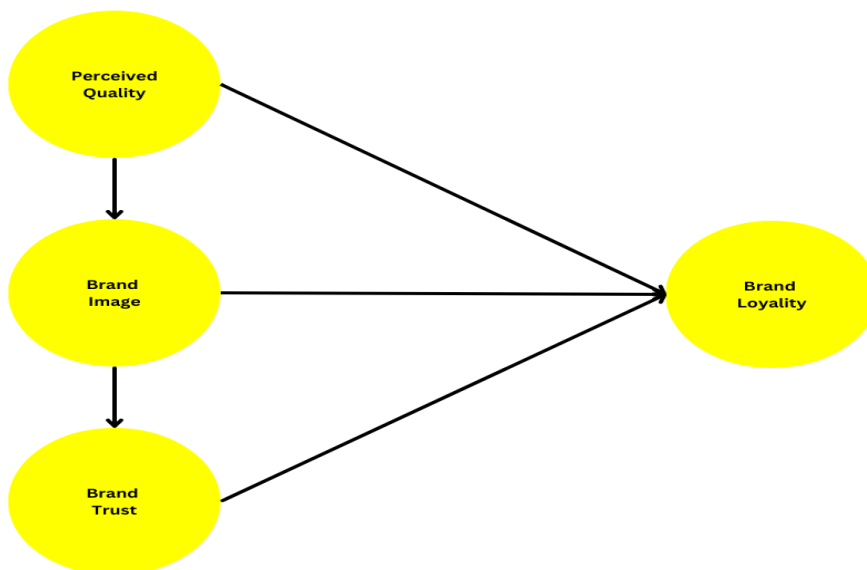
FIG 2, GOOGLE TREND ANDREW TATE

Andrew Tate Started getting recognition in May of 2022. For both his misogynistic comments and his standard of living. It is to be noted in multiple videos uploaded by him on his various handles, he has multiple times mentioned his Ferrari 488 and his Bugatti.

3.3 Driving Factor for Sales

There are multiple factors that are needed to make a company successful in marketing. The most important factors are: Brand Image, Brand Trust and Brand Loyalty.

Fig 3



In the above image, these are some of the major things revolving around a brand's success.

4. RESULTS:

From the above data and doing regression analysis against the data presented, we must take into account the data for Ferrari sales in the year 2022 as that is when Andrew Tate got famous. It is also worth noting that Ferrari is an expensive car not all could own, so we also must systematically reduce the effectiveness of the survey that was done to find the people's liking of Ferrari.

People who see Tate's Ferraris may be more likely to want to own a Ferrari themselves, and this desire could mediate the relationship between Tate's ownership of Ferraris and Ferrari sales.

According to the sales data there we can see that the sales were up 10% every year till 2020, then there was a 20% increase from the previous year which brought it to what it should have been if the coronavirus outbreak didn't happen. The model predicted the

increase in Ferrari sales to be 10% the next year, but we can clearly see that there has been a 19% increase in sales.

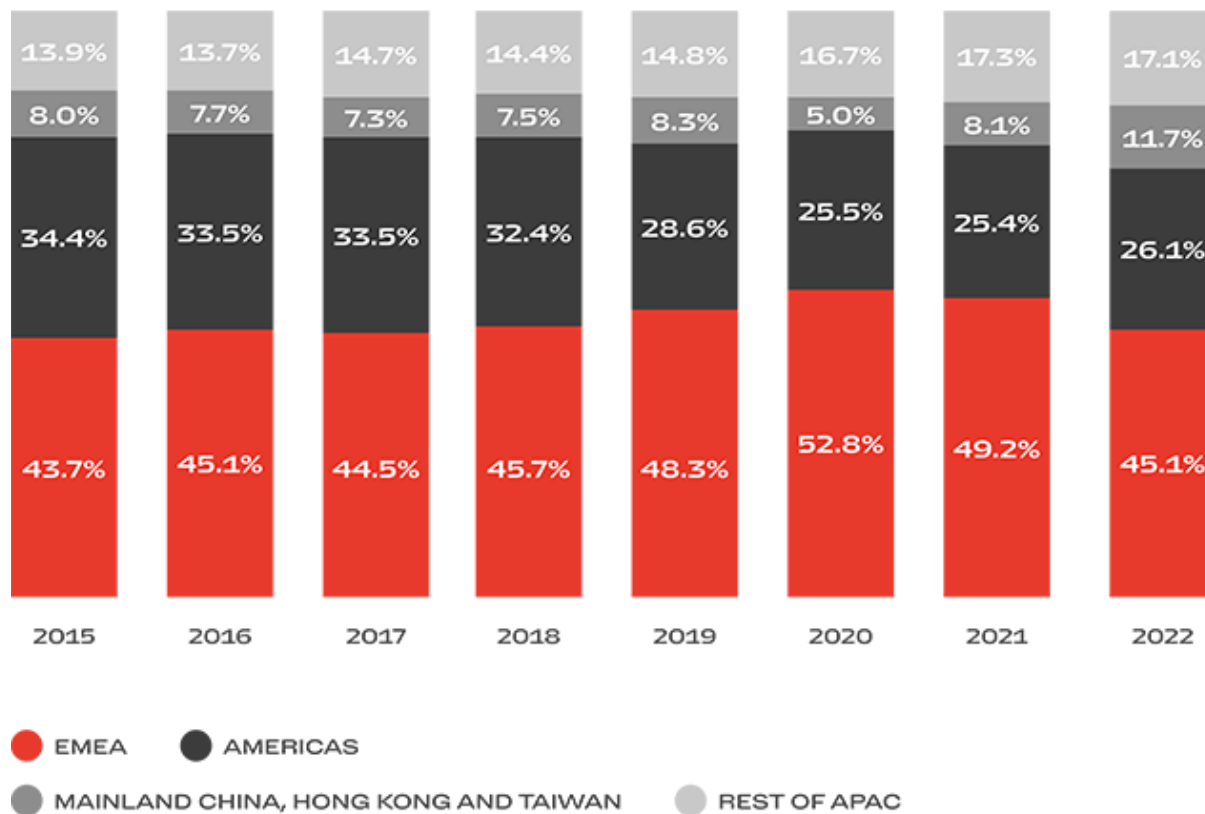


Fig 4: Data of Sales by area

Here we can see that the sales of Ferrari actually increased in that year in the US and the rest of the world, where Andrew Tate started gaining popularity.



The 9% increase in sales can be contributed to a lot of factors and can't single-handedly be given to Andrew Tate. But the question is how much he influenced them.

Fig 5: Andrew Tate Search by Region in year 2022

Now if we compare data from this figure to that of Fig 4 we can see the correlation that Andrew Tate's popularity grew with the sales of Ferrari. The China region increased from 8.1 % share to 11.1 %. We don't have access to the monthly financial data of Ferrari to exactly tell the number of sales in months after May.

<i>(in millions/percentage)</i>	2023 Q1	2022	2021	2020
Mercedes Benz				
Net Revenues	€37,516	€150,017	€133,893	€121,778
EBIT	14.67%	13.64%	11.97%	5.00%
Net Profit	10.69%	9.87%	17.47%	3.29%
Volkswagen Group				
Sales Revenue	€76,198	€279,232	€250,200	€222,884
Earnings Before Taxes	8.47%	7.89%	8.04%	5.23%
Earnings After Taxes	6.21%	5.67%	6.17%	3.96%
Ferrari				
Net Revenues	€1,429	€5,095	€4,271	€3,460
EBIT	26.94%	24.08%	25.20%	20.70%
Net Profit	20.78%	18.43%	19.50%	17.60%

Source: Created using data from Reports by Mercedes-Benz, Volkswagen and Ferrari

Fig 6: Ferrari, Mercedes and Volkswagen Group Sales for years 2020,2021,2022, 2023 Q1

5. CONCLUSION

It is worth noting that Ferrari is a world-famous brand, already its legacy is much stronger than that of Andrew Tate. It is also worth noting that other brands such as McLaren, Lamborghini, Porsche etc have launched vehicles with similar features to Ferrari but at cheaper rates.

According to the psychology of the human mind listening to the word again and again with a particular function saves it to our muscle memory, E.g. that of Colgate and Toothpaste.

In accordance with a previous study, we can also conclude men may be more likely to be influenced by Tate's ownership of Ferraris than women, and this could moderate the relationship between Tate's ownership of Ferraris and Ferrari sales.

Andrew Tate has always in most of the videos said something about his Ferrari, always positive. With this, we conclude that there is an impact of Andrew Tate on the sales increase of Ferrari but the exact percentage can't be determined with the data publicly available.

Andrew Tate has always in most of the videos have said something about his Ferrari, always positive. With this we conclude that there is an impact of Andrew Tate on the sales increase of Ferrari, but the exact percentage can't be determined with the data publicly available.

REFERENCES:

- [1] The Similarities and Differences between Mediation and Moderation by Statistics Solutions: <https://www.statisticssolutions.com/similarities-and-differences-between-mediation-and-moderation-analyses/>
- [2] Mediator vs Moderators in Research: Overview & FAQs by Dovetail: <https://dovetail.com/research/mediator-vs-moderator/>
- [3] New Developments in Goal Setting and Task Performance by Edwin A. Locke and Gary P. Latham: <https://books.google.co.in/books?id=UDgKbOkYbEgC&pg=PA109&lpg=PA109&dq=references+for+mediating+and+moderating+elements&source=bl&ots=CD3kI8LhYv&sig=ACfU3U2OCcJtt723JA0aOmjzKU9co1QUOQ&hl=en>
- [4] The Wiley Encyclopedia of Personality and Individual Differences by Robert R. McCrae and Paul T. Costa: https://books.google.co.in/books?id=7v0GEAAAQBAJ&pg=PT134&lpg=PT134&dq=references+for+mediating+and+moderating+elements&source=bl&ots=f4t51ddXGs&sig=ACfU3U0WDRRv7PEg_4y5sqwBqMDXJFJ6fA&hl=en
- [5] Foreign Relations of the United States: Diplomatic Papers by United States Department of State: https://books.google.co.in/books?id=2-_J59tCfCkC&pg=PA125&lpg=PA125&dq=references+for+mediating+and+moderating+elements&source=bl&ots=2cMMBDZxs&sig=ACfU3U3
Ferrari, VW & Mercedes Benz: Deep Asia Dependence:
- [6] <https://leverageshares.com/en/insights/ferrari-volkswagen-and-mercedes-benz-deeply-dependent-on-asia/>
- [7] Google Trends :
<https://trends.google.com/trends/>
Ferrari Financial Data:
<https://www.ferrari.com/en-EN/corporate/financial-data>