The Economics of Superstars: Comment

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ABSTRACT

Showing why some industries have stars while others have both stars and superstars.

Sherwin Rosen's interesting analysis in a recent issue of this *Review* goes a long way to explain the star phenomenon, but it misses two reasons why, though most industries have stars and superstars, some have only superstars, or have superstars and a few insipid stars. This may happen when several stars combine to make a product, or when the product is consumed by several people at the same time.

The key may be found in David Ogilvy's report of his work with Gallup in the 1930's: "I discovered that some stars had a *negative* effect at the box office; their names on the marquee repelled more ticket buyers than they attracted. The list, which I called Box Office Poison and classified TOP SECRET, included some of the most famous names in show business, and ruined their careers" (p. 49).

One cannot treat this repulsiveness just as negative attractiveness. Two popular stars, each hated by a fair number of people, but not the same people, would guarantee a flop - if the Magnificent Seven had each been hated by a different 14.28 percent of the population, there would have been no audience. Clearly, most actors must be bland, neither loved nor hated, as a film could afford to have only one or two stars who were sufficiently interesting to be hated. Instead of the galaxy of stars of the 1930's, we have the superstars of today: those who are interesting, but have few haters.

Also important is the fact that people tend to go to view films in couples or family groups, so one hater lost the film two or more customers, an effect that was particularly strong when nonhaters saw other films as close substitutes, The advent of portable radio switched the audience from the family sitting round the set to the individual or to a homogeneous group, so even widely disliked stars could succeed with specialized audiences. Sid Vicious could be a superstar where previously the broad appeal of a Crosby had been necessary.

The phenomenon is not confined to people. Food marketing in particular shows the importance of halers. Complex flavors and strong flavors increase the chance that someone will dislike the product, so it is safer to market the bland (especially with ready-to-eat foods). Similarly, the fact that a meal is eaten by a whole family means that a single hater can change the family shopping list.

The model is strongest when consumers have a choice strategy that rejects a product if it has attribute X (for example, garlic in the stew), or that judges a product by its worst attribute. It is weaker if the strategy is additive, with good attributes offsetting bad. It will reinforce some of the superstar cases mentioned by Rosen.

If there were no aversion, a single superstar would still attract in spite of a poor supporting cast, and his fans would bring along others indifferent to his charms. If, in addition, there was additive evaluation, one superstar would have the same attraction as three stars, or as five starlets. Evaluation processes must therefore be taken into account. The model is particularly useful in explaining the blandness of commercial television programs and of mass-produced food.

BIBLIOGRAPHY

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