

How social media influencers impact consumers' purchase intention when buying makeup products?

DISSERTATION RESEARCH PROPOSAL

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BACKGROUND

What emerged as user-generated-content(UGC), in the form of reviews, how-to videos and images, shared via social media platforms like Facebook, YouTube and Instagram, is now a multi-billion industry, part of the marketing agenda of every modern company. While in 2017 the global spending on influencer marketing was estimated to be around \$2 billion (Forbes, 2019), the industry is expected to reach \$13.8 billion in 2021 (Influencer Marketing Benchmark Report 2021, Influencer MarketingHub). The effectiveness of social media influencers could be partly rationalized by theories, dating before the existence of social media, like word-of-mouth marketing and its psychological implications (Arndt J, 1967; Dichter E., 1966). Undoubtedly, cosmetics companies were one of the earliest adopters of influencer marketing. Marketers have spotted the positive effect of influencers over the brand image, brand engagement and conversion/sales. Estee Lauder, a beauty giant company, holding more than 100 brands in its portfolio, dedicates 75% of its marketing budget to social media influencers. (The Drum, 2019). Further, numerous beauty influencers have started their cosmetic brands, which quickly become preferred consumer choice, mainly because of the influencer-creator. A perfect example of a successful social media influencer is Huda Kattan, founder of Huda Beauty (47.9 million followers on Instagram). In 2007 Huda started a blog, which emerged in a YouTube channel about beauty hacks, makeup and DIY tutorials. Today, her cosmetic company is selling more than 140 products, bringing around \$250 million in annual sales. (Forbes, 2020 *AMERICA'S SELF-MADE WOMEN NET WORTH*, 2020). But what makes a social influencer influential? What are the features that make one piece of user-generated -content viral and possibly impactful over the viewer's perception of a product? The literature review in the next chapter manages to identify two main attributes, which make influencers and their content so effective - credibility and social attractiveness. Influencers are ordinary people, not celebrities, using word-of-mouth on social media platforms, easily accessible from everyone, which makes them closer to the viewer and thus a more credible source of information. The regular influencer is socially-appealing to the viewer, which usually implies they have the viewer's desired / ideal physical appearance or lifestyle. Beyond the subject-related, informational content, influencers are known to share aesthetic images of their homes, personal possessions and exotic vacations. The circumstances of 2020

made us "move" our daily tasks digitally, which led to more time spent online. This, along with other social and economic factors, gave rise to a demand for more "real", not over-edited content. Consumers are drawn to quality over quantity on social media, they are seeking easy and applicable makeup tips, rather than complicated multi-step routines. Excessive makeup buying, actively encouraged by influencers, is giving place to more rational and environmentally-conscious ways of shopping. To accurately respond to these trends, marketers would have to rethink their influencer strategy.

RESEARCH AIM AND OBJECTIVES

The purpose of this research is to gain insights into how beauty influencers impact consumers' purchase intention in 2021. These could contribute to more effective choice and use of influencers and user-generated-content by cosmetic companies.

The research objectives are:

1. To understand consumers' attitudes towards beauty influencers in the current economic and social circumstances
2. To examine the relationship between the influencer's perceived social attractiveness and consumer's purchase intention
3. To understand the factors, which determine the viewer's credibility and its relationship with the purchase intention
4. To explore other factors, influencing consumers when buying makeup.

The questions, which this research aims to answer are:

1. Are social media influencers a source of aspiration, information or entertainment for the consumer?
2. Which are the factors, which make one influencer credible and trustworthy?
3. Does an influencer's social attractiveness (lifestyle, physical appearance, material possessions, language) have any influence over the consumer's purchase decision? Is it positive or negative?

LITERATURE REVIEW

To understand the role of influencers, their medium of operation, social media, is to be explored first. The emergence of social networking websites like Facebook and MySpace led to the popularity of the terms "social media" and "Web 2.0" (Kaplan and Haenlein, 2010). Web 2.0 is a new advancement, which has transferred the internet to a social environment by introducing social media, where individuals can interact and generate content online (Lai & Turban 2008). Despite being a recent phenomenon, the attributes of social media have been widely recognized in academic texts. Social media introduced to the individual the possibility to easily share and generate information, connect with other individuals alike, thus creating online communities. (Lai & Turban 2008; Mueller et al. 2011; Chen et al. 2011; Lu & Hsiao 2010). Online communities are now a place to share information and gain knowledge about products and services (Chen et al. 2011a). The growing popularity of social media laid the foundations of the so-called "influencer marketing". Being a recently developed division of marketing, there is yet little evidence of "influencer marketing" in academic texts. On the other side, for numerous market research platforms and business magazines, "influencer marketing" has been a topic of interest. Influencer marketing is easily described as marketing on social media that focuses on using influencers to drive a brand's message to the larger market. (Tapinfluence, 2017). Influencer marketing employs leading, niche content creators to improve brand awareness, increase traffic, and drive your brand's message to your target audience. (Hubspot, 2021). Further, the literature review focuses on outlining the major features of a successful influencer and how those impact purchase intention. Undoubtedly, trust is a fundamental factor. Trust plays a vital role in almost any activity that requires monetary transactions (Goh et al., 2013). Several academic sources state that user-generated content is genuinely perceived as more trustworthy and therefore more impactful than company-generated content. (Ridings & Gefen 2004; Mukherjee, A., & Nath, P., 2007; Lee, J. E., Watkins, B., 2007). But then why doesn't everyone active on social media become an influencer? The second factor, standing out from the literature, is perceived as social attractiveness. (Lee, J. E., Watkins, B., 2007, Choi, S et al, 2012;). For an influencer, attractiveness is as much as important as expertise, information and financial resources. (Scheer, L., & Stern, L. 1992). McQuarrie's Megaphone effect is a theory, proposing that a regular social media user could achieve influence by demonstrating good taste (taste leadership). The power of influence is

said to lead to compliance and therefore imitating the influencer's behaviour (Scheer, L., & Stern, L., 1992; Ruvio et al., 2013). On the contrary, Lim et al. (2017) argue that credibility and attractiveness don't have a significant influence over purchase intentions, with the main reason being the lack of expertise of social media influencers. Lim's study could be backed by a recent trend in the beauty online community of exposing influencers' makeup techniques as irrelevant and unnecessary in real life. What is more, a big percentage of the most known beauty influencers like Huda Katan, Nikkie Tutorials, James Charles, Kylie Jenner, don't have a professional background in makeup, that is, they are lacking expertise.

METHODOLOGY

The research question arose from the researcher's unintended observation of makeup consumers' attitudes and feelings, provoked by influencers' content and its inconsistency with real life. As the purpose of this research is to acquire insights, applicable in business, a pragmatic philosophy was considered to be the most appropriate one. Taking into consideration the fact that the topic of the research question is not in-depth explored, the main purpose of the methodology is to examine various sources of information and opinions. Because of the nature of the research question and the lack of substantial academic theory, the abductive approach will be followed. Social media trends and attitudes are constantly changing, so this approach was chosen as it allows more flexibility in the research process. Concurrent mixed methods research would be used, as the combination of quantitative and qualitative data gives more comprehensive results (Saunders, M. et al., 2019). A single-phase research was preferred to a multi-phase one, to allow more time for interpreting the collected data.

Different quantitative and qualitative techniques would be used to ensure higher credibility. A self-completion survey would be the primary quantitative data collection tool. To ensure higher response rates and minimize data contamination, the survey won't be longer than 5-6 multiple-choice questions. The questions' structure will be as simple as possible, close-ended, with short sentences and clear statements to avoid respondents' confusion and loss of interest to complete the questionnaire. Online software, like Qualtrics or SurveyMonkey, will be used to design the questionnaire. It will be distributed using the means of social media - direct messages, posts in relevant groups and forums. The survey method is very efficient and widely used for collecting large amounts of data, but it doesn't allow much control over the respondents, which

may lead to biased and unreliable results. Having in mind that the research question explores psychological and subjective individual matters like trust, social attractiveness and their relationship with purchase intention, the experiment method will also be used. This method will focus on the relationship between social attractiveness (with the assumption that the influencer's social attractiveness would result in the viewer's attempt to imitate the influencer) and purchase intention. Similarly to the survey, the experiment would be conducted via the Internet, using specialized online software. The participants will be divided into two groups - an experimental and a control group. Both groups will see a company image or video ad of the same product, followed by an image of an influencer, showcasing the same product. The participants from the experimental group will additionally see a few more images, showcasing the influencer's lifestyle. Both groups will be told that the influencer is highly recommending the product and that he/she is not a professional makeup artist, thus eliminating the expertise factor. Further, the participants will be asked to answer a few questions on how they feel about the product and if they are likely to purchase it. The experimental method was chosen as it stimulates responses based on the subconscious mind and human senses rather than on the rational mind. Going back to the idea of "attractiveness", it could be generalized that being attracted to someone, is a subconscious rather than a rational process. While the questionnaire and the experiment methods are aimed to provide more quantitative data, semi-structured interviews will have the purpose of exploring in more detail which factors influence consumers' purchase intention. This method was chosen as it allows the respondents to share their thoughts, without the limitations of a survey, where the respondent has to choose his answer. It also allows the researcher to explore new and unknown ideas, which may emerge from the interviews.

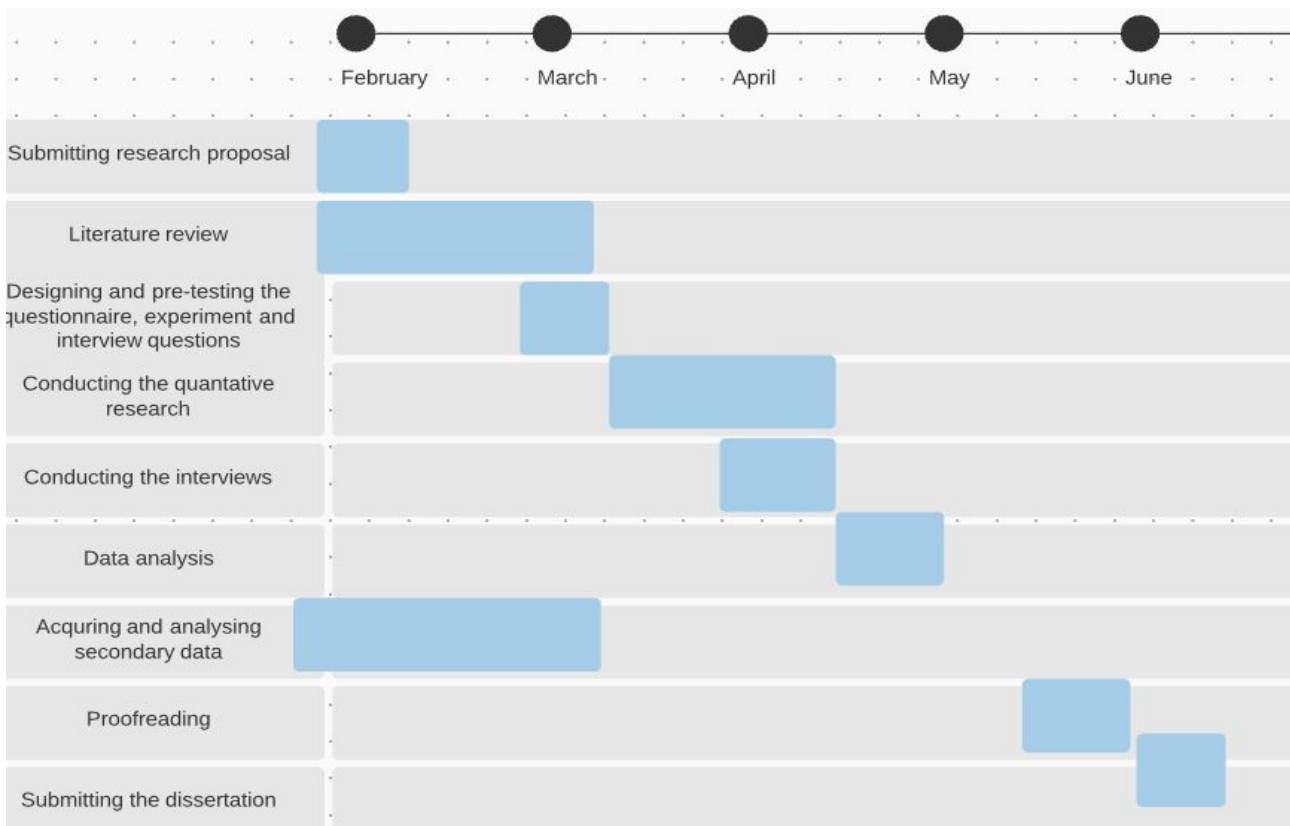
SAMPLING

The target population for this research are all individuals who buy makeup and use one or more of the main social platforms, where influencers present their content - Instagram, Youtube and TikTok. As it is difficult to determine a sampling frame, a non-probability quota sampling will be used. The quotas would be determined by age and the frequency of buying makeup products - every week, once a month, every 3 months or once a year. The questionnaire and the experiment will be transmitted to a larger sample population, to obtain general insights for the makeup products consumer, while the interviews will be targeting frequent makeup shoppers (buying at least one makeup product a month), aged 18 - 35 (Generation Z and Y).

DATA ANALYSIS

As the research undertakes mixed-methods research, the data will be analysed using specialized software - Excel and/or SPSS for quantitative data analysis, and Ataccama ONE for qualitative data.

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LIMITATIONS & BUDGET

The main limitations derive from the uncertainty of the levels of response and the inability to reach a larger part of the target population, due to the current lockdown measures. If low response rates are observed, an incentive will be offered if the participant has completed the survey/experiment and has transmitted it to at least 3 other people, who also would have to complete it. The incentive is to take the form of a makeup product or one-to-one short makeup lesson. The collected data is expected to be reliable, as various research techniques will be used. There is no predetermined budget, as the researcher aims to conduct this research relying on existing resources and capabilities.

CONCLUSION

The influencer marketing industry is now worth billions of dollars, but it is still quite an unexplored area. There are no established criteria for choosing the right influencer for your brand and this is the most common issue marketers face nowadays. Especially in the cosmetics industry, it is going to become harder for marketers to distinguish between credible content and content, created to be entertaining and draw attention.

This research has the purpose of clarifying how social media influencers impact purchase decisions. Because it is a contemporary and quite ambiguous topic, flexible and diversified methodology and methods are considered to be more appropriate. The results could be helpful for cosmetic companies and marketing agencies for the development of a more effective influencer strategy. The research outcomes could also provoke the regular makeup and social media consumer to reconsider their shopping style and the online content they follow.

As a marketer, online content creator, makeup consumer and certified makeup artist, I can look into this research question from different perspectives. What is more, this topic is very personal for me as it is closely connected with my future career prospects and it reflects my interests and passions - makeup, marketing and social media.

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