



# Should Luxury Cosmetic Brands Turn to Focus on Influencer Marketing or Keep Their Traditional Marketing Strategy?

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## Abstract

Social media has become increasingly available and popular, enlarging the effect of product endorsements from influencers in recent years. Is it possible for luxury cosmetic brands to adapt the influencer marketing strategy or keep their traditional marketing strategy? In order to answer this question, people are divided into four categories based on their age, gender, location, and income, then analyzing the effect of influencer marketing on each category, comparing the data collected and evaluating the most suitable group for influencer marketing for cosmetic brands' reference.

**Keywords:** Influencer Marketing, Traditional Marketing, Luxury Cosmetic Products, Marketing Strategy

## 1. Introduction

With the advent of the digital era, the internet has become increasingly accessible. Recently, a new marketing strategy has brought huge profits and has been prevalent around us - Influencer marketing. According to research reported by Lynn, 67% of brands use Instagram for influencer marketing. These brands collaborate with influencers from diverse platforms, making the products attractive and persuasive by sharing their feelings and experiences of using such products. The emergence of this new promoting method tempted many attentions, some start to feel bored with the traditional marketing method.

On the other hand, the coronavirus accelerated the growth of influencer marketing from \$1.7 billion in 2016 to \$13.8 billion in 2021 [1]. According to Yihan, more than half of cosmetics retail sales will be from e-commerce channels by 2024 [2]. Nowadays, some niche brands, which turn marketing strategy into Influencer marketing, have gained tremendous benefits. However, some cosmetics luxury brands, which highly rely on traditional management for an extended period were suffering a huge loss. Still, some of them are conservative that they feel reluctant to give more consideration to

influencer marketing. Should they focus more on influencer marketing or keep their traditional marketing strategy? This paper will analyze which one should be the priority in the marketing strategy of luxury cosmetic brands.

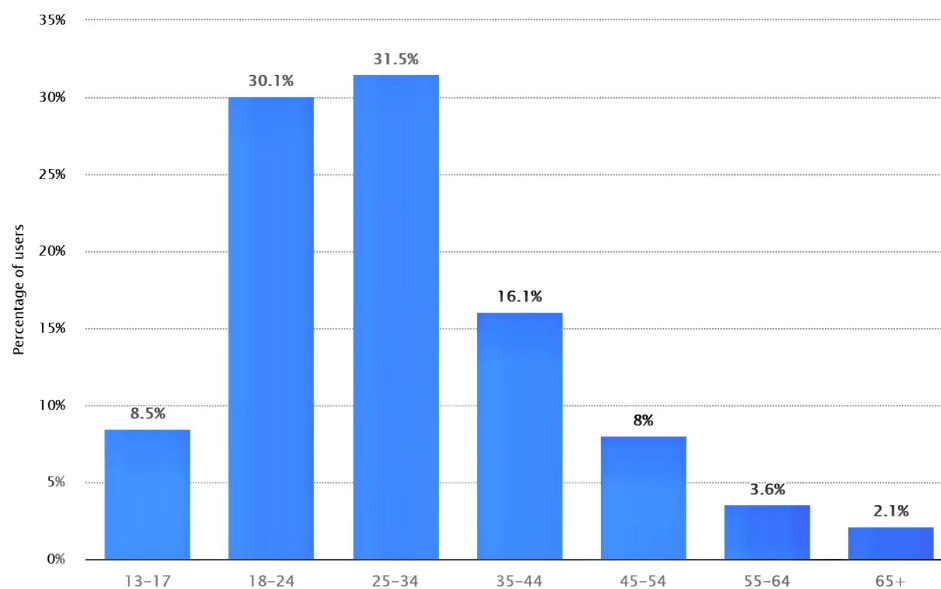
## 2. Literature Review:

Regarding the advantages of influencer marketing, Bladow proposed, "An influencer with three to seven million followers can earn on average \$75,000 per Instagram post", which implies that as an influencer, after promoting a company, you can obtain excess profits. A net celebrity is a lot, and they don't need to spend a lot of energy to get the money. They will increase the supply of the promotional video, making the influencer and the company have an interdependent relationship. However, \$75,000 is not a lot of celebrities in the traditional market, and stars will not be as loyal to the enterprise as the influencer.

In addition, Baramidze mentioned that "ultimately consumers are in charge of who they will be influenced by. They voluntarily go into the purchase journey, after they become aware of a product." [3]. Sometimes, with more time and personal feelings, people will be attracted to the product without advice, rather than deliberately

like an advertisement. It is easy for people to accept and trust the promotion provided by an influencer and choose to buy and reject gradually promoted advertisements.

As for the traditional market, it has been proposed that "Chanel has been promoting its brand through sponsoring exhibition shows, fashion shows like Paris Fashion Week and many others." Under the circumstance, it can get a high return. This gives consumers a solidified mindset and teaches the idea of a high-end brand to consumers. After gaining many loyal fans, they will always come to buy products of this brand. At the same time, it also improves the brand's status and popularity. Rather than influencer marketing, you can only change and solidify the audience's idea of the brand through videos and evaluations.



**Figure 1.** Distribution of Instagram users worldwide as of October 2021, by age group [5] (<https://www.statista.com/statistics/325587/instagram-global-age-group>) Non-Commercial Use

Furthermore, due to the extraordinary social ability and interaction with followers through live commerce, many young adults lacking critical thinking consider those influencers reliable and trustworthy. Accordingly, these young adults are likely to be convinced by what the influencers say and purchase the products they promote without a second thought. More than half (55%) of children between the ages of six and sixteen want to buy a product if their favorite YouTube or Instagram influencer uses or wears it [6]. Meanwhile, Generation Z has a relatively more substantial purchasing power and freedom to achieve such consumptions than generating alpha. Andrew Meola has estimated that Gen Z would soon become the largest cohort of consumers [7].

H1: Influencer marketing exerts a greater influence on generation Z than other generations

### 3. Hypotheses:

#### 3.1 Age

The purchasers in influencer marketing are basically between the ages of 18 and 35. According to Figure 1, more than 60% of Instagram users are aged 18 to 35, reflecting that these young adults are exposed to a load of information, including some advertisements from influencers. Saima Kausar points out that unlike baby boomers and Gen X, who loved spending their leisure time watching TV or listening to the radio, generation Z spends time scrolling social media on their mobile phones [4]. Thus, this generation is provided with convenient access to social platforms, which is the precondition for making consumption online.

#### 3.2 Gender

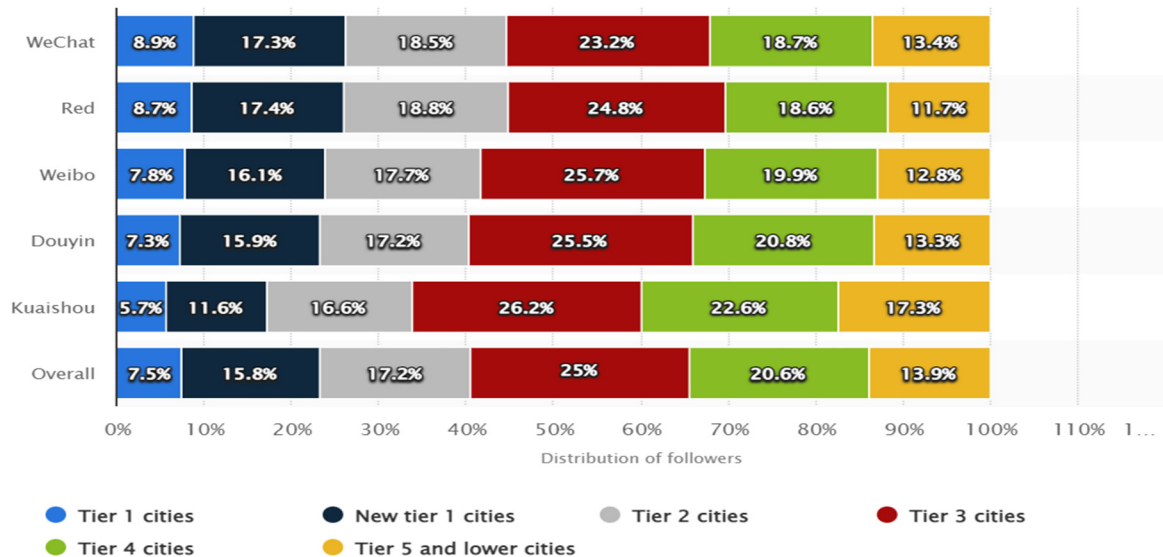
In terms of gender, the influencer market may have a greater impact on males. Traditional marketing cannot improve the recognition of men's cosmetics. Through discount marketing, improve stores and promote advertisements. Such marketing methods can only promote competition among consumers rather than attract more consumers. But Influencer marketing can directly solve such problems. "Pharrell Williams told the same publication that he exfoliates "like a narcissist madman" "On Instagram, men in makeup is fully normalized." [8]. Through such celebrity promotion, men have a new understanding of cosmetics. Accept this industry instead of being prejudiced against it. Such influencer publicity has achieved remarkable results, such as social media has helped turn men's makeup, and grooming from a "why" to a "why not." and "this online

community has made has drawn mainstream attention." It can be seen that influencer has a significant effect in leading the trend of men's cosmetics, because men have already recognized men's cosmetics when they understand celebrities and the media, so they will not discriminate against them and are even interested in this industry. At this time, influencer marketing lets the influencer who leads the trend of men's cosmetics promotes a particular brand on social accounts. A specific brand will be recognized as a cosmetics trend to achieve the purpose of promotion and marketing. However, compared with men's cosmetics, women's cosmetics have existed for a more extended period, and the trend has been generally determined. Many brands already have loyal consumers, and influencer marketing has not so much effect.

H2: Influencer marketing affects the purchase decisions of different genders.

### 3.3 Location

Figure 2 shows the distribution of influencers' followers in different regions in China according to other platforms.[9] As can be seen, in 2020, there is no significant gaps amount the distribution of followers on different platforms. For the overall data, the percentage of people from tier 3 cities was the most important (25%), followed by the percentage of followers from deck four cities (20.6%). As for the distribution of influencers in tier 2 cities, new level 1 cities, and the cities above tier 5, the percentage of the show is similarly high (17.2%, 15.8%, and 13.9%, respectively). By contrast, the proportion of followers from tier 1 cities ranked the lowest in 2020 (7.5% only).



**Figure 2.** Location distribution of influencer followers on selected social media platforms in China as of May 2020[9] (<https://www.statista.com/statistics/1155793/china-influencer-followers-geographical-distribution-by-social-media-platform/>) Non-Commercial Use

Overall, the graph indicates that people in different parts of China have been affected by influencers to varying degrees. Still, location does not involve much in the allocation of people affected by influencers.

H3: Influencers have a tremendous influence on middle-tier cities.

### 3.4 Income

As the gap between the rich and the poor becomes more and more evident in society, people with different incomes also have other consumption behaviors in the market, so the impact of influencer marketing is also different. For high-income people, what they value most is not the price but the commodity itself because their income is enough to satisfy their demand for what they

like. This part of the high-income group pays more attention to the intrinsic value of these products and their decisions are not likely to be affected by influencers. Therefore, the high-income group will not be persuaded to consume some products that they don't need by influencers.

For the relatively low-income group, influencer marketing has a significant influence. Some low-income people need the so-called "flat replacement" to meet their needs. Moreover, as Nielsen said, Low-income groups spend more of their time online than any other income population [10]. Due to the tremendous amount of time they spend online, they have the greatest exposure to influencer marketing in their everyday lives. Thus, the influencer market cannot play an insignificant role in the decision-making of low-income groups.

H4: Influencer market has a greater impact on people with relatively low income.

#### 4. Methodology:

Our report selects four factors that might influence other people's purchasing decisions for luxury cosmetic products and conducts a questionnaire to research how they react to traditional and influencer marketing. In this questionnaire, 569 people were randomly selected to answer questions. We posted three kinds of advertisements for Gucci Lipsticks: a poster showing the texture and color (AD1), a video advertisement shot by models (AD2), and a video posted by influential people promoting this product (AD3). Participants were asked to

grade their willingness to buy this product from 1 to 10 after browsing each advertisement.

#### 5. Findings & Discussion:

##### 5.1 Age

Above all, the results of our survey suggest that influencer marketing works the best regardless of people's age (figure 3). Given the accurate reflection by influencers using these products, people are likely to be convinced and make consumption. Thus, there is a general increase in willingness to purchase luxury cosmetic products after using influencer marketing.

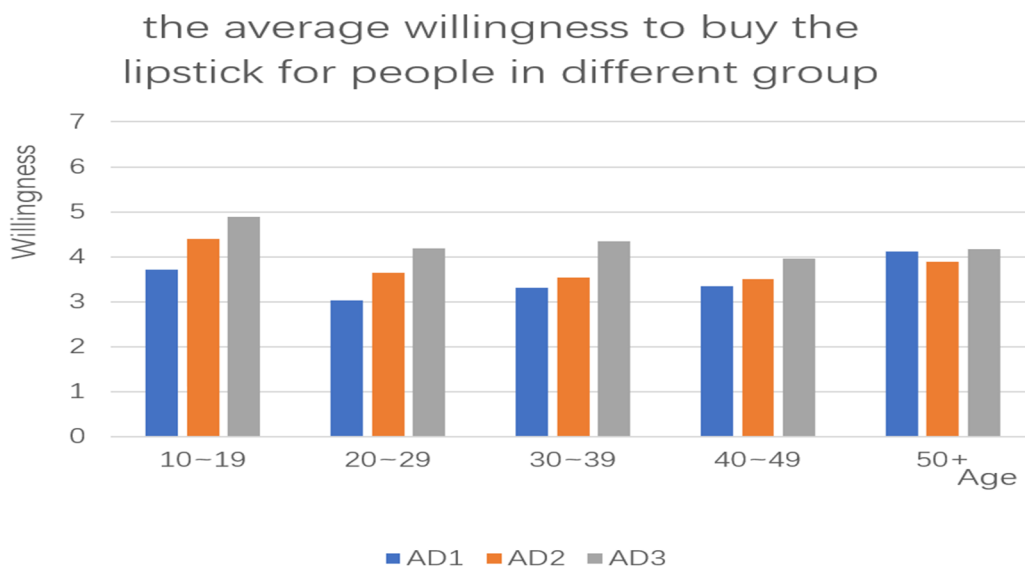


Figure 3. people's willingness to buy Gucci's lipstick after being advertised

However, influencer marketing works slightly differently among different generations. For people between ages 10~19, their attitude towards buying luxury cosmetic products alters tremendously when being exposed to influencer marketing. According to figures 3 and 4, people between ages 10~19 are less in favor of the

luxury cosmetic product, but their desire to purchase exceeds other generations after being advertised by influencers. This can be attributed to the lack of experience and misunderstanding of the actual value of money.

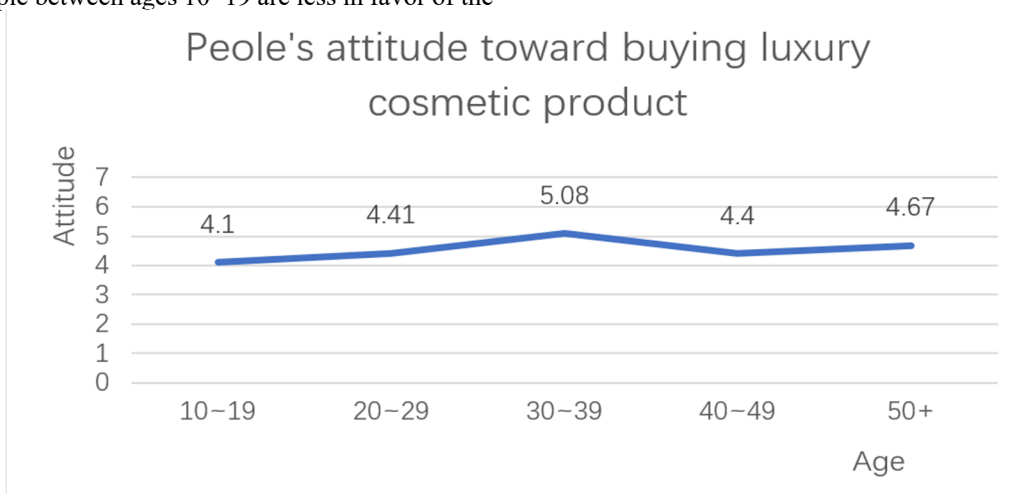


Figure 4. people's attitude towards purchasing luxury cosmetic products

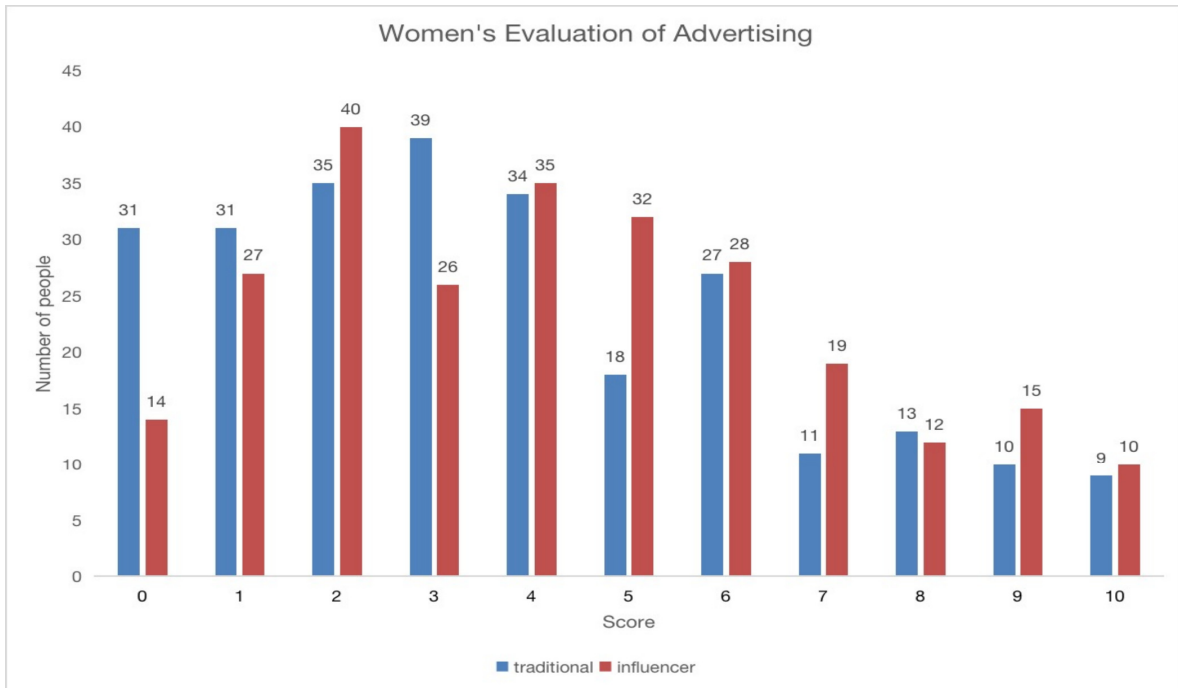
Furthermore, traditional marketing can hardly influence people's purchase decisions within age 20~49, despite the increasing attitude towards luxury cosmetics shown in figure 3. This phenomenon can be explained by people's preferences for specific luxury brands and the loyalty programs offered by these brands. Thus, the welfare received as a member will affect their purchasing decision.

The survey shows that the desire to purchase luxury cosmetic products in people above 50 remains reasonably constant in three advertisements. Moreover, the desire to purchase luxury cosmetics remains moderate in elder people (figure 4) despite the declining tendency in the frequency of buying luxury cosmetic products as the age increases, shown in figure 3. Consequently, quite a few people over fifty are still able and willing to buy luxury cosmetics, while not being exposed to a load of information. If they were given enough exposure to influencer marketing as well as traditional marketing, the consumptions made by them would be more significant.

### 5.2 Gender

After counting the data of different genders, we summarized the data to figures 5 and 6 to ensure that the impact of the two strategies on consumers of different genders can be seen more intuitively.

Unlike the previous hypothesis, women also prefer influencer marketing (figure 5). If a score of 5 or less is regarded as a low partition, consumers do not support such advertisements and will not buy them when they see such products. Traditional marketing is far less attractive to women than influencer marketing. In particular, women who give 0 points to standard ads are twice as high as those who give influencers, which shows that influencer marketing does not make many consumers feel disgusted. Looking at 5 points, which means more than 5 points, the number of people with each score in influencer advertisements is more significant than in traditional advertisements. This shows that when female consumers are interested in the product, an influencer's advertising can increase the consumer's goodwill. From the perspective of low scores and high scores, influencer advertisements are not accessible to disgust people and can better attract consumers. The influencer market is better for female consumers than traditional marketing.



**Figure 5.** women’s evaluation of advertising (<https://www.statista.com/statistics/325587/instagram-global-age-group>) Non-Commercial Use

As for men, the results are different. According to figure 6, men's evaluations of traditional advertisements are extreme. According to figure 6, more people have higher scores and lower scores, mainly in 2, 3, and 7. It can be seen that male consumers hold on to traditional advertisements. The diametrically opposite attitude may be due to differences in men's attitudes towards cosmetics.

The middle segment is the segment that does not have much interest in advertising but is not bored. The number of influencer ads is higher than the number of traditional ads, especially 5 points. Consumers who scored this score will pay attention to this brand, but they will not be shut down.

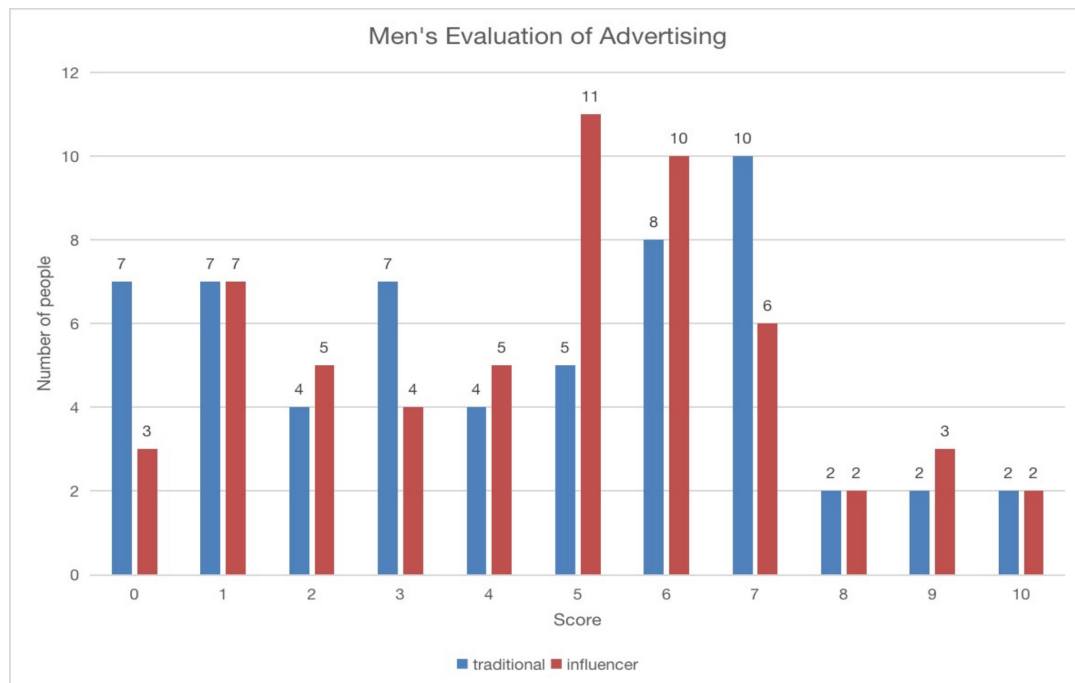


Figure 6. men's evaluation of advertising

### 5.3 Location

Figure 7 shows the percentage of people the influencer has influenced to make a purchase decision in different cities. The results are pretty different from the previous hypothesis.

As can be seen, more than half of people from tier-fifth cities admitted have been influenced by influencer marketing, which is the highest compared with the others (60 percent). They were followed by people from tier 2 cities, and nearly half of them have been influenced by online celebrity marketing (42%).

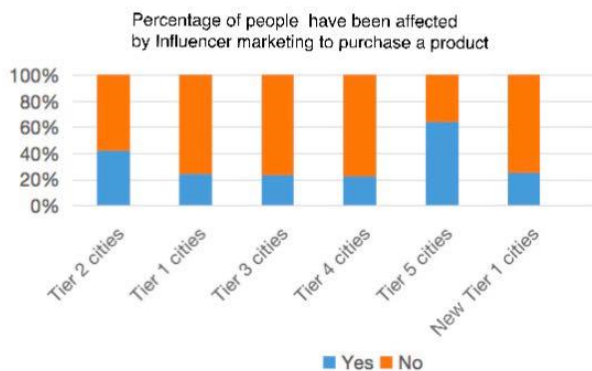


Figure 7. Percentages of people who have been affected by influencer marketing to purchase products

By contrast, for the tier 1 cities, new story one city, tier 3 cities, and tier 4 cities, people from these areas' recognition of influencer marketing are generally lower than people from other levels of cities, which shows that influencer marketing in these areas do not influence more than 70% of people.

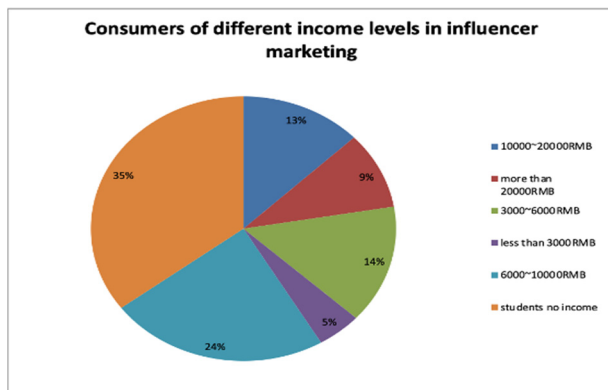
The research indicates that influencers have a significant impact on low-tier cities. However, people in first-tier cities and new first-tier cities generally do not recognize influencer marketing.

### 5.4 Income

According to figure 8, among all consumers in the statistics, students occupy a dominant position. This part of students corresponds to the youngest age group. At the same time, their current income comes from their parents, which means that they will use it. They have limited pocket money to meet their own consumer needs, like replacing some luxury brands. Not surprisingly, this group of people is affected by influencer marketing to the greatest extent. Consumers with an income of less than 10,000 yuan account for 43% of the total number of influencer marketing. This group of people has a relatively small payment. They prefer more cost-effective and high-quality goods, while influencer marketing happens to be It provides channels and methods for them to learn more about products, so this part of the low-income group is relatively more affected by influencer marketing.

People with an income of more than 10,000 yuan only account for 22% of the total number. High-income people are not too affected by influencer marketing. For this group of people, they feel satisfied and comfortable in consumption. Finishing is often more important than the product's price, so when they shop, it more often depends on how much they like the item itself.





**Figure 8.** consumers of different income levels in influencer marketing

## 6. Conclusion

Influencer marketing influences consumer behavior to various degrees and plays a crucial role in the beauty product market. It links consumers and producers, affecting the consumers of different genders, regions, age groups, and income levels. This work has comprehensively revealed that influencer marketing has little influence on consumers in high-income and first-tier cities while being more effective than traditional marketing in all age groups. However, influencer marketing is an inevitable tendency, the role it played on the people with high-earning and who live in first-tier cities is becoming more and more significant. It is expected that it will bring people more convenience and interesting feelings in the future, promote economic development, and go deep into people's daily life. Therefore, it's highly recommended that luxury cosmetic brands utilize influencer marketing.

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