Consumer Perceptions of Influencer Marketing in Cosmetic Industry

Siiri Räsänen

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Abstract

Author(s) Siiri Räsänen
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This bachelor's degree thesis was created to research the consumer perceptions of influencer marketing in the cosmetic industry. The research was non-commissioned, but was done to serve the purpose of helping cosmetics brands with influencer marketing, on the international market. The research question was: What are the consumer perceptions of influencer marketing in cosmetic industry? The thesis focused on women aged 15-35, which are currently Millennials and Generation Z. The empirical part of this thesis was done with quantitative research and secondary research. Webropol was used to create a survey for the research, that consisted of thirteen questions and was supported by the theoretical framework. The survey collected 102 valid responses. The survey was open from March 3rd to March 18th . Theoretical framework was created with four theory bases, that were: social media marketing, to understand the platforms that the marketing of the research happens on. Influencer marketing, to give the reader an in depth analysis on influencers, who and what they are. Network theory was used to find out consumers' following patterns on social media. And cultural marketing was used to map out whether culture paid a role in consumers' influencer following patterns. The sources for the framework were high-quality books, articles and journals The results of the research indicated, that Generation Z responded more to influencer marketing, than Millennials. They followed more influencers on multiple platforms, as well as had a higher percentage of purchases made, based of influencer recommendation. The results showed that the respondents do not perceive paid collaborations and sponsored content positively, as that made influencers seem less authentic and genuine. Those influencers that only rarely did paid content, or had a longer history on social media, were perceived more authentic. In case of future research, the effects of culture and nationality on influencer following could be further investigated. If further research would be conducted, it would be beneficial to interview consumers on how frequently and in what form, would they like to see paid content from influencers.
Keywords Influencer Marketing, Social Media Marketing, Network Theory, Cultural Marketing, Cosmetic Industry

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1   Introduction

This is a research type of a bachelor's thesis, for Degree Programme in International Business in the major specialization of Customer Relationship Management and Communication, in the Haaga-Helia University of Applied Sciences. This chapter will introduce the thesis topic and its backgrounds, as well as the research question alongside with the investigative questions, demarcation of the resrach, and the key concepts.

1.1   Background

This thesis is made to investigate influencer marketing in the cosmetic industry, focused on med- high-end make up and to understand consumer perceptions on the phenomena. The aim is to find the most efficient way to increase consumer reactivity when using influencer marketing.

In the modern society, the ways of marketing are constantly changing and are going towards the new digital age. One of the newest marketing trends has been influencer marketing, that has been focused more on photo and video sharing platforms like Instagram and TikTok. Let's focus on the newcomer TikTok. TikTok is a video sharing app, where its users are free to create short videos that take maximum of 3 minutes.

The app has approximately 800 million monthly users and its main audience and user base are Millennials and especially Gen Z. These two age groups form the two biggest and most important consumer groups, especially for the beauty industry, so marketing on this platform is nowadays a necessity to say the least. TikTok has also reached many popular influencers that have gathered their followers on the platform as well and plenty of influencers are dedicated only for TikTok. (El Qudsi 2020.)

The reason why it is important to dive into this topic right now, is because as marketing changes all the time, influencer marketing can change even faster. Strategies for this specific marketing style needs to adapt in a fast pace to keep up with the demand and competition. (Haenlain, Anadol, Farnsworth, Hugo, Hunichen & Welte 2020.)

As a young adult in the Gen Z age group, the author can see with their own very eyes how the marketing trends shift in a fast pace. The algorithms on various application keep constantly changing and evolving, creating constant shifts that also change and morph the consumer habits. Creating and understanding the level of marketing on these platforms, and how to maintain the consumer reactivity and interest with influencer marketing, will be not only increasing the authors understanding and skill set as a professional, but bring

knowledge and help for any company or an organization that are interested of this research.

1.2   Research Question

The aim of this thesis is to create a better understanding of the effects of influencer marketing on consumers, in the cosmetic industry, as well as achieve possible ways to guide companies to gain more visibility via influencer marketing. The outcome of the thesis is a possible strategy for the new modern way of marketing and a better understanding of consumer reactivity in Finland and globally.

The international aspect required to be in a degree programme thesis is covered by researching and understanding the social media reactivity on an international level for the thesis.

The research question (RQ) of this thesis was, What are the Consumer Perceptions of Influencer Marketing in The Cosmetic Industry? The research question was divided into four investigative questions (IQ) as follows:

IQ 1. What factors affect influencer following within consumers?

IQ 2. Which age group mostly responds to influencer marketing?

IQ 3. What kind of differences are there between Instagram and TikTok, regarding their effectiveness?

IQ 4. What preferences do consumers have for influencer marketing, with cosmetics?

Table 1 below presents the investigative questions, theoretical framework components, research methods and results chapters for each investigative question.

Table 1. Overlay matrix

Investigative question	Theoretical Framework*	Research Methods **	Results (chapter)
IQ 1. What factors affect influencer following within consumers?	Influencer Marketing, Cultural Marketing, Network Theory.	Quantitative Survey of consumers, Secondary Research	5.1.1
IQ 2. Which age group mostly responds to influencer marketing?	Social Media Marketing, Network Theory.	Same As Above	5.1.2
IQ 3. What kind of differences are there between Instagram and TikTok, regarding their effectiveness?	Influencer Marketing, Social Media Marketing.	Same as Above, Readings	5.1.3

IQ 4. What preferences do consumers have for influencer marketing, with cosmetics?		Qualitative open questions	5.1.4

1.3 Demarcation

The research focuses on the consumer response to influencer marketing. It is focused specifically on young women, using TikTok and Instagram. Women were chosen as the target for the research, as even though the cosmetic industry is reaching more men as well, women are still the predominant consumer group. The ages of the women are from 15 to 35, creating the current focus on Millennials and Generation Z.

Cosmetics were chosen for the thesis, as beauty influencers often have a "cult-like following". With cosmetics, the advertising is most efficient when using influencers, leaving TV and magazine ads behind, as Instagram and TikTok, alongside with other social media platforms, are taking over the advertising channels. (Gerdeman 2019.)

The research aims to find the most effective platform for influencer marketing, in the world of cosmetics. With the new popular platform TikTok in mind, the thesis focuses on TikTok and Instagram. There is quite a lot of comparison in performance, reactivity, access, and response, between these two platforms and age groups.

1.4 Benefits

The main stakeholders will be the companies that need help with influencer marketing. They will gain wider knowledge about how influencer marketing works in Finland and globally in the most beneficial way, alongside with possible new marketing strategies to take under consideration. They will be able to broaden their knowledge about how to use several different platforms for separate products and/or age groups.

An influencer will gain knowledge on what their followers expect and need from them. As the research is done to investigate global markets, it will be beneficial for influencers internationally and not only in Finland.

The author will gain experience and knowledge on the field of social media marketing as well as influencer marketing and can utilize this experience further in their future career.

They will learn from the experience as they have done a lot of research and have gained a lot of self-confidence in presenting their ideas.

1.5 Key Concepts

Network Theory is generally explained in a very mathematic way. We are all connected with nodes to one another creating networks. In marketing this can mean that an individual's decisions might be affected by their closest network. This can also be looked in with age- and gender groups, there are hundreds of ways to form a network. (Gummesson 2006, 3-5.)

Cultural Marketing can be specified into religion, politics, geographic location, etc. For example, an advertisement designed to attract Australians, will not get the same reactions in USA. As the culture differs a lot in different countries, it is difficult to target the whole planet with one, let's say, a campaign. (Izberk-Bilgin & Nakata 2009, 66-67.)

Influencer Marketing in all its simplicity is the most essential concept on this thesis. Influencers can be anyone, that have a wider following on social media. Influencers can be found in every industry, having follower from tens of thousands to millions. A brand can collaborate with an influencer, when the influencer will make a post etc. that will bring visibility to the brand. (Geyser 2021.)

The theoretical framework for this thesis has been formed from four theory bases, that could be paired up, and that would complement each other in the best possible way to create the best results for the research (Figure 1).

2   Effects of Influencer Marketing

The basic knowledge and understanding of the topic's theories is handled with the social media marketing theory, as well as with Influencer marketing. Social Media Marketing and influencer marketing go hand in hand, as there would not be Influencer marketing without social media, hence why they will be introduced first and focused on in a deeper manner. The two main theories used, were the cultural marketing and the network theory. As presented on Figure 1, all of these theory bases combined, they create the effects of influencer marketing within consumers.
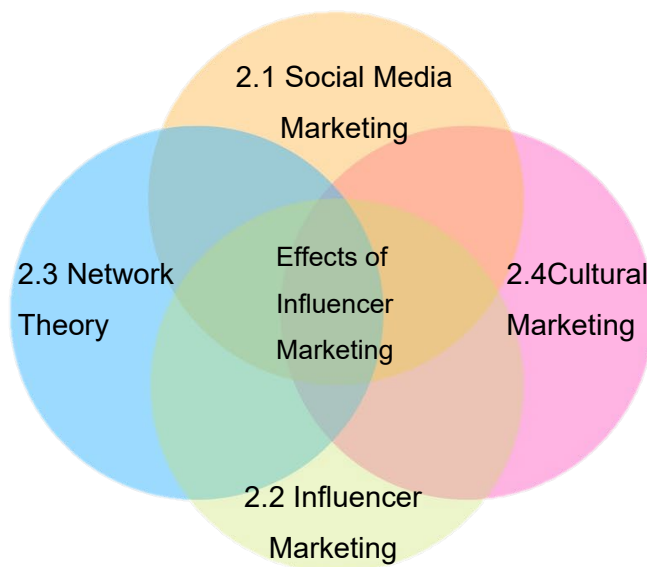
2.1 Social Media Marketing

2.3 Network Theory

Effects of Influencer Marketing

2.4Cultural Marketing

2.2 Influencer Marketing

Figure 1. Theoretical Framework

2.1   Social Media Marketing

Social media is said to be a mixture of the classic mass media, that can include digital channels and wide broadcasts, and personal media, that is online/digital communication of two individuals (Tuten & Solomon 2013, 4.)

As E-commerce's became more popular, their ways of promotion needed to be on the same platform, instead of promotion on the mass media. Social media marketing has enabled a greater interaction value, between companies and consumers, as the consumer now has more power in what is being offered to them via social media. With the consumer interaction in mind, another company aspect that benefits from social media marketing, is customer relationship management. When the consumer-company relationship has been

created, the consumer is often more intrigued by the company and takes it under following. This is when a company has succeeded using social media marketing in customer relationship management as well. (Tuten & Solomon 2013, 14-20.)

Marketing has grown easier with the age of social media, as consumers' digital identities can be put up together easily. The ability to track consumers digital footprints in the world wide web, has certainly had its effects on marketing. An individual might follow a page on Instagram, comment or share something on TikTok, and companies can keep up with that. If the said individual has a look at an online shop, it is likely that they will be receiving a lot of pop-up commercials from those brands. With digital footprints being created by activity for others' posts, when an individual is active on their own socials, posting pictures or videos on Instagram and TikTok, this creates their livestream, that can be followed easier than digital footsteps and forms the public side of their digital identity. (Tuten & Solomon 2013, 57-61.)

When a company plans their social media marketing campaign, understanding and adapting the marketing segmentation to the market and target audience is crucial. Recognising the geographic location, the general characteristics and psychological attributes of the target audience, helps with the segmentation of the product (Tuten & Solomon 2013, 68-72.) For example, during the winter months, Nivea will not be marketing sunblock for their Nordic target audience. Instead, they are focusing the sunblock marketing to the other side of the equator! That is an example of segmentation that is done geographically. When considering the characteristics of the target audience, the company is conducting a demographic segmentation. If a stroller company would be advertising their new strollers, their target audience is new mothers. In conclusion, the product will be promoted to them instead of for preteens in the age of 10-15. Geographical and demographic segmentation will be revised again in the subchapters 2.3 as well as 2.4. Psychological attributes can be the lifestyle or an opinion, that the company is targeting. For instance, a gym wear company needs social media coverage to find new customers. To reach their target audience, they can collaborate with a fitness influencer that works in that field and has their followers accordingly. Influencer marketing will be further discussed in the subchapter 2.2.

2.2   Influencer Marketing

As the popularity of social media marketing has been on a rise, using influencer marketing together with it is crucial. To use influencer marketing, it is important to understand what an influencer is and how the different sized influencer categories affect your campaigns.

Influencers in most situations are normal people, who gain a large following on social me-
dia and then have influence over their followers. Influencers are also sometimes referred
to as micro-celebrities, but first and foremost influencers are individuals who have been
self-branding themselves, with creating content including pictures, videos and/or text, on
social media. When having a larger following, with a clear target audience and a distinc-
tive personality, an influencer will benefit from both, social and commercial visibility. In
some cases, even monetarily. (Yesiloglu & Costello 2021, 8-12.)

As mentioned, influencers are often referred to as micro-celebrities and there are catego-
ries for influencers according to their size of following. Traditional celebrities (actors, musi-
cians, etc.) are considered as mega influencers (1million-x followers). Rest of the catego-
ries go down from mega influencers, in the order of macro (10K-1milj.), micro (1K-10K)
and nano (around 1000). When influencers are placed into categories, their prices for col-
laborations also vary according to their ranking. In practice it means, that having a cam-
paign with a mega influencer rather than with a macro influencer, will be much more costly
for a company. It is important to keep the following size in mind when creating a campaign
with an influencer. Even though a mega and a macro influencer gain more visibility and
might get more likes, micro and nano influencers can create more of an electronic word of
mouth effect, as they naturally interact more with their followers. (Yesiloglu & Castello
2021, 46-47.)

As stated by Yesiloglu and Costello (2021), the reason influencers are the most important
tool in the current marketing strategies, is their relatability. An influencer that has a high
engagement on their socials has an easier path to become a more relatable trendsetter,
rather than a classic celebrity, when they are not afraid to show off their personality. Influ-
encers use the electronic word of mouth, which is highly important for brands, but can also
be extremely harmful. In a case where an influencer endorses a product on their social
media, thousands of people might buy the product and talk about it on their socials. But if
an influencer makes a negative comment or gives a bad review on a brand, that will
spread, and the brand will be losing a lot of important customers.

Using influencer marketing, instead of the traditional ways of marketing or using celebri-
ties for the visibility, can often be more beneficial, especially for newer companies. When
an influencer is showing a product on their socials, their followers will become intrigued
and will look up the company, as the influencer can be relatable for them. When a brand
does this, they become much more approachable in the public eye. (Yesiloglu & Costello
2021, 39-40.)

2.3   Network Theory

Us humans often feel the need to fit in and be accepted in a group and can easily be influenced by the people around us. This phenomenon has not gone unnoticed for businesses, as they have understood that a lot of individual decisions are based on the relationships between people. As word-of-mouth travels sometimes faster than any marketing campaign, it is important to understand different networks and their advantages. Defining the linkage between members of a network is important as well as understanding the valence between the linkages, whether they are positive, negative, or just neutral towards each other. The strength of the linkages and the content between them is something to take into consideration. (Webster & Morrison 2004.)

As explained in chapter 1.5 in network theory we are all just nodes and actors that are linked to one another. When using network theory in research, it is important to understand which kind of environment the research question is investigating. This way the correct nodes of the right environments and their performance are being investigated. Identifying the networks within the nodes of within research is essential and can be investigated by asking them the right questions. In the case of this research, we can ask a respondent "Who follows the same influencers as you?" to find out their networks. (Borgatti & Halgin 2011, 1-3.)

Something for companies to think about, when creating an effective marketing campaign, is who the consumer will listen? Who do they trust? When they see a product will they ask an opinion from a friend, or family. Maybe from their workplace, or search it online, maybe an influencer has something to say about it. If the goal is to reach communities of a consumer, using influencer marketing can be extremely beneficial when marketing a certain product.

Even when though we are all part of something bigger, our networks create smaller complexities that are easier to track and understand. These complexities can be formed with anything from interests to age or gender, or even the individual's career or hobbies. The ways of forming networks are endless. However, even the smallest impact can affect a network in either negative or positive way. (Gummesson 2006.)

2.4   Cultural Marketing

When taking a broader look from consumer's networks, the focus should be on their culture and ethnicity and whether this influences their purchase decisions. When practising cultural marketing, the campaign is focused solely to consumers within a specific culture or ethnicity. This can be executed with language or traditions to give the consumer more of a familiar and relatable feeling of the product and/or company. (MBASkool 2014.)

To keep the company still trusted and reliable in the consumers eyes, it is essential to understand the target consumers culture as well as keep the culture of the brand in mind. Because even when marketing to a new culture, the importance of the company's culture is crucial, so that the consumer still trusts the brand and will not think that they are only forcing themselves into a culture of choice. A thorough research is necessary prior to a campaign, to get the most out of it. (Liu 2021.)

Consumers' interests and thoughts can be highly affected by the culture behind them. Focusing on the current trends in the culture of interest, marketing campaigns can be transformed into something much more relatable for more people. It is important to understand where those trends work and where they do not. For example, an ad targeted for Swedish pre-teens, will not get so much reactivity from Australian mothers. (MBASkool 2014.)

In cultural marketing being mindful and conducting a throughout research prior to a campaign is highly necessary, as religion and ethics play an important part in each culture. Every node of culture affects the consumers final decisions, as cultural aesthetics for example can affect everything from the taste of the consumer to the desired packaging of a product. Movements in culture can have a massive impact on marketing as well, as social changes and searches for inspiration and communication, create a diffusion for the culture impacting even the individual purchasing decisions. When creating new strategies to new cultures it is important to consider the effects of the culture on how the products and their quality should be, how often it needs to be promoted in the medias, and even take the pricing strategy into consideration. (Peprah, Ocansey & Mintah 2017.)

3   Research Methods

This chapter introduces the research methods used for the thesis. Including the research design, secondary research, as well as the justifications why this thesis used only quantitative research, instead of qualitative or mixed research methods.

This chapter will not go deeper into discussing the survey results, they will be handled in chapter 4.

3.1   Research Design

This thesis is focusing on a wider topic, that is influencer marketing, and how the consumers perceive it. For that reason, the thesis is done as exploratory research, to help cosmetics companies understand the current importance of influencers and social media in marketing actions, as well as the best ways to conduct it with consumers in mind. (McGivern 2013, 46.)

All the IQs were investigated using quantitative research, in a form of a survey, alongside with secondary research. The answers that were collected for IQ's 1 through 3 were used to conclude the results for IQ 4. The IQs were as followed:

   IQ 1. What factors affect influencer following within consumers?

   IQ 2. Which age group mostly responds to influencer marketing?

   IQ3. What kind of differences are there between Instagram and TikTok, regarding their effectiveness?

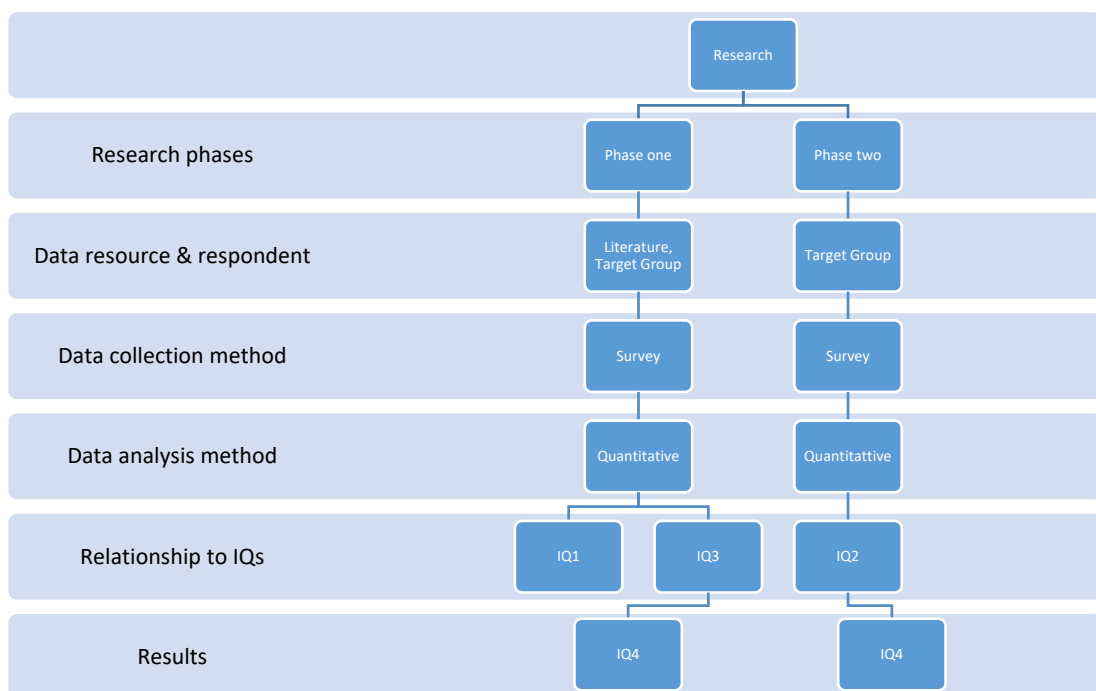   IQ4. What preferences do consumers have for influencer marketing, with cosmetics?

Figure 2. Research design

As Figure 2 shows, the research was divided into two phases. Phase one focused on IQs 1 and 3. During phase one, secondary research was done to gather a base of data to start with. The secondary research was used in the theoretical framework, the secondary research will be further discussed in the chapter 3.2. As mentioned prior, phase one focused on the first and third IQ and the data for them was collected from the target groups via a survey and analysed as quantitative data. The results gathered for IQs 1 & 3, were used to form results for IQ 4 as well.

Phase two was to understand the age division with the consumers and was therefore focused to IQ 2. The data was collected from the survey respondents, which in the case of this thesis were women of ages 15 to 35 and the collection was conducted with the same survey as during phase one. Questions for this phase were also quantitative and the answers were also used to form the results of IQ 4.

3.2 Secondary Research

Secondary research was conducted in the early stages of the writing process to create a database for the thesis. It was important to start the research process with secondary data collection, as it offered already existing information that easy and fast to obtain. The data that was used also used to support the creation of the quantitative data collection, as well as offered information to support the IQs. As secondary research works the best when done early stages of the research process, it was primary used for the theoretical frame-work of the thesis, alongside with the survey. McGivern (2013) mentions in her book, that nearly every project that does conduct secondary research, also known as desk research, would benefit from it (McGivern 2013, 111.)

For secondary research there are two source categories, which are internal and external sources. Internal sources could be collected from a company database, this could be cus-tomer-oriented information, such as purchase histories. Internal sources are often only available for organizations and companies. (Burns, Veeck & Bush 2016, 119.) Data that has been published outside an organization is external data and that can be put into two categories as well. Official and unofficial statistics. Official statistics are often generated by state officials, whereas unofficial ones are created from more of a commercial research direction. (McGivern 2013, 117.)

As this research is not being done for a specific company or an organization, there has not been a need or access to internal sources. The secondary data used for this research has been from external sources, including high quality articles and books.

3.3 Quantitative research

This thesis used quantitative research for data collection in a form of a survey. As the goal was to conduct wide numerical research with a firm structure, qualitative research methods would not have been beneficial for the research (McGivern 2013, 189). The quantitative research begun after the secondary research was finished, by creating a set of questions that were supported by the secondary research to help gather results for the investigative questions.

Data collection for quantitative research can be either observational or interrogative. This thesis used interrogative methods in its quantitative research. Interrogative methods can differ in structure as well as the format it is presented in. If the respondents are answering the format themselves and then returning it to the researcher, it is self-completion. This sort of format should be shared in locations or online groups where it can be easily reached by the target audience. When considering the deadline and budget of the research, self-completion as an online survey format was the best option, as it consumed a minimum amount of time and did not require any monetary investments. (McGivern 2013, 190-211.)

3.3.1 Survey

A survey was created for the data collection of this research, as they make it possible to collect larger sample sizes in a shorter period of time. The survey was in the format of a web survey and was created on an online platform Webropol. (McGivern 2013, 210-211.) As the survey was spread online and did not have an interviewer accompanying it, it was completely computer-administered survey and reached the target audience well. An online survey is more user-friendly to use rather than a traditional pen and paper survey and did not require any monetary usage. (Burns, Veeck & Bush 2016, 179-180.)

The survey was designed to be easy and straightforward for the respondent, with the approximate answer time being less than ten minutes. There were thirteen questions and some of the questions were modified so that a question would be skipped based on an answer given in a previous question. Out of the thirteen questions, there were multiple choice questions that let the respondent choose the best alternative that fit them, few open-ended questions, so that a respondent could open their ideas and opinions, as well as one matrix question to understand how respondents felt about a statement about the usage of influencer marketing. The survey was shared on several Facebook pages, including the authors own personal Facebook, as well as on a page created by an Australian influencer, authors own personal Instagram and LinkedIn. It had also been shared as

link via the applications Snapchat and WhatsApp to several groups and shared among their networks. The survey ended up being opened by 312 people, and 109 people in total finished the survey. From the respondents 102 belonged to the demarcated group that were women aged 15 to 35.

4   Results

This chapter discusses the results of the quantitative research, that was the survey. The survey was open for answers from the 3rd of March until the 18th of March, so altogether fifteen days. Over the fifteen-day time period, the survey gained 109 answers. Most of the answers had been collected during the first two days. 82% of the respondents finished the survey in less than 5 minutes. However, from these 109 respondents only 102 belonged to the desired demographic. The questions were modified so, that those who did not belong to the gender and/or age-group of women aged 15 to 35, were directed to the end of the survey after the first questions. To make the analysis more understandable, the graphs have been transferred from Webropol and modified on Excel.

4.1   The Age Demographic

The research was aimed for women that form the main user base for TikTok and Instagram. These women belonged to the age groups from 15 to 35 years and will be further along referred as Gen Z (15-25) and Millennials (26-35), though the research can be applied on the same ages later on as well.
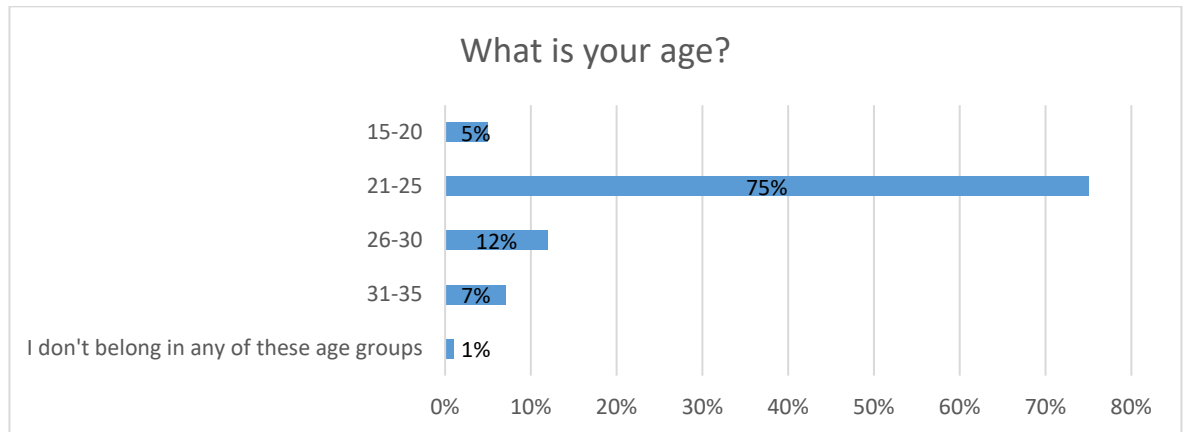

Figure 3. Age Groups.

As mentioned in chapter 3.3.1, a link for the survey was shared on multiple online platforms, including Facebook, Instagram, Snapchat, LinkedIn, and WhatsApp. Authors networks also shared the link among their networks. On the survey the second question required the respondent to choose their correct age group. Figure 3 presents the age groups that were chosen by the respondents. Six responses that did not belong to the demarcation of women, have been filtered from the figure. The graph shows that the survey was mostly by reached women from the age group 21-25, as 77 respondents (74,8%) were in that category. The second largest group was formed by thirteen respondents (12,6%) in the category of 26-30. Seven women (6,8%) belonged 31-35-year olds', and

five respondents belonged in the group of 15–20-year olds' (4,8%). This means that the Gen Z group is formed by 82 respondents and Millennials are formed by 20 respondents. Despite the large difference in the groups, they are still comparable with one another.

4.2 Platforms

In this research, TikTok and Instagram ended up being the focus platforms and their differences were compared with influencer following and usage between age groups.
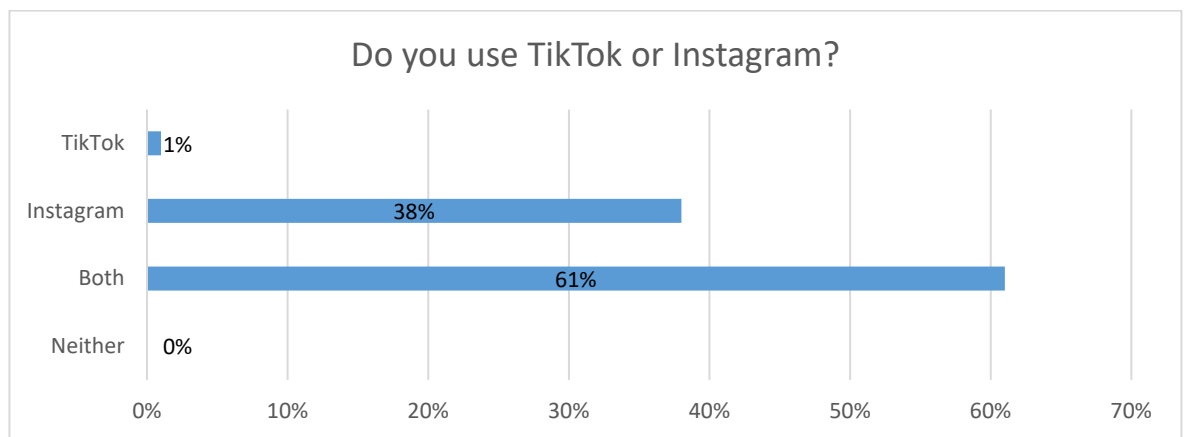
Figure 4. Platform usage between every respondent.

Third question on the survey was about platform usage. It asked the respondent about which apps they use and offered to choose either TikTok, Instagram, both or neither. Each of the respondents used either one of the apps or both, so the option of neither was selected zero times.

Most of the respondents (61%) used both of the applications, 38% only used Instagram and only one percent of the respondents only used TikTok and not Instagram.

4.2.1 Age Division on Platforms

According to Edwards (2021) in her article, the majority of TikTok users belong to the age group of Gen Z. This phenomenon can be noticed in Figure 5.
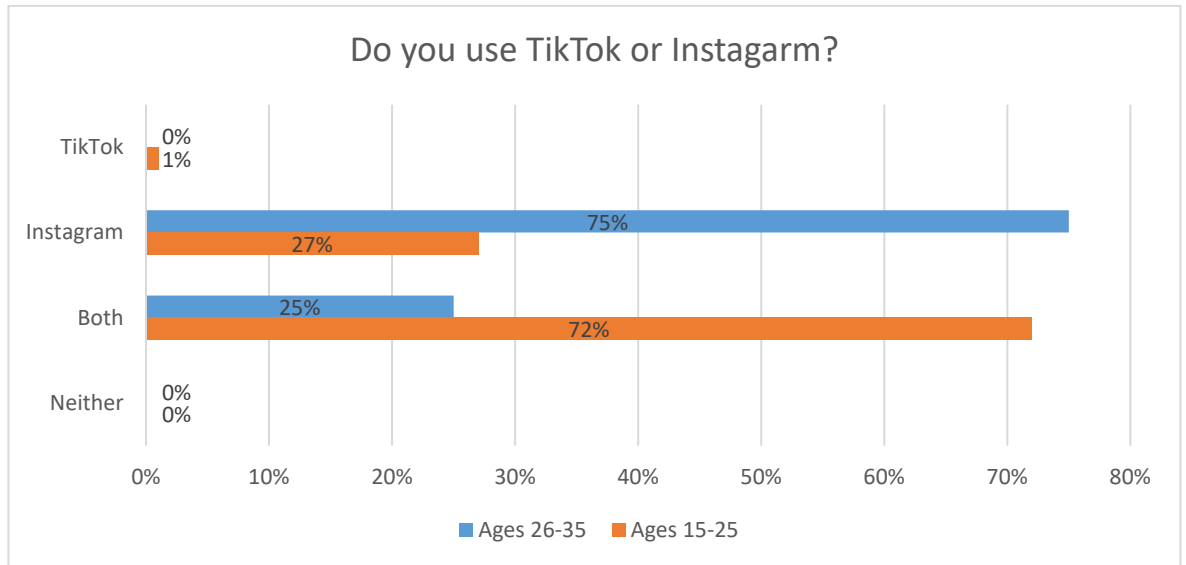
Figure 5. Age Division on Platforms.

As Figure 5. shows, the division with platform usage is fair. When comparing the applications, there were no Millennials using only TikTok, whereas 75% of the Millennial respondents only use Instagram and 25% use both apps. On a Digital Media Ninja article (2021), they state that on daily basis 71% of Millennials use Instagram. Gen Z had a larger response to both platforms, as 72% of the Gen Z respondents would use both applications, leaving only 27% using only Instagram and 1% using only TikTok.

4.3 Influencer Following

The researching on influencer following was divided into three categories on the survey: general following, does culture affect the following, and do networks affect the following. In these categories though the general picture needs to be seen, it is also important to look at the age divisions as well, as this helps to understand which platform is more effective on a consumer, regarding their age.
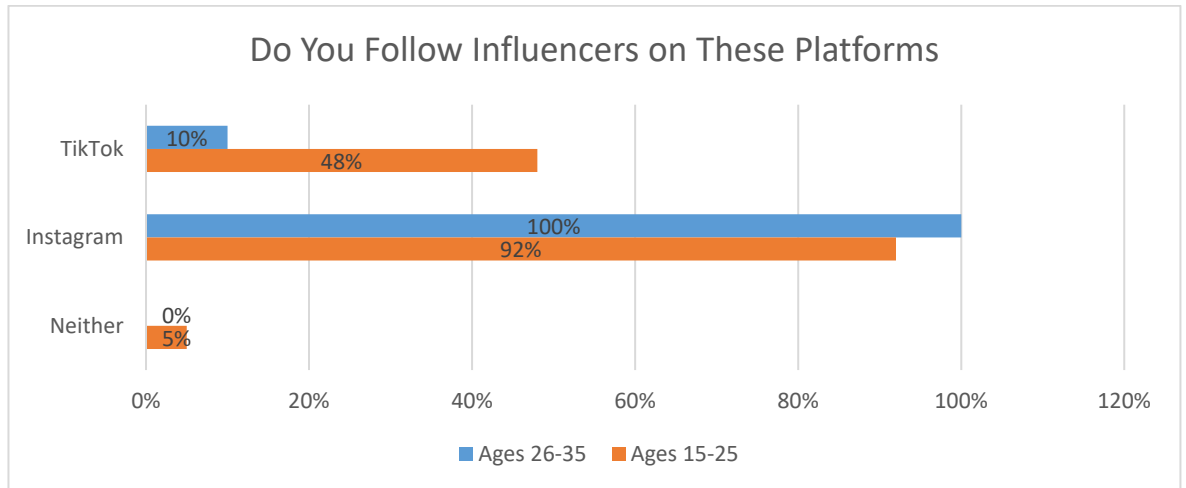
Figure 6. Influencer following with age division.

Figure 6 represents the influencer following on the platform between the two age catego-ries. All of the Millennials (100%) that responded followed influencers on Instagram, with only 10% following influencers on TikTok as well. Most of the Gen Z also followed influ-encers on Instagram (92%), yet seemingly less than the Millennials. However, nearly half of the Gen Z respondents followed influencers on TikTok as well (48%), which is almost 40% more than with the Millennials. Only 5% of the respondents chose the option neither, all of them being Gen Z representatives.

4.3.1 Influencer Following, Culture

The survey had three questions about cultural following on social medias. The first ques-tion asked whether the respondent only followed people of their own nationality. If the op-tion yes was chosen, they were directed to an open question to state their nationality. The third question was about if the nationality of an influencer matters to the respondent.
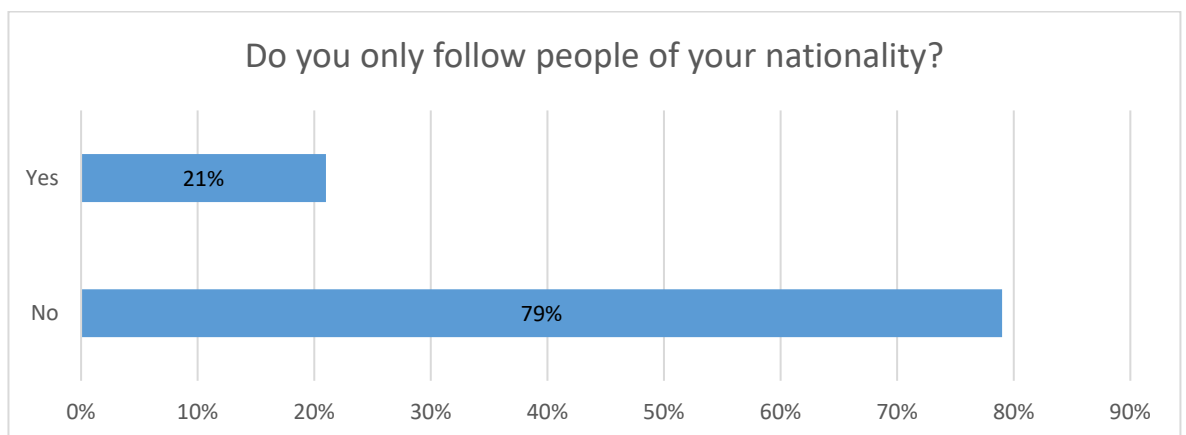

Figure 7. Importance of nationality in following.

The importance of nationality does not seem to be an important factor with following habits on social medias (Figure 7), as only 20 of the respondents (21%) only followed people of their own nationality. These twenty respondents were directed to a question about their nationality and the variation between nationalities was not huge.

Table 2. Nationalities of respondents

Nationality	Number of Respondents
American	1
Australia	1
Finnish	17
Finnish-American	1

Table 2 shows that the majority of the respondents that only followed people of their nationality were Finnish. The question also got responses from respondents that were American, Australian, and Finnish-American. If conducting this research again later on, it could be interesting to then go further to research what factors affected the decision, whether it was culture in general or did language affect the decisions.

The third culture question was about if culture/nationality affected following decisions. The answers for this question are divided with the age groups to understand, whether the cultural aspects should be looked into more depending on who the product that is being marketed is targeted for.
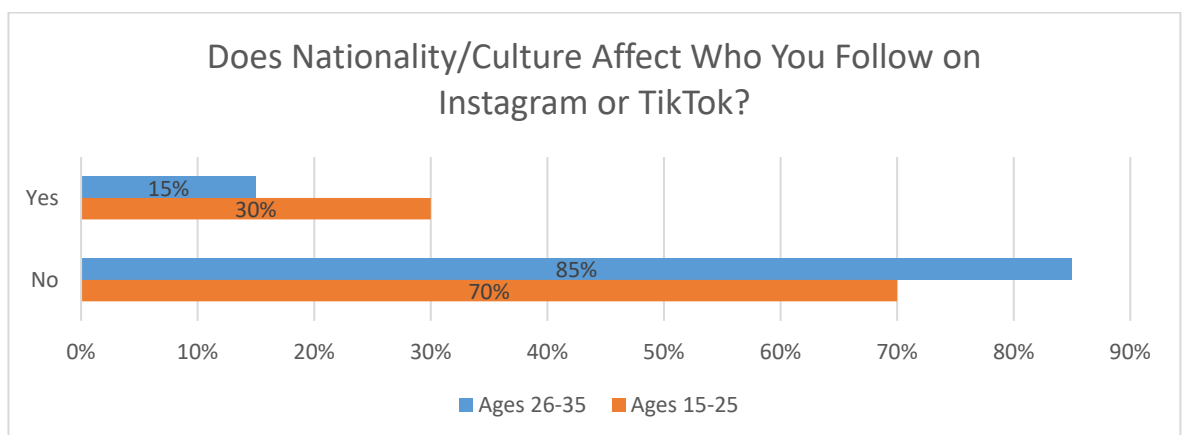

Figure 8. Culture in social media following according to age groups.

In social media, culture does not seem to be playing as big of a part. As Figure 8 shows, nationality and culture touch and affect Gen Z more than Millennials. As mentioned, if

done as a further investigation, the reasoning behind cultural decisions in social media following could be researched.

4.3.2   Influencer Following, Networks

An essential aspect to look at, when investigating social media and influencer following habits, is to understand whether consumers networks affect their following pattern. The eight' question in the survey asked about outside influence when following influencers on TikTok and Instagram. As mentioned in chapter 2.3, Gummesson (2006) says that networks can vary a lot, but can for example come from work or hobbies, even from family or friends. In the case of this research, networks were narrowed down to friends, family, and colleagues. The respondent also had the opportunity to select an option 'No one follows the same influencers as I do'.
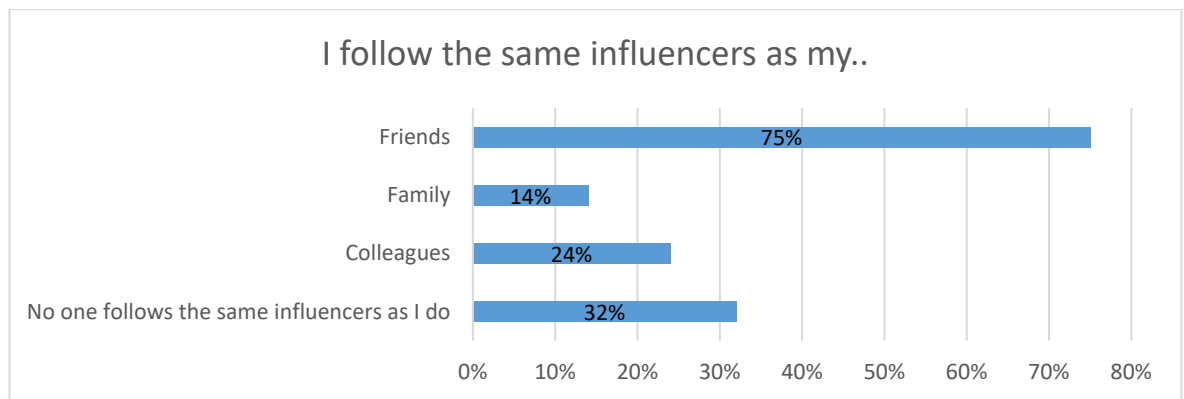

Figure 9. Networks in social media following.

According to Figure 9 friends have the biggest impact on following, as 75% of the respondents followed the same influencers as their friends. The answer that got the next biggest number of responses, with 32% of the whole group, was 'No one follows the same influencers as I do'. Colleagues and family had the least responses, with work environment gaining 24% of the answers and family on 14%. It is still clear to see, that network does affect influencer following decisions.

4.4   Influencer Authenticity

The last category of questions on the survey focused on the consumer perception of influencer marketing, covering the areas of authenticity, purchase decisions, as well as how genuine the consumers find influencers.
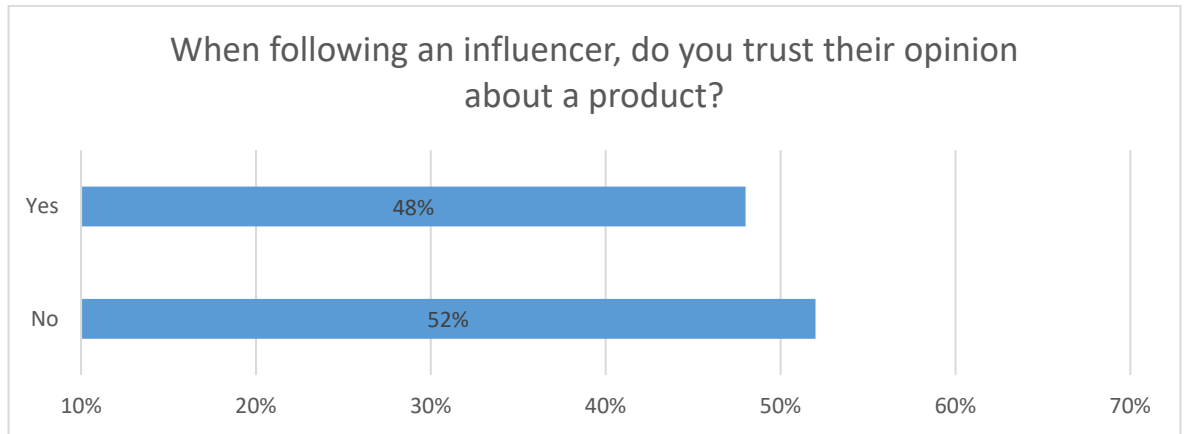
Figure 10. Trustworthiness

When asked if the respondent trusted influencers' opinion about a product, the responses divided almost even, presented by Figure 10. 52% of the respondents did not trust influencers opinions whereas 48% did. Depending on the answer that was chosen, the respondent was directed to an open question to explain the option they chose. In total 88 responses were collected from the open questions.

The majority of the respondents did not trust an influencer's opinion about a product that they were promoting. The open question collected 50 answers. From these answers more than 30 responses mentioned paid promotion. Nearly 40 responses questioned influencers' genuine feelings towards a product that was being advertised. Respondents felt that if an influencer posted paid collaborations/advertisements, they were doing it mainly for the money and their opinion was not honest. Another point that was brought up, was that especially with cosmetics, it can be hard to believe an influencer as skin types vary with everyone.

Despite the majority of the respondents being against influencers' opinions, nearly half believe and trust influencer opinions. 18 responses out of 38 stated, that they only follow influencers that they trust, or that have gained their trust over time. Few responses highlighted those influencers that promote cosmetics know more about that field than they do, so they trust a professional opinion. However, paid collaborations also were questioned in this section as well. PR-gifts had a more positive outlook from a consumer perspective, as it was considered that if an influencer would advertise a PR-gift, they would have an honest opinion about a product and is not moderated by the company.

The second last question on the survey was about purchase decisions. It asked the respondent whether they have ever purchased a product based on influencer recommendation. They were given multiple answer options from yes often, to never.
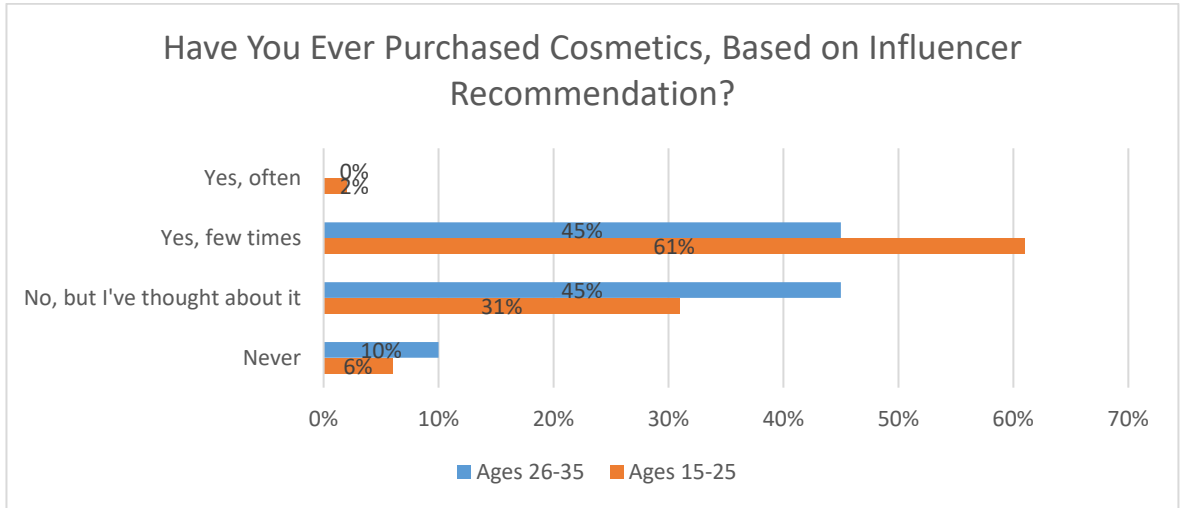
Figure 11. Purchase Decisions, age divided.

The Figure 11 represents the purchase decisions of cosmetics, recommended by an influencer. The ages were divided with these answers as well, to understand the purchase decisions based on the age groups. The results go to show, that Gen Z respondents were interacting more with influencer marketing. 61% of the Gen Z respondents had purchased cosmetics, based on influencer recommendation, at least few times, 2% had done often. Despite 31% of the younger generation just thinking about purchasing and 6% never purchasing, it is clear to see that the step is higher for Millennials. 45% had thought about purchasing, as well as purchased few times. 10% had never bought anything that was recommended by an influencer.

The last question of the survey was to understand if consumers considered influencers to be authentic with paid collaborations. There were two statements and the respondent had to answer to what extent do they agree on. The answer options were 1= Strongly Disagree, 2= Somewhat Disagree, 3= Neutral, 4= Somewhat Agree, 5= Strongly Agree. After the answers were transferred to excel, Figure 12 was created.
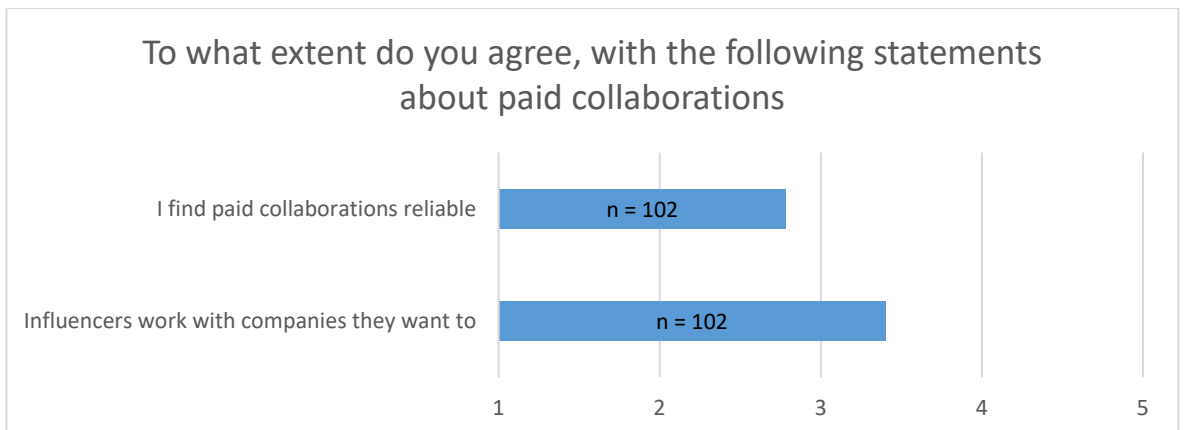

Figure 12. Consumer opinion about paid collaborations.

The average for the first statement was 2.8 and median was 3.0. 5,9% strongly disagreed with the statement, 38,2% of the respondents somewhat disagreed, 27,5% stayed neutral and 28,4% somewhat agreed. No respondent felt like they would strongly agree with the reliability of paid collaborations.

The second statement had an average of 3.4 and median of 4.0. It was clear, that the respondents do feel that influencers work with companies that they desire to work with, as 54,9% somewhat agreed with the statement and 2,9% strongly agreed. However, 22,6% stayed neutral and 18,6% of the respondents somewhat disagreed and one percent strongly disagreed.

4.5 Summary

The survey collected 102 responses from the correct target group that was women aged 15-35, and it answered all the investigative questions. As the data was nearly entirely numerical, it was easy to transform into graphs, analyse, and understand. Most of the respondents belonged in the Gen Z age group (15–25-year olds'), but there was enough data from the Millennial group (26–35-year olds') to compare the two groups when necessary. For the respondents' culture and nationality did not play a big part in their influencer following habits, but networks had similar followings. TikTok was more common in the use of the younger generation and Instagram had a greater hold on the Millennials.

Despite the trust towards paid collaborations being more on the negative side, consumers still feel that influencers work with the companies they want and do still purchase cosmetics based on influencer recommendation. There is still a huge audience that believes that they are following trustworthy influencers and consumers feel that when there are not too many paid collaborations, the influencer can be trusted easier.

5 Discussion

This chapter summarises all of the key findings of the research and are formatted to answer the research question and investigative questions. Reliability and validity will be covered later on the chapter, as well as recommendations for further research and authors own reflection on the thesis process and learning outcomes.

5.1 Key Findings

This thesis was done in order to understand consumers perceptions on influencer marketing in the cosmetics industry, however it has been done so that other industries that use influencer marketing can benefit from it as well. The research question for the thesis was "What are the Consumer Perceptions of Influencer Marketing in The Cosmetic Industry?" The research question was divided into a set of investigative questions, to research the topic further. The investigative questions were:

IQ 1. What factors affect influencer following within consumers?
IQ 2. Which age group mostly responds to influencer marketing?
IQ 3. What kind of differences are there between Instagram and TikTok, regarding their effectiveness?
IQ 4. What preferences do consumers have for influencer marketing, with cosmetics?

The answers for these questions were researched with secondary research and with a survey. The research was targeted to women from the age of 15 to 35 and the survey reached 102 of the correct demographics. The survey had thirteen questions and they investigated culture, networks, influencer authenticity, as well as platform effectivity.

5.1.1 IQ 1. What factors affect influencer following within consumers?

In the first IQ the aim was to understand, what factors affect influencer following decisions within consumers. It was important from the perspective of the IQ to understand whether cultural aspects mattered, or if networks affected the following patterns. Influencer's authenticity was also investigated.

It is thought that social media following creates a feeling of belonging. Consumers as individuals crave that feeling, but also want to follow someone that is trustworthy and that often comes with following. If the influencer has a bigger following, the more trustworthy the consumer finds them. (Donawerth s.a.) Furthermore, humans are social creatures that want other humans around them, especially those who have similar interests. Following influencers can offer guidance and belonging in the social world, where it is expected to

say on the "grid". Falling out of this grid creates pressure that we can fall out of the societal norms. (Hoos 2019.)

As mentioned in chapter 4, the respondents did not care too much about the nationality and culture of influencers. This goes to show, that consumers often follow influencers internationally, giving a company wider international audience when advertising a product with an influencer. From age group point of view, Gen z care more for the nationality, but this is a factor that can be related to language or relatability.

The survey revealed that even though plenty of respondents had a unique range of social media following, that was not shared with their networks, most respondents follow the same influencers as their friends and with a big group colleague's. These answers show the sense of belonging and relatability within a group, as influencers actions and posts can be discussed.

In their book, Yesiloglu & Costello (2020, 184) highlight that trustworthiness is important in influencer marketing and following, as trustworthiness is often connected to another important attribute, that is expertise. That quality is however often sided with a negative impact if a consumer is presented with paid content and is aware of that. These thoughts were supported with the survey results. Subchapter 4.4 discussed about influencer authenticity and if respondents found influencer opinions trustworthy. The responses were divided quite equally, and a great number of respondents found influencer opinions trustworthy, as they thought that influencers that promote cosmetics were somewhat professionals on the field. However, in both answers for those who were in favour and those who opposed to influencer opinions, there was a unifying factor. Respondents often raised up in their answers that they felt that paid collaborations were not genuine.

5.1.2   IQ 2. Which age group mostly responds to influencer marketing?

The survey was targeted for women from the ages of 15 to 35 but were divided into two groups that were 15-25 (Gen z) and 26-35 (Millennials). To understand and compare these two, the responses were in some questions investigated with the ages.

The Millennial age group were born before the days of the social media and influencer marketing, which is why Millennials are more curious and even more comfortable with influencer marketing and social media. As social media has grown during their lifetime, they appreciate more forms of advertisement and content on social media. This can be emailed newsletters, Instagram pictures and videos, and anything in between. (Demeku 2021.) It is argued that Millennials validate positive approval and recognition from an influencer, that

from their own networks. Alongside with the positive recognition from the influencers, Millennials feel that they want to help the influencers by engaging with their content more, this way helping the companies they work with as well. (Yesiloglu & Costello 2020, 108.)

Compared to Millennials, Gen Z age group have always had social media and internet and they have become fluent in the social media language. Gen Z look out for diversity on social media and are more aware of the newest trends, compared to the prior age group. (Demeku 2021.) This younger group of social media users prefer content and influencers that are more authentic and show a real vulnerable side in their content. It is considered that the age group of Gen Z crave more of a parasocial relationship with influencers, they consider these micro-celebrities more relatable and feel like they could possibly be friends. (Yesiloglu & Costello 2020, 121-122.)

In chapter 4, where the results of the survey were analysed, it became quite clear that the secondary research supported the data that was collected. Chapter 4.3, Figure 6 presented the influencer following divided between the age groups, presenting both platforms Instagram and TikTok. Despite all of the Millennials following some influencers on Instagram and 10% following influencer on TikTok as well, from the Gen Z age group 48% were following influencers on TikTok, 92% on Instagram and 5% on neither of the platforms. However, when looking at Figure 11, that presents the purchasing behaviour of the two age groups, Gen Z was more active when it came to buying products based on influencer recommendations, whereas Millennials had mostly considered it.

Even with Millennials having more of a structured following pattern on social media, it can be seen that Gen Z respond better when it comes to purchase decisions and using multiple platforms for influencer marketing.

5.1.3   IQ 3. What kind of differences are there between Instagram and TikTok, regarding their effectiveness?

The two platforms that were researched for this thesis were TikTok and Instagram. As the number of different apps and social media platforms is constantly increasing and evolving, it is essential that companies know which platform is the most efficient and offers the best reactivity for their product.

According to an article by Santora (2022), Instagram remains as the most used platform for influencer marketing. The article states that TikTok was used for 46% of influencer marketing campaigns, whereas Instagram was used for 79%. Some influencers have a main platform that they work on, for example Instagram, but will use other platforms on

the side as well, these could be TikTok and YouTube. For a company it can be highly beneficial to use an influencer that uses cross-platforms, as the visibility will be greater throughout platforms. (Haenlein, Anadol, Farnsworth, Hugo, Hunichen & Welte 2020, 20-25.)

Figure 5 presented the user age demographics on both platforms. As it showed, every respondent used at least either of the platforms. 75% of Millennial respondents used only Instagram and 25% used both platforms, TikTok and Instagram. With the age group of Gen Z, the usage percent for both applications were 72%, there were 27% of those who only had Instagram and 1% that only had TikTok. This means, that despite the rapid growth of TikTok, Instagram remains more popular, as the singular usage of Instagram is greater than with TikTok. However, considering the rapid growth of TikTok since it was found in 2018, it should not be overlooked in the upcoming years.

5.1.4   IQ 4. What preferences do consumers have for influencer marketing, with cosmetics?

The answers for the final IQ were formatted from all the survey answers including the open responses, as well as using the secondary research. The final IQ was made to understand what consumers want from influencer marketing and how it should be applied in the future.

When asked if the respondents trust influencers' opinions about a product, the answers divided nearly half as 48% believed influencers' opinions and 52% did not. The question was followed by an open question that requested the respondent to explain their choice of answer further. Despite the dividing, one opinion did rise upon both answers. The respondents do not trust that an influencer would be genuine if the content was sponsored or if it was a collaboration, as they believed that the influencers' opinions were paid. The influencers' authenticity was also questioned as respondents sometimes feel that their reactions with paid collaborations feel overexaggerated. Yesiloglu and Costello (2020, 200) also argue in their book, that research show that influencers with sponsored content can often be seen in a negative and untrustworthy light. The more there are sponsored content, the more there are negative reactions from the side of the followers.

From the 48% that do trust influencers' opinions, plenty of respondents agreed that they would trust paid collaborations to some extent if they found the influencer trustworthy. The trust is often built over time and most of the trust was towards influencers that had been

around for a while. Influencers were being followed, as respondent felt that they are inspirational and represent something they would aspire to be. The more the influencer talks about the product prior and post to the collaborated content, they seemed more reliable.

Figure 12 presented, that respondents as consumers still think that influencers work with companies that they want to work with, even though they somewhat disagreed with the reliability of the influencer opinion.

With cosmetics, consumers want to see influencers that have a complexion like theirs. Women with acne will seek for influencers with similar skin, same goes with women with eczema, or women with oily skin. They want to see makeup products on an influencer that they can relate to, that way they will see what the product would look like on their skin and for example with foundation, how is the durability throughout the day. (Gerdeman 2019.)

5.2   Validity and Reliability

To ensure that this research is trustworthy and truthful, to be able to use for future research and to use as a guide for a company, its validity and reliability need to be assessed. Both need to be correctly matched so that the research is truthful.

If the research is truthful, it is valid. In order to be valid, the research method, in the case of this research the survey, has to answer the research question and does not have systematic errors in the responses. Valid research has its survey and theoretical framework supporting each other. (Vilkka 2021.)

When the research outcome is precise, it is reliable. If the research was to be conducted again, the responses should be the same in order for the research to be considered reliable. Research can be unreliable if a respondent would do the survey used for the research once more and would answer differently than they did on the first go. (Vilkka 2021.)

The theory behind the research was collected from high-quality sources, that were ensured to be reliable and consisted of books and articles, most of the sources were maximum of ten years old. Some articles and books were older, as there was not much literature from the past years. All of the sources have been correctly referenced throughout the thesis.

The results for this thesis and its research met with the research question and followed the estimates that were set for this thesis. The research methods were introduced prior to

the results and the survey used for the research collected 102 answers, making the research valid. All of the results were formatted with the quantitative survey, that was done based on the theoretical framework, as well as additional literature. The results have been presented verbally as well as in the forms of graphs, that had been formatted and analysed on excel.

The thesis is reliable and valid, as the responses would be the same second time around and there were no systematic errors in the answers.

5.3   Recommendations for Future Research

Marketing methods keep evolving in rapid pace and so does influencer marketing as it seems to have arrived here to stay, so the researching and evaluation of new strategies should not stop! The platforms and their algorithms are constantly changing as well, so the ability to act quickly upon these changes is essential.

If this research were to be redone and the desired results would need to be accommodating more areas and have more body to them, here are some suggestions on how to commence. Culture aspects could be further researched, for example the reason why culture or nationality does matter to some consumers. As cultural marketing had a very limited amount of accessible literature behind it, this would be a great opening to investigate cultural marketing further, together with influencer marketing as well.

During the survey, it would have been beneficial to hear from the respondents, what would be their desired form of seeing paid content and how frequently. The research could also be further continued with older generations and specify to one nationality or brand. In a future research, mixed methods in terms of research could be conducted as opposed to using only quantitative data collection.

Companies should investigate parasocial relationships further, as well as cross-platform usage and how effective those can be when using influencer marketing. Having a greater focus on parasocial relationships and the effects that consumers own networks create in purchase decisions, could create more effective and sustainable influencer marketing strategies in the future.

5.4   Recognition of Learning

The thesis process ended up lasting for approximately 5 months and was done within the agreed schedule. The process was extremely educational and challenging enough for the

author to grow as a student as well as a professional. During the duration of the research the author has had multiple situations where the information learned during the research has been beneficial.

Toughest and the most time-consuming part of the thesis process, was the creation and researching for the theoretical framework, as it turned out that there was not a lot of accessible literature nor articles on some of the theories that were discussed. The author had to balance the thesis process together with their job and other studies but managed to make use of all the excess free time that was available for them. In the end, most of the thesis came together within the final month of the process.

The research turned out better than the author could have expected, and they definitely exceeded their own expectations about their ability to conduct such a wide and time-consuming task independently. The author did become a better academic writer during the process, and they learned how to reference used sources better. All of these successes will be pushing the author forward in their future careers, as they have expanded their own skillsets throughout the writing process.

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Appendices

Appendix 1. The Survey

1. Are you a female/identify as a female? *

◯ Yes

◯ No

2. What is your age? *

◯ 15-20

◯ 21-25

◯ 26-30

◯ 31-35

◯ I don't belong in any of these age groups

3. Do you use TikTok or Instagram? *

◯ TikTok

◯ Instagram

◯ Both

◯ Neither

4. Do you follow influencers on these platforms? *

☐ TikTok

☐ Instagram

☐ Neither

5. Do you only follow people of your nationality? *

◯ Yes

◯ No

6. If yes, what is your nationality?

[   ]

7. Does nationality/culture affect who you follow on Instagram or TikTok? *

◯ Yes

◯ No

8. I follow the same influencers as my.. *

☐ Friends

☐ Family

☐ Colleagues

☐ No one follows the same influencers as I do

**9. When following an influencer, do you trust their opinion about a product?
***

◯ Yes

◯ No

10. If yes, why?

_____
_____
_____
_____
_____
_____

11. If no, why?

_____
_____
_____
_____
_____
_____

12. Have you ever purchased cosmetics, based on influencer recommendation? *

◯ Yes, often

◯ Yes, few times

◯ No, but I've thought about it

◯ Never

13. To what extent do you agree, with the following statements about paid collaborations *

	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
I find paid collaborations reliable	◯	◯	◯	◯	◯
Influencers work with companies they want to	◯	◯	◯	◯	◯