
SECTION A: 40 MARKS
THIS SECTION CONTAINS ONE COMPULSORY QUESTION

QUESTION A1**KOL Influence in China: Everything you need to know**

In recent years, KOL (key opinions leaders) or 网红 (wanghong) in Mandarin have become one of the most efficient influencing strategies for marketing in China. As young people increase their use of social media, the audience for businesses marketing grows even larger.

KOLs are comprised of bloggers and celebrities who are creating viral content. Their effect on social media users is enormous, specifically in purchases and ideology. KOLs voices are highly compelling as they engage with the consumers. Despite the positive effect of using KOL marketing, it has also been highly effective in boycotting.

Covid-19 Creates New Opportunities

2020 was a revolutionary year, with Covid-19 accelerating the shift to KOL strategy. This is especially evident in China, where it has become a marketing norm. During the lockdown, businesses began to understand the unlocked potential of the Chinese social network, primarily WeChat and Weibo. As a result, some traditional marketing strategies have faded. Covid-19 also increased the relationship between brands and influencers, and the stronger ties between the two have led to a new reality as influencers have replaced celebrities' role in marketing.

Background Check First

As a foreign brand that wants to enter the Chinese market, pay attention. You must choose your influencer carefully. China is a large country that contains countless sub-cultures. It is crucial to do early research before choosing your potential influencer to make an impact.

Influencers in China make up five categories. The largest one is called 'mega' and consists of more than 10 million followers; the second is 'high' and has between 1-10 million followers, the third is 'mid' and consists of 500k-1 million followers, the fourth is 'micro' and consists of 100k-500k followers. Finally, the smallest one is 'nano', which contains 20k-50k followers. Some brands prefer to work with medium-to-small influencers as they consider them more reliable and trustworthy for a long-term contract.

How Significant is Their Influence in China?

In 2020, KOLs influenced 48% of the online purchases made by Generation-Z shoppers on e-commerce platforms. While 86% of women decide their next purchase by using social media. The surprising fact is that 27% of Generation-Z's reason for using social media is influencers. Furthermore, they consider influencers as more important than brands. These findings will continuously estimate to grow and probably will challenge traditional marketing.

Why Do Consumers Trust Influencers Over Celebrities?

There's a reason why some companies don't target celebrities anymore. Celebrities often don't understand much about the products they advertise and have a lower level of trust in consumers' purchases choices. Research made by collective bias revealed that only 3% of consumers would consider purchasing products advertised by celebrities. On the contrary, 30% of people will likely buy products endorsed by a non-celebrity influencer.

You have new potential if you start your business and relate to the fashion, beauty, or care industry. According to the state influencers marketing 2020 report, 94% of these companies increase their sales by using KOLs. Furthermore, they benefited from approaching a more comprehensive audience sector.

KOLs Main Competitor?

Besides KOLs, you should be aware of KOCs (key opinions consumers), a strong marketing tool. Although they don't have a strong influence, such as KOLs, some companies understand their hidden potential. By sharing purchases of brands, they can increase brands exposure and sales. Brands even use them as their primary marketing strategy. In the argument, they are more efficient and cheaper than influencers. Why is that? First, they are more authentic, and second, they can influence friends and family in guided purchases more easily.

Future of KOL Marketing

What should we expect from the future of KOL marketing? First, we must understand that influencer marketing is here to stay. The upcoming augmented reality (AR) will give firms new opportunities to influence potential consumers. Brands such as Prada and Puma are already creating avatars that appear next to celebrities and influencers. In China's case, local tech giants are working on the metaverse in the hope of creating the new future of the internet. Therefore, China formed the metaverse industry committee to prepare and regulate it. What about the relationship between the influencers and the Communist Party of China? It is complicated. At the beginning of the year, the Chinese government formed new rules that obligate influencers to acquire credentials to publish specific content. This means that the party is strengthening its influence on KOLs. As the tension between the West and China is rising, there could be a scenario that influencers will refuse to contract with some Western brands; They will instead tighten their relationship with domestic businesses. Influencer marketing has excellent prospects for the future. As anticipated by the content commerce insider, the influencer campaigns will be valued at 27.4\$ billion by 2022. Although, we will likely see more cyberviolence created by some influencers and a battle for influence with consumers.

Source: Attias, T. (2021). KOL influence in China: Everything you need to know.
[Online]. Available from: <https://www.xinergy.global/kol-influence-in-china/>
[Accessed: 19th December 2022]

QUESTION A1

i. Analyse **the contents** of above article using any **TWO (2)** of the universal critical thinking standards.

(10 marks)

ii. Critically explain any **THREE (3)** challenges faced by company who intends to use KOL marketing strategy, and further suggest any **THREE (3)** recommendations on how to overcome these challenges.

****Note:** You need to provide a clear and in-depth description of each plausible challenge, and to suggest relevant recommendations to address these challenges.

(30 marks)

[Total 40 marks]

Section B: 60 MARKS

This section contains three (3) questions. Please answer any two (2) questions

Question B1

Fallacies are mistaken beliefs based on unsound arguments. They derive from reasoning that is logically incorrect, thus undermining an argument's validity. There are two types of fallacies, namely fallacies of insufficient evidence and fallacies of relevance.

Critically discuss any **THREE (3)** fallacies of relevance and any **THREE (3)** fallacies of insufficient evidence. Support your answer with relevant examples.

[Total 30 marks]

Question B2

Critical thinking is often touted as a superior way to confront the issues one faces, and everyone can gain numerous benefits from mastering critical thinking skills.

Critically explain at least **FIVE (5)** benefits gained from being a critical thinker. Support your answer using relevant examples from the academic, workplace and daily life the perspective.

[Total 30 marks]

Question B3

Edward de Bono's thinking hats is a good decision-making technique and method for group discussion and individual thinking. Combined with the parallel thinking process, this technique helps groups think more effectively.

Critically explain all thinking hats proposed by Edward de Bono. Support your answer with relevant examples.

[Total 30 marks]

END OF FINAL EXAMINATION