

# **Marketing Analytics Project Report**

## **Role of Social Media Influencers in Shaping Consumer Behavior in Aesthetic Care (Skin and Hair Care) Industry**

### **Introduction**

#### **Main focus:**

1. Influence of Social Media Trends and Platform Dynamics:
  2. Consumer Trust and Perception of Influencers:
  3. Efficacy of Influencer Partnerships:
- And how each affects Shaping Consumer Behavior.

The main focus of this project centers around three key areas: the influence of social media trends and platform dynamics, consumer trust and perception of influencers, and the efficacy of influencer partnerships. Firstly, we will explore how evolving social media trends and the frequent shifts in platform algorithms impact the reach and effectiveness of influencer content, particularly during high-traffic sales events like Black Friday. This includes analyzing the rise of video content and new platforms such as TikTok, which have transformed user engagement patterns. Secondly, we will delve into the critical role of consumer trust in influencers, examining how authenticity, expertise, and perceived value alignment drive purchasing decisions in the aesthetic care market. Lastly, the project will assess different types of influencer partnerships, from affiliate marketing to sponsored content, to identify which formats most effectively translate into consumer purchases. By understanding these dynamics, this research aims to provide actionable insights into how influencers can be strategically leveraged to shape consumer behavior and drive sales in the aesthetic care industry.

## **Problem Statement and Research Design**

In the rapidly evolving aesthetic care industry, the effectiveness of social media influencers is significantly influenced by shifting platform dynamics, consumer trust, and the strategic execution of influencer partnerships. As platforms like Instagram and TikTok evolve, the way in which influencers engage and affect consumer behavior during key sales events such as Black Friday and Cyber Monday remains uncertain. This research aims to dissect these influences to understand how they mold consumer purchasing patterns and the overall efficacy of marketing strategies within the aesthetic care sector.

This study will employ a mixed-methods approach to investigate the main focus areas. Quantitative data will be gathered through analysis of consumer responses in an existing dataset, focusing on how different social media trends and influencer campaigns have influenced purchase decisions. Qualitative insights will be drawn from detailed content analysis of influencer posts and partnerships, assessing engagement metrics and consumer feedback to gauge trust and perception levels. The combination of these methods will provide a holistic view of the impact of influencers on consumer behavior, guiding future strategic decisions for aesthetic care companies during major sales events. By exploring these dimensions, the study aims to offer actionable recommendations for optimizing influencer partnerships and leveraging platform dynamics to enhance consumer engagement and trust, ultimately driving sales.

### **RESEARCH QUESTIONS:**

- To what extent have influencers on social media influenced consumers' decisions to try new aesthetic care products?
- What role do influencers play in bridging the gap between niche aesthetic care brands and broader market visibility?
- How do brand partnerships with influencers on specific social media platforms affect consumer perceptions of authenticity and trust in those brands?
- How effectively do social media influencers drive consumer purchases of aesthetic care products during major sales events like Black Friday, Cyber Monday, and Amazon Prime Day?
- What methods can businesses use to measure and enhance the impact of influencer partnerships in the aesthetic care industry?

## **HYPOTHESES:**

- H1: Influencers are critical in expanding market reach for aesthetic care brands.
- H2: Collaborations between brands and influencers on social media platforms directly enhance consumer trust.
- H3: Influencers significantly increase sales of aesthetic care products during major sales events like Black Friday.
- H4: Influencer reviews and peer recommendations combined have a greater impact on consumer purchasing decisions for aesthetic care products than brand advertisements alone.

## **OBJECTIVES:**

- Objective 1: Assess the degree to which social media influencers affect consumer decisions to experiment with new aesthetic care products, highlighting the influence of different types of content.
- Objective 2: Determine the role of influencers in enhancing the visibility of aesthetic care brands on social media platforms, quantifying the impact on follower growth and engagement metrics.
- Objective 3: Analyze how partnerships between aesthetic care brands and influencers on specific platforms influence consumer perceptions of brand authenticity and trust, utilizing consumer sentiment analysis.
- Objective 4: Evaluate the effectiveness of influencer campaigns in driving consumer purchases of aesthetic care products during key sales events, comparing sales data from events with and without influencer involvement.
- Objective 5: Develop and recommend methodologies for businesses to effectively measure and optimize the impact of influencer partnerships in the aesthetic care industry, focusing on engagement rates, conversion metrics, and ROI analysis.

To analyze consumer behavior, a variety of descriptive research designs might be used. Among them are:

- Research Using Surveys
- Surveys collect quantitative data from consumers through questionnaires to understand preferences and decisions during sales events, such as the influence of discounts or influencer endorsements.
- Observational Research  
Observational research involves watching consumer interactions and behaviors in real settings during sales events, helping to identify patterns such as response to in-store promotions or navigational flows.

- **Case Study Research**  
Case studies provide an in-depth analysis of specific examples, such as the effectiveness of a marketing campaign or consumer behavior at a particular retailer during a sales event.
- **Cross-sectional Research**  
Cross-sectional research captures a snapshot of consumer behavior at a single point in time, useful for assessing immediate responses to sales day promotions.
- **Longitudinal Research**  
Longitudinal research tracks changes in consumer behavior over time, monitoring how consumer responses to sales events evolve across different periods.

Various marketing analytics methods can be applied to examine consumer behavior. Here are several possibilities:

**Market basket analysis:** This model can be used to understand which products are commonly purchased together and can help retailers create targeted promotions or bundle deals.

**Customer segmentation:** This model can be used to divide consumers into groups based on their behavior, preferences, and demographics, allowing retailers to create targeted marketing strategies.

**Predictive modeling:** This model can be used to predict consumer behavior and sales based on past data and trends, allowing retailers to make informed decisions on inventory, promotions, and pricing.

Overall, the project report's goals and research questions will determine which marketing analytics model is used. For accurate and useful findings, it is crucial to choose a model that is in line with the study objectives.

## **Secondary Source Reviews**

### **Secondary source 1**

#### **1. Influence of Social Media Trends and Platform Dynamics**

**Hootsuite Social Media Trends Report:**

**Overview:** This annual report by Hootsuite examines emerging trends on platforms like Instagram, TikTok, LinkedIn, and Facebook. It analyzes how brands can align their strategies to meet evolving consumer behaviors.

### Key Findings:

**Short-form Video Dominance:** Reels, TikTok, and YouTube Shorts have become critical for engagement, with more than 70% of marketers planning to increase their use.

**Livestream Shopping:** Livestream shopping events are now highly effective, particularly in Asian markets. Brands are finding success with hosts who bring entertainment and educational value to these streams.

**Niche Communities:** Smaller, interest-based communities on platforms like Reddit or Discord foster deep brand loyalty, as they allow brands to connect on a personal level with highly engaged users.

### **Secondary Source 2 (AMAZON) :**

#### **2. Consumer Trust and Perception of Influencers**

Edelman's Trust Barometer Special Report:

**Overview:** Edelman, a global public relations firm, provides a special report that dives into how consumers perceive influencers, businesses, and institutions. It surveys participants across multiple demographics worldwide.

### Key Findings:

**Rising Trust in Influencers:** Among younger demographics (Gen Z, Millennials), influencers rank as trusted authorities for brand recommendations. Over 60% of respondents believe influencer endorsements feel more "genuine" than celebrity endorsements or traditional advertisements.

**Authenticity and Values:** Consumers want influencers who promote transparency and whose values align with their own. Influencers should engage with their audiences honestly, creating authentic content while avoiding overly promotional behavior.

### **Secondary Source 3**

#### **3. Efficacy of Influencer Partnerships and Campaigns**

##### **Business of Apps Influencer Marketing Report:**

Overview: This report by Business of Apps details the performance and ROI of influencer marketing campaigns, particularly focusing on how marketers can optimize their strategy to ensure positive outcomes.

##### **Key Findings:**

Return on Investment: For every \$1 invested in influencer marketing, businesses typically receive an average of \$5.20 in revenue. This figure can increase with proper audience targeting and campaign objectives.

Micro-Influencers Impact: Micro-influencers (1,000 to 100,000 followers) often yield the best results due to higher engagement rates and strong community ties. They deliver targeted, relatable content to their specific follower base.

Diversified Strategy: Brands using a mix of nano, micro, and macro influencers can achieve both reach and deep engagement. Each group brings a unique perspective and audience.

### **Research Instruments**

The purpose of this survey is to understand how individuals make purchasing decisions for skincare products. We designed a comprehensive set of questions to identify factors influencing consumer behavior, such as:

Demographics: Age group and gender provide insight into the audience's basic characteristics and how these factors correlate with specific preferences and buying habits.

Social Media Usage: We explored which social media platforms (like Instagram or YouTube) respondents use to gather skincare information and how frequently they visit these platforms. This data helps determine the level of exposure to promotional content.

##### **Influence of Social Media on Purchases:**

We directly asked if posts on social media have influenced their purchasing behavior.

We also gathered information about the types of content (such as influencer reviews, tutorials) that most impact their purchasing decisions.

Level of Trust in Recommendations: We evaluated respondents' level of trust in recommendations they see on social media versus traditional marketing channels. Additionally, we compared their perception of brands promoted by influencers to those marketed traditionally.

#### Behavioral Impact:

Actions Post-Exposure: We assessed what actions respondents typically take after seeing a skincare product on social media, such as researching further or making a direct purchase.

Influence of Promotions and Discounts: We measured how social media promotions or discounts impact purchasing behavior.

Willingness to Pay Premium: We gauged willingness to pay extra for products endorsed by influencers and their likelihood of purchasing items recommended by multiple influencers.

Perception of Brands: We compared respondents' perceptions of the quality and credibility of skincare brands promoted by influencers to those marketed via traditional means.

Our target audience included students, recent graduates, and working professionals. We collected responses from 120+ individuals through Google Forms, which facilitated sharing and gathering data from diverse populations. This broad response base allowed us to analyze trends, draw valuable insights, and visualize results in pie charts and bar graphs.

#### Impact on High-Sales Events:

This research is particularly useful in understanding consumer behavior during high-sales events like Big Billion Day or Black Friday. By comprehending which social media content drives purchasing decisions and how promotions influence buying, brands can design targeted campaigns that capitalize on the urgency and increased traffic of these special days. Leveraging influencer partnerships and exclusive promotions can amplify visibility and conversion rates, ultimately enhancing a company's sales strategy.

## **Develop Findings and Recommendations**

### Findings and Analysis

#### Social Media Platform Usage for Skincare Information:

The majority of respondents use Instagram (48%) and YouTube (46%) to learn about skincare products, followed by Facebook (18%) and Twitter (8%).

Younger age groups (under 18 and 18-24) tend to rely more on Instagram and YouTube, while older age groups (35-44 and 45-54) use Facebook more frequently.

#### Frequency of Social Media Usage for Skincare Information:

Respondents in the 18-24 and 25-34 age groups tend to use social media more frequently for skincare information, with 33% and 29% respectively using it daily or multiple times a day.

Older age groups, such as 35-44 and 45-54, have a higher percentage of respondents who use social media for skincare information on a monthly or weekly basis.

#### Influence of Social Media on Purchasing Decisions:

Influencer reviews (36%), brand advertisements (31%), and user testimonials (31%) are the most influential types of content for respondents' purchasing decisions.

Younger age groups (under 18 and 18-24) are more influenced by influencer reviews and tutorial videos, while older age groups (35-44 and 45-54) rely more on brand advertisements and peer recommendations. Social media promotions and discounts often or sometimes influence the skincare purchases of 46% of respondents.

#### Trust in Social Media Recommendations:

Respondents have a moderate level of trust in skincare recommendations from social media, with an average rating of 3.1 out of 5.

Females tend to have a higher level of trust in social media recommendations compared to males.

Younger age groups (under 18 and 18-24) have a higher level of trust in social media recommendations than older age groups.

#### Willingness to Pay for Influencer-Endorsed Products:

41% of respondents are willing to pay a premium for skincare products endorsed by influencers, while 45% are not willing to do so.

Younger age groups (under 18 and 18-24) are more likely to pay a premium for influencer-endorsed products compared to older age groups.

#### Persona Development:

Based on the analysis, we can create the following actionable persona:

Sarah, the Millennial Skincare Enthusiast

Age: 22

Gender: Female

Interests: Skincare, beauty, and wellness

Social Media Usage: Actively uses Instagram and YouTube daily to research and discover new skincare products

Purchasing Behavior: Highly influenced by influencer reviews, tutorial videos, and brand advertisements on social media. Often makes purchases based on these types of content, especially when there are promotions or discounts available.



Perception of Influencer-Endorsed Products: Willing to pay a premium for skincare products endorsed by influencers, as she trusts their recommendations and believes the products have higher quality and credibility.

#### Scope and Limitations:

The data provided covers a specific timeframe (up to August 2023) and may not reflect the most recent trends and changes in the skincare and social media landscape.

The sample size, while reasonably large, may not be representative of the entire target population, as the data was collected through a voluntary survey.

The data does not provide detailed information on the respondents' purchase history, brand preferences, or long-term loyalty, which could further inform the analysis.

#### Conclusions and Recommendations:

Leverage Influencer Marketing: Brands should prioritize collaborating with relevant influencers to create engaging content and product reviews, as this is a highly effective way to reach and influence younger consumers in the skincare market.

Optimize for Social Media Platforms: Brands should focus on maintaining a strong presence on Instagram and YouTube, as these are the primary platforms used by consumers to discover and learn about skincare products.

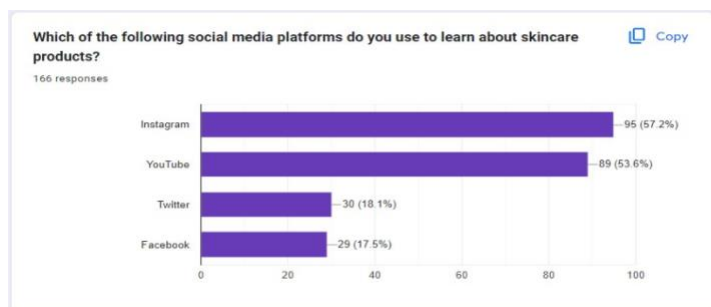
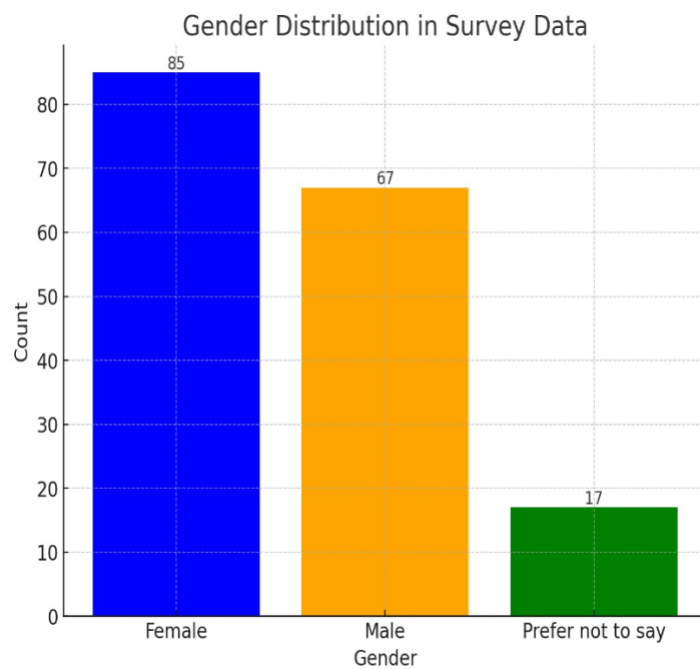
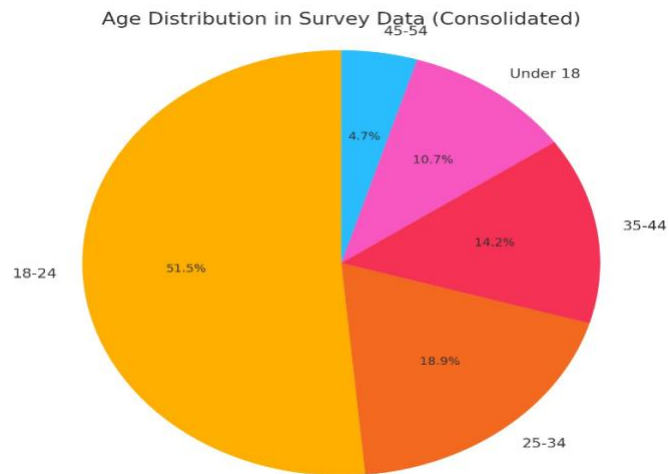
Offer Promotions and Discounts: Leveraging social media promotions and discounts can be an effective strategy to drive skincare purchases, especially among younger consumers who are more influenced by these types of offers.

Develop Targeted Content Strategies: Brands should create differentiated content strategies to appeal to different age groups. For example, younger consumers respond better to influencer reviews and tutorial videos, while older consumers are more influenced by brand advertisements and peer recommendations.

Build Trust and Credibility: Brands should work on establishing trust and credibility among consumers, as this is a key factor in influencing purchasing decisions. Strategies may include highlighting product quality, user testimonials, and transparent communication.

Continuously Monitor and Adapt: As the skincare and social media landscape continues to evolve, brands should regularly monitor consumer trends, preferences, and emerging platforms to ensure their marketing strategies remain effective and relevant.

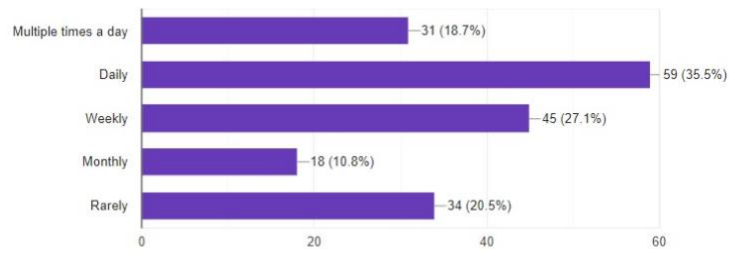
## Analysis of data collected:



#### Frequency of social media usage for skincare information:

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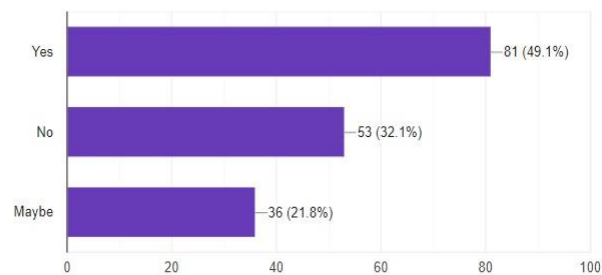
166 responses



#### Have skincare product posts on social media ever influenced you to make a purchase?

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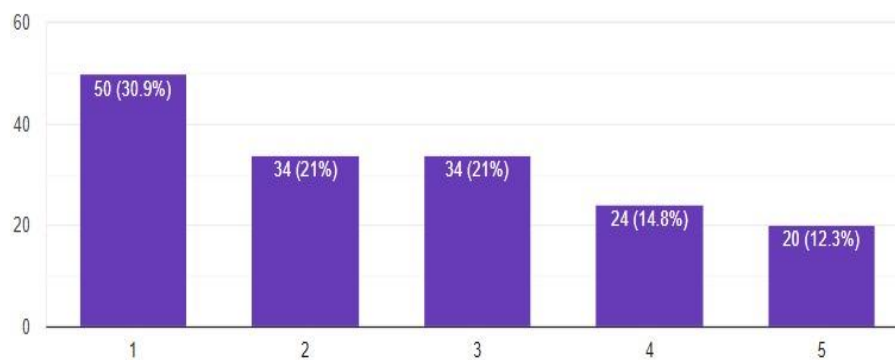
165 responses



#### Have you ever tried a skincare product because it was trending on social media?

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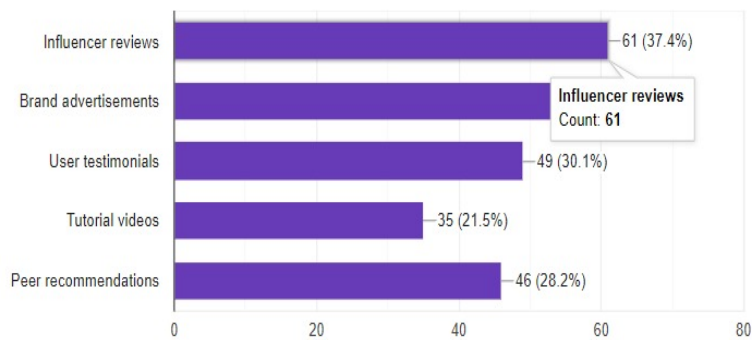
162 responses



### Type of content that most influences your purchasing decisions:

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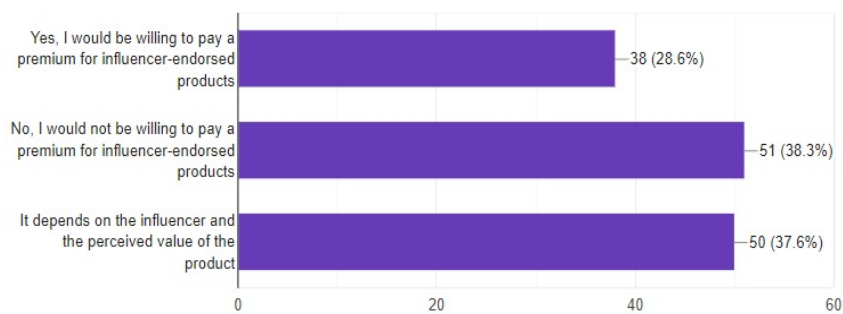
163 responses



### Would you be willing to pay a premium for skincare products endorsed by influencers?

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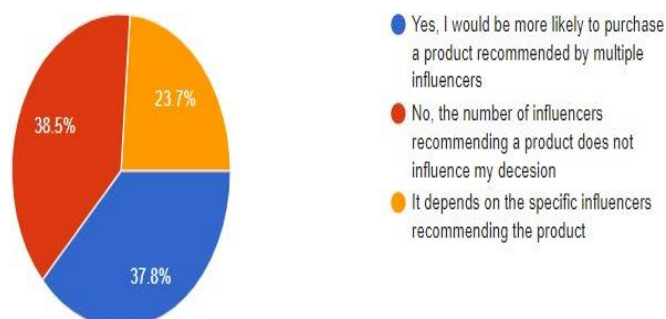
133 responses



### Would you be more likely to purchase a skincare product if it was recommended by multiple influencers?

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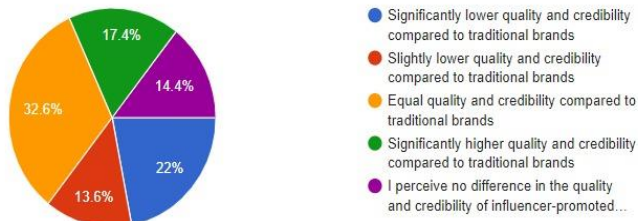
135 responses



### How do you perceive the quality and credibility of skincare brands promoted by influencers compared to traditional brands?

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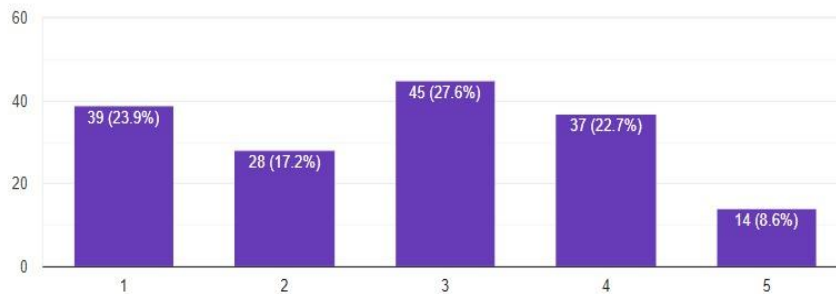
132 responses



### Level of trust in skincare recommendations from social media:

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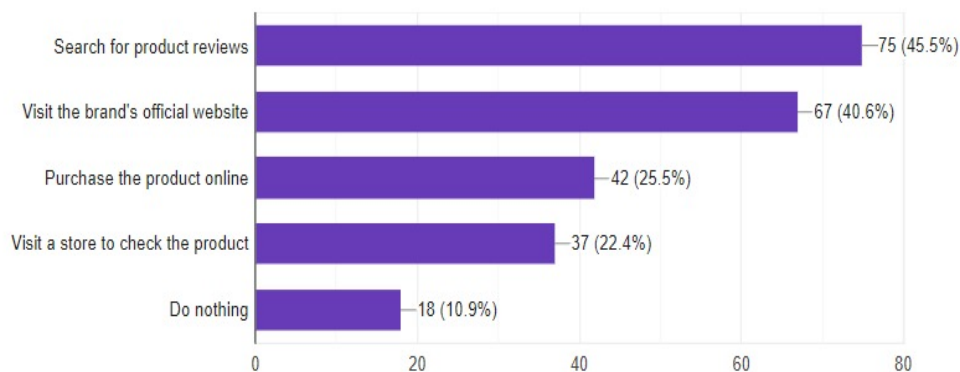
163 responses



### What actions do you typically take after seeing a skincare product on social media that interests you?

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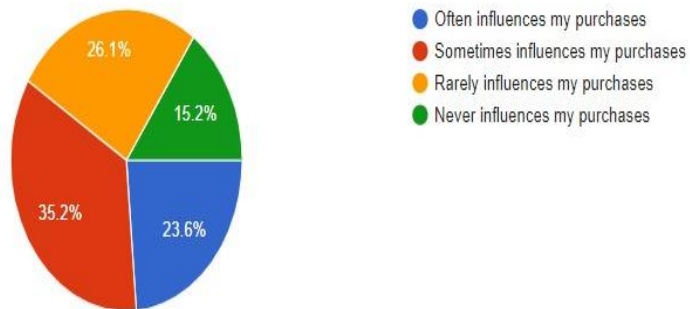
165 responses



### Impact of social media promotions or discounts on your skincare purchases:

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165 responses



## LITERATURE REVIEW

In the contemporary landscape of marketing research, various methodologies and analytics models are employed to understand consumer behavior, particularly during sales events. This literature review synthesizes primary and secondary sources, focusing on research methodologies, social media trends, consumer trust in influencers, and the efficacy of influencer partnerships and campaigns.

### Primary Source: Research Methodologies

The primary source elucidates several research methodologies used to examine consumer behavior during sales events. Surveys, observational research, case studies, cross-sectional, and longitudinal research offer distinct perspectives on consumer preferences, decisions, and responses to marketing stimuli. These methodologies provide invaluable insights into consumer behavior dynamics, facilitating the formulation of effective marketing strategies tailored to specific contexts.

### Secondary Source

The first secondary source underscores the pivotal role of social media platforms in shaping consumer behavior. Hootsuite's social media Trends Report delineates emerging trends such as short-form video dominance, livestream shopping, and the rise of niche communities. These trends underscore the evolving nature of consumer engagement and highlight opportunities for brands to leverage innovative strategies to connect with their target audience effectively. Edelman's Trust Barometer Special Report delves into consumer perceptions of influencers and their impact on brand endorsements. It highlights the growing trust in influencers, particularly among younger demographics, emphasizing the importance of authenticity and values in influencer marketing. Consumers seek genuine endorsements that resonate with their beliefs, signaling a shift towards more transparent and relatable influencer-brand relationships.

The final secondary source examines the efficacy of influencer marketing campaigns and strategies. Business of Apps' Influencer Marketing Report underscores the substantial return on investment (ROI) associated with influencer marketing, with businesses typically garnering \$5.20 in revenue for every \$1 invested. Furthermore, the report emphasizes the impact of micro-influencers in driving engagement and recommends a diversified strategy encompassing nano, micro, and macro influencers to maximize reach and engagement.

## CONCLUSIONS

Collectively, the literature review elucidates the multifaceted nature of consumer behavior research and the evolving landscape of marketing strategies, particularly in the realm of influencer marketing and social media engagement. Insights from primary and secondary sources offer valuable guidance for marketers seeking to understand consumer preferences, leverage emerging trends, and cultivate authentic relationships with influencers to drive brand success in a competitive marketplace. Integrating diverse research methodologies and staying abreast of social media trends are imperative for devising nuanced marketing strategies that resonate with target audiences and yield favorable outcome.