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KOLs or decision makers - Report

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Abstract

This paper analyses how “key opinion leader”, also known as KOL affect or change the consumer behaviour focusing on “young adults in Hong Kong.” To answer this question, we compared and analysed the response of our survey from 76 different people in the age range of 16 to 20 years old. Our target audience differs from other age groups as they do not usually have an independent financial status and their decisions would be more effective as they are under a community where peer pressure affects them significantly, and therefore KOLs will change them greater than other age groups.

As our primary data collection methodology is by surveying, we conducted subsequent investigations on beauty blog posts, beauty related youtube channels and beauty advertisements online and offline in Hong Kong. The survey is made after the analysis of consumer trends in the subsequent investigation so it would be tailored towards our target consumers in the target area. Our results showed a significant effect of KOLs on young adult’s beauty consuming decisions. Results have revealed that companies that use KOL as a marketing strategy can impact our target consumer more than traditional marketing. Even when there is no sponsoring from companies, our target consumers greatly depend on KOLs on different media for decision making and the judgement of whether they are willing to pay the market price for a cosmetic item. However, the data collected by being influenced by many uncertainties as most of the respondents are from one area in Hong Kong, and it might not be able to adequately represent the holistic situation of all young adults in Hong Kong. The implications are that the KOLs as a representation of this generation’s digital ecosystem has dramatically influenced our consumers’ behaviours whether them being conscious or unconscious.

Introduction

The generation of online promotion has been growing over the past five years. The term “Key Opinion Leader”, abbreviated as KOL can be considered as a marketing strategy where businesses use this to promote their products. As the internet and social media platforms are becoming the primary source of information, we are now in a digital ecosystem. Many companies use KOL marketing as a new form of advertisement. As KOL can be used for various products and reasons, it is insupportable to find a stable trend in the market, so we have decided to narrow down to observing the Asian trend on cosmetic products.

Promotions of cosmetic products could be seen in many communities on the internet. There is also a wide range of genres based on cosmetic products. For example, unboxing video (of products), makeup tutorials, ‘get ready with me’ etcetera. In these videos, the content maker would usually mention ‘This video is sponsored by (company)’ which is the key strategy of promoting their products. Experienced and popular makeup channels would gain trust by their audience,

which is why companies decide to use these channels as one of their ways to promote. As the consumers have trust and faith in the content makers on videos, they would believe that the product is indeed ideal and worth to buy, the consumers’ unconscious minds have been influenced by these and are unable to make the so-called ‘rational consumer decision’ independently. The crucial aspect of these kinds of videos would be how the content makers convince and persuade their audience into believing that the product is worth to buy, then consumers would decide to consume on products.

Trends are sensitive topics for young adults and teenagers, as something becomes popular, the general consensus would decide to follow the popular choice, to ‘follow the trend’. Most cosmetic items are affected by the trend. A trend for makeup may happen if an exceedingly influential KOL wears a kind of makeup; it may provoke the community to buy the same product, with barely any consideration immediately.

Although KOL seems to be extra influential, it doesn't only lead the audience to bias thoughts. It is especially helpful with decision making; content makers would try different brands of cosmetic products, to show the contrast between cosmetic companies, in which consumers can make a rational decision.

The many possibilities of reasons why KOL is so influential are listed above. In this project, we strive to find out more about the reasons behind why Cosmetic KOLs are dominant of the young generation.



Methodology

Looking into measurement instruments and different types of resources.

Throughout the process of this research, our group had used multiple methodologies to complete our finding which includes both primary and secondary studies. Firstly, a large proportion of subsequent investigations are done for our group to get a better understanding of the definition of Key Opinion Leaders (KOL) and to what extent has it influenced consumers. This had helped us to come up with our topic, theme and set down the title for our project. At the beginning of our research, our topic is how KOL influence consumer decisions and the idea was about how KOL is influencing consumers in general. After the secondary analysis, we had narrowed it down to a target group which is the Hong Kong teenagers only.

Moreover, the information collected from online videos, personal blogs and article, and new paper articles had helped in the state of creating questions for the online survey as well as giving our team members more background information on KOL and its relationship with teens which enabled us to complete our hypothesis.

Then, we gather up the data from the secondary studies, summarised and eliminated the focus for the survey and set down a more precise outline for our research. Next, a small meeting was held for discussing the design of the study. The original questionnaire design contains around ten questions which include both short question and multiple choices.

Key Opinion Leaders



However, as we discussed three questions were deleted because it is too long and would be inconvenient for the responder to answer quickly and can attract more responders to spend their time on it. Although this change had made the questionnaire easier for the responders to respond but also had narrow the range for our result and less accurate when analysing to conclude. Even though this decision had brought both positive and negative impact on our primary research and outcome, but a positive impact is more significant than the negatives effects. Therefore, we had decided to make this decision.

Under data collection and analyses, a first-hand online survey/questionnaire which contains six multiple choices had been conducted and send out to teens through email at the end of 2018. Next, we accumulate the information from the survey, summarised and staved off unnecessary comments to generate a better analysis of the trends and patterns that are happening between the new generation of consumers and KOL.

From the result, it shows that there are more than 60 per cent of respondents aged between 16 to 20 which is our target researchers ; more than half of them claimed they watch less than 7 hours per week on youtube cosmetic channel as most of the respondents reflected those responders watch online cosmetic channels for entertainments and recommendations for professional beauty opinions which can strongly affect their decision making of purchasing cosmetics goods. To a more considerable extent, the responders agree that youtube channels had strongly influenced their purchase choices and especially for the daily Makeup routines and unboxing videos published by KOL. For more detail result, please continue your reading to the conclusion below, and all data are referenced in the appendix and reference section.



Result and Discussion

Data Analysis from Questionnaire

KOL MARKETING



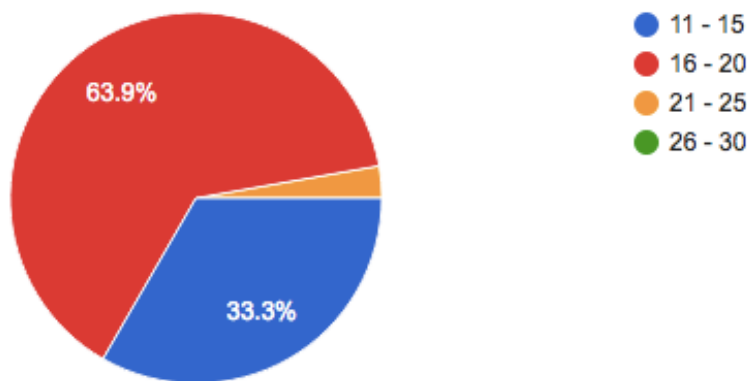
After sending out the questionnaire and receiving all the data, we have several graphs and data for us to analyse the trend and the pattern that is occurring in this generation. We have got 72 response after we have sent out the survey through social media and we also used the snowball effect of gathering more pieces of information for us to analyse. As we are only focused on the Hong Kong young society, this is a great method to have more accurate data collected so it will be more beneficial for us to evaluate the results.

Questionnaire Result Breakdown

Break Information about the respondents

How old are you?

72 則回應



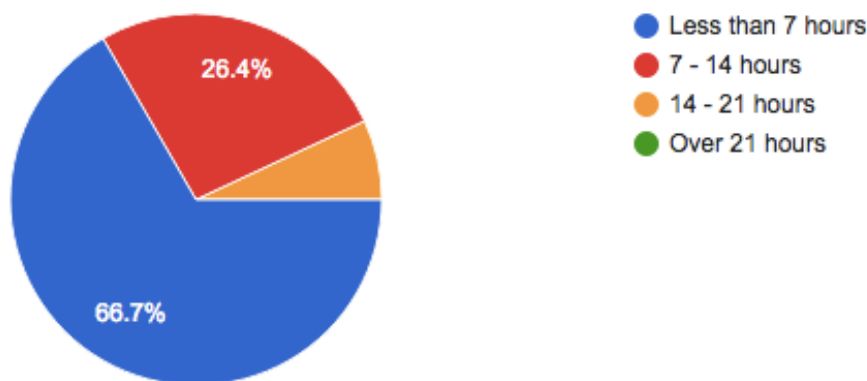
With the area of which we are investigating, we got the result mostly from the age of 16-20. There are 33.3% of which of our respondents are from 11-15 years old, young adolescents; 63.9% are from 16-20 years old, teenagers; 2.8% are from 21-25 years old, young adults. As for this project, we are only focusing on the teenager's section of society, so we have quite a wide range of respondents. However, the result is still quite reliable because over 50% of the respondents are still in the criteria which we are now investigating.

Questionnaire Result Breakdown

Break Information about the respondents

What is the average time you spend watching cosmetic channel on youtube per week?

72 則回應



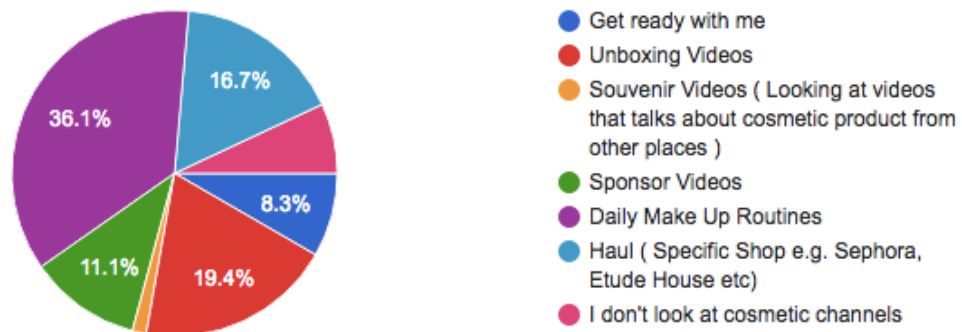
Secondly, we have also asked people "what is the average time that they spend watching cosmetic channel on youtube per week?". There are 66.7% of the respondents watch youtube every week of a cosmetic channel are less than 7 hours; 26.4% of them watch youtube for 7 - 14 hours; 6.9% of them watch youtube for 14 - 21 hours; and 0% of them view this kind of channel for over 14 hours. From this information, we can see that not much of the teenagers in this generation will consider this type of youtube video for more than 14 hours. The possible reason for this effect is because the life we are having as teenagers are busy as we have many works to do in school and also outside school life. However, this is generally not a favourite channel that teenagers would like to watch for over 7 hours.

Questionnaire Result Breakdown

Breakdown on different cosmetic channels

What types of channels are u most familiar with in cosmetic channels?

72 則回應



Thirdly, we also wanted to get a deeper understanding of what kinds of cosmetic video would help teenagers nowadays would like to watch. We have separated all the cosmetic videos into six categories: "Get ready with me", "Unboxing" video, "Souvenir" video, "Sponsor" video, "Daily makeup routine" and "Shopping Haul". From the 72 responses, 36.1% of the respondents watch "Daily makeup routine"; 19.4% of them watch "Unboxing" video; 16.7% of them watch "Shopping Haul"; 11.1% of them watch "Sponsor" video; 8.3% of them watch "Get ready with me" video; 6.9% of them don't watch any cosmetic video; and finally 1.4% of them would watch "Souvenir" video. This suggested that most people who watch a cosmetic video are attending to learn how to do daily makeup routine. As teenagers, we always like to do makeup in a young age nowadays; it is possible that we learn from the internet, which will be more efficient for example looking at videos to get inspiration of what look we are going to do for the day.

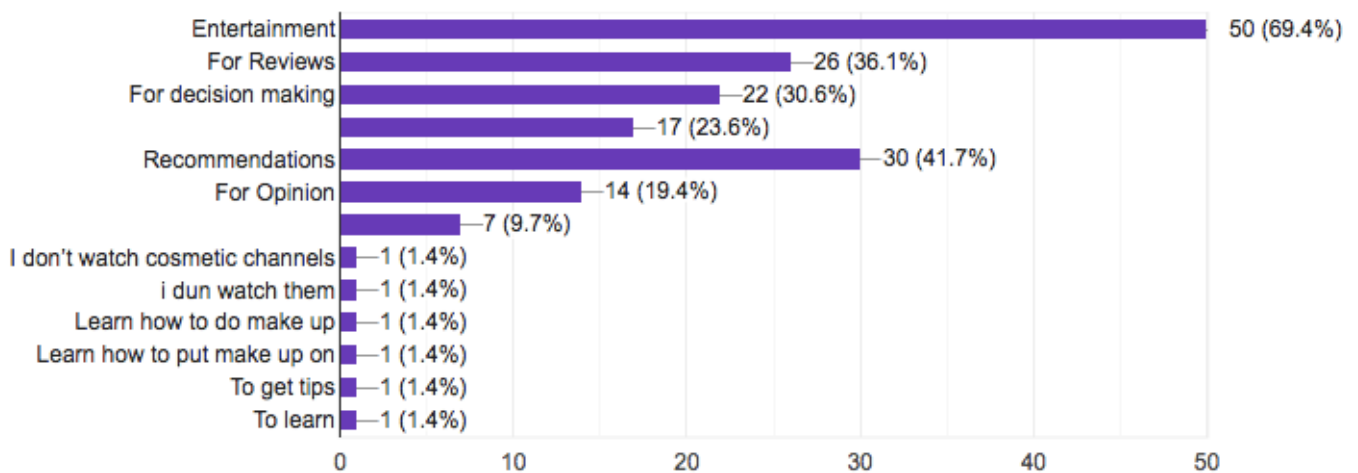
Questionnaire Result Breakdown

Breakdown on different cosmetic channels

What is the reason for watching the cosmetic youtube channels? (Can choose more than 1 answer)



72 則回應



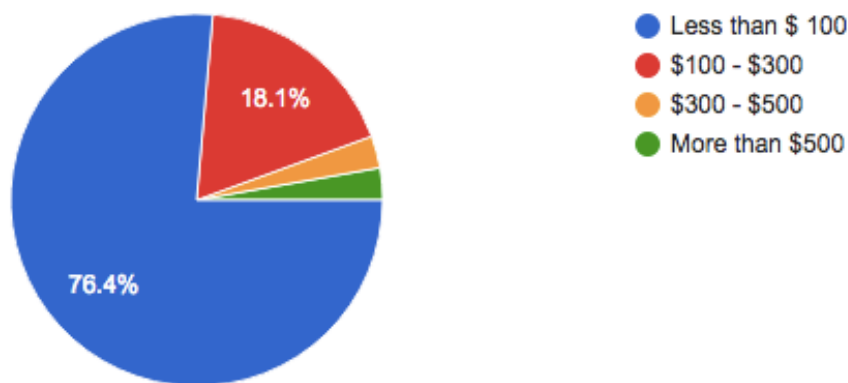
Moving on, we ask about the reason why teenagers would want to watch cosmetic video channels. With the information we have collected, around 69.4% of people watch those video for entertainment; 41.7% for recommendations; 36.1% for reviews; 30.6% for decision making; 23.6% for update pieces of information; 19.4% for opinions and 9.7% is for not watching any cosmetic videos. To sum up these pieces of information, we can observe that over 50% of people are just looking at the video for entertainment. Beauty Guru such as James Charles, Jeffree Star, they always make new video content like challenges to attract the audience to watch their channel. This can also be a way in which the youtube beauty guru entertain us as audience and drawing our attention to watch their videos as they will upload new videos every week at a specific time.

Questionnaire Result Breakdown

Amount of Money Spent on Cosmetic Product

How much do you spend on purchasing cosmetic products MONTHLY ?

72 則回應



Furthermore, we ask about "how much would they spend on purchasing cosmetic products per month". While most of them said, they spent less than 100 per month, there are exceptional. While 76.4% of them said they use less than 100 dollar per months; 18.1% of them answer from 100 - 300 dollars; and 2.8 % of them will spend 300 - 500 dollars; and 2.8% of them spent more than 500 per month. This may suggested that since teenagers don't have the ability to generate income for their financial stability, we aren't able to spend a lot of our daily cash on cosmetic products as we have limited resources, in this case is money. However, despite the fact that we couldn't generate our own financial stream, some of the teenagers still have a lot of extra cash to buy this kind of product as their monthly expenses.

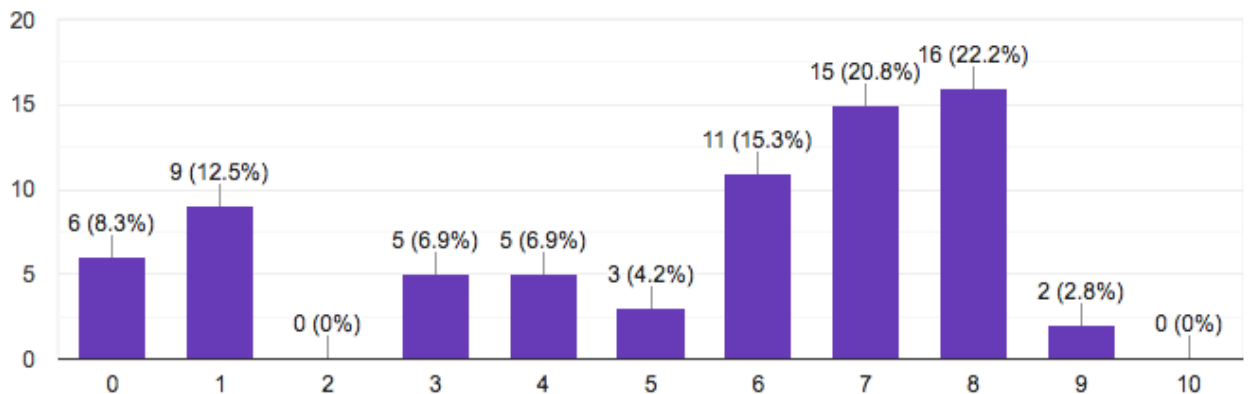
Questionnaire Result Breakdown

Degree of influence on consumer decision

From the scale 1-10, how are cosmetic youtube channels influential to your purchase choices? (1 is the less, 10 is the most)



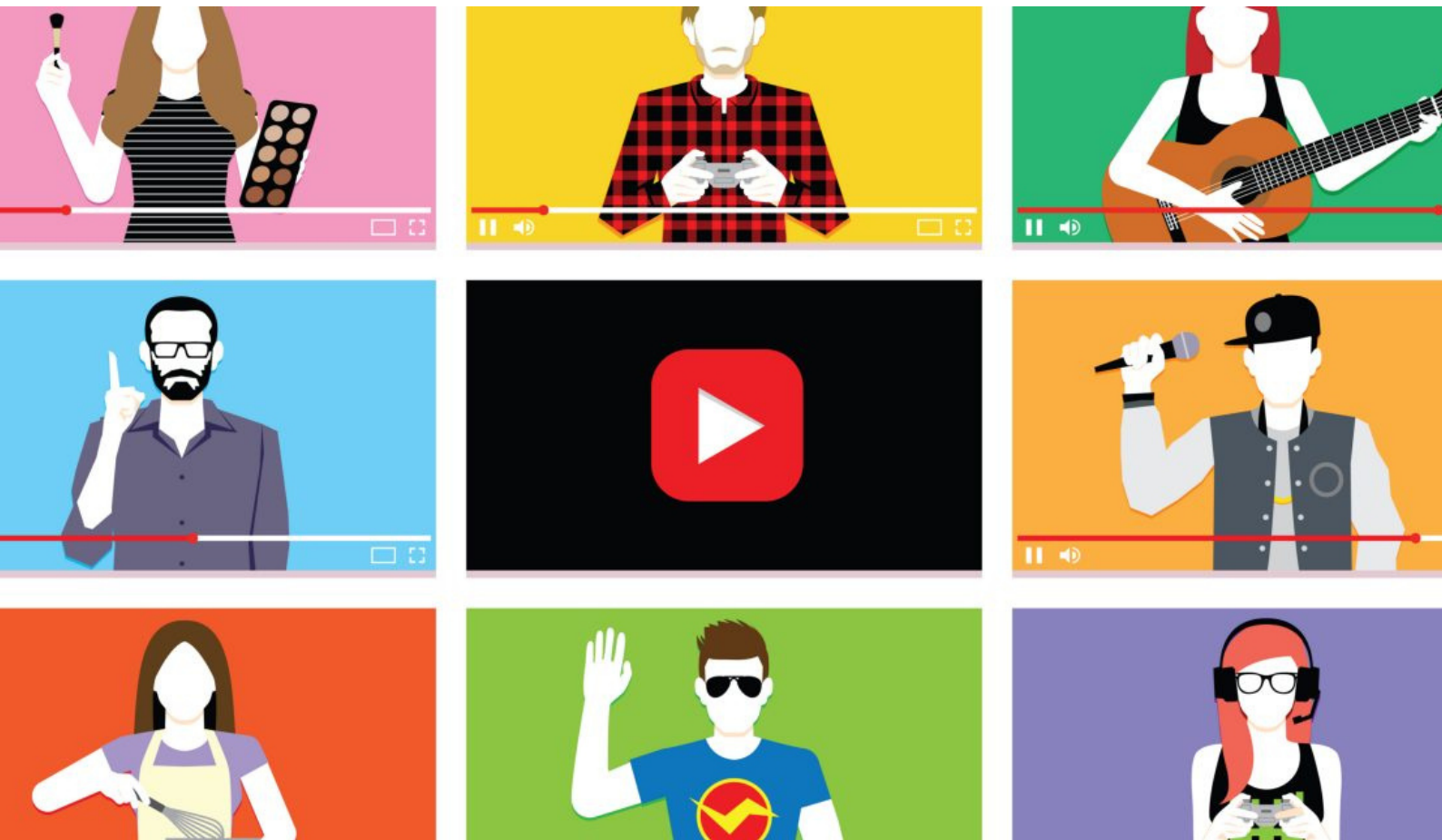
72 則回應



Last but not least, we ask our respondent about "at which degree do they think cosmetic youtube channel are influential to their purchases choices". About 22.2% of them say that the degree of influential to them is at a level 8 out of 10, and 12.5% of them think that the influential degree to them is just at a level 2 out of 10. This could mean that although there is a lot of advertising among the social media platform, most of us will still use a logical and rational mind set to think of this problem in a less superficial way. Although there are still some outlier on the graph where 2.8% of respondents say that the level of influential to them is at level 9 out of 10 which is quite a high number.



Summary & Conclusion



In conclusion, the results show that a lot of teenagers and young adults are influenced by KOLs. However, our results show that consumers are surprisingly more rational with choices they make whether to buy or not to buy. Social media has a huge impact on teenage consuming decisions. There are numerous youtube channels and bloggers that are about cosmetic products; hence, there is a large gap between the quality of their comments. Some of the comments are not reliable which the blogger or youtuber might be sponsor and unethically state the positive side of the product only. Teenagers who have a lower ability of self-control and analyse skills might be highly influenced by the comments and over consume the unnecessary products. Therefore, teenages should build a correct concept about using the internet and beawar of the cyber trap.

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