SOCIAL MEDIA INFLUENCERS AND CONSUMER PURCHASE DECISION WITH SPECIAL REFERENCE TO BEAUTY AND WELLNESS PRODUCTS: A STUDY OF MILLENNIALS IN PUNE

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Abstract

Brands are always on the look-out for imaginative techniques to capture their target segment in the most constructive way and social media plays a vital role. Social media marketing involving endorsements and product placements through influencers which is a rising trend among the young target audience; especially millennials. This paper investigates the role of social media influencer marketing strategy in driving consumer purchase decision with special reference to Beauty and Wellness products amongst millennials in Pune city.

Key words: Web 2.0, Social media, Influencer Marketing, Consumer purchase decision.

Introduction

Owing to the convergence of digital media with marketing strategies and products, digital marketing is becoming more popular now. The rise in the number of mobile devices and better data act as a catalyst in digital marketing growth. [1]. There are various forms of social media platforms such as YouTube, Instagram, Facebook, Twitter, Snapchat, Blogs and these various social media platforms has made it easier for people to post and produce their own content. This content can be created at a minimal cost, and can be viewed by millions [2].

Decades have elapsed and now we are in marketing 3.0. Social media influencer marketing enables developing niche markets. Currently, in India there are 376.1 million users of social media which means that there are 376.1 million target audience for brands. Hence, this forced marketers to adopt value-centred marketing approach and shifting their strategy from push to pull because, unlike unidirectional consumer contact in conventional marketing, social media influencers have a two-way real-time customer chat which ensures more belongingness and understanding the needs of the customer.

Indian advertising industry is a highly rising market. It is currently ranked 11th in terms of advertisement, [3] and India’s advertisement budget reached Rs.697bn [4]. Worldwide, social media marketing affects $20 billion, while India contributes $75-150 million[5]. In India, celebrity influencer such as Hrithik Roshan, Priyanka Chopra, Tiger Shroff earns around Rs.50lakhs to Rs.1.35cr for a single social media post. Whereas, a prominent SMI such as Ashna Shroff, Mehak Ghai, Kusha Kapila, Diipa Khosla, Komal Pandey with 500,000 followers earn up to Rs.1.5 lakhs – Rs. 7 lakhs for a single post [6].

According to a research conducted by Linqia's, 89% of marketers claimed that SMIs can have a significant lead [7] if they produce authentic content about a brand and guide the interaction around a product along via their interaction and finally carrying the traffic to the website of the company.
SMIs operate as third parties in the supply chain and they ensure marketer-side strategy to the right target group and (ideally) trustworthy buyer-side recommendations.

**Objective**

To study the impact of content created by SMIs on the customers decision of purchasing beauty and wellness products.

**Literature Review**

**Social media as a marketing tool**

Social media is a medium which has many applications through which people from across the world are able to connect, share and create their own content. Now a person who is not a celebrity, but has an expertise in a particular field may also endorse a product/service. There are various social media platforms available such as: Facebook, Instagram, YouTube, Twitter, Pinterest, Blogs etc. Out of which 2.6 billion users are there on Facebook, 2 billion users on YouTube and 1.8 billion users on Instagram respectively. That results in these many people that can be targeted by brands.

Brands now have their own social media accounts, in order to connect directly with customers and now they collaborate with social media influencers for promotion of their products. A UK study showed that 70.7% used some or the other social media site to promote their products / services.

**Influencer Marketing**

Influencer marketing can be described as the relationship between a brand and an influencer. It is an amalgamation of both conventional and contemporary marketing tools. In this, a company collaborates with an influencer on social media to promote its product to boost brand awareness and sales. Unlike, celebrity influencers who generally market the products on television, influencers can be anywhere and can be anyone be it a photographer, poet, or a painter. They are referred to as go to people that provides solution to people’s queries.

**Social media influencer marketing**
Marketing done by social media influencers are personalized promotions of products (or services), posted by an opinion leader, which is “a person who offers informal advice or information about a specific product or product category, such as: which brand is best or how a particular product may be used”[8].

The influencer uses various social media sites to promote the brand by providing their expert advice to their niche followers on the products / services that their associated brand provides.

It is a cohesive digital marketing strategy to help get brands on the map. For propelling their brands on the map, companies are now seeing a paradigm shift focus to social media influencer marketing from traditional (celebrity endorsed) marketing methods [9].

They operate independently unlike celebrity endorsements, as they create their own content and amalgamate company’s specifications into their reviews. Influencer has full control over the message to be conveyed which ensures authenticity. Because SMIs are economic and they provide the brands a better reach i.e. enables brand to focus on their niche target audience.

They leverage a target audience to express the product or service ideas & feedback to maximize the campaign's visibility, sales, or interaction. According to [10] 92% of customers, they believe more in social media influencers rather than celebrity endorsements. And according to Variety, teens have more confidence in influencers on YouTube as they are 17 times more engaging[11].

**Celebrity Influencers**

Celebrity influencers are strong famous personalities, well-known house hold names from the world of cinema, sports and entertainment. They market a brand’s product to increase its sale by helping the brand in increasing the brand’s awareness by charging a hefty price for endorsement of a product. They are referred to as brand ambassadors and are idealised by millions of fans. They are idolized because of their charisma and influence over their fans which enables a purchasing decision on their fans.

**Consumer purchasing decision**

The reviews from social media influencers contributes to a “bandwagon” effect that attracts followers to make a purchase[12]. WOM contributes a major role in customer’s buying decisions. Whereas e-WOM is a positive or negative assertion about a product / service that can be accessed by millions of people on the internet [13]. Web 2.0 tools are used by many consumers for it [14]. Consumers usually use Google reviews, Social Media reviews or review from other business directory listings for reviewing and sharing their experience after buying a product or a service from where they gather product information. e-WOM provides an opportunity to consumers to know other consumer’s opinions and experience. As per a study, 71% consumers are more likely to buy after a social media referral[15].

**Research Methodology**

For the research millennia’s were considered. Millennia’s are also referred to as Gen Y, people who were born in the early 1980 and 1990s.

Beauty products a.k.a. cosmetic products consist of products which are used to enhance the appearance of the face/body. Beauty products include skin care, cosmetics and fragrance range. Whereas, wellness products aim to optimise well-being of an individual and it includes multivitamins, protein supplements, mass gainers, protein powder etc.

Companies such as Nyx Cosmetics, Lakme cosmetics and for wellness products - Healthkart was taken into consideration to understand the points below:
Data was gathered from a sample of 150 millennial consumers located in the city of Pune. Interviewees were picked at random. To gather data on factors, Likert scale was used. SPSS tool was used for validation of the collected data in which Principal Component Analysis was used in order to get crucial information from the data to get a set of summary indices.

**Results And Findings**

All 150 participants stipulate that social media is an integral part of their life out of which Facebook is the most popular medium of social media (95.5 percent), YouTube the second most popular and Instagram the third popular.

Communalities describes the variance of a variable by the variables derived and initial communalities are equivalent to 1 because all variables describe 100 per cent of the variation together. Whereas, extraction populations are estimates of variation in each variable which are compensated for factor solution variables.

Table 1. Communalities

<table>
<thead>
<tr>
<th>Extraction Method: Principal Component Analysis.</th>
<th>Initial</th>
<th>Extraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you review a SMI before purchasing a beauty product compared to CIs?</td>
<td>1.000</td>
<td>.934</td>
</tr>
<tr>
<td>Does Social Media Influencer (SMIs) beauty products (makeup, skincare) urge you to purchase the products shown by them in their content?</td>
<td>1.000</td>
<td>.990</td>
</tr>
<tr>
<td>Do you watch skincare, makeup tutorials by SMIs?</td>
<td>1.000</td>
<td>.828</td>
</tr>
<tr>
<td>Do you go to beauty products website after viewing SMIs content?</td>
<td>1.000</td>
<td>.953</td>
</tr>
<tr>
<td>Do you find SMIs more influential than Celebrity Influencers (CIs) w.r.t to beauty products</td>
<td>1.000</td>
<td>.974</td>
</tr>
<tr>
<td>User generated content by SMIs for beauty products are more trustworthy than CIs?</td>
<td>1.000</td>
<td>.935</td>
</tr>
<tr>
<td>Do you review a SMI before purchasing a wellness product compared to CIs?</td>
<td>1.000</td>
<td>.971</td>
</tr>
<tr>
<td>Do wellness products shown by SMIs through their content urge you to purchase the product/service?</td>
<td>1.000</td>
<td>.957</td>
</tr>
<tr>
<td>Do you watch wellness sponsored content by SMIs?</td>
<td>1.000</td>
<td>.980</td>
</tr>
<tr>
<td>Do you go to wellness products website after viewing SMIs content?</td>
<td>1.000</td>
<td>.929</td>
</tr>
<tr>
<td>Do you find SMIs more influential than Celebrity Influencers (CIs) w.r.t to wellness products?</td>
<td>1.000</td>
<td>.706</td>
</tr>
<tr>
<td>User generated content by SMIs for wellness products are more trustworthy than CIs?</td>
<td>1.000</td>
<td>.906</td>
</tr>
</tbody>
</table>

Therefore, lower the value means that the variable doesn't match well with the factor solution. The extracted variables will therefore clarify 50 per cent of a single variable (Accepted communality value is 0.5).
The initial eigenvalues show that there are two components with eigenvalue greater than 1, are extracted.

### Table 2. Total Variance Explained

**Extraction Method:** Principal Component Analysis.

*a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.*

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>1</td>
<td>7.574</td>
<td>63.117</td>
<td>63.117</td>
</tr>
<tr>
<td>2</td>
<td>3.489</td>
<td>29.073</td>
<td>92.191</td>
</tr>
<tr>
<td>3</td>
<td>.567</td>
<td>4.729</td>
<td>96.919</td>
</tr>
<tr>
<td>4</td>
<td>.370</td>
<td>3.081</td>
<td>100.000</td>
</tr>
<tr>
<td>5</td>
<td>4.349E-16</td>
<td>3.624E-15</td>
<td>100.000</td>
</tr>
<tr>
<td>6</td>
<td>2.702E-16</td>
<td>2.252E-15</td>
<td>100.000</td>
</tr>
<tr>
<td>7</td>
<td>7.699E-17</td>
<td>6.416E-16</td>
<td>100.000</td>
</tr>
<tr>
<td>8</td>
<td>5.086E-17</td>
<td>4.239E-16</td>
<td>100.000</td>
</tr>
<tr>
<td>9</td>
<td>-1.213E-16</td>
<td>-1.011E-15</td>
<td>100.000</td>
</tr>
<tr>
<td>10</td>
<td>-2.046E-16</td>
<td>-1.705E-15</td>
<td>100.000</td>
</tr>
<tr>
<td>11</td>
<td>-6.303E-16</td>
<td>-5.252E-15</td>
<td>100.000</td>
</tr>
<tr>
<td>12</td>
<td>-1.412E-15</td>
<td>-1.176E-14</td>
<td>100.000</td>
</tr>
</tbody>
</table>
These two extracted values explain nearly 92% of the variability in the original 12 variables.

There are two factors which are correlated with 12 variables.

**Factor 1** - The first factor explains 63% of total variance. It contains variables for SMIs *Wellness Products* such as reviews of a SMI before buying a wellness product, visit to brand’s website after viewing SMIs’...
wellness product content, Trustworthiness of UGC by SMIs over CIs, SMIs wellness product’s content urge purchase decision amongst consumer, watch sponsored content by SMIs, SMIs vs CIs more influential w.r.t wellness products.

**Factor 2** - The second factor explains about 29% of the total variance in the variabilities. This factor contains variables regarding *Beauty Products* such as understanding whether customers review SMIs before buying a beauty product, understanding whether customers find SMIs more influential than CIs with special reference to beauty products, Brand’s website visit after watching UGC of SMIs, trustworthiness of UGC by SMIs over CIs and whether SMIs create

As per the component correlation matrix, Factor 1 (Wellness Products) is overlapping with Factor 2 (Beauty Products) respectively and the correlation between the two factors is 21%. Therefore, both of factors are not related. Which means that the factors impacting consumer purchase decision by social media influencers are not the same for both Wellness and Beauty products.

**Limitations**

The major challenge a SMIs faces amongst millennials in Pune, India is in the field of wellness. The increased carelessness and ignorance of appropriate consultation by social media influencers are causing a consumer to try out those products/ services that might be harmful to them. Treatment provided by inexperienced influencers to help consumers is a major concern in India for the overall ecosystem of the influencing social media industry. A blogger recently reported a mental health program for her followers by offering them one-session therapy priced at Rs.1,500. She was faced with criticism from netzines and healthcare professionals, and called the initiative irresponsible and insensitive[16]. Awareness amongst consumers and social media influencers is an imperative step that needs to be taken care off.

**Conclusion**

SMI's are now irreplaceable among millennials in Pune. Preference between SMIs and CIs are subjective and it depends highly on the type of product that the influencer is catering to. In the case of wellness products / services provided by SMIs, are not as successful as celebrities influencers as customers believe that celebrities are more positive and are experts as they are fitness enthusiasts while admiring their physique. Hence, SMIs face an inability to drive traffic to the brand ’s website, and build customer purchase decision. Whereas, SMIs

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Table 4. Component Correlation Matrix

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.000</td>
<td>.210</td>
</tr>
<tr>
<td>2</td>
<td>.210</td>
<td>1.000</td>
</tr>
</tbody>
</table>
are more influential than CIIs w.r.t beauty products as they are able to create a purchase intention amongst their followers through their content and honest/ expert reviews and by later sending the traffic to the brand’s website.

Companies are now targeting social media platform to capture the niche target market, savings fortune to the companies because of its promising ROI. Start-ups should focus on Social media influencer marketing rather than traditional celebrity influencer marketing as it has a much lower cost than celebrity marketing and in turn is more beneficial for the companies. SMIs control and distribute content and they have a direct effect on consumer purchase decision, and the sales success of the endorsed product[17]

According to the research done SMIs prosperity does not depend solely on the number of followers rather it depends on their capability to impact the followers through authenticity and on the creation of a connection between the followers and the brand.

References


16. D. Maria Elli, "The phenomenon and rise of Influencer Marketing and how it affects customer opinion and helps or damages brands", MSc, International Hellenic University, 2017.
