

# Utjecaj influencerera na potrošnju i kupovne navike

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**Vukšić, Milena**

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**VELEUČILIŠTE U ŠIBENIKU**  
**ODJEL STUDIJA MENADŽMENTA I TURIZMA**  
**STRUČNI PRIJEDIPLOMSKI STUDIJ**  
**TURISTIČKI MENADŽMENT**

**Milena Vukšić**

**THE IMPACT OF INFLUENCERS ON CONSUMERISM**  
**AND BUYING HABITS**

**ZAVRŠNI RAD**

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**ZAVRŠNI RAD**

**Kolegij: Poslovni engleski jezik IV**

**Mentorica: Ivana Bratić, prof., v. pred.**

**Studentica: Milena Vukšić**

**Matični broj studentice: 0178124063**

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Studentica:

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## **UTJECAJ INFLUENCERA NA POTROŠNJU I KUPOVNE NAVIKE**

MILENA VUKŠIĆ

mvuksic@vus.hr

### Sažetak rada

U posljednjih nekoliko godina svijet društvenih mreža bilježi izniman porast. Društvene mreže ne ispunjavaju danas samo svoju prvotnu namjenu povezivanja ljudi sa članovima obitelji i prijateljima, već su uspješno integrirane i u poslovne sfere pa su tako, već neko vrijeme, neizostavan dio svake uspješne marketinške kampanje i sveukupnog poslovanja brandova. Ove mreže značajno doprinose evoluciji komuniciranja tako što omogućuju korisnicima povezivanje u zajednice, redovitu razmjenu informacija pa korisnici tako imaju mogućnost kreirati i slobodno distribuirati vlastiti sadržaj što im daje značajnu vidljivost. Time korisnici ostvaruju utjecaj nad pojedincima koji gledaju ili prate njihov sadržaj, a brandovi taj utjecaj koriste u svrhu stvaranja povezanosti sa kupcima te u svrhu povećanja prihoda. Međutim ovakvim marketinškim strategijama se više nego ikada prije promovira konzumerizam koji nanosi veliku štetu društvu i okolišu jer stvara prekomjerne količine otpada, zagađuje planet te potiče pohlepu i potrošački mentalitet općenito.

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## **THE IMPACT OF INFLUENCERS ON CONSUMERISM AND BUYING HABITS**

MILENA VUKŠIĆ

mvuksic@vus.hr

### Abstract

In the last few years, the world of social networks has seen tremendous growth. Today, social networks not only fulfill their original purpose of connecting people with family members and friends, but have also been successfully integrated into business spheres, becoming an indispensable part of every successful marketing campaign and the overall business of brands. These networks significantly contribute to the evolution of communication by enabling users to connect to communities, to exchange information, so users have the opportunity to create and freely distribute their own content, which gives them significant visibility. In this way, users gain influence over individuals who watch or follow their content, and brands use this influence for the purpose of creating connections with customers and for the purpose of increasing their revenue. However, these types of marketing strategies promote consumerism more than ever before, which causes great damage to society and the environment as a whole because it creates excessive amounts of waste, pollutes the planet and encourages greed and the consumer mentality in general.

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# 1. INTRODUCTION

In this undergraduate thesis and its upcoming chapters the influence of social media and the impact of social media influencers will be discussed. As it is well known the world of technology is continuously advancing, providing new opportunities for leisure and exerting an influence on business operations. One area significantly influenced by these changes is marketing. The field of marketing continuously strives to effectively engage with consumers, comprehending their needs and crafting products that offer exceptional value. Given the ongoing trend of users moving away from traditional media such as television and magazines and towards social media, it has become increasingly crucial for businesses to establish a meaningful presence on social media platforms.

Following a comprehensive exploration of marketing research and its pivotal role in each stage, as well as an analysis of the advantages of marketing and its sequential processes, and an examination of market segmentation and the distinctions associated with employing a single or multiple segments, this thesis will then shift its focus to the realm of social media. Being a big part of our every day lives and counting billions of users social media has a great impact on the society as a whole. Its impact has surpassed that of traditional media, particularly as younger generations, who have grown up in a digital age with abundant access to information, tend to be sceptical of traditional marketing techniques. The characteristics of some of the biggest social media platforms as well as their differences will be discussed in this chapter as well as the monetization programmes that allow the users to make the social media content creation their full time job.

With the emergence of social media content creation, it has become feasible for the ordinary individual to earn money, achieve status, and gain recognition. This has also led to a transformation in the concept of a celebrity. Due to advancements in technology, well-known individuals are more accessible and visible to the public. This thesis will briefly explore how celebrities have leveraged this to create their own brands and generate revenue by utilizing the influence of social media.

And to conclude this thesis will explain how the rise of social media influencers, brand endorsements, and sponsorships has resulted in increased consumerism and the pressure to

constantly adhere to trends, ultimately posing a significant and adverse impact on the environment.

## 2. MARKETING

Marketing refers to activities a company undertakes to promote the buying or selling of a product or service. Marketing includes advertising, selling, and delivering products to consumers or other businesses. (Gomez Albrecht, Green, & Hoffman, 2023. )

Marketing plays a crucial role in business by focusing on customers and building profitable relationships with them. Its primary objective is to attract new customers by offering superior value and to retain current customers by providing satisfaction. Many people mistakenly think that marketing is just about selling and advertising. However, we encounter various types of advertising every day, such as TV commercials, catalogs, sales pitches, and online advertisements. It is important to recognize that selling and advertising are only a small part of the marketing process. Marketing should be seen as a way to meet customer needs, not just to make a sale. By engaging consumers effectively, understanding their needs, creating products that provide outstanding value, and promoting them well, these products will sell themselves. (Kotler & Armstrong, 2012. )

The American Marketing Association (AMA) defines marketing as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” (American Marketing Association , 2024. )

Marketing encompasses all the steps required to deliver a product or service from the company to the customer. It can also be described as the series of actions involved in recognizing and predicting customer requirements, and then aiming to fulfil those requirements in a profitable manner. Customer needs can be foreseen by analysing collected data, enabling marketers to foresee potential changes, adaptations, or updates to products. If all of that is done correctly than we can expect the satisfaction of the costumers with the products, which leads to repeated and additional purchases. If costumers are content with the product they are more likely to spread the word which also boosts the sales for the brand. All of the above has to be done profitably, meaning that the company’s revenue has to be greater than its expenses, in other words the price that the customers pay has to be greater than the cost of making the product. (Gomez Albrecht, Green, & Hoffman, 2023. )

## 2.1. Marketing research

For identifying the needs of the costumers we need the marketing research.

Marketing research can often be defined as the process that connects the consumer, customer, and public to the marketer through information. (American Marketing Association , 2024. )

Market research has been an integral part of advertising since the early 1900s, with America leading the way. N.W.Ayer, a New York agency, established a business-getting department in 1900 to investigate the marketing needs of prospective advertisers. In 1916, J. Walter Thompson's president, Stanley Resor, set up a market research department. George W. Gallup joined Young and Rubicam as director of research in 1932, and his opinion polls are still widely used today. By the mid to late 1950s, Britain followed the USA into more research and measurement techniques, leading to more effectively targeted advertising. This shift away from simple, direct messaging introduced sub-texts based on psychological analysis. Motivational research revealed unconscious impulses that provided a way to reach people who might otherwise be resistant to advertising. (Saunders, 1999.)

Managers use marketing research to obtain valuable insights from diverse sources that guide data-informed business decisions. This insight, referred to as business intelligence, competitive intelligence, or marketing intelligence, allows for the identification of market opportunities, assessment of the company's strengths and weaknesses, and evaluation of external opportunities and threats. The concepts arising from the analysis of marketing information play a crucial role in supporting business decision-making, spanning from long-term strategic planning to smaller tactical choices. For example, universities and colleges can use marketing research to gather feedback from students on recruitment materials, allowing them to create more effective materials in the future. Similarly, a fast-food restaurant might analyse the time of day each item is most likely to be purchased. For instance, coffee is usually ordered earlier in the day. (Gomez Albrecht, Green, & Hoffman, 2023. )

Steps in the marketing research process are:

- Define the problem/opportunity
- Develop the research plan
- Select the data collection method
- Specify the sample

- Collect the data
- Analyse and interpret the data
- Write and present the research report

The initial step in making a data-driven decision is to clearly define the problem at hand. This involves realizing that there is an issue that needs to be addressed and identifying the information needed to address it. For instance, a small business owner looking to start a new venture would have to clearly outline the issue to be studied. In this scenario, the main goal of the marketing research would be to uncover the needs of the local community and pinpoint a business opportunity with potential for success. At this stage, researchers typically establish a research question or set of objectives. The objectives of the research project may involve identifying a viable new business that would thrive in the community, determining the size and characteristics of the target market, and gathering pertinent primary and secondary data to support the new venture. To guarantee successful research results, the researcher must first gain an understanding of the current situational context of the issue.

The second step in the research process involves creating a solid research plan. First, establish clear objectives for the research project. Then, determine the type of research needed to achieve these goals. This includes deciding how to collect data and establishing a budget and timeline. In a scenario where only a week is available, the approach would differ from one in which there is a few months to work with. When it comes to data collection, there are two types to consider: primary and secondary. Primary data is collected specifically for your research project, using tools like surveys or interviews. Secondary data, on the other hand, is information that has already been collected by someone else, or data you have already collected for another purpose. It is recommended to collect secondary data first, as it is less time-consuming and expensive. If the research already exists and answers your question, there is no need to duplicate it.

The process of gathering information to solve a particular problem is known as data collection. The most effective data collection method relies on the researcher's understanding of the target population and the chosen design from the previous step. Surveys, interviews, observations, focus groups, and forms are common data collection methods. For example a survey can be in-person, over the phone, via mail or electronic. While each method has its own advantages (ability to reach large population) and disadvantages (some can be rather time consuming and expensive, or identified as spam e-mail), there is no perfect method. Therefore, it is crucial for the researcher to comprehend the research objectives and target population to choose the best option. At times, it is beneficial to observe the actions of consumers to collect the desired data.

For example, someone may want to determine the volume of vehicles that go by a particular billboard in a day, the source website that directed a potential client to the company's site, the peak time when employees use snack vending machines at work, the period of the day when a social media post gets the most traffic, or the most-watched TV show of the week.

After developing a questionnaire or other marketing study, the next step is to identify the participants. It is impossible to observe or survey all potential buyers in the market, so one has to select a sample. A sample is a portion of potential buyers that represents the entire target market or the population being studied. Sometimes market researchers refer to the population as the universe to reflect the fact that it includes the entire target market, whether it consists of a million people, a hundred thousand, a few hundred, or a dozen. Accurately defining the population is essential for conducting reliable research, as failing to do so can result in flawed outcomes and sampling errors. For example, imagine a grocery store that intends to conduct research on its shoppers for an upcoming promotion. If the survey only includes shoppers who visit between 10 a.m. and 12 p.m. on a weekday, it will miss out on other shoppers who visit at different times, such as commuters, night shift workers, and those who shop during odd hours. This can introduce a significant amount of sampling error, leading to inaccurate findings. It is important to note that the size of a sample can affect the amount of sampling error. Having a larger sample size provides a greater amount of data to analyse, resulting in a more comprehensive understanding of the topic being studied. However, conducting research with a larger number of participants can be more expensive.

Now that all the arrangements have been finalized, the instrument has been constructed, and the group of participants has been chosen, it's time to begin gathering data. As previously discussed, data collection involves acquiring information from different sources to accomplish the research goals established in the first step. The data collection method directly impacts the duration of this process. Conducting face-to-face interviews or experiments can extend the research timeline by weeks or months, while administering an online survey can enable a researcher to gather the necessary information in just a few days. After collecting the data, the next step is to analyse it. Data analysis involves simplifying the information into a format that is easier to comprehend and act upon. There are several ways to analyse data, ranging from basic statistical methods to more advanced data visualization techniques.

The marketing research process should be completed by sharing the collected data and providing suggestions for future actions. The preceding six steps in the marketing research project are rendered ineffective without this final step. The initial six steps are designed to

gather data, whereas the ultimate step is intended to prompt action. Thus, it's only after the information is communicated, either through a formal presentation or report, that these recommendations can be put into practice, leading to enhancements. (Gomez Albrecht, Green, & Hoffman, 2023. )

## **2.2. Marketing vs Advertising**

The advertising industry (as a part of marketing) holds an immense amount of power in today's world, surpassing any previous era. It has the capability to sway political leadership, elevate businesses or entire nations to great wealth, and even alter the perceptions of the general public. Though advertising has existed for centuries, it truly blossomed in the 20th century. Today, advertising is so omnipresent that it is often seen as intrusive. What, however, has not changed is that it equips people with a sense that they are making informed choices. (Saunders, 1999.)

Advertising is a widely adopted business practice where a company pays to promote its messaging or branding in a particular location. It can be a valuable tool for businesses to promote their products and services, as well as establish corporate culture and branding. When employed strategically, advertising can effectively drive customer acquisition and boost sales.

Marketing is a broader concept that encompasses advertising as a component. A successful marketing strategy involves allocating resources to advertising at multiple levels and placing corporate marketing communications in various types of media. While marketing communicates the overall identity and message of the brand, advertising is the tool to reach customers.

Advertising creates a one-way channel of communication, enabling companies to broadcast non-personal messages to a general audience. Companies have complete control over advertising, unlike other types of marketing or public relations. When a company pays for an ad, it has full control over how the content is promoted. Many successful businesses incorporate multifaceted advertising strategies into their overall marketing plan. This is particularly true for global companies, where marketing and advertising placement must take into account customers across the world. Small and medium-sized businesses can also benefit from digital advertising through search engines and social media.



For startup companies and new enterprises, it is important to prioritize the development of a marketing plan. Without an established or sustainable marketing plan, spending too much on advertising can be detrimental. It is crucial to identify customer wants and needs to define and execute a marketing plan from the onset. This way, any future marketing or advertising efforts will have a well-defined approach and a higher chance of success. (American Marketing Association , 2024. )

### **2.3. The benefits of marketing**

Marketing as an organization not only benefits the organization itself but also the broader society. There are various groups that an organization must take into account and serve. Stakeholders are the parties that have an interest in the success or failure of a company. These stakeholders can be classified into two categories: internal and external.

Internal stakeholders are individuals or groups within the organization who both influence and are influenced by the actions of the company. These may include employees, owners, managers, and investors (shareholders).

On the other hand, external stakeholders are those outside the organization, such as customers, creditors, suppliers, distributors, government, and society as a whole. While they may not have a direct role in decision-making, their backing is crucial for the company's success, as the company can only thrive with the support of others.

The ability of marketing to benefit external stakeholders lies in its capacity to identify consumer needs, stimulate new demand, uncover unexplored opportunities, and enhance the value of the company's products and services. The most significant societal benefit of marketing is that it drives the consumer economy. Marketing leads to increased sales and revenue, allowing businesses/brands to expand their operations and create more jobs internally and externally with partners such as suppliers. Additionally, marketing contributes to tax revenue for local, state, and federal governments, ultimately fostering overall economic growth. (Gomez Albrecht, Green, & Hoffman, 2023. )

## **2.4. Steps in the Marketing Process**

The process consists of five steps which include gaining insight into the market and customers, creating a marketing plan, providing value, nurturing customer relationships, and obtaining value from customers. (Gomez Albrecht, Green, & Hoffman, 2023. )

### **Step 1: Understand Both the Marketplace and Customers**

Prior to beginning of the marketing process, it's crucial to have a solid comprehension of both the market and your customer base. This involves addressing fundamental questions about your customers, such as their demographic details, financial status, and purchasing capacity, as well as their probable expenditure, particularly on your products or services. The marketing strategy will vary based on whether one chooses to sell at lower prices to drive higher unit sales volume or opts to sell fewer items at a higher price. Alternatively, a decision can be made to establish distinct brands and compete in various markets, similar to Volkswagen's approach. While Volkswagen is recognized for its VW passenger cars and SUVs, it also serves as the parent company for Audi, Bentley, Lamborghini, Porsche, and other brands, which cater to varying price points compared to VW passenger cars. (Gomez Albrecht, Green, & Hoffman, 2023. )

### **Step 2: Develop a Customer-Driven Marketing Strategy**

Marketing strategy involves the overall plan of a business to distribute its limited resources in order to attract potential customers and convert them into paying customers. There are two fundamental types of marketing strategy: product-centric and customer-centric. In a customer-centric strategy, the emphasis is on the customers' needs and wants rather than the product or service itself. The main aim is to identify what users want and need and then fulfil those needs. This strategy revolves around prioritizing the customer and creating a compelling value proposition for users. It requires a deep understanding of your target market compared to your competitors and effectively communicating the advantages of your company's products or services to potential customers. Ultimately, it involves building a connection and a relationship with customers to establish a mutually beneficial partnership. (Gomez Albrecht, Green, & Hoffman, 2023. )

### **Step 3: Deliver High Customer Value**

Customers have numerous buying options and alternatives at their disposal in today's market. Considering this, it is very important for a company not only to attract customers, but also to retain them. And that is done by providing them with value for their money.

Value is what the customer gets by purchasing and consuming a company's offering. So, although the offering is created by the company, the value is determined by the customer.

However, the term "value" from a customer's standpoint is a complex one, as it encompasses four distinct types of values:

- Functional value: the product's ability to satisfy a specific need or desire for the customer
- Monetary value: the product's price in relation to its perceived value
- Social value: the extent to which owning the product facilitates connections with others
- Psychological value: the degree to which the product contributes to the customer's well-being. Increasing value can be achieved by enhancing benefits (such as the product, its placement, or promotion) or by minimizing the price. (Kotler & Armstrong, 2012. )

#### Step 4: Grow Profitable Customer Relations

Profitable customer relationships are crucial to any business. It is at this stage that marketers acquire, keep, and grow customer relationships. Acquiring customers can be one of the most difficult and expensive aspects of marketing. However, when the company is aware of who their potential customers are, they can more effectively determine how to reach them and make the most of their marketing budget.

Marketing professionals must cultivate recurring customers by prompting them about the company's products or services and how these have fulfilled their needs and enhanced their lifestyles. Additionally, marketers should devise strategies to engage customers regarding their offerings and simplify the process for them to make repeat purchases.

Customers are more inclined to become repeat buyers when they establish a positive association with a company, its products, or services. Contented customers are also more likely to endorse products or services to others, thereby lowering the company's customer acquisition costs. (Kotler & Armstrong, 2012. )

#### Step 5: Capture Customer Value in the Form of Profits

The main goal of effective Customer Relationship Management (CRM) is to establish substantial customer equity, representing the potential earnings a company receives from its present and future customers. The idea is straightforward: boosting customer loyalty leads to greater customer equity. Marketers strive to enhance customer equity because it serves as an indication of financial prosperity. In simple terms, the greater a company's customer equity, the more revenue it generates, thereby increasing the company's value along with its products or services in the market. (Gomez Albrecht, Green, & Hoffman, 2023. )

## 2.5. Marketing mix

Having a great product or service is just the first step in establishing a successful business or building a successful brand. However, the best product or service in the world will not translate to profits unless people know about it. This is where the marketing mix comes in. The marketing mix comprises the strategies an organization can employ to advertise its goods or services in the market with the goal of influencing consumers to make a purchase. Commonly referred to as the 4Ps, these strategies include product, price, place, and promotion. Product, the first P, pertains to the offering provided by the company. Price, the second P, signifies the amount the consumer spends to acquire the product. Place, the third P, indicates the location where the product is bought. Finally, promotion - the fourth P - encompasses advertising, sales initiatives, and other forms of communication used by the company to attract customers. Effectively managing these four components allows a company to establish a powerful brand and enhance its prospects for success. (Kotler & Armstrong, 2012. )

A **product** is a good or service that a company offers to its customers. Marketing analyses the needs of consumers for a particular product and decides if they require more or different units of that product. For instance, marketing will analyse the features that consumers desire in the product.

Marketing uses market research to identify the target audience for a product and predict the preferences of different consumer groups. Based on this information, they develop strategies to satisfy the needs and wants of these consumers. For instance, if the product is aimed at children, teenagers, or young adults, marketing will tailor their approach accordingly.

The marketing team will then predict the number of customers who will buy the product in the coming years and estimate the quantity they are expected to purchase. Additionally, they will assess the production volume and product variety of the competitors. (Gomez Albrecht, Green, & Hoffman, 2023. )

**Price** is the sum that consumers give for a product or service. Marketing professionals should strive for a balance between connecting the cost with the benefits of the product, while also taking into account production expenses, seasonal and distributor discounts, and pricing various models within a product range. They also must assess how much the consumers are willing to spend on the product and whether the company can still generate profit at that cost. Determining the pricing of products or services involves both artistic and scientific elements. A company needs to establish two things: the lowest cost to ensure profitability and the highest cost that won't push away customers. Generally, the appropriate cost falls between these two points on the price spectrum. (Kotler & Armstrong, 2012. )

**Promotion** involves advertising, public relations, and various other promotional tactics, such as television and print ads, online and social media promotions, and trade shows. The main goal of promotional efforts is to enhance brand recognition and persuade prospective customers to make a purchase. It is crucial that promotion is tailored to the appropriate audience, timing, and communication channels.

If one is considering running magazine print ads, they will need to decide which magazines they want to advertise in. Each magazine has a unique readership demographic based on age, gender, and interests. Alternatively, a company can choose internet advertising, also known as online advertising or digital advertising, which is a promotional strategy that involves using the internet to deliver marketing messages. If one chooses to go the digital route, there are different types of internet advertising that can be used, such as search engine marketing, email marketing, social media ads, Youtube or TikTok videos, and more. (Gomez Albrecht, Green, & Hoffman, 2023. )

The "**place**" element of the marketing mix focuses on determining the most effective way and location to deliver a product to potential customers. Marketers decide where their customer base is likely to shop, whether it is in a big box retailer, an office supply store, or even the school bookstore. Through market research, a company determines where potential buyers are located and how to get their products to them.

It is important to note that the term "place" in this context refers to the location of the customers and not the company itself. The marketer's goal is to devise strategies to move the product from its current location (e.g., a warehouse) to where the customers are located. (Gomez Albrecht, Green, & Hoffman, 2023. )

## **2.6. Market segmentation, targeting and positioning**

There is a well known saying “You can’t be all things to all people.” That sums up the essence and purpose of market segmentation – the process of dividing a target market into smaller, more precisely defined groups of consumers or organizations with common needs and expected similar responses to a marketing action.

It has been estimated that the average individual encounters anywhere from 4,000 to 10,000 advertising messages each day. Therefore, it is essential to target the right audience. Marketers often have a limited budget for advertising, so using a single marketing message to reach a broad audience may attract only a few new customers while incurring high advertising costs. (Kotler & Armstrong, 2012. )

Market segmentation offers numerous benefits. For instance, it allows for a sharper focus on valuable customers, facilitates improved product development, and drives increased brand loyalty. Not all customers have the same value; some will highly value your product or service, while others may not. Instead of trying to please everyone, market segmentation enables marketers to concentrate on customers who are likely to generate revenue for the company. By segmenting the market, marketers gain a better understanding of consumer preferences, enabling them to propose modifications to existing products or services to meet those needs. This understanding also plays a crucial role in the development of new products or services tailored to the target market. Additionally, when customers feel that your company's offerings align with their needs, they are more likely to remain loyal to your brand and recommend it to others. (Gomez Albrecht, Green, & Hoffman, 2023. )

There are several different types of marketing segments you can create. We will focus on four major types:

- Geographic segmentation: the “WHERE?”
- Demographic segmentation: the “WHO?”

- Behavioural segmentation: the “HOW?”
- Psychographic segmentation: the “WHY?”

#### Geographic Segmentation: The “Where”

Geographic segmentation involves dividing the market according to the geographical locations of a company's existing or potential customers. Marketers can utilize various geographic parameters such as location, cultural preferences, climate, language, population type, and density to target their marketing strategies. Each of these parameters warrants closer examination. Dividing the market based on location can encompass anything from a small area like a county to a larger area like a country. This approach can also assist in identifying new geographic areas for potential business expansion.

Market behaviour and customer preferences can also be influenced by climate or season, making it important to segment the market accordingly. By doing so, marketers can present the most relevant information to their audience. For example, snowmobiles are not in high demand during the summer, even in northern climates, and convertibles are not popular during the winter in those same regions. Similarly, companies that sell beachwear tend to see increased sales during the summer and in warmer climates. Finally, marketers have the option to divide the market according to population type or density, including urban, suburban, or rural regions. An example is a business providing home lawn services such as fertilization, weed control, or grub control, which would probably find more success focusing on a suburban area where residents have a greater need for yard maintenance. Conversely, targeting an urban area with smaller yards or no yards at all would likely result in less success. (Gomez Albrecht, Green, & Hoffman, 2023. )

#### Demographic Segmentation: The “Who”

With demographic segmentation, the marketer will divide the market into smaller groups based on factors such as gender, income, age, educational level, race, religion, ethnicity, occupation, and family structure. This allows them to focus their resources on customers who are most likely to generate revenue for the company. For instance, gender segmentation separates the market into men and women, as these groups have different interests when shopping for products like apparel, shoes, and food. For example advertisements in magazines like Vogue and Vanity Fair are tailored to women, while those in GQ and Men's Health are geared towards men. Income segmentation, on the other hand, divides the market according to monthly or yearly income. By analysing this data, companies can determine how their potential consumer

base spends money, and market different products at different price points accordingly. For instance, Mercedes-Benz offers a range of car models at different price points, from the affordable A-Class to the high-end S-Class.

Age is another demographic factor that marketers frequently use to segment consumers. By considering different age groups, marketers can develop marketing strategies that cater to the specific preferences and needs of each age group. The age segmentation is divided into three categories: age range (“perceived age” – how old you feel; purchases tend to reflect our perceived age rather than our chronological age), life cycle or life stage (for instance, some teens or young adults may be parents, while middle-aged adults may be starting families, having second families, becoming empty nesters, or are single, or single again), and generation-based (such as baby boomers, millennials, and generation X).

Education is a valuable tool for marketers to segment their target audience, as it determines the channels through which they can reach potential customers. For instance, if you plan to launch a bookstore in your local area, it is important to consider the educational level of your community to ensure that you cater to the right audience. The reading preferences of elementary and middle school students differ significantly from those of literary professors in a college town. In addition to education, market segmentation can also be based on factors like race, ethnicity, and religion. While it is crucial to avoid stereotypes, consumers from different backgrounds have unique needs and preferences. For example IMAN Cosmetics caters to women with darker skin tones.

Finally, a company can segment its market on the basis of family structure, marital status, whether there are children in the home, and the life stages of those in each family. (Kotler & Armstrong, 2012.)

#### Behavioural Segmentation: The “How”

Behavioural segmentation in marketing involves dividing consumers into segments based on their behaviour when interacting with a product or service. Benefit segmentation based on behavioural patterns focuses on the specific benefits or features of a product or service that are most relevant to the customer. For instance, when it comes to purchasing toothpaste, consumers may have different preferences for benefits such as sensitive teeth, tartar control, whitening, fresh breath, and cavity prevention, even if they share similar demographics. Procter & Gamble's Crest brand toothpaste offers various formulations, including Crest Kids, Gum Detoxify Deep Clean, and Gum and Breath Purify Deep Clean, each marketed with tailored



messages that highlight their unique benefits and distinctions. Occasion segmentation is another approach that involves segmenting consumers based on the occasions when they intend to make purchases. Marketers take advantage of events like Valentine's Day and Easter to promote products like chocolates, flowers, and jewellery. Usage-based segmentation identifies different user segments based on their level of product usage, dividing consumers into non-users, light users, medium users, and heavy users. Typically, companies focus on targeting heavy users because, even though they may make up a small percentage of the market, they generally contribute a high percentage of overall sales. This principle is known as the Pareto principle in marketing, which suggests that 80 percent of a company's revenue comes from the top 20 percent of repeat or loyal customers. (Gomez Albrecht, Green, & Hoffman, 2023. )

#### Psychographic Segmentation: The “Why”

Psychographic segmentation is a widely used market segmentation technique that categorizes consumer groups based on their lifestyle, personality traits, and values. By analysing the three dimensions of AIO variables - activities, interests, and opinions - marketers can gain valuable insights into consumer behaviour and tailor their marketing strategies accordingly. (Gomez Albrecht, Green, & Hoffman, 2023. )

Activities refer to a person's daily routine and hobbies, and can provide marketers with information about how consumers spend their time and money. For instance, an urban dweller who rides a bike to work and works out regularly is likely to have vastly different buying patterns from someone who drives to work and does not exercise. Interests, on the other hand, are driven by passions and can be a crucial indicator of a consumer's preferences. By identifying a consumer's interests, marketers can create targeted marketing messages that appeal to them. (Kotler & Armstrong, 2012. )

Opinions, in the digital age, are spread rapidly across social media, making them a key indicator of consumer sentiment and preferences. Companies such as PepsiCo and Mastercard continuously monitor social media sites (all social media postings about their companies, products, and competitors worldwide) to gain insight into consumer opinions so they can respond accordingly.

Values are the principles and beliefs that influence the way people live and work. For example, environmental concerns are increasingly becoming a value issue for consumers, who are seeking out products from companies that are environmentally friendly. (Gomez Albrecht, Green, & Hoffman, 2023. )

British brand Lush, for instance, has made a commitment to designing for zero waste, with 89% of their packaging made from recycled materials (including paper bags, aluminium tins, gift wrap, ribbons, boxes, tags and inserts) and has removed all glitter and microplastics from its product range. That means that for every tonne of material bought, 900kg come from recycled sources. By prioritizing sustainability in their products and processes. From the get-go they have innovated to remove needless packaging by creating naked solid products to replace bottled liquid ones. From their products to their processes, they start from the beginning, designing with waste in mind. By doing that Lush has been able to appeal to consumers who place a high value on environmental responsibility. (Premium beauty news , 2024)

### 2.6.1. Using Multiple Segmentation Bases

A company can utilize all segmentation bases or a combination of them, a strategy also referred to as multi-segment marketing. It is not uncommon for companies to develop products that compete with their own, provided that each product delivers unique advantages to consumers. For instance, Procter & Gamble markets different laundry detergents, such as Tide, Gain, and Cheer, each offering distinct benefits such as suitability for all temperatures, a fresh scent, no scent, stain removal, or whitening properties. Through the provision of these unique brands, P&G can address the needs of multiple target markets. (Gomez Albrecht, Green, & Hoffman, 2023. )

### 2.6.2. Undifferentiated Marketing (Mass Marketing)

Undifferentiated marketing is a business strategy that is employed when there are no strong distinctions in customer characteristics. Under such circumstances, it is not cost-effective to develop separate marketing mixes for distinct target markets. Instead, companies may opt to employ a single marketing mix for the entire market. (Kotler & Armstrong, 2012. )

To illustrate, the entire market can be likened to a large apple pie. With undifferentiated marketing, the company does not take just one or a few slices of the pie; rather, it takes the entire pie. The concept behind undifferentiated marketing is straightforward: to reach as many people as possible and hope that they will be interested in the product or service. This marketing

technique is typically employed for products or services that have high market appeal and are purchased by most or all people. A good example is soft drinks. Advertising messages for brands like Coca-Cola, which are hallmarks of mass marketing, can be seen in TV commercials, magazine ads, billboards, banner ads in search engines, and so on. (Gomez Albrecht, Green, & Hoffman, 2023. )

Undifferentiated marketing offers a major benefit in terms of cost-efficient advertising on a large scale. By transmitting marketing messages across various media platforms, companies can potentially reach millions of consumers, taking advantage of economies of scale. Producing higher volumes of goods leads to lower production costs as expenses can be distributed across a larger quantity of products. This advantage surpasses that of companies catering to smaller and more specific audiences. Companies that employ undifferentiated marketing experience the same benefits as bulk buying at wholesale retailers such as Sam's Club or Costco. (Gomez Albrecht, Green, & Hoffman, 2023. )

### 2.6.3. Differentiated Marketing (Segmented Marketing)

Segmented Marketing, commonly known as Differentiated Marketing, entails the partition of an entire market into smaller segments, with each segment being targeted using a specific marketing strategy. Let's say we have an apple pie that represents the entire market, but instead of taking the whole pie, we will only take a few slices. This approach is one of the most common, and is a marketing strategy employed by various companies. Each segment is identified based on unique characteristics, and a concentrated marketing strategy is designed for each segment. The company may even develop separate brands to cater to each of the segments. For instance, Nike provides different products for different segments, such as women, young athletes, and runners. Initially, Nike targeted people like the founders who were competitive distance runners, but they subsequently expanded their target market to grow their business. (Gomez Albrecht, Green, & Hoffman, 2023. )

### 2.6.4. Concentrated Marketing (Niche Marketing)

Concentrated marketing, commonly referred to as niche marketing, is a business strategy that involves a company focusing its marketing efforts on a single target market with a specific marketing mix. We are only going to take a single slice, and perhaps a small one at that out of the whole market. It is important to note that concentrated marketing does not imply that the company has not identified other target markets; rather, it chooses not to serve them. This may be due to unattractive markets or markets that do not align with the company's business strengths. The ultimate goal of concentrated marketing is to channel all of the company's marketing efforts towards that particular market segment, with the aim of creating strong brand loyalty and outcompeting rivals. An instance of a business that has effectively applied the concentrated marketing approach is LUSH, the environmentally conscious beauty products seller. LUSH promotes ethical purchasing and refrains from testing its products on animals. Furthermore, at least 50% of its website is focused on combating animal testing and excessive use of plastic packaging, as well as raising awareness about the environment. The company sets itself apart from its competitors by utilizing environmentally friendly packaging and natural ingredients. The focused marketing approach is suitable for smaller businesses or those with constrained resources who may struggle to compete in numerous market segments. Furthermore, this approach enables companies to focus their research and development and marketing endeavours on comprehending and addressing the requirements of a single customer group, rather than a varied customer base. (Gomez Albrecht, Green, & Hoffman, 2023. )

#### 2.6.5. Micromarketing (Customized Marketing)

Micromarketing involves a marketing approach that goes beyond concentrated marketing by focusing on a particular group of people within a niche market, using specific data collected about them. For example, the real estate industry offers a prime illustration of micromarketing. An agent specializing in residential sales may further narrow their focus to new construction, luxury properties, land and development, and similar. If you are looking for an expensive house in a specific area of the city, you would likely reach out to a reputable agent known for dealing with properties in that price range and having knowledge of the local area where you plan to move. The agent will consider your specific requirements and work diligently to find a property that satisfies as many of your needs as possible. This exemplifies micromarketing at its best. (Gomez Albrecht, Green, & Hoffman, 2023. )

### 3. SOCIAL MEDIA

Social media encompasses a wide range of technologies that enable users to share ideas and information. From popular platforms like Facebook, Instagram and YouTube, over 4.7 billion people worldwide, or roughly 60% of the global population, use social media. As of early 2023, chat and messaging apps and websites were accessed by 94.8% of users, followed closely by social platforms at 94.6%. Social media primarily consists of user-generated content that encourages engagement through likes, shares, comments, and discussions. While it is acknowledged for fostering community building, it is also criticized for promoting disinformation and hate speech. Moreover, social media has become an increasingly vital component of many companies' marketing strategies. Key social media platforms include YouTube, Instagram, TikTok, and Snapchat. Originally intended for connecting with friends and family, social media has evolved to serve diverse purposes. MySpace achieved the milestone of reaching 1 million monthly active users in 2004, marking the early days of the social media era. Social media continues to undergo significant evolution and is often categorized into six types: social networking, social bookmarking, social news, media sharing, microblogging, and online forums. These platforms enable real-time access to information, connection with others, and the discovery of niche communities, ultimately fostering global interconnectedness. However, concerns have been raised about excessive social media use among teens, citing potential impacts on their physical and mental well-being, including distractions, sleep disruptions, exposure to bullying and rumours, distorted perceptions of others' lives, and peer pressure. (Dollarhide, 2024. )

Digitalization and the emergence of social media has fundamentally altered the media landscape. In today's media landscape, traditional mass communication channels like TV, radio, and newspapers are no longer the primary sources of information for consumers. Instead, people tend to rely on social media and virtual communities for information. Consumers have become less interested in traditional advertising and often find it unappealing. Nowadays, traditional ads are seen as flashy and superficial, mainly aimed at encouraging consumption. People tend to avoid ads regardless of where they encounter them. 81% of ad blocking users in Great Britain say that nothing can make them stop using ad blockers. In 2019, US consumers were spending more time with their mobile devices than watching TV for the first time ever. (Levin, 2019. )

Consumers are becoming increasingly knowledgeable, discerning, and resistant to traditional advertising approaches, prompting brands to seek out alternative means of reaching and connecting with their target audiences. This is where influencers play a crucial role. (Kastenholz, 2021. )

Companies themselves have always developed strategies and campaigns to influence buyer behaviour. The rapid expansion of social media is reshaping the media landscape, as social media has transformed the way consumers make the purchase decision. Social media and traditional media are currently intersecting, complementing, and competing with each other. (Chen, 2023. )

The fundamentals of advertising remain unchanged: delivering the right story, in the right place, to the right audience. However, the digital era has fundamentally transformed each of these concepts. Many traditional media outlets are grappling with the fact that consumers are increasingly resistant to advertising. Ultimately, consumers prioritize engaging content over promotional material. Brands no longer talk to consumers, now consumers talk to each other about brands. This is the fundamental psychology of trust that shows that consumers prefer peer recommendations. (Kastenholz, 2021. )

### **3.1. Social media influencers**

The evolution driven by the Internet and digitalization of production and post-production in the media industry has resulted in a significant disruption of the value chain, prompting the industry to adapt. This transformation has given users more influence and at times enabled them to become content creators, challenging the traditional dominance of major media players. These new methods of production, distribution, and consumption have impacted the entire media industry at various levels. Some media outlets have had to dramatically overhaul their business models, redefining their relationship with their audience and embracing multi-platform distribution. This has been a challenging process, aiming not only to attract audiences on a one-off basis but, more importantly, to create new opportunities by engaging and building a community. This is an uncertain process of adaptation to the digital media landscape, where competition among all players is fierce. The new forms of communication that have emerged on the internet have not only enabled production and distribution, but also emotional interaction with followers. This empowerment has arguably been one of the most significant innovations

in the field of communication. User engagement not only drives traffic – which benefits telecommunication companies – but also allows them to connect with a wide audience on an emotional level, which is of great interest to brands. (Álvarez-Monzoncillo, 2022. )

The accessibility of content creation has led to an increase in its popularity, with many individuals choosing to create and distribute content through various platforms. This encompasses user-generated content (UGC) in the forms of vlogs, live streams, YouTube videos, social media influencers, gamers, and TikTok creators, each driven by their own motivations such as altruism, enjoyment, social recognition, or financial gain. These content creators have leveraged platforms like YouTube, Instagram, Facebook, Twitch, and Snapchat to share their content, some of whom have successfully monetized their relationships with their followers or subscribers. Furthermore, this cultural phenomenon has often been accompanied by a significant amount of entrepreneurship, innovation, creativity, and effective management, which has in turn prompted "traditional" media to adapt and innovate. (Levin, 2019. )

Influencers are essentially opinion leaders, wielding considerable influence due to their large following. They hold a prestigious status and can effectively introduce new products or trends to a wide audience. The strong bond that these content creators foster with their audience makes them valuable assets for brands. Brands can leverage their content to enhance their engagement in marketing. The growing influence of influencers is undeniable, as they continue to have a significant impact on the purchasing decisions and opinions of their followers. (Álvarez-Monzoncillo, 2022. )

Numerous television companies and newspapers have also established channels on platforms such as YouTube in an effort to enhance their visibility and potentially generate revenue. However, it is important to note that professional content coexists with amateur content. This duality has been a pivotal element in the evolution of communication in this century: users have the ability to create and distribute their own content freely on exchange platforms, granting them significant visibility. Vloggers, streamers, YouTubers, influencers, Instagrammers, gamers, TikTokers, and others all contribute to this landscape, each platform offering its own unique features and specializations. In today's world, there is no longer a requirement for the front page, a TV show, or a starring role in a feature film to gain fame. Users leverage these platforms in diverse ways to pursue various goals, such as creating content for enjoyment, altruistic motives, or financial gain, often based on their personal interests and hobbies. It is truly a world without gatekeepers, and the only approval needed is from oneself and an audience. The audience can even be a very small portion of the market. (Levin, 2019. )

The connections that people form are often based on shared emotions, interests, and hobbies, fostering a sense of belonging that encourages collaboration and sharing. Organizations are interested in personal information and internet activity to target their marketing based on group affiliation around influential people. These evolving approaches have transformed how businesses operate. In the past, major sportswear companies would enlist top athletes for widespread advertising, whereas now they engage them to share their perspectives and engage with their followers on social media platforms. Companies are actively seeking to harness these new opportunities, while also exploring lesser-known factors that determine the engagement between followers and influencers. (Álvarez-Monzoncillo, 2022. )

Gen Z (born 1996 or later) currently represents 40% of consumers and is the most connected generation, spending an average of three hours daily on social media for content consumption and creation, as well as for seeking inspiration. The pandemic has revealed that older demographics are also adopting similar online behaviours, emphasizing the necessity of a comprehensive online presence for businesses. (Kastenholz, 2021. )

The trend of Gen Z (born 1996 or later) consumers paying for honesty and authenticity in products is on the rise. Being raised in a digital world with easy access to information has made them sceptical of traditional marketing strategies. Gen Z tends to trust recommendations from peers and influencers on social media, seeking out brands and influencers who are open about their practices and values. Authenticity and ethical conduct are highly valued by Gen Z, who expect brands to align with their worldviews and true selves. They are more likely to support brands that prioritize sustainability and ethical practices, take a stand on social issues, and are transparent about their products and services. (Chen, 2023. )

Generation Z (born 1996 or later) and millennials (born between 1981 and 1995) respond well to ads featuring real people in real settings. Both groups also have more positive attitudes toward certain types of branded digital content, such as tutorials, social media feeds, sponsored events, and other sponsored content. Generation Z members are uninterested in ads with celebrities but are open to ads that tell an interesting story (56%), include humour (72%), and feature great music (58%). A majority of YouTube subscribers in 2017., six out of ten, preferred to take recommendations on what to purchase from their favourite creator rather than from their favourite TV or movie personality. In recent years, there has been a growing trend of influencer marketing, which has emerged as a prominent marketing strategy leveraging the power of social media to engage with target audiences and enhance brand awareness. Direct-to-consumer brands such as Revolve, Gymshark, and Vanity Planet, as well as traditional brands like Adobe,



Volvo, and Samsung, have adeptly leveraged influencer marketing to drive significant revenue. They have recognized the evolving media landscape and are adjusting their strategies to effectively engage the next generation of consumers. Furthermore, modern social media-driven brands are harnessing the power of influencer marketing to inspire consumer purchasing based on aspiration rather than mere necessity. (Levin, 2019. )

Influencers play a significant role in content production, creating ads that resonate effectively with consumers, thereby improving advertising performance and overall conversion rates. Analysts can then pinpoint the most successful influencer content and develop paid ads targeted at specific demographic groups. Due to the perceived authenticity of influencer content, higher engagement and conversion rates are often observed. Brands that adopt new advertising strategies stand to gain substantial market share, while those that fail to adapt are at risk of being left behind. These recent years rewarded digital brands with exceptional growth opportunities, but the next few years will really start to punish those that do not keep pace. (Kastenholz, 2021. )

Additionally, the unexpected impact of the pandemic has accelerated the digital Internet era, with platforms like TikTok, podcasts, and Instagram evolving to become integral parts of people's daily lives. During these challenging times, the internet has become even more central to people's lives, serving as a crucial source of real-time information and facilitating social interaction through various social media platforms. (Chen, 2023. )

### **3.2. TikTok**

Platforms are recognizing this trend and creating tools and resources to support influencer collaborations. Duracell recently partnered with influencer and reality TV star Ariana Madix to produce a 30-second social media promotion for TikTok and Instagram. Madix is known for her role on the show *Vanderpump Rules*. As of lately following a highly publicized split from her long-term partner and fellow cast member, Tom Sandoval she has been a trending individual on social media. In an episode of the show, Sandoval expressed frustration that Madix never purchased batteries, toilet paper, and paper towels for their shared home. The clip gained traction on TikTok, and Duracell seized the opportunity to collaborate with Madix on the promotional content. The placement has now garnered over 25 million views on TikTok alone, bringing both Ariana Madix and Duracell a large financial gain. (MikeWorldWide , 2024. )

Currently, TikTok is at the forefront of all social media with its TikTok Shop. Launched in September 2023, this new feature enables users to make purchases based on engaging TikTok content and to go through the entire purchasing process, from discovery to action, all without leaving the TikTok platform and interfering with the social experience. (Kastenholz, 2021. )

TikTok has developed a range of marketplace modules, including marketplace APIs, live shopping, internal or external market integration, and product links. The platform also displays advertisements tailored to user preferences. These capabilities provide sellers and influencers with the opportunity to present marketing campaigns in the form of media content that effectively conveys the information needed for online shopping. Additionally, these capabilities facilitate users in sharing useful content related to products, generating interactions such as views, likes, comments, and recommendations, and influencing consumer purchase behaviour. Many social media users shop via TikTok Shop after seeing feeds, stories, or lives related to certain products, making TikTok a medium for shopping inspiration and gathering information about shopping needs. TikTok is characterized by both hedonic and utilitarian values at the marketing stages provided. The hedonic value reflects nonfunctional shopping motivations, such as the satisfaction and adventure related to the entertainment, happiness, or pleasure that consumers experience when they shop online. (Putri , Prasetya , Wuri Handayani, & Fitriani, 2023.)

Trust Transfer Theory or TTT explores how trust is cognitively transferred from one entity to other related entities. Trust transfer happens through two processes: communication and cognition. During the communication process, a trustor is directly influenced by a trusted source, while in the cognitive process, trust is transferred based on the trustor's knowledge of the relationship between the target and a trusted source. The theory of security assurance (TSA) describes how users' perceptions of a site's security can impact their behaviour. Ensuring the perception of security is a significant challenge in creating new interaction media. For instance, individuals may want to use online banking technology, but concerns about the security of online transactions deter some from doing so. Maintaining the security of online activities, particularly consumers' privacy, is more challenging than traditional offline transactions. From a consumer standpoint, worries about privacy are increasing alongside advancements in technology, particularly in social features and information processing, leading to various associated issues. TikTok is generally considered as safe as any other social media platform due to its security features. When using TikTok Shop, it's essential to be cautious of potential scams and fake reviews. While TikTok is primarily for entertainment, shoppers can easily make

purchases if they see something they like and they don't have to go through too many steps to buy the item by taking advantage of the “Yellow Basket” feature, which allows them to move directly to the product purchase page. However, there are risks of encountering counterfeit goods or fraudulent sellers. To minimize these risks, buyers should purchase from verified sellers with positive ratings and reviews. (Putri , Prasetya , Wuri Handayani, & Fitriani, 2023.)

### **3.3. Instagram**

The popular social media platform Instagram boasts an impressive 2.3 billion active users per month, with a nearly equal split between male and female users. It is widely recognized by marketers and businesses for its significant value. Instagram does not pay its influencers for followers or views, what matters the most on this social media app is engagement. The genuine engagement on social media occurs when consumers are sufficiently enthusiastic to become proactive, take action, and interact. Instagram is primarily used for social interaction, and users engage with the platform to pass the time, alleviate boredom, and engage with others. The users seek interaction and engagement with others on Instagram. Therefore, posts that garner likes and comments signify a high degree of social media engagement for companies in the realm of influencer marketing. Advertisers assess the effectiveness of sponsored posts based on the overall social media interactions. Consequently, advertisers compensate social media influencers based on the likes and comments generated by their sponsored posts. Furthermore, likes and comments serve as significant indicators of companies financial and social performance and have a positive impact on sales. Beyond financial success, they also enhance brand trust, involvement, and overall company reputation. Companies may consider likes and comments not only as a return on investment in social media environments but also as indicators of consumer engagement with their brands and products based on the total number of likes and comments on sponsored posts. (Gross & von Wangenheim, 2022.)

Mega influencers, with 1+ million followers, have the potential to earn substantial income due to their large and engaged audiences. Other avenues for generating income on Instagram include affiliate programs, selling digital or physical products, and establishing partnerships. For instance, within the fitness niche, individuals may consider selling digital fitness plans or custom fitness plans, and courses are also sought after as digital products. Moreover, brand

partnerships can offer a lucrative opportunity for Instagram influencers, particularly when the brand's products align seamlessly with their audience and niche. (Moore, 2024.)

### **3.4. YouTube**

YouTube is a widely used video sharing platform that allows users to easily watch, create, and share videos online. Since it was created in 2005, YouTube has become one of the most visited websites on the internet, with users collectively watching approximately 6 billion hours of video content each month. One of the key factors contributing to YouTube's popularity is the vast and diverse collection of videos available on the platform. With more than 400 hours of video being uploaded every minute, there is always fresh content for viewers to explore. Despite physical distances, users are able to form strong connections with one another through the medium of online videos, providing them with a window into each other's lives. As the platform has grown, a new trend has emerged: YouTube influencers. These influencers, with their large followings, have become a significant force in the world of marketing. For nearly a decade, content creators have been inviting audiences to join them in their daily activities through video sharing. The earliest instances of "with me" videos, such as "get ready with me" tutorials, emerged around 2010 within the beauty community. These videos, along with others like "clean with me" and "pack with me," fall under the broader theme of everyday tasks. Additionally, "plan with me," "journal with me," and "study with me" videos are categorized as self-improvement content. The initial "get ready with me" videos primarily featured sped-up makeup routines set to music, functioning as extended tutorials. As time progressed, creators began incorporating verbal communication into their videos, transforming them from tutorials into platforms for direct interaction with their audiences. "Study with me" videos, for example, simply show individuals studying and have accumulated substantial viewership, particularly during the academic year. These videos serve as sources of motivation and inspiration for a task that many find challenging to initiate. (YouTube Culture & Trends , 2024. )

The process of generating revenue from YouTube has evolved over time. Previously, creators simply needed to upload high-quality content, accumulate a large number of views, and earn a portion of the advertising revenue. However, the landscape has changed, and content creators now have access to a variety of methods to monetize their content. In addition to advertising, these methods can include corporate sponsorships from prominent brands, fan funding, and

merchandise sales. Upon reaching 1,000 subscribers and 4,000 hours of watch time, content creators are eligible to join the YouTube Partner program (the first step in making money on YouTube), which provides access to monetization features such as advertising, fan funding, and merchandise sales. YouTube generates revenue from videos through various advertising formats such as pre-roll and display ads. Advertisers are charged based on clicks and impressions. Content creators receive 55% of this revenue, while YouTube retains 45%. However, creators are required to comply with advertising guidelines. Content that includes profanity, adult content, violence, and other sensitive topics is not eligible for advertising placement. (Hall, 2022. )

Any videos monetized with ads must comply with the advertiser-friendly content guidelines. The systems check whether the video, title, thumbnail, description, tags, and the content of the video comply with the guidelines. Viewer engagement is also monitored, including comments, positive ratings, and whether the entire video has been viewed. The greater the interaction a video gets, the more important it is for YouTube, enhancing its likelihood of ranking higher in search results. Additionally, the system tracks the types of content the audience of the creator is watching. The systems may make a new monetization decision that could change the video's monetization status. (YouTube Creators , 2024. )

The impact of YouTube influencers is multifaceted, encompassing aspects such as their reach, engagement, and content, all of which play a role in shaping the purchasing decisions of their followers. Furthermore, the significance of trust and authenticity in influencer marketing, along with the impact of sponsored content, cannot be overlooked in influencing consumer behaviour. The dynamic relationship between YouTube influencers and their followers is a subject of great complexity. These influencers hold considerable sway over their audience, and their perspectives can make or break a product or service. The authenticity and relatability of YouTube influencers are pivotal in determining their influence on their followers' purchasing decisions. Effective influencer marketing is often achieved when the content aligns with the values and interests of the influencer's audience. (Kalaivani & Suganya, 2023. )

### **3.5. Podcasts**

A podcast is a form of digital media that typically consists of a series of audio episodes. These episodes can be downloaded or streamed from the internet. It is similar to a radio show, but

with the main distinction that listeners can subscribe to a podcast and listen to episodes at their convenience. This ability to listen on-demand sets podcasts apart from traditional radio broadcasts. While podcasts are not strictly categorized under specific business sectors, they can be classified within the media or entertainment industries. Podcasting has a rich history, having emerged in 2004, and has experienced consistent growth ever since. In the realm of influencer marketing, podcasting has gained significant traction in recent years. While influencers can be found across all platforms, podcasts offer a distinct medium for engagement. The majority of top podcasts enhance their content with video recordings, contributing to an improved viewer experience. They upload those video recordings on YouTube channels that are created specifically for that podcast and are separate from the influencers main social media channels. On platforms like Instagram and TikTok, influencers post short form videos to promote their podcasts and to grow their audiences. Today, more than 5 million podcasts are currently in circulation, and they contain over 70 million episodes. The majority of these podcasts are available on Spotify. Podcast hosts often build a devoted and faithful audience, which establishes them as significant individuals in their respective fields. Podcasts are fuelled by engaging storytelling, a skill at which influencers particularly excel. Their ability to shape narratives and create captivating content seamlessly fits the podcast format. Large companies leverage this expertise to turn their message into gripping stories that continue to resonate with the audience long after the episode ends. Influencers bring an authentic element to the table. Their followers find them trustworthy, so when an influencer discusses a brand on a podcast, it feels similar to a friend recommending a product. This real connection helps major brands cut through the noise and cultivate a more personal bond with their audience. (Kesarwani, 2024.)

A significant portion of top podcasts maintain a website, which serves as an introduction to their content, a platform for news and updates, and a gateway to hosting sites and merchandise sales. It is notable that a small percentage of top-ranked podcasts had episodes under 20 minutes in 2022, while the majority of them ranged from 20 to 50 minutes. Moreover, a substantial number of podcasts released episodes on a weekly basis or more frequently. (MikeWorldWide , 2024. )

### **3.6. Brand deals (sponsorships)**

A brand deal or a brand sponsorship is a collaboration between creators and brands. When creators develop videos or other media content with a brand, it is known as "branded content," which is typically paid for by the brand and showcases their products or services. Brand integrations are a type of branded content in which creators seamlessly feature a product or service in their videos in a way that aligns with their own channel's brand.

Creators can partner with brands to create different types of branded content, such as shopping haul videos with clothing brands or comedic skits that integrate ads with humour. Brand placement and mini ad-breaks, like taking a break in a video to talk about a sponsor and their product, are also common. Other formats to experiment with include tutorials, unboxing videos, and more. When considering brand partnerships, it is important to partner with a brand one believes in and that the audience will appreciate. It is also okay to decline a brand partnership if it doesn't align with one's values. Transparency with the audience is crucial, and their feedback on potential brand partnerships and the types of products or videos they are interested in can be valuable. Finally, it is essential to be mindful of how often branded content is uploaded. Posting brand integrations too frequently may not provide a positive experience for the audience. (Hall, 2022. )

Major brands are enhancing their influencer marketing efforts by organizing influencer trips. These trips serve as unconventional methods to foster relationships with creators and to showcase products and services to the influencers' audiences. Influencer brand trips represent a significant shift in the way brands engage with their audience by utilizing the influence of social media to drive engagement and encourage meaningful discussions. Tarte Cosmetics is continuing its initiative of organizing luxury trips for influencers, with an upcoming trip to Bora Bora. Having hosted 20 such trips, Tarte is widely recognized as a pioneer in this aspect of influencer marketing. However, the company has faced some criticism, especially regarding its 2023 trip to Dubai. Some critiques have raised concerns about the perceived extravagance of the trips, particularly during challenging economic times. Additionally, certain social media users have noted that some influencers may not be well-versed in Tarte's product lines. Despite these criticisms, the trips seem to be effective in generating excitement among influencers and consumers. Maureen Kelly, Founder & CEO of Tarte Cosmetics, maintains that these trips are effective in nurturing relationships with creators and consumers. According to the company, this investment in building relationships is mutually beneficial. Tarte values the perspectives of their influencers and aims to understand them better, while the influencers enjoy a rewarding and enjoyable experience, gaining familiarity with Tarte's products. From the brand's

perspective, this long-term approach holds more value compared to a one-time media campaign, such as a multi-million dollar Super Bowl commercial. (Dodgson, 2024.)

### **3.7. PR lists and packages**

In the past, Public Relations (PR) primarily focused on creating a public image and targeting specific audiences. However, the rise of digital uses has changed the way media works, leading to a new approach. These changes encompass the incorporation of new technologies, the broader impact of globalization, and a heightened emphasis on transparency and credibility. Additionally, the role of social media in revolutionizing crisis management strategies in public relations cannot be overlooked. While traditional crisis communication relied on methods such as press releases and interviews, the contemporary landscape enables rapid and direct responses through social media. This allows organizations to engage with their stakeholders in real time during times of crises. Another pivotal development is the increasing importance of corporate social responsibility (CSR) in public relations. CSR relates to an organization's commitment to operate ethically and sustainably, including actions such as reducing environmental impact, supporting social causes, and engaging in philanthropy. In today's society, consumers are more conscious of businesses' impact on the world and are inclined to support companies that align with their values and make positive contributions. Consequently, public relations now place greater emphasis on showcasing CSR initiatives to strengthen brand image and build connections with stakeholders. (Sumandiyar, Smith, Syahr, Husain, & Suharyanto, 2023.)

In the past, PR efforts primarily aimed to reach mass audiences through traditional media channels such as television and newspapers. However, today's approach favours personalized communication strategies. Personalization involves tailoring communication to specific audience segments based on their interests, needs, and preferences. By adopting personalized communication, PR professionals can cultivate stronger relationships with stakeholders and enhance campaign effectiveness. Recognizing the potential to reach broader audiences and enhance brand visibility, companies have collaborated with influencers who have significant followings. Influencer marketing encompasses sponsored posts, product reviews, and collaborative endeavours. In return for their efforts, influencers are often compensated with monetary payment or complimentary products. Through influencer marketing, brands seek to increase brand visibility, drive website traffic, and enhance sales. One of the significant



challenges involves ensuring proper disclosure of partnerships between influencers and brands. In the United States of America The Federal Trade Commission (FTC) requires influencers to disclose their financial agreements when endorsing products or services. Failure to comply with this regulation may lead to penalties or legal repercussions. (Sumandiyar, Smith, Syahr, Husain, & Suharyanto, 2023.)

The practice of creating PR lists is commonly employed by companies to establish connections with influencers and media outlets for the purpose of promoting their products, services, or initiatives. There are various types of PR lists, such as influencer lists which often include social media influencers, bloggers, and other content creators. A PR package refers to a thoughtfully curated assortment of a brand's products that is sent to social media influencers. Brands utilize PR packages as a means to encourage influencers to showcase and endorse their products to a larger audience through pr unboxings and/or morning and night routines, or hauls and look books. Through this approach, brands aim to bolster their brand visibility, drive traffic to their website, and ultimately boost sales. (Sumandiyar, Smith, Syahr, Husain, & Suharyanto, 2023.)

### **3.8. Affiliate marketing**

Affiliate marketing is a popular advertising model used by companies to generate traffic or leads to their products and services through third-party publishers, also known as affiliates. (Investopedia, 2024.)

It is a type of marketing that involves partnerships between companies and content creators, such as influencers, bloggers, podcasters, and product review sites. It is a rapidly growing strategy in which businesses use third parties to promote their products. Affiliate partners are paid for each lead, visitor, or sale they generate, depending on their agreement, and by that they are encouraged to promote the company and find ways to drive more sales. This type of marketing is referred to as performance-based marketing because payment depends on a particular action being taken. Affiliate marketing programs have expanded in tandem with e-commerce, blogging, and social media, with many start-ups considering it a cost-effective way to introduce their products. (Masterclass, 2024.)

Although affiliate marketing predates the internet, the use of analytics and cookies has made it a billion-dollar industry in the world of digital marketing. Companies can track the links that

bring in leads and analyse internal data to see how many of those leads convert to sales. Essentially, affiliate marketing is a pay-for-performance marketing program that outsources the act of selling across a vast network of affiliates. (Masterclass, 2024.)

Meaning that if you have ever purchased a product after clicking on a review website's link or used a discount code from a podcast you have likely participated in a company's affiliate marketing strategy. (Masterclass, 2024.)

The steps in affiliate marketing are following:

- content creators provide affiliate links (creators may also provide a unique affiliate discount code)
- customers click the links (the company tracks data such as the source of the affiliate link and whether or not the customer makes a purchase)
- affiliate marketer is credited and receives payouts (some affiliate marketers are paid per click (PPC), others receive a percentage of the affiliate sales, known as revenue sharing or cost per action (CPA)) (Masterclass, 2024.)

The use of affiliate programs has expanded significantly as an affordable means of digital marketing. Companies can leverage the expertise of successful affiliates who promote their products through diverse marketing channels, such as video content, blogs, podcasts, and more, without having to create marketing campaigns in-house. This approach enables companies to maintain oversight over how their products are advertised while minimizing costs. (Investopedia, 2024.)

There are different types of affiliate marketing such as unattached affiliate marketing, related affiliate marketing and involved affiliate marketing.

Unattached Affiliate Marketing is a form of advertising where the affiliate has no connection to the product or service being promoted. They do not possess any known related skills or expertise, nor do they claim to be an authority on its use. This is the least involved form of affiliate marketing, freeing the affiliate from the responsibility of recommending or advising the potential customer.

Related Affiliate Marketing involves promoting products or services by an affiliate who has some level of connection to the offering. Typically, this connection is between the affiliate's niche and the product or service. With enough influence and expertise, the affiliate becomes a trusted source of information, but still refrains from making any claims about personal use.

Involved Affiliate Marketing establishes a stronger connection between the affiliate and the product or service being promoted. These affiliates have used or currently use the offering and are confident in their positive experiences being shared with others. Their experiences serve as the advertisements, and they are seen as reliable sources of information. However, as they are providing recommendations, any issues with the product or service could compromise their reputation. (Investopedia, 2024.)

Influencers are popular figures on social media who earn commissions by promoting products through affiliate links or affiliate discounts. For some, affiliate income is their primary source of income. Influencers typically cater to a specific audience and are skilled in promoting products in a way that aligns with their brand. Companies typically have a say in how their products are presented in an influencer's content. The FTC has intervened due to complaints from consumers who felt misled by advertisements, including those by influencers. As a result, affiliate content from influencers must be clearly labelled as an advertisement. (Masterclass, 2024.)

As one of the examples of a brand using this type of marketing we have Amazon's affiliate marketing program, Amazon Associates, that is one of the largest in the world. Websites and bloggers can sign up to share Amazon products and services and receive compensation for the sales generated through their sites. (Investopedia, 2024.)

Amazon has strict requirements for the websites and apps that display its ads. These sites must be publicly available, with up-to-date and appropriate content that meets Amazon's standards. This means no offensive or harmful content, and no promotion of illegal or violent activities. Approval for ad hosting is subject to a thorough review by Amazon staff, and meeting a certain sales quota (three within 180 days of the application). If an application is declined, it cannot be reconsidered. Once approved, commissions are earned when site visitors purchase products or services from Amazon. Amazon Associates can earn up to 10% commissions on qualified sales, with fixed rates based on product and program categories. Additionally, Amazon offers special commissions for certain events as a bonus. (Investopedia, 2024.)

Etsy is a global online marketplace that connects people all over the world to vintage goods and unique products. The brand promotes its offerings through a variety of channels, including affiliate marketing partners. To become an Etsy affiliate marketing partner, one needs to submit an application through its affiliate program portal. The eligibility criteria include being at least 18 years old, owning an active and distinct website, possessing a strong brand identity, and

meeting other requirements. If the application is accepted, Etsy pays a commission for any sales generated through the website's product promotion. Commission rates are variable and are based on the order price. While Etsy sellers can become affiliates, they cannot earn commissions on their own products without obtaining special permission. It is important to note that Etsy reserves the right to terminate any agreement at any time for any reason. Additionally, the brand may withhold compensation for any legitimate reason. (Investopedia, 2024.)

#### **4. CELEBRITIES AS INFLUENCERS AND THEIR BRANDS ALONGSIDE INCLUSIVITY**

In our global society, embracing diversity, equity, inclusion, and a sense of belonging is not just a choice but an essential requirement to ensure that everyone is included. This is especially significant in the field of marketing, as brands must genuinely represent a wide array of backgrounds and life experiences to effectively connect with their customer base as it becomes more diverse. With this in mind, marketers need to increasingly honour individual choices, appreciate differences, and endorse personalization of products and services to address the needs, desires, and preferences of their customers.

Inclusive marketing lets businesses reach a broader audience while responsibly portraying diverse perspectives, it attracts a larger audience and builds trust and can be accomplished by using diverse visuals, inclusive language, avoiding appropriation and stereotypes, and diversifying the team. (Gomez Albrecht, Green, & Hoffman, 2023. )

Over the past few decades, it is notable that the idea of celebrity in America has experienced a significant surge, and modern technology has played a vital role in making famous people more accessible and exposed to the public. Paparazzi can locate and photograph A-listers anywhere, while online blogs provide insights into the lives of the famous. Social media platforms have also enabled fans to view celebrities' everyday lives and has contributed to a greater fascination.

The way in which celebrities gain fame in America has evolved over time from relying on family wealth and talent to achieving and maintaining stardom through modern technology and social media platforms. It seems like today, through the right combination of likeability and viral content, anyone can achieve fame. Music artists and actors are the most popular brand owners. The majority of celebrity retail brands, accounting for 53%, fall under the beauty category, while apparel and footwear take the second spot. Celebrities seem to be drawn towards skincare and cosmetics as they offer a relatively lower barrier to entry for entrepreneurs. The beauty industry also allows for easier marketing to the masses, as it has fewer constraints such as sizing or inventory. The success of Kate Hudson's Fabletics and the growing trend of athleisure clothing during the pandemic has made activewear brands a significant player, comprising almost one-fifth (18%) of celebrity apparel retailers. Underwear retailers, on the

other hand, make up only 7% of celebrity apparel brands, but industry giants like Rihanna's Savage x Fenty and SKIMS by Kim Kardashian have anchored this category. (JLL Research , 2024. )

It has been found that almost 60% of retail brands owned by celebrities were established within the past six years. These celebrity brands have demonstrated great proficiency in the use of the internet, which will help them stay relevant with Generation Z. The purchasing power of Gen Z is growing steadily, with their spending power predicted to increase three times faster than that of other generations. By 2030, they are expected to account for one-third of the market. Gen Z consumers are born with technology at their fingertips, and social commerce (retail that occurs directly in a social media app) is an inescapable part of their lives. Most celebrity brands target this generation and use social media to reach out to them. Therefore, they are well-positioned to benefit from the growth in social commerce. (Bain & Company , 2024. )

The prediction is that social commerce will reach \$1.2 trillion in sales worldwide by 2025, with the U.S. accounting for almost \$80 billion. (Accenture , 2024. )

#### **4.1. Fenty beauty and inclusivity**

The beauty, cosmetics, and fragrance industry is flourishing, generating a revenue of \$26.8 billion in the United States alone. It is expected to grow even further and reach \$493.2 billion globally in the upcoming five years. The cosmetics segment is the largest in the US market, representing 53.8% of sales, followed by skincare, haircare, and other products. The industry is led by renowned players such as Ulta Beauty Inc., Sephora, and Bath and Body Works, etc. Fenty Beauty, owned by LVMH, a leading luxury goods brand, and created by the talented artist and designer Rihanna, is part of the cosmetics segment. The brand's first product, the Pro Filt'r Soft Matte Longwear Foundation, was launched with 40 different shades (to date expanded to 50 shades), that caters to oily skin and offers medium to full coverage, what was at the time unprecedented. It quickly gained popularity and earned \$72 million in earned media value, putting it just behind cosmetic giants MAC and Too Faced Cosmetics. The product also won Allure Reader's Choice Award in 2019. Fenty Beauty operates under its parent company LVMH, which manufactures Fenty Beauty's products for sale through e-commerce and third-party retailers. The brand also had intentions to be available everywhere along with their desire for

inclusivity, and Fenty Beauty fulfilled that promise by shipping to 137 countries. (Women's Wear Daily , 2024. )

In the highly competitive world of cosmetics, many brands strive to differentiate themselves from the rest by making bold promises to consumers. However, Fenty Beauty has successfully delivered on that promise by using outstanding advertising, celebrity endorsements, and a wide range of foundation shades. Fenty Beauty has not only transformed the makeup industry but has also leveraged the power of influencer marketing to connect with its audience meaningfully. Their approach to branding is intentionally designed to stand out from the crowd, using unique shade names, pigments, and packaging, along with innovative formulations. (LVMH , 2024.)

Fenty Beauty identified the desire of the American people for a brand that genuinely accepts all people. Moreover, Fenty Beauty noticed the cosmetics industry's gap, where brands were ignoring specific skin colors and excluding racial and ethnic minorities from their marketing efforts. Rihanna articulated that there was no brand at the time that catered to everyone, from the lightest skin to the darkest. Many undertones, such as olive ones like hers, were underserved in beauty. Ensuring inclusion went beyond the number of shades; it required the well-crafted nuance of each shade that served as a proof point. This allowed many women to find themselves in the brand and feel included. (Fenty Beauty , 2024. )

To boost its influencer marketing efforts, Fenty Beauty has leveraged the power of social media platforms, particularly Instagram and YouTube (Rihanna's personality shines through in each tutorial and watching her use her own products and encourages consumers to try the product themselves). Instagram has offered a visual platform for showcasing beautiful product swatches and makeup looks on influencers. Meanwhile, YouTube has provided a space for detailed product reviews, tutorials, and collaborations with popular beauty vloggers, thereby establishing a deeper connection with the audience. (VOGUE FRANCE , 2024. )

The brand has created a lot of buzz and generated word-of-mouth recommendations by strategically sending their products to influencers, celebrities, and makeup artists. This approach has effectively established Fenty Beauty as a must-have brand in the beauty industry, thereby sparking consumer interest. To further solidify their influencer marketing efforts, Fenty Beauty has organized launch events for their new product releases. They invite influencers to experience the products firsthand, which generates excitement and provides the opportunity for them to share their thoughts, experiences, and initial reviews with their followers. Fenty Beauty

has also harnessed the power of affiliate marketing by offering influencers a commission for every sale made through their affiliate links. (Cosmetics Business, 2024. )

Fenty Beauty has strategically collaborated with influencers who embrace diversity and inclusivity. By partnering with influencers of various ethnicities, skin tones, and backgrounds, the brand has demonstrated its commitment to representing a wide range of beauty. These influencers have large followings and a strong online presence, which has helped to create awareness and excitement around Fenty Beauty's products. (LVMH , 2024.)

Initially, the brand was only available through e-commerce, but Fenty Beauty recognized the need for an in-person presence. It decided to sell products exclusively at Sephora, allowing consumers to test products in-person, rather than solely purchasing online without the option of feeling and using the product beforehand. Fenty Beauty's choice to sell products through Sephora was strategic in maintaining its status. Instead of being carried alongside brands such as e.l.f. Cosmetics or Wet N Wild, Fenty is seen next to the likes of Armani and Charlotte Tillbury. By pricing their products significantly above low-end brands but below high fashion brands, Fenty Beauty accomplishes its goal of being an affordable luxury brand that caters to everyone. Fenty's ability to transform an entire industry's standards rightfully labels the brand as a market leader and solidifies its position amongst its competitors for years to come. (LVMH , 2024.)

Following the launch of Fenty Beauty, cosmetic brands were held to a higher standard when releasing complexion products. Beauty influencers on YouTube frequently reviewed foundation releases, shaming those brands that did not offer enough shades for all skin tones. (Business insider , 2024 )

The brands that launched their foundations after the launch of Fenty beauty were Tarte and Beautyblender. Beautyblender, the company known for its innovative makeup sponges, faced backlash from fans and influencers when it released its first ever makeup product in July 2018 - the Bounce Liquid Whip Long-Wear Foundation. Although the brand launched the product in 32 shades, people accused it of releasing a limited shade range in the comments section, because of the lack of darker shades. Earlier that year, in January, Tarte also came under fire for releasing its Shape Tape foundation with only three shades meant for dark skin tones. Tarte is a brand that has seen success with its lipsticks and its popular Shape Tape Concealer, which inspired their new foundation. With Fenty Beauty setting a new benchmark for cosmetics, Tarte's



foundation release was met with criticism, leading to an eventual withdrawal of the product.  
(Business insider , 2024 )

## 5. CONSUMERISM

Adam Smith once said, “Consumption is the sole end and purpose of all production and the welfare of the producer ought to be attended to, only so far as it may be necessary for promoting that of the consumer.”

During the Industrial Revolution, the mass migration of people from rural areas to cities in search of employment led to significant social disruption. Traditionally, people found personal and social fulfillment in their communities and traditions, but this shifted as they sought new ways to define themselves, often through consumer goods. Shopkeepers began to employ methods such as window displays and newspaper advertisements to attract customers. Additionally, the breakdown of strict class distinctions gave common people the freedom to express themselves in new ways, including displays of wealth that would have been discouraged or illegal in the past.

Consumerism had been taking root since the 18th century, but it took time to fully develop. At the onset of industrialization, it was unclear whether workers would become consumers. Early British industrialists complained that their employees would only work until they had earned their weekly income and then stop until the following week. It seemed that leisure was more valuable to workers than increased income. However, as workers began to view themselves as consumers, they no longer opted to stop working early and enjoy more leisure time. Instead, they preferred to work full-time or even overtime to earn and spend more.

The concept of consumer sovereignty maintains that the ultimate goal of economics is to satisfy the wants and needs of the consumer, with a focus on their preferences driving the economy. Essentially, this theory proposes that all economic production is shaped by the choices and desires of consumers. As an illustration, the recent increase in sales of sport utility vehicles (SUVs) in the United States, accompanied by a decline in sales of smaller cars and sedans, is likely due to evolving consumer tastes and preferences rather than automakers' marketing efforts to push vehicles with higher profit margins. Consumer sovereignty emphasizes that the main reason SUV sales have surged is because consumers inherently prefer larger vehicles over smaller ones.

One could question the extent to which the economy is influenced by consumers since consumers can be swayed by advertising.

The question of whether people's preferences as consumers should be the sole driver of economic production, distribution, and resource management is certainly worthy of consideration. After all, people are much more than just consumers. While consuming goods and services is important for meeting basic needs and bringing enjoyment, individuals have a variety of other objectives, such as self-actualization, equity, liberty, participation, social connections, and environmental sustainability. Moreover, many people derive deep satisfaction from their work and production activities, which can foster relationships, build self-esteem, and provide purpose and meaning in life. In order to truly promote well-being, an economy must account for all of these goals. An approach that prioritizes consumer happiness at the expense of worker, citizen, or community well-being cannot be deemed successful.

With modern technology, the lifestyles of the rich and famous have become more accessible to everyone. As a result, people can experience feelings of relative deprivation, where they believe their own condition is inferior to someone else's circumstances. This feeling can exist in all countries to varying degrees. In the United States, for example, the poverty level for a family of four was \$24,600 in 2017. However, this income would be at or above the national average in many other countries. (Roach , Goodwin, & Nelson, 2019 )

### **5.1. Social Comparisons**

While it may be possible to purchase the basic necessities of life for this amount in areas of the country with low housing costs, many Americans who fall below the poverty line (13 percent of the population in 2016) don't feel they can enjoy a "normal" American lifestyle. They do not have the resources to buy the homes, cars, clothing, and other consumer goods commonly shown on American television and on the internet and with that they feel left out and are more prone to living above their means to keep up with their favourite tv shows and influencers which leaves them in even worse financial state because of the credit card debt that they accumulate. The more television and social media content a person watches, the more he or she is likely to spend because whether people consider themselves poor often depends on the condition of those around them. Advertising has a huge role in this because it surrounds people with images of the

good life in which happiness depends on consumption. Along with that, advertising commonly portrays unrealistic body images, traditionally for women but more recently for men as well.

A reference group is a group of people who have an influence on the behaviour of consumers by serving as a comparison point. Most people have different reference groups, which include their neighbours, coworkers, and family members. As consumers, we are also influenced by aspirational groups, which are groups that we wish to belong to. People often buy, dress, and behave like the group of individuals, such as corporate executives, tv show characters, or pop stars and even influencers with whom they wish to identify.

The extravagant spending habits of the very rich, whose income has grown considerably in recent years, put pressure on the wealthy to spend more as well. This pressure eventually trickles down to middle- and low-income individuals. It is important to consider the cost of this competitive spending. All of us, regardless of our income, are spending more time working and taking fewer vacations. We have less time to spend with our loved ones and less time for activities like exercise, reading, and travel that help maintain our well-being. (Roach , Goodwin, & Nelson, 2019 )

## **5.2. Influencers and overconsumption**

YouTube influencers play a significant role in shaping consumer behaviour and influencing marketing strategies. Their opinions and recommendations have a substantial impact on purchasing decisions, making them a dominant force in the modern market. YouTube influencers employ various types of brand stimuli to impact consumer behaviour. The brand stimulus of YouTube influencers can take the form of informative, trendy, and quality-based arguments. According to literature, informative content shared by a YouTube influencer positively influences followers' intention to make a purchase. Studies indicate that on social media platforms, followers seek out informative content, which in turn influences them to spend more time on the platform. When a YouTube influencer shares their knowledge about products, ideas, and fashion, among other topics, followers are likely to perceive this knowledge and experience not only as the influencer's personal statement but also as a demonstration of expertise. Young audiences are particularly drawn to trendy content, especially in the realm of fashion, new product or service introductions, and various activities. As long as the content is timely and engaging, its trendiness can impact people's attitudes toward the information being

provided. Importantly, the trendiness of content has significantly contributed to an increase in followers' recommendations of YouTube influencers. Followers' attitude towards making a purchase is positively influenced by the trendiness of content shared by YouTube influencers. Therefore, a positive attitude towards a product endorsed by a social media influencer will have a greater impact on followers' purchase intention and may lead to the YouTube influencer being recommended by followers. If an influencer says they like a product, their followers are more likely to want it too which leads to the problem of overconsumption. (The role of YouTube influencers in shaping consumer attitudes, recommendations, and purchase intentions: an empirical investigation , 2024. )

The influence of content creators on consumerism and fashion has contributed a lot to a culture of overconsumption. While these creators themselves play a role in this phenomenon, they also have the ability to influence others to do the same. Many influencers have gained popularity through their clothing or product hauls, often purchasing items in large quantities for review purposes. Unfortunately, this often results in a significant amount of waste, as not all of the items are used and end up being discarded. Furthermore, in an effort to minimize expenses, influencers frequently endorse and purchase from fast fashion retailers, thus encouraging their followers to do the same. However, this widespread support of fast fashion not only perpetuates poor labour conditions but also contributes to environmental damage due to the materials used in these garments. PR packages also contribute to this issue, as influencers often receive more products than they can effectively utilize. As influential figures, they have the power to shape consumer preferences and behaviours, often leading to impulsive purchases of specific items and products based on their recommendations, which are often discarded after minimal use once the trend fades. This cycle is closely tied to fast fashion and is further aggravated by the constant promotion of various products as life-changing, particularly on platforms like TikTok. When combined with beauty standards, this can be particularly detrimental as people may purchase products with the intention of conforming to certain beauty ideals. (Zegarelli, 2024. )

### **5.3. Overconsumption and environment**

Consumerism is an integral part of modern life, and it is essential for us to understand that the production process involved in creating every consumer product relies on natural resources and generates waste and pollution. Even though we might not be entirely aware of the ecological

impact of the processes that provide us with consumer goods, it is important to acknowledge that such an impact exists. We are often unaware of the real environmental consequences of the consumer economy, which is located far away from our shopping malls, such as mines, wells, corporate farms, factories, toxic dumps, and landfills. As a result, we are not motivated to take action to address the problem.

Consider a T-shirt made of a cotton/polyester blend that weighs about four ounces. Polyester is derived from petroleum, and a few tablespoons of it are needed to make a T-shirt. During the extraction and refining of the petroleum, one-fourth of the polyester's weight is released in air pollution. Cotton grown using nonorganic methods relies heavily on chemical inputs. Cotton accounts for 10 percent of the world's use of pesticides.

It is of great importance to be mindful of the fact that if everyone had the same ecological impacts as the typical American, we would require 4.7 earths to provide the necessary resources and dispose of the waste. However, green consumerism is on the rise, and more and more people are becoming aware of the need to recycle, use reusable shopping bags and water containers, buy hybrid or electric cars, and so on. Green consumerism can be divided into two types: "shallow" green consumerism, where consumers seek to purchase eco-friendly alternatives but do not necessarily change their overall level of consumption, and "deep" green consumerism, where consumers seek to purchase eco-friendly alternatives and strive to reduce their overall level of consumption. Additionally, many companies are working to decrease the environmental impact of their production processes. Although some of the motivation may be to increase profits or improve public relations, companies are becoming more transparent about their environmental impacts.

It is our responsibility to evaluate the costs and benefits of our actions carefully. When it comes to consumption, we should always evaluate the marginal benefits of something against its marginal costs. In the case of consumerism, these costs include less time for leisure, friends, and family, greater environmental impacts, and negative psychological and physical effects. In short, excessive consumption can have negative impacts, and we should be mindful of its associated costs. (Roach , Goodwin, & Nelson, 2019 )

## 6. CONCLUSION

This undergraduate thesis was focused on the effects that social media platforms and social media influencers have on general public/consumers. With the emergence of social media platforms the media world has changed tremendously; shifting from tv commercials starring models, actors and famous athletes to influencers who share a genuine connection, relatability and trust with their audiences. Marketing is essential for businesses as it is establishing mutually beneficial relationships with costumers, which in todays world where generation Z has more and more purchasing power does not seem attainable by using the traditional methods of marketing. Marketing's main goal is to draw in new customers by offering exceptional value and to keep existing customers satisfied. Every step involved in getting a product or service from the company to the consumer is part of marketing. Traditional mass communication channels like TV, radio, and newspapers are not the primary sources of information in today's world. Today's consumers rely on social media and virtual communities. Traditional advertising is less effective as people find it unappealing and often use ad blockers. Several media organizations have had to completely change their business models, redefine their connection with their audience, and embrace distribution across multiple platforms. The emergence of new communication methods on the internet has not only enabled production and distribution but also emotional interaction with followers, marking a significant innovation in the field of communication. Influencers, as opinion leaders with a large following, hold a prestigious status and can effectively introduce new products or trends to a wide audience. Modern technology has made the lifestyles of the rich and famous more accessible to everyone, leading to feelings of relative deprivation and increased spending based on comparisons with others. The connections that people form are often based on shared emotions, interests, and hobbies, fostering a sense of belonging that encourages collaboration and sharing. A reference group, such as neighbours, coworkers, and family members, influences consumer behaviour by serving as a comparison point. Advertising plays a significant role in creating the perception that happiness depends on consumption, along with portraying unrealistic body images for both women and men. Aspirational groups, which individuals wish to belong to, also influence consumers' purchasing decisions and behaviour. Social media personalities play a vital role in shaping consumer behaviour and influencing marketing strategies by impacting purchasing decisions through their opinions and recommendations. Followers' attitudes toward making a purchase are positively influenced by the trendiness of content shared by influencers,

particularly in the fashion realm. A positive attitude towards a product endorsed by a social media influencer will have a greater impact on followers' purchase intention. Followers are more likely to desire a product if an influencer expresses their liking for it, leading to the issue of overconsumption which is a serious issue for our environment. Numerous influencers encourage a lifestyle centered around immediate satisfaction and spur-of-the-moment purchases, contributing to excessive consumption and a disregard for the future impact of such behaviour. Whenever influencers endorse a product, it frequently becomes sold out right away, indicating that individuals tend to make impulsive purchases of items they do not genuinely require. Impulsive purchasing can have a negative impact on sustainability as it leads to wasteful behaviour, causing environmental harm and financial losses for the customer, as many of the bought items end up unused. Most of the brands promoted on social media are fast-fashion companies that feed into excessive consumption which then leads to an increase in textile waste and the inexpensive materials used, such as polyester and other synthetic materials, are non-biodegradable. In today's world where we can already see how our climate is changing, the society should be more cautious and meaningful when buying new products and one should always have in mind the question "Is this purchase happening because of an aspiration to appear trendy, or because of a genuine need for a certain product?".



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