ISCTE Business School
Instituto Universitário de Lisboa

CONTENT MARKETING AND BEAUTY AND COSMETIC BRANDS' STRATEGY

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"Beauty trends may be made on the red carpet, but it's the influencers who bring the runway to their audiences online that drive customer awareness"

– Sinead Norenius-Raniere, iFabbo CEO

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To my dear friends, who always had a kind word and really made me finish my dissertation.

Abstract

The aim of this research is to understand if a healthy partnership between beauty brands and Digital Influencers is, in fact, a good marketing strategy and if it has a positive impact on beauty brands.

An attempt will be made to understand the work of a Digital Influencer and how strong her/his actions are when it comes to influencing customers to become aware and buy beauty and cosmetic products.

The existing literature confirms that *social media* is having a growing import role for brands when communicating with customers, in understanding their preferences and in better adapting their product strategy accordingly. It is also clear that *social media* contributes to increased brand loyalty, while influencing the brand's perceived value in the long term.

The literature review also covers the topic of *consumer behavior* and how relevant content marketing is on brand awareness and purchase decisions.

A set of interviews were also conducted aiming at beauty and cosmetics professionals – *L'Oréal*, *Mary Kay* - and these have demonstrated that content marketing is indeed part of present strategies and that customers are influenced by what Digital Influencers say or do.

Instagram is the social network that is most used to share content, whether it comes from the beauty brand itself or from the Digital Influencer.

At the same time, it is important that brands choose to partner with Digital Influencers, who relate with the core values of the brand and that are true when communicating them to the customers.

Keywords: Content Marketing, Digital Influencer, Social Media, Beauty and Cosmetics Brands

Resumo

O objetivo deste trabalho de pesquisa é compreender se, nos dias que correm, uma boa estratégia de marketing passa pela parceria entre as Marcas de Cosmética e as *Digital Influencers*.

Irá ser estudado o que é ser uma *Digital Influencer*, o trabalho que requer e o quão e influenciadoras são as suas opiniões no que diz respeito às motivações de compra dos consumidores de produtos de beleza e cosmética.

A literatura existente confirma que as redes sociais têm vindo a ter um papel crescente no poder e no reconhecimento que as marcas de cosmética têm e na sua importância como elo de comunicação com os consumidores. Desde dar a conhecer novos produtos, até a entender as suas preferências, de forma a praticarem uma estratégia de marketing mais focada, personalizada e adequada ao *target*. É também evidente que as redes sociais e as comunidades criadas à volta de uma marca ou tema de interesse contribuem para aumentar a fidelidade à marca, ao mesmo tempo que favorecem o valor da mesma numa estratégia a longo prazo.

A revisão de literatura também aborda o conceito de comportamento dos consumidores e o quão relevante é o marketing de conteúdos na influência das suas decisões de compra.

Foram realizadas entrevistas a profissionais de duas marcas de cosmética - Mary Kay e L'Oréal – que confirmam que o marketing de conteúdos é, sem dúvida, uma estratégia atual e que os seus clientes são influenciados pelas *Digital Influencers*.

Sendo o *Instagram* a rede social mais utilizada para partilhar conteúdos e mais visível por parte consumidores, é importante que as marcas e as *influencers* trabalhem em conjunto na apresentação de uma imagem que represente a identidade e os valores de ambas as partes.

Palavras-Chave: Marketing de Conteúdos, Influenciador Digital, *Social Media*, Marcas de Beleza e Cosmética

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Introduction

The last ten years have been innovative when it comes to the flow of information and to the way technological communications have evolved. This constant development has been changing both the business environment and the way companies adapt their strategy to fit their customers' demand (Tiago & Veríssimo, 2014).

Brands need to develop new customer communication channels and create new and attractive value, to avoid lagging behind in this technological development and to keep these customer relations and network ongoing.

Social media is one, if not the major, outcome of technological and social development, which is helping not only to boost sales, but also to call on new customers and this, in turn, is helping companies build trust and brand loyalty.

Nonetheless, what makes social media so important is the fact that millions of people are now engaged in online communities every day, every time, with an easy access through a mobile phone or a computer. Besides this instant connectivity, this digital market has no geographic boundaries and the whole world becomes a possible market.

In addition, on their daily basis, customers are provided with hundreds of advertising messages, colourful photographs and very persuasive texts, which tend to induce them to make a brand new and impulsive purchase.

However, Kotler *et all* (2017) defend that *content* and *advertising* are two very different concepts. On the one hand, advertising and publicity is the information and message that brands want to spread to help sell their products and services. On the other hand, content is the information that customers find useful before making any purchase.

Two important characteristics of social media are the ability to spread information through existing connections between users, as well as the emergence of new tools, such as Blogs, Facebook, YouTube, Instagram and so many others, which are greatly contributing to a massive share of content.

Web makes it easier for people to stay connected and, therefore, it is entering peoples' lives in a dramatic manner, in a way that is affecting customers' behavior.

Most importantly, brands are looking for customers to remain engaged with the brand and to stay loyal, to contribute to their growth and success in the real market.

One way of doing this is by creating communities based on customers' preferences and investing in content marketing. It is important for brands to stand out and do something different to capture customer's interest and make them wish to be connected to the brand

twenty-four hours a day, seven days a week. This strategy is called "*fear of missing out*", which makes customers profoundly eager to find out what the brand is doing at the moment.

In addition, while it is showing customers what the brand stands for and what it has to offer, the idea is also to create authentic content and share that value to customers, while making the transition from merely digital visitors to potential buyers.

The subject of this dissertation is about the influence of Content Marketing in cosmetic brands and how Digital Influencers help improve customers' engagement with that specific business industry – *Beauty Cosmetics*.

It is also to understand the notion of content marketing and how cosmetic brands are taking advantage of it.

Strategies towards brands require rethinking marketing developing and now, more than ever, to link it with real stories around the brand core values. This can be done by integrating *digital influencers* as starters of emotions to persuade customers in buying and spreading opinions about the beauty brand products

A study conducted by ATKearney on Digital Beauty in Europe concluded that besides *price* and *promotion*, customers are also looking for *convenience*, *online purchases* and *inspiration* for their own makeovers and beauty ideas, which are widely shared on digital platforms.

Social media is an important tool to provide this inspiration. Beauty companies are benefiting from the existing customers and are developing new strategies to keep them involved and part of the brand at a long term.

This dissertation will consist of an exploratory research and a descriptive analysis, considering previous literature which will allow to identify and classify some key characteristics related to this subject.

Moreover, the theoretical approach of this study will be done through a qualitative research, using a set of interviews as a tool to collect valuable information.

Part I - Literature Review

1.1 Digital Marketing

According to existing literature on this subject, traditional marketing normally starts its planning with a Market Segmentation Analysis and a Targeting Selection, based on what a brand believes is right for its image and core values. By doing so, brands show rigor when allocating their resources smartly in a way that permits them to offer the market a more differentiating product according to the several market segments.

Through the past few years, the meaning of *brand* has also become part of customers' experience, since all brand activities are related to the brand's Positioning. A strong Positioning implies a powerful, clear and consistent message that stays on customers' minds and hearts (Kotler, 2017). It is what customers remember when a specific brand is evoked.

Nevertheless, due to the development of disruptive technologies and the continuously change of trends and products' lifecycles, a strong positioning might not be enough. A brand also needs to be dynamic and flexible (Kotler, 2017).

Brands are starting to implement a strategy for including customers through the whole product development cycle, from its production to the way it is distributed and sold.

With the right planning, social media can be used for these different stages. Ranging from pricing to new products information, social media is gaining notoriety due to the close relationship it creates between companies (brands) and their customers. This starts with listening to their needs and opinions, meant for building a strong value proposition.

As previously mentioned by Tiago & Veríssimo (2014), the benefits offered by digital and social media are quickly reaped by companies and "*the most important factor for the involvement of companies in digital media is very low investment, when compared with traditional media*".

It is through social media that brands can make customers feel like they are part of the product and convey a feeling of belonging to that "brand family". Their goal is to allow customers to interact anytime, anywhere and make them trust the brand and identify with its values. Furthermore, digital marketing campaigns allow brands to know in real time what is the market reaction and its results, so in the future they can make the appropriate changes to get the desired results.

Apart from just being present in social media, it is more relevant for brands to deliver quality information and to show creativity to their customers and future ones. Meanwhile, through Blogs, YouTube and social media in general, every brand and blogger have access to a vast portfolio of customers, and the challenge is, thus, to know how to stand out in the midst of so many other brand images, videos and written posts.

1.2. Social Media – Blog as a Digital Marketing Tool

1.2.1. Evolution of Social Media

Social media is used for different business areas, such as marketing, sales, communication and even public relations. But social media is also about making people connected with the help of digital technologies. According to Safko (2010), social media is a set of technological tools that allows humans to communicate, build and maintain relations in a much faster, easier and efficient way. Social networking is one of the most popular online activities and is expected to reach 3 billion users by 2020 (*Figure 1*).

Throughout the years, it is possible to witness a growing need to be connected to the surrounding world and developing a digital interaction with people that share similar interests, values and goals. Because these are constantly changing, networks are very dynamic, capable of influencing others and working as content distributers.

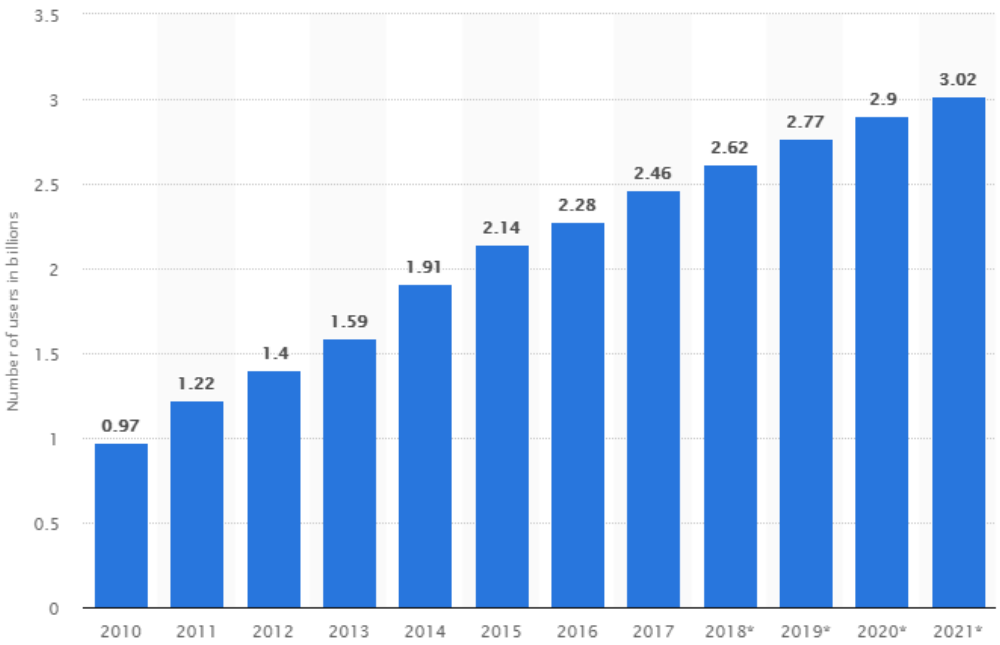

Figure 1: Number of social media users worldwide from 2010 to 2021 (in billions) (Statista, 2018)

Boyd & Ellison (2008) talk about how social networks can create an online identity and have a specific structure built by its users.

Millions of people use social media every day, several times a day, whether it is simply to communicate with each other, collect information or because it is now part of any business strategy.

For Kaplan and Haenlein (2010), social media is very different from computer multimedia, satellite TV programs or even other forms of new media. It is a "*group of internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content*".

Social media has been dedicated to social interactions, as mentioned previously, including weblogs, microblogging, podcasts and even Facebook.

Social networking sites have been changing and new ones have been developed and although *Facebook* wasn't the first social network to be established, the number of users has been growing since 2006, reaching more than 2 billion people. Beauty Industry rankings indicate that L'Oréal Paris is one of the most popular beauty brands on *Facebook*[1].

In January 2018, according to a study by Smart Insights, *YouTube* jumps to second place, followed by *WhatsApp*. However, Instagram, owned by Facebook and created years later, shows a much higher and faster increase of its users.

[1] Data retrieved from www.statista.com/topics/2381/beauty-brands-on-social-media/

The average users in Instagram engage with brands eight times more than Facebook, LinkedIn, Twitter or Pinterest (Burney, 2016). It is now the most popular social network for photo sharing and short videos. In 2016, Instagram grew 15 percent, while other social media only grew by 3 percent (eMarketer, 2016).

Additionally, social media is developed to "shorten" customers' sales experience, for example, through *Instagram*. With the *swipe* in Instagram, customers can now land directly on the purchasing page of a brand, instead of searching for it on the web.

More recently, it has also become an advertising platform for brands and Instagram influencers, who might generate income through this type of network. By December 2017, MAC Cosmetics was the leading beauty brand on Instagram, with 14 million followers, followed by Anastasia Beverly Hills and Sephora[1].

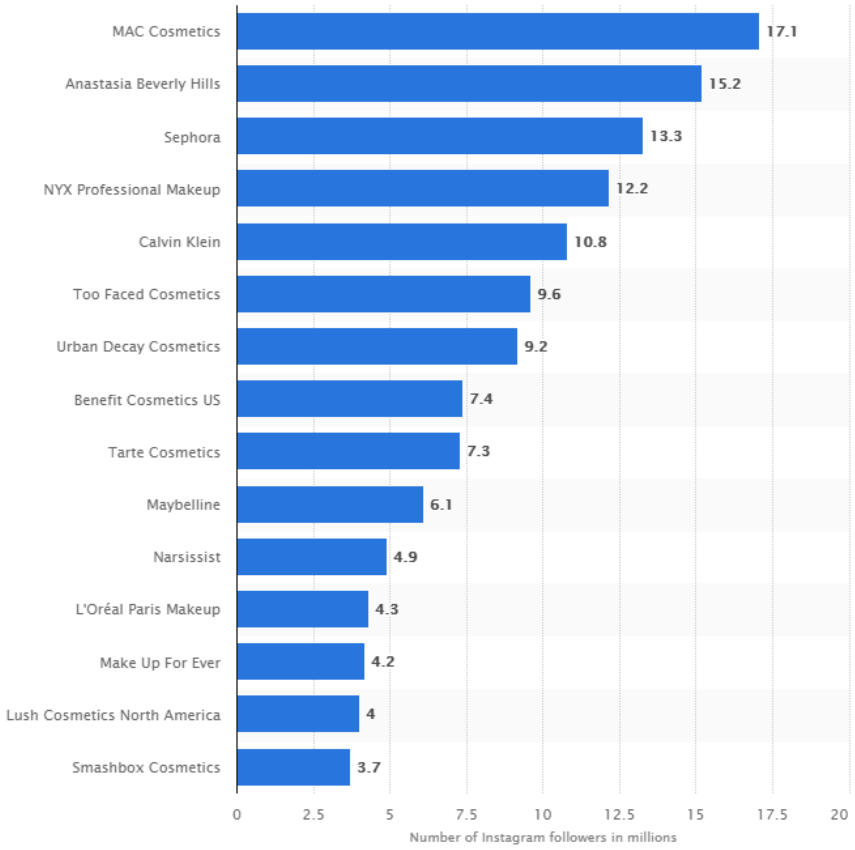

Figure 2: Leading beauty brands ranked by number of Instagram followers as of December 2017 (in millions) (Statista, 2018)

Among all the differences between traditional and social media, interactivity has been one of the common key dimensions (Flew 2008 and Gitelman & Pingree 2003). This

interactivity refers to how media users can engage with mediated activities embedded in social media, which involves a two-way experience.

1.2.2. Advantages for Brands

"***Our brands use social media and online platforms to reach out to consumers, providing content that's answers their questions***", L'Oréal 2017 Annual Report.

Social Media is one of the greatest technology innovations and can target the right segment of customers that brands wish to reach. At the same time, social media is used as a services' platform, where customers search for new products and services, buy them and hopefully repurchase them repeatedly.

On the one hand, technologies allowed customers to be more involved in the production and distribution of products' information, while sharing their own opinions and recommendations. On the other hand, even though these recommendations from friends and family have long influenced customers' purchase intentions, with the help of social media they have now more influential power (Aquino, 2013).

Social Media also triggers higher expectation from brands held by customers and suggests that this value creation is focused on personalized brand experiences, which means having an emotional engagement, since social networking sites allow customers to have better control of what they are willing to receive or reject about a brand of interest.

According to Jevons (2007), a brand represents "*a tangible or intangible concept that uniquely identifies an offering, providing symbolic communication of functionality and differentiation, and in doing so sustainably influences the value offered*". For example, Estée Lauder Companies Inc. is one of the world's most renowned beauty companies, with a total of 27 brands such as MAC Cosmetics and Clinique. Although they belong to the same company and offer similar type of beauty products, these three brands still have a unique set of values.

Social media came to open a dialogue "door" between companies, brands and other customers, as Mangold and Faulds (2009) refer to, and it is this dialogue with brands that improves customers' brand experience. A primary goal in a brand marketing effort is to be present in social media to help promote brand loyalty.

Social media is an alternative communication channel that allows companies and brands to create more interaction with the outside world and strength its presence along customers.

Nevertheless, how to enter customers' minds has always been a challenge for marketers and viral marketing can be used to help achieve different sorts of marketing objectives, such as product launches or brand image promotions. Cosmetic and beauty brands started thinking about the persuasive power that posts, covering all sorts of content, could have and how fast reactions and responses to that wall post will spread. Customers' brand evaluations have mutual impacts on each other and sometimes negative feedback may even receive greater attention than positive ones. If marketers want customers to commit with their brand, they should act as the host and feel identified with the brand. Normally, customers show more favorable attitudes and bigger support towards a company that maintains open and reliable relationship strategies. Cosmetic and beauty brands started different approaches to display their openness, reliability and personality, such as live talks, runway shows with famous models and makeup artists and cooperation with celebrities.

However, each brand does not distribute its digital efforts equally to every online platform. Integrated social media channels and marketing approaches have been reshaping the landscape of beauty industry. Branding and marketing innovations in social platforms not only share products' characteristics, but also strengthen interactions between brands and customers. It is the maintenance of these interactions that foster brand value in promoting accountability of a brand to customers' eyes.

Cosmetic brands like Clinique have certain types of posts such as "Happy Thoughts" on a regular basis, for example. Customers who are familiar with this pattern of behavior build expectations to interact with the brand at a certain time and this makes a difference in marketing results.

Social media does a lot more for companies and brands than just connecting customers and potential customers. It is a *reservoir* of valuable and diverse data through which brands can work with and reveal what those customers' preferences, interests and personal networks are and what they are looking for in a brand.

Therefore, to make it a profitable tool, brands need to understand the changing habits of customers and how to take advantage and make an efficient use of what social media has to offer. These online platforms work as a branding tool and as a sales point, as Wright *et al*. mentioned. Brands should focus on creating personal messages and on building a long-term relation with their customers, as these can easily change their behavior, as soon as something better and more appealing comes up.

Social media can provide a lot of advantages for brands and has a significant role in developing product and brand awareness, as well as brand equity, which are considered very

important as far as the modern-day marketing is concerned, as it is possible to observe in the graphic below:

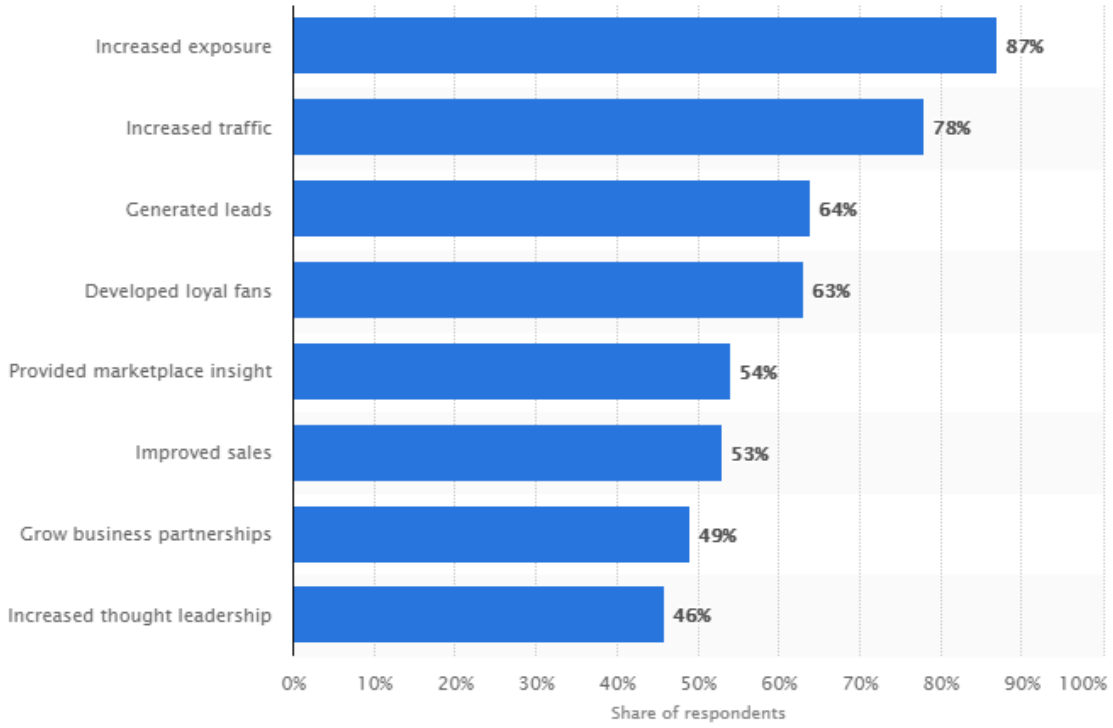

Figure 3: Leading benefits of using social media for marketing purposes worldwide as of January 2018 (Statista, 2018)

Brand equity is, thus, very important in this context as it can make a difference in customer's purchasing choice between the branded product and the unbranded product. That explains the different outcomes of a marketing strategy, which depend on the decision to have a product with a branded element or, on the contrary, the same product with no brand identification.

Atilgan *et all* (2009) mentioned the five following basic customer-related dimensions when it comes to brand equity: brand awareness, brand associations, brand loyalty, brand trust and perceived quality.

When customers can identify and recall a brand using the information they were exposed to, this is understood as *brand awareness* and it is based on brand recognition, recall and brand choice (Keller, 1993).

One way of creating this brand awareness is through blog content, which helps establish *brand associations* and shape a positive and desired brand image.

Brand associations are linked to customers' memory of a brand.

Brand image, on the other hand, is about tangible and intangible, unique and strong associations, which allow the brand to be strategically differentiated and positioned in customers' mind and, therefore, has a positive direct effect on brand equity.

Shen and Bissell (2013) mentioned, in their article, that companies have the means to improve brand awareness and brand image through customer engagement, resulting in brand loyalty. *Brand loyalty* is Atilgan *et all* (2009) fourth dimension of brand equity. Moreover, for Wood (2000), brand loyalty is one of the most important components of brand equity, which explains the brand value of a company, meaning the guarantee of future cash flows. It is the comparison between two or more brands offering similar benefits and how much customers are loyal to it.

The fifth component is *brand trust*. It displays the relationship between the brand and the customers and it is key when building long-term business relationships, as it represents the expectations of the brand´s reliability and intentions *vis a vis* the customers.

Keller (1993) added a sixth and last dimension, but probably the primary and most important one: the *perceived quality*. Because it reduces the perceived risk, it is capable of convincing customers to buy those brand products, while positioning them as superior ones. At the same time, it creates a basis for brand differentiation and extension from competition and the ability to charge premium prices.

1.2.3. Blog Concept

In todays' digital world, blogs are taking over the web as more and more customers are launching their own blogs. This idea is supported by Stone (2002), who believes that blogs are the future of personal publishing.

Blogs are used in many ways and are one of the most powerful digital marketing channels. Companies create them because it is a way of having total control of its content and presentation and it represents an opportunity for brands to promote their products in their own way and choose the appropriate way to do it. Effective blogging entails leaving a distinctive and added value imprinted, not to mention the value a blog can give to a brand when it is associated with an "*humanized*" and real voice, while at the same time, building credibility by showing expertise.

Gilbert *et all* (2016) define blogs as a way of aggregating any kind of thoughts through posting and allowing comments from any reader. For Blood (2000), the nature of blogging is that bloggers provide a rich internet dialogue where information can be critically examined.

Carrera (2018) states a set of reasons why it is important to create a blog. The first one is its simple process, anyone can write it, even though one needs creativity and commitment. Blogs are more than just a page, they are an experience told by real customers that decide to share their own personal opinions.

Moreover, writing a blog is relatively cheap compared to other communication channels and it helps gain credibility, as the blogger writes about topics close to her/his personal interests. It is a means to interact with the market, since content sharing becomes easier through social media platforms.

Today, it is possible to follow multiple blogs, for example in *Instagram*, and these are popping up every minute, talking about different topics of interest. This phenomenon is possible because everyone has the means to create one *Blog* and that requires low or none financial investment.

A difficult part of owning a blog is, though, to maintain it and create content that engages customers. It requires discipline, commitment and passion.

Strong blogs have a good flow, they are logical in their construction and provide customers a unique and creative perspective, always keeping in mind their consistency and authenticity.

One of brands' challenges will be to create partnerships with *Social Influencers* or even *Micro Social Influencers*.

Blogs and other social media tools are more and more used by customers to keep both their personal connections and their professional contacts, which means they act by their own will and are part of social communities of their choice.

To conclude this subject, *Digital Influencers* are digital natives who post, snap or tweet to their followers, about the most diverse subject and interests which they recommend.

In this digital age, online platforms are overcoming beauty magazines, not only to customers but also to the brands themselves. For many years, editors and magazines were the "*it*" about beauty and cosmetics beauty, but then social media came and, to some extent, are replacing them. Along with *bloggers*, *vloggers* are also part of the digital influencers of today.

1.2.4. Who makes the Blogger World – Beauty Influencers

An article by *Global Cosmetics Industry*[2], states that the beauty market is expected to hit $390 billion by 2020 and based on current trends, it is possible to assume that *e-commerce* will be the main engine driving the industry growth. In the beauty industry, brands that wish to survive will need to forge an emotional connection with their customers, foster wellness and, of course, increasingly use digital tools to scale their business.

Beauty Brands are finding new ways of increasing their products' exposure and boosting their brands' engagement, through digital influencers' posts and image sharing of the brands' products on their feeds. Brands work with Digital Influencers to reach targeted customers, promote products, educate customers and create content (eMarketer, 2015).

Their effect on customer behavior has not gone unnoticed and Forbes Magazine (2017) highlights the Top 10 Beauty Influencers that have either developed their own line of products or collaborated with a beauty and cosmetics brand.

Beauty Influencer	Instagram Followers	YouTube Subscribers
1. Nikkie de Jager	8.4 M	7.8 M
2. Christen Dominique	1.2 M	3 M
3. Wayne Goss	581 K	3 M
4. Manny Gutierrez	4 M	3.6 M
5. Shannon Harris	1.5 M	3 M
6. Kandee Johnson	1.6 M	3.9 M
7. Huda Kattan	21.7 M	1.9 M
8. Michelle Phan	2.1 M	8.9 M
9. Jeffree Star	5.1 M	5.4 M
10. Zoe Sugg	11.2 M	12 M

Figure 4: Forbes Top 10 Beauty Influencers and number of followers and Subscribers (K= thousand; M= million)

[2] Retrieved from https://www.gcimagazine.com/marketstrends/channels/onlinetv/The-Beauty-of-Online-Cosmetics-How-to-Grow-Your-Business-Safely-473583183.html

Nevertheless, it is much more than just posting a picture or announcing a campaign on social media. Brands are working on converting these Digital Influencers into valuable "brand ambassadors" or brand representatives.

Being a *Digital Influencer* entails a compromise where the influencer has her/his own job, created and controlled by her/him and most of the times it starts out only as a hobby. As *Influencers*, the focus is in making sure that their opinion and influence is positive and real (Helena Coelho, 2017)[3].

In Portugal, the relevance of Beauty Influencers is real, and their success translates itself in the number of followers of their well-constructed and inspirational Instagram profiles.

The Top Portuguese Beauty Influencer is Inês Franco with 126K followers on Instagram (@ines.franco.makeup). Inês is a professional makeup artist and works in TV, advertising and photography for more than 15 years. She won Blog of the year award in the beauty category, for two consecutive years (2016 and 2017).

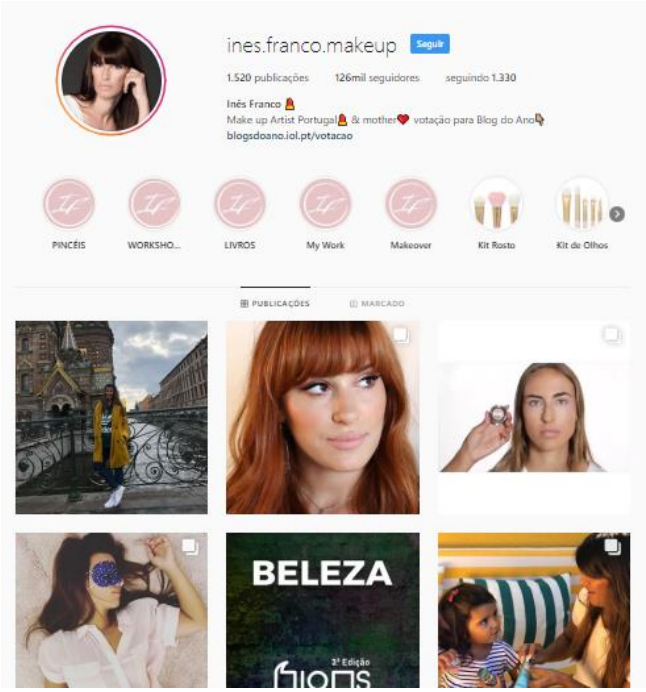

Figure 5: Beauty Influencer Inês Franco, Instagram App

The second Portuguese Beauty Influencer is Inês Mocho (@inesmocho.makeup). She owns a makeup and beauty academy and a YouTube channel. Her Instagram account has more than 170K followers and every week she shares new content on her page.

[3] Helena Coelho, one of the most known Digital Influencers in Portugal.

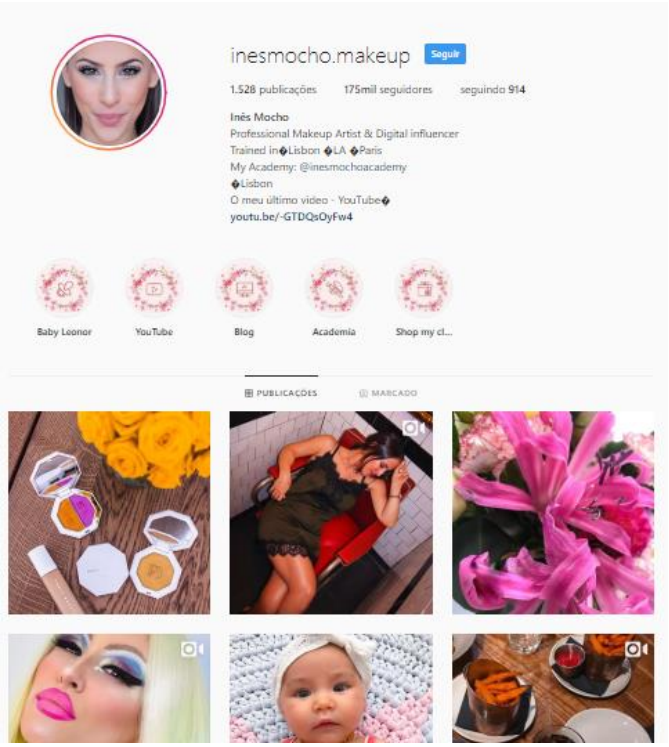

Figure 6: Beauty Influencer Inês Mocho, Instagram App

The third Portuguese Beauty Influencer is Helena Coelho (@helenacoelhooo) who learnt all beauty tricks and trends and now she, shares it on her Instagram page and YouTube channel, with more than 160K followers on Instagram.

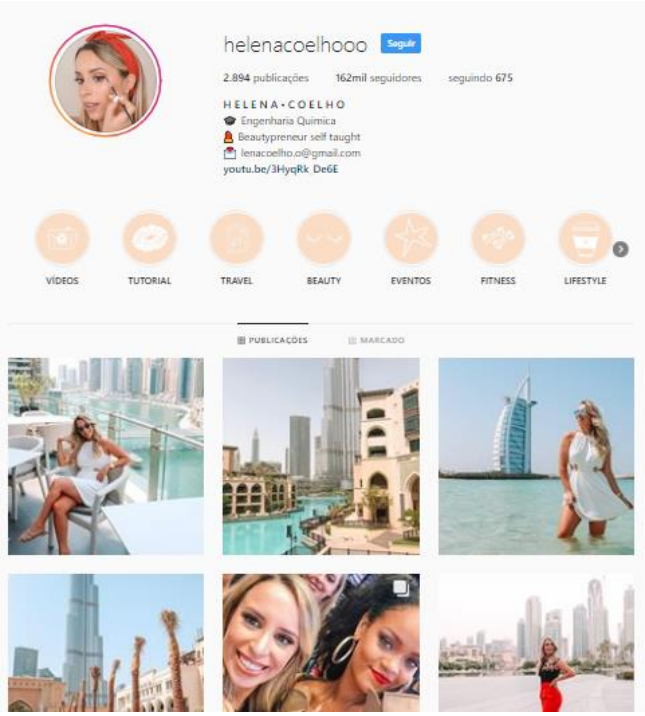

Figure 7: Beauty Influencer Helena Coelho, Instagram App

As far as their common characteristics are concerned, they all show to be credible, to have constant activity, to work with distinct brands, to have large followers and a great exposure (Ioanid, Militaru & Mihai, 2015) and this is perfectly visible in their respective Instagram profiles.

Digital influencers are sustained by "digital influencers' followers" and these two groups are called "two-step flow" of communications (Katz & Lazarsfeld, 1965). Therefore, customers are influenced by Digital Influencers and one cannot exist without the other (Flynn, Goldsmith, & Eastman, 1996).

Every influencer has a different perspective and way of communicating with followers. Nevertheless, passionate influencers that identify themselves with a specific brand can communicate key messages to a wider target audience and, ultimately, this is what brands look for when considering such a partnership.

This partnership between the Brand and the Influencer should be based on authenticity and the Brand should allow the Influencer to use her/his own voice and style and create something valuable, instead of telling them what to do.

There is an increasing trend on social media for users trying to market themselves as a brand to gain attention and visibility. These Digital Influencers are primarily young women who post pictures and videos of their recent purchases and comment on beauty related issues

and products. The *Beauty Influencers* from different parts of the world are the ones who bring diversity and alternative fields of expertise inside the beauty and cosmetics world.

Due to their large number of followers, some are influential and have gained recognition in both online and offline world. A study conducted by the consultancy company, ATKearney (2017), identified three types of emerging Digital Influencers: *The Girl Next Door*, the *Lifestyle Guru* and *The Expert*.

The Girl Next Door. What began as a hobby for some women in their teens or early 20s has turned into a global phenomenon. Call it the Revenge of the Girl Next Door: "regular girls" who love beauty and revel in sharing their beauty secrets are using social media to create audiences, keep them interested with fresh content, and build a personal brand that sometimes has global reach. Examples include Bethany Mota and Carli Bybel with their 10 million and five million YouTube followers respectively. On Instagram, Chrisspy has four million followers, and MakeupShayla has two million. Fashion and beauty vlogger Zoella has more than 30 million cross-platform followers.

The Lifestyle Guru. These digital influencers operate at the intersection of fashion, beauty, wellness, home décor, and travel. Having worked in the fashion or beauty industries, their insider credibility makes them relevant across a variety of topics. For instance, model and blogger Chriselle Lim has three million YouTube followers and almost a million followers on Instagram, where she shares her days on the catwalk while offering beauty, food, fitness, and fashion tips. Her followers can "buy the look" by clicking on an item to be transferred to the brand's website. Others in this category include Aimee Song, who covers topics from interior design to beauty tips for her 4.3 million Instagram followers, and Kristina Bazan, who has five million followers across Facebook and Instagram.

The Expert. Being a professional makeup artist or skin-care expert is a proven path to achieving global influencer status. They bring to the social media space the experience and expertise that consumers value and trust, enabling them to build an impressive base of followers. Professional makeup artists such as Jaclyn Hill (four million Instagram followers and four million YouTube subscribers) fall into this category. Other examples include sisters Sam and Nic Chapman, makeup artists who started producing beauty tutorials under the name Pixiwoo (two million followers on YouTube), and Patrick Starr, a MAC makeup artist who has two million YouTube followers.

Figure 8: Types of emerging digital influencers (Beauty and the E-Commerce Beast 2017)(Source: ATKearney)

In addition, internet in general is becoming more visual and *Instagram* users have ranked the highest scores for showing commitment and following beauty trends.

Today, Instagram has gained a crucial role in the social media platform. Instagram is, in fact, growing rapidly as a visual self-branding tool that has become the most popular and largest photo sharing social media platform in the world, with 600 million monthly active users, according to Smith (2017).

The demand for influencer partnerships has led to a new relationship between content marketing agencies and *Beauty Influencers*. An example is what happened with Sway Group, a content Marketing Agency, which in 2016 acquired iFabbo[4], a beauty influencer network. Sway´s way of business is partnering with brands to ensure social media choices are appropriate, going in line with the marketing plan and going until the end, where customers are. By doing so, it leaves space and time for beauty brands to think of new ways to reach customers and to create unique content.

Sway Group CEO, Danielle Wiley, considers that real engagement takes place among the middle level influencers who have between 200.000 and 600.000 page views per month, where customers feel more connected, in contrast with large scale influencers, and intimacy is everything when it comes to marketing.

1.3. Content Marketing

1.3.1. Definition – Story Telling

"*Marketing is not about the stuff you make, it's about the stories you tell*" Alicianne Rand[5].

Content marketing is indeed a recent concept but has been gaining more relevance as it is rapidly seen as the future of marketing and digital advertising, due to the rapid rise of the internet.

Customers spend most of their time running through online platforms, whether it is to search for information before considering a purchase, or to share opinions about brands, or even to connect with their own network of friends. Thus, content marketing represents an opportunity for brands to get connected with customers every time they are online. It is a chance for brands to attract, engage, convert and retain customers by providing relevant information.

Content marketing expert, Joe Pulizzi (2012) defends the idea that content marketing is an "activity" of storytelling, key to attract and retain customers. The author also states that content marketing is the opposite of advertising and consists on the creation of "*valuable,*

[4] iFabbo was founded in 2010 and acquired by Sway Group. iFabbo works with digital influencers and brands to help connect them with one another.
[5] Executive Director of global content and influencer marketing at Estée Lauder. Accessible through https://newburymagazine.net/digital-the-future-of-storytelling-at-estee-lauder/

relevant and compelling content by the brand daily, used to generate a positive behavior from a customer or prospect of the brand".

Content marketing can be found through website channels, blogs, e-mail marketing, social media, video, podcasts, photographs and even paper magazines. A successful content marketing strategy requires a well though and planned approach, starting with its production until it is purchased by the customer and subject to a performance analysis.

Since one of the brands' main concern is to differentiate themselves from their direct and indirect competitors, they must provide their value proposition in an appealing and creative manner, without overdoing customers' minds.

Sometimes this content may not contribute directly to boosting sales. But since they are valuable for customers, they might change the way these perceive the product or service offered and, thus, take advantages in future purchases.

Kotler (2017) defends that the two main goals of content marketing are related to *sales* and *branding*. In a way, it depends if it is addressed to individual customer or another company. The main objectives for individual customers are *brand awareness*, *loyalty* and *involvement* and, at the same time, marketers should ensure that these contents are consistent with the brand character.

In contrast, when it is directed to companies alone, there is a lot more emphasis on sales and on managing new opportunities, therefore marketers should make sure that those contents are aligned with their sales channel.

Since barriers to content marketing are low, today writers, journalists and editors are available in every industry to help brands overcome their biggest challenge, which is to produce great and compelling storytelling.

According to Pulizzi (2012), it is important for companies to focus on a target niche category, and this will help them overcome the struggle of creating truly engaging content for their customers and, at the same time, delivering results for the company itself. Brands need to have a clear idea of who their target audience is and even start thinking about who their dream client would be and consider their interests, questions, needs or problems. The goal is to produce very specific content to a very specific buyer. This could be done through internal content creators or by levering outside industry experts. According to a research by "*Content Marketing Institute*", over 50% of brands outsource some part of their content creation process and the tendency for this is to rise year over year.

To conclude, *Influencer Marketing* facilitates the breaking of barriers in giving a "human" voice to brands, through the creation of "social stars". After all, and as mentioned by Bill Gates, "*Content is King*" (1996).

1.3.2. Content Marketing and Brand's Strategy

Within this increasing growth of digital media, influencers are captivating more beauty customers with the help of makeup professionals, YouTube content creators, beauty bloggers and so forth.

By posting one photo or, for example, uploading a video, they have the power to organically promote a product to all their followers and this is one of the reasons why beauty brands engage with top trend-setters in the beauty industry.

Beauty brands started to pay attention and being more creative when it comes to content marketing and more digitally-focused, because of the benefits it can bring for the brand, not only growing the sales' sector, but also raising brand awareness. According to Estée Lauder's Executive Director for global content and influencer marketing, there are four questions a company should consider when it comes to the story telling process: "what drives us?", "who inspires us?", "how do we execute?" and "where are we going?".

Content marketing also helps strengthen customers trust, because if an influencer believes in the brand's product, then he/she can create compelling stories around it and when customers come across such a content, they are more likely to absorb it and appreciate it.

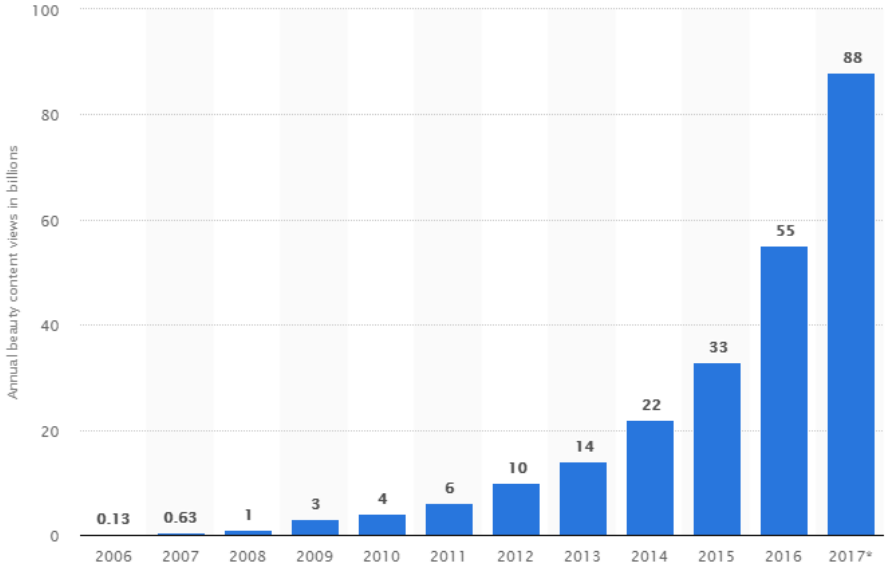

Figure 9: Annual beauty related content views on YouTube from 2009 to 2017 (in billions) (Statista, 2018)

Here are some examples of beauty brands that have been working on their beauty content marketing strategy:

- *Burberry* aims at increasing awareness of its make-up line and it developed an interactive campaign which allowed users to send letters sealed with a virtual kiss captured through their smartphone camera, to anyone around the world. Similarly, it had that personalized element that customers are looking for.

- *NYX* owned by L'Oréal, organized a make-up competition for beauty vloggers, where anyone could participate by creating a video showcasing their make-up skills. This campaign not only increased awareness but it involved the audience in the whole promotion event.

- *L'Oréal* Beauty Squad is probably one of the most known campaign which involves several influencers creating YouTube videos and engaging stories on the latest beauty trends and products. It gives L'Oréal the opportunity to create the kind of content that customers are searching for online. Creating content for both L'Oréal's social media as well as their own, was a plus for both parties.

- *Lancôme* created a series of four videos featuring 40 inspirational women to celebrate the fact that its best-selling foundations are available in 40 different colors. It was a campaign with an empowering message, driven by story-telling to celebrate the diversity of its target customers.

1.3.3. Video

Leveraging video marketing became a powerful strategy to promote a brand, make meaningful customer connections and grow business results.

A study by Google[6] (2015) shows that customers have a much quicker and positive response to videos, as it is a way to communicate on a more personal level with customers, who value several attributes at the same time, such as story-telling, human factor and animation.

When it comes to beauty recommendations, YouTube is one of the best sources to look for. Video has become a huge part of branded content and vloggers spend hours testing, switching and reviewing products, making sure that their followers know their opinion.

Beauty brands like *Sephora*, owned by *LVMH Group*, knows that "*the Beauty world and video go hand-in-hand*" (Calvin McDonald, 2017)[7] as not many customers tend to buy expensive make-up products online, without going through online reviews and videos. For *Sephora* it is important to partner with authentic influencers, people who are truly obsessed by beauty and have built powerful communities by demonstrating their beauty expertise.

Moreover, *Sephora* was one of the first beauty brands to join *SnapChat* and use a multi-channel marketing strategy. *Sephora* collaborated with *Clinique*, owned by *Estée Lauder Companies*, on a live *SnapChat* takeover. It was a marketing strategy to establish brand authority and reach a larger audience. It also worked as a platform to advertise promotions, discounts, new product introductions, details about a beauty event, all that customers could interact and follow almost in real time. Moreover, *Sephora* constantly partners with make-up professionals and beauty addicts on YouTube and gives them beauty products in exchange for honest and authentic reviews.

Sephora also uses Instagram as a different video platform, while including other affiliate links to re-direct customers to the brand´s website.

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[6] Retrieved from https://www.thinkwithgoogle.com/intl/en-apac/ad-channel/video/from-selling-to-storytelling-moving-brand-metrics-with-digital-video-content/

[7] CEO and President of Sephora

In addition, to be successful, a video campaign needs to capture customers' attention on the first five seconds. Good and efficient videos must be short, since brands only have a few seconds to capture customers' interest and make them engaged by the end of a video. The video should also transmit an emotional connection to the viewers.

1.3.4. Online Communities

The rise of digital technologies has enabled customers to share their feelings and opinions on products, rather than just being merely recipients of marketers 'content.

Online sharing of customers' opinions is called electronic *word-of-mouth* (e-WOW) (Goldsmith & Horowitz, 2006). Instead of reaching a small group of people, customers can connect online with thousands of individuals through social networking websites, online communities, review websites and blogs (Cheung *et all*, 2008). These community "*hubs*" are considered more influential because customers join these groups due to their common interests. These hubs work as *the core*, where customers can have access to a variety, yet different and complementary information, while navigating through different links and blogs. eWOM in Instagram has become an effective and popular source of information because of its continuous growth and mobile accessibility (Thoumrungroje, 2014).

According to Alicianne Rand[8], more than 40% of related content to Estée Lauder Companies comes from customers who willingly share their stories and experiences. Estée Lauder encourages customers to be a part of the "digital conversation" by including some questions, engaging in a dialogue around a specific moment, such as International Women's Day or even Halloween.

Kent (2008) mentions, for example, one of the blog's strength as being the ability to connect people with similar interests over the internet and to "*reaching the choir*". Since customers search for blogs that are of their interest, like-minded individuals also have similar interests.

Overall, these online communities work as a cheer section and sometimes as a support system that is free most of the time. It gives ideas, organizes plans and it is possible to tailor according to personal preferences.

Social influencers have their own audiences and followers and the content they create needs to be real and authentic, "coming from the heart", to have them truly engaged. On the

[8] Executive Director Global Content Marketing for Estée Lauder Companies

other side, customers develop a trust bond with those influencers and are always looking for their next share of inspiration.

This mutual relationship is a key element for brands, as they can influence future purchase decisions and attitudes.

1.3.5. Goals and Success Metrics

Content creation is growing inside companies and brands are more aware of the importance of telling real stories that are strong enough to engage customers.

Marketing messages need to be strategic, relevant and measurable and just like any other form of marketing, brands will get the best results out of it if they follow a plan, test it and measure it in the end.

Because brands are working on an online space, it becomes easier to measure most of the digital content marketing, to see what works better and understand which activities are delivering the best return on their marketing investment. In the end, it is all about being consistent with what to track and, if it is not working as it was supposed to, making the necessary changes.

How to boost traffic is a topic of interest for brands and for this there are the Search Engine Optimization tools (SEO), which help give a reliable answer.

If in the begging celebrities remained the most recognizable and leading personalities, individual Digital Influencers are gaining more strength and impact as customers are looking for reliable information in real time and trust their unbiased and honest reviews.

Updated content is sometimes a challenge, as the Influencer needs to cover a subject that goes both with her/his personal interests and with what customers want and are expecting.

Through the help of technological development, in the past few years new social tools are already emerging, which permit an automatic content update, denominated RSS – *Really Simple Syndication*.

By using technology and data to track campaigns' progress, content agencies like Sway can advise brands on what kind of results can be achieved.

Forbes Magazine highlights a group of tools that measure and analyze data related to Instagram campaigns (Laurinavicius, 2016):

- Iconosquare: "Google analytics for Instagram", informs about general performance related to comments, likes and followers.

- Crowdfire: It is used to increase the number of followers.

- Simply Measured: It measures Instagram's activity with reports from each account.

- Social Insight: Informs about the account's performance in general.

Nevertheless, Instagram Analytics already informs about publications performances and brands have immediate access to the number of visualizations, stories, number of followers, hours of more traffic, location and other variables.

Another measurement tool that helps have a better performance is the "Instagram Algorithm". This requires Digital Influencers to understand which are the best hours to post a certain content on their Instagram page, guarantying they have the maximum engagement on that social media platform in that time, to increase its impact, reach and campaign success.

Besides digital and technological aspects, there are other metrics that could be used to help measure Bloggers' influence. Measuring website traffic is key, as numbers give a clear snapshot of how many customers these bloggers reach every day. But on the other hand, brand extensions can also be a representative measure standard, as it refers to the bloggers being rewarded for launching their own lines or collaborations.

Likewise, the "*it factor*" shows whether brands have worked or partnered with higher-end brands and google news searches to see how often the beauty bloggers where mentioned in headlines.

At the same time, there are other components when evaluating the most effective and popular Bloggers, such as: *image content*, *composition element* and *external relationship*.

The image content includes subcategories, such as theme, number of people in the photograph, pose, touch, body display, withdrawal and stance. These are the schemes defined by Goffman (1974).

For the photography composition element, there are three subgroups to take into consideration - type of shot, camera angle and visual composition.

To evaluate the external relationship and make the content more appealing, each post should be coded with a *tag*, *hashtag* and *number of people* or "@" for recalling people or brands.

A study conducted by Liu and Suh (2017), which analyzed Instagram posts of the 10 most popular bloggers, found that posts that pictured related to style had the most attractive theme

regarding self-presentation and that photos with friends were a good way of gaining popularity, as they convey a sense of authenticity.

For the composition element, wide photos were more popular, as they included more information and, after all, "a picture is worth a thousand words".

In terms of technology functions, *Tag* People is an effective way to help customers connect with others. Since the amount of time a picture is viewed by the followers is equal to online success, using *hashtags* is also an effective approach to increase exposure and further gain website traffic and popularity.

In addition, to maintain unity of a brand, the posts should always have a consistent tone and style.

1.4. How Customers respond to Digital Influencers

1.4.1. Customer Behavior and Purchase Decision

Understanding how social media influence impacts a consumers' decision and product perception involves examining the social meaning that customers attribute to products, as well as the origin of their meanings.

Right before this social media uprising, marketers believed that for a customer to buy a product they would have to practice a more aggressive and push selling. On the contrary, and as Keller and Kotler (2009) defended, the right products must be delivered for the customers and not the other way around.

Customers' buying behavior is influenced by social, personal and psychological factors that need to be taken into consideration for an effective market to consumers (Brosekhan, Velayutham, & Phil, 2014: Dahl, 2013).

Kelman (1961) defends that social influence comes from three different processes: *Internationalization*, *Identification* and *Compliance*.

First, *internationalization* comes from accepting information from other individuals who seem to be experts and have a relevant source.

Secondly, *identification* occurs when there is a bond or link with the source through a particular behavior.

Lastly, *compliance* refers to an individual's reaction to some request to please a particular group's expectations or simply to avoid some kind of "punishment".

In addition, today's customers are littered with tons of advertisings and marketing messages and this leads to the natural desire to shut out unwanted messages. Thus, one of the biggest challenges marketers face is to know how to make their advertising visible and actually reach the desired customer.

With all the technological advances, customers' behavior also changed as they became more resistant, informed and more demanding and so, marketers must act more subtly and subliminal.

Customers all over the world expect more personalized content and a seamless fluid shopping experience. In this multi-tasking and stimulated world, customers no longer have their attention centered only on one product or activity.

Stevenson (2010) defends that even if the television is on, customers are still surrounded with many other information sources, such as magazines, computers, texts and mobile phones, thus the idea of creating something unique, different and exciting that remains part of customers' memory is enough for competing for their attention.

In today's stirred society, a challenge defended by Gladwell (2000) is to create *sticky messages* and that can be done by introducing significant changes in the brands' way of communication.

Therefore, the opportunity relies in making advertising more appealing, real and entertaining and, at the same time, having a targeting strategy.

1.4.2. Customer Motivations

"*Brands are connecting with savvy consumers by satisfying their needs for exciting and enlightening experiences, as well as their demands for exclusive access and personal advice. The best ways to engage with Millennials offer a combination of smart digital tools and in-person interactions*", Roland Berger[9], 2018

Ultimately, it is customers' desire to have new, better and safer products delivered by dynamic beauty and cosmetic companies.

Though the world is more and more interconnected, it is also more local and individualistic, therefore customers are seeking products that are more personal to them.

[9] Global Strategy Consulting Firm, headquartered in Munich.

For the beauty and cosmetic industry, this means meeting demand for products tailored to diverse individual factors, such as age, gender, ethnicity, religious beliefs, geographies, climate, lifestyle, health and wellbeing.

Social media tools allow brands to be more targeted with their reach, and segmentation helps them to reach customers that share similar values, motivations and interests and that could maybe fuse an interest among other future customers, which is the first step in starting new trends.

Most of the times, big trends start by smaller groups of customers that have the power to communicate and influence one another and, as Gladwell (2000) advocates, marketers should understand and pay attention to these specific types of customers.

In his book, the author mentions three categories of customers. First, the *Connectors*. This group of customers have the ability of bringing other customers and ideas together, they work as connectors because they move and steer customers into directions of interest. They help marketers communicate with the right customers.

The second group is called the *Mavens*. According to Gladwell, these have the ability to start word-of-month trends with the help of their charisma, social skills and thirst for knowledge. They are the ones who soak up information and tell everyone about it and remain loyal to the company if the latest product triggers their interest and fulfills their self-esteem.

The last group are the *Salespeople*. These can convince, persuade, control the relationship and sell customers on new ideas.

The rise in social media enables brands to establish a more intimate relation with customers and these are finding new ways to connect with like-minded ones as a reference group (Khan & Khan, 2005). Customers are now more interested in satisfying their needs for a better esteem and self-actualization (Keller & Kotler, 2009).

Regarding the influential marketing in blogs, opinions and attitudes, digital influencers are opinion leaders, very relevant in customer behavior and purchasing intentions. Brand related content has the potential to shape consumers perceptions and to challenge marketing professionals in delivering focused messages (Enginkaya & Yilmaz, 2014). Opinions and beliefs of others affects customers' understanding about a product. Whenever there is a favorable opinion, there is a greater predisposition towards purchasing the products.

In today's context of "*customerism*", customers tend to select products and brands that enable them to be different from others and boost their position and self-image, just like they have a need to express their singularity.

When a brand is able to seize these satisfied customers and involve them in the commercial process, they turn to be salespeople for other potential customers, which represents a huge competitive advantage for the brand.

Carrera (2018) suggests some actions a brand can take to transform satisfied customers into sellers. It starts with producing reviews and publishing them in blogs so they are easy to access and identify. These transmit truthfulness and meaningfulness and a sense of real story. Secondly, brands may create e-mail marketing campaigns. They are a form of direct marketing and they have the power to improve the brand relationship with customers as it is easy to plan and send, as well as to test and evaluate different marketing approaches with different types of customers.

1.4.3. Customer's interaction with Beauty Influencers

If a customer is looking for a beauty product information, then social media is the place to go. Digital technology has become more present and essential in brands' way of communicating their business to customers.

As customers embrace technology in their everyday lives, through the increasing use of smartphones, the boundaries between real and virtual realities have become blurred. Moreover, because technology facilitates commerce, beauty companies start to put on more effort on their technological and digital strategies.

In addition, because technology is readily available for customers, they also hold the power to be informed, to compare products, share their content and make their own decisions and opinions about certain products or services. In fact, according to data from Women´s Marketing[10], 21% of beauty customers look to social media before making purchase decisions. Taking L'Oréal as an example, this Beauty and Cosmetic company realized that the main obstacle for online purchases is the fact that it is hard for customers to visualize the products. Therefore, based on augmented reality, L'Oréal developed a mobile application named "*Makeup Genius*" that allows customers to try on cosmetic and beauty products.

For beauty brands, having real people talking about their products on social pages is the most powerful, objective and authentic way to create brand content and drive customers 'engagement, more than marketing messages themselves. Customers with passionate beliefs

[10] www.womensmarketing.com

actively seek out spontaneously and are willing to spend more on brands that are also aligned with those same practices and beliefs.

Beauty influencers are, for this reason, being sought after by many of the beauty brands everyone knows and admires. They are gaining more respect and seen as industry insiders, since brands are recognizing their voice and credibility near customers (Kapitan & Silvera, 2015). To illustrate this phenomenon, the graphic below shows that social media buzz surrounding beauty brands on YouTube, is mainly generated by beauty influencers, rather than by brands themselves.

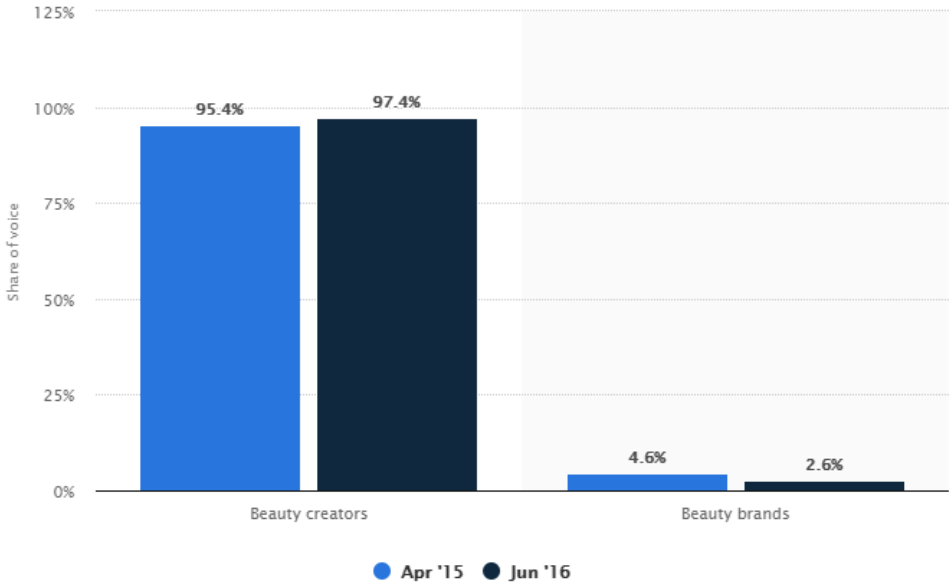

Figure 10: Beauty content share of voice on YouTube as of June 2016 (Statista, 2018)

As this blog world matures and grows, Digital Influencers are constantly working on the veracity of their content, writing and speaking about products they are really into it and giving unbiased reviews.

For followers/ customers, to read and see what Digital Influencers are buying is a way to maintain their social identity, but at the same time to ensure they make the right choices and feel confident with them, when it comes to purchasing the right beauty and cosmetic products. This relates to an idea of social comparison, from Kang and Park-Poaps (2011), which points out that when there is uncertainty about some product choices, customers will compare themselves with others, who they perceive to be similar, in order to increase the stability of one´s self evaluation and avoid the risk of social failure. In fact, researchers have found that

individuals tend to compare themselves for self-evaluation (Taylor, Wayment & Carrilho, 1996), self-enhancement (Wills, 1981) and self-improvement (Taylor & Lobel, 1989).

Beauty trends are constantly changing, and new products are always being delivered to customers. Therefore, for most of them, even though a Digital Influencer opinion might appeal to them, it is more efficient and profitable for a brand if that same product appears on multiple blogs, for the customer to finally consider buying it for her/himself.

Beauty Brands have understood the relevance of Digital Influencers in the success of their brands but at the same time, with this big diversity, it can be difficult to separate which ones to work with. This means that it is important for brands to find the most appropriate Digital Influencer personalities that can better identify with the brand's objectives and control what it is going to be said.

Social communities are gaining more relevance as well, when it comes to influencing attitudes and behaviors of customers and in purchasing decisions. It is safe to say that today, Digital Influencers are considered opinion leaders and, as a result, brands are turning heads to their credibility.

According to Huang and Lin (2008), the main motivations for customers who start following Beauty Influencers are the desire to seek out information, the entertainment aspect of it and to keep up with the trends.

Moreover, a study conducted by Thomas *et all* (2007) and Kulmala (2011) concluded that amongst all content and posts, what becomes more attractive and interesting for customers is content featuring trends, product reviews and personal style and outfits.

Influence marketing does have an impact on purchasing intentions regarding the products presented, as well as on attitudes and behaviors towards the beauty industry. Thus, brands have been involving Digital Influencers in their communication strategies. They represent a new and refreshed way of interacting with customers.

There are many ways beauty brands can use Digital Influencer´s posts to interact with and engage with followers and customers. Brands like Estée Lauder, MAC Cosmetics, Clinique, L'Oréal, Cover Girl and Maybelline have created posts under the category of an *event*, whether it was a past, present or future one. If a post talks about a product launch, reviews or tips, it is coded as *product*. A post would be coded as *promotion* if its purpose is to stimulate customer demand, such as the use of a coupon or discount code. It would be considered *entertainment*, if the post suggests an interaction between the brand and the customers, including a beauty pool, survey, Q&A. If a post were none of these categories, it would be coded as "*other*".

A research conducted by Shen and Bissel (2013) concluded that the most engaging form of entertainment was either a survey or a Q&A and research findings regarding the type of entertainment suggest that a two-way interaction on social media gives brands better engagement control and allows them to quickly respond to market developments. At the same time, collecting thoughts and advice from customers may be more helpful for a long-term efficacy strategy and better results.

Part II – Methodology

2.1. Research Gap, Research Motivation and Research Question

2.1.1. Research Gap

One of the biggest shifts in marketing relates with the fact that today, a brand's message does not have to come from the brand itself. Power is shifting from professional opinion leaders to social media influencers and this new young generation is contributing to that, by trusting in more personal recommendations than brand advertising itself, which makes recommendations on social media a more powerful way to influence consumers' purchasing decision.

Therefore, the main challenge in influencer marketing nowadays is to use digital influencers to strengthen a brand's creativity to make them trustworthy in customers' eyes.

As previously mentioned, customers' profile has changed in the last few years, they are presenting themselves as more demanding and more aware of the impact a brand has and how much engagement it promotes. Therefore, brands became more conscious about this change and readapted their strategy and way of communicating to fit this new customer profile.

For this purpose, brands started to develop partnerships with digital influencers where new, creative and real content was shared through social media platforms. These Social Influencers are already driving significant traffic to stores, niche brands and limited-edition collections. Many brands are inviting them to appear in their catwalk shows, ad campaigns and even co-create some new and exclusive product lines.

When pairing a Digital Influencer with a Brand there are some factors that Influencers take into consideration, such as brand core values, brand safety and what platforms already work on.

It becomes interesting when both parts can work, share ideas and reinvent the initial strategy, if that is the case. It is an interesting puzzle that is sorted out as a group effort and it pays off when both parties see the engagement they get in return.

2.1.2. Research Motivation

Today's digital world has been marked by a technological generation called the *millennials*, also referred to as Generation Y. *Millennials* are the first "digital natives", born between 1980 and 2000, which means that they now age between 18 and 34 years old. They were the first generation to grow up with the internet and smartphones. Born in an *era* where most companies are already technological and value both innovation and creativity, they are also more global minded and value experiences over material things.

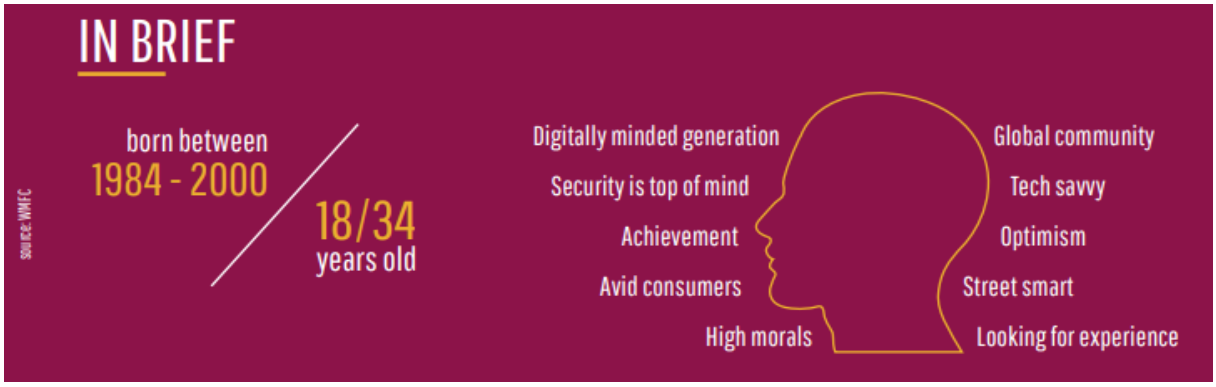

Figure 11: Who is the Millennial? (Roland Berger, 2018)(Source: WMFC)

For *Millennials*, the quest for new experiences is a fundamental desire which can be observed across all moments of life, including when shopping. At the same time, as customers, *millennials* define their options under the influence of digital technologies: "*They expect a seamless shopping experience across the brick-and-mortar, online and mobile worlds*" (Estée Lauder Companies, 2017) whether it is to get information over products and services, or even to make a purchase decision.

New trends, styles and preferences are also determined by social media and customers tend to spend more on brands they feel an emotional connection to and that have a relevant role in sustainability. Like Maya Angelou once said "*At the end of the day, people won´t remember what you said or did. They'll remember how you made them feel*".

The fast-paced, digitized world serves this need by creating opportunities for high-tech interactive experiences, and social media (such as Instagram) is a key influencer on how and

where to buy. Rather than simply relying on traditional sources of information, social media is shaping *Millennials* decision-making process: "How *Instagrammable* is this?"[11]

Hence, and as defended by Adelino Costa Matos[12] (2018), there are a couple of behaviors companies can learn to maximize their digital competences: ease the way they interact with different types of customers, develop their creativity, and look for new and innovative solutions, taking advantage of the entrepreneurship skills of this new generation.

To illustrate this market development, Lancôme has recently reinvented itself to appeal to all generations, while remaining an iconic French luxury brand[13]. Lancôme stands out with its innovative packaging, digital marketing and partnerships with influential ambassadors like Taylor Hill and Lily Collins, to attract more *Millennials*.

Why the focus on the beauty and cosmetic industry? Who are the key players?

Beauty is an industry that has been growing steadily for many years, outpacing the personal care sector.

The Cosmetics Market has been growing worldwide for the last ten years, mainly due to the online spending of beauty products, the expansion of social media, the wish for new and better products, the acceleration of urbanization worldwide and due to the increase in the number of seniors worldwide (L'Oréal, 2017).

[11] Retrieved from the study available at https://www.rolandberger.com/en/Publications/MILLENNIALS-The-generation-reshaping-travel-and-shopping-habits.html?utm_campaign=Marketing%20Testkampagne&utm_source=LinkedIn&utm_medium=Millennials%20Test

[12] Retrieved from an article from *O Jornal Económico* https://jornaleconomico.sapo.pt/noticias/desafios-que-os-nativos-digitais-trazem-as-empresas-301762

[13] Retrieved from https://www.loreal-finance.com/en/annual-report-2017/LOreal_2017_Annual_Report.pdf

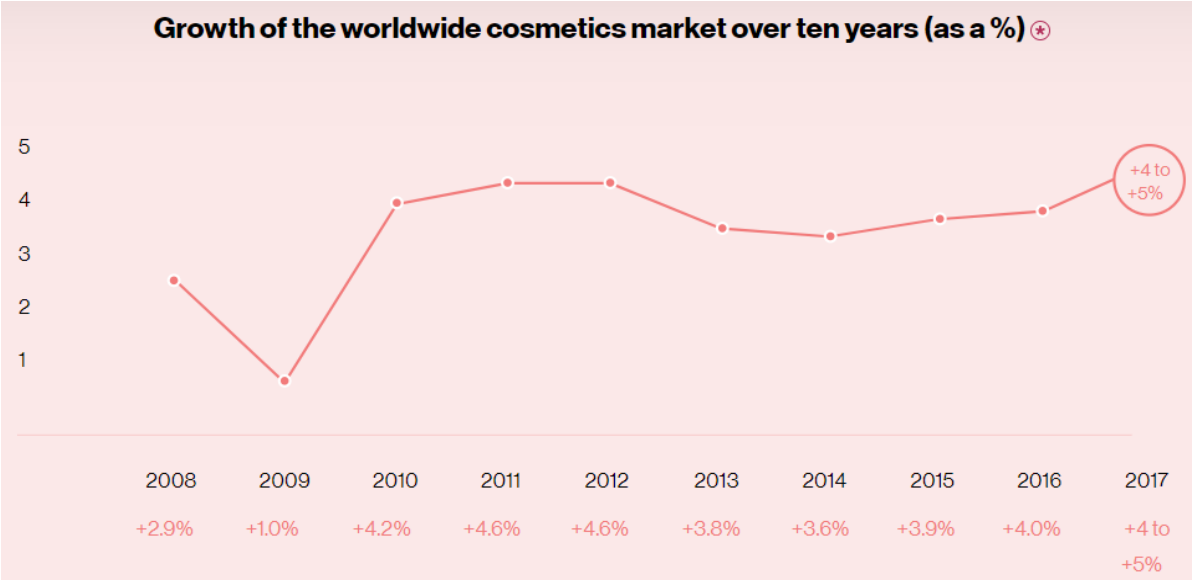

Figure 12: The Global Beauty Market (L'Oréal, 2017)

2016 was a big year for the beauty industry, as several deals and transactions occurred between the biggest players (WWD Beauty Inc, 2017):

- Coty acquired 41 of Procter & Gamble beauty brands for $11.6 billion dollar;
- Johnson & Johnson acquired Vogue International for $3.3 billion;
- Estée Lauder bought Two Faced[14] for $1.45 billion;
- Kylie Cosmetics[15] earned an estimated $300 million only on its first year of sales.

In addition, and according to a study conducted by Deloitte on the Beauty Market in 2017, the demographic market of beauty customers is shifting, and millennials are projected to represent 30% of the total global retail sales by 2020, due to their digital engagement. For many brands in the beauty industry, "*millennials*" are the newest and most *tech-savvy* customers and the ones who spend more time testing personal care products and looking for new tips and advices.

At the same time, older demographic categories are adopting millennial customer behavior habits and are willing to spend more on skincare age appropriate niche brands.

[14] Two Faced is one of the leading Makeup brands in the beauty industry.
[15] Kylie Cosmetics is a Cosmetic Company owned by Kylie Jenner, a reality TV and social media star that launched her own beauty brand.

Make-up has become the fastest growing beauty category since 2012, surpassing skincare, boosted by digital activation. Though skincare is a higher margin business, as it is considered a pharmaceutical category, make-up, by contrast, is more about image, colors, trying new products and set trend booms, which ends up being more dynamic and exciting.

Customers' desire for beauty grows in multiple ways worldwide and L'Oréal CEO, Jean-Paul Agon, supports this by saying "*Beauty has never looked this good*".

The global beauty market is very broad and with a vast range of segments and products. As shown in the graphic below, beauty related content has generated 156 billion views on YouTube alone. It remains one of the most valuable customer business segments and has been characterized by the emergence of new brands, sociological developments, new geographic markets and new categories. All "fueled" by the adoption of digital technologies as previously mentioned.

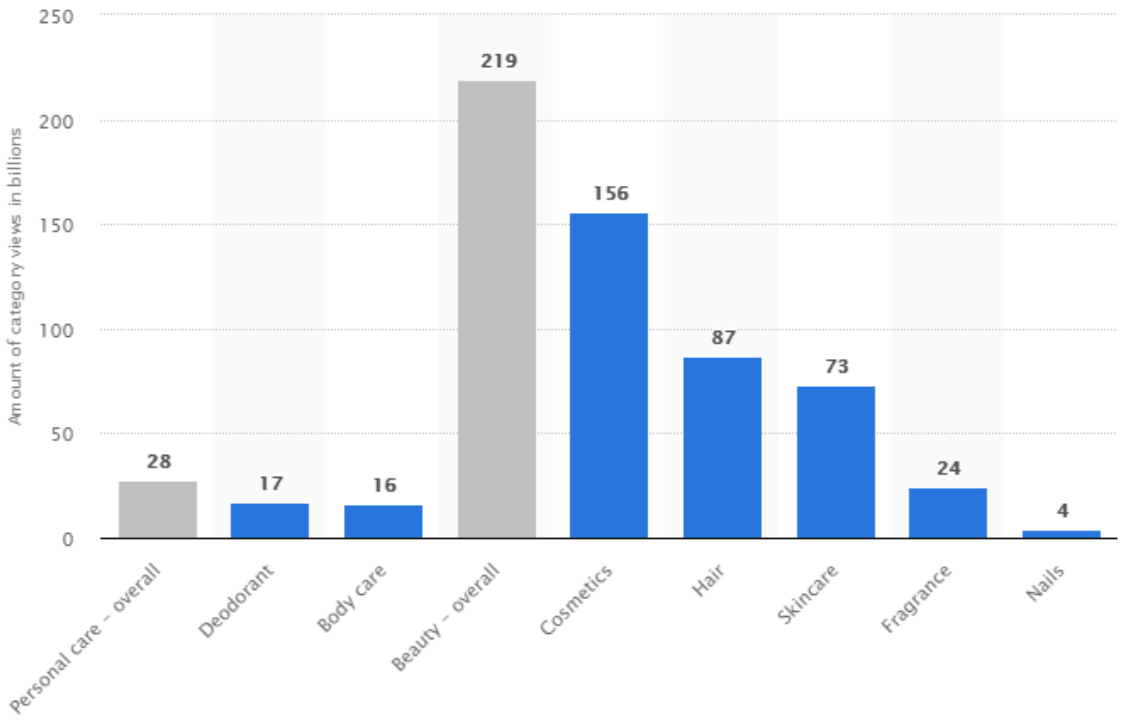

Figure 13: Amount of global all-time views of selected beauty content categories on YouTube as of July 2017 (in billions) (Statista 2018)

The underlying reason why the Beauty and Cosmetics Industry is having an increase in influencer marketing, compared to other industries, is because it is a very experimental industry. Today, customers are not only interested in trying and buying new products, but they are also interested in learning how to use them effectively.

For example, for L'Oréal there are five key factors that have contributed for the success of the cosmetics market. The first was the continuous online spending of beauty products, induced by the second factor, which was the expansion of social networks. The third was related to customers' "appetite" for new, different and better premium products, which brings to the fourth factor, the acceleration of urbanization worldwide. Finally, the increase in the number of seniors worldwide that contributes for the higher "*customerism*" of anti-aging products and willingness to spend more.

The influence of social media (Facebook, Instagram, Blogs and others) brought new challenges for beauty companies. Innovators and these new sources of influence have appeared and redefined the market, allowing changes in the way information is spread and shared.

At the same time, customers are expecting a more rapid innovation with online tutorials, in-store digital playgrounds (such as Sephora Color IQ system), make-over mobile apps (such as the L'Oréal Makeup Genius), but this customization can be quite expensive and cumbersome, and only with the use of new technologies and with the emergence of new applications can brands practice a premium online service.

Another term that has gain relevance in the beauty market is *convenience*. Deloitte's study states that 81% of beauty shoppers use digital prior to their shopping journey. Thus, brands' website should be easy to navigate, intuitive, ease of trailing the product and easy to get the right advice and recommendation if necessary, allowing a simplified decision making.

Beauty Companies owned by 7 "*Giant Leaders*":

The Beauty Industry is, in fact, a big industry with a variety of brands owned by seven big leaders – *Estée Lauder Companies*, *L'Oréal*, *Unilever*, *Procter and Gamble*, *Shiseido*, *Johnson & Johnson* and *Coty* – who make billions of dollars in revenue every year.

Each of these groups own several beauty brands that go from skin care, hair care, to perfume and makeup. INSIDER[16] developed an analysis that illustrates how these brands are divided within the industry.

[16] News Website retrieved from https://www.thisisinsider.com/companies-beauty-brands-connected-2017-5

Figure 14 : 7 Companies control the biggest 182 beauty brands (The Insider 2017)

- L'Oréal

L'Oréal owns a powerful portfolio of international and well-known brands which are managed within different area divisions, each with its own expertise and distribution channel, making it easier to adapt to local distribution conditions[17].

L'Oréal is organized by Divisions: *Consumer Products Division*, *L'Oréal Luxe*, *L'Oréal Professional Products* and *Active Cosmetics Division*. Each develop a specific vision of beauty and is part of some of the most well-known brands: Garnier, Maybelline, NYX, LANCÔME, Giorgio Armani, Cacharel, Kérastase, Vichy and La Roche-Posay.

- Johnson & Johnson

Johnson & Johnson has a range of several different products, starting with consumer healthcare products, used in the baby care, oral care, beauty, over-the-counter pharmaceutical, women´s health and wound care market. Some of the most known product lines are AVEENO, CLEAN & CLEAR, NEUTROGENA, RoC and ZYRTEC. These products are all marketed to the general consumer and sold both to retail outlets and distributors throughout the world.

[17] Information retrieved from L'Oréal website: https://www.loreal.com/group/our-activities/organization

The Company is organized into three business segments: Consumer, Pharmaceutical and Medical Devices.

The group owns their own surgical technological and specialty solutions business, offering medical products used in orthopedic, surgery, cardiovascular and diabetes care.

The last business branch belongs to pharmaceutical products: The Janssen Pharmaceutical Companies oh Johnson & Johnson. This segment is focused on six therapeutic areas, which addresses the most complex diseases and is investing in their treatment and cure: Immunology, Infectious Diseases and Vaccines, Neuroscience, Oncology, Cardiovascular and Metabolism and Pulmonary Hypertension.

- Shiseido

Shiseido is a Japanese Multinational company that owns 85 companies and is worth 64.5 billion yen. Its cosmetics business portfolio is divided into Prestige Cosmetics, Fragrance, Cosmetics, Personal Care and Professional.

- Estée Lauder Companies

Estée Lauder Companies Inc operates in more than 150 countries and owns a high potential portfolio of strong brands, such as Bobbi Brown, Clinique, DKNY, Donna Karan, Jo Malone, Michael Kors and MAC.

The Company works under different categories: Skin Care, Makeup, Fragrance and Hair Care. In 2017 Estée Lauder acquired two fast-growing makeup brands: Too Faced and BECCA. Too Faced is known for innovative formulas that create a strong connection with consumers, particularly among *Millennials*.

- Unilever

Unilever operates across four categories: Personal Care, Foods, Home Care and Refreshment. The Company range of world leading, household name brands includes Lipton, Knorr, Dove, Axe, Hellmann's and Omo.

- Procter & Gamble

P&G serves customers around the world with a strong portfolio with brands including Fairy, Ariel, Bounty, Gillette, Olay, Pantene and Tide. The Company works under five different

business segments: *Baby, Feminine and Family Care*; *Beauty*; *Fabric and Home Care*; *Health Care*; *Grooming*.

- Coty

Coty, Inc is a multinational beauty company and its products are sold over 130 countries. The beauty company operates under three divisions: Coty Consumer Beauty, Coty Luxury and Coty Professional Beauty.

The Global Beauty Market is a market driven by social media and the sales of the main worldwide players mentioned previously were, in accordance to L'Oréal 2017 Annual report, as shown in the figure below:

Figure 15: Main worldwide beauty players in sales (L'Oréal 2017)

2.1.3. Research Objective

An important objective of this study is to understand what impact content marketing has on redefying a brand's strategy. For this purpose, four research questions were addressed to assess the growing importance of content marketing, its success, the potential improvements to better take advantage of this marketing technique and lastly, the perspectives concerning the role of digital influencers on consumer motivations.

The research questions are as follows:

1. What are the key characteristics of content marketing, compared to traditional marketing and what strategy do brands use to ensure there is some added value for the company?

2. How do brands measure their success? Do all brands use the same success metrics and are customers responding to content marketing in a positive way and what are their reactions?

3. How can brands work better with digital influencers and how much do they value objectivity and independence?

4. How do you access the impact of digital influencers on customers' purchase decisions, having in mind that digital platforms are evolving day by day?

2.2. Investigation Method

Most companies are already conscious about the potential of digital marketing and its platforms, but it is equally important for them to stay attractive, create impact and be visible through the multiple platforms they own, to reach the desired audience.

This implies having work teams with a lot of creativity and, of course, the marketing basic knowledge, as well as communication and writing skills. Knowing how to present and deliver personalized information is the first step to call customers attention, to engage them and create a community based on their interests and preferences and to gain customers loyalty on a long term.

Social media allows brands to share and disclose what they have to offer in a fast way but at the same time it is about the way they present it.

As previously mentioned, customers are changing their purchasing habits, are becoming more digital and are increasingly connecting with brands via online. Therefore, brands marketing strategy is shifting towards a "digital-first" paradigm, (L'Oréal 2017).

For customers it is important to feel they have a customized treatment and that they feel close to the brand. Therefore, brands should work to avoid losing that proximity and connection.

Moreover, today customers crave very short, impactful and animated content. To achieve this, brands like L'Oréal take inspiration from the visual codes of GIF's and Boomerangs to

create "billboards in motion". Big brands like L'Oréal and Mary Kay, know that followers on social networks and people visiting their sites can reach 200 million followers and their media budget it is also a relevant parcel of their revenue. Therefore, they need to make it appealing and make it worth it.

2.2.1. Investigation Method and Participants

The chosen method to implement a more qualitative approach was the interview. They were conducted face-to-face and the questions put forward were based on the Literature Review and on some personal sense.

The interviewees are cosmetic professionals that have worked or are still working for the cosmetic industry, which were asked to provide open answers to the questions, for the possible maximum of information.

For this study, 4 professionals were interviewed, all women with an age range between 24 and 30 and all shared a common characteristic: they all had the know-how and knowledge of what it takes to work for a cosmetic brand and passion for the industry.

The interviewees work, while others have worked, for Mary Kay and L'Oréal, both a reference in the cosmetic industry. Whereas the digital influencer, Marina has a curiosity for the industry and the lifestyle associated.

Starting with Mary Kay, a top beauty American brand and direct seller in almost 40 countries all around the world. Mary Kay has more than 1.300 patents for products, advanced technologies and packaging designs in its global portfolio, which are sold by millions of independent beauty consultants. Mary Kay's commitment is to constantly innovate in the science of beauty and deliver quality products that deliver real results.

The company is constantly looking for new products to keep up with current trends and remain competitive and, for that reason, the brand develops every 3 to 5 months a new edition of innovative and fresh beauty and skin care products.

Looking at L'Oréal, it is the world's largest Cosmetic and Beauty Company, with a presence in more than 150 countries. What makes L'Oréal so unique in the world is the fact that it covers all lines of cosmetics and owns a rich and balanced portfolio of international brands, which makes it possible to respond to every consumer's expectations.

L'Oréal recognized the potential for informative content and took a step in meeting their customers with targeted and interactive content and aspirational messaging. Following an interview by Marc Speichert, CMO of L'Oréal for CMO.com, he explained that L'Oréal goes

through a two-phase strategy when it comes to content creation: *Consideration* and *Evaluation*. First, the brand works on building awareness and only then it works on informing and educating their targeted customers. There is, in fact, a need to create many different content pieces that address specific needs of customers.

L'Oréal has made big investments in research and puts cosmetic innovation at the center of its business model. In 2017, L'Oréal spent 38% of its media investment in digital and gained more 250 million followers on social networks and more than 1 billion visits on their website. Plus, it made 2.1 billion of sales in e-commerce of their own website and other retailers' websites (data retrieved from L'Oréal 2017 Annual Report).

When it comes to the participants of this study, a descriptive presentation will be made before proceeding to the result analysis of the questionnaire.

- Rita Arriaga

Rita is a Communication and Marketing professional with five years of experience, who is currently working for Mary Kay Portugal. Rita is a Public Relations (PR) and Communications specialist, responsible for the brand's events implementation, social media planning and monitoring, media relations and development of internal and external communication materials.

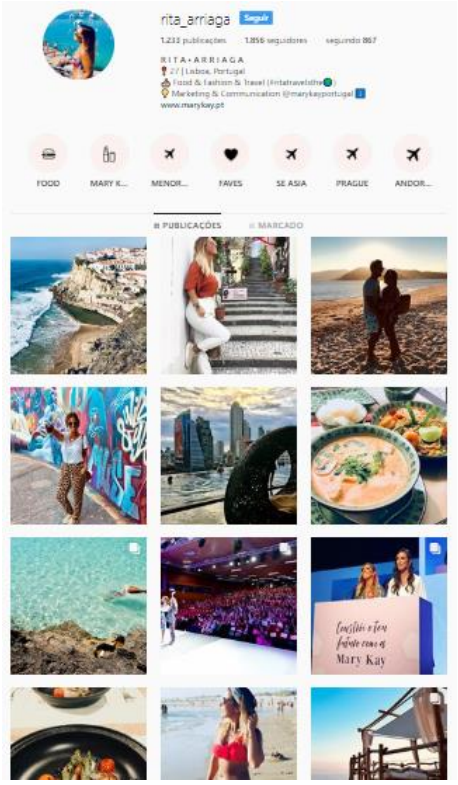

Figure 16: Rita Arriaga Instagram page (Instagram 2018)

- Marina Véronique

Marina is a 25-year-old Portuguese beauty and fashion blogger with her own blog: *Marina Veronique*. She works has a Copywriter for a digital marketing agency, so she is obviously passionate about writing.

She has around 3K followers on Instagram and posts daily about fashion and what inspires her the most.

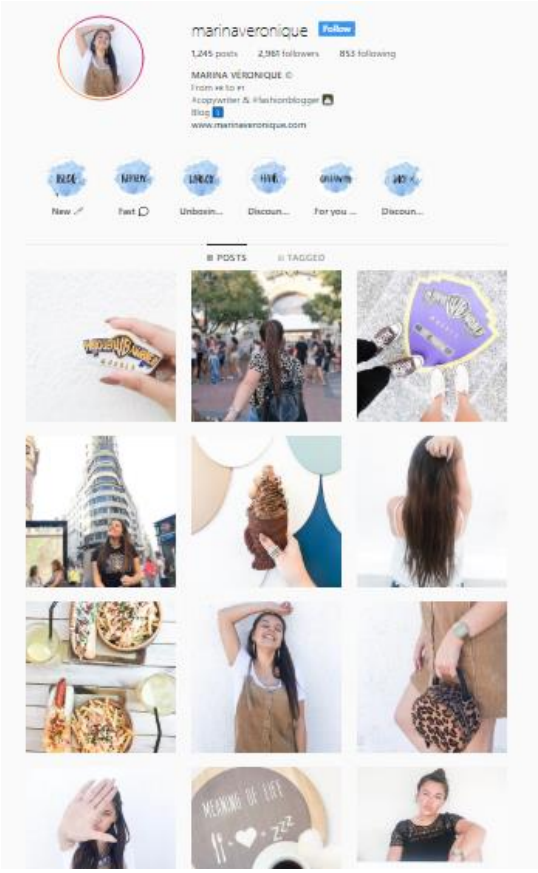

Figure 17: Marina Veronique Instagram page (Instagram 2018)

- Luciana Ribeiro

Luciana comes from a Management background and works for Mary Kay Portugal for almost 4 years now. She is part of the Sales Development team and is responsible for providing support and coaching Mary Kay Portugal sales force and for monitoring all commercial performances and identifying new business opportunities.

- A Burguesa

This is a Portuguese Blogger created in 2015 by Joana who has always worked in Marketing departments and is currently part of L'Oréal Marketing department. She also owns an Instagram page with more than 15k followers and has partnerships with a few cosmetic and fashion brands.

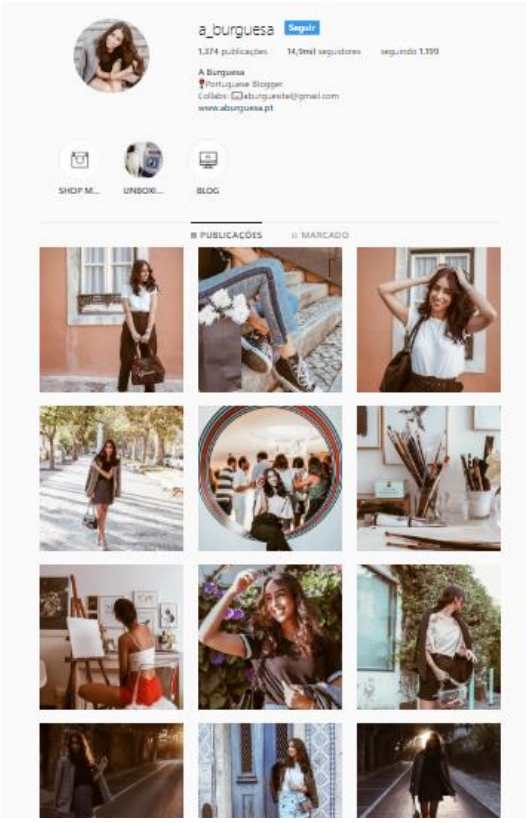

Figure 18: A Burguesa Instagram page (Instagram 2018)

2.2.2. Research Tool – Interview

The interviewees were contacted through LinkedIn, others through telephone and all the interviews were conducted in July, first two weeks of August, September and beginning of October.

Regarding the interview's structure, and as already mentioned before, four main questions were firstly defined so they would work as a starting point to get the conversation going. But because it was an interview with open answers, it was possible to collect different insights and debate around the topic.

Part III – Analysis

3.1. Interview Results

After meeting with the interviewees, the insights and all the information collected were organized through topics of research, according to the questions previously defined, and later analyzed in order to build associations and come up with some important messages and conclusions.

Research Question	Mary Kay		L'Oréal	Beauty Influencer
	A – Rita	B – Luciana	C – A Burguesa	D – Marina
1	• Brands need to match customers' new profile; • Work on appealing content.	• Content Marketing is more focused, creative and used to raise awareness.	• Customers want to see how beauty products work on real people	• Brands work on authenticity, in involving customers and in approaching relevant issues.
2	• Relevance and notoriety • Number of followers	• Relevance and exposure • Strong connection with customers • Number of followers	• Analytical data	• Curiosity • Clear and creative message • Number of reach and engagement
3	• Influencers reach out to Mary Kay • *Clipping*	• Related to the brand values • "Brand lovers"	• "Digital buzz" • Partner with key influencers	• Personal and real touch • Be herself
4	• Experimentation, relation, realness • *Evoke curiosity* • *New and fresh content*	• Focused target	• Close relation with customers • Brand exposure	• Spread of word • Brand awareness through experience and honest review

Figure 19: Summary of the Interviews

1. What are the key characteristics of content marketing, compared to traditional marketing and what strategy do brands use to ensure there is some added value for the company?

A. Rita – Mary Kay

Rita Arriaga, a cosmetic professional from Mary Kay, mentioned that traditional marketing had, in fact, to evolve and content marketing is the natural process for that. Brands need to match customer's new profile and develop a new content strategy, based on what Mary Kay wants customers to see and read.

It has to do with multiple communication channels, meaning being present in multiple platforms used by Mary Kay and work that appealing content and adapt it to the different platforms where customers are.

B. Luciana – Mary Kay

Luciana is also from the opinion that it is necessary to create new types of content to allow beauty brands to evolve from what they used to sell. The path to customer purchases is far more complex than it was. Content Marketing is, therefore, more focused, creative and straight to the objective of influencing and raising awareness around Mary Kay.

C. A Burguesa – L'Oréal

This Portuguese blogger working for L'Óréal is also of the opinion that brands are readjusting to new technologies and learning new ways to influence and work in digital.

Today it is much easier to redirect their content to the right customer and with the help of the right communication tools, such as cameras and videos, it makes their work much more valuable and with higher quality.

Customers do not want the traditional "aggressive" advertisements, they want to see how the products work on real people and what results can they expect.

D. Marina – Digital Influencer

There is obviously a new dynamic between beauty brands and their customers. These want to see what is real and to have insights on the first hand, therefore brands are investing in Influencing Marketing to make their products visible.

Beauty brands are striving to show themselves as more authentic, in involving customers and approaching current and relevant topics, such as cruelty-free makeup and vegan products.

2. How do brands measure their success? Do all brands use the same success metrics and are customers responding to content marketing in a positive way and what are their reactions?

A. Rita - Mary Kay

For Mary Kay it is not only about ROI but, most importantly, it is about relevance and notoriety. Nevertheless, numbers are important and the number of followers and the respective increase in sales are always taken into consideration.

B. Luciana – Mary Kay

As previously mentioned, Mary Kay worries more about gaining relevance and exposure by working with digital influencers. Nevertheless, generating sales is also part of their medium-term strategy. This happens because when Mary Kay has a bigger and stronger connection with its customers, it increases the probability of them choosing Mary Kay's products in the future.

Besides the general numbers, Mary Kay measures each campaign separately to understand what the impact was and how many more followers the brand has gained through a specific campaign or post.

For example, Mary Kay foundation for oily skin increased sales immediately when Barbara Corby (Portuguese Digital Influencer) mentioned it on her Instagram Live, while speaking for a Mary Kay event.

C. A Burguesa – L'Oréal

Like Mary Kay, numbers do matter for L'Oréal and the company developed a spread sheet where they measure all data from their campaigns. Then, the team compares it with other past ones and does the necessary changes.

D. Marina – Digital Influencer

From a digital influencer point of view, it is beneficial when both the beauty brand and the influential can easily work together in a way to evoke curiosity and explain the products in a clear and creative video, written post or picture. If that is enough to increase the number of reach and engagement, she considers that campaign had a positive impact.

3. How can brands work better with digital influencers and how much do they value objectivity and independence?

A. Rita - Mary Kay

The first thing Mary Kay looks for when choosing a digital influencer to work with, is their self-branding. Mary Kay PR team evaluates if that relation has potential and how well both parts can work that beauty content.

Nevertheless, this process can happen in two different ways. On a primarily phase, the influencer reaches out for Mary Kay mainly through e-mail, asking for products in exchange for content reviews.

In a more advanced phase the opposite happens, where the brand reaches out for these digital influencers. This happens because there are already good and "influential" influencers that produce good content.

The most direct, clear and available metrics used by Mary Kay to evaluate the level of impact of that influencer are mostly visual, such as: visual impact, type of content already shared, number of *likes*, number of followers and what other influencers do they follow.

Brands select digital influencers with the help of a tool named "*clipping*" and identify which influencers have a stronger presence.

Clipping is a digital tool that brands use to compile all articles and news that mention their brand in all communication channels, to know what is being said in a much quicker and efficient way. It is useful because it allows beauty brands to understand how the brand is perceived and how do customers form valid opinions. It is, without a doubt, a monitoring and management strategy that assists in the process of decision making and branding positioning.

B. Luciana – Mary Kay

For Mary Kay, it is extremely important to work with Digital Influencers that are related to the brand values. It is even better when they are considered as "brand lovers", because it ends up being a more focused, real and committed partnership.

C. A Burguesa - LÓréal

L´Oréal content marketing strategy is mainly through "digital buzz" and, at the same time, working with key influencers that understand the beauty and cosmetic's business environment.

In addition, the simpler the communication, the more real and accurate the campaigns are perceived by customers. Currently, for L'Oréal among 60% of all communication is digital.

The main goal is to win consumers trust for future promotion techniques.

D. Marina – Digital Influencer

"*It works better if I am able to be myself and write about trends that are present in my daily routine*".

This reinforces the importance of being themselves as influencers and of sharing that personal and real touch that brings customers together, particularly those that are eager to know what will come next.

4. How do you access the impact of digital influencers on customers' purchase decisions, having in mind that digital platforms are evolving day by day?

A. Rita - Mary Kay

What Mary Kay's clients value the most about the brand:

- Experimentation, the possibility to try on beauty products before buying them.
- The relationship they create with the beauty consultants, since they are the first contact the clients have with the brand (because Mary Kay does not own physical stores).
- The feeling of genuine and realness of the people behind Mary Kay.

Mary Kay PR and communications specialist, Rita Arriaga, says that social media is used to evoke curiosity among customers and Instagram is, without doubt, the social media app that drives most engagement. The reason behind this is because it is a lot more about visual content than text, which becomes easier for spreading the message.

Mary Kay's influencers, such as Catarina Gouveia, sets presence at least two times a year and in return she creates new and fresh content that ends up playing a strong role in sales. This marketing communication strategy is already considered on the annual marketing budget and the expectation is to continue to increase Mary Kay's brand exposure.

B. Luciana – Mary Kay

Luciana is also of the opinion that contests and new product launches are definitely the best way to keep customers engaged, and the ones that are more popular around customers' social media feeds.

Digital Influencers have an impact on customers' purchase motivations, since it is a more focused target and a cheaper way to "advertise". This happens mostly in *Millennials'* buying process, since older people trust celebrity choices more than Influencers'.

C. A Burguesa – L´Oréal

Working with Digital Influencers is about developing and working a close relation, mainly through events and Press Kits.

A strong and creative message is key for L'Oréal to be able to increase its brand exposure. A strong campaign works visuals very clever and it is always stronger and recognizable by customers.

D. Marina – Digital Influencer

Each influencer has her own personal brand, with its own different style. It could be based on several details such as:

- Topics they write about;
- Pictures they take;
- Instagram page design and layout;
- The way pictures are edited.

There are a lot of available tools to work on the aspect of a blog or Instagram page, which makes it easier for the customer to identify with a specific influencer.

A *nano influencer* like Marina works on a "word of mouth" level. In this case, brands that work with Marina expect a "spread of the word" and a raise in brand awareness through her experience and honest review. Which is, at the same time, a challenge for Marina, since she is expected to communicate her real experience, hoping her followers will understand it.

Part IV– Results Discussion

4.1. Limitations

Content Marketing and Digital Influencers are a new and recent concept that are part of a brands' marketing strategy. It takes experience and research to figure what is the right approach for each and every single Beauty and Cosmetic Brand.

The main limitations when drafting this dissertation, were the following:

The literature on this topic is still limited, mainly when it comes to literature that refers to the way Beauty Brands work with Digital Influencers and how they measure their influence. Companies are only relatively starting to use these marketing approaches and Beauty Brands are taking a data approach when it comes to choosing influencers to partner with. The desire for authenticity represents a strong demand for brands to determine whether a particular digital influencer is a correct fit for the brand.

Data analysis is also important for the digital influencers side. Influencers themselves are also becoming demanding as they are recognizing the importance of identifying a less good executed campaign that could damage a future partnership.

With so many monitoring options, there is a possibility for brands to choose a metric that might be less significant for their objectives and which may not meet the expected results.

That is why having a clear idea of what both parties expect of that content, whether it is for increasing site traffic, or converting followers into customers, or just about generating revenue, is important to understand how they can grow business and search for new opportunities.

Even though there are still many gaps when it comes to understanding these contents and working with these approaches, there is a wide spectrum of improvement. Beauty companies have a big responsibility in addressing new marketing strategies and helping to shape future expectations and potential opportunities in this field of work.

The results of the interviews were collected during the months of July, August, September and beginning of October. It was a period longer than expected, since some of the interviewees were limited in time and because of it, some had to be replaced by other professionals.

It was a time-consuming phase of this dissertation, first because two of the initial L'Oréal Professionals interviewees work abroad, therefore communication was mainly through e-mail.

Secondly, because others were not able to answer several of the questions proposed, as that required giving up confidential information.

4.2. Conclusion

Just like any brand, each client is different. With the growing importance of data collection and the emergence of new technologies, customers in general got used to having every solution and services customized and ready for use. This trend created a need for brands to readjust and readapt their communication and marketing strategies, and social media has become a tool for brand engagement and brand communities.

Content Marketing is a good marketing strategy adopted by Beauty Brands, which evolved from a more traditional marketing strategy.

The way brands communicate with customers is, in fact, changing. If in the past customers were more dependent on traditional communication channels to discover and select new products and brands, today, thanks to social media, they have more sources with all kinds of content. Content that is more appealing, credible and transparent.

As cited by Alicianne Rand from Estée Lauder, "*Content fuels everything*". Estée Lauder has 32 brands which, together, drive around $11 billion in annual sales and much of that through content alone.

More companies work with digital products and, therefore, digital communication has been gaining more relevance to develop a "digital relation" with customers.

Furthermore, communication is key when it comes to digital marketing. Whether it is done through e-mail, site or blog, social media has been transforming the way brands communicate their message to customers.

Beauty and Cosmetic brands use social media as a platform to share new details and interact with their beauty customers. Makeup and skincare routine are two "emotional" topics that are linked to a women's inner confidence and it is something very visual, which makes it easier to work on social media. Beauty customers like to wear makeup because it makes them feel better on an emotional level, look better and this is a powerful tool for self-expression.

Digital Marketing allowed brands to "say what they want to say" and to whom they wish to address their communication, contributing to a strong brand and to their competitive advantage.

Marketing and Communication is a means to get to an end and brands use all digital tools they own to make sure that the right message gets to the right target at the right time, focusing on the brand's identity.

Nevertheless, communication is so much more than that, as it represents a powerful tool for building, consolidating and maintaining brand awareness.

Almost 40% of L'Oréal's media budget is invested in digital platforms as the Company has nearly 250 million followers on social networks (L'Oréal 2017 Annual Report).

Finally, customer's purchase behavior is also changing, as they are becoming more aware of the power of digital communication and are relying more on external factors to the brand. Their purchase decisions are becoming more "socially active". Customers change ideas on brands and products and look volunteering for advices, reviews and new options.

The use of Digital Influencers by brands is part of a strategy to obtain customers' insights and to adjust to what customers' purchase motivations are. Ultimately, it is about providing creative information to customers, connecting with other stakeholders and lastly, generating sales.

It is all about team work, where two parts get together and work under a win-win situation: Brands offer their products, while Digital Influencers create interesting, authentic and original content that is worth sharing with customers, which brands can work with later.

In the future, since more brands will incorporate Digital Influencers in their content strategies, it is expected stronger relationships with customers and, thus, an increase in customer's loyalty and in brand's engagement.

Regarding the power of Digital Influencers, it goes beyond the simple number of followers they have. Now more than ever, more beauty customers value Digital Influencers' opinion based on their blog/page relevance, their passion for the beauty and cosmetic industry, their posts' consistency and coherency, and on the frequency they update their content. These key elements contribute to the level of engagement with Digital Influencers and for the success of a beauty brand campaign.

For each piece of new content, PR beauty teams identify a strategic plan that will help the brand achieve its goals and turn it into a seamless experience for beauty customers across all different channels and platforms.

Consequently, considering that all companies and brands always wish to be better and have a differentiating element, they ought to use their creativity to get closer to customers. When it comes to customers' perspective, there are three levels that should be fulfilled: *Satisfaction*, *Experience*, *Engagement*.

Because a lot of these customers are the ones called *Millennials*, they are already familiar with the use of new technologies and inclined to accept new changes coming from the brands' way of communication.

To reach these levels, Beauty Brands should, therefore

i) Meet customers' needs and desires;
ii) Work on offering a different experience associated to the brand;
iii) Present a personalized experience and let customers look for the brand.

Successful brands are the ones that create *"UAU" moments using creativity*, Kotler (2017).

4.3. Suggestion

Customers are not only keen on experiencing brands through trusted influencers, but also on having new adventures and discovering new products. The value customers attribute to the meaning of "*experience*" when buying represents a great opportunity for brands to reinvent their products, prices and the way services are offered.

Beauty retailers are already investing in "one-shot" experiences, such as events, exclusive meetings and greetings, workshops and other personal involvements. At the same time, brands across this industry are starting to use new and advanced technological tools, such as augmented reality (AR) and virtual reality (VR) to support the curiosity and to better inform a more demanding customer.

For instance, Mary Kay has recently developed a real time makeover app, based on augmented reality, that allows customers to test out beauty trends before buying the products, turning it into a free buying experience.

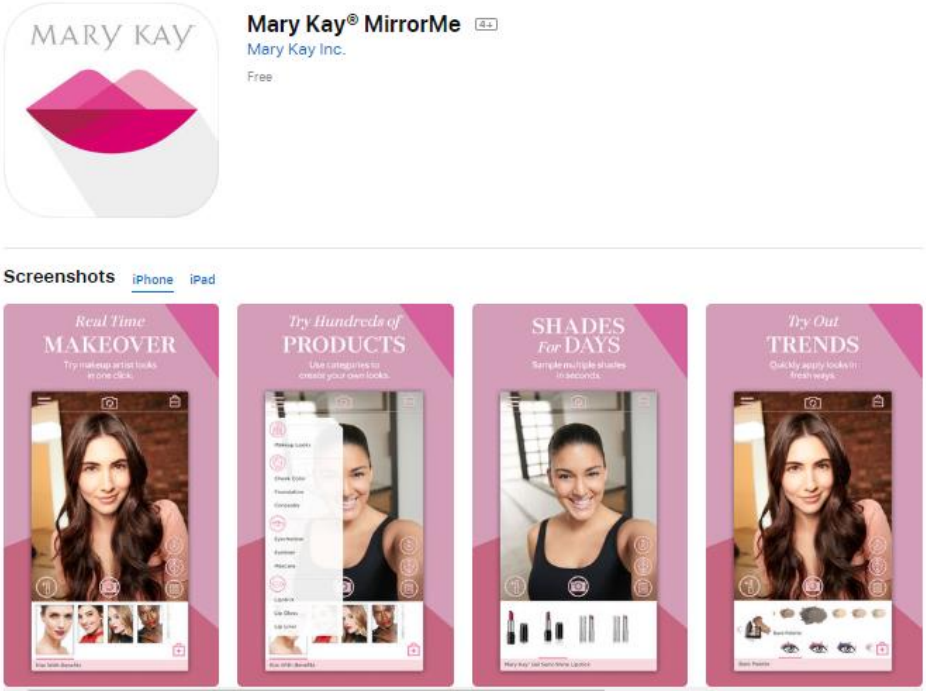

Figure 20: Mary Kay Mirror Me App (Source: App Store, 2018)

Estée Lauder Companies also use augmented reality to connect with customers and help drive conversion in-store. The beauty and cosmetic company partnered with Modiface[18] to develop a lipstick chatbot that basically allows Estée Lauder customers to virtually try on different shades of lipstick that represent the actual product.

Figure 21: Estée Lauder in-store mockup (Source: News Cred Insight)

As well as offering something new, these technologies offer a way to experiment in first hand, right before the purchase.

[18] IT Company that creates augmented reality technology for beauty brands

However, it is important that technology does not replace the human interaction but that it enhances customers' experience, and this is a future challenge to consider. After all, and according to Kotler's (2017) ideas, Beauty and Cosmetic Brands should be "physically attractive", "intellectually attractive", "socially attractive" and "emotionally appealing".

Considering the different cultures and geographic lanes, another topic of interest for future discussion would be how Beauty companies can better create local and relevant content that truly connects with its customers and drives engagement and commerce.

Not all cultures feel the same about beauty. In fact, cultures around the world have different ideas of what beauty truly means, but no matter what the beauty standard is, there is normally a common feeling: *youthfulness* and *feminine*.

Studying different attitudes towards something subjective like beauty, would allow brands to widen awareness of the several perceptions of beauty around the world and of the way they are accepted.

From this dissertation, there is one element that will always be important for Beauty and Cosmetic Brands, that is: *Individuality*. Brands recognize that it is acceptable to be "your own person" and customers no longer rely only on magazines and runways for pursuing what is "*trendy*" at the moment. Customers are looking more towards Digital Influencers and Instagram feeds to learn tricks on how to shape their beauty routine. Just like Georgie Greville[19] believes, "*Consumers have been nich-ifying beauty culture*".

[19] Creative Director for Milk Makeup

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