



Case in Point

## Instagram Influencer Marketing: Creating A Winning Strategy

*The onset of new age digital marketing strategies has created a plethora of new trends, one of them being 'Influencer Marketing', which has taken the ad world by storm. This fictionalised case titled 'INSTAGRAM INFLUENCER MARKETING: CREATING A WINNING STRATEGY' showcases a French fashion and cosmetics giant inclined to move with the times, but only after a careful analysis of the pros and cons of adopting this strategy. We invite two experts to share their views and insights on the popular trend.*

This case is an abridged version of the fictionalised case *INSTAGRAM INFLUENCER MARKETING: CREATING A WINNING STRATEGY* - ISB241, written by Abhishek Rishabh, Doctoral Student at Indian School of Business and Professor Phillip Zerrillo, Professor of Marketing at Thamsaat University and Board Member at Thammasat University College of Commerce, Thailand.

On August 9, 2020, Sean Jean De Ville, who had recently joined French fashion and cosmetics giant Satix as digital marketing head of the shampoo products division, was preparing for his first meeting with the CEO. He had been tasked to explore the viability of employing influencer marketing on Instagram. This would be a new promotional vehicle for the company, which had traditionally used billboard, print and limited digital advertisements. He was also told that a budget of USD 500,000 would be allocated for influencer marketing and that the boss was anxious to get his insights and recommendations.

Sean quickly read a number of advertising reports, industry reports and research studies. He found numerous studies supporting an interesting trend in influence marketing. Specifically, instead of employing a single big celebrity or macro-influencer for endorsement, advertisers were suggesting that it might be better to employ multiple small Instagram influencers or micro-influencers.

Convinced by these detailed studies, Sean started collecting data on local influencers. He eventually narrowed the field to two options: employing two influencers, Abby (A) who had one million followers and Billy (B) who also had a million followers, or one big influencer, Cassie (C) who had 1.5 million followers. A and B together would cost the company USD 500,000, whereas C wanted USD 450,000 all to herself.

Abby and Billy had appeared in the same local soap opera several years earlier. Abby was an avid poster, with 1.8 posts per day, while Billy posted less than once a day. They were both well known in the national media as fashionistas. Cassie was a relatively new celebrity who had begun her acting career by performing in arthouse productions but had recently captured a great deal of attention with her most recent film role. Cassie was posting 1.6 times a day.

The next morning, Sean presented his data to the CEO. The CEO, himself a veteran of the industry, said, “Sean, it is a very serious step for us to invest in these influencers. Remember, we have multiple objectives with this project. It is not just about short-term sales, it is also about reputation. I am not convinced that what you’ve shared is either sound or comprehensive enough for us to spend 500,000 dollars. I want to see you back in my office in four days, and I want hard data, insights and recommendations that I can be confident in. Whatever we decide to

do may or may not work, but I want to feel that we did the right thing.”

Sean left the meeting wondering if he had a future at the firm. He knew he had to be better prepared for the next meeting. He would have to better anticipate the questions his boss would ask.



**What** factors should Sean consider as he plans the social media strategy for the next meeting?

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## Expert Opinion

### **Medhee Jarumaneeroj**

Co-founder and Managing Partner,  
BrandAholics Co. Ltd.

*Medhee Jarumaneeroj comes with over 20 years of experience in strategic brand and corporate communications. He is the Co-founder and Managing Partner of BrandAholics Co. Ltd., a boutique brand and marketing company providing consulting services on strategic brand, marketing communications and capability building for many local and international organisations in Thailand for over seven years.*

*Prior to starting his consulting business, Medhee has worked with Procter & Gamble (P&G) for over a decade leading the global communications for Olay in the P&G Headquarters, Gillette male grooming in Asia, where he took care of brand communications and influencer marketing for beauty care of ASEAN region. He also loves teaching as a guest lecturer on brand management, communications and crisis management for many universities in Thailand.*

The traditional and more familiar approach of billboard marketing, print or TV, has always been tied to the expectation of getting a return for every penny invested. However, as the old timers are now looking to transition to digital media and leverage technology, they ought to acknowledge one basic change. And that change is to understand that though the conventional methods had a relatively scant reach, they elicited a far deeper connect. With new media strategies and abundance of platforms, it is getting harder to get that attention, despite a widened reach. The key remains in defining the right package for the right audience that would strike a chord within that short time frame. Reach alone is not enough, it is the quality reach that makes the winning strategy.

## **Apple-to-Apple**

What Sean needs to do is to ‘seek to understand’ before ‘seeking to be understood’. While the CEO has been clear in stating that he does not understand the digital world, Sean needs to analyse the data about the three influencers and make an apple-to-apple comparison, as he contemplates between the three options. He ought to give a background to his CEO about how consumer behaviour and preferences across segments, geographies and categories have been changing, especially emphasising how the present day target audience for the company’s hair care products would be shifted to the new target consumers in the future. This cannot be an abrupt change but clearly defined phases of change.

Sean needs to take a step back to analyse whether the ongoing and popular methods of the past like print or digital media are still effective, all the while being cognizant of the big picture. It would be a good idea to show the CEO what he discovered in terms of what worked and what did not in the traditional methods, before concluding that influencer marketing would be the best strategy. This way, he sees the evolution of newer methods in a clearer light and understands the benefits of employing this strategy before investing the big bucks.

## **Vision of Success and Clear Objectives**

It is imperative to understand whether your vision of success is aligned with that of the CEO’s vision. If Sean were to understand what the CEO is truly aiming for—increased market share, building brand awareness, increased sales etc., it would lead to a greatly effective execution of the campaign. The set of predefined objectives bring Sean one step closer to the firm’s goal. The CEO needs to be convinced about the fact that some of their current investments are perhaps not yielding the desired results, possibly because of changing consumer behaviour. Consumers who are clearly going beyond the celebrity tag and are increasingly taken in by someone with more convincing and inferential power.

## **Laying your Cards on the Table**

Once the CEO is in on Sean’s findings, Sean needs to share his carefully assessed and informed list of recommendations that will help them achieve the milestones they have defined. These recommendations are nothing but the ‘How to Win’

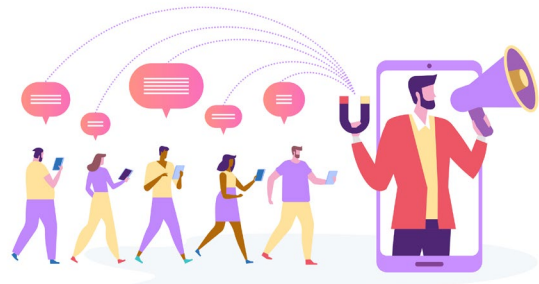
choices that his CEO may pick from a long list of proposed options. The CEO may or may not agree to all recommendations, but it will help them align on key business priorities and expectations. Sean needs to get inputs based on the parities defined by the CEO. The percentages across various options may vary based on the management goals, but going by how organisations usually allocate budgets, they could be split as follows:

1. Low risk, not overly time consuming to make a move; yet pays the bills (70%)
2. Investment in amassing new consumers. For example: Instagram strategy (20%)
3. High risk, high reward (10%)

This upfront discussion on the three-tiered budgetary allocation and learnings from the new experiments also help in inching one step closer towards the goal. As I talk of learnings, I would also recommend Sean to study competition and watch out for what the other key players are doing while engaging in this conversation with the CEO.

## Moving Beyond the Metrics

As the excitement for measurement tools is mounting, data and dashboarding alone may not suffice. Sean needs to balance it with five other considerations:



- 1. A Good Fit-** Influencer target profile matches with his target audience profile.
- 2. Brand Equity and Relevancy-** Influencer profile matches with what the brand delivers and upholds.
- 3. Believability-** Meaningful engagements that demonstrate the convincing power of the influencer. Posting for the sake of posting is not the goal.
- 4. Leveraging Data to Up the Reach-** Optimising the campaign to achieve a wider target customer base over time.
- 5. Being Cognizant of Customer Journey-** Not a linear progression anymore. Important to be aware of the critical role your influencer will play in your consumer's journey.



## Expert Opinion

### Dr. Philip Zerrillo

Professor of Marketing, Thammasat University;  
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*While holding faculty positions in multiple universities across the globe, Dr. Zerrillo has written and taught extensively in areas of distribution channels, brand management, strategy, counterfeiting and its effects on brands and brand valuation. He has authored and published several cases, also conducting numerous workshops on case writing and teaching at business schools across Southeast Asia. Dr. Zerrillo currently holds the honorary “Dr. Benvenido Tontoco Chair in Retailing” at Jose Rizal University (Manila) and sits on the board of directors for Thammasat University College of Commerce (Thailand).*

**I**nfluencer marketing is a rapidly emerging tool in the arsenal of the marketer, be they consumer or business market focused. The ability to reach large audiences via influence marketing has been gaining steady precedence over traditional methods of advertising. Much of this has been based on the ability to insert the product placement in the middle of a conversation between the influencer and their followers. This personalised endorsement or recommendation is more akin to a peer-to-peer interaction. Unlike the historic corporate advertisement or “celebrity/expert endorsement” the influencer is speaking to their audience, in the course of their normal and regular conversation. The placement or influence attempt is not a complete interruption of the audience’s primary reason for paying attention. The emerging technologies have enabled the influencer to reach their virtually unlimited number of followers in a timely, conversational and informal manner. Aside from the broader factors like the budget and which influencer to go with, there are several other metrics that could help Sean take an informed decision as he digs deeper seeking the positives of deploying this strategy.

## **Identifying the Influencer-Product Fit**

The first step would be to ensure that the product and influencer are well aligned. While choosing the influencer, it becomes important to understand what kind of influencer will resonate with their target audience. When people see a person they trust and admire endorsing a product they may or may not need, they are more likely to be curious about it or even buy it. David Beckham endorsing a pair of Adidas sneakers and Rihanna creating makeup for women of every shade through her inclusive makeup line Fenty are perfect examples of the synergy between a product and the influencer. Alternatively, one needs to avoid product influencer mismatches. The early research in this area indicates that influencers that are seen to have little knowledge, experience or passion for a product are not as effective. An influencer's personal values, reputation, storytelling, and authenticity go a long way in endearing them to their followers. Therefore, the act of finalising the influencer itself demands a close attention to detail.

In Sean's case too, he should not just assess the number of followers associated with the influencer, the frequency and quality of these interactions between the influencer and followers, but rather dig into the influencers' track record, their association with any competitive brands and success with other such campaigns to determine if they are truly a domain expert. While the size of the audience is an important dimension to consider, especially for creating awareness, attitude change, intention or even repurchase are driven by factors such as authenticity, relevance, category knowledge and trust. Additionally, quality engagements that signal the viewers' pleasure or displeasure via comments act as quick metrics to further fine-tune the campaigns, making them more effective if monitored correctly. Sean needs to watch out for these as he zeroes in on his influencers.

## **Micro Vs Macro Influencer**

Employing a single or dual influencer strategy may depend on some basic calculations at first, related to the number of followers, click through rate (CTR), impressions, and cost per lead (CPL).

In Sean's case, the cost of employing a single influencer is USD 50,000 less than employing two, so it does appear more cost-effective at the first instance. However,



Sean needs to consider the overlap in followers. Two stars from the same show have identical viewers for the most part and thus may have largely overlapping followers. Alternatively, when consumers witness consensus among influencers, it may instill greater confidence and help with their decision-making in the recommended product or service.

## Strategic Roll-Out

As the protagonist in this case prepares to make an expenditure decision, a host of other execution factors need to be considered. Having a predefined strategy can further enhance the efficiency of the campaign and maximise the advantages of having an influencer onboard.



For instance: a) design a contract stating the number of posts the influencer would do, b) define by whom and how will the ad creatives be developed, c) timing of the ad posted by the influencer, d) how the influencer will be compensated, such as by post, or by results (and if results, what type of results-Click throughs? Impressions? Purchases? Likes?).

Lastly, for firms contemplating a digital influencer strategy, it is a good idea to incorporate web technologies that can link sales or interest to the source and monitor the impact on broader measures such as attitudes, awareness and intentions. Marketing, in this new medium, is always an iterative process. We make our best predictions, take action, measure and adjust.

The influencer approach is emerging quickly, and it has become a new route to the customers opinions and decision-making processes. Largely able to sidestep the credibility issues that corporate advertisements and claims perform poorly on, influencer strategies have provided an opportunity for the firm to become a part of customer conversations and take advantage of word-of-mouth benefits. The opportunities and technologies are gaining traction, but like any other activation strategy, it is important that the marketer understands their audience, their goals for a campaign, and how they will measure impact and adjust in the future.