



Influencer Marketing and Buying Behavior (A case study of Kay Beauty products)

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Abstract:

The cosmetics and personal care industry is one of the fastest growing consumer products sectors in India, with increasing shelf space in retail stores and boutiques in India, stocking cosmetics from around the world. As per Statista, India is ranked fourth globally for generating the highest revenue from the beauty and personal care market in 2021. According to the IMARC Group, the Indian beauty and personal care market is expected to exhibit a CAGR of 6.5% during 2022-2027. One of India's successful cosmetic companies is 'Kay Beauty' by Katrina Kaif in partnership with beauty retailer Nykaa, the country's first celebrity-owned beauty company. Launched in 2019, the service is available across 100 Nykaa stores in India which delivers to more than 1,600 cities. With the development of social networks, a brand-new marketing idea called Influencer marketing is quickly taking shape. The way we interact has evolved as a result of social networks, where users are now active content producers. Today's businesses actively encourage user participation in social media communication. In this new marketing concept, "influencers" have a much more significant market impact on individuals. The aim of the research paper, is to study the effect of influencer marketing on purchase decision of Kay beauty products. Simple random sampling is used to study the females in the age group of 18-30. The results show that "Influencer marketing" helped spread the word about Kay beauty products, but it had little real effect on consumers' purchasing decisions.

Keywords: Kay beauty, Nykaa, Cosmetic products, Influencer Marketing, Buying Behavior, Consumer.

Introduction:

The enormous potential of the beauty industry makes it an equally crucial part of the economy of every country. In the mediaeval ages, upper class men and women started using cosmetics more frequently. But today, people from all social groups use cosmetics on a regular basis. All external preparations that are used to clean, texture, soften, or

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protect the skin, hair, nails, lips, or eyes as well as to condition and adorn the body were frequently treated with cosmetic items. Cosmetics are "materials designed to be applied to the human body for cleansing, embellishing, encouraging appeal, or modifying the look without affecting the structure or functions of the body," according to the US Food and Drug Administration (FDA). Cosmetics are typically thought of as care items that can be made of synthetic or natural ingredients to improve the appearance and odour of the human body. These cosmetic items enhance one's look; currently, the demand for cosmetics is high due to self-consciousness and personality traits that are intimately related to one's quality of life. One of the most lucrative and secure industries in India is the cosmetics industry. The potential for Indian brands to flourish is huge. The growth of the Indian cosmetic sector has recently been fuelled by both men's and women's preferences for beauty. The sector is earning highest revenue and is ranked fourth globally in the year 2021 as per Statista. Furthermore, the total market size of the industry is \$15 Bn which is the eighth largest in the world and is expanding at a rate of about 10% (Euromonitor International Analysis). According to the survey, skincare and cosmetics will be the industries driving the market's growth, which is anticipated to double by 2030 (*The Economic Times 2022*).

Bollywood actor Katrina Kaif introduced her cosmetics line, Kay Beauty, in 2019, in collaboration with Nykaa, the largest beauty retailer in India. The product's debut in pan India across 50 Nykaa stores and on the Nykaa website and application. Recently in a statement company announced its expansion to offline stores, including 100 plus General and Modern Trade beauty stores, across the country. In less than two years, the brand has expanded to 1600+ cities and is now offered in more than 90 Nykaa stores across India. (*Business Today, 2022*) Both traditional retail outlets like general merchandise stores and contemporary ones like Lifestyle carry Kay Beauty products. Kay Beauty has entered beauty stores in Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Jaipur, Chandigarh, Amritsar, and Ludhiana as part of its initial retail expansion. Following this, the cosmetics company intends to enter Pune and Lucknow. (*Business Today, 2022*).

Nykaa is an Indian company that specialises in personal care and multi-beauty products. Before later opening a variety of retail locations in numerous major cities around the country, it had been founded as a solo e-commerce platform in 2012. The company specialises in providing a wide range of luxury, bath and body, fragrance, skincare, haircare, cosmetics, and wellness goods for both men and women. The website claims to receive more than 1.5 million users every month from all around India, and it facilitates appropriately prepared and priced branded products. Currently, Nykaa has over 5 million monthly active users, 80 stores across India, over 500 brands, and 130,000 products available via its website, app, and stores. (*CNBC TV18, 2022*)

Due to the rapid advancement of the digital age, social media is becoming a vital online tool with a significant impact on our lives, particularly marketers. Internet became a huge opportunity for companies of all sizes, and therefore e-marketing becomes a vital

component of 21st century marketing. E-marketing has access to a wider spectrum of potential customers than certain conventional marketing strategies. Celebrities have long been employed by advertisers as a means of raising brand awareness and perception, and E-marketing has adopted this strategy as well. In today's world, influencer marketing is becoming a more and more prevalent form of promotion. Influencers are people who, without regard to their position, can affect a group's views due to their knowledge, talents, and character. Influencer marketing is the art and science of using online influencers to promote a brand's message to their intended audience through paid content. Instagram is a visual aesthetics-based platform that features filtered photographs, making it an ideal environment for promoting beauty products, popularising particular body ideals, and promoting opulent lifestyles and well-known luxury businesses (Djafarova and Rushworth, 2017). Since Kay Beauty's debut, client demand and popularity have grown, and despite the economic downturn, the company's expansion is unaffected. The current study focuses on the effect of influencer marketing on the buying behavior of consumers.

Literature Review:

Dhillon, 2022 'Experimental marketing strategies used by Luxury Cosmetics Companies' The study aims to investigate the strategies of experiential marketing used by luxury cosmetics companies for influencing consumer perception, the study examines empirical studies selected using PRISMA guidelines to formulate a critical review of prevailing literature to arrive at the findings of the study. The study concluded the strategy of e-word of mouth using various social media platforms, event marketing, and storytelling have been identified to shape the feeling and experience of a consumer to influence attitude towards online shopping and maintain their engagement after a purchase.

Patel, 2022 'Study on Marketing Strategy of Cosmetic Industry' The purpose of this study is to examine the marketing strategies used by cosmetic companies in order to introduce numerous creative concepts that boost product sales. This paper focuses on examining several aspects of current cosmetic industry trends. This study uses a descriptive research approach to conduct a brief investigation on the grievance processing and management procedure. Survey is conducted to collect the data. The study revealed that Businesses need ongoing innovation and a long-term core competency to succeed in today's hypercompetitive market. Gaining market share or establishing a presence in a new market depends most heavily on meeting customer needs. Green products have emerged as the future of product development, and this is a response to the public's urge to protect the environment owing to businesses' significant pollution and waste. Marketers must first comprehend why buyers are interested in their product before

focusing on how to develop a successful marketing plan, should pick environmentally friendly products over traditional ones.

Lou, 2019 'Influencer Marketing: How Message Value and Credibility Affect Consumer Trust of Branded Content on social media in this study, preliminary research is done to determine how influencer marketing on social media affects customers. Social media users who followed at least one influencer were asked to complete an online survey by researchers. Results indicate that followers' trust in influencers' branded postings is favourably influenced by the informational value of influencer-generated material, the influencer's reliability, attractiveness, and likeness to the followers. This in turn influences brand awareness and purchase intentions.

Jin, 2019 'Instafamous and social media influencer marketing' This study compares Instagram celebrities to traditional celebrities to see which has a greater impact on source credibility, brand attitude, social presence, and envy. A randomized two-group comparison (Instagram celebrity vs traditional celebrity) between-subjects experiment was conducted. The findings demonstrate that consumers exposed to Instagram celebrity's brand posts view the source as more reliable, have a more favourable opinion of the endorsed product, feel more present on social media, and feel more envious of the source than consumers exposed to traditional celebrity's brand posts. The findings show influencer marketing's potency as a branding tactic.

Theoretical Background:

Influencer

An influencer is defined as a person with active thoughts and impactful behavior in their networks and surroundings (Keller & Berry, 2003). In other words, influencers do not necessarily need to be well-known, but rather anyone who has the power to influence those around them (such as friends, colleagues, families and relatives). However, most marketers adopt the following definition of social media influencers provided by Brown & Hayes, 2008: "An influencer is a third person that has a substantial impact on a customer's choice to buy. Even if "everyone has a voice" on social media, where "influencers of all kinds" can be heard, certain people are "more influential than others within a group."

Influencer Marketing on Social Media

According to Gillin, 2007 influencer marketing on social media entails interactions with influential people in order to drive a brand's message and products to the global market. Simply said, influencer marketing is the practice of promoting through influencers. This type of marketing works in tandem with the creation of messages that are delivered by influencers in order to increase the degree of brand awareness among customer segments. Impacts that could happen one-on-one or in big groups and effect both cognition and emotion are described by (Brown & Hayes, 2008). In addition, Brown & Hayes, 2008 describe influencers' dynamics to use businesses' messages, showing that

influencers frequently work with businesses if their messages are worthwhile and, most importantly, enhance their impact. With the rise of major leaders on social media, marketing operations through influencers have recently grown more popular and effective.

Purchase Intention

Purchase intention is defined as the cognitive behavior associated with the intention to purchase a specific brand (Shah et al., 2012). Purchase intention is defined as "an individual's deliberate plan to make an effort to purchase a brand" by (Spears and Singh, 2004). Buying decisions by consumers are a complex process, and purchase intention is a component of this process (Kotler & Armstrong, 2010). According to Ghosh, 1990 understanding customers purchasing intentions is critical since it connects to consumers behavior, perception, and attitude and may thus be used to forecast the buying process.

Electronic Word of Mouth and Purchase Attitude

In the context of social networks, behavior can be modified by direct observation of other people's views, facilitating information flow and the adoption of behavioral change (Liu et al., 2017). As a result, influencers have a greater impact on their followers. E-WOM is now a dynamic communication tool that can affect how consumers make decisions. E-WOM refers to potential, current, and former customers' favourable or negative online opinions about a product or brand. E-WOM is a new informal, simple, and continuous source of information (Joshi and Singh, 2017). E-WOM facilitates interpersonal communication and non-commercial exchanges between sender and recipient regarding a certain good, service, or brand (Yolanda & Ngai, 2011). Maintaining positive online dialogues and persuading other customers to try items in a way that makes it seem as though the decision to buy was made in the consumer's best interest as opposed to the influencer's persuasion is in the interest of the brand as well as the influencer.

Research Objective:

1. To study the impact of influencer marketing on buying behavior.
2. To analyse the effect of influencer marketing on sales of 'Kay Beauty' products.

Research Methodology:

The purpose of the study was to determine how strongly influencer recommendations can alter the attitudes and behaviors of customers when they purchase Kay beauty products. The analysis was conducted using the primary research's findings. The research gathers primary data from a sample of consumers using the online survey

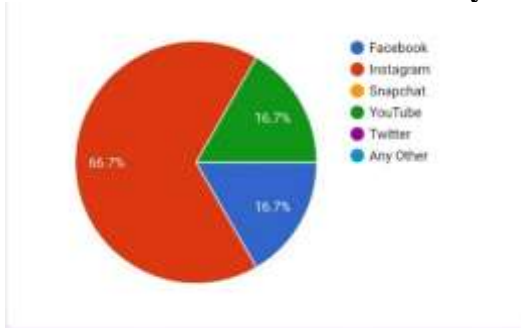
method with the help of a structured questionnaire. A descriptive statistics analysis was used in processing primary data collected by the survey questionnaire. Females between the age group of 18-30 are selected for the study. Random sampling is used to select the sample.

Finding and Analysis:

Kay Beauty and Nykaa have previously been promoted on television. They have also used experiential marketing. Such as the Nykaa Beauty Femina Awards and the Nykaa Fashion Show, as well as certain collegiate brand activations. There are also makeover activations across the malls. And promote in all beauty magazines relevant to our target group, but their major marketing spend is on digital media. (Exchange4media, 2019).

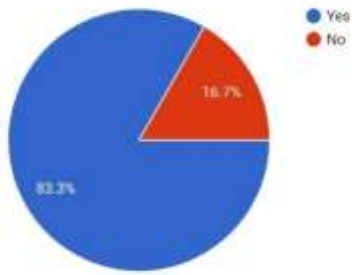
Reena Chhabra, CEO of Nykaa, stated 'When you sell online, you might look at someone in Satara or a smaller location that a Nykaa store cannot reach. People there, however, have disposable income. Because they conduct a lot of show and tell, the influencer marketing technique is fantastic. It is also a practical strategy. Influencers discuss the cost and texture. This has a significant impact and encourages the market. They also aid in consumer education. A small-town girl, for example, will learn about the product, how to use it, and what is appropriate for her. Influencer marketing is crucial for any beauty brand's success in reaching out to its consumers'.(Exchange4media, 2019)
An understanding of customers' perceptions toward influencers is the main goal of the research that is conducted. 110 online survey questionnaires are collected. All the respondents have social media accounts.

Figure 1. Social network most often used by respondent



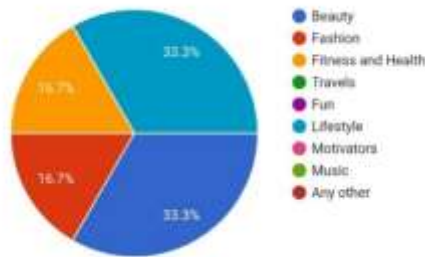
Instagram is the most popular social media network, followed by Facebook and YouTube. This shows that the study's population is spending more time on Instagram.

Figure 2. Following social media influencer



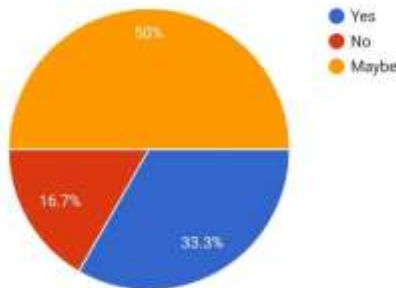
According to the findings, 83.3% of respondents follow social media influencers on various social media sites.

Figure 3. Area of interest in choosing influencer



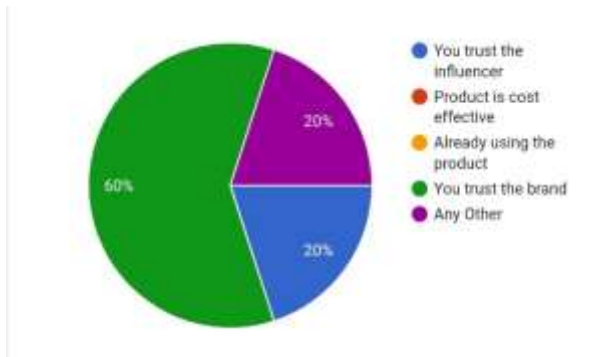
Beauty and Lifestyle influencers are followed by 33.3% of respondents, while Fitness, Health, and Fashion influencers are followed by 16.7%.

Figure 4. Purchase product recommended by an influencer



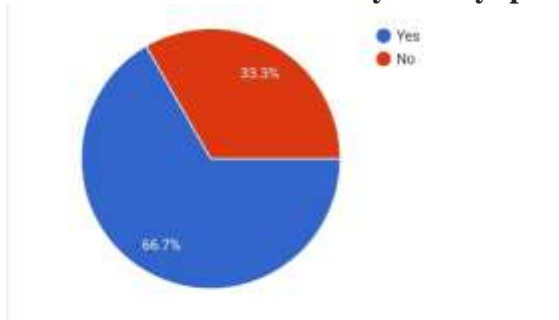
33.3% of respondents said they will buy the product recommended by the influencer, 50% said they might buy it, and 16.7% said they will not purchase the products recommended by the social media influencer.

Figure 5. Reason behind the purchase decision



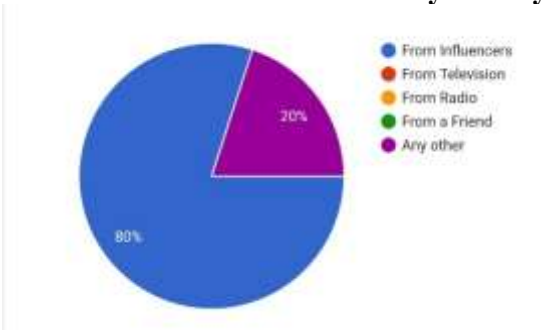
60% of respondents indicated they would buy the goods because they trusted the brand. 20% stated they will buy the goods because they trust influencers. Rest 20% stated that they are purchasing the goods for other reasons.

Figure 6. Awareness about 'Kay beauty' products



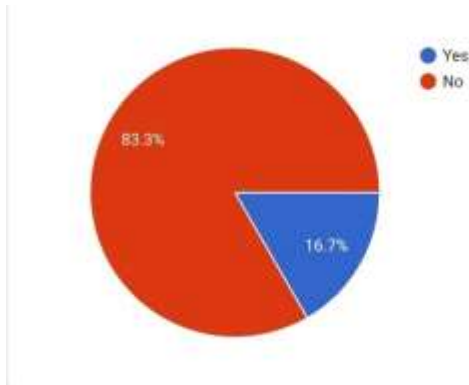
66.7% of those polled have heard of Kay cosmetic products. The rest of the respondents are unaware of Kay Beauty goods.

Figure 7. Source of information for 'Kay Beauty' products



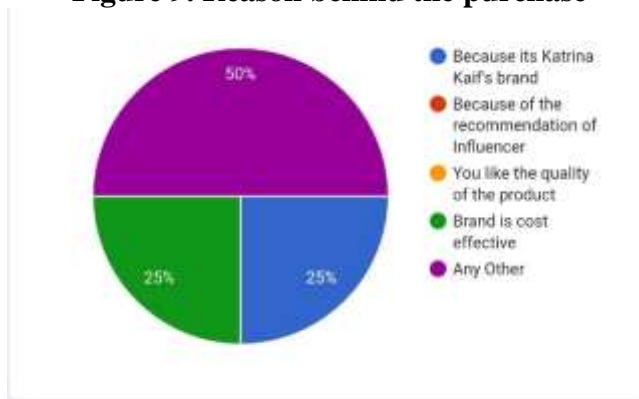
80% of respondents stated they learned about Kay Beauty products from influencers. The remaining respondents learned about Kay beauty products from other sources.

Figure 8. Purchased any Kay Beauty products



Only 16.7% of those polled had purchased Kay Beauty products. The remaining 83.3 have never purchased a Kay beauty product.

Figure 9. Reason behind the purchase



In terms of buying motivation, 50% choose none of the above, 25% stated they bought the goods because it was Katrina Kaif's brand, and 25% said the products were inexpensive.

Conclusion:

One of the marketing techniques used by marketers to promote companies is influencer marketing. In a society with a diverse population and a strong, expanding economy, social media marketing influencers play a significant role in promoting brands. The study discusses the impact of beauty product influencer marketing on female consumers' purchasing behavior. According to the results of the online survey, influencer marketing plays an important role in raising brand awareness, although it does not always result in product purchases. The purchase decision is heavily influenced by brand trust and product cost. Influencer marketing raised awareness of Kay's beauty products, but it had no bearing on consumers' purchasing decisions. As 80% of respondents follow influencers, particularly in the beauty and lifestyle industries, the number of followers of

influencers is rising. Developing influencer marketing will enable companies to maximise earnings by reducing advertising and promotion expenses more than traditional marketing operations.

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