Analysis of the Key Opinion Leader Marketing Strategy in the Era of Social Media

Qingyu Wang[1,a,*]

[1]*Shanghai Ivy School, Shanghai, 201315, China*
a. harrywang_816@163.com
*corresponding author

Abstract: Key Opinion Leader (KOL) marketing strategy appears in the era of social media and has a certain influence on the audience's consumption behavior. Nowadays, KOL marketing mode has inevitably produced some problems in the process of its rapid development. These problems not only affect users but also has a great impact on the brand value and image. This paper introduces the value and approaches of KOL marketing, analyzes the problems it is facing, and proposes feasible solutions in the end. Conclusions can be drawn that KOL marketing faces problems including data falsification, short marketing cycles, and the collapse of the public persona. The construction of a scientific evaluation system to ensure a good marketing effect can be one of the solutions to these problems while developing long-lasting marketing plans to build lasting brand power and examining KOLs thoroughly to choose qualified partners are also necessary measurements.

Keywords: KOL, influencer marketing, social media

1.   Introduction

KOLs refer to Key Opinion Leaders, i.e. people who have comprehensive and accurate information about products and have a strong influence on the purchasing behaviour of a group of people. The basic characteristic of KOLs is that they have a wealth of information about products and services, they are accepted or trusted by the relevant group of people, and at the same time, they have a strong influence on the group's perceptions, preferences, and purchases. This is also typical Influencer Marketing. With the development of new digital media and business markets, KOLs and the way they influence are undergoing many transformations. According to the "2022 China Digital Marketing Trends Report", with the continuous improvement of digitization, social media platforms are gradually becoming the main places for advertisers to compete for the bonus cake of the time a user spends. And KOLs, as an important bridge to connect brands and users as well as enhance user stickiness in social media marketing, have become the first choice of advertisers for social marketing in 2022 with a 67% share [1]. However, despite the in-depth development of KOL marketing and people's acceptance of the live stream and other marketing means, the problems generated cannot be ignored. Through the analysis of the current situation of KOL marketing, this paper analyzes the existing problems and proposes feasible solutions. By introducing the value and methods of KOL marketing, this paper can provide a reference for the optimization of the KOL marketing mechanism.

2.   The Value of KOL Marketing

Due to the ease of accessing the Internet, the speed of information dissemination has made traditional (brand-led) advertising campaigns less effective for consumers. Younger consumers are more likely to make their own purchasing decisions independently or with the advice of their peers. The relationship between brands and consumers has changed qualitatively [2]. In this context, brands are paying more attention to the user-friendliness of their product campaigns, and are communicating with their fans through interactive sharing on platforms, live webcasts, and short video campaigns. Social media has given KOLs more media platforms to produce and disseminate content. With the development of the Internet, KOLs have become widely spread among different fields. Their content forms and interaction methods have become increasingly rich, increasing the stickiness and influence between them and their fans through frequent interaction. At the same time, marketing techniques are also being developed and innovated.

Zhou affirms the value of KOLs: "KOLs have strong public influence and thus have the ability to generate an 'influence economy'. Vertical socialization makes KOLs even more influential, as KOLs produce in-depth or personalized content and interact with their followers through social platforms to build emotional ties and high stickiness based on identity, thus influencing their decisions or behaviours [3]. Deng points out that KOL marketing is a double-edged sword, which can make consumers feel forced and incongruous, and become a pain point in marketing, so KOL marketing needs new strategies, such as finding matching KOLs, exploiting the commercial marketing value of KOLs, and exploring effective KOL evaluation methods, in order to give full use of their advantages [4].

The value of advertising and marketing can be divided into four aspects:

1). The brand message is spread through the interaction between KOLs and their fans, effectively promoting the interaction between the brand and fans and expanding the brand's influence.

2). Through public opinion guidance and appeal, KOLs make audiences willing to believe and follow the views of KOLs to endorse brands, helping brands to build a good reputation and public impression and thus gain higher credibility.

3). KOLs' differentiated industry background makes the content of their messages more three-dimensional, more persuasive, and more acceptable.

4). KOLs save brands money with low-cost advertising investments and directly connect to their fan base, resulting in high sales conversion rates.

Qiu Yan used interviews to survey post-90s women. She concluded that many post-90s female consumers follow beauty bloggers or self-publishers on the internet and interact with them by leaving comments, sharing, and other interactions on the platforms. More than 50% of consumers said that they would learn about and view other people's experiences and reviews on online media as a way to get the information they want faster, enrich their knowledge, and make consumption judgments against their own reality [5]. Combined with Admaster's statistics, KOL marketing ranked first with 66% of the survey on the intention to choose social marketing methods [6]. This shows that KOL marketing is now one of the most recognised methods of social media marketing. KOL marketing is also a key focus of product seeding, brand communication, and merchandising (See Figure 1 and Figure 2 below).
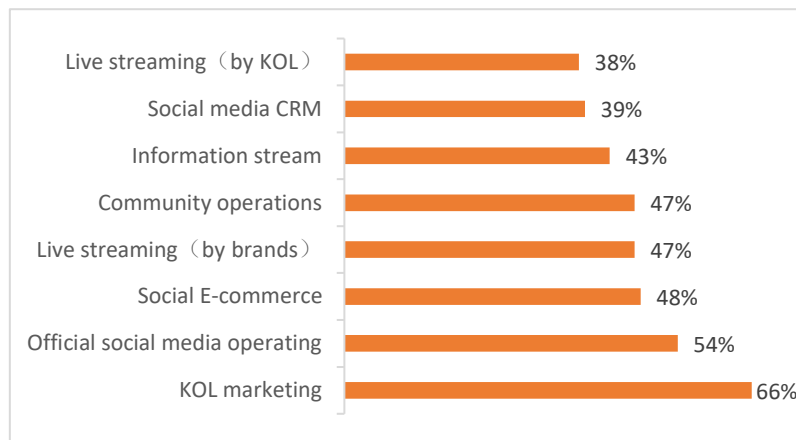
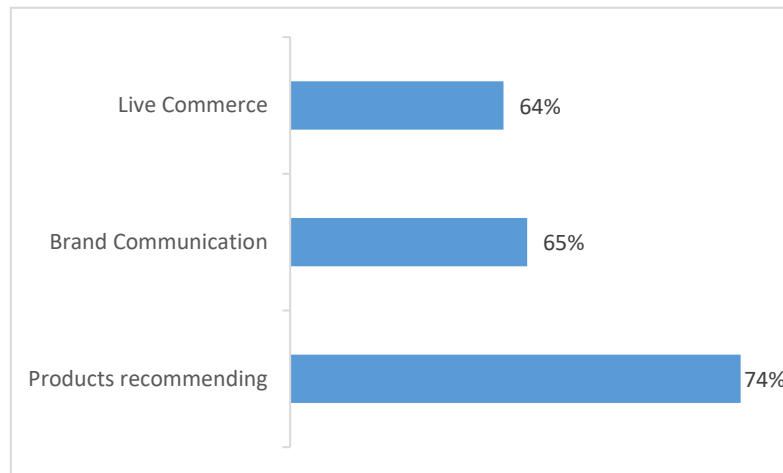Figure 1：The key of social marketing methods of 2023 [6].

Figure 2: Main purposes of KOL marketing [6].

3.   Marketing Approaches of KOL

3.1. Soft Implantation of Daily Contents

Soft implantation is a useful way of product implantation. When a person sends an advertisement, viewers will not find that it is an advertisement the first time. Brands can disseminate product information and promote their brand values by soft-implanting their products in KOL's daily content. It is also an important way for KOLs to ensure their accounts carry out stable attention and create emotional value by regularly updating the original content. Compared to celebrity endorsements and commercial advertisements, the soft implantation of KOL content is less expensive, more accurate, and more easily accepted. Compared to TVC and Banner ads, this soft way of conveying information can reduce the audience's resistance, and with the emotional effect of fans, it is easy to make people feel good about the brand and inclined to consume. With multi-frequency and multi-dimensional soft implantation, the inclination to consume can be transformed into actual consumption behaviour.

3.2. Live Streaming

KOL e-commerce live broadcast is better than the previous graphic and video communication in product display, real-time interaction, fan feedback, etc. At this time, KOLs can act as an online shopping guide and bring actual sales volume for the brand with its professional commentary and

own influence. In addition, during the live broadcast of some "head KOLs", they realise a new supply chain model of "broadcasting from the front to the back", which allows brands to truly achieve zero inventory.

3.3. Creation of Co-branded Products

Co-branding refers to two or more brands cooperate with each other, and after the two brands have joined together, they produce some co-branded products. Most KOLs have stable social media persona, and mature KOLs not only care about the cash value of their influencing ability but also the recognition of their persona by their audience. By creating co-branded products in collaboration with quality KOLs that match the brand's tone, not only can KOL fans be effectively transformed into consumers, but brand synergy can also be generated to achieve the effect of superimposed goodwill.

4. Existing Problems

4.1. Data Falsification and Unknown Marketing Effectiveness

The difficulty of measuring and verifying the effectiveness of marketing is a major challenge for advertisers when making media choices. In brand KOL marketing activities, firstly, from the level of KOL business value, its primary bargaining capital in front of the brand is its own volume (a comprehensive reflection of traffic data such as the amount of attention, reading, and interaction), and these data determine the KOL's customer unit price. Secondly, from the perspective of brand marketing effectiveness, the quantifiable way of effective permeability of information dissemination still depends on the traffic data such as likes, comments, and retweets of their published content by audiences, which means that the data represents the value of KOL. However, it is very easy for KOLs to falsify data. In the published article, Song questioned how many Internet marketers there are in KOL content for brand owners with limited budgets, and whether KOL marketing reaches the target consumers [7]. After they received a business promotion, not only do these KOLs buy fans, but also their videos or blog posts with promotional content are monitored for a certain period of time. If the data does not reach the desired level within a certain period of time, KOLs will start to falsify data, such as bringing in low-quality traffic to increase the number of views or buying Internet marketers to comment and retweet in order to increase the number of interactions.

4.2. Short Marketing Cycles Made by Frequent Business Cooperation

The influx of brands has made it difficult for brands to improve their return on investment (ROI) in marketing communications. Currently, the incubation rate of KOLs in social media is much slower than the growth rate of brand demand, and the number of influential KOLs in various verticals is often very limited. The frequency of spreading information about similar products within a certain period of time not only affects the audience's perception and acceptance but also causes a short maintenance period of marketing buzz, thus greatly reducing the marketing effect.

4.3. Damage to the Brand Image due to the Collapse of the Public Persona

From the symbolic consumption theory, the persona of KOLs is the symbolic value behind KOL marketing. The persona is usually the result of KOLs' subjective packaging, a social label given by the public due to the content of their works and the personal characteristics they display. The public is not only interested in the works of the KOL but also in the social information beyond the screen, such as their personal character. The stability of the KOL's own image largely determines the stability of the relative brand's image. The deep co-operations between KOLs and brands have a two-sided impact on the brands' images. The public can have a positive impact on a brand due to the positive

image that KOLs create and maintain on a daily basis in front of their fans, while KOLs' own negative incidents can also damage a brand's image. For instance, on December 20, 2021, the incident of tax evasion by Taobao's top anchor Weiya, a top KOL in the live e-commerce sector, exploded public opinion, and her reputation and image collapsed overnight. Various brands, such as the skincare brand "Yuze", were affected, causing a public relations crisis.

5. Suggestions on the KOL Marketing Strategy

5.1. Relying on the Scientific Evaluation System to Ensure Good Marketing Effects

Brands should establish an applicable and scientific KOL account evaluation system or cooperate with professional marketing companies that have the ecological system of self-media data screening technology and self-media business value ranking list, in order to achieve effective control of KOL account data, avoid data falsification, and enhance the ROL of marketing communication.

Firstly, brands can build their own evaluation systems and analyse KOL account data with stable and effective evaluation indicators, such as the number of fans, quality, activity, purchasing power, average interaction volume of accounts, recent hotness of accounts, and other dimensions. Moreover, brands should improve their own inspection system with class indicators and information, rather than just looking at the data given by agents or focusing on the surface data of the accounts. Brands should establish a data inspection system, using big data intelligence technology as an aid to "filter the water" and analyse the key data such as effective views, real interactions, and sales conversions, so as to clarify the real marketing effect and provide a reference for subsequent business cooperation. Thirdly, brands can also cooperate with a professional marketing company, relying on others' systems and quality databases, choosing KOl more efficiently, and achieving value co-creation.

5.2. Developing Long-lasting Marketing Plans to Build Lasting Brand Power

The fierce competition for scarce attention resources has accelerated the fading of marketing fever, so the best way to ensure lasting brand power is to develop a more long-term and high-quality marketing plan that addresses the audience's consumer needs. Through several collaborative promotions with the same KOL, the product and brand can take root in the minds of the audiences, achieving effective brand penetration and conversion of fans to loyal customers. When working with KOLs for the first time, it is important to increase conversion and build brand favorability by, for example, giving fans exclusive offers or customized gifts, building feedback channels for fans, establishing a connection with the fan base, and increasing fan engagement to maximise positive bias among fans. Another more sustainable and solid marketing method is to cooperate with KOLs in depth, which means cooperating with KOLs several times in a certain period.

The positive introduction of KOLs can effectively deepen impressions and enhance recognition, gradually exerting a subtle influence on fans and ultimately building their loyalty to the products and brands. These marketing campaigns have a longer-term impact, avoiding "one-off" marketing campaigns that only aim to convert KPIs and allow fans to establish an emotional connection with the brand, transforming from fans to consumers or even loyal consumers, then building brand power.

5.3. Examining KOLs Thoroughly to Choose Qualified Partners

The positive image and popularity of KOLs are a prerequisite for their commercial realisation and play a crucial role in the entire KOL marketing. The personalities, expertise, and professionalism of KOLs are all important factors that influence consumers and are also references for brands to consider when they need to build their image among their audiences. The collapse of a KOL's persona can have a direct impact on the brand's image and reputation.

Therefore, as an extension of a brand's image, a qualified KOL must not only have the expertise to create quality content in the relevant field and create influence on social media platforms, but also have good moral character, a good sense of self-monitoring, and a strict discipline in their behaviour. This also requires brands, when choosing KOLs to work with, should fully examine the personal qualities and legal awareness of KOLs, from the daily content output, life experience, industry evaluation, industry news, credit report, and other aspects of KOL accounts. In order to avoid negative incidents such as the collapse of the KOL's persona, violation of public order and morality, or even lawlessness, which may adversely affect the brand, KOLs should be examined in multiple ways and in multiple dimensions.

6.   Conclusion

With the rapid growth of social media, there are a large number of KOLs who resonate with users and can guide their consumption. The KOL's influence is even greater than that of many big-name celebrities. As a result, KOL marketing is now the most common and practical way for companies to promote their brands. At present, KOL marketing has been widely used in many fields by various brands, but there are still many problems that cannot be ignored, for example, the problem of data falsification, the short marketing cycles made by the frequent business cooperation, and the damage to the brand image made by some KOLs. Therefore, there is a need for new strategies such as finding matching KOLs, playing the commercial marketing value of KOLs, exploring effective KOL evaluation methods, and preventing the risk of KOLs "collapsing", thereby giving full play to the commercial marketing value of KOLs and helping companies to effectively promote their brands and increase sales volumes.

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