INFLUENCER MARKETING AND MARKET SHARE OF THE BEAUTY INDUSTRY IN KENYA

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ABSTRACT

Purpose of the Study: This study aims to examine the efficacy of influencer marketing strategies in augmenting the market share of beauty brands in Kenya.

Methodology: This study employed a desktop research methodology and integrated a systematic literature review design to address existing gaps. Data were collated from diverse sources, including academic journals, websites, reports, and research databases.

Study Findings: The study that numerous beauty brands in Kenya employed strategies such as brand ambassadorship and affiliate marketing to drive conversions. Influencer collaborations through co-creation exerted a substantial influence on consumer purchase decisions. The study showed the significance of influencer credibility, compliance with legal regulations, and the application of both the source credibility theory and social learning theory in understanding consumer behavior and fostering brand success within the beauty industry.

Conclusions: Based on the findings, the study concludes that leveraging influencer partnerships is imperative for cultivating brand loyalty and consumer engagement. It affirms that robust partnerships facilitate the formulation of effective strategies, which, when adeptly executed, engender heightened brand awareness, consumer engagement, and enhanced market share for beauty brands.

Recommendations: The study advocates for government regulatory bodies to collaborate with beauty brands and influencers in establishing clear guidelines and regulations for influencer marketing practices.

Keywords: *Influencer Marketing, Market Share, Affiliate Marketing, Brand Ambassadorship*

INTRODUCTION

In the multifaceted realm of the beauty industry, influencer marketing has emerged as a significant catalyst for driving market share, particularly in regions like Kenya (Agustian, Hidayat, Zen & Sekarini, 2023). This sector, characterized by its fluidity and innovative trends, offers fertile ground for exploring contemporary marketing strategies aimed at augmenting market presence (Saint-Didier, 2022). This study endeavors to delve into the intricate interplay between influencer marketing and market share within the dynamic and diverse landscape of the Kenyan beauty market. Such an inquiry holds profound significance in the realm of business administration, not only for elucidating modern marketing practices but also for unraveling the evolving dynamics of marketing and their implications on market profitability.

Influencer marketing, a form of social media marketing, entails endorsements and product mentions from individuals with substantial social followings who are perceived as authorities in their respective niches (Sprout Social, 2023). These influencers wield considerable influence over the purchasing decisions of beauty consumers, who often rely on recommendations and reviews prior to making buying choices. Influencer marketing has not only emerged as a potent tool for shaping consumer behavior but also boasts a high return on investment (ROI) for beauty brands worldwide, including those in Kenya. Research by the "Influencer Marketing Hub" revealed that for every $1 spent on influencer marketing, brands anticipated an average ROI of $5.78, with some brands experiencing returns as high as $11.3 for every $1 invested (Doan, 2023). The efficacy of influencer marketing in driving market share stems from its ability to harness the authenticity and reach of influencers to sway consumer preferences and stimulate sales.

Furthermore, market share serves as a pivotal metric for assessing a brand's competitive position within the beauty industry, particularly in Kenya. Market share, defined as the percentage of industry sales that a company commands, provides insight into a business's relative success in attracting and retaining customers (Riserbato, 2022). In the context of the Kenyan beauty market, statistics indicate that the beauty and personal care sector generated revenues of KSH 2.30 billion, with an annual growth rate projected at 6.78% (CAGR 2024–2028). It is anticipated that online sales would contribute 1.9% of total revenue in the beauty market by the end of 2024 (Statista, 2024). Additionally, metrics such as sales conversions and brand awareness offer supplementary

insights into the overall performance of beauty brands in the Kenyan market, amidst stiff competition fueled by evolving consumer preferences and the emergence of new market entrants.

Influencer marketing has become indispensable and influential in the beauty industry (Kesner, 2023). This research endeavors to elucidate the nuanced relationship between influencer marketing and its impact on the market share of the beauty industry in Kenya. Exploring potential moderating variables, including organizational factors and government regulations, adds layers of complexity to the investigation. Addressing these aspects promises to furnish stakeholders in the beauty industry with actionable insights to optimize their marketing endeavors and leverage their competitive advantage within the Kenyan market landscape.

STATEMENT OF THE PROBLEM

The Kenyan beauty industry has witnessed remarkable expansion in recent years, fueled by escalating consumer demand for premium cosmetics and skincare offerings (The Star, 2023). This growth coincided with the ascendance of influencer marketing as a predominant global marketing strategy, with social media personalities endorsing products and shaping consumer purchase decisions (Agustian et al., 2023). Nevertheless, the impact of influencer marketing on brand market share within the Kenyan beauty sector remains relatively unexplored (Nyabuto, 2023). The dearth of research on the efficacy of influencer marketing in the Kenyan beauty industry presents challenges for both beauty brands and influencers operating within this market. For beauty brands, the absence of data-driven influencer marketing strategies impedes their ability to effectively target their desired audience and optimize market share (Kimathi, 2022). In the absence of clear insights into the return on investment (ROI) associated with influencer marketing campaigns, brands may exhibit reluctance in allocating substantial resources to this strategy (Nyabuto, 2023).

Ineffective influencer marketing endeavors not only entail financial wastage but also carry the potential to tarnish a brand's reputation if executed without due diligence (Kimathi, 2022). Therefore, influencers operating in the Kenyan beauty sphere grapple with demonstrating the tangible value they bring to brands. While influencer marketing presents an avenue for influencers to monetize their platforms and forge partnerships with brands, the absence of data regarding campaign effectiveness renders it challenging for them to quantify their impact on sales and brand allegiance (Mwangi, 2023). This lack of empirical evidence may impede influencers' capacity to

negotiate competitive compensation rates and secure lucrative collaborations with prominent beauty brands (Mwangi, 2023).

RESEARCH OBJECTIVES

i. To find out the influencer marketing strategies adopted by beauty brands in Kenya.

ii. To assess the market share of beauty brands in Kenya

iii. To examine the effect of influencer marketing strategies on the market share of beauty brands in Kenya.

LITERATURE REVIEW

The section presents the theoretical framework, empirical literature and conceptual framework.

THEORETICAL FRAMEWORK

The study was informed by two theories that include; social learning theory and source credibility theory.

Social Learning Theory

Initially proposed by Albert Bandura in 1977, the Social Learning Theory serves as a foundational framework for understanding how individuals acquire knowledge and skills by observing and imitating others (Mcleod, 2024). Within the beauty sector in Kenya, this theory provides insight into the mechanisms through which customers develop brand recognition and make purchasing decisions influenced by influencers' actions and endorsements. In this context, influencers serve as models whose behaviors and product endorsements shape consumer opinions and purchasing behaviors. The theory suggests that consumers are more likely to observe and imitate influencers' behaviors, leading to increased brand awareness and loyalty (Mcleod, 2024). Moreover, consumers tend to trust and purchase products endorsed or reviewed by influencers they admire, which subsequently boosts sales conversions.

Influencer-recommended beauty products are more likely to be embraced by consumers if they align with their lifestyle or self-image (Castillo et al., 2022). Feeling satisfied or confident after trying influencer-recommended products reinforces this behavior, leading to repeat purchases or brand discovery. Additionally, consumers are inclined to trust and purchase products co-created by influencers they admire, resulting in heightened brand awareness and sales conversions.

Influencer credibility, as a moderating sub-variable, significantly influences the effectiveness of these strategies. According to the Social Learning Theory, consumers are more likely to learn and imitate behaviors from influencers they perceive as credible and trustworthy. Influencer credibility and platform engagement greatly impact consumer attention (Mcleod, 2024).

While the Social Learning Theory offers a comprehensive framework for understanding the impact of influencers on consumer behavior, there exists a theoretical gap in its application within the beauty industry in Kenya. It lacks specificity in addressing the intricacies of influencer marketing strategies and fails to account for influencer credibility and legal considerations related to the promotion of beauty products. This study aims to provide a more nuanced understanding of how social learning processes influence consumer behavior and brand outcomes through specific influencer marketing strategies. By investigating these aspects, this research contributes to a deeper understanding of how social learning processes manifest in influencer marketing within the beauty sector in Kenya.

Source Credibility Theory

Proposed by Hovland, Janis, and Kelly in 1963, the Source Credibility Theory posits that individuals are more likely to be influenced by sources perceived as credible (Hovland, 1963). In the context of influencer marketing in the beauty industry in Kenya, this theory elucidates how consumers assess the trustworthiness, expertise, and attractiveness of influencers to gauge the credibility of their endorsements. It underscores the importance of influencers establishing credibility with their audience to enhance the effectiveness of their promotional efforts and drive consumer behavior. The theory suggests that individuals are more likely to be persuaded by sources they perceive as credible. Baig and Shahzad (2022) revealed that social media influencers' credibility dimensions positively influence consumer attitudes towards brands and their purchase intentions. However, the Source Credibility Theory has limitations in its application to the multifaceted landscape of influencer marketing. The original proponents did not delve deeply into the nuances of influencer credibility in the digital age and the specific factors influencing consumers' perceptions of influencers' trustworthiness.

This study aims to address this theoretical gap by integrating the Source Credibility Theory with influencer marketing practices in the beauty industry in Kenya. By examining how different

categories of influencers establish and maintain credibility with their audience, this research will provide insights into the mechanisms through which influencer credibility impacts brand awareness and customer acquisition. By incorporating the Source Credibility Theory into the theoretical framework, this study offers a comprehensive perspective on how consumers evaluate influencer endorsements in the beauty industry in Kenya. It underscores the significance of influencer credibility in shaping brand perceptions and driving new customer acquisition.

EMPIRICAL LITERATURE

Numerous studies have investigated advertising and consumer behavior within the cosmetic industry, both globally and in Kenya, leading to a paradigm shift in marketing strategies. Kenyan beauty brands have embraced various influencer marketing approaches, which research has shown to be effective in brand building and expansion. For instance, a study by Monsurat Olubukola Olugbode, Margot O. Lamme, Caryl A. Cooper, and Robin Boylorn in 2016 delved into brand ambassadorship marketing, exemplified by Lupita Nyong'o's collaboration with Lancôme Cosmetics. The research, utilizing an exploratory case study method, examined 34 articles, revealing a notable finding: the employment of an Oscar-winning brand ambassador resulted in a 1.5% annual sales boost. This underscores the pivotal role of ambassador selection in brand performance, as evidenced by the extensive media coverage and public discourse surrounding Lupita's appointment, indicative of the subjective nature of beauty standards. However, the study is limited by its exploratory nature, lack of generalizability, and absence of consumer data, impacting its predictive capabilities.

Another study by Evelyn Lusaria Wenani in (2020) explored the Relationship Between Influencer Marketing and Brand Performance in FMCG Companies in Kenya. Employing an explanatory research design, Wenani collected data from 77 employees of 10 registered FMCG companies through questionnaires. The analysis, including linear regression, revealed a strong correlation (R = 0.832) between influencer choice and brand performance, with influencer choice explaining 68.7% of the variation in brand performance. However, the study overlooked influencer credibility and relied solely on employee perspectives, risking bias and limiting its depth in understanding the influencer-brand dynamics. Affiliate marketing has emerged as a prevalent mode of sales and earning strategy in Kenya's beauty industry. Mang'era's (2021) study on Internet Marketing Strategies and the Profitability of Selected Supermarkets in Kenya examined its impact on retail

profitability. Utilizing a descriptive design, data collected from 111 participants across 8 retail companies revealed overwhelming support for affiliate marketing in increasing brand visibility and broadening the customer base. However, the study failed to capture the nuanced aspects of affiliate marketing, such as incentive structures and their influence on product sales, thereby limiting its comprehensiveness. Product endorsement and reviews have also garnered attention in influencer marketing research.

Mutahi (2022) study, The Role of Social Media Influencers on Consumer Decision-Making Process in The Kenyan Cosmetic Industry, adopted a mixed research approach to analyze consumer behavior on Instagram. Regression analysis showed a strong correlation (R = 0.815) between influencers' communication attributes, Instagram techniques, believability, and consumer purchasing behavior, accounting for 66.5% of the variance. However, the study overlooked product endorsement beyond social media posts, as well as organizational marketing strategies, thereby offering an incomplete understanding of influencer marketing dynamics.

CONCEPTUAL FRAMEWORK
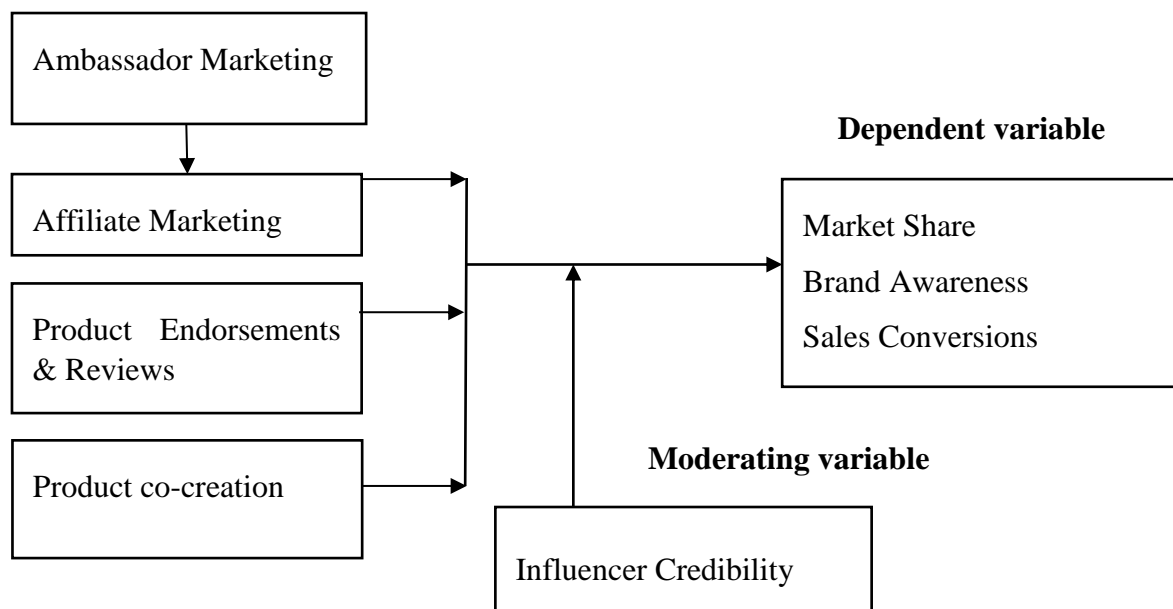
Independent variable Influencer Marketing

Figure 1: Conceptual Framework

METHODOLOGY

This study employed a desktop research design anchored in a systematic literature review methodology. This approach involved exhaustively scrutinizing existing knowledge by examining a diverse array of studies, reports, and articles pertaining to influencer marketing and its impact on market share, thus affording a comprehensive perspective of the subject matter (Sheppard, 2019). By adopting this research design, the researcher could discern prevailing trends, patterns, and lacunae in the literature, facilitating the derivation of meaningful conclusions and insights (Tranfield, Denyer, & Smart, 2003). Building upon existing literature not only bolstered the credibility and validity of the research findings by showcasing a meticulous grasp of the topic (Fink, 2019) but also empowered the researcher to pinpoint areas necessitating further investigation, thereby contributing novel insights to the scholarly domain (Sheppard, 2019). Several researchers have leveraged this research design in analogous studies. For instance, Joshi, Lim, Jagani, and colleagues (2023) conducted a systematic literature review on social media influencer marketing, elucidating key determinants shaping consumer responses and underscoring the efficacy of influencer marketing strategies (Joshi et al., 2023). Likewise, Muturi (2024) delved into the impact of social media on fashion trends and consumer behavior in Kenya, employing a similar methodology to explore pertinent phenomena.

RESULTS AND DISCUSSIONS

The findings of this study yield insightful perspectives into the intricate interplay between influencer marketing and market share within the Kenyan context. Aligned with the research objectives aimed at exploring influencer marketing strategies embraced by beauty brands in Kenya, the investigation unveiled prevalent methodologies. Notably, numerous beauty brands in Kenya opted for brand ambassadorship as a pivotal influencer marketing tactic. These ambassadorial partnerships, often characterized by long-term collaborations, showcased significant impact. For instance, L'Oréal's partnership with Catherine Kamau, popularly known as "Kate Actress," as the face of Nice and Lovely cosmetics, underscored the efficacy of such alliances in fortifying market presence (Business, 2022). Additionally, affiliate marketing emerged as another prominent strategy, exemplified by initiatives such as the Jumia Marketplace affiliate program. This approach, instrumental in driving conversions, offered influencers commission incentives for driving sales through personalized referral codes, thereby amplifying brand visibility (Muller, 2024).

In addition, the study uncovered the pervasive practice of beauty brands engaging influencers for product endorsements, manifesting in diverse forms such as reviews, tutorials, and testimonials. These collaborations capitalized on influencers' expansive reach, inciting enthusiasm and engagement among their audience (Viktor, 2024). Such endorsements wielded substantial influence over consumer purchase decisions and perceptions, shaping brand preferences effectively. Moreover, the research illuminated instances where beauty brands in Kenya embraced influencer involvement in product co-creation initiatives, leveraging influencers' creativity and insights to cultivate brand loyalty. The findings underscored the pivotal role of influencer credibility in shaping consumer perceptions and behaviors. Brands forging alliances with credible influencers garnered heightened levels of consumer trust, translating into augmented market share and brand loyalty (AdSkate, 2023). To gauge the market share dynamics within Kenya's beauty landscape, the research revealed substantial variations among beauty brands, with certain brands dominating specific product categories while others jostled for market share in niche segments. Notably, Kenya's per capita revenue in the personal care market stood at US$40.89 in 2024, reflective of its geographic positioning and relative market sophistication (Statista, 2024).

In examining the influence of influencer marketing strategies on beauty brand market share, the study affirmed a positive correlation. Brands adept at harnessing influencer marketing collaborations witnessed amplified brand awareness, heightened consumer engagement, and ultimately, enhanced market share (Mehta, 2023). Additionally, the research underscored the imperative of adhering to legal regulations in influencer marketing endeavors. Brands ensuring transparency, authenticity, and compliance with advertising standards positioned themselves favorably to cultivate enduring relationships and bolster market share over time (Khan, 2024). Moreover, the study illuminated the pivotal role of influencer credibility in engendering brand awareness and driving customer acquisition. By dissecting how influencers foster and uphold credibility with their audience, the research shed light on the mechanisms underpinning influencer credibility's impact on brand awareness and customer acquisition. Influencers' sustained credibility, rooted in authenticity and genuine engagement, facilitated the cultivation of trust and rapport with their audience, thereby eliciting positive attitudes and behavioral responses (Tabor, 2020; Kashyap, 2023). Furthermore, the integration of the social learning theory enriched the

research's theoretical framework, offering nuanced insights into influencer marketing's multifaceted dynamics within Kenya's beauty sector.

CONCLUSION

This research delved into the nexus between influencer marketing strategies and beauty brand market share in Kenya. Drawing on past research and industry studies, the investigation elucidated the influence of influencers and influencer marketing strategies on market share, gauged through sales performance and brand recognition. The positive correlation observed underscores Kenyan beauty brands' embrace and adept utilization of influencer marketing strategies to bolster brand loyalty, consequently augmenting market share. Notably, influencer marketing strategies encompassing brand ambassadorship, affiliate marketing, product endorsement, and co-creation played pivotal roles in enhancing brand visibility, fostering consumer engagement, and ultimately contributing to market share growth within the beauty industry.

The exploration of market dynamics unveiled variations in market share among beauty brands, with certain brands dominating specific product categories and others vying for niche segments. Kenya's substantial per capita revenue in the beauty market underscores its market potential, offering ample opportunities for brands to capitalize on. Leveraging influencer partnerships emerged as a crucial strategy in fostering brand loyalty and consumer engagement, affording brands a competitive edge in the market. The study advocates for the judicious selection of influencers aligned with brand values, fostering credibility and authenticity to bolster customer trust and loyalty.

RECOMMENDATIONS

In alignment with Kenya Vision 2030 and Sustainable Development Goals (SDGs), regulatory bodies should collaborate with beauty brands and influencers to establish clear guidelines and regulations for influencer marketing practices. This concerted effort ensures transparency, authenticity, and compliance with advertising standards, thereby nurturing consumer trust and safeguarding stakeholders' interests. Beauty brands should prioritize cultivating enduring partnerships with influencers sharing brand values, fostering relatable content that enhances customer loyalty. Influencers, in turn, must engage in meaningful partnerships transcending mere marketing, fostering genuine connections with customers, thereby sustaining brands in the beauty

industry and fostering economic and social development. Educational institutions are urged to integrate influencer marketing and digital ethics into the business curriculum, preparing industry professionals adept at navigating evolving market landscapes. Consumers, armed with information, should support ethically transparent brands providing value beyond product promotion, thus fostering a sustainable and ethical beauty industry ecosystem.

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