

## **The Impact of Influencer Marketing in the Fashion Industry**

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### **Abstract**

Ever since the frequent usage of mobile devices and social media platforms became integrated in our everyday lives, influencers came about naturally. Consumers of various media platforms look to people they can identify with on a personal level, opposed to high profile celebrities, and often become loyal followers and consumers of their content. Many businesses used this to their advantage in marketing goods to consumers on a more authentic level—thus the birth of influencer marketing. Fashion influencers are probably the most followed and consumed on the social platform Instagram, which makes them great targets for brands and businesses to promote their products through a unique channel, to a specific target audience. This paper goes in depth to the success of influencer marketing, how it has developed over the years, and successful brands and campaigns in the fashion industry that wouldn't have gained the consumer traffic they did without the utilization of every aspect and benefit gained through influencer marketing.

## Introduction

The objective of this research is to dive deep into the evolution and current success of influencer marketing in the modern fashion industry. Influencers play a big role in today's day-age media consumption—media is consumed at a higher rate than ever before, and platforms like Instagram, YouTube, Twitter, Pinterest, etc. make it easy and profitable for high-profile people in the industry to post their lifestyle and fashion advice, in addition to blogging about their lives to those interested. Consumers who get invested in the lives of these influencers make it extremely easy to market and sell goods from various industries as an advertising and marketing technique. Most large companies and brands have become hip to this way of sales as it's one of the most impactful in the selling of retail and lifestyle goods.

There are various categories of influencers, ranging from nano to mega to celebrity influencers, who may charge a higher price for their services as they're higher on the pyramid of success. Nano influencers are at the bottom of the pyramid in a sense—they could receive a free product, for example, in exchange for a social media posting or “story” posting (which only lasts 24 hours). Different types of content for different types of influencers all have a different set price, much like an ad, and often is up to the individual to decide on specifically. All social media influencers have access to their insights, so they know exactly how many people they'll reach with their posting, which makes it easy for companies and brands to pay people based on their access to consumers. Influencers differ significantly in branding and focus, follower base, engagement rates, etc. all of which compose the “package” the influencer is able to offer to the brand.

The result of influencer marketing is softer, less in-your-face advertisements. All influencers regardless of size offer three critical marketing functions: access to potentially highly engaged audiences, an established endorser persona, and skills in social media management, which has made this niche marketing technique develop and profitable naturally. Consumers often find digital advertising annoying and untrustworthy, so they respond more favorably to influencer content. Marketers, however, need to do proper research on the influencer's niche area in order to choose the right person to market their content, as seen below by the various brands who've done campaigns with these social media lifestyle and trend experts.

## **Method**

### **Study 1**

The reason why influencer marketing is so successful is because people generally look to others for assurance on anything, they are planning to spend their money on. Influencers are there to set an example for their following in a way they feel is most beneficial to their lifestyles and tastes, in addition to growing their platform based on return rates and positive feedback and engagement. Since the internet and social media boom within the last decade, according to an article in the International Journal of Advertising, "the Internet has radically changed the business scenario by becoming an important platform wherein people become the "media" for collaborating to share information" (Yerma & Yadav, 2020). The study goes in depth in explaining the phenomenon of the electronic world of mouth advertising, which is similar to influencer marketing in the way that consumers trust those they follow and view regularly. They used a combination of science mapping in addition to performance analysis to visualize generalizations in eWOM (electronic word of mouth) advertising.

## Study 2

When finding a good fitting influencer for the brand to pay to promote their product, there are many factors that get considered, including their audience reach, engagement, and expertise in the field. An academic journal in the Journal of Advertising Research analyzed the fit between the brand and the influencer or group of influencers they chose for a campaign (Abt, Breves, Kunze, Liebers, 2019). They measured the brand-influencer fit based on credibility and advertising effectiveness and experimented on groups of content consumers by showing them Instagram posts and indicating the perceived fit between the influencer and the company or brand, while also scoring the credibility of said influencer.

## Study 3

Instagram has become known as the most popular app to share brand and product recommendations, reigning as the most popular fashion and trend app. Many designers, such as the designer of Lanvin, Alber Elbaz, have claimed what a large impact Instagram has had on their work (Kok, 2020). Elbaz noted in an *A* article by Aaron Kok that he “realize(ed) that people aren’t really living today, they’re posting. They are not really listening, but they’re taping. They are not really looking but they are filming. In that world of taping, and filming, and posting, the one thing in common for all of us is that we want to document the moment.” This is true in any lover of trend’s case that when they want to share an outfit or trend they love or want other people to see, Instagram is the easiest and most accessible platform to do so. The article also noted the global Instagram market revenue has risen from \$1.06 billion to \$2.38 within the span of just a year, which has opened up a whole new role of an “influencer marketer” in fashion jobs.

However successful and fast-paced this emerging industry is having on large fashion brands and designers, still these companies are having a hard time keeping up with the changes

in this ever-evolving industry (Haenlin, et al., 2020). An article in the California Management review details the flip to new social channels from Generation Z, such as listening to Spotify versus the radio. This correlates with the shift to Instagram and TikTok opposed to Facebook or even television and opened up this brand-new category of product marketing, fashion being one of the largest players in this role. The article notes that two-thirds of firms are planning to increase the budget for influencer marketing, and over 80% of firms note that they may plan on dedicating 10% of their overall marketing budget to influencer marketing (Haenlin, et al., 2020).

#### **Study 4**

Companies almost always use the status of influencers to their advantage. For example, Louis Vuitton, being as luxurious in the industry as they are, would choose none other than Emma Chamberlain, with over 12 million followers, to work with for a campaign. However, some companies choose to do some sort of post or story-type content with the influencer over a campaign. The New York Law Review explored the concerns of disclosing “material connections” between a brand and the influencer they choose to work with. In other words, the consumer has a right to know how a brand and influencer relationship could view their endorsement of the product (Bannigan and Shane, 2019). This is an interesting analysis because it explores the influencer’s true thoughts and opinions on the product or company and if the partnership has any sway on their likeliness.

#### **Study 5**

Contrary to popular belief, some researchers found that influencer marketing with a large influencer with millions of followers may not always be the best route to go, while others may find that their best success comes from the engagement between larger influencers and their audiences. Whatever decision the brand and marketing team ultimately makes it based off of

their own collected research (Ketrin, Szilárd, 2020). Although in one extremely successful influencer marketing campaign done with micro-influencers, that was backed by data in terms of success, influencers with between 2,000 and 50,000 followers, was the ASOS x Micro-influencers campaign. This Instagram influencer marketing campaign collaborated with 29 influencers who had distinct styles and were part of different communities. This brought so much diversity to ASOS's shopping platform, and ultimately inspired love for certain looks to their individual communities (Keyhole, 2021).

## **Results**

### **Study 1**

Verma and Yadav (2021) explain by the end of their study that electronic word of mouth advertising, otherwise known as influencer marketing, has significantly increased in popularity over the years because of the credibility gained with trusted "relatable" advertisers. The consumers lower their risk by going by what, in their eyes, they see as a trusted influencer marketing the product to them versus the company themselves. This particular research also noted, after reviewing over a thousand research articles pertaining to the topic, that this has been a rapidly growing area of advertising research interest over the past few years. In a Slovakian study done in 2019, researchers found that 90% of customers interviewed trusted a link in their network for recommendations on products and 81% trusted online recommendations (Vodak, Novysedlak, Cakanova, Pekar, 2019). That data has come a long way since early 2010's internet safety concerns with trusting people online and having a strong emphasis on internet safety classes in schools as new technology emerged.

### **Study 2**

The study conducted by Breves, Liebers, Abt, and Kunze (2019) confirmed a preconceived compatibility between the influencer and company or product at hand—for example when a participant was given information on the influencer such as their interests and hobbies, they automatically trust said influencer’s opinions on related products and services, which was explained by social-adaptation theory. They go more in depth, technically, with parasocial relationships and how the increase in parasocial relationships with the influencer indicated a higher level of trust versus any past experience they or another person may have had in a related field (pg. 449-450). Research done by Claire Whang and Hyunjoo Im (2020) also explores the role of “human likeness” in online product consumption (pg. 581). Their study confirms a causal relationship between likability, which followers, likes, and user engagement could indicate, and a strong parasocial relationship.

### **Study 3**

Because of this flip to new channels and the dependency on influencers as part of a dedicated marketing budget, even luxury fashion houses have been quick to adapt. For example, in 2019, Gucci used influencer marketing as a vital role in advertising their new perfume, Gucci Bloom. They collaborated with 23 artistic influencers to create content of what they saw as a creative vision of the universe surrounding the fragrance—Gucci even used some of the collaborated content on their website and Facebook (Haenlin, et al., 2020). The article in the California Management Review found that however successful, the quick-paced industry will still be facing important challenges due to the speed in changing trends and marketing methods: “changes due to the strategic behavior of platform owners,” “changes due to the authentic self-presentation of influencers,” and as of late “changes due to COVID-19” and “changes due to regulation” (Haenlin, et al., 2020).



#### **Study 4**

An additional conclusion made by the New York Law Review explained that more emphasis should be put on sponsorship disclosure and how consumers of this influencer marketing tactic respond to it versus traditional advertising. Failure to disclose information related to sponsorships and brand gifting to influencers could lessen the influencer's impact on consumer purchase retention due to the trust level decreasing, making it a risky marketing category to play in (Bannigan and Shane, 2019). More rules have been added over the years due to former influencer marketers not disclosing an ad or partnership that led to consumer deception. These rules have been regulated and made stricter as this category increases. An article written by McCarthy Terrault LLC discusses the deceptive practices they have been used as late as last year, such as ineffective disclosures using hashtags such as #ambassador, #partner, or #sponsor, that can fail to make themselves apparent to viewers because oftentimes longer captions or text get minimized (Iatrou, Bitran, Francis, Caldwell, Corosky, 2020). This proves we still have ways to go in terms of better consumer communication between media platforms and influencer marketers with brands.

#### **Study 5**

Authenticity and consistency play a huge role in successful influencer marketing campaigns, and engagement plays a vital role in the success of these campaigns, regardless of follower count. The University of Oradea study found that although the number of followers an influencer had correlated positively with consumer opinion, the authenticity level still played a vital role in company decision-making for campaigns (Ketrin and Szilárd, 2020). Although some consumers may understand they are being given paid-for content by these influencers, they still trust the word of the influencer based on the relationship and authenticity.

### **Conclusion**

In conclusion, influencer marketing is a fundamental part of product exposure in today's fashion marketing industry, but it's much more sophisticated and strategically executed than we think. Many industries use influencer marketing to market goods across various industries, such as lifestyle, beauty, hospitality, fitness, etc. and have dedicated a portion of their marketing department budget to finance this new and quick-changing sector. There are still ways to go in the field in terms of transparency, but the potential for creativity and getting authentic advertising is endless. Influencer marketing plays a huge role in my life for products I choose to buy—almost every fashion item or article of clothing I own firstly originated from influencer advertising. I can't wait to see how this area grows and develops over the next few years, especially with COVID playing a role in diminishing physical shopping and advertisements.

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