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Tiktok Influencer Marketing as a Marketing Tool for Cosmetic Industry to Attract Generation Z

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Abstract

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Tiktok Influencer Marketing as a Marketing Tool for Cosmetics Industry

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Marketing strategies that make use of social media influencers and the emergence of social media platforms have been increasingly common in recent years, particularly in the beauty products sector. Because of the availability of these channels, social media and the utilization of social media influencers are extremely influential among particular audiences. Tiktok has quickly become one of the most prominent social media channels for Generation Z, which is entering an age where they have more purchasing power. Because of this, it is essential to have a solid understanding of how Tiktok can be used as a platform for influencer marketing for this audience.

The worldwide cosmetic industry, the components of an influencer marketing campaign, and various cases of successful influencer marketing campaigns in the cosmetic industry were investigated in the course of the work for the thesis. In addition to that, the study shed light on Generation Z as a potential customer base. To investigate how influencers were utilized for marketing campaigns in the cosmetics business, a case study was carried out.

The primary data came from the responses of the audience members to a survey that was distributed earlier. The secondary data came from a variety of sources, including published works, statistical compilations, and the internet. The findings of the empirical investigation as well as the findings of the literature review were used to develop the conclusions. When it comes to attracting the Generation Z audience on Tiktok through influencer marketing, brands need to grasp the goals, the type of campaign, the influencer, and the type of content that is best suited for the brand. The key to getting Generation Z's attention is transparency and relatability, videos that are true to life, with an honest opinion, will win Generation Z. Rather than relying excessively on influencer content, brands should be more selective, working with honest, relatable and talented influencers, regardless of the number of followers.

Keywords

Tiktok influencer marketing, cosmetic industry, Generation Z, social media

Contents

1   Introduction

1.1   Research Background

One of the industries that are expanding at the quickest rate is the cosmetic industry. This industry is characterized by constantly shifting fashions and developing technologies that are always working to provide customers with more options within a wider price range. The global market for the beauty business is estimated to be worth $511 billion in 2021 and is anticipated to increase to $716.6 billion by the year 2025. The market for cosmetics in the United States is the largest in the world, with a value of $62.46 billion and employing close to 64,000 people. (Szecsei 2021.) There are indicators that the cosmetics business may remain resilient despite the COVID-19 epidemic having a higher economic impact on cosmetic brands and outlets than any recession. When compared to sales from the same month in 2019, the industry's February numbers in China were up to 80 percent lower. When compared to the previous year, the drop in March was 20 percent, which is a significant improvement given the current climate. (Gerstell et al. 2020.)

Generation Z is defined as people who were born from 1997 onwards (Dimock 2019). They are a group of consumers whose spending power reached a combined total of $143 billion in 2018, making them a category of consumers who are becoming increasingly important in the cosmetics business. It is reasonable to expect that the number will continue to climb as more people of this generation reach maturity. (Raynor 2021.) Klarna, a company that provides financial services for online payment and is best known for its post-purchase payment, has broken down the shopping trends that occurred during COVID-19 and given some interesting results: while overall spending is down, there is an increase in individual spending in particular categories. To be more specific, the amount spent on cosmetics and other personal care items has gone up by 32% among members of Generation Z. This was followed by 16% of members of the Millenial generation and 10 percent of members of Generation X. (Chikhoune 2020.)

Influencer marketing is a new way to market. More people believe in influencer marketing than other forms of promotion, according to Nielsen's Consumer Trust Index. (Nielsen 2012.) When compared to other forms of marketing, influencer marketing generates an 11-fold higher return on investment (ROI) (Fertik 2020). An estimated $13.8 billion would be spent on influencer marketing in 2022. Forty-two percent of marketers use influencer marketing as their top revenue-generating strategy. A study found that for every dollar spent on influencer marketing, companies made $6.50. (Moore 2021.)

The marketing of cosmetics can take advantage of the many channels and different kinds of influencers that are available on social media. Tiktok, Instagram, and Youtube are three of the most well-known examples. TikTok is a well-known social networking platform that enables users to create, watch, and share 15-second videos from their mobile devices. Because it provides users with curated feeds of amusing short videos that are set to music and sound effects, this app has gained a reputation for having an addictive appeal and high levels of engagement. Filters, background music, and stickers can be used by both amateur and professional artists to improve the quality of their videos. Additionally, creators can work together on the making of the material and create split-screen duet videos from a variety of locales. (D'souza, 2021.)

Shortly after it was relaunched in its current form in 2018, TikTok quickly rose to prominence as one of the most dominant players in the world of social media. According to Wallaroo Media, as of the beginning of the year 2021, it had around one billion active monthly users all over the world and had been downloaded at least 200 million times in the United States. (D'souza, 2021.) Since the year 2020, marketers have shown a significant amount of interest in Tiktok. From the year 2020 to the year 2021, there was a 325 percent increase in the number of marketers who were interested in using Tiktok for influencer marketing. In 2021, 68 percent of marketers want to use the platform. (Moore 2021.)

This research will use Tarte Cosmetics as a case study to create a deeper understanding of influencer marketing. Tarte is a vibrant and colorful company that offers beauty products that are free of animal testing and are effective for real women. Each strong and wearable Tarte composition includes a variety of ingredients, including extracts of superfruits and plants, vitamins, minerals, and essential oils. (Kosé 2021.) The American beauty firm that was started by a woman has become well-known for its extensive use of influencer marketing, which includes anything from vacations in Bora Bora to Roombas for each influencer (Botello 2019).

Tarte began operations in New York City in the year 2000 and has since grown to become a well-known brand in the industry. They have achieved significant reach and visibility as a result of their collaboration with well-known and prominent distributors such as Ulta and Sephora. Their "Shape Tape" Concealer and Foundation line was their most successful product, and it rose to the top of the beauty industry due to the efforts of prominent YouTube beauty gurus like Jaclyn Hill and Jeffree Star, who promoted it as the "IT" product. (Mina 2019.) When it came to the effects of COVID-19, Tarte was not an exception; however, there are indications that the brand's sales will increase now that the social distance rules have been repealed. (Kosé 2021.)

1.2   Thesis Objectives, Research Questions, and Limitations

In light of all the advantages of influencer marketing that were discussed before, there is a pressing requirement to examine this marketing strategy in greater depth to assess its applicability. The goal of this research is to gain a better understanding of the notion of Tiktok influencer marketing and how cosmetic companies can utilize this method of marketing to attract the Generation Z audience. As a consequence of the findings of this research, readers will have a better understanding of influencer marketing and be able to formulate strategies to include this method into their marketing plan to attract Generation Z consumers to cosmetic products.

A question that is posed to be answered by an investigation or some other form of research is known as a research question. This question frequently addresses an issue or a problem, and the answer to that issue or problem is provided in the conclusion of the study through the analysis and interpretation of the data. In the majority of studies, the research question is formulated in such a manner that it specifies numerous aspects of the inquiry. These aspects can include the population and variables that are to be explored, in addition to the issue that is being investigated by the study. (Bouchrika 2021.)

Research questions, as the name suggests, are typically based on research. As a result, these questions are dynamic, which means that researchers can update or enhance them as they analyze related data and develop a framework for the study. This allows the questions to better reflect the current state of the investigation. Larger studies typically ask a number of different research questions, in contrast to the majority of research projects, which tend to concentrate on a single study issue. (Bouchrika 2021.)

According to Creswell (2014), the primary goal of organizing the research question is to zero in on a specific area of examination while focusing on a broad subject matter that is of interest in that area. Research questions, together with hypotheses, have a role in directing the research process and providing a framework for it. These questions also provide a specific indication of the boundaries of the study, so outlining its borders and ensuring that it remains cohesive. The research question has an effect that ripples through the rest of the investigation. These questions affect a variety of factors, including the technique of the research, the size of the sample, the data collection, and the data processing. (Bouchrika 2021.)

In order to achieve the thesis objectives, the following thesis question and sub-questions are raised to guide the research:

- The main research question is: How can cosmetic companies utilize influencer marketing to attract Generation Z consumers on Tiktok?

The sub-questions are as follows:

- What is influencer marketing?

- How has Tarte Cosmetics utilized influencer marketing?

- How is Tarte utilizing Tiktok as a marketing channel?

- What does the Generation Z audience expect in an effective Tiktok influencer marketing content?

The scope of this study is limited to influencer marketing in the cosmetic industry. Moreover, while there are several categories in the beauty industry (including skincare, color cosmetics, hair care, fragrances, and personal care), as Tarte's main products are in skincare and color cosmetics, the thesis will focus more on these two categories. Theoretical resources for this study are also limited because the concept of influencer marketing is still fairly new. As Tarte's main market is North America, this study's content will be limited to this market as well.

1.3 Theoretical Framework

The study focuses on Marketing and Influencer Marketing for Generation Z consumers. The research is based on marketing theories and provides practical usage of the theories mentioned. Through this research, the reader will have a deep understanding of influencer marketing and from there, can form deductions of how influencer marketing can be utilized. The theoretical framework is divided into two chapters, going from influencer marketing practices in the industry to the analysis of Tarte Cosmetics.

1.4 Research Methodology and Data Collection

Deductive reasoning begins at the most general level of abstraction and works its way down to the most specific one. This approach is also known as a "top-down" method in some circles. The first thing that researchers should do is come up with a hypothesis relating to the topic that interests them. After that, they narrow it down to a set of hypotheses that are more specific and can be evaluated. The more observations they collect to test the hypotheses, the more specific they can make their findings. Because of this, researchers can test hypotheses with specific facts, which ultimately results in the confirmation (or rejection) of the initial assumptions. (Trochim 2021.)

This thesis will implement the deductive approach, going from general theories in the cosmetics global market, and cosmetics marketing, to the process of creating an influencer marketing campaign.

In quantitative research, the use of numbers and graphs is prevalent. Its purpose is to validate ideas and assumptions by putting them to the test and analyzing the results. It is possible to glean generalizable information about a topic through the application of this method of research. Quantitative approaches typically take the form of controlled experiments, observations reduced to numerical form and questionnaires with just yes-or-no questions. (Streefkerk 2021.)

The findings of qualitative research are typically presented in written form. It is necessary to comprehend ideas, thoughts, and experiences to apply them. People can gain a deeper understanding of issues that are currently understudied thanks to this method of research. Common qualitative methods include conducting interviews with open-ended questions, making observations and reporting them in written form, and doing literature studies that study concepts and hypotheses. (Streefkerk 2021.) This thesis will utilize the quantitative method, as it explores a marketing method in a social environment and measures its statistics to evaluate its importance and effectiveness.

A first-hand or eyewitness account of the material that is offered by individuals who are knowledgeable about the topic is an example of a primary source. Primary sources include things like autobiographies, personal correspondence (like entries in a diary or letters), works of art and literature, records kept by the government, statistics and data, and newspaper articles written by reporters who were familiar with the topic and published in newspapers. Because they contain first-hand accounts of their experiences, certain posts on social media might be considered primary sources of information. (Purdue University 2021.)

A secondary source is one that was written after an event has already taken place and is considered to be more objective. Secondary sources include things like biographies, interpretations of statistics and data, and anything else written after a historical event or examining something that has already occurred. Other examples of secondary sources include statistical and data interpretations. The (Purdue University 2021.)

Research Approach
• Deductive

Research Method
• Quantitative

Data Collection
• Primary Sources
• Secondary Sources

Figure 1 Research methodology and data collection

Figure 1 summarizes the overview of this thesis's methodology. The research approach is deductive. To answer the research question, both primary and secondary sources are put into use. The primary data is collected from an online survey with the purpose to find out the consumer's attitudes toward influencer marketing. The secondary data for this thesis are collected through articles, literature, and Internet-based sources.

1.5 Thesis structure

The following figure demonstrates the structure of this thesis, and the details of each chapter will be presented thereafter.

Introduction → Influencer marketing in the cosmetic industry → Case study: Tarte Cosmetics → Emperical research and Data analysis → Conclusion → Summary
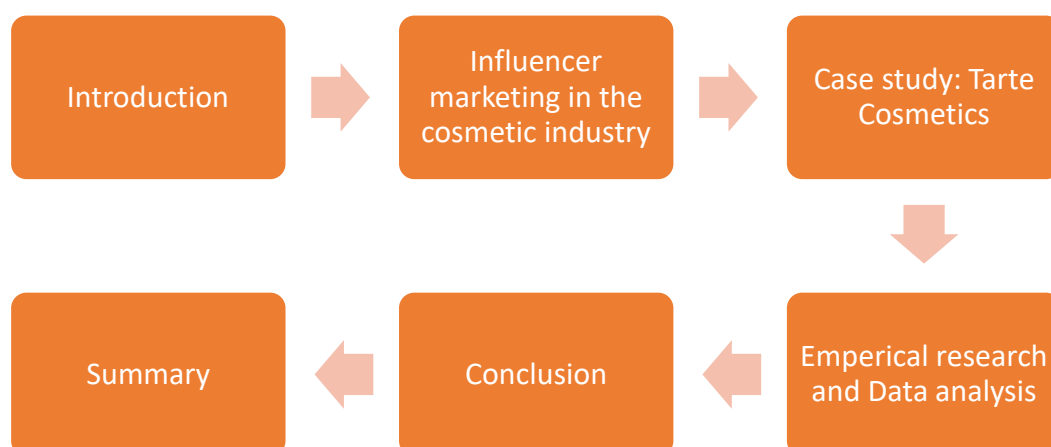
Figure 2. Thesis structure

As presented in the figure above, the thesis starts with an introduction, to draw an overall image of the topic. With proper background information, research objectives, questions and limitation. The central theories, research methodologies used in this study, and data collection methods are then discussed. Finally, the introduction discusses the thesis' entire structure in full. From the information in this chapter, readers can understand the significance and usability of the findings later.

From the second chapter onwards, the thesis can be broken down into two parts: theoretical and empirical part. The theoretical part consists of chapters 2 and 3, in which the characteristics of the cosmetic industry, and influencer marketing integration will be discussed. During this, the author will introduce the cold cases from successful influencer marketing campaigns. This part will also provide a case study of the Tarte Cosmetics company, one of the best firms when it comes to mastering influencer marketing. This chapter will give the readers insight into the company's market statistics, and its many innovative influencer marketing integrations.

Chapter 4 is the empirical part, it includes the research process, data collection process, and the analysis of the research's results. In this chapter, the characteristics of Generation Z as potential customers, the competitor analysis, and the results of the audience survey will be demonstrated. Chapter 5 gives the conclusion of the thesis, giving the answers to the research questions and sub-questions. It also discusses the thesis's validity and reliability, as well as makes recommendations for future research. The thesis comes to a close with Chapter 8, which summarizes all of the previous chapters.

2 Influencer marketing in the cosmetic industry

2.1 Marketing environment in the United States

Marketing is the most important aspect of running a business because it deals directly with customers. Bringing in new customers and fostering healthy connections with existing ones is an essential part of the marketing process. Marketing has two main objectives: the first is to bring in new customers by luring them in with the promise of increased value, and the second is to keep and expand existing customers by providing them with value and satisfaction. (Kotler 2017.)

In today's business world, marketing must be considered not in the traditional sense of making a sale by "telling and selling," but rather in the more modern meaning of addressing the expectations of the customer. If the marketer effectively engages with consumers, gains an understanding of their needs, designs items that provide higher value to customers, and prices, distributes, and appropriately promotes those products, then these goods will sell quickly and readily. (Kotler 2017.)

Because the beauty market is so fiercely competitive, cosmetics companies need to be extraordinarily creative and distinctive to get an advantage over their rivals, as well as to raise awareness of their campaigns and goods and encourage consumers to engage with them. In this cutthroat environment, beauty industry marketing needs to become significantly more creative and attention-grabbing. The most successful beauty brands have been the ones who pave the way with well-planned tactics that set their brand and goods apart from those of their rivals. (Synthesio 2022.) Because Tarte Cosmetics is based in the United States, it is essential to have a solid understanding of the marketing climate in which the firm is operating at present.

2.1.1 Demographical environment

The scientific study of human populations concerning their size, concentration, location, age, gender, ethnicity, occupation, and other aspects is referred to as demography. Demography is an academic field that studies human populations. Because it concerns people - and people are what markets are made of, the demographic environment is a major driver for marketers. (Kotler & Armstrong 2017, 96.). To further understand the United States as the marketing environment for Tarte Cosmetics, there will be an examination of the country's population pyramid in 2022, which is in the figure below.
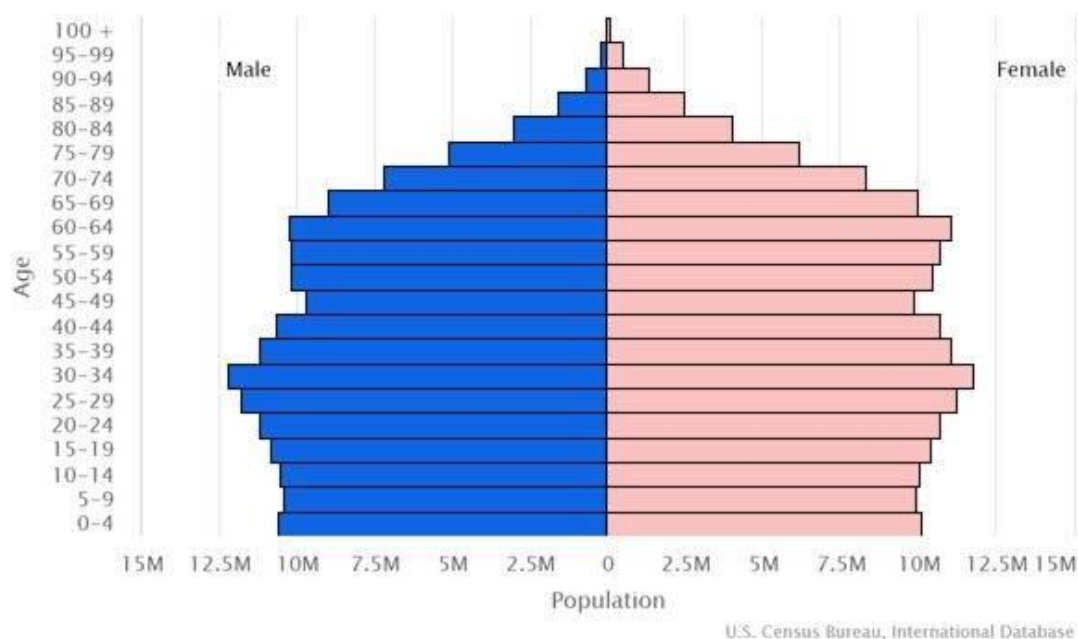
Figure 3 The United State's population pyramid 2022 (The world factbook 2022)

According to the CIA's world factbook (2022) and as visually demonstrated by the figure above, much of the country's population is in the 25-54 age range, accounting for 38.92%, followed by 0-14 years with 18.46%, 15-24 years with 12.91%, and 27.91% people from age 55 and above. As the purpose of this thesis is to examine Generation Z, specific insights about this segment of the audience will be discussed in the Customer analysis part.

2.1.2   Political and economic environment

Since the focus of this thesis is on the American generation Z, it is essential to have an understanding of the political environment in the United States. Generation Z was going to inherit a prosperous economy with historically low unemployment rates, which was a stark contrast to the Millennial generation, which came of age during the Great Recession. All of that is different now due to the effects that COVID-19 has had on the social landscape, political climate, and economic climate of the country. Generation Z is currently looking into a future that is clouded with uncertainty rather than looking forward to a world filled with possibilities. (Parker & Igielnik 2020.)

A study conducted by the Pew Research Center in March 2020 found that fifty percent of the eldest members of Generation Z (those aged 18 to 23) reported that the epidemic forced them or someone else living in their family to lose their job or suffer a pay cut. This was a significantly higher percentage than the ones that agreed among Millennials (40 percent), Gen Xers (36 percent), and Baby Boomers (25 percent). In addition, before the outbreak of

the coronavirus, a review of the job data revealed that young workers were particularly vulnerable to job loss because they were overrepresented in high-risk service sector businesses. This was the case because young workers were overrepresented in high-risk service sector businesses. Generation Zers see the growing racial and cultural diversity in the country as a positive development, and they are less likely than previous generations to regard the United States of America as greater than other countries. Generation Zers are progressive and supportive of the government, just like Millennials. (Parker & Igielnik 2020.)

A historical high of 159.8 million votes was cast in the next presidential election in the United States. And President-elect Joe Biden received a record-breaking quantity of those votes, with over 78 million voting in his favor – about 5.5 million more than Donald Trump received. This put Joe Biden on track to become the first Democrat to serve as President of the United States. Generation Z artists, who range in age from 8 to 23 years old at the moment, contributed to both of these records. Exit polls conducted by NBC found that voters between the ages of 18 and 24 gave Joe Biden 65 percent of their vote, which was 11 percentage points more than any other age group. The support of younger people was essential to the victory of Joe Biden in several states, including Georgia and Pennsylvania. (Hess 2020.)

The COVID-19 problem originally affected the U.S. labor economy, increasing the unemployment rate to 8.1% in 2020. The job market recovered quickly, resulting in a 5.4% unemployment rate by 2021. Even while job growth slowed at year's end, average hours worked rose. The International Monetary Fund (IMF) predicts that unemployment would fall to 3.5 percent in 2022 and 3 percent in 2023. According to IMF forecasts, U.S. people would have one of the highest GDP (PPP) per capita values in the world in 2021, at USD 68,309 per capita. Inequalities are still significant, and public health policies tend to worsen them (with increasing numbers of people without health insurance). In 2020, 37.2 million people lived in poverty, up 3.3 million from the previous year. (Santander 2022.)

2.2   Social media marketing

According to Armstrong and Kotler (2017,47), digital and social media marketing involve the utilization of digital marketing tools such as websites, social media, mobile apps and ads, online video, email, and blogs to engage customers wherever they are, whenever they want, via their digital devices.

Because of how quickly it has gained popularity and how widely it is used, social media marketing has become a widespread phenomenon and an essential component of any marketer's toolkit. It is essential to note that social media marketing involves more than the typical platforms that are familiar to the majority of marketers, such as Facebook, LinkedIn,

Instagram, Snapchat, and Twitter. This is one of the most important aspects of social media marketing. (Marketo 2019.)

According to findings from a study conducted by We Are Social (2022), there are around 4.62 billion active social media users around the world. This represents approximately 58.4% of the total population of the entire planet. When compared to the results of the previous year, this represents an overall growth of 10.1%, which translates to an additional 424 million users (We Are Social 2022.) Marketers have the ability and should investigate a wide variety of additional activities and channels to reach their target consumers, engage them with relevant messaging, and develop connections that will last over time. It is feasible to market their business on social media via organic methods, with algorithms determining which posts are exposed to which audiences. It is also possible to combine it with paid advertising, in which posts are boosted by a platform's advertising skills to increase the likelihood that a post would be spotted by the demographic that it is intended for. (Marketo 2019.)

Social media is a useful marketing tool for organizations. In 2021, social media advertising accounted for 33% of digital marketing's 154 billion dollars. This equated to 33% of total digital marketing spent on social media. Twenty-seven percent of internet users between 16 and 64 learned about brands through social media ads after searching online, watching TV ads, or getting word-of-mouth recommendations. Twenty-three percent of respondents follow firms on social media, 17% use the "share" buttons on these sites, and 15% click on social media ads. Fifty percent of younger people perform brand research online before buying a product, service, or good. (We Are Social 2022.)
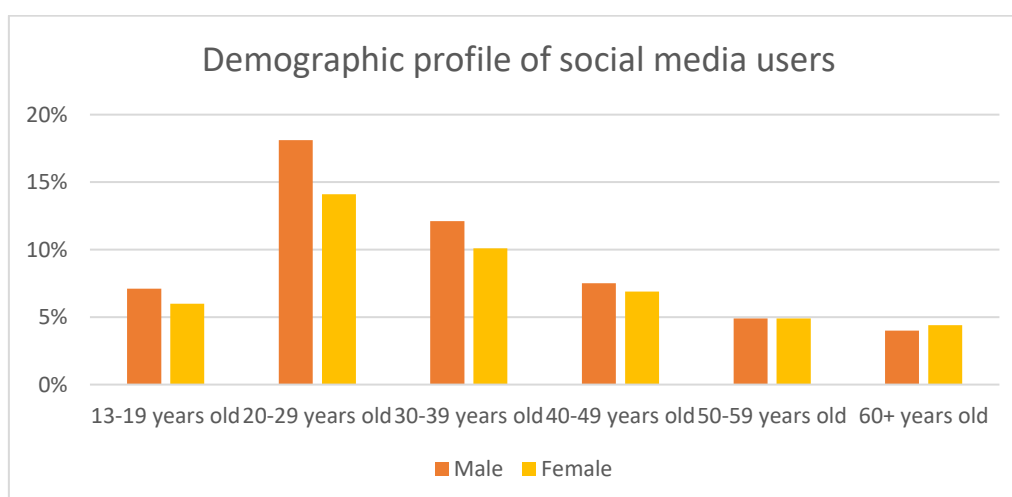

Figure 4. Global Demographic profile of social media users (We Are Social 2022)

The graph above demonstrates that the majority of people who use social media belong to Generation Z and Millenials. This is because members of these two generations are the most active users of social media. People between the ages of 13 and 19 have a social media usage rate that is greater than 5 percent, while people between the ages of 20 and 29 and 30-39 have a usage rate that is greater than 10 percent. Between four and six percent of people in older generations, such as Generation X and Baby Boomers, are active on social media. This number is significantly lower than that of younger generations. Eighty-two percent of the total population in the United States is currently participating in some form of social media activity. (We are Social 2022.)

2.3 Influencer marketing

When a corporation collaborates with a prominent online figure to promote one of its goods or services, this type of marketing is known as "influencer marketing." Some relationships in influencer marketing are less substantial than that; rather than directly selling a product or service, businesses just work with influencers to raise brand recognition. (Geyser 2022.) Influencer marketing's roots can be found back in ancient Rome when gladiators would recommend products to one another. The term "influencer" has just made its debut in today's language after being formally included in an English dictionary for the first time in the year 2019. (Suciu 2020.)

Coco Chanel was one of the earliest and most influential figures in the world of fashion in the 20th century. Her influence has lasted for decades. (Suciu 2020.) PewDiePie, a popular YouTube content creator, is a good example of influencer marketing in its modern form. He worked with the people who made a horror movie that was set in the catacombs beneath Paris to produce a series of movies together. In the videos, he had to overcome challenges while exploring the catacombs. It was the perfect content for PewDiePie's 27 million subscribers, as evidenced by the fact that it received nearly twice as many views as the trailer for the film. All parties were successful in the end. (Geyser 2022.)

2.3.1 Influencer marketing channels

Instagram, Facebook, Tiktok, and Youtube are the four most important channels for influencer marketing, according to a survey of more than 2,000 marketing professionals, of which 57% work in the United States. The survey was conducted in the United States. Instagram is the most popular medium for influencer marketing initiatives despite competition from other social media sites. (Influencer marketing hub 2022.)

Tiktok remained a popular choice among marketing professionals, receiving 46% of the votes cast by those individuals as the influencer marketing channel of their preference. (Influencer Marketing Hub 2022). Since the outbreak, Tiktok's popularity has been on the rise, and the app now has more than 884 million users. This represents approximately 11.2 percent of the world's entire population, with female users making up 57 percent and male users making up 43 percent of the total. With the majority of its users falling in the age range of 18 to 34 years old, Tiktok attracts a very young demographic of advertising customers. (We Are Social 2022.) The graph below illustrates the advertising audience profile of the platform, it is evident that the main audience present on Tiktok is female users from age 18 to 34.
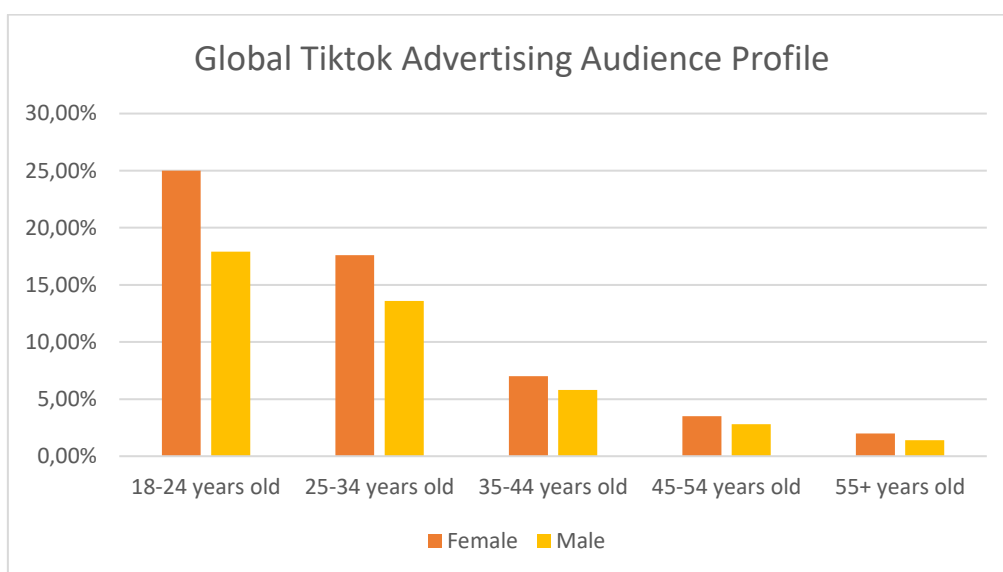

Figure 5. Global Tiktok Advertising Audience Profile (We Are Social 2022)

The potential reach rate of audiences aged 18 and older in the United States ranks top in the world, with a potential reach rate of up to 50 percent, which is significantly higher than the average reach rate of 15.9% seen around the globe. Tiktok users in the United States spend roughly 25,6 hours per month on the app, which is much more time than users in other countries spend on the app (the average amount of time spent on the app per user across the globe is 19,6 hours). Some of the most followed users on Tiktok include social media influencers like Charli D'amelo, Kha-bane Lame, Bella Poarch, and a lot of other people. This platform's most used hashtags are #FYP, #Viral, #Tiktok, etc. (We Are Social 2022.)

In 2021, seventy-nine percent of respondents used Instagram for influencer marketing (Influencer marketing hub 2022). Instagram's ad reach is 1,48 billion, or 18.7% of the popula-

tion and 29.9% of internet users, of which 49.3% are female and 50.7% are male. Insta-gram's advertising reach increased from 829 million in 2020 to 1,393 billion in 2021. The average number of hours spent on Instagram by US users per month is 7,7, compared to 11,2 hours globally. The average Instagram engagement rate is 1.94%, but it's 3.15% for carousel posts. Instagram's best ad platforms are stores, reels, and explore tab, with 1 bil-lion people on stories, 675 million on reels, and 792 million on explore tab. 187 million peo-ple use "Shop." (We Are Social 2022.)

Facebook's prominence as an influencer marketing channel soared in 2021, with 51% of firms using the site towards the end of the year. (Influencer marketing hub 2022.) Face-book's monthly active users rose from 2,740 billion to 2,940 billion between 2020 and 2021, representing 36.8% of the global population and 58.8% of all internet users. According to Meta, Facebook ads may reach 2.11 billion individuals or 26.7% of the population. 43.1% of the population is female, 56.6% male. (We Are Social 2022.)

Youtube witnessed an increase in utilization as well, from 36% in 2020 to 44% in 2021 (Influencer Marketing Hub 2022). Youtube's potential audience for ad reach is 2,56 billion, roughly 32% of the total population and 51% of total internet users, of which 46.1% are female, and 53.9% are male. (We are Social 2022.)

Beauty influencers on TikTok have the most followers, followed by Instagram, and finally YouTube, according to Upfluence (2022). In particular, the typical Tiktok beauty influencer has over 767 thousand followers, compared to 531 thousand on Instagram and 417 thou-sand on Youtube. The United States leads the pack on all platforms, with over 500 thousand users on Instagram and Youtube and over one million on Tiktok, followed by the United Kingdom, Canada, France, and Brazil. (Upfluence 2022.)

In terms of engagement, beauty influencers on TikTok have a significantly higher engage-ment rate on average, compared to Instagram and YouTube. Tiktok beauty influencers have an average engagement rate of 7.52%, while Instagram beauty influencers have 1.87% and Youtube influencers have 0.56%. (Upfluence 2022.)

2.3.2 Successful influencer marketing campaigns in the cosmetic industry

There are a few obstacles that need to be conquered by new businesses that are wanting to get started right away. Small businesses can compete successfully with large brands by employing a strategy known as influencer marketing. This is because the consumer envi-ronment recognizes excellent items more than massive advertising campaigns. Both NYX and Becca are two examples of cosmetics companies that have become multimillion-dollar brands thanks to the participation of social influencers in their marketing. (Weinswig 2017.)

NYX has developed organically by engaging with unpaid social media influencers. With an Earned Media Value (EMV) of more than $50 million, the brand ranked third among cosmetics firms in social engagement in 2017. The company's social media interaction increased by 97 percent from February 2016 to February 2017. Customers share an enormous quantity of content about the goods on social media, outlining what they like and how to utilize the products as well as application techniques, every month when NYX sends them new products to try. NYX is gradually growing its following with this honest and natural content development platform. (Weinswig 2017.)

Content produced by a single social media influencer, YouTuber Jaclyn Hill, has had a significant impact on Becca. Hill was a YouTube vlogger who loved, used, and talked about Becca products, and Becca's early success was intrinsically related to her participation in the business. In July 2015, the launch of Becca's Champagne Pop Collection helped Sephora.com achieve a single-day sales record: Champagne Pop sold 25,000 pieces online in the first 20 minutes. Hill and Becca later collaborated to create an entire range of cosmetics. In October 2016, Estée Lauder paid well over $200 million for the company. (Weinswig 2017) The product raised the standard for highlighters with its powder-to-cream formulation that transforms into a glow that is fit for Instagram by melting into the skin. It also made a commotion in the cosmetics industry, and it became an instant classic highlighter among its customers very rapidly. Celebrities and professional makeup artists advocated for the product by using it regularly for red carpet appearances and other high-profile events, respectively. Champagne Pop is a product that appears to be present in the makeup collections of each and every at-home beauty enthusiast and YouTuber. Highlighters have maintained their level of popularity for many years. The pressed version of Becca's Shimmering Skin Perfector was the highlighter that was the most popular purchase in the United States in 2019. Both Sephora (with over 5,200 customer reviews) and Ulta (with approximately 2,000 customer reviews) have awarded the product a rating of practically perfect five stars in 2021 (over 1,100 reviews). In 2016, the company introduced a second Champagne collection, which in addition to the well-known product featured palettes and liquids in the assortment. It just took five hours, yet it managed to bring in $3.5 million in sales. (Sims 2021.)

Morphe cosmetics is an example of a brand that got its start thanks to influencer marketing. Morphe, which was founded on the idea of "a beauty brand designed for artists," has had remarkable success with its social media marketing, with audience involvement being the key to its success. Influencers, who are also digital creators, are posting images of their looks using Morphe products with hashtags like #MorpheBabe in the hopes of being shared by the brand and gaining additional followers from Morphe's big fan base. (Micaela 2019.)

Morphe established a strong relationship with prominent influencers by giving an affiliate program and creative cooperation where influencers could get their names on things without having to start their own businesses. Morphe's growth has been revolutionized as a result of this strategy, as they no longer need to worry about investing in any other sort of marketing other than cultivating relationships with influencers. Morphe's VP of Global Retail, Emine ErSelcuk, stated that the company does influencer collaborations that are true to the beauty influencer's vision, and that they give the influencers a lot of creative freedom, and that they have been tremendously successful by providing influencers with the best of product innovation, the best in the distribution chain to help manufacture, deliver, develop, launch, and execute. And this recipe has proven to be extremely beneficial for the company. (Wilde 2020.)

For years, popular influencer Jaclyn Hill has been promoting the brand to her large fanbase. She collaborated with Morphe on a variety of products, ranging from brushes to eyeshadow palettes, and sold millions of palettes alone. Of course, Morphe partnered on products with a slew of other notable personalities in the cosmetic industry, like Jeffree Star, Laura Lee, and James Charles. And they all have tens of millions of loyal followers who believe in their advice. (Wilde 2020.)

Morphe is one of those brands that fully appreciates the value of social media and community. They've been on the lookout for new talent and promoting community by using branded hashtags in addition to cultivating partnerships with renowned influencers. (Wilde 2022.) By 2022, their Instagram hashtag #MorpheBabe had been used more than 3 million times.

Morphe has done a fantastic job with marketing, and in just a few years, they have become one of the most well-known makeup brands in the world. The fact that they worked with so many influencers and cosmetic artists with significant followings was the key to their success. James Charles, Jeffree Singer, Jaclyn Hill, Nikita Dragun, and even Tik Tok star Charli D'Amelio have all collaborated on Morphe collections. (Munro 2020.)

2.3.3 Components of an influencer marketing campaign

There are three things to consider when planning an influencer marketing campaign: identifying the target demographic, setting a budget, and establishing Key Performance Indicators (KPIs). Audience reach, Impressions, Views, Engagement, Click-throughs, Increase in followers, and Sales are all KPIs to examine. (Newlands 2017.) Depending on the brand's long-term commercial objectives, influencer marketing initiatives should have diverse goals (Moore 2021).

The ultimate objectives will serve as the deciding factor in selecting the appropriate software platforms. Various kinds of audiences and demographics, as well as various kinds of people within those audiences, are targeted via a variety of different platforms, and the same is true of the product or service that is being promoted: Instagram is the place to share amazing product images, while Facebook is where brands should upload attention-grabbing videos. The company will be able to direct its marketing efforts toward a certain demographic of customers if it uses the right social media platform. It is also essential to give some thought to the kind of engagement the company hopes to build with its customers. If a brand performs the same marketing campaign on Twitter, Pinterest, or any other site, it is possible that it may not attract the same attention as it does on Facebook. (Newlands 2017.) When deciding which social media platform to use, it is important to take into account some aspects, including the type of content to be shared, the demographics of the audience one wishes to attract, and the online locations where the most pertinent conversations are taking place. (Upfluence 2022.)

Before approaching the influencer, much research needs to be carried out first. This is because the influencer will be representing the brand. Reviewing their social media profiles, reputation, and the causes they support, as well as determining whether or not they are kind and intelligent, and whether or not they publish well-researched essays, were all necessary steps. When making a decision, taking into account the number of followers is not the most important factor. Because of their lower costs, micro-influencers allow businesses to execute campaigns for a longer period or to employ numerous influencers at the same time. (Newlands 2017.) The figure below will goes into detail about the different types of influencers that a company can consider when planning an influencer marketing campaign.

		Follower count	Channels	Suitable for	Strengths
	Nano	1000 - 5000	Instagram Facebook Linkedin	Local, national brand awareness Event promotion Seasonal product lines	High engagement rates Genuine affinity with the brand Low cost
	Micro	5000 - 15000	Instagram	Brand awareness Product reviews & how tos Niche product launch	Highly targeted audience High engagement rates Genuine affinity with the brand Low cost
	Organic	-	Brand community	Brand awareness Product reviews & how-tos Referral marketing	Easy to reach demographic Authentic content creation Genuine affinity with the brand Low cost
	Key Opinion Leaders (KOLs)	5000 - 500000	Linkedin Twitter Blogs	Thought leadership B2B partnership Brand awareness Event promotion	Raise brand awareness Boost brand credibility Impactful content
	Rising Star	100000 - 500000	Instagram Youtube Tiktok	National, regional product awareness Web traffic Product launch	Raise brand awareness Boost sales Reach new audiences Strengthen brand's social presence
	Mega	500000+	Instagram Youtube Tiktok	Ad campaigns Web traffic Affiliate campaigns	High quality content creation Wide audience reach Raise brand awareness
	Celebrity	1000000+	Instagram Twitter	Large scale ad campaigns Brand ambassador Sponsored content Event host or patron	Global brand awareness Mass-market product promotion strengthen brand image & reputation Boost sales

Image 1. Types of influencers (Upfluence 2022)

There are many types of influencers to consider for a brand's campaign, each type comes with unique advantages and disadvantages. Brands can choose the influencers according to the characteristics of these influencer types to maximize the success rate of the campaign. The table above demonstrates the insights of the 7 types of influencers, from their follower count, where they are most active, to what business purposes they can help best, and their strengths.

After choosing the influencers to work with, the company is now prepared to begin the influencer outreach. The most direct and individualized approach to the influencers is humanly conceivable. It is recommended that the business that the influencer works for is informed of the influencer, as well as the particular aspects of the influencer's profession that are most helpful to the products. The key to a successful influencer campaign is to provide the influencer with complete creative freedom, as the influencer is in a better position than the brand to understand their audience. (Upfluence 2022.)

It is a good idea to produce an influencer brief paper that includes clear directions for the influencer to follow for the campaigns to go according to plan. The following are some of the topics that ought to be included in this document: a description of the company, a synopsis of the company, and specifics regarding the content execution, messaging, goals, and compensation. Additionally, there should be a legally binding agreement in place between the company and the influencer regarding the ownership of the content and any restrictions on its use. (Upfluence 2022.)

Measuring success needs to be carried out carefully and tailored to different types of campaigns. Influencer campaigns range from product sampling, paid content, and seasonal campaigns to product launch collaborations and pro-bono campaigns. The figure below describes the definition and implementation of these types of influencer marketing campaigns.

	Definition	Implementation
Product sampling	- The type of material that creates strong brand recognition and quality content that can be reused in a variety of situations. - Product reviews, how-tos, unboxings, and freebies are examples of content.	- Give the influencer a specific product from the firm or from the influencer's choice, along with product specifics
Sponsored content (Paid)	- An influencer is compensated for actions such as mentioning a brand, sharing an advertisement, or creating content.	- Assigning an affiliate code and link to the influencer, which they can publish in their bio and content. Consumers will use the influencer's code at checkout, and affiliate links will track traffic to the website.
Revenue-sharing (Paid)	- Influencers are paid according to the number of sales they generate	
Seasonal campaigns	- Using influencers to capitalize on increased consumer spending throughout the holiday season	- Plan material around major holidays like Black Friday, Cyber Monday, and Giving Tuesday. - Make contact with influencers ahead of time, and cast a wide net because some influencers may already be scheduled.
Product launch collaborations	- During these campaigns, firms consider the influencer's suggestions for the creation of a new product or project. - Allowing the influencer to play a larger role builds customer trust and results in truly true collaborations.	- It is all about brand compatibility. This is a position for long-term brand ambassadors with broad appeal who have previously achieved success. - Because partner exclusivity, content ownership, intellectual property, and secrecy are all critical, the company will need some very strong contracts.
Pro-bono campaigns	- A pro-bono campaign is when an influencer and a brand (or non-profit) team up for a good cause. Altruistic calls-to-action in pro-bono campaigns include raising funds, spreading awareness, or asking audiences to accomplish a task.	- The brand's cause must be consistent with the brand's beliefs and identity. - When pro-bono initiatives are timed right they are more effective. - Because pro-bono campaigns are run entirely by volunteers, it is critical to reach out to relevant influencers who are particularly sympathetic to the cause. The more specific the identification of influencers, the better.

Figure 6. Different types of influencer marketing campaigns (Upfluence 2022).

Depending on the objectives of the campaign that are shown in the figure above, the metrics used to evaluate performance could either be monetary or non-monetary. When conducting campaigns aimed at increasing brand recognition, it is best to place primary emphasis on both the overall reach of the content and the level of engagement that the material generated. Post-performance and visibility (impressions, engagement, saves, and shares), click-through rate (the number of clicks divided by the number of impressions), own media growth (it can be a spike in new followers, web traffic, and subscribers), and user-generated content are some metrics that could be used to evaluate the campaign (reviews on the products, brand mention, hashtags usage). (Upfluence 2022.)

When it comes to product launches and sales, it is essential to take into account the conversions of the campaign. This can be demonstrated through figures such as the number of sales, subscriptions, downloads, new leads, or sign-ups for the newsletter, as well as the number of times the promotional code and affiliate links are used. (Upfluence 2022.)

When it comes to assessing the effectiveness of influencer marketing efforts, the Return on Investment (ROI) measure is the most significant indicator to use. It is a method for determining whether or not something is profitable. To determine the ROI, start with the turnover,

which is typically the profits from sales made with the campaign, and deduct the cost of investment, which is typically the cost of the influencer, agency fee, employee hours, and technology, and then divide the result by the cost of investment. This gives the ROI. (Upfluence 2022.)

The equation of ROI is as follows:

$$ROI = \frac{turnover - budget}{budget}$$

Marketers can assess the cost per click, impressions, or downloads, and the turnover can often be measured in terms of the number of clicks or new followers gained. To illustrate, to determine the cost per click (CPC) of a video with a total cost of $500 and a total number of clicks generated of 1000, the cost per click (CPC) is calculated as follows:

$$CPC = \frac{1000}{500} = \$2/follower$$

To get a better understanding of how the influencer marketing campaign has impacted the brand as a whole, marketers can calculate the Customer Acquisition Cost (CAC). This is accomplished by dividing the total cost of the marketing effort by the total number of new customers acquired during the period that the campaign was active. For instance, immediately after the movie is uploaded, there are fifty new customers, which indicates that the cost of acquiring new customers is as follows:

$$CAC = \frac{500}{50} = \$10$$

The average amount spent by a customer may then be calculated by taking the entire revenue made over the same period and dividing it by the total number of consumers gained. When looking at the profitability of influencer marketing, it can be helpful to compare the customer acquisition cost of influencer marketing to the average revenue per customer. (Upfluence 2022.)

3   Case study: Tarte Cosmetics

3.1   Company background

Using Tarte Cosmetics as a case study, this study will shed light on the practice of influencer marketing in the cosmetic industry and form learnings that cosmetic companies can utilize when it comes to attracting the Generation Z audience. Tarte Cosmetics is a firm that was founded in the United States of America and has its headquarters in New York City. In the year 2000, Maureen Kelly, who at the time was working toward a doctoral degree in psychology at Columbia University, established the company. (Goins 2016.) The company's line of color cosmetics and skincare products are manufactured using *"high-performance natural compounds",* often known *as "skinvigorating"* ingredients, and are distributed for sale in the United States. These ingredients are derived from natural sources. Products manufactured by Tarte can be purchased through a variety of premium distribution channels, including Sephora, Ulta, and Macy's Impulse, in addition to Tarte's official website and QVC (Quality value convenience). Since the firm was founded in 1999, there has been a consistent increase in sales, which can be attributed to the fact that the brand's cosmetics and skincare products are extremely well-liked among women in their twenties and thirties. (Abelman 2018.)

3.2   Internal analysis

Kosé Corporation, a cosmetics firm based in Japan, announced that it has reached an agreement to acquire Tarte on March 4, 2014. As part of the deal, Kosé paid 135 million dollars for a 93.5 percent ownership in Tarte to assist Tarte in establishing a presence in the US market. (Penning 2014.) In June of 2018, Tarte announced the launch of its sister brand, Awake, which offers a selection of cosmetics and skincare items that are not tested on animals (Abelman 2018).

When it comes to the COVID-19 pandemic, Tarte is not an exception. Kosé reported that while there was an increase in e-commerce sales in North America and other markets, the second wave of COVID-19 drove many retailers to temporarily close or reduce opening hours, which had a strong negative impact on business performance. Even though Tarte's sales were not included in the Kosé Group sales report, the company's overall revenue fell by 11 billion, which is equivalent to approximately $95 million. (Kosé 2021.)

After the peak of COVID-19, however, there have been indications of upward trends in the sales of tangible retail goods. After the government shutdown in Canada was lifted, all stores that sell Tarte products could once again open their doors. As restrictions on shop

occupancy and sample distribution were gradually loosened in the United States, store sales skyrocketed. At the same time, Tarte strengthened its product lines by adding more concealers, mascara, and other significant goods. This resulted in an increase of 7.9 percent, which brought the total to ¥14 million, which is equivalent to around $126 thousand. E-commerce website sales as a percentage of overall sales have reached the level they were at before the pandemic, following a significant increase in 2020. (Kosé 2021.)

Tarte goods have been able to withstand the test of time, with several of the company's cash cow items maintaining their place as winners of the Allure Reader's Choice Award in recent years. The Shape Tape Concealer got the award for the Best Concealer for the years 2019, 2020, and 2021 (Abelman 2021). The Tartelette in Bloom earned the award for the Best Palette for the years 2020 and 2021 (Han 2021). The Lights, Camera, Lashes 4-in-1 Mascara won the Best Mascara category for the year 2019. (Thorne 2019.)

In terms of social media presence, Tarte is available on Instagram, Tiktok, Youtube, Facebook, and Twitter. The brand has a total of over 13 million followers on all platforms, with Instagram as the strongest social media channel. Instagram is Tarte's strongest suit, the brand has over 9,9 million followers, and the brand uploads very frequently on Instagram, at around 11 posts per week. The brand's posts get over 3000 likes and 270 comments on average. The Instagram account gets a lot of attention from users, as it receives over 300 followers daily, and over 10,000 monthly (period: 30/03/2022 – 13/04/2022). (Social Blade 2022.)

On Tiktok, Tarte has accumulated a total of over 816,000 followers, the brand has uploaded over 911 videos, and received over 19,8 million likes. On average, Tarte received over 100 followers per day, and over 3000 followers per month (period: 30/03/2022 – 13/04/2022). (Social Blade 2022.) Tarte's total number of views is 215 million, the total number of comments is 40,700, total video shares number is 224,500. On average, each video of Tarte on Tiktok gets 236,600 views, 6,700 likes, and 45 comments. Tarte's videos have an average duration of 10 seconds. Some hashtags that have received the most likes from the brand are #tartehacks, #makeuphacks, #concealer, #makeup, #beautyhacks, #fyp, #beginnermakeup, and #easymakeup. In terms of comments, hashtags such as #giveaway, #makeuphacks, #tartehacks, and #freemakeup, received the most comments. It is evident that the kind of content that attracts the most customers to Tarte is the how-to content and giveaway. Users enjoy learning how to apply makeup easily and effectively from Tarte. The brand's top posts usually include influencers showing how to do makeup. (Exolyt 2022.)

According to Upfluence (2022), Tarte's audience on Instagram consists of 93% females and 7% males. The brand attracts a young audience, ranging from 18-34 years of age, with 35%

being 18-24 years old and 49% being 25-34 years old. Around 56.47% of Tarte's audience resides in the United States, followed by 5.67% in Canada. (Upfluence 2022.)

Tarte joined Youtube and Twitter quite early on, specifically in 2009. Tarte's Youtube channel has over 200,000 followers and has uploaded a total of 906 videos, resulting in over 15 million video views. Tarte's content on Youtube since 2021 has been the same as Tiktok, with short tutorial videos. Tarte has paused posting on Youtube since August 2021. Tarte's Twitter has almost 1 million followers, and the company posts and interact frequently on this channel, at the moment Tarte has posted over 50,000 tweets and received almost 100,000 likes. Tarte has also cultivated over 1,8 million likes on Facebook. (Social Blade 2022.)

3.3   Marketing analysis

There is limited information regarding Tarte's past marketing activities. Therefore, the materials presented in this part of the study are from the few sources available online about Tarte's influencer marketing activities. There was also one prime example of Tarte's collaboration with the influencer Grav3yardgirl when the company gave information about the project to enroll in the Shorty Award competition.

3.3.1   Collaborating with influencers

Tarte cosmetics collaborated with 'grav3yardgirl,' also known as Bunny Meyer, who was at the time one of YouTube's most popular and influential vloggers, to develop a one-of-a-kind, limited-edition palette that honored originality and encouraged everyone to be their sort of beautiful. At the very beginning of the collaboration, Bunny took a hands-on approach by working closely with Tarte to select each shade, name, and packaging detail. She also promoted collaboration through all of the social networks that she owned. Given that the collection was intended to be presented to her "cult" following, known as the "Swamp Family," it was essential that the items be original. (Shorty Awards 2022.)

The collaboration was first announced by Bunny to her vast social audiences, whose excitement far surpassed what was expected and generated tens of thousands of mentions across social media. A few weeks after the announcement, Tarte held an online sneak-peek sale of the palette. Bunny promoted the sale on her social platforms, which resulted in the palette selling out in just under two hours and traffic spikes that broke records. (Shorty Awards 2022.)

Tarte and Bunny worked together to keep the excitement flowing in the weeks leading up to the official introduction of the product. They continued to provide reasons why this palette was a must-have not only for members of the Swamp Family but for all beauty lovers both

in the United States and around the world by using a variety of media across multiple platforms, such as Email, YouTube, Snapchat, and Instagram, in addition to contests and sweepstakes. These platforms included Email, Snapchat, and Instagram. (Shorty Awards 2022.)

The debut of the palette both online and in stores was a big success, and a large part of that success can be attributed to social and digital initiatives. The response that they got from fans was fantastic, and we soon accumulated user-generated content, which made the fans themselves our largest and most powerful marketing partners. In addition, the digital marketing team provided support for the product launch across all channels, such as paid social, display, paid search, affiliates, segmented emails, and adverts on Podcasts. (Shorty Awards 2022.)

Because her social circle is predominantly comprised of younger people, she took this occasion to introduce them to the world of beauty and the Tarte cosmetics brand using reasonably priced products that can be used to create a variety of different styles. The palette was created with the express purpose of assisting people in embracing their uniqueness and making the palette their own in the process. (Shorty Awards 2022.)

The Grav3yardgirl x Tarte partnership resulted in more than 100 million impressions, 12 million video views, an increase of 108 percent in online conversion, and the sale of 204 percent more palettes than Tarte's second-largest palette that had just been released at the time. Moreover, during the introduction of the collection, there was an increase of new customers for the Tarte.com website that was up by a percentage point of thirty-five percent. The campaign was successful in gaining a new audience because it developed an appealing product in collaboration with a prominent influencer who appealed to a market that had not yet been explored. (Shorty Awards 2022.)

Additional campaign achievements included an increase in Snapchat views on the day of its debut which was 400 percent more than they were the day before. There were 6 million quantifiable engagements with the campaign's content. When Tarte sent out the launch email, the Preview Segment outperformed all of the non-promotional benchmarks by a significant margin. The open rate increased by 159 percent, the click-through rate increased by 3,553 percent, and the conversion rate increased by 843 percent. Tarte.com experienced one of its top 25 busiest days in its whole history as a result of the introduction. (Shorty Awards 2022.)

Tarte would continue this practice by collaborating with Adelaine Morin in 2019 to produce a limited-edition eyeshadow palette called the Tarte X Adelaine Morin "Eye & Cheek Palette." The palette included nine eyeshadows, a highlighter, and a blush. (Fashion Network

2019.) Also in 2019, Tarte and the social famous turned actress and singer, Lele Pons, collaborated on a limited-edition makeup collection named after the celebrity. This eye and cheek palette from Lele Pons x Tarte contains 11 different colors, all of which were selected by Lele herself to create a simple, golden bronze look that everyone can recreate. (Jiménez 2019.) The most recent collaboration with an influencer is with Daryl Ann – the product is still active, the influencer created a shade of lip balm in Tarte's Maracuja juicy lip balm collection (Tarte 2022). Daryl-Ann is an influencer active on Instagram, with 1 million followers, she creates content about family, fashion, beauty, lifestyle, and home décor (Daryl-Ann 202).

3.3.2 #TrippinWithTarte: Influencer brand trips

Tarte's influencer trips to sunny coastlines throughout the world have become legendary, from Bora Bora to Costa Rica and Hawaii. Tarte invites influencers on all-expense-paid luxury trips to exotic locales, and for the most part, the influencers accept the terms without additional pay. The experience is orchestrated by the business from the moment they board the plane till they arrive home. This allows every moment to be picture perfect and lavish enough for influencers to share on their IG stories and vlogs, as well as additional curated content being put on their feeds with the brand's iconic hashtag and tagline #TrippinWithTarte. (Botello 2019.)

3.3.3 Out-of-the-box PR boxes

Tarte recognized the power of influencer PR packages early on and created mailers that are both lavish and/or distinctive enough that influencers are nearly certain to mention them. In the past, they've given influencers a Roomba and every shade of their Shape Tape concealer, as well as a curated box filled with rom-com DVDs, popcorn, candy, two sets of branded sweatsuits, and, of course, Tarte beauty products, so they can have the perfect night in with their best friend in honor of National Best Friends Day. (Botello 2019.)

4   Empirical research and data analysis

This chapter introduces the data collection process according to each step. The table below visualizes the steps within the data collection.

Date	Action	Purpose
November 2021 – March 2022	Gained knowledge on the topic Researched the theory for literature review	To understand the definition and execution of influencer marketing, as well as the cosmetic industry and the marketing environment that the company is operating in
April - May 2022	Monitored Tiktok using solution from Exolyt Benchmarked Tarte´s competitors Analyzed Tarte´s customers and build a customer persona	To examine Tarte's TikTok content strategy, gain knowledge of necessary metrics (engagement rate, followers, likes, comments, shares) To gain a holistic view of the target audience
01 – 16 May 2022	Formulated the survey	To examine the theories gained in the previous parts and to get direct opinions from the Generation Z audience
17 - 24 May 2022	Survey went live	
24 – 25 May 2022	Analyzed the survey results	

Table 1 Data collection

The process started in November when the author developed the idea for the thesis and researched the theories around the topic. From April to May of 2022, the author closely monitored the Tiktok accounts of Tarte, Benefit, Too Faced, and Anastasia Beverly Hills using the Exolyt analytics tool. Exolyt is a solution that helps with monitoring Tiktok accounts, including demonstrating statistics such as followers, views, likes, number of videos, and engagement rates. It also gives information on the best-performing video and hashtags in a given period. (Exolyt 2022.) The author then forms analysis and conclusions based on the numbers demonstrated by Exolyt. Insights around the Generation Z customers were also gained during this time, and a customer persona of a Generation Z audience for Tarte Cosmetics was built to demonstrate a more holistic view of this audience. After having an

idea about the customers, it was time to formulate the questions about the customer needs to further understand Generation Z's point of view. The survey was live on the Beauty thread on Reddit. Reddit is a website of communities about various topics, from news, and sports, to hobbies and entertainment (Reddit 2022). The survey post received over 100 answers and after refining the answers according to the respondent's age, which was from 9 to 24 years old, a total of 92 answers were finalized. The data analysis of the data collected is presented in the following subchapters.

4.1 Competitor analysis

As mentioned earlier in the thesis, the United States is one of the biggest economies on Earth that has a booming cosmetics industry, there are countless brands that are competing to attract consumers. Based on Tarte's audience and product line, Too Faced and Benefit have been chosen as Tarte's competitors in this study.

Too Faced, a cosmetics company based in California, was established in 1998 by Jerrod Blandino and Jeremy Johnson, both of whom had previously worked for Estee Lauder. The two men, who are married to one another, came up with the idea to create a brand that is irreverent and playful to liven things up in the very serious cosmetics market. Estee Lauder, a global leader in the cosmetics industry, completed the acquisition of Too Faced in 2016. (Sorvino 2016.)

Twins Jean and Jane Ford opened a cosmetics salon in San Francisco in 1976, which became the birthplace of Benefit. Kitsch packaging and eccentric product names were a nice change from standard cosmetics companies of the day. "Who says make-up has to be serious to be good?" was warmly received. The company's operations and revenue grew as a result. Jean's daughters Maggie and Annie are now part of Benefit, a "family firm" with over 2000 counters in 30 countries. (Chesters 2011.)

Anastasia Soare, a beauty entrepreneur who was born in Romania, established her namesake business in 1997 with the opening of a flagship salon in Beverly Hills. The first product line for the company was released in the year 2000. Anastasia Beverly Hills (ABH) is a luxury cosmetics brand that caters to an enthusiastic prosumer audience. Their products are inspired by the sacred geometry of the Golden Ratio. Products from Anastasia Beverly Hills can be purchased on the website anastasiabeverlyhills.com, as well as at select retailers in over 25 countries, including Dillard's, Macy's, Nordstrom, Sephora, and ULTA. ABH is dedicated to the creation of cruelty-free products and practices cruelty-free product formulation and testing. (Anastasia Beverly Hills 2022.)

To understand Tarte's competitive status, it is important to measure the necessary statistics from all the companies' Tiktok. Metrics such as followers, the number of videos, total views, total likes, and engagement were calculated using the solution from Exolyt and compiled in figure 8 below. All the metrics are from the period of 15th April to 15th May and are available on each company's TikTok account.

	Followers	Videos	Total views	Total likes	Total comments	Total video shares	Average views	Average likes	Average comments	Average video shares	Average video duration	Engagement rate
Tarte Cosmetics	816,300	911	215,600,000	12,800,000	40,700	224,500	236,600	6700	45	246	0:10	6,1%
Benefit Cosmetics	351,700	441	164,900,000	5,400,000	34,200	46,800	374,000	11,200	72	99	0:16	3,3%
Too Faced	759,200	573	394,600,000	7,300,000	58,100	54,600	688,700	11,600	100	94	0:26	1,9%
Anastasia Beverly Hills	320,100	675	44,100,000	4,400,000	32,100	45,700	65,300	6,600	47	68	0:20	10,3%

Figure 7 Tarte's Tiktok metrics competitor benchmarking - Updated 15/5/2022 (Tiktok 2022)

The figure above shows how Tarte is measuring with its competitors, overall, Tarte has the biggest number of followers and the total number of posts. However, Tarte is far from having the highest engagement rate (calculated by dividing the sum of likes, shares, and comments by the views), with 6.1% while Anastasia Beverly Hills scored 10.3%. Even though Tarte has posted the most videos, on average, it does not have the most views and likes. It is important to note that Tarte's videos are significantly shorter than the other brands, so if the brand wants to measure up to its opponents, the duration of the videos should be reconsidered.

When it comes to TikTok, it is important to examine the types of content that the brand masters and their relevancy. The figure below shows the content types that Tarte and its competitors have been carrying out from the period of 15th April to 15th May. It also provides information on the hashtags that the companies have been using and their effectiveness in terms of attracting comments and likes. The insights were retrieved from Exolyt solutions.

	Most effective content type (Based on the most liked videos)	Most liked hashtags	Most commented hashtags
Tarte Cosmetics	• Product how-to (by influencers) • Giveaway • Promotion	#tartehacks, #makeuphacks, #concealer, #summer, #makeup, #beautyhacks, #fyp, #beginnermakeup, #tarteshapetape, #easymakeup	#giveaway, #makeuphacks, #tartehacks, #makeup, #freemakeup, #win, #fyp, #concealer, #beautyhacks, #beginnermakeup
Benefit Cosmetics	• Origin stories of their products • Tiktok competition for a prize (Brow Search competition - January 2022) • Product how-to (By influencers)	#benefitcosmetics, #theyrerealmagnet, #benefit, #benetint, #fyp, #foryou, #makeup, #oddlysatisfying, #asmr, #asmrsounds	#benefitcosmetics, #benetint, #fyp, #foryou, #theyrerealmagnet, #benefit, #makeup, #beforeandafter, #originstory, #oddlysatisfying
Too Faced	• New product launch • Promotion • New store location • Product updates	#toofaced, #toofacedlipinjection, #maxplumpjump, #asmr, #makeup, #restock, #tfladybold, #fyp, #eyeshadow, #eyeshadowcheck	#toofaced, #toofacedlipinjection, #makeup, #fyp, #maxplumpjump, #tfladybold, #asmr, #restock, #giveaway,
Anastasia Beverly Hills	• Product how-to (By CEO and influencers) • Customer experience in store • Seasonal promotion	#anastasiabeverlyhills, #anastasiasoare, #dipbrowpromade, #makeupmusthaves, #browhumor, #fitcheck, #anastasiabrows, #brows, #norvinaecl, #fyp	#anastasiabeverlyhills, #anastasiasoare, #dipbrowpromade, #norvina, #norvinaecl, #fitcheck, #anastasiabrows, #makeupmusthaves, #fyp, #browhumor

Figure 8 Tarte Cosmetics' Tiktok content competitors benchmarking - Updated 15/05/2022 (Tiktok 2022.)

Looking at content on TikTok in the figure above, it is evident that Tarte's range of content is not as diverse as the competitors, especially when compared with Anastasia Beverly Hills and Benefit Cosmetics. Anastasia Beverly Hills stood out from all competitors with many of its videos featuring the CEO, Anastasia Soare, showing how to do makeup and the best tips and tricks. The company also shows customer experience in their physical stores, a category that Too Faced is also now posting. Benefit Cosmetics recently saw a boost in views in videos related to their Brow Search competition exclusively on Tiktok, where Tiktok users make at least 2 Tiktok videos to enroll in the competition. They have also invested in content such as the origin stories of their products. The common denominator in the 3 competitors' content on Tiktok is that they have a balance between content produced by the company and content produced by an influencer, whereas Tarte's videos heavily feature influencers.

4.2   Customer analysis

As Tarte's target audience is young women in their 20s and 30s (Penning 2014), and the people in generation Z are approaching adulthood, it is important to consider their characteristics and behaviors to further develop the marketing strategy for this specific audience. Consumer-packaged goods (CPG) corporations and retailers must acknowledge that Generation Z (born 1996 to 2012) is far more than a younger version of millennials as they grow

up and begin to spend (born 1980 to 1995). They have a distinct perspective when they enter adulthood. (Bhargava et al. 2020.)

Still has a ways to go before their purchasing power is comparable to that of their parents and grandparents. Since 2019, there hasn't been much of a movement in the number of people in the world who are part of Generation Z who are living below the poverty line, and there isn't likely to be a significant shift in this number until the majority of Generation Z begins working full-time jobs. On the other hand, things are looking well in Europe and North America, where the proportion of Generation Z workers earning low wages has decreased by 5 percent and 24 percent, respectively, since the year 2019. (GWI 2022.)

This is a generation that already has a lot on its plate; many of them are still coping with the repercussions of Covid-19, and it is unquestionably certain that climate change will have a large impact on their personal decisions for a good number of years to come. Because Generation Z emerged during a period of extreme upheaval, businesses were forced to renounce outdated beliefs—such as the notion that Generation Z is in any way comparable to millennials—and adopt new strategies to interact with this generation successfully. (GWI 2022.)

Generation Z in the United States places a higher priority on diversity and inclusivity than they do on fashion or popularity. As the first generation to be born after the invention of the internet, members of Generation Z hold opinions and values that are representative of a diverse variety of individuals, nations, and even time eras. This is demonstrated by the fact that they are prepared to agree with statements such as "I want to explore the world" and "I am interested in various cultures/countries." (GWI 2022.)

According to the findings of a study that was carried out by Global Web Index (GWI) using a survey that was distributed to more than 48,000 members of Generation Z respondents, sixty-three percent of Generation Z respondents believe that acquiring new skills is crucial. More than half of those surveyed stated that they had an open mind and a desire to travel all around the world. 49 percent of respondents indicated an interest in people from other countries and cultures, 46 percent of respondents expressed a want to be informed about what is happening in the world today, and 39 percent of respondents expressed a desire to be the first person to try new things. The most popular pastimes for members of Generation Z include listening to music, watching movies and going to the cinema, preparing and eating food and drink, making and playing video games, traveling, gaming, participating in sports, and learning about science. (GWI 2022.)

Anxiety is growing more prevalent among members of Generation Z. Consumers in the United States are more concerned about health care, infectious diseases, or gun violence

than they are about climate change, even though this issue is of the utmost importance to Generation Z. (44%). Even though they are concerned about the long-term effects of the epidemic, the majority of people are more worried about climate change than they are about the national debt (24%) or their employment prospects (28%). To put it more succinctly, members of Generation Z are more concerned about the future of the planet than they are about their future. (GWI 2022.)

Generation Z is swiftly making its imprint on the workforce as seen by the fact that nearly four out of ten members of this generation are currently working either full-time or part-time jobs. Given that forty percent of respondents define themselves as ambitious, forty-two percent as adventurous, and forty-seven percent as confident, it should not come as a surprise that success and financial security are among their top five values. The most recent version of Forbes' 30 under 30 list has a greater percentage of members of Generation Z than any of the list's earlier iterations have ever had before. Their remarkable work ethic and culture of being constantly on the go provide a helpful starting point when it comes to getting in touch with them. (GWI 2022.)

Members of Generation Z are always buying things since they are always online. They buy products using any device, in any format, and through any distribution channel. They are shockingly traditional while at the same time being quite modern. They are much more likely to shop in physical stores than millennials, who were the first generation to grow up with internet shopping and are much more likely to do so. They are also much more likely to shop in physical stores than baby boomers. (Bhargava et al. 2020.)

There is no doubt that members of Generation Z are keeping themselves busy in the interim by pursuing various additional sources of income. In the wake of the epidemic, a study conducted by Bank of America discovered that members of Generation Z are particularly active in the gig economy. The data from the United States reveals that half of these individuals have participated in some form of gig economy employment in the past year, with the food delivery and online product sales being the most common types of gigs they have worked. (GWI 2022.)

Members of Generation Z shop frequently even though they are always linked to technology because they prefer shopping in real stores. They are willing to buy on any platform, in any format, and through any distribution method. They are also shockingly traditional despite their modern appearance. They are far more likely to shop in physical stores than millennials, who were the first generation to grow up with online shopping and are considerably more likely to engage in it now. Because members of Generation Z prefer to differentiate themselves from the crowd rather than conform, they place less importance on brands.

Instead, they are looking for the next unique item to add to their collection. Although members of Generation Z place a high value on experiences, they are more likely to spend their money on pursuits that contribute to the improvement of their day-to-day lives, such as hobbies and in-home entertainment. Millennials are more likely to splurge on luxurious vacations and hotels than previous generations, as demonstrated in the figure below. (Bhargava et al. 2020.)
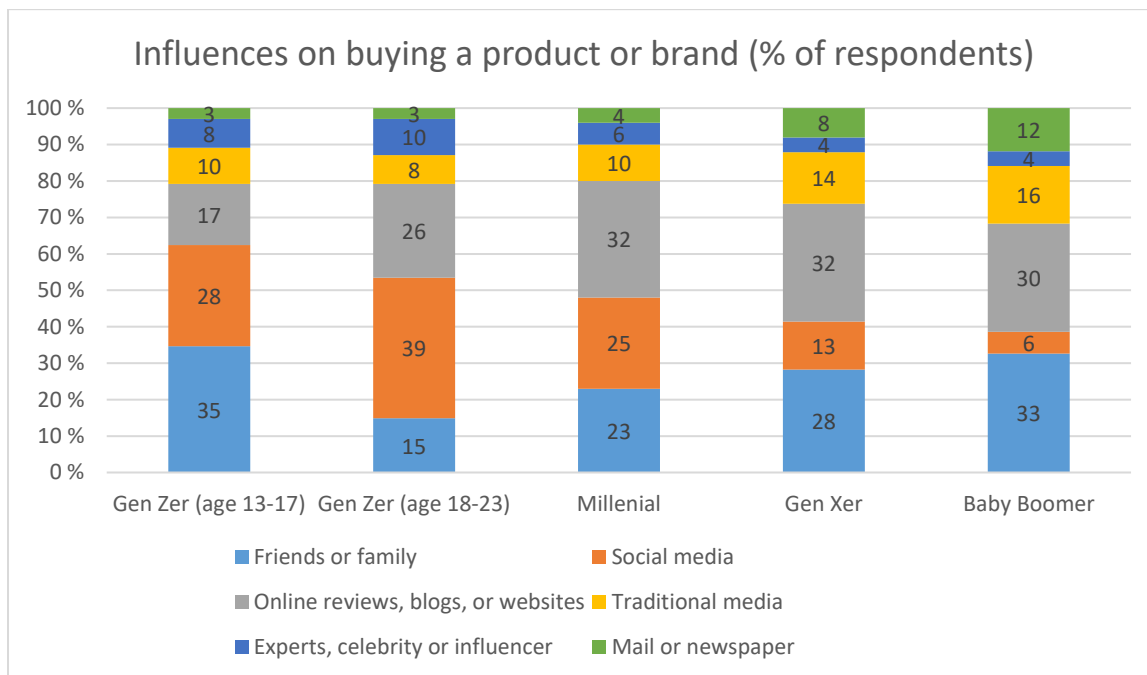

Influences on buying a product or brand (% of respondents)

Figure 7 Influences on buying a product or service (Bhargava et al. 2020.)

The graph above shows the influences on buying a product or service among the five generations. It is very prominent that almost 40% of adult Generation Zers (ages 18 to 23) say social media has the greatest influence on their purchase decisions while only 25% of millennial respondents value social media in their purchases. It is also clear in this graph that Generation Z is the generation that values influencers the most compared to other generations: at 8% for age 13-17 and 10% for age 18-23, while Millenials, Generation X, and Baby Boomer scored at 6%, 4%, and 4% respectively.

In terms of social media, Instagram is still the most popular and favorite social media network among Generation Z; however, this could change as TikTok continues to develop rapidly outside of China – the amount of daily activity among Generation Z on the ByteDance app has increased by 47% since Q4 2020. It is incredible what the platform has been able to do, especially in such a short amount of time. The majority of it may be ascribed to shutdowns, but by the time it gained the attention of other generations, Generation Z had already eclipsed other generations as the most active users on TikTok. What is it about this app

that is so appealing to other generations? TikTok is far more likely to be used by Generation Z when looking for humorous content, which demonstrates how popular the short-form video format has grown. Although Instagram still maintains a significant lead in terms of people carrying out various tasks, TikTok is far more likely to be used by Generation Z. Companies' use of Reddit and Facebook are also potential alternatives to the rapidly expanding community channel known as Discord, which is used by these companies. (GWI 2022.)

This generation is employing technology not simply to be entertained, but also to learn about and discuss more serious things such as climate change, politics, and the news," Williamson continued. "Generation Z is very engaged and dedicated to TikTok. "While other social networking sites offer comparable content, TikTok stands out due to the unique video style and visual appeal it has for young people." We have increased our projections for the number of people using the TikTok app now that there is less concern that it would be restricted in the United States. The number of users in the United States will rise by 18.3 percent, reaching 78.7 million by the end of this year. As a direct consequence of this, TikTok will have eclipsed Snapchat in terms of the total number of users by the year 2023. In comparison, Snapchat will have 89.5 million users at that time, while TikTok will have 89.7 million subscribers. Instagram continues to have a larger total user base than both TikTok and Snapchat combined. This year, the network will have 118.9 million users, which is a 3.7% increase over the number of users it had in 2020. Facebook owns the network. (Insider Intelligence 2021.)

It is essential to have an understanding of the things that members of Generation Z search for on the internet. 40 percent of social media users who are members of Generation Z in the United States follow meme and parody accounts; this is the type of content that they view the most frequently each month, 46 percent more than the average user does. Several of the largest meme accounts online claim to have upwards of 20 million followers, and Netflix also uses verified accounts to enhance meme-creating with their followers online. Memes have a vast potential for organizations that understand how to utilize them. (GWI 2022.)

As a direct consequence of the pandemic, many individuals have begun to question the veracity of the information that online influencers create, prompting others to wonder, "Has the era of the influencer come to an end?" It's unlikely to happen for several different reasons. According to data conducted by GWI, not only have an increasing number of social media users been following influencer accounts since the year 2020, but as of the third

quarter of 2021, Generation Z is 31 percent more likely than the average social media user to do so. (GWI 2022.)

When it comes to engaging Generation Z, brands need to understand how important authenticity is. When organizations are contemplating long-term partnerships with influencers, they should give some thought to the content that the influencers post and how well it fits in with their overall brand image. Instead of being met with exaggerated renderings and filtered visuals, Generation Z would prefer to see representations of themselves in advertisements and believe that companies are genuine when they associate with certain individuals. Over fifty percent of Generation Z users of social media place a high value on information that is humorous, inspirational, and informative. These users also value content that is visually appealing and relatable. Additionally, reviews and comments on products are preferred by forty percent of respondents. (GWI 2022.)

For members of Generation Z, social media has developed into an all-encompassing platform that enables users to discover new products and make purchases without ever having to leave the app itself. It is a message to businesses that, if they haven't already done so, they should strengthen their social media presence on the platforms that Generation Z like to use, and they should take advantage of shopping capabilities whenever they are available. Because they look up to influencers, they are significantly more likely than the typical person to gain new knowledge from celebrities or online video bloggers. During the research phase, these materials will prove to be quite helpful. Over half of members of Generation Z conduct research on products or services before making a purchase, which suggests that this generation is knowledgeable and is not inclined to make rash decisions when shopping. It is essential to develop meaningful relationships with powerful voices because the perception of a brand is under the control of third parties. (GWI 2022.)

On the other hand, brands can impact the opinion of Generation Z by appealing to the special buying drivers that they have. Free shipping is an absolute requirement for all purchasers, and other money-saving benefits, such as vouchers, are extremely likely to pique the interest of Generation Z, particularly as their purchasing power grows. On the other side, status is the factor that will ultimately sway their opinion. There is an 11% increase in the likelihood that Generation Z will purchase if they have access to exclusive content and services, and there is a 13% increase in the likelihood that they will suggest brands that provide such access. Companies need to pay attention to Discord because it gives them the ability to create one-of-a-kind locations where their followers can congregate, talk to one another, and sign up for exclusive promotions. (GWI 2022.)

When customers are getting close to the online checkout page, offering them the option to "buy now and pay later" may seem like a tempting strategy to get them to delay their purchase. These kinds of initiatives are gaining popularity among members of Generation Z, a generation that is dominated by employees with low wages. This is especially true in APAC, where more than one-fifth of consumers used such a service in the month before being polled for this article. Concerns about a "debt cliff" regarding these younger consumers have been aired, but firms can help to ease these anxieties by implementing basic efforts such as limiting the amount users can spend or requiring further checks for users to sign up. (GWI 2022.) As mentioned earlier, Generation Z is indeed financial savvy and keen spenders, with some using apps to track their spending, and as they value transparency, it would be more beneficial if brands are more open about the risks of the "buy now, pay later" scheme.

Brand discovery	Online product research	Online purchase drivers	Brand advocary
• Celebrity endorsement • Blogger posts or reviews • Vlogs • Advertisements	• Social media networks • Video sites • Vlogs • Blogs • Pinboards	• Positive engagements on social media • Ability to pay with cash on delivery • Exclusive content/services • Click & Collect delivery • "Buy" buttons on social media networks	• Love for the brand • Feeling of taking part/getting involved • Relevant to friends' interests • Access to exclusive content or services • Enhance online reputation

Figure 9 Generation Z buying journey (GWI 2022)

The purchasing process as experienced by members of Generation Z is depicted in the figure above. It is abundantly clear that this generation's entire buying process is completed online: from the initial discovery of a brand to the investigation of a product to the identification of purchase motivations, and lastly to the advocacy of a brand. This is the generation that places higher importance on the thoughts and recommendations of celebrities and other influential people than they do on those of paid advertisers. As a result, companies need to preserve a positive presence in the conversations that take place on the internet. The most important touchpoints for this audience are blogs, vlogs, and reviews, and brands need to ensure that they are well taken care of. When it comes to luring people of this

generation, the newly implemented "purchase" button is the unsung hero. Because Generation Z values participation and likes to feel like they have a say in things, effective engagement is essential to winning over this demographic as a brand advocate. (GWI 2022.)

This is also the generation to look for brands that resonate with them: over 32% of respondents in GWI's survey hope that brands can be young, bold, trendy, and smart. They value brand actions such as taking care of customer communities, charity services, and personalized products come across as young and trendy: over 32% of respondents hope for brands to be young (GWI 2022.)

Figure 10 Generation Z buyer persona

Based on the findings above, the buyer persona for Generation Z is depicted in the above figure to demonstrate a holistic view of a typical Generation Z customer. A buyer persona is an in-depth representation of a made-up customer that acts as a stand-in for the demographic that is being targeted. This audience member is fictitious, however, the creation of the persona was preceded by intensive research on either the existing audience or the audience that was desired. (McLachlan 2021.) In this case, the buyer is a freshman from college with an income of $30000/year. The persona also provided the interests, personality, and needs along with challenges that the person faces.

A questionnaire will be carried out and analyzed in this section of the study. Main focus: examining Generation Z audience's attitudes towards influencer marketing in comparison to other methods.

4.3   Audience survey

The survey was posted on the r/Beauty channel on Reddit and was receiving answers from the 17th to the 24th of May (See Appendix 1 & 2). The subreddit has 457 thousand members, and in total, the survey received over 100 answers from all age groups, after eliminating the answers from respondents outside of the Generation Z age group, there was a total of 92 answers to be analyzed.

The first four questions were demographic questions to identify if the respondent is appropriate for the study. Overall, it is evident from the figure below that 77 (83.4%) of the respondents are from 13 to 24 years of, and there were 15 respondents under 13 years old. These are the appropriate age to be considered a Generation Z member.

How old are you?
92 responses
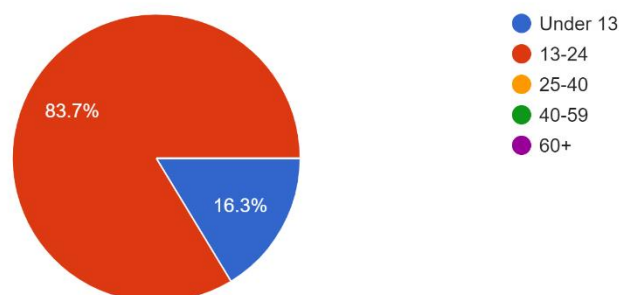
Figure 11 Question 1: Age

The survey attracted more female than male respondents, as 76 (82.6%) of the respondents are female, 14 (15.2%) are male, and 1 prefer not to say, 1 agender, as shown in figure 12.

Gender
92 responses
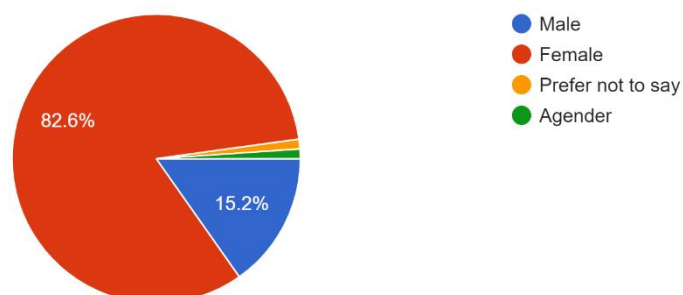
Figure 12 Question 2: Gender

In terms of location, most of the respondents are from North America, the United States takes the lion's share of 84 (90.3%) of the total number of people, far ahead of the second and third countries, that is Canada and Netherlands, and the UK, each has 2 respondents. Other countries that are included in this study are Vietnam, Finland, and Germany. Figure 13 is a pie chart that demonstrates the United State's dominance in the study.
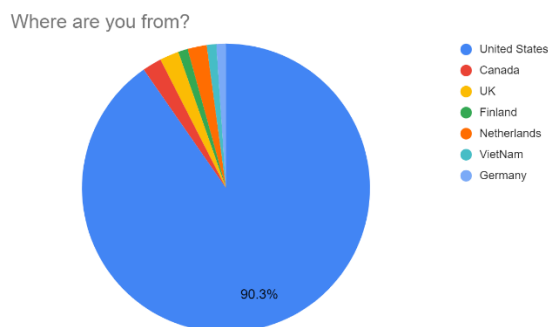
Figure 13 Question 3: Country

The final demographic question asked about the working status of the responders, the answers align with the insights previously gained from the customer analysis above, with the majority of the responders being students, specifically, 46 (50%) are students, 27 (29.3%) are part-time workers, 15 (16.3%) are full-time workers, 3 (3.3%) are unemployed, and 1 is a student and working part-time. Figure 14 below shows the specifics of all the employment categories.
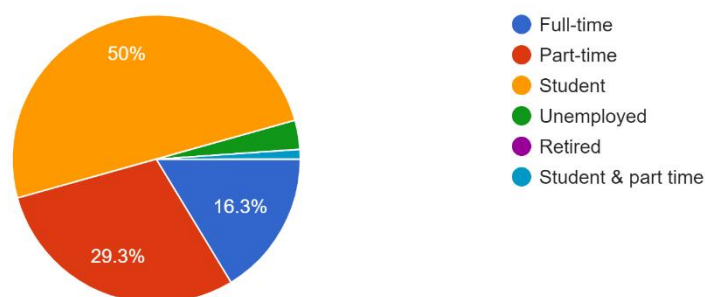
Figure 14 Question 4: Working Status

The next question concerns the frequency of social media usage amongst the respondents. It is evident from figure 15 that most of the respondents use social media more than once a day, accounting for 67 (72.8%) of the total respondents. There is not a drastic difference

between the "once a day" and "less than once a day option", with 14 people using social media once a day and 11 people using social media less than once a day.

How often do you use social media?
92 responses
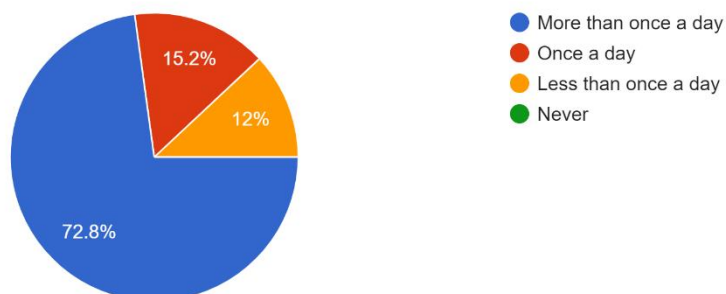
Figure 15 Question 5: Social media usage frequency

Question 6 goes into detail about the social media channels that the respondents use, with the main options being Tiktok, Instagram, Facebook, Twitter, and respondents can list their channel of choice in the "Other" option. As illustrated in figure 16, the result is very close to the customer analysis in the previous sub-chapter, with the majority of the respondents using Tiktok and Instagram. Tiktok is ahead of Instagram by 4 users, and the third most popular choice is Youtube. Other channels such as Twitter, Facebook, Snapchat, and Discord have significantly fewer users than Tiktok, Instagram, and Youtube.
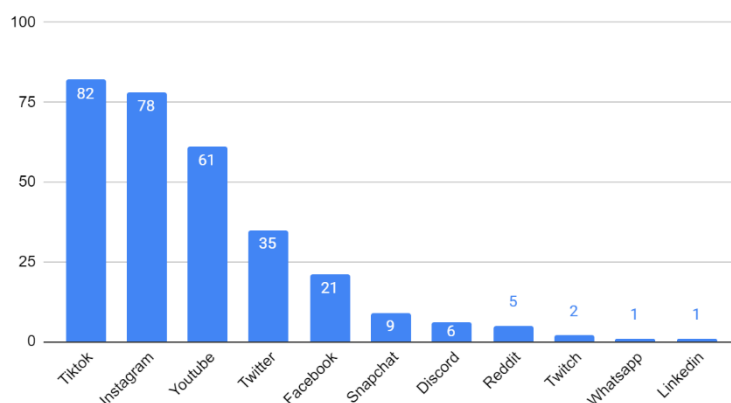
Figure 16 Question 6: Social media channels

Question 7 concerns the purpose of using social media, with the main choices being sharing, interacting, learning, and marketing. Interacting is the number one reason for using

social media amongst the respondents, with 88 responses, as seen in figure 17. Other categories such as sharing and learning take second and third place. Entertainment was added to the mix by 5 respondents.
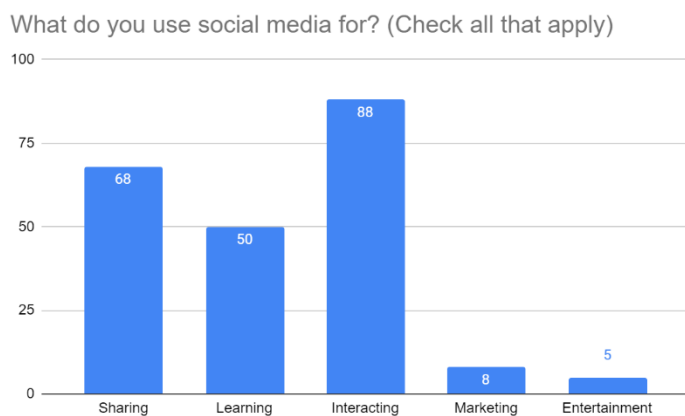
Figure 17 Question 7: Purpose of using social media

Figure 18 shows the answers to question 8, concerning whether the respondents follow influencers on social media or not. The result was very positive and promising, with 80 (87%) respondents answering "Yes", 11 (12%) answered "Maybe", and 1 (1.1%) answered "No".
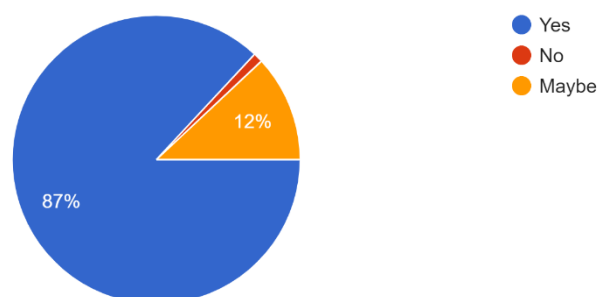
Figure 18 Question 8: Do you follow influencers on social media?

The next question goes deeper into the types of influencers that the respondents follow on social media. As visually shown in figure 19, the most popular types of influencers among the respondents are Rising Star, Mega, and surprisingly, Micro-influencers. One respondent listed the influencers that they follow, according to the follower count, as Celebrity (Kathleen Lights, over 4 million followers), Rising Star (Angelika Oles, over 400 thousand followers), and Micro (Kelly Gooch, less than 100 thousand followers).

If yes, which type of influencer do you follow? (Check all that apply)

91 responses
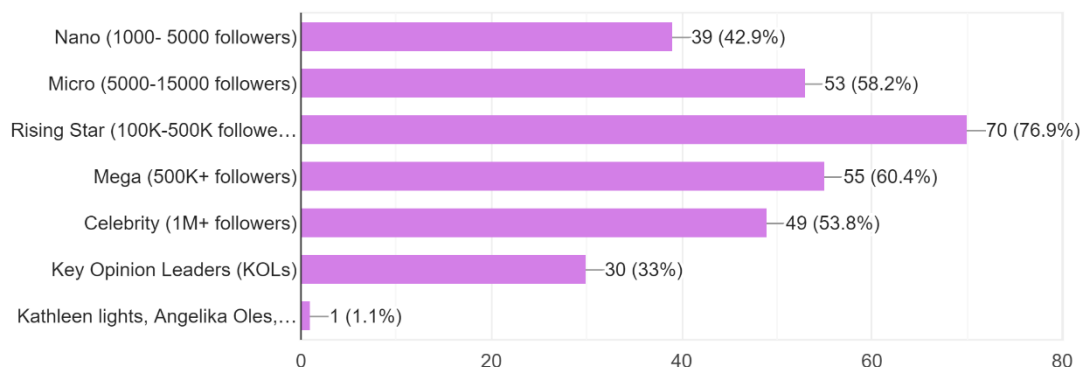
Figure 19 Question 9: Types of influencers

Question 20 asked the respondents to score how much they trust influencers' product recommendations on social media, on a scale from 1 to 5, with 1 being "Not at all" and 5 being "Completely". Based on figure 22, the result is very positive, as most of the respondents marked 4 and 3 out of 5. Eight respondents marked 5/5, trusting influencers' opinions completely, and only one marked 1/5.

How much do you trust influencers' product recommendations on social media?

92 responses
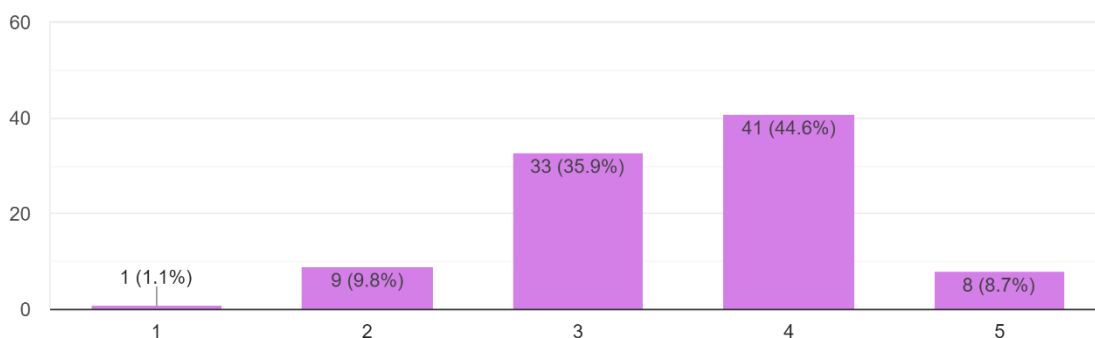
Figure 20 Question 10: Trust in influencers' product recommendations

Figure 21 below shows the answers to the question "Have you ever bought a beauty product because it was recommended by an influencer?". Most of the respondents answered "Yes", accounting for 80.4% of overall answers, 11 (12%) of the respondents answered "Maybe", and 7 (7.6%) answered "No". This is very positive and goes to show that influencers' recommendations on beauty products are very convincing to most of the respondents.

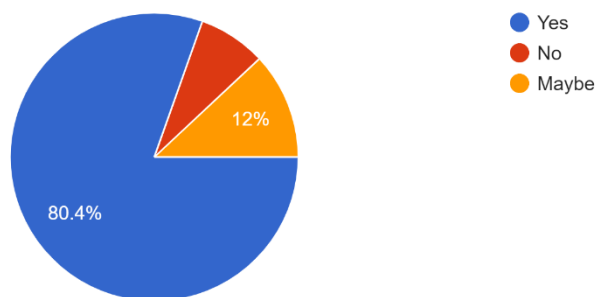Have you ever bought a beauty product because it was recommended by an influencer?
92 responses

Figure 21 Question 11: Have you ever bought a beauty product because it was recommended by an influencer?

Question 13 asked the respondents to score the types of influencer marketing content according to relevancy. The result for each type of content is visualized in figure 22 below. Overall, product how-to is perceived as the most relevant content type, followed by product sample, product mention, and giveaway. Product launch is perceived as neutral.
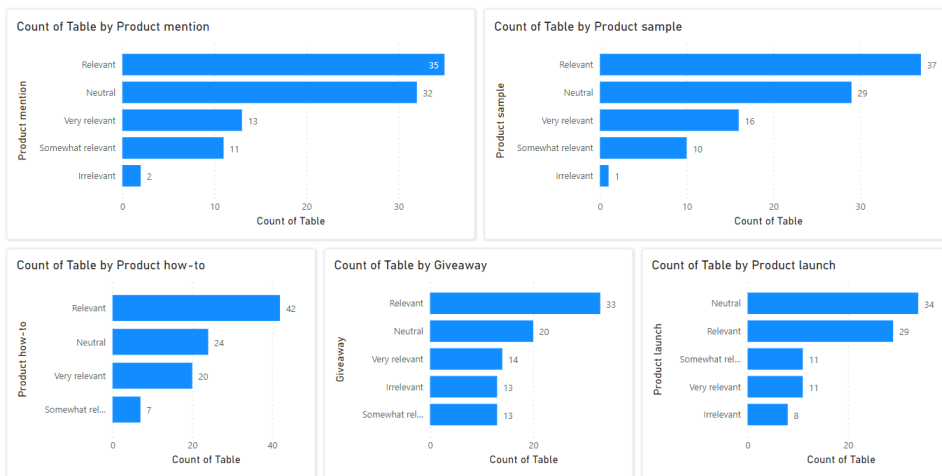
Figure 22 Question 12: What kind of influencer marketing content would be relevant to you?

Question 13 is an optional question, where respondents can give their insights on what they would like to see in an influencer marketing video. To better analyze the answers, the author put the answers into 4 groups, that are: honest and realistic content, educational content, and diverse content (See Appendix 3). Honest and realistic content and educational content

are valued the most by the respondents, followed by diverse content, and lastly, interactive content.

Diving into each group of content, the author then use the tool TagCrowd to see the top 15 most repeated words within the answers. In "Honest and realistic content", the most repeated words are: honest, opinions, lighting, real, reviews, skin and filter, as shown in figure 23 below. The respondents value how products look in real life and demand the content to be realistic, with natural lighting and no filter. They value the imperfections on the skin and would like to see content from honest creators, no matter the size. Honesty is a repeated theme in the answers within this group, it is evident that the Generation Z respondents are looking for truthful, reliable content.

content filter honest life lighting makeup opinions product real relate reviews showing skin true videos

Figure 23 Top 15 repeated words in the "honest and realistic content" group

The second biggest group is "Educational content", figure 24 shows the most repeated words which are: product, review, and tips. The respondents' value tips and tricks, as well as guides on how to use products the best way. Other potential contents are Q&A about products, product comparison, and underrated product recommendations.

beauty information lipstick makeup product really review test tips top underrated unpopular uses wear works

Figure 24 Top 15 repeated words in the "Educational content" group

The third most popular group is "Diverse content", according to figure 25, the most repeated words within this group are different, looks, creators, and products. Respondents in this group value creative influencers that can do various looks with a single product, they would like to see many types of content and value funny, entertaining content. They also appreciate creators that are from different backgrounds.

Figure 25 Top 15 repeated words in the "Diverse content" group

Interactive content is a minor group with 4 responses, suggesting interactive campaigns and content that feature fans and giveaways. This echoes with Benefit strategy when it comes to their Tiktok competitions that feature fans creating Tiktok videos. This also aligns with the answers in question 13, with many respondents deemed giveaways relevant to them.

Question 14 asked the respondents about the frequency of influencer marketing content that they prefer. It is clear from figure 26, that most of the respondents would prefer to see influencer marketing content less than once a day. However, about 25% of respondents actually would like to see influencer marketing content more than once a day, and 18.5% would like to see the content once a day. This gives an insight for brands on how much content per day is the most effective.
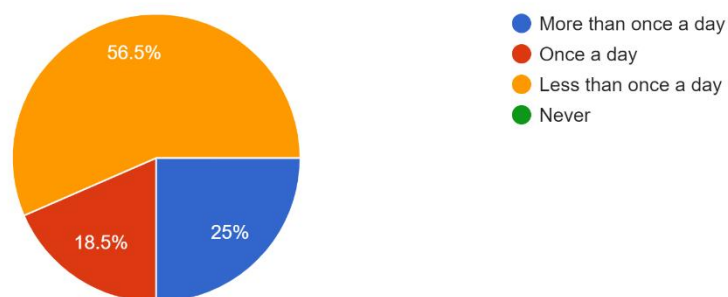
Figure 26 Question 14: Influencer marketing content frequency

Question 15 asked the respondents about the frequency of their beauty product usage. As demonstrated by figure 27, most of the respondents use beauty products more than once a day, at 54.3%. Almost 30% of the respondents said that they use beauty products less than once a day, and 16.3% said once a day. This is crucial to evaluate the need to use beauty products within Generation Z.

How often do you use beauty products?
92 responses

● More than once a day
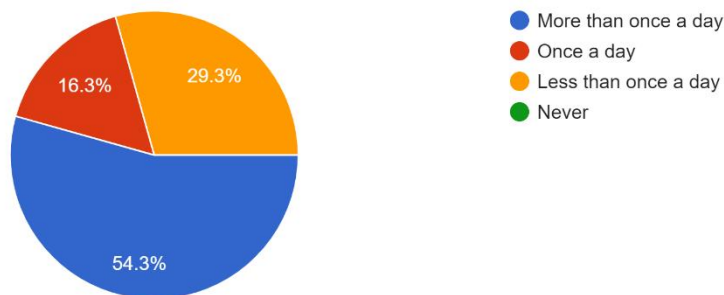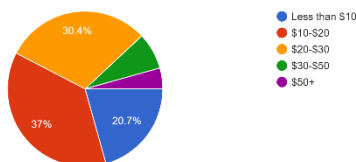● Once a day
● Less than once a day
● Never

Figure 27 Question 15: Beauty product usage frequency

Questions 16 and 17 go to evaluate the spending power of the respondents. The figure below shows the answers to the questions, with most of the respondents, reporting that they usually pay around $10-$20 for a single product and around $20-$50 for beauty products in a month. Several respondents also answered that they spend less than $10 on a single product and less than $20 on beauty products in a month. It is also worth noting, that many respondents are willing to invest more money in beauty products.
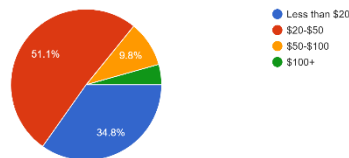

Figure 28 Question 16 & 17: Respondents' spending power

Questions 18 & 19 find out information on the sources of information about beauty products, and the places that the respondents choose to shop for the products. It is shown clearly by figure 29 that internet sites and social media are the most popular sources of information among respondents when it comes to beauty products. The Internet is the respondents' go-to place for shopping, besides from physical stores such as department stores and pharmacies. A few respondents named their favorite places to shop for beauty products, such as Sephora, Ulta, and Target.
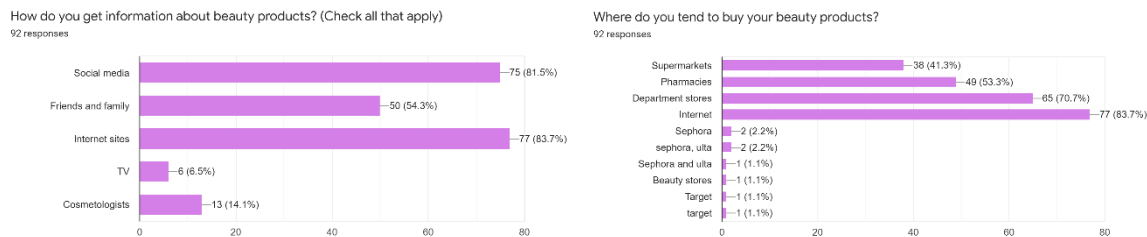
How do you get information about beauty products? (Check all that apply)
92 responses

How do you get information about beauty products?
- Social media — 75 (81.5%)
- Friends and family — 50 (54.3%)
- Internet sites — 77 (83.7%)
- TV — 6 (6.5%)
- Cosmetologists — 13 (14.1%)

Where do you tend to buy your beauty products?
92 responses
- Supermarkets — 38 (41.3%)
- Pharmacies — 49 (53.3%)
- Department stores — 65 (70.7%)
- Internet — 77 (83.7%)
- Sephora — 2 (2.2%)
- sephora, ulta — 2 (2.2%)
- Sephora and ulta — 1 (1.1%)
- Beauty stores — 1 (1.1%)
- Target — 1 (1.1%)
- target — 1 (1.1%)

Figure 29 Question 18 & 19: Source of information, and shopping places

Question 20 asked the respondents about factors they consider before buying a beauty product, the results are demonstrated in figure 30 below. Most of the respondents consider special offers or promotions very important, other factors that they consider are familiar brands (brands that they have seen online), the product that has been used by the influencer they follow, and recommendations from friends and family. Packaging and technical innovation, as well as brand loyalty, are less significant to respondents.

How do you consider the following criteria before buying a beauty product?

Legend: Not at all important | Low importance | Neutral | Important | Very important

Categories: Special offer or promotion | Brand I've seen online | Brand used by an influencer/celebrity I like | Recommendation from friends/family | Attractive packaging | Technical innovation | Product is from a brand I use

Figure 30 Question 20: Criteria to consider before buying a beauty product

Question 21 investigates the respondents' consideration of some criteria from a brand, such as cruelty-free, price, availability, vegan, and quality. As shown in figure 31, quality is the most important among the respondents, followed by price and availability. Cruelty-free and vegan are also important to respondents.

Which of the following factors are important to you when choosing beauty brands to buy from?
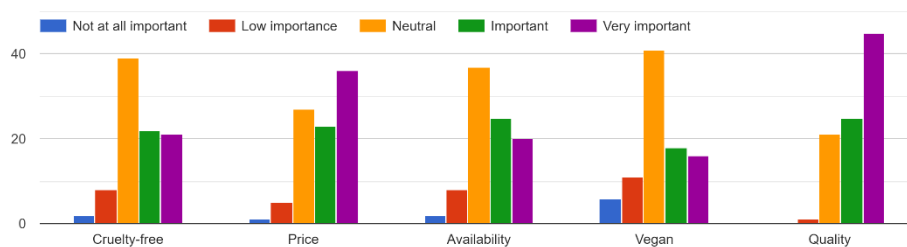

Figure 31 Question 21: Factors that are important when choosing to buy from a brand

The last question simply asked the respondents if they are aware of the brand Tarte Cosmetics. The purpose of this question is to see if Tarte is still relevant after its prime time with influencer marketing. As shown in figure 32, around 93.5% of the respondents said that they have heard of Tarte Cosmetics, it is evident that Tarte Cosmetics has good brand awareness, which can be attributed to its previous influencer marketing efforts.

Yay! You've made it till the end! Last question, have you heard of Tarte Cosmetics before?
92 responses
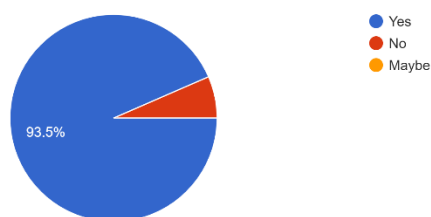
Figure 32 Question 22: Have you heard of Tarte Cosmetics before?

5 Conclusion

This chapter wraps up the thesis and provides answers to the research questions, covering both the primary topic as well as any sub-questions that may have been asked. The report summarizes the most important discoveries that resulted from the research questions. In addition to that, this thesis's validity and reliability will be evaluated. In conclusion, several recommendations for additional research are presented.

5.1 Answers for Research Questions

The goal of this research is to gain a better understanding of the notion of Tiktok influencer marketing and how cosmetic companies can utilize this method of marketing to attract the Generation Z audience. After addressing the sub-questions, one can then answer the primary research question, which is " How can cosmetic companies utilize influencer marketing to attract Generation Z consumers on Tiktok?" The answer may then be found in the following sub-questions.

Sub-questions

What is influencer marketing?

When a firm collaborates with a well-known celebrity on the internet to promote one of the company's goods or services, this type of marketing is known as "influencer marketing." Some of the relationships that are developed via the use of influencer marketing are not quite as substantial as that; rather than directly selling a product or service, businesses work with influencers to simply increase brand recognition.

How has Tarte Cosmetics utilized influencer marketing?

Tarte has developed a number of different types of influencer marketing campaigns, the most notable of which are the influencer collections. In these campaigns, the influencers take part in the process of developing a product or a line of products. To keep its influencer allegiance, Tarte becomes an expert at organizing influencer trips and PR boxes. In recent times, Tarte has extensively featured various influencers in the content that the company shares on Tiktok.

How is Tarte utilizing Tiktok as a marketing channel?

The Tarte Tiktok features influencer content heavily, and it also has a significant amount of giveaway and product tutorial video material. It is conceivable for Tarte, based on the competition benchmarking and the findings from the survey, to rely less on material produced

by influencers and invest instead in a content portfolio that contains a greater variety of content.

What does the Generation Z audience expect in an effective Tiktok influencer marketing content?

According to the findings of the survey and the customer analysis presented in the empirical chapter, it is possible to confirm that members of Generation Z anticipate authenticity, uniqueness, and truthfulness in the material produced by influencer marketers. Instead of videos that have been heavily edited and polished, Generation Z values the raw authenticity of human skin, along with its imperfections. They expect that the substance of influencer marketing will be transparent, with the influencer disclosing the advertisement in its entirety. They are also looking for content that is more inclusive, encountering influencers who come from a variety of demographics and are exceptionally gifted.

How can cosmetic companies utilize influencer marketing to attract Generation Z consumers on Tiktok?

It is evident from the survey result, that influencer marketing can bring a company long-lasting brand recognition, so it is important for companies to utilize this method. Beginning with the formulation of the campaign, cosmetic companies need to take into consideration the proper purpose and KPIs of the campaign in order to determine the sort of material that is appropriate in a manner that is consistent with the campaign. In a Tiktok influencer marketing campaign, the type of influencers that participate is also important. According to the findings of the survey, cosmetic firms may rely on Micro, Rising Star, and Celebrity influencers to attract Generation Z in the most effective manner. Because the influencers they choose will eventually become the face of the business, it is essential for them to hold values that are congruent with those of the company. It is essential for the success of the collaboration that the company provides the influencer with a detailed brief outlining everything that the influencer is expected to do, including but not limited to content execution, messaging, goals, and compensation. This will ensure that everything goes according to plan. Additionally, the brand have a responsibility to ensure that an agreement with legally binding terms is in place between the influencer and the company about the ownership of the content and any limits that apply to it. The various sorts of campaigns, such as product sampling, paid content, seasonal campaign, product launch, and pro-bono campaign, can each be used to evaluate the level of success achieved by an organization. ROI and CAC are typically considered to be the two most important indicators.

Going specifically into Tiktok, critical findings were gained in this study. From the competitor analysis for Tarte Cosmetics, it was discovered that videos longer than 10 seconds have a

higher engagement rate, for example, Anastasia Beverly Hills content had the highest engagement rate, and they were also the longest videos of all the competitors. There also are many types of innovative, highly engaging content that Tarte Cosmetics is missing out on. Content that features fans proved to be highly engaging from both Benefit Cosmetics' Tiktok competition example and the answers from the Generation Z audience survey. The most repeated theme from the survey answers, such as true to life lighting, no filter, and relatable videos, should also be considered by cosmetic companies when it comes to attracting Generation Z. From Tarte's case of excessive influencer content and answers collected in the audience survey, it is best to not rely too much on influencer content, and to leave some time between the contents created by influencers. It is also important that brands work with influencers that are relatable to the audience to deliver the best results. Generation Z values truthful, educational content, they value high-quality products, and are not hesitant to invest.

5.2   Validity and Reliability

This thesis will attempt to find answers to the questions raised by the research. A sufficient amount of attention was paid to providing accurate responses to both the primary and secondary questions. The information presented in this thesis came from a variety of primary and secondary sources. The primary data was gathered by administering the survey to participants who were active members of the beauty community on the website Reddit. The use of a literature review allowed for the collection of secondary data.

5.3   Suggestions for Further Research

The author discovered, throughout the course of their research into the social media channels that people of Generation Z use, that Discord and Twitch draw a significant number of members of this generation. Research on how influencers market to Generation Z on Discord and Twitch is recommended if one wishes to gain a high level of engagement from this generation and gain a deeper understanding of the wants and needs they have.

6 Summary

The goal of this research is to gain a better understanding of the notion of Tiktok influencer marketing and how cosmetic companies can utilize this method of marketing to attract Generation Z audience. After resolving the secondary questions, one is able to answer the major research question, which is "How can cosmetic businesses employ influencer marketing to attract Generation Z consumers on Tiktok?" This question may be answered once one has addressed the sub-questions. In order to answer the primary question, some sub-questions were formulated, including the following: "What is influencer marketing?"; "How has Tarte utilized influencer marketing?"; "How is Tarte utilizing Tiktok as a marketing channel?"; and "What does the Generation Z audience expect in an effective TIktok influencer marketing campaign?". In order to provide answers to these problems, the empirical research and quantitative research methods outlined in this thesis were put into action. In this thesis, the data comes from a variety of sources, including primary and secondary data sources.

The literature review of influencer marketing in the cosmetic industry is the first section of this thesis. Within this section, topics such as the marketing environment in the United States, social media marketing, influencer marketing, and the process of developing an influencer marketing strategy are introduced. This thesis then examined Tarte Cosmetics as the primary example of influencer marketing, providing background information on the firm, doing an internal analysis, and analyzing some of the firm's earlier marketing initiatives.

The literature review is followed by an introduction to the empirical research that was conducted for the purpose of gaining additional insights concerning influencer marketing for the cosmetic sector. This section of the thesis consists of a survey of the target audience, a study of customers, and an examination of competitors. The statistics and content of Tarte Cosmetics' Tiktok account will be compared to those of its competitors, Too Faced, Benefit, and Anastasia Beverly Hills, as part of the competitive analysis. Research was done on Generation Z in order to create a buyer persona for the customer analysis. After getting a general understanding of Generation Z, a survey of audiences was conducted to learn more about the generation's perspective on influencer marketing as well as their expectations around it. The findings from the survey are comparable to the insights obtained from the customer analysis, and the open-ended question also provided a great amount of inspiration for content that can be used in influencer marketing for Generation Z on Tiktok.

The conclusion then wraps up everything that was discussed in the thesis. There are accurate answers provided for all of the questions pertaining to the thesis. There is also discussion on whether or not the thesis is valid and reliable. Additionally, recommendations for additional studies on the topic are included in the thesis.

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APPENDICES

Appendix 1 Survey

Generation Z and Tiktok cosmetic influencer marketing survey

Hi,

I am an Undergraduate student at LAB University of Applied Sciences, I am carrying out a survey into Generation Z's attitude towards cosmetic influencer marketing.

This survey will take you no more than 5 minutes to complete.

* Terms used in this survey:
Social media influencers: people who have large audiences of followers on their social media accounts, and they leverage this to influence or persuade their followers to buy certain products or services.

Influencer marketing: when a company works with an online influencer to promote one of its products or services

Beauty products: makeup and skincare products

How old are you? *

○ Under 13

○ 13-24

○ 25-40

○ 40-59

○ 60+

Gender *

○ Male

○ Female

○ Prefer not to say

○ Other: _____

Where are you from? *

Your answer

What is your working status? *

◯ Full-time

◯ Part-time

◯ Student

◯ Unemployed

◯ Retired

◯ Other: _____

How often do you use social media? *

◯ More than once a day

◯ Once a day

◯ Less than once a day

◯ Never

◯ Other: _____

Which social media channel do you use? (Check all that apply) *

- [ ] Tiktok
- [ ] Intagram
- [ ] Facebook
- [ ] Twitter
- [ ] Youtube
- [ ] Other: _____

What do you use social media for? (Check all that apply) *

- [ ] Sharing
- [ ] Learning
- [ ] Interacting
- [ ] Marketing
- [ ] Other: _____

Do you follow influencers on social media? *

- ( ) Yes
- ( ) No
- ( ) Maybe

If yes, which type of influencer do you follow? (Check all that apply)

- [ ] Nano (1000- 5000 followers)
- [ ] Micro (5000-15000 followers)
- [ ] Rising Star (100K-500K followers)
- [ ] Mega (500K+ followers)
- [ ] Celebrity (1M+ followers)
- [ ] Key Opinion Leaders (KOLs)
- [ ] Other: _____

How much do you trust influencers' product recommendations on social media? *

	1	2	3	4	5	
Not at all	○	○	○	○	○	Completely

Have you ever bought a beauty product because it was recommended by an influencer? *

○ Yes

○ No

○ Maybe

What kind of influencer marketing content would be relevant to you? *

	Irrelevant	Somewhat relevant	Neutral	Relevant	Very relevant
Giveaway (the influencer gives away the products for free)	○	○	○	○	○
Product sample (the influencer shows how they use the product)	○	○	○	○	○
Product how-to (the influencer shows you tips and tricks to use the product)	○	○	○	○	○
Product mention (the influencer gives you basic information about the product)	○	○	○	○	○
Product launch (influencer introduces a product that they produced with the brand)	○	○	○	○	○

What do you want to see in a Tiktok influencer marketing video?

Your answer

How often do you want to see influencer content on your newsfeed? *

○ More than once a day

○ Once a day

○ Less than once a day

○ Never

○ Other:

How often do you use beauty products? *

○ More than once a day

○ Once a day

○ Less than once a day

○ Never

○ Other:

How much are you willing to spend on a single beauty product? *

○ Less than $10

○ $10-$20

○ $20-$30

○ $30-$50

○ $50+

○ Other: _____

How much do you spend on beauty products per month? *

○ Less than $20

○ $20-$50

○ $50-$100

○ $100+

How do you get information about beauty products? (Check all that apply) *

☐ Social media

☐ Friends and family

☐ Internet sites

☐ TV

☐ Cosmetologists

☐ Other: _____

Where do you tend to buy your beauty products? *

- ☐ Supermarkets
- ☐ Pharmacies
- ☐ Department stores
- ☐ Internet
- ☐ Other: _____

How do you consider the following criteria before buying a beauty product? *

	Not at all important	Low importance	Neutral	Important	Very important
Special offer or promotion	○	○	○	○	○
Brand I've seen online	○	○	○	○	○
Brand used by an influencer/celebrity I like	○	○	○	○	○
Recommendation from friends/family	○	○	○	○	○
Attractive packaging	○	○	○	○	○
Technical innovation	○	○	○	○	○
Product is from a brand I use	○	○	○	○	○

Which of the following factors are important to you when choosing beauty brands to buy from? *

	Not at all important	Low importance	Neutral	Important	Very important
Cruelty-free	◯	◯	◯	◯	◯
Price	◯	◯	◯	◯	◯
Availability	◯	◯	◯	◯	◯
Vegan	◯	◯	◯	◯	◯
Quality	◯	◯	◯	◯	◯

Yay! You've made it till the end! Last question, have you heard of Tarte Cosmetics before? *

◯ Yes

◯ No

◯ Maybe

Appendix 2 Survey post on Reddit

Appendix 3. Four types of content

Honest and realistic content	Educational content	Diverse content	Interactive content
how products look in real life	Makeup tips	Maybe feature more smaller creators that are talented	Some interactive campaign for customers
Honest opinions and non filtered application	Swatch lipstick, review beauty product	creative looks	interactive content
No beauty filter, not using lighting to look perfect	Q&A about makeup	different looks with 1 product	feature fans
Real image without filter	product review	Makeup looks	giveaways
Honestly review	QA, tips,...	Entertainment	
true to real life reviews	Application tips	different uses for the product	
no filter videos	Review	New product	
honest opinion, and personally I wouldn't enjoy excessive content from influencers	Overall review of a product	the whole experience, how the product look throughout the day	
12 hour wear test could be nice? I wear makeup almost all day and can never tell what product is good from those polished tiktok videos	Because there is much information in a short video. It's time-saving	products for different budget, skin types, etc	
honest opinions tbh	Recommending underrated products, or unpopular products that are really high quality	funny, goofy content	
realistic light	Review	something relatable but not unfunny	
Honest and realistic videos that most people can relate to	Review	funny edits	
Their honest expereince	How to use or results of producf	small content creators	
Honest opinion	wear test	creative looks	
Real pros and cons of the product for different skin types, also real lighting	top 5 or 10 products	looks from iconic movies and tv shows!	
real light, showing before and after	See the uses of products, useful tips and hacks, also the comparison between products	different looks for different aesthetics	
Use of the product(s) and genuine reactions and concerns if any. As well as before and after if it applies to the product	That the product works and is a good value for its price	small, talented creators	
Truthfullness	More information on how to use a product	influencers from diverse background, I want to see more people who look like me	
Honest opinions	Review	inclusivity	
more inclusivity in skin types and textures, true to life lighting	fun tips and tricks		
honesty is key	Review		
relatable content: meaning that showing imperfections on the skin, how makeup actually looks like on the skin			
truthful reviews, showing them actually using the products			
people that are talented and honest, not those creators that only do paid content			
they need to fully disclose that it is an ad...not just lying about it			
no filter			
true reviews			