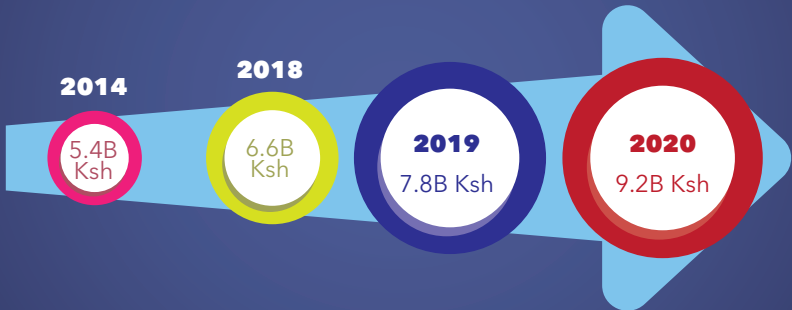




Emerging Role of Influencer Marketing

on Kenyan SMEs in Beauty Industry

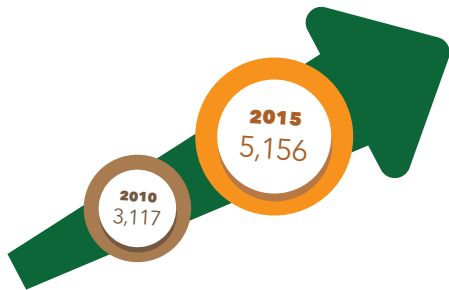
The beauty and cosmetic industry is broadly used to refer to key players in hair care, skin care and cosmetics. The industry is rapidly growing, attracting increased investment by both local and global players.



Projected cosmetic Market Value

(Euromonitor estimates 2014-2018 | Viffa estimate 2019-2020)

There are great examples of the ever growing interest in the over Ksh 200Bn beauty Industry such as the acquisition of the Health and Beauty business of Interconsumer Products for an estimated amount of Sh1.5bn in 2013 by L'Oréal followed by Flame tree acquisition of Monalisa Skin care brand, miss Africa, Black Angel as well as Suzie Beauty.



*Number of cosmetic shops, salons & barber shops licensed to operate
(Source Nairobi County Government Data)*

SME players in the beauty industry value chain have experienced growth directly correlated with growth tangent of the industry as illustrated below although the numbers experienced decline after 2015 due to increased cost of rent and business license fees at least for Nairobi County leading to either close of business or shift to digital shop.

Technology has become a key enabler of doing business in the beauty sector underpinned on the rise in mobile and internet usage by the Kenyan population at over 30%.



**OVER
30%
INCREASE
IN INTERNET
USAGE**

More interesting is the emerging marketing trend in the beauty industry led by social media influencers who are increasingly being used by SMEs.

Viffa conducted a survey in the month of September 2019 with aim of establishing marketing trends by SMEs in the beauty industry broadly and specifically investigate the role influencers play in marketing.

Specific objectives are as follows;

- 1. To establish popular consumer purchasing channels.**
- 2. To establish popular social media channels**
- 3. To establish effects of influencers**
- 4. To establish the qualities of an influencer**

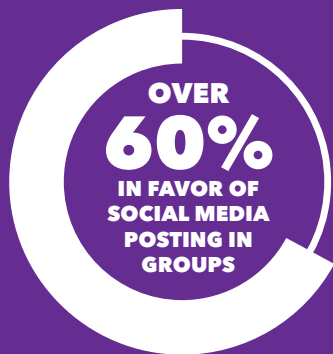
Results

Industry Sub-Sector

1. **Hair Care**
2. **Skin Care**
3. **Cosmetics**
4. **Nail Care**

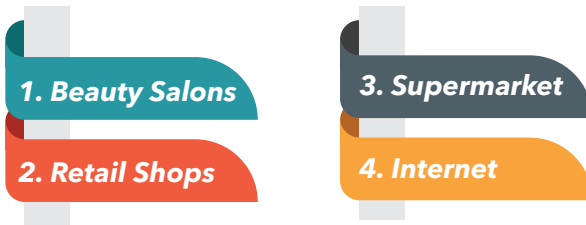


**Common Social Media
Used For Advertisement**



Over 60% of respondents indicated that posting on social media groups where they were members such as Kilimani Mums Market place was more effective than paid boost of products and services.

Popular Purchasing Channels By Customers



Insight

Manufactures of cosmetic products must develop a comprehensive map of salons which will form the backbone of their distribution channel as well as marketing.

To cultivate a sustainable relationship and raise barriers to entry hence competitive advantage; manufactures can offer product credit line, capacity building and branding support among other interventions to a cluster area such as the popular Kenyatta Market.

The internet is a purchasing medium to women of the ages 18-40 Years of age with average monthly income of Ksh 30,000.

Although the internet channel ranks low, it plays a critical role in the buyer purchasing decision process especially product comparison hence providing pipeline for brick and mortar beauty stores.

Top 5 items purchased online

1

Perfumes

2

Skin Moisturizer

3

Lipstick

4

Eye and
Facial Makeup

5

Finger Nail Polish

Frequency of using social media influencer to advertise



Insight

Although 48% indicated not to have used social media influencers; they still leveraged on offline influencers in the form of endorsement by local business and political leaders as well as persons considered to be celebrities in their locality such as athletes 35% constituting Hair products.

Top 4 influencers

1. Bloggers
2. YouTube Vloggers,
3. Celebrities
4. Leaders-Political/Administrative/Religious

Criteria for selecting preferred influencer



Effect of influencer on business

1. Increased demand for product/ Service
2. Increased creativity and innovation
3. Improved quality of product-service

Influencer remuneration model

1. Commission based
2. Fixed Retainer
3. Equity
4. Pro Bono

Insight

Despite number of following on social media driven by celebrities being the top criteria over **45% of respondents** indicated that it contributed to **less than 15% of sales conversion** from online channels. This can be explained by the fact that the demography of followers on social media may not have the critical homogenous mass needed.

Content alignment of influencer **90%** being Bloggers and YouTube Vloggers had the highest sales conversion of over **70%**.



Viffa Consult

For Further Inquiries contact:
Victor Otieno
Managing Director

Viffa Consult Ltd
Mayfair Suites
Off Parklands Road

P.O.Box 35320-00200 Nairobi
Tel:254 723 98 25 28
victor@viffaconsult.co.ke

WWW.VIFFACONSULT.CO.KE