LUISS

Department of:
Business and Management

Chair of:
Innovation Management

THE DISRUPTION OF THE BEAUTY INDUSTRY.

An Investigation of Social Media Factors and Dynamics affecting Perceived Brand Image and the Consumer Decision Journey.

Prof. Alessandro Zattoni
Supervisor

Prof.Adiguzel Feray
Co-Supervisor

695811
Milena Denise Luise
Candidate

ABSTRACT

The emergence of Social Media Plaforms, and the rise of Influencers, have created a new online ecosystem known as "the beauty community". This phenomenon has completely disrupted the beauty industry and revolutionized the consumer's decision journey in this sector. The driving force of the beauty industry - millennial consumers - nowadays spends most of its time on social media platforms. Trends and opinion leaders are the main source of information, to which they award a previously unrecorded amount of trust.

This paper will, therefore, examine the current literature about the subject, by highlighting how Social Media Influencers and Social Media Trends are changing and shaping the industry. Firstly, it provides theoretical support to the allegation that, in order for a beauty brand to increase revenue streams, gain competitive advantage, market share and customer loyalty, Social Media and Influencer marketing cannot be ignored. Secondly, by focusing on millennials' purchase behaviour, this paper provides an empirical analysis of how the preferred sources of information, in which consumers allocate trust, impact perceived brand image and the consequent purchase intention.

For the experimental part of this paper, a conceptual framework, that asserts millennials' trust allocation and purchase behaviour, has been designed and tested by a Partial Least Squares Structural Equation Model. To collect data for the latter, a survey has been conducted, comparing the trustworthiness and usefulness of social media channels/influencers as sources of information, with respect to more traditional brand generated content, that drive final buying decisions.

Finally, the fundamental targets of this paper are those of ascertaining the facts that: nowadays, the roles of Social Media and Social Media Influencers are of crucial importance to beauty brands; and that marketers, of this sector, should focus on these new online social dynamics in order to identify and develop innovative digital marketing strategies (other than traditional advertisement) for the success of beauty brands.

TABLE OF CONTENTS

CHAPTER I – INTRODUCTION

1.1   The Beauty Community

The emergence of the Internet developed an online universe made up of distinct societies, communities, rules and values. Nowadays, the web can be thought of as a virtual reality (alternative to the real world), in which all individuals and users cover different specific roles. Online "societies" come about on platforms called: Social Media, that anyone in possess of a connected device is able to access at any time. This is a time in history, in which social networks play a leading role within the current social constructs and that has allowed the changing conditions of purchase and consumption in the contemporary society. The network is characterized by modern online communities, divided into macro aggregates (including various types of products, passions and, more generally, various types of issues) where users can express their opinions, ask for advice on various topics and even make new friends. In this age of hyper-modernism, every single good, action or behavior is brought to excess, and consumers need help in selecting all the different alternatives available on the market.[1]

The online communities created around the theme of cosmetics and make-up, over the last few years have become increasingly popular in the beauty market and have radically changed the dynamics of buying, consuming and selling in the entire sector. The online beauty community, on social platforms, is one of the biggest and most well-established on the web: it is characterized by leading figures, such as influencers and beauty gurus, that interact with each other (and their audience) creating proper real-life dynamics. The phenomenon was born mainly from the YouTube platform, especially since 2008, the year in which the first channels dedicated to beauty and personal care appeared. With the passing of time the dynamics through which the entire mechanism is managed changed considerably, from the online transmission of mere apathetic information with an end in itself, to a visceral attachment to the person who transmits it, known as "Influencer". Emotions, bonds, relationships and lifestyles come into play, taking over and transforming virtual communities into real and

---

[1] Codeluppi V. (2012), *Ipermondo. Dieci chiavi per capire il presente*, Editori Laterza, Roma.

unassailable communities. Personal life becomes of public domain and all actions, behaviors and opinions are put on display;[2] private life becomes entertainment and potentially questionable or monitorable.

The introduction of this parameter, the showcase, has led individuals to change the relationship they have with their own image,[3] aspiring to a life that is increasingly closer to that of the most popular influencers, in which the ostentation of beauty and "imperfect perfection" plays a central role. The enhancement of one's strengths is not an element to be underestimated in today's society; if in the past beauty was associated with the great stars of cinema and television, now the concept of beauty is increasingly taking on unique and very personal forms. We move from the concept of uniformity of standards to the shared idea of uniqueness of the individual person whom, however, cannot neglect the basic objectives of today's socialization. The basic concept though is still the same: the mechanism of imitation remains constant over time, but it assumes a different connotation that is tied to a lifestyle and a common thought of which social media are the main spokespersons in form of trends and influencers as opinion leaders. The popularity of influencers as product embracers has grown exponentially in recent years, thanks to their ability to boost sales in the sector. If once you chose a lipstick or mascara from the photos of a diva on the red carpet (perhaps seen on television or in a magazine), today the decision passes much more often through social networks.

Consumers of the future are more aware and informed about products, with a thousand different ways of understanding beauty. Therefore, companies in the sector can no longer base their advertisement on generic campaigns but must aim to contact the individual user. Influencers allow to fill this gap and capture the individual consumer, also proposing different models of beauty. According to research by Alessia Vettese[4], an Mba graduate from Harvard Business School, regular cosmetics customers look for product information online. Vettese interviewed more than 500 women who wear

---

[2] Codeluppi V. (2012).

[3] Codeluppi V. (2009), Tutti divi. Vivere in vetrina, Laterza, Roma.

[4] Vettese, Alessia. "Exploring the Beauty Industry through an Independent Project - MBA - Harvard Business School." *MBA Voices*, 5 June 2019, www.hbs.edu/mba/blog/post/exploring-beauty-industry-through-independent-project-curriculum-hbs.

makeup every day and found that 67% of respondents consulted influencers on social media, while 59% peeked at reviews.

Social media has been around for over a decade, but marketing and advertisement teams are only now taking their first steps in these new forms of advertisement that have enormous potential to reach billions of users. Obviously understanding how to use these platforms is crucial for brands in the beauty industry as it increases follow up and creates enthusiasm for new products; as it is crucial to construct a social media marketing global strategy in order to gain competitive advantage. Since social media brands are also built on personalized lifestyles that create niche communities where consumers unite in groups with the same lifestyle concepts, companies need to identify their target groups and respond in a personalized way to their needs; by selecting the appropriate figures to convey their message.

In short, it seems that consumers are less likely to be advised by more traditional forms of brand-generated marketing advertisements such as TV commercials or magazine ads, in favor of influencers on Instagram and YouTube. The main driver behind this shift in consumers' behavior seems to be the (supposedly) greater reliability in the transmission of the message coming from social media platforms. It is though unknown how powerful the influence of social media and influencers, on consumers purchase decisions, is connected to perceived trustworthiness of the source and its credibility in the beauty sector. Therefore, this thesis is a study investigating the afore-mentioned literature gap, with a focus on Generation Y (millennials). This choice is based on the consideration that millennials are the biggest generation of consumers nowadays, as well as the driving force of the beauty industry. It's important for researchers, marketers and businesses to be aware of whose opinion this generation trust, how much they value this information and to what extent this has an influence in their buying behavior.

1.2   Definition of GAP and Research Questions

This study analyses how social media influence has completely disrupted the beauty industry and revolutionized the consumer's decision journey. The reasons behind the emergence of social medias and social media influencers, as factors of crucial importance to the beauty companies, will be investigated; not only because they serve

as new tools for marketers to create a great number of innovative marketing strategies; but also because, in this particular industry, social media and influencers symbolize the main source of information seeking and inspiration of trend statements for consumers.

This research adds value in the subject of innovation management because the beauty sector is one that proves to be undergoing constant innovation. Its industry is continually growing and is expected to reach a market value of 805.61 billion dollars by 2023[5]; understanding the dynamics behind consumer's behaviour is of incredible economic value. It is essential for businesses and brands in this sector to constantly keep track of the evolutions through which it undergoes in order to align marketing efforts and continually discover new marketing tools to entice customer's involvement, loyalty and purchases.

The astonishing growth of the beauty segment has frequently been entitled to Millennials, the generation of consumers born between 1980 and 2000.[6] They are the main driving force in the areas of cosmetics and hair products,[7] that lead to the considerable size and economic value that the beauty segment has reached today. This generation is highly affected by the influence of social media, and the figure of influencers, when buying beauty products[8] since their exposure to, and usage of them is woven in their everyday life. Hence, it's of crucial importance, for marketers in this sector, to gain millennial's attention and trust in order to affect and guide their consumer journey, as well as persuade their purchase behaviour.

Throughout the research (treated in the second chapter of this thesis) about previous studies conducted on the subjects investigated in this study, source credibility appeared

[5] Ketabchi, Natasha. "Looks That Thrill - Inside the Booming Beauty Industry." *Toptal Finance Blog*, Toptal, 22 Aug. 2019, www.toptal.com/finance/growth-strategy/beauty-industry.

[6] Fry, R. 2018. http://www.pewresearch.org/fact-tank/2018/03/01/millennials-overtake-babyboomers/

[7] McCarthy, A. [online]. 2016. https://www.emarketer.com/Article/Millennials-Dominate-USBeauty-Market/1014857

[8] Radtke, A. 2017. A generational comparison of the effectiveness of social media advertisement on the likelihood of purchase in the cosmetics industry. *Collections:FCEE - Dissertações de Mestrado/Master Dissertations*.

to be a factor of crucial importance. Trust is the perfect indicator of how much credibility a consumer associates to any source. In fact, prior studies investigating consumer behaviour and purchase intention, revealed that the main factor making marketing persuasion efforts valid is the trust consumers allocate to the source delivering the message. Moreover, studies about millennial's consumer behaviours recognized that this generation values engagement more than promotion and that sincerity in peer's advices and influencer recommendations are key factors that drive their buying decisions and brand loyalty.

This study's aim is to identify the sources in which millennials mostly allocate their trust in order that marketers in the beauty industry and beauty brands can understand how and where to allocate digital marketing resources; with the goal of influencing the consumer decision journey of millennials and lead them to purchase the advertised product and become loyal to the brand. Multiple previous researches demonstrated interrelation between the three main elements of this research: social media (platforms and influencers), the beauty industry and the generation of millennials. Previous studies asserted the strong dependence of millennials to social medias platforms; the correlation between beauty industry growth and millennials; as well as the effectiveness of influencer marketing and social media marketing in the beauty industry. However, there is a research gap concerning what it is about social media, that mostly influences millennial's consumers buying behaviour in the beauty industry.

The purpose of this study is to resolve the above discussed subjects; therefore, the following research question was designed:

◊ Research Question:
   Which source of information/endorsement about beauty products is mostly trusted by millennials, and to what extent does it impact purchase intention and perceived brand image?

In order to solve the above-mentioned inquiry, a survey will be conducted with the scope of assessing the importance and role of social media and social media influencers in the consumer decision journey that millennials experience when

purchasing beauty products; in comparison to importance and role of traditional brand-generated marketing content. Moreover, how the perceived value of a beauty brand is affected by social media content and influencers will also be investigated. The latter is done by comparing the trustworthiness consumers affiliate to social media content and influencers with respect to traditional brand-generated marketing content.

The fundamental target of this paper is, therefore, that of ascertaining the fact that nowadays the role of Social Media and Influencers in the beauty industries, became so important that it cannot be ignored by companies, as it completely revolutionized the industry. Demonstrating that the attention to Social Media and Influencers can, not only lead a company to higher economic benefits, but it is also crucial in order to stay afloat in the industry.

1.3   Structure of the Thesis

This work is introduced, in chapter one, with an overview of the online beauty community of the present, and with a general background of the themes treated in this thesis and recent phenomenon about them. In this first chapter, the purpose of the study is defined, and the development of the research question is explained.

Chapter two, reviews all the pertinent literature about the subjects considered for the study, including market facts, numbers, statistics and previous researches conducted by scholars. Firstly, a theoretical background of the Consumer Decision Journey is provided, with an explanation of how traditional models were adjusted, in response to changes in consumers behaviours and surroundings. Successively, Social Media platforms are introduced and explained; while the current market facts of the beauty industry are highlighted. In the same way, the next sub-chapter introduces the figure of the social media influencer, and the importance of their image for millennials highlighting the current main figures of beauty community. The following subchapter discusses the emergence and importance of Influencer Marketing and its integration within the customer journey. After that, the next sub-chapter is a focus on the last stage of the consumer decision journey, purchase intention, about which theoretical background is provided. The penultimate sub-chapter is an introduction of the online beauty community and an analysis on how it has affected and changed the current beauty industry. The following sub-chapter, divided in two additional sub-chapters,

takes into account the theoretical support behind the assumption that social media and influencer marketing are crucial for beauty brand's success. Firstly, a series of examples of brands that conducted successful social media marketing campaigns is provided. Successively, a recent case study highlighting the alleged theories (about the strength and decisive importance of social media influencers in the beauty industry) is analysed in depth. Hence, the second sub-chapter is an analysis of the Jeffree Star Cosmetics launch of a new collection for its brand, for which it was designed an extremely successful and innovative influencer marketing campaign. Finally, chapter two concludes with the theoretical background of the experimental statistical model utilized for this study: it includes a brief literature review of the experimental models of previous scholars taken into account for the design employed in this study; aligned with the explanation and development of the specific model designed for this experiment.

The third chapter, Methods, is a description of the PLS-PM model developed in order to answer the research question of this study; it will be aligned with the explanation and development of the hypothesis tested by the model. Moreover, a description of the survey investigation with explanation of the questions, variables and sample selection will be presented. Hypothesis to test in the experimental model are introduced and explained; and finally, the procedures and steps utilized in the statistical software Rstudio, to set the parameters and obtain results are listed in the last sub-chapter of chapter three.

In the penultimate chapter of this thesis, chapter four, the results obtained from the statistical software Rstudio are displayed and discussed. The first sub-chapter assesses the validity of the statistical model developed for this research as a whole. Successively, results and descriptive tables of the measurement sub-model of the Partial Least Square – Structural Equation Model designed for the purpose of this research are presented; followed by the exhibit and analysis of the structural path estimates, results path diagram and summarizing values of the structural model of the PLS-PM of this study. This chapter concludes with the assessment of the full model fit and the summarizing histograms.

Finally, this thesis concludes with the last chapter, Chapter five, in which the results displayed in the previous chapter are discussed and analysed in order to draw final conclusions; significant findings, empirical and theoretical contributions are identified. The research question is answered and results in support of prior study are highlighted. Moreover, limitations of the research are listed along with recommendation of further research to be conducted on the subjects treated in this thesis.

CHAPTER II- LITERATURE REVIEW

This chapter provides the theoretical background necessary for the development of the subjects treated in this paper and a review of the literature by prior scholars on these matters.

2.1   Consumer Decision Journey

The investigation of potential, new and innovative marketing approaches that aim at influencing consumer's purchase decisions, requires the understanding of the full consumer decisional journey. Moreover, it calls for the identification of its "touch points" or "moments that matter", in which consumers are open and more vulnerable to marketer's influence. Traditionally, these touch points, were represented by a Funnel that starts off with a wider end, containing the total number of potential brands in a consumer's mind. Progressively, as marketing is directed at consumers, the funnel narrows down until one "winner" brand remains in the consumer's mind and is successively purchased. More specifically, the above-mentioned touch points identified and displayed in the traditional funnel are the: Awareness, Familiarity, Consideration, Purchase and Loyalty phase.
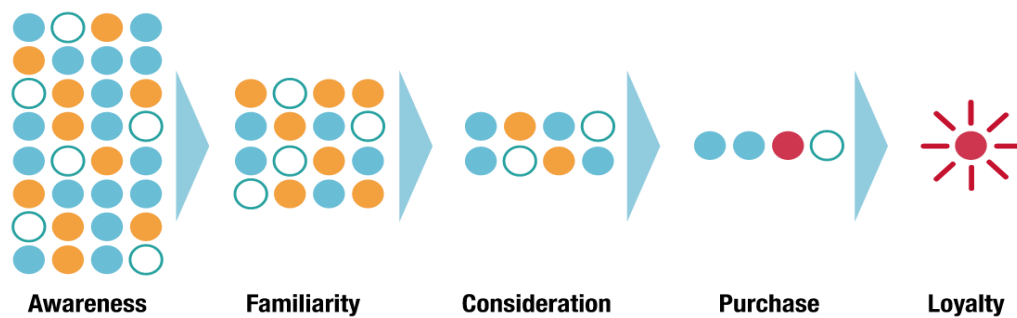
Figure 1 – The Traditional Funnel.

Image from: Stankevich, Alina. "Explaining the Consumer Decision-Making Process: Critical Literature Review." Journal Of International Business Research And Marketing, vol. 2, no. 6, 2017

Many economists have been researching in the field of buying behaviour and, throughout history, multiple models of the consumer buying process have been designed reflecting the continuous evolution of the consumer and its social context. The collection of the steps and touch points that a consumer experiences, before deciding to purchase a product (and specifically which product to purchase) is now known as The Consumer Decision Journey. The most common and traditional model

is the linear five-stage model described by Kotler and Keller in their publication of 2012.[9] This model starts with the emergence of a need in the consumer's mind; the recognition of a problem is the first stage at which marketers should aim in order to convince the consumer that it's product represents the fulfilment of their need. Brands, themselves, can also directly trigger this stage by creating an external stimulus with a marketing campaign that convinces consumers they have a need that the advertised products can fulfil.

Need Recognition	→	Information Search	→	Evaluation of Alternatives	→	Purchase	→	Post-Purchase behaviour

Figure 2 - Traditional model of Consumer Decision Making.

After the development of a need or want, the consumer enters the stage of the information search, in which the alternatives of the product taken into consideration are furthermore investigated and researched. Here, there is a mix of internal information searches: such as past experiences and memories; and of external information searches: such as public sources like reviews, blogs, friends and family's advice. During this phase, marketers should catch the attention of consumers and provide them with relevant information and descriptions about their products. At this point, the consumer will have gathered a so-called "evoked set" composed of his most preferred alternatives and will enter the third stage of the traditional model of decision making. It consists in an evaluation of alternatives, during which the considered brands are more thoroughly evaluated and gradually eliminated until only one of them remains. At the fourth stage, the consumer finally purchases the product of the preferred brand and then immediately enters into the fifth and last stage represented in this model: the post-purchase stage. These are crucial moments for marketers to intervene by providing a positive purchase experience and follow up activities; such as customer service and engagement with consumers. At this stage, the desired outcome of brands is to gain consumer loyalty because it ensures that consumers will buy more products in the future and because they could potentially become brand ambassadors (to influence and acquire more potential customers).
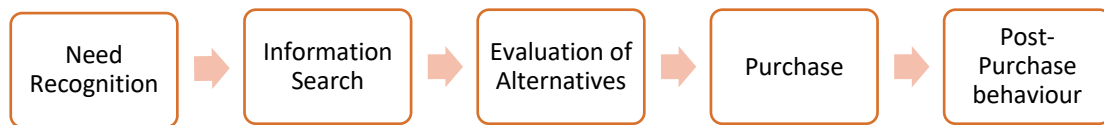
---

[9] Stankevich, Alina. "Explaining the Consumer Decision-Making Process: Critical Literature Review." *Journal Of International Business Research And Marketing*, vol. 2, no. 6, 2017, pp. 7–14., doi:10.18775/jibrm.1849-8558.2015.26.3001

To design a successful marketing strategy and persuade consumers, marketers need to identify which touchpoints and factors to target, in order to influence consumers at each of the above-mentioned stages. A framework summarizing the traditional decision-making model of the consumer decision journey aligned with moments that matter and factors that might influence consumers at each stage was developed by the scholar Alina Stankevich[10] and is displayed in figure 3.
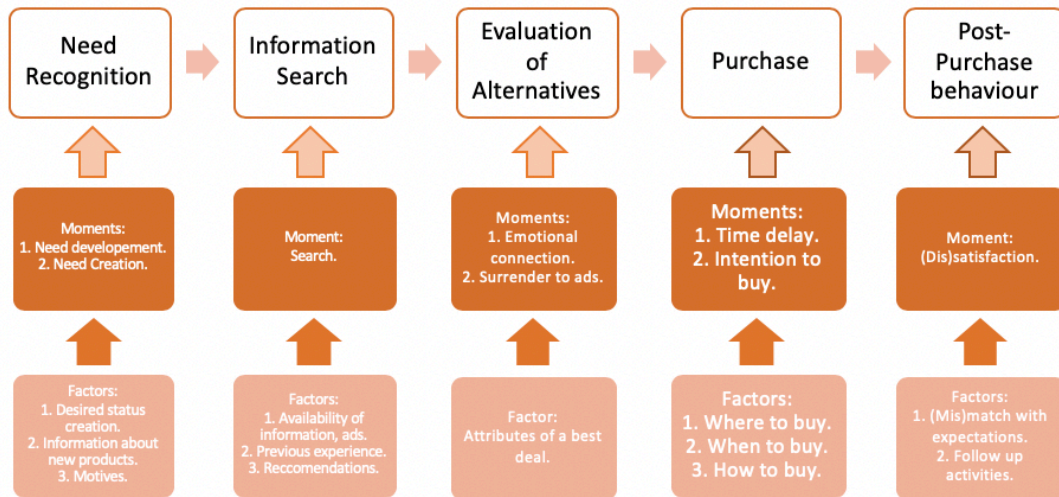
Figure 3 - Framework of Factors and Moments that Influence Consumer Decision-Making.

Image from: Stankevich, Alina. "Explaining the Consumer Decision-Making Process: Critical Literature Review." Journal Of International Business Research And Marketing, vol. 2, no. 6, 2017

The touchpoints and moments identified in the traditional model are clearly developed based on the afore-mentioned traditional five-stage model; throughout years, multiple scholars criticized and adjusted this model as the surrounding environment, consumers and available technologies kept evolving. Nowadays, the emergence of digital channels, the increase in product choices availability and the new extremely demanding and informed nature of consumers cannot be ignored, during the study of consumers' buying behaviour. For the purpose of this study and the investigation of how social media influences millennial's purchase intentions, the most comprehensive and accurate model is the one developed and published by McKinsey & Co in 2009.[11]

---

[10] Stankevich, Alina. "Explaining the Consumer Decision-Making Process: Critical Literature Review." *Journal Of International Business Research And Marketing*, vol. 2, no. 6, 2017, pp. 7–14., doi:10.18775/jibrm.1849-8558.2015.26.3001

[11] Court, David, et al. "The Consumer Decision Journey." *McKinsey & Company*, June 2009, www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-consumer-decision-journey.

Their approach takes into account the proliferation of new media and products as well as the fact that communication between consumers and marketers has now shifted from a one-way conversation to a double sided one in which word-of-mouth and customer demands are hard to manage and satisfy. McKinsey's scholars support the funnel metaphor and consider the traditional model of consumer decision journey as a helpful tool for understanding of the consumer behaviour; but claim that it is unable to capture all the key factors and touch points that result from modern dynamics.

Henceforth, the new decision-making process model is represented by a more circular journey characterized by four primary phases in which marketers compete to win or lose the attention of the consumer. As illustrated in figure 4, and in detail, the four phases are: initial consideration; active evaluation, in which customers research potential purchases; closure, when the purchase of the final selected brand happens; and post-purchase, or the consumer's experience with the product.
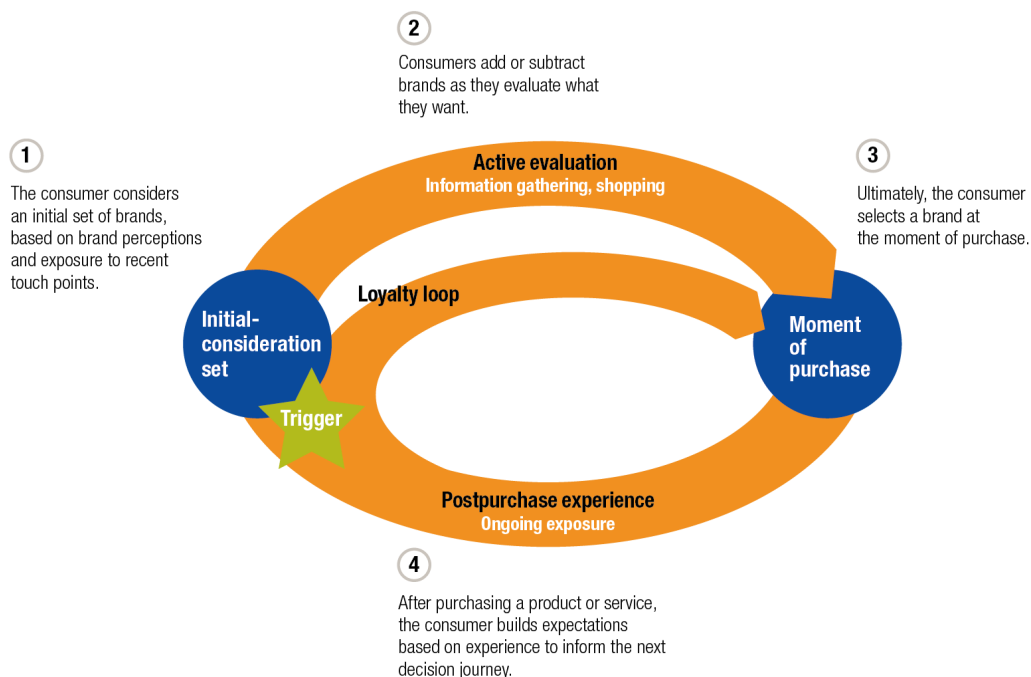
Figure 4 – Mckinsey Consumer Decision Journey

Image from: Court, David, et al. "The Consumer Decision Journey." McKinsey & Company, June 2009, www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-consumer-decision-journey.

In their publication McKinsey scholars identified and highlighted three areas that require innovative marketing approaches. The purchase behaviour of the contemporary consumer has undergone drastic changes, the first major one lays in the fact that nowadays the number of brands during the active-evaluation stage could

expand (rather than restrict) while the consumer looks for information. Marketers have new touch-points, available with this shift in consumer behaviour, to strategically enter into the evoked set in consumers mind and potentially also force the exit of rival brands. The second profound difference is the two-way communication that has recently emerged between consumers and brands; as well as the higher presence of consumers outreach. In fact, McKinsey researchers found out that Internet reviews and word of mouth recommendations make up two-thirds of the active-evaluation phase.[12] Hence, understanding how to influence consumer-driven marketing is nowadays of crucial importance for a brand's marketing strategy to be successful. Finally, the most obvious difference between the traditional and the McKinsey consumer decision journey lays in the fact that its final stage, the post-purchase experience, doesn't mark the end of the consumer journey, but instead marks the beginning of an on-going cycle. This feature is based on the claim that the role of the post-purchase experience of an individual is to shape his opinion for all the following decisions he will successively take in the same category; thus, the post-purchase experience becomes a new touch-point for marketers to inspire "active loyalty." A concept that refers to customers that remain users of the brand and recommend it to others, without being "open" to competitor's advertisements that might give reasons to switch.

Today, there is not only a need of aligning marketing elements such as digital strategies, spending, channel management and message with the consumer's decision journey, but also a necessity to integrate them across the organization. Influencing customers is of crucial importance for a brand to be successful and gain competitive advantage over competitors; hence, it's important to understand how consumers make purchase decisions in present-day. Scilicet, marketing efforts have to align with the consumer decision journey and should change direction focusing on the development of Internet properties to help consumers evaluating the brand in the active-evaluation phase rather than in the initial consideration one.

For the purpose of this paper, it's important to describe the most recent and pertinent research and trends about consumer's purchase behaviour. It's clear by now, that

---

[12] Court, David, et al. "The Consumer Decision Journey." *McKinsey & Company*, June 2009, www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-consumer-decision-journey.

before buying a product, consumers look for and compare the different options offered by competitor brands; in a recent study it has emerged that 87% of this search is done online[13] and some crucial factors able to influence consumers choice have been identified. When looking for information, consumers rely on reviews and recommendations: a study conducted by Search Engine Land revealed that 88% of the surveyed people claim that they trust online reviews and that there is a strong correlation between the number of orders and the product's review stars.[14] Further on, it must be considered that the majority of people's preferences are formed by social norms; ergo, buying habits frequently depend on crowd behaviour. Nowadays, the epicentre in which people can find displayed trends is represented by the Internet and social medias; having a society constantly exposed to these platforms makes them one of the major sources of consumer-driven marketing, where brands can implement strategies to influence and monitor word-of-mouth. Actually, the emergence and increasing popularity of social media channels have proven to influence purchase decision[15], but there is conflicting research on the results of such influence. As it is important to integrate all customer-facing activities marketers should be aware of all current realities of an individual's decision-making process. For a marketing strategy to be successful, it is crucial to further investigate social media's influence on purchase decisions as an innovative and new touchpoint, of the consumer decision journey, that marketers can address to add value to the marketing strategy of their brand.

In recent times, the emergence and rapid spread of new portable technologies drastically changed the way in which individuals spend their time. With an always-connected society, the need and use of networking sites and communication platforms increasingly grew over the years. Today, there are proper online societies in the form of social networking sites and social medias that dramatically affect how people receive news and information. As a result, consumer's approach with brands (interaction, decision and discovery of it) has also fundamentally changed. In fact, a

---

[13] Alaimo, Dan. "Amazon Now Dominates Google in Product Search." *Retail Dive*, 7 Sept. 2018, www.retaildive.com/news/amazon-now-dominates-google-in-product-search/531822/.

[14] Anderson, Myles. "88% Of Consumers Trust Online Reviews As Much As Personal Recommendations." *Search Engine Land*, 26 Dec. 2014, searchengineland.com/88-consumers-trust-online-reviews-much-personal-recommendations-195803.

[15] Laja, Peep. "Purchase Decisions: 9 Things to Know to Influence Customers." *CXL*, 25 Oct. 2019, cxl.com/blog/9-things-to-know-about-influencing-purchasing-decisions/.

study by Forrester revealed that most consumers complete 79-90% of the customer journey before they engage with the retailer or the actual brand; and engage with 11.4 pieces of online content before purchasing a good. People's need of information and content from social media is continuously increasing[16], and more pressing than ever before. Substantially, customers are experiencing a multi-channel journey (particularly on social media), when deciding to buy a product; social media has a psychological influence, a bandwagon effect, and strong consumer-marketing influence on consumers, so marketers have to evolve their strategies aligning them with modern realities.[17]

---

[16] Lee, Kamiu. "Influencer Marketing & Your Customer Journey." *Medium*, INFLUENCE, 13 July 2018, influence.bloglovin.com/influencer-marketing-your-customer-journey-f80e850ac96c

[17] "How Social Media Influence Consumer Purchase Decisions? - Hotmob: A Data-Centric Media Company." *Hotmob | A Data-Centric Media Company*, 24 Apr. 2019, www.hot-mob.com/how-social-media-influence-consumer-purchase-decisions/

2.2 Social Media

It is important to have a specific definition for the term "social media", which is currently associated to the description of a broad range of websites on the Internet, making the term quite vague. To get a clearer and more precise understanding of the general concept, for the purpose of this study, we will take more definitions into account and concentrate our attention to the composition of them. In addition, examples and types of social media platforms that exist, as well as common features of the latter will be mentioned. Considering the two words that make up this term individually, "social" refers to connecting with other people and sharing thoughts, information and ideas[18]; and "media" is defined as an instrument used as a means of communication[19]. Social Media, for the purpose of this research, can therefore be defined as an online-based technology used by users to interact and communicate with society by sharing information and thoughts via photo, text and video contents. There are seven different types of social media networks mostly used nowadays: social networks, media sharing networks, discussion forums, bookmarking and content curation networks, consumer review networks, blogging and publishing networks, social shopping networks and interest-based networks.[20]

Since this research investigates the beauty industry it's important to highlight statistics and market facts of the most popular social media websites consulted and used by the beauty community.

In order of popularity per average engagement rate and average user interactions per post: [21]

1. Instagram, with an average of 56,54 monthly posts by beauty brands, a 0,72% average engagement rate and 9820,78 average user interactions per post, is a photo and video-sharing app.

---

[18] Social. (2016). In *Oxford Dictionary*.

[19] Media. (2016). In *Oxford Dictionary*.

[20] Kakkar, Garima. "What Are the Different Types of Social Media?" *Digital Vidya*, 21 Jan. 2020, www.digitalvidya.com/blog/types-of-social-media/.

[21] Le guide noir 2019, state of global beauty brands.

2. Youtube, a video sharing platform, has a 0,59% average engagement rate, 4419,54 average user interactions per post and an average of 5,22 monthly posts by beauty brands.

3. Twitter is a micro-blogging site, with a 0,15% average engagement rate, 487,04 average user interactions per post and 34,95 average monthly posts by beauty brands.

4. and Facebook, a social networking website has a 0.09% average engagement rate, an average of 29,87 monthly posts by beauty brands, and 305,63 average user interactions per post.

Most of these online platforms are characterized by a list of common features that makes them easily classified as social media, which are: personal user accounts, profile pages, friends, followers, groups, hashtags, newsfeeds, possibility of personalization, notifications, information updating and post savings, like buttons and comment sections, review and voting systems.[22] Today, there are over 3.2 billion social media users spread among the various types of platforms ranging from general networking sites, to sites designed specifically for a particular community, in other words, 42% of the current population are active social media users.[23]

As technology and mobile possibilities keep improving, it becomes progressively easier to engage in social media activities on a daily basis; ergo, as these statistics keep increasing, with them does the power and popularity of social media channels. In fact, 91% of users use mobile devices to access these platforms, and 80% of the total time spent on social media sites is spent on mobiles.[24] On average, each person spends about 2 hours and 22 minutes on social networks and texting[25], in other words, social media is always more integrated in our daily lives. Partitioning by generation, statistics

---

[22] Nations, Daniel. "Serious Question: What Exactly Is Social Media?" *Lifewire*, Lifewire, 19 Dec. 2019, www.lifewire.com/what-is-social-media-explaining-the-big-trend-3486616.

[23] "5 Big Social Media Predictions for 2019." *Emarsys*, 9 Dec. 2019, www.emarsys.com/resources/blog/top-5-social-media-predictions-2019/.

[24] Kayla. "32 Social Media Marketing Statistics You Should Know This 2019." *Digital Marketing Blog*, 19 Aug. 2019, www.lyfemarketing.com/blog/social-media-marketing-statistics/.

[25] Bayindir, Nisa, and Duncan Kavanagh. "GlobalWebIndex's Flagship Report on the Latest Trends in Social Media." *Globalwebindex*, 2018, www.globalwebindex.com/hubfs/Downloads/Social-H2-2018-report.pdf.

revealed that 90.4% of Millennials are active social media users, making them the generation that uses these platforms the most, immediately followed by Generation X (with a 77.5% of active users) and Baby Boomers (48.2%).[26]

Considering the high percentage, and the fact that Millennials are the largest generation of today's consumers, this study will focus on people born between the years 1980 to early 2000. Previous research about millennial social media behaviours, revealed that more that 80% of them utilize social media.[27] Most importantly, it emerged that they use it to search and learn about products they have interest in, either by taking into account electronic word of mouth about online trends or by relying on advice and reviews of social media influencers. Actually, an analysis by Hubspot data revealed that 71% of Millennials are more likely to buy something if it is recommended by others.[28] Andrew Molz, a well-established entrepreneur and ecommerce guru, states that "*companies must recognize who has the ear of the millennials in their target audience. This includes bloggers and vloggers, publishers, Youtubers and Influencers etc.*" and advices brands that "*Getting their seal of approval is key in pushing millennials further into the sales funnel.*" [29] In line with Gartner's research data, 84% of individuals in generation Y turn out to be highly influenced from user-generated content created from strangers, when making a purchase.

In this day and age, social media platforms have become a major source of information and provide users with multiple platforms for real time communication. Throughout which people can share user-generated content such as photos, videos, opinions, thoughts, insights and more, beyond local and social boundaries. As a consequence, the above-mentioned characteristics prove that social media are an indispensable strategic tool for businesses, companies and brands; in fact more than 88% of

[26] "US Social Media Users, by Generation, 2019 (% of Population)." *EMarketer*, EMarketer, 1 Aug. 2018, www.emarketer.com/chart/226029/us-social-media-users-by-generation-2019-of-population.

[27] Smith, A., and M. Anderson. [online]. 2018. http://www.pewinternet.org/2018/03/01/socialmedia-use-in-2018/ (accessed June 10, 2018).

[28] Ewing, Mike. "71% More Likely to Purchase Based on Social Media Referrals [Infographic]." *HubSpot Blog*, blog.hubspot.com/blog/tabid/6307/bid/30239/71-More-Likely-to-Purchase-Based-on-Social-Media-Referrals-Infographic.aspx.

[29] Arnold, Andrew. "4 Ways Social Media Influences Millennials' Purchasing Decisions." *Forbes*, Forbes Magazine, 23 Dec. 2017, www.forbes.com/sites/andrewarnold/2017/12/22/4-ways-social-media-influences-millennials-purchasing-decisions/#28bbb749539f.

companies today are marketing on social media[30] and 57% of communication professionals, surveyed by Gillin in a recent study, state that "*social media tools are becoming more valuable to their activities, with blogs, online video, and social networks as the top three tools that their organization has used in a recent campaign.*"[31]

The multitude of financial and reputational benefits that the use of social media provides to brands, unmistakably characterizes it as full-fledged new digital marketing opportunity for them. More in detail it helps to: build brand loyalty with customers; target, acquire, convert, engage and interact with their audiences; improve brand awareness (91% of marketers claim that social marketing efforts increased brand visibility and heightened user experience[32]); access cost-effective marketing; increase customer satisfaction by communicating and offering service and support (71% of consumers with positive experiences with brands on social media are likely to recommend the latter to others[33]); collect data and information about new trends: the marketplace and consumers for market research and analytics, increase traffic and enhance SEO rankings and drive sales through promotions and with new innovative advertising campaigns. As a matter of fact, 73% of marketers claim that social media marketing efforts have been "somewhat effective" or very effective" for their company in a Buffer study of 2019[34] and on the other hand the Global Web Index statistics shows that in terms of impact and reach, 54% of social browser consumers use social media to research products.[35] The millions of customers reached worldwide and the inexhaustible benefits and marketing strategy opportunities that Social Media is

---

[30] Kakkar, Garima. "What Are the Different Types of Social Media?" *Digital Vidya*, 21 Jan. 2020, www.digitalvidya.com/blog/types-of-social-media/.

[31] Kakkar, Garima "What Are the Different Types of Social Media?", pp.3

[32] Nelson, Sharron. "7 Reasons Why Social Media Marketing Is Important for Your Business." *Digital Doughtnut*, 6 Feb. 2018, www.digitaldoughnut.com/articles/2018/february/7-reasons-why-social-media-marketing-is-important.

[33] Kayla. "32 Social Media Marketing Statistics You Should Know This 2019." *Digital Marketing Blog*, 19 Aug. 2019, www.lyfemarketing.com/blog/social-media-marketing-statistics/.

[34] Threlfall, Daniel. "Social Media Marketing: A Step-By-Step Guide on How to Get Started." *Oberlo*, 14 Jan. 2020, www.oberlo.com/blog/social-media-marketing.

[35] Mohsin, Maryam. "10 Social Media Statistics You Need to Know in 2020 [Infographic]." *Oberlo*, 15 Jan. 2020, www.oberlo.com/blog/social-media-marketing-statistics.

providing to brands, makes it a crucial profitable source to achieve higher economic benefits that cannot be ignored and need to be further on investigated; its advertising informativeness, credibility and entertainment determines consumers' perceptions of advertising value and in turn influences their purchase intentions.[36]

---

[36] Dao, William Van-Tien, Angelina Nhat Hanh Le, Julian Ming-Sung Cheng, and Der Chao Chen (2014), "Social Media Advertising Value: The Case of Transitional Economies in Southeast Asia," International Journal of Advertising, 33 (2), 271–94.

2.3   The rise of Influencers

Simultaneously to the emergence and rapid growth of social media, the figure of Influencer was born; and it became increasingly popular within generation Y. Influencers are individuals (or online personalities) on social media channels, characterized by a relatively high number of followers. Usually, they have a reputation built around the expertise and specialization in a specific area and their following is based on a particular niche of people that are interested or passionate about that subject. Unlike traditional celebrities and public figures, social media influencers didn't gain popularity via traditional medias, events or recommendations; instead they are normal people that gained popularity by providing their followers insights on their personal and ordinary life by sharing their opinions, thoughts and experiences through "vlogging"[37] or through the creation of short-form content to post on their personal pages. This allows influencers to appear much more relatable than established celebrities and actors, since they gained popularity through participation on social media (a possibility for any user with a connected device). They achieved success and appreciation by exposing their everyday life and by sharing personally cultivated content, highly appreciated by large audiences. As a consequence, not only their lifestyle seems to be more accessible and achievable by common individuals, but influencers as "celebrities" are also thought of as more believable, intimate and genuine. Influencer shared content, thoughts, opinions and preferences are usually perceived as unbiased and honest since their endorsements are "*highly personal and interwoven into the constant stream of textual and visual narration of their personal lives;*"[38] this gives them a relevant persuading power. The possibility that followers have, to interact with social media influencers, generates a para-social interaction: the illusion of having a face-to-face relationship with the media performer, which in turn makes the consumer more susceptible to their opinions.[39] Considering that, as mentioned earlier, social media channels are woven in consumer's everyday life and are often used for information exchange and relationship building: the fact that social media influencers use the same channels that common people use, and have a genuine

---

[37] the activity or practice of posting short videos to, or maintaining a vlog.

[38] Marijke De Veirman, Veroline Cauberghe & Liselot Hudders (2017) Marketing through Instagram influencers: the impact of number of followers and product divergence on brand attitude, International Journal of Advertising, 36:5, 798-828, DOI: 10.1080/02650487.2017.1348035

[39] Marijke De Veirman, Veroline Cauberghe & Liselot Hudders (2017)

image and a high persuading power gives unique value to users and advertisers. Appropriately, Freberg et al, Graham and McGaughey defined social media influencers as *"a new type of independent third-party endorser who shape audience attitudes through blogs, tweets and the use of social media."*[40] In other words, their contribution to word-of-mouth properly represents a marketing tool to include in a successful brand marketing strategy. For the purpose of this study the most precise and inclusive definition of social media influencers will be one given by C.Lou and S.Yuan: "*A social media influencer is first and foremost a content generator: one who has a status of expertise in a specific area, who has cultivated a sizable number of captive followers- who are of marketing value to brands- by regularly producing valuable content via social media.*"[41]

Previous scholars have investigated influencer characteristics that mostly appeal consumers and that makes them such effective opinion leaders. The crucial factors that emerged from these studies are the para-social relationship between consumers and influencers, influencer credibility and trust and relatability with influencers (along with the fact that bloggers appear to take pleasure in giving genuine and unbiased advice to their audience).

In the higher credibility of influencers, compared to traditional medias and celebrities, lays the strength and the potential of this new kind of endorser, because numerous studies reinforce a strong association between source credibility, effects of persuasion and brand awareness. De facto, in a recent study by Arthur Zaczkiewicz, it emerged that 62% of millennials (which are the generation over which influencers hold the most persuasive power over purchasing decisions) claim that they are more likely to become loyal to a brand if a company engages with them sincerely on social media.[42] Given

---

[40] Freberg, Karen, Kristin Graham, Karen McGaughey, and Laura A. Freberg (2011), "Who Are the Social Media Influencers? A Study of Public Perceptions of Personality," Public Relations Review, 37 (1), 90–92.

[41] Chen Lou & Shupei Yuan (2019) Influencer Marketing: How Message Value and Credibility Affect Consumer Trust of Branded Content on Social Media, Journal of Interactive Advertising, 19:1, 58-73, DOI: 10.1080/15252019.2018.1533501

[42] Zaczkiewicz, Arthur. "Think Tank: Millennials Are More Brand Loyal Than You Think." *WWD*, WWD, 30 Aug. 2016, wwd.com/business-news/retail/millennials-brand-loyal-engagement-10517533/.

their size and their usage of social media to access product information,[43] it's crucial for marketers to understand that this generation values sincerity, influencer recommendations and values when looking for information and feedback about brands. Hence, it's important to find new effective ways to gain this generation's trust with the use of Influencer Marketing to diffuse electronic word of mouth.

---

[43] Thourumgroje, A. 2014. The influence of social media intensity and ewom on conspicuous consumption. Social and Behavioral Sciences 148:7–115.

2.4 Influencer Marketing

It has been well recognized that the emergence of social media creates infinite opportunities for new innovative marketing strategies that aim to influence consumer's behaviour and purchase intention. It's industry was worth 8 billion dollars in 2019 and is expected to be worth 15 billion dollars by 2020 according to Business Insider Intelligence Estimates.[44] Influencer Marketing is a new marketing strategy that focuses on the selection and structuring of strategies around key opinion leaders able to drive consumer's purchase decisions and brand awareness;[45] it stems from the convergence of word of mouth, digital marketing, social marketing and neuromarketing[46]. This innovative strategy consists in investments of the brand on selected influencers for the promotion of their products, throughout the creation of branded content aimed to followers and target consumers.[47] The peculiarity of influencer-produced content is that it is considered much more authentic and organic by consumers and that is has a higher direct contact with potential consumers than brand-generated ads. Multiple numerical reports confirm that the popularity of this new form of marketing has been exponentially growing: in 2008, 39% of marketers planned to increase marketing budget for these kind of campaigns, and 19% of them intend to spend more than 100,000$ per each.[48] Moreover, a report from Ahmad, about social media, stated not only that that 94% of marketers that used influencer marketing campaigns found them effective; but also mentioned that it yielded eleven times the return on investments (ROI) than traditional advertisement forms.[49]

---

[44] Schomer, Audrey. "Influencer Marketing: State of the Social Media Influencer Market in 2020." *Business Insider*, Business Insider, 17 Dec. 2019, www.businessinsider.com/influencer-marketing-report?IR=T.

[45] Scott, David Meerman (2015), The New Rules of Marketing and PR: How to Use Social Media, Online Video, Mobile Applications, Blogs, News Releases, and Viral Marketing to Reach Buyers Directly, Hoboken, NJ: John Wiley

[46] Paço Arminda, and Sofia Oliveira. "Influence Marketing in the Fashion and Beauty Industry." *Estudos Em Comunicação*, no. 25, 2017, pp. 119–136., doi:10.20287/ec.n25.v1.a07.

[47] Yodel, Global (2017), "What Is Influencer Marketing?," Huffington Post, July 6, http://www.huffingtonpost.com/ global-y

[48] Bevilacqua, Jessica, and Elizabeth Del Giudice (2018), "Why Brands Need to Utilize Influencer Marketing in 2018," St. Joseph Communications, April 3, https://stjoseph.com/ insight/influencer-marketing-2018-infographic/.

[49] Ahmad, Irfan (2018), "The Influencer Marketing Revolution," Social Media Today, February 16, https:// www.socialmediatoday.com/news/the-influencer-marketing-revolution-infographic/517146/.

Figure 5 - Promotional Instagram post by social influencer Kylie Jenner

Image from: www.instagram.com/kyliejenner

The Influencer's "job" is to create social media content to regularly post on their profile or platform, regarding updates about their areas of interest while disseminating persuasive messages (containing informational and entertainment value) to the public. The afore-mentioned posts, of which we can see an example in figure 5, usually contains informative content about a particular product and its alternatives, as well as personal advices, aesthetic touches and personality twists to offer a higher entertainment value to followers.

Figure 6, displays an overview of the categories for which beauty brands collaborate with influencers the most.[50]

Makeup	52,51%	Grooming	1,47%
Bodycare & Skincare	24,48%	Parfums & Cosmetics	0,88%
Nails	10,32%	Jewelry	0,29%
Fragrance	6,49%	Sunscreen	0,29%
Haircare	2,95%	Hair ornament	0,29%
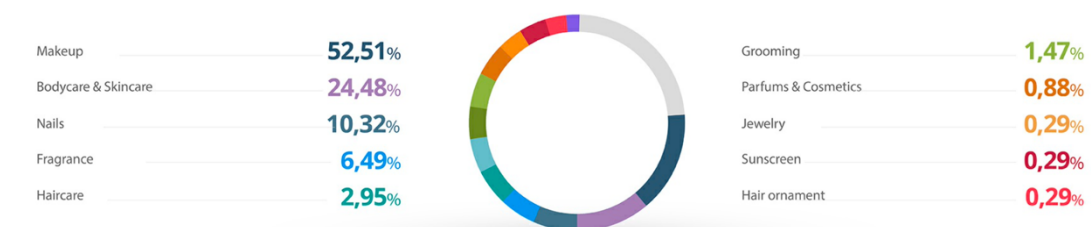
Figure 6 - Collaboration of Beauty Brands with Influencers per category.

Image from: Le Guide Noir 2019, State of Global Beauty Brands

Even though brands can have an online presence, they still can't have complete control over the conversations that happen on the web between consumers; yet they can influence such conversations by having brand advocates, in the form of social influencers, since they can much easily reach consumers and are definitely more trusted. Their endorsements, differently from paid advertisements, should be interpreted as highly credible electronic Word of Mouth (eWOM), for example because they are woven into the daily narratives that influencers post on their personal

---

[50] Le guide noir 2019, state of global beauty brands.

pages (e.g. Instagram accounts).[51] Nowadays, people are sceptical about traditional brand-driven advertisement, that usually pops up unexpectedly while navigating on the internet (and find it disrupting and unpleasant); this drives them to bypass it or install ad-blocker programs to avoid it. In other words, it becomes increasingly difficult for brands to reach their target audience, addressing influencers is the solution to this problem: it avoids resistance[52] and maximizes word of mouth, which in turn brands can use to market their products indirectly. Marketer's goal is to maximize diffusion of positive information and reputation about their brand and to influence decisions, attitudes and behaviours of consumers; multiple scholars[53] demonstrated social media influencers are the key to reach this goal in today's era. Actually, since messages and content on social networks can be shared easily and rapidly, there is always the possibility to induce a viral effect which would spread beyond the influencer's followers, and selected target audience of the brand, resulting in a higher reach of new potential customers.

It's important to mention, that selecting the right influencer is pivotal for the success and effectiveness of any influencer marketing strategy: the latter has to be well-liked by the specific target audience that needs to be addressed. The most important factors that determine the choice of the ideal influencer are: their popularity, the industries they belong to, the number of followers, posting frequency, engagement rates, number of referral links and relateableness to brand's target audience. The next crucial question concerns the development of which strategy to adopt for the type of campaign marketers seek to achieve and the assessment of where the chosen social influencer fits in. An interesting approach, developed by Kamiu Lee, is based on the considerations that *"influencer marketing aims to build an experience and emotional*

---

[51] Abidin, C. 2016. Visibility labour: Engaging with influencers' fashion brands and #OOTD advertorial campaigns on Instagram. Media International Australia 161, no. 1: 86–100. doi:10.1177/1329878X16665177

[52] Fransen M.L., P.W.J. Verlegh, A. Kirmani, and E.G. Smit. 2015. A typology of consumer strategies for resisting advertising, and a review of mechanisms for countering them. International Journal of Advertising 34, no. 1: 6–16. doi:10.1080/02650487.2014.995284

[53] Watts, D.J., and P.S. Dodds. 2007. Influentials, networks, and public opinion formation. Journal of Consumer Research 34, no. 4: 441–58. doi:10.1086/518527; Lyons, B., and K. Henderson. 2005. Opinion leadership in a computer-mediated environment. Journal of Consumer Behaviour 4, no. 5: 319–29. doi:10.1002/cb.22

connection between the brand and the target customer."[54] Lee believes that this can be achieved by building new touch-points along the entire consumer decision journey, aligning influencer marketing strategies at each phase. In figure 7, is displayed a visual representation of the consumer decision journey incorporating influencer marketing.
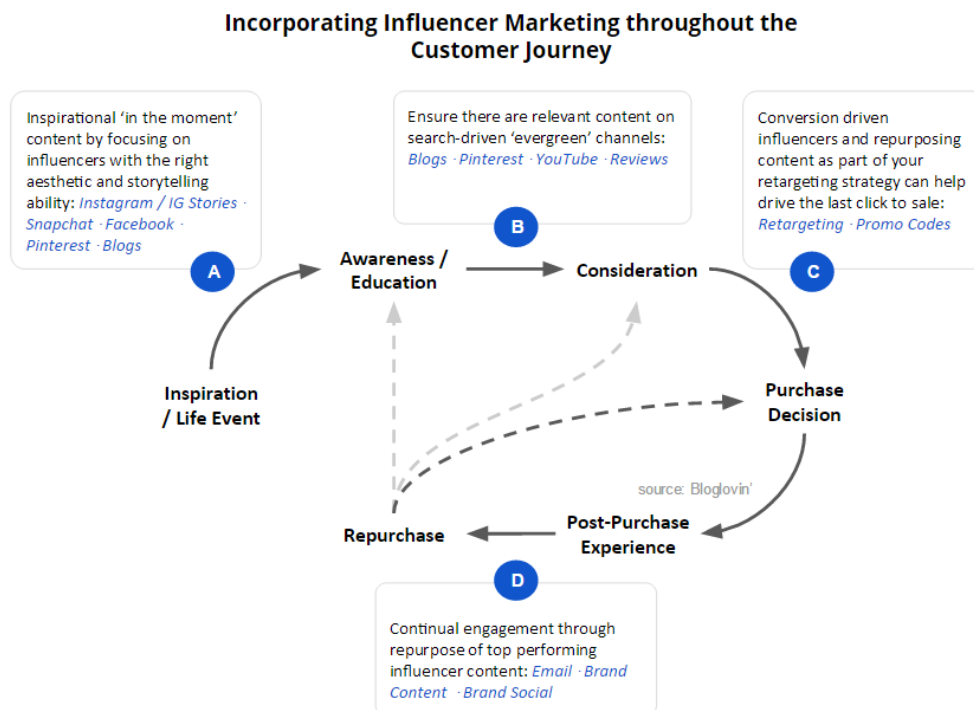
Figure 7 - Influencer Marketing integration throughout the Customer Journey touchpoints.

Image from: Lee, Kamiu. "Influencer Marketing & Your Customer Journey." Medium, INFLUENCE, 13 July 2018, influence.bloglovin.com/influencer-marketing-your-customer-journey-f80e850ac96c.

Breaking down this model: at the first stage of the model, Inspiration/Awareness stage, influencer content should be of inspirational nature and on platforms where consumers are in the "exploring mind-set;" at the Consideration stage, where content shall be more informative, it should represent reviews or how-to-do videos and tutorials. Finally, at the Purchase Decision stage influencer, content should be re-proposed with promo codes and retargeting strategies to drive last click to sale.

The never-ending popularity and growth of social media platforms and online communities dramatically changed consumer behaviour and what leads to purchase

---

[54] Lee, Kamiu. "Influencer Marketing & Your Customer Journey." *Medium*, INFLUENCE, 13 July 2018, influence.bloglovin.com/influencer-marketing-your-customer-journey-f80e850ac96c.

decision. It is clear that social media can be used as a tool for marketing professionals to obtain infinite consumer's insights very rapidly, promote loyalty and have a strong voice in the digital dialogue with consumers; successively persuading them to purchase offered product and services, which is every business' primary goal.

2.5   *Purchase Intention*

As previously mentioned, every business around the globe aims for consumers to finally purchase their products and services; ergo, the purchase decision phase of the Consumer Decision Journey is of significant importance to economists and marketers. Purchase Intention is described, by de Magistris and Garcia,[55] as what immediately precedes the actual purchasing behaviour. Likewise, Spears and Singh[56] define the term as *"an individuals' conscious plan to make an effort to purchase a brand";* and later on Saxena describes purchase intention as the "*desire to purchase a product in the future after receiving the required information needed.*"[57] Furthermore, Hsu and Tsou add that *"Purchase Intention can be used as an indication of purchasing behaviour*".[58]

Henceforth, in order to assess the relationship between millennials' trust in social media marketing sources, and the persuasion power it has on them, Purchase Intention is used as the dependent variable of this study. Previous research on the matter demonstrated a positive correlation between influencers, involvement with blogs and its influence on purchase intention (Hou and Tsou 2011). McCormick attributed the latter to the fit of the endorser with the consumer's self-image;[59] also demonstrated in Lafferty, Goldsmith and Newell and Lee and Koo s' research: where endorsers' characteristics such as trustworthiness, attractiveness and expertise, exert positive effects on consumers' purchase intentions.[60] In the same year Planchard et al. described bloggers and journalists as individuals "sought out by consumers to help with decisions, therefore, making them part of the information search section of the

[55] de Magistris, Tiziana, and Azucena Gracia (2008), "The Decision to Buy Organic Food Products in Southern Italy," British Food Journal, 110 (9), 929–47.

[56] Spears, Nancy, and Surendra N. Singh (2004), "Measuring Attitude toward the Brand and Purchase Intentions," Journal of Current Issues and Research in Advertising, 26 (2), 53–66.

[57] Saxena, A., 2011. Blogs and Their Impact On Purchase Intention A Structural Equation Modelling Approach. Institute of Management Technology [online] 15 (1).

[58] Hsu, H.Y., and Tsou, H., 2011. Understanding customer experiences in online blog environments. International Journal of Information Management [online] 31 (6), 510-523.

[59] McCormick, K., 2016. Celebrity endorsements: Influence of a product-endorser match on Millennials attitudes and purchase intentions. Journal of Retailing and Consumer Services [online], 32, 39-45.

[60] Lafferty, Barbara A., Ronald E. Goldsmith, and Stephen J. Newell (2002), "The Dual Credibility Model: The Influence of Corporate and Endorser Credibility on Attitudes and Purchase Intentions," Journal of Marketing Theory and Practice, 10 (3), 1–11.

model of consumer decision making process".[61] Moreover, research conducted by multiple scholars (Alhbash et al.2015; Lafferty Goldsmith and Newell 2002; Lee and Koo 2015) demonstrated that purchase intentions are affected by consumer's attitudes toward electronic word of mouth (eWom), ads and brand.[62]

A common factor that emerged, in most of the prior studies about factors influencing purchase intention, has been credibility in the source of the influence. In particular, a recent study by C.Lou and S.Yuan investigated influencer credibility, and the role of consumer trust, on his purchase intentions. What emerged from these studies, is that influencer content's informative value positively affects their follower's trust in influencer-branded posts, which in turn leads to a positive effect also on their purchase intentions. Furthermore, Yuan and Lou's study demonstrated that source credibility (influencer's trustworthiness, attractiveness and perceived similarity) also positively influences trust in branded posts and successively purchase intentions. These findings are in line with other previous studies by Lafferty, Goldsmith, Newell, Lee and Koo that also confirm source credibility dimensions positively affect purchase behaviour.[63] This study provides empirical evidence for the association between source credibility and brand awareness, and furthermore demonstrates that *"trust in sponsored ads positively affects brand awareness and a willingness to act on ad-conveyed information."*[64] Finally, from this study it emerges that trust in influencer's branded posts has the strongest effect on purchase intentions when compared to content and source related factors.

It is clear, by now, that consumers no longer trust a brand based on brand-generated marketing content, but instead they are affected by social media contents when:

---

[61] Planchard, C. et al, 2016. Unlocking the power of influence. PR Week [online], 21 February 2016. Available from: http://www.prweek.com/article/1384128/unlocking-power-influence

[62] Alhabash, Saleem, Anna R. McAlister, Chen Lou, and Amy Hagerstrom (2015), "From Clicks to Behaviors: The Mediating Effect of Intentions to Like, Share, and Comment on the Relationship between Message Evaluations and Offline Behavioral Intentions," Journal of Interactive Advertising, 15 (2), 82–96; Lafferty, Barbara A., Ronald E. Goldsmith, and Stephen J. Newell

[63] Lee, Younghan, and Jakeun Koo (2015), "Athlete Endorsement, Attitudes, and Purchase Intention: The Interaction Effect between Athlete Endorser-Product Congruence and Endorser Credibility," Journal of Sport Management, 29 (5), 523–38. Lafferty, Barbara A., Ronald E. Goldsmith, and Stephen J. Newell

[64] Soh, Hyeonjin, Leonard N. Reid, and Karen Whitehill King (2009), "Measuring Trust in Advertising," Journal of Advertising, 38 (2), 83–104.

looking for information, buying a product and evaluating the brand's trustworthiness. Studies about these recent shifts of trust in consumer behaviour, confirm that there have been significant impacts on consumers' purchase intentions.[65] This has proven to be particularly relevant when talking about millennial consumers, which are dependent from portable technologies and networking platforms. Endorsements, by social media influencers, or social media trends have demonstrated to be able to manipulate the attention span of this generation and have great impact on their final purchase decision. It is then, of extreme importance for marketers and brands to fully understand whose opinions millennials trust; in order to comprehend and manipulate their buying behaviour and assess in which social media marketing strategies they should invest the most resources.

---

[65] Barnes, N. 2015. EWOM drives social commerce: A survey of millennials in US and abroad. Journal of Marketing Development and Competitiveness 9 (2):36–46; Erkan, I., and C. Evans. 2015. Social media or shopping websites? The influence of ewom on consumers' online purchase intentions. Journal of Marketing Communications 0:1017; Teng, S., K. Wei Khong, W. Goh, and A. Chong. 2014. Examining the antecedents of persuasive eWOM messages in social media. Online Information Review 38 (6):746–68. doi: 10.1108/OIR-04-2014-0089.

2.6 The Beauty Industry

The global beauty industry is expected to be worth around 805.61 billion dollars in 2023, with an average annual growth of 13% (2016-2026) per year. It includes both services and products, and employs over one million people. It is divided into two main segments: mass-market, which represents 28% of total worldwide sales, and premium market which accounts for the remaining 72%. This industry is very concentrated, and the largest player is the business giant L'Oreal, with a 20.2% share of the market and a 81.2 billion dollars revenue in 2018[66].

Today, the indispensability of social media and influencer marketing strategies is a factor of crucial importance in beauty industries when considering consumers of generation Y; considerably, in a recent study it emerged that 72% of them report buying beauty products based on instagram posts.[67] Andrew Molz stated that *"industry influencers in niches such as fashion and beauty hold a lot of sway over this consumer group, they start trends determine what's cool and desirable, and curate the must have items as fashion magazines used to do."*[68] The emergence of social media, completely disrupted the beauty industry: it overruled all sources of information to which millennials make reference when seeking information about cosmetics; over 90% of millennial women utilize YouTube, blogs and apps like Instagram to get information about makeup products.[69] Numbers from statista.com show that beauty product purchases are extremely influenced by social media activities, trends or influencers. These platforms allow consumers not only to read endorser's reviews and opinions, but also to see them use products; which consequently increases credibility and purchase intentions. The effectiveness of social media platforms (like YouTube and Instagram) in the beauty industry, is the fact that it allows influencers to share pictures

[66] Ketabchi, Natasha. "Looks That Thrill - Inside the Booming Beauty Industry." *Toptal Finance Blog*, Toptal, 22 Aug. 2019, www.toptal.com/finance/growth-strategy/beauty-industry.

[67] Salpini, Cara. "Study: Instagram Influences Almost 75% of User Purchase Decisions." *Retail Dive*, 23 Aug. 2017, www.retaildive.com/news/study-instagram-influences-almost-75-of-user-purchase-decisions/503336/.

[68] Arnold, Andrew. "4 Ways Social Media Influences Millennials' Purchasing Decisions." *Forbes*, Forbes Magazine, 23 Dec. 2017, www.forbes.com/sites/andrewarnold/2017/12/22/4-ways-social-media-influences-millennials-purchasing-decisions/#28bbb749539f.

[69] Guyduy, M. 2016. https://www.npd.com/wps/portal/npd/us/news/press-releases/ 2016/the-internet-surpasses-print-and-broadcast-advertising-as-preferred-source-ofmakeup-product-information-according-npd/

and videos that show how the cosmetics in question change an individual's appearance while performing their function. In present-day, people (especially millennials) are increasingly motivated and concerned about their self-image and wellbeing; accordingly, they continuously seek for updates and advice by opinion leaders and sector experts. Once known as "Beauty Gurus", online influencers use their expertise in makeup and cosmetics to recommend to their followers some particular products and provide guidance for ideal beauty routines. Today, these new types of celebrities are vital to cosmetics brands, since their thoughts and opinions are the most persuasive form of marketing in the sector; partnering with influencers represents the most effective way to build brand awareness around products. In summary, *"we are witnessing the progressive adaptation of the communications strategies deployed by brand and their companies, defined according to influence marketing plans in which the focus falls on specific individual targets (opinion leaders), that best adjust to the characteristics of the brand/campaigns and that display the capacity to exert influence over potential consumers."*[70]

A recent study about the comparison of beauty influencers between blogger and traditional experts, by Chloé Wright, revealed that social media channels hugely outweigh traditional media channels when used as a source for beauty advice. Moreover, it found out that consumer motivations for viewing these contents, combined with factors of credibility produced positive outcomes for purchase intention because influencers were considered more trustworthy than journalists; hence, consumers are influenced more from the first than from the latter when purchasing a product.

Moreover, the study was able to highlight that, within the beauty industry, influencers are particularly dominant on the social media sites Instagram and YouTube.[71] Aligned with the previously mentioned study, another research about influence marketing in the beauty industry by Arminda Paco and Sofia Oliveira also concluded that favourable opinions toward influencers and their reviews lead to a greater

---

[70] Paço Arminda, and Sofia Oliveira. "Influence Marketing in the Fashion and Beauty Industry." *Estudos Em Comunicação*, no. 25, 2017, pp. 119–136., doi:10.20287/ec.n25.v1.a07.

[71] Wright, C. 2017. Are Beauty Bloggers More Influential than Traditional Industry Experts? Journal of Promotional Communications, 5 (3), 303 – 322.

predisposition to purchasing presented products of a campaign. Lastly, another important research, taken into account for the development of this paper was conducted by Delonia Cooley and Rochelle Parks-Yancy and investigates the effects of social media on perceived information credibility and decision making of millennials, in the fashion and beauty industry. Some interesting findings (pertinent to this study) emerged from this paper: Instagram and YouTube are the two mostly trusted social media networks for following cosmetics trends because of the *"validity of the makeup tutorial videos, the credibility of feedback from real people as opposed to paid endorsers"*[72].

Since this study is focused on the Beauty Industry it's important to highlight the current main figures in the beauty community: showcased in figure 8 are the top ten influencers of the beauty community, provided by a 2019 report of Le Guide Noir about the state of global beauty brands in that year, along with their names, usernames, total interactions and earned media value.
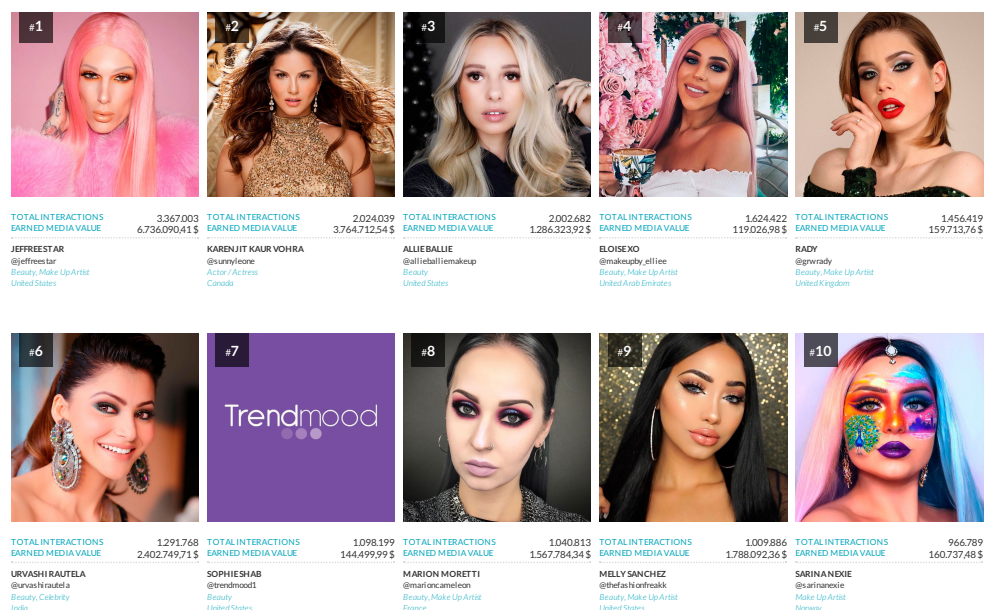

Figure 8 - Top Ten Social Media Influencers of the Beauty Industry.

Image from: Le Guide Noir 2019, State of Global Beauty Brands.

---

[72] Delonia Cooley & Rochelle Parks-Yancy (2019) The Effect of Social Media on Perceived Information Credibility and Decision Making, Journal of Internet Commerce, 18:3, 249-269, DOI: 10.1080/15332861.2019.1595362

2.7 Case Studies

The three main elements investigated and compared in this study, with the intention of assessing which has a greater influence on purchase decision of millennials in the beauty industry, are Social Media Trends, Social Media Influencers and Traditional Brand-Generated Marketing Content. The theoretical allegation is that the source credibility of the first two elements is higher that of the latter, from millennial's point of view. Hence, this sub-chapter provides two parts sustaining the afore-mentioned hypothesis: the first 2.7.1, provides a list of effective social media marketing strategies that generated trends and high returns for major players of the beauty industry; the second 2.7.2, is a case study representing one of the most interesting influencer marketing strategy of recent times.

2.7.1 Successful Strategies of Social Media Marketing

Nowadays big beauty brands are shifting away from traditional advertising techniques and moving towards more digital focused marketing campaigns. By analyzing some of the major brand's recent marketing campaign, this sub-chapter highlights some successful and effective examples of social media marketing advertising campaigns, adopted by ten of the biggest brands in the industry.

The criterion used for the selection of these Social Media marketing campaigns is based on a thorough research of articles[73], reports[74] and statistics about successful social media marketing campaign. The campaigns listed in the following paragraphs have been cited and discussed by multiple authors and scholars, which described them as groundbreaking and successful.

1. Fenty Beauty, owned by the international singer Rihanna, launched in 2017 and its marketing campaigns are based solely on digital marketing, almost entirely on Instagram and Influencer content. Based on the message of "beauty for all", it

---

[73] Patterson, Shanea. "6 Cosmetics Marketing Campaign Examples & Why The Ideas Work." *Woobox Blog*, Woobox, 15 July 2019, blog.woobox.com/2019/05/6-cosmetics-marketing-campaign-examples-why-the-ideas-work/; Gilliland, Nikki. "Brilliant Examples of Content Marketing from Beauty Brands." *Econsultancy*, 11 Nov. 2019, econsultancy.com/content-marketing-beauty-brands/.

[74] Le Guide Noir, Social Media Industry Reports Vol.16

created 40 different shades suitable for all body types, reaching 1.4 million followers in just four days.

2. <u>Benefit Cosmetics</u> launched the "Browmobile" campaign in 2016, based on 13 new eyebrow products. Consumers, through an online competition, were able to win a visit of the brow-mobile that allowed them to have a personalized brow tutorial.

3. <u>NYX,</u> owned by Rea, has generated an almost "cult following" in the last two years, thanks to its smart digital strategy. NYX launches an annual online makeup contest for beauty bloggers called "The Face Awards", where anyone can participate by creating a video that shows off their makeup skills. The contest culminates with the "Beauty Vlogger of the Year" award.

4. <u>L'Oreal,</u> has invested heavily in digital campaigns, the best-known of which is the "Beauty Squad", which involves numerous influencers creating videos and YouTube articles on the latest beauty trends, thus attracting 5, 5 million followers.

5. <u>The Glossier</u> brand launched a campaign exclusively on social media in 2010. Glossier's Instagram channel, integrated into its main website, is at the heart of its strategy where it publishes peaks of new releases and influencers' content and devotes much of its activity to user-generated content.

6. <u>Lancôme,</u> the well-known luxury cosmetics company, launched the "40 Shades, 40 Powers" campaign in 2017, creating the availability of 40 colours through four videos featuring 40 inspirational women including director Gurinder Chadha and Olympic cyclist Laura Kenny.

7. <u>Rimmel</u> based his strategy on the "Live the London Look" campaign: his online video features four leading influencers in the world of beauty. Although there is nothing particularly innovative in the content itself, the decision to present a male blogger was a smart way to generate interest.

8. <u>Bumble and Bumble</u>, the hair care brand often publishes useful tutorials and instructions, and recently took it a step further with a collaboration with lifestyle

and fashion publisher, Coveteur; this collaboration has resulted in a campaign that provides solutions through useful videos, tips and products to use.

9. <u>Aesop</u>'s digital microsite, Taxonomy of Design, tells personal stories behind its global stores. It offers information about processes and products and presents interviews with designers and industry professionals.

10. <u>Birchbox</u> launched an online magazine based on useful and informative content as well as the products themselves. The magazine offers exercises and articles on do-it-yourself, attracting thousands of consumers.

All companies analyzed, by skillfully mixing content and commerce on digital channels, naturally encourage consumers by engaging with the brand and creating eWOM for them to talk about on social media.

2.7.2 Influencer Marketing Case Study: Shane Dawson x Jeffree Star Cosmetics: Conspiracy Colletcion

Jeffree Star Cosmetics is one of the most loved and discussed make up brands of recent years, born in California in 2014, the brand bears the name of the influencer and multifaceted artist Jeffree Star, singer, make-up artist, youtuber and androgynous entrepreneur very popular on the web.
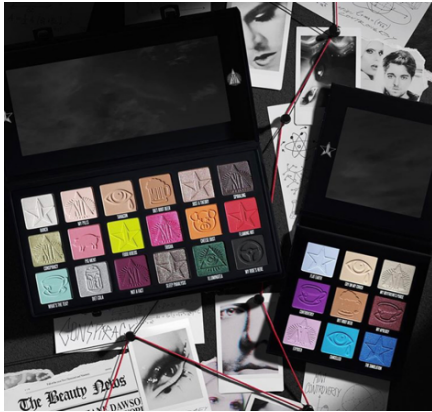

Figure 9 - Conspiracy Palette.

Image from: www.jeffreestarcosmetics.com

This case study is about the launch of a collaboration collection between Jeffree Star Cosmetics and the digital creator Shane Dawson. The particularity of this launch is the incredible way in which influencer content marketing was used to attract, excite and sell to an eager audience. Both Shane Dawson and Jeffree Star have been pioneering content creation and influencer marketing via their YouTube channels. The two influencers created a docu-series of seven episodes about the "behind the scenes" of what happens during the creation of a Jeffree Star Cosmetics palette. The videos (totalizing over 15 million views each) provided consumers and followers an insight into all the required steps a brand has to go through for the launch of a new collection: all details about costing, pricing and tribulations were exposed and explained by the duo and their team. In addition, the two social media stars provided, detailed, further insights on how the rest of the beauty industry operates: how influencer collaborations really works, typical product pricing models and how partners negotiate market exclusivity. The seven parts docu-series firstly aired on October first and brought consumers along the full production journey of the Conspiracy make-up palette, while leading them to the launch of the full collection on November first.

Throughout the month in which the docu-series aired, a huge amount of hype was built in consumers' mind, which generated extreme Media Impact Value (for both the brand and the influencers) and lead to a very successful launch. Diving into actual statistics and numbers, the ShanexJeffree collaboration total Media Impact Value (MILV) amounted to 54 million dollars; 47% of which came from YouTube content. Twitter

instead generated 14 million dollars of the total MIV, and individually Shane Dawson and Jeffree Star, generated respectively 25 million dollars and 10 million dollars of MIV.[75] These numbers, on their own, already prove the incredible potential of influencer marketing for brands in the beauty industry to gain competitive advantage and make higher economic profits. Furthermore, the actual collection launch was an absolute success, the whole collection sold out within minutes and so did the following pre-order launch; indisputable evidence of the huge persuading and influencing power that Social Media Influencers have over consumers.

The next part of this sub-chapter is a more in-depth analysis of the Shane x Jeffree Conspiracy Collection launch. The intention is to break down the strategy and highlight the factors behind the success of this influencer marketing strategy; its points of strengths and characteristics that lead to such an incredible success are discussed.

1. Influencer Branding Power:

The conspiracy collection relied heavily on personal brand elements of Shane Dawson's channel and character that resonated within his audience. Shane used elements that characterized his channel throughout his 15 years of YouTube career (conspiracy, tea, pigs, cheetos, diet soda, ufos, people in his life, and phrases he uses often) for the creation of shade names, logos and accessories. The created product

Figure 10- Influencers Shane Dawson and Jefree Star

Image from: www.jeffreestarcosmetics.com

launch, was so unique to Shane Dawson's fan base that it automatically stood out from the crowd of other similar products on the market. Uniqueness automatically stands out: that's the consequence of effective branding. People are not buying a product; they are buying a piece of the character. The collection sold-out because the execution was so on brand for him that it stood out as something completely personal to his identity.

---

[75] CohenJulia, Julia, and Lse. "#BBMoment: Jeffree Star and Shane Dawson's Internet-Breaking Collab." *Launchmetrics*, 2019, www.launchmetrics.com/resources/blog/jeffree-star-shane-dawson.

2. <u>Strength of Consistent Communication</u>:

Shane Dawson has been on YouTube since 2005, has over 23 million subscribers and over 1600 videos[76]; an Instagram profile with 11.8 million followers and 4500 posts;[77] and a twitter account with 9.3 million followers, and over 32 thousand tweets[78]. Jeffree Star has been active on social media since 2003, and on has been on YouTube since 2015 with over 17 million subscribers[79]; an Instagram profile with 15.7 million followers and 5980 posts[80]; and a twitter account with 6.2 million followers[81].

The two social media influencers have been constantly communicating with their audience for long time, creating different types of content. This attracts audience consistently and keeps people in touch with them increasing their credibility and likeability factors. As previously explained, consumers don't get invested in others unless they feel like they know them, like them and feel that they can trust them. In other words, Shane and Jeffree's consistency and plethora of varied content over the years, is what kept them into the public eye and kept brand awareness high. Whether they're working on content or product launch, popularity is attention and it is what lead to the massive success of the Concpiracy Collection.

3. <u>Power of Appropriate Story Telling</u>:

There were no advertisement costs for the Conspiracy collection, instead, it was completely sold by content marketing done through great storytelling: the entire series "The beautiful World of Jeffree Star" was a major work of content marketing because the storyline was authentic, and the commercial was well-constructed as each new installment left the viewer wanting more of what was promised. This was incredibly astute, as it continually created a "need for

---

[76] https://www.youtube.com/user/shane

[77] https://www.instagram.com/shanedawson/?hl=it

[78] https://twitter.com/shanedawson

[79] https://www.youtube.com/user/jeffreestar

[80] https://www.instagram.com/jeffreestar/?hl=it

[81] https://twitter.com/JeffreeStar

more" in the consumer's mind, up to the point where buying the product was the ultimate crescendo to fulfill that need.

4. <u>Multiple Income Streams</u>:

   There was a total of at least four different income streams involved in this series and launch:

   ◊ Sales from the Collection itself - approximately 10 million dollars.

   ◊ Revenues from the actual YouTube series - social blade info states the series has earned $525,00 from ad revenues.

   ◊ Sponsorship's income from the series

   ◊ Revenues from the new Shane Dawson merchandise launch.

   Hence, the total revenue of this launch associated with the influencer marketing campaign amounted to about 20 million dollars. This proves that influencer marketing campaigns maximize revenue streams

5. <u>Double-Sided Benefits</u>:

   This collaboration was a well-orchestrated income earning opportunity for Shane Dawson (the influencer) and an excellent business opportunity for Jeffree Start Cosmetics (the brand). As mentioned earlier in this paper, influencer marketing campaigns always bring benefit to both parties involved: the brand and the influencer.

Considering the characteristics listed above, the Shane x Jeffree Star Cosmetics Conspiracy Collection launch is a clear example of influencer marketing strategy that confirms the enormous potential of influencer marketing for brands in the beauty industry. This collaboration has changed the game of online marketing and influencer culture.

2.8   *Theoretical Background of Statistical Model*

This sub-chapter has the aim of providing a theoretical background for the conceptual and theoretical models developed for this study; as well the description of the statistical methods used to test these models. Moreover, the specific conceptual framework and composition of variables included in the model designed for this research will be explained.

2.8.1 *Structural Equation Model (SEM)*

The Structural Equation Model (SEM) analysis is the combination of a structural regression model, which ties together latent variables, and a measurement model that defines them with the use of observed variables.[82] In this model, everything gets linked together with a system of simultaneous regression equations. The SEM model is composed by latent variables (LV) and manifest variables (MV). Latent variables are factors of interest included in a model, that can't be measured or observed directly: they are taken as underlying variables used to explain the link between multiple observable variables and as a data reduction device. Manifest variables (even known as indicators or items) make latent variables operative by associating observed or measured information that reflect or indicate an aspect of the latent variable.   The information provided by these kinds of variables serves as an approximate representation of the latent variables. Indicators can be measured in two different ways: either through different indicators which are supposed to cause the latent variables, or through the effect or consequence they reflect on to their manifest variable. The two case are called, respectively: formative and reflective, and what mainly distinguished them is the causal-effect relationship between indicators and latent constructs. More specifically, in a reflective relationship, manifest variables are thought of as the effect of latent variables; and, in a formative relationship, manifest variables are treated as the cause of the latent variables. Summarizing, the SEM model consists in a structural model to estimate relationships between the previous mentioned

---

[82] Kline, R. B. (2011). Principles and practice of structural equation modeling. Guilford press.

kind of variables and in a set of measurement model that aims to estimate latent variables through indicators.[83]

2.8.2 Path Diagram

System equation models can be expressed, other than in mathematical format, by using a path diagram. It is a graphical display of the latent and manifest variables, their relationships and their compositions.
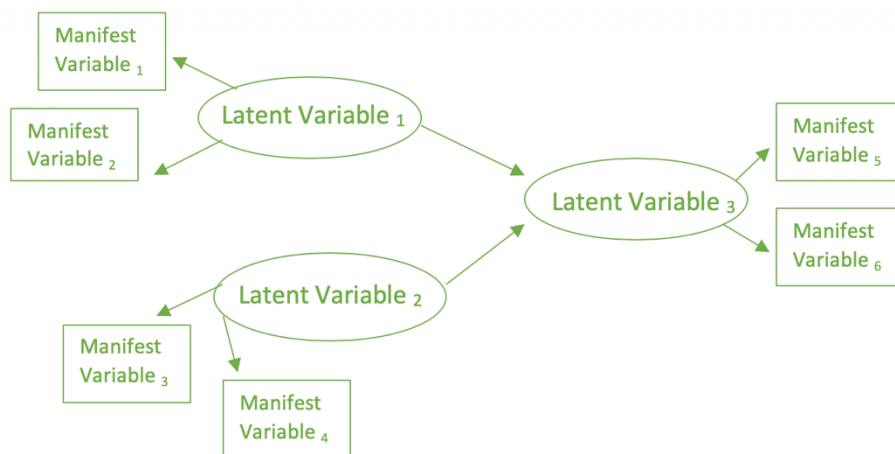
Figure 11 - Path Diagram Representation

As seen in figure 11, manifest variables are shown in rectangular form and latent variables are represented in an elliptical form, while relationships are indicated with straight arrows. The direction of the arrows indicates if a manifest variable is reflective, in case the arrows point away from the indicator, or formative, in case the arrows move in the opposite direction (toward the indicator). It's important to mention that a complete path model is composed by two sub-models: the inner model (even known as structural model), which has to do with relationships between latent variables; and the outer model (even known as measurement model) which has to do with the relationship between latent variables and its indicators.

---

[83] Kline, R. B. (2011). Principles and practice of structural equation modeling. Guilford press.

2.8.3 *Partial Least Squares Path Modeling (PLS-PM)*

For the purpose of this study, the partial least square approach to Structural Equation Modeling will be employed. It is a statistical data analysis procedure composed by the intersection of regression models, multiple table analysis methods, and structural equation models.[84] Partial least squares path modeling aims to provide a summary of how a set of dependent variables are explained by set of predictors: it analyses a system of relationships between all the considered variables.

2.8.4 *Algorithm View*

Partial Least Square Path Modeling follows a sequential procedure that involves three major stages:

◊   Stage 1: Get the weights to compute latent variable scores.

◊   Stage 2: Estimating the path coefficients (inner model)

◊   Stage 3: Obtaining the loadings (outer model)

This first stage is an iterative process whose final purpose is to obtain the weights for the relations and allows us to materialize the abstract latent variables. The estimation of the path coefficients consists in running as many least squares regressions as structural equations in the model; which leads to the assessments of the loadings by simple correlations.

2.8.5 *Formal Mathematical Notation*

As previously mentioned, PLS-PM path models are the combination of structural models that specify relationships between latent variables, and measurement model, that associates manifest variables to their corresponding latent variables. In this thesis, the mathematical notation utilized to describe the two models is the following:

◊   Structural Model:

"Let X be a n × J data matrix, summarized by P latent variables (j = 1,...,j = J; p = 1,...,p = P and P ≤ J), let H be the n×L matrix of the endogenous LVs with generic element $\eta_{i,l}$, and let Ξ be the n × H matrix of the exogenous LVs

---

[84] Vinzi, V., Chin, W. W., Henseler, J., and Wang, H. (2010a). Handbook of partial least squares: Concepts, methods and applications. Radboud University Nijmegen; Sanchez, G. (2013). Pls path modeling with r. Online, January.

with generic element $\xi_{i,h}$, the structural model is a causality model that relates the P LVs each other through a set of linear equations. In matrix form:

$$\mathbf{H} = \mathbf{H B}^T + \mathbf{\Xi \Gamma}^T + \mathbf{Z}$$

where B is the L × L matrix of the path coefficients $\beta_{l,l}$ associated to the endogenous latent variables, Γ is the L × H matrix of the path coefficients $\gamma_{l,h}$ associated to the exogenous latent variables, and Z is the n × L matrix of the residual terms $\zeta_{i,l}$.[85]

◊ <u>Measurement Model:</u>

In PLS-SEM, a reflective measurement model can be written in matrix form as:

$$\mathbf{X} = \mathbf{Y \Lambda}^{\mathrm{T}} + \mathbf{E}$$
$$\mathbf{X} = [\mathbf{\Xi}, \mathbf{H}] \begin{bmatrix} \mathbf{\Lambda}_{\mathrm{H}}^{\mathrm{T}} \\ \mathbf{\Lambda}_{\mathrm{L}}^{\mathrm{T}} \end{bmatrix} + \mathbf{E}$$
$$\mathbf{X} = \mathbf{\Xi \Lambda}_{\mathrm{H}}^{\mathrm{T}} + \mathbf{H \Lambda}_{\mathrm{L}}^{\mathrm{T}} + \mathbf{E},$$

where Λ_H is the J × H loadings matrix of the exogenous latent constructs with generic element $\lambda_{j,h}$, Λ_L is the J × L loadings matrix of the endogenous latent constructs with generic element $\lambda_{j,l}$, and E is the n × J residuals matrix with element $\varepsilon_{i,j}$, under hypothesis of zero mean and is uncorrelated with $\xi_{i,h}$ and $\eta_{i,l}$. Then, the reflective way implies that each MV is related to its LV by a set of simple regression models with coefficients $\lambda_{j,l}$.

In the formative way, in the case of exogenous latent construct the model can be written as:

$$\mathbf{\Xi} = \mathbf{X \Lambda}_{\mathrm{H}} + \mathbf{T},$$

whereas, in the case of endogenous latent construct the model can be written

$$\mathbf{H} = \mathbf{X \Lambda}_{\mathrm{L}} + \mathbf{\Delta},$$

---

[85] Fordellone, Mario, and Maurizio Vichi. "Structural Equation Modeling and Simultaneous Clustering through the Partial Least Squares Algorithm." 17 Oct. 2018, pp. 8.

where T and Δ are, respectively, the n × H and n × L errors matrices with element τi,h and δi,l, under hypothesis of zero mean and is uncorrelated with xi,j. Then, the formative way implies that each MV is related to its LV by a multiple regression model with coefficients λ's."[86]

A table displaying the matrix notations and employed in this experimental paper can be found in the Appendix of this thesis, Matrix Notation.

2.8.6 Conceptual Framework

Given the gaps explained in the previous subchapters that the academic literature showcases, the PLS-PM model herein displayed (figure 12), and previously introduced in this thesis, has the function of filling in these gaps, by giving information concerning this very research.
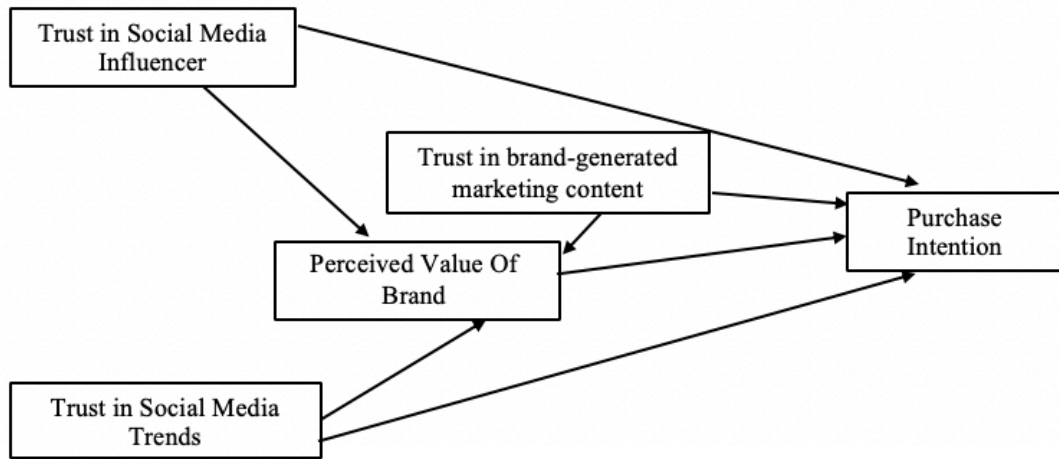
Figure 12- Conceptual Framework of this study

This whole conceptual framework takes inspiration from the previous researches cited in the literature review, which utilized similar models and SEM analysis with the scope of investigating the influence of social media endorsers and customer behaviour. This particular framework was developed taking inspiration from the scholars Chen Lou and Shupei Yuan's model for their research *"Influencer Marketing: How Message Value and Credibility Affect Consumer Trust of Branded Content on Social Media."* ;

---

[86] Fordellone, Mario, and Maurizio Vichi. "Structural Equation Modeling and Simultaneous Clustering through the Partial Least Squares Algorithm." 17 Oct. 2018, pp. 9.

and from the research model of conceptual framework developed by Sohail Younus, Faiza Rasheed & Anas Zia for their research *"Identifying The Factors Affecting Customer Purchase Intention."* The above-mentioned, in addition to a multitude of different other sources cited in the literature review, contributed to the creation and development of the conceptual framework in figure 12. In the following paragraphs, the chosen latent variables inserted in this model will be thoroughly explained in detail.

2.8.7 Variables

The dependent variables of this study are:

◊   Purchase Intention (PI)

In order to assess the impact of credibility of Social Media and Influencer marketing, with respect to traditional brand-generated marketing content, on millennials, in the beauty industry the chosen variable to evaluate is Purchase Intention. This choice was made considering the fact that the main goal of any cosmetics industry is the purchase of their products. A marketing campaign is considered successful if it has the ability to persuade consumers in purchasing the products advertised in that specific campaign. Moreover, this decision was lead by previous researches that analyzed how different types of digital campaigns, marketing strategy, source credibility, and other factors impacts customer behavior. Previous researches taken into consideration for the development of this model: compared influence of beauty bloggers and of traditional industry experts on millennials; investigated how message value credibility affect consumer trust of brand content on social media; investigated what influences purchase intention; and analyzed the effect of social media on perceived information credibility and decision making.[87] All the above-mentioned research examines consumer behavior, and presented a common dependent variable in their models: purchase intention. In summary, based on the statistical models used in the previous researches, the conceptual

---

[87]   Delonia Cooley & Rochelle Parks-Yancy (2019) The Effect of Social Media on Perceived Information Credibility and Decision Making, Journal of Internet Commerce, 18:3, 249-269, DOI: 10.1080/15332861.2019.1595362; Wright, C. 2017. Are Beauty Bloggers More Influential than Traditional Industry Experts? Journal of Promotional Communications, 5 (3), 303 – 322; Chen Lou & Shupei Yuan (2019) Influencer Marketing: How Message Value and Credibility Affect Consumer Trust of Branded Content on Social Media, Journal of Interactive Advertising, 19:1, 58-73, DOI: 10.1080/15252019.2018.153350; Younus, Sohail, et al. "Identifying the Factors Affecting Customer Purchase Intention." *Global Journal of Management and Business Research: a Administration and Management*, vol. 15, no. 2, ser. 1.0, 2015. *1.0.*

framework of this thesis has been developed, and Purchase Intention has been selected as the independent variable of this model.

◊ Perceived Value of Brand (PVB)

PVB is taken into consideration, for the purpose of this research, because it has been proven to be a major factor affecting purchase intention of consumers in a great number of studies in the past.[88] Moreover, since this study investigates the reliability millennials have on influencer's opinions and social media trends, it is of crucial importance to consider that the latter might have an impact on the brand image. The perceived value that a consumer might have of a brand, could be influenced by the sources of information he looks into, which in turn could influence his purchase intention. The function of this variable is that of assessing if trust associated to social media influencers and social media trends is effectively influencing one and in turn the other. In fact, this variable takes on two different roles: it is dependent, in the regard of variables TSMI and STMT; and is considered as an independent variable when it's investigated its effect on consumer's purchase intention.

The Independent Variables of this study are:

◊ Trust in Social Media Influencer (TSMI)

The epicenter of this study are social media influencers, and the trust millennials award to them is key for the investigation conducted for this paper. Hence, the independent variable Trust in Social Media Influencer (TSMI), is crucial for this model, because the primary aim of this study is exactly that to investigate, first of all, how much trust millennials award to this information source when it concerns beauty products, and successively the effect it has on customer's purchase intention. Multiple previous studies have used this variable, for the investigation of the effect that influencer marketing has on consumer's buying behaviors; or to understand how much consumers trust this

---

[88] Salehzadeh, Reza, and Javad Khazaei Pool. "Brand Attitude and Perceived Value and Purchase Intention toward Global Luxury Brands." *Journal of International Consumer Marketing*, vol. 29, no. 2, 2016, pp. 74–82., doi:10.1080/08961530.2016.123631; Putriansari, Febrina Prita. "The Influence of Perceived Quality, Brand Attitude and Brand Preference of the Purchase Intention Frisian Flag Milk in Surabaya." *Journal of Business & Banking*, vol. 8, no. 2, 2019, p. 177., doi:10.14414/jbb.v8i2.1544.

kind of marketing source; but none has investigated the latter specifically for the beauty industry. Since the aim of this paper is to fill in this academic gap, and shred a light on the importance of online beauty communities to gain competitive advantage in the market, the conceptual framework must include this variable.

◊ <u>Trust in Social Media Trends (TSMT)</u>

Similarly, to the first mentioned independent variable TSMI, also this independent variable, Trust in Social Media Trends (TSMT) is key for the investigation conducted in this paper. Different previous studies, explored in the previous subchapters, have proven that social media trends to be a main source of information for millennials, when deciding to purchase products. Given that the purpose of this paper is to understand which the main source of information, to which millennials accord most of their trust, is when purchasing beauty products; it's of crucial importance to include this variable in the model.

◊ <u>Trust in Brand-generated marketing content (TBMC)</u>

Since the purpose of this study is the investigation of innovative tools for marketers of beauty brands, such as social media and influencer marketing; the latter's effect and effectiveness on consumer's purchase intention has to be compared to already existing successful marketing strategies. Before the emergence of social media and the rise of influencers, in order to advertise their products beauty brands would only generate advertisement that would run on traditional form of media such as television, newspapers and radio. Given that traditional advertisement has been the most used marketing strategy adopted by beauty brands, in the recent past, to obtain their current status, comparing the persuasiveness of social media and influencer marketing, with traditional brand generated content, highlights the productivity and usefulness of these new marketing strategies. The selection of Trust In Brand-Generated Marketing Content as an independent variable affecting purchase intention is based on previous researches by multiple scholars[89] that, when investigating

---

[89] Delonia Cooley & Rochelle Parks-Yancy (2019) The Effect of Social Media on Perceived Information Credibility and Decision Making, Journal of Internet Commerce, 18:3, 249-269, DOI: 10.1080/15332861.2019.1595362; Wright, C. 2017. Are Beauty Bloggers More Influential than Traditional Industry Experts? Journal of Promotional Communications, 5 (3), 303 – 322; Chen Lou &

the effectiveness and credibility of influencers and social media marketing, always compared them to the effectiveness and credibility of brand-generated content: considering it as a benchmark of what has always worked as a marketing strategy for business companies. In this study, the TBMC independent variable takes on the same function.

All the above-mentioned latent variables are measured through observed manifest variables obtained from answers to a survey, explained and displayed in chapter three, submitted to a sample of 110 individuals.

Shupei Yuan (2019) Influencer Marketing: How Message Value and Credibility Affect Consumer Trust of Branded Content on Social Media, Journal of Interactive Advertising, 19:1, 58-73, DOI: 10.1080/15252019.2018.1533501

CHAPTER III- METHODS

3.1 Conceptual Framework Review

As anticipated in the previous chapters of this paper, the aim of this study is to answer the following Research Question:

◊ Which source of information/endorsement about beauty products is mostly trusted by millennials, and to what extent does it impact purchase intention and perceived brand image?

The conceptual framework developed to answer the above-mentioned research question, along with the associated hypothesized relationships is:
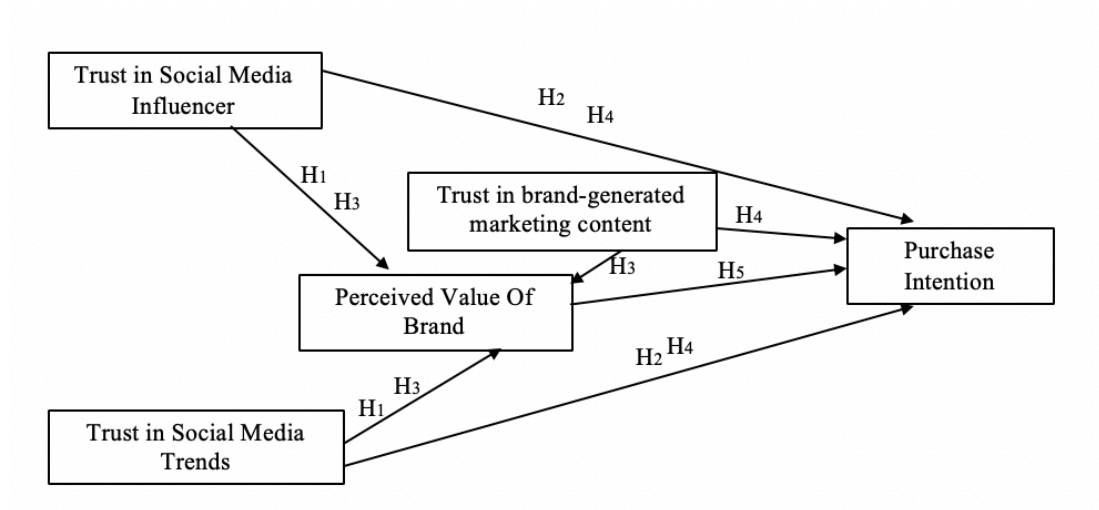

Figure 13 - Conceptual Framework of this Study

Summarizing,

The Latent Dependent Variables of this study are:
   ◊ Purchase Intention (PI)
   ◊ Perceived Value of Brand (PVB)
and,

The Latent Independent Variables of this study are:
   ◊ Trust in Social Media Influencer (TSMI)
   ◊ Trust in Social Media Trends (TSMT)

◊   Trust in Brand-generated marketing content (TBMC)

In order to measure the latent variables displayed above, a number of manifest variables has been collected and measured. In line with the previous researches cited in the literature review of chapter two (in subchapter 2.8), from which this theoretical model was inspired, the manifest variables of this study are observed and measured through the use of a Likert scale survey. The data collected by each question included in the survey describes a moderator that contains information needed to reflect and indicate an aspect of each latent variable. In the following sub-chapter, the survey is discussed and, after an in-depth analysis of each individual question contained in the survey, formative and reflective indicators will be extrapolated and explained.

3.2   Sample

The survey, designed on "google surveys", was submitted via online questionnaire to a sample of 110 individuals. The link to the survey was sent via institutional e-mail to 50 students randomly chosen from the university e-mail database, which were further on invited to forward the e-mail to other randomly picked individuals. Prior research has proven millennials to be this study's perfect intended population as they are the biggest social media user generation, hence answers submitted by people not born between the years 1980-2000 were excluded from the data set. 108 submitted surveys were considered valid, of which 65.7% were completed by female interviewees, 30.6% by males, and 4.7% preferred not to declare their gender. Moreover, descriptive statistics of the sample are displayed in figure 15.

```
> summary(data)
   Gender.          Age.
 Female:70   Min.   :19.00
 Male  :33   1st Qu.:22.00
 N/A   : 4   Median :23.00
             Mean   :23.57
             3rd Qu.:25.00
             Max.   :43.00
```
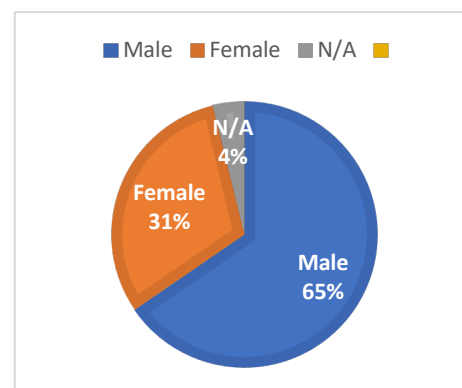
Figure 15 - Descriptive Statistics of Sample

Figure 14 - Gender Pie Chart

3.3 Survey

The questions included in the afore-mentioned survey, have been designed following the style and pattern of surveys included in previous experimental researches cited in chapter two. The survey is composed by twenty questions, the first two assessing the sociodemographic factors of the interviewees: gender and age. The following eighteen questions follow a Likert scale survey, which means that the format of the individual questions is represented by a series of statements, for each of which the interviewee must answer if and to what extent he agrees. The scale of agreement / disagreement (rating scale) is in numerical order, from 1 (strongly disagree) to 5 (strongly agree). The utilized survey[90] is displayed in the appendix of this thesis, survey.

Each individual statement, included in the survey, is designed to provide observable and measurable data to reflect the latent variables of the experimental model of this research. The data collected for each question represents, in fact, an indicator associated to a latent variable; for a total of eighteen manifest variables. It's important to mention, that all the statements composing this survey were conceived by examining previous experimental studies, which included latent variables similar to the ones included in this study.

The descriptive statistics collected from the survey are displayed in charts, for each one of the Likert scale questions, and can be found in the appendix of this thesis, Survey Descriptive Statistics Charts.

3.4 Latent and Manifest Variables

Based on prior studies, and for the reasons mentioned in the previous chapters of this thesis, trust has been chosen as the indicator of the "reliability" millennials have on each of the marketing sources tested in this experiment; the questions designed to assert their level of trust in each of the above mentioned sources will be used to describe the latent variables of this study. This sub-chapter reports all the latent variables of this study's theoretical framework and associates them to the corresponding questions of the survey that represent their manifest variables.

---

[90] Survey Link: https://forms.gle/s2TfcEQKGgHE1Tzt7

◊ The manifest variables associated to the first latent variable, Trust in Social Media Influencer (TSMI), are observed and measured from interviewees responses to the statements:

3. I trust Social Media Influencers' reviews about beauty products.

4. SMI reviews are my main source of information about beauty products.

5. When choosing a specific beauty product to buy I search for online reviews of SMI about that product.

7. My beauty routine is based on SMI I follow.

◊ The manifest variables associated to the second latent variable, Trust in Social Media Trends (TSMT), are observed and measured from interviewees responses to the statements:

8. I trust Social Media Trends about beauty products.

9. SMT are my main source of information about beauty products.

10. When choosing a specific beauty product to buy I search for the most recent SMT about that product.

12. My beauty routine is based on the current SMT.

◊ The manifest variables associated to the third latent variable, Trust in Brand-generated marketing content (TBMC), are observed and measured from interviewees responses to the statements:

13. I trust Brand-Generated marketing campaigns about beauty products.

14. Brand-Generated marketing campaigns are my main source of information about beauty products.

15. When choosing a specific beauty product to buy I am driven by the most appealing Brand-Generated marketing campaigns about that product.

17. My beauty routine is based on Brand-Generated marketing advice.

◊ The manifest variables associated to the fourth latent variable, Perceived Value of Brand (PVB), are observed and measured from interviewees responses to the statements:

18. I trust Beauty Brand Generated content about their image.

19. If a SMI dislikes/likes a brand I will stop/start buying their beauty products.

20. If there is a SMT about a particular brand I will start buying their beauty products.

◊ The manifest variables associated to the fifth latent variable, Purchase Intention (PI), are observed and measured from interviewees responses to the statements:

6. If a SMI posts a positive review of a beauty product I will purchase it.

11. If there is a SMT a about a beauty product I will purchase it.

16. If there is an appealing Brand-Generated marketing campaign a about a beauty product I will purchase it.

Tables containing data concerning the individual level of agreement, of the interviewees sample, to each of the statements contained in the survey, are displayed in the Appendix, Data Collected from "Trusted Sources in the Beauty Industry" Survey.

3.5   PLS-PM Path Diagram

The PLS-PM path diagram of this experimental model is graphically represented below; it includes latent variables, manifest variables, hypothesis all relationships among the variables of the model, the structural sub-model and the measurement sub-models.
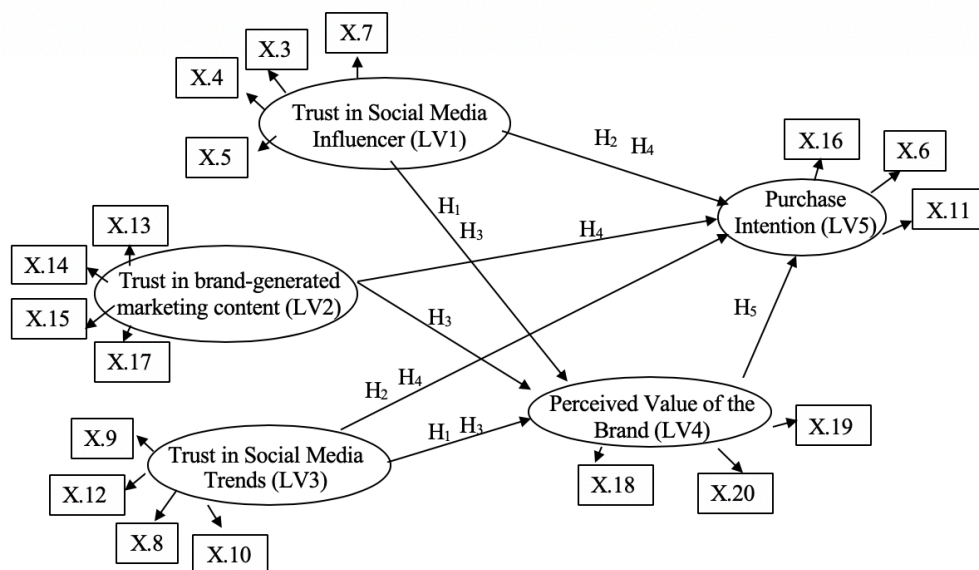

Figure 16 - PLS-PM Path Diagram of this Study.

As seen in the path diagram, in figure 16, all the indicators of this study have a reflective relationship with their constructs, which means that manifest variables measured with the survey questions are thought of as the effect of the latent variables of this model. For the construction of the PLS-PM model for the statistical software, manifest variables are represented with the notation "Xn" for n = 3,4…19,20; n being the number of the Likert scale questions of the questionnaire. For the same reason, the latent variables have been renamed as follows:

◊   Trust in Social Media Influencer – LV1

◊   Trust in Social Media Trends – LV3

◊   Trust in Brand-generated marketing content – LV2

◊   Perceived Value of Brand – LV4

◊   Purchase Intention – LV5

It's important to mention that the first three listed latent variables of this model: LV1, LV2 and LV3 are exogenous variables; meanwhile, the last two: LV4 and LV5 are endogenous.

3.6   Hypothesis Development

As stated earlier, the fundamental target of this work is that of ascertaining the fact that nowadays the role of Social Media and Influencers in the beauty industries became so important that it cannot be ignored by companies, as it completely revolutionized the industry. This paper aims to demonstrating that, for beauty brands, shifting their attention and resources from traditional brand-generated marketing content to Social Media and Influencer Marketing can, not only lead a company to higher economic benefits, but is also crucial in order to stay afloat in the industry.

Based on the thorough research of the previous literature, the defined research question, summarizing the objective of this paper (introduced in the first chapter of the thesis) is the following:

◊   Which source of information/endorsement about beauty products is mostly trusted by millennials, and to what extent does it impact purchase intention and perceived brand image?

In order to find the answers to the above-mentioned query, five different experimental hypotheses, enclosing the assumptions that this research aims to demonstrate, have been conceived:

◊ H_1: Social Media Influencer's generated content (a) and Social Media Trends (b) are positively influencing beauty (c) brand's perceived image.

◊ H_2: Social Media Influencer's generated content (a) and Social Media Trends (b) are positively influencing millennial's (d) purchase intention.

◊ H_3: Social Media Influencer's generated content (a) and Social Media Trends (b) have a greater influence on a (c) beauty brand's perceived image than (e) traditional brand-generated content.

◊ H_4: Social Media Influencer's generated content (a) and Social Media Trends (b) have a greater influence on (d) purchase intention than (e) traditional brand-generated content does.

◊ H_5: The effects of Social Media Influencer's generated content (a) and Social Media Trends (b), on (c) perceived brand image, positively influence (d) purchase intention.

3.7 Procedures

In order to run the model and test the hypothesis listed in the previous sub-chapter the statistical software Rstudio was employed. More specifically, the construction of the PLS-SEM model was carried out with the {plspm} package,[91] that was installed in the

---

[91] Tenenhaus M., Esposito Vinzi V., Chatelin Y.M., and Lauro C. (2005) PLS path modeling. Computational Statistics & Data Analysis, 48, pp. 159-205;
Lohmoller J.-B. (1989) Latent variables path modeling with partial least squares. Heidelberg: Physica-Verlag;
Wold H. (1985) Partial Least Squares. In: Kotz, S., Johnson, N.L. (Eds.), Encyclopedia of Statistical Sciences, Vol. 6. Wiley, New York, pp. 581-591;
Wold H. (1982) Soft modeling: the basic design and some extensions. In: K.G. Joreskog & H. Wold (Eds.), Systems under indirect observations: Causality, structure, prediction, Part 2, pp. 1-54. Amsterdam: Holland;
Russolillo, G. (2012) Non-Metric Partial Least Squares. Electronic Journal of Statistics, 6, pp. 1641-1669. http://projecteuclid.org/euclid.ejs/1348665231).

program by running the install command: **install.packages("plspm")**. The procedure then required to follow a number of steps, listed in the following paragraphs, in order to set the parameters for running the program and see the results.

3.7.1 Data

The first step to undertake, before setting parameters in Rstudio, consisted in creating a table in Microsoft Excel (found in the appendix) for the data collected from the survey; filtering for individuals above 19 years old and below 40 (millennials), and excluding the first two, socio-demographic, questions of the survey. All latent variables were inserted in order from LV1 to LV5, each with their annex blocks of indicators, treading the path diagram in a counterclockwise direction. For example, LV1 was inserted, followed by X5, X4, X3, X7; then, LV2 was inserted, followed by X13, X14, X,15… and so on. This data was successively imported in Rstudio, and descriptive statistics, in Table 1, were revealed with the code**:**

data_m <- data [,3:20]

```
> data_m <- data[,3:20]
> summary(data_m)
      X3              X4              X5              X7             X13             X14
 Min.   :1.000   Min.   :1.000   Min.   :1.000   Min.   :1.000   Min.   :1.000   Min.   :1.000
 1st Qu.:3.000   1st Qu.:3.000   1st Qu.:3.000   1st Qu.:1.000   1st Qu.:2.000   1st Qu.:2.000
 Median :4.000   Median :4.000   Median :4.000   Median :4.000   Median :2.000   Median :2.000
 Mean   :3.701   Mean   :3.579   Mean   :3.701   Mean   :3.168   Mean   :2.477   Mean   :2.374
 3rd Qu.:5.000   3rd Qu.:5.000   3rd Qu.:5.000   3rd Qu.:5.000   3rd Qu.:3.000   3rd Qu.:3.000
 Max.   :5.000   Max.   :5.000   Max.   :5.000   Max.   :5.000   Max.   :5.000   Max.   :5.000
      X15             X17             X8              X9             X10             X12
 Min.   :1.000   Min.   :1.000   Min.   :1.000   Min.   :1.000   Min.   :1.000   Min.   :1
 1st Qu.:2.000   1st Qu.:1.000   1st Qu.:2.000   1st Qu.:2.000   1st Qu.:2.000   1st Qu.:2
 Median :2.000   Median :2.000   Median :3.000   Median :3.000   Median :4.000   Median :3
 Mean   :2.383   Mean   :2.093   Mean   :3.271   Mean   :3.215   Mean   :3.243   Mean   :3
 3rd Qu.:3.000   3rd Qu.:3.000   3rd Qu.:4.000   3rd Qu.:4.000   3rd Qu.:4.000   3rd Qu.:4
 Max.   :5.000   Max.   :5.000   Max.   :5.000   Max.   :5.000   Max.   :5.000   Max.   :5
      X18             X19             X20             X6             X16             X11
 Min.   :1.000   Min.   :1.000   Min.   :1.000   Min.   :1.000   Min.   :1.000   Min.   :1.000
 1st Qu.:1.000   1st Qu.:2.000   1st Qu.:2.000   1st Qu.:2.000   1st Qu.:1.500   1st Qu.:2.000
 Median :2.000   Median :4.000   Median :4.000   Median :4.000   Median :2.000   Median :3.000
 Mean   :2.262   Mean   :3.421   Mean   :3.262   Mean   :3.421   Mean   :2.336   Mean   :3.187
 3rd Qu.:3.000   3rd Qu.:5.000   3rd Qu.:4.000   3rd Qu.:5.000   3rd Qu.:3.000   3rd Qu.:4.000
 Max.   :5.000   Max.   :5.000   Max.   :5.000   Max.   :5.000   Max.   :5.000   Max.   :5.000
```

Table 1 - Descriptive Statistics of Data

3.7.2   Variables Correlation

Once the data has been imported in the utilized statistical software the second step to undertake is that of testing the variables correlation. The plotted graphical results displayed in the correlogram, of figure 17, were obtained by setting the below-listed codes, in sequence, in Rstudio:

cor(data_m)

install.packages("corrplot")

library(corrplot)

m<-cor(data_m)

corrplot(m,method = "circle")

corrplot.mixed(m)
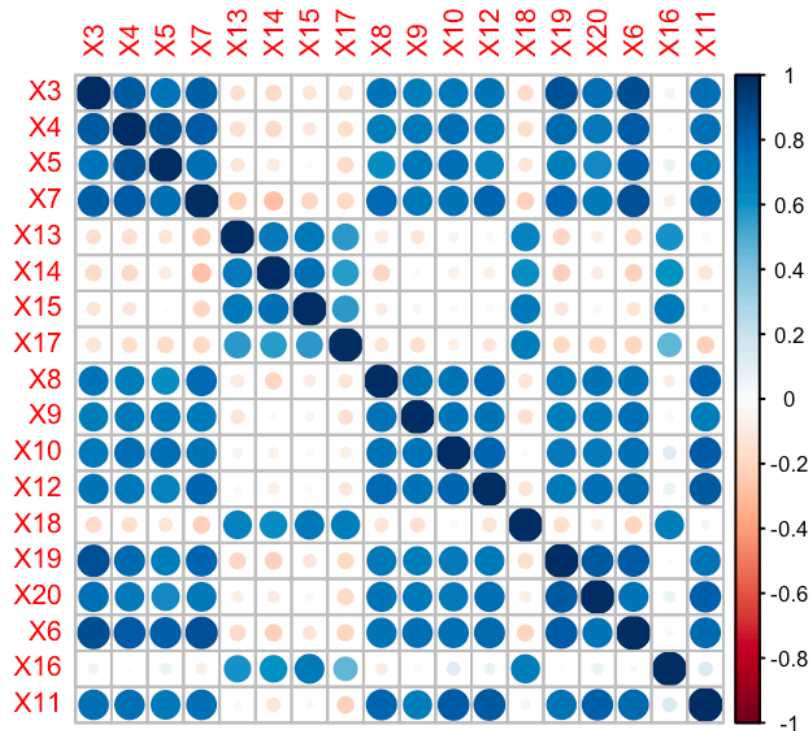
Figure 17 - Correlogram of Variables

As explained in the second chapter of this thesis, the model of this research isn't limited to a simple estimate of relationships between variables, but instead follows an iterative procedure that aims at estimating these relationships. The blue circles, in the graphical representation above, stand for the Positive correlations (red circles would stand for the opposite). Their size and color intensity are proportional to the correlation coefficient; which is shown in the legend scale positioned on the right side of the graph. In the correlogram associated to this study (figure 17) each square represents a latent

variable of the PLS-PM framework developed for this research; it is composed by the correlations of its block of manifest variables (the blue circles). For example, the box created from x7 vertical line and x7 horizontal, represents Latend Variable 1, and so on. It's interesting to be noted, that the fact that the variables, in this correlogram, are correlated in "blocks" confirms the validity of the model.

3.7.3 Path Matrix

Successively, a square boolean matrix was designed to represent the inner model, and was inserted into the system:

$$lv1 \ \text{<- c(0, 0, 0, 0, 0)}$$
$$lv2 \ \text{<- c(0, 0, 0, 0, 0)}$$
$$lv3 \ \text{<- c(0, 0, 0, 0, 0)}$$
$$lv4 \ \text{<- c(1, 1, 1, 0, 0)}$$
$$lv5 \ \text{<- c(1, 1, 1, 1, 0)}$$

To graphically show the path relationships between latent variables, the modelling command for Rstudio, was inserted:

path <- rbind(lv1, lv2, lv3, lv4, lv5)

3.7.4 Blocks and Modes

The last two parameters to set, in Rstudio, before running the model, are the blocks parameter and the modes one. The first has the function of setting the list of vectors with column names, from the imported data, while indicating the associated sets of manifest variables forming each block. The command code, for the program Rstudio, tied to this calculation is:

block <- list (1:4, 5:8, 9:12, 13:15, 16:18)

The modes parameter is necessary to define if the relationship between the latent variables and their indicators is reflective (A) or formative (B). Since, all the relationships between the five latent variables, included in the PLS-SEM model of this study, and their manifest variables are reflective the command code for this parameter is:

mod <- rep ("A", 5)

3.7.5   PLS-SEM command code

After the parameters of the Partial Least Square – Path Model of this study have been set in the program R-Studio, the final command code:

pls <- plspm(Data = data_m, path_matrix = path, blocks = block, modes = mod)

has to be inserted in order to run the model and obtain the results to test the hypothesis; results are displayed and discussed in the following chapter.

CHAPTER IV- RESULTS

4.1   Blocks Unidimensionality

The first relevant measure extrapolated, from the Partial Least Square - Structural Equation Model of this paper, is block unidimensionality. This measure only exists to test reflective relationship between constructs and indicators of a PLS-SEM model. Its function is that of asserting that each dimension, of the Latent Variables of a PLS-SEM model, is exactly described by its associated Manifest Variables; both individually and as a block. It has three main indicators: Cron Bach Alpha, DG. Rho and the first two dimensions of factorial analysis: eig. 1st and eig. 2nd. This particular measure, states whether a designed theoretical model has statistical value, and if it is backed up by the collected data.

Specifically, in order for a model to be considered statistically valuable, the three indicators above-mentioned need to take onto the following values:

◊   Cron Bach Alpha ≥ 0.4

◊   BG. Rho ≥ 0.5

◊   Eig. $1^{st} > 1$; and Eig. $2^{nd} < 1$

The theoretical model of this research paper yielded the following results:

BLOCKS UNIDIMENSIONALITY

	Mode	MVs	C.alpha	DG.rho	eig.1st	eig.2nd
lv1	A	4	0.943	0.959	3.41	0.292
lv2	A	4	0.879	0.917	2.94	0.497
lv3	A	4	0.922	0.945	3.25	0.296
lv4	A	3	0.423	0.701	1.87	0.971
lv5	A	3	0.576	0.779	1.79	0.993

Table 2 - Block Unidimensionality

As displayed in table 2, the value of each one of the indicators of block unidimensionality takes on to the required value, which proves that: every dimension of each latent variable included in the PLS-PM model of this research, is exactly described by its associated manifested variables.

In detail,

◊ <u>For the Cron Bach Alpha indicator:</u>

LV1- $0.943 \geq 0.4$

LV2- $0.897 \geq 0.4$

LV3- $0.922 \geq 0.4$

LV4- $0.423 \geq 0.4$

LV5- $0.567 \geq 0.4$

◊ <u>For the DG. Rho indicator:</u>

LV1- $0.959 \geq 0.5$

LV2- $0.917 \geq 0.5$

LV3- $0.945 \geq 0.5$

LV4- $0.701 \geq 0.5$

LV5- $0.779 \geq 0.5$

◊ <u>For Eig. 1st :</u>

LV1- $3.41 > 1$

LV2- $2.94 > 1$

LV3- $3.25 > 1$

LV4- $1.87 > 1$

LV5- $1.79 > 1$

◊ <u>For Eig. 2nd:</u>

LV1- $0.292 < 1$

LV2- $0.497 < 1$

LV3- $0.296 < 1$

LV4- $0.971 < 1$

LV5- $0.993 < 1$

The results illustrated above, mathematically prove that the theoretical model and conceptual framework developed for this study have statistical value. Therefore, the successive results of the PLS-PM model developed for this research will also possess statistical value.

4.2 Outer Model Results

The first sub-model that gets tested by the Rstudio program, when the code is inputted and initiated, is the outer model (even known as measurement model) represented in the path diagram. The structural path estimates of the outer model are shown in the table below (table 3):

Latent Variable	Manifest Variable	Loading	Communality
LV1	X3	0.9184	0.84340
LV1	X4	0.9535	0.90923
LV1	X5	0.9015	0.81271
LV1	X7	0.9207	0.84763
LV2	X13	0.8622	0.74341
LV2	X14	0.8748	0.76530
LV2	X15	0.8599	0.73939
LV2	X17	0.8227	0.67676
LV3	X8	0.8988	0.80783
LV3	X9	0.8848	0.78288
LV3	X10	0.9025	0.81452
LV3	X12	0.9167	0.84026
LV4	X18	-0.3714	0.13797
LV4	X19	0.9414	0.88632
LV4	X20	0.9120	0.83177
LV5	X6	0.9443	0.89178
LV5	X16	-0.0722	0.00521
LV5	X11	0.9160	0.83899

Table 3 -Outer Model Structural Path Estimates

Here, the "loading" value is the index of the correlation between each block of observed variables (indicators) and their corresponding latent variable; this value takes onto any number between -1 and 1. The "communality" value is simply the square of the latter. The correlation between latent and manifested variables is also provided in a graphical representation, built up by the program Rstudio itself, and displayed in figure 18. Given the fact that all relationships between indicators and constructs of this

study are reflective, the arrows in the graph always point, from the latent variable, toward the manifest variables of the associated block. This signifies that the manifest variables of this study are considered caused by the latent ones; blue arrows represent a positive relationship between the two, while red arrows represent the opposite. Plotted numbers, close to the arrows, indicate the loading value of the measurement model.
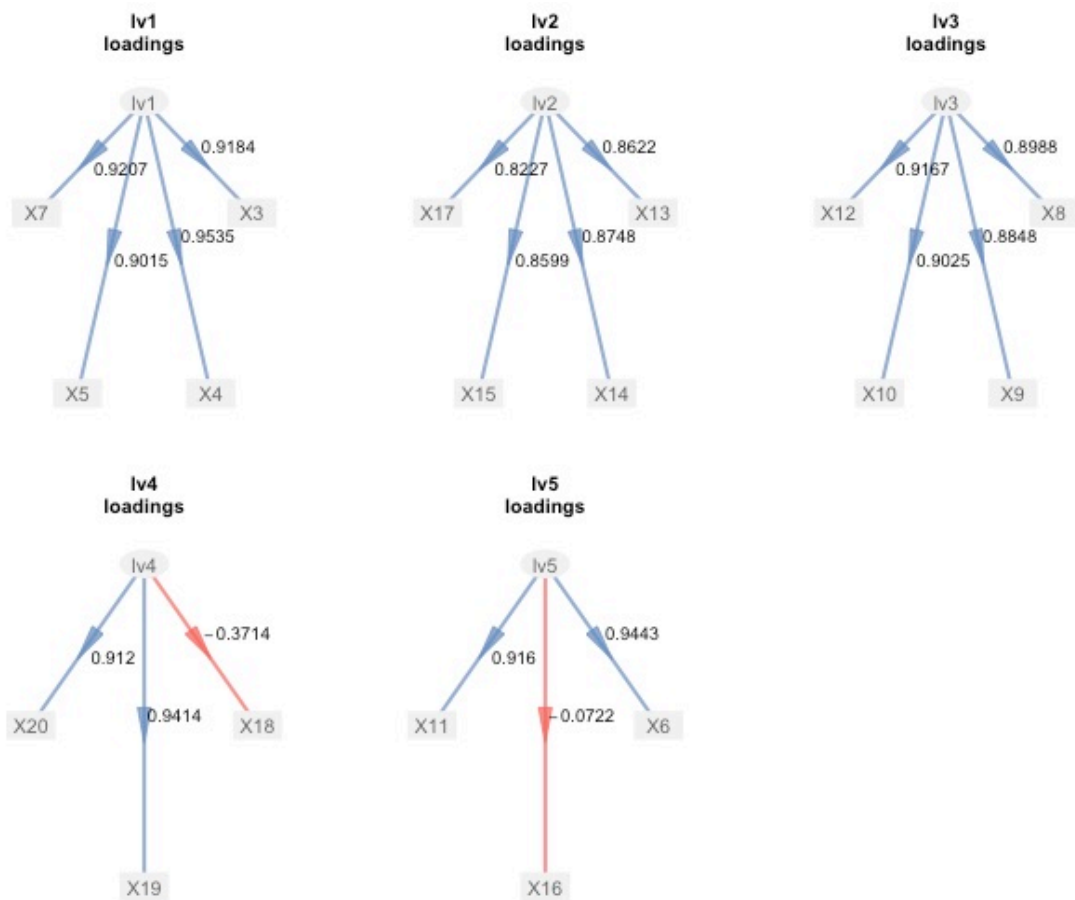
Figure 18 - Outer Model Results Plot

After an individual analysis of the reflective relationship between each Latent Variable of the Partial Least Square Structural Equation Model of this study and its associated block of manifest variables, the following considerations have been made:

◊ Trust in Social Media Influencer (LV1):
   The survey questions (manifest variables) associated to this latent variable were designed to assesses how much trust millennials award Social Media

Influencers, as a source of information, when looking into beauty products. As clearly displayed in the graph, all manifest variables of this block are positively correlated to the latent variable of the study. Moreover, the loading value of all the indicators is quite high, indicating that the survey revealed that millennials have relatively high levels of trust towards social media influencers.

◊ Trust in Social Media Trends (LV3)

Manifest Variables of LV3 are survey questions designed in order to assess how much trust millennials input in social media trends, regarding beauty products. Similarly to the previous examined variable, all indicators of this latent variable are positively correlated to it and the loading values are relatively high. This means that millennials invest a lot trust also in this kind of information source and tend to rely on it when looking into beauty products.

◊ Trust in Brand-Generated Marketing Content (LV2)

The relationship between LV2 and each one of its manifest variables is also positive. The survey questions associated to this construct have been designed with the aim of assessing whether millennials trust brand-generated marketing content about a beauty product. These positive relationships show that they do, but it's important to notice that the loading value associated to the block of manifest variables associated to LV2 is slightly lower than that of the LV1 and LV3. Hence, it can be deduced that millennials still invest some trust in brand-generated marketing content, as a source of information for beauty products; but also, that they trust the social media influencers and social media trends more nowadays.

◊ Perceived Value of the Brand (LV4):

The measurement model of this variable presents interesting findings. The manifest variables (questions of the survey) associated to Latent Variable 4 were designed with the purpose of assessing how the perceived value of a brand was affected by each of the sources of information represented by the exogenous latent variables LV1, LV2 and LV3. Questions 20 (manifest variable x20) and 19 (manifest variable x19), investigate the relationship between LV3 (Trust in Social Media Trends) and LV1 (Trust in Social Media

Influencer) respectively, and perceived value of the brand. Both manifest variables have a positive correlation with the construct LV4, and relatively high loading values, indicating that millennial's perceived value of the brand gets positively influenced by both social media trends and influencers. Manifest variable x18 (question 18 of the survey), instead, was designed to investigate the relationship between LV2 (Trust in Brand-Generated Marketing Content) and LV4. Conversely than the previous two, the indicator x18, presents to be negatively correlated to its latent variable. From such information, it can be deduced that millennials don't believe Brand-Generated Marketing Content to be a faithful representation of brand image, since the value of the band is negatively influenced by this source of information.

◊   Purchase Intention (LV5)

The results of the outer model, concerning the latent variable Purchase Intention (LV5) present analogous characteristics to the other endogenous latent variable of this study (LV4). Manifest Variables x11, x6 and x16 correspond to the same number survey questions, appositely designed to investigate the relationship between Purchase Intention of millennials and the three independent variables of the PLS-PM model of this research. In the specific, the first two mentioned moderators (x11 and x6) investigated how much Trust in Social Media Trends and Trust in Social Media Influencer is correlated to purchase intention; while the latter (x16) was designed to assess how much Trust in Brand-Generated Marketing Content is correlated to it. As clearly seen in the graphical representation, in figure 18, collected data reveals that manifest variables, x11 and x6, are positively correlated to LV5. On the other hand, the indicator x16 presents a negative correlation with its construct. In other words, these results indicate that Social Media Trends and Social Media Influencers seem to affect purchase intention of millennials regarding beauty products, while Brand-Generated Marketing Content seem to not be able to affect it.

4.3   *Inner Model Structural Estimates*

Subsequent to the outer model testing, the {plsplm} package tests and provides results of the analysis of the inner model of the PLS-PM framework. At this point, the

relationship and the effect that the three exogenous variables of this study: Trust in Social Media Influencers (LV1), Trust in Social Media Trends (LV3), and Trust in Brand-Generated marketing (LV2); have on the two endogenous ones: Perceived Value of the Brand (LV4) and Purchase Intention (LV5), are calculated. Moreover, the relationship between the latter two (dependent variables) is also determined. In this sub-chapter, the estimated path coefficient tables are listed and interpreted.

The estimated path coefficient table of the Partial Least Squares – Structural Equation Model of this research, for Latent Variable 4 (Perceived Value of the Brand) is displayed in table 4:

$lv4				
	Estimate	Std. Error	t value	Pr(>|t|)
lv1	4.61e-01	0.0945	4.88e+00	3.85e-06
lv2	-2.22e-01	0.0486	-4.58e+00	1.32e-05
lv3	3.83e-01	0.0930	4.12e+00	7.68e-05

Table 4 - Estimated Path Coefficient Table Lv4

The values included in this structural path estimate table are the estimate, standard error, t-value and p-value. The first, which takes on a value between -1 and 1, represents the influence that the exogenous (e.g. independent) variables, of the model, have on the endogenous (e.g. dependent) variables investigated. The standard error indicates accuracy of the estimates; the lower the value, the higher the accuracy. The estimate divided by the standard error provides the T-Value, from which the p-value is derived. The latter indicates whether the variable to which it's associated is statistically significant, based on whether the p-value is less than 0.01, or not.

Considering the values reported in the table of table 4, it can be assessed that the relationships between the exogenous latent variables and latent variable 4, Perceived Image of the Brand, are all statistically significant since for the p-value of each individual variable (in relation to LV4):

◊   P-Value of LV1 - 3.85e-06 < 0.01

◊   P-Value of LV2 - 1.32e-05 < 0.01

◊   P-Value of LV3- 7.68e-05 < 0.01

71

The estimated path coefficient table of the Partial Least Squares – Structural Equation Model of this research, for the second dependent Latent Variable, LV5 (Purchase Intention) is displayed in table 5:

$lv5				
	Estimate	Std. Error	t value	Pr(>|t|)
lv1	4.04e-01	0.0658	6.13e+00	1.66e-08
lv2	-1.14e-01	0.0335	-3.41e+00	9.29e-04
lv3	4.47e-01	0.0630	7.10e+00	1.75e-10
lv4	1.22e-01	0.0619	1.97e+00	5.10e-02

Table 5 - Estimated Path Coefficient Table Lv5

The same structural path estimates, in table 5, are displayed for Purchase Intention; hence, it can also be assessed that the relationships between the exogenous latent variables and latent variable 5, Purchase Intention, are all statistically significant since for the p-value of each individual endogenous variable (in relation to LV5):

◊   P-Value of LV1 - 1.66e-08< 0.01

◊   P-Value of LV2 - 9.29e-04< 0.01

◊   P-Value of LV3 - 1.75e-10< 0.01

◊   P-Value of LV4 - 5.10e-02< 0.01

4.4   Partial Least Square – Structural Equation Model: Results

The effects, relationships and estimates of all the variables composing the conceptual framework of this research, have been summarized in a graphical representation, constructed by the {plspm} package of the statistical software Rstudio, used to run the system of regressions to test the PLS-PM model of this study. The path diagram, exhibited in figure 19, includes the Latent Variables of this research (from LV1 to LV5), represented by the five elliptical shapes; the positive relationships between the variables, represented by the blue arrows pointing from the independent to the dependent latent variables of the study; the negative relationships, represented by the red arrows pointing from the independent to the dependent latent variables of the study; and the strength of the relationships between the variables, represented by their estimates (included in numerical value) plotted next to the arrow of the associated relationship.
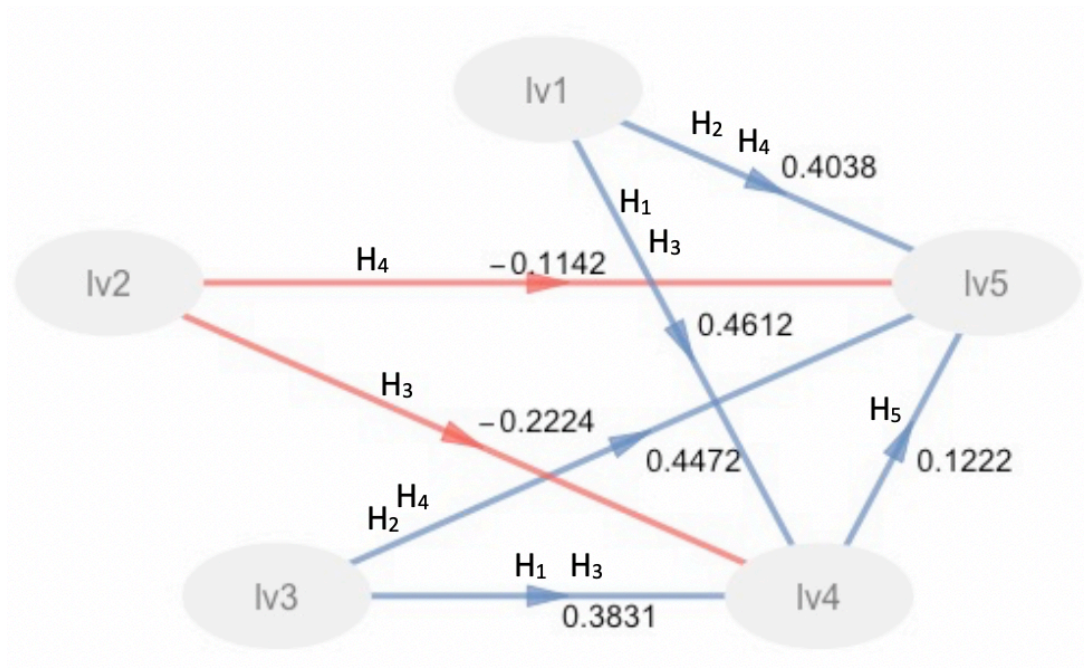
Figure 19 – Partial Least Square Path Model Results

Various interesting findings emerged from the Partial Least Square Structural Equation Model (PLS-SEM) of this research; and from the relationship paths between its investigated variables. As shown in the graphical representation of figure 19, it emerged that the first endogenous latent variable, Purchase Intention (LV5) is positively influenced by the exogenous latent variables Trust in Social Media Influencers (LV1) and Trust in Social Media Trends (LV3). This means that the trust millennials award to social media influencers, and that millennials have in social media trends, have the power to influence their purchase intention. Moreover, it's important to be noted, that the estimate value of the influence of LV3 (0.4472) over LV5, is greater than that of LV1 (0.4038). In other words, Social Media Trends have the ability to affect purchase intention of millennials slightly more than social media influencers. On the contrary, the latent variable, Trust in Brand-Generated Marketing Content (LV2) has a negative influence on LV5. This indicates that the trust allocated by millennials in Brand-Generated Marketing Content is unable to influence Purchase Intention. Hence, these results, yielded by the PLS-SEM model of this research about the dependent variable, Purchase Intention, confirm the following developed hypothesis:

◊ H₂: Social Media Influencer's generated content (a) and Social Media Trends (b) are positively influencing millennial's (d) purchase intention.

73

◊ H4: Social Media Influencer's generated content (a) and Social Media Trends (b) have a greater influence on (d) purchase intention than (e) traditional brand-generated content does.

The second endogenous latent variable analysed, Perceived Value of the Brand (LV4), is also positively influenced by the exogenous latent variables Trust in Social Media Influencers (LV1) and Trust in Social Media Trends (LV3). This means that the trust millennials award to social media influencers and that millennials have in social media trends, has the power to influence their perceived image of the brand. Additionally, conversely from the findings that emerged for Purchase Intention, the estimate value of the influence of LV3 (0.0.3831) over LV5, is lower than that of LV1 (0.4612). Hence, Social Media Influencers seem to have a greater influence power, on millennial's perceived value of a brand, than Social Media Trends do. On the other hand, in line with the previous discussed results, Trust in Brand-Generated Marketing Content (LV2) has a negative influence also on millennial's Perceived Value of the Brand (LV4). Indicating, Brand-Generated Marketing Content is not considered to provide a trustworthy representation of its own image in millennial's point of view. These results obtained, regarding the dependent variable investigated in this study, Perceived Value of the Brand, support the hypothesis:

◊ H1: Social Media Influencer's generated content (a) and Social Media Trends (b) are positively influencing beauty (c) brand's perceived image.

◊ H3: Social Media Influencer's generated content (a) and Social Media Trends (b) have a greater influence on a (c) beauty brand's perceived image than (e) traditional brand-generated content.

At last, another important finding that emerged from the Partial Least Square Structural Equation Model, of this research, is the influence that the three exogenous variables of the model (L1, L2 and L3) have on Purchase Intention (LV5) after they get mediated by the endogenous variable LV4. As shown in figure 19, Perceived Value of the Brand (LV4) has a positive influence on Purchase Intention (LV5). This was expected, since it is well-known that the value that any consumer associates to a brand has proven to influence his purchase intentions, in a great number of studies about the matter. However, according to the theoretical framework of this model, the estimation of the variable: Perceived Value of the Brand (LV4), is composed by the

latent variables: Trust in Social Media Influencers (LV1), Trust in Social Media Trends (LV3) and Trust in Brand-Generated Marketing Content (LV2). Therefore, from this outcome it can be deducted that Social Media Influencers, Social Media Trends and Brand-Generated Marketing Content can be used as a means to affect Perceived Value of the Brand, which in turn has a positive influence on Purchase Intention. The results of the correlations discussed in this paragraph, empirically support the last hypothesis developed for this research:

◊ H$_5$: The effects of Social Media Influencer's generated content (a) and Social Media Trends (b), on (c) perceived brand image, positively influence (d) purchase intention.

Finally, there is a further valuable observation to point out about the structural model of this study. As seen in the summary of the inner model, provided by the statistical software Rstudio (displayed in table 6), the value R^2 which indicates the accuracy of the inner model fit, is quite high: which means that the model designed for the purpose of this study well-describes its data. The latter is also confirmed by the fact that all the single values of the variance extracted are greater than 0,5.

```
SUMMARY INNER MODEL
          Type        R2  Block_Communality  Mean_Redundancy    AVE
lv1    Exogenous   0.000              0.853            0.000  0.853
lv2    Exogenous   0.000              0.731            0.000  0.731
lv3    Exogenous   0.000              0.811            0.000  0.811
lv4   Endogenous   0.772              0.619            0.478  0.619
lv5   Endogenous   0.911              0.579            0.527  0.579
```

Table 6 - Inner Model Summary

4.5 Overall Goodness of Fit

The Goodness of Fit is a conjoint measure between inner and outer model, which indicates the extent to which the two sub-models of the PLS-PM conform to each other; the higher the value, the higher the fit. The latter is considered significant in case it takes a value higher that 0.65. The overall goodness of fit calculated for the PLS-PM of this research is the one indicated below; since, $0.7847 > 0.65$, it means that the structural and measurement sub-models of the full Path Model of this research fit perfectly together.

```
GOODNESS-OF-FIT
[1]  0.7847
```

4.6 Summarizing Histograms

Finally, the histograms summarizing the five latent scores estimated by the model were displayed by the {plspm} package with the Rstudio software by running the code:

par(mfrow=c(3,2))for (i in 1:5){hist(x = pls$scores[,i], xlab = "", main = paste("LV", i), lwd = 2, col = (i+1))};
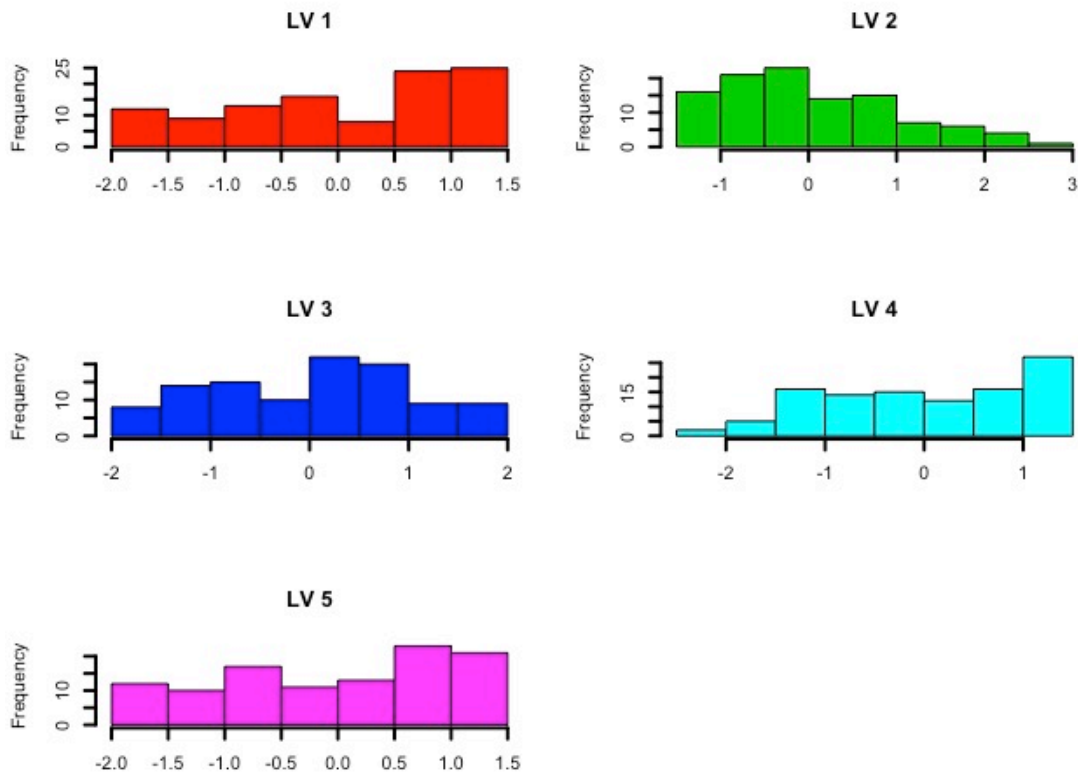

Figure 20 - Summarizing Histograms

CHAPTER V – CONCLUSIONS

As specified in the previous chapters, the purpose of this study is to fill in the research gap concerning the comprehension of how influential power, behind social media and influencers, affects millennials' consumer behaviour, in the beauty industry. In line with this intent, the conducted research analyses the trust allocated by millennials to new sources of information, such as social media trends and social media influencers, in comparison to traditional brand-generated marketing content. Further on, this paper investigates how social media trends and social media influencers impact and affect purchase intention and the perceived value of a brand. The synthesis of this study has been gathered in the following research question:

◊   Which source of information/endorsement about beauty products is mostly trusted by millennials, and to what extent does it impact purchase intention and perceived brand image?

This purpose of this chapter, it that of providing a theoretical contribution to the current literature by answering the research question developed for this study, based on the data, evidence and written matter provided in this thesis. Moreover, it aims at identifying the study's limitations, as well as the empirical contributions provided to the current literature.

5.1   Theoretical and Empirical Contributions

In order to identify theoretical contributions of this study and thoroughly answer the research question, the hypothesis provided in Chapter 3, developed on the basis of the literature review of past research and studies, have been aligned with the results of the empirical research conducted for this thesis. Expressly, all the hypothesis deducted for this study, proved to be correct and supported by the empirical evidence provided by the PLS-SEM statistical model. Hence, interesting findings about millennial's consumer decision journey while purchasing beauty products have emerged.

As expected, Social Media Influencers' generated content has an impact on the perceived image of a beauty brand, in millennial's point of view. This is in support of

the theories that millennials see these endorsers as genuine and trustworthy, and believe that their opinions about a brand's products, or a brand itself, are truthful. As a consequence, this gives influencers the power to shape and manipulate their followers' perception of a brand, leading them to see the image they are transmitting. This in turn, leads the millennial consumer to either become a loyal customer of the brand, by following the influencer's advice in case it's positive, or to disregard the brand, in case the influencer's review of the latter is negative. In other words, brands should shift from traditional marketing campaigns to concentrating on wisely choosing, and pleasing social media influencers, in vests of brand advocates; since it's been asserted that they can easily reach consumers and are definitely more trusted than traditional brand-generated marketing content.

Moreover, the results of the empirical study included in this research, also manifest a correlation between Social Media Influencers' generated content and millennials' purchase intention. Considering that social media influencers are perceived as unbiased and honest, so are their endorsements of new products; which are either directly sponsored in posts or reviewed in tutorials. The illusion of the face-to-face relationship, between influencers and their viewers, makes their claims about products, more authentic and organic than traditional brand-generated advertisements do. Hence, millennials are more easily persuaded to purchasing beauty products, after looking at social media influencers as a source of information, rather than at traditional brand-generated content. Probably, through millennials' eyes, influencers are not sponsoring a product for revenue purposes, but are rather giving genuine advice for the consumer's good. All the above mentioned, leads to the conclusion that social media influencers have a very strong persuading power on the millennial consumer of nowadays, since this generation values sincerity when looking for information about a beauty product or a beauty brand. Hence, for beauty brand marketers, the selection of the right influencer and the construction of the right marketing strategy around him, is pivotal for the success and effectiveness of any advertisement campaign: the latter has to be well-liked by the specific target audience that needs to be addressed; while still appearing as trustworthy and genuine as an non-sponsored endorsements.

Another important finding that emerged from the empirical research conducted for this paper, is the relevance of the impact of social media trends on millennials' purchase

behavior of beauty products. In the PLS-SEM model of the study it actually appeared that this source of information is the one that mostly influences millennials' purchase intentions. This could be probably attributed to the power of electronic word of mouth: a social media trend about a beauty product, equates to a high presence of the latter on social media pages, shared by multiple users as a trend statement. The aftermaths of such a phenomenon are multiple: First of all, there is a high chance that the posts about the product might become viral, meaning that it would reach a large audience of users, which could become potential customers. Secondly, the product would gain an increasing number of reviews, which would add on to the reliability of them, and in turn to the significance of the product's claimed well-performance, inducing the consumer to purchase it. Finally, the "everyone is using it" phenomenon would have an additional leverage power into convincing millennials to purchasing the beauty product protagonist of the social media trend in question. The digital campaigns developed for beauty brands, should have in mind that nowadays consumers are to be thought as an active part of the campaign design, and shouldn't only be considered as viewers of the latter, as it was in the recent past. Hence, creating the campaign for a product by generating "sharable" and catching social media content that induces millennial consumers to create a proper trend around that product, will definitely raise chances of influencing generation Y's purchase intention and increase sales.

Similarly, to the effect on purchase intention, empirical results show that social media trends are also able to influence perceived value of the brand. This aspect can also be explained from the power of eWOM, following the same reasons for which it has an effect on purchase intention. Since millennial consumers are a generation which is very likely to "follow the crowd"; when a trend emerges, and is embraced by a large number of people, they are easily influenced to agreeing with the mass. As a consequence, in the moment in which there is a social media trend about a beauty brand, many users are going to look into that brand, and the shared content about the latter; which in turn will lead to a higher brand awareness with a perceived value that will probably be the reflection of what the social media trend is about. As a result, marketers should always be aware about what is said online about their brands and should focus digital marketing campaigns that aim at involving connected consumers, for the purpose of creating a social media trend, raise brand awareness and control perceived value of millennial consumers.

Finally, this study also provides the empirical backup to the fact that: in the beauty industry, affecting consumer's perceived brand image with the use of social media influencer's generated content and social media trends, will in turn influence millennials' purchase intention. Obviously, as mentioned earlier in this thesis, as well as in prior studies, the image of a brand does influence purchase intention. As it is well-known if a brand is seen as trustworthy and has a strong reputation in its sector, consumers will be more willing to purchase the products from them offered. At the same time, influencers, by expressing their opinions and sharing their experiences: either with the product of a particular beauty brand, or directly with the brand itself (e.g. collaborations, events and customer service), are able to influence the perceived value of the latter in the eyes of their followers (e.g. millennials consumers).

In the same way, eWOM about user's experiences with specific beauty products, or about the brand itself in terms of customer service and purchase experience (which creates social media trends about the brand) will be able to influence millennials' perceived value of the brand. The two combined, or separately, can influence and persuade millennial consumer's buying behaviour, successively leading them to purchase intention. Therefore, it can be concluded that an additional marketing tool for marketers of beauty brands, that aim at increasing purchases (and so revenues) is that of identifying social media influencers and designing social media marketing strategies that focus on enhancing perceived brand image.

As discussed in the last paragraphs, this study conveys meaningful recommendations for marketers of beauty brands. The emergence of social media platforms, and the rise of the figures of beauty endorsers, such as influencers, have created a new online ecosystem for the beauty community. The driving force of the beauty industry - millennial consumers - nowadays spends most of its time on social media platforms; Trends and opinion leaders are their main source of information, to which they award a previously unrecorded amount of trust. Nowadays, traditional brand-generated marketing content has little to no effect on this generation of super-informed consumers and will increasingly lower as social media platforms keep growing and online information keeps increasing. In response to these new online social dynamics, innovative digital strategies have to be identified, designed and developed by beauty

brand marketers to keep brands afloat in the industry and gain competitive advantage. In other words, the beauty industry has been completely revolutionized by the emergence of online social influence, and this phenomenon cannot be ignored by beauty companies if they want to gain higher economic revenues and increase brand awareness.

5.2   Limitations and Further Research

This current research presents some limitations and implications for future research. First of all, the sample collected for this research is relatively small (110 individuals) and includes only millennials' generation. A more thorough study should be conducted on the whole adult population and a greater numbered sample would produce more reliable empirical results.

Secondly, the investigated new sources of information of this study: Trust in Social Media Trends and Trust in Social Media Influencers; were just compared to Trust In Traditional Brand-Generated Content. However, it is conceivable that there exist many more sources of information that consumers consult throughout their purchase decision journey of beauty products; for example, advices from people they know in real life, advices from aesthetics professionals, dermatologists' recommendations, as well as in-store employee's suggestions. Future studies could include all of these variables, and more, as additional sources of information in which consumers might allocate trust when investigating what influences purchase intention and perceived brand image.

Thirdly, this study investigates and proves social media influencers and social media trends to be emerging sources of information, to which millennial consumers attribute most of their trust; but the reasons why this happens, have not been empirically tested. Further studies should investigate, empirically, and not just theoretically, the reasons why social media influencers and social media trends have such an importance for millennials in the beauty industry, and what influencer characteristics are required to maximize influential and persuasion power.

Moreover, future research should explore which individual factors lead consumers to rely on social media influencers and social media trends when purchasing beauty

products (e.g. their culture, self-esteem, personality, affordance etc.); and which are the "perfect" social media marketing targets to address with these forms of advertisement. Finally, since from this study it emerged that the strength of influencer marketing is the fact that their message is perceived as genuine and more trustworthy than usual advertisement; it should be investigated how beauty brands and marketers should approach influencer marketing campaigns, in order to result as genuine and trustworthy, as possible, in the eyes of the consumer.

APPENDIX

Matrix Notation.

n, J	# of:	observations, MVs
H, L, P	# of:	exogenous LVs, endogenous LVs, LVs ($P = H + L$)
K	# of:	clusters
$\mathbf{\Xi}$	$n \times H$	exogenous LVs matrix
$\mathbf{H}$	$n \times L$	endogenous LVs matrix
$\mathbf{Y}$	$n \times P$	scores matrix ($\mathbf{Y} = [\mathbf{\Xi}, \mathbf{H}]$)
$\mathbf{\Gamma}$	$L \times H$	path coefficients matrix of the exogenous LVs
$\mathbf{B}$	$L \times L$	path coefficients matrix of the endogenous LVs
$\mathbf{Z}$	$n \times L$	errors matrix of the endogenous LVs
$\mathbf{X}$	$n \times J$	data matrix
$\mathbf{E}$	$n \times J$	errors matrix of the data
$\mathbf{\Lambda}_H$	$J \times H$	loadings matrix of the exogenous LVs
$\mathbf{\Lambda}_L$	$J \times L$	loadings matrix of the endogenous LVs
$\mathbf{\Lambda}$	$J \times P$	loadings matrix ($\mathbf{\Lambda} = [\mathbf{\Lambda}_H, \mathbf{\Lambda}_L]$)
$\mathbf{T}$	$n \times H$	errors matrix of the exogenous LVs
$\mathbf{\Delta}$	$n \times L$	errors matrix of the endogenous LVs

Data Collected from "Trusted Sources in the Beauty Industry" Survey.

Gender	Age	3	4	5	7	13	14	15	17	8	9	10	12	18	19	20	6	16	11
Female	24	3	4	5	4	3	2	3	2	3	2	4	3	2	2	3	3	2	3
Female	23	3	4	4	2	2	2	2	2	2	2	2	2	2	3	2	4	2	2
Female	22	2	3	5	2	5	5	5	3	2	1	3	3	4	1	2	1	5	3
Male	23	1	3	2	1	2	2	2	3	1	2	2	1	3	1	2	1	2	1
Female	23	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Female	19	5	5	3	4	4	3	5	5	5	3	4	5	5	5	3	5	5	4
Female	25	3	5	4	1	3	3	2	4	2	2	2	1	4	4	4	1	3	2
Male	24	3	3	5	2	4	4	4	3	2	2	4	2	4	3	3	4	5	2
Female	23	4	3	3	1	3	3	3	3	1	2	3	3	3	3	3	3	3	3
N/A	24	1	2	2	2	4	3	4	4	2	1	2	1	4	1	1	1	2	2
Male	24	1	1	1	1	4	4	2	3	1	1	1	1	2	1	1	1	1	1
Male	24	3	1	1	1	2	2	2	1	1	1	1	2	1	3	3	1	2	2
Female	21	2	2	4	1	4	5	5	1	2	5	1	1	3	3	3	3	3	1
Female	23	5	5	5	4	2	1	1	1	2	2	4	1	3	4	2	4	3	4
Female	19	3	4	4	2	2	3	3	3	3	3	4	2	3	2	3	3	2	2
Male	24	2	2	3	2	3	2	2	2	3	2	2	2	2	2	2	3	2	2
Female	21	3	2	1	1	1	4	2	2	2	2	1	1	1	4	2	1	2	1
N/A	22	3	4	4	1	2	2	4	1	4	4	3	2	3	2	5	3	4	5
Female	27	2	3	3	1	4	2	3	2	2	1	3	2	3	2	2	1	2	3
Female	25	5	4	5	4	4	5	5	5	4	4	4	4	5	5	4	4	5	4
Female	23	3	1	1	1	3	2	2	2	2	2	1	1	2	1	1	2	1	1
Female	22	3	4	5	4	2	2	2	2	2	3	4	2	1	3	2	3	2	1
Female	26	3	2	2	2	4	4	4	2	3	3	4	4	3	3	3	3	4	4
Female	23	2	1	1	1	2	1	2	2	3	1	1	1	2	2	2	2	2	2
Male	29	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Female	21	2	3	4	4	2	2	2	2	3	4	4	3	3	2	2	2	3	3
Female	22	1	1	1	1	2	1	1	1	2	2	2	1	1	1	1	1	1	1
Male	23	1	1	1	1	3	3	3	1	3	1	4	3	2	1	4	1	2	4
Female	26	4	5	4	4	2	2	2	2	3	4	4	3	3	4	3	4	2	3
Female	21	2	3	4	1	3	2	3	4	3	4	3	3	1	1	1	2	2	2
Male	22	1	1	1	1	3	4	4	4	3	3	1	1	4	1	3	1	1	1
Female	24	3	2	2	1	3	3	3	3	2	2	2	1	3	3	2	2	3	2
Male	24.5	3	4	3	4	5	3	2	2	4	2	4	3	3	4	4	3	3	4
Female	23	3	2	2	3	4	4	3	4	3	1	1	3	2	1	2	3	3	2
Female	21	3	2	3	1	2	2	2	2	3	2	2	2	2	2	2	2	2	2
Female	23	3	1	1	2	2	1	1	2	2	1	3	3	4	2	2	3	4	2
Male	21	5	3	2	3	4	3	3	3	3	3	3	3	4	4	4	3	4	3
Female	27	3	3	2	3	3	4	3	3	3	4	3	3	2	2	2	1	2	2
Female	23	2	4	4	1	2	4	2	1	1	3	2	3	2	1	3	2	1	2
Female	20	3	3	2	2	3	2	2	2	3	2	2	2	1	2	2	2	2	2
Female	21	2	1	1	1	3	3	3	2	3	1	1	2	3	1	2	1	3	3
Female	25	3	3	5	1	3	5	3	2	1	4	3	3	2	1	1	4	4	2
Female	23	5	5	5	5	1	1	3	1	3	3	1	3	2	4	4	5	3	3
Male	31	1	1	1	1	3	5	3	3	2	4	1	1	4	1	1	1	4	1
Female	23	5	4	4	3	4	4	4	4	3	4	3	4	3	3	3	3	4	3
Female	22	3	3	4	2	3	3	3	3	2	3	4	2	3	2	1	4	4	3
Female	24	4	4	5	5	4	5	5	4	4	5	4	4	5	4	5	4	4	5
Female	43	4	3	4	2	5	4	4	4	4	3	5	2	5	4	3	3	3	3
Male	24	4	4	3	2	5	4	4	3	3	4	4	4	3	4	4	4	4	4
Male	28	3	4	4	2	1	1	1	1	2	2	2	1	2	1	2	1	1	2
Female	21	3	2	3	1	2	2	2	2	3	2	2	2	2	2	2	2	2	2
Male	23	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Male	24	2	1	2	1	3	4	3	3	1	1	1	1	3	1	2	1	3	1
Male	23	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Male	23	2	2	3	1	2	1	2	2	4	1	1	1	2	3	2	1	2	1
Male	22	2	1	1	1	1	1	1	2	2	1	1	1	2	1	2	1	1	1
Female	22	5	5	5	5	2	2	3	1	3	3	4	2	2	5	4	5	4	5
Female	23	5	4	5	5	3	2	3	2	4	5	5	2	5	5	5	5	2	5
Female	25	5	5	5	5	2	3	2	2	4	5	4	4	2	5	5	5	3	5
Female	21	5	5	5	5	3	3	4	2	3	3	3	4	2	5	5	5	4	4
Male	26	4	5	5	5	1	1	1	2	4	3	3	3	2	1	1	4	1	4
Female	26	4	4	4	4	2	3	3	2	3	4	4	3	5	4	4	2	3	3
Female	23	5	5	5	5	3	3	3	2	4	3	4	4	3	5	4	4	3	4
Male	20	5	5	5	5	2	2	2	2	4	4	4	3	2	5	4	5	2	3
Male	24	5	4	4	5	1	2	1	2	5	5	4	3	1	5	5	5	1	3
Female	27	5	4	5	5	1	1	1	1	4	3	3	3	1	5	4	4	1	4
Female	20	5	5	5	5	2	2	2	2	4	4	4	4	2	5	4	5	2	4
Female	25	5	4	4	5	2	2	2	3	4	4	4	2	2	4	5	5	3	3
Female	25	5	5	5	5	2	2	2	2	3	4	3	4	2	5	4	5	2	4
Male	22	5	5	5	5	2	2	2	2	4	4	4	4	2	5	4	5	2	4
Male	23	5	5	5	4	2	2	2	1	1	4	5	5	5	1	5	5	4	5
Female	27	5	5	5	5	2	1	2	2	4	5	5	1	5	4	4	1	4	4
Female	24	5	5	5	5	2	2	2	2	4	4	4	2	5	4	4	1	4	4
Male	26	5	5	4	4	2	1	1	2	4	4	5	4	1	5	4	5	1	5
Male	24	5	5	4	5	2	1	2	1	5	4	4	5	1	5	5	5	2	4
Female	21	5	5	5	5	2	2	2	1	4	4	4	2	5	5	5	2	4	4
Male	23	5	5	5	5	2	2	2	2	4	4	4	4	2	5	4	4	2	4
Female	20	5	4	5	5	2	2	2	3	4	4	4	4	3	4	4	5	2	4
Male	22	4	4	4	4	2	1	2	2	4	4	3	3	1	5	4	4	1	3
Male	22	4	4	4	4	3	3	3	3	5	5	5	4	5	5	5	4	3	5
Female	22	5	5	5	5	1	1	1	1	5	5	5	5	1	5	5	5	1	5
Female	25	5	5	5	5	2	2	2	2	5	5	5	2	5	5	5	5	1	5
Male	26	5	5	5	5	2	2	2	2	5	5	5	5	2	5	5	5	2	5
Female	20	5	4	5	5	2	1	1	2	4	5	4	5	1	5	5	5	2	5
Female	25	5	5	5	4	3	3	5	2	4	4	4	5	3	5	5	4	5	5
Female	22	5	5	5	4	1	2	2	1	5	4	4	4	1	5	4	5	1	5
Female	22	5	5	5	4	1	2	2	1	5	4	4	4	1	5	4	5	1	5
Male	24	5	5	5	5	2	2	1	1	5	5	4	4	1	5	5	5	1	4
Male	24	5	5	4	5	1	1	1	1	5	5	4	4	2	5	4	4	1	4
Female	26	5	5	5	5	2	1	1	1	4	5	4	4	1	5	5	5	1	4
Female	22	5	5	5	4	1	1	1	1	5	5	4	4	1	5	5	5	1	4
Female	26	5	4	5	4	2	2	3	3	4	4	4	4	2	5	5	4	3	4
Female	24	5	5	5	5	2	2	2	1	4	4	4	4	1	5	4	5	1	4
Male	21	4	4	4	5	2	2	2	2	4	3	4	4	2	5	4	5	2	4
Female	24	5	5	5	5	3	3	3	3	5	5	5	5	3	4	4	4	3	5
Female	22	5	4	5	4	1	2	1	1	4	4	4	5	1	5	4	5	2	4
N/A	28	5	4	5	4	2	1	2	1	4	5	4	3	1	5	4	5	1	4
Female	24	4	5	4	4	2	1	1	2	4	3	4	4	1	4	3	5	1	3
Female	28	5	5	5	5	3	2	2	2	5	5	5	5	2	5	5	5	2	5
N/A	26	5	5	5	5	1	2	1	1	5	5	5	5	2	5	5	5	1	5
Female	25	5	5	5	5	2	2	1	1	5	5	5	4	1	5	5	5	1	4
Female	21	5	5	5	5	3	3	3	1	5	5	5	5	1	4	4	4	3	5
Female	24	5	5	5	5	5	2	2	1	5	5	5	5	3	4	4	4	2	5
Female	19	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Female	21	5	3	1	1	3	2	2	3	1	1	1	1	2	3	2	2	2	1
Female	21	5	4	4	1	4	4	3	2	4	4	4	2	3	3	4	3	3	4
Male	24	1	1	3	1	2	1	3	1	2	2	2	1	3	3	3	2	2	3

Survey Descriptive Statistics Charts.
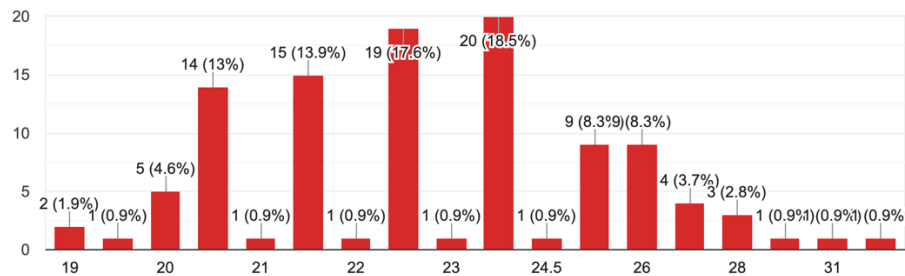
Gender
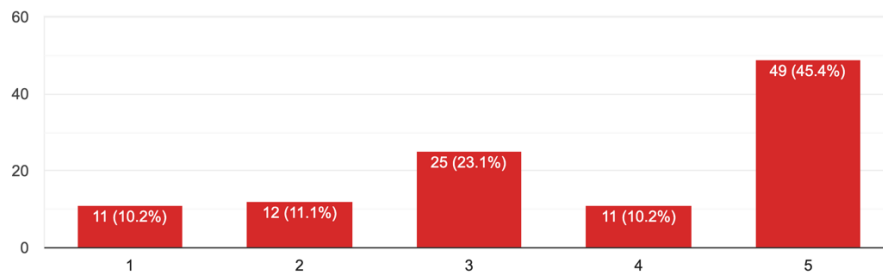108 responses

- Male
- Female
- N/A
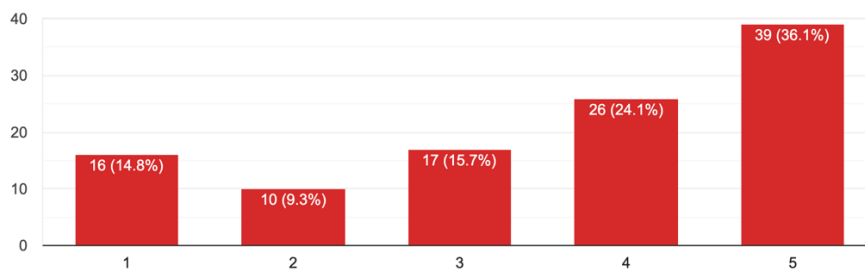
65.7%

30.6%
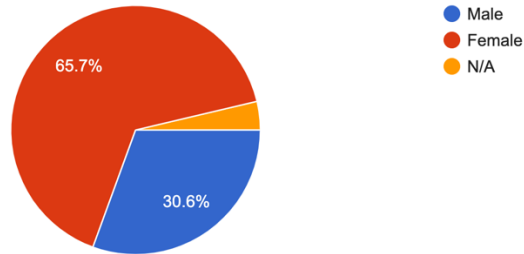
Age
108 responses

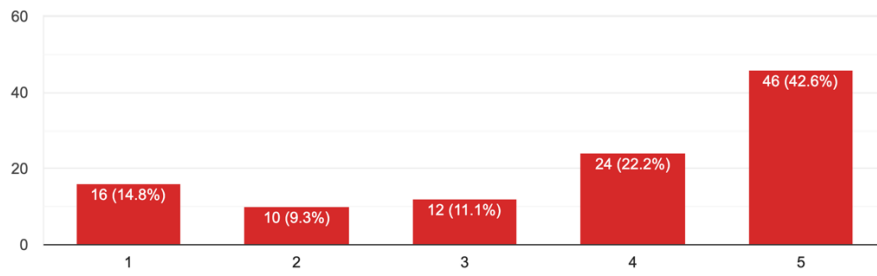I trust Social Media Influencers' reviews of beauty products
108 responses

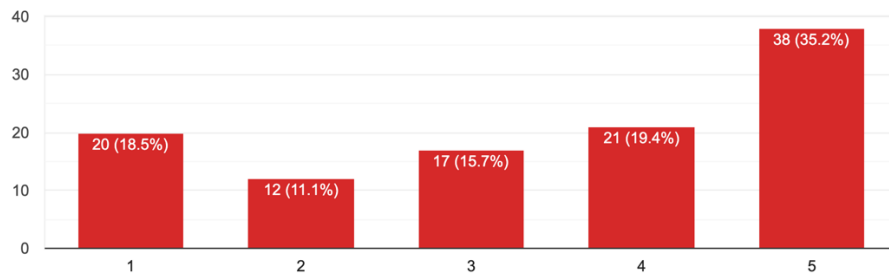SMI reviews are my main source of information about beauty products
108 responses

When choosing a specific beauty product to buy I search for online reviews of SMI about that product
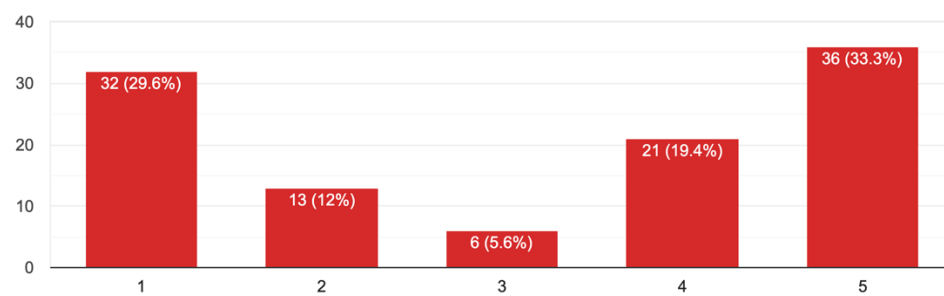
108 responses

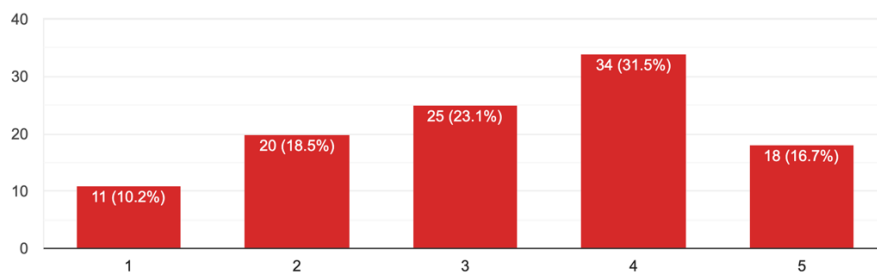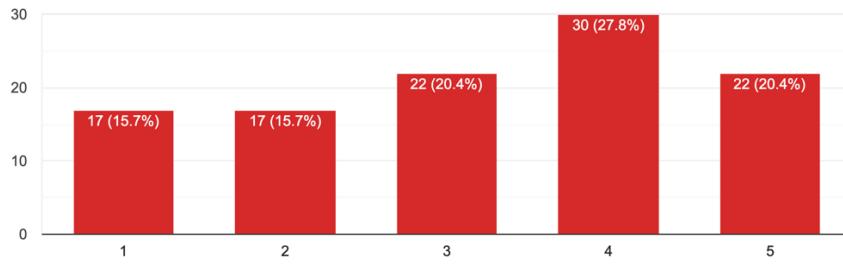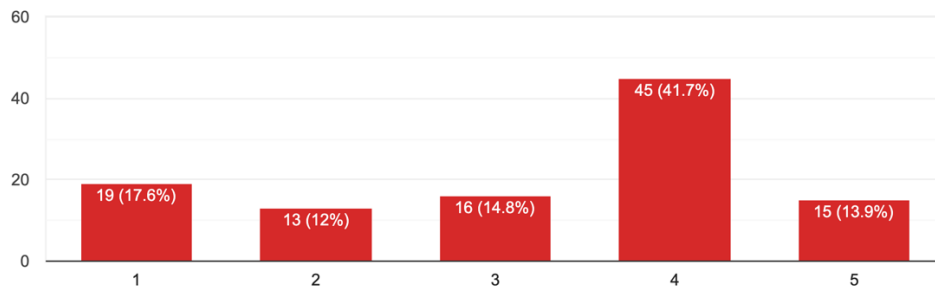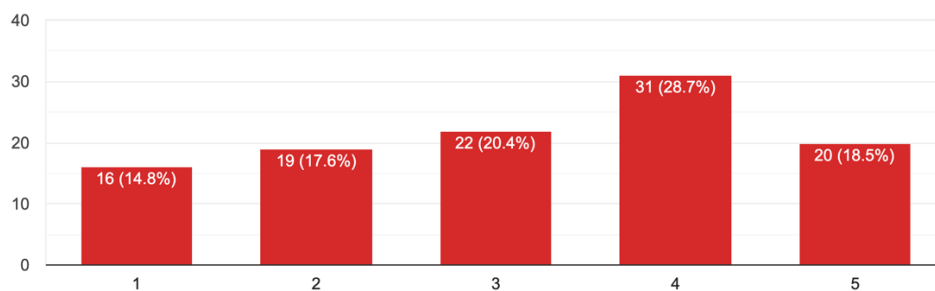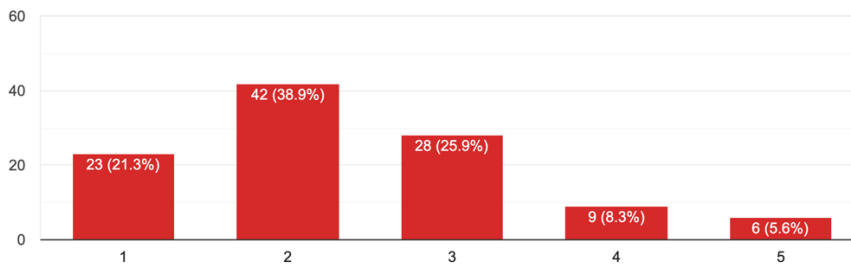If a SMI posts a positive review of a beauty product I will purchase it.

108 responses

My beauty routine is based on SMI I follow.

108 responses

I trust Social Media Trends about beauty products.

108 responses

SMT are my main source of information about beauty products.
108 responses

When choosing a specific beauty product to buy I search for the most recent SMT about that product.
108 responses

My beauty routine is based on the current SMT.
108 responses
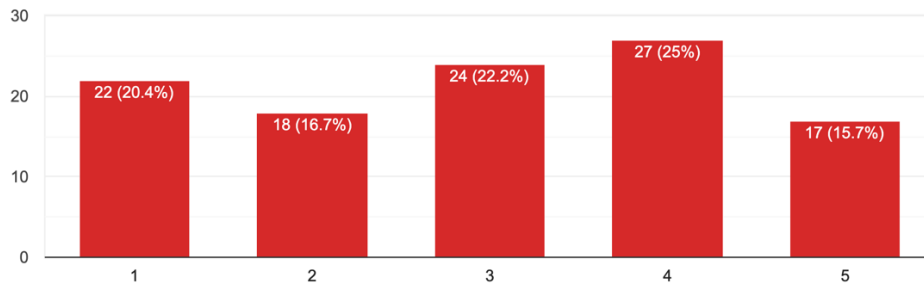
If there is a SMT a about a beauty product I will purchase it.
108 responses

I trust Brand-Generated marketing campaigns about beauty products.
108 responses
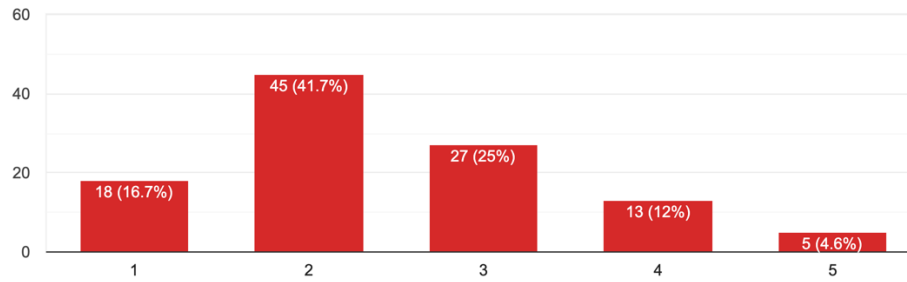
Brand-Generated marketing campaigns are my main source of information about beauty products.
108 responses
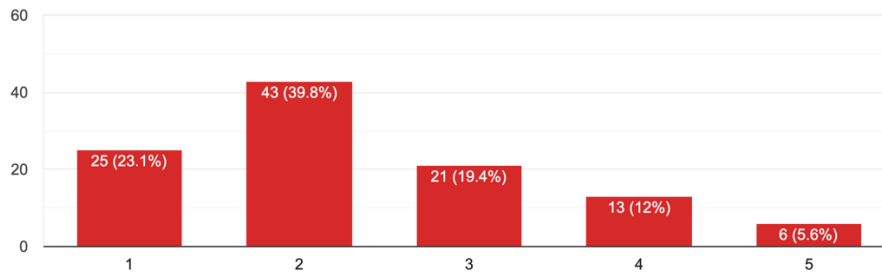
When choosing a specific beauty product to buy I am driven by the most appealing Brand-Generated marketing campaigns about that product.
108 responses

If there is an appealing Brand-Generated marketing campaign a about a beauty product I will purchase it.
108 responses

88
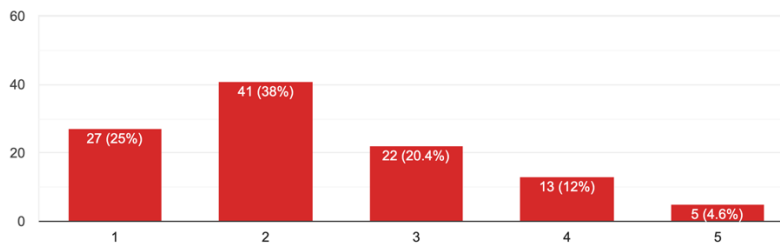
My beauty routine is based on Brand-Generated marketing advice.
108 responses
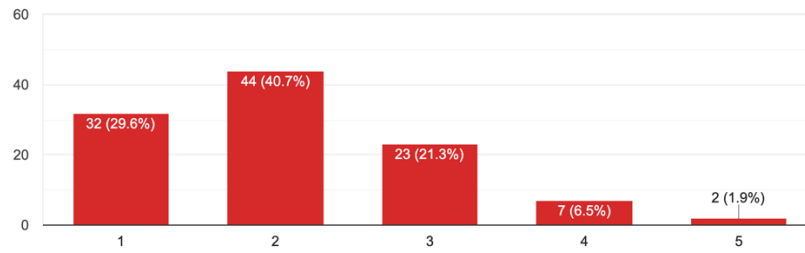
I trust Beauty Brand Generated content about their image.
108 responses
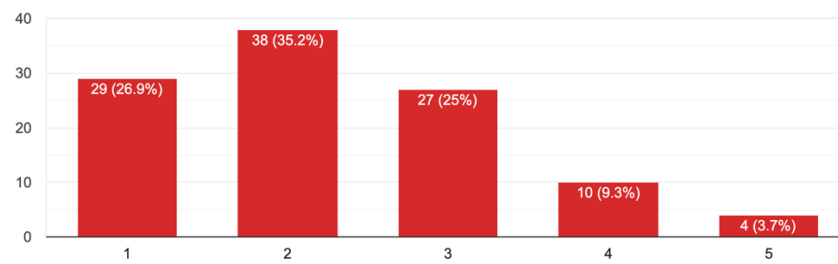
If a SMI dislikes/likes a brand I will stop/start buying their beauty products.
108 responses
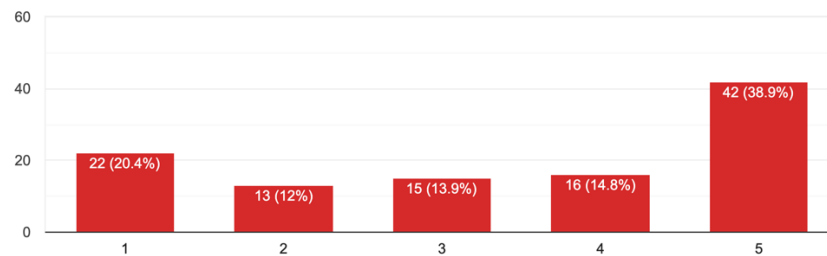
Survey: Trusted Sources in the Beauty Industry.

1. Select gender:

Male	Female	N/A

2. Insert Age:

<u>Please answer depending on how much you agree or disagree with the following statements.</u>

3. I trust Social Media Influencers' reviews of beauty products.

1 Strongly Disagree	2	3	4	5 Strongly Agree

4. SMI reviews are my main source of information about beauty products.

1 Strongly Disagree	2	3	4	5 Strongly Agree

5. When choosing a specific beauty product to buy I search for online reviews of SMI about that product.

1 Strongly Disagree	2	3	4	5 Strongly Agree

6. If a SMI posts a positive review about a beauty product I will purchase it.

1 Strongly Disagree	2	3	4	5 Strongly Agree

7. My beauty routine is based on SMI I follow.

1 Strongly Disagree	2	3	4	5 Strongly Agree

8. I trust Social Media Trends about beauty products.

1 Strongly Disagree	2	3	4	5 Strongly Agree

9. SMT are my main source of information about beauty products.

1 Strongly Disagree	2	3	4	5 Strongly Agree

10. When choosing a specific beauty product to buy I search for the most recent SMT about that product.

1 Strongly Disagree	2	3	4	5 Strongly Agree

11. If there is a SMT about a beauty product I will purchase it.

1 Strongly Disagree	2	3	4	5 Strongly Agree

12. My beauty routine is based on the current SMT.

1 Strongly Disagree	2	3	4	5 Strongly Agree

13. I trust Brand-Generated marketing campaigns about beauty products.

1 Strongly Disagree	2	3	4	5 Strongly Agree

14. Brand-Generated marketing campaigns are my main source of information about beauty products.

1 Strongly Disagree	2	3	4	5 Strongly Agree

15. When choosing a specific beauty product to buy I am driven by the most appealing Brand-Generated marketing campaigns about that product.

1 Strongly Disagree	2	3	4	5 Strongly Agree

16. If there is an appealing Brand-Generated marketing campaign about a beauty product I will purchase it.

1 Strongly Disagree	2	3	4	5 Strongly Agree

17. My beauty routine is based on Brand-Generated marketing advice.

1 Strongly Disagree	2	3	4	5 Strongly Agree

18. I trust Beauty Brand Generated content about their image.

1 Strongly Disagree	2	3	4	5 Strongly Agree

19. If a SMI dislikes/likes a brand I will stop/start buying their beauty products.

1 Strongly Disagree	2	3	4	5 Strongly Agree

20. If there is a SMT about a particular brand I will start buying their beauty products.

1 Strongly Disagree	2	3	4	5 Strongly Agree

Rstudio software code

```
# Import and initialize data --------------------------------------------

data <- read.table(file = "data.txt", header = TRUE)
                        summary(data)
                          dim(data)

                      data_m <- data[,3:20]
                        summary(data_m)
                          dim(data_m)


# Require packages ------------------------------------------------------

                          library(plspm)
                            ?plspm

# Modelling --------------------------------------------------------------

                        lv1   <- c(0, 0, 0, 0, 0)
                        lv2   <- c(0, 0, 0, 0, 0)
                        lv3   <- c(0, 0, 0, 0, 0)
                        lv4   <- c(1, 1, 1, 0, 0)
                        lv5   <- c(1, 1, 1, 1, 0)

                   path  <- rbind(lv1, lv2, lv3, lv4, lv5)

              block <- list(1:4, 5:8, 9:12, 13:15, 16:18)
                        mod   <- rep("A", 5)

pls <- plspm(Data = data_m, path_matrix = path, blocks = block, modes = mod)
                        summary(pls)

               innerplot(x = pls, show.values = TRUE)
               outerplot(x = pls, what = "loadings")
```

INDEX OF FIGURES AND TABLES

BIBLIOGRAPHY

Abidin, C. 2016. Visibility labour: Engaging with influencers' fashion brands and #OOTD advertorial campaigns on Instagram. Media International Australia 161, no. 1: 86–100. doi:10.1177/1329878X16665177

Ahmad, Irfan (2018), "The Influencer Marketing Revolution," Social Media Today, February 16, https:// www.socialmediatoday.com/news/the-influencer-marketing-revolution-infographic/517146/.

Alaimo, Dan. "Amazon Now Dominates Google in Product Search." *Retail Dive*, 7 Sept. 2018, www.retaildive.com/news/amazon-now-dominates-google-in-product-search/531822/.

Alhabash, Saleem, Anna R. McAlister, Chen Lou, and Amy Hagerstrom (2015), "From Clicks to Behaviors: The Mediating Effect of Intentions to Like, Share, and Comment on the Relationship between Message Evaluations and Offline Behavioral Intentions," Journal of Interactive Advertising, 15 (2), 82–96; Lafferty, Barbara A., Ronald E. Goldsmith, and Stephen J. Newell

Anderson, Myles. "88% Of Consumers Trust Online Reviews As Much As Personal Recommendations." *Search Engine Land*, 26 Dec. 2014, searchengineland.com/88-consumers-trust-online-reviews-much-personal-recommendations-195803.

Arnold, Andrew. "4 Ways Social Media Influences Millennials' Purchasing Decisions." *Forbes*, Forbes Magazine, 23 Dec. 2017, www.forbes.com/sites/andrewarnold/2017/12/22/4-ways-social-media-influences-millennials-purchasing-decisions/#28bbb749539f.

Barnes, N. 2015. EWOM drives social commerce: A survey of millennials in US and abroad. Journal of Marketing Development and Competitiveness 9 (2):36–46.

Bayindir, Nisa, and Duncan Kavanagh. "GlobalWebIndex's Flagship Report on the Latest Trends in Social Media." *Globalwebindex*, 2018, www.globalwebindex.com/hubfs/Downloads/Social-H2-2018-report.pdf.

Bevilacqua, Jessica, and Elizabeth Del Giudice (2018), "Why Brands Need to Utilize Influencer Marketing in 2018," St. Joseph Communications, April 3, https://stjoseph.com/ insight/influencer-marketing-2018-infographic/.

Chen Lou & Shupei Yuan (2019) Influencer Marketing: How Message Value and Credibility Affect Consumer Trust of Branded Content on Social Media, Journal of Interactive Advertising, 19:1, 58-73, DOI: 10.1080/15252019.2018.1533501.

Codeluppi V. (2009), Tutti divi. Vivere in vetrina, Laterza, Roma.

Codeluppi V. (2012), Ipermondo. Dieci chiavi per capire il presente, Editori Laterza, Roma.

Cohen Julia, and Lse. "#BBMoment: Jeffree Star and Shane Dawson's Internet-Breaking Collab." *Launchmetrics*, 2019, www.launchmetrics.com/resources/blog/jeffree-star-shane-dawson.

Court, David, et al. "The Consumer Decision Journey." *McKinsey & Company*, June 2009, www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-consumer-decision-journey.

Dao, William Van-Tien, Angelina Nhat Hanh Le, Julian Ming-Sung Cheng, and Der Chao Chen (2014), "Social Media Advertising Value: The Case of Transitional Economies in Southeast Asia," International Journal of Advertising, 33 (2), 271–94.

Delonia Cooley & Rochelle Parks-Yancy (2019) The Effect of Social Media on Perceived Information Credibility and Decision Making, Journal of Internet Commerce, 18:3, 249-269, DOI: 10.1080/15332861.2019.1595362.

de Magistris, Tiziana, and Azucena Gracia (2008), "The Decision to Buy Organic Food Products in Southern Italy," British Food Journal, 110 (9), 929–47.

Erkan, I., and C. Evans. 2015. Social media or shopping websites? The influence of ewom on consumers' online purchase intentions. Journal of Marketing Communications 0:1017.

Ewing, Mike. "71% More Likely to Purchase Based on Social Media Referrals [Infographic]." *HubSpot Blog*, blog.hubspot.com/blog/tabid/6307/bid/30239/71-More-Likely-to-Purchase-Based-on-Social-Media-Referrals-Infographic.aspx.

Fordellone, Mario, and Maurizio Vichi. "Structural Equation Modeling and Simultaneous Clustering through the Partial Least Squares Algorithm." 17 Oct. 2018, pp. 8.

Fordellone, Mario, and Maurizio Vichi. "Structural Equation Modeling and Simultaneous Clustering through the Partial Least Squares Algorithm." 17 Oct. 2018, pp. 9.

Fransen M.L., P.W.J. Verlegh, A. Kirmani, and E.G. Smit. 2015. A typology of consumer strategies for resisting advertising, and a review of mechanisms for countering them. International Journal of Advertising 34, no. 1: 6–16. doi:10.1080/02650487.2014.995284

Freberg, Karen, Kristin Graham, Karen McGaughey, and Laura A. Freberg (2011), "Who Are the Social Media Influencers? A Study of Public Perceptions of Personality," Public Relations Review, 37 (1), 90–92.

Fry, R. 2018. http://www.pewresearch.org/fact-tank/2018/03/01/millennials-overtake-babyboomers/

Gilliland, Nikki. "Brilliant Examples of Content Marketing from Beauty Brands." *Econsultancy*, 11 Nov. 2019, econsultancy.com/content-marketing-beauty-brands/.

Guyduy, M. 2016. https://www.npd.com/wps/portal/npd/us/news/press-releases/
2016/the-internet-surpasses-print-and-broadcast-advertising-as-preferred-source-
ofmakeup-product-information-according-npd/.

Hsu, H.Y., and Tsou, H., 2011. Understanding customer experiences in online blog
environments. International Journal of Information Management [online] 31 (6),
510-523.

https://twitter.com/JeffreeStar.

https://twitter.com/shanedawson.

https://www.instagram.com/jeffreestar/?hl=it.

https://www.instagram.com/shanedawson/?hl=it.

https://www.youtube.com/user/jeffreestar.

https://www.youtube.com/user/shane.

Kakkar, Garima. "What Are the Different Types of Social Media?" *Digital Vidya*,
21 Jan. 2020, www.digitalvidya.com/blog/types-of-social-media/.

Kakkar, Garima. "What Are the Different Types of Social Media?" *Digital Vidya*,
21 Jan. 2020, www.digitalvidya.com/blog/types-of-social-media/.

Kayla. "32 Social Media Marketing Statistics You Should Know This
2019." *Digital Marketing Blog*, 19 Aug. 2019,
www.lyfemarketing.com/blog/social-media-marketing-statistics/.

Ketabchi, Natasha. "Looks That Thrill - Inside the Booming Beauty
Industry." *Toptal Finance Blog*, Toptal, 22 Aug. 2019,
www.toptal.com/finance/growth-strategy/beauty-industry.

Kline, R. B. (2011). Principles and practice of structural equation modeling. Guilford press.

Lafferty, Barbara A., Ronald E. Goldsmith, and Stephen J. Newell (2002), "The Dual Credibility Model: The Influence of Corporate and Endorser Credibility on Attitudes and Purchase Intentions," Journal of Marketing Theory and Practice, 10 (3), 1–11.

Laja, Peep. "Purchase Decisions: 9 Things to Know to Influence Customers." *CXL*, 25 Oct. 2019, cxl.com/blog/9-things-to-know-about-influencing-purchasing-decisions/.

Le guide noir 2019, state of global beauty brands.

Le Guide Noir, Social Media Industry Reports Vol.16

Lee, Kamiu. "Influencer Marketing & Your Customer Journey." *Medium*, INFLUENCE, 13 July 2018, influence.bloglovin.com/influencer-marketing-your-customer-journey-f80e850ac96c.

Lee, Younghan, and Jakeun Koo (2015), "Athlete Endorsement, Attitudes, and Purchase Intention: The Interaction Effect between Athlete Endorser-Product Congruence and Endorser Credibility," Journal of Sport Management, 29 (5), 523–38.

Lohmoller J.-B. (1989) Latent variables path modeling with partial least squares. Heidelberg: Physica-Verlag.

Lyons, B., and K. Henderson. 2005. Opinion leadership in a computer-mediated environment. Journal of Consumer Behaviour 4, no. 5: 319–29. doi:10.1002/cb.22 Marijke De Veirman, Veroline Cauberghe & Liselot Hudders (2017) Marketing through Instagram influencers: the impact of number of followers and product divergence on brand attitude, International Journal of Advertising, 36:5, 798-828, DOI: 10.1080/02650487.2017.1348035.

McCarthy, A. [online]. 2016. https://www.emarketer.com/Article/Millennials-Dominate-USBeauty-Market/1014857.

McCormick, K., 2016. Celebrity endorsements: Influence of a product-endorser match on Millennials attitudes and purchase intentions. Journal of Retailing and Consumer Services [online], 32, 39-45.

Media. (2016). In *Oxford Dictionary*.

Mohsin, Maryam. "10 Social Media Statistics You Need to Know in 2020 [Infographic]." *Oberlo*, 15 Jan. 2020, www.oberlo.com/blog/social-media-marketing-statistics.

Nations, Daniel. "Serious Question: What Exactly Is Social Media?" *Lifewire*, Lifewire, 19 Dec. 2019, www.lifewire.com/what-is-social-media-explaining-the-big-trend-3486616.

Nelson, Sharron. "7 Reasons Why Social Media Marketing Is Important for Your Business." *Digital Doughtnut*, 6 Feb. 2018, www.digitaldoughnut.com/articles/2018/february/7-reasons-why-social-media-marketing-is-important.

Paço Arminda, and Sofia Oliveira. "Influence Marketing in the Fashion and Beauty Industry." *Estudos Em Comunicação*, no. 25, 2017, pp. 119–136., doi:10.20287/ec.n25.v1.a07.

Patterson, Shanea. "6 Cosmetics Marketing Campaign Examples & Why The Ideas Work." *Woobox Blog*, Woobox, 15 July 2019, blog.woobox.com/2019/05/6-cosmetics-marketing-campaign-examples-why-the-ideas-work/;

Planchard, C. et al, 2016. Unlocking the power of influence. PR Week [online], 21 February 2016. Available from: http://www.prweek.com/article/1384128/unlocking-power-influence.

Putriansari, Febrina Prita. "The Influence of Perceived Quality, Brand Attitude and Brand Preference of the Purchase Intention Frisian Flag Milk in Surabaya." *Journal of Business & Banking*, vol. 8, no. 2, 2019, p. 177., doi:10.14414/jbb.v8i2.1544.

Salehzadeh, Reza, and Javad Khazaei Pool. "Brand Attitude and Perceived Value and Purchase Intention toward Global Luxury Brands." *Journal of International Consumer Marketing*, vol. 29, no. 2, 2016, pp. 74–82., doi:10.1080/08961530.2016.123631.

Tenenhaus M., Esposito Vinzi V., Chatelin Y.M., and Lauro C. (2005) PLS path modeling. Computational Statistics & Data Analysis, 48, pp. 159-205.

Radtke, A. 2017. A generational comparison of the effectiveness of social media advertisement on the likelihood of purchase in the cosmetics industry. *Collections:FCEE - Dissertações de Mestrado/Master Dissertations*.
Russolillo, G. (2012) Non-Metric Partial Least Squares. Electronic Journal of Statistics, 6, pp. 1641-1669. http://projecteuclid.org/euclid.ejs/1348665231).

Salpini, Cara. "Study: Instagram Influences Almost 75% of User Purchase Decisions." *Retail Dive*, 23 Aug. 2017, www.retaildive.com/news/study-instagram-influences-almost-75-of-user-purchase-decisions/503336/.

Saxena, A., 2011. Blogs and Their Impact On Purchase Intention A Structural Equation Modelling Approach. Institute of Management Technology [online] 15 (1).

Schomer, Audrey. "Influencer Marketing: State of the Social Media Influencer Market in 2020." *Business Insider*, Business Insider, 17 Dec. 2019, www.businessinsider.com/influencer-marketing-report?IR=T.
Scott, David Meerman (2015), The New Rules of Marketing and PR: How to Use Social Media, Online Video, Mobile Applications, Blogs, News Releases, and Viral Marketing to Reach Buyers Directly, Hoboken, NJ: John Wiley

Smith, A., and M. Anderson. [online]. 2018. http://www.pewinternet.org/2018/03/01/socialmedia-use-in-2018/ (accessed June 10, 2018).

Social. (2016). In *Oxford Dictionary*.

Soh, Hyeonjin, Leonard N. Reid, and Karen Whitehill King (2009), "Measuring Trust in Advertising," Journal of Advertising, 38 (2), 83–104.

Spears, Nancy, and Surendra N. Singh (2004), "Measuring Attitude toward the Brand and Purchase Intentions," Journal of Current Issues and Research in Advertising, 26 (2), 53–66.

Stankevich, Alina. "Explaining the Consumer Decision-Making Process: Critical Literature Review." *Journal Of International Business Research And Marketing*, vol. 2, no. 6, 2017, pp. 7–14., doi:10.18775/jibrm.1849-8558.2015.26.3001.

Survey Link: https://forms.gle/s2TfcEQKGgHE1Tzt7

Teng, S., K. Wei Khong, W. Goh, and A. Chong. 2014. Examining the antecedents of persuasive eWOM messages in social media. Online Information Review 38 (6):746–68. doi: 10.1108/OIR-04-2014-0089.

Thourumgroje, A. 2014. The influence of social media intensity and ewom on conspicuous consumption. Social and Behavioral Sciences 148:7–115.

Threlfall, Daniel. "Social Media Marketing: A Step-By-Step Guide on How to Get Started." *Oberlo*, 14 Jan. 2020, www.oberlo.com/blog/social-media-marketing.

Vettese, Alessia. "Exploring the Beauty Industry through an Independent Project - MBA - Harvard Business School." *MBA Voices*, 5 June 2019, www.hbs.edu/mba/blog/post/exploring-beauty-industry-through-independent-project-curriculum-hbs.

Vinzi, V., Chin, W. W., Henseler, J., and Wang, H. (2010a). Handbook of partial least squares: Concepts, methods and applications. Radboud University Nijmegen; Sanchez, G. (2013). Pls path modeling with r. Online, January.

Watts, D.J., and P.S. Dodds. 2007. Influentials, networks, and public opinion formation. Journal of Consumer Research 34, no. 4: 441–58. doi:10.1086/518527.

Wold H. (1985) Partial Least Squares. In: Kotz, S., Johnson, N.L. (Eds.), Encyclopedia of Statistical Sciences, Vol. 6. Wiley, New York, pp. 581-591.

Wold H. (1982) Soft modeling: the basic design and some extensions. In: K.G.

Joreskog & H. Wold (Eds.), Systems under indirect observations: Causality, structure, prediction, Part 2, pp. 1-54. Amsterdam: Holland.

Wright, C. 2017. Are Beauty Bloggers More Influential than Traditional Industry Experts? Journal of Promotional Communications, 5 (3), 303 – 322.

Yodel, Global (2017), "What Is Influencer Marketing?," Huffington Post, July 6, http://www.huffingtonpost.com/ global-y.

Younus, Sohail, et al. "Identifying the Factors Affecting Customer Purchase Intention." *Global Journal of Management and Business Research: a Administration and Management*, vol. 15, no. 2, ser. 1.0, 2015. *1.0.*

Zaczkiewicz, Arthur. "Think Tank: Millennials Are More Brand Loyal Than You Think." *WWD*, WWD, 30 Aug. 2016, wwd.com/business-news/retail/millennials-brand-loyal-engagement-10517533/.

"5 Big Social Media Predictions for 2019." *Emarsys*, 9 Dec. 2019, www.emarsys.com/resources/blog/top-5-social-media-predictions-2019/.
"How Social Media Influence Consumer Purchase Decisions? - Hotmob: A Data-Centric Media Company." *Hotmob | A Data-Centric Media Company*, 24 Apr.

2019,   www.hot-mob.com/how-social-media-influence-consumer-purchase-decisions/.

 "US Social Media Users, by Generation, 2019 (% of Population)." *EMarketer*, EMarketer, 1 Aug. 2018, www.emarketer.com/chart/226029/us-social-media-users-by-generation-2019-of-population.

SUMMARY

Chapter I - Introduction

The emergence of the Internet developed an online universe made up of distinct societies, communities, rules and values. Nowadays, social media can be thought of as a virtual reality, in which all individuals and users cover different specific roles. This is a time in history in which social networks play a leading role within the current social constructs and have allowed the changing conditions of purchase and consumption in contemporary society. The online communities created around the theme of cosmetics and make-up, over the last few years, have become increasingly popular in the beauty market and have radically changed the dynamics of buying, consuming and selling in the entire sector. The online beauty community on social platforms is one of the biggest and most well-established on the web: it is characterized by leading figures, such as influencers and beauty gurus, that interact with each other and their audience, creating proper real-life dynamics. The popularity of influencers as product embracers has grown exponentially in recent years, thanks to their ability to boost sales in the sector. Consumers of the future are more aware and informed about products, with a thousand different ways of understanding beauty with the use of social media. Therefore, companies in the sector can no longer base their advertising on generic campaigns: they now must aim to contact the individual user. Influencers and social media platforms allow to fill in this gap and capture the individual consumer with a more direct channel.

The purpose of this study is to fill in the research gap concerning the comprehension of how the influential power behind social media and social media influencers affects millennials' consumer behaviour in the beauty industry. In line with this intent, the conducted research analyses the trust allocated by millennials to new sources of information, such as social media trends and social media influencers, in comparison to traditional brand-generated marketing content. Further on, this paper investigates how social media trends and social media influencers impact and affect purchase intention and the perceived value of a brand.

The following research question was designed, with the purpose of enclosing this paper's targets:

◊ Which source of information/endorsement about beauty products is mostly trusted by millennials, and to what extent does it impact purchase intention and perceived brand image?

The paper is introduced, in chapter one, with an overview of the online beauty community of today, and with a general background of the themes treated in this thesis. Chapter Two reviews all the pertinent literature about the subjects considered for the study, including market facts, numbers, statistics and previous researches conducted by scholars. Moreover, it provides a theoretical background of the experimental statistical model utilized for this study, aligned with the explanation and development of conceptual framework of this experiment. The third chapter describes the PLS-SEM model developed in order to answer the research question of this study; it will be aligned with the explanation and development of the hypothesis tested by the model and the procedures utilized in the statistical software Rstudio. Chapter four is a display and discussion of the results. Chapter five analyses the results illustrated in the previous chapter: it draws conclusions, identifies significant findings, empirical and theoretical contributions. Finally, limitations of the research are listed along with recommendations for further research.

Chapter II – Literature Review

Consumer Decision Journey

In recent times, the emergence and rapid spread of new portable technologies drastically changed the way in which individuals spend their time. With an always-connected society, the need and use of networking sites and communication platforms increasingly grew over the years. Nowadays, proper online societies have emerged, in the form of social networking sites and social media, all of which dramatically affect how people receive news and information. As a result, consumer's approach with brands (discovery, interaction and decision) has also fundamentally changed. Customers are experiencing a multi-channel journey - particularly on social media - when deciding to buy a product. Social media has a psychological influence, a bandwagon effect, and a strong marketing influence on consumers. As such, marketers have to evolve their strategies aligning them with modern realities when aiming at various touchpoints of the consumer's decision journey.

Social Media

As technology and mobile possibilities keep improving, it becomes progressively easier to engage in social media activities on a daily basis. Alongside these, the power and popularity of social media channels increases as well. In this day and age, social media platforms have become a major source of information and provide users with multiple means for real time communication. Throughout the use of these, people can share user-generated content such as photos, videos, opinions, thoughts, insights and more, beyond local and social boundaries. The multitude of financial and reputational benefits that the use of social media provides to brands, unmistakably characterizes it as a full-fledged new digital marketing opportunity. The millions of customers reached worldwide, the inexhaustible benefits and strategy opportunities that Social Media are providing to brands, makes them a profitable source to achieve crucially higher economic benefits, that cannot be ignored by brands, and need to be further on investigated. The advertising informativeness, credibility and entertaining content that these provide to users, determine the consumers' perceptions of advertising value, and in turn influence their purchase intentions.

The Rise of Influencers

Simultaneously to the emergence and rapid growth of social media, the figure of the "Influencer" was born, and it became increasingly popular within generation Y. Influencers are individuals present and active on social media channels, characterized by a relatively high number of followers, with a reputation built around the expertise and specialization in a specific area. They are "normal people" that gained popularity by providing their followers with insights on their personal and ordinary life, who also share on a daily basis their opinions, thoughts and experiences. They appear much more relatable to the average user, than established VIPs and celebrities, and the possibility that the followers have to interact with social media influencers generates the illusion of having a face-to-face relationship with the media performer, which in turn makes the consumer more susceptible to their opinions, especially in the beauty industry.

Influencer Marketing

Influencer Marketing is a new marketing strategy that focuses on the selection and structuring of advertising campaigns built around key opinion leaders able to drive consumer's purchase decisions and brand awareness. It stems from the convergence of word of mouth, digital marketing, social marketing and neuromarketing. The peculiarity of influencer-produced content lies in the fact that it is considered much more authentic and organic by consumers, and that it has a more direct contact with potential consumers than brand-generated advertisement. Even though beauty brands can have an online presence, they still can't have complete control over the conversations that happen on the web between consumers. Yet, they can influence such conversations by having brand advocates, in the form of social influencers, since they can very easily reach consumers and are definitely more trusted. Their endorsements, differently from paid advertisements, should be interpreted as highly credible electronic Word of Mouth (eWOM).

Purchase Intention

Purchase Intention can be used as an indicator of purchasing behaviour. In order to assess the relationship between millennials' trust in social media marketing sources and the persuasion power these have on them, Purchase Intention is used as the dependent variable of this study. Endorsements by social media influencers and social

media trends have been proven able to manipulate the attention span of the generation of millennials, and consequently have great impact on their final purchase decision. It is then of extreme importance for marketers and brands to fully understand whose opinions millennials trust, in order to comprehend and manipulate their purchase intention and assess in which digital marketing strategies they should invest the most resources.

The Beauty Industry

Today, the indispensability of social media and influencer marketing strategies is a factor of crucial importance in fashion and beauty industries. The emergence of social media completely disrupted this industry because it overruled all sources of information to which millennials make reference when seeking information about cosmetics. These platforms allow consumers not only to read endorser's reviews and opinions, but also to see them use the actual products, factor which consequently increases the credibility of the review and in turn leads to purchase intention. In the present-day, people are increasingly motivated and concerned about their self-image and wellbeing; accordingly, they continuously seek for updates and advices by opinion leaders and sector experts. Once known as "Beauty Gurus", online influencers use their expertise in makeup and cosmetics to recommend their followers some particular products and provide guidance for ideal beauty routines. Today, these new types of celebrities are vital to cosmetics brands, since their thoughts and opinions are the most persuasive form of marketing in the sector; partnering with influencers represents the most effective way to build brand awareness around products.

Case Studies

Nowadays big beauty brands are shifting away from traditional advertising techniques and moving towards more digital focused marketing campaigns. The first case studies described in this paper are some of the major brands' recent social media marketing campaigns. The campaigns cited are those from the companies: Fenty Beauty, Benefit Cosmetics, NYX, L'Oreal, The Glossier, Lancôme, Rimmel, Bumble and Bumble, Aesop and Birchbox. These brands, by skillfully mixing content and commerce on digital channels, naturally encouraged consumers engaging them with the brand and creating eWOM for them to talk about on social media.

The second case study investigated, for the purpose of this paper, discusses an interesting launch of a collaboration collection between the brand "Jeffree Star Cosmetics" (owned by the well-known beauty influencer Jeffree Star) and the digital creator Shane Dawson. The particularity of this launch is the incredible way in which influencer marketing was used to attract, excite and sell to an eager audience. Both Shane Dawson and Jeffree Star have been pioneering content creation and influencer marketing through their YouTube channels. They have created a docu-series of seven episodes about the "behind the scenes" of what happens during the creation of a cosmetics palette. This seven parts docu-series firstly aired on the 1st October and brought consumers along the full production journey of the "Conspiracy" make-up palette, while leading them to the launch of the full collection on the 1st November. Throughout the month in which the docu-series aired, a huge amount of hype built in consumers' mind, which generated extreme Media Impact Value (for both the brand and the influencers), and it continually created a "need for more" in the consumer's mind, up to the point where buying the product was the ultimate crescendo to fulfill that need. The above-described influencer marketing strategy for the "Conspiracy Collection" launch was extremely successful and confirms the enormous potential of influencer marketing for brands in the beauty industry.

Theoretical Background of Statistical Model

For the purpose of this study, the Partial Least Square approach to Structural Equation Modeling (PLS-SEM) will be employed. It is a statistical data analysis procedure composed by the intersection of regression models, multiple table analysis methods, and structural equation models. It aims to provide a summary of how a set of dependent variables are explained by a set of predictors: it analyses a system of relationships between all the considered variables.

Conceptual Framework

Based on prior studies, trust has been chosen as the main indicator of the "reliability" that millennials have on each of the marketing sources tested in this experiment. Hence, given the gaps that the academic literature showcases, previously explained, the Conceptual Framework model herein displayed has the function of filling in these gaps, by giving information concerning this very research. A multitude of different other sources cited in the literature review contributed to the creation and development of the conceptual framework.
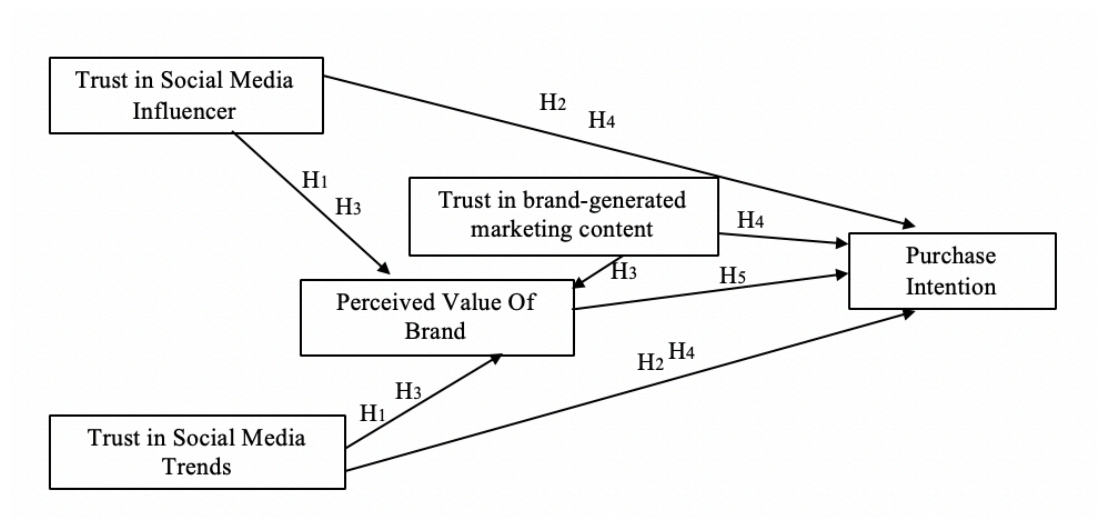

Figure 21- Conceptual Framework

The Dependent Variables of this study are:
- ◊ Purchase Intention (PI)
- ◊ Perceived Value of Brand (PVB)

and,

The Independent Variables of this study are:
- ◊ Trust in Social Media Influencer (TSMI)
- ◊ Trust in Social Media Trends (TSMT)
- ◊ Trust in Brand-generated marketing content (TBMC)

Chapter III – Methods

All the variables of the conceptual framework are considered latent and are measured through observed manifest variables obtained from answers to a Likert scale survey, submitted to a sample of 110 individuals. In particular, the data collected by each question, included in the survey, describes a moderator (manifest variable) that contains information needed to reflect and indicate an aspect of each latent variable; 108 submitted surveys were considered valid, of which 65.7% were completed by female interviewees, 30.6% by males, and 4.7% preferred not to declare their gender.

PLS-SEM Model

In line with the afore-mentioned conceptual framework, a PLS-SEM path diagram has been designed with the aim of testing the correlations between the variables and provide an answer to the research question. The experimental model is graphically represented below, and it includes latent variables, manifest variables, all relationships among the variables of the model, the structural sub-model and the measurement sub-models.
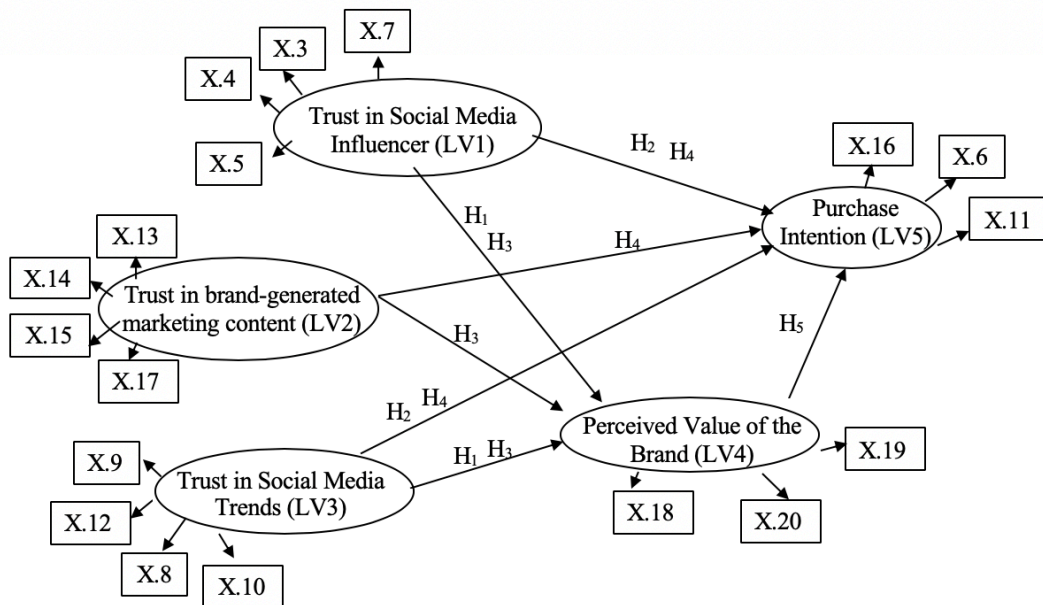

Figure 22 - PLS-SEM

As seen in the path diagram, in figure 2, all the indicators of this study have a reflective relationship with their constructs, the first three listed latent variables of this model: LV1, LV2 and LV3 are exogenous variables. The last two, variables LV4 and LV5, are endogenous.

Hypothesis Development

This paper aims to demonstrate that, for beauty brands, a shift of marketing efforts and resources from traditional brand-generated marketing content to Social Media and Influencer Marketing can lead a company to higher economic benefits and is also crucial in order to stay afloat in the industry. In line with this goal, five experimental hypotheses, enclosing the assumptions that this research aims to demonstrate, have been conceived:

◊ H_1: Social Media Influencer's generated content (a) and Social Media Trends (b) are positively influencing beauty (c) brand's perceived image.

◊ H_2: Social Media Influencer's generated content (a) and Social Media Trends (b) are positively influencing millennial's (d) purchase intention.

◊ H_3: Social Media Influencer's generated content (a) and Social Media Trends (b) have a greater influence on a (c) beauty brand's perceived image than (e) traditional brand-generated content.

◊ H_4: Social Media Influencer's generated content (a) and Social Media Trends (b) have a greater influence on (d) purchase intention than (e) traditional brand-generated content does.

◊ H_5: The effects of Social Media Influencer's generated content (a) and Social Media Trends (b), on (c) perceived brand image, positively influence (d) purchase intention.

Procedures

The statistical software Rstudio was employed to test the model, constructed with the {plspm} package. After data was imported in the software, variables correlation was tested yielding mostly positive correlations. Successively, all parameters were set to run the program accordingly to test the model. A square boolean matrix was designed to represent the inner model and was inserted into the system. The blocks parameter and the modes one, necessary to define if the relationship between the latent variables and their indicators is reflective or formative, were also set. After the parameters of the Partial Least Square – Path Model of this study have been set in the program R-Studio, the final command code was inserted in order to run the model and obtain the results to test the hypothesis and answer the research question.

Chapter IV – Results

Blocks Unidimensionality

This measure tests the reflective relationships between constructs and indicators to assert that each dimension of the Latent Variables of a PLS-SEM model is exactly described by its associated Manifest Variables; both individually and as a block. The theoretical model of this research paper yielded the following results:

```
      Mode  MVs  C.alpha  DG.rho  eig.1st  eig.2nd
lv1    A    4     0.943    0.959    3.41     0.292
lv2    A    4     0.879    0.917    2.94     0.497
lv3    A    4     0.922    0.945    3.25     0.296
lv4    A    3     0.423    0.701    1.87     0.971
lv5    A    3     0.576    0.779    1.79     0.993
```

Table 7 - Blocks Unidimensionality Table

The value of each one of the indicators of block unidimensionality takes on to the required value (Cron Bach Alpha ≥ 0.4; BG. Rho ≥ 0.5; Eig. $1^{st} > 1$; and Eig. $2^{nd} < 1$), which proves that: every dimension of each latent variable included in the PLS-PM model of this research, is exactly described by its associated manifested variables. Hence, its mathematically proven that the theoretical model and conceptual framework developed for this study have statistical value and so will the successive results.
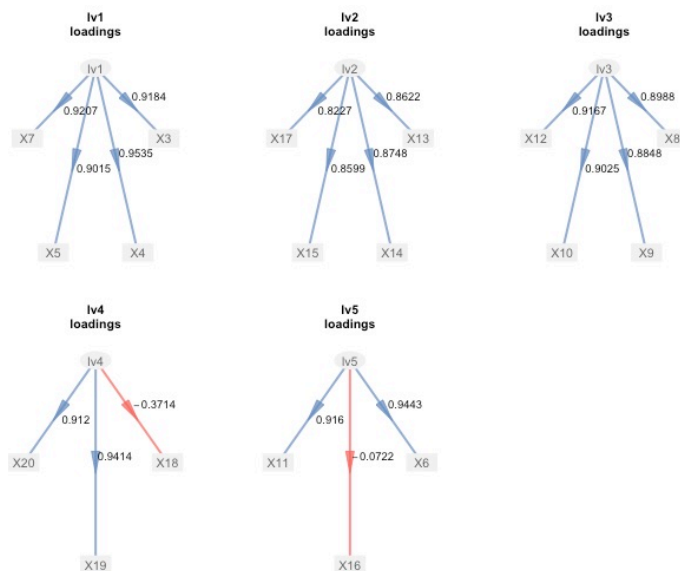
Outer Model Results

Figure 23 - Outer Model Plot Graph

The results of the outer model displayed in figure 3 present the correlation between each block of observed variables and their corresponding latent variable. Blue arrows represent a positive reflective relationship between the two, while red arrows represent the opposite. Plotted numbers, close to the arrows, indicate the loading value of the measurement model.

◊ <u>Trust in Social Media Influencer (LV1):</u>

All manifest variables of this block are positively correlated to the latent variable of the study. Moreover, the loading value of all the indicators is quite high, indicating that the survey revealed that millennials have relatively high levels of trust towards social media influencers.

◊ <u>Trust in Social Media Trends (LV3)</u>

Indicators of this latent variable are positively correlated to it and the loading values are relatively high. Hence, millennials invest a lot of trust also in this kind of information source and tend to rely on it when looking into beauty products.

◊ <u>Trust in Brand-Generated Marketing Content (LV2)</u>

The relationship between LV2 and each one of its manifest variables is also positive, but it's important to notice that the loading value associated to the block of manifest variables associated to LV2 is slightly lower than that of the LV1 and LV3. Hence, it can be deduced that millennials still invest some trust in brand-generated marketing content, as a source of information for beauty products, but also, that they trust the social media influencers and social media trends more nowadays.

◊ <u>Perceived Value of the Brand (LV4):</u>

Manifest variables x20 and x19 have a positive correlation with the construct LV4, and relatively high loading values, indicating that millennial's perceived value of the brand gets positively influenced by both social media trends and influencers. Manifest variable x18 is negatively correlated to its latent variable. Hence, millennials don't believe Brand-Generated Marketing Content to be a faithful representation of brand image.

◊ <u>Purchase Intention (LV5)</u>

Manifest variables x11 and x6 are positively correlated to LV5. On the other hand, the indicator x16 presents a negative correlation with its construct. In other words, Social Media Trends and Social Media Influencers seem to affect purchase intention of millennials regarding beauty products, while Brand-Generated Marketing Content seem to not be able to affect it.

Inner Model Results

At this point, the relationship and the effect that the three exogenous variables of this study: Trust in Social Media Influencers (LV1), Trust in Social Media Trends (LV3), and Trust in Brand-Generated marketing (LV2); have on the two endogenous ones: Perceived Value of the Brand (LV4) and Purchase Intention (LV5), are calculated. Moreover, the relationship between the latter two (dependent variables) is also determined.

The estimated path coefficient tables for Latent Variable 4 and 5 yielded the following Results:

$lv4	Estimate	Std. Error	t value	Pr(>|t|)
lv1	4.61e-01	0.0945	4.88e+00	3.85e-06
lv2	-2.22e-01	0.0486	-4.58e+00	1.32e-05
lv3	3.83e-01	0.0930	4.12e+00	7.68e-05

Table 8 - Structural Path Estimates Lv4

Considering the values reported in table 4, it can be assessed that the relationships between the exogenous latent variables and latent variable 4, Perceived Image of the Brand, are all statistically significant since the value of each individual variable is less than 0.01.

$lv5	Estimate	Std. Error	t value	Pr(>|t|)
lv1	4.04e-01	0.0658	6.13e+00	1.66e-08
lv2	-1.14e-01	0.0335	-3.41e+00	9.29e-04
lv3	4.47e-01	0.0630	7.10e+00	1.75e-10
lv4	1.22e-01	0.0619	1.97e+00	5.10e-02

Table 9 - Structural Path Estimates Lv5

The same structural path estimates, in table 5, are displayed for Purchase Intention; hence, it can also be assessed that the relationships between the exogenous latent variables and latent variable 5, Purchase Intention, are all statistically significant since for the p-value of each individual endogenous variable is lower than 0.01.

Partial Least Square – Structural Equation Model: Results

The effects, relationships and estimates of all the variables composing the conceptual framework of this research, have been summarized in the graphical representation:
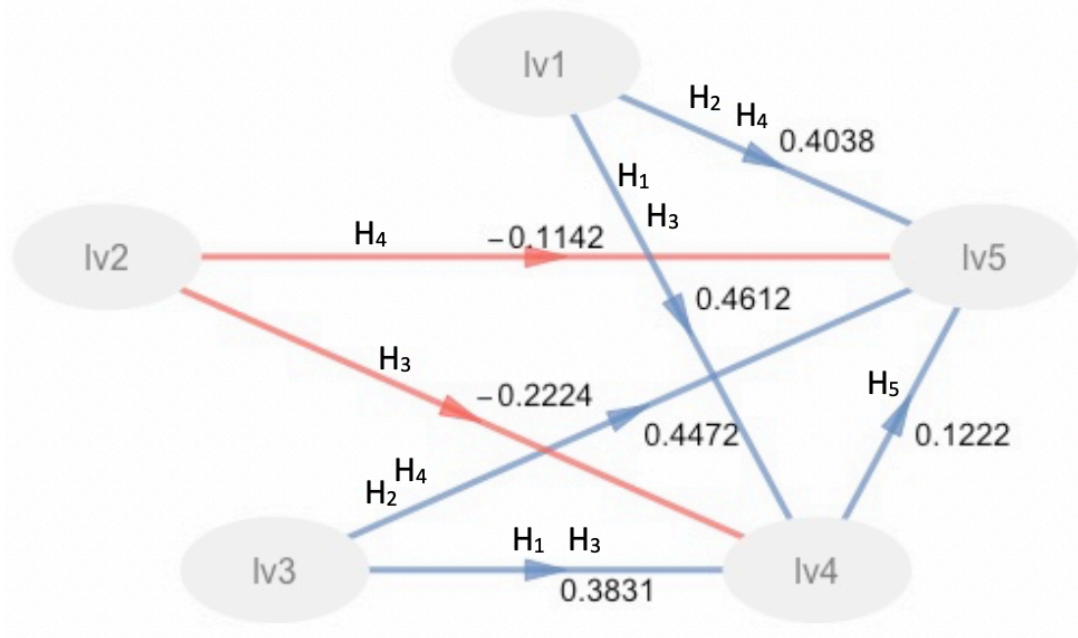

Figure 24 - PLS-PM Inner Model Results

Various interesting findings emerged from the Partial Least Square Structural Equation Model (PLS-SEM) of this research; and from the relationship paths between its investigated variables:

Purchase Intention (LV5) is positively influenced by the exogenous latent variables Trust in Social Media Influencers (LV1) and Trust in Social Media Trends (LV3). This means that the trust millennials award to social media influencers, and that millennials have in social media trends, has the power to influence their purchase intention. Also, the estimate value of the influence of LV3 (0.4472) over LV5, is greater than that of LV1 (0.4038). In other words, Social Media Trends have the ability to affect purchase intention of millennials slightly more than social media influencers. Trust in Brand-Generated Marketing Content (LV2) has a negative influence on LV5. This indicates that the trust allocated by millennials in Brand-Generated Marketing Content is unable to influence Purchase Intention. Hence, these results confirm the developed hypothesis H2 and H4.

Perceived Value of the Brand (LV4), is also positively influenced by the exogenous latent variables Trust in Social Media Influencers (LV1) and Trust in Social Media Trends (LV3). This means that the trust millennials award to social media influencers and that millennials have in social media trends has the power to influence their perceived image of the brand. The estimated value of the influence of LV3 (0.0.3831) over LV5 is lower than that of LV1 (0.4612). Hence, Social Media Influencers seem to have a greater influence power on millennials' perceived value of a brand, than Social Media Trends do. Trust in Brand-Generated Marketing Content (LV2) has a negative influence also on millennial's Perceived Value of the Brand (LV4), indicating that Brand-Generated Marketing Content is not considered to provide a trustworthy representation of its own image in millennials' point of view. These results obtained support the hypotheses H1 and H3.

Perceived Value of the Brand (LV4) has a positive influence on Purchase Intention (LV5). From this outcome it can be deducted that Social Media Influencers, Social Media Trends and Brand-Generated Marketing Content can be used as means to affect Perceived Value of the Brand, which in turn has a positive influence on Purchase Intention. This empirically supports the last hypothesis developed for this research, H5.

Moreover, the value R^2, which indicates the accuracy of the inner model fit, is quite high for each variable: this means that the model designed for the purpose of this study well-describes its data.

	Type	R2	Block_Communality	Mean_Redundancy	AVE
lv1	Exogenous	0.000	0.853	0.000	0.853
lv2	Exogenous	0.000	0.731	0.000	0.731
lv3	Exogenous	0.000	0.811	0.000	0.811
lv4	Endogenous	0.772	0.619	0.478	0.619
lv5	Endogenous	0.911	0.579	0.527	0.579

Table 10 - Summary Inner Model

The overall goodness of fit calculated for the PLS-PM of this research takes on value 0.7847 > 0.65, which means that the structural and measurement sub-models of the full Path Model of this research fit perfectly together.

Chapter V – Conclusions

Theoretical and Empirical Contributions

As expected, Social Media Influencers' generated content has an impact on the perceived image of a beauty brand. Brands should shift from traditional marketing campaigns to concentrating on wisely choosing and pleasing social media influencers, in vests of brand advocates, since it's been asserted that they can easily reach consumers and are definitely more trusted than traditional brand-generated marketing content.

Moreover, the results of the empirical study, also manifest a correlation between Social Media Influencers' generated content and millennials' purchase intention. Hence, millennials are more easily persuaded to purchasing beauty products after looking at social media influencers as a source of information, rather than using traditional brand-generated content. For beauty brand marketers, the selection of the right influencer and the construction of the right marketing strategy around him, is therefore pivotal for the success and effectiveness of any advertisement campaign.

Another important finding that emerged from the empirical research is the relevance of the impact of social media trends on millennials' purchase behavior of beauty products. This source of information is the one that mostly influences millennials' purchase intentions which could be probably attributed to the power of electronic word of mouth. Marketers should create campaigns by generating "sharable" and catchy social media content that induces millennial consumers to create a proper trend around that product, in order to raise the chances of influencing purchase intention and increase sales.

Emerged findings also show that social media trends are able to influence the perceived value of the brand. Since millennial consumers are a generation which is very likely to "follow the crowd" when a trend emerges and is embraced by a large number of people, they are easily influenced into agreeing with the mass. Marketers should always be aware about what is said online about their brands and should focus digital marketing campaigns that aim at involving connected consumers, for the purposes of creating a social media trend and raising brand awareness and control perceived value.

Finally, this study provides the empirical backup to the fact that in the beauty industry, affecting consumers' perceived brand image with the use of social media influencers' generated content and social media trends, will in turn influence millennial's purchase

intention. The two combined, or separately, can influence and persuade millennial consumers' buying behaviour, eventually leading them to purchase intention. Therefore, it can be concluded that an additional marketing tool for marketers of beauty brands that aim at increasing purchases (and revenues) is that of identifying social media influencers and designing social media marketing strategies that focus on enhancing perceived brand image.

Limitations and Future Research

This current research presents some limitations, such as: the size of the sample collected for this research, the existence of more sources of information that consumers consult throughout their purchase decision journey, and the reasons why social media influencers and social media trends have not been investigated. Further research should include these factors, and could also investigate which individual factors lead consumers to rely on social media influencers and social media trends when purchasing beauty products; which are the "perfect" social media marketing targets to address with these forms of advertisements, other than investigating how beauty brands and marketers should approach influencer marketing campaigns in order to result as genuine and trustworthy as possible in the eyes of the consumers.