The 2022 International Conference on Financial Technology and Business Analysis
DOI: 10.54254/2754-1169/5/20220085

The Impact of Influencer Marketing Compared with Celebrity Endorsement on the Chinese Market

Kai Chen [1,a,*], Yi Lyu [2], and Qingjing He [3]

[1] Westminster Business School,University of Westminster, London, W1B 2HW, The United Kingdom
[2] School of Natural Sciences, Department of Materials, The University of Manchester, Manchester, m13 9PL, The United Kingdom
[3]St.John's Academy, Vancouver, V5K 2B1, Canada
a. W1807635@my.westminsier.ac.uk
**corresponding author*

Abstract: This article discusses the impact of influencer marketing in the Chi-nese market. Due to the rapid growth of online shopping, influencer promotion has become an important marketing method in the Chinese market. The leading social media in China are Douyin, Red Book, and WeChat. And all of this software comes with an online shopping mall component. The presence of Taobao has also made online shopping more convenient. Social media professionals often have their shops on Taobao. We surveyed consumers of all ages across China using a ques-tionnaire and obtained a sample of 241. The questionnaire was de-signed to compare the impact of online marketing and celebrity en-dorsement on consumers in the Chinese market. Our survey showed that Chinese consumers are likelier to choose products promoted by internet celebrities, with female consumers being the majority. And the majority prefer beauty and garment products. Based on the ques-tionnaire analysis, it can be concluded that influencer marketing is more prevalent in the Chinese market. Due to the development of technology, people do not need to go to offline shops to buy products. Online shopping is more convenient for consumers. And influencer promotion just makes up for the lack of online shopping. Influencer demonstrations of products allow consumers to visualize the effec-tiveness of the products and thus feel confident in their purchases. This is also the reason why most consumers choose influencer market-ing.

Keywords: influencer marketing, celebrity endorsement, marketing strategy, mil-lennials, promotion.

1. Introduction

The last two decades have seen a growing trend toward influencer marketing generalize, and we have also seen the rapid development of influencer marketing in many. One of the most important events of the 21st century was through short video plat-forms to promote goods the live streaming to sell goods. Different types of online celebrities tailor their marketing packages to other consumers; we can be called that is video marketing means online video advertising in lots of places that use video clips with commercial messages online, whether on the company website, a site like YouTube, etc., is also a growing advertising format and is becoming a meaningful way to build brands. There has been an explosive growth in spending of nearly 100% year on year in many developed countries [1].

© 2023 The Authors. This is an open access article distributed under the terms of the Creative Commons Attribution License 4.0 (https://creativecommons.org/licenses/by/4.0/).

DOI: 10.54254/2754-1169/5/20220085

However, there are still many draw-backs to influencer marketing; the quality of the goods also is not specifically genuine or not, even if the promotion is substantial—more consumer insecurity. The most significant difference between celebrity marketing and influencer marketing is the audience of the goods; as long as the marketing finds the right consumers will achieve tremendous success. The research to date has focused on making merchandise sell more rather than creating demand for different groups of consumers. It is hoped that this research will contribute to a deeper understanding of the influencer effect. This study provides new insights into influencer marketing; understanding the link between influencer marketing and celebrity marketing will help consumers make better choices when they want to buy something. About this project, our first part is a literature review; then the second part will use a survey to give some data come to support our conclusions.

2. Literature Review

According to Hughes et al., influencer marketing's primary goal is to increase campaign awareness or encourage customers to try the product [2]. The awareness campaign is more focused on brand engagement, and the trial campaign is directly targeted to the actual product. Therefore, the company needs to base its application scenario on designing its influencer marketing strategy. Moreover, Hughes et al. state that an influencer's expertise level decides their campaign style. Because influencers with domain knowledge are more familiar with the product concept, it could attract more attention to the brand. Influencers with poor expertise depend on entertainment content to attract potential customers. Therefore they are closer to customers and more persuasive in trial campaigns. However, the final goal of influencer marketing is to transfer influencers' publicity to the company's actual sales.

Leparoux et al. analyze the strategy for influencers to promote products and the main characteristics of influencers to illustrate how influencer fame and their personality could affect customer decision-making—using qualitative and quantitative research to interview customers and influencers to understand the interaction be-tween followers and influencers [3]. The study shows that the logic behind influencer marketing is standardization and experience economy by inviting customers to experience a certain standard of life to provide authentic guidance; therefore, it could affect customers' consumption judgment. The quantitative data shows that even customers tend to be more independent in purchase preferences than influencer promotion. However, they could still be influenced to purchase the product. Moreover, based on the segment of the influencer, if an influencer has more followers, it means that the standardization of the influencer has more recognition; this could benefit the company for its customer identification and positioning.

Ahmed et al. identified endorsement marketing as celebrities who rely on their particular expertise and a high standard of living to provide public recognition to certain brands to gain unique brand characteristics for the public to attract customers [4]. The goods introduced by famous people could make the product gain social recognition for the product so that the outcome could have more publicity. Ahmed et al. (Ibid.) stated that buying behavior is customers finding solutions for their needs; they would also skip some stages when it is in daily practice [4]. Endorsement marketing is the external stimulation to encourage customers to reflect on their thinking and compare replacement stages. In this way, endorsement marketing could give the brand competition advantages.

In the next section, we would like to present the research methodology of this thesis. We compare influencer marketing with celebrity marketing and publish questionnaires to conclude the data summary.

DOI: 10.54254/2754-1169/5/20220085

3. Methodology

The type of research used in this thesis was a survey questionnaire. Since we are considering all age groups, genders, and professions in the Chinese market, inter-views and other methods would make the survey too subjective. So, we chose to use a survey questionnaire to study the problem. This survey uses quantitative analysis. As we only learned how customers in the Chinese market perceive Influencer marketing and traditional celebrity marketing, the survey was only published on Chinese social media, such as WeChat, Weibo, and Tik Tok.

There are 23 questions in the questionnaire. In the survey, we compared influencer marketing with traditional celebrity endorsements and designed a series of questions to gather customer perceptions of the two in China. For example, customer preferences for celebrities and influencers and customer perceptions of products under two different marketing approaches. The questionnaire allows us to get more detailed data to conclude whether influencer marketing or celebrity endorsement has more influence on the market nowadays.

To collect and select data, we chose to use an application called Questionnaire Star, which can create questionnaires and can use QR codes to spread them on social media so that a broader range can see them of people. At the same time, the application can create branches for the survey so that different choices can jump to other questions. This could make it convenient for people to complete the questionnaire. In total, we collected 241 samples.

4. Findings

This survey separately identified the customers' views on influencer and celebrity endorsement marketing. Referring to 7.1 and 7.2, The total sample size is 241, 133 people who took the influencers survey, of which 56% were female consumers. One hundred eight people choose to answer celebrity endorsement marketing. Ages under 30 have taken nearly 70% of our sample group. Referring to7.5, the platform the sample group usually use is also new generations of social media like Tik Tok and Red book (an app similar to Instagram). However, referring to 7.6 convincible numbers of fans, people are more trusting of middle-size influencers; key opinion leaders with the most prominent followers get minor support from our survey group.

Words like “is”, “or”, “then”, etc. should not be capitalized unless they are the first word of the title. Follow the rule of Capitalization in title. Do not capitalize short prepositions (less than 5 letters), articles, and short coordinating conjunctions.

Table 1: Refer to appendix7.1,7.4).

X\Y	Influencer marketing	Celebrity endorsement	Amount
Male	51(52.58%)	46(47.42%)	97
Female	79(56.03%)	62(43.97%)	141
Other	3(60%)	2(40%)	5

In finance and purchasing patterns, refer to 7.3, around 50% of the survey sample's monthly disposable amount is over. This data could be one of the reasons half sample people purchase products below ￥1K in 7.11; even 20% think the price is not the first orientation of selecting the product. Furthermore, in question 7.10, food, cosmetics, clothing, and dairy necessities are the main subjects of the commodity category. This is similar to the main influencer content that attracts the most attention. However, the frequency of survey sample purchases of influencer products is most likely to be occasionally (7.8).

Referring to 7.7, for the theme of influencer content, sample people are focused on lifestyle cosmetics and food; this pattern also confirms the main target of the young female group.

DOI: 10.54254/2754-1169/5/20220085

The sample group's opinions about influencers promoting product after-sales ser-vice are average standard. Regarding influencers with scandals (7.14), 60% of people will change to influencers without scandals. Only 16% of people choose to focus on the price segment rather than morality; For the future view about influencer marketing, the majority think it still has significant power to affect the market. Only 12% of people have a negative opinion of influencer marketing.

Table 2: Refer to appendix 7.3,7.4).

X\Y	Influencer marketing	Celebrity endorsement	Amount
Less than 1000CNY	13(65%)	7(35%)	20
1000-3000CNY	29(50%)	29(50%)	58
3000-5000CNY	23(53.49%)	20(46.51%)	43
5000-1wCNY	25(46.30%)	29(53.70%)	54
More than 1w CNY	43(63.24%)	25(36.76%)	68

According to appendix 7.16, customers who chose celebrity-endorsed prefer actors and artists with good reputations. Those who decided on celebrity endorsement were older than those who chose influencer marketing but still concentrated in the 20-30 age group (Table 1). The customers who decide on celebrity endorsement include not only older people, which means they have a stable source of income, but also Chinese students abroad, which means that although they are students, they have enough money to live on and far more than students at home. Customers can find out about the products from TV, video software ads (61.82%), celebrities' social media (48.18%), shopping mall ads (46.36%), etc. (Appendix 7.18). 47.27% are willing to buy celebrity-endorsed products because of the celebrity's reputation (Appendix 7.19). As data 7.20 shows, their choice of products was more inclined towards garments (57.27%) and necessities (59.09%). 29.09% of consumers chose to buy luxury products endorsed by celebrities, while no one would buy luxury products from influencer marketing (Appendix 7.10). For the price point of the products (Appendix 7.21), 32.73% chose products under 1,000 CNY, while 30.91% chose not to care what the price was.

5. Discussion and Implications

5.1. Discusssion

In the sample of 241 people, 133 people are more focused on influencer marketing, compared to 108 people on endorsement marketing, which shows that the orientation of the sample group is more attracted to Influencers. In the age factor, the customer group shows the characteristic of young age, indicating that the main force of Chinese consumers is now the millennial generation, which is in line with the influencer marketing leading target group. Then, the gender spread of the survey mainly centralized in females, which is the main purchase power of the market. Referring to 7.6, sample customers are more likely to be middle-sizedized influencers rather than influencers with small or giant fans. One of the reasons could be millennials have personal qualities; when they face major influencers with significant bargaining power, it might hurt them. Middle-sized influencers could give them information on current trends and not be recognized as people with a herd mentality.

In the meantime, the monthly disposable amount is of a very high standard. According to Textor, the annual per capita disposable amount of city and countryside in China are ￥47412(￥3951 monthly) and ￥18931(￥1577.6 monthly); however, half of the survey sample's monthly disposable amount is over￥5k, this result could lead to a high consumption level [5]. According to survey 7.8, the customers of influencer marketing are more likely to purchase the product occasionally. This could be recognized as millennial personality, having their own opinions of their purchasing habit.

DOI: 10.54254/2754-1169/5/20220085

This could also show that influencer marketing could affect customers' purchasing decisions. Sharp states that the brand's publicity is the key to brand growth because most customers are light users [6]. Therefore, research sample occasional purchases could help brands expand their customer group to grow further.

The result is quite similar for the after-sale service (7.12 and 7.22) of Influencer marketing and endorsement marketing. Both customer groups are neutral about the aftersales service of their product. One of the reasons for influencer marketing could be products promoted by influencer usually demonstrates the characteristics and flaws of the product in the influencer's content. This is also the key to attracting customers to pay attention to influencer marketing. Moreover, according to Jun and Jaafar, in Chinese online shopping platforms, the fund will be transferred to the sell-er after buyers agree; therefore, the attitude toward online shopping after-sale ser-vice has been formed [7].

Referring to 7.13 and 7.14, people are more likely to bind to social morality when they face scandals; only 16% of people choose to keep following the Influencers with scandals due to price, even though it is one of the main attractions for customers to choose influencer marketing. This is because China society has its social norms of good personality; influencers with crime records could seriously damage their social credibility, leading to questions about the authenticity of their promotion. This could affect people's view of the product display, which is the most effective way to convince customers to purchase the product. In the same logic, celebrity endorsement could also have a similar impact on the brand; however, due to celebrity endorsement is more focused on relying on celebrities' social credibility to gain the trust of customers. Celebrities' negative responses to the brand or scandals could destroy the company's brand image.

Just as data 7.16 shows, they believe that a product endorsed by a celebrity with a good reputation is excellent. Not only are the products genuine, but the quality is also better than that marketed by influencers. This also shows that customers are more likely to trust a celebrity with a good reputation than an influencer. According to data 7.19, 7.20, and 7.21, we can conclude that they are looking for a high quality of life. Most of the customers who choose celebrity endorsement do not care about the product's price but more about the quality of the product. This is because they have more money and are willing to pay for a quality product. These are the target customers for celebrity marketing. Referring to data 18, celebrity endorsements are more diverse for the channels through which customers hear about the products. This means that businesses have to pay the celebrity endorser and spend money on advertising on various platforms (online and offline). And for influencers with a million followers, their graphic promotion offer is around 60w CNY (Top Social) [8]. The offer for two years of portrait rights for a second-tier Chinese actor is 70-80w (Dream Star) [9]. Compared to influencer marketing, where the company only has to pay the celebrity, celebrity endorsement marketing costs more.

5.2. Recommendation

Influencer marketing or endorsement marketing needs to focus on marketing strategy for females because they are still the mail purchase power in the market. For influencer marketing, the company needs to meet the needs of millennials, using modern and on-trend platforms to promote their product. In this way, the company could build the cycle of attracting more potential young customers, increasing brand identity aformingorm the penetration of existing customers to potential customers. For celebrity marketing, the company has to identify target customers for people with a certain income or savings. Because celebrity marketing requires high-cost investment, the price cannot be lowered while maintaining the quality of the product, thus maintaining customer loyalty. Secondly, the company invites celebrities with solid fan buying power to endorse the products, thus boosting product sales. This is an essential aspect in the age of big data.

DOI: 10.54254/2754-1169/5/20220085

5.3. Conclusion

The analysis in this paper shows that the orientation of people more inclined towards influencer marketing under the age of 30 (most of the age group is 20-30 millennials) people are accountable for most of the purchasing power of the market, which is also by following the target group of influencer marketing. This paper uses the sur-vey that gender spread is mainly centralized in females, which means females more than males in market target groups. Today we can still find most influencers growing fast on the internet, and consumers can't resist buying something when they have a better understanding of the products they are interested. These small purchases can help brands increase customers too. However, consumers also pay more attention to the character of influencer, but the majority thinks in the future, it still has significant power to affect the market through influencer marketing. The conclusion above is sample group to several limitations. First, the sample group is mostly females, and approximately 70% are female and participate in this sample group too. The total number of people is 241. Secondly, the survey questions were not comprehensive. For example， there is no indication for influencer marketing and celebrity marketing which is better than different categories of goods, just general statistics on which marketing consumers prefer. Still, in most cases, consumers choose different products for different marketing methods. Finally, there may be other variables that affect performance. For example, the bad quality of the products sold by an influencer is reported, which will cause consumers to lose confidence in the influencer, as same as consumers are just as likely to lose faith in a celebrity when a celebrity-endorsed product goes wrong, and the influencer marketing how to create better marketing demand are not clear, future research should therefore concentrate on the investigation of order created by influencer marketing.

Acknowledgements

Kai Chen and Yi Lyu contributed equally to this work and should be considered co-first authors.

References

[1] *Merol, O., (2020). Strategic Marketing book, Amazon, London,*
[2] *Hughes, C., Swaminathan, V., Brooks, G., Driving Brand Engagement Through Online Social Influencers: An Empirical Investigation of Sponsored Blogging Cam-paigns, Journal of Marketing Vol. 83(5),78-96*
[3] *Leparoux M., Minier P., Anand A. (2019). The online influencers strategies and their impact on consumers decision process. Vestnik of Saint Petersburg University. Management 18 (3): 419–447. https://doi.org/10.21638/11701/spbu08.2019.305*
[4] *Ahmed.R., Seedani. S., Ahuja M., Paryni S.,(2015), Impact of Celebrity En-dorsement on Consumer Buying Behavior, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2666148*
[5] *Textor,C., (2022), Annual per capita disposable income of urban and rural households in China from 1990 to 2021, Statista, https://www-statista-com.uow.idm.oclc.org/statistics/259451/annual-per-capita-disposable-income-of-rural-and-urban-households-in-china/*
[6] *Sharp. B., (2010). How brands grow: what marketers don't know. Oxford Univer-sity Press, London.*
[7] *Jun G., Jaafar N, (2011). A Study on Consumers Attitude towards Online Shop-ping in China, Research Gate, https://www.researchgate.net/profile/Noor-Ismawati-Jaafar-2/publication/267957560_A_Study_on_Consumers'_Attitude_towards_Online_Shopping_in_China/links/55518b9e08ae956a5d25f6ff/A-Study-on-Consumers-Attitude-towards-Online-Shopping-in-China.pdf*
[8] *TopSocial, (2022). List for influencers. https://www.topsocial.com.cn/resource/wechat*
[9] *Dream Star, (2022). Celebrity endorsement price list October 2022 latest celeb-rity endorsement fee price list. https://www.mzxstar.com/Article/Detail/463.html*

Appendix

Gender

DOI: 10.54254/2754-1169/5/20220085

Choice	Amount	Percentage
Male	97	39.92%
Female	141	58.02%
Other	5	2.06%
Total Headcount	243	

Age

Choice	Amount	Percentage
Below 20	50	20.58%
20-30	119	48.97%
30-40	40	16.46%
40-50	23	9.47%
Above 50	11	4.53%
Total Headcount	243	

Monthly disposable amount (CNY)

Choice	Amount	Percentage
Below 1k	20	8.23%
1k-3k	58	23.87%
3k-5k	43	17.7%
5k-10k	54	22.22%
above￥10k	68	27.98%
Total Headcount	243	

Are you more interested in Influencer marketing products or celebrity-endorsed products?

Choice	Amount	Percentage
Influencer	133	54.73%
Celebrity endorsement	110	45.27%
Total Headcount	243	

DOI: 10.54254/2754-1169/5/20220085

If chose Influencer Marketing:
What platforms do you use to follow influencers? (Multiple choice)

Choice	Amount	Percentage
Weibo	43	32.33%
Tik Tok	91	68.42%
The Red book	81	60.9%
Bilibili	46	34.59%
Total Headcount	133	

Influencers convincible size of fans (Multiple choice)

Choice	Amount	Percentage
Less than 500K	49	36.84%
500k - 1M	63	47.37%
1M – 5M	80	60.15%
5M – 10M	58	43.61%
Above 10M	42	31.58%
Total Headcount	133	

What type of influencers do you follow? (Multiple choice)

Choice	Amount	Percentage
Lifestyle	87	65.41%
Beauty & Fashion	68	51.13%
Food	87	65.41%
Gaming	39	29.32%
Knowledge	53	39.85%
Other	20	15.04%
Total Headcount	133	

DOI: 10.54254/2754-1169/5/20220085

Do you often buy products recommended by influencers?

Choice	Amount	Percentage
Occasionally	109	81.95%
Often	22	16.54%
Everyday	2	1.5%
Total Headcount	133	

Why are you willing to buy products recommended by influencers? (Multiple choice)

Choice	Amount	Percentage
Price is cheaper	57	42.86%
Complimentary more samples are compared to the counter	33	24.81%
An influencer demonstration of the product's effectiveness makes it even clearer.	86	64.66%
Good quality	41	30.83%
Supporting as fan	20	15.04%
Total Headcount	133	

What type of products would you buy? (Multiple choice)

Choice	Amount	Percentage
Food	74	55.64%
Beauty	63	47.37%
Clothing	68	51.13%
Electronic product	34	25.56%
Daily necessities	81	60.9%
Luxury	11	8.27%
Total Headcount	133	

DOI: 10.54254/2754-1169/5/20220085

What price level would you buy (CNY)?

Choice	Amount	Percentage
Below ￥100	25	18.8%
Below ￥1K	65	48.87%
Below ￥5K	13	9.77%
Below 10K	4	3.01%
Price does not matter	26	19.55%
Total Headcount	133	

How would you comment on the after-sales service of the products recommended by influencers?

Choice	Amount	Percentage
Satisfied	30	22.56%
Average	98	73.68%
Dissatisfied	5	3.76%
Total Headcount	133	

Have you ever experienced an influencer with scandals? (e.g., selling fake products to customers)

Choice	Amount	Percentage
Yes	53	39.85%
No	80	60.15%
Total Headcount	133	

DOI: 10.54254/2754-1169/5/20220085

If yes-14, no -15:
Has your mindset changed when you come across these types of influencers?

Choice	Amount	Percentage
Never choose influencers promote product	12	22.64%
Choose other influencers without scandals	32	60.38%
It does not matter, focus on discount	9	16.98%
Total Headcount	53	

What do you think the future of influencer marketing?

Choice	Amount	Percentage
Still developing rapidly	49	36.84%
Development slowing down, but still matters	68	51.13%
Going downhill	16	12.03%
Total Headcount	133	

If choose Celebrity-endorsed:
What type of celebrities do you like? (Multiple choice)

Choice	Amount	Percentage
New-generation stars (young and pretty, e.g., idols)	25	22.73%
Singers	45	40.91%
Actors and actress	63	57.27%
Artists with good reputations (e.g., traditional opera actors)	50	45.45%
Total Headcount	110	

Do you often buy products recommended by celebrities? (Multiple choice)

Choice	Amount	Percentage
Occasionally	94	85.45%
Often	21	19.09%
Everyday	5	4.55%
Total Headcount	110	

DOI: 10.54254/2754-1169/5/20220085

The platform you learn about celebrity-endorsed product (Multiple choice)

Choice	Amount	Percentage
TV, Video App advertisement	68	61.82%
Celebrity social media promotion	53	48.18%
Shopping mall advertisement	51	46.36%
Other	21	19.09%
Total Headcount	110	

Why are you willing to buy celebrity-endorsed products? (Multiple choice)

Choice	Amount	Percentage
Support as fan	31	28.18%
Trust in the quality	50	45.45%
The reputation of the celebrity	52	47.27%
Other	28	25.45%
Total Headcount	110	

What type of products would you buy? (Multiple choice)

Choice	Amount	Percentage
Food	50	45.45%
Beauty	44	40%
Electronic products	37	33.64%
Clothes	63	57.27%
Daily necessities	65	59.09%
Luxury	32	29.09%
Total Headcount	110	

DOI: 10.54254/2754-1169/5/20220085

What price level would you buy (CNY)?

Choice	Amount	Percentage
Below 100	10	9.09%
Below 1K	36	32.73%
Below 5K	20	18.18%
Below 10K	10	9.09%
Price does not matter	34	30.91%
Total Headcount	110	

How would you comment on the after-sales service of the products endorsed by celebrities? (Multiple choice)

Choice	Amount	Percentage
Satisfied	31	28.18%
Average	82	74.55%
Dissatisfied	10	9.09%
Total Headcount	110	

What do you think of the future of traditional celebrity endorsement marketing?

Choice	Amount	Percentage
Still developing rapidly	25	22.73%
Development slowing down, but still matters	60	54.55%
Going downhill	25	22.73%
Total Headcount	110	