



# How does social media marketing work and to what extent does it impact purchase intention?

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## Abstract

In the recent evolution of marketing, there has been a huge shift from traditional to digital marketing where now *Social Media Marketing (SMM)* is taking over. The growth of this form of marketing has been facilitated by the increasing popularity and use of social media platforms and the ability for brands to leverage this to reach larger customer bases in a quicker and potentially less costly manner. Though there are many forms of SMM, one which is particularly interesting to study is *influencer marketing*. This paper explores the several benefits and drawbacks of social media and influencer marketing by analysing ‘HiSmiles’, a company that has created a name for itself with the help of influencers, namely Kylie Jenner and Connor McGregor; and has grown from a \$20,000 company into a \$300 million company.

**Keywords:** Social media, purchase intention, digital marketing

## Introduction

For the longest time, the word ‘marketing’ simply meant advertising through traditional methods such as billboards, broadcasting, and print. However, the era of digital marketing is slowly taking over as its importance grows more and more every day.

Marketing is defined as the process of exploring, creating, and delivering value to meet the needs of a target market in terms of goods and services. It separates into two different categories: digital and traditional. The main difference between the two is the medium through which the product is promoted. While traditional marketing uses traditional media like magazines and newspapers, digital marketing uses digital media, such as social media or websites (TheDynamicMarketer, 2022). Social media marketing (SMM), one of the most popular forms of digital marketing, now seems to be taking over all types of marketing because of the sudden

increase in the importance of social media.

HiSmile, which offers at-home teeth-whitening kits, sells 1 million kits each year and has turned over \$200 million over the past five years (Saunders, n.d.). They built a world-famous empire, capitalising on SMM and brand representation from celebrities, which turned their start-up, of \$20,000, into a multimillion-dollar company. Influencers create native ads that tend to resonate better with consumers, which, in turn, can enhance advertising performance and improve overall conversion (Francis, 2022). They use their powerful presence within social media to advocate for a brand, resulting in heightened awareness and relevance. The creators of HiSmile took great advantage of this and used Kylie Jenner, an American media personality, socialite, model, and businesswoman, as well as Conor McGregor, an Irish professional mixed martial artist, to advertise their product through social media.

Though how HiSmile has operated over the years have proven to be successful, there are several disadvantages that come along with being linked to a celebrity or influencer. On the basis of the above, this paper will aim to answer the question: **How does SMM work and to what extent does it impact purchase intention?** Through this question, I will be analysing the brand HiSmile and how influencers have helped them reach where they are but also the drawbacks that come with this.

### **The evolution of marketing and birth of digital marketing**

Marketing is something we all have heard of and been privy to. It is defined as the set of activities that a company undertakes in order to promote its product or service to an audience, usually entailing customers or even other businesses (Twin, 2021). According to Peter Drucker, “because its purpose is to create a customer, the business enterprise has two -- and only these two

-- basic functions: marketing and innovation”. Even though the world is awash in innovative products predominately as a result of technological advancements - this is not enough for businesses to sustain. Marketing is a necessity for these innovative products as it is only when customers and prospective customers are made aware of the products in an attractive manner that the business will eventually make revenue and profit. The increased competitiveness in industries makes marketing even more important.

Marketing has evolved over the years. Traditional marketing is what most brands started with and it includes the use of traditional platforms such as print media and broadcast media to bring awareness to the products and services offered by a brand. Though digital marketing, which will be discussed in detail shortly, seems to have overtaken the traditional forms of marketing, many brands still opt to market their products using these platforms. Some of the most common forms of traditional marketing include the advertising of products on television, radio, newspapers, magazines, outdoor areas, phone calls,

direct mails and networking. There are many reasons for the aforementioned and some of them include the ability to reach audiences who do not use digital media frequently and the generation of large eyeball shares as a result of these adverts being predominately placed in public areas wherein many people are able to view the advert even unintentionally (Bhasin, 2020).

The other branch of marketing is digital, in a world where over 170 million people use social media on a regular basis, every working professional is expected to be familiar with at least the core tenets of Digital Marketing. Digital Marketing encompasses 4 different types of marketing that play a crucial role in any business. Firstly, content marketing, Search Engine Optimization (SEO), Search Engine Marketing (SEM), and the most popular form of digital marketing - SMM(SMM). (Selvan, 2019) (Hughes, 2020).

There are a number of advantages of Digital Marketing. Unlike traditional marketing, digital marketing is more affordable. You can reach a larger audience in a shorter time period.

Technological advances have resulted in considerable attrition of the customer base of traditional marketing agencies & departments. People have moved on to tablets, phones, and computers, which are the areas where digital marketers have gained the most ground. The digital market is in a constant state of flux. A Digital Marketing professional must find ways to keep up with this change. They need to be able to keep an eye out for emerging trends and the development of newer and smarter Search Engine Algorithms. (Owen, 2021)

Essentially, no matter what form of marketing is done it is extremely important and plays a huge role in the growth and awareness of a company. Marketing is not a function; it is a way of doing business. Marketing is not a new ad campaign or this month's promotion. Marketing has to be all-pervasive, part of everyone's job description. Its job is not to falsify the company's image,

but to integrate the customer into the design of the product and to design a systematic process for interaction that will create substance in the relationship (McKenna, 2014).

## **SMM**

Social media refers to computer-based technology that facilitates the sharing of ideas, thoughts, and information through virtual networks and communities. As of October 2021, more than 4.5 billion people use social media - proving the power of these platforms (Dollarhide, 2021). Over the years, marketers have also realized the potential of SMM (SMM) which simply put is the use of social media and social networks to market the products and services of a company (Hayes, 2021). SMM is being rapidly used by businesses around the world in a bid to reach and engage with current and potential customers while promoting the desired culture, mission and/or tone.

There are many different social media platforms that companies can exploit as they all offer unique features and take different forms. Some of the most popular include Instagram, YouTube, Facebook, Twitter and TikTok. Each of these platforms has faced tremendous growth over the years and provide brands with access to a large number of active users (Robinson, 2020). Given that as of 2021, 75% of Gen-Zers and 48% of millennials in the US were making purchasing decisions influenced by social media ads, it stands vital for brands to pick a social media platform that will work best for them and help them reach their desired audience (Statista, 2021). This may be based on the type of content the company can create, what channels their audience is most likely to use and their wider digital marketing strategy. At the end of the day, regardless of the platform chosen, most forms of SMM will essentially encourage users to spread messages about the advertised products and services with their friends and followers and snowball the reach of the company.

Other than the several social media platforms available, brands also make choices with regards to the type of SMM they want to invest in. Some examples of this can be photo ads, video ads, stories ads, and messenger ads (Reed, 2021). Photo ads are likely the most commonly used and proven to be a great way for brands to build awareness amidst users as the high-quality photos of the product can be placed right in front of the consumer. Adding a call to action on photo ads

have also proven successful in driving traffic to the brand's webpage. In fact, a Facebook study found that a series of photo-only ads outperformed other ad formats in bringing unique traffic. Furthermore, 'stories' are another popular feature finding themselves on many social media platforms. Advertising a brand's products on stories can prove very successful as proven by an Instagram business study wherein half of the users surveyed said they visited a website to purchase a product or service as a result of viewing it on a Stories ad.

There are several advantages that come along with SMM. Firstly, you reach large audiences. Social media platforms are used by millions of individuals. It's a brilliant way for any company to reach out to a big number of people who are interested in their products or services. Secondly, a business also has a direct connection with your audience; social media is one of the few marketing strategies that allow you to connect directly with your audience. You know who is interested in your business because they choose to follow your social media account. This social media advantage can help a business in numerous ways: they get to know the customer better, they can gain valuable insight on their customers and can understand how the customers perceive their business (WebFX, 2021).

Along with all these advantages, however, comes along some drawbacks. As the brand awareness grows so does a business's exposure to competitors. SMM enables competitors to study a business's strategy and methods. Moreover, it can tarnish a brand's name. If a piece of negative information makes its way onto a

social media platform (Owen, 2019), the general audience will have the chance to address their discontent. This will ruin the brand's reputation and dissuade potential customers from forming relations with it and conducting business with it.

On the whole, SMM presents many opportunities for brands to increase brand awareness and constantly engage with their existing customer base while also gaining attention from new prospective customers. SMM also has many subcategories but one very popular type which is flooding the markets is influencer marketing. Influencer marketing is a hybrid of old and new marketing tools wherein the idea of celebrity endorsements is taken and placed into a more modern-day setting (Geyser, 2018). It essentially makes use of influencers, who are defined as individuals who have a dedicated social following and are viewed as experts within their niche,

to endorse products and services. The main reason influencer marketing has grown in the last few years is that social influencers have been able to build a high level of trust with their following and as a result, any product recommendations from them create purchase intention for the followers and lead to increased sales for brands (Chen, 2020). As of 2021, Influencer marketing has grown to \$13.8 billion, and it is not expected to stop any time soon. Therefore, most brands are seeing the potential of this form of SMM and hopping on the bandwagon (Geyser, 2016).

### **HiSmile - A case study of the teeth whitening brand**



HiSmile is a company that offers DIY teeth whitening kits and is a prime example of a brand that has grown through the use of SMM and influencer marketing.

Nik Mirkovic and Alex Tomic's sales have exploded in just over three years, starting at \$20,000 and escalating to over \$40 million in sales from over 100,000 consumers around the world. Mirkovic and Tomic have built an extremely successful company in a very short amount of time. So, how did they manage to achieve this? The key to HiSmiles' great success is nothing else but Social Media, more specifically influencer endorsement. They focused their energy on

connecting with their target audience through Social media platforms. Targeting social media influencers has been the most important aspect of HiSmiles' social media strategy. Their early decision to pursue influencers was both a contributing reason to their rapid growth and a significant turning point for their company. They used micro-influencers while pursuing famous celebrities for their influence (Anon, 2018).

By making use of micro-influencers, HiSmile was able to boost the efficiency of its influencer campaign, attract more potential customers, and grow its business quickly. After the success of their micro-influencer campaigns, HiSmile decided to go after the queen of all Social media

influencers: Kylie Jenner. Who better than to promote HiSmile other than beauty icon, model, and socialite: Kylie Jenner? Being one of THE MOST followed women on Instagram, everything featured on her posts, from her clothes to the food she eats to her makeup, is wanted by her millions of followers. After just five Instagram posts of Kylie with the HiSmile teeth whitening kit, all with over millions of views and 100,000 comments, the sales were immediately uplifted.

After building a predominately female customer base, the company realised it wanted to reach out to the male market as well. HiSmiles' Instagram campaign with Conor McGregor alone generated a 5X return on ad investment, with the popular Irish fighter assisting the company in reaching a massive 14 million 18- to 24-year-olds, as well as a 90% rise in total male consumers captured. The campaign was also featured in magazines such as GQ and furthermore raised its popularity.

Evidently, SMM through influencer endorsements has a huge impact on raising sales and drawing attention to the brand. Seeing Kylie Jenner or Conor McGregor use the teeth whitening kit, followers immediately want the same kit, because of how good the product is or even just because they like Kylie and Conor and want to feel as if they're living the same lifestyle as them. Because of the size of celebrity networks, celebrity endorsements have a big presence.

Celebrities can reach a large number of people through a variety of means. Recently, social media has played a significant role in increasing product sales. This is due in part to the fact that social media may provide curated glances into celebrities' daily life.

However, celebrity and influencer marketing on social media is not always the most efficient go-to choice. Many critics have started to analyse some of the shortcomings of this model, particularly from a consumer psychology point of view. For example, it is believed that a company that uses celebrity endorsements must be prepared for the endorsed product or service to get highly linked with the endorsing celebrity. This can be dangerous if the celebrity is ever spotlighted in media in a negative light as consumers start to look down on the product too. For example, Kylie Jenner comes from an extremely scandalous and problematic family and thus may lead to sales dropping if a scandal is to take place. Furthermore, it stands true that a brand may rely too heavily on a celebrity endorsement at times. When this happens, the celebrity may

overshadow the product or give the impression of not being sincerely engaged (Hashaw, 2019). This might make a company appear inauthentic.

## **The impact of social media/influencer marketing on purchase intent**

Why is SMM, more specifically influencer marketing, so successful? Why is it that when Kylie Jenner or Connor McGregor posted pictures with HiSmiles' teeth whitening kit, demand for the product increased?

Well, it all comes down to one main reason - the impression the product gives off. What drives the influencer's followers to buy products that are featured on their posts, is the desire to feel like them, to feel as if they're a celebrity. Wanting to live the same luxurious lifestyle as Kylie Jenner, followers purchase the same item to feel as luxurious as if they're living the life of Kylie Jenner. The other major reason they are so powerful is because of the celebrity effect. Celebrity endorsements and branding can increase sales dramatically. According to Social Media Week, signing a celebrity endorsement can improve stock value and sales by about 4% (Bradic, 2015). Thus, influencer marketing is effective at increasing brand awareness and establishing a positive image for new brands. While established brands with a high level of brand knowledge and exposure can use this type of advertising to establish and maintain relationships through interaction, giveaways, and brand reinforcement.

Considering health and beauty product purchases require a high level of trust, why did HiSmile decide to advertise through social media and influencers, who are not medically educated enough, instead of advertising in dental clinics or hospitals where people know that it is safe to buy as it is advertised in a medical centre. Why has advertising through influencers been more successful than advertising in medically trusted markets? Influencer marketing is effective because it employs strategies such as word-of-mouth marketing and social proof, both of which are now essential components of any successful marketing strategy. Customers have more faith in their peers, friends, and people they admire than in the businesses that sell the products and services they use. This again relates back to the consumers wanting to feel as if they're celebrities/influencers and living the same lifestyle. They may not be medically educated, but in the consumer's brain if they are using it and their smile and teeth look absolutely clean and beautiful, they automatically formulate that trust and think "Kylie Jenner would not be using that if it weren't safe".

Essentially, the difference between HiSmile advertising their teeth whitening kits through influencers and using SMM majorly compared to traditional marketing methods is clearly because of the reach that SMM has. Yes, advertising it in dental clinics would appear to be trustworthy for customers but it would not allow them to know who all are consuming the same product as well and how it has benefited them.

## **Conclusion**

As proven through the paper it is evident that marketing is essential to each and every business, but at the same time, it has also evolved a lot over the years. It has gone from something as basic as traditional marketing all the way to digital marketing to cope with the digitalization taking place all over the world. In terms of the varying forms of digital marketing, one which this paper discusses in detail is SMM.

Influencer marketing, a form of SMM has seen growth as a result of the domination of varying social media platforms such as Instagram, Facebook, TikTok, and Snapchat and the increasing trend of content creators. This type of marketing comes with several advantages. As analysed in the case of HiSmiles, an influencer such as Kylie Jenner has a huge reach all around the world and her association with the teeth whitening brand instantly increases its brand awareness and reach, builds credibility and trust, and drives purchasing decisions. Kylie's first post with HiSmiles' product, for example, received more than one million likes and received over 82,000 comments. Since then, the business has grown rapidly, amassing close to 1.7 million likes on Facebook and 749,000 followers (Gilchrist, 2018) on Instagram. However, not all that glitters is gold as even influencer marketing poses a big drawback i.e., the link that inevitably gets created between the influencer and the brand or product. This implies that if the celebrity is in any way caught up in some form of scandal or negative attention then the purchase intent of consumers can also be swayed away.

Ultimately, whatever form it takes, marketing is crucial to a company because it is understood now that if a company has an innovation, there's nothing to do with that innovation if it cannot be marketed well. It is, however, vital for a company to analyse which form of marketing may work best for them and how they go about implementing it can truly make or break a brand.

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