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A study of KOL effectiveness on brand image of skincare products

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With the prevalence of social media that promote interactivity among people, more organizations nowadays have switched their marketing strategies from traditional media to social media. Moreover, they rely on Key Opinion Leader (KOL) to interact with potential customers in various social media for brand building. This paper presents a study exploring how KOL's characteristics affect the KOL effectiveness and the outcome of brand image building of skincare products. The study also examines the contingent conditions when KOL is more effective in brand image building based on the skincare consciousness of the consumer and whether the consumer is affected by his/her social groups. The information and knowledge transferred through this study reshape the management models in Enterprise Information Systems (EIS). Enterprises can use the KOL, enabling the social medium channel to build their brands and develop an adequate understanding of their products and targeted markets.

Key Words: KOL effectiveness, brand image, consciousness, social influence, skincare

Introduction

In today's competitive B2C market of consumer products, companies have paid significant attention to the brand building, which will support business growths. Due to the popularity of Key Opinion Leaders (KOLs) in social media such as Instagram, WeChat, Douyin, Facebook and YouTube, their influence on brand building boomed quickly (Jerslev, 2016; McCormick, Style and Culture, 2016; Senft, 2008). Key Opinion Leaders are influential individuals in social media. They are expressive with social skills, usually share their real-life experience on social media (Turcotte et al. 2015; Carpenter and Sherbino, 2010). They are conceptualized as respective individuals who can influence the thoughts and actions of others (Zhao et al. 2018). Unlike traditional marketing with celebrity endorsement attached to mass media such as TV and magazine, KOLs interact with potential customers by sharing their product usage experience.

The difference between KOLs from online social influencers is not their follower size nor their images, but a specific niche and targeted audience. While online social influencers may be interested in sharing their daily experience on various lifestyle activities. KOLs focus on a particular interest with expert knowledge. For instance, they dedicate their attention with extensive experience to sustainable and natural skincare products. Because they are well known for a particular field, their followers respect them as professional experts in that field. Unlike key opinion leaders, online social influencers are active participants in social media. Online social influencer's credibility is based on their personality and the content they share. When the influencers are popular enough by their followers who might perceive them as key opinion leaders. If a person has good exposure in public, he/she will be a key opinion leader. For instance, a professional working in a particular domain might easily end up being a key opinion leader.

KOL marketing is an essential regime of digital marketing for business-to-consumer (B2C) via social networking site. That is, social media is one type of digital marketing tool. In this regard, Pham et al. (2019) have indicated that social networking site will enhance the dynamic capability of an organization and strengthen the organizational performance. This study found that 67% of business-to-consumer (B2C) and 41% of business-to-business (B2B) companies have successfully recruited new customers through social networking sites. Moreover, Kim (2019) found that the big five personality traits were significantly related to social networking site usage.

Besides the importance of social networking site, Martin and Murphy (2017) reviewed the privacy's role in society, the psychology of privacy and the economics of privacy toward a multidimensional approach to address privacy questions in marketing. This advocates for a comprehensive approach to organizational use of consumer data. Furthermore, Martin et al. (2017) showed that data vulnerability would reduce trust and in turns have negative impacts on firm performance. Organizations should pay attention to data management especially when digital marketing is so popular.

However, past studies have not much addressed the impact of KOL effectiveness on brand image. Given there are so many emerging brands in China, which is an emerging market. In this study, our research question is as follows.

How effectively does KOL enhance the brand image would be worthwhile to investigate. In particular, will there be any contingent conditions for KOL to be more effective for building a brand image of skin care products in the B2C market in China?

Concerning the literature of KOL, there are studies on the detection of emerging KOL. Oueslati et al. (2020) based on textual analysis of posts among participants in an online community to detect the opinion leader in a social network. Lu et al. (2013) studied the emergence of opinion leaders in a networked community and found that trust plays an important role. KOLs would be in various fields: politics, professionals, and daily consumables. For political studies, Turcotte et al. (2015) found that an opinion leader's social media recommendations improve media trust levels and make people want to follow more news from that particular media outlet in the future. In the professional market such as healthcare industry, KOLs, who are professionals, mainly focus on promoting new ideas or products in the market. For instance, Scher and Schett (2020) stated that KOL could distribute a new idea in rheumatology. Sismondo and Cloubova (2016) interviewed 13 KOLs who are physicians or medical researchers and found that the KOLs would represent some trustworthy people for other physicians to follow.

For our daily consumables, KOLs are individuals who share their experience or their lifestyle. Hence, KOL help promoting consumer products is a trend. Schwemmer and Zirwiecki (2018) applied content analysis on YouTube channels. They found an increasing trend of opinion leaders who are authentic and trustworthy on YouTube to promote beauty and fashion products in German. Bao and Chang (2016) found that communicative, buzz-generating and trustworthy opinion leaders promote consumable products by disseminating eWOM.

In terms of organizational strategy, the information and knowledge transferred through social media via the KOL endorsement reshape management models in Enterprise Information Systems (EIS). Enterprises can use the KOL enabling channel to build their brands and develop

a more practical knowledge model on their products and targeted markets. Research along this trend is emerging (Barcelos et al., 2018). Leung et al. (2019) have investigated how online-to-offline marketing can enhance specific customer loyalty in beauty industry in Hong Kong. Using Analytical Hierarchy Process (AHP), they found that product quality is the most important factor. Chung et al. (2020) also developed a system named CyTraSS to support intelligent analyses and visualized 2 millions messages posted by 700 thousand users who discuss trafficking topics on twitter. This system enhance our understanding of how to extract knowledge from social media platform. Mao et al. (2020) examined the relationship between users' avatar and their internet behaviour in social networking site. This enables the social networking site to identify user groups based on the attributes of their avatars.

In this regard, this paper presents a study on the influence of KOL effectiveness on brand image. Contextwise, we have conducted a survey based on a scenario of promoting a skincare brand by a popular KOL in China. This study extends the existing literature by exploring the underlying characteristics of KOL on KOL effectiveness. Moreover, from the moderating effects of skincare consciousness and social influence, we understand the conditions when KOL can build the brand image in the B2C market, which is critical to reshaping the market knowledge system.

Literature Review

Brand Image

Brand image is an exogenous perception experienced by customers about a brand (Chakraborty and Bhat, 2018). Building a positive brand image is crucial as this helps an organization to stand out from its competitors. The customers' attitude to a product's brand is an essential factor towards intention of use compared with other similar products in the market (Norazah, 2013;

Danker, 2014; Ilicic and Webster, 2013; Barreda, Bilgihan, Nusair, and Okumus, 2015, Tao, Law and Yung, 2020). Thus, the right brand image will potentially induce customer purchase behaviour. Research indicated that brand image positively affects brand equity (Alamro, 2011; Hsu, Oh, and Assaf, 2012; Battistoni et al., 2013; Sasmita and Suki, 2015; Mahmood and Bashir, 2020). Chaudhuri and Holbrook (2001) indicated that the customer's attitude towards the brand partially determines a company's market share. Thus, brand image plays a significant part in brand equity along with the growth of a business. However, there is no study on how effective the brand image to be promoted by a KOL.

Endorser Effectiveness

Many studies focused on whether celebrity endorsements could change consumers' attitudes and behaviours (Bergkvist and Zhou, 2016; Cho, 2010; Gefen, 2000; Amos, Holmes, and Strutton, 2008). The buzz effect introduced by Zamudio (2016) refers to the level of interest the public gives to an endorser. The buzz reinforces the marketing performance when the endorser and the brand share a common value or belief. In this regard, an endorser's characteristics would be transferred to the brand image, which helps consumers evaluate the brand (McCracken, 1989). Therefore, having a good understanding of the characteristics of endorsers is crucial for the establishment of the brand image.

Concerning the characteristics of endorsers, past studies were generally focusing on the credibility model and the attractiveness model (Erdogan, 1999), which refer to expertness, trustworthiness (Ohanian, 1990), familiarity, likeability and similarity (McCracken, 1989). Centeno and Wang (2017) and Antil (2012) claimed that the familiarity of the endorser has a positive effect on the effectiveness of an advertisement. Besides, Lord and Putrevu (2009) revealed that the expertise and trustworthiness of endorsers are the main determinants of the

perceived credibility of the endorser. In the literature, endorsers are mainly celebrities but not KOL. Hence, familiarity, expertise and trustworthiness are included in our model to represent the characteristics of KOL.

Although many brand managers favour celebrities' use in advertisements, others worry that celebrities overshadow the brand and thus impair brand recall. Practitioners describe this overshadowing as the vampire effect – a decrease in brand recall for an advertising stimulus that features relying on a celebrity for advertisement versus the same stimulus with an unknown but equally attractive endorser. Erfgen et al. (2015) provided essential insights into avoiding the vampire effect by matching appropriate conditions, such as high endorser–brand similarity or a strong cognitive link between the endorser and the brand. The results confirmed a higher corresponding relationship between the endorser and the brand, or a closer cognitive connection could reduce the vampire effect. Along with this finding, some companies tend to use KOL, which is not as famous as a celebrity, to promote their brands. However, past studies on KOL concern the detection of emerging KOL (Lu et al., 2013) and detect KOL in a social network (Oueslati et al., 2020). Other studies on KOL would be in politics (Turcotte et al., 2015) and professional products in the healthcare industry (Scher and Schett, 2020; Sismondo and Clubova, 2016). KOL studies trends to identify the characteristics of KOL, such as trustworthiness (Schwemmer and Zirwiecki, 2018; Bao and Chang, 2016). The impact of KOL on building brand image has not yet been investigated.

Theoretical Framework

KOLs interact with followers to deliver information, to increase product exposure, and to strengthen brand image (Jerslev, 2016; McCormick et al., 2016; Scchwemmer and Zirwiecki,

2018; Sismondo and Cloubova, 2018). This study investigates the underlying factors of KOL effectiveness, which would help to build a brand image. Based on the literature of endorser’s studies (Cho, 2010; Turcotte et al. 2015), we propose KOL effectiveness depends on KOL’s characteristics, which include familiarity, trustworthiness, and expertise. To a certain extent, trustworthiness is an important personality of KOL and familiarity is an important representation of the KOL’s social networking relationship with his/her followers (Cho, 2010; Dwivedi et al. 2015). To understand the contagion conditions of when KOL be more effective in building the brand image, we propose that KOL effectiveness will influence brand image subject to the moderation effect of skincare conscientiousness and social influence. Figure 1 depicts the corresponding theoretical framework. The detail reasonings of the related hypotheses are as follows.

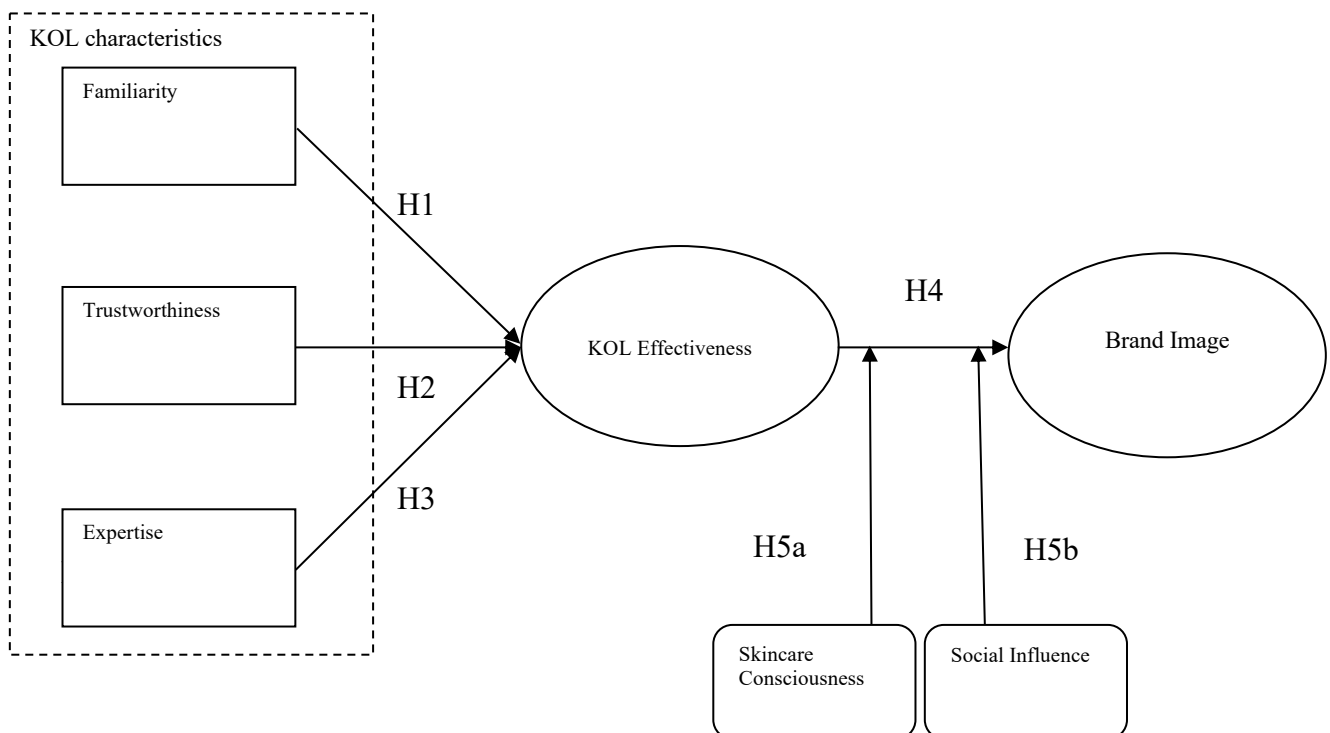


Figure 1. Theoretical Framework

Hypotheses development

Characteristics of KOL on Endorser Effectiveness

Familiarity refers to the degree of awareness that respondents have known about a KOL (Thomas and Fowler, 2015). Dwivedi et al. (2015) state that familiarity with the endorser is excellent for conveying messages to the audience. A familiar KOL is more approachable than the traditional celebrity. In this regard, a familiar KOL could be effective for conveying messages to the audience. In particular, the KOL followers would believe that the related product being promoted by the KOL is functional and worthwhile to buy. Hence, we predict the following hypothesis.

H1: KOL's familiarity has a positive effect on KOL effectiveness.

Trustworthiness is defined as the extent by which customers perceive the endorsers in terms of their integrity and sincerity (Ketchen, Adams, and Shook, 2008; Kim, 2016). Kim et al. (2014) found that trustworthiness of an endorser could bring along a positive image of the advertised hotel. Consumers may rely on the credibility of the endorser, whose integrity could help the promotion. In terms of KOL as a trustworthy endorser, the followers will be easily convinced of the product's related function and value. The followers will also think the product is worth buying if they believe in the KOL is trustworthy. Hence, we have the following hypothesis.

H2: KOL's trustworthiness has a positive effect on KOL effectiveness.

Perceived expertise depends on whether an individual's perception is skilful, knowledgeable

and competent in a particular domain (Lord and Putrevu, 2009). Consumers do not always have specific knowledge of products, and they tend to ask for recommendations from an expert (Herstein, 2008). The expert endorsement could be seen as an objective judgement of product quality provided to consumers for their assessment (Biswas, Biswas, and Das, 2006). The higher the perceived expertise of an endorser, the stronger the purchase intention of the consumers. This is also applied to KOL as an endorser, and the expertise of a KOL will influence the KOL effectiveness. Therefore, we propose the following hypothesis.

H3: KOL's expertise has a positive effect on KOL effectiveness.

KOL Effectiveness on Brand Image

An effective KOL would project the right image of a brand by convincing the followers that the product is of good quality with excellent features. Moreover, the popularity, attractiveness and trustworthiness of the KOL can help the organization build its brand image. In the long term, an effective KOL can promote the brand image to the followers. Hence, we hypothesize the following:

H4: KOL effectiveness has a positive effect on brand image.

Consciousness as a high-level cognitive awareness directly affects people's habits and behaviours (Amico et al., 2016; Kautish and Sharma, 2018). Cho (2010) suggested that people with more health consciousness would take a healthy lifestyle more seriously and pay more attention to health-related products and services in a study of healthcare products. According

to Divine and Lepisto (2005), people with health consciousness would take more responsibility for their wellbeing and pay more attention to health-related products. These people would be vegan or organic fans. For this study, we are interested in how consciousness would moderate KOL's effectiveness in building a brand image. Somehow, we suppose that consciousness will have any direct impact on brand image. It is because the brand image will be dependent on the promotional efforts and related product quality. A conscious consumer will be more sensitive to the promotional efforts and related product quality and pay more attention to the brand image. However, the brand image will not be affected by the consciousness of a consumer.

In our context, we focus on skincare products, which are getting more popular in China. For instance, girls and ladies in China have an incredible ability to distinguish the brands from hundreds of similar product attributes. They know the origin of brands, whether the product is organic, or contains chemicals. This sense comes from their consciousness about skincare. For conscious people on skincare, they will pay more attention to the messages of the KOL. Hence, the impact of an effective KOL on the brand image will further be magnified. In this regard, we predict the following hypothesis:

H5a: The skincare consciousness of a consumer positively moderates the relationship between KOL effectiveness and brand image.

Social influence refers to conformity or going along with the general trend (Burnkrant and Cousineau, 1975) and the extent to which individuals are concerned about how society will evaluate them (Aqueveque, 2006). Usually, people seek friends' opinions before making purchases (Unsworth, Sears, and Pexman, 2005). Norazah (2013) pointed out that young

people are concerned about their peers' feelings. They are also influenced more by a familiar KOL, who is regarded as their peer. An effective KOL's corresponding impact will be more substantial when the followers are of a high level of social influence.

We suppose that social influence will not have a direct impact on brand image. It is because a person who seeks opinions from others would be more affected by his/her social network. However, a person with a high level of social influence will not lead to the right brand image. Hence, we suggest social influence will only play a moderation role in the relationship between KOL effectiveness and brand image. Thereby, we hypothesize the following statement.

H5b: Social influence positively moderates the relationship between effectiveness and brand image.

Methodology

Measurement

All the constructs were measured by a self-reported questionnaire using a 7-point scale ranging from 'strongly disagree' (1) to 'strongly agree' (7). The items used to operationalize the variables were adopted from prior studies. Minor adjustments in wording from the original questions were made to reflect the specific context of skincare product in this study.

KOL characteristics are composed of three constructs (familiarity, trustworthiness and expertise). Each construct carries three items operationalized from Gefen (2000), Magnini, Honeycutt and Cross (2008) and Ohanian (1990), such as 'I heard of / know about this KOL; the KOL is reliable; the KOL is knowledgeable'. As derived from Aqueveque (2006), KOL

effectiveness consists of three items, such as ‘The KOL’s comments to The Body Shop skincare products are very convincing’. Referring to consciousness measurement from Kraft and Goodell (1993), four items, such as ‘I am conscious of my skin condition’ are used to measure skincare consciousness. The measurement of social influence is adopted from Aqueveque (2006). There are four items, such as ‘When buying The Body Shop skincare products, my friend’s opinions are important’ measuring this construct. As adopted from Sasmita and Mohd Suki (2015), the brand image is measured by three items, such as ‘The Body Shop brand has a differentiated image compared with other skincare brands.’ Table 1 summarizes the construct measurement and related references.

Table 1: Construct measurement and related references

Constructs	References on measurements
Familiarity	Gefen (2000), Magnini, et al. (2008), and Ohanian (1990)
Trustworthiness	Gefen (2000), Magnini, et al. (2008) and Ohanian (1990)
Expertise	Gefen (2000), Magnini, et al. (2008) and Ohanian (1990)
KOL effectiveness	Aqueveque (2006)
Skincare Consciousness	Kraft and Goodell (1993)
Social Influence	Aqueveque (2006)
Brand Image	Sasmita and Mohd Suki (2015)

Demographic Details

Respondents are also asked for their demographic details, such as gender, age, educational level, monthly income and experience with skincare products. The questionnaire was presented both in English and Chinese to avoid misunderstanding.

Data Collection

The target respondents are young people over 18 years old, concerned about their skincare and

appearance. They are used to online activities and usually access skincare knowledge from social media and the internet. In the questionnaire, as shown in Appendix 1, respondents were prompted with questions measuring different constructs of our comprehensive model.

The paper-based questionnaires were randomly distributed in shopping malls within Hangzhou, which is a scenic city in China. First, our research assistants informed the participants about the objective of this study: to evaluate the effectiveness of KOL in building brand image and that the KOL, Sabrina, who is a model and a fashion stylist, promotes a skincare product from “The Body Shop”. The reasons for choosing “The Body Shop” are because it is an emerging brand in China and is a representative brand of skincare products. KOL can play an important role in building its brand image in China. The respondents were then informed about the confidentiality of the collected data, which would only be used for this specific research. Participants knew the data we collected would not be shared with others, and only statistical findings are disclosed.

A total of 283 persons out of 377 accepted the invitations to answer the questionnaires. The response rate was 84.0%, which matches Miller’s (1997) comments that a face-to-face survey is an efficient way to collect data. Moreover, the respondents could approach our research assistant to clarify the questionnaire. For each valid feedback, the respondent received RMB ¥5 as a reward. The survey was conducted from December 2018 to January 2019. Our sample covered a wide range of people of different ages, occupations and educational backgrounds. Hence, this was deemed to represent the population.

Analyses and Findings

Demographic Profile

Table 2 presents the demographic profile of the respondents. The response rate from females was higher than males. Of the respondents, 72.8% were interested in skincare products (age groups between 26-35), with 94% of respondents having more than five years' experience of using skincare products. Due to our random sampling in the data collection method, this profile represents the target population, including consumers interested in skincare products and have experience using those products.

Table 2: Respondents' Profile

	Frequency	%
<i>Gender</i>		
Male	110	38.9%
Female	173	61.1%
<i>Age</i>		
18-25 years old	37	13.1%
26-30 years old	130	45.9%
31-35 years old	76	26.9%
36 years old+	40	14.1%
<i>Education</i>		
Primary School	0	0.0%
High School	11	3.9%
Undergraduate	257	90.8%
Postgraduate	15	5.3%
<i>Monthly Income</i>		
¥3,000-5,000	63	22.3%
¥5,000-8,000	73	25.8%
¥8,000-12,000	106	37.5%
¥13,000-18,000	28	9.9%
¥20,000+	13	4.6%
<i>Experience in buying skincare products</i>		
None	3	1.1%
< 1 year	40	14.1%

1-5 years	93	32.9%
6-10 years	90	31.8%
Ten years or above	57	20.1%

Instrument Validity and Reliability

One factor analysis was adopted to examine the existence of common method bias (Podsakoff and Organ, 1986). The construct validity was examined through factor analysis using principal component analysis. Convergent validity was checked via Varimax rotations to verify the fulfilment of the following criteria suggested by Anderson and Gerbing (1988). First, all the indicator factor loadings need to be significant and over 0.7. Second, the average variance extracted (AVE) of each variable should be higher than the variance due to the variable's measurement errors. The principal components' factor loadings range from 0.746 to 0.958, which represents a very strong coherence among the items within a construct. Please refer to Appendix 2 for details. Moreover, all constructs are discriminated in the factor analysis. In sum, the measurements of all constructs are valid and can be subsequently analyzed.

The Cronbach's alpha was applied to test internal consistency, and the value of 0.7 as a benchmark was taken to assess the reliability of the scales. As shown in Table 3, the Cronbach's alpha of all constructs is over 0.8, which indicates the measurement of constructs to be reliable (Hair, 2010) and are free from random errors. To test the discriminant validity, we include the AVE. Suppose the AVE's square root value per construct is more significant than any of its correlation coefficients with other constructs. In that case, the construct's discriminant validity is guaranteed (Fornell and Larcker, 1981). The diagonal elements in Table 3 representing all the square root values of each AVE per construct are more significant than its inter-correlations, which confirms the discriminant validity among the seven constructs.

Table 3: Correlation Matrix

	Mean	Standard Dev.	Cronbach's α	AVE	1	2	3	4	5	6	7
1. KOL_Familiarity	2.97	1.016	.854	.809	.899						
2. KOL_Trust	3.43	1.400	.802	.709	-.024	.842					
3. KOL_Expertise	3.95	1.631	.927	.850	-.028	.231**	.922				
4. Brand Image	3.50	1.711	.949	.867	.111	.200**	.133**	.931			
5. KOL_Effective	3.35	1.479	.881	.804	.060	-.082	.058	.214**	.897		
6. Social Influence	3.15	1.803	.912	.787	-.083	.126*	-.229**	.049	-.115	.887	
7. Skin Conscious	3.62	1.378	.834	.726	.016	.143*	.198**	.234**	.084	-.211**	.852

** . Correlation is significant at the 0.01 level (2-tailed)

*. Correlation is significant at the 0.05 level (2-tailed)

Descriptive Analysis

The mean score of familiarity is 2.97 (Table 3), which indicates that respondents are not much familiar with the KOL. The ‘trustworthiness’ and ‘expertise’ have mean scores of 3.43 and 3.95, respectively. The perceived effectiveness of the KOL is barely satisfactory with a mean score of 3.35. The respondents’ attitude towards ‘social influence’ (mean score of 3.15) and ‘skincare consciousness’ (mean score of 3.62) is fair. This indicates people care about their skin. All of the standard deviations are between 1.0 to 1.8, standing for a widespread distribution of customers using skincare products. This implies the sample is a good representation of the population.

Hypotheses Testing with Regression Analysis

As shown in Table 4a, the regression analysis indicates that trustworthiness ($\beta=.154^{**}$, t-statistics=3.062) and familiarity ($\beta=.112^{*}$, t-statistics=2.084) are underlying factors. However, expertise does not have a significant relationship with KOL effectiveness.

Table 4a: KOL Effectiveness

<i>DV: KOL Effectiveness</i>	<i>Model 1</i>	<i>Model 2</i>
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	<i>Control variables</i>	<i>Main effects</i>
	Standardized coef (t-statistics)	Standardized coef (t-statistics)
Control variables		
<i>Gender</i>	0.033 (0.578)	0.035 (0.875)
<i>Age</i>	0.062 (0.848)	0.055 (1.101)
<i>Experience (skincare product)</i>	0.073 (0.968)	0.065 (1.291)
<i>Education</i>	0.032 (0.236)	0.021 (0.325)
<i>Monthly income</i>	0.038 (0.198)	0.032 (0.673)
Main effect		
<i>KOL familiarity</i>		0.112* (2.084)
<i>KOL trustworthiness</i>		0.154** (3.062)
<i>KOL expertise</i>		0.078 (1.507)
Model information		
R ²	0.023	0.132
ΔR ²		0.109

*p<0.05, **p<0.01, ***p<0.001. The corresponding t-statistics are within the parentheses.

Table 4b: Brand Image

<i>DV: Brand Image</i>	<i>Model 1</i> <i>Control variables</i>	<i>Model 2</i> <i>Main effects</i>	<i>Model 3</i> <i>Interaction effects</i>
	Standardized coef (t-statistics)	Standardized coef (t-statistics)	Standardized coef (t-statistics)
Control variables			
<i>Gender</i>	-0.051 (0.783)	-0.043 (-0.799)	-0.035 (-1.031)
<i>Age</i>	0.009 (0.023)	0.025 (0.052)	0.030 (0.358)
<i>Experience (skincare product)</i>	-0.012 (-0.051)	0.008 (0.021)	0.013 (0.061)
<i>Education</i>	0.022 (0.033)	0.042 (0.102)	0.031 (0.321)
<i>Monthly income</i>	0.042 (0.572)	0.039 (0.097)	0.023 (0.089)
Main effect			
<i>KOL effectiveness</i>		0.218*** (3.912)	0.213*** (3.891)
<i>Skincare consciousness</i>		0.081 (1.321)	0.072 (1.239)
<i>Social influence</i>		0.023 (0.061)	0.026 (0.072)
Interaction effects			
<i>KOL effectiveness x skincare consciousness</i>			0.208*** (3.529)
<i>KOL effectiveness x social influence</i>			0.138* (2.252)
Model information			
R ²	0.018	0.130	0.175
ΔR ²		0.112	0.045

*p<0.05, **p<0.01, ***p<0.001 The corresponding t-statistics are within the parentheses.

According to Table 4b, the brand image is significantly influenced by KOL’s effectiveness ($\beta=.213^{***}$, $t\text{-statistics}=3.891$), which means the higher the KOL perceived effectiveness to their audiences, the stronger the brand image that could be built. The relationship between KOL effectiveness and brand image is positively moderated by consumer consciousness on skincare ($\beta=.208^{***}$, $t\text{-statistics}=3.529$). Social influence is also a significant moderator ($\beta=.138^*$, $t\text{-statistics}=2.252$), and respondents with a strong social impact will perceive KOL to be more effective in promoting brand image. The related moderation effects are depicted in Figure 2.

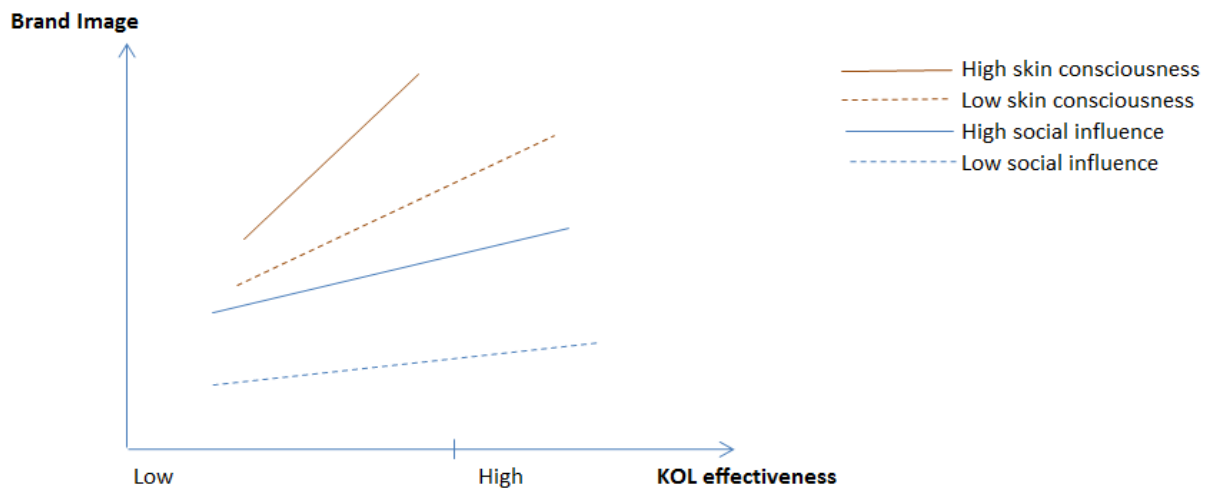


Figure 2. The moderating effect of the skincare consciousness and social influence on the relationship between KOL effectiveness and brand image.

Discussion

In the market of numerous products of similar nature springing up, it is challenging for a product to stand out. The brand acts as an actress in the advertisement and portrays the unique value inside. With the trend of social media and interactivity with individuals, KOL becomes an ambassador for brand building.

This study examines the effectiveness of KOL and its influence on brand image. According to our findings, respondents were most motivated by KOL's trustworthiness. The familiarity of KOL is another significant factor that can induce customers to follow. Both factors will make KOL effective. The KOL's expertise, however, does not have any significant impact on KOL effectiveness. Typically, many KOLs present the product based on their usage experience but not on skincare knowledge. Hence, the expertise of KOL in skincare may not be relevant to most customers.

To respond to our research question when KOL to be more effective, we find that both skincare consciousness and social influence positively moderate the relationship between KOL effectiveness and brand image. KOL will be more effective in building up a skincare brand when the consumers are more conscious in their skincare and are more concerned with their friends' opinions.

Implications to research and commercial practice

The literature of KOL studies missed out the impact of KOL effectiveness on brand image. With the recent trend of using KOL for promotions and building brand image, our study can highlight the theoretical linkage between KOL effectiveness and brand image. Moreover, we include the moderators – consciousness and social influence, which can further describe the contagion conditions when KOL effectiveness has a higher impact on brand image. Our findings show that for consumers who are conscious of related products and rely on others' opinions, the KOL effectiveness would help build the brand image stronger.

Besides the impact of KOL effectiveness on brand image, this study also includes the underlying factors – familiarity, trustworthiness, and KOL expertise to understand KOL effectiveness. Our finding indicates that both familiarity and trustworthiness have significant

impacts on KOL effectiveness. Expertise is not considerably substantial for its impact on KOL effectiveness in promoting consumer product. These findings enable the marketers to pick appropriate KOL for their promotions.

In sum, the implication of our findings showed that KOL is effective in building the brand image. Currently, KOLs are primarily employed as ambassadors for promoting the brand image of a company. These endorsers often achieve good results in marketing campaigns.

Conclusion

KOL has become increasingly prevalent in recent years, yet few studies have been devoted to evaluating the KOL's contributions to brand building. The current study addresses this issue, proposing a model that assesses how KOL's effectiveness would affect brand image and moderated by consciousness and social influence. Contextwise, we focus on skincare products, but our findings would be generalizable to other consumables.

There are limitations to this study. First, all respondents are from China. People in other countries may have a different perception of KOL. Second, most respondents are under 35 since they are the major users of skincare products. Nevertheless, people above the age of 35 may have other perceptions of KOL effectiveness for promotion. Third, KOL is more suitable for lifestyle products such as skincare, cosmetic, sports, dining and restaurant services, and fashion. Professional services and informational products such as healthcare services, pharmaceutical products, financial services and education may rely on professional spokespeople for promotion. Whether KOL effectively promotes a luxury brand is also an interesting question. Last, our framework can be extended by including brand awareness and

brand loyalty to understand KOL endorsement's overall effectiveness. Future studies can fulfil these limitations.

In this study, our findings show that KOL is effective for brand building. A company should enhance its enterprise information system to track the marketing campaign's activities in social media. With this trend, companies such as “Influencer marketing hub have developed resources allowing marketers to choose by selecting KOL for various marketing activities. This enables the tracking and tracing on various social media platforms. In this regard, marketers can evaluate the effectiveness of their marketing campaigns. Along with this trend, the enterprise information system's future should be enhanced and linked with the influencer marketing hub. This is to evaluate the marketing campaign using KOL to be more accurate and timely.

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Appendix 1. Questionnaire

The survey of KOL's impact on branding



	Strongly agree	Agree	Slightly agree	Neutral	Slightly disagree	Disagree	Strongly disagree
Familiarity							
1. I heard of / know about this KOL.	1	2	3	4	5	6	7
2. I followed this KOL online.	1	2	3	4	5	6	7
3. The KOL is easily recognizable.	1	2	3	4	5	6	7
Trustworthiness							
1. The KOL is reliable.	1	2	3	4	5	6	7
2. The KOL is credible.	1	2	3	4	5	6	7
3. The KOL is sincere.	1	2	3	4	5	6	7
Expertise							
1. The KOL has experience in skincare.	1	2	3	4	5	6	7
2. The KOL is knowledgeable.	1	2	3	4	5	6	7
3. The KOL is an expert in skincare.	1	2	3	4	5	6	7
Brand Image							
1. The Body Shop is wellestablished.	1	2	3	4	5	6	7
2. The Body Shop has a clear image.	1	2	3	4	5	6	7
3. The Body Shop has a differentiated image in comparison with other skincare brands.	1	2	3	4	5	6	7
The KOL Effectiveness							
1. The KOL's comments to The Body Shop skincare products are very convincing.	1	2	3	4	5	6	7
2. By virtue of this KOL, I would be more confident of the performance of The Body Shop skincare products.	1	2	3	4	5	6	7
3. By virtue of this KOL, I believe The Body Shop skincare products are worthy to purchase.	1	2	3	4	5	6	7
Social Influence							
1. When buying The Body Shop skincare products, my friend's opinions are important.	1	2	3	4	5	6	7

2. When buying The Body Shop skincare products, I would be concerned about other people's opinion which are valuable to me.	1	2	3	4	5	6	7
3. My purchasing of The Body Shop skincare products would cause me concern about what my friends would think of me.	1	2	3	4	5	6	7
4. I always seek advice from others before purchasing skincare products.	1	2	3	4	5	6	7
Skincare consciousness							
1. I am conscious of my condition.	1	2	3	4	5	6	7
2. I am conscious of the condition of my family.	1	2	3	4	5	6	7
3. I always seek advice from a skin professional.	1	2	3	4	5	6	7
4. I always read skincare magazines.	1	2	3	4	5	6	7

Other Information: Please choose your correct answer.

Age

1. 18-25	
2. 26-30	
3. 31-35	
4. 36 or above	

Sex

1. Male	
2. Female	

Experience of buying skincare products Education

1. None	
2. < 1 year	
3. 1- 5 years	
4. 6-10 years	
5. 10 years or above	

1. Primary School	
2. Higher School	
3. Undergraduate	
4. Postgraduate	

Monthly Income

1. ¥ 3,000 -5,000	
2. ¥ 5,001 -8,000	
3. ¥ 8,001 - 12,000	
4. ¥ 13,000 - 18,000	
5. ¥ 20,000 +	

Appendix 2. Factor Analysis

	1	2	3	4	5	6	7
KOL Familiarity 1	-0.069	0.001	-0.055	0.094	0.901	0.051	0.004
KOL Familiarity 2	-0.039	-0.003	-0.026	0.046	0.952	0.056	-0.035
KOL Familiarity 3	-0.017	0.008	0.029	0.019	0.842	-0.027	-0.004
KOL Trust 1	0.069	0.152	-0.118	0.056	0.022	-0.032	0.867
KOL Trust 2	0.033	-0.043	0.149	0.113	-0.044	-0.084	0.905
KOL Trust 3	0.113	0.000	0.370	0.107	-0.024	-0.023	0.746
KOL Expertise 1	-0.118	0.205	0.875	0.036	-0.055	0.040	0.093
KOL Expertise 2	-0.088	-0.022	0.945	0.075	0.007	-0.007	0.138
KOL Expertise 3	-0.154	0.068	0.944	0.053	-0.004	0.031	0.036
Brand Image 1	0.044	0.126	0.059	0.931	0.063	0.129	0.059
Brand Image 2	0.045	0.140	0.070	0.903	0.037	0.078	0.139
Brand Image 3	0.024	0.084	0.042	0.958	0.073	0.105	0.066
KOL Effectiveness 1	-0.063	-0.046	0.026	0.096	0.016	0.924	-0.112
KOL Effectiveness 2	-0.103	0.149	0.100	0.101	0.014	0.834	-0.069
KOL Effectiveness 3	0.008	-0.012	-0.065	0.097	0.047	0.911	0.051
Social Influence 1	0.863	-0.178	-0.183	-0.018	-0.056	-0.027	0.146
Social Influence 2	0.957	-0.021	-0.088	0.048	-0.020	-0.023	0.036
Social Influence 3	0.835	-0.114	-0.021	-0.033	-0.049	-0.100	-0.007
Social Influence 4	0.889	-0.055	-0.082	0.117	-0.019	-0.016	0.039
Skin Consciousness 1	-0.143	0.947	0.097	0.111	0.009	0.025	0.017
Skin Consciousness 2	0.008	0.760	0.099	0.156	-0.054	-0.012	-0.179
Skin Consciousness 3	-0.127	0.928	0.029	0.078	0.026	0.031	0.047
Skin Consciousness 4	-0.121	0.753	0.027	0.024	0.035	0.065	0.325

Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser Normalization

Factor loading higher than 0.7 are highlighted in bold.

a, Rotation Converged in 6 iterations.