

EVALUATING THE ROI OF INFLUENCER MARKETING FOR A D2C SKINCARE BRAND

Assignment Type:

Coursework Essay / Analytical Marketing Report

Subject Focus:

Campaign effectiveness, ROI calculation, influencer selection strategy, and engagement metrics

1. Introduction

In the competitive Direct-to-Consumer (D2C) skincare market, influencer marketing is often considered a fast-track tool for brand visibility and customer acquisition. This case study evaluates the return on investment (ROI) of a 3-month influencer marketing campaign run by a mid-stage Indian skincare startup, *GlowNaturals*, which aimed to increase awareness and drive sales through partnerships with nano, micro, and macro influencers on Instagram and YouTube.

2. Campaign Background

- **Brand:** GlowNaturals (D2C, Ayurvedic, Vegan skincare line)
- **Objective:** Acquire 10,000 new paying customers and generate ₹25 lakhs in revenue in Q1
- **Campaign Period:** January to March 2024
- **Budget:** ₹6 lakhs allocated to influencer promotions

3. Influencer Strategy

Tier	Followers	No. of Influencers	Avg. Cost per Post	Total Spend
Nano	1K–10K	40	₹2,500	₹1,00,000
Micro	10K–100K	20	₹10,000	₹2,00,000
Macro	100K–500K	5	₹60,000	₹3,00,000
Total		65		₹6,00,000

- **Platforms Used:** Instagram (Reels + Stories), YouTube Shorts
- **Call to Action:** Swipe up to shop | Link in bio | Coupon code tracking

- **Content Themes:** Skincare routines, before/after photos, UGC challenges

4. Metrics and KPIs Tracked

Metric	Description
CPM	Cost per 1,000 impressions
Engagement Rate	(Likes + Comments + Shares) / Impressions
Click-Through Rate	Link clicks / Reach
Conversion Rate	Purchases / Clicks
Customer Acquisition Cost (CAC)	Total Spend / No. of New Customers
ROI	(Revenue – Spend) / Spend

5. Key Data from Campaign

Tier	Impressions	Link Clicks	Conversions	Revenue Generated	CAC	ROI
Nano	1,00,000	3,200	400	₹2,00,000	₹250	1.0
Micro	4,00,000	9,000	950	₹7,60,000	₹210	2.8
Macro	12,00,000	14,000	1,600	₹15,00,000	₹187.5	4.0
Total	17,00,000	26,200	2,950	₹24,60,000	₹203	3.1

6. Observations

- **Macro influencers** drove the highest number of conversions but at a high upfront cost.
- **Micro influencers** offered the best balance between engagement, credibility, and ROI.
- **Nano influencers** helped in UGC generation and niche visibility but had lower conversion rates.
- CAC was competitive compared to paid ads (₹350 average via Facebook Ads).
- 30% of purchases used influencer-specific discount codes, indicating strong attribution.

7. Graphical Insights

- **Figure 1:** Pie chart of spend distribution by influencer tier

- **Figure 2:** Bar chart of conversion rate by influencer tier
- **Figure 3:** Line graph showing daily conversions over 3 months
- **Figure 4:** Heatmap of influencer performance vs. audience engagement rate

8. Conclusion

Influencer marketing proved cost-effective, with a **3.1x ROI** and CAC of **₹203**, outperforming traditional digital ads in this campaign. Micro influencers emerged as the most efficient tier, offering scale and relatability. The campaign also generated 500+ UGC assets, which were reused in email and retargeting campaigns.

9. Lessons for Students

- **Measurement matters:** Always attribute conversions via discount codes or unique URLs
- **Tiered mix is ideal:** Avoid relying on just one influencer type
- **Content reuse:** Influencer content can fuel the entire marketing funnel
- **Cost-efficiency:** Micro-tier often gives better returns than glamour-heavy macro tier

10. Deliverables for the Student

- 3,000-word analytical essay in APA format
- Excel tracker for campaign performance by tier
- Visuals (charts, heatmaps, impressions vs sales curve)
- ROI calculator template
- Reference material (4 academic papers + 2 industry reports)