

You have been working for approximately six months in the marketing department of Master Yoga, a company selling high-quality yoga clothes and equipment. Your luxury products constitute peace in the stressful daily routines of your clients. In the last seven years, the firm has become an industry leader for mature women who want to work on their fitness and well-being.

Recently, there has been a change in the primary target group for Master Yoga's attire. Years ago, yoga was primarily practiced by older women, but young people are now interested in the sport to maintain physical and mental well-being. Management believes this new self-care trend in younger women offers a lot of potential, but the brand image needs to be rejuvenated to reach this new target group.

Together with the team from product design, you have created a new line aimed at younger clients. The new outfits—tops and leggings—are fashionable and have bold colors and designs. Given your relative objectivity as a new staff member, the management team has asked you to lead the production and marketing of the new products. When you presented your concept to them a month ago, they were enthusiastic, approving your budget and bold plan to use influencer marketing. Influencer marketing is a growing trend, and you have seen a recent surge of influencers offering instant discount codes, raffles, and livestreams online to boost product interest. This is your first project at Master Yoga, so the use of influencer marketing needs to be successful.

Given the trust between social media influencers and their followers, even younger people may be persuaded to pay Master Yoga's relatively high prices. After researching fitness influencers, you decided to approach Gaby Dee, a very successful yoga and lifestyle blogger with 1.1 million followers. Her specialization in yoga and young followers make her a great fit for the content and personality-profile that you have developed with a brand psychologist for this campaign.

The contract with Gaby Dee was signed, and the factory began making the new product line. Everything was going according to plan, until Gaby Dee unexpectedly decided to step back from the campaign two days ago. During the contract negotiation with her management, you were foolishly persuaded to add a cancellation clause in case of "pressing personal reasons." Now, Gaby is using this clause to avoid compensating Master Yoga for quitting the campaign. This puts a great deal of pressure on you since the launch of the campaign is in two weeks.

Before confronting the management team to ask for an extension, you do a final search for other options and find Bella Blog. She has a large and active following of 600,000 users. This is fewer than Gaby; however, you are in a time-crunch, and she is the best fit you can find.

Based on Bella Blog's latest posts, you also learn that she recently had to take a break due to stress. It looks like she lost some followers during this episode. Still, she seems to be doing better, from the outside, and has expressed gratitude to those who continued to support her. You get the impression that her community has become closer through Bella's crisis. In fact, the solidarity seems much stronger to you than with Gaby's following.

Bella Blog was always transparent about her illness, and yoga played an important role in her recovery. While she was very fitness-oriented before her illness, you see that she has broadened her focus to include mental health and wellness. You think this approach works well with Master Yoga. Due to her transparency, she has become a role model. You contacted her manager yesterday, and they notified you that they are open for negotiation.

You start preparing for your conversation with Bella Blog's manager, Carsten Can, by pulling up important statistics you found during your research:

- The average cost for reaching 1,000 contacts ('Cost Per Mille' or CPM) within the sports clothing industry is 10€
- Gaby was promised 14.50€CPM based on her experience and extraordinary fit.

- You are interested in a campaign with ‘stories’ promoting Master Yoga’s new product line. ‘Stories’ are video-clips that are only available for 24 hours, and highlights from these video-clips become available indefinitely as ‘saved stories.’
- 40% of Gaby’s followers regularly view her stories, and you were willing to pay 6,380€ for each story produced about the new product line. Overall, Gaby would have received approximately 90,000€ for the proposed campaign of 14 stories over eight weeks. This is a large sum for a short campaign, but the budget was approved by management and would have been covered from a conversion rate of 0.81%.

While Bella has fewer followers than Gaby, her community is more active. Instead of Gaby’s 40% engagement, 60% of Bella’s followers are actively engaged (i.e., view her stories daily). You estimate Bella’s CPM to be about 12€ since she is still relatively new to the yoga scene. The average value of an online purchase is 50€, the margin is 50%. If 1% of all followers reached result in a purchase (this is referred to as a conversion rate), a campaign with a total budget of 90,000€ would have already refinanced itself (60% of 600,000 followers is 360,000 followers; 0.5% of 360,000 is 1,800; if all 1,800 followers buy at the average price of 50€, 180,000€ in sales and 90,000€ in profit have been generated). Here you can see a comparison of the calculation for both influencers:

Influencer	Number of followers	Percentage of followers who usually view the stories (engagement rate)	Follower x Percentage	Number of stories	CPM	Costs per story (Followers to be Engaged x CPM)	Total costs (costs per Story x no. of stories)
Gaby	1,100,000	40%	440,000	14	14.50 €	6,380 €	89,320 €
Bella	600,000	60%	360,000	14	12.00 €	4,320 €	60,480 €

While you assume that a campaign with Bella will bring in less revenue than the one you planned with Gaby, you need a signed contract by the end of this week to stay on schedule.

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