

Increased use of influencers in advertising

1 Warmer

a. Discuss these questions.

1. What kinds of products do you usually associate with online influencers?
2. What age group do you think is usually targeted by advertising by influencers?
3. Do you follow any influencers? If so, what ideas or products do they promote?
4. Do you think influencers should have a larger or smaller role in advertising than they do now, or is the use of influencers vs. traditional forms of advertising about right? Why?

2 Key words

a. Read the definitions and find key words in the article that match them. The paragraph numbers are in brackets to help you find them quickly. Then read the complete article to see how the words are used in context.

1. high end : expensive and of very good quality (6)
2. underperforming : doing less well or make less profit than expected (3)
3. fund manager : a person or company that manages money for another person or company (7)
4. board : the group of people that controls a corporation (5)
5. CEO : the main person who manages a company (Intro sentence)
6. portfolio : a collection of stocks and investments owned by a person or company (11)
7. investors : people who put money into a company to get a profit (7)
8. overall : in total; including all parts or aspects of something (4)
9. ire : anger (7)
10. listed : shares of stock sold on a stock exchange in a specific place (5)
11. predecessor : someone who had a job before someone else (2)
12. ousted : fired; forced to leave a job (2)
13. disposals : the acts of eliminating something (10)
14. shareholders : people who own shares (parts) of a company and get part of the company's profits and have the right to vote on company actions (12)

b. Complete the sentences with the correct forms of the words from the previous activity.

1. We sold our stocks in the auto industry because they were underperforming and we weren't making much money.
2. It's better to have a diverse portfolio of stocks so that you don't depend on just one or two stocks.
3. The stocks of over 2,000 companies are listed on the New York Stock Exchange.
4. A company with publicly traded stocks has the responsibility of making money for its shareholders.
5. My uncle is a member of the board of directors of a big tech company.
6. Investor get angry when a company they partly own is not well-managed.
7. The CEO of a big pharmaceutical company resigned after she was accused of mismanaging the profits.
8. Sometimes the disposal of smaller divisions of a company is necessary in order to make the company more profitable.

Unilever is investing more in influencer advertising in a bid to convince customers

NEW CEO SAYS MARMITE AND MAGNUM MAKER IS INCREASING SOCIAL MEDIA MARKETING FROM 30 PER CENT TO 50 PER CENT OF TOTAL AD SPEND

BY MADELEINE SPEED

- 1 Unilever's new chief executive has said it will hire more social media influencers to market its products because consumers are "suspicious" of corporate branding, as he set out his vision for the Marmite and Magnum maker.
- 2 "Messages of brands coming from corporations are suspicious messages," said Fernando Fernandez, in his first public comments since taking over from ousted predecessor Hein Schumacher at the beginning of the month. "Creating marketing activity systems in which others can speak for your brand at scale is very important."
- 3 Speaking to Barclays analyst Warren Ackerman in a "fireside chat" uploaded by the company last week, Fernandez set out his priorities, which included focusing resources in the company's largest markets — the US and India — and speeding up the sale of underperforming food brands.
- 4 He said Unilever was also switching to a social media-first advertising model, increasing its investment on such platforms from 30 per cent to 50 per cent of its total advertising spend. The company has lifted its overall marketing spend from 13 per cent of turnover in 2022 to 15.5 per cent in 2024.
- 5 An Argentine who has worked at Unilever for almost four decades, Fernandez was appointed to replace Schumacher last month after the board lost patience with the pace of his turnaround plan for the London-listed group.
- 6 The company, which sells everything from washing detergent to deodorant, pot noodles and high end skin care products, is in the midst of a restructuring plan that includes cutting 7,500 jobs and separating out its ice-cream business.
- 7 In the past Unilever has attracted the ire of investors such as activist Nelson Peltz and UK fund manager Terry Smith for overemphasising brand "purpose".
- 8 Its marketing approach has typically associated its products with wider purposes, such as Hellmann's mayonnaise tackling food waste or Dove soap denouncing toxic beauty standards. However, the tactic has lost traction as consumers have increasingly turned to online influencers instead of corporations for recommendations.
- 9 "There are 19,000 zip codes in India. There are 5,764 municipalities in Brazil. I want one influencer in each of them," Fernandez said. "That's a significant change. It requires a machine of content creation, very different to the one we had in the past ..."
- 10 Fernandez said the company was sticking to his predecessor's plan to only carry out bolt-on acquisitions and that he would accelerate the pace of disposals of smaller regional food brands.
- 11 "Every brand in our portfolio, every category in our portfolio has to earn the right to belong in our portfolio," Fernandez said, adding, "time will say what we do with our portfolio in the long run but that's the position at this stage."
- 12 Two top-15 Unilever shareholders told the Financial Times following Fernandez's appointment that the food business did not fit with the rest of the company's portfolio.
- 13 While Fernandez did not rule out a separation of the entire food portfolio, he said the division's two leading brands — Knorr and Hellmann's, which make up 60 per cent of the business — were accretive in margin and cash generation.
- 14 "It's a very attractive business, it gives us a lot of flexibility. And we are committed to grow that business. That's what I can say about food now," he said.

Continued on next page

15 Some investors have also questioned why Unilever has chosen to list its ice-cream business rather than sell it or form a joint venture that would return cash to shareholders.

16 Fernandez said he believed the demerger and listing was “still the most logical outcome” but that he had a fiduciary duty to analyse other options. “It has to be a really credible option to really ensure we don’t follow this path.”

FT

Madeleine Speed, 10 March 2025

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3 Understanding the article

a. Complete the sentences with ideas from the article.

1. Unilever plans to hire more social media influencers because

Consumers are suspicious of corporate branding

2. The new CEO wants to focus the marketing resources on

The U.S. and India and speeding up the sale of underperforming food brands

3. The new CEO was appointed because

the turnaround plan was taking too long

4. Advertising that includes messages on social issues like food waste is not as effective as in the past because

people are depending more and more on media influencers

5. The CEO has a positive attitude toward food brands because

They give flexibility and some of them give margins and generate cash

5 Business language – corporate management and marketing

a. Complete the sentences with the phrases in the box.

market activity systems

turnover

bolt-on acquisition

demerger

turnaround plan

joint venture

at scale

accretive in margin

fiduciary duty

1. Turnover is the amount of total earnings of a company.
2. A(n) bottom acquisition is a smaller company that a big company buys to increase its product offering.
3. A(n) fiduciary duty is the legal and ethical responsibility to act in the best financial interests of another person or group.
4. Market activity systems are the structured, systematic processes that a company uses to influence the market and get sales of its products.
5. To do something at scale means to expand the activities and processes of a company to achieve more sales without a big increase in expenses.
6. A(n) joint is when two or more people or companies combine their resources for a business project or opportunity; the people or the companies maintain their separate identities.
7. A(n) turn around plan is a strategy to make changes in a company that is having problems so that it starts to make more money.
8. A(n) demerger happens when a company separates one of its divisions and makes it a separate company or other type of entity.
9. If a type of product or a division of a company is accretion in margin, its value to the company is higher than its cost and it adds to the amount of profit.

b. Complete the sentences with correct forms of the words from the previous activity.

1. Unilever plans to dispose of smaller regional food brands and will carry out only bottom acquisition that fit in well with the existing products.
2. The CEO wants to rely heavily on social media for creating new market activity systems.
3. By using a great number of social media influencers, the company's marketing campaign can operate at scale, contacting many more potential customers than before.
4. Unilever is increasing its marketing budget to make it a larger percentage of the total turnover.
5. The CEO has said that for now, Unilever's food portfolio will stay as it is, but there is some possibility of a(n) demerger of the foods division in the future.
6. The CEO says he has to analyse different options before making a decision about what to do with the ice cream business because he has a(n) a fiduciary duty to the shareholders of the company.

5 Discussion

a. Discuss these questions.

1. Why do you think many consumers are suspicious of corporate branding and advertising messages?
2. Do you trust social media influencers more than traditional advertising? Why or why not?
3. What different things do you think companies have to pay for when they use traditional advertising? When they use social media advertising? Which do you think is more cost-effective for the company?
4. Do you think social media influencers are paid fairly for what they do? Why or why not?

6 Wider business theme – planning for a social media influencers campaign

a. Read the text. Then number the steps in the last paragraph in a logical order.

The steps for numbering should be included in the text as if they were the last paragraph.]

Social media influencers are an increasingly important element in marketing strategies, especially for brands that cater to young people. If a company wants to include influencers as a part of its marketing strategy, it has to make a clear plan for that. Part of the planning is deciding which type of influencer is best for your needs:

- Mega influencers have more than a million followers and are often famous people. They reach a wide variety of consumers but their services are very expensive.
- Macro influencers have 100,000 to one million followers, and they are leaders in their market segment, and their audience usually shares common interests. They are usually also quite expensive.
- Micro-influencers have 10,000 to 100,000 followers and are much less expensive than the first two types. Their audience is passionately interested in very specific things and often interacts with the influencer.
- Nano influencers have 1,000 to 10,000 followers and are very connected to their audience. These influencers often work with small companies and/or local businesses. They are the least expensive type of influencers.

Order the recommended steps for planning for an influencer advertising campaign 1-5:

- A. ____ Identify possible influencers and find out whether their fees will work within your budget. Look at marketing they have already done to see if their style fits with your company and product(s).
- B. ____ Decide what your budget is for this type of marketing.
- C. ____ Decide whether the use of influencers will significantly help in the marketing of your product or products.
- D. ____ Once you have chosen an influencer, work with them to create a marketing campaign that fits your needs.
- E. ____ Decide what type of influencer is best for your needs.

- b. Your company has decided to include a social media influencer as part of your advertising campaign. With your partner, complete the influencer brief.

Type of influencer (mega, macro, micro, nano):	
Desired characteristics of the influencer	
Product you are selling	
Target audience(s) (Be as specific as possible)	
Benefits and special features of your product	
Particular words or phrases you want the influencer to use to reflect your company's goals or values, e.g. <i>eco-friendly, safe for seniors</i>	

- c. Present your plan to the board of directors (your class or group). Answer any questions they have in order to make changes or make the brief clearer for the influencer.

Useful language

The benefits of this are ...

Our brand represents ...

online communities

a profile of our target customer / user

eco / pet-friendly easy to use / assemble / clean

above all