



Rise of Influencer Marketing: Benefits and Ethical Challenges

Tran Thai Anh Minh, Le Minh Cat Nhien, Vu Nhat Linh Nhi, Nguyen Giang, Nguyen Ngoc Phuong Mai,
Bui Viet Hoang, Surender Rangaraju
Department: Business Administration
Affiliation: Ho Chi Minh City University of Banking, Vietnam

Abstract— This report demonstrates the significant impact of influencer marketing, with a specific focus on the 2023 transfer of Lionel Messi to Major League Soccer's (MLS) Inter Miami. Messi recognized not only as one of the greatest football players but also a global influencer, brings a powerful marketing opportunity for both the team and its commercial partners. His move has spurred a surge in brand visibility, including impressive sales figures for Inter Miami jerseys, generating substantial revenue for the club. This case underscores how influencer marketing leverages the influence of celebrities like Messi to enhance brand value, foster new commercial partnerships, and create marketing opportunities.

The report traces the origins of influencer marketing, highlighting its evolution from the 18th century through the advent of social media platforms like YouTube, Instagram, and TikTok, which have made the strategy more accessible and effective. Between 2016 and 2022, investment in influencer marketing grew exponentially, from \$1.7 billion to \$16.4 billion. The report explores how companies use different platforms to target specific demographics, with each platform offering unique advantages for brand engagement.

Further, the report outlines the numerous benefits of influencer marketing, including amplified brand awareness, precise targeting, and enhanced consumer trust. Through influencer endorsements, brands can tap into highly engaged audiences, leading to increased sales and credibility. Influencer marketing also provides cost-effective alternatives to traditional advertising, often resulting in viral campaigns that significantly boost exposure.

However, the report also addresses the ethical and legal challenges facing influencer marketing. Issues such as promoting substandard products, misleading advertisements, and lack of transparency in sponsorship disclosures are discussed. It also emphasizes the need for responsible practices, ethical guidelines, and legal compliance to ensure the long-term sustainability and credibility of the influencer marketing industry.

In conclusion, influencer marketing is a dynamic and influential strategy for brands aiming to increase visibility, build trust, and generate sales. However, for its continued success, the industry must prioritize ethical conduct and legal responsibility.

Index term— Brand visibility, Ethical issues in advertising, Influencer marketing, Lionel Messi.

Introduction

In 2023, the football world is once again in turmoil with the transfer news of one of the greatest football players in the world - Lionel Messi, who has decided to move to the MLS club - Inter Miami. With his global influence and massive fan base, Messi is not only a sports star but also an influencer who can modify the face of MLS in common, especially Inter Miami. This event not only attracts the attention of sports fans but also creates potential marketing opportunities from enhancing the team's brand value to creating opportunities for cooperation with commercial partners and major brands. According to the statistics, nearly 500 thousand requests to Adidas from stores and suppliers for the Inter Miami jerseys. Moreover, regarding Inter Miami's estimates, the sales of number 10 jerseys with the name "Messi" could generate at least 15 million dollars per annum, Messi's arrival not only propelled the team on the field but also triggered an unprecedented commercial fervor (Morgan, 2023). From this event, it can be concluded that "Influencer Marketing" is a cooperation between old and new marketing tools, taking advantage of the influence of celebrities to incorporate into marketing campaigns. The most visible difference in this campaign is the result of collaboration between brands and influencers (Geysler, 2023). In simpler terms, influencer marketing is a marketing strategy that uses influencers on social media platforms or in certain fields to promote products, services, or brands.

Rise of Influencer Marketing

There is research that influencer marketing originated in the 18th century. In 1760, Josiah Weighwood, an English potter, used endorsements from the royal family to advertise his ceramic products. By the 19th century, businesses began hiring celebrities to endorse their products. This trend continued into the early 20th century when

tobacco companies used physician endorsements to promote their products. As a result, this strategy has shown its effectiveness, and consumers will listen and trust more of those they trust (Wilkins, 2023). But it was not until media such as YouTube, Instagram TikTok, etc. were born that Influencer Marketing was truly formed. Based on Olgivy's influencer report, over the six years from 2016 to 2022, investment in influencer marketing has increased from \$1.7 billion to \$16.4 billion. And when it comes to influencer marketing, the first decision for companies will be which platform will be best suited to use. Some platforms such as Instagram, YouTube, or TikTok are 3 of the best options for marketers. Each platform has its advantages, for YouTube, influencers can create detailed and in-depth videos thanks to YouTube allowing them to post longer content than other platforms. As for Instagram, with a huge user base of up to 1.6 billion users, influencers can exploit this large user base and interact with followers. Next is TikTok, with more than 70% of users under the age of 35, it is enough to show that this platform attracts mainly young people, which makes TikTok a great medium to target this demographic group. TikTok's relatively new short video format at the time of its launch attracted users' attention quickly (Odore, 2023).

Influencer marketing has become popular due to reasons such as amplified brand awareness. Thanks to the great influence of influencers, as long as they confirm that your brand is good, their followers are likely to pay attention to your brand. The second is Precise targeting, influencer marketing will help consumers skip this step because the influencer has already done this job. Consumers just need to make sure that the influencer is relevant to the industry they are looking for. Another reason is that prestige and trust will be enhanced. The biggest strength of celebrities is the trust of their followers in them. This trust supports them in creating a community of loyal fans. When these influencers share their honest feedback about a brand's product or service, it is seen as strengthening the brand's reputation and credibility (GRIN, 2019).

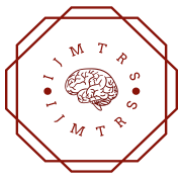
Benefits of Influencer Marketing

With enormous blessings for each group and brands, influencer advertising has unexpectedly emerged as one of the maximum well-appreciated and a hit advertising techniques in latest years. The

capability to exactly goal unique purchaser classes is one in every of the largest blessings of influencer advertising. Brands can carefully choose influencers based on their areas of expertise and the interests of their fans. For example, if a brand wants to attract fashion aficionados, collaborating with a fashion influencer can assist the brand capture their attention, enhance product marketing chances, and increase engagement. Moreover, a study by Tomoson found that businesses using influencer marketing experienced an average engagement rate of 6.5%, compared to the average rate of 1.7% for traditional digital marketing (AdSkate, 2023). This enables firms to launch highly focused campaigns that generate more leads than traditional advertising strategies. According to Influencer Marketing Hub (2020), 94% of marketers believe that influencer marketing campaigns increase brand awareness (Vu, 2023).

Influencer advertising is important for enhancing a logo's credibility and agree with similarly to precision targeting. Influencers' endorsements are pretty large given that their fans frequently keep in mind them to be sincere advisors. Influencers' fans are much more likely to agree with their reviews after they proportion their very own stories with a product or service, which piques their hobby and makes them need to attempt it. Linqia (2020) said that 87% of consumers trust reviews and recommendations from influencers more than traditional advertising. Influencers' influence and engagement help build trust and motivation among their followers (Vu, 2023).

Furthermore, influencer advertising is much cheaper than traditional marketing, influencer marketing just need a social media platform to reach audiences otherwise with the traditional way, a variety of mediums such as television, radio, and print media ... should be included (Hemel, 2023). Influencer advertising can assist groups keep cash on marketing and marketing at the same time as attaining a big audience. According to Influencer Marketing Hub (2020), influencer marketing campaigns have an average ROI of 4.5. Compared to traditional marketing methods, influencer marketing can be more effective and cost-effective. Additionally, due to the fact influencer-generated fabric is going viral on social media, it increases logo recognition and exposure. For example, you might have noticed brands such as Surfshark, a VPN software that



often sponsors content with influencers on YouTube. The same goes for A1 Athletic Greens, who sponsor influencers on YouTube to build awareness of their product (Chad, 2024). Professional influencers often create creative, engaging, and relevant content for their audiences, generating positive engagement and increasing the likelihood of brand messaging going viral, with an average engagement level 8 times higher than posts directly created by brands (Grin, 2021).

Influencer advertising that offer discounts, promotions, or different offers are extraordinarily green at encouraging clients to make instant purchases. For example, Vo Ha Linh, a prominent beauty influencer, has over 100,000 viewers for each of her live streams. In this KOC's live session on May 15, the number of views immediately increased to 150,000 at the beginning, then maintained at 110,000 - 130,000 throughout the 4-hour live. At one point, this number peaked at more than 165,000, selling out 5,000 boxes of powder within 1 minute, at one point the number of simultaneous buyers reached 2,000, the shopping cart kept crashing, a total of more than 420,000 orders were sold, resulting in billions of VND in sales (Anh, 2024). This indicates the significant financial impact that influencer campaigns can have, making them an important part of many firms' sales efforts.

In conclusion, Influencer Marketing has shown to be an effective and adaptable strategy for organizations seeking to expand their brand, generate trust, and establish solid, long-term relationships with their clients. Businesses that leverage the influence of notable individuals in specific industries or sectors can reach their target audience more effectively, increase their credibility, and create considerable sales growth.

Ethical Challenges in Influencer Marketing

Influencer marketing has become an essential tool for brands to reach potential customers. This form of marketing also poses numerous ethical challenges that stakeholders must address to ensure the industry's sustainability and credibility. One major issue is the promotion of substandard or inappropriate products. It is extremely important for firms in selecting influencers who are honest

and transparent. Working with those who genuinely use and support the products they promote helps build trust with their audience many influencers endorse products they have never used or lack adequate knowledge about, potentially harming consumers and undermining the reputation of brands (Photobiz Social Media, 2024). An example that can be mentioned is that in the Euro 2012, in front of millions of people watching at that time, Nicklas Bendtner - the Danish striker, in a situation where he scored a goal against him, decided to have a goal. special joy. He pulled down his pants and revealed underwear with the logo of an Irish brand - Paddy Power, a brand that was still relatively new at that time. But this moment became a great marketing strategy that helped Paddy Power from an unknown brand become famous worldwide (Trotman, 2012). Paddy Power even paid Bendtner's fine for the celebration, but that fine could be seen as nothing compared to what Paddy Power received in return afterward (Reynolds, 2012). Paddy Power's profits really skyrocketed after this event, here are the numbers to prove it: 78 million euros in bets in Euro 2012 thanks to Paddy Power's increased recognition. company also saw a 41% rise in online net revenues, with active customers increasing significantly. (Trotman, 2012).

Another challenge is that marketing content can unintentionally glorify extravagant lifestyles or unhealthy consumption habits. This often creates psychological pressure, especially on younger audiences. For example, the "Baby Three blind box unboxing trend" is a popular trend in recent years, especially among young people and toy collectors. According to statistics from the e-commerce market data platform Metric.vn, in just one month from October 15, 2024, to November 15, 2024, young people spent 8.8 billion VND to purchase Baby Three blind boxes on two platforms, Shopee and TikTok Shop. This revenue represents a 106% increase compared to the previous month, with nearly 38,000 products sold successfully from 109 sellers. Notably, according to Metric.vn's data analysis, the majority of the revenue from these sales came from international sellers, accounting for the highest percentage at 43.3%, followed by Ho Chi Minh City at 31.2% and Hanoi at 24% (Dy Tung (VnExpress, 2024). The trend has gained significant traction through the popularity of social

media, where participants share unboxing videos and the excitement of receiving different items.

There are also some controversies surrounding the unsustainable consumption and the potential for children to develop excessive consumer habits. The spread of misinformation is also a significant concern. Authenticity and trust remain significant challenges for influencers. In their pursuit of attention and profit maximization, many influencers do not hesitate to promote exaggerated content (Djanan Kasumovic, 2024). As Michael Kuzminov, a CGO at HypeFactory, observed, influencers often don't follow the regulations, reflecting the tension between authenticity and commercial interests. This not only directly harms consumers' experiences but also negatively impacts the health of those who trust their recommendations. On social media platforms, thousands of short clips reviewing food are shared with the intention of providing viewers with a genuine perspective on culinary experiences before using the services. However, the actual quality often falls short of what is portrayed in these reviews. As a result, consumers feel disappointed, lose trust in influencers, and the overall credibility of the content creation industry is diminished. Such as, the practice of food reviewers with substantial followings posting negative reviews has created considerable challenges for many restaurant owners, often resulting in customer attrition. Consequently, a number of public controversies have arisen between businesses and influencers, particularly those who have been dubbed "review warriors," "review deities," or "critics who disparage everything." In mid-2022, several establishments took the step of explicitly banning well-known reviewers such as "Nờ Ô Nờ", "Cô gái có râu", and "Võ Hà Linh". While precise financial losses incurred by restaurants from unfavorable reviews remain undocumented, it is evident that reviewers who engage in such practices may face legal repercussions. Under current legislation, the dissemination or sharing of false information, defamation, or actions that damage the reputation of organizations or individuals are prohibited. Such conduct is subject to penalties outlined in Article 101 of Decree 15/2020/ND-CP, which imposes fines ranging from 10 to 20 million VND. Offenders may also face criminal charges under Article 156 for defamation, Article 288 for the unauthorized use of computer networks or telecommunications, and Article 331 for exploiting

democratic freedoms to infringe upon the lawful rights of organizations or individuals (H.L, 2022).

One prominent issue is the lack of transparency in disclosing sponsorships. Many influencers fail to clearly state their commercial relationships with brands, violating regulations like the FTC guidelines in the U.S. Moreover, influencers and brands risk legal repercussions if their advertising content is misleading or violates data protection laws. Campaigns must strictly adhere to regulations like GDPR (General-Data-Protection-Regulation) or CCPA (the California Consumer Privacy Act (CCPA) is one of the most important laws regarding privacy and personal data protection in the United States. Enacted in 2018 and effective from January 1, 2020, the CCPA established new privacy standards for consumers and imposed strict requirements on businesses regarding the handling and protection of personal data (State of California Department of Justice, 2024). And ensure transparency in how personal data is collected and used. Promoting restricted or prohibited products, such as tobacco or unapproved supplements, is another common legal challenge. Contract disputes between brands and influencers, copyright infringement, and advertising regulations for children are additional issues that require clear, detailed agreements and strict adherence to the law. Charitable activities are frequently organized; they often lack transparency in their execution. Certain public figures have been accused of leveraging such initiatives for self-promotion or, in some cases, misappropriation of donated funds. Furthermore, the proliferation of inappropriate imagery, advertisements, videos, and other content on social media poses significant risks to children's mental and emotional well-being. The dissemination of exaggerated and unverified claims in product advertisements exacerbates misinformation and erodes public trust, potentially jeopardizing the health and safety of individuals who act on such misleading information.

According to the research of (Team, 2024), to build trust and ensure sustainability, the influencer marketing industry must prioritize transparency and invest in training influencers on their ethical and legal responsibilities. Establishing robust oversight mechanisms and legal frameworks will hold both brands and influencers accountable,



ultimately strengthening public trust and the industry's credibility.

Solution

To tackle these ethical challenges in influencer marketing, synchronization from multiple stakeholders is essential, including influencers, enterprises, customers, and regulatory authorities. Regarding influencers, their primary role in building trust with viewers requires maximum transparency in sponsored content. Influencers should use clear hashtags such as #Ad or #Sponsored to ensure that their viewers' perception of the financial relationship behind the advertising content is accurate. According to research by the International Advertising Association (IAA) in 2021, a lack of transparency decreased the trust of 65% of customers in advertising campaigns via influencers. Moreover, influencers need to review products or services before promoting them, avoiding advertising situations involving low-quality products that could cause harm to customers and damage their own reputation. At the same time, influencers should focus on the positive value of the content being brought, such as raising awareness about social issues or encouraging a healthy lifestyle.

In relation to enterprises, choosing influencers who are suitable with the brand value is the main factor in ensuring the success of campaigns. A report by Business Insider (2023) shows that 78% of customers find it easier to contact brands when they see influencers who are a good fit for the brand. Enterprises need to ensure that their products meet quality standards before being publicized in the market to avoid legal consequences or negative impacts from customers. Collaborating with influencers who are responsible and focus on building long-term trust instead of short-term profit is also a sustainable strategy.

For customers, enhancing their ability to analyze information is significantly important in the context of saturated promotional content on social media. Customers should filter information from influencers who have a good reputation and further check product information through other reliable sources. This not only helps protect them from low-quality products but also promotes transparency in the industry.

Finally, regulatory authorities need to enact stricter regulations to ensure transparency and ethics in Influencer Marketing. For example, the Federal Trade Commission (FTC) issued a rule requiring influencers to clearly disclose sponsored content, and at the same time, impose severe punishments for instances of violations. In Vietnam, the application of analogous rules and improved supervision will contribute to building a healthy advertising environment and greater transparency.

In general, only when all parties—ranging from influencers, businesses, consumers to regulatory authorities—work together to implement solutions can Influencer Marketing develop in a sustainable, ethical, and reliable manner.

Conclusion

In today's marketing landscape, influencer marketing is one of the best ways to reach customers, offering numerous benefits for promoting new products and attracting more buyers. However, while it provides many advantages, it also introduces risks, depending on how the influencer presents the product to the customer. There is a danger of exaggerating the benefits of a product or making unrealistic promises about future products. The situation can be worse if an influencer intentionally conceals the truth about a product, potentially harming customers and more vulnerable children.

To ensure a positive and balanced approach, influencers should accurately communicate the benefits of a product. For example, offering a discount code or a gift with the first purchase can create a sense of value. Influencers must thoroughly understand the product before endorsing it, providing honest information to their audience, and carefully reviewing contracts with businesses. This approach will not only benefit the customers but also contribute to a positive social impact, especially for fans who look up to and trust influencers.

Reference

- [1] AdSkate. (2023, May 5). *The Power of Influencer Marketing: The Rise, Impact, and 5Ws of This Marketing Strategy*. Www.linkedin.com. <https://www.linkedin.com/pulse/power-influencer-marketing-rise-imp-act-5ws-strategy-adskate-inc>
- [2] Business Insider. (2023). *A report highlighting that 78% of consumers feel more connected to brands when the influencers representing the brand align with its values*. <https://www.iaaglobal.org>
- [3] Chad, W. (2024, February 8). *12 Benefits of Influencer Marketing*. Www.linkedin.com. <https://www.linkedin.com/pulse/12-benefits-influencer-marketing-chad-wyatt-t7nqf>
- [4] Djanan Kasumovic. (2024, October 24). *Influencer Marketing Sustainability and Ethics*. Influencer Marketing Hub. <https://influencermarketinghub.com/influencer-marketing-sustainability-and-ethics/>
- [5] Dy Tung (VnExpress). (2024, December 5). *Baby Three toy rush earns billions*. Baohaiduong.vn/En. <https://baohaiduong.vn/en/do-xo-ban-do-choi-baby-three-thu-tien-ty-399730.html>
- [6] Geyser, W. (2023, March 2). *The Ultimate Influencer Marketing Blueprint for 2022*. Influencer Marketing Hub.
- [7] GRIN. (2019, August 23). *Why Influencer Marketing is an Important Part of Today's Businesses - GRIN - Influencer Marketing Software*. GRIN - Influencer Marketing Software. <https://grin.co/blog/why-influencer-marketing/>
- [8] Grin. (2021, December 1). *101 Influencer Marketing Statistics in 2022 | GRIN*. Grin.co. <https://grin.co/blog/influencer-marketing-statistics/>
- [9] H.L. (2022, September 13). *"Chiến thần" review sai sự thật về món ăn, nhà hàng có thể bị phạt tiền, phạt tù*. Báo Điện Tử an Ninh Thủ đô. <https://www.anninhthudo.vn/chien-than-review-sai-su-that-ve-mon-an-nha-hang-co-the-bi-phat-tien-phat-tu-post516723.antd>
- [10] Hemel, A. J. (2023, February 23). *Influencer Marketing vs Traditional Marketing: Which One Works Best For Your Business? – Review Zone*. Reviewzone.media. <https://reviewzone.media/influencer-marketing-vs-traditional-marketing/>
- [11] International Advertising Association (IAA). (2021). *Research on the impact of lack of transparency in influencer advertising and the decline in consumer trust*. <https://www.iaaglobal.org/>
- [12] Kuzminov, M. (2023, January 30). *Social Responsibility And Ethics In Influencer Marketing*. Forbes. <https://www.forbes.com/councils/forbesagencycouncil/2023/01/30/social-responsibility-and-ethics-in-influencer-marketing/>
- [13] Morgan, T. (2023, December 11). *Lionel Messi, the Lucrative Business of His Jerseys Sold by Inter Miami*. Transfersinsider.com: The Latest European Football News. <https://www.transfersinsider.com/2023/12/11/lionel-messi-the-lucrative-business-of-his-jerseys-sold-by-inter-miami/>
- [14] Odore. (2023, December 16). *Insta, TikTok or YouTube? Which is the Best Influencer Platform?* Odore.com; Odore. <https://www.odore.com/blog/instagram-tiktok-youtube-influencers>
- [15] Photobiz Social Media. (2024). *Can We Trust Influencers With Product Endorsements?* PhotoBiz Growth Hub. <https://blog.photobiz.com/blog-post/can-we-trust-influencers-with-product-endorsements>
- [16] Reynolds, J. (2012, June 19). *Paddy Power agrees to pay £80,000 underpants fine*. Campaignlive.co.uk; CampaignUK. <https://www.campaignlive.co.uk/article/paddy-power-agrees-pay-80000-underpants-fine/1137044>
- [17] State of California Department of Justice. (2024, March 13). *California Consumer Privacy Act (CCPA)*. State of California - Department of Justice - Office of the Attorney General. <https://oag.ca.gov/privacy/ccpa>
- [18] Team, M. E. (2024, December 10). *Authenticity And Transparency In Influencer Marketing*. MeeGLE.com. https://www.meeGLE.com/en_us/topics/influencer-economy/authenticity-and-transparency-in-influencer-marketing
- [19] Trotman, A. (2012, August 29). *Paddy Power boosted by Arsenal striker Nicklas Bendtner's underwear*. Www.telegraph.co.uk. <https://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/9505761/Paddy-Power-boosted-by-Arsenal-striker-Nicklas-Bendtner-s-underwear.html>
- [20] Vu, T. (2023, July 3). *Influencer marketing là gì? Lợi ích của influencer marketing*. Subiz Blog. <https://subiz.com.vn/blog/influencer-marketing-la-gi-2.html>
- [21] Wilkens, E. (2023, March 27). *A brief history of influencer marketing—and 2 trends that define its future*. Agility PR Solutions. <https://www.agilitypr.com/pr-news/public-relations/a-brief-history-of-influencer-marketing-and-2-trends-that-define-its-future/>

Manuscript received January 8, 2025

Anh Minh, Business Administration, Saigon International School of Business Ho Chi Minh University of Banking, Ho Chi Minh City, Vietnam (e-mail: 110323240109@st.hub.edu.vn).

Cát Nhiên, Business Administration, Saigon International School of Business Ho Chi Minh University of Banking, Ho Chi Minh City, Vietnam (e-mail: 110322230262@st.hub.edu.vn).

Việt Hoàng, Business Administration, Saigon International School of Business Ho Chi Minh University of Banking, Ho Chi Minh City, Vietnam (e-mail: 110323240066@st.hub.edu.vn).

Phương Mai, Business Administration, Saigon International School of Business Ho Chi Minh University of Banking, Ho Chi Minh City, Vietnam (e-mail: 110323240102@st.hub.edu.vn).

Linh Nhi, Business Administration, Saigon International School of Business Ho Chi Minh University of Banking, Ho Chi Minh City, Vietnam (e-mail: 110322230157@st.hub.edu.vn).

Nguyễn Giang, Business Administration, Saigon International School of Business Ho Chi Minh University of Banking, Ho Chi Minh City, Vietnam (e-mail: 110322230054@st.hub.edu.vn).