Why is KOL Marketing so costly?

KOL marketing is a marketing method that is widely sought after in recent years, as video streaming is becoming more and more popular, where many people (especially youngsters) have switched from traditional media like TV, to YouTube[1]. This implies a higher chance that the brand's marketing message can reach it's potential customers.

However, crafting a KOL marketing campaign is no easy task, as it will take a brand weeks, if not months, to work with a KOL in completing a KOL video. One big consequence of this, is that KOL marketing becomes very costly, and the high cost incurred can be attributed to a few factors.

Firstly, the entire KOL marketing process is not time-efficient, as the brand and the KOL will likely have to go through countless rounds of negotiations until they can get a consensus on the video content, and to do so, the advertiser will very often have to form a team comprised of marketing professionals to handle the negotiations with the KOL. However, even with a team of marketing professionals, things often don't work out right, and they might need to discuss the story all over again, or have the KOL re-film the video. This brings huge time costs to both the KOL and the brand, which also drives up money costs for doing KOL marketing.

Another major reason on why KOL Marketing is costly is that the majority of KOL videos are actually unsponsored. In a research we conducted, we discovered that, for any level of KOLs, only at most 20% of videos published by KOLs are sponsored. This implies that KOLs will often have to use the money earned from the small portion of sponsored videos to support the large portion of videos published without sponsorships, which they have to publish to keep their fan base at the first place. The KOLs therefore have no choice but to charge brands a higher price to cover filming expenses and sustain living.

With some emerging AI based KOL marketing technologies, however, the cost to KOL marketing can be significantly reduced. With some ground-breaking AI product replacement technologies, advertisements can be automatically placed in the background of the KOL very naturally in the originally unsponsored videos. The KOLs can therefore turn those videos from unsponsored ones into revenue-earning ones. Obviously, the KOLs do not need to charge high cost for these videos anymore (remember these are the competed videos and are unsponsored anyway). Here are some examples:

https://www.youtube.com/watch?v=MOUE3mKW-1w&t=19s
https://www.youtube.com/watch?v=53QChf3ah6A&t=5s

As a result, advertisers can now pay much less, but still have their advertisements shown on the same KOL channels on YouTube just like how they would with traditional KOL Marketing methods. Even better, both KOLs and brands will not have to handle any negotiations at all because the platform would normally align the

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[1] https://medium.com/@mattholk/op-ed-youtube-has-replaced-television-5123b4c07cbe

expectations for them. If either side is disappointed with the output, the platform can insert an advertisement into a different video for the advertiser, or a different advertisement into the same video for the KOL, in almost no time at all. This therefore significantly reduces the time cost along with money cost for both parties.

If you are in the search for a cost-effective KOL Marketing solution, Zyviz.com might be your best choice. Zyviz.com is currently the leading AI-enabled MCN platform in the world, and our ground-breaking model of AI KOL marketing technologies makes KOL marketing fast, easy, and cost-effective. Visit www.zyviz.com or contact us through info@zyviz.com. We gladly await your enquiry.

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