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Research on the paths of the influencer economy industry in boosting corporate profitability

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Abstract. With the rapid development of the digital economy and content platforms, the influencer economy has gradually become a vital path for enterprises to expand markets, improve sales conversion and build brand influence. Based on the SWOT analysis method, this paper analyzes the mechanism of the influencer economy industry in boosting corporate profitability from four dimensions: strengths, weaknesses, opportunities and threats. The study finds that the influencer economy can improve corporate profitability through precision marketing, shortened consumption conversion paths, lower content marketing thresholds and enhanced consumer trust. However, enterprises also face problems such as over-reliance on a single influencer or platform, rising traffic costs, difficulty in turning short-term sales into long-term profits, weakened product competitiveness caused by excessive marketing, and intensifying homogenized competition. Furthermore, the improvement of digital infrastructure, the development of data technology, changes in consumer behavior and industry standardization provide opportunities for corporate profit growth, while tightening regulation, differences in social perception, changes in platform rules and macro consumption shifts also constitute external threats. On this basis, enterprises should give full play to the traffic advantages of the influencer economy, and at the same time strengthen product value, channel portfolio, data capability, compliance governance and long-term brand building.

Keywords: influencer economy, corporate profitability, SWOT analysis, digital economy, China

1. Introduction

1.1. Practical background

With the rapid development of the digital economy, the influencer economy has emerged as a representative new business model. It generates content creation, fan interaction and traffic through social media platforms, and further drives product sales growth, brand awareness improvement and transformation of customer acquisition methods. As sales forms such as live-streaming e-commerce, short video advertisements and influencer endorsements become increasingly common, many enterprises start to expand market coverage, enhance brand influence, broaden sales channels and increase sales volume with the help of the influencer economy. Therefore, the influencer economy has become a key factor affecting the formation and improvement of corporate profitability in the digital economy era.

Nevertheless, the development of the influencer economy also brings pressures and challenges to corporate profitability. On the one hand, many traditional enterprises have long relied on offline sales channels and relatively single marketing methods. In a market environment featuring rapid product iteration, scattered traffic and faster changes in consumer interests, traditional business models can no longer fully meet the needs of enterprise development. On the other hand, although some enterprises can boost sales in the short term through influencer marketing and live-streaming activities, they still face practical problems such as uncertain returns on marketing investment, rising customer acquisition costs, heavy dependence on top influencers, insufficient core competitiveness and low customer loyalty. It can be seen that the influencer economy brings new sales opportunities to enterprises, but how to convert short-term traffic into stable profits remains a practical problem to be solved.

Accordingly, this paper conducts an in-depth study on how the influencer economy affects corporate profitability: on one hand, what advantages enterprises possess and what problems they may encounter in the influencer economy era; on the other hand, what development opportunities the influencer economy brings to corporate profitability and what threats enterprises may face. A systematic analysis of these issues not only helps deepen the understanding of the operation logic of the influencer economy, but also provides practical references for enterprises to improve profitability in the digital era. Focusing on enterprise development against the backdrop of the influencer economy, this paper adopts the Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis method for research and puts forward corresponding suggestions, so as to help enterprises better adapt to the emerging business environment of the influencer economy.

1.2. Theoretical background and literature review

The literature most closely related to this study mainly focuses on corporate performance and its measurement methods under the influencer economy context. Ye et al. [1] evaluated the impact of influencer marketing on business value via bibliometric analysis and put forward strategic suggestions for enterprise management. Sun [2] analyzed the influence of the influencer economy on Chinese consumers' purchasing decisions from the perspective of consumer behavior, pointing out that it has altered consumption patterns to a certain extent and may boost market demand. Xiao et al. [3] took "Dongfang Zhenxuan" as a case to explore the impact of the live-streaming sales model on corporate financial performance, and the results indicated a correlation between this model and enterprise revenue growth. Morillo-Garrido [4] analyzed return on investment in the digital marketing environment, identified key indicators affecting influencer marketing performance, and discussed its application value in enterprise performance evaluation.

In addition, some scholars have systematically analyzed the operation mechanism, technology empowerment and potential risks of the influencer economy from a macro perspective. Karim et al. [5] discussed the role of artificial intelligence in influencer marketing from the perspective of technology application, arguing that it may improve marketing efficiency and business performance to a certain extent. Bi et al. [6] analyzed the cooperation mechanism between enterprises and influencers in product development from the perspective of collaborative decision-making, and explored risk mitigation approaches. Sconyers [7] examined social media advertising from legal and ethical perspectives, noting that while influencer marketing generates commercial benefits, it may also bring compliance and ethical issues such as misleading publicity. Overall, these studies reveal the complexity of the influencer economy and its multiple influence mechanisms from different dimensions.

At the industry structure and practical application level, relevant studies further explore the role of intermediaries and transformation paths in different fields. Stoldt et al. [8] pointed out through industry analysis that intermediaries promote the professional development of the influencer industry and also exert a significant impact on the value distribution structure. Liang [9] took Ruhan Holdings as the research object, analyzed the profit model innovation of e-commerce enterprises under the influencer economy, and identified potential risks in operation. Wei [10] focused on traditional catering enterprises and discussed the development path of time-honored brands empowered by the influencer economy, holding that traffic introduction facilitates brand reshaping and market expansion.

Based on the existing literature above, the possible contributions of this paper are as follows. First, in terms of research topic, the influencer economy is a fast-growing and time-sensitive business phenomenon in the digital economy era. Combining it with corporate profitability can respond to practical demands in enterprise digital transformation and content marketing practice. Second, in terms of research method, this paper adopts the SWOT analysis framework to systematically sort out internal and external conditions of the influencer economy affecting corporate profitability from four aspects, which makes up for the limitations of single-perspective analysis. Third, in terms of practical significance, this paper not only analyzes the mechanism of the influencer economy in boosting corporate profitability, but also puts forward targeted management suggestions, providing references for enterprises to optimize marketing investment, reduce operational risks and improve sustainable profitability in the influencer economy environment.

2. SWOT analysis

2.1. Strengths

The influencer economy boasts strong precision marketing capability. Different from traditional advertising that relies on TV, newspapers, outdoor billboards and other channels for large-scale placement, the influencer economy disseminates content mainly through short video platforms, live-streaming platforms and social media platforms. Platforms can push product-related content to potentially interested consumers based on users' browsing records, search preferences and interactive behaviors. According to the *55th Statistical Report on Internet Development in China* released by the China Internet Network Information Center (CNNIC), as of December 2024, the number of online video users in China reached 1.07 billion, among which short video users hit 1.04 billion, accounting for 93.8% of total netizens. The huge user base provides a practical foundation for enterprises to carry out precision marketing via the influencer economy. Therefore, the influencer economy improves the matching degree between marketing information and target consumers, reduces invalid placement to a certain extent, and becomes a key advantage for enterprises to boost profitability.

The influencer economy features a shortened consumption conversion path. In the traditional economy era, consumers usually go through multiple stages including advertising exposure, information search, product comparison and order placement, leading to a long path from marketing investment to sales conversion for enterprises. By contrast, the influencer economy integrates content display, product introduction, user interaction and purchase entry into a single scenario, allowing consumers to make purchase decisions while watching short videos or live streams. The *China Network Audiovisual Development Research Report (2025)* released by the China Netcasting Services Association shows that as of December 2024, China's network audiovisual user scale reached 1.091 billion, with a netizen penetration rate of 98.4%; short video users reached 1.04 billion, with a penetration rate of 93.8%. It is evident that the influencer economy shortens the consumption conversion path through the integration of content, interaction and transaction, helping enterprises accelerate sales conversion and capital return.

The influencer economy enables Small and Medium-sized Enterprises (SMEs) to replace high-cost traditional advertising with content marketing. Traditional advertising usually requires a high budget, especially TV commercials, offline advertising spaces and large-scale brand events, which set a high capital threshold for SMEs. In comparison, the influencer economy emphasizes content creativity, personal expression and platform communication effects. SMEs can gain market attention through short video product seeding, influencer reviews, live-streaming sales and user-generated sharing. According to the *2024 New Year Strategy for Brand Advertising* released by Ocean Engine, the number of SME clients of Douyin brand advertising in the seeding category increased by 8 times, and the A3 conversion rate driven by seeding ads rose by 10 times, indicating that content seeding has become an important way for enterprises to attract consumer attention and drive conversion. From the profit perspective, the influencer economy provides SMEs with a relatively low-threshold, low-cost marketing approach, allowing them to expand brand awareness and sales scale with limited resources, thus forming an important advantage for building new profit models.

The influencer economy helps enterprises enhance consumer trust and improve brand communication efficiency. When purchasing goods, consumers do not only focus on the product itself; the recommender's expression style and relationship with the audience also affect their judgment. Influencers build emotional connections with fans through long-term content output, and this sense of familiarity transfers to the products they recommend to some extent. Ye et al. [1] pointed out that influencer marketing is usually not regarded as traditional advertising by consumers, and can help enterprises reach highly engaged target audiences, thus possessing commercial value and management implications. This shows that the influencer economy converts the trust accumulated between influencers and fans into brand communication efficiency, supporting the improvement of corporate profitability.

2.2. Weaknesses

Enterprises face high risks of over-reliance on a single influencer or channel. Against the backdrop of the influencer economy, some enterprises concentrate most of their marketing resources on a few top anchors, top influencers or a single platform to achieve rapid sales growth. In the short term, this approach may quickly boost product exposure and sales; but in the long run, enterprise sales performance is vulnerable to influencers' personal reputation, cooperative relations and platform traffic fluctuations. Once a cooperative influencer is involved in public opinion disputes or the cooperation terminates, the enterprise's sales channels may suffer a heavy blow. Therefore, although the influencer economy helps enterprises acquire customers quickly, it may also lead to over-dependence on individual traffic entities, which becomes a disadvantage for stable profitability.

Rising traffic acquisition costs squeeze corporate profit margins. As more enterprises enter the short video, live-streaming e-commerce and influencer marketing sectors, high-quality traffic resources become increasingly scarce, and slot fees of top influencers, commission rates, platform promotion costs and content production expenses keep rising. Some enterprises achieve high sales volume in live-streaming sales, but end up with unsatisfactory actual profits after deducting platform fees, anchor commissions, promotional subsidies, logistics costs and return/exchange expenses. Morillo-Garrido [4] noted that when evaluating influencer marketing effects, enterprises should not only focus on exposure and sales volume, but also attach importance to return on investment and key performance indicators. Evidently, rising traffic costs compress profit margins, which is a non-negligible weakness in the process of the influencer economy boosting corporate profitability.

Short-term sales growth does not necessarily translate into long-term stable profitability. The influencer economy has strong instant communication power: live-streaming promotions, viral short videos and limited-time discounts can all drive sales surges in the short term. However, short-term sales are not equivalent to long-term profitability. If enterprises rely excessively on low-price promotions and traffic stimulation, consumers may only purchase for discounts rather than genuine recognition of the brand and products. Once promotions end or traffic declines, the repurchase rate is likely to drop. When studying the impact of live-streaming marketing on corporate financial performance with Dongfang Zhenxuan as a case, Xiao et al. [3] pointed out that the live-streaming sales model is correlated with revenue growth, but enterprises still need to focus on long-term operation capacity and brand building. For enterprises, sustainable profitability cannot be achieved without converting traffic into stable customer relationships.

Over-reliance on marketing investment may undermine enterprises' long-term competitiveness. After adopting the influencer economy model, some enterprises tend to focus on traffic acquisition, topic creation and live-streaming conversion, while neglecting product R&D, supply chain management, quality control and brand building. In the short term, marketing drives exposure and sales; but in the long run, corporate profitability ultimately depends on product quality, service experience and brand value. If enterprises only value influencer promotion while their products lack differentiation and stable quality, the profit model will fall into a cycle of high input and low accumulation. This indicates that the influencer economy cannot replace enterprises' basic operation capacity, and over-reliance on marketing input will weaken long-term competitiveness instead.

Intensifying homogenized competition erodes corporate profit margins. The influencer economy has a relatively low entry barrier, and a large number of enterprises can enter the market via short videos, live streams and influencer promotion. When different enterprises adopt similar content scripts, live-streaming lines, discount strategies and product packaging, consumers easily develop aesthetic fatigue, and product differences are blurred. In the actual operation of short video and live-streaming marketing, categories such as beauty, food and clothing often see similar content templates, repeated sales pitches and identical promotion methods. Under such circumstances, enterprises often resort to price wars and commission concessions to compete for traffic and orders, putting profit margins under pressure. It can be seen that while expanding market opportunities, the influencer economy also intensifies traffic and content competition among enterprises, risking compressed profit margins.

2.3. Opportunities

The continuous improvement of digital platform infrastructure provides a sound external environment for enterprise development. In recent years, China's mobile Internet, electronic payment, logistics and distribution, short video platforms and live-streaming platforms have developed rapidly, providing mature basic conditions for enterprises to carry out online marketing and transactions. CNNIC data shows that as of December 2024, China's netizen scale reached 1.108 billion, with an Internet penetration rate of 78.6%. This huge Internet user base provides external opportunities for enterprises to expand markets through the influencer economy. Therefore, the improvement of digital infrastructure is not an advantage created by individual enterprises, but an opportunity brought by the overall development of the Internet environment, which supports enterprises in improving profitability via the influencer economy.

The development of data factors and digital technology improves the scientific nature of enterprise marketing decision-making. With the advancement of big data, algorithm recommendation, artificial intelligence and user profiling technologies, enterprises can understand consumer demands more accurately and formulate differentiated marketing strategies for different user groups. Karim et al. [5] pointed out that artificial intelligence has great potential in improving influencer marketing efficiency and enterprise business performance. This shows that the development of technological environment provides more scientific decision-making tools for enterprises to carry out influencer marketing, enabling them to reduce trial-and-error costs and improve profit efficiency.

The shift in consumer behavior patterns provides social support for the development of the influencer economy. With the popularization of Internet-based lifestyles, consumers are increasingly accustomed to obtaining consumption information from short videos, live streams, Xiaohongshu notes and social media content. In the past, consumers learned about products mainly through offline stores, TV advertisements and recommendations from acquaintances; nowadays, many consumers develop purchase interest while viewing content, and make consumption decisions based on influencer recommendations, user reviews and live-streaming demonstrations. Evidently, the shift of consumer behavior from passive advertising acceptance to active content participation provides an important opportunity for enterprises to achieve profit growth via the influencer economy.

The advancement of industry standardization creates external opportunities for differentiated development for compliant enterprises. The *Measures for the Administration of Internet Advertising* issued by the State Administration for Market Regulation stipulates requirements on advertisement identifiability, platform responsibilities and advertiser obligations, promoting the transformation of influencer marketing from extensive expansion to standardized operation. For enterprises with solid product quality, clear brand positioning and compliant operation, a standardized market environment helps reduce the "bad money driving out good money" phenomenon, allowing them to achieve long-term development in a fairer competitive order. Therefore, industry standardization also serves as an external opportunity for enterprises to realize sustainable profitability.

2.4. Threats

Influencer economy-based marketing faces an increasingly strict regulatory environment. With the rapid development of marketing forms such as live-streaming sales, short video advertisements and influencer seeding, problems including false publicity, price misleading, data fraud and after-sales disputes have drawn regulatory attention. The *Measures for the Administration of Internet Advertising* explicitly requires that Internet advertisements be identifiable and shall not deceive or mislead consumers. For enterprises, this means influencer marketing must not only pursue communication effects, but also prioritize advertising compliance, product quality, publicity authenticity and consumer rights protection. In the short term, tightening regulation will increase compliance costs in content review, contract management and after-sales service, thus posing an external threat to the stability of corporate profitability.

Differences in social perception may damage corporate brand image. Although influencer marketing is popular among young consumers, it is not accepted by all consumer groups. Some consumers believe influencer sales are highly profit-driven and remain skeptical about the authenticity of product recommendations; others hold that over-reliance on influencer promotion reduces a brand's professionalism and high-end image. For high-end brands, professional service brands or enterprises emphasizing long-term reputation, excessive dependence on influencer marketing may leave consumers with the impression of vague brand positioning or inferior product quality. Therefore, differences in social perception affect consumers' brand evaluation and constitute an external threat to corporate profitability.

Uncertain platform rules increase operational risks for enterprises. The influencer economy is highly dependent on short video platforms, live-streaming platforms and social media platforms, whose traffic distribution rules, recommendation algorithms, advertising policies and content review standards may be adjusted along with platform strategies and regulatory requirements. If an enterprise mainly obtains traffic from a single platform, its exposure and sales conversion may be affected once the platform reduces content recommendation, adjusts live-streaming rules, raises paid traffic costs or restricts certain marketing behaviors.

Evidently, the uncertainty of platform rules increases the difficulty for enterprises to achieve sustained profitability through the influencer economy.

Changes in the macro consumption environment may also weaken the profit effect of the influencer economy. The influencer economy often relies on consumers' instant interest, emotional value and impulsive consumption. However, when the economic environment changes, consumers' income expectations decline or consumption becomes more rational, consumers may cut unnecessary spending and become less sensitive to live-streaming promotions and influencer recommendations. At this point, enterprises that rely solely on traffic stimulation and low-price promotions will face greater pressure. From the profit perspective, changes in the macro consumption environment are external factors beyond enterprises' full control, which may affect the conversion efficiency of the influencer economy and corporate profitability.

3. Conclusion and suggestion

3.1. Main conclusions

Overall, the influencer economy has become an important path for enterprises to improve profitability in the digital economy era. Its strengths lie in strong precision marketing capability, short consumption conversion paths, relatively low content marketing costs and easy establishment of consumer trust. These advantages enable enterprises to expand brand exposure, boost sales conversion and seize market opportunities in a short period. Meanwhile, the influencer economy also has obvious weaknesses, including enterprises' high dependence on a single influencer or platform, rising traffic costs, difficulty in converting short-term sales into long-term profits, weakened product competitiveness caused by excessive marketing, and intensifying homogenized competition.

From the external environment perspective, improved digital infrastructure, developing data technology, changing consumer behavior and advancing industry standardization provide opportunities for enterprises to achieve profit growth via the influencer economy. However, tightening regulation, differences in social perception, uncertain platform rules and macro consumption changes may also threaten corporate profitability. Therefore, when utilizing the influencer economy, enterprises should not only pursue short-term traffic and instant sales, but also integrate influencer marketing with product quality, brand building, channel management and compliant operation. Only by reducing traffic dependence, enhancing product value and boosting user repurchase can enterprises truly convert the short-term attention brought by the influencer economy into long-term, stable and sustainable profitability.

3.2. Policy suggestions

From the strength dimension, enterprises should give full play to the precision marketing function of the influencer economy, identify target consumer groups based on user portraits and platform data, and avoid waste of marketing resources caused by undifferentiated placement. They should leverage the integrated features of content, interaction and transaction in short video and live-streaming scenarios to optimize the conversion chain from content viewing to purchase and reduce consumer decision-making resistance. SMEs should take content creativity, influencer reviews and user sharing as key approaches for low-cost brand exposure, and achieve market breakthroughs with a limited budget. Meanwhile, enterprises should value the emotional connection between influencers and fans, and enhance consumer trust through authentic experience, transparent expression and long-term interaction, rather than treating influencer marketing merely as a short-term sales tool.

From the weakness dimension, enterprises should avoid excessive dependence on a single influencer, anchor or platform, and build a marketing system supported by multiple influencers, multiple platforms and self-owned channels. They should incorporate return on investment, repurchase rate, return rate and customer lifetime value into marketing effect evaluation, to prevent rising traffic costs from continuously squeezing profit margins. They should convert short-term sales growth into member accumulation, after-sales service and repurchase mechanisms, to mitigate sales decline after promotions end. They should continue to strengthen product R&D, supply chain management, quality control and brand building, to avoid weakened long-term competitiveness caused by excessive marketing. Facing homogenized competition, enterprises should also form differentiated content expression and brand positioning, to reduce the erosion of profit margins caused by pure price competition.

From the opportunity dimension, enterprises should actively utilize digital infrastructure such as mobile Internet, electronic payment, logistics and distribution, and content platforms to expand online sales scenarios and cross-regional markets. They should improve the scientific nature of marketing decision-making with the help of big data, artificial intelligence and algorithm recommendation technologies, and formulate differentiated content strategies for different user groups. They should follow the trend of consumers shifting from passive advertising acceptance to active content participation, and naturally embed product information into life-oriented, scenario-based and interactive content. Against the backdrop of advancing industry standardization, enterprises should also take compliant operation as a competitive advantage, and enhance brand credibility through authentic publicity, clear identification and standardized after-sales service.

From the threat dimension, enterprises should establish advertising compliance review and influencer cooperation risk management mechanisms, to ensure authentic product publicity, clear price information and protection of consumer rights and interests. They should select appropriate influencer marketing methods according to brand positioning; especially for high-end brands and professional service enterprises, they shall not damage brand image through excessive entertainment-oriented communication. They should reduce one-sided dependence on platform algorithms and traffic rules, and diversify risks brought by platform rule changes through private domain operation, membership systems and multi-channel layout. Facing changes in the macro consumption environment, enterprises should improve product cost performance and service stability, and reduce business models that rely solely on impulsive consumption and low-price promotions, so as to enhance profitability resilience.

3.3. Research prospects

This paper mainly discusses the paths of the influencer economy industry in boosting corporate profitability based on the SWOT analysis method, and there is still room for further expansion. First, at the topic level, future research can compare the impacts of different digital factors such as the influencer economy, artificial intelligence and the digital economy on corporate profitability, and further explore the influence of the influencer economy on enterprise marketing models, business models, value chains, industrial chains and corporate resilience. Second, at the method level, future research can introduce tools such as PEST analysis, Porter's Five Forces Model and Porter's Diamond Model to enrich the research framework from the perspectives of macro environment, industry competition and industrial structure. Finally, at the data level, future research can collect first-hand data through questionnaire surveys, enterprise interviews, platform data crawling and case data compilation, and conduct quantitative analysis on this basis, to further improve the objectivity and explanatory power of research conclusions.

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