

## J. Michael Locke

### Musings

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#### #15: Why You Need to Know the Kardashians

April 6, 2020

Did you roll your eyes on that one?

Just because you might not be a social media person, don't underestimate its reach. There are approximately 330 million people in the U.S. (140 million voted in the 2016 election.) Now look at the followings of the top celebrities on Instagram:

#	@username	Followers
1	Cristiano Ronaldo @cristiano	210.1M
2	Ariana Grande @arianagrande	179.2M
3	Therock @therock	177.1M
4	Selena Gomez @selenagomez	172.1M
5	Kylie Jenner @kyliejenner	168.6M
6	Kim Kardashian West @kimkardashian	164.3M
7	Leo Messi @leomessi	146.6M
8	Neymar @neymarjr	136.5M
9	Justin Bieber @justinbieber	131.2M
10	Taylor Swift @taylorswift	129.2M

Obviously the followers on Insta are skewed to the younger demographic, but these are the purchasers of the future. This is why media companies focus heavily on the 18-49 demographic.

But beyond scale, there is another reason you should know Kim is married to Kanye and Kylie Jenner Cosmetics is worth \$1.2bn (she sold 51% last year and she is 22...do the math!)

Leaders need to be relatable. You need to be as comfortable talking to the cab driver (they still exist!) as the owner of a company. Real leaders do it because they truly care about every human being. You are no better than the receptionist – you just have a different job. Younger workers tend to be more focused on pop culture than Green Egg recipes. Every individual has something to teach you. Take the time to talk to everyone. The “retail” level employee probably has the best information on how consumers are behaving or reacting to their experience (remember the inverse organization pyramid on value creation.)

Influencers are also becoming the driving force in marketing. Consumers no longer trust advertising. This has led to the rise of Trip Advisor, Yelp and Google reviews. The current trend is away from celebrity influencers like the Kardashians as a way to reach consumers and towards “micro influencers.” These are not fancy celebrities, but more “regular people” in a smaller networks. For example, in Chicago, the NPN (Neighborhood Parents Network) is a popular forum for young parents to get advice on strollers and schools et al.

Michael Bloomberg is a smart guy and he tried to leverage this channel. According to The Daily Beast: “for a fixed \$150 fee, the Bloomberg campaign pitched micro-influencers—someone who has

from 1,000 to 100,000 followers, in industry parlance—to create original content “that tells us why Mike Bloomberg is the electable candidate who can rise above the fray, work across the aisle so ALL Americans feel heard and respected.”” Sorry it didn’t work but there is only so much a paid influencer can do.

Covid 19 thoughts. According to Laura Tyson, the amount of stimulus the federal government will inject this quarter is roughly 20% of GDP. As DePauw Professor Gary Lemon taught me,  $GDP = \text{consumption} + \text{investment} + \text{government expenditures} + \text{net exports}$ . Consumption is almost 70% now so with everyone stuck at home, the government trying to soften the blow as Keynes would suggest. Unfortunately, as we learned in 2010, it is hard to push that much money out quickly in a wise way and there is likely to be a lot of waste and fraud.

So learn your Kardashians (don’t worry about Rob), reminisce about the ‘76 Olympics and be safe.

My editorial board which helped on this one:

