

Influencer Marketing-Review and Implications for Marketers

Dr.Pooja Pathak¹

Satinder Singh²

Vikrant Singh³

Assistant Professor, Dept of Business Administration,
Apex Institute of Technology,Rampur

ABSTRACT

Influencer Marketing is considered more effective compared to other Digital Marketing techniques or other traditional Marketing. It helps in building customer trust and directly or indirectly influences their buying behaviour. Most of the other online channels like Emails, SMS, Video ads suffer from problem of intrusiveness but influencer marketing is less intrusive and more engaging than other channels. Influencer Marketing is considered today as an extension of word-of-mouth campaigns. Influencer marketing is particularly beneficial for small companies looking for a low-cost effective advertisement. The current study is an attempt to throw some light on various aspects of influencer marketing and how influencer marketing can be used by marketers in a beneficial way to achieve their goals. The paper will help marketers to identify the right type of influencers for them who can offer customized content in the form of post, videos or stories and bring in the required engagement for brands and products.

KEYWORDS-Influencer, Influencer Marketing, Digital Marketing, Social Media Marketing, Balance theory.

INTRODUCTION

An influencer is anyone who has the power to affect purchase decisions of others because of their authority, knowledge, position, or relationship (Bladow & Laura, 2018). An influencer

can be a working woman posting a video about how she is working and sipping her favourite coffee at Starbucks and earning through those videos or it can be a famous actor posting a famous brands new clothing line. According to Veirman, Cauberghe and Hudders (2017) “Influencer marketing consists of identifying and targeting influential users and stimulating them to endorse a brand or specific products through their social media activities. After identifying the right kind of influencers for the company, the company may develop their right marketing campaigns and how influencers can be a part of them. Conick (2018) says that influencer Marketing is all about engaging with customers in honest and authentic ways so that trust is developed among potential customers. According to Michael (2018) “The best marketers always know that it’s the connection with the customers that is the most important in the digital space and that is what going to help them in the long run”. The main target of the companies today is to connect with people in such a way that the customers develop brand loyalty for the company and their product. Today customers are different from what they used to be; the new generation is flooded with information.

With the advent of social media, people are keen to show their daily lives and interest. There is no more hiding for the new generation. These people when create quality content on different platforms like Facebook, Instagram, you tube slowly start influencing others and in the longer run, if they continue to deliver quality content, they attract many people in the form of followers and hence they become influencers. These influencers can be in any filed. They can be Fashion influencers, they can be fitness influencers etc. In order to find the influencer that best suits to a product, a marketer needs to keep in mind that they find an influencer who is very passionate about his work. Michael (2018) adds that “natural fit” is the most important part of an influencer campaign. One of the main challenges of influencer marketing is finding the right influencers.

LITERATURE REVIEW

The term influencers have been recently used because of the popularity and high usage of social platforms. Today Influencer posts are likely to get more attention than advertisements from brands (Pereira, salgueiro & Mateus 2014) Influencer contents are more relatable than traditional advertisements particularly contents posted by nano & micro influencers as what they post is more real and candid (Kowalczyk & pounder 2016). According to a Benchmark Report (2022) More than 75% of brand marketers intend to dedicate a budget to influencer marketing in 2022. Their study also revealed that Instagram was the most popular platform

and was used by nearly 80% of the brands that wish engage in influencer marketing for reaching target customers.

The most popular social media channel for influencers to upload brand-related posts is Instagram (Lee & Kim, 2020). Lee and Kim (2020) state that more research needs to be done due to an increase of influencer marketing on Instagram, to understand the effect of influencer credibility combined with brand credibility can have on consumers' perception toward the influencer promotional post. The authors examined the effects of disclosure types, if the influencer credibility were high or low, brand credibility high or low and what effect it would have on influencers promotional posts (Lee & Kim, 2020).

Lee and Kim (2020) in their research also emphasized on the fact that more study needs to be done in the area of Influencer marketing on Instagram as amongst all the social media platforms, Instagram is the one where influencers post a lot of brand related content. A lot of brand promotion and brand awareness happens on Instagram. In their study they examined the credibility of influences being high or low, credibility of brands being high or low and their combined effect on an influencers post.

Most of the people who have Instagram accounts follow celebrities and celebrities always tops the list of most followed accounts on Instagram. Although Influencer marketing through Instagram is very popular amongst small and big brands but very limited research has been done in this area to measure its effectiveness and to understand how much the medium is able to persuade customer to try new products (Pittman & Reich, 2016).

Van Dijck (2009) state that it should not be presumed that all the people who are online are active participants and all of them will engage with the content created online through posts or videos. As per the report by Guardian (2006) in an online group of 100 people only one online user will create content, 10 online users will engage with the content and rest 89 will be the silent viewers. So, it cannot be generalised that all the people who are online are fully active and will fully engage with the content.

OBJECTIVES OF THE STUDY

- 1.To study the various types of influencers and how they can be beneficial for different companies
- 2.To study the various challenges associated with influencer Marketing

RESEARCH METHODOLOGY

The present study is based on secondary data. The data is obtained through books, magazines and reputed journals in the field of Marketing. The information has also been obtained through articles on influencer marketing through different websites.

TYPES OF INFLUENCERS

Influencer marketing is one of the best forms of digital marketing that really helps companies to reach out a larger target audience. With millennials using social networking sites throughout their day, it is even easier for companies to target them through various platforms. The kind of influencers companies wish to choose totally depends on their needs. Influencers can be broadly classified into two types-

1.INFLUENCERS BY FOLLOWER COUNT

Nano influencers (1K–10K followers)

These types of influencers are best for mid-size companies with limited marketing budget. They are cost effective but can help to create brand awareness or for creating awareness regarding ongoing promotions. Nano influencers are a good option if a company wants to launch or a new product or service.

Micro influencers (10K–100K followers)

Micro influencers are more specialized in their field as compared to Nano influencers. Their content has more quality and is more relatable with a larger audience because of which the chances of prospective customer being converted is higher in case of Micro Influencers.

Macro influencers (100K–1M followers)

The credibility of Macro influencers is relatively high as compared to Nano influencers or Micro influencers. Their engagement rate is quite high. People engage with their posts through their likes and comments. They are considered a very good option for generating awareness about a brand. As they have a large follower base, they reach a larger target audience and helps in uplifting reputation of a brand.

Mega or celebrity influencers (1M+ followers)

They are the most sought-after influencers on social media. They are mostly used by big companies with large marketing budget. Their follower base is highest amongst all the influencers and they pitch different types of products and brands. They appeal a large audience and can help in increasing sales of a product.

2.INFLUENCERS BASED ON CONTENT OR NICHE-

These are the influencers who provide specialised content to their audience. They provide specialised content in different fields like food, entertainment, travel, beauty, health & fitness, lifestyle etc. The advantage of associating with niche influencers is that the audience feels more connected with the message they want to give. For example, a Nutritionist working in the field of healthcare and wellness for many years when recommends a supplement, people are more likely to buy the supplement as compared to influencer who is not working in this field. Travel bloggers are considered trustworthy when they recommend you a place to visit or a hotel to stay.

CONGRUENCE BETWEEN INFLUENCERS, PRODUCT & CONSUMERS

Belanche et al 2019 in their study emphasized on the importance of congruency between consumers, influencers and product. The general meaning of congruence is compatibility or harmony. In psychology when a person's ideal self and actual self are consistent with each other a state of congruence exists. In consumer behaviour self-congruence is the state in which an individual's ideal image or actual self-image gets aligned with the brand image of the endorser (Aaker 1999). As per the study companies should find influencers who are congruent with companies' product. In such scenarios followers will perceive the association as natural rather than forced one. This kind of influencer marketing campaigns are considered credible and helps in building positive image for the company.

State of self-congruence influences individuals' self-concept. Consumers usually try to raise their self-esteem by associating themselves with specific brands or products. Self-congruency with an endorser can happen when consumer feels connection with the endorser in values or cultural images (Lee & Kim 2005). Therefore, a customer establishes a positive connection with an influencer whom they feel represent their ideal self (Boerman 2020).

Balance theory (Heider 1946) predicts that psychological balance in people occurs with cognitive consistency. It is the congruency between the self and the other person because of which the stimulus given by one person is accepted by another. This helps in maintaining the equilibrium or the balance. In Influencer Marketing too when the consumer feels a congruence between the influencer and the stimulus provided by him in the form of product, it is very likely that the consumer may accept the stimulus by the influencer. (Basil & Herr 2016). The theory is not only relevant in the field of psychology for understanding relationships between people but it is also significant in the field of Marketing wherein Marketers have to always choose an external entity for promoting their products. A high congruence between the Influencer and the product leads to positive evaluation of the product (Breves et al 2019). Balance theory (Heider 1946) is very beneficial for understanding the psychology of the consumers and how they evaluate or reciprocate to a promotional message or a commercial information from social media (Van Dam & Van Reijmerdal 2019). It is the congruency between the Influencers and the consumers and congruency between the consumers and the product that leads to Intention to purchase or even intention to recommend the product to others (Belanche, casalo, Flavian & Ibanez-sanchez 2021).

Another theory that stresses on the importance of congruence is the cognitive dissonance theory (Festinger 1957) which postulates that if people develop inconsistent cognitions, they experience mental discomfort. This mental discomfort may create pressure to overcome the situation. In long term consumers attitude, beliefs and behaviour requires coherence (Festinger 1957).

QUALITIES OF INFLUENCERS

1.CREDIBILITY is the most important pillar of influencer Marketing. An influencer can only influence a customer to purchase a product only when he or she is trusted. Before choosing any influencers it is very important for marketers to see if they are a trusted name in their field. It is also important for the companies to decide whether the influencers they choose will be paid for the promotion of their product or whether the influencers will be compensated in the form of products or gifts. It is also important for the influencers to disclose if it's a paid partnership which most of the reliable influencers today do.

2.AUTHENTICITY-It is very important for influencers to provide authentic information to its audience. A good influencer always does his research before promoting an idea and always provide true and correct information to its audience

3.POPULARITY-Only a popular influencer will have a large number of fan base and large number of followers. Whosoever the influencer is, he or she should be popular amongst people. Popularity does not mean that they are celebrity, they may be common people but because they produce content that is so relevant that the audience feels connected with them and follow them on a regular basis. Influencers are people who have large number of followers who embody some expertise in a particular field or have some social appeal. People usually follow people whom they feel display similar interests as theirs (Djafarova & Reshworth 2017)

INFLUENCER MARKETING PLATFORMS

INFLUENCER MARKETING THROUGH INSTAGRAM- Today most of the brands continue to look for new advertising techniques rather than following the old ones, they have increased their efforts to endorse their products through influencers and reach a wider audience (Veirman et al., 2017). Instagram is an influential social media platform that allows people to share pictures, content in the form of writing, videos and short stories. It consists of several interesting features (Casalo, Flavian, & Ibanez-Sanchez 2017). Instagram is one of the most downloaded apps amongst all the other social media apps (Statistica 2019). Today anyone who is interested in social media, is on Instagram. The main benefit of using Instagram is because of its high engagement rate (Hsu & Lin 2020). Today's generation is obsessed with social media and so the Opportunity for growth not only lies for companies but, also for small retailers who want to promote their business online. Many brands have their accounts on Instagram and they work relentlessly to increase their reach by increasing their visibility in the digital space. It is imperative for the influencers to connect with their audience in such a way that the consumer feels that his personality matches with the influencer or his way of thinking matches with the influencer.

INFLUENCER MARKETING THROUGH YOU-TUBE- YouTube was started in 2005, and since then it is a popular social media platform. About 100 million videos stream every day on You tube. People from different walks of life share their videos on You tube. They can be teachers, students, journalists, actors, food bloggers, travellers, health influencers and many more. On You tube people upload videos on the basis of their areas of interest and is available for everyone who is interested in watching it. To maintain the privacy of a person uploading a video, You tube provides the feature of disabling comments. YouTubers on YouTube are the best example of influencer marketing as they highly influence people through their videos. Their extent of influences depends on their way of presentation, their

knowledge, their content quality and how well they are able to connect with their audience. For some people they are so influential that they are seen as role models. You tubers can easily influence the buying decisions of their followers.

INFLUENCER MARKETING THROUGH BLOGS-A blog is a regularly updated website or web page, usually run by an individual or small group. A blog is mostly written in conversational style or an informal way. It basically consists of texts, images or videos. Blogs can play a vital role in promoting the products and services of a company and also lowers the marketing budget. Blogs can create an impact on consumers mind only when they are very well written, have necessary images to support the text, contains detailed videos on the given area and has links that takes one to associated webpages to know more about other things or to buy the product.

THE THREE R OF INFLUENCER MARKETING - REACH, RELEVANCE AND RESONANCE

The average number of followers that an influencer has, is his average audience size also his range to influence a specific number of people. Influencers can reach people through various channels like Instagram, Facebook, Blogs, You tube etc (Sudha & Sheena 2017). Every influencer can influence its audience by generating quality content images, writeups and videos which is relevant to the audience reading or watching it. Relevance of an influencer totally depends on how well they cater to the needs of its audience following it. The impact an influencer makes on its audience is determined by their engagement rate. Higher engagement rate depicts that a larger number of people engage with the influencer in the form of likes and comments. It is also very important for the influencer to create connect that resonates with its audience. The audience feel a personal connection and trust the influencer to give their honest and genuine opinion (Sudha & Sheena 2017).

CHALLENGES WITH INFLUENCER MARKETING

1. INFLUENCER FRAUD-As per the survey conducted by Mediakix, in the year 2019, 50% of marketers mentioned fake followers as their main problem. Influencer fraud is a fraud that relates to fake followers as it is very difficult to distinguish between real or fake followers in

a digital platform. With the rise in social media and influencers, there is a race among influencers to increase their visibility and to increase their fan base by each passing day. Fake followers are used to boost the size of an influencer audience and give an impression that they are liked by many people. There are also communities in Instagram who follow similar type of account in order to receive a follow back. It helps in promoting one's own account and others account at the same time. so the number of followers may appear high but because they did not grow organically, it is not going to serve the purpose.

2. MEASURING ROI -As per Mediakix, measuring ROI is the biggest challenge that a marketer has to face when they associate with influencers for product promotion. Most of the other digital channels like display advertisements or search engines can still be evaluated through the number of clicks that's happens on a particular advertisement but it is very difficult to measure ROI in influencer marketing.

3.PROBLEMS WITH ORGANISING CAMPAIGNS-It is very difficult to find the right type of influencers that comes under budget and also who can promote the brands and products in the best possible way. As influencers come from every walk of life, sometimes communicating with them can be an issue. It's important to know here that they are not professionals but they are popular so working with them sometimes can be a tedious job. There are many time-consuming and manual processes involved in setting up an influencer marketing campaign, managing contracts and handling payments.

CONCLUSION

Influencer marketing may seem to be a new field in marketing, but it is word-of mouth marketing by people who have many followers and admirers in the digital space. Influencer Marketing is more impactful than traditional marketing as the influencers communicates in such a way that is informal and unstructured whereas in traditional marketing, when the brands communicate, they communicate in a more formal way. That is the beauty of influencer marketing that it gives a personal touch to the promotions. The way the influencers promote a product is almost like giving advice to their near and dear ones. It's the freedom to speak whatever they wish to speak, the freedom to present the product in the manner they want to, makes the influencer marketing so different and so impactful. The influencer marketing industry is not very much different from any other emerging industry, the successful marketers will be the ones that spot the opportunities and capitalize on them.

REFERENCE

- 1.Aaker, J. L. (1999). The malleable self: The role of self-expression in persuasion. *Journal of marketing research*, 36(1), 45-57.
- 2.Basil, D. Z., & Herr, P. M. (2006). Attitudinal balance and cause-related marketing: An empirical application of balance theory. *Journal of Consumer Psychology*, 16(4), 391–403.
- 3.Belleau, B. D., and Nowlin ,K. (2001). Fashion leaders and follower's attitudes towards exotic leather apparel products. *Journal of Fashion Marketing and Management*, 5 (2), 133-144.
- 4.Belanche, D., Casaló, L., V, Flavián, M., Ibáñez-Sánchez, S. (2019) Understanding influencer marketing: The role of congruence between influencers, products and consumers. *Journal of Business Research*, 132, 186-195
- 5.Boerman, S. C. (2020). The effects of the standardized Instagram disclosure for micro and meso-influencers. *Computers in Human Behavior*, 103, 199–207boer
- 6.Casalo, L. V., Flavian, C., & Guinaliu, M. (2010). Antecedents and consequences of consumer participation in on-line communities: The case of the travel sector. *International Journal of Electronic Commerce*, 15(2), 137–167.
- 7.Casalo, L. V., Flavian, C., & Ibanez-Sanchez, S. (2017). Antecedents of consumer intention to follow and recommend an Instagram account. *Online Information Review*, 41(7), 1046–1063.
- 8.Casalo, L. V., Flavian, C., & Ibanez-Sanchez, S. (2017). Understanding consumer interaction on Instagram: The role of satisfaction, hedonism, and content characteristics. *Cyberpsychology, Behavior, and Social Networking*, 20(6), 369–375.
- 9.Casalo, L. V., Flavian, C., & Ibanez-Sanchez, S. (2020). Influencers on Instagram: Antecedents and consequences of opinion leadership. *Journal of Business Research*, 117, 510–519.
- 10.Conick, H. (2018). How to win friends and influence millions: The rules of influencer marketing. *Marketing News* ,52(7),36-45.
- 11.Goldsmith, R.E., & R.A. Clark. (2008) An analysis of factors affecting fashion opinion leadership and fashion opinion seeking. *Journal of Fashion Marketing and Management*, 12(3), 308–22.

- 12.Handa, M and Khare, A. (2013). Gender as a moderator of the relationship between materialism and fashion clothing involvement among Indian youth. *International Journal of Consumer Studies*, 37(1), 112–120
- 13.Djafarova, E., & Rushworth, C. (2017). Exploring the credibility of online celebrities' Instagram profiles in influencing the purchase decisions of young female users. *Computers in Human Behavior*, 68, 1–7
- 14.Festinger, L. (1957). *A theory of cognitive dissonance*. Stanford, CA: Stanford University Press, Vol 2
- 15.Heider, F. (1946). Attitudes and Cognitive Organization. *The Journal of Psychology*, 21(1), 107-112.
- 16.Jain N., V. Ahuja, and Y. Medury. (2013). Websites and Internet Marketing: Developing a Model for Measuring a Website's Contribution to the Brand. *International Journal of Online Marketing*, 3 (1),14-30.
- 17.Kowalczyk, C.M and Pounders, K.R. (2016). Transforming celebrities through social media: the role of authenticity and emotional attachment. *Journal of Product and brand management*, 25(4) ,345-356
- 18.Kim, A.J and Ko, E. (2010). Impact of luxury fashion brand's social media marketing on customer relationship and purchase intention. *Journal of Global Fashion Marketing*, 1(3), 164-171.
- 19.Lamberton, C. & Stephen, A. (2016) A Thematic Exploration of Digital, social media, and Mobile Marketing: Research Evolution from 2000 to 2015 and an Agenda for Future Inquiry. *Journal of Marketing*, 80(6), 146–72.
- 20.Laura E. Bladow. (2018) Worth the click: Why greater FTC Enforcement Is needed to curtail Deceptive Practices in Influencer Marketing, 59(3) ,1123-1164
- 21.Lee, S., & Kim, E. (2020) Influencer marketing on Instagram: How sponsorship disclosure, influencer credibility, and brand credibility impact the effectiveness of Instagram promotional post. *Journal of Global Fashion Marketing*, 11(3), 232-249.
- 22.Pereira, H. G., Salgueiro, M.F., & Mateus, I. (2014). Say yes to Facebook and get your customers involved! Relationships in a world of social networks. *Business Horizons* ,57(6),695-702.

23. Pittman, M & Reich, B. (2016). Social media and loneliness: Why an Instagram picture may be worth more than a thousand twitter words. *Computer in Human Behavior*, 62 ,155-167.
24. Rafique, M. (2012). Impact of celebrity advertisement on customers' brand perception and purchase intention. *Asian Journal of Business and Management Sciences*. *Asian Journal of Business and Management Sciences*, 1(11), 53-67
25. Sudha M. and Sheena K. (2017). Impact of Influencers in Consumer Decision Process: The Fashion Industry. *SCMS Journal of Indian Management*, 14(3), 14-3
26. Taillon, B. J., Mueller, S. M., Kowalczyk, C. M., & Jones, D. N. (2020). Understanding the relationships between social media influencers and their followers: The moderating role of closeness. *Journal of Product and Brand Management*, 29(6), 767–782. h
27. van Dam, S., & van Reijmersdal, E. (2019). Insights in adolescents' advertising literacy, perceptions and responses regarding sponsored influencer videos and disclosures. *Cyberpsychology: Journal of Psychosocial Research on Cyberspace*, 13(2), article 2
28. Van Dijck, J. (2009) Users like you? Theorizing agency in user-generated content. *Media, culture & society*, 31(1), 41-58.
29. Veirman, M.D, Cauberghe, V & Hudders, L. (2017) Marketing through Instagram influencers: the impact of number of followers and product divergence on brand attitude, *International Journal of Advertising* ,36(5) ,798 -828
30. Weismueller, J., Harrigan, P., Wang, S., & Soutar, G. N. (2020). Influencer endorsements: How advertising disclosure and source credibility affect consumer purchase intention on social media. *Australasian Marketing Journal*, 28(4), 160-170.
31. Three Influencer Marketing Problems That Brands Themselves Have Created (forbes.com)
32. Mediakix (2019). Influencer marketing 2019 industry benchmarks. Retrieved from: <https://influencermarketinghub.com/influencer-marketing-2019-benchmark-report> (accessed 1 June 2022).

