

CONCEPTUALIZING INFLUENCER MARKETING: A LITERATURE REVIEW ON THE STRATEGIC USE OF SOCIAL MEDIA INFLUENCERS

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ABSTRACT

A prominent, non-commercial source of information and influence on consumers has been opinion leaders. Modern-day influencers are opinion leaders having a substantial social base and following. Influencer marketing as a term and strategy gained prominence with the advent and growth of social media marketing. Influencers exert their influence on the citizens | netizens of social platforms. Two-thirds of consumers use ad blockers but are easily amenable to accepting advice from influencers¹. An attempt has been made through this research work to gain and provide insights into existing research works exploring the strategic use of social media influencers. Many studies were empirical and used survey research, an experimental or observational design, content analysis or interview methodology. A few studies examined how the influencers lead to behavioural changes in customers and viewers. Most studies prominently addressed influencers as a part of commercial marketing strategy. Different domains of research such as types of influencers, content strategies, sponsorship disclosures related to influencers have been revealed and reported. The paper concludes with the summary of the various studies reviewed and recommending future scope of research in this domain.

Keywords: *Influencers, influencer marketing, social media influencers*

INTRODUCTION

Philip Kotler emphasized that Marketing 3.0 is a mix of cultural marketing, spiritual and collaborative². Importantly, collaborative marketing entails a company ensuring the participation of its audience in product creation, listening to criticism and complaints, creating content and counter-narratives; all through social media. Elaborating on Marketing 4.0, Kotler emphasized on the importance of digital technologies to better understand consumers' decisions. Both ideologies focus on implementing less intrusive, content based inbound marketing. As connected devices become more commonplace on the back of artificial intelligence; and data resulting in greater marketing productivity, they go hand in hand with human-to human connectivity in order to strengthen customer engagement. Moving towards marketing 4.0 requires balancing our use of machines and devices with human contact to strengthen customer engagement.

Digital marketing includes different types like social media marketing, Email marketing, content marketing, search engine optimization marketing, pay -per-click, affiliate marketing, influencer marketing and the list is never ending with the level of upgrades in the digital world. Marketers utilize social media to achieve marketing objectives ranging from customer care to advertising to commerce. Thus, social media marketing is the utilization of social media technologies, channels and software to create, communicate, deliver, and exchange offerings that have value for an organization and its stakeholders (Tuten and Solomon, 2018). It is made possible by the digital infrastructure of the web, facilitated on social media vehicles such as Facebook, Twitter, Instagram and others, empowered by

social software and algorithms, and enabled by smart devices. It has become common practice for businesses and consumers to use social media as a tool to connect, build, and develop relationships.

The term 'influencer marketing' is most often associated with the advent of social media. However, it has been around since hundreds of years. Roman gladiators during 100 BC – 400AD often acquired celebrity status and were influential in promoting products such as wine, oil and garments³. In 1931, Coca-Cola undertook influencer marketing when it introduced Santa Claus as the jolly grandfather we all associate with today. By 2010, social media platforms, especially Facebook made brands wanting to connect with their consumers through non-traditional and more credible ways. Reality TV also took advantage of social media. People look up to the influencers in social media to guide them with their decision making. Influencers in social media are the ones who have built in their own position for their expertise and knowledge gained over the specific topic. They regularly post content about on their preferred social media channels and generate large followings of enthusiastic engaged people who pay close attention on their views. Brands these days find Social media influencers much more profitable as they have become the trend-setters these days and actually are easily able to persuade the consumers buy the products which they promote. The events of 2020 have broadened the influencers playing field and recognized communities under different personality cults - more generous, pro-social and giving - and brands need to adapt accordingly. Influencer marketing has gained popularity in recent times as an extension of word of mouth campaigns. As consumers turn to social media platforms, organizations are realizing the power of influencers in affecting the purchase decision. While most brands now have their official

Instagram page, marketers are now realizing that engaging with influencers (individuals who have a large number of followers on social media platforms) may result in consumers feeling more connected with the brand. Brands are now using influencers defined as "everyday people" who command a huge follower base on social media to engage with their audiences (Tap influence, 2017b). An influencer can be anyone, from a fashion blogger on Instagram to a wedding photographer on Pinterest, to a cyber-security expert who tweets on Twitter.

Accordingly, this study aims to provide a review of the academic research focusing on influencer marketing and various research streams in the domain. In particular, the aim of this literature review is to inspect the overall domains, methodologies and findings in past research about Influencer marketing.

Concept and Definition of Influencer Marketing:

An influencer is someone who has the power to affect the purchasing decisions of others because of his or her authority, knowledge, position or relationship with his or her audience (Geyser, 2018). The size of the influencer's following depends on the size of his/his topic of the niche. It's important to note that these individuals are not merely marketing tools, but rather social relationship assets with which brands can collaborate to achieve their marketing objectives. Social media personas and their content are particularly favored by others which allow them to amass millions of followers. who have built a sizable social media network of followers and thereby have acquired the potential to exert their influence over their followers are commonly described as SMIs⁴ (Ki and Kim, 2019).

The recent phenomenon of SMIs has attracted the attention of retail marketers and created the new trend of Influencer marketing, which is a form of social media marketing through which retail brands collaborate with an SMI and ask him/her to create branded content that includes endorsements or product mentions aimed at increasing consumers' brand awareness and product acquisition (Lou and Yuan, 2019). In fact, influencer marketing seems to be giving traditional advertising a run for its money.

Freberg et al. (2011) define influencers as 'a new type of third-party endorser who shapes audience attitudes through blogs, tweets, and the use of other social media. Similarly, Carter (2016) defines influencers as trusted individuals with large social media followings, thereby focusing on the characteristics of reach and impact. Agostino, Arnaboldi, and Calissano (2019) add the element of trust in the definition by describing an influencer as an active and empowered social media user who is listened to and seen as a trusted source by other social media users. Campbell and Farrell (2020), Campbell and Grimm (2019), and Enke and Borchers (2019) define influencers specifically from a strategic communication perspective. Influencers are active on different social media platforms, with YouTube and Instagram as leading platforms (Gaenssle and Budzinski 2020), and they often combine profiles and share mutual content on these platforms (e.g. sharing a TikTok video on Instagram). Campbell and Farrell (2020) distinguish five categories of influencers: celebrity influencers, mega-influencers, macro-influencers, micro-influencers, and Nano-influencers. While the origin of the fame of celebrity influencers lies outside social media, the other types of influencers found their fame on social media. The distinction among these categories mainly lies in the number of followers, with mega-influencers having attained one million followers or more, macro-

influencers between 100,000 and one million followers, micro-influencers between 10,000 and 100,000, and Nano-influencers with follower counts smaller than 10,000.

Influencer marketing has been acknowledged by consumers from the time the era of celebrity endorsements had started. Since 1890, a few instances of influencer marketing have been: Nancy Green became the Face of Aunt Jemima in 1890, Fatty Arbuckle and Murad Cigarettes in 1905, Santa Claus promoting Coca-Cola in 1931, The Era of the Marlboro Man in 1950 and in 2010, The Age of the Old Spice Man. By 2010, social media had started making waves. Facebook was the new kid on the block that everyone was captivated by.

Evolution of Influencers and Rise in Influencer Marketing:

Marketing literature has only recently seen the rise of the term influencer. Until date, the word influencer lacked a single theoretical definition. According to Brown and Hayes (2008), influencer marketing is the act of an external person who influences the consumers buying choices. Influencer marketing focuses on influencers who command a mass following on digital media to reach the intended target audience to promote a brand's message (Smart Insights, 2017). Conick (2018) stated that influencers win consumer trust compared to other online sources. Influencer marketing is thought to be non-intrusive and more engaging than traditional online advertisements like pop-ups, banners, etc. In the digital space, influencers on online platforms have emerged as reliable and trusted sources (Freberg et al., 2011). Marketers are also using influencers to engage with the consumer segment who normally skip or avoid advertisements (Conick, 2018).

Influencer marketing was investigated from an in-depth status quo perspective through which components of influencer marketing were identified by interviewing experts from the fashion industry about their current work within influencer marketing. The interview aimed on clarifying the main characteristics and components of influencer marketing. Therefore these interviews lead to four core components of influencer marketing: authenticity, long-term relationships, co-creation and micro influencer, within these core components eight sub-categories were identified which were: brand fit, exclusivity, visual language, passion, trust, price, creative freedom and communication (Nathalie Zietek, 2016). The findings contributed to fashion marketers and created value when setting up a marketing strategy that included influencers.

In a study by Isosuo (2016), the participants were exposed to influencer marketing and were following the influencers' chosen. Theme interviews were conducted and the data analyzed resulted to the conclusion that influencers were seen as peers to the followers. Through influencer marketing, the brand, products and services advertised authentically got the follower's attention. The study conducted by Szczursk (2017) conducted via IndaHash (Polish CRM Platform) stated that the impact of influencers is able to shape customer behaviour significantly through communicating with them on social channels. Influencers treat their work as a profession and get money for it. At the same time, they live in their own way and are individuals who can shape the behaviors of millions. Social media influence is not only a lifestyle but also a new 21st century profession.

Social media influencers who promote a lifestyle brand are most successful at interacting with consumers when they are authentic, confident, and interactive in their content. While research focused on lifestyle branding, the same holds true for many products that public relations agencies and marketers promote, from automobiles to electronics to household products. (Morgan Glucksman, 2017). The use of social media influencer marketing in public relations' initiatives has broken the wall between the consumer and the brand, changing the way the two interact. With the increase in number of advertising agencies' spending on social media, they have had to change their agency structure to keep up and be effective. Agencies have taken different approaches such as outsourcing the social component of the campaign to social agencies who are providing social-first solutions for their clients, agencies are hiring entire social teams on an individual client basis who would consist of social strategists, managers and creative; agencies are also creating entire social media departments to service all their clients and incorporating social media by integrating it into their public relations offerings (Steven Woods, 2016).

Types of Influencers

Researchers have tried to compare mainstream celebrities and self-made influencers over time. Studies showed that mainstream celebrities were more effective endorsers than social media influencers in both: celebrity-product congruent and incongruent conditions. Endorsement effectiveness was explained by the strength of the para-social relationship that Indian consumers developed with celebrities and social media influencers. In a materialistic country like India, as celebrities possessed more wealth, power and status, consumers formed a stronger para-social relationship with them than social media influencers (Agnihotri and Bhattacharya, 2021). Consumers exposed to Instagram celebrity's brand posts perceived the source to be more trustworthy, showed more positive attitude

towards the endorsed brand, felt stronger social presence and felt more envious of the source than those consumers exposed to traditional celebrity's brand posts (Jin et al., 2018).

Influencer marketing can be seen as a modern form of celebrity endorsement, in which both celebrities and micro celebrities function as influencers and promote brands or products on their own social media channels. The celebrity as an influencer on Instagram evokes higher scores for purchase intention than the micro-celebrity. At the same time the results indicate how important the credibility of the source is, as it could be proven to mediate the effect of type of influencer on purchase intention (Ewers, 2017).

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Consumer Behaviour and Perception towards Social media influencers (SMIs)

Matsumura et al. (2008) applied the Influence Diffusion Model to identify the influencers and customer insights in the. Consumers' responses about how SMIs' personas (i.e., inspiration, enjoyability, and similarity) and content curation abilities (i.e., informativeness) affected followers to perceive the SMIs as human brands who fulfill their needs for ideality, relatedness, and competence—all of which resulted in an intense attachment to SMIs. This positive emotion shaped with SMIs transferred to SMIs' endorsements and positively influenced the followers to acquire the products/brands that the SMIs recommended (Ki et al., 2020). Topics which influencers post and the audiences they reach in terms of interests and activities, rather than the size of their audience might be more important (De Veirman et al., 2017).

Chopra et al. (2021) conducted a qualitative study to identify the key factors pertaining to influencer marketing which that impacted consumer behaviour. The study identified two factors - attitudes toward influencers and perceived behavior control which allows increase in domain knowledge as having a favorable impact on consumer behavior whereas the influence of peers had no effect. Additionally, personal relevance, inspiration, and trust had a positive impact on behavior while perceived risk did not have any effect. Consumers followed different influencers for different product categories (product fitment).

Lim et al. (2017) in their study revealed that the source attractiveness of social media influencers did not influence consumer purchase intention. Although it was also found that congruency between the product/brand and the influencer did strongly influence intentions. Johansen and Guldvik (2017) found that influencer marketing had a positive effect on consumers' "beliefs about the outcome of behavior" and "evaluation of those outcomes".

Sponsorship Disclosure: Affecting consumer behaviour

Evans et al. (2017) examined the impact of disclosure language in Instagram advertising. Results indicated that disclosure language featuring "Paid Ad" positively influenced ad recognition. Boerman and Van Reijmersdal (2016) found out that consumer awareness about sponsorship disclosures is low, but such awareness does increase brand memory and activate persuasion knowledge. Wojdyski & Evans (2016) found that wording using "advertising" or "sponsored" increased ad recognition which led to more negative evaluations.

Ewers (2017) conducted an experiment to measure the effects of sponsorship disclosure in Instagram advertising. No main effects for sponsorship disclosure and product placement were found. However, the interaction of type of influencer and sponsorship disclosure affected message credibility. In the Lee et al. (2016) study, although consumers' ad skepticism and persuasion knowledge were negatively related to sharing intention of native advertising, individuals with stronger information-seeking motivation showed more positive attitudinal and behavioral responses. Awareness of paid endorsement is positively associated with an influencer

-follower relationship, but not correlated with eWOM⁵ and purchase intentions (Dhanesh and Duthler, 2019).

DISCUSSION

Marketing 4.0 is all about the social approach of the brands to develop explicit relationships with the consumers. As the technological know-how has improved a lot in the recent years, it has become quite feasible and easier for customers to get on to online platforms for browsing, shopping, interacting, trading, etc. The progress from Web 2.0 to 3.0 with marketing has led to the combination of online and offline modes.

In the past decade many social media users have gained online fame, expressed by a significant number of followers, as they are building attractive and appealing social media profiles. Social Media Influencers have emerged as an effective and crucial link between consumers and brands these days. Research on influencers and influencer marketing both has flourished in the past 6 years (2016-2022). The studies have shown that influencer marketing has wide scope in the upcoming years with a symbolic rise in the number of the social media users, enhanced

also dueto the added features on each and every social media platform. In obvious ways, the great content has become the king in the market and content coming from influencers is being noticed, enhancing brand awareness and impacting intentions. The basic difference between the numbers of followers is actually visible as the big celebrities (actors, sportspersons, politicians, etc.) are having way more sources to make entries in the media as compared to the other freshly emerging influencers. The trust and reliance by the millennials is more amongst the youth who have stepped forward to showcase their talents and knowledge in various fields. The concept of celebrity endorsement is quite backdated but over time it has changed its ways in the digitalized market framework. The social media platforms are giving freedom to everyone in order to create their own channels and profiles and earn out of it. The product endorsed by an influence is helping the viewers' perception quite clearly regarding the brand into which they are going to invest or interested to invest as it suggests the trustworthiness in the person endorsing the product and the brand. The non-celebrity influence is becoming a celebrity in itself and being more grounded than celebrities, are having a bigger impact on consumers' behaviour. Manymajor studies have been carried out in many countries but in the Indian market specifically very few studies are in the context of influencer marketing. Studies in order to compare the different types of influencers can be conducted, so also their effectiveness across different product and service categories.

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