Conceptualising Influencer Marketing

Diederich BAKKER
Hanze University of Applied Sciences
d.j.o.p.bakker@pl.hanze.nl

Abstract
Social media has become a prolific tool for companies to build their brands. An effective way to interact with stakeholders on social media has been the relatively new discipline of 'influencer marketing'. Here, companies engage social media stars to use their large fan-base to promote products and services on their brand's behalf. While related to the promotional tactic of word-of-mouth marketing, influencer marketing lacks a theoretical foundation in the academic discourse. This paper aims to fill this gap by offering a conceptualisation to operationalize the new discipline in practice. The conceptualisation proposes brand owners a methodology to choose the right influencers for their brands and guides influencers to perform optimally with their fan base. Lastly, a consumer perspective is taken to the discussion to emphasize the relevance of influencer marketing in the consumer purchase decision-making process.

1. Introduction

Companies continuously are in pursuit of reaching their customers by using different and diverse means of communication. Consumers on the other hand are overwhelmed with too many commercial messages and try to avoid what they consider "unwanted communication" as much as possible (Ries and Trout, 2001). At the same time, new forms of communication are developed and applied which adds more and more to the everyday clutter. Especially digital technologies promise brand communicators a more direct and effective way to reach and communicate with customers. While traditional forms of communication are characterised by a 'one-to-many' flow of information, the interactive nature of the internet allows better for a dialogue with and among consumers. More recently, social media have become popular and widespread with organisations and in their communication mixes. "Social media is the umbrella term for web-based software and services that allow users to come together and exchange, discuss, communicate and participate in any form of social interaction" (Ryan, 2014, p. 151). Such social interaction takes place in many virtual places whereas social media sites like Facebook, Twitter, or Instagram have become synonymous with the category. Brands alike have discovered these social platforms as effective ways to connect and interact with their stakeholders (Tuten and Solomon, 2013). It is social media where one of the newest phenomena in brand communication takes place: 'influencer marketing'.

This paper will take a triangular view on influencer marketing by examining it from a brand, influencer, and user perspective. It will foremost attempt to position this new digital marketing discipline into a theoretical framework serving primarily marketers to implement influencer marketing in their brand communications mix. To the author's best knowledge, no systematic conceptual framework that encompasses the three perspectives exists in the extant literature.

2. Influencer Marketing – Theoretical Foundations

Influencer marketing is not yet academically defined in literature. So far mainly online encyclopaedias and business magazines have covered the topic at length. Influencer marketing shows similarities to word-of-mouth marketing and can be considered as a digital form of

word-of-mouth marketing. Kotler et al. (2002) define 'word-of-mouth influence' as a form of personal communication about a product that reaches buyers through channels not directly controlled by the company. Such channels are independent experts, consumer advocates, consumer buying guides or personal acquaintances like neighbours, friends, or family members (ibid.). In influencer marketing, these channels are social media platforms where consumers inform their opinions and purchase decisions by following fellow consumers or internet personalities. In commercial terms, influencer marketing is a form of advertising. While traditional 'word-of-mouth' can be either a free form of communication or paid, modern word-of-mouth in the internet age involves brand owners who engage people that have a large followership on social media platforms to speak - for payment - on their brand's behalf. Additionally, paid influencer posts have to be marked as advertising by the posting influencer so that users can fully identify paid from voluntary (genuine) endorsements. For this paper, influencer marketing is defined as *a process in digital marketing where opinion leaders (influencers) are identified and then integrated into a brand's brand communication on social media platforms.*

In the overall context it is important to understand the concept of brand purchase decision making and to look at the roles people play in the decision process leading to a purchase. According to Percy and Elliott (2016) there are five decision participants that are involved in the lead-up of a purchase decision and the use of the product or service. The *initiator* suggests the purchase; the *influencer* recommends or discourages; the *decider* makes the choice; the *purchaser* does the actual purchasing and the *user* finally consumes or uses the product or service. It is not obligatory that all roles are taken by different participants in the decision process. For example with low-involvement product decisions, usually less people are involved in the shaping of the decision. On the other hand, high-involvement product categories often require an initiation and influence from outside the purchaser's or user's personal scope (ibid.). Brand managers are required to understand the roles in the decision process and that marketing communication is aimed not only at individuals but foremost at individuals in a role (ibid.). Attached to these roles are the communication objectives that they can achieve on the brand's behalf. According to Percy and Elliott (2016) influencers can mainly accomplish communication goals that are related to changing behaviour and in particular increasing brand attitude. This understanding is important as brand managers need to instrumentalize the individuals in their roles in order to effectively communicate. For instance, if a popular influencer promotes a product on his or her Instagram page, then this product receives a positive endorsement by the influencer and this in turn can positively affect the attitude towards this product by the respective followership. The influencer's post should therefore build on existing brand awareness and should ideally lead to brand purchase intention among the intended target. Therefore, an influencer can play a critical role in the brand purchase decision making process and this critical role constitutes the main purpose of influencer marketing.

In summary, influencer marketing is a digital and paid form of word-of-mouth marketing where communication takes place on social media channels. Influencers are part of the purchase decision process where they can take on an important role on the brand's behalf. The next section will discuss the marketing relevance of influencer marketing from three perspectives, i.e. the brand owner's, the influencer's and the consumer's direction.

3. The Marketing Relevance of Influencer Marketing

3.1 The Brand Owner Perspective

Influencer marketing is a new form of digital communication that should primarily help brand owners to accomplish communication goals (Brown and Hayes, 2008). Although affecting

brand attitude can be considered as the overall communication goal, more defined and operational goals need to be established.

In general, brands benefit when they participate in the social media space. Tuten and Solomon (2014) point out that with social media, brands can engage consumers, enhance brand reputation and image, build positive brand attitudes, improve organic search rankings, and drive traffic to online and offline brand locations among others. The same metrics in social media can be applied as in traditional online media to that effect. Advertisers can measure reach and frequency, clickthroughs and sales conversions to name a few (ibid.). However, social media offers more specific metrics that also better reflect the interactiveness of the channel. The following example will illustrate how social media metrics can be applied to influencer marketing.

Caro Daur is a fashion, lifestyle, and travel blogger mainly active on the social media platform Instagram where she can account for 1.5 million followers (Lang, 2017, Instagram, 2018). In a recent Instagram post that was marked as an advertisement (a legal requirement), Daur uploaded a picture where she wears a hand bag with the following message attached to the post: "Comeback the iconic @dior saddle bag is finally back #DiorSaddle" (Daur, 2018). Six days after the initial posting, the post had received 38.620 likes and 380 comments. Likes and comments are the obvious metrics visible to any user. The likes are a measurement related to reach and also engagement. Likes will be visible on the follower's personal pages which may drive traffic to the original post by the influencer. The comments can be further analysed quantitatively and qualitatively. Firstly, comment volumes and reply comments are measured. Comment ratios and response numbers give a first hint at the popularity of a particular post. Comparing these metrics to other posts by the same influencer or comparable influencers can bring meaning. Sentiment is another interaction category for measurement. In a content analysis for example, the nature of the comments (e.g. likeability) and expressed attitudes can be examined. The quality of the comments is also relevant. A comment that only consists of a symbol like a heart or a smiley icon shows less quality and sentiment than a written comment in which the follower admires the product at length. Performance metrics such as lead conversion, cost efficiencies, share of voice, or return on investment are very relevant but can only be measured from the site owners with relevant access. However, qualitative performance measures and in particular measures such as brand attitude can be taken into account. This should be accomplished from a longitudinal perspective. Here, measuring and comparing brand attitudinal developments among followers overtime and by evaluating brand sentiments is mainly called for.

As shown above by the example, a single paid post by an influencer for a brand, can lead to numerous measureable brand metrics both in quantitative and qualitative terms. Technically an advertisement, such a post by influencers is content generated by users for fellow users. This also makes them less intrusive as regular advertisements or endorsements by celebrity spokespersons (Gründel, 2018). Not the corporation or a well-paid celebrity is communicating; instead a fellow user speaks with the same language of the target audience. The word-of-mouth marketing by users to users has become a true alternative to traditional celebrity sponsorships especially for the 'digital natives' and has evolved into a multi-million dollar business (Wakabayashi, 2018). Given the effect on brands and the financial dimensions of influencer marketing, this marketing discipline requires thorough planning and justification. Influencers bear brand responsibilities that need to be accounted for. Therefore picking the right influencer for a brand becomes an important task for brand managers who have to assure a 'brand-fit' and a 'target audience-fit' of the influencer with the brand in question.

When selecting a spokesperson, it is key to determine what it is about the person who presents a message (the source) that effects the way how well the message is received (Percy and Elliott,

2009). Or in other words, what characteristics does an influencer need to have in order to best appeal and deliver a message to the intended target audience. A model that can assist marketers to choose the most appropriate presenter (influencer) can be found in the VisCAP model of source effectiveness that was introduced by Percy and Rossiter in 1980 (ebid, Percy and Rossiter, 1980). The VisCAP model, summarized in table 1, provides a mechanism to determine the visibility of a message endorser together with credibility, attractiveness, power, and the main source characteristics in communication (Rossiter and Percy, 1997, Rossiter and Smidts, 2001). The four components of the model are defined as follows (Percy and Elliott, 2016):

- Visibility is how well-known or recognizable the source is from public exposure.
- Credibility is divided into two components: expertise, which is the perceived knowledge of the source concerning what is being advertised, and objectivity, the perceived sincerity or trustworthiness in communicating what the source speaks for.
- Attractiveness also has two components: likeability of the source and the perceived similarity of the source with the target audience.
- Power is the source's perceived ability to "instil compliance on the part of the target audience" (ibid.).

In influencer marketing, the four components of the model can easily be applied to evaluate the appropriateness of the influencer (source) for the target audience and the intended brand communication objectives. Visibility of the influencer is important to facilitate brand awareness. A well-known influencer will help the brand to be more visible and gain awareness. Credibility is similarly important in influencer marketing. The influencer should be an expert in the product category advertised and especially for high involvement products, trustworthiness of the influencer will reinforce brand attitude. In influencer marketing, especially lifestyle, beauty/fashion, and travel related product categories are popular among consumers (Connolly, 2017). Therefore, to be credible in these product types, influencers should have gained expert status for example as bloggers or leading participants in the respective online communities.

Table 1. VisCAP model of characteristics to look for in selecting influencers to match communication objectives

Communication Objective	Characteristic	Description
Brand Awareness	**Visibility**	How recognizable is the influencer?
Brand Attitude	**Credibility** Expertise	Influencer's perceived knowledge of the product category
	Objectivity	Sincerity or trustworthiness of the influencer in talking about the product category
	Attractiveness Likeability	Influencer is seen as personable or attractive
	Similarity	Follower consider influencer as personable and similar to them
Brand Purchase Intention	**Power**	Perceived ability of the influencer to instill compliance with the message

Source: adapted from Percy and Elliott, 2016

The attractiveness component is particularly relevant in influencer marketing, where a perceived similarity of the source with the target audience can be much easier achieved. It is the strength of the discipline that emphasizes the peer-to-peer aspect in communication. In general, influencers are "just" normal people and do not yet have gained celebrity status. Attractiveness also counts for emotional advertising appeals (Percy and Elliott, 2016). Brand attitudes can be enhanced when the influencer is a likeable and appealing personality.

Lastly, power can facilitate brand purchase intention (ibid.). Especially in an over-communicated world where the effectiveness of traditional advertising is constantly under question, influencer marketing is bound to be an alternative tactic in brand communication. It is the ability of constant measurement and accountability that characterizes digital marketing tools (Ryan, 2014). With social media, and therefore influencer marketing, sales conversions can easily be traced from origin to final purchase (Tuten and Solomon, 2013). In a recent consumer study on influencer marketing, 31% of the respondents claimed to have purchased a product/service after seeing the product/service in an influencer's post (Connolly, 2017).

Complementary to the brand owner's perspective, it is imminent to understand, what aspects are distinctive for an influencer to be successful and how these aspects correspond with the brand's perspective. The following section will examine such characteristics of influencers.

3.2 The Influencer Perspective

It was established above, that influencers make product and service related posts to their followership on social media channels. Quantitatively, influencers gain prominence by the amount of followers they have. The more followers the better, as posts receive a higher reach and have more potential for further engagement (e.g. likes, retweets, comments). Although there are no set criteria on the amount of followership, 50.000 followers on one channel (e.g. Instagram) can be seen as a minimum. Prominent social media platform influencers have over 20 million followers such as makeup artist and beauty blogger Huda Kattan (24.3 million followers on Instagram) (CBS, 2018). However such 'macro-influencers' are not necessarily as effective as the so-called 'micro-influencers' who have a smaller fan-base but are able to connect with target audiences more precisely (Neuendorf, 2018).

Other criteria can be taken to determine the quality of the influencer's followership. Among them is the 'growth rate' (monthly gain in followers) and the 'qualityscore' (Rondinella, 2018). The former is valuable as long as the influencer's followership grows on a monthly basis. The qualityscore on the other hand measures how active the followers are (engagement) and this metric also aims at determining overlaps in followership with other social media platforms. Followers from different channels cannot simply be added to calculate reach (overlap). Qualitative measurements are further important to determine the effectiveness of influencers. For the influencer herself, both quantitative and qualitative metrics are important for her own market value. In recent literature, both quantitative and qualitative criteria have been subsumed into the '4 R's' of *reach*, *relevance*, *resonance*, and *reputation* (Deges, 2018, Nirschl and Steinberg, 2018).

Reach is the main quantitative metric that has been discussed above. The amount of followers is key for this metric. For relevance, the influencer has to 'fit' to several components, such as personality, brand, content, and target audience. This highly relates to the criteria that are important from the brand owner's perspective. Resonance corresponds with several more general and qualitative social media metrics that were introduced in chapter 2 of this paper. Therefore, resonance is mainly concerned with the average interaction that an influencer is able to elicit among her followership. Criteria such as 'like follower rate', 'comments per post' (sentiment rate), 'topic distribution', and 'topic engagement rate' are metrics that the influencer can put forward in her favour (Deges, 2018). Lastly, reputation is closely connected to the

influencer's standing among her own followership and more importantly the intended target audience. How can the influencer's personality be characterized and in the brand's interest, are the personalities of the brand and the influencer congruent? The reputation can further be projected towards the target audience as well. Is the influencer an expert in her field and can she be trusted? This relates back to the credibility component of the VisCAP model where expertise and objectivity are paramount in selecting a brand's spokesperson. Sincerity and trustworthiness are similarly important in the reputation metric (ibid.).

In summary, both quantitative and qualitative aspects play a role in the "market value" of an influencer. On the one hand, influencers have to obey to the measurability of accessible digital marketing metrics but at the same time, they also have to choose the right brands and companies to not sell out too easily risking their own credibility and trustworthiness.

3.3 Consumer perspective

As discussed above, consumer decision making is dependent on the product category. Furthermore, five decision participants take on roles in the decision making and use of the product or service. Influencers are part of this decision making process and their main role is to encourage a purchase. Consumers are particularly bound to follow influencers in product categories that deal with fashion and beauty, lifestyle products, and travel related products and services (Connolly, 2017). But consumers are continuously interested in other domains such as finance, automobiles, and photography to name a few (Neuendorf, 2018).

Followers can be found predominantly in the young age groups. 19-24 year olds are more likely to follow an influencer than older generations (G+J, 2017). The age and gender also predefines the social media channel that followers use. Overall, Instagram is preferred by the younger age groups (19-24) whereas Facebook is more popular among 25-34 year-olds (Connolly, 2017). Men choose YouTube most whereas woman prefer Instagram (Connolly, 2017, Janotta, 2018). Overall, YouTube and Instagram are the biggest social influencer platforms. Influencers generate more than half of their incomes through these channels followed by Facebook, individual blogs, Snapchat, and Twitter (Rondinella, 2018).

Users tend to acknowledge the fact that influencer marketing is paid advertising (G+J, 2017). However, credibility and trust in the influencer are important factors for consumers. When influencer posts look like advertising, digital natives have learned to turn away from ads or skip them altogether (Wakabayashi, 2018). Consumers expect genuine and creative posts from their influencers. Posts should be authentic and remain spontaneous (Ceyp and Kurbjewei, 2017). In a multi-national study with a sample of 4000 active social media users in the USA, UK, France, and Germany, 'authenticity' was the main reason those surveyed chose when trusting influencers online (Connolly, 2017). In the same study, 'relevancy' of an influencer's content was cited by 66% of the respondents as critical (ibid.).

4. Summary, Conclusion, Limitations and Further Research

Influencer marketing is growing globally and receives much attention in the marketing community. In an over-communicated world, authentic content from influencers can break through the clutter and help brands to build meaningful relationships with their target audiences. The academic literature is scarce in this domain especially in finding suitable theoretical foundations for relevant aspects of influencer marketing. Especially the brand perspective requires a structural approach to professionalise the application of influencer marketing. Brand managers need to understand consumer decision making and how influencer marketing is located in this construct. A critical role plays the influencer who should speak freely on a brand's behalf. The VisCAP model is proposed as suitable for brand managers when

selecting an influencer to ensure foremost a brand- and target audience-fit. Figure 1 summarizes the conceptualisation of influencer marketing as proposed in this paper.
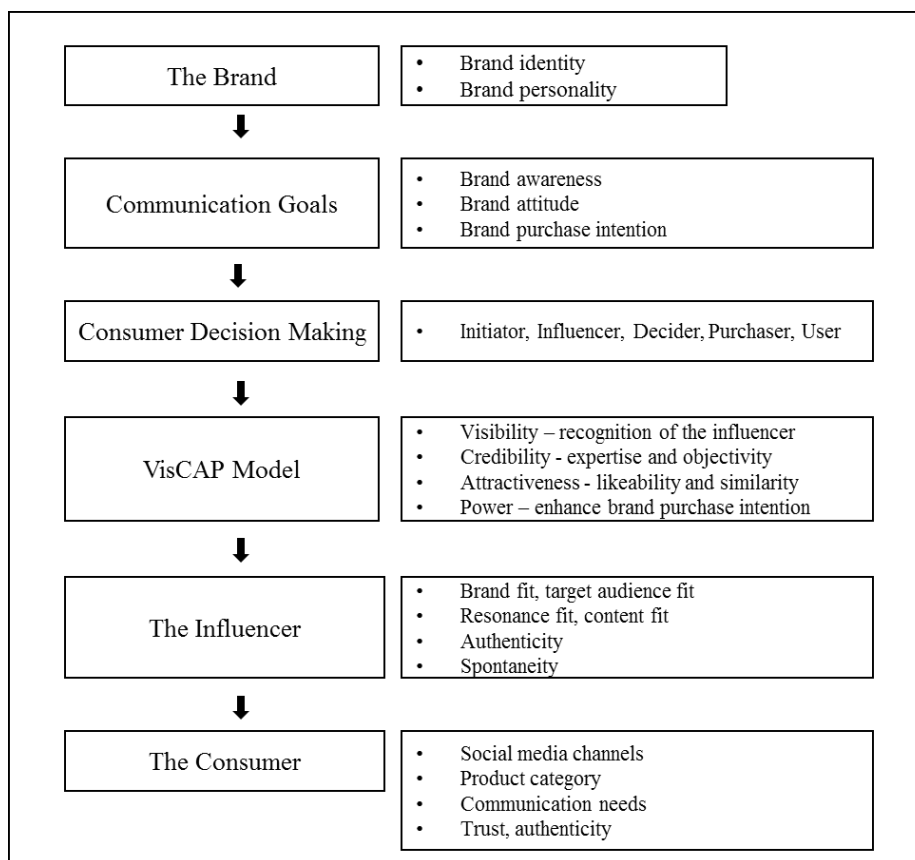
Figure 1. Conceptualisation of influencer marketing

Source: own

Overall the taken perspectives in this paper from the brand-, influencer-, and consumer's point of view show coherence in several aspects. For brands, influencer marketing depicts parallels to traditional branding tactics. Brands continuously need to build trust among their stakeholders. When done right, influencers can help in building this trust for the endorsed brands. Brand communication can better break through when it does not look and feel like advertising. Influencers are most popular and successful, when they stay authentic and spontaneous. And authenticity and trust in the influencer are the key aspects that consumers see in their favourite influencers they like to follow. Figure 2 illustrates the dependencies from brand to consumer that follow suit the brand to fit with the influencer's characteristics and user needs.
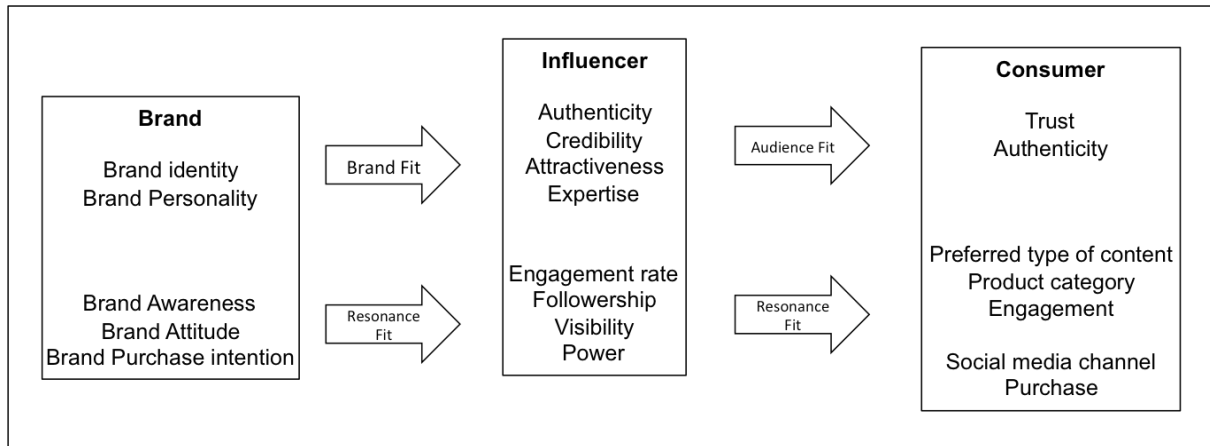
Figure 2. Brand-resonance- and audience fit

Source: own

Influencer marketing is projected to grow to a multi-million dollar business. The managerial implications are manifold. A macro-perspective will likely divert to a likely micro-perspective in the years to come. Managers will have to engage influencers that will help them to reach more fragmented markets. With social media being a medium predominantly used by young users, it can be predicted that also older generations will be turning towards influencer informed decision making in the future. Furthermore, the video trend on social media will continue. Already, the social media channels Snapchat, Facebook, and Instagram account for nearly 20 billion video views per day (Karhoff, 2017) and the video sharing site YouTube is already the favourite social media channel for men. Brand managers will need to take into account that their audiences will expect them to offer more video content (ibid.). This trend will likely transfer as well to influencer marketing. The challenge in video will lie in finding the right balance between a professional production of content and keeping it authentic – the very nature of influencer marketing. At the same time, the risks in influencer marketing should not be underestimated by decision makers. Just like any celebrity spokesperson, influencers bear responsibilities on the brand's behalf. But the companies are unable to control how influencers behave and especially what they post online. Influencer marketing relies on this very spontaneity of its protagonists. Yet brand managers are advised to take control measures that may regulate the influencer's behaviour online in order to protect their brands. 'Morality clauses' in advertising deals with influencers show that the industry is moving in this direction (Wakabayashi, 2018).

This paper bears several limitations. First of all, much of the cited literature derives from the popular business press. Academic studies in this domain are still rare and data sources therefore have to be checked diligently. Furthermore, the proposed theoretical foundations will have to stand the test in the professional field. Especially the VisCAP model derives from the pre-internet age and will have to be tested for its suitability in today's practice. This offers an opportunity for future research.

References

BROWN, D. & HAYES, N. (2008) *Influencer Marketing: Who Really Influences Your Customers?,* Oxon, Routledge.

CBS (2018) Top social media influencers of 2018. CBS News.

CEYP, M. H. & KURBJEWEI, T. (2017) Kooperative Monetarisierung auf YouTube – Gestaltungsoptionen und Erfolgsfaktoren. IN E.V., D. D. V. (Ed.) *Dialogmarketing Perspektiven 2016/2017.* Wiesbaden, Springer.

CONNOLLY, B. (2017) Why consumers follow, listen to, and trust influencers. Olapic.

DAUR, C. (2018) Comeback. 20.7.2018 ed., Instagram.

DEGES, F. (2018) *Quick Guide Influencer Marketing: Wie Sie durch Multiplikatoren mehr Reichweite und Umsatz erzielen,* Wiesbaden, Springer Gabler.

G+J (2017) Dos and Don'ts beim Influencer Marketing. G+J e|MS.

GRÜNDEL, V. (2018) Fanta Flavor Battle: Teenager wählen Fanta-Sommersorte. *Werben & Verkaufen.*

INSTAGRAM (2018) Carodaur. Instagram.

JANOTTA, A. (2018) So anfällig sind Männer für Influencer-Marketing. Werben und Verkaufen.

KARHOFF, A. (2017) Social Media Video Content is About to Explode

KOTLER, P., ARMSTRONG, G., SAUNDERS, J. & WONG, V. (2002) *Principles of Marketing,* Harlow, Pearson.

LANG, B. (2017) Die Daur-Werbesendung. *Manager Magazin.*

NEUENDORF, D. (2018) 5 Mythen über Influencer Marketing. *Horizont.*

NIRSCHL, M. & STEINBERG, L. (2018) *Einstieg in das Influencer Marketing: Grundlagen, Strategien und Erfolgsfaktoren,* Wiesbaden, Springer Gabler.

PERCY, L. & ELLIOTT, R. (2009) *Strategic advertising management,* New York, Oxford University Press Inc.

PERCY, L. & ELLIOTT, R. (2016) *Strategic advertising management,* Oxford, Oxford University Press.

PERCY, L. & ROSSITER, J. R. (1980) *Advertising strategy: a communication theory approach,* New York, Praeger.

RIES, A. & TROUT, J. (2001) *Positioning: The battle for your mind,* New York, McGraw-Hill.

RONDINELLA, G. (2018) Influencer Marketing ist auf dem Weg zum Milliardenmarkt. *Horizont.*

ROSSITER, J. R. & PERCY, L. (1997) *Advertising Communication and Promotion Management,* New York, McGraw-Hill.

RYAN, D. (2014) *Understanding digital marketing,* London, KoganPage.

TUTEN, T. L. & SOLOMON, M. R. (2013) *Social media marketing,* Upper Saddle River, Pearson.

WAKABAYASHI, D. (2018) Coupling brands with You Tube stars. *The New York Times International Edition.* New York.