UNDERSTANDING HOW INFLUENCER MARKETING STRATEGY IMPACTS CONSUMER DECISION JOURNEY

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ABSTRACT

As a result of the fast-expanding use of social media and the rising expenses involved with marketing via digital and social media platforms, businesses have been pushed to develop creative advertising methods. Influencer marketing is a prominent approach that connects online personas and bloggers with brands or services, who then target social media consumers in order to influence their purchasing behaviour. The purpose of this article is to provide readers with a thorough introduction to the concept of influencer marketing as well as a discussion of the factors that impact consumers' willingness to make a purchase. According to prior research, trust plays a vital part in influencer marketing and has a positive impact on consumer behaviour toward the product or service being sold. Trust evolved as a necessary characteristic. According to previous research, consumers trust influencer's recommendations more than brand marketing and believe influencers are reliable/credible sources of information, are trustworthy, and give original material. They also indicated that they felt influencers care about their followers and would not engage in unconfirmed advertising. The study's goal is to emphasise the significance of trust in influencer marketing.

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Keywords: *Influencer Marketing, Marketing Strategy, Consumer behaviour.*

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Introduction

Every day, we are bombarded with 1300 different commercial stimuli, which is a significant increase from the only 170 that we were exposed to back in 1980. Advertisers are engaged in fierce competition for the limited attention of consumers. In contrast to the diminishing influence of traditional channels, the impact of digital media continues to grow. As a result of the rise of digital technology, people are becoming more knowledgeable as media consumers and more critical of the content sent by commercial enterprises (Perrey et al, 2013). It is growing to be almost impossible for brands to differentiate themselves from the sea of advertisements, which is why many of them are turning to influencers (Newman, 2015). Because of the rise of digitization, each day—regardless of whether or not we are conscious of it—we are subjected to influencer marketing. When it comes to marketing, influencer marketing is not only an interesting phenomenon but also a very effective and cutting-edge weapon to deploy (Perrey et al, 2013).

Influencer Marketing

Influencer marketing is a communication approach that employs popular and influential social media users (Gillin, 2008). Influencers are viewed as unique persons who can create excellent content, have high reputations in particular industries, and are followed by a significant number of users on social media platforms (De Veirman et al., 2017).

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Influencer marketing shares parallels with word-of-mouth marketing and can be regarded as a digital type of word-of-mouth marketing. Kotler et al. (2002) describe "word-of-mouth influence" as a kind of personal communication about a product that reaches buyers via means that are not directly controlled by the corporation. Such outlets include independent experts, consumer advocates, consumer purchasing guides, and intimate contacts such as neighbours, friends, and family (ibid.). In influencer marketing, these channels are social media platforms on which customers form opinions and purchase decisions by following other consumers or online personalities. Influencer marketing is an example of advertising from a business perspective. While traditional "word-of-mouth" can be a free or paid method of communication, current "word-of-mouth" in the internet age involves brand owners who pay social media influencers with huge followings to speak on their brand's behalf.

In addition, sponsored influencer posts must be labelled as advertisements by the posting influencer so that viewers may distinguish between paid and unpaid (authentic) endorsements. This paper defines influencer marketing as a digital marketing process in which opinion leaders (influencers) are found and then included in a brand's brand message on social media platforms.

It is crucial to comprehend the concept of brand purchase in the broader context. According to Daniel Newman, Influencer Marketing is the "next golden calf" of marketing (Newman, 2015). It is therefore not surprising that in recent years we have witnessed a completely new kind of brand communication through social media. The term Influencer refers to a third party that significantly influences a customer's purchasing choice (Brown and Hayes, 2008). However, this type of marketing is not a novel concept. Paying well-known and powerful figures to endorse a company has been an integral component of marketing strategies for decades.

Even though "Influencer Marketing" seems quite cutting-edge and innovative, it has been around for a very long time (Charlesworth, 2018). In the early history of humanity, Charlesworth (2018) notes, it was not through social media or the internet, but rather by word-of-mouth. The author also highlights that a tiny proportion of people in every civilization influence the general populace; today, a significant portion of these individuals are referred to as "influencers." Due to the growing number of influencers on the internet, influencer marketing is simply a sub-type of word-of-mouth advertising and is widely employed nowadays (Lagrée, Cappé, Cautis, & Maniu, 2017).

According to Woods (2016), social media influencers are users that have a sizable following across one or more social media sites, such as Instagram, Facebook, YouTube, and others. Their primary objective is to influence other people, more especially their followers, hence the term (Juhlin & Soini, 2018). Charlesworth (2018) asserts that influencers are "exactly like us," which is why many people, particularly the younger generation, absolutely believe them when it comes to their opinions on goods or services. The author also asserts that as influencers' fan bases grow, a greater barrier will exist between them and their followers.

Influencers on social media typically have power over a certain market sector, such as It is simple to influence consumption habits when there are people who are vegan or interested in fitness, for example (Charlesworth, 2018). According to Juhlin and Soini (2018), influencers are seen as celebrities in the niche or sector in which they operate. They heed their recommendations for goods, services, or brands because their fans highly regard particular online celebrities (Charlesworth,2018).

Who is Influencer?

An influencer is a person who is regarded as an expert within their particular field that also has a steady following. People trust their opinions, and thus their endorsements carry a considerable amount of weight. There is a growing interest in experts who have a large social influence and presence via social media.

Why Influencer Marketing?

The importance of influencer marketing was brought to light by a study entitled "The State of Influencer Marketing 2018," which consisted of a survey of 181 marketers. According to the results of the survey, 86 per cent of marketers have already incorporated influencer marketing into their web advertising strategy, and 92 per cent of those marketers said that the strategy is successful. (Sweeney, 2018)

Influencer marketing is a form of marketing that has shown to be incredibly beneficial for businesses of all sizes, from large corporations to small and medium-sized businesses. This tactic employs the usage of social media as a vehicle for advertising and makes use of influencer services provided by individuals who already have a personal brand and a sizable number of followers.

If this is the case, it will be much simpler to pique the attention of customers and exert a significant amount of pressure on their choice of purchases, ensuring that sales goals will be met. (Ponirah, 2020)

In 2016, the Tomoson Company conducted a poll and received responses from 125 of the most successful marketers in the world. It was determined that influencer marketing is the online channel for customers that is expanding at the quickest rate.

Many brands rely on paid advertising to accelerate their results in terms of increasing brand awareness, customer engagement, and revenue. In recent years, however, influencer marketing has proven to be just as powerful, if not more so. There are notable highlights of Influencer Marketing which show why we need it in the overall marketing strategy of brands.

The State of Influencer Marketing Benchmark Report 2022

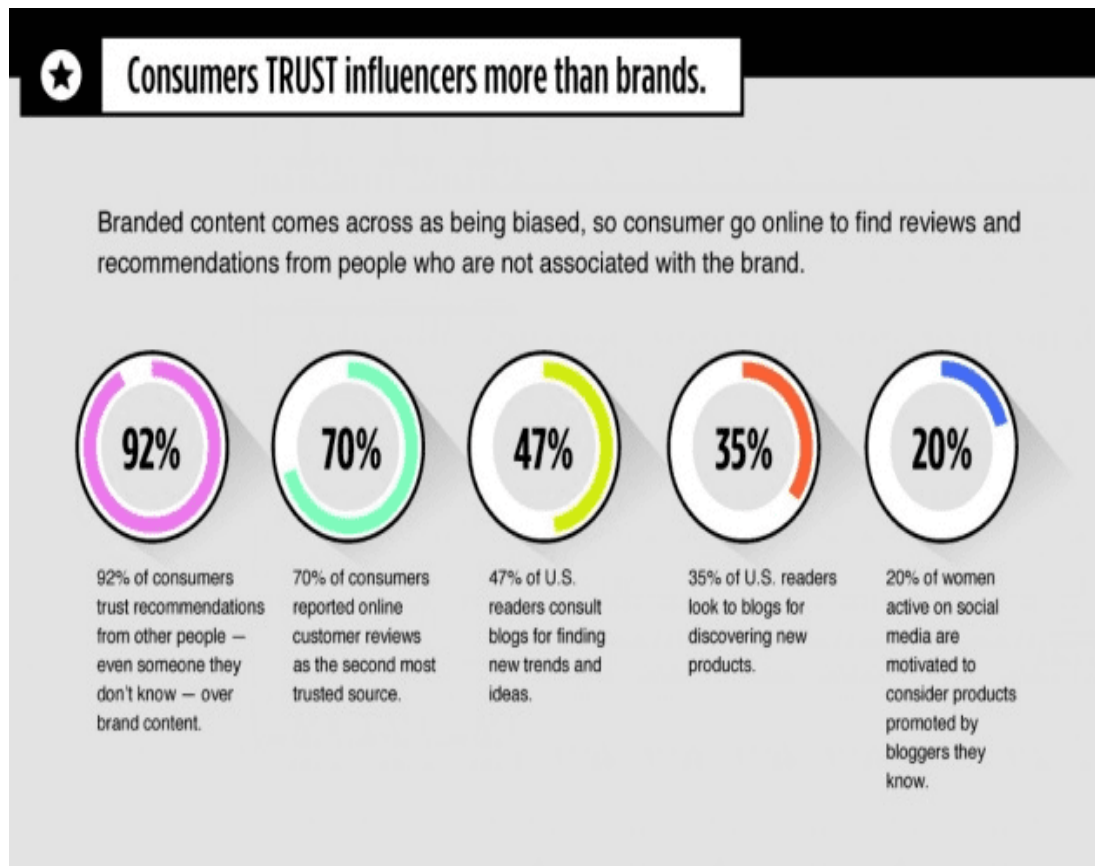- Influencer Marketing Industry is set to grow to approximately $16.4 Billion in 2022.

Influencer Marketing Global Market Size
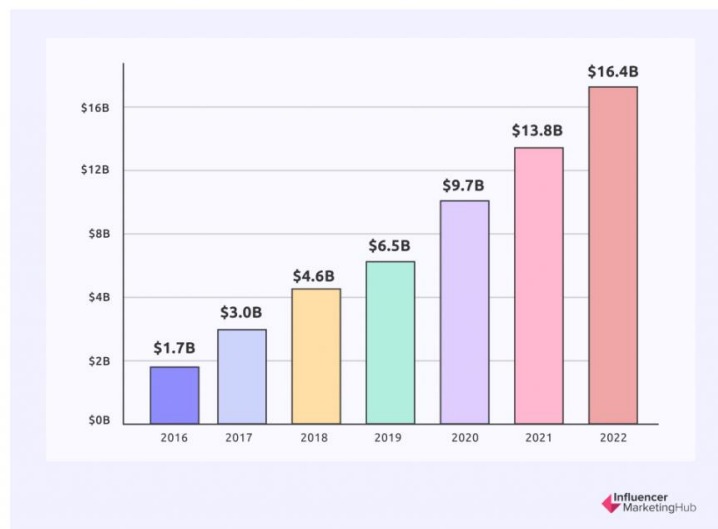
- Influencer Marketing focused platforms raised more than $800M in funding in 2021 alone, an indication of the significant growth of the industry.
- Influencer Marketing related service offerings grew by 26% in 2021 alone, reaching a staggering 18,900 firms offering or specializing in Influencer Marketing services.
- More than 75% of brand marketers intend to dedicate a budget to influencer marketing in 2022.

Trust in Influencer Marketing

The degree to which a source is seen, to be honest, dependable, and trustworthy (Ohanian, 1990). Trust is also correlated with the degree to which audiences believe a source to be reliable. Therefore, they are seen as more akin to average audiences, have a better possibility of interacting with followers, and are simpler to associate or identify with than traditional celebrities, social media influencers have the potential to be more effective in resonating with audiences. Trust plays a key role in building relationship with consumers and helps in increase in sales of products and services. Though sometimes it is observed that when influencers are sponsored from the brands or any commercial value is attached to post, the credibility decreases. It is evident from the study of Lopez et al. (2020), that the commercial orientation of the message has a strong negative effect on how it is seen, eroding trust in the influencer as well as diminishing the credibility of the message. This is because the commercial orientation of the message is focused on making a profit. In this scenario, followers have a lower level of interest in the message and a higher level of intention to search for additional information about the product that was posted.

Consumers TRUST influencers more than brands.

Branded content comes across as being biased, so consumer go online to find reviews and recommendations from people who are not associated with the brand.

92% — 92% of consumers trust recommendations from other people — even someone they don't know — over brand content.

70% — 70% of consumers reported online customer reviews as the second most trusted source.

47% — 47% of U.S. readers consult blogs for finding new trends and ideas.

35% — 35% of U.S. readers look to blogs for discovering new products.

20% — 20% of women active on social media are motivated to consider products promoted by bloggers they know.

Source: adapted from smart insights

Literature Review

According to Wiedmann & Mettenheim (2020) findings, the purpose of the research that was carried out was to determine whether or not it is necessary for individuals who are going to be engaged in influencer campaigns to be attractive, knowledgeable, and trustworthy for the campaign to be successful. The purpose of the study, which was centred on the BOSS brand and involved 288 participants, was to determine the influence of the aforementioned factors on brand image, brand satisfaction, and brand trust, in addition, to purchase intention. According to the findings, credibility is the most important quality, followed by physical attractiveness; surprisingly, technical skill plays almost no role in the decision-making process.

The qualitative study (Chopra,2021) was conducted to identify the key factors influencing marketing that impacts consumer behaviour. The millennials from Tier I and Tier II cities who were tech-savvy and internet users were the target audience. The results of the study indicated that trust had a positive impact on consumer behaviour with other constructs of influencer marketing. The study identified that majority of respondents trust influencer recommendations over brand advertisements because they consider influencers to be reliable/credible sources of information, as well as trustworthy and authentic. The author analysed that trust is an essential trait which plays a pivotal role in influencer marketing. It further explained that companies/brands should look for the influencer who represents their brand in the truest and fits best for the target audience to be authentic.

Jarrar et al. (2020), conducted a study on the effectiveness of influencer marketing vs social media-sponsored advertising and the results indicated that those who were exposed to advertising posted by social media influencers had a more favourable opinion of the company when compared to users who were exposed to sponsored posts on social media. This is because users of social media platforms tend to place their trust in the influencers that they follow. Because of this trust, followers frequently end up supporting and trusting the brands that their "mentors" also support and trust.

Similarly, Jin et al. (2019) conducted a study which focused on comparing the impact of two types of celebrities (an Instagram celebrity and a traditional celebrity) on the trustworthiness of the source, the attitude toward the brand, the level of jealousy, and the social presence of the subject. The results indicated that consumers who were exposed to Instagram celebrity's brand posts rather than traditional celebrity's brand posts perceived the source to be more trustworthy, exhibited a more positive attitude toward the endorsed brand, experienced a stronger social presence, and felt more envious of the source. Traditional celebrity brand posts on Twitter and Facebook did not produce these results.

A similar study was conducted on fashion influencers' followers by Belanche et al. (2021) the study aimed to understand consumers' behaviour intentions when they encounter product recommendations made by fashion influencers on Instagram, as well as to examine the conformity among the three inherent elements of influencer marketing campaigns: the influencer, the consumer (or follower), and the sponsored brand. The results confirmed that strong conformity between the consumer and the product leads to more favourable attitudes toward the product as well as increased purchase and recommendation intentions, which ensures optimal returns from influencer marketing campaigns.

It further explains that influencer marketing campaigns should be carefully considered by companies to ensure there is conformity between each potential influencer partner, the target audience (i.e., is the audience similar to the influencer's followers?) and the product they intend to advertise. The more the follower finds the influencer fits in with representing the brand in their personal life (lifestyle, values, personality), the more he/she is credible and authentic. The results of the study indicated that trust and credibility are important aspects of influencer marketing campaigns.

According to Nam & Dan (2018) the findings of the study highlight the critical significance of influencer credibility based on research on how influencer marketing affects consumer purchasing decisions. Influencer marketing is also benefited by producing quality content and choosing influencers who are compatible with the product. Additionally, research findings imply that businesses, communications, and marketers should understand the influences and consequences of influencers on customer purchasing decisions to develop marketing strategies that suit consumer tendencies and effectively utilise influencer marketing. It further suggests the development of influencer marketing will aid in reducing advertising and promotion expenditures more than traditional marketing activities, hence increasing the company's revenues. This is supported by another study of Weismuller et al. (2020), who found that the source attractiveness of the platform, as well as the trustworthiness and expertise of the influencer, significantly increased consumer purchase intention. This increase in consumer consumer behaviourmay also result in the recommendation of products.

The author Glucksman (2017) investigated how social media influencers have emerged as a marketing tool for brands to reach their consumers. The qualitative study identified that social media has become an emerging strategy to influence consumers and also given brands a new way to interact with them. The findings revealed that lifestyle brands are most successful when social media influencers deliver authentic content, trust and the interaction they have with followers. Nowadays this marketing strategy is being applied to lifestyle automobiles to household products. The impact of social media influencer marketing is far ahead of one-sided advertising. It is evident from the study that social media marketing has a big future ahead.

Masuda et al. (2022) investigated the relative impact of parasocial relationships (PSR) with trust as one of the characteristics and antecedents to the purchasing choice was carried out. Contrary to the findings of previous research, the findings of this study demonstrated that PSR had a far more beneficial impact on the consumer's choice to purchase.

Author Biaudet (2017) conducted a study and investigated the importance of influencer marketing for companies. The data reveal that influencer marketing on social media can be regarded as a rational process and that the amount of trust between influencer and follower is virtually difficult for a business to create alone with the customer. Further, people spend a great deal of time on social media, and influencer marketing is regarded as the most reliable form of advertising. Influencer marketing is perceived as credible, likeable, and genuine because individuals follow Influencers of their own volition to gain inspiration.

It is becoming increasingly difficult for firms to stand out in the sea of advertisements, which is why many are turning to influencer marketing. It is the most significant new marketing method in a decade for professionals at the forefront of purchase decision-making.

According to the findings, the credibility of influencers is significantly influenced both directly and indirectly by trustworthiness, information quality, and entertainment value. Additionally, the intention of consumers to make purchases is a significant factor that has a significant influence on the credibility of influencers. Furthermore, a consumer's desire to make a purchase is directly influenced by an influencer's credibility and trustworthiness, which both play a role in the consumer's decision to make a buy. However, this contradicts with Abraham et al., (2022) that the social media platforms have no effect on the consumers' purchase intentions or product recommendations on products in the beauty and cosmetics business.

Many influencers may embody more information about a target audience than many advertising companies, which frequently only handle a single facet of a client's work. This is because advertising agencies tend to focus on one component of a client's work (e.g., market research, social, or creative). The consolidation of several services into a single organisation paves the way for increased levels of innovation and faster execution of operations, in addition to the inherent benefit of reduced costs connected with these activities due to the one-stop-shop nature of the arrangement. In particular, macro influencers provide brand managers with a highly-skilled, highly trusted, and relatively cost-effective marketing outlet that is in a position to garner high engagement rates and more exclusive brand awareness. This is in contrast to celebrity influencers, who tend to have lower levels of both skill and trust.

The study conducted by Bruns (2018) to understand the relationship between trust and intention to buy involved participants of Gen Z (18-24). The findings revealed that trust and a person's perception of their authenticity build upon each other. The vast majority of persons who were polled were unable to establish confidence in the Influencer if they had not been recognised as real in the past. On the other hand, if the Influencer is seen to be real, there is a significant chance that trust will be established.

According to the findings, the level of trust that is fostered via the use of influencer-driven marketing has a substantial impact on the intention to purchase. When people have faith in the Influencer, they are more inclined to purchase a product that the Influencer has recommended to them. People tend to be more easily inspired by ideas and goods that have been advocated by an Influencer if they have Trust in that particular Influencer.

Another study conducted by Lou & Yuan (2019), proposed a SMIV (Social Media Influencer Value) which broadens the scope of advertising value by taking into account the roles of source credibility and consumer trust; these are two aspects that are essential to the success of influencer marketing. However, our research revealed that influencer credibility negatively affected brand awareness and purchase intent.

This finding contradicts the past literature which further requires in-depth research. In contrast to this, Nafees et al. (2021) result revealed that all perceived SMI (social media influencer) credibility constructs (expertise and trustworthiness) had significant and positive correlations with each other and that these correlations were significantly and positively correlated with each other. Furthermore, the study found that perceived SMI credibility was positively related to consumer attitudes toward the brand.

Conclusion

It is essential for brands to continually earn the trust of their various stakeholders. When used correctly, influencers have the potential to assist in the development of trust for the brands that they advocate. When it does not appear and feel like advertising, brand communication is more likely to be successful in breaking through. When they maintain their natural spontaneity and genuineness, influencers enjoy the greatest levels of popularity and success. And authenticity, as well as trust in the influencer, are the two most important qualities that customers look for in the influencers they choose to follow and admire the most. The use of influencer marketing has the potential to boost a company's visibility and ultimately expand its reach. However, the ideas of influencer reach and engagement do not exist in a vacuum and are not without limitations.

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