

# *Influencer Marketing as a Modern Phenomenon in Reputation Management*

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The aim of the paper is to familiarize with the latest trends in the field of marketing communication. We can assume that the use of new forms of promotion is growing through the social media, leading to the challenge of competing for consumer attention. The evolving influencers community has significant power over brand and company perception, therefore it can largely affect its reputation. These new capabilities require communications professionals who strive for continuous collaboration with target customers through the various social web channels.

*Key Words:* influencer marketing, social media, reputation

*JEL Classification:* M31, M37

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## **Introduction**

Literature dealing with this issue provides a large number of definitions of influencer marketing. It is most often characterized as one of the most important new approaches in marketing in the last decade. The word 'influence' is generally defined as the force of impact on a person, thing, or event (Brown and Hayes 2008). It was found out that 90% of customers trust the link from their personal network, with 81% of them trusting online recommendation (Biaudet 2017). With the huge number of social interactions that occur daily, companies are beginning to understand that customers express their opinions online and have the ability to change

opinions of others (Pang and Lee 2008). As Groenewald says, brands have realized that the greatest success is achieved when satisfied customers tell their story of the brand (Groenewald 2018).

#### CHARACTERISTICS OF BASIC TERMS

Carter describes influencer marketing as a rapidly expanding industry, which is meant to promote products or increase popularity through content by influencers, i.e. social media users who are considered to be influential. As said by Krasniak (2016), the most important platforms on which influencer marketing is conducted are:

1. Instagram (used by 89% of sellers who use influencer marketing)
2. Facebook and Twitter (both are used by 70% of sellers)
3. YouTube (59%)
4. Blogs (48%)
5. Snapchat (45%)

Influencer marketing, when properly implemented, is being used for a two-way communication opportunity that is a secondary strategy for social media to match authentic conversation with marketing messages (Centaur Communications 2017).

Cialdini (2006) describes that the process of influencing uses six principles of persuasion, including: consistency, reciprocation, social proof, authority, liking, and scarcity. These principles rely on the psychology of people who look beyond themselves when taking automatic decisions.

Influencer marketing as a phenomenon is a truly incredible equalizer and shifts the balance from power to any part of a subject that has the ability to share something. Social media are also introducing new opportunities for companies to connect with people, but people can also connect with others. The goal is to join new communities and link a brand or product with a new audience through a trusted relationship with that influencer.

For example, the Maybelline brand, which has its own YouTube channel, will reach approximately 20,000–30,000 views for each video. It's not bad, but the video generated by influencer has an average of 1.4 million views. This is a clear sign that influencers are raising more interest in Maybelline products than their own brand channel. Influencers in fact represent Maybelline brand to new consumers much better than the brand does on its own (Tapinfluence 2017).

Influencer marketing also often involves working with influence agencies. Niche, Socialyte, Viral Nation, The Amplify, Izea and Mediakix are some of the agencies in this marketing space. Some of them are specific to individual platforms, such as Instagram marketing, while others have a broad portfolio of influencers. These agencies do not merely associate influencers with sellers or their advertising markets, but they also help individuals to become successful influencers.

Established in 2002 in Paris, Augure helps over 1,500 brands and agencies of all sizes (including Nestlé, Renault-Nissan, L'Oreal) to bridge the gap between PR and influencer marketing. Thus, through Augure, professionals can engage key strategies to raise awareness, build trust and relationships between brand and customer.

Augure\*\*\* has released a 'Marketing Status Report 2014,' with nearly 650 marketing and communications experts attending the survey, according to which:

- 73% of companies surveyed said they started working with influencers to improve marketing strategies 2 years ago or even longer in many cases,
- 69% of companies have confirmed that cooperation with influencers has paid off, has been effective and has led to the expected results,
- 44% of companies and agencies said that influencers play a key role in creating a marketing strategy.

The report of Gulberti (2014) also revealed that marketing and communication agencies face several challenges:

- Identify relevant influencers for their specific brands and requirements (61%).
- Be able to capture the attention of the followers and maintain their interest (56%).
- Measure and accurately assess the return on investment (44%).

### **Social Media as a New Form of Marketing Communication**

Companies are heading to attract customers through influencers, especially because of the ability to block ads, they want to be able to distribute without being blocked and reach the right audience. The content of the influencer cannot be blocked and the best method of gaining customer trust is through whom the customers already believe. Creating such an intimate relationship between the customer and the influencer is almost impossible for the brand itself (Hall 2016).

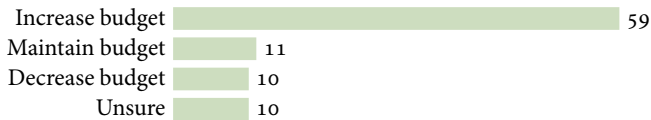


FIGURE 1 Budget for Influencer Marketing for the Next 12 Months  
(adapted from Tomoson 2015)

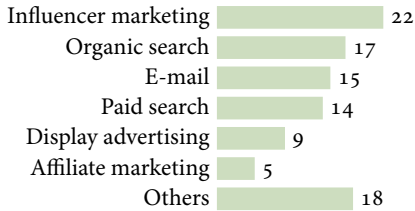


FIGURE 2 The Fastest Growing Online Customer Acquisition Method  
(adapted from Tomoson 2015)

According to a study by startup companies TapInfluence and Influitive, customers believe the recommendation through their own network up to 90%, and to online recommendations in 81% of cases. People believe recommendations from people they know in over 92% (Tapinfluence 2017).

In 2015, Tomoson Company conducted research and summarized the information received from the 125 participating top businesses. Based on research of influencer marketing, stores earn \$ 6.50 over every \$ 1 spent on influencer marketing. The research involved 125 online sellers during 10–16 March 2015 (Tomoson 2015).

It has also been shown that most of 59% of businesses plans to increase their influencer marketing budget over the next twelve months. On the other hand, 21% are planning to reduce or keep the same for influencer marketing.

Influencer marketing has also been rated as the fastest growing online channel for customers. Organic search was ranked second with 17%, followed by email with 15%.

In research where companies responded to a question which the most cost-effective channel for online customer acquisition is, influencer marketing, along with email, came first. They both reached 22% of the votes.

When asked about the quality of influencer customers, 51% of traders believe they can get better customers with influencer marketing.

According to the Instagram website, 75% of instagrammers (Instagram users) act after they have been inspired by a post and 60% of instagram-

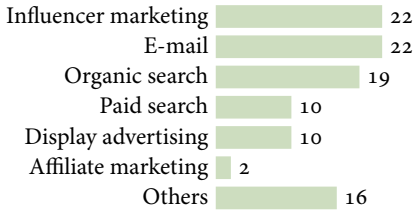


FIGURE 3 The Most Cost-Effective Method of Online Customer Acquisition (adapted from Tomoson 2015)

mers claim to have discovered new products through Instagram. Speaking of influencer marketing, Instagram was the most powerful social action channel in 2015, reaching a social share value of 3.21% compared to 1.5% of all other RythmOne’s Influencer Marketing Benchmarks Reports in 2015 (RythmOne 2016).

Based on Annalect marketing research conducted by 2017 on Instagram influencer marketing in Finland, 73% of Finnish Instagram users follow the Instagram of influencers, bloggers, celebrities, and content moderators profiles. Interests of influencers and their tips for different products are generally considered by customers to be useful. The studies also show that Instagram resonates mainly in the younger age category and they are the most likely to buy a product or service based on the recommendation of Instagram influencers. According to the same study, up to one third of those influenced by influencer marketing made an investment decision based on influencer marketing.

Influencer marketing can be considered a form of product placement because it involves deliberately including brand messages in editorial media content. Although product placement was originally developed in 2006 in the context of traditional media such as books, movies or TV shows, this practice has recently expanded into social media in the form of influencer marketing. According to Russel and Stern (2006), product placement has been found to improve:

- remembering brands,
- increases brand access and brand selection,
- increases purchasing intentions,
- allows the product to be presented in consumption situations, to which viewers can project themselves.

In the context of social media, product placement can be particularly persuasive, because followers tend to develop a sense of friendship

with the influencers they admire, although often unilaterally. This phenomenon is also called ‘parasocial interaction.’ Such followers believe influencers and are willing to replicate their behaviour and appropriate their product selection. Despite its effectiveness, product placement is sometimes criticized because it is based on a promotional intention that can be unclear to consumers (Boerman, Willemsen, and Van Der Aa 2017).

In marketing, support plays an important role in achieving a company’s good reputation and business goals. In recent years, social media influencers have influenced potential customers by creating a range of fashion words compared to other marketing strategies (e.g., celebrity support) that are considered to be the most cost-effective and effective marketing trends (Harrison 2017). Moreover, social media influencers can present a convincing outcome, both in the media and in consumer beliefs (Booth and Matic 2011).

Based on influencer marketing principles, the company receives social media influencers such as bloggers with thousands of followers on social media accounts as their brand ambassador (Tapinfluence 2017). Messages spread by influencers of social media are often perceived as more reliable and more convincing to consumers and justified. 82% of customers say consumers follow the recommendations of their favourite influencers (Talaverna 2015).

Compared to the promotion strategy for celebrities, the use of social media influencers is considered to be more credible through the establishment of friendly relationships with consumers, especially for younger generations (Berger 2017). Furthermore, in the literature, we can often meet with advertising of the product spread in the form of spoken or written communication between existing and potential customers, so-called ‘word of mouth.’ This can be better freely understood as ‘personal recommendation’ or ‘what is being generally discussed about’ (Lim and Cheung 2014).

According to Brown and Fiorella, the customer should be at the centre of influencer marketing efforts and companies can build their profile in what cycle they are currently in. It can be in a research phase where they collect information, or in an awareness-raising phase, where they need validation from people they know, or they can be in the purchasing phase where they make the necessary investments. Since each phase presents the need for other tactics, society needs to identify where it is and to contact people and ‘make’ them influencers who move people into

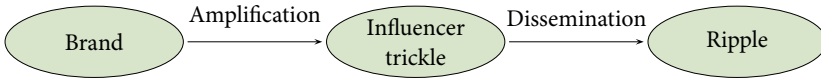


FIGURE 4 Trickle Stage and Ripple Stage of Influencer Marketing (adapted from Brown and Fiorella 2013)

the purchasing decision phase. In this way it is possible to get directly to the customer via the right influencer at the right time.

According to Brown and Fiorella (2013), there are two main stages in each influence campaign – ‘trickle and ripple phase’ which means the stage of launching and the wave stage. The message is distributed when it is launched and its direction determines whether the campaign will be successful or not. The path of the message is not simple and only passed to influencer because social media noise can cause many unsuccessful attempts. In order to successfully overcome this stage, companies, together with influencers, need to identify key tracker information about their followers:

- The time when they are most often online.
- Platforms on which they are located.
- People with whom they will communicate.
- Topics about which they will communicate.
- Activities they will be performing.

If the influencers are already segmented and segregate which of the communities will be able to respond to the message, the potential of influencer marketing is shifting from possible to probable. Thus, if a company’s success is likely, it goes from the trickle phase to the ripple phase. At this stage, the influencer community is already noticing brand message. Here, the followers are spreading the message within their community and creating a wave of brand awareness and various graduated news.

### Conclusion

In the age of the ubiquitous Internet, influencers are a new type of independent third party that shapes audience attitudes through blogs, tweets, and other social media (Freberg et al. 2011). Through activities that include expressing their opinions, for example, in product reviews, through tips and tricks videos, to organizing competitions and posting images containing products or services (Bernitter, Verlegh, and Smit 2016).

Utilizing a wide range of social media platforms such as Facebook, Instagram, Twitter and YouTube, social media influencers are well suited to publish product information and the latest promotions for online followers (Influencer marketing vs word-of-mouth marketing Markethub 2016).

According to Kaplan and Haenlein (2010), influencers publish their posts on different platforms to express:

- their opinions (e.g. TripAdvisor, Amazon);
- inform about their network (e.g. Twitter);
- share their expertise (e.g. Wikipedia);
- express their passions (e.g. personal blogs, Instagram, Pinterest, Facebook).

Influencers thus gain enhanced competencies in creating sophisticated content, form stories, videos and visuals. Given the scalability of the Internet and the speed of dissemination, these influencers can quickly attract mass audiences and achieve ‘fame’ through the accumulation of cultural capital (McQuarie, Miller, and Phillips 2013).

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### **Pomen kulture za trajnostni razvoj**

*Mitja Bervar*

Namen tega prispevka je raziskati pomen in vlogo kulture v trajnostnem razvoju. Študija temelji na kvalitativni raziskavi, v kateri smo zajeli namenski vzorec treh skupin strokovnjakov, z uporabo intervjuja kot metode zbiranja podatkov. Ugotovitve študije kažejo, da kultura kot celosten in kompleksen sistem vrednot in razvojnih potencialov, spodbuja socialno kohezijo v družbi, krepi medkulturni dialog ter ob tem zagotavlja gospodarske učinke, ki se odražajo v trajnostnem razvoju. Zato bi bilo smiselno poleg ekonomskega, socialnega in okoljskega oblikovati tudi četrti gradnik – kulturo, ki bo celovito zaokrožila koncept trajnostnega razvoja.

*Ključne besede:* trajnostni razvoj, štirje stebri – gradniki trajnostnega razvoja, kultura, socialna kohezija, medkulturni dialog, kvalitativna študija

*Klasifikacija JEL:* D63, E61, L38, Z10

*Managing Global Transitions* 17 (3): 195–209

### **Vplivnostni marketing kot sodobni fenomen v povezavi z upravljanjem statusa in ugleda**

*Josef Vodák, Martin Novyzedlák, Lucia Čakanová in Miroslav Pekár*

Namen prispevka je seznanjanje z najnovejšimi trendi na področju trženjskega komuniciranja. Domnevamo lahko, da uporaba novih oblik promocije preko družbenih medijev narašča, kar vodi v nove izzive v tekmovanju za pozornost potrošnikov. Razvijajoča se skupnost vplivnežev ima pomembno moč pri dojetanju blagovnih znamk in podjetij, zato lahko v veliki meri vpliva na njihov status in ugled. Zaradi novih možnosti se povečuje tudi potreba po ustreznih komunikacijskih strokovnjakih, ki bi delovali na področju nenehnega sodelovanja s ciljnimi strankami preko različnih družbenih spletnih kanalov.

*Ključne besede:* vplivnostni marketing, družbeni mediji, status in ugled

*Klasifikacija JEL:* M31, M37

*Managing Global Transitions* 17 (3): 211–220

### **Dejavniki, ki vzpodbujajo trgovce k ponavljanju promocij skupinskih ponudb**

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