

Social influencers

Examining source credibility and homophily on Instagram

Abstract

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Abstract

For marketers, the internet has evolved into a powerful advertising medium. Consumers are increasingly using social media for recommendations from friends, family, experts and the collective community. Recently, marketers seem particularly interested in influencer marketing. Influencer marketing is promoting products and services through specific individuals (influencers) who have influence over potential buyers (Wong, 2014). Influencers are a group of 'everyday' consumers who have built large networks of followers online and are considered trusted opinion leaders in one or several niche groups (Wong, 2014). Years ago, marketers mainly focused on celebrity endorsements to influence potential buyers. However, today's rising stars are not from Hollywood, but come from platforms such as YouTube and Instagram. Targeting and collaborating with these people can help influence consumers.

The most important question for brands that aim to implement influencer marketing is how to identify and select influencers. Research shows that identifying the right influencers is the biggest challenge for marketers when developing an influencer strategy (Roy, 2015). The easiest thing for marketers to do, is to first look at the number of individuals an influencer can reach. They might think that bigger is better, so it is only natural to be drawn towards extremely popular celebrities who have millions of followers. However, a broad reach does not always indicate that the influencer has a huge influence on its viewers. Influence is also determined by credibility, trustworthiness, expertise and the relationship between influencer and followers (Kapitan & Silvera, 2015; Wong, 2014). As a matter of fact, research shows that when an influencer's total number of followers increases, the amount of engagement with followers decreases. Instagrammers with 1000 followers have on average a higher like and comment rate compared to users with more than 1 million followers (Markerly, 2016). This raises the question whether marketers should target an expensive macro influencer, or collaborate with several smaller micro influencers.

Another goal marketers might have is increasing the number of likes. Likes can indicate popularity and prove that the post contains interesting content. By liking a post, individuals state their opinion publicly. Phua & Ahn (2016) found that there is a relationship between the number of 'likes' on a Facebook page and brand attitude, brand involvement and purchase intention. Individuals that view a post on Facebook with a high number of likes are more likely to have positive brand attitudes, involvement and purchase intention, than when the number of likes is low. Marketers might therefore choose for an influencer that receives many likes. However, compared to other online social networks, liking on Instagram has not been studied much. Additionally, besides the reach of an influencer and the number of likes, this study will focus on followees. Followees represent the individuals an influencer follows. Research shows that the more followees an individual has, the more insincere the individual will be evaluated

(Tong, Van Der Heide, Langwell & Walther, 2008). On the contrary, a user with a high number of followers is able to read more opinions and experiences because he or she is exposed to a larger amount of information and might therefore provide better content. It is therefore interesting to see if the number of followers an influencer has can have an effect on consumers.

In conclusion, this study focuses on the following three independent variables: micro vs. meso vs. macro influencers, followers and likes. These variables will be manipulated in order to measure their effect on brand trust, perceived product quality and perceived product price, which are the dependent variables. Consequently, the main research question of this study is:

RQ1: To what extent do different types of influencers (i.e. micro, meso and macro influencers), number of followers and number of likes influence brand trust and perceived quality/price of the advertised product?

Furthermore, understanding how brands can create relationships with consumers through social media influencers is important for marketers. Drawing on the communications literature, two mediators have been identified: source credibility and influencer homophily. Source credibility is “a term commonly used to imply a communicator's positive characteristics that affect the receiver's acceptance of a message” (Ohanian, 1990). Influencer homophily can be defined as: “the degree to which people who interact are similar in beliefs, education, social status, and the like” (Aral, Muchnik, & Sundararajan, 2009). Similar individuals tend to have higher levels of interpersonal attraction, trust and understanding than a group of individuals that are dissimilar (Ruef, Aldrich & Carter, 2004). Therefore, another research question is:

RQ2: To what extent do source credibility and influencer homophily mediate the relationship between the independent and the dependent variables?

For this study a literature review was conducted on the effects of the number of followers, followers and likes on the perception of product endorsements on Instagram. Furthermore, influencer marketing was discussed. Based on the literature review it was expected that a product endorsement of a micro influencer would result in higher brand trust compared to an endorsement of a macro influencer, whereas a product endorsement of a macro influencer was expected to result in higher perceived quality and perceived price of the endorsed product. Furthermore, an influencer with a high number of followers was expected to lead to a negative evaluation of the influencer and the endorsed product. When focusing on previous research about liking on social media, it was concluded that a high number of likes was expected to result in higher brand trust, perceived quality and perceived price. But besides the effects of the

independent variables on the dependent variables, it was also anticipated that the independent variables would have an effect on the perception of the influencer. Based on the literature review, it was assumed that micro influencers would be perceived as more credible than macro influencers. Moreover, an influencer with a low number of followers as expected to have higher source credibility than an influencer with a high number of followers. Based on literature about homophily it was assumed that a micro influencer would be perceived as more similar to the participants compared to a macro influencer. Moreover, it was expected that an Instagram post with a low number of likes would create a higher degree homophily between influencer and participant compared to a post with a high number of likes.

The main goal of this study was to find out if influencers have an effect on brand trust, perceived price and perceived quality. This study had a 2 x (number of followers: low / high) 3 x (micro vs. macro: micro / middle / macro) x 2 (number of likes: low / high) research design, where micro vs. macro, followers and likes were independent variables and perceived quality, perceived price and brand trust the dependent variables. Resulting from this design were 12 conditions. In order to determine the exact manipulations and the product that would be visible in the endorsement, existing Instagram profiles have been analyzed and a pre-test questionnaire was deployed. Many of today's "Instagrammers" have attracted engaged followers by focusing on a specific niche or content category, such as fashion, beauty, interior design, food, sports and travel. With food being part of everyday life for all of us, male and female, this pre-test focused on the niche food. Based on the results of the pre-test, the final stimuli were designed.

The main questionnaire was constructed using Qualtrix Software. Participants received a web link with which they could participate in the study. The questionnaire started by welcoming the participants, explaining the instructions and ensuring confidentiality for the participants' answers. After that, three questions concerning the participants' Instagram usage and their involvement in cooking and foodbloggers followed. After answering these questions, the participants were randomly assigned to one of the 12 conditions. Here they were asked to (1) take a close look at an influencer's Instagram account which showed the number of followers and followers and (2) take a close look at a specific post in which the influencer is endorsing the product including the likes on this post. After viewing these images, participants were presented with questions concerning brand trust, perceived quality and perceived price. After answering these questions, participants were again exposed to the two images and asked to carefully study them. This was followed by three manipulation check questions measuring whether or not the three manipulations were correctly perceived. Subsequently, the participants were presented with questions concerning source credibility and influencer homophily. The survey ended with three demographical questions.

The following constructs were measured in this study: brand trust, perceived quality, perceived price, source credibility and influencer homophily. Most of the items in the questionnaire were adopted from previous studies but were reviewed to fit in this study.

For brand trust, a combination of the brand trust scales developed by Lau & Lee (1999) and McKnight, Choudhury, & Kacmar (2002) was used, which resulted in six items. In order to measure the perceived quality of the product, a scale developed by Dodds, Monroe, & Grewal (1991) was used, which resulted in 4 items. Price expectations were measured by asking participants to indicate what they think the average price (in euro cents) will be if the product was presented at Dutch supermarkets. To measure the role of source credibility, a scale developed by Ohanian (1990) was used. Source credibility was measured in three dimensions as proposed by Ohanian (1990): expertise, trustworthiness and attractiveness. This scale was created to measure the effect of celebrity endorsers and assess the impact of each component. To measure the role of influencer homophily a scale was developed based on existing scales of Bruhn, Schoenmüller, Schäfer, & Heinrich (2012), Craig & Gustafson (1998), Lee & Robbins (1995) and Peetz (2012). Additionally, a factor analysis was conducted in order to find the underlying structures of the construct influencer homophily. Besides, all constructs were measured on a 7-point scale.

After a two-week survey period, a total of 389 responses were received. However, 89 respondents failed to complete the questionnaire and were excluded from the analysis. This leads to a total of 300 respondents. Respondents' age ranged from 18 to 65 years, with a mean of 25.5 (SD= 8.7). The majority of the participants were highly educated (81.3%). A reason for this could be the used method of sampling. Participants were collected using convenience sampling, in which respondents are selected due to their convenient accessibility to the researcher (e.g. family, friends, fellow students). Because the author herself studies at a university, it is not unexpected that many participants were highly educated students as well.

Using Instagram as research context, the goal was to investigate how influencers impact brand trust, perceived price and perceived quality and the role of source credibility and influencer homophily. The most important finding is that there were no significant effects on brand level, but only on influencer level. This means that the independent variables had an effect on the perception of the influencer but not on the perception of the brand. In conclusion, the results of this study do provide some practical guidelines for marketers who are interested in working with influencers. It proves that source credibility and influencer homophily are important for improving brand trust and perceived quality. Moreover, it shows that macro influencers are perceived as more credible than micro influencers. In the following sections, the results of this study will be discussed.

It was expected that the number of followers an influencer has (micro, meso or macro) would have an effect on brand trust, perceived quality and perceived price. Several researchers have already studied the effects of followers. According to Feng (2016) the number of followers, number of followees, and the number of tweets one has on Twitter contributes to an individual's opinion leadership status. Unfortunately, this study showed no effects of the number of followers on brand trust, perceived quality and perceived price. Besides focusing on micro vs. macro influencers, this study also aimed attention at the number of followees. From the literature review it was concluded that 'friending' a profuse amount of others may lead to negative evaluations about the profile owner (Donath & Boyd, 2004). In this study, no significant main or interaction effects of the number of followees on the dependent variables were found. Therefore, hypotheses 2a, 2b and 2c were rejected. Furthermore, this study focused on likes as well. Liking helps users express their appreciation for the content and indicates that the user is interested in the object posted. Studies show that individuals who view a post on Facebook with a high number of likes are more likely to have positive brand attitudes, involvement and purchase intention, than when the number of likes is low (Phua & Ahn, 2016). However, no significant effects of likes on the dependent variables were found in this study.

An explanation for the missing significant effects on brand trust, perceived quality and perceived price could be the simulated research conditions. In the survey, participants were exposed to a screenshot of an influencers' Instagram profile and a product post. This means that participants were not able to scroll through the profile, read comments, browse the used hashtags, or search online for further information or details. This means a real situation was not represented, therefore, participants were not able to further explore the influencer or brand. Another explanation could be that fact that a fictional influencer was used. An important aspect of influencers is the bond they create with their followers. Influencer marketing is seen as an opportunity for brands because it uses the power of word-of-mouth through individuals that consumers already follow and admire. This connection gives influencers a unique authority (Jargalsaikhan, Korotina, & Pantelic, 2016). However, by using a fictional influencer, there was no prior bond between influencer and participant. This could have made it difficult for participants to judge the brand because they do not know the person that is endorsing the product, therefore, they might rely on their existing opinion on the brand. For future research, it is interesting to study 'real' influencers. It might be necessary to replicate the study in a experimental condition employing real stimuli to further confirm the external validity of the results. Besides, this study only illustrates a one-time exposure to the influencer. Future research can take a longitudinal approach to studying the impact of influencers and see if a bond is formed between influencer and viewer after repeated exposure and what the effects are of this relationship between consumer and influencer.

This study examined the relationship between source credibility and the dependent variables brand trust, perceived price and perceived quality. The results show that there is a positive correlation between source credibility and brand trust and source credibility and perceived quality. In other words, when source credibility increases, brand trust and perceived quality increase as well. Furthermore, the results of this study show that macro influencers are perceived as more credible than micro influencers. Macro influencers score highest on all three aspects of source credibility, especially on expertise. This means that macro influencers have higher perceived expertise compared to micro influencers. However, macro influencers are not seen as much more trustworthy than micro influencers. Mosteller, Donthu, Eroglu, Adaji, & Lauw (2014)) explained how a source can score high on expertise, but low on trustworthiness. They claim that consumer's perception of trustworthiness will decrease when the expert's motive to share is questionable. In this case, consumers might suspect the macro influencers' intention to share since they can be seen as commercial sources. In conclusion, macro influencers have higher perceived expertise than micro influencers but do not score as high on trustworthiness, which might be caused by their motive to share.

Besides the effect of macro influencers on source credibility, the results show two interaction effects. First, an interaction effect was found for micro vs. macro and followers on source credibility. More specifically, micro vs. macro has an effect on source credibility when the number of followers is low. This means that the micro and macro influencers score equivalent on source credibility when the number of followers is high, but the scores are significantly different when the number of followers is low. Then, the macro influencer is perceived as more credible. Second, an interaction effect was found for micro vs. macro and likes on source credibility. More specifically, micro vs. macro has a significant effect on source credibility when the number of likes is high. This means that the micro and macro influencer score equivalent on source credibility when the number of likes is low, but the scores are significantly different when the. In conclusion, a high number of likes has a positive effect on the macro influencer, but not on the micro influencer.

Furthermore, this study examined the relationship between influencer homophily and the dependent variables brand trust, perceived quality and perceived price. The results show that there is a positive correlation between influencer homophily and brand trust and influencer homophily and perceived quality. This means that influencers that are perceived as similar to the viewer score higher on brand trust and perceived quality than influencers who viewers think is not similar to them. Additionally, the results show two interaction effects for influencer homophily. First, an interaction effect was found for micro vs. macro and likes on homophily. More specifically, the number of likes has a significant effect on influencer homophily when the influencer can be defined as a macro influencer. This means that homophily between consumers

and a macro influencer is susceptible for the number of likes. A macro influencer with a low number of likes received the lowest score on homophily whereas a macro influencer with a high number of likes had the highest score on homophily. Second, an interaction effect was found for the number of followers and likes on influencer homophily. The number of followers have an effect on influencer homophily when the number of likes is high. This means that an influencer with a low number of followers and one with high followers score equivalent on homophily when the number of likes is low, but the scores are significantly different when the number of likes is high. Then, an influencer with a high number of followers scores much higher on homophily.

This research is offering some important insights on social media influencers, however, it also has some limitations. First of all, the results presented are limited to influencers on Instagram as a social media platform only. For future research it would be interesting to study the effects of influencers on other social media platforms as well. Second, the sampling frame confines to mainly technical university students. This may limit the generalizability of the results. For future research, the study could be replicated with a broader sampling frame and within several social media environments in order to increase the generalizability. Third, the results of this study are limited to the product category 'food'. Although a wide range of products is used for endorsement on Instagram, one product category might be better suited than the other. Moreover, this study did not present a realistic Instagram situation where people are able to further investigate the influencer and brand. Participants were confronted with a static screenshot which might not have given them enough information. Besides, because a fictional influencer was used there was no existing bond between participant and influencer, which might have made it difficult for participants to judge the brand the influencer is endorsing. In order to measure the real effects of an influencer, future research could focus on real the followers of the Instagrammer, since they are the target group of the advertisement.

In conclusion, when selecting an influencer to work with, marketers should look at the credibility of the influencer. High credibility is positively related to brand trust and perceived quality. Marketers seeking to incorporate influencers into their marketing strategy should consider whether consumers think the influencer is credible since researchers provide evidence that credible sources are more persuasive than sources of low credibility (Dholakia & Sternthal, 1977; Erdogan, 1999; Ohanian, 1990). This study provides evidence that macro influencers are perceived as more credible than micro influencers. This might encourage marketers to collaborate with macro influencers. However, whether marketers want to work with a certain influencer might depend on the goals they have. Do you want to raise awareness within the general public or a specific targeted audience? Do you want to partner with an influencer that turned famous or a niche expert? Do you want to increase comments or views? These questions

are crucial in determining the value influencers can offer a brand. Lately, it seems like a trend to get involved with micro influencers rather than with macro influencers. A problem can be the large social gap between famous influencers and regular people. But just because the use of micro influencers is on the rise, does not mean it is suited for every brand. Larger brands like Airbnb and L'oreal have found great successes with macro influencer marketing. It might therefore be better to look at what suits the brand better and the goals you have for a marketing campaign rather than only focusing on the reach of an influencer.

This study also shows a positive relationship between influencer homophily and the dependent variables brand trust and perceived quality. This means changes in brand trust and perceived quality can be made with an influencer that feels similar to the viewer. The more familiar an influencer feels to the consumer, the stronger the effects of the endorsement are. This means that collaborating with an influencer that is well known within the target group might cause viewers to experience high homophily and therefore have an effect on brand trust and perceived quality. However, future research into how homophily can impact consumers' opinion on influencers is necessary.

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