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The relationship between influencer marketing and purchasing intention

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Abstract

In this modern day and age, information travels rapidly and marketers are able to interact much more closely with the consumer now that social media influencers are an useful marketing tool. In this thesis. For this empirical research a questionnaire was created to collect data and 124 valid responses were used for the data analysis. The results at first glance show that the influencer scores better in terms of word of mouth and trust in relation to purchasing intention, however, surprisingly, the traditional celebrity endorser scores better in terms of brand image. However, none of the hypothesized relationships are significant. Therefore more research is needed to gain an understanding in this subject.

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Introduction

Advertisements have become a major part in our lives. Wherever we go, we are being exposed to advertisements. Be it when we watch TV, read the papers, go to a movie, or even just walk outside. We are continuously seeing advertisements. (Johanssen et al. 2017) We are in fact being exposed to advertisements so much, that we are noticing them less and less; often perceiving them as visual "noise" (Wang et al., 2016). A study done by Infolinks, a digital advertisement platform, has stated that only 14% of their respondents were able to recall last the advertisements they saw and remember its content. (Talaverna, 2015). People often are willing to pay premium prices for services to escape these advertisements or use ad-blockers. Services such as Spotify, Amazon Prime or even Netflix are good examples (Johanssen et al., 2017).

Nowadays, marketers must find a less obtrusive way to advertise to their customers A less obtrusive way of advertising to your customers are methods such as content marketing, product placement and influencer marketing. By using influencer marketing, brands often use regular people who have a large following on social media to endorse a brands message or image (Tapinfluence, 2017). These influencers often work closely with the companies by creating social media posts where they feature a certain brand, product, or a type of service. Influencers can be found anywhere, but they are most prevalent on the largest social media platforms we currently have (Facebook, YouTube, Instagram & Twitter (Markethub, 2016).

Influencer marketing has become an indispensable part of advertisement. Augure (2015) has stated that approximately 85% of United States based companies are currently using some form of influencer marketing in their advertisement strategy. Even though the use of influencer marketing is widely adopted, it remains relatively new territory for marketers. (Zietek, 2016) Augure further states that it still is not possible on platform such as Instagram to define their search in terms of location and certain categories to target specific niche audiences. This inability to focus on a specific target audience makes it hard for brands to find specific influencers that could address their desired audience, which is why 75% of brands feel that finding the right influencer is the biggest challenge.

With the rise of influencer-based marketing, new agencies, online platforms and other services are beginning to focus on influencer marketing. According to Angels (2016) there were 160 startups in 2016 that were trying to fill the need of finding the right influencer for your brand. Schlesinger Associates (2015) argues that once you have found the right influencer, most marketers use them for content promotion or creation.

By using influencer marketing, companies are able to maintain a much closer connection with their target audience while also being able to reach a much wider audience. And while this form of advertising is relatively new and has not been scientifically researched at a large scale yet, several marketing organizations have done research and their results were mostly in favor of influencer marketing. (Johanssen et al., 2017).

Influencer marketing campaigns and other paid forms of advertisement also benefit heavily from word of mouth. About one in four conversations about brands in the U.S. involve a reference to advertising (Keller, E., & Fay, B, 2016). For influencers, the role of advertising in generating word of mouth is even greater. This statement is supported by a "Return on word of mouth" study conducted by the Word of Mouth Marketing Association in 2014. Where they found that one-third of the sales impact of word of mouth is due to word of mouth working as an amplifier to paid advertising.

A great example of the power of word of mouth is from a case study of Mizuno, which is a Japanese running shoe company that to generate a trial among the running community in the united states and eventually increase their sales. Their trial consisted of them allowing potential customers to try wearing the shoes by running in them. They did this in three phases, starting with allowing bloggers and other influencers to run in sample shoes, followed by online ads and finally continued with partnerships that kept people engaged. Their campaign ultimately was a great success and led to the brand's most successful sales year. Much of this success can be contributed to the power of word of mouth.(Keller, E., & Fay, B, 2016).

The use of a social influencer for creating more brand awareness and spreading your message is considered as a powerful tool. A company that wants to advertise its product on social media often just pays a social media influencer to either feature their product in their content or to recommend their product on their page. This way a company can reach a much larger network in very specific niches. One of the biggest benefits is that it is far less obtrusive than conventional advertising. Some followers might not even notice that what they are seeing is purely marketing. They genuinely believe that the influencer is recommending the products in the picture (Matthew, 2017)

Another study that has been done by the Keller Fay Group (2016) has found that influencers were being perceived as much more trustworthy and that 82% of consumers are highly likely to follow the advice on an influencer. Nielsen (2012) also found out that 92% of consumers are much more likely to follow the advice of an individual rather than the advice of a company or brand. It is

also said that by influencers having continuous interaction with their followers, a higher amount of trust can be established (Capitein & Havranek, 2018).

These findings are supported by a 2019 study (Instafamous and social media influencer marketing) conducted by Jin et. al. In which their main findings were that consumers exposed to Instagram celebrity posts perceived their source to be more trustworthy, showed more positive attitude towards the brand being advertised, felt stronger social presence and felt more envious of the source than those consumers exposed to traditional celebrity brand posts.

The rise in popularity of influencer marketing can partly be credited to the good results advertisers are seeing. Research done by Kirkpatrick (2016) has shown that influencer marketing has the potential to trigger 11 times more return on investment than traditional advertising per annum.

To summarize: Influencer marketing is a very powerful marketing tool if used properly. One of the biggest benefits is that influencers form a much closer connection with their target audience than other methods of advertisement including celebrity endorsement. This is because an influencer generally has more opportunity to communicate with its audience. As the channels through which influencers generally communicate allow for a two-way dialogue whereas traditional celebrity endorsement campaigns do not allow for such meaningful dialogue between advertiser and consumer.

These findings alone, combined with the relative novelty of influencer marketing make exploring the benefits of this viable for not only academic but also for corporate interest. In this thesis, I will be exploring why the use of influencer marketing is effective and how it can be implemented to affect the purchasing behavior of consumers.

The topic is relevant because influencer-based marketing is still in its infancy and many brands still need knowledge as to how they can utilize influencer based marketing tools to effectively affect the purchasing behavior of millennials.

With this thesis, I aim to create a deeper understanding of the characteristics of influencer based marketing, its effect on millennials and how it can be used by organizations to help them with

their advertisement and branding needs regarding the millennial generation. The reason that I have picked millennials as a focal point of this thesis is because many studies conducted in this specific area and subject are geared towards the use of social media and influencer marketing in general and do not focus on the purchasing behavior millennial generation specifically.

Therefore, my research question for this thesis is:

What effect has influencer marketing on the purchasing behavior of consumers compared to traditional celebrity endorsement?

Literature Review

Marketing

Marketing refers to all the activities an organization has to undertake to promote the buying or selling of a certain product or service (Investopedia, 2020). This includes activities such as advertising, selling and delivering products to consumers or other businesses. Marketing can also be done by third parties, on behalf of an organization.

In order to do this effectively, organizations need to manage their marketing mix in such a way that it allows marketers to create a combination of elements that allows them to reach their desired objectives (Išoraitė,2016). Companies that want to operate efficiently and reach their marketing goals have to control all elements of the marketing mix (Product, Price, Place, Promotion). This means that all facets of the marketing mix have to be aligned, failure to align all elements might result in failure. Control over the marketing mix means that product, distribution, promotion and pricing strategies all aligned to reach the same goal set by the company. Singh (2016) defines marketing as a complex range of marketing mix solution variables used in the company seeking to sell their goods and services.

In order to gain a deeper understanding of what marketing is, we have to look at the elements of the marketing mix.

The first element of the marketing mix is "Product". Singh (2016) defines product as a physical product or service to the consumer for which he or she is willing to pay. It includes material goods as well as intangible products which users buy. Dang (2015) argues that product is the first and one of the most important elements in the marketing mix. Product can be regarded as a very broad concept, as it is not limited to just services or physical products. It can also include such things as experiences, people, places, property rights, businesses or organizations, information and ideas (Išoraitė,2016).

The second element of the marketing mix is "Price". Which also is regarded as one of the most important elements of the marketing mix. Setting a price influences not only profits, but also

market share (Išoraitė, 2016). While it is one of the most important factors in a competitive

situation, as it directly influences the company's sales and profitability it is also regarded as one of

the more flexible elements of the mix as it is possible to quickly adapt the price depending on

changes in the market.

The third factor in the marketing mix is "Place". Mccarthy (1960) defines place as the

location where a product or service can be purchased. This includes physical stores, as well as virtual

online outlets that are able to facilitate direct exchange. Staudt and Taylor (1965) refer to it as the

distribution mix. Where wholesalers and retailers help in the process of physically moving goods to

the centers of demand and assembling unique assortments of goods to match the different

segments of demand. It also includes a combination of marketing channels, storage facilities,

inventory management procedures and shipping facilities. This is put together by marketing

administrators in order to create a time and place for the utilities that customers require (Lipson &

Darling, 1971). Management of these channels involve the organizations that move the products

from producer to consumers as well as the management of the value chain which includes the

linkage of activities that must be performed by the suppliers, channel partners and producers to

create and deliver the value package that satisfies consumers (Nickels & Wood 1997).

The last factor in the traditional marketing mix is "Promotion". Promotion is one of the most

powerful elements in the marketing mix (Culliton, 1948). Promotion is being defined by the

communication tools and techniques used by marketers in the marketplace. Methods can include

advertising, public relations, personal selling and sales promotion. (Mccarthy, 1960). It is also

referred to as the communication mix. These activities are organized into a unified force to help

achieve market targets (Staudt & Taylor, 1971). Marketing managers decide the level of marketing

expenditures on promotion (Singh, 2016). Singh further states that promotional activities are mainly

intended to supplement personal selling, advertising, and publicity. Promotion helps the trader and

sales force to represent their product towards the consumers in an effective fashion and allows them

to persuade them to buy their products. Advertising is a way of utilizing the communication mix in

order to create and develop the image of a product in the market and it is regarded as an important tool to compete with other companies in the market. The communication mix also decides the positioning of the product in the target market and should be considered to be an expenditure and should be added to the cost of a product.

While the traditional marketing mix is still very much relevant for traditional and physical marketing. Influencer marketing (almost exclusively) takes place in an online environment and Hoffman and Novak have argued as early as back in 1997 that there should be a re-evaluation of existing marketing principles when dealing with E-commerce. One of the things they argued that needed re-evaluation was the 4P model for virtual marketing.

E. Constantinides proposed a new marketing mix model for online marketing in his 2002 paper "The 4S Web-Marketing Mix model". I will shortly describe the model below based on said paper. Firstly, I will describe the original 4P's but in an online marketing context. Secondly I will describe the new (Web-Marketing Mix (WMM) or 4S model)

Product: The website is both the product and the brand of an online organization. Potential customers should become interested and feel compelled to search for a website or product before looking for the company's detailed online offerings.

Price: A great deal of commercial websites act as pricelists for a company's physical product assortment. Customers often perceive a website as a cost element and while they are usually lower than performing this physically, customers will compare theses costs with the costs of finding other online competitors and doing business with them.

Promotion: Constantinides states that the website is the promotional medium as well as the promotional content. It is a vital part of the web experience and a major factor in attracting as well as retaining online customers.

Place: For many E-commerce cases everything revolves around the website. Advertising, communication and many other things are done there and in the case of digital goods such as music or online services it even acts as the distributor. Therefore the traditional use of the 4P model is not

a sound strategy as customers experience them in a direct and simultaneous manner. Constantinides further argues that the 4P marketing mix has been developed as a operational tool rather than a strategic one and that there are two main reasons why web marketers should find this model unappealing:

The first reason being that the original strategic process is very time consuming and time in web marketing is often in short supply. The second reason is the volatile nature of the internet in which everything changes rapidly. Traditionally developed strategies can be rendered obsolete in a flash.

As a way of solving this issue and providing web marketers with a more fitting model to use for their online marketing practices. Constantinides has come up with a web-marketing model in which he identifies the online marketing critical elements and addresses the main issues that rise when dealing with this environment. In this model he defines four online marketing critical factors.

1. Scope: Here the strategy and objectives are defined. Things such as market analysis, potential customers, internal analysis and the strategic role of the web activities are defined.

2. Site: The second factor concerns itself with the web experience of the customer. Questions such as " What does the customer expect in the site?" , " Why the customer will make use of the site?" and "What motivates customers to come back?" are asked.

3. Synergy: This factor concerns itself with integration. Things such as front back and third party integration have to be considered.

4. System: This is the IT section of the 4S model. This factor is about the technology, technical requirements and the website administration

Word-of-Mouth

Word-of-mouth (WOM) marketing is a practice in which firms are influencing and encouraging consumer-to-consumer communications by using professional marketing techniques. Known also as social media marketing, viral marketing, buzz, guerilla marketing and many other names (Kozinets, de Valck, Wojnicki & Wilner, 2010).

Early scholarship established WOM as a significant social force, influencing early marketing thoughts and practice. An example is a study conducted by Ryan & Gross in 1943. Their diffusion study suggested that conversations among buyers were more important than marketing communications in influencing adoption. This early understanding of consumer WOM can be summarized in the organic interconsumer influence model. These inter-consumer communications happen organically because it happens between consumers without any direct prompting, influence, or measurement by marketers. Communication generally is motivated by a desire to help others, warn others about poor product quality or poor service and to communicate status (Arndt, 1967).

Within this model, it is assumed that WOM occurs naturally among consumers when marketers perform their job of developing market innovations and performing effective product notification through advertising and promotions (Bass, 1969).

Figure 1: The Organic Interconsumer Influence Model (Kozinets et al., 2010).
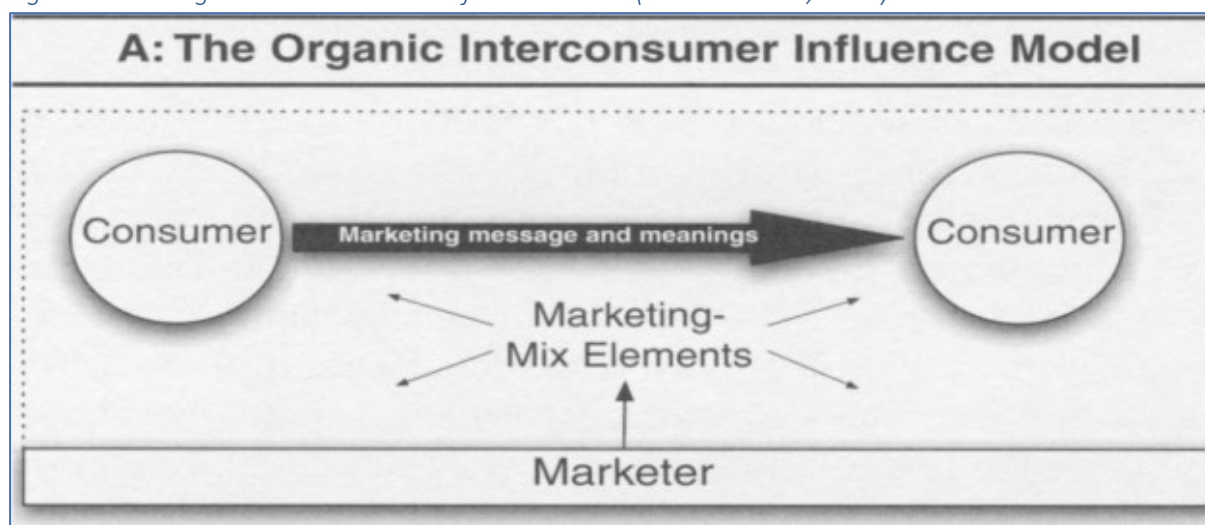
Once understanding of marketing practices began to advance, so did the theory about WOM. They began to emphasize the importance of influential consumers in the WOM process (Feick & Price, 1987). It was in the marketers' best interest to quickly identify and attempt to influence these influential, often respected and credible consumers. With this new understanding, marketers incorporated strategies in which they actively attempt to influence consumer WOM through traditional means such as advertising and promotions. This all occurred during the post-World War II

era when "cultural engineering" market practices were formed to overcome increasingly resistant buyers (Holt, 2002). Some consumers were viewed as potential "opinion leaders" which marketers could target and influence. Dichter (1966) argued that instead of marketers being the salesmen trying to get rid of his merchandise, they could now work through "the friend that recommends a tested and trusted product". Marketers were very reliant on accurate and realistic information because the opinion leader was assumed to transmit marketing messages faithfully without any big alterations either through the opinion leader itself or through communications with other consumers (Brooks, 1957).

Figure 2: The Linear Marketer Influence Model (Kozinets et al., 2010).
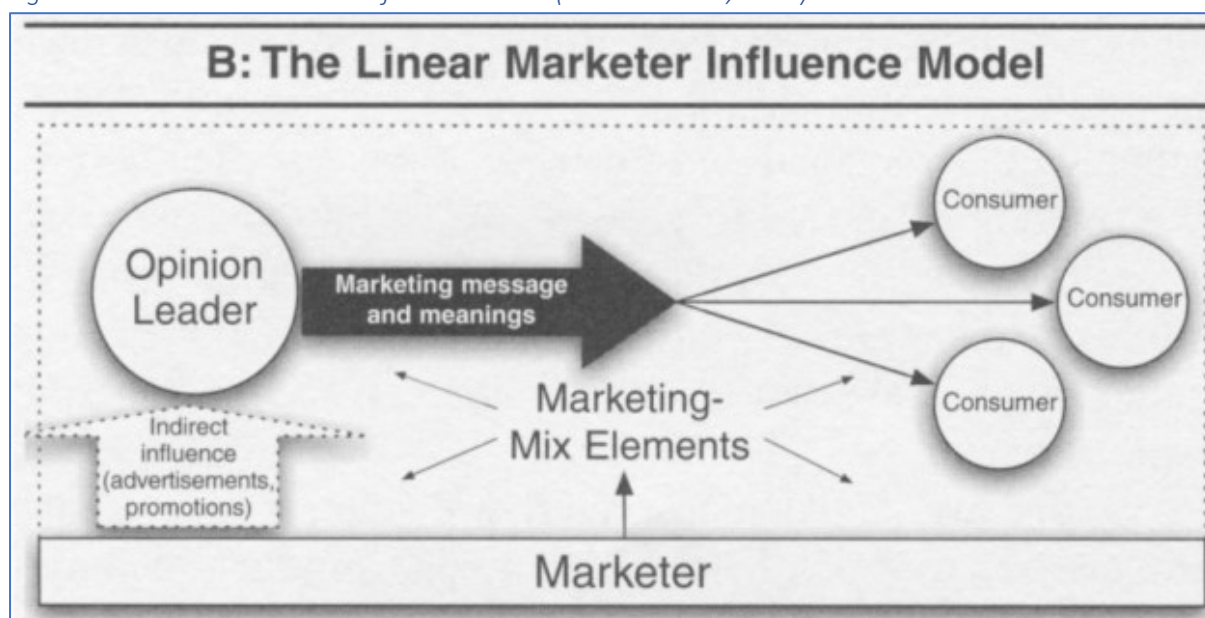
The next model is the most recent one and while it recognizes the development and importance of the internet, it is not strictly limited to it. Marketers have become more and more interested in managing WOM activity through targeted one-to-one seeding and communication programs, with the internet allowing new levels of management and measurement of marketing campaigns and new organizations allowing for the development and diffusion of WOM marketing. (Kozinets, de Valck, Wojnicki & Wilner, 2010). This development means that the marketing philosophy has shifted from being a transaction based one to a relationship-based philosophy.

(Vargo & Lusch, 2004). The role of consumer networks, groups and communities have greatly

increased in terms of importance (Cova & Cova, 2002; Muniz & O'Guinn 2001). Within this model,

consumers are regarded as active co-producers of value and meaning. WOM communications in this

model are coproduced in consumer networks. There are two important factors within this model of

understanding. The first one being that marketers use new tactics and metrics to target and

influence the consumer or opinion leader deliberately directly. The second major factor is the

acknowledgement that market messages and meanings do not flow in one direction but go back and

forth between members of the same consumer network. (Kozinets, de Valck, Wojnicki & Wilner,

2010).

Figure 3: The Network Coproduction Model (Kozinets et al., 2010).
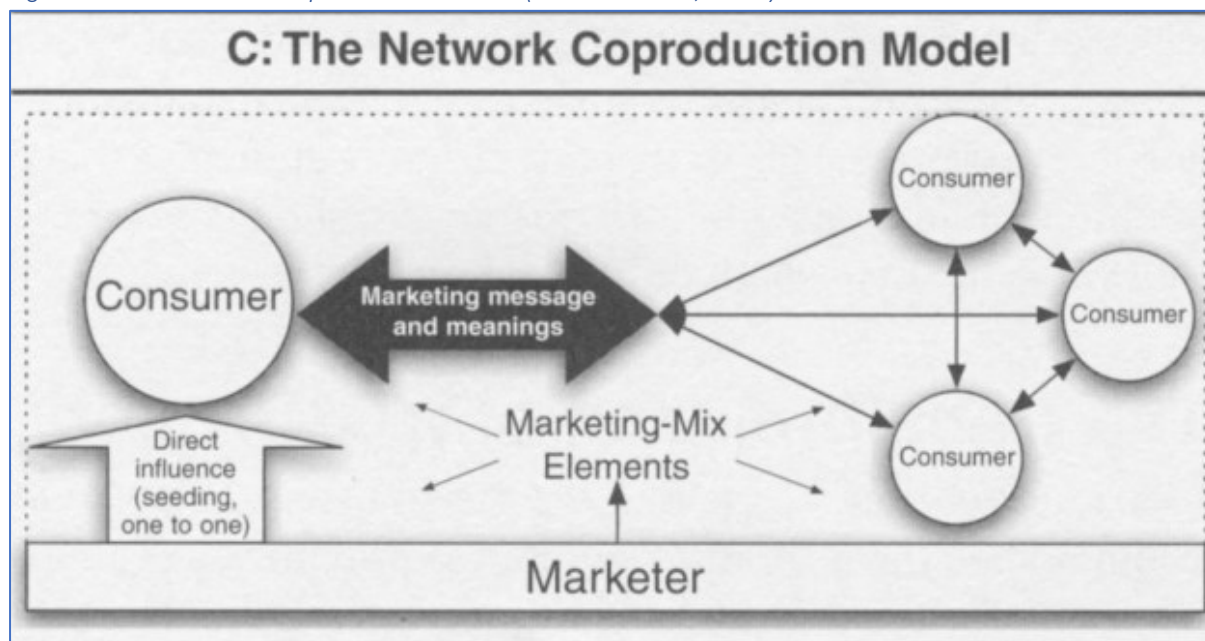
When looking at figure 2 and 3 we can see the difference between traditional celebrity

endorsement and modern influencer marketing. With figure 2 being traditional celebrity

endorsement marketing and figure three representing influencer marketing. While we can see that

both models rely on "word of mouth". It is a one-way street from the endorser to the consumer and

as we can see in figure 2 it does not prompt the consumer to really converse about the product

among other consumers. Figure 3 on the other hand facilitates a two-way dialogue. This two-way

conversation between the influencer and the follower gives advertisements a new dimension that did not exist before using social media influencers. It gives the influencer more opportunity to promote the product through a personal recommendation which can turn a follower into a potential brand consumer (Glucksman, 2017). What is also a noticeable difference between these two models is that with the one in figure 2. There is no communication or WoM between consumers, while in figure 3 when another consumer or influencer spreads the marketing message. There is much more communication between consumers themselves.

E-Marketing Practices

E-marketing is defined as using the internet and other interactive technologies to create and mediate dialogue between the firm and identified costumers (Roderick & Brody, 2007). For example, a consumer goods company or professional service organization develops an internet-based system to interact with its customers, clients or patients. E-marketing is characterized as being reliant on technology and therefore differs from other marketing practices. This type of marketing establishes an electronic dialogue that can provide individual customers with access to information and in turn, allows customers to provide information to the business (Roderick & Brody, 2007). E-marketing generally is supported by other interactive technologies related to customer relationship management, sales activity, research analysis and planning (Brady, Saren, Tzokas, 2002). A significant benefit of E-Marketing is that it can enhance an organizations' ability to manage customer relationships.

E-marketing can use traditional communication tools by applying online elements like a website or an e-mail. However, there exists a need for continuous improvement. It became important to track a user's steps for the most effective results, so the focus should be online marketing with its elements (viral marketing, social media networks, mobile environments etc.). These elements allow for an organization to build a relationship with its consumers via a more diverse range of channels as well as monitor consumer behavior in this digital environment.

The biggest advantage of e-marketing is that the internet can be used to provide information at every stage of the sale of a product or service. "It covers all processes from business management to new customer search and service delivery to existing customers" (Dominici, 2009).

E-marketing usually plays a significant role in the overall marketing strategy of a firm. Its primary purpose is to identify the target market, how consumers behave (online) and form an opinion about the brand while also increasing awareness of the brand online. The best way to find out whether or not your e-marketing strategy is effective is through the use of web analytics (Labanauskaitė, Fiore & Stašys, 2020). Analytical software allows for the measuring of effectiveness of your e-marketing practices and can help you improve your marketing efforts and set up a strategy to increase the volume of users and sales.

By collecting data and analyzing your findings, you can optimize your e-marketing practices by correctly allocating your resources, making design changes for your website or optimize keywords used by SEO or Google AdWords. By utilizing search engine optimization programs, businesses can calculate click-through rates, cost per click, ad impressions and other indicators. It is of great importance to analyze the effectiveness of your e-marketing practices, especially when your organization is dependent on the use of an electronic environment to reach out to its consumers (Labanauskaitė, Fiore & Stašys, 2020).

Social Media

What are social media? Media are per definition a means of transferring information. This can be in printed form such as a newspaper, magazine, or books. But it can also be in the form of pictures and sound such as television and radio. Internet also can be seen as a method of transferring information. So, what does make a medium "social"? When we talk about social media we often mean an online platform in which people can come together and share information, opinions, and knowledge with each other (Safko, 2010).

Where other media are strictly about sending information to a group of people, social media is about sharing information. Kaplan and Haenlein (2010) define social media as a "group of internet-based applications that build on the ideological and technological foundations of web 2.0, and that allow the creation and exchange of user generated content". Kietzmann et al. define social media as "mobile and web-based technologies to create highly interactive platforms via which individuals can share, co-create, discuss and modify user-generated content".

Based on that we can conclude that social media are revolving around internet-based applications that allow users to come together, create content and share it with each other. Generally, user generated content must fulfill three conditions (OECD, 2006).

1. It must be on a publicly accessible website or social media platform and has to be a posted for a select audience.

2. There must be some form of creativity present

3. It cannot be created within a professional setting.

From a marketing perspective, a business has a goal of creating value for its customers and in return they give value of money (Kotler & Armstrong, 2016). In order create this value, a business should have certain knowledge regarding the wants and needs of its customers.

Businesses generally view social media as a channel to communicate with their customers. And they make a distinction between two types of communication channels: personal communication channels and impersonal communication channels. With personal communication

channels there is a form of direct communication between two or more people. This can be done by meeting each other, but also by communicating through phone, (e-)mail, SMS ,web-based chat applications or social media. Impersonal communication channels are media in which personal contact between a business and the customer is not possible. Impersonal communication channels take the form of print media, displays in stores, billboards, radio and tv station, but also websites and social media. We can see that social media can be personal as well as impersonal. The distinguishing factor is whether or not the organization whether or not communication goes both ways or just from business to customer (Safko, 2010).

In conclusion: social media can be used to send messages to existing and potentially new customers. This can be done in the form of advertisements (impersonal), but organizations can also use social media to start a dialogue and get and stay in touch with their customers.

Social media sites have dramatically affected the way how people receive information and news. A report from the Pew Research Center revealed that the majority of U.S. adults rely heavily on social media for news and that number has been growing consistently over the past few years. (Gottfried & Shearer, 2016). These new sources of information also mean that individuals now encounter thousands of commercials on a daily basis, most of which come from social networking sites (Ganguly, 2015). Social media use has become a habit among some age groups, especially among the millennial and younger generations (Gottfried & Shearer, 2016).

A result of this habitual behavior is that their need to seek information from social media and fellow consumers has become more pressing than ever before. Data from Twitter has revealed that nearly 40% of surveyed Twitter users have purchased something because of an influencers tweet (Karp, 2016).

Social Media Marketing

Now that social media has been defined, I will further explore dimensions of social media marketing.

When organizations started communicating on the internet, they had a desire to make a distinction between the communication channels they could fully control, such as their own website and communication-outings which they had to pay for so they could display their message on someone else's medium (banner ads, search-engine advertisements). These owned channels were called 'owned media' and the second was called ' bought media'. With social media a third group was introduced: 'earned media' (Visser & Sikkenga, 2017). With bought and owned media, organizations have a lot of influence regarding the content of the message, but with earned media, positive attention has to be 'earned'. In essence, to gain earned media attention you have to do something so outstanding and newsworthy that the media will have to respond by giving lots of free attention (Sternheimer, 2011).

Earned media posts often are more spontaneous messages or outings from users of social media platforms. But liked/shared messages, photos and videos also fall into this category. The

difference is that an organization has relatively little influence over these messages, but they can reach a potentially very large audience.

According to van Dolen (2013) the behavior of consumers is one of the most important changes and this is caused due to social media. Firstly, he argues that consumers have become content creators. They share their opinion or vision through either text or image. Here, the distance between intent and action has strongly decreased. People tend to share their thoughts very quickly. Co-creation also takes place. In which consumers are involved in development of a product, service, or campaign by organizations.

Secondly he also argues that consumers are interconnected through social media and they have a tendency to share many things with each other. They read each other's opinions, and this can influence their own purchasing decisions in turn.

Thirdly, he stated that consumers often bundle their strengths through social media. For example, by buying products in bulk together, or by making a collective fist against an organization that has wronged them.

The result of these changes means that organizations have less power regarding what is published about their brand. When they would have a quality issue in the past, it would stay between the firm and the customer. But now everybody can read about it on social media if the customer deems it necessary to. Other things such as price differences per customer, price discrimination and other inconsistencies are coming to light and any unwanted behavior or missteps can be found online.

The role that social media, within an organization, has from a marketing perspective can be summarized in a 4C-model (Van Belleghem 2012):

- Customer experience: Organizations use social media to improve customer experience.

    Social media can serve as a "touch point", a place where the organization communicates

with its customers. However, Belleghem argues that it is more important that people talk about the brand itself and that they share any positive experiences they have had with the brand.

- Conversation: The organization observes, facilitates, and participates in conversations on social media. The goal is to conversate, not just communicate.

- Content: This gives the customers something to talk about.

- Collaboration: People are getting more involved with the organization. Working together and co-creation are important factors. The customers vision must be the foundation of decisions.

Influencer Marketing

Influencer marketing is a form of marketing in which advertisers work together with (social media) influencers to promote their brand to the influencers' followers and the advertisers target audience (Yodel, 2017). Influencer branded content is also perceived as more organic, authentic, and more directly in contact with consumers than brand generated ads (Talavera, 2015). Social media influencers thriving on the internet. Their opinions have a powerful impact on people, especially the young generation. (Kadekova & Holienčinová, 2018). We can mark them as a modern phenomenon that has seen a huge increase in cooperation with marketing agencies over the recent years and there is an ever-increasing amount of following that these influencers are gaining. Therefore, many brands tend to gravitate towards these influencers for mentions, reviews and recommendations. Even though this strategy is a relatively new strategy, it appears to be a viable solution for marketers who appear to be willing to step outside of conventional marketing methods while they are building relationships with customers. But what is an influencer exactly?

Social media influencers are often regular people who have become online celebrities by creating and posting content on social media. They generally have some expertise or interest in specific areas such as travel, food, fitness, lifestyle or fashion. A study conducted on Twitter suggested that consumers may hold social media influencers to a similar level of trust as they hold for their friends (Swant, 2016).

Successful influencers generally have a large reach on social media, which can vary between a few thousand up until millions of followers. They share their content in the form of photos and videos with their followers. An influencer has the power to change the minds and behavior of consumers, or in this case their followers (Forbes, 2017). Because they have such a large influence on social media channels, the use of influencers in marketing has risen in popularity. Brands nowadays promote their products and services through these influencers and try to reach their target audience this way.

Instagram is one of the most popular platforms through which social media influencers communicate with their target audience. These Instagram influencers can be divided in three levels: *mega-, macro, - and micro* influencers (Steele, 2017). Each of these levels of influencer can help you promote your brand, granted that you will find the right fit.

Mega influencers often have more than 1 million followers and are relatively famous. Actors/Actresses, musicians, models' celebrities and social media stars fall in this category. And while they have many followers, the involvement between influencer and follower is not very high. It is approximately around 2% and 5%. This is since it is hard to create content that fits with everyone (Steele, 2017). These mega influencers often ask for very large financial compensation in return for content creation. Despite that, a social media post from a mega influencer causes high brand awareness among the masses and it can give a brand a more exclusive reputation (Influicity, 2018).

Macro influencers often have between 10.000 and 1 million followers. These influencers are professional social media personas and often are aimed towards a specific niche. (Influicity, 2018). Involvement between macro influencers and their followers often is higher, between 5% and 25%. This is due to the fact that they share a common interest with the influencer.(Steele, 2017). These influencers are not only easier to reach, their quality and creativity in their content is relatively high. They also tend increase revenue for their brand because of the higher level of involvement.

Micro influencers have a maximum of 10.000 followers and their involvement with their followers often is more than 25% (Steele, 2017). Despite having a low number of followers compared to the two other types of influencer, they gain a lot of trust from their followers. This is because they often get paid little if any at all to promote a certain brand or product (Influicity, 2018) and really support the products they promote.

Influencers are active on many social media platforms, but Instagram seems to be the most popular one. This platform is used by companies and consumers alike and has over 1 billion active users (Statista, 2018) A study done by Quintly in 2017 has also shown that Instagram is the most effective platform for brands to share their content. This because Instagram is a platform in which

photos and videos are shared and visual storytelling is the main method of communication. Another study done by Demand Gen in 2015 has shown that 91% of consumers prefers visual content. Involvement between brands and consumers also is highest on Instagram.

Regulations & Disclosure In Influencer Marketing

When it comes to influencer marketing, influencers are also bound by certain rules and regulations when promoting products. The Federal Trade Commission (FTC) in the United States and the Competition and Markets Authority (CMA) in the United Kingdom have both released guidelines for social media influencers ("Research Guides: Influencer Marketing: A Research Guide: Regulations", 2020).

The Federal Trade Commission has released a guide in which they give influencers some tips for when they are endorsing a brand or product. The goal of this guide is to stop deceptive ads. One of the focal points of the guide is that in order to comply with the law, the influencer has to disclose the relationship with the brand they are promoting ("Disclosures 101 for Social Media Influencers", 2020). It states that when endorsing a brand, it should be made obvious that the influencer has a relationship with the brand albeit financial, personal or even a family or employment. It is vital that it is obvious that there is a relationship with the brand, so the disclosure should be placed somewhere where it is hard to miss and use simple and clear language. Examples of disclosure language that works according to the FTC is:

- #ad or Ad:
- Advertisement
- Sponsored
- Promotion
- Paid ad
- Thanks [COMPANY NAME] for the free product
- Thanks [COMPANY NAME] for the gift of [NAME] product

- #[COMPANY NAME]Ambassador

- #[COMPANY NAME]Partner

("The Scoop on Social Media Influencer Disclosure Requirements | Truth In Advertising", 2020)

Disclosure should be added every time when the influencer is endorsing a product and has a material connection with the brand. This includes the following scenarios: Posting an image of a product, tagging the company or brand, giving a shoutout to the product in the photo caption and liking, pinning or similar ways of showing your like a brand or product. ("The Scoop on Social Media Influencer Disclosure Requirements | Truth In Advertising", 2020).

The effect of disclosure in influencer marketing are inevitably not harmful for companies or influencers. Based on a study done by Ewers (2017) we can conclude that whether a sponsored post will be effective or not seems to be dependent on its setup and the composition of, the type of influencers, sponsorship disclosure and product placement (Ewers, 2017). The most important factor seems to be the influencer itself.

This is further supported by another study conducted by Lee & Kim (2020) In this study, the findings indicated that there was no significant interaction between sponsorship disclosure, influencer/brand/message credibility, attitude towards the advertisement and purchase intention. People did not show a more negative attitude towards the advertising and did not believe the message to be credible when the influencer posted a promotional message with explicit sponsorship disclosure.

Influencer Marketing As A Communication Strategy For Millennials

The use of these social media influencers is especially effective for reaching out to the millennial generation. This generation is known for certain traits and behaviors which might influence their purchasing decisions. A very important trait among the millennial generation is that they have a great affinity for technology. Most of them have grown up using the internet and they

are very competent at finding information regarding products and purchasing. They often use the internet as their primary source of information (Moriarty, 2004).

Secondly, brand perception is also very important for millennials. According to a study done by Hwang & Griffits (2017) in the context of a car-sharing service. Millennials were observed to be more empathetic towards the brand because they perceived the service as being more environmentally friendly and therefore more aligned with their beliefs regarding the environment. They have been known to avoid certain brands who have been perceived as violating values that are important among millennials. These values are often related to the environment and social responsibility issues. Another example of these values being important to millennials is evidence showing that consumers, especially millennials are willing to pay more for products that have a social benefit (Furlow, 2011). Considering this social awareness of this group, it is fairly clear that social media has become a component of so-called cause marketing campaigns.

One of the major challenges in using influencer marketing is choosing the best suited influencer. And while this is a relatively new form of advertisement, marketers might be overwhelmed by the extensive offerings made by influencer agencies. Many different influencers are available, offering a wide range of interests, numbers of followers and other characteristics (Swant, 2016). The challenging decision that many managers must face is choosing the best fitting and most effective influencer (Chahal, 2016). The perception which influencer has the best fit may vary depending on what goals a brand is trying to achieve. Volvo, for example paid a fashion and lifestyle influencer to feature their brand in some of her posts. And while she had displayed no previous interests in cars, Volvo most likely wanted to use her reach of one million followers on Instagram and engage them as potential new consumers while also putting their brand image under new light. (Curalate, 2016).

It is generally assumed that influencers are more credible and authentic than regular endorsers (Djafarova & Rushworth, 2017) and some advertisers think that a mismatch between a brand and a social media influencer might not be overly detrimental.

However, in Volvo's case, there was a mismatch between the brand and the influencer and Volvo's campaign was heavily criticized. This mismatch had negative effects for the brand and the influencer and the influencer had explicitly apologized to her followers who seemed to be quite upset (Curalate, 2016) and Volvo was called out for its poor strategy (Salzman, 2016). This is an extreme example that has been referred to as an "unsuccessful influencer case study" (Kurdej, 2017). It is important to know if a slight mismatch could have the same negative consequences or whether a social media influencers' high credibility could compensate for this type of mismatch (Chung and Cho, 2017).

Summary of Findings

Now that we have explored the dimensions of (social media) marketing and the use of influencers. We have to establish a framework that helps us answer our research question. Based on the information I have collected in the sections above, I will first construct a table of the most important findings of every chapter and report the relevant findings for this study.

Table 1: Summary of findings

Chapter	Findings	Source
Marketing	While the traditional marketing mix is relevant for physical marketing, a different marketing mix should be used in an online environment. The 4S Web-marketing mix model is more relevant for influencer marketing. With the critical factors being: Scope, Site, Synergy and System.	(E. Constantinides, 2002)
Word of Mouth	WoM occurs naturally between consumers	(Bass, 1969)
	Influencer marketing is more effective than standard celebrity endorsement in terms of creating word of mouth as it allows for a two-way conversation between the influencer and the consumer allowing the influencer to have more opportunity to promote the brand through personal recommendation.	(Glucksman, 2017)
E-Marketing Practices	This type of marketing establishes an electronic dialogue that can provide individual customers with access to information and in turn, allows customers to provide information to the business	(Roderick & Brody, 2007)
	The biggest advantage of e-marketing is that the internet can be used to provide information at every stage of the sale of a product or service. "It covers all processes from business management to new customer search and service delivery to existing customers"	(Dominici, 2009).
	By collecting data and analyzing your findings, you can optimize your e-marketing practices by correctly allocating your resources, making design changes for your website or optimize keywords used by SEO or Google AdWords.	
		(Labanauskaitė, Fiore & Stašys, 2020).

Chapter	Findings	Source
Social Media	Social media has changed the way how people receive and consume information and news. The majority of adults in the United States rely heavily on social media for their news and that number keeps growing.	(Gottfried & Shearer, 2016)
	Due to social media, individuals encounter thousands of commercials on a daily basis.	(Ganguly, 2015)
	Social media has become a habit among the millennial and younger generations	(Gottfried & Shearer, 2016).
Social Media Marketing	The role of social media from a marketing perspective can be summarized in a 4C-model: - Customer Experience, Conversation, Content and Collaboration	(Van Belleghem 2012)
Influencer Marketing	A Twitter study suggested that consumers may hold social media influencers to a similar level of trust as if they were recommended a product by their friends	(Swant, 2016)
	It seems that Instagram currently is the most effective platform for brands to share their content. The reason for this is that Instagram is based on visual storytelling, meaning that content is in the form of photo or video	(Quintly, 2017)
	91% of consumers seem to be preferring visual content	(Demand Gen, 2015)
Influencer marketing as a communication strategy for millennials	Millennials use the internet as their primary source of information	(Moriarty, 2004)
	Brand perception is important for the millennial generation	(Hwang & Griffits, 2017)
	It is generally assumed that influencers are more credible and authentic than regular endorsers	(Djafarova & Rushworth, 2017)
Regulations & Disclosure in Influencer Marketing	Disclosure in influencer marketing has no harmful effect on companies or influencers. Whether a sponsored message is effective depends on the message itself and the influencer.	(Ewers, 2017)
	There is no significant interaction between disclosure of sponsorship and the attitude towards the brand. There is no evidence that disclosure affects the brand perception negatively.	(Lee & Kim, 2020)

Conceptual Model & Hypothesis

Based on the literature above, I have constructed the following conceptual model. I will (again) explain the elements within this model.

Figure 5: Conceptual model
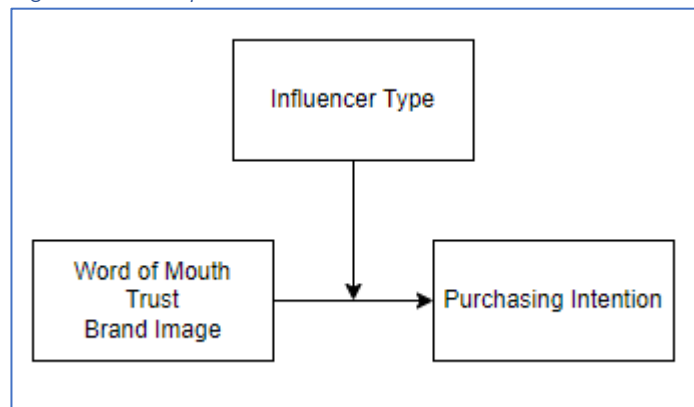
Now that I have identified the elements of the conceptual model, I present the following hypotheses:

H1: The relationship between trust and purchase intentions is positive, and it is stronger when the influencer is used, compared to a celebrity endorser

It is generally assumed that influencers are more credible and authentic than regular endorsers (Djafarova & Rushworth, 2017)

H2: The relationship between word of mouth and purchase intentions is positive, and it is stronger when the influencer is used, compared to a celebrity endorser.

Influencer marketing allows for a two-way conversation between the influencer and the consumer allowing the influencer to have more opportunity to promote the brand through personal recommendation. This is more prevalent than through traditional marketing methods. (Glucksman, 2017)

H3: The relationship between brand image and purchase intentions is positive, and it is stronger when the influencer is used, compared to a celebrity endorser.

Hwang & Griffits (2017) argue that brand image is very important for millennials. They have been known to avoid certain brands who have been perceived as violating values that are important among millennials. These values are often related to the environment and social responsibility issues. Another example of these values being important to millennials is evidence showing that consumers, especially millennials are willing to pay more for products that have a social benefit (Furlow, 2011). Considering this social awareness of this group, it is fairly clear that social media has become a component of so-called cause marketing campaigns.

Explanation Of Elements Within The Conceptual Model

Below I will provide an explanation of each individual element within the conceptual model mentioned above.

Trust

Trust is the degree of confidence that people have in the communicators intent to communicate the claims most valid (Hovland &Weiss, 1951). It is defined as a belief or expectation that about the other party or a willingness to depend on another party, coupled with a sense of vulnerability or risk if the trust is violated (Krisch & Grabner-Kräuter, 2017). Trust is regarded as having an effect on attitude change (Ohanian, 1990).

Osman & Sentosa (2013) Define trust as a willingness to rely on the ability to deliver on what is promised and to meet or exceed expectations that have been built. A trusted influencer will have a strong advantage over other alternatives that haven't gained the same level of trust. According to Lau & Lee (1999) if one party has trust in another, it will produce positive behavioral intentions towards the other party. A study done by Loureiro and Gonzalez (2008) has shown empirical evidence that consumers trust has a strong influence on their loyalty towards a certain company, brand or service. Lau & Lee further suggest that trust influences credibility and that this in turn will lead a decrease in the risk perception linked to opportunistic behavior. They further specify that trust minimizes a customer's uncertainty feelings where they feel risk as they can rely on the source of information (Chaudhuri & Holbrook, 2001).

This perceived credibility outlines whether a person recognizes a claim as true, honest and biased (Hass, 1981). Trust relies on how a person behaves to accomplish an uncertain objective. In this context, trust is defined as the degree to which customers trust influencers in both what they say and what they do. Creating a level of trust with customers is crucial for a successful marketing in a online environment (Jabr & Zheng, 2017). Literature has shown that there is a positive relationship between trust and (purchasing) attitude (Macintosh and Lock shin, 1997)

Credibility or trust is a key factor in communication. Non-corporate or third-party sources such as influencers are regarded as more sincere and reduce skepticism and nurture a more positive attitude towards the message being communicated. Therefore utilizing these types of sources may be more efficient in communication.

In the case of this model, I identify the following variables related to trust: The degree of confidence that consumers have in the communicators intent to communicate valid claims, a willingness (of the consumer) to rely on the ability of the communicator to meet their promises and expectations, the degree that consumers view their source of information as credible, a decreased or lack of perception that the source of information will engage in opportunistic behavior, the degree that the source of information is regarded as sincere and the ability of the communicator to reduce skepticism and create a positive attitude.

According to Hong & Hoon (2013) trust is an important predictor of purchase intention. As a higher level of trust reduces the perceived risk of an (online) transaction. The study suggests that the purchase intention can be mediated through consumer trust.

Brand Identity/Image

Brand image or identity is a very important facet of marketing. Many consumers, especially millennial and Generation Z consumers, will often base their buying decision (partly) on what the brand stands for. A Harvard Business study found that 64% of consumers say that shared values is the primary reason they have a relationship with the brand (Freeman et al., 2012). This was found out to be the largest driver as only 13% states that frequent interactions were the primary reason for the relationship. Meaning that while interacting with your customers is important, the quality is a far bigger driver than the quantity.

The attitude that consumers have towards a brand is what people know and learn combined with the feelings that they associate with a brand (Percy & Elliott, 2012). In order to have a positive outcome on purchasing intention, it is vital that consumers have a positive attitude towards the

brand. A brand attitude can also be defined as the overall evaluation of a brand with respect to its perceived ability to meet a current relevant motivation (Rossiter & Percy, 1992). It can be seen as relatively stable phenomenon, compared to brand feelings which is more transitional (Vasse, 2016). With brand attitude being as stable as it is, it can be quite easily used to predict consumers' behavior towards a service or product. Vasse further argues that brand attitude is a good indicator of the extend of (un)likeability a brand has and whether or not consumers view the brand in a positive or negative manner (De Pelsmacker, Geuens and Van den Bergh, 2007).

While these attitudes are quite stable, they can change over time. De Pelsmacker et al.(2007) state that one of the most important marketing communications activities is building or reinforcing a positive brand attitude. According to Percy and Rossiter (1992) there are four dimensions of brand attitude. The first one being the fact that attitude is dependent upon the motivation that is relevant at that moment and that the perception of the brand changes with the motivation of the buyer. The second dimension is that brand attitude consists of both an affective and cognitive component. The affective component changes the behavior while the cognitive component guides it. The third dimension is made up of a set of beliefs regarding the benefits that the brand offers which shape the attitude towards the brand. The last dimension is that brand attitude is a relative construct. Consumers will look for a brand that meets their underlying motivations better than other alternative brands in almost every product category.

Wang & Tsai (2014) have found that there is a significant relationship between brand image and purchase intention. It shows that there are significant positive and direct effects among brand image, perceived quality, value and purchase intention. According to them brand image indeed increases purchase intention as a good brand image increases the perceived quality. Purchase intention is mainly affected by perceived quality, not by perceived risk.

Word of Mouth

Word of mouth marketing is strengthened by the use of social media and internet. It is no longer necessary to hold a celebrity status to reach a large amount of people. According to a 2013 Nielsen Global survey, WOM is the most trusted source of consumer information and it is the source of information that is most likely to be acted upon. According to Weiss (2014) WOM marketing is more effective and better targeted than traditional marketing.

Weiss lists the following ways that WOM can strengthen a brand: The first one being compliments, testimonials and endorsements. Compliments and endorsements that reward influencers for their care and concern can turn into endorsements. In our survey, I will therefore be asking respondents how likely it is that they will leave a positive message or compliment under the post of an influencer using a Likert scale ranging from 1 to 7 with 1 it being not very likely that the respondent will leave a (positive) message or compliment under the post and with 7 it being very likely.

Secondly, WOM can lead to the formation of communities in which individuals with similar interests are connected. Either through on-site communication, calls, chat rooms and other activities. This will be reflected in the survey by asking respondents how likely it is that they will participate in any form of discussion with individuals with a similar interest based on a post of an influencer or traditional celebrity endorsement, again using the Likert scale. I will also ask them how likely it is that they will attempt to engage in conversation with the influencer itself.

Thirdly, while the internet and social media can provide a tool to reach a wide audience and allows posts to go viral and gain awareness at high speed, in-person communication is more likely to influence decision-making. Weiss (2014) argues that 75% of conversations about brands occur in person, 15% over the phone and a mere 10% of conversations regarding brands happens online. Therefore I will add the question: "How likely is it that you will talk in-person about this brand with someone else?" as well as "How likely is it that you will recommend this endorsed product to a friend or family member?"

In an online WOM context, consumers are especially interested in writing and reading pleasant and unpleasant experiences regarding products (reviews). Jalilvand & Samiei (2012) found in their research that (online) WOM might play an important role within online marketing. They found that WOM has a considerable effect on brand image and purchase intention. They also found that (electronic) WOM has a strong direct effect on purchase intention. This point has also been established by previous studies such as one by Chevalier & Mayzlin (2006). In short: (online) WOM communication can cause purchasing intention.

Purchase Intention

An intention can be seen as a conscious choice to conduct oneself in a specific manner in the future (Ramayah, Lee and Mohamad, 2010). It represents motivational factors which can influence behavior (Vasse, 2016). Howard and Seth (1969) state that consumer behavior towards a brand consists of purchase intentions. This means that purchase intention can be defined as the likelihood that a consumer will buy a certain product or service (Dodds, Monroe & Grewal, 1991). Vasse further states that purchase intentions in word-of-mouth communication can be defined as "the recipients degree of motivation and willingness to eventually purchase the brand discussed in the word-of-mouth episode. It is a good predictor for consumer's actual buying behavior and it is vital that these behavior is understood by organizations in order to have an effective marketing strategy (Bai, Law & Wen, 2008). Day (1969) states that it is more effective to use intentional measures than behavioral ones to understand the mind of consumers. Howard and Seth (1969) add that buying behavior is system and not random. A buyers decision to choose for a certain brand has multiple dimensions: A set of motives, alternative courses of action and mediators of the decision (March & Simon, 1958). Motives show the underlying needs of the consumers and they are specific to a certain product class. The alternatives are the other brands that have the possibility to satisfy the consumer's motives and decision mediators are rules that the buyer uses and by which motives and alternatives are matched. These mediators are developed in a process in which the consumer is learning about the purchasing

situation and is influences by the experience of purchase and consumption of the brand together

with the information that they get from their environment (Howard & Seth, 1969).

Methodology

In the following section I will be describing the methodology used to test the hypothesis and ultimately answer the main research question. I will elaborate on the type of research design, the brand I have chosen to use for my survey, the variables I will be measuring, the way I collect data and finally how I will be analyzing the data.

Research Design

For this thesis I will be investigating whether or not the use of influencer marketing has a more positive effect on the purchasing intentions of millennials than standard celebrity endorsement campaigns. In order to test the hypothesis, I will be conducting a quantitative study. This quantitative study will take the form of a survey.

An advantage of choosing a survey is that it is very cheap to conduct, distribution costs are zero as well. By using Google Forms I was able to cover a broad geographic area with ease while the participants were able to participate in the survey at their own leisure, not being bound to a certain time or location. A survey also can guarantee anonymity for respondents depending on the manner of data collection and it avoids any bias an interview could have as there is no contact between the investigator and the respondents. In this case, respondent anonymity can be guaranteed by using google forms and providing respondents with a link that allows them to join the survey at their own leisure.

Downsides of using a survey are that the answers generated are not verifiable. The responses could potentially be incomplete and not all questions could have been answered fully (Krishnaswamy & Satyaprasad, 2010). Considering all advantages and disadvantages above, I have chosen to use a survey as my data collection method. One of the main reasons for choosing a survey is that with the recent covid restrictions, using an online data collection method that is both convenient as well as safe for participants and researcher seemed as the best choice.

The survey itself was shared primarily through social media and to increase the chance that participants would finish the survey, I kept the survey as short as possible. Completing the survey would take on average no more than five minutes.

Survey

In the first I will be looking at finding a baseline measurement which is the attitude of respondents towards traditional advertisements and celebrity endorsement marketing. I will do this by showing them a selection of advertisements and celebrity endorsements of a selected brand and measuring their reactions. I will be asking questions to respondents about their purchasing intentions, perceived trustworthiness, as well as their brand attitude and loyalty towards that brand based on the selected advertisements and celebrity endorsements. For the celebrity survey, I have selected Messi as he's a very well known figure and should be easily identifiable as a traditional celebrity.

In the second part of the survey, I will be showing the respondents a selection of influencer (blog)posts of the same brand as the first section of the survey and measure if there is any significant change in attitude towards the brand. I will again be asking the respondents questions about purchasing intentions, perceived trustworthiness, brand attitude and brand loyalty but this time it is based on the selected influencer post. For the influencer survey, I have selected Linus, a tech influencer mostly known from Youtube. I have picked this individual as the mock social media post used in the survey is something related to the tech-industry, a field in which Linus is known to be very knowledgeable in

Sample Characteristics And Size

The sample will be characterized through gender and age and whether or not respondents have an Instagram account. Overall, the sample size for the survey with the influencer had 57 respondents and the survey with the celebrity had 67 respondents. The age was categorized in five separate categories: below 18, 18-24, 25-34, 35 to 44 and 45 and older. Respondents who were

below 18 or over 45 were excluded from analysis. The Gender categories were male, female and other.

Measurement Of Variables

In order to measure the reactions of the respondents towards the selected brand, I will be using scale questions in the survey. This type of question is often used when by researchers in order to measure the attitude, perceptions or beliefs of participants (Saunders, Lewis and Thornhill, 2012). The scale questions can vary from a five point Likert scale in which a score of 1 = strongly disagree while a score of 5 = strongly agree to a seven point Likert scale in which the answers can range from 1 = strongly disagree/very unlikely to 7 = strongly agree/very likely.

Dependent Variables

The dependent variable that we want to analyze is the purchasing intention.

Table 2: Variables

Types of Variable	Variable
Dependent	Purchasing intention
Independent	Trust
Independent	Brand Image
Independent	Word of Mouth
Moderator	Influencer type

Table 3: Measure and item specification

Construct	Items	Source
Trust	− I have confidence that this person intends communicate only valid claims − I am willing to rely on this person to meet expectations − I am willing to rely on this person to meet his/her promises − I view this person as a credible source of information − I am willing to believe that this person will not engage in opportunistic behavior − I believe that this person is sincere − I believe that this person can reduce any skepticism I might have towards this brand/organization	Hovland &Weiss, (1951) Krisch & Grabner-Kräuter, (2017) Osman & Sentosa (2013) Hass, (1981) Jabr & Zheng, (2017) Hong & Hoon (2013)
Word of mouth	− I am willing to leave a positive comment under the endorsement of this person − I am willing to leave a compliment under the endorsement of this person − It am willing to engage in a conversation with this person based on this endorsement − Based on this endorsement, it is likely that I will engage in conversation with another individual in my environment − Based on this endorsement, it is likely that I will recommend this to someone else in my environment.	Weiss (2014) Jalilvand & Samiei (2012) Chevalier & Mayzlin (2006)

Construct	Items	Source
Brand **Identity/** **Image**	− I feel that I share the same values with this person − Based on the endorsements of this person, I feel that I have a more positive view of this brand/organization − This person makes the brand more likeable − Based on the endorsements of this person, I feel that I no longer need to consider alternative brands	Freeman et al., (2012) Percy & Elliott, (2012) De Pelsmacker, Geuens and Van den Bergh, (2007)
Purchasing **Intention**	− I would purchase products from this brand − I would consider purchasing from this brand in the future − I would rather purchase from this brand than any other brand	Dodds, Monroe & Grewal, (1991) March & Simon, (1958)

Data Collection

A non-probability data sampling strategy will be used. Self-selection and snowball sampling techniques will be used to create the data set needed for this research. By means of social media, email and people from my personal network will be invited to participate. Participants entries will be deemed useful if the participants fall both in the millennial age category as well as having an Instagram or any other relevant social media account. I will also be asking the people from my social network to spread this survey among their own personal networks so that I can build up a larger sample group. The advantage of using an online survey tool is the fact that data can be collected fast and efficiently (Birnkrant & Callahan, 2002).

Data Analysis

In order to analyze the data that has been collected throughout the survey, I will be using IBM SPSS. First of all, I will clean the data in order to make sure that there will be no missing values and that participants were only counted have finished to complete the survey. If participants fill in an age that is not within the millennial age group or state that they do not possess the relevant social

media accounts they will be excluded from the research. Once this has been done, I will be providing descriptive statistics of the participants in order to gain more insight about the sample characteristics. In order to get usable data. . I've used a principle components analysis (PCA) as a variable-reduction technique. My goal was to reduce a larger set of variables into a smaller set of artificial variables, so called principal components, which if done correctly should account for the most of the variance in the original variables. With those artificial variables, I will be able to use a multiple regression analysis and derive my conclusion from the resulting data.

Data Results

In order to find the relationship between the independent variables: Trust, Word of Mouth, Brand Image & the dependent variable of purchasing intention I first had to consolidate the scores of the survey questions regarding the dependent and independent variables. I did this by using the dimension reduction function of SPSS, a so called principle components analysis

Once I've consolidated the scores of the survey questions of each category, I was able to run a linear regression analysis between the dependent and independent variables.

I ran a regression the analysis using influencer type as a moderating variable.

Table 4: Results

	Celebrity sample b(SE)	Influencer sample b(SE)	Sample b(SE)	Sample with moderation b(SE)
Intercept	-0.034 (0.92)	0.032(0.93)	-0.034(0.89)	-0.034
WOM	0.028(.130)	0.076(.121)	0.029(.089)	0.028
Trust	0.112(.118)	0.415(.134)**	0.226(.087)*	0.112
Brand image	0.496(.121)***	0.371(.151)	0.481(0.93)***	0.496***
Influencer			0.061 (ns)	0.065
WOM*Influencer				0.048
Trust*Influencer				.303*
BI*Influencer				0.125

Now that we have done the regression analysis we can begin drawing our conclusions and start answering our hypothesis. At first glance we can see that there both the influencer and the celebrity score rather similar. However, contrary to expectations, the celebrity sample seems to have a greater interaction between brand image and purchasing intention with a score of 0.496 compared to the 0.37 from the influencer. For trust, the influencer seems individually better than the celebrity, however, after performing the formal test the influencer seems to score worse on trust than the

celebrity with a 0.112 for the celebrity and -0.125 for the influencer. Lastly, in terms of word of mouth the influencer seems to be scoring marginally better than the influencer with a value of 0.047 versus the celebrity with 0.028. However, despite having these results. I am not able to draw any conclusion or accept any of my current hypothesis. This is due to the fact all my results are not significant (as shown in the table 1 in the appendix).

Hypothesis & Conclusion:

Now that we have found out which of the two scores better in all categories, we can draw a conclusion and start to answer our hypothesis

Throughout this thesis, I have argued that using an influencer as a marketing tool is a better choice than using traditional celebrity endorsements. The categories I have used to evaluate the effectiveness of the influencer were trust, word of mouth and brand image. Based on the theory I have read, I find that these are three very important KPI's when comes to marketing your product and are present in almost every marketing campaign.

I have picked influencers because according to theory they are deemed to be more trustworthy, people are more likely to spread the word and influencers usually have a better relationship with their brand and their brand image compared to celebrity endorsers.

Based on the results of the survey and the SPSS output we cannot safely conclude that marketeers are better off using influencers to promote their campaign as they have a higher tendency to increase the purchasing intention of consumers than traditional celebrity endorsers. While at first glance, the influencer seems to score better in terms of word of mouth and trust, it is surprisingly the celebrity that seems to score better in terms of brand image. It is unfortunate that all these results cannot be used due to none of them being significant.

Table 5: Hypothesis results

Hypothesis	Conclusion
H1: The relationship between trust and purchase intentions is positive, and it is stronger when the influencer is used, compared to a celebrity endorser	As we can see on the conceptual model, a higher level of trust will correlate more strongly to purchasing intention. We can see that the relationship between influencer trust and purchasing intention is greater for the influencer than for the celebrity with a value of .303 versus the influencer with .112. However, we cannot use these results as they are not significant. Therefore we cannot accept this hypothesis and have to reject it.
H2: The relationship between word of mouth and purchase intentions is positive, and it is stronger when the influencer is used, compared to a celebrity endorser	Like trust, the influencer seems to score better at first glance with a .048 versus the celebrity with a .028. However, these results are not significant either and we have to reject the hypothesis.
H3: The relationship between brand image and purchase intentions is positive, and it is stronger when the influencer is used, compared to a celebrity endorser	Lastly we have Brand Image and this result was the most surprising one. It seems that celebrities nurture a more stronger relationship between Brand Image and Purchasing intention than the influencer. However, like the previous two results who cannot accept this hypothesis because the results are not significant.

Table 5: Hypothesis results

Hypothesis	Conclusion
H1: The relationship between trust and purchase intentions is positive, and it is	As we can see on the conceptual model, a

Limitations

Unfortunately I have not been able to accept any of my hypothesis. For future research, in order to gain more usable data and hopefully more significant results there are a few changes that I should make. I believe that I made some crucial errors for this research. Firstly, I think I might have picked the wrong type of influencer to use for this research. I believe that the influencer I used was not very well known. I wanted to demonstrate a knowledgeable tech influencer that is quite big on YouTube to promote a phone in this case. I wanted to see if people who regard such a person as more trustworthy, however, I might have overlooked the fact that many of the respondents were not aware of the influencer or have ever seen this person before. Secondly, I have not tested for "influencer strength" so I have no data at all regarding how well known this person is. I also might have picked the wrong celebrity to use, I am not sure if using a sportsman to promote a phone would be the most fitting choice. After all, people generally don't gravitate towards athletes for advise on electronics.

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Appendix

Survey questions:

Basic Information:

- What is your age?

- Do you have an Instagram account?

- How often do you frequent Instagram?

- Are you familiar with the brand being promoted in this post?

- Are you familiar with this influencer/celebrity endorsing this brand/product?

Trust:

All will be measured on a scale of 1 to 7 with 1 being Strongly disagree and 7 being strongly agree

- I have confidence that this person intends communicate only valid claims

- I am willing to rely on this person to meet expectations

- I am willing to rely on this person to meet his/her promises

- I view this person as a credible source of information

- I am willing to believe that this person will not engage in opportunistic behavior

- I believe that this person is sincere

- I believe that this person can reduce any skepticism I might have towards this

    brand/organization

Word of Mouth:

All will be measured on a scale of 1 to 7 with 1 being Strongly disagree and 7 being strongly agree

- I am willing to leave a positive comment under the endorsement of this person

- I am willing to leave a compliment under the endorsement of this person

- It am willing to engage in a conversation with this person based on this endorsement

- Based on this endorsement, it is likely that I will engage in conversation with another individual in my environment

- Based on this endorsement, it is likely that I will recommend this to someone else in my environment.

Brand image

All will be measured on a scale of 1 to 7 with 1 being Strongly disagree and 7 being strongly agree

- I feel that I share the same values with this person

- Based on the endorsements of this person, I feel that I have a more positive view of this brand/organization

- This person makes the brand more likeable

- Based on the endorsements of this person, I feel that I no longer need to consider alternative brands
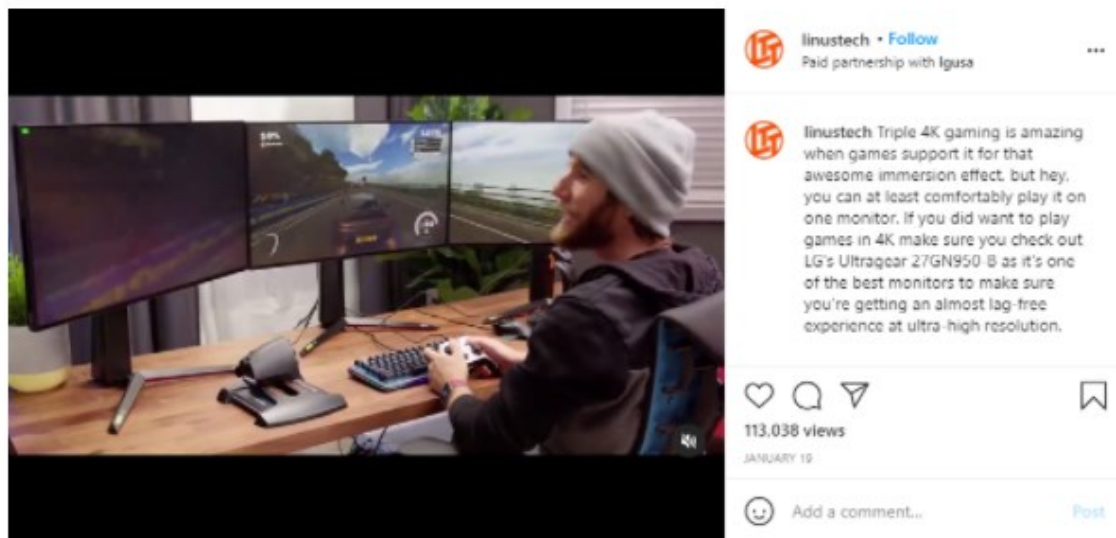
Purchasing intention

All will be measured on a scale of 1 to 7 with 1 being Strongly disagree and 7 being strongly agree

- I would purchase products from this brand

- I would consider purchasing from this brand in the future

  I would rather purchase from this brand than any other brand

Survey

Influencer marketing: Please observe the following Instagram post by famous Tech-influencer Linus from Linus Tech Tips. As with the previous example, please observe this post and answer the following questions based on the impressions you got from the post.

linustech · Follow
Paid partnership with Igusa

linustech Triple 4K gaming is amazing when games support it for that awesome immersion effect, but hey, you can at least comfortably play it on one monitor. If you did want to play games in 4K make sure you check out LG's Ultragear 27GN950-B as it's one of the best monitors to make sure you're getting an almost lag-free experience at ultra-high resolution.

113,038 views

JANUARY 19

Add a comment...   Post

Celebrity Endorsement: Please observe the following Instagram post of world famous football celebrity Messi promoting the Huawei P9 Lite. After having watched this post answer the following questions based on the impressions you have gotten from this post.

Leomessi • Follow

HUAWEI P9 lite

HUAWEI

Liked by **john** and **31,560 others**

Leomessi I love my new Huawei P9 Lite. I take it with me everywhere! One of the best phones I have had! #huawei #P9 ... more

View all 2053 comments

5 MINS

Trust

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I have confidence that this person only intends to communicate valid claims	○	○	○	○	○
I am willing to rely on this person to meet expectations	○	○	○	○	○
I am convinced that this person meets his/her promises	○	○	○	○	○
I view this person as a credible source of information	○	○	○	○	○
I believe that this person is sincere	○	○	○	○	○
I believe that this person will not engage in any opportunistic behavior	○	○	○	○	○

Word of Mouth

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I am willing to leave a positive comment under the endorsement of this person	○	○	○	○	○
I am willing to leave a compliment based on the endorsement of this person	○	○	○	○	○
I am willing to engage in a conversation with this person based on his endorsement	○	○	○	○	○
Based on this endorsement, it is likely that I will engage in conversation with another individual in my environment	○	○	○	○	○
It is likely that I will recommend this product to someone else in my environment, based on this advertisement	○	○	○	○	○

Brand Image

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I feel that I share the same values as this person	○	○	○	○	○
Based on the endorsements of this person, I feel that I have a more positive view of t his brand	○	○	○	○	○
This person makes the brand more likeable	○	○	○	○	○
Based on this endorsement, I feel that I no longer have to consider alternative brands	○	○	○	○	○

Table 1

Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.034	.088		-.381	.704
	WOM Consolidated score	.028	.124	.028	.225	.823
	Trust consolidated score	.112	.114	.115	.985	.327
	Brand Image Consolidated Score	.496	.116	.510	4.273	.000
	Survey: Linus	.065	.132	.034	.494	.622
	WOM_Influencer	.048	.179	.034	.271	.787
	BI_Influencer	-.125	.198	-.087	-.631	.529
	Trust_Influencer	.303	.182	.209	1.668	.098

a. Dependent Variable: Purchasing Intention consolidated score

Trust & Purchasing intention

For the Messi survey the results of the relationship between trust and purchasing intention

was as following:

Messi:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,411[a]	,169	,156	,85108355

a. Predictors: (Constant), REGR factor score 1 for analysis 1

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9,444	1	9,444	13,038	,001[b]
	Residual	46,358	64	,724		
	Total	55,802	65			

a. Dependent Variable: REGR factor score 1 for analysis 1
b. Predictors: (Constant), REGR factor score 1 for analysis 1
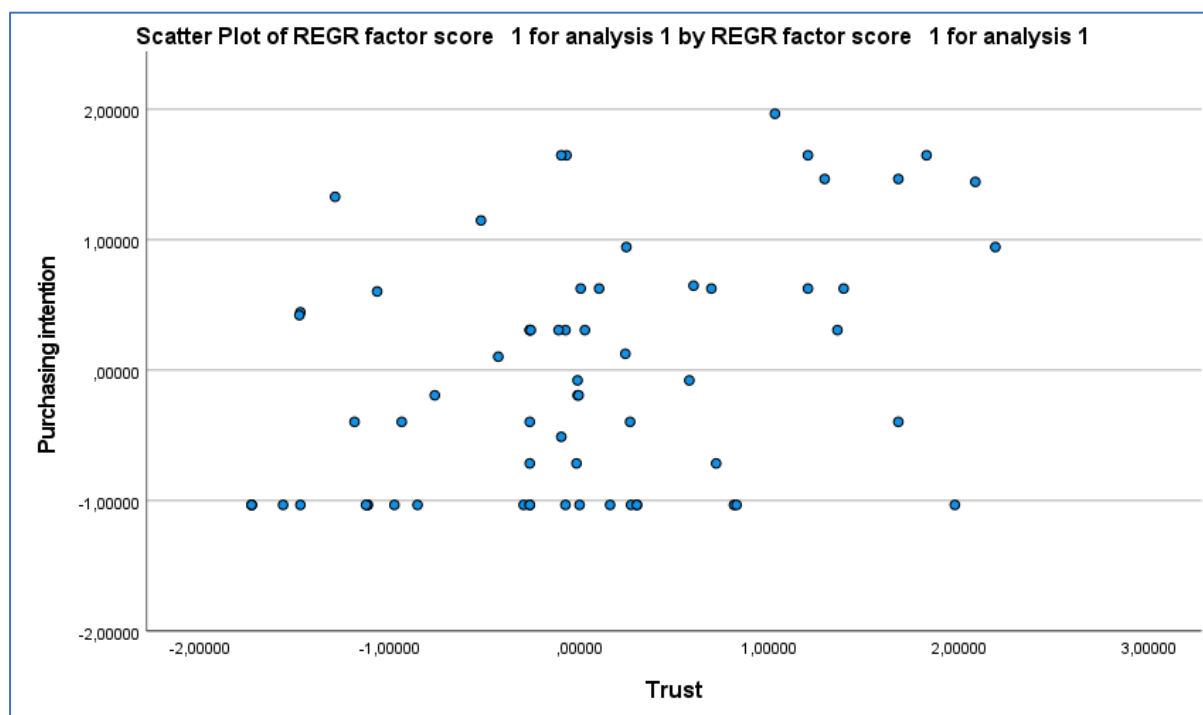
Based on this scatterplot we can see that there is no lineair relationship. We can also conclude from the model summary only 16% of the variance is explained by the model. However, studies regarding human behavior often have a lower r-squared. Some fields of study have an inherently greater amount of unexplainable variation. Studies that try to explain human behavior generally have lower r squared values due to the fact that human beings are harder to predict than things such as physical processes.

For the Linus survey , the relationship between Trust & Purchasing intention is as following

Linus:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,674[a]	,454	,444	,75073800

a. Predictors: (Constant), Trust consolidated score

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25,315	1	25,315	44,916	,000[b]
	Residual	30,435	54	,564		
	Total	55,750	55			

a. Dependent Variable: Purchasing Intention consolidated score

b. Predictors: (Constant), Trust consolidated score
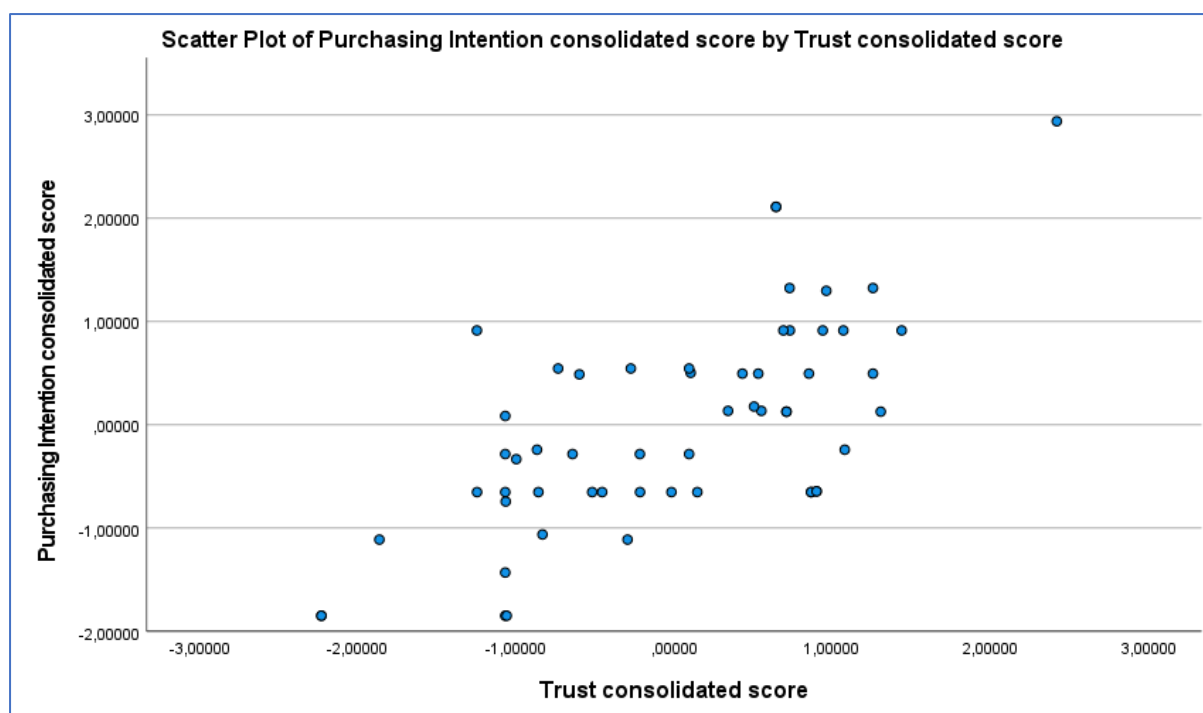
For Linus, we can see a higher R value with .674 compared to the .411 of Messi the R Squared value also is much higher with 45.4% of variance being explained by the model. The scatterplot also appears to be more linear than the scatterplot produced with the results from the Messi survey.

Looking at both the results from the Messi & Linus Survey I have to conclude that the relationship between Trust & Purchasing intention is stronger with the influencer than the celebrity advertisement.

Word of Mouth & Purchasing Intention

For word of mouth, these are the results of the Messi Survey:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,475ᵃ	,225	,213	,88698164

a. Predictors: (Constant), REGR factor score   1 for analysis 1

ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14,862	1	14,862	18,891	,000ᵇ
	Residual	51,138	65	,787		
	Total	66,000	66			

a. Dependent Variable: REGR factor score   1 for analysis 1

b. Predictors: (Constant), REGR factor score   1 for analysis 1

Scatter Plot of REGR factor score   1 for analysis 1, of REGR factor score   1 for analysis 1 REGR factor score 1 for analysis 1...
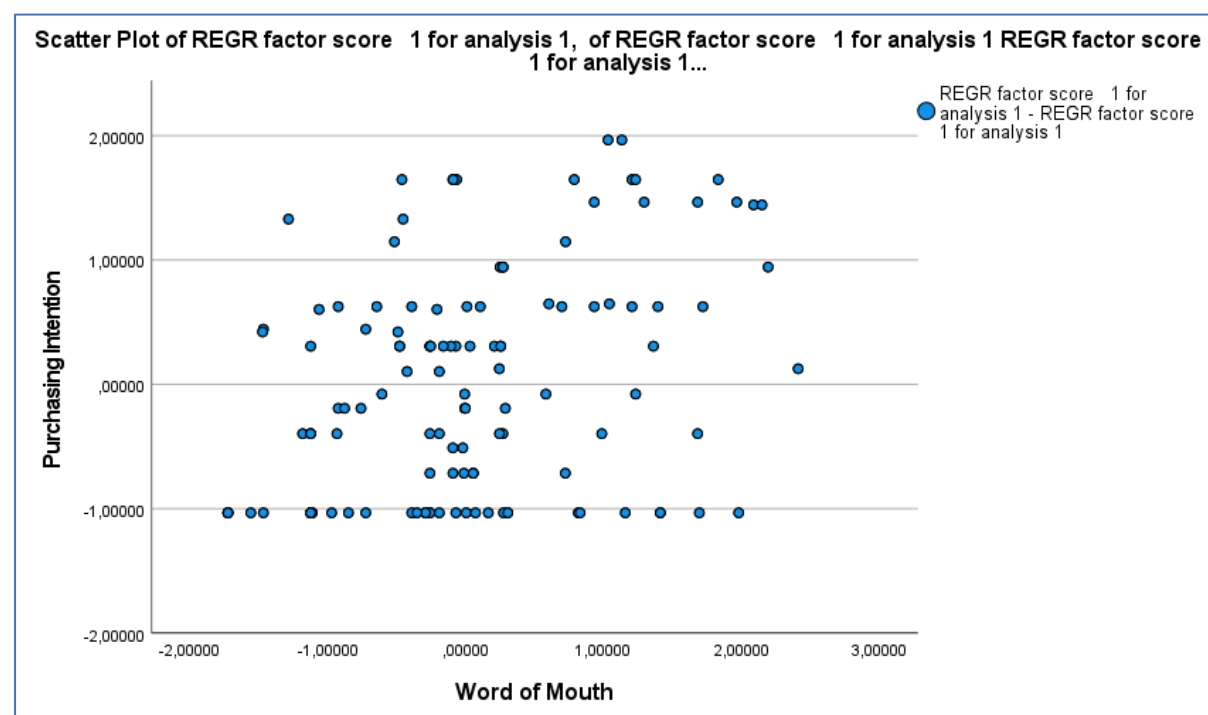
For Messi, the Word of Mouth & Purchasing Intention seems to be low to moderately correlated with an R value of .475. However, only 22.5% of variance is explained by the model, which while being a human study is still on the lower side like the previous category. The scatterplot itself also seems to bare no semblance of linearity whatsoever.

Linus

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,483ᵃ	,233	,219	,88716747

a. Predictors: (Constant), WOM Consolidated score

ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12,936	1	12,936	16,436	,000ᵇ
	Residual	42,502	54	,787		
	Total	55,438	55			

a. Dependent Variable: Purchasing Intention consolidated score

b. Predictors: (Constant), WOM Consolidated score
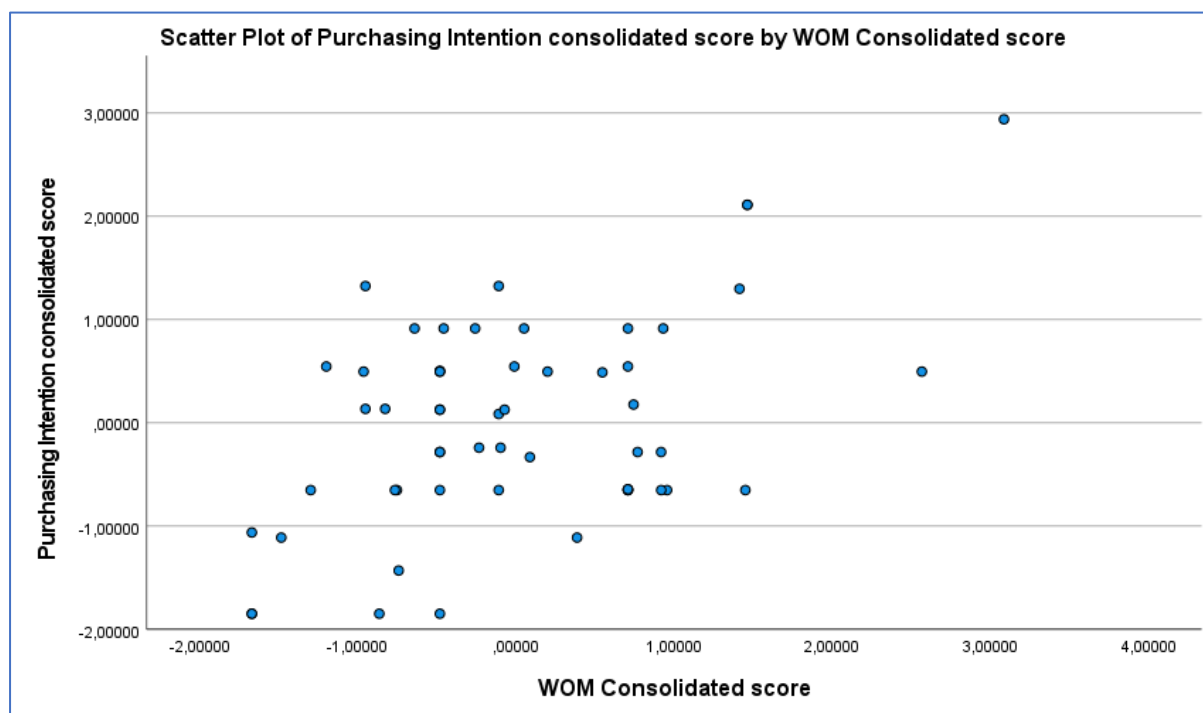
For Linus, we can see very similar low/moderate correlation with an R value of .483 which indicates a stronger correlation, but it is almost negligible. In terms of variance the Linus survey also is a bit better by having 23.3% of the variance being explained by the model itself. The scatterplot also looks to be ever so slightly more linear in appearance.

Based on these results, we can conclude that while the difference is almost negligible. Linus also scores higher in terms of correlation between word of mouth and purchasing intention

Brand Image & Purchasing intention

Messi:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,630[a]	,397	,388	,78253801

a. Predictors: (Constant), REGR factor score   1 for analysis 1

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26,196	1	26,196	42,779	,000[b]
	Residual	39,804	65	,612		
	Total	66,000	66			

a. Dependent Variable: REGR factor score   1 for analysis 1

b. Predictors: (Constant), REGR factor score   1 for analysis 1

Scatter Plot of REGR factor score   1 for analysis 1, of REGR factor score   1 for analysis 1 REGR factor score 1 for analysis 1...
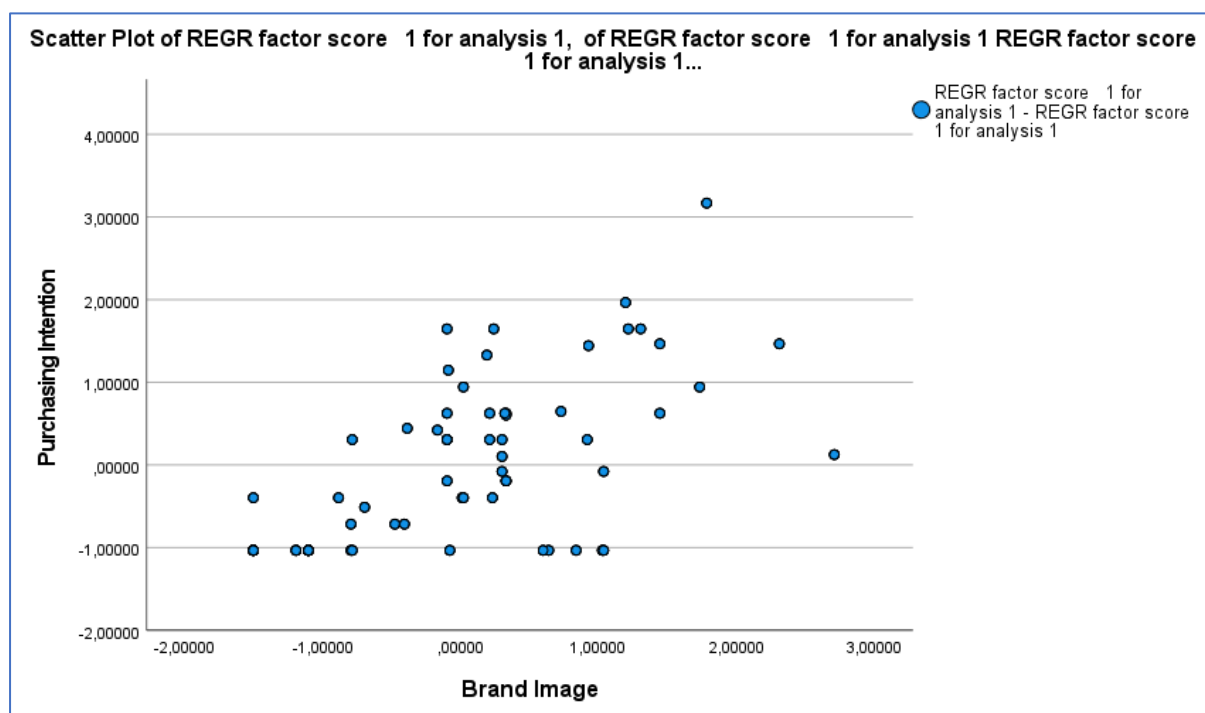
For Messi, brand image and Purchasing intention seem to be moderately correlated with an R value of .63. For this category, 39.7% of variance can be explained by the model, which is considerably higher than what we have seen in the previous categories. The scatterplot also seems to display some semblance to linearity
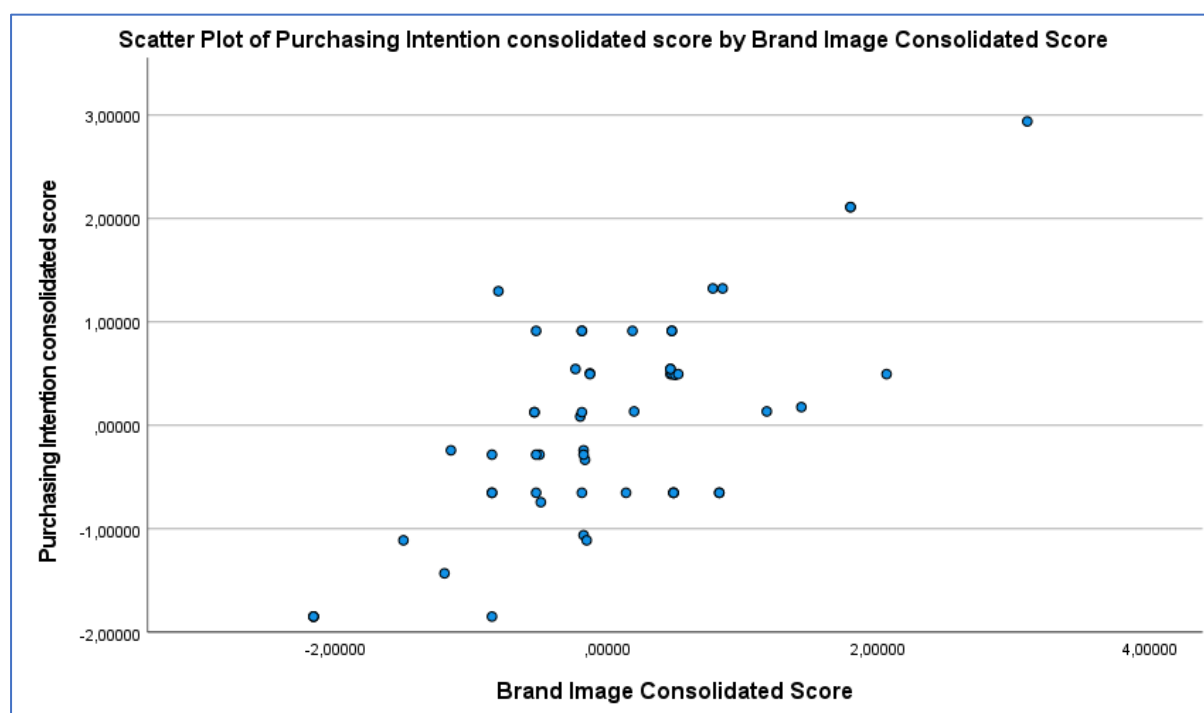
Linus:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,708ª	,501	,491	,72063437

a. Predictors: (Constant), Brand Image Consolidated Score

Coefficientsª

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,023	,097		,241	,810
	Brand Image Consolidated Score	,715	,098	,708	7,292	,000

a. Dependent Variable: Purchasing Intention consolidated score

Scatter Plot of Purchasing Intention consolidated score by Brand Image Consolidated Score

For Linus, brand image and Purchasing intention seem to be moderately strongly correlated with an R value of .708. For this category, 50.01% of variance can be explained by the model, which is considerably higher than what we have seen in this category compared to Messi. It also seems to be the highest explanation of variance we have seen in this whole study. The scatterplot also seems to display some semblance to linearity, yet not as linear as the scatterplot from the Messi Survey in this category.

Survey Demographic

For the survey with the influencer the demographic was as following:

What is your age?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 to 24	25	43,9	43,9	43,9
	25 to 34	30	52,6	52,6	96,5
	35 to 44	1	1,8	1,8	98,2
	45 or older	1	1,8	1,8	100,0
	Total	57	100,0	100,0	

What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	30	52,6	52,6	52,6
	Female	27	47,4	47,4	100,0
	Total	57	100,0	100,0	

Do you have an Instagram account?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	53	93,0	93,0	93,0
	No	4	7,0	7,0	100,0
	Total	57	100,0	100,0	

For the survey with the celebrity the demographic was as following:

What is your age?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 18	1	1,5	1,5	1,5
	18 to 24	37	55,2	55,2	56,7
	25 to 34	28	41,8	41,8	98,5
	35 to 44	1	1,5	1,5	100,0
	Total	67	100,0	100,0	

What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	39	58,2	58,2	58,2
	Female	28	41,8	41,8	100,0
	Total	67	100,0	100,0	

Do you have an Instagram account?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	58	86,6	86,6	86,6
	No	9	13,4	13,4	100,0
	Total	67	100,0	100,0	

Survey questions

Basic Information:

- What is your age?

- Do you have an Instagram account?

- How often do you frequent Instagram?

- Are you familiar with the brand being promoted in this post?

- Are you familiar with this influencer/celebrity endorsing this brand/product?

Trust:

All will be measured on a scale of 1 to 7 with 1 being Strongly disagree and 7 being strongly agree

- I have confidence that this person intends communicate only valid claims

- I am willing to rely on this person to meet expectations

- I am willing to rely on this person to meet his/her promises

- I view this person as a credible source of information

- I am willing to believe that this person will not engage in opportunistic behavior

- I believe that this person is sincere

- I believe that this person can reduce any skepticism I might have towards this

    brand/organization

Word of Mouth:

All will be measured on a scale of 1 to 7 with 1 being Strongly disagree and 7 being strongly agree

- I am willing to leave a positive comment under the endorsement of this person

- I am willing to leave a compliment under the endorsement of this person

- It am willing to engage in a conversation with this person based on this endorsement

- Based on this endorsement, it is likely that I will engage in conversation with another

    individual in my environment

- Based on this endorsement, it is likely that I will recommend this to someone else in my

  environment.

Brand image:

All will be measured on a scale of 1 to 7 with 1 being Strongly disagree and 7 being strongly agree

- I feel that I share the same values with this person

- Based on the endorsements of this person, I feel that I have a more positive view of this

  brand/organization

- This person makes the brand more likeable

- Based on the endorsements of this person, I feel that I no longer need to consider alternative

  brands

Purchasing intention:

All will be measured on a scale of 1 to 7 with 1 being Strongly disagree and 7 being strongly agree

- I would purchase products from this brand

- I would consider purchasing from this brand in the future

  I would rather purchase from this brand than any other brand