Online Influencer Marketing

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ABSTRACT :

Online influencer marketing (OIM) has become an integral component of brands' marketing strategies; however, marketers lack an adequate understanding of its scope, effectiveness, and potential threats. To fill this gap, this article first describes the phenomenon's background, defines OIM, and delineates its unique features to set the conceptual boundaries for the new concept. Drawing insights from practitioner and consumer interviews, and in line with social capital theory, the authors propose that OIM can be understood as leveraging influencer resources (including follower networks, personal positioning, communication content, and follower trust) to enhance a firm's marketing communication effectiveness. Six novel propositions illustrate the benefits and potential threats of OIM, which may spur progress toward a theory of OIM. Finally, this article outlines key strategies for effectively managing OIM and identifies important literature-practice gaps to suggest avenues for further research.

Keywords : Brand management, influence marketing, social media marketing, celebrity endorsement.

INTRODUCTION

At a fundamental level, influencer marketing is a type of social media marketing that uses endorsements and product mentions from influencers - individuals who have a dedicated social following and are viewed as experts within their niche. Influencer marketing works because of the high amount of trust that social influencers have built up with their following. And recommendations from them serve as a form of social proof to your brand's potential customers.

Influencer Marketing is a hybrid of old and new marketing tools. It takes the idea of celebrity endorsement and places it into a modern-day content-driven marketing campaign. The main differentiator in the case of influencer marketing is that the results of the campaign are collaborations between brands and influencers.

But influencer marketing doesn't just involve celebrities. Instead, it revolves around influencers, many of whom would never consider themselves famous in an offline setting.

REVIEW OF LITREATURE :

Influencers can directly impact the purchasing decisions of their followers and audiences since they are considered a very reliable source of information. This is because the audience can relate to them and consider them one of their own (De Veirman et al., 2017) In addition, they are seen as a regard for being a trusted tastemaker in one or several niches. As brands continue to abandon traditional advertising techniques, efforts are increasingly focused on these influencers to endorse their products among their followers and beyond (De Veirman et al., 2017). Spurred by the recent influx of influencer advertising

and the lack of empirical evidence concerning the effectiveness of disclosure characteristics in improving consumer understanding, previous researchers sought to understand how the presence and variation in disclosure language in Instagram influencer posts affect consumers' ability to recognise the content as advertising (Evans et al.2017),

According to Influicity- a tech company that develops applications and solutions to help marketers, agencies, and publishers to manage their influencer operations- influencer marketing is effective in creating awareness for a brand or a product. ?ey argued that 93% of marketers state that influencer endorsements increase their brand awareness and help them attract new customers.

Dahlen, Lange and Rosengren (Dahlen et al.: 2009) argued that no matter how limited the exposure is on social media, it usually has a strong impact on users' purchase behaviour. Bang and Lee (Bang & Lee: 2016, pp.1-14) in their study on the effectiveness of paid or sponsored posts proved that social media users generally do not trust this type of advertising.

One of the earliest studies on social media advertising and brand perception was conducted by Rahman and Rashid (Rahman and Rashid: 2018) ey posited that social media advertising has become more popular because of the array of options the internet and social media have made available to the general public. People now have options to choose from.

similar figure is reported from the US where according to the Keller Fay Group 73% of marketing-related conversations take place in person, and only 10% happen online. So, the focus of your WoM or influencer marketing strategy should be face-to-face (mouth not mouse), rather than mouse-to-mouse communication.

OBJECTIVE :

- To study why influence marketing is needed now days.

- To know how would you enhance your influencer camping.

- To know the future of influence marketing in India.

Source: Secondary Source

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WHO IS AN INFLUENCER?

The power to affect the purchasing decisions of others because of his or her authority, knowledge, position, or relationship with his or her audience

A following in a distinct niche, with whom he or she actively engages. The size of the following depends on the size of his/her topic of the niche.

Types of influencers : Range and reach

Mega or celebrity influencers :

These influencers have a massive following of over 1 million, and often include famous actors, musicians, athletes, and other public figures. Their celebrity status allows them to captivate a diverse audience, making them ideal for large-scale brand awareness campaigns. E.g., Christian Ronaldo.

Here are some businesses that might benefit from working with mega influencers:

- Large enterprise corporations that have the budget and resources

- Brands targeting a broad audience with varying characteristics

- Luxury or high-end brands that want to create a sense of exclusivity

Macro-influencers :

With a following that typically ranges from 100,000 to 1 million, macro-influencers are established personalities within their respective niches. These influencers have earned their reputation through consistent content creation and engagement over time, and are now thought leaders in their niche.

Here are some examples of brands that might work with macro-influencers:

- Startups seeking rapid exposure, growth, and credibility (e.g., canva)

- Non-profit organizations looking to raise funds and awareness

- Hotels and airlines targeting a specific but large audience

Micro-influencers :

With 10,000 to 100,000 highly engaged followers, micro-influencers are the rising stars of influencer marketing. These influencers typically have a strong presence on specific platforms, like Instagram, YouTube and TikTok. Marketers love working with micro-influencers as they captivate a niche, passionate audience with their creative content, relatable recommendations, and genuine interactions.

They are also more affordable than larger influencers. But that does not mean they're ineffective. Studies show micro-influencers have a engagement rate than macro influencers, and can drive 20% more conversions for your brand.

Nano-influencers

Nano-influencers have fewer than 10,000 followers. But these influencers often have strong connections with their audience, thanks to their personable content and authentic engagement.

While they offer the smallest reach, nano influencers can be excellent partners for businesses looking to target specific communities and demographics without breaking the bank. No wonder more brands are interested in partnering with nano influencers in 2023:

Why use influencer marketing?

Considering 56% of young Americans have purchased a product after seeing a post from someone they follow, influencer marketing can be an incredibly powerful marketing tool for your brand.

According to Influencer Marketing Hub, the industry reached $16.4 billion in 2022. This figure is expected to grow to $21.1 billion in 2023.

The report also explores how marketers are feeling about influencer collaborations for the new year.

Of those surveyed, 83% said influencer marketing was an effective form of marketing. The report also noted that 67% of marketers plan on increasing their budgets for 2023.

And now that you know where we're at in the industry, let's examine some key issues marketers often face when navigating the world of influencer marketing.

WHY INFLUENCE MARKETING IS NEEDED NOWDAYS?

Builds Consumer Trust and Enhances Credibility

The power of influencers lies in the trust of their followers. The trust they build enables them to develop loyal fan followers. Influencer marketing allows brands to break into that circle of trust in a way that feels organic and welcomed because it is relevant, reliable, and relatable.

Target Audiences Accurately

Every brand's key goal is to drive thousands of visitors to the website every day. But if these visitors are not highly targeted, they will possibly not be interested in the products offered by the brands.

Additionally, increasing the number of likes and comments on a brand's social media posts is a real struggle. Even though a brand has millions of followers and lacks good management levels, it won't yield any good results. This is where influencer marketing can come into action

Boosts Search Engine Rankings

Integrating influencer marketing into the company's overall advertising strategy can boost the other form of digital marketing the company uses. Beyond meeting immediate marketing goals, an influencer marketing strategy has the potential to improve the website's search engine rankings and expands the reach even further. It also increases brand awareness by driving more traffic to the website. The influencers promote content about the products or services offered by the company, they will also link it to the company's website from their social channels.

Renovates Content Strategy

Influencers create engaging content for their followers regularly. They have a clear understanding of the likes and choices. Collaborating with them helps to redefine the company's content strategy giving it a new perspective.

Is influencer marketing right for your business?

Companies in the B2B and B2C spheres can benefit from influencer marketing. As long as you execute this marketing tactic effectively, you can grow your audience.

However, note that this type of marketing is not common for B2B companies to implement. Therefore, if you are in the B2B industry, you need to think carefully about how to partner with an influencer who can adequately expand your brand awareness and target the right market.

On the other hand, if you are in the B2C industry, it can be a powerful marketing tactic that can increase your revenue.

Enhance your influencer marketing campaign

Influencer marketing is a popular tactic for several reasons. Not only can it increase brand exposure quickly, but it is also a cost-effective way to get your business in front of consumers who are likely to be interested in your product. However, you must identify influencers who are a good fit for the campaign to succeed. Otherwise, you may hurt your company's reputation.

Once you have found the best influencer for your campaign, use our social media marketing tools to take your efforts to the next level. Plan posts ahead of time with our organic social posting platform or run ads on Facebook and Instagram to maximize your reach. No matter your industry, we can help you connect with your target audience.

FUTURE OF INFLUENCE MARKETING IN INDIA

Influencer Marketing (IM) continues to grow at a rapid pace, reaching a value of $16bn globally in 2022. The phenomenal growth is being driven by advertisers recognising the power of working with trusted creators to reach their target audiences. According to the INCA-e4m Influencer Marketing Report 2022, the Influencer Marketing Industry is currently valued at Rs 1,275 crore, and will grow at a CAGR of 25% in the next 5 years, with a billion-dollar market in India alone.

The report states that nano, micro and macro-influencers are key to building and sustaining a brand and are considered more credible than celebrities by consumers, while digital trust and authenticity are key variables in ensuring Influencer Credibility in the eyes of the consumers.

The report further states that in India, it is estimated that over two-thirds of the digitally active population follow an influencer with a large number of this digitally active population relying heavily on nano, micro and macro influencers to help make choices that best resonate with them.

The report further added that the top 4 categories of Food and Beverage (20%), Personal Care (25%), Mobile and Electronics (10%), Fashion & Jewellery (15%) contribute 70% volume of influencer marketing. Social media continues to be the theatre in which influencers ply their trade and help brands

communicate with their customers as they benefit from directional insights provided by trusted third parties, the report says.

Diving deep into understanding the impact of influencer marketing on consumers, the report states that one in four consumers in the digital space is reached by influencers with the trend set to move upwards in the coming years. Food, Fashion and Lifestyle are the consumer sectors that respond most effectively, and Instagram, YouTube and Facebook remain the top choice for consumers to interact with and buy from brands. While consumers across all age groups rely on influencers, those in the age group of 45-55 have a higher propensity to purchase on the basis of influencer recommendations.

SUGGESTION :

Tip 1: Create authentic influencer content

Influencer marketing works because creators have an authentic connection with their audience. Authenticity is at the core of what makes people listen to recommendations delivered by creators. This is why sponsored posts should never move away from the creator's voice.

Tip 2: Create engaging content not advertisements

This goes hand in hand with the previous tip. You want authentic posts that engage your target audience. You won't get that by creating what looks exactly like an ad. The posts you are creating are not regular banner ads.

Tip 3: Include influencers in your other marketing activities

Including creators in other areas of your marketing strategy is another great way of reinforcing relationships with them. There are two major benefits of this approach. First you are automatically reaching out and connecting to your audience in a more targeted way. Second, the audience will be more invested because someone they trust is visibly attached to your brand.

CONCLUSION :

Influencer marketing has increasingly become a necessity for marketers. Influencers can help create an online buzz about the brand. It also strengthens the brand's reputation, improving audience engagement, and increases conversions.

Besides, it also increases the revenue by enhancing the brand's image and making more connections and helps the brand reach its goals.

Influencer marketing has proven to be a very successful marketing tool, especially considering how many people can be reached through this type of content and how much brand credibility increases. It would be a loss not to make use of the opportunity.

Hence, assessing the impact of social media influencers on the Indian consumer needs to be researched further. Impact of social media influencers is dynamic and a diverse and ever changing, yet the results borne out by the review of studies has highlighted the need for further research in influencer marketing and particularly in context of consumer behaviour of the Indian consumer. Research has shown that children have been vulnerable when it comes to influencer marketing. The review highlighted that social media influencer have a major impact on children's food industry and the tourism industry. The aim of

this review was to provide up-to-date perspective on how social media influencer marketing is growing and how does it impact consumer behaviour. There are lot of platforms which influencers use but most studies focused on the social media platform Instagram.

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