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SOCIAL SCIENCES, BUSINESS AND ADMINISTRATION

# INFLUENCER MARKETING – PERSONALITIES OVER BILLBOARDS

HuHu People Oy

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<p>Abstract</p> <p>The main objective of the thesis is to provide HuHu People Oy, a social media marketing company, a thorough overview of influencer marketing and aid in exploring the potential of the said form of marketing from a service design point of view. The final outcome of the thesis project is a campaign management model that not only serves as a guideline for the commissioning company but also for other companies interested in implementing influencer marketing into their marketing strategies.</p> <p>Social media is, in many ways, overshadowing traditional media outlets in terms of marketing opportunities. While the masses continue to flock to social media, these consumers are also becoming less engaged with the one-way authoritarian means of advertising where companies are the sole information source on products and services. Instead, the increasingly savvy consumer base turns to each other for mutual sharing of knowledge and experiences. This shift in power, from billboards to personal endorsers, has resulted in social media influencers becoming a formidable option for marketers attempting to reach their preferred audiences.</p> <p>The theoretical research is approached with three main factors in mind; technology, business, and people. This triad of technological aspects, commercial elements, and human behaviour forms the structure on which social media, and therefore, by extension, influencer marketing, is based on. Approaching the subject from three different, yet equally relevant perspectives allows for a greater understanding of the concept of influencer marketing. The reviewed theory is complemented by a qualitative research conducted in a form of a paired depth interview, in which the opinions of two professionals in the field of influencer marketing were observed. The data collected from the respondents represents a vital part of the thesis research, granting an insight into the Finnish markets from both an influencer and an agency standpoint.</p> <p>The results highlight the importance of long-term planning and the trend of influencer marketing becoming a part of the marketing strategy as a whole. Transparency is also seen as a key element in this type of marketing, which not only refers to transparency in terms of the influencer-consumer relationship, but the company- influencer relationship as well. Adequate information flow between the parties ensures better planning and more precise measuring.</p> <p>The campaign model presented in the thesis serves as a starting point for further development in cooperation with the case company and will be implemented in practice for the purposes of testing its potential and viability from the project management point of view. Additional research should be conducted in the foreseeable future as social media platforms begin to better cater to influencer marketing and the concept itself matures both at the global level and here in Finland.</p>			
<p>Keywords Influencer, Marketing, Social Media, Advertising, Campaign, Digital, Project, Management</p>			

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Tiivistelmä			
<p>Opinnäytetyön pääasiallinen tavoite on tarjota toimeksiantajayritykselle, sosiaalisen median markkinointiyritys HuHu People Oy:lle, kokonaisvaltainen katselmus vaikuttajamarkkinoinnista ja sen tarjoamista mahdollisuuksista palvelumuotoilun näkökulmasta. Opinnäytetyön tuloksena syntyi vaikuttajamarkkinointikampanjoita varten suunniteltu projektinhallintamalli, joka toimii sekä ohjenuorana toimeksiantajayritykselle että inspiraationa muille vaikuttajamarkkinoinnista kiinnostuneille tahoille.</p> <p>Sosiaalinen media on avannut markkinoijille ennennäkemättömiä mahdollisuuksia, mutta yhtäaikaaisesti sen luonne käyttäjäkeskeisenä mediana asettaa yrityksille tiettyjä haasteita. Yritysten yksisuuntainen kaupallinen viestintä ja kontrolli kuluttajien tuotetietoisuudesta on vaihtunut ilmapiiriin, jossa ostokäyttäytymiseen vaikuttavat tekijät painottuvat nimenomaan ihmisten keskinäiseen tiedon ja kokemusten jakamiseen. Kuluttajien keskuudessa lisääntynyt kriittisyys mainontaa kohtaan heijastuu kasvavana tarpeena jalkauttaa markkinointia nimenomaan suosittujen henkilöiden kautta yrityskanavien sijasta. Tämä ilmiö on luonut pohjan vaikuttajamarkkinoinnin periaatteelle.</p> <p>Työn teoreettinen tutkimus koostuu kolmesta pääasiallisesta teemasta; teknologista, kuluttajakäyttäytymisestä ja liiketoiminnasta. Kokonaisvaltaisen näkemyksen saavuttamiseksi aiheita tulee tutkia juurikin näiden vaikuttajamarkkinoinnin kulmakivien kautta. Teknologinen kehitys on mahdollistanut nykyaikaiset markkinoinnin keinot, kun taas ihmisten ja heidän käyttäytymisensä rooli konkretisoituu sekä kuluttajien että vaikuttajien osalta. Liiketoiminta on luonnollisesti kaiken markkinoinnin keskiössä ja se ilmenee vaikuttajamarkkinoinnissa mm. tuloksellisuutena ja mitattavuutena. Teoreettista osuutta tukee kvalitatiivinen tutkimus, jossa haastateltiin kahta vaikuttajamarkkinoinnin ammattilaista. Monipuolisuuden takaamiseksi vastaajiksi valikoitui yksi kokenut sosiaalisen median vaikuttaja ja yksi vaikuttajamarkkinointitoimiston työntekijä.</p> <p>Tutkimuksen tuloksissa korostuu pitkäjänteisen suunnittelun tärkeys, joka mukailee nousevaa trendiä vaikuttajamarkkinoinnin kasvavasta roolista osana yrityksen markkinointisuunnitelmaa. Kampanjoita skaalataan entistä suuremmiksi kokonaisuuksiksi ja pidempiaikaiset brändiyhteistyöt vaikuttajien kanssa tulevat todennäköisesti yleistymään. Myös läpinäkyvyys nähdään erityisen tärkeänä tekijänä, sekä etisyyden nimissä kuluttajia kohtaan, että yritysten ja vaikuttajien välillä avoimen tiedonkulun muodossa.</p> <p>Opinnäytetyön ohessa syntynyttä projektinhallintamallia testataan lähitulevaisuudessa yhteistyössä toimeksiantajayrityksen kanssa mahdollisia kehityskohteita silmällä pitäen. Alati kehittyvät some-markkinat vaativat siellä toimivilta tahoilta jatkuvaa tutkimusta kilpailuedun saavuttamiseksi.</p>			
Avainsanat Vaikuttaja, Markkinointi, Sosiaalinen Media, Mainonta, Kampanja, Digitaalinen, Projekti, Hallinta			

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## 1 INTRODUCTION

Time is money, they say. In marketing however, attention is money. Companies work hard to put up their message in front of as many pair of eyes as possible, whilst targeting the right pair of eyes. The media environment has taken huge strides within the last few decades, first notable being the explosive growth of the internet, and most recently the surge of social media making its way in to our daily lives.

Whereas some companies still take solace in television ratings and data on viewership demographics when justifying the focus of their marketing efforts on traditional time-tested methods, others are looking in to social media in attempts to reach their target audience. To many, the attraction of social media lies within the ability to view content of your choosing, and effectively distance yourself from all the other noise. The footrace between advertisers and increasingly media literate, tech-savvy consumers never stops. As more people make use of applications such as adblockers, companies must think outside the box even in the digital realm to reach their preferred audiences.

(Pagefair, 2017.)

As the desired market place for brand messages evolves, so does the way those messages are communicated. We have slowly strayed further away from the more traditional one-way authoritarian forms of marketing and shifted towards new forms of interactive, dialogue-centered marketing. The rising breed of young consumers is not interested in being told what to do by advertisements, but rather choose to seek information on their own from sources that they like and trust. These sources are, for example, communities where people share similar interests or values. (Pearson, B. 2011; Wijaya, B.S. 2012).

Communities in social media are often born as a result of, and revolve around, shared admiration of certain person or group of people. These people can be regular people that happen to be passionate home cooks, tech enthusiasts, fashion trailblazers, or literally anything as long as they provide other people with follow-worthy content. Finnish social media agency Ping Helsinki (4/2018. 11) interestingly reported that the personality of the content creator is regarded as the most important factor, even over the content they produce. (Ping Helsinki, 4/2018. 11).

The content creators that have an audience, no matter the size, undeniably have influence over their audience. Moreover, peers within that group of people have influence over each other. There is a sense of belonging, tribalism, that shapes the way people in the group act. While the people in these communities might not be too much alike, they do share a niche interest or value at minimum. If those interests align well with the interests of the target audience of a company, all marketers have to do is equip the person on top of the totem pole with their brand message. And that is essentially what influencer marketing is.

## 1.1 Abbreviations and Definitions

IM = Influencer Marketing. IM is a form of marketing that focuses on targeting key influencers to drive brand message and awareness to a specific market of consumers. (Pixlee, 2018). *It is important to note that the term influencer marketing is occasionally used in practices involving directing marketing towards key people in hopes that they will spread the word. However, in this thesis, IM will be used to describe the more common practice of co-operating with key influencers in form of paid campaigns. Abbreviated for the sake of convenience.*

INFLUENCER = A social media influencer is a user on social media who has established credibility in a specific industry, has access to a large audience and can persuade others by the virtue of their authenticity and reach. (Pixlee, 2018).

BRAND AMBASSADOR = Brand ambassadors are influencers hired by brands for long-term relationships. They differ from influencers, who might be used only for a short-term campaign. They are in effect paid spokespeople for the brand. (Sussman, B. 10/2015).

SMM = Social Media Marketing. Practices that target social networks and applications to spread brand awareness or promote products. (Technopedia, 2018).

WOM = Word-of Mouth. An unpaid form of promotion in which satisfied customers tell other people how much they like a business, product or service. (Entrepreneur, 2018).

KPI = Key Performance Indicator. A measurable value that demonstrates how effectively a company is achieving key business objectives. (Klipfolio, 2018).

ROI = Return on Investment. A performance measure used to evaluate the efficiency of an investment or compare the efficiency of several different investments. (Investopedia, 2018).

## 1.2 Company Introduction

HuHu People Oy acts as the commissioning company in this thesis. Kuopio-based HuHu offers a unique model of social media marketing and content creation for their clients, as well as business consulting on social media related issues. The relatively small, yet experienced team of professionals has left a lasting mark on the Finnish social media marketing map by developing the coveted Somewall. Somewall enables companies to display the social media content posted on preferred channels in real-time and showcase the feed via digital screens or other means of presentation. Ever since the launch, Somewall has been implemented in various high-profile events, Nordic Business Forum and Tubecon to name a few. In addition to Somewall, HuHu offers a workshop labelled as "Some-Korjaamo" in which the professionals help solve the challenges companies face in their social media aspirations.

The third main product consists of what could be referred to as social media maintenance. This comprehensive model is based on close co-operation between HuHu and the client organization in terms of building and executing the proper social media strategy that said organization needs to take their social media presence to the next level. While Huhu is responsible for the daily tasks of publishing content and executing campaigns, the client is treated as equal when it comes to planning future content and campaigns. The power of the maintenance model lies within this form of inclusivity. Not only is the client relieved from the maintenance of their social media channels, but also gets to work hand-in-hand with a professional that guides them through their long-term endeavours in terms of social media marketing.

Teemu Pelkonen, co-founder and community manager at HuHu, describes the company as people who are passionate about creating universal stories within lively and interactive communities.

*"We believe that by planning a sustainable and inspiring social media strategy, and by providing stern coordination and execution internally, clients will have the upper hand when it comes to disrupting their industry's status quo".*

### 1.3 Thesis Background and Purpose

The writer has some experience on working in marketing and advertising, from project management duties to social media content writing. The writer also had the privilege of working with the good people of HuHu prior to starting the thesis process and it became obvious to him that they shared a mutual fascination on the prospects of influencer marketing. Neither the writer or the company has too much experience in influencer marketing on a practical level, which further amplified the curiosity towards studying the subject. Two main purposes of this thesis have been identified. These objectives serve as a benchmark for the writer when deliberating whether the thesis research fulfills its original purpose.

**Primary purpose** -To provide HuHu, the company commissioning this thesis, with a thorough view of IM campaign structure and related information on the subject to help explore the possibility of building a product around it in the future. Also, to act as a tool for future reference i.e campaign sales, transparency with clients.

**Secondary purpose** – To provide other companies interested in social media marketing with a thorough view of IM campaign structure and related information on the subject to help them explore the possibilities this form of marketing has to offer. Also, to incite interest in influencer marketing and social media marketing altogether.

At first glance, it might seem like there is a conflict of interest between the two goals. However, transparency on the subject is a win-win situation for all parties involved. Companies are, arguably, more likely to invest into something that they to a reasonable degree understand. Ideally this thesis would incite interest and action in other companies to consider utilizing influencer marketing as a

part of their marketing strategy. In theory, the potential demographic for businesses requiring SMM services increases in correlation with more companies taking interest in social media and the new form of marketing researched in the thesis.

## 2 RESEARCH

### 2.1 Theoretical Framework

There is a lot of material on IM on the internet and to some extent previous studies conducted that are relevant to this subject. The main idea was to gather previously established theory from various sources and use the data collected via interviews to critically review the existing theories. The writer found it important to gather his own research data in addition to the theory available to compare the differences and similarities between them, with the assumption that the interview sources would either validate or alternatively dispute to some degree the points brought forward by others in the past. The collection of theoretical data was approached with three main factors in mind; technology, business, and people. The writer believes that IM exists in a realm consisting of these three factors, thus making each aspect equally important to research for this thesis.

Technological aspects include factors that lay the foundation for social media, and by extension for influencer marketing. The development of internet and the birth of social media platforms are central when it comes to studying this subject. Much like in any form of marketing, commercial elements such as budget and return on investment are relevant factors in the context of influencer marketing. Additionally, reviewing human behavior through psychology aids in understanding the key concepts behind the way consumers and influencers themselves act.

### 2.2 Objectives

The main objective was to establish a broad perspective on influencer marketing and provide Huhu with a thorough, concrete model to be used as a guideline for future IM campaigns. In order to achieve that objective, three major research questions were established.

1. What theoretical information is there that would support the use of influencer marketing?
2. What steps are there to an influencer marketing campaign?
3. Is influencer marketing worth it and how do you measure the value of it?

### 2.3 Methods

A form of qualitative research method was used instead of quantitative research method, mainly due to the fact that a lot of statistical, large scale information already exists on this subject on the internet. Qualitative research enables the researcher to increase the overall understanding of the quality, characteristics and meanings of the researched object or topic. (JYU, 2010). In this case, quality of the data was more important than the quantity of data. The primary research for this thesis was conducted in a form of an email interview, more precisely in a form of paired depth interview. This methodology allows the researcher to probe in depth around both respondent's experience as well as using any similarities and differences in experience to explore the subject more deeply. (Assn. of QR, 2018).

Email interviews were conducted with open-ended questions and sent to two Finnish top-tier professionals in the field of social media marketing. I felt that it was necessary to get viewpoints from both sides of the coin, an influencer who creates content and a person who works in managing campaigns that revolve around said content. The main purpose of open-ended questions was to give the respondents the ability to truly reflect on the subject at hand, instead of restricting them in to simply agreeing or disagreeing with a statement or choosing between preset options. Although this sort of research method makes the processing and utilizing the data in the thesis a bit more challenging task, it also offers deeper insight into the minds of IM professionals.

The research data gathered will be referenced throughout the thesis and the respondents will be labeled simply as the job title they hold. The names of the two respondents shall be withheld for privacy and competitive edge reasons but the descriptive profiles of them are as follows:

Respondent 1 (Referred to as "Strategist")

- Male.
- Works as a strategist in one of leading social media marketing agencies in Finland.
- Job description includes business development and account management.
- Extensive experience on IM and media work altogether.

Respondent 2 (Referred to as "Blogger")

- Female.
- Written a blog for nine years, has worked as an influencer for the forementioned marketing company for four years now.
- Mainly a blogger but has a solid following on other social media channels as well.
- Publishes content on daily basis.
- Experience from over a hundred IM campaigns.

## 2.4 Interview Themes

The intention was to gather as much intercomparable data as possible from the two respondents. It was not possible to reasonably approach both respondents with exactly matching questions, because of the differences between their line of work and the roles they play in the IM campaigns. However, a rough distinction of three themes were made to establish a foundation for the interviews. The themes were as follows;

1. Introduction – background, credentials, job description.
2. Campaigns – roles, preferences, content, results.
3. Markets and the future – trends, global insight, competition, benchmarking.

*Note: The interviews were conducted in Finnish and I have taken the liberty of translating the necessary data into English to the best of my ability as I reference it in the thesis. For additional referencing purposes and to readers preferring Finnish version, the original questions and answers for both respondents can be found in the appendix at the end of this paper.*

## 2.5 Limitations

A portion of the statistical data on IM was compiled from international sources, due to the lack of consistent reporting on the state of affairs specifically in Finland. While some of the global data is admittedly inflated in relation to the current Finnish IM climate, important trends and relevant shifts in attitudes are likely to reflect in the way that companies operate, and consumers behave in Finland in the future. In addition to this, the sample size of the interviews that were conducted was quite small. Eventhough the data was acquired from extremely credible individuals in the field of IM, both respondents were involved with the same agency. Companies tend to differ greatly in terms of preferred practices and how they view the market, therefore a larger sampling of agencies could have aided in establishing stronger overview of the opinions Finnish SMM industry leaders hold at the moment.

### 3 MODERN MEDIA ENVIRONMENT

#### 3.1 Web 2.0

The World Wide Web, commonly known as just internet, has evolved tremendously during its relatively short lifetime. The term Web 1.0 is used to describe the “original” internet, where as Web 2.0 is the product of constant evolution of the internet that eventually resulted in a new, in many ways better version of the World Wide Web. Even though Web 3.0 is already in place and Web 4.0 is on its way, the evolution from Web 1.0 to Web 2.0 is by far the most remarkable in terms of SMM, as it made the development of social media platforms possible.

Web 2.0 can be defined as a series of technological innovations in terms of both hardware and software that allow content creation, interaction, and interoperability, and that put the users, rather than the companies, in center stage in terms of design, collaboration, and community on the World Wide Web. (Berthon, P.R. et al, 2012). A technology that has enabled a shift in focus from companies to consumers, individuals to communities, nodes to networks, publishing to participation. While Web 2.0 is technological, its effects are on the sociological side. Web 2.0 had a big impact on businesses aswell. (Berthon, P.R. et al, 2012).

From the consumer point-of-view, Web 2.0 allows participation in content creation and peer-to-peer communications, instead of only consuming the information found on the World Wide Web. The implementation of Web 2.0 empowered the common user with a couple of new concepts like blogs, social media and video streaming. Notable developments from the Web 2.0 era include; Twitter, YouTube and Facebook. Web 2.0 technologies transformed broadcast media monologues (one-to-many) into social media dialogues (many-to-many). (Berthon, P.R. et al, 2012). The figure below (Fig 1.) depicts the main difference between Web 1.0 and Web 2.0 in terms of content creation. As we can see, the power to create and review content is now in the hands of the consumers aswell.

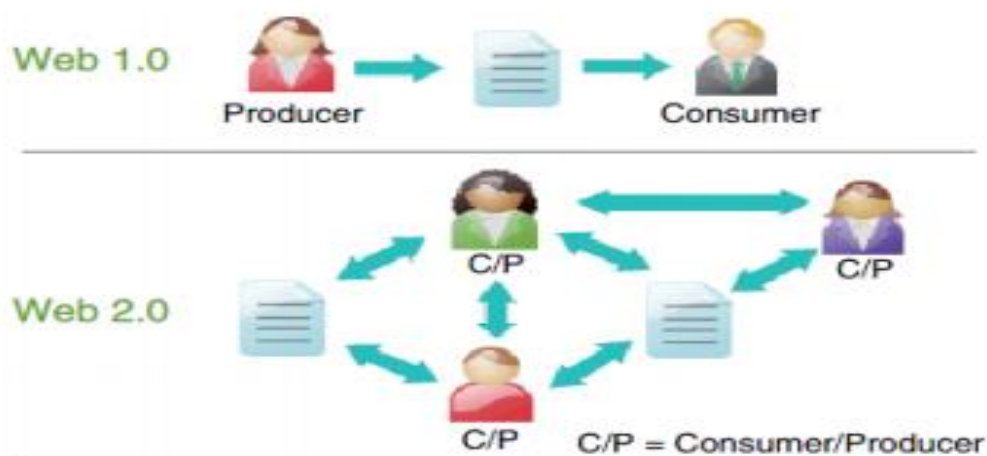


Fig 1. Web 1.0 vs. Web 2.0 demonstrated. (Zhao, J. et al, 2015).

### 3.2 Social Media

Social media is the product of Internet-based applications that build on the technological foundations of Web 2.0. Its content comprises text, pictures, videos, and networks. (Berthon, P.R. et al, 2012). Social media is actually a lot bigger sphere than one might initially assume, as seen on the figure below (Fig 2.).



Fig 2. Social media platforms. (Hodgson, J. 8/2016).

However, not all social media platforms are equally appealing in terms of marketing channels. A company needs to find the best platforms for reaching their target audiences and the ones that support the technological requirements of their campaign content. Some limitations exist per platform, and those will be discussed more in-depth alongside the following introduction to respective platforms. The most prominent platforms for marketers are usually Facebook, Instagram, Snapchat, Youtube and blogs.

*Facebook* is the most popular social media platform with 2 billion monthly active users. 88% of people aged 18-29 and 84% of people aged 30-49 years old are Facebook users. Individuals spend on average 35 minutes a day on this platform. However, mobile users of Facebook spend on average only 1,7 seconds on any given piece of content. (Spreadfast, 2018). Facebook is probably the one platform that most companies are already familiar with in terms of paid media. In fact, according to Maddy Osman from Sproutsocial (2/2018), 93% of surveyed businesses regularly use Facebook advertising. One of the reasons for this might be the relatively user-friendly and simple user interface Facebook has for advertisers. (Osman, M. 2/2018). In 2018, marketers were hit with news of algorithm change regarding users' news feed, shifting the weight of content displayed towards posts from friends, family, and groups instead of businesses and commercial entities. (Zuckerberg, M. 1/2018). This change in content prioritization aims to provide users with more meaningful experience regarding social interaction, but simultaneously poses a challenge for companies looking to spread their brand content on the platform. This change could open the way for IM to become the

preferred form of marketing, due to the nature that content is distributed. Making use of popular personalities, instead of the business profiles, to publish brand content could yield better reach in current algorithm climate.

*Instagram* is the other platform that comes to mind when thinking of social media. With 800 million monthly and 500 million daily users, Instagram is definitely a force to be reckoned with when it comes to reaching audiences. Instagram users are noticeably younger than Facebook users on average, only 33% of individuals aged 30-49-year-old use this platform, where as 59% of 18-29-year-olds report to using it. What is really interesting from a company point-of-view is that 53% teens say Instagram is the best platform to inform them about new products. (Spreadfast, 2018).

With the introduction of Instagram Stories, companies nowadays have even more options when it comes to IM on Instagram. The blogger interviewed for the thesis claimed that she has witnessed a shift in behavior on Instagram.

*"I feel like users no longer even browse the Instagram feed, but rather prefer the Stories". (Blogger, interview 11-12-2018).*

Unfortunate fact for businesses and users in general is that you cannot add clickable links to a post. Users have been circumventing this practice for years by adding the preferred url to their biography section instead. However, Instagram profiles that have either 10 000 followers or are verified by the company can add links to their Stories. The links added into Stories can be easily accessed by viewers with a simple swipe. (Forsey, C. 9/2018). From the IM perspective, this factor should increase the value of influencers having over 10 000 followers. Instagram also launched IGTV in 2018, which allows popular or verified accounts to post video content up to the length of 1 hour, while accounts less than 10 000 followers and unverified status have the limit at 10 minutes. However, even users with less than 10 000 followers can add a link to their IGTV video on their Instagram Stories.

*Snapchat* has attracted 300 million monthly active users, with a whopping 60% of users being aged 24 or younger. The platform is predominantly female, as male users only account for 30% of the user base. Over half of the users, 54% to be precise, report to using the application every day. (Spreadfast, 2018). Along with Instagram, Snapchat would appear to be a solid option for companies looking to reach young, female audiences.

*Youtube* has always been a solid choice of platform for marketers. Youtube has 1 billion monthly users and reaches more 18-49-year-olds than any cable network in the US. Users spend on average 40 minutes a day on the platform. (Spreadfast, 2018). Youtube as a platform is known for being accommodating to content creators that want to engage in brand deals, having launched its own support program Youtube Creators.

*Twitch* started off as a livestreaming platform with mainly gaming related content, but gradually grew in to a platform with channels ranging anywhere from cooking to travelling. With 120 million

monthly viewers and average of 106 minutes of daily use, combined with the phenomenon of gaming becoming a mainstream past-time, Twitch seems ripe for influencer marketing. (InfluencerMarketingHub, 2018). At the moment, Twitch is mostly being used by marketers as a platform to promote new game releases and gaming related equipment. With gaming as a past-time entering the mainstream and eSports gaining momentum with the predicted global market revenue of 1 billion dollars (Statista, 2018), the future of gaming-related platforms looks bright as ever.

*Blogs* are arguably where the use of sponsored content first took off. A blog is website that contains online personal reflections, comments, and often hyperlinks, videos, and photographs provided by the writer. (Merriam-Webster, 2019). In the Finnish market, some of the most prominent influencers are either mainly bloggers or started off as one. Out of the influencers working for top Finnish IM agency Indieplace, 80% write blogs as either primary or secondary form of content creation. (Indieplace, 2018). While there is no one global or even national centralized platform for blogs, some of the most popular ones in Finland include Indiedays, Rantapallo and Lily.fi.

### Substantial reciprocity across major social media platforms.

% of "platform X" users who also use ...

Survey conducted in the U.S in January 3-10.2018 by Pew Research Center.

	Twitter	Instagram	Facebook	Snapchat	YouTube	WhatsApp	Pinterest	LinkedIn
Twitter	-	73	90	54	95	35	49	50
Instagram	50	-	91	60	95	35	47	41
Facebook	32	47	-	35	87	27	37	33
Snapchat	48	77	89	-	95	33	44	37
YouTube	31	45	81	35	-	28	36	32
WhatsApp	38	55	85	40	92	-	33	40
Pinterest	41	56	89	41	92	25	-	42
LinkedIn	47	57	90	40	94	35	49	-

Table 1. Substantial reciprocity across major social media platforms. (Pew RC, 2018).

Social media platform usage is not mutually exclusive, which is a positive thing from a company perspective in terms of SMM. Table 1 is an excerpt of the last year's annual study on social media behavior conducted by Pew research center. (Pew RC, 2018). The study was conducted in the US, which explains the relatively low number of WhatsApp users. To clarify the table, reciprocity in this context stands for overlapping in social media platform usage. Companies can study the social media usage of their target audiences and plan their content accordingly. It could be argued that high reciprocity rates form target demographics by themselves, for example, the number of Twitter users also using LinkedIn is proportionally large. This would suggest that the users of these two platforms prefer consuming and producing text-based, dialogue-centered content, in which the subject matter reigns over aesthetic values that dominate platforms like Instagram and Pinterest. The survey results also highlight the relative power of YouTube and Facebook, both of which have by far the highest reciprocity rates among the platforms.

### 3.3 The Age of Pre-Commerce

The term “Pre-Commerce” was coined by Bob Pearson back in 2011. Pre-commerce describes a phenomenon where customers no longer count on companies for information about the products they sell, but rather choose to seek information online from peers. (Pearson, B. 2011).

The companies’ long-held control over their brand image and message now belongs as much in the hands of the consumer as it does in their own. Customers can reach millions of people with a simple review or comment on a product or service. Pearson contributes this shift in power to the rise of social media. By exercising these powers, consumers are shaping companies’ brand images in more ways than the marketing team ever could. (Pearson, B. 2011, 5). According to Pearson, there are three things Pre-Commerce customers do very well;

- Share ideas
- Share product knowledge
- Provide solutions for one another. (Pearson, B. 2011, 5).

Customers nowadays have mostly made their purchase decision prior to entering a store or a company webpage, which makes it important for companies to reach their audience in the pre-commerce space to convince them. (Pearson, B. 2011).

Pearson’s theory amplifies the importance of social media for companies. Since peer-to-peer interactions appear to be important from a business perspective, companies must penetrate the peer-to-peer platforms. Peers in these cases being, for example, fellow tech enthusiasts, fishermen, make-up artists, or simply internet users in general. Platforms are either centered around a certain topic, hobby, line of work, or alternatively around a specific individual or group of individuals. These platforms can cross paths in innumerable ways, forming communities like Evan Example’s YouTube account, on which hairdresser Evan regularly has conversations about haircare products and shares tips with his 10 000 dedicated subscribers. What really makes these platforms an attractive setting for businesses is the way peer-to-peer interaction leads to influence, and more importantly to influence over consumer decision-making.

In any of these platforms of peer-to-peer interaction, a company might have brand advocates. A brand advocate is a person, or customer who talks favorably about a brand or product, and then passes on positive WOM messages about the brand to other people. (Webopedia, 2019). These positive peer-to-peer reviews or recommendations can stem from personal experiences or experiences of one’s friends and family and are not influenced by monetary compensation from the company. In fact, these brand advocates often have no pre-existing obligation towards the company, yet they are comfortable enough to vouch for said company’s products or services in somewhat public setting anyway. (Colourcake, 2017).

While brand advocates have caught what you’ve thrown at them and thrown it to the next guy, they might lack a strong arm - a proper amount of influence. Whereas unsolicited, positive WOM is al-

ways welcome, individuals with higher social reach and better understanding of social media platforms are often needed to truly create buzz around a product or service. That's where influencers come in. As shown in the figure below by Suyash Bajpai (6/2016), brands that utilize the right influencers to spread their message can easily amplify the reach of that content in a more controlled manner. (Bajpai, S. 6/2016).

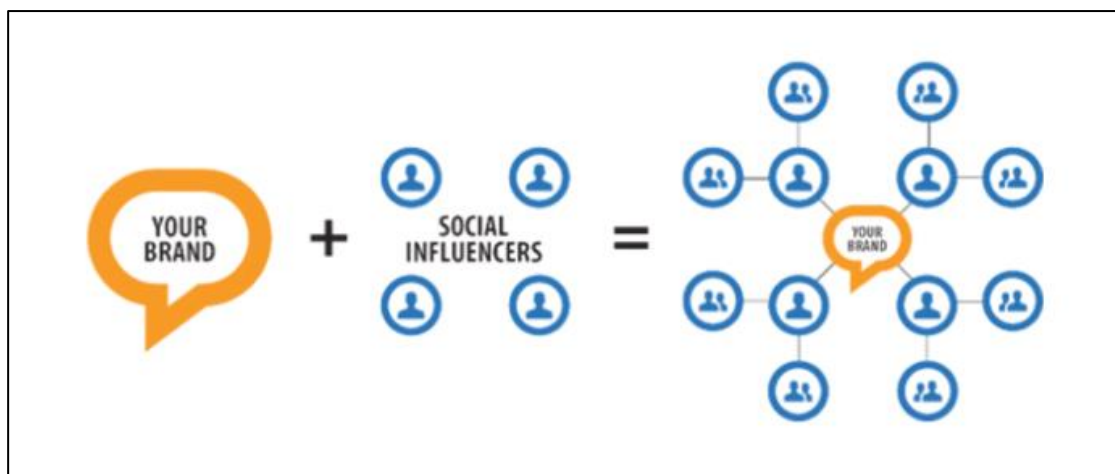


Figure 3. Influencer marketing in practice. (Bajpai, S. 6/2016)

### 3.4 The Rise of Generation Z

The “always on”, digital native generation Z is the successor of generation Y, more commonly referred to as Millennials. The definition of Gen Z is open to interpretation, but most researchers agree that individuals who represent Gen Z have birth years starting from the mid-1990s and early 2000s and ending at late 2000s to early 2010s. Going by this definition, these individuals are anywhere from 6-years-old to 23-years-old in year 2018. Ernst & Young, multinational professional services firm defines Gen Z as individuals born any time during or after the year 1997 (Fig. 4).

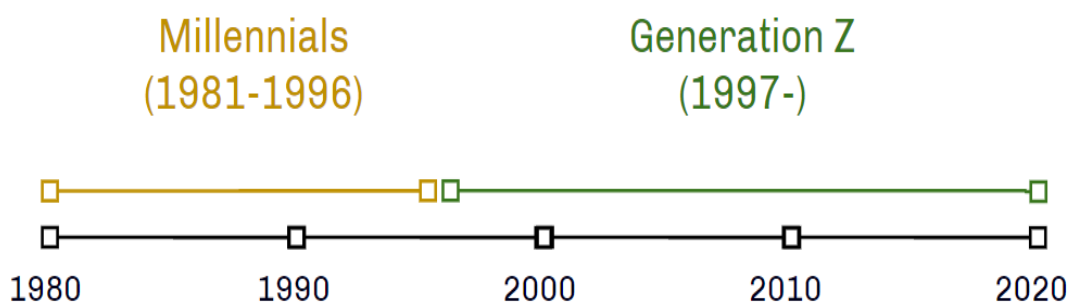


Figure 4. The age range of Millennials and Gen Z. (Ernst & Young, 2018).

Whereas the younger end of Millennials was renowned for their digital fluency, Gen Z is the first generation of individuals that were born not knowing a world without internet and the culture of

instant access it provides. (Kapil, Y. & Roy, A. 2014). While especially the younger end of Millennials are often clumped into the same marketing segment with Gen Z due to their shared attribute of tech-savviness, notable differences have been discovered between the two generations. According to Deep Patel (2017) it is common practice for Gen Z to juggle between devices using five screens, when Millennials are known to use three. The attention span of Millennials has been reported to be 12 seconds, while Gen Z measures in at mere 8 seconds. (Patel, D. 5/2017). This would indicate a need for using enticing content to hold the viewer's attention when delivering a brand message. Fortunately, Gen Z appears to be more open to the use of IM than their predecessors. A notable majority, 67% of Gen Z stated that they prefer "real people" over traditional celebrities in advertising, the same number being 37% with Millennials. (Clay, L. 6/2016). The case for use of IM is also supported by a report from Google, which shows that 70% of teenage YouTube subscribers relate more to content creators than celebrities. (Blumenstein, H. & O'Neil-Hart, C. 6/2016). The figure below (Fig. 5) depicts this shift in influencing power from traditional celebrities, such as industry leaders and musicians, to internet celebrities, such as well-known and more relatable YouTubers.

## Top influencers

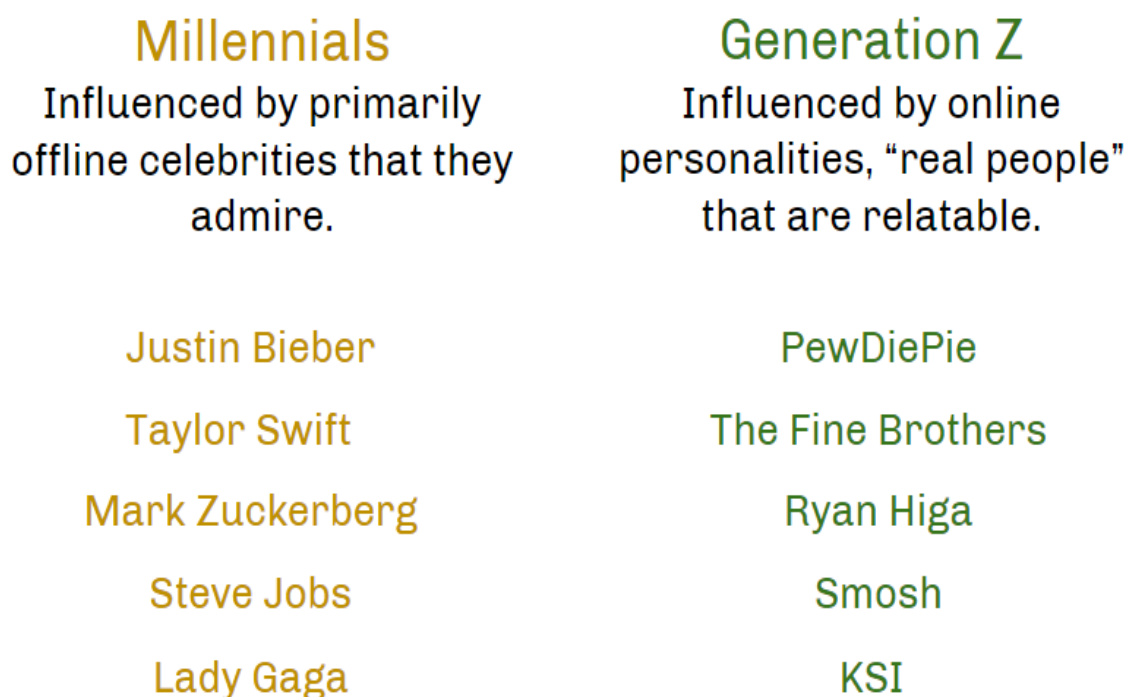


Figure 5. Top influencers for Millennials and Gen Z. (Ernst & Young, 2018).

The market potential of Gen Z is significant to say the least. According to an analysis by Bloomberg based on data provided by the UN, people born after year 2000 will account for 32% of world population by 2019. (Bloomberg news, 2018). Seeing as this generation consists of young people that are active on social media and open to influence from their favorite content creators, it is important for marketers to truly understand what these people are like. One of the people researching Gen Z is Stacy Wood, professor of marketing at NCSU. Wood identifies in her study (2013) four characteristics that describe Gen Z as consumers;

1. A focus on innovation
2. An insistence on convenience
3. An underlying desire for security
4. A tendency towards escapism. (Wood, S. 2013).

Gen Z has been born and raised in an era of constant *(1) innovation*, where technological advancements improve quality of life at a rapid pace. Unlike their parents or grandparents from older generations, this generation is not overwhelmed by the development culture of “more, smaller, better” devices, but rather have grown to expect it. The general growth of the e-commerce marketplace and the increased variety of products and services therein has led to Gen Z making purchasing decisions based on preferences like design or aesthetic differentiation, instead of going by what is available. (Wood, S. 2013). Not only does Gen Z expect innovation from companies, but also leans towards innovation themselves. This generation showcases high level of self-direction and purpose, willing to create their own solutions and take part in product innovation with companies. (Ernst & Young, 2015). In terms of social media, the innovative nature of Gen Z should encourage companies to host crowdsourced brainstorming or competitions on ideas to improve the product selection. Driving engagement by listening to the follower base also allows gathering vital consumer data in the process.

Gen Z also exhibits insistence on *(2) convenience*. This generation has not been acquainted with “from scratch” consumption during their upbringing and that reflects on their own preferences. Gen Z appreciates convenience in product attributes (time-saving devices), product delivery (ease of product acquisition), product experience (ease of consumption, setup), and product messaging (mobile, concise form). (Wood, S. 2013). Gen Z’s tendency towards convenience should not be misinterpreted as laziness. Instead, convenience is seen as the necessary fuel for efficiency, which leaves more time to attend other matters. Unlike their predecessors, they don’t view convenience as a luxury. (Gazdecki, A. 2016). For a generation insisting convenience, companies should focus on streamlining the purchase process and making it as convenient as possible for the consumer to take action. From a social media standpoint this could simply mean providing direct links to the place of purchase.

Another trait of Gen Z is their desire for (3) *security*, which is caused by being born in to an economically challenging environment. They are conservative with their money, a somewhat opposite to Millennials who are often depicted as the “entitled” generation demanding high quality of life. While Gen Z is made up of careful spenders, the potentially unstable financial system could also discourage traditional forms of saving. (Wood, S. 2013). This generation shows least tolerance for unnecessary purchases and wants to ensure they are getting the best value for their penny. Gen Z is not a generation of impulsive consumers. (Gazdecki, A. 2016). Conservative spenders are likely to research products and brands extensively prior purchasing, so companies marketing to this generation cannot afford to underestimate the importance of online reviews and other peer-to-peer information available. Encouraging satisfied consumers to voice their opinions on social media, and by rewarding them for doing so, could prove to be a valid strategy to win Gen Z over.

Finally, Gen Z has a tendency towards (4) *escapism*. Today’s youth is reported to feel increasingly pressured to achieve at a young age, phenomenon that is further fueled by overzealous parents that involve themselves in all aspects of the child’s life. Around the clock access to social networks enables the role of social tribes, “distant family”, making it possible to momentarily escape the otherwise stressful or mundane life. Technological advancements have also made these counterparts to real life more accessible due to the mobility of devices and more compelling due to the increasingly realistic features of games. (Wood, S. 2013). This indicates the high value of social tribes that exist on the internet, and these tribes are exactly what social media influencers often foster. Gen Z’s desire for escaping the reality offers marketers great opportunities to engage with them online by telling compelling stories and creating online communities around the brand.

## 4 THE AISDALSLOVE MODEL

### 4.1 The Evolution of AIDA

The origin of the one of the most prominent marketing theories, the AIDA model, can be traced back centuries. According to Edward Strong (Strong, E. 1925, p.9), American advertising advocate Elias St. Elmo Lewis introduced the phrase “attract attention, maintain interest, create desire” way back in 1898. He would later, ca. 1900, add “get action” to the formula. Ever since, scholars and like-minded professionals have been studying this hierarchy of effects model known as AIDA, an acronym for (A)ttention, (I)nterest, (D)esire, and (A)ction.

*Attention* = In this first step, the viewer becomes aware of a product or brand. An ad of must first grab the attention of the viewer, and then offer a clear benefit for seeing the rest of it. Marketers should determine the factors that the target audience finds appealing and utilize them in their ads. Many companies resort to using celebrities in their ads to increase the chance of an ad to be appealing enough to warrant the full attention of the viewer. (Rawal, P. 2013. 39-40). This would support the use of IM to make brand messages appealing, since popular social media contributors are also regarded as celebrity-like stars within some target audiences.

*Interest* = After catching the attention of the viewer, an ad must evoke interest in the product or brand. Viewers need to be curious about the benefits of the product and how it would it affect their lives. According to Rawal, the interest step has a lot to do with human emotions. (Rawal, P. 2013. 39-40). Creating interest is often cited as the most challenging of the four steps. It is essential to use information, persuasion techniques, and as much proof as possible to hold the viewer’s attention once caught. (Demers, J. 8/2013).

*Desire* = Even if the viewer becomes interested in the product that is being advertised, desire is what will make the viewer truly engaged. An ad must succeed in creating a motivation or a need to buy the product, even if there is no actual need to do so. It must encourage a shift from curiosity to necessity. (Rawal, P. 2013. 39-40). Desire and interest are similar in a way that both attempt to initiate a feel element among viewers. Desire is arguably an extension of interest, where marketers attempt to deepen the emotions towards the product to the point where viewers visualize themselves using it. (MacKellar, D. 3/2013).

*Action* = The final step of the AIDA funnel calls for inciting action. The definition of action depends on the goals that the marketer has set. Subscription to the company newsletter or a visit to the company website could very well be qualified as the viewer taking action. However, purchase decision is often seen as the end-result of an action. Rawal (2013) proposes utilizing incentives to encourage customers that are in the desire step to take action and make a purchase. These incentives can come in a form of limited-time discounts for example. (Rawal, P. 2013. 39-40).

The figure below (Fig 6.) by Priyaneet Singh depicts the AIDA model and how the progression of the funnel correlates with the number of prospective purchasers. (Singh, P. 2019). As is evident, the number of potential customers decreases as the funnel narrows down. This indicates that only a portion of people that become aware of a product, most often via advertising, become actual purchasers of the product. The potential purchasers that are aware, but never evolve to customers, either lack adequate interest in the product or true desire to purchase the product. In other words, the marketer has failed to engage them through the entire funnel.

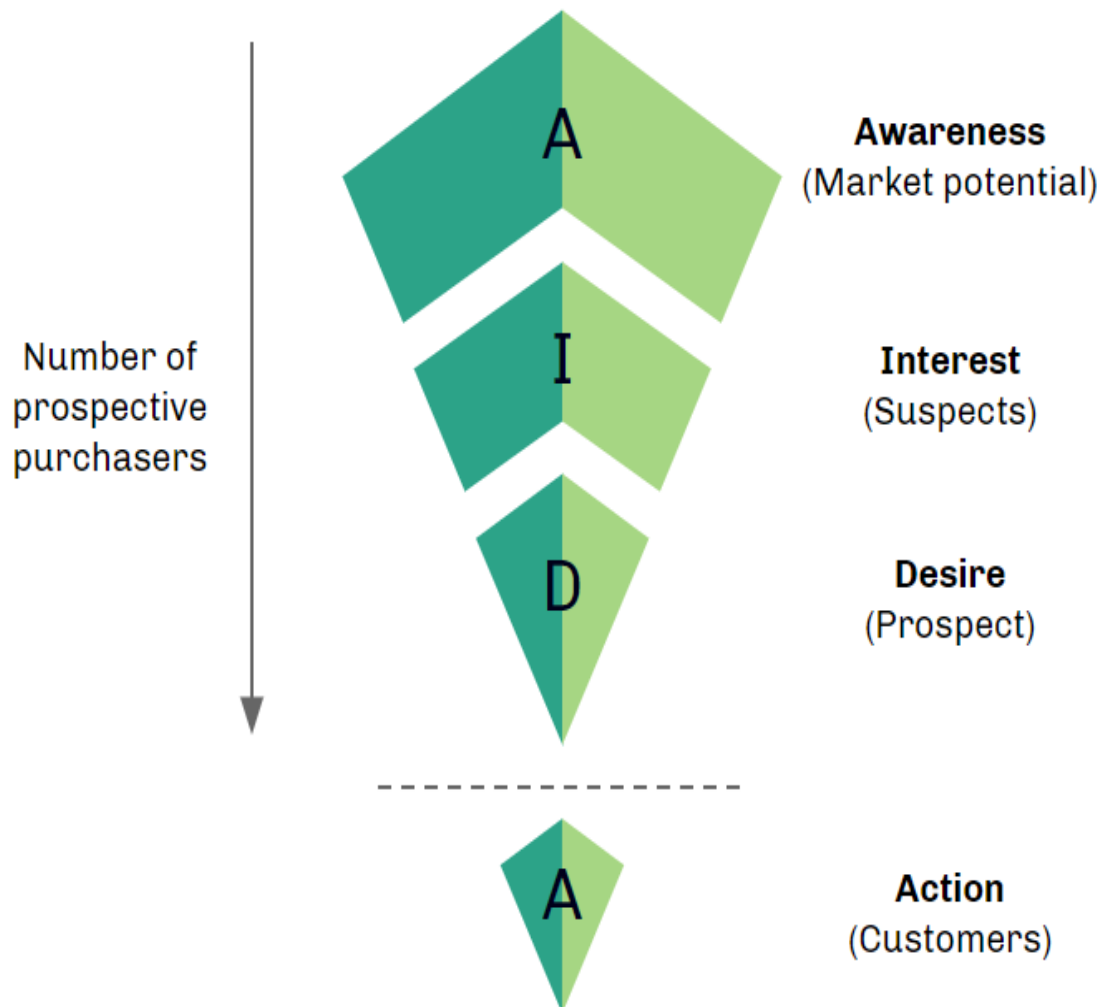


Fig 6. The AIDA model depicted as a sales funnel. (Singh, P. 2019).

Eventhough the original AIDA model is universally popular to this day, some adaptations have formed during its nearly century-long lifespan. Back in 2011, brand scientist Bambang Sukma Wijaya introduced his updated take on the AIDA model. His study, "The development of hierarchy of effects model in advertising", aims to review the AIDA model and propose new adaptations to the model based on the way that technology has altered social interactions and marketing. Wijaya recognizes a shift from product-oriented marketing to people-oriented marketing, which calls for an update in terms of variables presented in the original AIDA hierarchy of effects model. As a response to the changing marketing climate, Wijaya introduces four new elements in to the model; (S)earch, (L)ike/Dislike, (S)hare, and (L)ove/Hate. (Wijaya, B.S. 2011). With the addition of these elements,

AIDA model evolves into AISDALSLove model. The figure below (Fig 7.) showcases how the fore-mentioned elements are placed in to the AIDA funnel. As seen in the figure, the AISDALSLove concept emphasizes the post-purchase stages of the funnel. The value placed on stages after action has been taken by a customer indicates that Wijaya thought highly of social networks as part of modern commerce and valued the role of customer retention through brand advocacy.

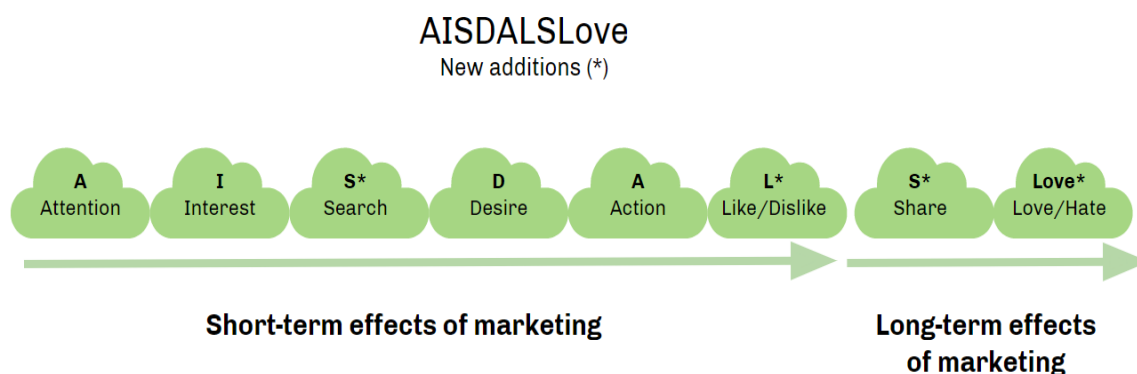


Fig 7. AISDALSLove model (Wijaya, B.S. 2011).

*Search* = Consumers are increasingly critical when it comes to advertisements. The concept of alluring consumers into the action stage by simply stimulating them with interesting content is outdated. People seek information about the product or brand elsewhere prior to taking action. Wijaya makes a distinction between internal and external search. Internal search consists of the process of recalling past experiences, feelings, and information related to the product on a personal level. The more knowledge or experience a person has on the product or relevant subject, the greater their ability to search internally. External search consists of outside sources, such as friends and relatives, published sources and the internet as a whole. (Wijaya, B.S. 2011).

*Like/Dislike* = This stage is all about post-purchase satisfaction. The level of satisfaction a consumer experiences after purchasing and using the advertised product affects whether they will take action again or not. Consumers evaluate the product by comparing it to their own expectations and information they received from the marketer. If the product doesn't meet the expectations of the consumer, resentment towards the product and brand may follow. (Wijaya, B.S. 2011).

*Share* = In the modern era of social connectivity, customers often share their experiences publicly. A customer that either liked or disliked the product has the power to alter the image of the brand by voicing their opinion, in a positive or negative manner. This can occur in forms of customers updating their statuses in many social media platforms such as Facebook and Twitter, uploading review videos on YouTube, spreading interpersonal rumors in hangout places or posting product reviews on websites. (Wijaya, B.S. 2011).

The sharing aspect of AISDALSLove aligns well with the idea of pre-commerce world (Pearson, B. 2011) discussed earlier in this paper. While Pearson's view, much like search stage proposed by Wijaya, focuses on pre-purchase stages of the customer journey, a strong case can be made for the connection between searching for information and sharing information. When a customer shares their opinions and experiences on the product online, that information is then being used by other people currently in the search stage and regarded by them as a valid source of peer-to-peer review. In fact, this link between the external search process and information sharing arguably forms a loop that the company has very little control over but can to some extent hope to influence. Encouraging customers to express their satisfaction via social media can potentially polish the view that a prospective buyer sees when conducting external search.

*Love/hate* = The love or resentment that consumers feel towards the brand is seen as having the most significant long-term effects of the new stages introduced to the AIDA model. Repeated positive customer experiences eventually lead to brand loyalty, which should be nurtured by companies in order to maintain these commitments. On the contrary, repeated negative experiences lead to customers hating the brand. (Wijaya, B.S. 2011). Where as brand lovers could be considered as customers earned for life, brand haters are very unlikely to change their perception of the brand and suddenly become customers again. A parallel can be observed between the love/hate stage, and brand advocates and their counterpart, often referred to as brand adversaries. However, Paul Dunay (11/2010) claims that there is a thin line between advocacy and adversariness, which is actually beneficial from the company perspective. Companies can potentially turn brand adversaries in to brand advocates through exceptional customer service that exceeds the expectations of the consumer. (Dunay, P. 11/2010).

## 4.2 Influencer Marketing and AISDALSLove

Whereas the AIDA model has been the cornerstone of more traditional advertising, the AISDALSLove model is structured in a way that fits IM remarkably well. The significance given to the social aspects involved in both pre- and post-purchase stages makes the updated model a great tool for social media related marketing. This chapter aims to tackle the AISDALSLove model from an IM standpoint with the help of a made-up scenario, in which the model is dissected in to concrete examples.

*Scenario - A company specializing in environmentally sustainable hair products is launching its new hair styling product made from beeswax. The product is first of its kind on the market, so the company decides to focus their marketing efforts on creating buzz around the product on social media with the intention of attracting early adopters. The hair wax itself is designed for men in particular, which leads to the company entering in to an agreement with two popular Finnish male content creators. These specific influencers are chosen for their strong presence on both YouTube and Instagram, and the similarity between their audience demographic and the target market of the new*

*product. The influencers are instructed to create a video on YouTube showing them using the product and talking about the way they feel towards it. With the annual Tubecon event closing in, both influencers are also instructed to post a "before and after" photo on Instagram the morning before leaving for the event. The contract also includes one post on Instagram Stories per influencer that will be shot live from the event venue. The YouTube video descriptions and Instagram Stories contain affiliate links that take the viewer to the company website. In addition, influencers are given custom coupon codes for 10% discount on first purchase, which can be used by their audience. Previously established company hashtag #Beebrave is implemented in to the social media posts for consistency reasons, aligning this campaign with the overall marketing strategy of the product launch.*

The AISDALSLove funnel would start to unfold from the moment that the viewer's *attention* is caught by the new content published by the influencers. Reach of the content is multiplied by using two platforms and two different influencers. On Youtube users will get notifications indicating that a new video has been posted by one of the YouTubers they follow. With some help from the YouTube algorithm, the videos will also display as recommended to people who are interested in either content similar to the influencer's content or hair products in general. Appropriately labeled content informs the viewer about the brand-influencer connection and the visual aspects of the thumbnail attract people to click the video to learn more. Due to the nature of the campaign consisting of three different types of content, the narrative of the campaign is being brought forward three times per influencer, six in total.

*Interest* sparks after the audience is exposed to the content and they learn more about the product itself. The influencers inform the viewer on how to apply the product and what exactly makes it great. The fact that the product is a trailblazer (beeswax) further increases the curiosity of the viewer. After reaching interest, viewers will begin to conduct internal and external *search*. Internally, the viewers consider factors like previous experiences related to the products promoted by the influencer, the overall trustworthiness of the influencer, recalling previous knowledge of the brand and its products. Externally, viewers will check the comment section for clues from other people, google the product, and find out if this revolutionary ingredient has been used in hair products before. In an ideal situation, the external search reveals the content published by the other influencer, further validating the use of the product.

A fulfilling search stage is followed by viewers developing a *desire* to try the product themselves. This desire is triggered by the will to emulate the influencer and basically have what he is having, to be as adventurous as him and to be among the first adapters of this trend. To also #Beebrave. The viewers want to associate themselves with the positive attributes that the influencer possesses and believe that this is achieved by joining the currently small group of people who have dared to experiment with the revolutionary hair-product in question.

Viewers that have the desire to purchase the product are about to take *action*. To take action has been made easy by adding the links to the company website in to the YouTube video description

and “swipe up” link in Instagram Stories. The intention of buying is further encouraged by the discount code that the influencer provides. These custom codes also create a feeling of exclusivity among the audience, because only the people who have seen the content know about the discount code. After buying the product, the viewer either *likes or dislikes* the product based on the expectations created by the influencer and information found during the search stage. This also reflects back to the image of the influencer, as association between the influencer and the product has developed. If the product is satisfactory, it reflects positively on the influencer as well, and vice versa.

Viewers will *share* their experience online and thus end up feeding the search-share loop. They tell their friends, spread WOM and all of this creates buzz. The good thing about content on social media is that it doesn't just disappear, meaning that as time progresses, more positive shares accumulate making the external search stage stronger over time. The use of the unique hashtag #Beebrave and the number of shares sponsored content receives can be considered as sharing as well as they spread the peer-to-peer buzz about the product. *Love or hate* towards the brand is a long-term effect that is most likely not going to be a result of a one campaign. The influencers themselves have a considerable number of loyal followers, and these sorts of campaigns can turn those loyal followers to loyal brand lovers through association. The Love stage is most realistically reached by consistent and prolonged co-operation between the company and the influencer, often in a form of a brand ambassador deal.

All in all, the AISDALSLove model provides valuable insight on the progression of the customer journey. The model offers a chance to analyze the pivotal points in the campaign and attribute certain results to respective steps in the funnel. For example, a situation where a piece of sponsored content received substantial amount of engagement and CTA clicks but very low purchase rate would indicate that the audience was attentive and interested yet lacked the true desire towards trying the product. In this case, it would be worthwhile to reassess the price of the product or the way it is presented on the landing page.

## 5 CAMPAIGN STRUCTURE

The campaign structure presented below (Fig 8.) by the writer aims to address the most frequent challenges companies have reportedly faced in terms of IM campaigns and to provide basic outline of the necessary steps project managing parties should take in to account. The campaign structure consists of three major phases; setting up the campaign, monitoring the campaign, and ultimately measuring the success of the campaign. These campaign phases will be inspected in greater detail in this chapter. While there is no universally established structure for projects such as IM campaigns, the following proposal reflects the writer's vision based on the combination of research conducted for this thesis and personal experiences regarding project management.

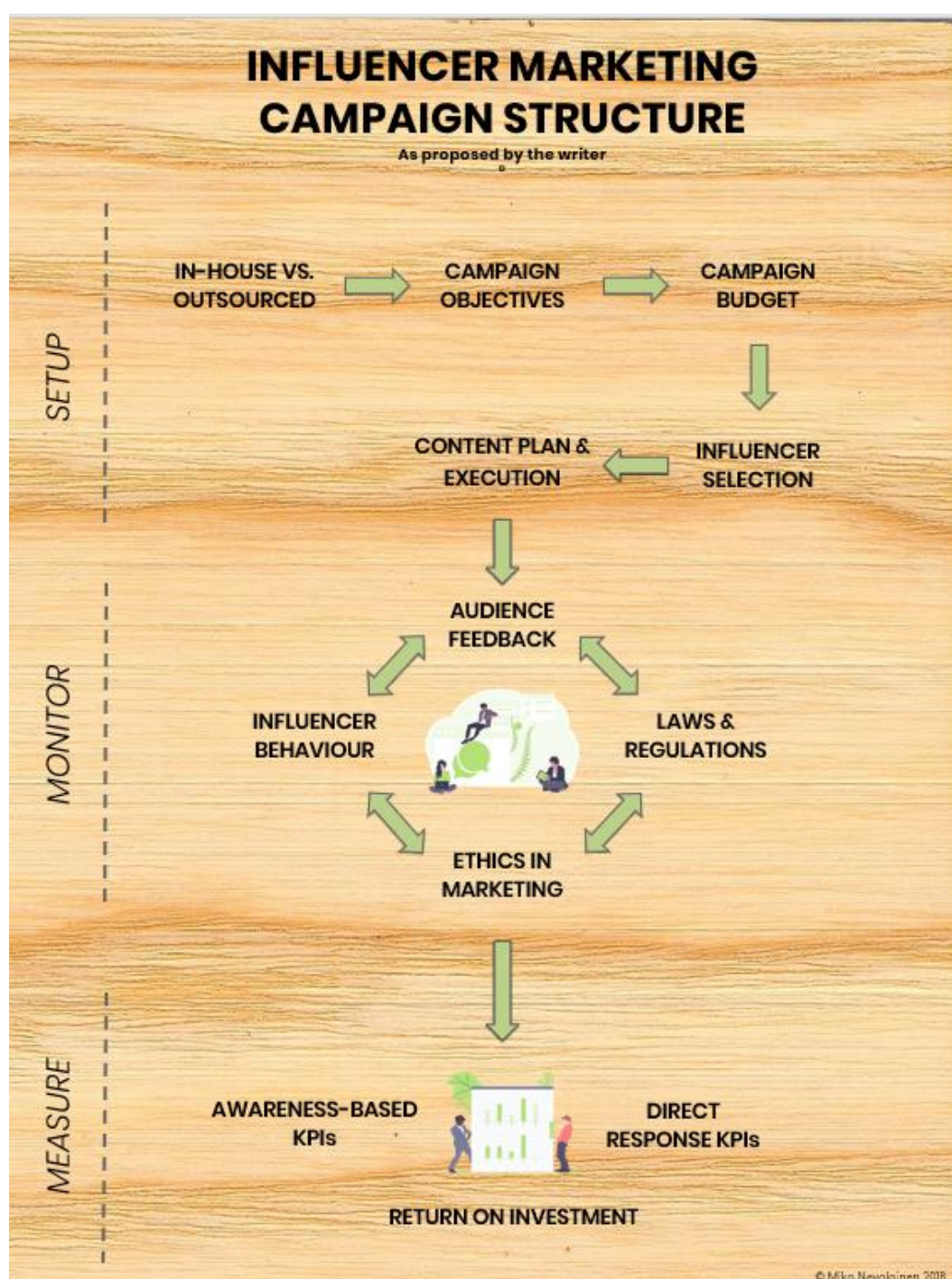


Fig 8. Campaign structure as proposed by the writer. (Nevalainen, M. 2018).

## 5.1 The Setup Phase

### 5.1.1 In-House vs. Outsourced

The first decision a company must make when embarking on the IM journey is whether they want to manage the campaign themselves with a dedicated in-house team or outsource the campaign to a professional advertising or influencer marketing agency. As social media marketing grows in popularity, increasing number to advertising and digital agencies have been adjusting their offering to meet the demand of their B-2-B customers interested in utilizing IM campaigns as a part of their marketing strategy. It is worth noting that working with an agency does not necessarily mean giving up control over the campaign, but rather adds professional insight in to the project at hand. Said agencies often act as partners that make use of their own resources to ensure the success of their clients' campaigns. According to a recent survey by IM agency Indieplace, 60% of Finnish companies partner up agencies or utilize influencer networks in their campaigns. (Indieplace, 2017. 3). However, as IM gains momentum as a mainstream form of marketing, increasing number of companies are building in-house teams specialized in influencer relations and campaign management. (Chen, Y. 1/2018). While there is no "one size fits all" solution for this question, some pros and cons to both options should be considered and those factors will be discussed further in this subchapter.

One of these factors is the magnitude and frequency of campaigns a company plans to execute in the near future. If a company is new to IM and wants to experiment with different strategies, utilizing a specialized agency is advisable. The expertise and tools that these agencies possess can both save time and eliminate the learning curve attached to the complex process of IM campaigns. Then again, if a company is prepared to regularly invest in to IM, training or hiring qualified individuals in-house could be the right option. (SeasonedInfluence, 2018).

Another factor is naturally the size of the budget. The total cost of an IM campaign consists of multitude of expenses and these expenses are heavily dependant on the campaign itself. To determine what's cheaper can only be done in case by case level. It is advisable to ask around and compare agencies to get an idea of the price range, then see if it's cheaper than to do in-house. (SeasonedInfluence, 2018). Companies need to compare if in-house expenses are less than what the agency is going to charge them. The in-house expenses regarding IM campaigns are discussed in more detail later in this paper.

Companies should also consider how much they value convenience. Agencies have extensive rosters of influencers at their disposal, experience on negotiating contracts, and the resources to manage campaign timelines. Most agencies are willing to completely manage the campaign from start to finish, meaning that the company itself can focus on their own core business. (SeasonedInfluence, 2018). The agencies that have proven track record in the business also possess knowledge on current trends in terms of IM climate. Having the foresight on the next big thing, in terms of content types for example, could give the company a major lead on its competitors on the same platform.

The strategist interviewed for this thesis stated that the biggest strengths agencies such as theirs bring to the table are experience and understanding of the market and processes, with the obvious addition of professionalism. He also noted that people often overlook the role of IM agencies in campaign management.

*"We do much more than just picking out the best influencer for the brand – most of the work actually revolves around planning the promotion and content of the campaign as a whole". (Strategist, interview 9-11-2018).*

It is important for companies to recognize which agency would serve them best in a partnership. The first thing to look at is the kind of campaigns that the agency has executed before and see if they have experience on the niche market that the company operates in. Additionally, it is worthwhile to find out how the agency selects their influencers and what are their exact plans for managing the campaign. Secondly, companies need to decide how involved they want to be in the process. Thirdly, requesting transparency in regard to pricing factors and the predicted total cost of the campaign is reasonable. This not only makes it easier to compare agencies, but also makes it possible for the company to compare the price difference between partnering up with an agency and executing the campaign in-house. Lastly, it suggested that agencies are pressed on the means that they use to measure the campaign and report its results. This is important because it says a lot about the professionalism within the agency and is one the main reasons companies should even consider utilizing agencies in the first place. (Hyprbrands, 7/2017).

A wide variety of influencer marketing platforms have surfaced as a sideproduct of the phenomenon. These platforms are designed to aid in influencer discovery, managing influencer relationships, payments, and a lot of other things related to the campaign. These third-party platforms usually charge either a monthly fee or a fee based on the total budget for the campaign. They allow for heavy automation and minimal "face-to-face" interaction between the influencer and the brand. (IMH, 2018). However, based on the experiences of the writer himself the automation aspect of IM is still rare in the Finnish scene. For this reason, automated platforms are disregarded from the research. A thorough view on the campaign as a whole can only be established if said shortcuts are eliminated from the descriptive process.

### 5.1.2 Campaign Objectives

Much like any form of marketing, IM should be approached with clearly defined objectives. Reaching for the stars on all possible fronts will unlikely lead to success, whereas focusing on one or few main objectives allows for building a campaign to specifically support those specific goals. The strategist interviewed for the thesis stated the following;

*"Influencer marketing should be treated like any other marketing tool. The important thing for a company is to have a goal-oriented mindset and choose the best tools to fit the specific target audience." (Strategist, interview 9-11-2018).*

Campaign goals should be specified in detail, so the results can be measured reliably later on by utilizing respective key performance indicators to calculate the return on investment. In addition, having clear understanding of the target audience that the campaign is aimed at greatly aids in the influencer selection step of the process. This subchapter reviews the process of defining campaign objectives, pairing them with their respective key performance indicators, and also addresses the means of tracking those KPIs.

According to a survey conducted by Indieplace in 2017, Finnish marketers dominantly pursued the following objectives in their campaigns; increase in sales and generated leads (51%), increase in brand awareness (50%) and the development of their brand image (45%). To a lesser extent, the will to increase the traffic to company website (29%) and increase company social media channel followage (28%) was observed. (Indieplace, 2017. 16). Interestingly, more than half of the respondents were unable to identify whether their campaigns ultimately fulfilled these goals.

Mediakix (2018) identifies two main categories of IM campaign objectives, *brand awareness* goals and *direct response* goals. Brand awareness campaigns aim to expand the awareness of the brand among consumers by generating social media buzz around their products and services or strengthening the overall position of the brand in social media setting. Direct response campaigns focus on driving specific user actions, often also referred to as conversions. As is evident from the aforementioned survey by Indieplace, companies struggle to quantify their goals in to more measurable units. Certain key performance indicators can be used as metrics for quantifying the extent by which these goals are reached, which is vital especially for the more abstract goals such as development of brand image. (Mediakix, 2018). Mediakix divides the KPIs in the following manner;

KPIs used for quantifying *brand awareness goals* include the following;

- Reach (views on videos, impressions on posts). Essentially indicates how many people have seen the content.
- Social engagement (likes, comments, shares, follows). Social engagement is a metric that most resembles the coveted buzz that many companies aim to achieve through IM.
- Mentions (social media mentions from users, links from press or other entities). It is worth noting that implementing a specific campaign hashtag makes it easier to attribute positive buzz to the campaign itself.
- Website traffic (traffic from search engines, direct traffic).

KPIs used to quantify *direct response goals* include the following;

- Purchases (sales that can be attributed to a specific influencer).
- Link clicks (amount of people following given link).
- Other forms of conversion (subscriptions, registrations, downloading certain material).

After deciding on the suitable KPIs for the campaign, it is also vital to accompany them with appropriate means of tracking. While most of the brand awareness KPIs can be tracked either through the social media platform tool in question or through Google analytics, attributing direct response KPIs

to a specific marketing effort can be trickier. After all, an individual making a purchase on the website might not have even been aware of the marketing campaign that the company is running at that time. Attributing all conversion taking place at time of the campaign, or shortly after, poses the risk of falsely inflating the effectiveness of the campaign.

Michael Quoc (1/2018) from Polepositionmarketing suggests the use of promo codes and trackable links in order to attribute conversions to a specific source, in this case influencer. (Quoc, M. 1/2018). Assigning influencer-specific promo codes that often serve as discount codes not only make it easy for companies to track conversions driven from that particular influencer, but also boost the image of the influencer as they look like heroes for providing their audience with exclusive savings. If the promo code in question is not a one-time deal, subsequent purchases on the company website can be traced back to the influencer as well even after the campaign itself has ran its course. Additionally, the benefits of promo codes stretch beyond the online sphere in a sense that influencers can promote the code in other venues, such as events or meet and greets. According to Quoc, tracking links used in conjunction with promo codes adds an extra layer of tracking capability since simply looking at completed purchases gives little indication as to how much total traffic was driven towards the website by the influencer. Companies can take advantage of URL builder services like the one Google has to create custom links utilizing UTM parameters that sync well with Google Analytics. UTM parameters can be designated to be any descriptive characters appearing in the URL right after the question mark, allowing for distinct differentiation between website traffic sources when analyzed using Google Analytics. (Quoc, M. 1/2018).

In summary, KPIs should always revolve around the objectives of the campaign. Focusing on few relevant ones allows for better measuring at the end of the campaign. The strategist interview for the thesis agrees with this sentiment, stating the following;

*"The KPIs should be always chosen based on the original goals that were set for the campaign. The most popular ones right now happen to be reach and social engagement". (Strategist, interview 9-11-2018).*

Much like in any form of marketing, IM works best when you have a clear idea of who you want to reach with your content. Understanding where the target audience spends their time in terms of social media aids in selecting an influencer that has a strong presence within that particular platform. A guide from Statepoint media (2017. 7) points out five things that should be considered when studying the target audience. The figure below (Fig 9.) depicts the five factors;



Fig 9. Five things you need to know about your target audience. (Statepoint Media, 2017. 7).

The five factors presented here can all be put in to social media context. *Demographic* statistics are obviously important since both age and gender play a role in which social media channel the individuals spend their time on. The location factor is also vital for location-based marketing efforts, such as geomarketing, which happens to be trending in the industry at the moment. The internet savviness of the target audience has to do with planning content that is favored by the targeted users, savvy consumers respond better to new and experimental content types while older target groups may respond better to traditional forms of content.

*Motivators* affect the way a product or service should be offered via IM. Playing by the strengths of the motivators factor increases the chances of impressing the target audience. If the brand wants to target young students and their product is on the low end of price range, then that would become the main focus on of the content creation. *Barriers* are factors that might prevent the consumer from buying the product. If the price is a barrier, then content should be focused on telling consumers why the product is worth the investment. If any *pain points* are discovered, those can be addressed by providing content regarding product support or ways to utilize the product or service better. *Benefits* can be utilized in content creation by identifying the strong points of the product and creating mental images that tempt the user to visualize the effect that the product has on their life.

### 5.1.3 Campaign Budget

Sizing up your budget beforehand will help you determine what kind of influencer can be afforded and the extent of content that can be created. It is noteworthy that unlike most forms of advertising, the ad placement in social media is inherently free of charge. This fact alone should encourage companies to experiment with different forms of social media marketing. There is a definitive trend of IM campaign budgets going up at the moment, a fact that is backed up by multitude of surveys. According to an international survey from Linqia (12/2017. 2), 60% of the companies were either going to increase their IM budget or retain it at the same level for the following fiscal year. The same thing goes for Finland, where 68% of the companies reported to either increase or retain the budget at the same level than in the previous year. (Indieplace, 2017. 9). These numbers indicate that the premise of companies holding high expectations for IM campaigns is indeed plausible.

Furthermore, the amounts of money spent on IM could rise to even higher levels as the concept matures and uncertainties surrounding this form of marketing are addressed. According to the fore-mentioned survey by Indieplace, additional investments were held up by the following factors (Table 2.) Respondents were able to select multiple options based on their preferences.

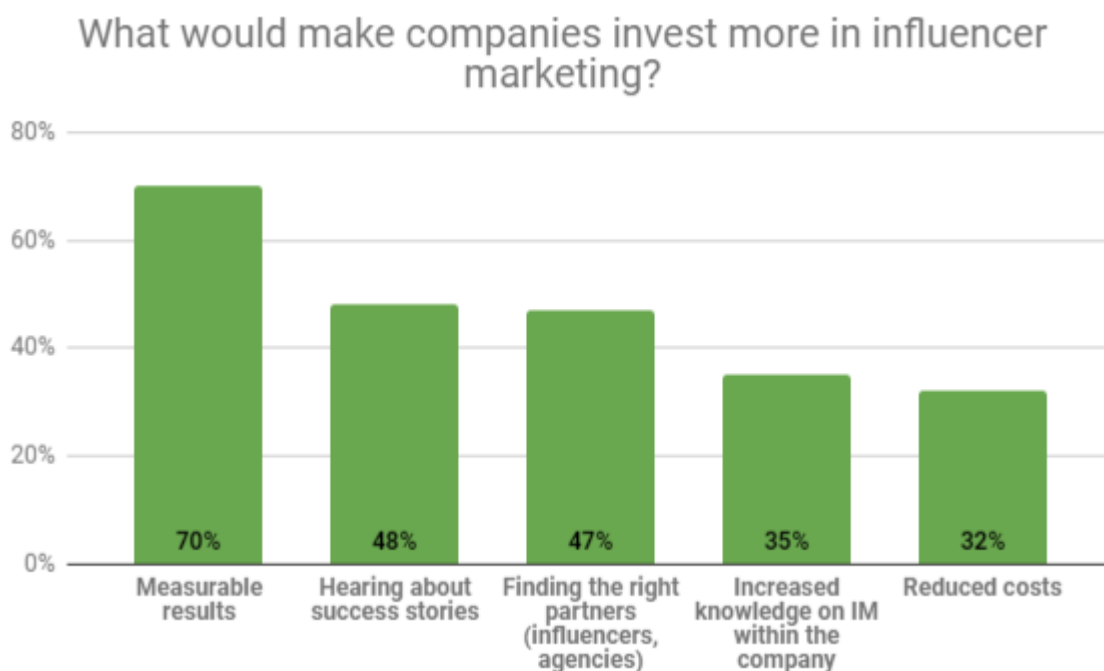


Table 2. Factors that would make companies invest more in influencer marketing. (Indieplace, 2017. 10).

As is evident from the figure above, the ability to reliably measure results yielded by social media remains as the biggest challenge for companies looking to commit financial resources to IM. Interestingly, hearing about success stories came in second. Finding the right partners for the campaigns was also seen as an obstacle. Seeing as good agencies can basically fix all of the three top factors, the demand for professional and experienced agencies is on the rise. Parties that can address these

issues and provide fulfilling partnerships will come up on top when attracting companies. The need for increased knowledge on IM within the company is something that can be addressed by the company itself by either training staff or recruiting dedicated IM professionals. Current level of expenses attached to IM is also seen as a factor preventing additional investments. It is to be seen whether the growth of the industry ends up lowering the average cost structure of a campaign or vice versa. With more influencers entering the industry and marketing agencies adapting to the climate by offering IM services, the increased level of competition could lower the prices. Whereas the smaller, aspiring influencers will potentially settle for less to kick-start their career, the well-established influencers are increasingly aware of their value and likely charge even more due to their experience.

The total expenses of IM depend heavily on the type of the campaign and how it is going to be executed. Outsourcing the campaign to an agency often means that the company itself is relieved from budget planning, since the total cost of the campaign can mostly be determined beforehand according to the offer given by the agency. However, in-house expenses are bound to accumulate if the whole or parts of the campaign is done with no third-party assistance. InfluencerMarketingHub (2018) suggests that in-house costs are mostly made up of working hours, with employees researching and contacting potential influencers or creating content for the campaign itself. Depending on the type of content that the campaign is going to include, additional expenses can occur in forms of production costs when filming or editing material. Obviously, any compensation towards the influencer should also be added in to the budget. (IMH, 2018). The blogger stated in her interview that influencer nowadays have learnt to expect compensation.

*"There has been a noticeable change for the better in terms of compensation. Companies are paying in money instead of merely offering products in exchange for promotion."* (Blogger, interview 12-11-2018).

In fact, the influencer fee could easily be the most expensive aspect of the campaign budget. Tony Tran (9/2017) notes that influencers are mainly paid for two reasons; their talent and creative capabilities, and their social following which is eager to consume the content that is produced with the company. He also proposes certain general guidelines for paying influencers. On Instagram, companies should pay around 0,25\$ to 0,75\$ per average post engagement, or 250\$ to 750\$ per 1000 engagements. On YouTube, the suggested range is 0,05\$ to 0,10\$ per average video view. Regarding blogs, companies could end up paying around 0,10\$ per average unique pageview. (Tran, T. 9/2017). It is worth noting that these numbers do not take in to account additional labour costs if any fall on the influecer's side.

Mediakix (12/2017) outlines other major factors that will affect the costs of the campaign. Those factors include;

- Format within the platform (photo, video, live).
- Cross-promotion (sharing the content on multiple platforms will require additional payment).
- Captions and descriptions (the product is mentioned, link provided, different CTAs).
- Campaign type (the amount of creative and logistics labour).

- Industry (YouTube gamers are more cost-efficient on average).
- Exclusivity (non-compete agreements often require additional payment).
- Licensing (who owns and can use the content). (Mediakix, 12/2017).

#### 5.1.4 Influencer Selection

The influencer(s) chosen for the campaign should first and foremost share certain attributes with the company that is about to hire them. Neil Patel (2018) introduces in his blog the concept of contextual fit. Contextual fit is important due to the nature of social networks, where influencers have an audience that actively opted to follow them and view their content. The audience is likely very engaged and open to the kind of content produced by the influencer, a polar opposite to traditional outbound marketing in which companies push their agenda on consumers. If the influencer produces content on topics that align well with products or services offered by the company, then the audience is already more receptive to marketing of that sort. (Patel, N. 2018).

It is also worth looking at partners from beyond the traditional social media sphere. Increasing amount of companies are looking in to influencers who have substantial social media presence but earned their stripes in another context.

*"The profile of an influencer is constantly evolving. A few years ago, the definition of an influencer was synonymous with bloggers or YouTubers, whereas today we are working to a greater extent with people that are primarily known from other venues than social media. These influencers are, for example, athletes and musicians."*  
(Strategist, interview 9-11-2018).

The need for contextual brand-influencer match is also echoed in a survey done by Indieplace, in which Finnish companies were asked about the most important factors for them when deciding on an influencer. Figure 10. shows the results of that survey, and the foremention link between the influencer's audience and the company's target market appears to be highly valued. (Indieplace, 2017. 12).



Fig 10. The most important factors when picking the right influencer. (Indieplace, 2017. 12).

The strategist Interviewed for the thesis acknowledged the importance of audience quality but noted that the definition of quality depends on what the campaign is built to achieve.

*"If your goal is to raise brand awareness of a Finnish product that is only sold in Finland, then international follower base has no bearing on the matter. A good follower base is engaged and active". (Strategist, interview 9-11-2018).*

In addition, he stated that he can definitely see how companies could struggle with finding suitable influencers to match their brand. He stressed the importance of well-thought-out processes and understanding where the strengths of that specific influencer lie in terms of authenticity and target audience.

*"A good influencer is authentic, credible, and speaks to the target audience. In addition, a systemic approach to work and overall professionalism is expected". (Strategist, interview 9-11-2018).*

There are multiple ways of categorizing influencers based on their reach and audience size. Influicity (3/2018) uses the most prominent model of dividing influencers into three tiers; micro influencers, macro influencers, and mega influencers (Influicity, 3/2018. 4-12).

*Micro influencers* are people with less than 10 000 followers on a platform. Micro influencers often have strongest ties to their audience. They are not seen as celebrities by definition but have a strong voice in within their own community. (Influicity, 3/2018. 4). The benefits of using micro influencers include higher engagement and conversion rates, because it is much harder to impact a brand's specific target audience when content is being viewed by millions of followers. Micro influencers are also great at impacting segmented audiences and niche markets, while being cost-effective. (Influicity, 3/2018. 6).

*Macro influencers* are people with a following of more than 10 000 but less than 1 million. Macro influencers are essentially professional influencers, having the upper-hand on micro influencers in terms of experience and reach, while retaining relatability factor over A-list mega influencers. Macro influencers create high quality, strategic content for marketers, due to the fact that most of them get their primary income from sponsored campaigns. Macro influencers are also more easily accessible than mega influencers. (Influicity, 3/2018. 8-9).

People on the very top of the social media food-chain are known as *mega influencers*. These individuals have over a million followers on given platform, offering marketers sizeable reach for their content. Partnering up with a mega influencer gives a brand instant boost in brand awareness. Mega influencers are often trendsetters on a global or industry level, so brands that align themselves with said individuals can reach explosive results when launching new products or services. Mega influencers often have dedicated pr teams or agents, which makes negotiating deals in a professional manner easier. (Influicity 3/2018. 11-12).

Certain criticism have to be paid to the forementioned categorization. It is worth noting that the numbers mentioned above do not reflect the truth in the Finnish market, Benjamin Peltonen with roughly 300k followers on Instagram should definitely be considered as a mega influencer. It is also important to understand that audience size value differs greatly between platforms, it is easier to get 100 000 subscribers on YouTube than it is on Instagram. Furthermore, companies can not rely solely on reach, when metrics such as engagement are vital aswell. It is a good idea to ask the influencer to provide evidence of past campaign statistics to get a better insight on how well the audience interacts with the content.

Another reason to ask for screenshots or other proof of social media statistics is the rise of fake influencers. As the demand for influential content creators grows, so does the number of illegitimate social media accounts determined to game the system.

*"There is a problem with fake profiles on a global level, but I don't think the Finnish market has been tainted by it yet". (Strategist, interview 9-11-2018).*

Eventhough the problem is mostly existing in the global market, the growth of the industry might cause to be a problem in Finland as well in the future. These fraudulent profiles often have seemingly large following and even engagement, so weeding out the fakes at first sight can be tricky. Services like Buzzoid sell Instagram followers and likes at relatively low rates compared to the time effort it would take to achieve such numbers in a genuine manner. (Buzzoid, 2019). Paul-Louis Valat of Meltwater has gathered up some points that help marketers to spot fake profiles. (Valat, P-L. 7/2018). Valat argues that the easiest way to check if the influencer is indeed legit is by looking for the verification icon on Facebook, Instagram or Twitter. Another red flag would be a disproportional engagement rate. An account with extremely low engagement rate could indicate that the followers have been bought, whereas massive engagement rates raise a doubt on whether the engagements are artificially generated. Another thing to look at would be the following-follower ratio, some accounts have inflated follower numbers because of the follow-for-follow practices. In those cases, the content creator's audience is made up of individuals looking to increase their own following instead of being genuinely interested in the content. Marketers should also pay attention to the type of conversation that takes place on the influencer's account, since repeated generic comments could indicate bot activity. It is also wise to look at interactions that the influencer has with other influencers, or the lack thereof. (Valat, P-L. 7/2018).

After a suitable influencer has been discovered, a formal agreement should be made in terms of various responsibilities. Mediakix (3/2018) proposes the following six factors to be included in the influencer agreement. (Mediakix, 3/2018). The factors are depicted in the figure below (Fig 11.). The elements of an influencer agreement are mentioned in this subchapter due their close relation to the process of influencer selection but the contract itself should only be drafted after establishing the content plan discussed in the next subchapter (5.1.5).



Fig 11. Elements of an influencer agreement. (Mediakix, 2018).

### 5.1.5 Content Planning and Execution

Bill Gates, the founder of Microsoft and a known trailblazer in the internet world, stated back in 1996 that much like in TV broadcasting, content will be the driving force behind the internet. Gates forecasted that those who succeed in providing informational and entertaining content that captivates audiences will prevail in the highly competitive world of internet. (Gates, B. 1/1996). Those words are true to this day and apply to social media as well. No matter how many people marketers can reach with their message, it will not yield results if the content is not up to par. Content should be the main focus of the campaign as a whole, since it is very important.

It is important to understand that IM goes beyond paying an influencer for posting a photo with a product. In fact, marketers are becoming increasingly creative with their campaigns, evidenced by a latest video post done by a famous Finnish YouTuber Deata aka Mikael Hertell. Hertell partnered up with Samsung to promote their new phone by filming himself playing a popular video game with using an actual excavator, and then trying the same game on the new phone. (Hertell, M. 3/2019). The concept is well designed because it creates an outrageous contrast on how easy it is to play on the phone, something that Samsung has been focusing on in their marketing lately. Companies should put effort into matching the choice of content type with their campaign goals. PR stunts can yield massive brand awareness gains, whereas a simple photo or video with affiliate link will likely yield more actual purchases.

Amanda Gaid and P.J Leimgruber (2019) propose a few different campaign types in terms of content and those will be discussed in detail below;

- Sponsored posts
- Reviews and unboxings
- Giveaways
- Social media takeovers
- Product collaborations
- Brand ambassador arrangements (Gaid, A. & Leimgruber, P.J. 2019).

*Sponsored posts* cover most of what people see as the traditional influencer marketing, in which companies compensate influencers for posting promotional content about their products or services. Sponsored posts often come in a form of a photo, video or blog post. Eventhough this type of content is in most cases is heavily orchestrated by the company, because there are CTAs involved, it is also important to allow some creative freedom to the influencer. (Gaid, A. & Leimgruber, P.J. 2019). It is best to involve the influencer themselves into the planning process, because no one knows their audience as well as they do.

*"I take part in the planning phase by giving my input on how I feel the sponsored content should be incorporated in to my blog". (Blogger, interview 11-12-2018).*

*Reviews and unboxings* are most common in the YouTube realm, where lengthy videos are a norm. In terms of reviews, right off the bat it is easy to see a problem with the ethical side of things. Companies sending their products in order to get a review done by an influencer should play no role in how positive the review is. However, unboxing videos are a significantly better option for IM. The premise of these videos is that the influencer is sharing their first experience with a product with the audience. (Gaid, A. & Leimgruber, P.J. 2019). Unboxing videos are especially good for product launches, where the brand gets hype around the product and the viewers feel happy about seeing the new product in action, potentially affecting their decision to buy the product later.

*Giveaways* are something that brands have gotten in to habit of doing for themselves, however it works with influencers as well. Companies often provide influencers with free products on top of the regular compensation to give out. Giveaways are great for driving engagement, when a certain criterion for participation is determined. This is often commenting on the post. *Social media takeover* on the other hand is a tactic where the influencer is brought on the company's social media channel to create content. The takeover usually lasts for a short period of time and during that period the influencer is in control of the channel in question. Needless to say, it is important to have a trusting relationship with the influencer since account details are being exchanged. (Gaid, A. & Leimgruber, P.J. 2019).

While most of the forementioned content types are one-off type of deals, prolonged partnerships are becoming increasingly popular nowadays. *Product collaboration* is a tactic where the influencer actively participates in to the company's business. These types of collaborations first started in the beauty and fashion industry, which saw many influencers creating their signature line of apparel or make-up. The food industry has also seen influencers create recipes around specific brand's products. (Gaid, A. & Leimgruber, P.J. 2019). Additionally, influencers can involve their audience in to the process by asking for their opinions and ideas on what should be changed or further developed. Crow-sourced innovation is something that Gen Z is interested in, as is established earlier in this paper. Brands that find themselves satisfied with an influencer could opt for a *brand ambassador* arrangement, in which the influencer becomes the face of the brand for an extended period of time. This type of tactic often yields great long-term benefits, such as brand's ability to stay on top of the influencer's audience's mind through repeated exposure to content and the ability to showcase the versatility of the company's offering. Established brand-influencer relationship develops over time and both parties learn more about each other, resulting in smoother campaign executions. (Gaid, A. & Leimgruber, P.J. 2019).

There are multitude of options when it comes to deciding which social media platforms to utilize in the campaign. Content should be mainly focused on platforms that the influencer has a strong presence on and are popular with the target audience of the campaign. Dave Musson (10/2018), editor-in-chief of The Native, suggests using social first strategy, which means that content is primarily optimized for social media use. Companies tend to create content on one platform and share it haphazardly on all other platforms they have an account on. Instead of doing this, brands should create content that fits specifically that platform. (Musson, D. 10/2018). This means that marketers should

play to the strengths of the platform, Instagram should have visually impressive images because that is what it is optimized for. YouTube allows for longer videos, which is great for providing both entertainment and information. Musson also emphasizes the value of building a narrative for the audience to follow instead of a single post and more importantly, that narrative should evoke a reaction among the audience. (Musson, D. 10/2018).

A great example of social first strategy is when Coca-cola partnered up with Finnish influencer Benjamin Peltonen, known for his good looks and musical abilities, to promote their flagship product. (CokeTV, 2018; Peltonen, B. 2018). Coca-cola released a video of Peltonen and his crew attempting to write and record a song in just fifteen minutes, which was followed up with a picture posted on Instagram by Peltonen. The execution was well done in terms of social first strategy, with a clear narrative and platform specific content that compliment each other. The campaign also managed to combine various aspects from the influencer, in this case music, which intrigues people that may not be fans of Peltonen for his aesthetics specifically but are interested in behind the scenes footage on how music is produced.

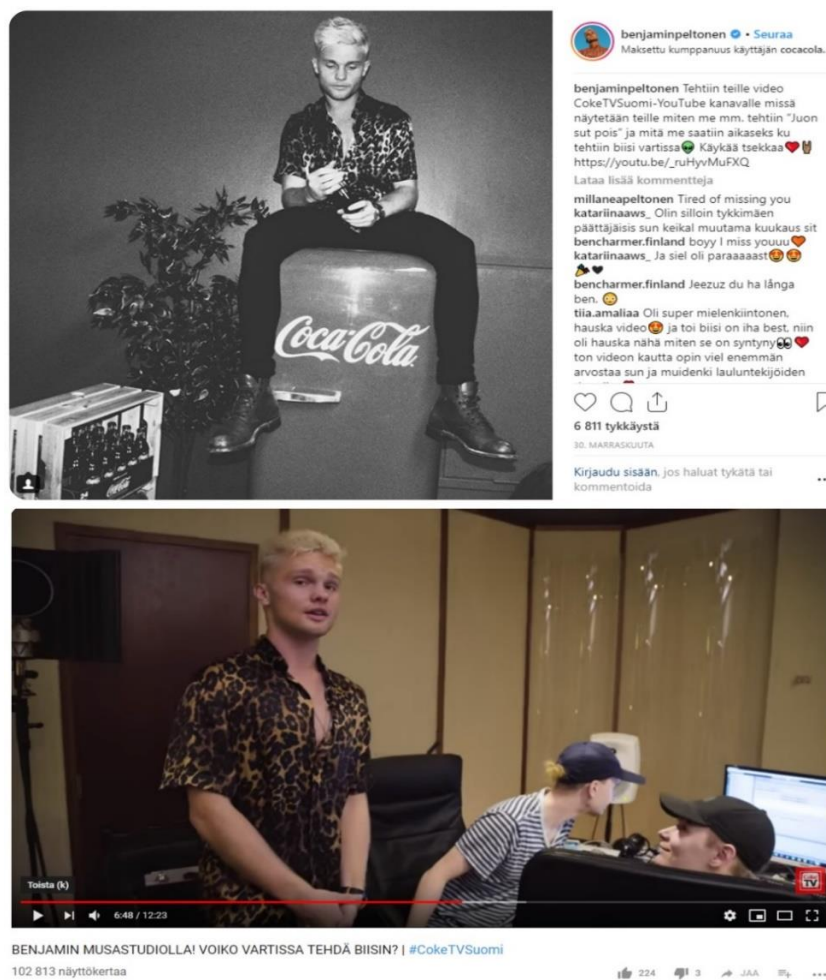


Fig 12. Example of social first content. (CokeTV, 2018; Peltonen, B. 2018).

Majority of the professionals in the field of SMM agree that video content is the dominant option for brands looking to captivate their audiences. Among those people is Nicola Mendelsohn, director of European, Middle Eastern and African operations at Facebook. Mendelsohn (6/2016) stated in an

interview that video is the best way to tell stories in a world overflowing with information. She also boldly predicted that the platform itself will be video-only by the year 2021, given that the organic shift from text to video trend continues at the current rate. (Mendelsohn, N. 6/2016).

The popularity of video content has spawned a new subcategory known as ephemeral content. Ephemeral content refers to content that is available for a limited time, often in a form of a livestream, Instagram or Facebook story. (Hsu, J. 8/2018). Counterpart of the elusive evergreen content that marketers used to strive for, the strengths of ephemeral content lies in its authenticity and high engagement. The concept is fueled by a social phenomenon known as FOMO, Fear of Missing Out, which encourages the audience to actively seek out the content and act on possible CTAs. (Hsu, J. 8/2018). This type of content also allows brands and influencers to better experiment with their ideas due to the perishing nature of the content and low expenses per piece of content. In some cases, such as lengthier livestreams, the content can be later repurposed in to videos through editing to create even more content that aligns with the narrative of the campaign. As is evident from the figure below (Fig 13.), major social media platforms have adapted to the demand for ephemeral content that serves brands as well individual consumers. (Katai, Robert 8/2017).



Fig 13. Stories feature is conquering the social media ecosystem. (Katai, R. 8/2017).

Regardless of the content type being used, it is important to build a clear narrative around the content published by the influencer. In order to achieve a wholesome content distribution plan, companies need to acknowledge the extent of their existing social media assets. Rebecca Lieb and her colleagues (2012, 4-5) introduced the concept of converged media, which stands for two or more of the company's social media assets overlapping to create a consistent storyline and enhance the

customer journey. (Lieb, J. et al. 2012. 4-5). The figure below (Fig 14.) depicts the converged media sphere.

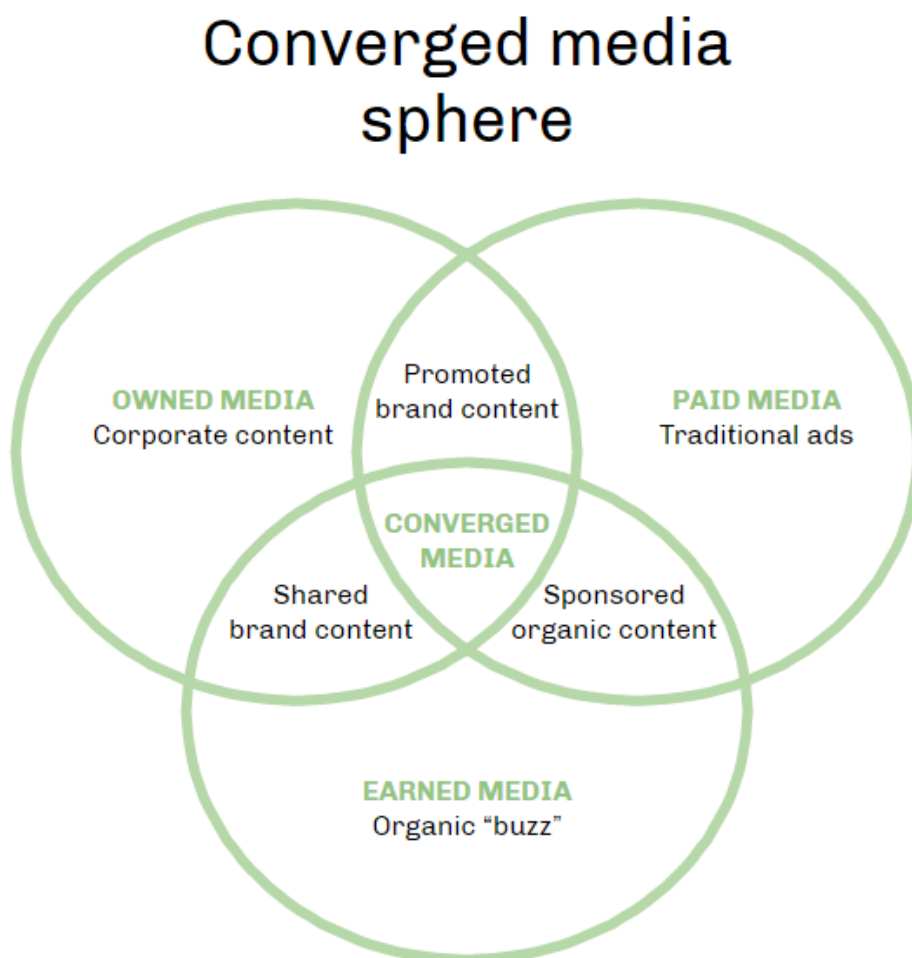


Fig 14. Converged media sphere. (Lieb, J. et al. 2012. 5).

According to Lieb (2012. 5), companies have assets, and therefore potential for exposure, in three different venues. *Owned media* includes any channels that the company itself owns has complete control over. These channels are things like the company website, social media channels and subscriber list for e-mail marketing. *Paid media* consists of all the marketing efforts that the company pays for, in the digital space this usually means things like display ads or search engine marketing. Lastly, *earned media* includes all forms of media that is produced by the consumers or other parties than the company itself. Earned media can occur as things like engagement on social media and reviews on the internet, ultimately forming the online reputation of a company as a whole. (Lieb, J. et al. 2012. 4-5).

Lieb adds that confluence between any of the three media assets occurs when, for example, a TV ad (paid) is being repurposed in to a YouTube video on the company channel (owned). (Lieb, J. 2012. 4-5). A good example of the same sort of confluence, but in reverse, would be the common practice of companies creating content on their social media channel (owned) and paying for the

content to be boosted on the platform as an ad (paid). Lieb concludes that no media can stand alone in the highly fragmented commercial world. It is vital to have an understanding on how to successfully promote owned content to gain traction, and in return amplify the earned media assets to make the most out the user-generated content. (Lieb, J. 2012. 4-5).

Matthew Grant (2019) argues that earned media is by far the most important social media asset a company holds. Anything a marketer says is often received with suspicion, while trusted third-parties hold credibility among their peers. Whereas paid promotion of owned media can lead to increase in earned media value, amplifying earned media on owned and paid venues can truly give the credible content produced by consumers the reach it deserves. Furthermore, companies should plan ahead in terms of how the content will be promoted across the three venues even prior to creating the content. (Grant, M. 2019). The strategist interviewed for the thesis agrees with the statement on the importance of earned media;

*"Earned media is a really important factor, especially when planning long-term marketing partnerships". (Strategist, interview 9-11-2018).*

While it is highly debated as to exactly where IM stands on the converged media sphere, the important thing is to consider all the possibilities that the company's media assets can bring to the table to support the content published by the influencer. Following a clear narrative set for the campaign can be done by creating content that aligns with the topic at hand on owned media channels and possibly investing in paid media to further promote the influencer's content. Looking at the campaign by Coca-cola featuring Benjamin Peltonen, the possibilities to support the original campaign content include things like posting fun facts about music on owned channels, activating audiences by asking what song would best describe coke, and investing in display ads that promote the YouTube video. When earned media is accumulated in forms of comments for example, those comments can be then repurposed into content on owned media channels. All of this would ultimately help drive the narrative of the campaign on multiple fronts while maximizing the value that the company gets out of partnering with a prominent influencer.

## 5.2 The Monitor Phase

The monitoring phase of An IM campaign is a lot different than a print advertisement in a newspaper or a 30-second spot on TV. IM campaigns can last up to several months and consists of up to dozens of separately carried out posts. Things can happen during that timeline, so monitoring the campaign as it unfolds is the only way to ensure the success of it. This section focuses on four main things a company should keep an eye on; the influencer, audience feedback, compliance of both regional and platform-specific regulations, and the ethical implications of the campaign. Naturally, all of these aspects should already be taken in to consideration when briefing the influencer prior to launching the campaign. Depending on circumstances, opting to have soon-to-be published content approved prior posting is advised. Even then, having someone monitor the progression of the campaign on a larger scale gives the company a chance to react quickly should something noteworthy happen.

### 5.2.1 Influencer Behaviour

Sometimes things that should evoke a reaction happen. Back in 2016, Petapixel (5/2016) reported on a mishap where Instagram superstar Scott Disick appeared to have copy-pasted the instructions for his next post directly, resulting in a quite an embarrassing mistake (Fig 15.). This did not go unnoticed by his 20 million followers and he quickly corrected the mistake, deleting the excess text and properly labeling the post with the hashtag #ad. (Petapixel, 5/2016). Eventhough transparency is widely encouraged in IM practices, this one might have gone a bit overboard.

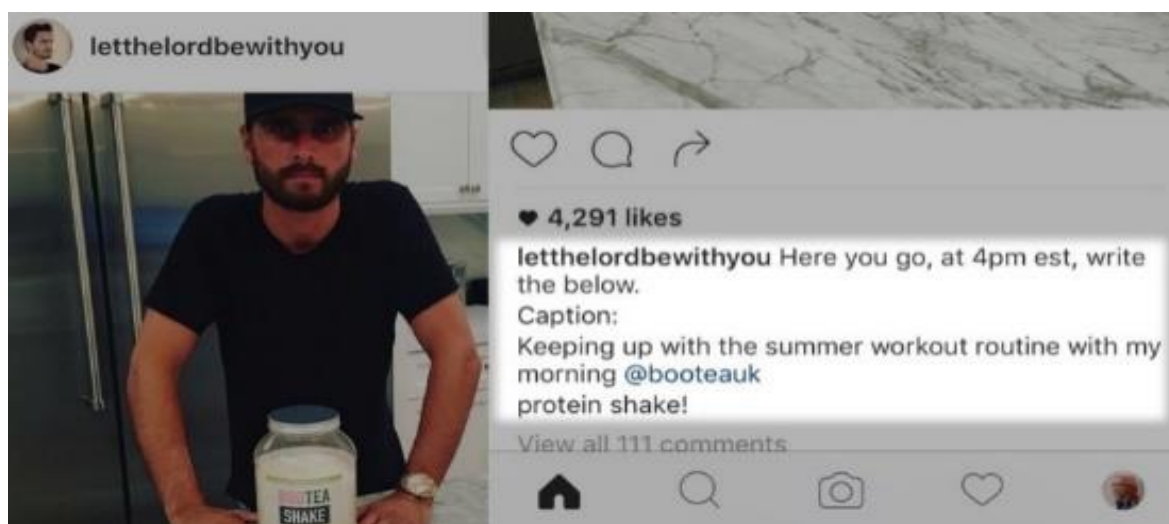


Fig 15. Scott Disick's Instagram plunder. (Petapixel 5/2016).

While Disick's mistake was quite harmless, some of the more dramatic instances can be found in recent history. Just this year, 23-year-old youtube phenomenon Logan Paul had advertisements temporarily suspended from his channel following a controversial video shot in Japan. (CNN, 2/2018). Apparently, Paul was mocking suicide, which obviously did not go down well with Youtube. Pewdiepie, arguably the most popular individual on YouTube, lost his sponsorship deal with Disney

in 2017 due to his anti-semitic remarks. (Adweek 2/2017). Controversies like these can be a PR nightmare from the perspective of associated brands and companies.

Marketing professors Brian D. Till and Terence A. Shimp have studied this effect extensively. In their study (JoA, 1998), they concluded that correlation exists between the negative information presented about a celebrity and the public image of the company that the celebrity endorsed. However, the effect is considerably milder, even non-existent, when the brand in question is well enough established. Companies like Pepsi have survived controversies in the past with little to no harm in terms of public image. (Till, B.D & Shimp, T.A. 1998).

It is noteworthy that while companies are concerned about their influencers wreaking PR havoc, content creators too are cautious about the companies they choose to associate themselves with. The blogger interviewed for this thesis stated the following on the subject;

*"The values I find important in companies that I associate myself with are trustworthiness and transparency. As a content creator, I feel responsible about what I write and must be able to stand by my content -- The company or product I choose to promote must have a clean record in terms of ethics". (Blogger, interview 12-11-2018).*

### 5.2.2 Community Feedback

Influencers and companies behind them walk a thin line nowadays. The pressure of creating interesting and results-driven content while remaining authentic is a challenge one must overcome to remain relevant in the extremely competitive realm of social media. One of the most prominent assumptions that the writer had prior to delving in to the thesis research concerns influence decline, the concept of influence deteriorating over time if exploited in excessive fashion.

Bazaarvoice, in conjunction with Morar Research (2018) conducted a research on what they labeled as influencer fatigue. According to the results, 47% of the consumers listed repetitive content as the biggest problem with influencer marketing, dipping content quality coming in second with 23%. Across Europe, 52% of the respondents said that they watch more influencer content than a year ago, yet a mind-boggling 62% feel that influencer content takes advantage of impressionable consumers. (Bazaarvoice & Morar Research, 2018). Joe Rohrlich, GM of EMEA at Bazaarvoice, says that the dissatisfaction of consumers towards influencer content could be the result of monetary values overtaking authenticity as a priority. He also acknowledges that consumers are becoming savvier regarding this form of marketing. However, he believes that there is a balance to be struck between the business factor and the authenticity factor. (Rohrlich, J. 2018)

According to a survey by Ping Helsinki (4/2018. 12), Finnish consumers approve of IM as long as it fits well with the influencer's sentiment. 39% of the respondents approved of sponsored content if the product aligns well with the values presented by the influencer, whereas 36% found it important that the influencer actually uses the product themselves. Furthermore, only one in six respondents

thought that publishing sponsored content negatively affects the credibility of the influencer. (Ping Helsinki, 4/2018. 12). These results would indicate that people are willing to view sponsored content, but also highlights the importance of well-executed content that brings true value to consumers. If the promoted product or service is in no way in sync with the influencer's sentiment, a further alienation of the brand from the targeted audience could occur.

The blogger interviewed for the thesis does concede to getting occasional negative feedback on sponsored content, but reception is mostly positive and over the years she has come to learn the preferences of her readers in terms of content.

*"I find it important to have a story behind every sponsored content I publish. -- there's no point for me in writing posts just for the sake of advertising. I want to offer more than that to my followers." (Blogger, interview 12-11-2018).*

Furthermore, she adds that even as the level of competition among influencers rises, it's important to stay true to one's own content.

*"Personally, I will never resort to clickbait or other questionable tactics to grow my audience". (Blogger, interview 12-11-2018).*

Companies looking to address possible community feedback should prepare in terms of how to respond and exactly who is responsible for it. Rachel Grate from Eventbrite (1/2018) proposes a three-step program for addressing community feedback in social media. Eventhough the program is originally designed for events, the program fits well within the IM context aswell. The three steps consist of before, during, and after phases. (Grate, R. 1/2018). These steps will be discussed in the following paragraphs with some appropriate IM campaign applications.

According to Grate, in the before phase companies should produce pre-approved posts that address questions that might arise during the event. She adds that attaching a link to a FAQ page can easily provide the audience with information regarding the event, product, or service. (Grate, R. 1/2018). In the context of IM campaigns, the party responsible for responding to feedback could arm themselves with pre-planned statements that are effortlessly copy-pasted in to the comments section. For example, if a company is expecting to face backlash for the price of the promoted product, preparing statements that remind the audience about a current discount should be considered.

During the event, or in this case campaign, companies should strive to respond in a timely manner. Grate proposes that a designated person should be put in charge for monitoring conversations around the content to ensure appropriate timing. She adds that while the first point of contact should be made in public, further discussions with a disgruntled user should be had via private messages. (Grate, R. 1/2018). In the case of an IM campaign, the party responsible for community management should make sure to control the direction of the general conversation by responding to negative comments with upmost patience. Whereas Grate's program is designed for events that might last a day or two, IM content may remain relevant for weeks. If the negative conversation is not addressed, it might cumulate into a a bigger problem over time. The most important thing is to

resist the urge to purge, since deleting a negative comment will most likely only further aggravate the user.

Lastly, Grate suggests that companies take the opportunity to learn from past experiences and develop the strategy for future use. If a dominant complaint was observed, then treating the root problem could eliminate it from future encounters with the same audience. (Grate, R. 1/2018). For example, if a company is planning on partnering up with the same influencer in future campaigns, complaints regarding the influencer posting sponsored content should be addressed to pave the way for the next campaign. In this case, looking back at the real value the campaign brought to the fans of the influencer is probably wise, seeing as they did not approve of the sponsorship this time. Then again, constantly struggling to align the interests of the influencer's audience with the brand's offering could indicate a profound problem in terms of the brand-influencer match.

It is worth noting that not all feedback is negative. Appropriate response to positive sentiment could do wonders to encourage other users to post about their positive experiences and further increase the engagement rates of the campaign.

### 5.2.3 Laws and Platform Regulations

There are legal factors that need to be taken into consideration when planning and executing your influencer marketing campaign. It is of utmost importance that both the commissioning company and the content creator are aware of these laws, as failure to comply with these regulations may subject your company to legal consequences later down the road. Krogerus Oy, a Helsinki-based law firm reminds readers on their blog (2/2018) about the fact that by law, a company is generally always liable for the marketing of its products, even if that marketing has been carried out by a third party such as an influencer. Companies engaging in co-operation with influencers – either directly or through an influencer network – should ensure the influencers receive and abide by clear guidelines on how the partnership should be disclosed (Krogerus Insights, 2018). The laws in question vary between countries, but for the purposes of this thesis, the laws that are in place to regulate the Finnish market will be discussed.

The consumer protection act (38/1978) has been put in place to protect the rights of the consumer and prevent commercial entities of practicing false or otherwise questionable means of marketing. The consumer protection act (Ch.4 §2) states that marketing shall clearly indicate its commercial purpose and the party on whose behalf the marketing is carried out. In the preamble to the regulations (Govt. Proposal 194/2001), forementioned section 4 applies to marketing in general, regardless of what tools are used for the marketing. Therefore, IM practices are subject to same regulations than other forms of marketing. The laws regarding advertising in Finland are even stricter when it comes to marketing to underage individuals. Seeing as social media platforms are ripe with underage demographics, it is extremely important to pay attention to these regulations when working in IM business. The customer protection act on good marketing practices (§2, 2008/561) states that

under no circumstances should any party exploit the gullibility or inexperience of an underage individual in their marketing efforts.

The Consumer Ombudsman oversees the consumer protection act and takes appropriate actions against any non-compliant businesses. The Consumer Ombudsman has laid out a guideline for companies to aid them in practicing transparent marketing, some of the most notable factors to take in to consideration are listed below;

- When writing about a product, a reference to the company that markets it must be made each time that the product is mentioned -- having mentioned it in a previous post is not sufficient.
- A company has met its obligations with respect to the recognizability of the advertising when it has instructed a blogger to act in such a way that no hidden advertising is practiced.
- Disclose and instruct related parties to disclose the presence of sponsored content by stating "in cooperation with company X /product X or sponsored by company X / product X."
- The use of #ad or #kaupallinenyhteistyö is recommended when applicable. (TCO, 2015)

As the concept of IM becomes increasingly popular, platforms have adapted to the demand by adding their own tagging tools that ensure appropriate level of transparency towards consumers. Mediakix (4/2017) has compiled a guide for businesses interested in utilizing sponsored content in their marketing strategies. Guidelines are presented for Facebook and YouTube. (Mediakix, 4/2017).

The branded content tool for Facebook is essentially a very simple one to use. Upon creating a piece of sponsored content, influencers are able to tag any postential business partners in the post. Naturally, this practice requires that the company has a viable company page on the platform. The post will then be displayed as "paid", which ensures the transparency of the promotion. The branded content tool is an important tool because it also allows the tagged partner, in this case the brand paying for the content, to view data regarding the post as if it was published by the brand's account. The tool also allows the brand to pay for additional promotion on the platform, again just like if it was published by themselves. (Mediakix, 4/2017).

According to the Team at Mediakix, tagging sponsored content on YouTube is as simple as clicking on a checkbox. By declaring the content as "paid", not only are the viewers informed about the commercial intent behind the content, but it also affects the way YouTube places additional advertisements on the piece of content. Any ads that would be in direct conflict with the business partner are avoided, providing additional benefits to companies and influencers that openly disclose their sponsorships. (Mediakix, 4/2017). Furthermore, the option to retroactively tag videos as sponsored has been introduced to encourage disclosure without the fear of having to re-upload videos and lose out on accumulated viewership data in case it is forgotten the first time. (YouTube, 12/2018).

According to Elise Hoggard (10/2017), the branded content tool on Instagram is much like its' counterpart on Facebook, simple to use. The tool allows content creators to tag a business partner in to their post upon publishing, and it works both on traditional posts and stories. Once tagged, the business partner will have equivalent access to the data insights, making it easier to observe the success of the content. Interestingly enough, the feature allows for companies to opt-out from a piece of content later if they so choose. (Hoggard, E. 10/2017). The fact that the tool allows companies to resign themselves from a post retroactively reflects the current climate of marketers being wary of controversy around social media content creators, a phenomenon that was discussed earlier in this paper.

Following in the footsteps of other social media platforms, Snapchat has also introduced a tagging feature. According to Danielle Partis (3/2018) the tool allows both brands and influencers to tag each other in their stories. The actual feature is quite underwhelming in its functionality, since the tagging process consists of simply using the @-sign in front of the preferred account name in the text box of the story. Nevertheless, this feature makes it possible for brands and influencers to mutually promote each other in their content and take care of the disclosure responsibilities while doing it. (Partis, D. 3/2018).

The proper use of tagging features provided by the platforms in conjunction with following the legal requirements ensures that the campaign runs smoothly in terms of transparency. Tagging features will likely see regular improvements as time passes, so keeping up with the newest requirements and the tools that are in place to help fulfill them is a necessity to any party involved in the IM industry.

#### 5.2.4 Ethical Implications

In addition to the forementioned legal and platform-specific regulations, certain guidelines have been proposed to ensure the ethicality of persuasive communication - i.e. advertising. A profound dichotomy between companies' nature of results-driven practices and the universal philosophical standpoint on common good poses a challenge. Considering the various ethical implications of advertising is advisable not only for the altruistic aspect, but also for the sake of the brand image and how the brand message is conveyed from the consumer standpoint.

The increase in use of automation in digital marketing has its pros and cons. While automation offers benefits in terms of time consumption, it also exposes marketers to unexpected side effects. YouTube for example has been under scrutiny in recent years regarding their policies that affect both the content creators and the companies investing in to advertising on the platform. (Guardian, 3/2017; Wired, 3/2017). It was extensively reported in early 2017 that major brands' advertisements were found to be appearing next to videos promoting extremist views or hate speech, with a cut of the advertising spend going to the creators. Companies that had their paid advertisements placed on such inflammatory content were naturally concerned about unwillingly endorsing the message and being perceived as associates of those parties. Reporters of the news site The Guardian

set out to investigate this matter further and shortly concluded that the problem is indeed widespread. Within a timespan of fifteen minutes, they witnessed extreme cases such as banners promoting Minecraft, a game designed to appeal to young audiences, next to videos about illegal drugs. (The Guardian, 3/2017). Eventhough YouTube provides marketers the opportunity to choose the kind of content they wish to display their ads on, the final placement is conducted by the Google algorithm. The scandal surrounding YouTube eventually lead to more than 250 brands freezing their ad campaigns on the platform until a credible fix is implemented to the policies regarding ad placement. (Rath, J. 3/2017).

It is said that with great power comes great responsibility. Where as the use of pre-selected influencers allows marketers to better control the way brand messages are conveyd in the digital space, it also means that the individuals involved in the campaign need to be responsible when exercising their powers. The effectiveness of IM relies heavily on persuasion, thus amplifying the need for a solid set of moral boundaries which are to be respected when practicing persuasive communication of this sort. There are some precautions a company can take to ensure a smooth campaign in terms of ethical proceedings, one of them being the TARES test. The figure below (Figure 16.) is an excerpt of the said TARES test questions and serves as a good guideline for companies practicing persuasive communications.

<b>Truthfulness</b>	Would I feel that this communication was truthful and nondeceptive if communicated to me in this context?
<b>Authencity</b>	Do I truly think and believe that the persuadees will benefit if they are persuaded to act or think in the ways that this persuasive communication suggests they should?
<b>Respect</b>	Have I taken the rights, interests and well-being of others into consideration as much as my own?
<b>Equity</b>	Do the receivers of the message know that they are being persuaded rather than informed?
<b>Social Responsibility</b>	Have I unfairly stereotyped constituent groups of society in this promotion/communication campaign?

Fig 16. Excerpt of the TARES test questions. (Baker, S. & Martinson, D.L 2001).

The TARES test (Baker, S. & Martinson, D.L 2001) is a set of thought-provoking principles based on five themes; Truthfulness, Authenticity, Respect, Equity, and Social responsibility. Each theme consists of a variety of questions that should always be addressed before moving forward with publishing any form of persuasive communication. *Truthfulness* in this context stands for not only refraining from actively lying, but also ensuring that the message is not potentially deceptive towards the persuadee – i.e. consumer. *Authenticity* calls for authentic nature of the persuader – i.e. company or influencer. This essentially means that the persuader should communicate in a manner that is not in conflict with their integrity or personal ideologies. *Respect* refers to respect for the persuadee, and states that no professional persuasion effort is justified if it demonstrates disrespect for those to whom it is directed. *The equity principle* requires that there is parity between the persuader and persuadee in terms of information, understanding and insight. The persuadee must be aware of the nature of the content and the context it is presented in. *Social responsibility principle* underlines the need for persuaders to be sensitive to and concerned about the wider public interest or common good over raw self-interest (Baker, 1999).

### 5.3 The Measure Phase

Measuring the effectiveness of an IM campaign has been a prevalent theme throughout the thesis research, appearing in multiple contexts and evidently posing the biggest challenge for companies interested in implementing influencers in to their marketing strategies. Among others, the survey published by Linqia (12/2017) reported that 76% of marketing professionals listed determining the return on investment of IM campaigns the biggest challenge regarding the whole process. Meeting the demand for proper measurement methodologies is truly the primary condition for growth within the industry. (Linqia, 12/2017. 12).

According to a study by Indieplace (2017), companies have high expectations for IM campaigns to drive lower-funnel metrics like sales. 41% of respondents found sales and generated leads to be the primary KPI when measuring IM. Engagement was also valued high, with a quarter of respondents stating it as their number one means of measuring campaign success. However, some of the respondents felt that the KPIs are subject to change depending on the objectives of the campaign. (Indieplace, 2017. 18). In fact, most marketing professionals would agree with the sentiment that measurement metrics should reflect the original goals of the campaign and be used in case-by-case fashion. The figure below (Fig 17.) showcases the spread between various measurement metrics based on their popularity.

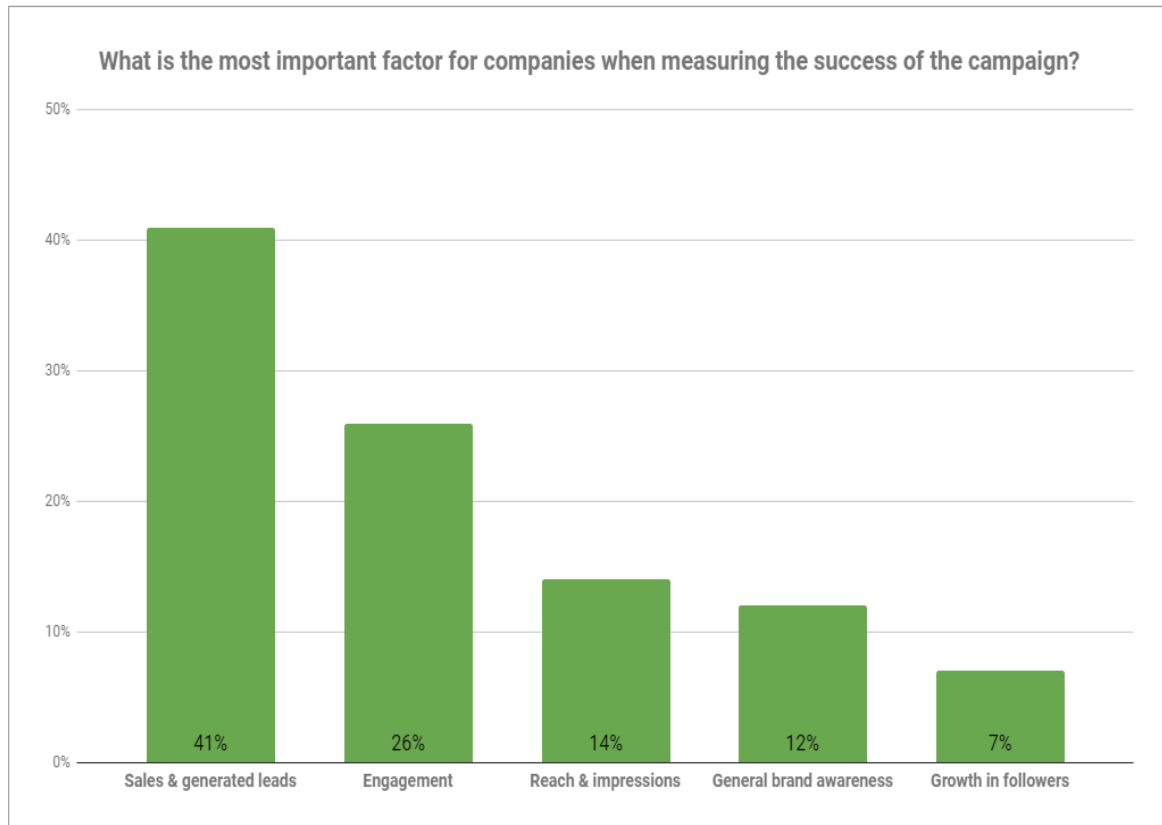


Fig 17. The most important measurements for campaign success. (Indieplace, 2017. 18).

It is worth noting that measuring periods play a substantial role in the analyzing process. Failure to identify the correct time period will skew the result, in most cases deflate the value of an IM campaign. Social media is a great venue for marketing due to the nature of content recycling and repurposing. Even when the campaign has officially run its course in terms of project management or content creation, the content produced during the campaign remains in its place and continues to be seen by users. The more engagement the post receives, the longer it is going to take for it to fade away from the content feeds of users. Even then, content such as YouTube videos are being watched and interacted with years after their initial publishing date. While this hardly makes a difference in terms of conversions, because CTAs will be outdated, but the amount of engagement keeps piling on. This is exactly why it is vital to allow enough time post-campaign before considering measuring the results.

West (2019) argues that the main problem with companies attempting to measure IM is in fact the lack of knowledge in terms of what kind of data is available. While public information such as engagement is easy to track, digging deeper into KPIs like impressions and reach of influencer content is vital in order to establish an accurate representation on how well the content was received by the audience. (West, T. 2019). However, this sort of data will need to be conveyed to the brand by the influencers themselves. According to West, brands should have access to all of the data an influencer can provide, including reach, impressions, pageviews and clicks. In return, brands should be transparent towards influencers regarding campaign objectives and measurement methods. When all parties involved commit to transparency, the measuring phase becomes easier. (West, T. 2019). However, the introduction of various tagging tools designed to increase transparency has also made it easier for companies to directly access the data on sponsored content.

The following subchapters aim to address the points put forward by West (2019) by presenting relevant KPIs tied to specific objectives to measure campaign success. As was done in subchapter 5.1.2, KPIs are divided into two main categories based on their use; *brand awareness KPIs* and *direct response KPIs*. The sources of information that the respective KPIs rely on are also discussed.

### 5.3.1 Measuring Brand Awareness KPIs

Brand awareness KPIs are mostly measured based on the information provided by the built-in analytics tools within the respective social media platforms. Platforms like Instagram, YouTube and Facebook offer detailed data on content performance. Todd Clarke from Hootsuite (3/2019) identifies eight major brand awareness KPIs that companies should measure;

- Impressions
- Social media audience growth
- Post reach
- Applause rate
- Engagement rate
- Amplification rate

- Virality rate
- Website traffic (Clarke, T. 3/2019).

Teagan West from Scrunch defines *impressions* as an indicator on how many people were exposed to a specific piece on content. (West, T. 2019). It is important to understand that impressions merely show how many people had the content on their screens, not how many individuals actually read or interacted with it. Impressions are also not unique to any individual, meaning that if someone is exposed to the content from for example three sources, then three impressions are added to the total amount of impressions on that specific piece of content. Having said that, impressions are still a vital measurement in terms of exposure. (West, T. 2019). According to Clarke, impressions should be measured by identifying the total amount of impressions on a piece of content and comparing it to previous content. (Clarke, T. 3/2019). Brands can compare the amount of impressions on the influencer's content to average impressions on their own content to determine whether the difference is noticeable.

*Social media audience growth* is relatively easy to measure because the data is easily available on the company's own social channels. The growth of the social media followers over time can be tracked in most built-in social analytic tools. However, attributing social media audience growth to a certain influencer requires precise use of analytics. (West, T. 2019). Clarke suggests the use of audience growth rate to determine the amount of growth during any given measurement period. Growth rate is calculated by establishing the number of new followers acquired during the measuring period and dividing that number by total followers on that channel. That number is then multiplied by one hundred, which equals to growth rate. (Clarke, T. 3/2019). The formula is as follows;

$$\frac{\text{New followers}}{\text{Total followers}} * 100 = \text{Growth rate (\%)}$$

While social media audience growth is rarely the main objective of a campaign, it is a good measurement on whether the social media presence of the brand is going up or down in terms of popularity. Comparing growth rate achieved during the campaign and shortly after against historic data on similar time periods can give an indication as to how successful the campaign was. As brands undergo more campaigns with different influencers, comparing growth rate between the respective time periods is a useful tool when making decisions regarding future partners.

When addressing *post reach*, it is vital to distinguish it from impressions, the KPI discussed earlier in this subchapter. While impressions give an indication of exposure, reach is a more precise measurement of how many unique users actually viewed the content. In fact, a piece of content can easily have more impressions on it than there are followers on the channel that published it. On the contrary, content published by an account with 100 000 followers could potentially see a reach of 10% or less. This is mostly due to the nature of algorithms on various social media platforms, which affect the way the content is distributed based on factors like time of day. According to Clarke, deter-

mining post reach begins by establishing the total reach for a piece of content and dividing the number by total followers on the channel that published the content. This number is then multiplied by one hundred, resulting in a post reach in percentage form. (Clarke, T. 3/2019). The formula is as follows;

$$\frac{\text{Number of unique users who saw the post}}{\text{Total followers on the account}} * 100 = \text{Post reach (\%)}$$

Applause, in a form of likes and favorites, are the easiest way for individuals to showcase their approval of a piece of content. Calculating the *Applause rate* gives the indication on how well the content was received by the audience. The use of applause rate instead of total amount of applause allows companies to better understand the percentage of users that found the piece of content worth applauding. It is worthwhile for companies to dig deep on the reasons behind the applause rate, especially if the rate is surprisingly high. (Clarke, T. 3/2019) Understanding the underlying cause for exceptional applause rates on particular pieces of content aid brands in producing the same kind of content in the future. Calculating the applause rate on a piece of content is done by identifying the total number of likes and favorites on a post and divide the number by the number of followers on the account that published it. Much like on the formulas mentioned before, the number is then multiplied by one hundred in order to receive a comparable percentage. (Clarke, T. 3/2019). The formula unfolds as follows;

$$\frac{\text{Total number of applause on a post}}{\text{Total followers on the account}} * 100 = \text{Applause rate (\%)}$$

When it comes to applause rate as a KPI, it is worth noting that some social media platforms allow users to give out disapprovals. At the moment, YouTube has the dislike feature, whereas on Facebook users are able to react to content with an angry face. While applause rate only takes into account the sum of positive applause on the piece of content, the writer suggests that adjusting the formula to involve negative reactions as well paints a more accurate picture on how the content was received by the audience. By deducting the negative reactions from the positive ones prior to calculating the rate would lead to a formula like this;

$$\frac{\text{Total approvals} - \text{total disapprovals}}{\text{Total followers on the account}} * 100 = \text{Adjusted applause rate (\%)}$$

Engagement is often at the top of the priority list in terms of campaign objectives, mostly because it not only indicates how well the content was received by the audience, but also because of the way social media algorithms work. Clarke proposes the use of *average engagement rate* to determine the level of engagement. Engagement in this context includes likes, comments and shares. Average engagement rate is calculated by identifying the total amount of likes, comments and shares. The

sum total of those three is then divided by the number of followers on the account that published it and multiplied by one hundred. (Clarke, T. 3/2019). The formula unfolds in the following manner;

$$\frac{\text{Total engagement (likes + comments + shares)}}{\text{Total followers on the account}} * 100 = \text{Average engagement rate (\%)}$$

Given that the formula includes applause, adjusted average engagement rate would be calculated by once again introducing the negative reactions, if applicable, into the equation;

$$\frac{\text{Total engagement ((Likes - dislikes) + comments + shares)}}{\text{Total followers on the account}} * 100 = \text{Adjusted AER(\%)}$$

Nothing quite multiplies the value of a piece of content like sharing does. *Amplification rate* presents the rate at which the content was shared in relation to the total number of followers. The rate at which users share the content of an influencer or a brand is important because it is essentially a sign of willingness to associate themselves with the brand in question. Much like the forementioned rates, calculating amplification rate begins with establishing total shares that the content accumulated. Total shares are then divided by the total followers on the account and multiplied by one hundred. (Clarke, T. 3/2019). The formula for amplification rate is the following;

$$\frac{\text{Total number shares on a post}}{\text{Total followers on the account}} * 100 = \text{Amplification rate (\%)}$$

Whereas virality is something that most marketers strive for, pinpointing the right formula to determine how viral a piece content is can be tricky. For this purpose, Clarke introduces a KPI called *Virality rate*. Virality rate stretches beyond total shares of the content, taking into account the number of impressions that the content in question accumulated within the measuring period. Calculating virality rate starts with identifying the number of shares and impressions the piece of content has accumulated. Shares are divided by impressions, and then multiplied by one hundred. The formula for establishing virality rate is as follows;

$$\frac{\text{Total number of shares on a post}}{\text{Total number of impressions on a post}} * 100 = \text{Virality rate (\%)}$$

When measuring *website traffic*, Google Analytics should be set up beforehand to track metrics like total sessions, new visitors and referral partners. If the company has used Google Analytics before, historical data is available for the purposes of comparing that to the current measuring period. (West, T. 2019). From the IM standpoint, comparing the number of new visitors to the site during the campaign measurement period to another similar time period reflects the success of the campaign in terms of driving website traffic.

### 5.3.2 Measuring Direct Response KPIs

Whereas the majority of brand awareness KPIs are observed by utilizing information based on built-in analytics tools within the respective social media platforms, measuring direct response KPIs relies heavily on additional tools like Google Analytics to grant an insight on website traffic data. According to Mediakix (2018), some platforms and content types are better suited for tracking direct response KPIs within the built-in analytics tools. YouTube videos and Instagram stories, for example, are great options since they not only allow content creators to attach links to their content, but also provide an added layer of promotion through verbal CTAs. Sponsored blog posts can be easily tied to web analytics, with the added benefit of trackable links and explicit written CTAs. (Mediakix, 2018). On the contrary, content types like Instagram in-feed posts or Twitch activations pose a challenge in terms of tracking direct conversions. Instagram does not allow trackable links, whereas direct conversions accumulated from live streams on Twitch can be tricky to measure due to the nature of the platform. (Mediakix, 2018).

Teagan West (2019) identifies three major metrics in terms of conversion-based KPIs, and those will be discussed in detail in this chapter. The KPIs are;

- Sales
- Conversion rate
- Click-through rate (West, T. 2019).

Increase in *Sales*, often referred to as purchases, is the ultimate end-goal for any business regardless of the industry they operate in or the type of marketing they invest in. It was established earlier on this paper that utilizing promo codes and trackable links is the best way to attribute sales to a specific influencer. Beyond those tactics, West recommends making full use of the Google Analytics tool by tracking various other factors, such as digital revenue. (West, T. 2019). It is also worth noting that with the right analytics setup, it is possible to track subsequent purchases by people who buy the product again even after the campaign has practically ran out and the potential promo codes have expired.

*Click-through rate*, more commonly referred to as *CTR*, indicates the rate at which users who were exposed to the content decided to click the given CTA-link. The call-to-action can be something like visiting the website through the link provided in the video description. CTR is a great measurement of how compelling the presented offer is. (West, T. 2019). Calculating click-through rate begins with identifying the number of clicks for a post and the number of impressions the post in question accumulated. Clicks are divided by impressions and the outcome is multiplied by one hundred. The formula looks like this;

$$\frac{\text{Total number of CTA clicks on a post}}{\text{Total number of impressions on a post}} * 100 = \text{CTR (\%)}$$

Whereas CTR only indicates the rate at which people visited the website through social media, *conversion rate* measures the rate at which people completed the final CTA after they landed on the website. Measuring conversion rate requires the use of cookies, of which conversion pixel is the simplest one. Mediakix (2018) defines conversion pixel as a tiny 1x1 px image which is placed on the destination page linked to a sponsored social media post. Whenever a user reaches the destination page, the image loads counting as a visit. (Mediakix, 2018). To calculate conversion rate for a piece of content, identifying the total number of clicks that the post accumulated is the first step. The same goes for conversions, in other words the CTA completions, by users that landed on the site via this specific piece of content. The number of these conversion is then divided by the number of clicks and that outcome is multiplied by one hundred. (West, T. 2019). The formula unfolds in the following manner;

$$\frac{\text{Total number of conversions on a post}}{\text{Total number of clicks on a post}} * 100 = \text{Conversion rate (\%)}$$

Each of the forementioned conversion-based KPIs require preparations in order to deliver accurate measurements. It is vital to address these factors in the beginning of the campaign, so that appropriate tracking methods can be put in place. The use of promo codes and tracking links is the best way to go but those cannot function retroactively in a sense that only CTA completions done through a specific link or, utilizing a certain code, can be attributed to a specific campaign.

### 5.3.3 ROI

Reliably determining the value of IM has been a substantial concern ever since the concept entered the sights of marketers around the world. It could be argued that no form of marketing is justified without an indication as to how well it affects the bottomline. When it comes to determining the monetary value of IM campaigns, it is important to first understand the meaning of ROI. As mentioned earlier in this paper, Investopedia (2018) defines return on investment as a performance measure that is used to evaluate the efficiency of an investment or compare the efficiency of multiple investments. (Investopedia, 2018). The formula used to calculate ROI would simply be the following;

$$\frac{\text{Total revenue} - \text{total costs}}{\text{Total costs}} * 100 = \text{ROI (\%)}$$

Following the logic of the forementioned formula, calculating ROI of an IM campaign is done by determining the total value of sales accumulated during the measuring period, determining the total costs of the campaign, and then inserting the values into the formula;

$$\frac{\text{Total campaign sales} - \text{total campaign costs}}{\text{Total campaign costs}} * 100 = \text{ROI (\%)}$$

However, it is the writer's belief that there is more to calculating the value of IM than mere sales. Even if the primary objective of the campaign was to drive sales, other benefits are likely to accumulate as a byproduct of the marketing efforts. Therefore, the writer proposes the following formula that aims to better reflect the success of the campaign by introducing more factors in to the equation;

$$\frac{(\text{Value of impressions} + \text{clicks} + \text{engagement} + \text{sales}) - \text{total costs}}{\text{Total costs}} * 100 = \text{ROI} (\%)$$

The main challenge with including these factors in to the ROI calculation comes with quantifying metrics like engagement and impressions into something of monetary value. Fortunately, there are ways to do achieve this and those means are going to be addressed in the following paragraphs in order to properly dissect the presented equation.

Assigning monetary value to *impressions* in the context of IM requires benchmarking, especially the use of the concept of "cost-per-thousand-impressions". CPM is a prominent metric in the digital advertising industry, denoting the price of 1000 advertisement impressions on a webpage. If CPM is charged at a rate of 4\$, an advertiser pays 4\$ for every 1000 impressions on their ad. (Investopedia, 2018). In order to properly apply CPM in to the context of IM, the process needs to be reversed in a sense that every impression gained provides monetary value equal to it's assumed price to the total revenue of the campaign. The reasoning behind this reverse-engineering is based on the premise that the marketer would have had to pay the particular sum of money to accumulate the said amount of impressions when acquired through regular sponsored content. Determining the value of impressions begins with establishing proper benchmarks for relevant social media platforms. Adstage (2018) reports the following benchmarks for CPMs within the most popular platforms;

- Facebook (News feed) - 9,82\$ median CPM
- Facebook (Audience Network) - 4,13\$ median CPM
- Instagram - 8,60\$ median CPM
- Twitter - 7,09\$ median CPM
- YouTube - 11,43\$ median CPM (Adstage, 2018).

With the help of these benchmarks, assigning monetary value per impression gained would be done by dividing the median CPM on the platform in question by 1000 and then multiplying that with the number of impressions gained during the campaign. The formula would unfold in the following manner;

$$\frac{\text{Median CPM}}{1000} * \text{Number of impressions} = \text{Value of impressions} (\$)$$

Much like impressions, *clicks* accumulated on the campaign content can be quantified in to monetary value by utilizing the median “cost-per-click” on given platform. Investopedia defines CPC as a method websites use to charge marketers based on the number of times visitors click on an advertisement of theirs. (Investopedia, 2019). Similarly to CPMs, Adstage (2018) reports the median CPCs for the most prominent social media platforms;

- Facebook (News feed) – 0,43\$ median CPC
- Facebook (Audience network) – 0,50\$ median CPC
- Instagram – 1,37\$ median CPC
- Twitter – 0,78\$ median CPC
- YouTube – 3,58\$ median CPC (Adstage, 2018)

Establishing the value of clicks accumulated on the campaign content would then unfold by multiplying the median CPC by the number of clicks on the piece(s) of content produced for the campaign;

$$\text{Median CPC} * \text{Number of clicks} = \text{Value of clicks (\$)}$$

Perhaps the trickiest part of the equation is determining the monetary value of different *engagement metrics*, such as comments and shares. Mediakix (2018) suggests that companies simply assign a value to engagement, based on how much they would be prepared to pay per engagement of that type. (Mediakix, 2018). The true values of engagement are extremely difficult to establish universally, since the numbers vary heavily depending on factors like the type of content, industry, and general audience activity on the company’s social media channels.

Luckily, certain benchmarks exist that can be of potential help when determining the value of different engagement metrics. Wolfgang Digital (2018) reports on their experiment with Facebook analytics tool, in which the company managed to determine conversion rates for particular engagement types by averaging out their extensive client data. The company found that on average, 3% of the people that liked a post ended up making a purchase. (Wolfgang Digital, 2018). The numbers for other engagement metrics were;

- 4% of the people who shared a post, bought a product
- 4,67% of the people who reacted to a post, bought a product
- 4,9% of the people who commented, bought a product
- 9,95% of the people who used direct messaging, bought a product. (Wolfgang Digital, 2018).

Naturally, a metric with proven monetary value needs to be introduced into the equation in order to properly calculate the value in dollars. In this case, the average order value (AOV) serves as that anchor point. Average order value measures the average amount of money spent each time a customer places an order on a website or mobile app. AOV can be determined by dividing the total or-

der revenue by the number of orders. (Optimizely, 2019). The third factor introduced in to the formula is the number of engagements on the content during the measuring period. For measuring the value of comments, the entire formula would unfold in the following manner;

$$(\text{Number of comments} * \text{conversion rate for comments}) * \text{AOV} = \text{Value of comments } (\$)$$

The same calculation for a company with 60\$ average order value and 28 comments on their campaign content would look like this;

$$(28 * 4,9\%) * 60\$ = 82,32 (\$)$$

This process should be repeated for all engagement metrics listed earlier by utilizing the conversation rate for each engagement type. After establishing the values for each engagement type, calculating the total value of engagements is done by adding them together;

$$\text{Value of likes} + \text{reactions} + \text{comments} + \text{shares} + \text{DM} = \text{Total value of engagements } (\$)$$

Determining the monetary value of engagement with this formula obviously has its flaws. While the conversion rates for certain engagement types are difficult to establish universally, AOV definitely earns its place in the equation since it is based on the company's own individual data. Companies should dive in to their analytics tools and attempt to establish their own conversation rates per engagement type in order to eliminate the only speculative part of the calculation. Furthermore, the true value of e.g. comments on a giveaway or raffle is most likely less than comments by users who have no incentive to engage with the post but choose to do so anyway. As the industry develops over time, more sophisticated and reliable means of utilizing engagement data will likely ensue.

Lastly, *total campaign costs* need to be determined in order to calculate the ultimate ROI of the IM campaign. Mediakix (2018) suggests that companies begin with calculating the hard costs of the campaign, such as in-house expenses, agency fees, and influencer fees. (Mediakix, 2018). Like discussed earlier in the thesis, in-house expenses are factors like general working hours put in to the campaign and content production costs. If the influencer's content was promoted on social media using the company's money, then those expenses should also be added in. Agency fees are quite self-explanatory, consisting of any expenses that were formed from outsourcing any aspect of the campaign to an outside agency. Influencer fees include any amounts of money paid to the influencer for their services. If the compensation was made in form of free products, then the value of those products should be taken into account. After the total costs of the campaign are established, calculating the campaign ROI can be done by inserting all the established values in to the following equation;

$$\frac{(\text{Value of impressions} + \text{clicks} + \text{engagement} + \text{sales}) - \text{total costs}}{\text{Total costs}} * 100 = \text{ROI} (\%)$$

*A company measuring their campaign ROI established the following values during their measuring period;*

- *120\$ worth of impressions*
- *78\$ worth of clicks*
- *680\$ worth of total engagement*
- *2600\$ worth of sales*  
= **3478\$ total revenue**
  
- *1200\$ worth of influencer fees*
- *600\$ worth of in-house expenses*
- *1000\$ worth of production costs (third party production company)*  
= **2800\$ total costs**

$$\frac{3478 - 2800}{2800} * 100 = 24,2\% \text{ Campaign ROI}$$


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## 6 PSYCHOLOGY ON INFLUENCE

### 6.1 Cialdini's Six Principles of Persuasion

Understanding human behavior in the context of social interactions and decision-making is vital when tackling the subject of influencer marketing. Influencer marketing is, by the very definition, the practice of leveraging influential individuals to change consumer perceptions towards a brand or a product. The key concepts behind altering behaviours and preferences of social media users can be traced back to older studies that are formed on the premise that human beings are by nature inclined to act in a certain way. Gaining an insight on these unconscious tendencies allows brands to build better marketing strategies and assert their influence in the most suitable manner. The subject of influence will be approached with Robert Cialdini's (1984) theory on six dominant principles of persuasion. (Cialdini, R. 1984). The six principles are depicted in the figure below (Fig 18.).

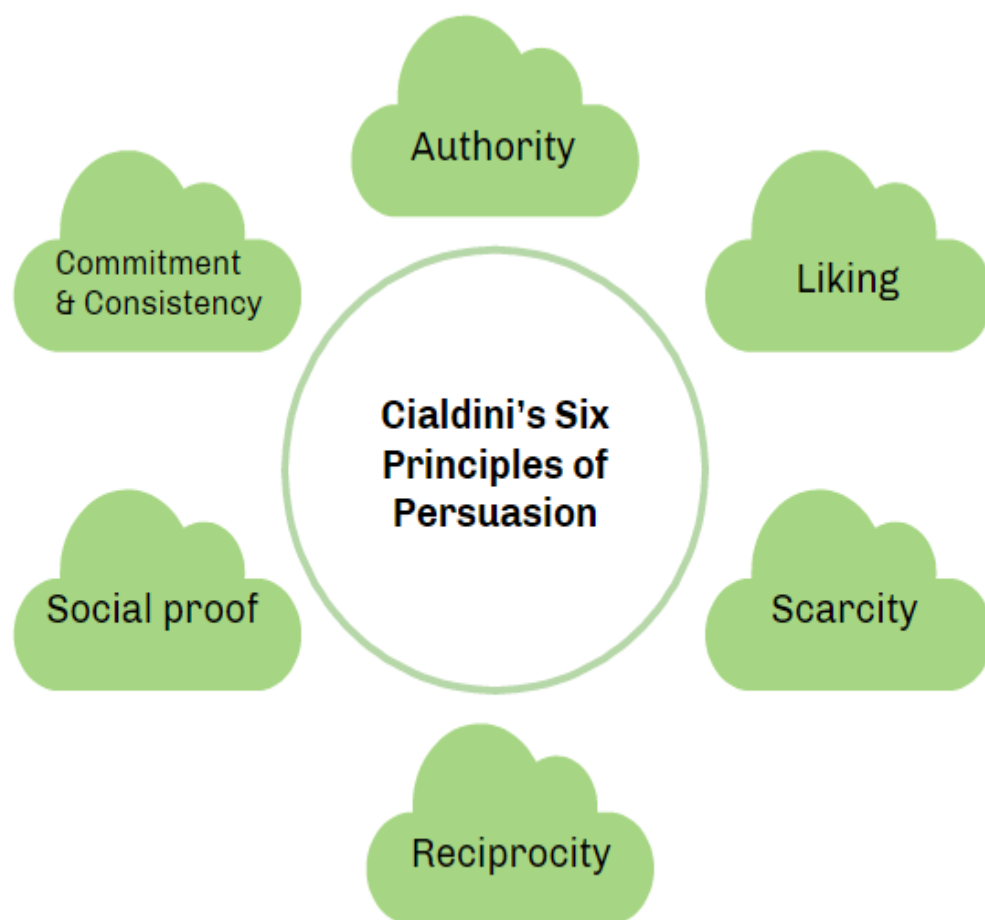


Figure 18. Six Principles of Persuasion (Cialdini, R. 1984).

While the six principles of persuasion were established long before the time of social media, let alone influencer marketing, a lot of similarities can be observed between the traditional forms of social interaction and interaction taking place in the social media sphere. For this reason, Cialdini's six principles are reviewed in conjunction with internet adaptations of the respective principles presented by

Marc Schenker (3/2019) and Jeff Sexton (2/2010) in combination with social media adaptations provided by the thesis writer himself.

### 6.1.1 Reciprocity

This first weapon of influence according to Robert Cialdini is *reciprocity*. The rule states that we as human beings are inclined to feel the need to repay what others have provided us. The rule possesses substantial strength, often producing a “yes” response to a request that except for an existing feeling of indebtedness, would have surely been refused. Therefore, reciprocity can be used to provoke a positive reaction by setting the other person up by creating a premise for returning a favor. Reciprocity rule occurs strongly in situations where a concession is to be made, in other words, when the party asking for something starts with a larger request and after being turned down asks for something less. By the rule of reciprocity, the other party feels that the least they can do is comply with the smaller request, even if they wouldn't have agreed to the request before the interaction. (Cialdini, R. 1984. 13-27).

In accordance to this, Marc Schenker (3/2019) refers to situations where bloggers and content creators often create valuable and entertaining content with seemingly no strings attached. Based on the idea of reciprocity, the people consuming the content would feel obligated to contribute in form of purchasing a product or otherwise if the content creator asked for it. (Schenker, M. 3/2019).

In the context of influencer marketing, promo codes are a great example of the reciprocity rule. When influencers provide discount codes for their followers, those followers are then inclined to make the purchase based on the fact that the influencer gifted exclusive savings to them. In terms of concessions, implementing multiple tiers of CTAs in to the content could prove to be a good strategy. If the followers are asked to perform two actions, the individuals who decide to not act on the first one are more likely to at least act on the other one.

### 6.1.2 Commitment & Consistency

The second weapon of influence has to do with the underlying desire to remain *committed and consistent*, even when doing so would clearly be contrary to the person's best interests. To understand why consistency is such a powerful motive, it is important to recognize that in most circumstances' consistency is a valued trait in society as a whole. Inconsistency on the other hand is commonly thought to be a negative personality trait. Just like most other forms of automatic responding, being stubborn also offers a shortcut through the density of modern life. Without having to expend the mental energy to weigh the pros and cons, all one has to do when confronted with an issue is to do whatever is consistent with their earlier decisions. (Cialdini, R. 1984. 45-46).

Sexton (2/2010) suggests that the personal inclination towards commitment and consistency occurs in social media when users follow so many accounts that they can hardly consume all the content they have subscribed for. Eventhough a mass purge would be in order to reduce the signal-to-noise

ratio, unfollowing accounts is in direct conflict with the inner will to be committed. The individual loathes to admit that their previous decisions to follow the accounts was a mistake. On the positive side, users who have commented on content from a specific creator before are more likely to repeat the action, especially if it is encouraged. (Sexton, J. 2/2010).

Consistency is an interesting concept in the context of influencer marketing, because it can arguably create a level of certainty to brands when working with content creators. Given the fact that influencers have a following who have actively sought that particular content and have committed their time on consuming it in the past, making the assumption that brand sponsored content published by the influencer will be treated the same is what influencer marketing fundamentally relies on. For example, when comparing influencers for campaign partnerships, it is common practice to look at the amount of engagement an influencer usually receives on his/her posts. Whereas the level of engagement prior to the campaign has nothing to do with the brand, but instead everything to do with the influencer themselves, marketers still make the assumption that sponsored content published by the person in question will receive around the same amount of engagement. In other words, brands must have faith on the rule of consistency, to believe that the interactions by users towards organic content transmit to the sponsored campaign content.

### 6.1.3 Social proof

The third principle presented by Cialdini (1984) is *social proof*, which means that humans are wired to seek validation from others when determining the correct behaviour in situations. Cialdini mentions the widespread use of canned laughter as an example of social proof. Eventhough canned laughter is something that rarely anyone finds attractive, studies have shown it to be effective especially when used in conjunction with poor jokes. Because individuals see behavior as more correct in a given situation to the degree that they see others performing it, marketers have for decades used terms like "largest selling" when promoting their products. The knowledge, or atleast the assumption, that a lot of people have purchased the product in the past gives social proof to the person considering whether or not to purchase the product themselves. Cialdini adds that the principle of social proof operates most powerfully when an individual is receiving social proof from people similar to themselves. (Cialdini, R. 1984. 88-107).

Sexton (2/2010) adds that in the internet and social media sphere, tribal thinking often constitutes the correct way of acting. Instead of looking for social proof from the masses in social media, users tend to prioritize people from the same social tribe that they themselves belong to. Sexton also argues that influencers with larger followings benefit from the rule of social proof. When users are exposed to content creators with substantial number of followers, they automatically think that the person in question is worth following. Since so many others have deemed the person or their content follow-worthy, it must be true. YouTube videos with high view counts are most likely worth watching, because so many others have found the allure in them. (Sexton, J. 2/2010).

Social proof is a vital concept when it comes to influencer marketing due to the nature of social tribes that revolve around influencers. Cialdini's argument for social proof being at its strongest when received from similar people further emphasizes the importance of peer-to-peer interactions. Influencers often have an audience of individuals that share certain attributes or interests between them, forming so called tribes. Going by the rule of social proof, activating a part of the tribe should encourage the rest to follow in their steps. Marketers can benefit from social proof by identifying the preferred target audience, identifying the person on top of the figurative food-chain within that online community and partnering up with that person in order to penetrate the tribe with their brand message.

#### 6.1.4 Liking

According to Cialdini (1984), the fourth principle, *liking*, constitutes that human beings are prone to agreeing to requests by people that they like. Cialdini uses Tupperware parties as an example of the concept of liking; the company responsible for Tupperware products has completely outsourced the active sales process to average people, because they have understood that a correlation between likeability and decision-making exists. Rather than having company sales personnel offer the products to consumers, the products are sold in a "by friends and family to friends and family" basis. In this way, the attraction, the warmth, the security, and the obligation of friendship are brought to bear on the sales setting. Cialdini also mentions the widely studied phenomenon of "halo effect", which states that one positive characteristic of a person dominates the way that person is viewed by others. A strong enough characteristic, such as physical attractiveness, results in the person being viewed as possessing other favorable characteristics, such as intelligence or kindness. (Cialdini, R. 1984. 126-129).

Schenker (3/2019) presents an example of the concept of liking being adapted to the e-commerce setting by describing a real-world situation where a company operating in the pet industry modified their "About Us" page in order to take advantage of the likeability factor in commerce. The page had biographies of all the employees, describing in detail their particular love for pets and the hobbies they enjoy in free time. As a result, the entire company is humanized and increasingly likeable, leading to better conversion rates from visitors on the site. (Schenker, M. 3/2019).

The effects of likeability and halo effect can be well adjusted to the context of influencer marketing. First and foremost, the fact that the followers have chosen to be part of the influencer's community indicates that the likeability factor exists. Users also often follow a particular content creator because they find, at minimum, one attribute about them attractive. Whether it is high competence on a niche area, extraordinarily good looks, or the uncanny comedic effect, the influencer has some sort of a dominant attribute that makes them special. Going by the concept of the halo effect, a certain influencer with unique musical prowess would also be perceived as having above average intelligence or integrity. This is a vital concept for marketers to grasp, because of the way some consumers might feel towards their favorite content creators publishing sponsored content. If the influ-

encer is seen as a genuine character, then the CTAs that were established by the brand but put forward by the influencer are more approachable by the consumers. Through the virtue of their perceived character, the influencer is able to turn sceptics into potential customers.

Another potential aspect of the halo effect to consider is the possibility that the influencer's perceived positive attributes "radiate" in to the brand that they have partnered with. The thought process behind this mental association is that if the influencer is willing to align themselves with a specific brand, then the brand itself is bound to be, to some extent, good.

### 6.1.5 Authority

The fifth weapon of influence by Cialdini (1984) is *authority*. According to him, people are trained from birth to be obedient towards proper authority, with the mantra that obedience is right, and disobedience is wrong. The essential message fills the parental lessons, the schoolhouse rhymes, and stories of childhood and is carried forward in the legal, military, and political systems. As for what constitutes authority, Cialdini turns to the subject of health. Personal health and the health of family and friends is enormously important to individuals. Thus, physicians, who possess large amounts of knowledge and influence in this vital area, hold the position of respected authorities. Another example can be examined through the functions of animal societies. In some animal societies, where the status of a male is assigned on the basis of dominance, size is an important factor in determining which male will achieve which status level in the group. (Cialdini, R. 1984. 163-167).

Schenker (3/2019) recognizes the role of authority in marketing and advertising, stating that status symbols like job titles have been used in commercial practices for a long time. Whenever a situation presents itself, companies put forward testimonials from professionals such as doctors in order to utilize the authority and credibility that the person holding the title possesses. (Schenker, M. 3/2019).

Authority has a special place in the context of influencer marketing, given that the relationship between the influencer and their audience is more often than not dictated by the influencer. The content creator holds the reins in terms of what kind of content they produce and how often it is published. Eventhough a certain level of symbiosis is required for a content creator to become successful, the creator is ultimately in the driver's seat. In addition to this, authority can be gained through having substantial knowledge or skills that the audience respects. Furthermore, much like in the animal society comparison by Cialdini, influencers with massive followings are granted authority due to the sheer number of people that they have access to. For example, the opinion of a content creator with millions of subscribers on YouTube will surely be heard over content creators with noticeably lower subscriber count.

### 6.1.6 Scarcity

The final principle proposed by Cialdini (1984) is the *rule of scarcity*, which dictates that opportunities seem more valuable to individuals when their availability is limited. Cialdini describes the concept of scarcity through a situation where a face-to-face conversation is interrupted to answer a phone call coming from an unknown number. Answering the call is tempting because of potential unavailability; whereas the discussion partner is physically present and available as long as the interaction last, the caller might never call again. The fear of missing out on information that the caller might have had overcomes the benefits of the current discussion, no matter how intriguing its content is. Therefore, the idea of potential loss plays a large role in human decision making. In fact, people seem to be more motivated by the thought of losing something than by the thought of gaining something of equal value. (Cialdini, R. 1984. 179).

Schenker (3/2019) argues that the principle of scarcity is a popular tactic for companies that attempt to push more conversions, e.g. sales. Implementing aspects that highlight urgency in to the sales strategy creates a situation where consumers are pressured to either act immediately or lose what ever benefits are available at the time. A great example of the use of scarcity in marketing is the way marketers push for limited-time discounts or label products as "low supply". Schenker adds that companies should never attempt to fake scarcity, because consumers will see right through it. (Schenker, M. 3/2019).

Seeing as the effect of scarcity principle is at its strongest when people stand to lose something, the social phenomenon of "Fear of Missing Out" (Hsu, J. 8/2018) discussed earlier in this paper is extremely relevant. According to the principle of scarcity, the use of ephemeral content in influencer marketing campaigns would incite action from consumers. Whenever a temporary piece of content is published, the audience will be increasingly eager to consume it before it disappears. Tying CTAs to ephemeral content would most likely see similar results, with people taking advantage of the limited-time offers before they cease to exist.

## 7 CONCLUSIONS AND SELF-REFLECTION

Looking back at the three major research objectives set in the beginning of the thesis process, the writer is confident in stating that those objectives were met. Firstly, the theoretical framework was reviewed comprehensively, and the suggested three aspects of IM were addressed to great extent. Secondly, a project management model was proposed by the writer himself and the different steps of the model were widely discussed in order to establish a clear chronological guideline. Lastly, the value of IM and the means of determining said value were studied, resulting in multitude of applicable formulas.

The project management model, and the proposed practices therein act as a starting point for future development. It was the writer's intent to keep the involvement of automated, paid services to a minimum in order to thoroughly cover the subject in its present state. As the concept of IM matures on the global level, the emergence of more refined practices in terms of campaign management and advanced means of utilizing data to measure results ensues. Granted that the demand for hard data is on the rise, computerizing certain steps of a campaign will undeniably lead to added benefits in terms of time management and accuracy.

Regulatory factors, such as the very recent approval of articles 11 and 13 by the European parliament holding social media platforms accountable for copyright infringements committed by their users, could shape the internet landscape immensely. The exact consequences of the law for social media are yet to be seen but it is safe to assume that IM will be by extension affected as well. While the media sphere in its entirety is always on the verge of the next ground-breaking innovation and the snapshot of the technological aspects of social media in its present state will likely be outdated within any given time period, the significance of peer-to-peer interaction and human influence in marketing is here to stay.

On a more personal level, the writer is quite satisfied with the thesis process as a whole. However given the chance, certain aspects of the thesis would probably be executed differently. The main regret has to do with the relatively small role that the interviews played in the entire thesis. The interviews were conducted very early on in to the writing process and the answers collected proved to be less significant as time passed and the main focus of the thesis kept shifting. Nevertheless, the importance of acquiring actual first-hand statements from the professionals operating in the social media industry can not be overlooked. While there is definitely an abundance of information on the internet regarding IM, the primary data was key in ensuring that the research process was heading in to the right direction.

In conclusion, the thesis process was a great opportunity for the writer to experience the joys and challenges of writing an academic paper in his second language. Furthermore, delving into the subject of social media in its entirety gave plenty of insight into its current state and probable future. This insight alone is enough to keep the writer interested in careers related to social media moving forward.

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## APPENDIX 1: ORIGINAL INTERVIEWS WITH ANSWERS

### 7.1 Respondent 1 ("Strategist")

#### **Introduction**

**1. Esitteletkö lyhyesti työnkuvasi ja kauanko olet toiminut vaikuttajamarkkinoinnin parissa?**

Olen strategi, vastuullani sisäiset liiketoiminnan kehitysprojektit ja stretegisten asiakkuuksien kehitys. Olen ollut X töissä vuoden, sitä ennen olin mediatoimistossa asiakasvastaavana ja suunnittelijana, jolloin ostin vaikuttajamarkkinointia osana kokonaisuuksia.

**2. Miten vaikuttajamarkkinointi eroaa perinteisemmistä markkinoinnin keinoista?**

Vaikuttajamarkkinointi on yksi markkinoinnin työkaluista siinä missä perinteisemmätkin markkinoinnin keinot. Oleellista on tehdä kaikkea markkinointia tavoitteellisesti ja valita tavoitteisiin ja kohderyhmään sopiva työkalu. Vaikuttajamarkkinointi on yksi niistä.

#### **Campaigns**

**3. Mistä tekijöistä muodostuu sinun mielestäsi hyvä vaikuttaja?**

Hyvä vaikuttaja on autenttinen, uskottava ja kohderyhmää puhutteleva. Lisäksi hyvällä vaikuttajalla on systemaattinen ja ammattimainen ote kaikkeen tekemiseen kanavasta tai ilmaisumuodosta riippumatta.

**4. Millaisia mahdollisia haasteita näet yritysten näkökulmasta sopivien vaikuttajien löytämisessä?**

Paljonkin. On ymmärrettävä vaikuttajan vahvuudet (autenttisuus ja kohderyhmä) tukemaan tavoitteita ja vaikuttavuutta kohderyhmässä. Lisäksi työskentely vaikuttajien kanssa vaatii selkeät prosessit, jotta kokonaisuus pysyy sovitusti kasassa.

**5. Puhutaan paljon vaikuttajien seuraajakunnan laadusta vs. määrästä. Mikä tekee seuraajista laadukkaita?**

Laatumääritelmä riippuu paljon tavoitteista, esim. jos pyrimme lisäämään branditunnettuutta suomalaisessa elintarvikkeessa, jonka markkina on vain Suomessa, ei ulkomaisilla seuraajilla ole merkitystä. Maailmalla ongelmana on myös feikkiseuraajat, mutta näen tämän ongelman Suomessa marginaalisena. Yleisemmin laadukas seuraajakunta on sitoutunutta ja aktiivista, jolloin viestin välittäminen helpottuu.

**6. Millainen rooli vaikuttajamarkkinoinnin suunnittelutoimistolla on kaupallisissa yhteistöissä?**

Meidän rooli kokonaisuudessa on merkittävä. Monesti kuvitellaan, että suunnittelutoimisto on vain vaikuttajien välitystoimisto, mutta totuus on kaukana tuosta. Vaikuttajavalinta on vain yksi osa kokonaisuutta. Suurin osa työstä on markkinoinnin suunnittelua yhteistyössä asiakkaan kanssa, missä sisällöt ovat keskiössä.

**7. Mitä etuja näet ulkopuolisen toimiston hyödyntämisessä vaikuttajamarkkinoinnissa? (vrt. suora yritys-vaikuttaja suhde).**

Kokemus, ymmärrys ja ammattitaito.

**8. Kansainvälisellä tasolla varsinkin kosmetiikan ja muodin toimialoilla hyvin harva yritys, 3,6% vaikuttajamarkkinointia harjoittavista yrityksistä, käyttää hyödykseen ulkopuolista toimistoa. Mistä luulet tämän johtuvan?**

Ei ole tuttu luku, joten menee arvailuksi. Luulisin, että isoilla kv-yrityksillä on sisäiset vaikuttajamarkkinointiin erikoistuneet osastot.

**9. Mitkä ovat mielestäsi tärkeimmät mittarit(KPI) kampanjan menestyksen mittaamisessa?**

Tärkeys riippuu puhtaasti tavoitteista, joten yleispätevää vastausta ei voi antaa. Yleisimmät ovat tavoitavuus ja sitoutuneisuus.

**10. Käsitettä "Earned media value" heitellään paljon vaikuttajamarkkinoinnin tuloksellisuudesta puhuttaessa. Kuinka tärkeänä mittarina itse näet ansaitun median?**

Erittäin tärkeänä. Ansaittu media on aina suunnittelussa pöydällä etenkin pidempiaikaisia yhteistöitä suunniteltaessa.

**Markets and the future**

**11. Millaisia trendejä on mielestäsi havaittavissa Suomessa tai maailmalla erilaisten yhteistyömallien osalta?**

Vaikuttajamarkkinointi on osa markkinoinnin kokonaisuutta – yksi strateginen palikka muiden joukossa. Myös vaikuttajien profiilit muuttuvat. Muutama vuosi sitten vaikuttaja oli sama kuin bloggari tai tubettaja. nykyään teemme enenemissä määrin yhteistöitä sellaisien henkilöiden kanssa, jotka ovat hankkineet kannuksensa muualta, kuten urheilijat ja muusikot. Eli palaamme tässä osittain taaksepäin "Teemu Selänne maitopoikana" -aikaan. Myös datan hyödyntäminen on tullut jäädäkseen vaikuttajamarkkinointiin.

**12. Millaiseksi koet tämän päivän kilpailutilanteen Suomessa, kohtaako vaikuttajien määrällinen/laadullinen tarjonta yritysten kysynnän?**

Kilpailu on kovaa ja vaikuttajapaletin laajentuessa varsinaisen vaikuttajamaailman ulkopuolisiin henkilöihin (esim. Antti Tuisku, Isac Elliot, Tomi Björk, Patrik Laine) vastuu siirtyy markkinoinnin suunnitteluun. Pitää löytää oikeat tyypit vastaamaan kokonaisuuden tavoitteisiin.

**13. Mistä mahdollinen epätasapaino kysynnässä ja tarjonnassa voi johtua?**

-

**14. Millaisena näet vaikuttajamarkkinoinnin Suomessa viiden vuoden päästä?**

Datan hyödyntäminen tulee lisääntymään entisestään. Sisältöjen jakeluun rakennetaan automaatiota. Vaikuttajakäsite laajenee.

7.2 Respondent 2 ("Blogger")

**Introduction**

**1. Esitteletkö lyhyesti itsesi – Kuka olet, mistä aiheista tuotat sisältöä ja kuinka kauan olet tehnyt sitä?**

Olen X ja olen kirjoittanut blogiani X yhdeksän vuotta.

**2. Missä kanavassa/kanavissa vaikutat eniten somessa?**

Blogi, Instagram & Facebook

**3. Onko sisällöntuotto päätoiminen tulolähteesi?**

Ei ole, vaan olen osakas perheyrietyksessä, jonka palkkalistoilla myös olen.

**4. Miten päädyit vaikuttajaksi X listoille?**

Minua kysyttiin mukaan heinäkuussa 2014 ja syyskuun alussa 2014 aloitin X:lla.

**Campaigns**

**5. Mitkä tekijät vaikuttavat siihen, lähdetkö sinulle tarjottuun kaupalliseen yhteistyöhön mukaan? Minkä nostaisit näistä itsellesi tärkeimmäksi?**

Ehdottomasti ensinnäkin se, että itselläni on jotain kosketuspintaa kaupallisen yhteistyön yritykseen/tuotteeseen ja se, että tiedän lukijoideni olevan kiinnostunut juuri sen alan tuotteista. Lisäksi

eettiset seikat eli se, että yritys, jonka kanssa lähden kaupalliseen yhteistyöhön on ns. tahraton ja sillä on hyvä maine.

**6. Montako erilaista kaupallista yhteistyötä sinulla on takana?**

Näiden vuosien aikana niitä on kertynyt monia. Varmastikin yli sata.

**7. Millainen rooli sinulla sisällöntuottajana on (jos on)..**

**a. Kampanjan suunnittelussa ja tavoitteiden asettamisessa?**

Suunnitteluun saan osallistua esimerkiksi antamalla vinkkiä tarjouspyyntövaiheessa, millä kullalla itse asiaan lähtisin paneutumaan blogissani.

**b. Kampanjan tulosten mittaamisessa ja arvioimisessa?**

Koska 99,9% kaupallisista yhteistyöpostauksistani tulee X kautta, niin he hoitavat mittauksen ja arvionnin enkä itse juurikaan kuule tuloksia.

**8. Millaista palautetta olet saanut seuraajiltasi kaupallisista sisällöistä?**

Jotkut lukijat ovat kaupallisia yhteistöitä vastaan, mutta suurin osa lukijoista kokee kaupalliset postaukset hyödyllisiksi. Vuosien varrella olen oppinut tuntemaan lukijakuntani ja tiedän, millaiset postaukset ovat heille mieleisiä.

**9. Kuinka tärkeäksi koet tasapainon oman, ”orgaanisen” sisällön ja sponsoroidun, kaupallisen sisällön välillä? Miten olet itse pitänyt huolta tästä tasapainosta?**

Erittäin tärkeänä. Kuten kaikissa blogipostauksissani, niin myös kaupallisissa yhteistyöpostauksissa pitää olla taustalla tarina. Henkilökohtainen ote, joka tekee myös kaupallisten yhteistyöpostauksien kirjoittamisen mielekkääksi. En koe, että olisi minun juttuni kirjoittaa pelkästään ns. mainospostauksia, vaan haluan että postauksistani saa enemmän kuin vain teknistä tietoa tuotteista.

**10. Millaisia asioita arvostat yhteistyön toisessa osapuolella (Yritys, VM-toimisto)?**

Luotettavuutta ja läpinäkyvyyttä. Bloggaajana olen suuressa vastuussa siitä, mitä kirjoitan, joten minun pitää voida seisoa sanojeni takana.

**Markets and the future**

**11. Haetko omaan toimintaasi vaikutteita muilta sisällöntuottajilta Suomesta tai maailmalta?**

Seuraan jonkin verran muiden sisällöntuottajien somekanavia, mutta pyrin luomaan oman näköistäni sisältöä.

**12. Millaisia trendejä on mielestäsi havaittavissa esimerkiksi erilaisten yhteistyömallien osalta?**

Instagramin myötä Insta Story -yhteistyöt ovat nousussa. Tuntuu, että lukijatkaan eivät enää niin selaa IG -feediä, vaan katsovat storyja. Lisäksi palkkioissa on onneksi tapahtunut muutos parempaan; enää ei tarjota vain pelkkää tuotetta vastapalvelukseksi blogipostauksesta, vaan tekemästään työstä saa palkkion.

**13. Millaiseksi koet tämän päivän kilpailutilanteen Suomessa, kohtaako vaikuttajien määrällinen/laadullinen tarjonta yritysten kysynnän?**

Blogeja on syntynyt vuosien varrella kuin sieniä sateella, kuitenkin kaikista bloggareista ei tule vaikuttajia. Uskon, että tarjonta on nyt aika huipussaan; yrityksillä on mistä valita.

**14. Millaisena näet yleisesti vaikuttajamarkkinoinnin tulevaisuuden vaikuttajan näkökulmasta?**

Näen, että koska kilpailu on kovaa, niin sitä pitää osata pitää omasta linjastaan kiinni. Ainakin itse pyrin siihen, että vaikka vaikuttajamarkkinoilla myllertää, niin en lähde hakemaan lukijoita esimerkiksi klikkiotsikoin tai muuten pääsemään "parrasvaloihin" paremmin.