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Influencer Marketing as a Marketing Tool

The process of creating an Influencer Marketing Campaign on Instagram

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Abstract:
Due to the digitalization consumers are becoming more educated as media users and more critical of commercial messages. It is getting nearly impossible for brands to stand out among the crowd of advertisers, why many turn into Influencer marketing. It is the most important new approach to marketing in a decade for those professionals at the leading edge of purchasing decision-making, because the built in level of trust between influencer and reader is essentially impossible for a brand to build alone with the customer.

The purpose of this study is to understand why companies should use influencer marketing as a marketing tool and to know the process of creating an influencer marketing campaign on Instagram. The qualitative study is based on a semi-structured interview with the Co-founder and CEO of the Finnish influencer marketing agency Monochrome to get a deeper understanding in the subject. The discussed themes were influencer marketing in general and the process of influencer marketing campaigns.

The results indicate that influencer marketing on Instagram can be described as a logical process, and that the built in level of trust between influencer and reader is essentially impossible for a brand to build alone with the consumer, which is a very strong argument for answering why a company should use influencer marketing as a marketing tool. Parts of the result are demonstrated with a diagram, to show the steps of the campaign process. This completed thesis, along with the theoretical framework, can be used as a practical guide for companies that want to implement influencer marketing into their marketing strategy.

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1 INTRODUCTION

We are subject to 1300 commercial stimuli every day, up from a mere 170 in 1980, and advertisers are battling for the consumer's limited attention. While the impact of traditional channels is dropping, digital media is on the rise. Due to the digitalization consumers are becoming more educated as media users and more critical of commercial messages (Perrey et al, 2013). It is getting nearly impossible for brands to stand out among the crowd of advertisers, why many turn into influencers (Newman, 2015). We are everyday exposed to influencer marketing due to the digitalization, whether if we are aware of it or not. Influencer marketing is an interesting phenomenon and both a very powerful and leading tool to use when marketing (Perrey et al, 2013).

There are many different ways and channels to use for influencer marketing. Especially bloggers have become important influencers because they are seen as authentic and have loyal followings. When a blogger or other influencers recommends a product it seems trust worthier than traditional advertising (www.marketing-schools.org, 2012). According to the editor Brannigan at Fashionista.com you do not need a blog anymore to be a successful Influencer, but instead a substantial Instagram presence. Today there is less of a need for bloggers to have a blog than ever before, from a marketers perspective, but more important to have a smart, well-executed presence on Instagram that rules out the need for a blog (Brannigan, 2016).

According to Technorati Media's 2013 Digital Influence report 65 % of companies are participating in influencer-based marketing, and using bloggers for influencer marketing is a common and effective tool used by many. According to the same study 86 % of influencer's are bloggers (Technorati, 2013).

The researcher will explain the concept of both earned and paid influencer marketing, but will focus on paid influencer marketing because that's where the company becomes actively involved in the marketing process.

The interview will give a qualitative and detailed insight in how to prosecute an Influencer marketing campaign in practice. The information that is gathered from the interviews can be generalized to some extent, and the secondary data can be applied to different cases.

1.1.1 Monochrome – the Company of the study

Monochrome is a relatively new social media influencer marketing agency founded in 2016. They have more than 500 Finnish Instagram influencers in their network, including the biggest Finnish names on social media. Monochrome creates and executes customized campaigns on Instagram, and together with influencers they spread brand messages to the brands' targeted customers in an effective and genuine manner (monochrome.fi, 2016).

1.2 Research aim and questions

The main aim of this bachelor's thesis is to explore the concept of influencer marketing. The researcher investigates in why companies should use influencer marketing as a marketing tool, and wants to know process of creating an influencer marketing campaign on Instagram. The researcher also investigates in how companies should go about to find the most suitable and profitable influencer to market their products. The study will mainly focus on using Instagram as a channel for influencer marketing, and the researcher will try to get a deeper understanding of the campaign process with the help of the Finnish social media influencer marketing agency Monochrome.

The researcher has decided to make the study about influencer marketing with interest in the power of using inspirational people for providing product context, expertise and trustworthiness to consumers.

The aim of this thesis is to give an answer to the following two questions:

Q1 Why should a company use influencer marketing as a marketing tool and why use Instagram for the purpose?

Q What does the process of creating an influencer marketing campaign on Instagram look like?

1.3 Limitations

The scope of this study is limited to influencer marketing on Instagram, because it is a rising channel for influencer marketing. The researcher is implementing a lot of international sources to her study, referring to influencer marketing in general. The reason for this is that there is limited theoretical material about influencer marketing on Instagram. The company of this study, Monochrome, is the only company in Finland that is working with influencer marketing on specifically Instagram, why the researcher choose to do the interview with them, and because of this, they are the only company being interviewed. Monochrome has carried out a number of social media influencer marketing campaigns, why they fit well to answer the research questions of this thesis. The company is working with influencers and companies in Finland, why the information gathered from the interview can mainly be generalized to the Finnish market, but can also to some extent be applied to international cases.

2 RESEARCH METHODOLOGY

There are two types of data collection existing in research design: primary and secondary data (Shukla, 2008, p. 30). The material used for this thesis is partly collected through secondary data from existing established digital and literature sources, but there will also be gathered primary data obtained qualitative methods: interviews. A qualitative interview should be based on a list of themes or categories.

Interviews can be formalised and structured, using standardised questions for each respondent, or they may be informal and unstructured conversations. Interviews may be categorized as structured -, semi-structured-, and unstructured interviews. For this thesis, the researcher is implementing a semi-structured interview, which is a part of a qualitative research. Semi-structured interviews consists of a list of themes and questions to be covered, but they may vary depending on the interview and additional questions may be required. (Saunders et al. 2003).

The interviewing in qualitative research tend to be flexible, responding to the direction in which the interviewees go, and perhaps adjusting the emphases in the research as a result of issues that emerge in the course of interviews. An interview guide does not

have to comprise written words; instead it can take form of a series of visual prompts related to a subject. When preparing an interview guide there are some basic elements to think about. One thing is creating a certain amount of order on the topic areas, so that the questions about them flow well, but being prepared for changing the order during the actual interview. The interview questions or topics should be formulated in a way that will help the researcher answer the research questions. The language should be comprehensible and relevant to the person being interviewed, and the researcher should not ask leading questions. The researcher should also ensure asking general information about the interviewee like their positioning in the company and background information about the company. It is important that the questioning allows interviewers to glean the ways in which research participants view their social world and that there is flexibility in the conduct of the interview. The qualitative interview can contain background questions, followed by introducing the topic or theme. The interview should move towards the end with follow-up questions, and deepening questions. When finishing the interview, the interviewer should sum up and ask the interviewee if he or she have anything else to add or correct. The interviewer should lead the interview according to the guide made and if necessary, add questions (Bryman; Bell, 2011).

The research is mainly based on existing data that is found on the Internet in forms of articles and online books, but there will also be data from textbooks regarding the topic. The researcher gets a lot of material for this thesis from the book Influence Marketing – How to create, manage and measure brand influencers in social media marketing, written by Brown and Fiorella (2013), because there is limited theoretical material about influencer marketing and the book is covering many aspects in the subject in question.

2.1 Data collection

In addition to the findings of the literature study, the researcher gains qualitative data by arranging a semi-structured interview with the Finnish social media Influencer Marketing agency Monochrome. A semi-structured interview model is chosen because the researcher wants to make room for additional follow-up questions.

The interview will be arranged with one person, who is the CEO & Co-founder of Monochrome. The researcher has structured the interview by starting with asking back-

ground information about the company. The researcher moves forward with the interview by asking questions about influencer marketing in general, followed by more detailed questions about the process of creating an influencer marketing campaign. The interview is summed up with closing- and check-up questions. Topic 1 of the interview includes questions that the researcher is expecting to help answer the first research question of this study, and topic 2 includes questions that the interviewer is expecting to help answer the second research question (see Appendix 1). The interviewee agreed on letting the researcher publish her name in this thesis.

The theoretical data is mainly collected from international sources, but there is also information obtained from Finnish studies and articles found online.

2.2 Data analysis

The collected data from the interview is processed manually, and the results of the interview are kept original, without interfering with answers. The researcher will collect the gathered information from the interview that is seen as relevant to the study. To avoid errors, the researcher records the interview on two separate devices, as well as takes notes during the interview. No technical tools will be used to analyse the data. The researcher will compare the information gathered from the theoretical sources with the answers gained from the interview and look at the factors that the gathered material has in common, and what differentiate them. The results of the second research question will be presented as a diagram to show the steps of the influencer marketing process.

3 THEORETICAL FRAMEWORK

3.1 Definitions

Instagram = A social media platform with an community of more than 600 million users, and over 500 thousand advertisers use Instagram to drive their business results worldwide (instagram.com).

Blogger = The term "blogger" refers to the individual who keeps and updates a blog. The term "blog post" means the entry created by a blogger on his or her blog.

Follower = Someone who supports or admires a person in forms of following the person on for ex. social media (Cambridge Dictionary 2016).

Vlogger = A video blog, which is a record of your thoughts, opinions, or experiences that you film and publish on social media (Cambridge Dictionary, 2016).

Return on investment (ROI) = The most common profitability ratio, which means a profitability measure that evaluates the performance of a business by dividing net profit by net worth. The most frequently used method to determine ROI is to divide net profit by total assets (www.entrepreneur.com/encyclopedia)

Influencer = Typically a noncustomer or business incentivized to recommend/create content about a business brand or product (Brown & Fiorella, 2013. p. 195).

Macro-Influencer = Individuals with a large active social following comprised of people with whom they have a loosely defined or unknown relationship (Brown & Fiorella, 2013. p. 122).

Micro-Influencer = Individuals within a consumer's social graph who has a direct impact on the behaviour of the consumer, based on the personal nature of their relationship and communications (Brown & Fiorella, 2013. p. 122).

3.2 What is Influencer Marketing?

Influencer marketing is the most important new approach to marketing in a decade for those professionals at the leading edge of purchasing decision-making. The word "Influence" can be broadly defined as the power to affect a person, thing or course of events (Brown & Hayes, 2008). Brown and Hayes define an Influencer as "A third-party who significantly shapes the customer's purchasing decision, but may ever be accountable for it." (Brown & Hayes, 2008, p. 50). Influencers are individuals who have the power to affect purchase decisions of others because of their authority, knowledge, position, or relationship" (businessdictionary.com-Influencers). Social influencers are

everyday people who influence consumers as making a purchasing decision. Anyone can be a social influencer, influencing someone else's brand affinity and purchasing decision (Singh et al, 2012). Social Influence Marketing is defined by Singh et al. as *"a technique that employs social media (content created by everyday people using highly accessible and scalable technologies such as blogs, message boards, podcasts, microblogs, bookmarks, social networks, communities, wikis, and vlogs) and social influencers (everyday people who have an outsized influence on their peers by virtue of how much content they share online) to achieve an organization's marketing and business needs."(*Signh et al. 2012, p. 19) The Finnish Influencer marketing company "PING Helsinki" defines influencers as those who keep a blog, or post their opinions on Youtube, Snapchat, Instagram or other social media channels. They can be for example athletes or artists among many other things, but the essential element is that they have their own community in social media and they have the willingness to produce sponsored and professionally produced content for their followers (pinghelsinki.fi).

Influencer marketing can take its form in blog posts, videos or pictures on the influencer's social media channels, which means content cooperation, and it can be content for the company's marketing campaign with influencer's name or picture, which means providing content. It can also be operating as a brand ambassador, competitions for the end-users, cooperation in different social media channels, for example on the company's Instagram, Snapchat or Twitter, or involving consumers in product development and testing. Influencer marketing can also be events, trips and workshops, widgets and display advertising (pinghelsinki.fi, 2016).

The word influencer can sometimes be mixed with the word advocate, but the two words do necessarily not have the same meaning. Influencers are typically noncustomers incentivized to recommend a brand or a product while advocates are existing customers who voluntary recommend the brand or the product (Brown & Fiorella, 2013).

3.2.1 Earned and paid media in the context of influencer marketing

Influencer marketing can be both earned and paid, depending on how well executed and well coordinated the owned and paid media is It's called earned media when a brand gets free media and the customers become the channel, rather than having to pay for it.

This passing of information can also be referred to as word-of-mouth marketing, also called WOM (Corcoran, 2009).

The Nielsen Holdings information and measurement -company did a Survey in 2011 about Global Trust in Advertising with more than 28,000 Internet respondents in 59 countries all around the world. According to the survey that was conducted between August 31 and September 16, 2011, 92 % of consumers around the world say they trust earned media, which is an increase of 18 % since 2007. Randall Beard who is global head and Advertiser Solutions at Nielsen say that, as the results of the study about Global Trust in Advertising showed, consumers around the world continue to see recommendations from friends and online consumer opinions as the most credible source of advertising. Because of this, successful brand advertisers will seek ways to better connect with consumers in form of consumer feedback and experiences (Nielsen, 2012).

3.3 Influencer marketing from a brand's perspective

In this chapter the researcher will go into depth of why a company should use influencer marketing as a marketing tool and how they should go about to do so.

3.3.1 Why does a brand need influencers?

According to Matthews' article "The definite guide to influencer targeting" (2013) consumers more likely trust recommendations from a third party (ex. a blogger or Instagrammer) rather than a brand itself. The Influencer can be though of as a friend connecting a brand with their target consumers. The influencer does not only bring their own followers, but they also bring the followers network. When an influencer has loyal followers they can also drive traffic to the company's website, increase social media exposure and sell the company's product through their recommendation or story about their experience with the company's product/service (Matthews, 2013). With topics like ad fraud and ad blocking, companies are moving toward earned media, because they want distribution options that won't be blocked and that they know can reach the right audience. Influencer content cannot be blocked, external influencers are being created every day, and the best way to gain customer trust is by aligning with somebody the custom-

ers already trust. The built in level of trust between influencer and reader is essentially impossible for a brand to build alone with the customer (Hall, 2016).

According to a research made by the companies TapInfluence and Influitive, customers trust a referral from their personal network at a rate of 90%, and the referrals are found online in 81% of the cases. People trust referrals from people they know above all else with 92% (TapInfluence, Influitive). In 2016 the Tomoson Company made a survey and gathered information from 125 participating top marketers. According to the influencer marketing survey, businesses are making 6.50 dollar for each 1-dollar spent on influencer marketing. The survey concluded 125 marketers online from 10-16 March 2015. The poll found out that a majority of 59% of marketers are planning to increase their influencer marketing budgets over the next 12 months, and 21% plan to reduce the spending on influencer marketing or keep it the same (Tomoson, 2016).

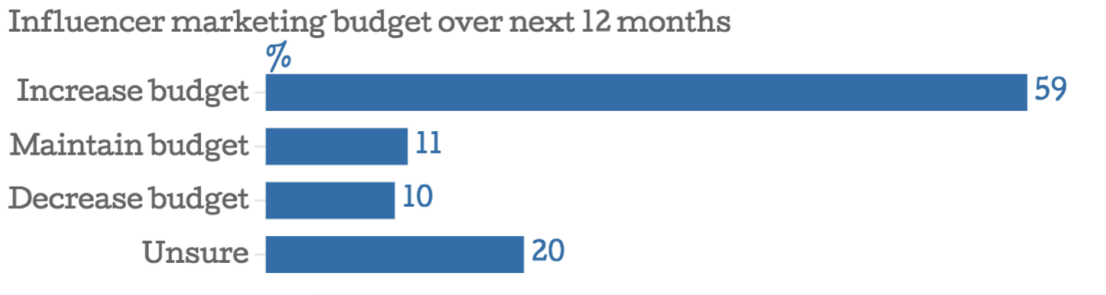

Figure 1: Influencer marketing budjet over next 12 months (Tomoson, 2016)

Influencer marketing was also rated as the fastest growing online channel for customers. Organic search was placed at second with 17 % followed by Email with 15 %.

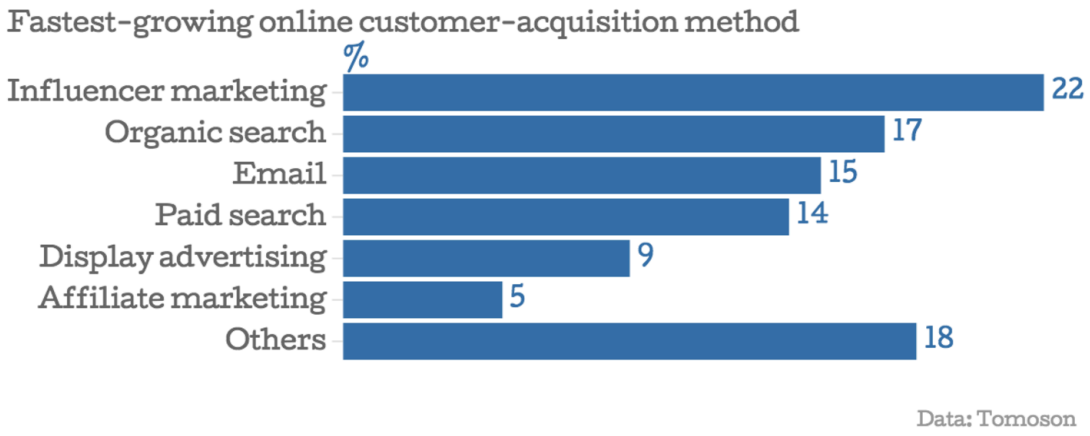

Figure 2: Fastest-growing online customer-acquisition method (Tomoson, 2016)

When asking the marketers for the most cost-effective online customer-acquisition channel influencer marketing took the first place next to Email, both earning equally 22% of the votes in the study.

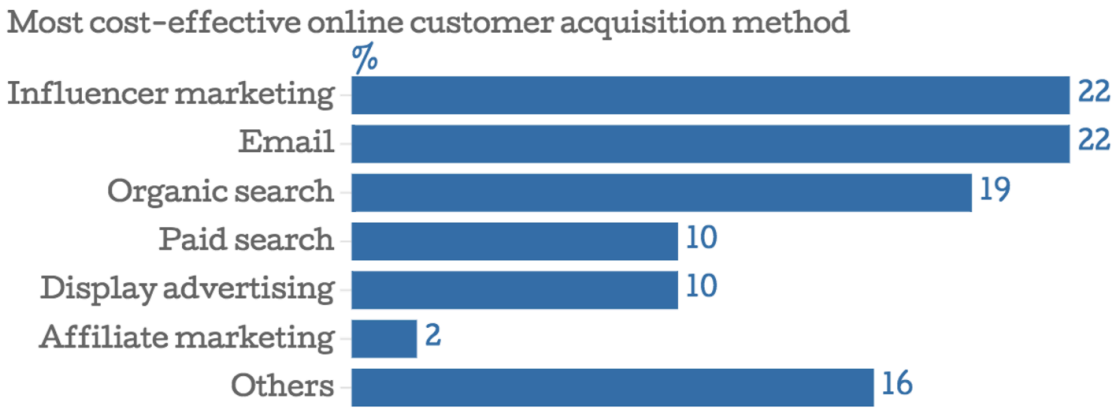

Figure 3: Most cost-effective online consumer acquisition method (Tomoson, 2016)

When asked about the quality of customers acquired through influencer marketing 51% of marketers believe that they can gain better customers through influencer marketing (Tomoson, 2016).

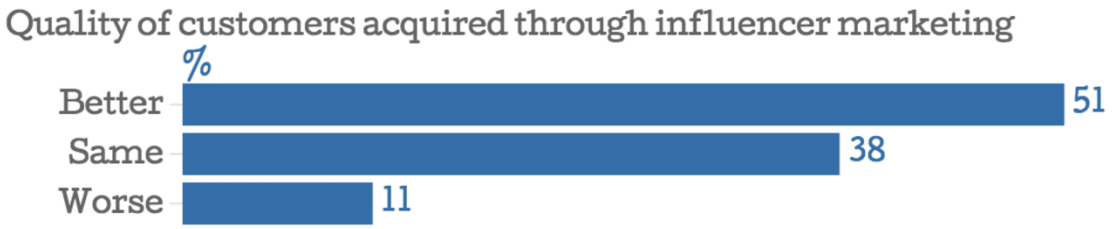

Figure 4: Quality of consumers acquired through influencer marketing (Tomoson, 2016)

3.3.2 Why Instagram?

According to Instagram's own website 75 % of Instagrammers take action after being inspired by a post and 60 % of Instagrammers say they discover new products on Instagram (instagram.com). When it comes to influencer marketing, Instagram was the best performing channel for social action in 2015, and delivered a social action rate of 3.21 % compared to 1.5 % across all social networks, according to RythmOne's Influencer Marketing Benchmarks Report of 2015. The social action rate can be counted by dividing social media engagements with social media exposure (RythmOne, 2016). Accordning to an Annalect research (2017) about Instagram influencer marketing in Finland, 73% of the Finnish Instagram users follow Instagram influencers, such as bloggers, celebrities, or moderators of specific content profiles. The influencers interest consumers and the product tips are generally considered useful. The study also showed that Instagram resonates especially with younger age groups, and they are also more probable to purchase products or services based on Instagram influencers' recommendations. According to the same study, as many as one third of those who had been affected by influencer marketing have made a purchase decision based on influencer marketing (Annalect, 2017).

3.3.3 Finding the right influencers

When identifying the right influencer for a company it is important to know that the name chosen has influence over buying decisions. One has to be specific about which products or service line are under consideration, and the segment being targeted (Brown & Hayes, 2008). Influencers could be people with very little visibility in the grand scheme, but a huge visibility in the niche that the company is trying to reach (Gillin,

2007). An alternative method of identifying the right influencers, is asking those people who are making the decisions, so the company have to understand exactly what community it is looking for. If it is a multi-product firm, is should have a different set of influencers for each product, in each industry sector and each country. (Brown & Hayes, 2008). When choosing the right influencers for a brand, there are according to PING Helsinki certain qualities that the influencers should have. To these include knowing the product/service and have genuine interest in it, being an expert and opinion leader in his/her field, having the right target audience for the company, knowing how to produce suitable content, like stories, videos, pictures and social media posts, understanding marketing and being interested in commercial cooperation, having a sufficient number of committed followers in the relevant social media channels, having good cooperation skills and understanding the value of his/her work (pinghelsinki.fi, 2017).

According to Brown & Fiorella's book "Influence Marketing" (2013) the current paradigm of influence marketing puts the influencer at the center of the marketing universe. Another theory that Brown & Fiorella mentions, and calls "The scientific truth" (p. 77), is the theory about placing the customer at the center of the marketing universe, and not the influencer. The customer is ultimately the one making the purchasing decisions, not the influencer. Business brands and their marketing messages and the influencers are according to Brown and Fiorella planets circling the customer, vying for his attention. In the first theory with the influencer at the center of the influence marketing strategy model, as shown in figure 1, marketers have to identify people who have a wide reach within communities focused on specific interests or keywords. The Fisherman's influence model can help companies identify potential influencers and their communities and may later on be used as the basis for further research and analysis into these relationships. Considerate marketers may only use the Fisherman's Influence Marketing Model as a first step in the marketing plan. The Fishermans's Influence Model is about applying the concept of "casting a wide net to catch the most fish" to Influence Marketing strategies, which stands for leveraging those with the largest following and reach among large social communities that will drive the greatest brand awareness and eventually result in a purchase (Brown & Fiorella, 2013).

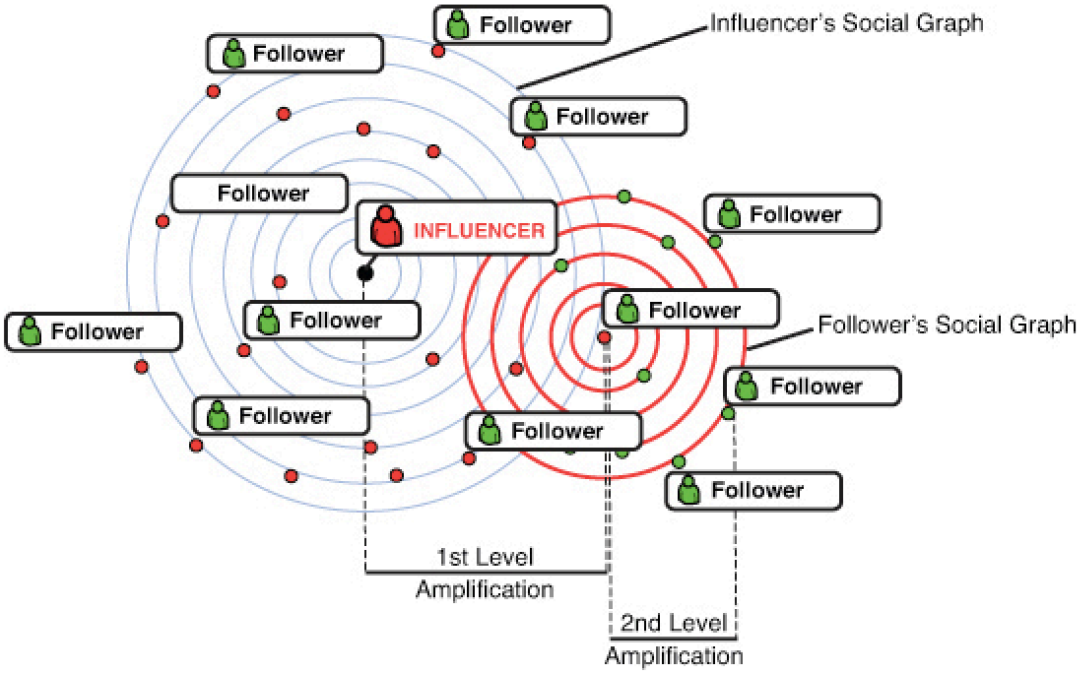

Figure 5: Fisherman's Influence Marketing Model, p. 89 (Brown & Fiorella, 2013)

In the second theory the customer is repositioned in the center of the cycle, and a completely new universe opens up. Instead of when the influencers are placed at the center, and the circling planets being their various followers, it is now the people, institutions, technologies, and communities that impact purchase decisions circling the customer. Whether a company chooses to use the Fisherman's influence Marketing Model or the Customer- centric model the first step is the same: Identifying the target audience's demographics and which communities they engage in most often; however this is where the similarities end between the two models. Individuals with the widest reach and perceived authority are identified in the hope of converting them to macro-influencers, like brand ambassadors or if they are current customers, to advocates. Once the communities and the influencers are identified, the marketing team is attempting to educate, encourage and motivate the chosen influencers to broadcast and share encouraging brand messages through their for ex. social channels, like blogs and Facebook. This way they are engaging the audience with awards etc. to encourage the followers to share those same interactions with their own social graphs (Brown & Fiorella, 2013).

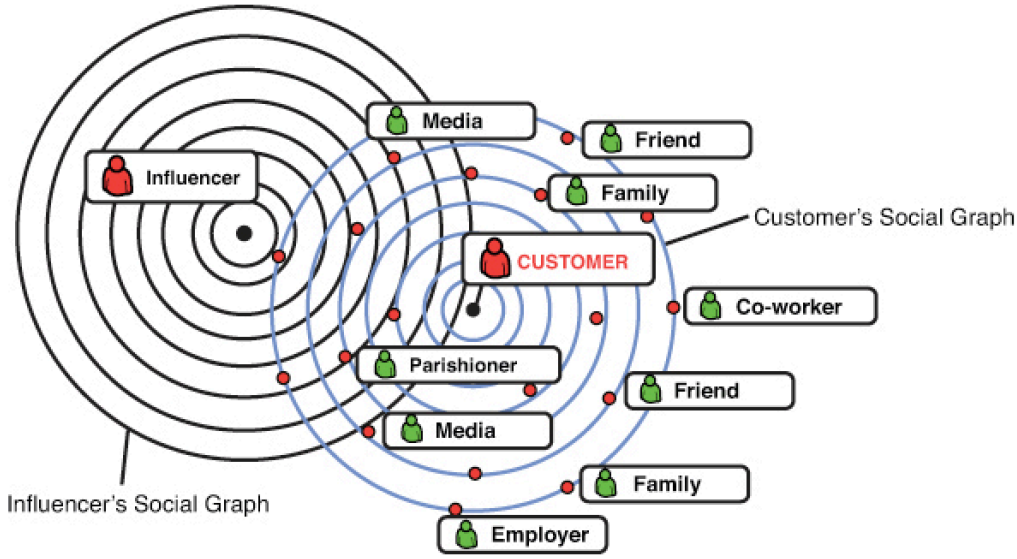

Figure 6: Customer-Centric Influence Marketing Model, p. 90 (Brown & Fiorella, 2013)

According to Holly Hamann, co-founder and CMO of TapInfluence, it is the niche-based content that influencers' produce that make them valuable for a brand. The influencers should not only be segmented by popular areas like patenting, food, fitness, fashion, and entertainment, but they can be segmented further to reach specific consumers like pet lovers, marathon runners and organic cooks. When identifying potential influencers for you brand there are five things to look for according to Hamann:

Relevance, Engagement, Reach, Frequency and Authenticity.

The first thing to look at is *Relevance*, how aligned an influencers' content is with your messaging. The company looking for an influencer should read through the influencers' posts to get a sense of what kind of customer they are and what they like. The second thing to look at is *Engagement*, which is an indicator of how interactive an Influencer's readers is with the content in the post in form of responses, comments and shares. You can indicate on how meaningful readers and publishers' relationships are based on how the readers engage and how often they return to the blog. The third thing to think about according to Hamann is *Reach*. By this she means that marketers should resist the urge to only look at unique visitors when measuring reach and that traffic and followers are only meaningful if the influencer is reaching the brand's target audience. *Frequency* is

the fourth thing to think about when identifying potential influencers, because of a direct correlation between how often an influencer posts and her traffic and rate of return visitors. It isn't enough with only one exposure to get visitors to check out a brands' website, but it often takes multiple exposures. When a publisher is posting high quality content on a regular basis, readers are more likely to return, and influencers who don't post as frequently tend to have fewer visitors and less loyal followers. The last thing to think about according to Hamann is *Authenticity*. Influencers who have less sponsored content on their platform they are using, tend to be seen as more trustworthy and authentic. A brand, service or product is more trusted when an influencer include a personal story about it than just using straight product reviews (Hamann).

3.4 The four M's of influencer marketing

Brown and Fiorella describes in their book *"Influence Marketing: How to Create, Manage, and Measure Brand Influencers in Social Media Marketing"* how the four M's of influencer marketing should be mastered. The four M's represent: *make, manage, monitor and measure.* Like any other business discipline, influencer marketing does need focus, goals, and metrics. In the concept of Influencer marketing, these are called the Four M's.

3.4.1 Make

Starting with the word *make,* the customer should be placed at the centre of your influence marketing efforts, like showed earlier in the customer-centric model (figure 2), so that companies can build profiles based on where they are in the purchase lifecycle at the moment. They can be in the *research stage* where they are looking for information, in the *awareness stage* when they may need validation from people they know, or they may be in the *purchase stage* and ready to make a purchase. Because of that each stage presents the need for a different tactic and outreach, the company need to identify where they are in that path so that they can connect with people and *"make"* influencers who will move the customer into the next stage of the purchase decision. This way you get straight to the customer via the right influencer at the right time.

The Make part of the four Ms can be attributed into two sections, Identifying and Activating. In the Identifying section the path of the persona should be identified.

According to Brown and Fiorella (2013) there are two core stages in every influencer campaign: the Trickle and the Ripple Phases. The Trickle phase is where the message is first spread, and from here the direction of the message determines whether the campaign is successful or not. The path of a message is not as simple as just giving it to the influencer, because the noise of social media offers many distractions. To get through this Trickle Phase the brand needs to work with influencers to identify key information about the audience:

- The time they will be online
- The platforms they will be on,
- The people they will be speaking with
- The topics they will be speaking out
- The actions they will be creating

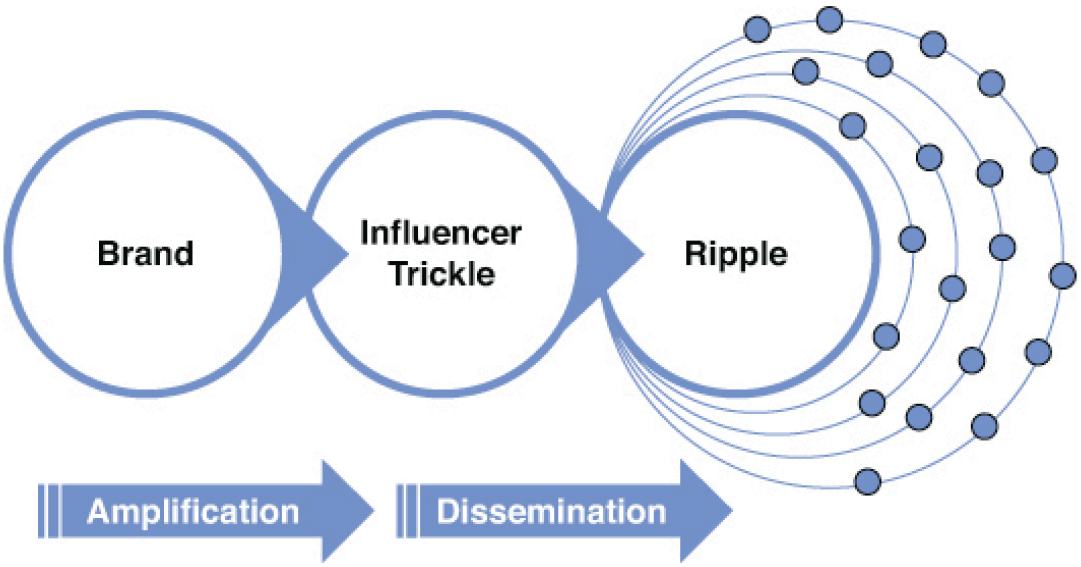

Figure 7: The Tickle and Ripple Phases of influence marketing, p. 162 (Brown & Fiorella, 2013)

When the influencers are segmented into definitive personas and segregating which of their communities are most likely to react to a particular message, the potential for an influencer marketing campaign to succeed moves from possible to probable. When the success of the campaign is probable it's moved from the Trickle Phase to the Ripple

Phase - the influencer's community has noticed the brand's message. The influencer's community is now disseminating it through their own communities, creating a ripple of brand awareness and promotional messaging.

When a brands core audience is identified that it is going after with a specific campaign, the next step is to activate the influencer that is right for the message. Influence marketing is not about having the largest follower base or loudest voice, but about making the customer the influencer and identifying the context behind their purchase decisions. When identifying the right influencer for the campaign, the filters of this stage offer the right starting point needed to ensure that a brand pick the right people. One should look at:

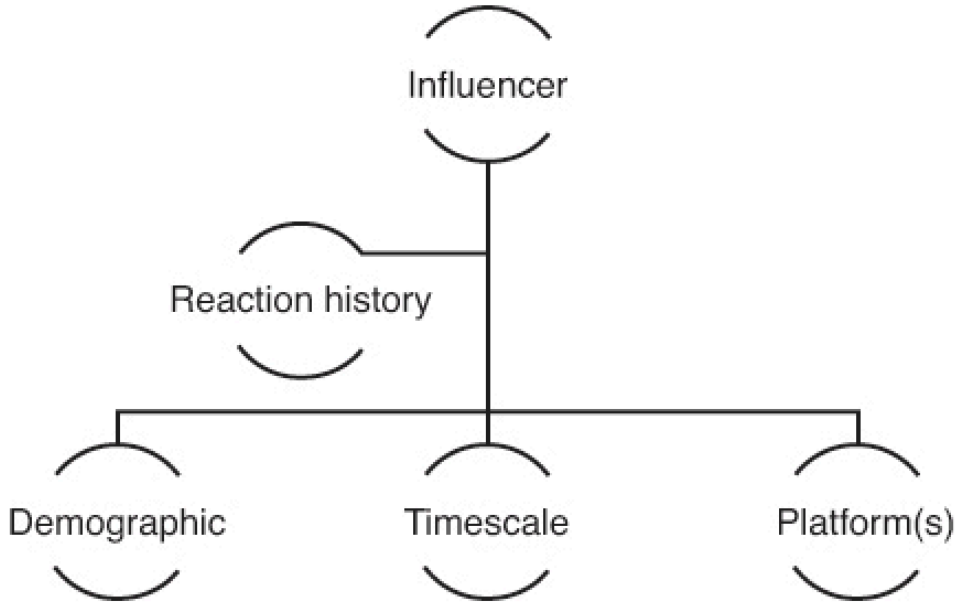

Figure 8: The influencer filter, p.163 (Brown & Fiorella, 2013)

Demographic – Finding out audience age, sex and locale is important for knowing how a brands' message needs to be crafted.

Timescale – For an effective and successful influencer campaign, it needs to be a constant part of the brands' marketing strategy, and not only a short-term buzz. The different parts of the campaign dictate which influencer is needed at each stage.

Platform(s) – Each social network platform has its own attraction to certain demographics with sex, race and income playing a large part in popularity of each network. A brand should choose the platform and influencer according to what suits their target audience best.

Reaction history – To understand the customer behaviour within a influencer marketing campaign the brand need to identify when customers make decisions and takes action based on the content of the influencer. The reactions of the customers could be favoriting a tweet, liking or sharing a Facebook update, commenting on a post or news article. When a brand understands the reaction history of its audience it ensures that the message is seeded at the right time with the right influencer.

Influencer – The key problem with influencer marketing is that brands are only trying to connect with high-profile influencers instead of the ones that are actually relevant to the consumer. Recognizing the right influencer from the start is the key to a successful campaign, otherwise the message is diluted.

3.4.2 Manage

Once a company knows who their new influencer is for their target customer, they need to move into the *managing stage*. Like any other marketing tactic, influencer marketing needs to be managed from before the campaign starts to after the campaign ends, and beyond, to truly succeed. Relationships with the influencers may continue for future outreach and promotions. By continuing a relationship with the influencers there are benefits like established trust, knowledge of each other, a ready customer base, and the opportunity of switching the brand influencer to brand advocate. By nurturing the relationship with an influencer it can help turning these into brand advocates. There are seven steps to managing influencer relationships for all brands to follow:

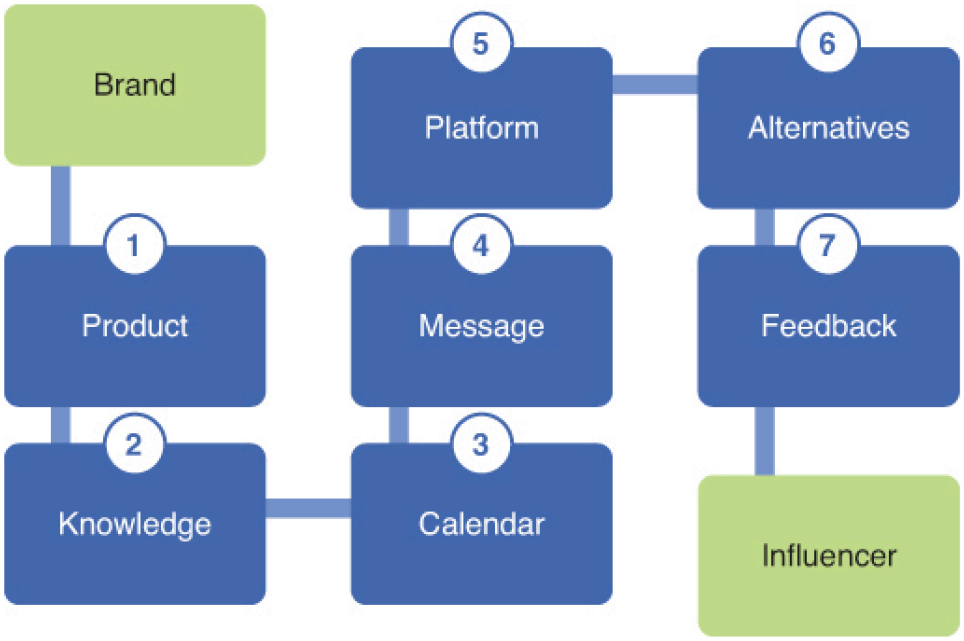

Figure 9: The seven steps of influencer marketing management, p.166 (Brown & Fiorella, 2013)

Product – The product is equally important as the message in a influencer campaign, and trust is the ultimate currency of the social web. The brand needs to ensure that the influencers they are working with have all the tools they need when it comes to the products they are promoting and that it is worth promoting.

Knowledge – The brand have to make sure that the influencer shows experience and knowledge of the products. Fact sheets, work sheets and hands-on training should be provided for the influencers (ex. bloggers, celebrities, media outlets, online publications) to make sure that they have as much knowledge of the product as the employees of the brand has.

Calendar – Traditionally, influencer-marketing campaigns consist of short-term outreach and longer term marketing efforts by the brand to build the buzz the influencer has created. A preferred method is to build a longer-term vision that establishes the influencer as a core part of the brand's marketing efforts and team. In any case, it is crucial to map out the content and promotion calendar for the campaign to succeed. Building on the pre-campaign research and audience targeting, decide which day and time each influencer will promote, as well as any follow-up promotion (ex. tweets, updates

secondary posts to support the main promotion). One additional benefit to mapping out an influencer calendar is that it makes it possible to prepare a backup plan for any errors during the campaign.

Message – Brands need to adapt their message so that it fits the influencer's natural tone at the same time as they want to keep the core promotional points front and center. What the influencers are willing to say and what language they are willing to use should be determined early on, and the promotion should be crafted around that. The brand should look up if the influencer has discussed anything similar to the brand's message before and look how they approached that, this way the brand can get to know the influencer's style and interests and increase the likelihood of working together.

Platform – The brand should determine which platform will be number one of use, and which ones will act as support networks. At this stage it is certainly important to look at the demographic that is discussed earlier in this chapter.

Alternatives –Preparations should be made for the possibility of unforeseen market reactions, because even well planed campaigns can receive a poor reception or a negative response from the target audience. Examples of preparations could be alternative influencers who can respond to negativity and help shift the balance of the campaign back to positive or having alternative promotions and landing pages if it becomes clear that some particular message is not working.

Feedback – Listening to the influencers opinions of what worked well and what could have been done differently, and what other approaches could be used in future campaigns, has to be a key part of the post-campaign analysis. The influencers are still the ones who have built their audience and the trust of the audience.

These seven steps above relate to macro influencer marketing, although it can be adapted to the micro influencer.

3.4.3 Monitor

The next stage is where the brand is Monitoring influencer campaigns. When monitoring the efforts of an influencer marketing campaign the brand needs to focus on results and not efforts, because it allows for a much more structured framework to accomplish

goals and meet targets. With real-time intelligence about the industry, companies can reach competitors, sharpen their strategy, and make the outreach a success. With the help of search analytics, listening tools, dedicated messaging, landing pages and more, marketers can begin to understand who and what is offering the greatest ROI, where they need to adapt the brand message, and which influencer is influencing consumers and their decision process at any given time. There are three essential targets that brands should build their strategy around and monitor how each campaign is making progress based on these goals.

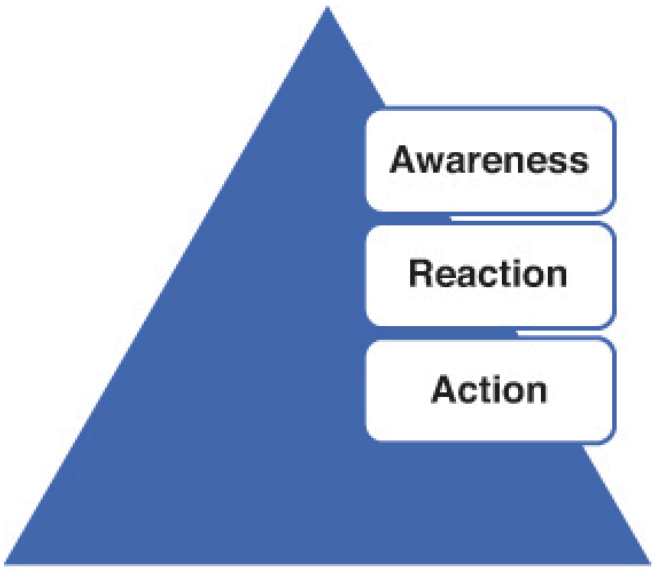

Figure 10: Three essential influencer statistics to measure, p. 169 (Brown & Fiorella, 2013)

The first influencer statistic to measure is *Awareness*, which should include blog posts about the campaign, social shares and updates, news articles, media interviews and/or pitches and mentions of the brand or product.

The second influencer statistic to measure is *Reaction.* To the reaction target include visits to the company website/landing page, increase of newsletter subscribers, increased traffic to offline properties, increased search queries and social followers and peer recommendations.

The last influencer statistic to measure is *Action,* which referes to white paper download, seminar and/or webinar attendance, affiliate sign-up and purchase.

3.4.4 Measure

The last stage of the four M's is the *measure* stage, and the final piece of the equation of the four M's model. For being able to replicate the success of a campaign in future campaigns, the brand need to measure why it happened and who created it.

*"Measurement is everything, and everything is measurement" – (*Brown & Fiorella. 2013, p. 170)

With the help of social media we can create extremely targeted campaigns, combined with different platforms that measure which network and content, create the most return on investment, and the same works for measuring influencer results. There are two core metrics that brands need to measure in any influencer marketing campaign. To the first metric include:

Investment – To the investment metric include the pre-campaign cost of which influencers are right for the company. A brand should find out how much it costs to set up the program and using that as a barometer against how much return, financial or awareness, the brand experiences.

Resources – The brand needs measure manpower, like how many employees are needed and how many hours they use for the campaign, and the second thing is education, like how much time is needed to train each influencer on the brands product and company culture. Manpower and education need to be added to the bigger financial investment.

Product – Free samples of the brands products need to be made available for both the influencers and their audience if the brand is looking to connect from a lead generation or purchase decision angle. The costs of the products sent out need to be factored into the overall financial investment of the campaign.

The second key metric to track is the influencer metric.

Ratio – Differentiation of the influencers leads to better returns, and a thriving and interactive influencer audience base is much more important than high following num-

bers. Companies should measure how many reactions an influencer receives when sharing the brand's message as a percentage of the influencer's overall following to get a more exact return on that specific influencer.

Sentiment – By measuring the buy-in of the audience of the campaign it allows the company to understand the sentiment around the brand message and how the target audience perceives the brand and the campaign itself. There are different platforms that allow organizations social media team to track different activities by the influencer's audience. This way a brand can increase awareness around the influencer and help to improve the perception of less well-received influencers. A brand can also quickly identify areas that are found upsetting by certain demographic and instigate crisis communication response if needed.

Effect – When measuring how effective the campaign has been, the company needs to look at traffic generated to a website, microsite, or landing page. One should also look at how many times the brand or product is mentioned online and how many people recognize the brand name with help of new fans, followers, subscribers to newsletters and how many white papers or fact sheets were downloaded from the company's website. Depending on the product or service, the customer purchase cycle may be longer than the duration of the campaign. The company should include a plan to continue measuring the effect of the influencer marketing campaign on this purchase path (Brown & Fiorella, 2013).

3.5 Measuring the success of influencer marketing campaigns

If a company cannot measure the success of its influencer marketing practice, it cannot improve it. Because of this, it's important to measure and demonstrate the results of the practice and being able to optimize strategies to get it to the next level. As companies invest more money in influencer marketing, there is also a pressure of being able to measure the success properly (Dorfman, 2015). There is no actual data on influence, which means explicit data that tells precisely who influenced whom, at what time, where it happened and how it happened. How influencer marketing ROI is measured depends on the objective, what the goal for the campaign is. If the campaign is growth-

oriented and the goal is to get more visibility, a company's ROI is the number of new potential customers who become aware of the brand through the campaign. If the goal is Engagement, a valuable metric is the cost-per-engagement (CPE) measured in terms of dollars spent per "like", comment, or interaction such as video views, shares or clicks. Engagement is an indicator showing what customers think of the brand, and not just the product (Westwood, convinceandconvert.com).

3.6 Ethical vs. non-ethical influencer marketing

According to the FTC's guidelines Influencers must clearly disclose any content that they are posting as a part of a sponsored campaign, whether it's a product review, a testimonial or an unboxing video, they must do so in close proximity to the content itself. Links to disclosure should be properly formatted and labelled clearly as disclosure link. If it's for example an Instagram post and the space is constrained, clear hashtags should be available, like #ad, #sponsored, etc. Consumers may not be looking for, or expecting to find disclosures, but the advertiser is responsible for ensuring that the message is truthful and not deceptive. The disclosure should be in each and every ad that would require disclosure, because it cannot be assumed that consumers will see and associate multiple space-constrained advertisements. If a product within an interactive ad is available to be purchased, all required disclosures should be included in the ad itself (Federal Trade Commission, 2013).

4 EMPIRICAL DATA

In this part of the thesis the conducted interview questions and answers will be presented. The researcher starts off with general questions about the company being interviewed and will after that go into depth to the subject to get a clearer understanding of influencer marketing and to get answers to her research questions.

4.1 Company interview: Monochrome OY

The interview was a face-to-face interview with Emma Naumanen. It was held at the informant's apartment 13 April, 2017 and took 1 hour and 9 minutes. The interviewer is the researcher of this thesis, Sofie Biaudet.

Q1 What is you professional occupation?

I am the Co-founder and CEO of Monochrome.

Q2 What does your company Monochrome do?

We are an influencer marketing agency founded in 2016 and we are focused on social media influencer marketing mostly on Instagram, which is our core business. We fulfil Influencer marketing campaigns on Instagram for our customer companies.

Q3 Do companies usually contact your company about wanting to implement influencer marketing into their business or do you contact them? Which is most common?

Both, but hard to say how it is divided. In the beginning we contacted the customers, but currently it is the other way around. We have started to also contact media companies so that they know that we exist and that we provide influencer marketing services. Today we work with a lot media companies, because they don't have enough time and resources to do influencer marketing themselves.

Topic 1: Influencer marketing in general

Q4 Why should a company use influencer marketing as a marketing tool?

Well, the world has changed quite a lot recently in terms of marketing. Those marketing methods that used to be popular, like TV and prints, don't work that well anymore because people don't spend that much time on those medias anymore. People spend more time on social media and when you think about influencer marketing where a person recommends a product or service, studies show that that it is the most trustworthy source of marketing. The message that is communicated through the influencer appears as much more credible, authentic and likeable. Influencers have a lot of credibility because he or she is an expert in for ex. fashion, beauty, interior or food. Influencers rec-

ommending products are seen as credible and they reach a lot of people. Influencer marketing is a marketing method that is liked a lot more than traditional marketing, because people voluntarily follow these people and get inspiration from them. Also, influencer marketing is a very cost effective way of marketing. We've noticed that influencer just is a marketing method that works.

Q5 How does Influencer marketing differentiate from other marketing methods?

Quite often companies just set up a messages which they communicate to the consumer, and the consumer just receives the message and there is no space for reaction or conversation, while in Influencer Marketing, the company uses a person who is kind of an consumer him or her self, but more like a pro consumer to transfer the message to his or her followers. On social media the marketing message is not only one directed, but the followers can also respond to the message and ask questions. Also, in traditional marketing, the company is able to have full control of the message that is sent out, of the content, and how the marketing message is communicated, while you need to let go of that 100 % control when doing influencer marketing, and let the influencer be the one who does the final message.

Q6 Why did your company choose to work with influencer marketing on particularly Instagram?

We noticed that Influencer marketing on Instagram is something that is booming, trending and working. It is a channel where people like to spend their time, and they like to follow influencers to get inspiration and ideas. When I moved to my apartment and needed to by new interior I actually mostly looked for inspiration from Instagram influencers and blogs.

At my and the other Co-founder's previous work we tried all kinds of marketing, everything from radio, online, offline, PR flyers to billboards, and we noticed that influencer marketing on Instagram worked best. We tracked it with a code that we also used with a radio campaign, and the results from the Influencer marketing campaign were multiple times better than from a radio campaign, but the cost was a lot less. Also, the reactions that the Instagram posts revoked where very positive, and people where truly able to make conversations there. At the same time we noticed that there were not any compa-

nies in Finland that offered Influencer marketing in a suitable scale that worked for us, so we did some benchmarking abroad and noticed that its actually a really big phenomenon in other countries as Sweden, US, UK and Germany. That was when we decided to start our own Influencer marketing agency in Finland. When we decided that this was what we wanted to do, we looked for more studies and researches to back up if this really was something that we should do, and something that we can recommend companies to do.

Q7 How do you get information about the influencers' audience?

On Instagram you can scroll the list of followers and see who the people are who follow the influencers, but that is not the best practice since the influencer most likely have ten thousand or hundreds of thousands of followers. Because of that the followers appear in chronological order, with the newest followers on top, you cannot generalize the followers to some category by only looking at a part of them. It may be that an influencer has a lot of followers from abroad but has recently gained for some reason only followers from Finland, but when you don't have the time to look through them all, you might get wrong data. There are some tools that you can use like Iconsquare, where you can get data about your own Instagram -followers age, gender and demographics, but we can't do the analyzing for our Influencers, so we ask them to use those tools and report the statistics to us. The influencers also know their followers quite well, in case of who are to most active ones commenting on pictures and liking them, so that is information that we also ask them to analyze.

Q8 How do you make sure that you/your influencers stay ethical and within the borders of the law with the brand collaborations?

It's something that is very important to us and we always make sure that the influencer mark in their posts that it's a commercial collaboration. Usually our influencers mark collaborations with specific hashtags. Even though it's not actually a real law, we always make sure that the influencers mark that it's a commercial collaboration.

Q9 Is there any specific hashtags that the influencers should use in a collaboration post?

There has not been thins kind precedent for on Instagram but on blogpost it is said that it has to be marked that it's an collaboration, but it's not enough to only inform that it's a collaboration, but that it's a commercial collaboration, and that should be stated in the very beginning of the blogpost. If the Influencers' target audience is Finnish, it should also be informed in Finnish. I have understood that it is enough to have it somehow marked and visibly informed. On blogs, it's a good manner to always mark if some of the products are sponsored. On Instagram it's not possible to do that yet because of the limited space. There is not really any clear legislation about this issue in Finland and especially on Instagram. But we do our best to follow the newest legislation and stay on top of that. Currently we trust our own judgment in that the collaborations are stated clear enough.

Topic 2: Influencer marketing process on Instagram in practice

Q10 What does the process of creating an influencer marketing campaign look like?

It depends on if our client is the final client, or if it's a media agency in between, but in general the fist thing is to think about what kind of brand, product and service we are working with. The timetable and budget is discussed in the very beginning with the client so that we know how to move forward and how many influencers we should include, and how long the campaign period is. We need to understand what type of a brand it is so that we know whom the target audience is, and whom we want to reach. When we know the brand and its target audience, we can look for influencers that are suitable for that. Is it a luxury brand, do they sell organic products and so on. The next step to think about is the amount of influencers that we want to use for the collaboration, and if the client want them to be influencers with a smaller amount of followers, a bigger amount of followers or a little bit of both. It depends on what the company is asking for and what kind of goal and budget they have. The influencers with a smaller amount of followers may even be more powerful, because their target audience is usually more engaged and those influencers may not be doing that many collaborations, why their message may be more powerful. Then again, it is possible to reach a bigger audience with the influencers who have more followers, and it is cost effective. We recommend choosing both influencers with a smaller and a bigger amount of followers. When

this part of the campaign is discussed with the client, we usually suggest the influencers from our network that we find the most suitable for them, and we usually put a couple of extra influencer into the offer in case the client don't think someone is suitable for the campaign or in case some influencer do not want to do the collaboration. When the influencers are decided and approved we, together with our client, plan how many posts the influencers will produce, and the content of the posts. Sometime the content of the posts can be competitions, with the aim to get more followers to the client/company's own Instagram –account. The posts can also include discount codes, which means that the influencers offer their followers a discount on the product they are promoting.

When our client accepts the campaign offer, and the content is set, we contact our influencers and provide them information about what kind of collaboration we have to offer them. If the influencers are interested in the collaboration, we provide them more information about the products and discuss the details of the campaign. The details include the timetable of the campaign, when the posts should take place, specific instructions about the content of the posts, and salary suggestions. It is important to provide them with good information about the product so that they have good knowledge about what they are promoting. The next step is to send the product to the influencer, and to do that well in advance, so that they have time to take the pictures and prepare the posts, and publish them on Instagram according to the set schedule.

During the whole campaign we monitor that the influencers post the content on time, and that the content is what we agreed on. Throughout the campaign we stay in close contact with our client, share the posting plan with them, ask them about what they think of the campaign so far, and if there is something that they want to adjust. We do also share information about gained likes and followers to our clients while the campaign is still running, and there is no strict process how it should be done, because it depends on the size of the campaign, but we do mid-reports at least once during the campaign.

At last, when the campaign is over, we analyse the posts and make a report of the results that we send to our clients. Sometimes we just send the report to them by email, and sometimes we sit down with the client and go through the whole campaign. At the very end we ask for feedback from both the company and the influencers that participated in

the campaign, so that we know if there is something that we can improve in our work, or if there was something that they thought worked very well and about their over all satisfaction, which is very important to ask from clients.

Q11 What kind of information do the reports include and what are you measuring?

The reports include data about how many new followers the company's Instagram account has gained, how many likes and comments the influencer's collaboration posts got, the engagement rate in percentage, and if discount codes were provided, how many times they were used and if the company got any new clients with the help of the campaign. We make the report by gathering all the posts and calculating their likes, comments, potential views and engagement rate, which is calculated by dividing each Influencers amount of likes and comments with the amount of followers.

Q12 How do you deliver results to your clients?

The most important measurement factor is the likes and the comments, because that's the direct reactions of the consumers. Instagram is tricky in the sense that you cannot implement direct links to the posts, except for in the bio section, but then it is not linked to the posts, so it is challenging to count the traffic.

Its normal that the commercial collaboration has a lower engagement rate than the influencers other posts, but in many campaigns the engagement has been a bit higher that in the average posts, which has been nice to notice. It indicated on that we together with our influencers have been able to execute the posts very nicely and in a very good quality that the followers like.

Q13 What kind of qualities do you take into consideration when choosing the right influencers for a brand?

In my opinion, this is the most important part of the Influencer marketing campaign. You need to find a good fit, and by that I mean that the influencer have to be suitable for the brand, product or service. The influencers should fit the brand's overall style, and should be honestly exited about the product or the brand, and she or he have to be exited about promoting it, which is something that we address to our influencers. Many of the influencers turn the collaboration down if it does not feel authentic, but of course we

cannot be sure about their interest. By doing a good job in choosing the right influencer for the brands, we usually get influencers who also like the products. We believe in authenticity, and being genuine, and the rewards for the influencers are actually not that big that they would be doing collaborations that they didn't like the products, just to earn money. If some company approaches us and wants to do collaborations, and we don't find any fitted influencers for them, we would turn them down but it has not yet happened.

It is also very important to get familiar with the influencers audience, who the people who follow the influencers are, their age, location and their gender so that we reach the targeted audience for the campaigns. The product should fit to the influencers Instagram feed, and by that the product recommendation may seem more trustworthy. Quite often you may think that a certain influencer audience are a certain kind of people, but that information may come as a surprise. If you for example want to target 30 year old men you may think that they follow other 30 year old men, but actually who they follow is mostly models and beauty queens. We always need to listen to our clients when choosing the influencers for their brand, because sometimes we feel like some influencers are a really good fit, but the customer does not feel the same. But usually, if the collaboration is well done and the product and the influencer are a good match, the responses are positive.

Q14 Do you have any theoretical models that you follow?

In the beginning we went through these articles that studied influencer marketing, and got help from this three R model, which stands for resonance, reach and relevance. We looked at the model to understand the importance of choosing the best influencers for a brand. When it comes to the whole campaign process, I don't think we follow any specific model, or most likely we do, but ended up doing it based on our previous experience. You learn something new all the time and adjust after mistakes. I'm sure that models and theories has helped us building the overall mind-set on how things should be done at Monochrome.

Q15 Are you acquainted with the model called "the four M's of influencer marketing"? It stands for make, manage, monitor and measure.

I have not heard about this specific model, but when I look at the words of the four M's it sounds like what we are doing.

Closing and checkup questions:

Q16 Is there anything you would like to add or bring precision to?

We recently started to do this kind of influencer scouting for companies. We are providing a fashion exhibition client a list of the top fashion influencers who lives in the area. Our job is to send the invites for the exhibition's opening party to the influencers. We have also started getting offers from clients who wants us to ask influencers to participate in TV commercials and photo-shoots.

Q17 Do you have any advice for brands that want to implement influencer marketing into their marketing strategy?

Yes. Well, influencer marketing might sound easy on an idea level but in reality there are so many things you need to take into consideration. Just finding the most suitable influencers is a lot of work, not to mention to get a clear understanding in what things should be taken into account with the collaborations, what needs to be communicated to the influencer, and how it should be communicated. We have noticed that if you give too loose guidelines, they are just confused about what they need to do, and the results are usually also confusing, but if you give them too strict guidelines, the authenticity can be lost and the posts are not seen as genuine or trustworthy and does not reflect the influencer own style. There are many recent bad examples of where the brand has done the influencer marketing themselves, so outsourcing is something you should do. There is a lot of minor details to take into account that we have learned only by doing and monitoring and measuring, and it takes a lot of time. The collaboration works best if you have some sort of relationship with the influencers, and if it's a new person that contacts them its not possible to build a strong relationship in a short period of time, and it's also motivating for the influencers to know that if they are doing campaigns with us, they know that if they execute them well, we have more suggestions for them, but if they don't do them well we don't offer new collaborations.

Q18 What's the future of Influencer marketing? Visions?

Its definitely going to grow, Finland is a little bit late with the phenomenon and Instagram is growing rapidly, and older people are joining little by little. What's already happening, that I have noticed and been talking about with friends, is that people read less and less blogs, but follow influencers on Instagram. If there is something interesting on Instagram that they want to see more of they may click on the bloglink in the bio section to read more. All this has to do with the phenomenon that people are restless and want a lot of impulses and info fast, and Instagram is a good platform fort that. They don't have time to concentrate, because reading blog posts require more. Companies also want to use more of the micro influencers, who have only a couple of thousands of followers, because they are seen as more authentic and credible and these big names becomes more like celebrity endorsements, while the original influencer marketing will happen with smaller influencers. Influencers will also start with this multi-channeling, and by that I mean that a person who starts out with a blog, now have an Instagram account that is bigger than the blog, and then they start making videos on also Youtube and Snapchat. I believe that Youtube is a channel that will increase in terms of influencer marketing, and today the popular Vloggers are quite young, but older people may be starting Vlogging with content that interest/target the elder population. I also believe that companies will start using more social media celebrities in their own marketing channels instead of celebrities like models and actresses.

It seems like it's a new trend that companies don't want to use random models in TV ads or commercial shootings, but are more interested in using social media influencers in their marketing.

5 RESULTS

In this part of the thesis the researcher is presenting the results of the study, obtained from the material from the interview. The results of this thesis are presented in accordance with the research questions and in line with the themes that were addressed in the interview:

The results are discussed from the point of view of both research questions:

Q1 Why should a company use Influencer marketing as a marketing tool and why use Instagram for the purpose?

Q2 What does the process of creating an influencer marketing campaign on Instagram look like?

Quotations are used for the interviewees statements.

5.1.1 Why should a company use influencer marketing as a marketing tool and why use Instagram for the purpose?

Traditional marketing methods like TV and prints do not work as well as before, because people do not spend as much time on these medias as before. People spend a lot of time on social media, and influencer marketing is seen as the most trustworthy marketing method. Influencer marketing is seen as credible, likeable and authentic, because people follow the Influencers by their own will to get inspiration.

"Influencers have a lot of credibility because he or she is an expert in for example fashion, beauty, interior or food." (Naumanen, 2017)

The influencer is a pro-consumer who transfer the company's message to his or her followers in his or her own way. Compared to more traditional marketing methods, Influencer marketing is a marketing method that gives the customers the opportunity to respond to the message and ask questions, while there is not the same space for communication in traditional marketing methods.

"We noticed Influencer marketing on Instagram is something that is booming, trending and working." (Naumanen, 2017)

Instagram is a social media channel where especially young people like to spend their time. The interviewee has tried different kinds of marketing, and noticed that Influencer marketing on Instagram works best. The interviewee found Instagram the most cost effective way of marketing that also revoked the most positive reactions. People do nowadays rather follow influencers on Instagram than read blogs. People are busy and want a lot of impulses and information fast, and Instagram is a good platform for those needs.

People who started out with blogs, now have Instagram accounts that have a larger following than the blog has.

5.1.2 What does the process of creating an influencer marketing campaign on Instagram look like?

There are many things to take into consideration when creating an influencer marketing campaign. The process of finding the most suitable influencers for the company, getting a clear understanding in what things should be taken into account with the collaborations, not to mention knowing what needs to be communicated to the influencer, and how that should be communicated is a lot of work. Companies who do not have experience of influencer marketing are advised to outsource their influencer marketing efforts.

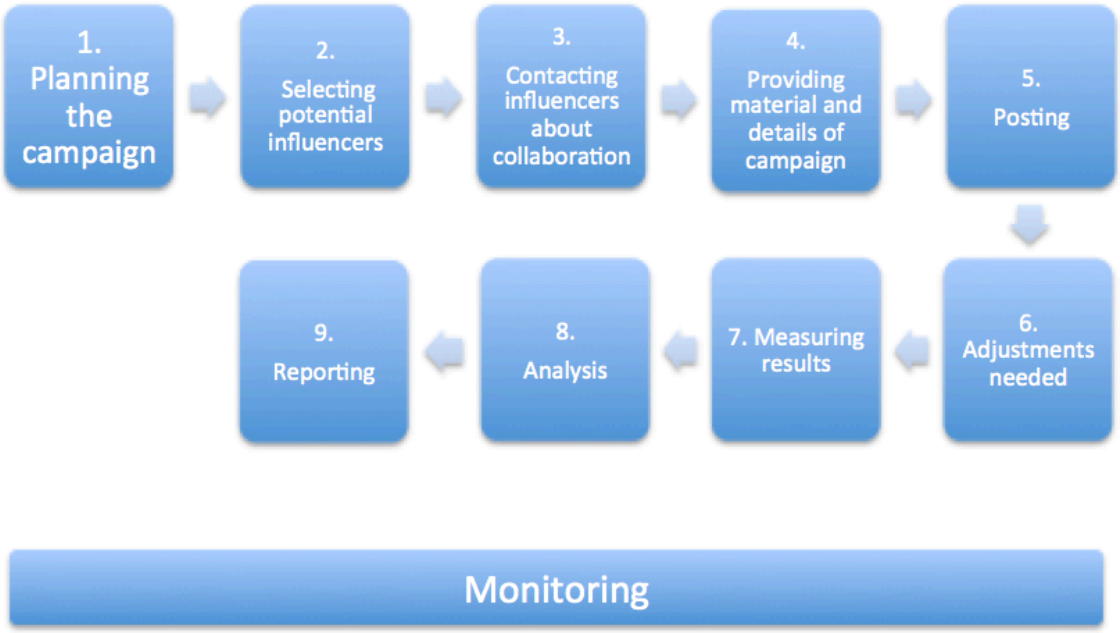

Figure 11: The process of an influencer marketing campaign on Instagram

1. Planning the campaign: When creating an influencer marketing campaign, the company should start with defining the brand, product or service. The company needs to understand what type of a style their brand is, and to know the audience that they want to reach. The timetable and budget for the campaign should also be discussed at this stage of the process.

2. Selection of potential influencers: The most important part of the influencer marketing campaign is choosing the right influencers for the brand. When the brand's style and the target audience are recognized, they should look for influencers that are suitable for the collaboration. The influencer's should be people who are honestly excited about the products they are promoting, and the product should fit the influencer's over all style.
When choosing the influencers the company should start by deciding the amount of influencers that they want to use for the campaign. The company should also think about if they want to use influencers with a smaller amount of followers, a bigger amount of followers or both. It is advised to choose influencers with both a small and a big amount of followers. The influencers with a smaller amount of followers may be more powerful than the Influencers with a bigger amount of followers, because their audience is usually more engaged than the followers of the "bigger" Influencers. When choosing suitable influencers for the brand the company should always choose a couple of extra, in case some of the influencers turn down the collaboration.

"Usually if the collaboration is well done and the product and the influencer are a good match, the responses are positive." (Naumanen, 2017)

3. Contacting influencers about collaboration: When the potential influencers are chosen for the campaign, the influencers should be contacted and provided with information about the collaboration.
4. Providing material and details of campaign: Influencers who are interested in the collaboration should be provided with more information about the products and details of the campaign. The details may include timetable, content of posts and salary suggestions. The guidelines for how the posts should be made shall not be too loose, because the influencers may get confused, but shall not either be too strict. If the guidelines for the posts are very strict, the authenticity of the posts may be lost, and the posts are not seen as genuine and trustworthy. At this point, information about hashtags and how the influencers should state the brand collaboration on the posts should be given, because it is important to be clear with informing followers about brand collaborations.
Influencer marketing campaigns on Instagram can for example be competitions, with the aim to get more followers to the company's own Instagram –account. The campaign

posts can also include discount codes, which means that the influencers offer their followers a discount code for the product or service they are promoting.

The products should be sent out to the influencers well in advance so that they have time to prepare for the posts. Influencers should at this point also be informed about how they should state that it is a commercial collaboration in their posts.

5. Posting: Influencers will publish the posts according to the agreed time schedule.

It is important to monitor the campaign throughout the whole process. The company should monitor that the influencers publish the content on time, and make sure that the content posted is in line with the agreement.

6. Adjustments needed: If there are some adjustments in the campaign that the company wants to make, it should be communicated to the influencers.

7. Measuring results: Measurement results are collected throughout the campaign. The overall results are measured in the end of the campaign.

8. Analysis: The results are analyzed as planned after the campaign.

At the very end the company should ask for feedback from the influencers, to get better knowledge in what the influencers liked, not liked, and if there is something that the company can adjust for future influencer collaborations.

9. Reporting: At the end, a report should be made according to the plan. The report includes all the posts made by the influencers for the campaign, the amount of likes, comments and potential views of the posts, and the engagement rate of them.

The engagement rate can be calculated by dividing each influencer's amount of likes and comments with the influencer's amount of followers. If discount codes was provided, how many times the codes were used should be reported, and how many new clients the company gained with the help of the campaign.

When fulfilling Influencer marketing campaigns on Instagram you cannot know for sure that the traffic to your company's website comes from the Influencers followers, because you cannot track traffic coming from Instagram posts. The reason is that it is not possible to add links to Instagram posts; you can only add links to the Instagram account's bio –section.

6 DISCUSSION

This section analyzes the results from both the literature study and the empirical research, and discusses the results in the highlight of the research questions.

The researcher thinks that both the theoretical material and the interview with the company Monochrome gave answers to the first research question of the study: Why should a company use Influencer marketing as a marketing tool and why use Instagram for the purpose?

Both the theoretical material and the empirical research highlighted that influencers recommending products are seen as more trustworthy than other marketing methods. According to Hall (2016) the built in level of trust between influencer and reader is essentially impossible for a brand to build alone with the consumer. The researcher believes based on this thesis, that this is one of the strongest arguments to why a company should use influencer marketing as a marketing tool. Another strong argument addressing the question was collected from the Tomoson Influencer marketing study (2016) that showed that influencer marketing is the most cost-effective online consumer acquisition method next to email. The empirical interview did also mention that influencer marketing is a cost effective marketing method, which was one of the arguments to why a company should use influencer marketing as a marketing tool. According to Perrey et al. (2013) consumers are becoming more educated as media users and more critical of commercial messages, and as the empirical material mentioned, a message communicated through an influencer appears as more credible, authentic and likeable. An interesting point gathered from the interview, was that you cannot be in 100% control of a marketing message produced by an influencer on social media, and this is something that a company using influencer marketing should acknowledge.

Another interesting discovery was that as many as 73% of Finnish Instagram users follow influencers on Instagram, and that Instagram resonated with especially younger age groups (Annalect, 2017). The same study showed that one third of those who has been exposed to influencer marketing have made a purchase, which is a strong argument to why companies are recommended to use influencer marketing as a marketing tool.

Based on the interview, influencer marketing on Instagram can be described as a process. This process can be compared with the theoretical model presented in this thesis; "The four M's of Influencer Marketing" (make, manage, monitor and measure) by Brown and Fiorella (2013). The Influencer selection and knowing the brand's target audience is one of the most important stages in the process description, which both the theoretical and empirical material highlighted. Many details in the process performance need to be considered depending on the nature of the campaign. The four M's model also presents details that can be benefitted to reach the right target groups for the planned campaign. The model also describes the seven steps of managing influencer relationships to succeed in brand messages. The details of the theoretical model can be implemented in different stages of the described influencer marketing process.
The four M's of influencer marketing model (Brown & Fiorella, 2013) also include material that may not be relevant for creating influencer marketing campaigns on specifically Instagram. As the interviewee stated, the demographics, age and gender of the influencer's followers may be hard to recognize without the help of the influencer's who are the only ones who see their follower's information, which they can do with the help of tools like Iconsquare.

One important finding about influencer marketing, according to both the theoretical material and the empirical research, was that influencers clearly must disclose any content that they are posting as a part of brand collaborations. The interviewee mentioned the lack of precedent for Instagram, but according to the Federal Trade Commission (2013), the information about collaborations on Instagram can be informed with hashtags, which can be for example #ad or #sponsored, because of the constrained space.

7 CONCLUSION

The main objective of this study was to answer the research questions, and the researcher think that based on the information from the theoretical section of this study and the obtained empirical data, she has been able to answer the research questions.

There are many strong arguments for why a company should use influencer marketing as a marketing tool, described in both the theoretical and empirical material.

Influencer marketing is a long but logical process that as showed can be explained in different ways, but the researcher got a clear understanding in the process of an influencer marketing campaign by interviewing the influencer marketing agency Monochrome. The process described by the interviewee was made into a logical step-by-step process that was illustrated with a process diagram.

The more the researcher investigated in the process of influencer marketing, the clearer it became that the process could be divided into even smaller sections, but the researcher chose to put the biggest steps of the campaign into the process figure based on the information she got from the empirical research – the interview.

The researcher got a lot of new knowledge about the subject and believes that the results of this study can used as a practical guide for companies that want to implement influencer marketing into their marketing strategy, and as showed earlier, influencer marketing on Instagram is increasing in popularity whilst it is a relatively new phenomenon.

7.1 Suggestions for further research

Suggestions for further research could be interviewing other companies that are using influencer marketing as a marketing tool. It would be interesting to interview a company that is doing their influencer marketing themselves, and see if there are some steps in the process that is different from the process that Monochrome presented. Monochrome is just one company explaining their process, why it may not be possible to generalize the process conducted in the interview to all cases. But because of the fact that Monochrome is the only company in Finland working with influencer marketing specifically on Instagram, the researcher chose to do the interview with them. In the future there may be more companies specialized on influencer marketing on Instagram, and at that time it would be possible to get more perspectives and “best practices” into the process.

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9 APPENDICES

9.1 Appendix 1:

Face-to-face interview with Emma Naumanen

13 April 2017, at the informant's apartment

Interviewer: Sofie Biaudet

1 hour and 9 minutes long

Background questions:

Q1 What is you professional occupation?

Q2 What does your company Monochrome do?

Q3 Do companies usually contact your company about wanting to implement influencer marketing into their business or do you contact them? Which is most common?

Topic 1: Influencer marketing in general

Q4 Why should a company use influencer marketing as a marketing tool?

Q5 How does Influencer marketing differentiate from other marketing methods?

Q6 Why did your company choose to work with influencer marketing on particularly Instagram?

Q7 How do you get information about the influencers' audience?

Q8 How do you make sure that you/your influencers stay ethical and within the Q9 borders of the law with the brand collaborations?

Q9 Is there any specific hashtags that the influencers should use in a collaboration post?

Topic 2: Influencer marketing process on Instagram in practice

Q10 What does the process of creating an influencer marketing campaign look like?

Q11 What kind of information do the reports include and what are you measuring?

Q13 What kind of qualities do you take into consideration when choosing the right influencers for a brand?

Q14 Do you have any theoretical models that you follow?

Q15 Are you acquainted with the model called “the four M’s of influencer marketing”? It stands for make, manage, monitor and measure.

Closing and checkup questions:

Q16 Is there anything that you would like to add or bring precision to?

Q17 Do you have any advice for brands that want to implement influencer marketing into their marketing strategy?

Q18 What’s the future of Influencer marketing? Visions?