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EFFECT OF INFLUENCER MARKETING ON INFORMATION PROCESSING IN CONSUMERS’ DECISION-MAKING

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Effect of influencer marketing on information processing in Consumer decision-making

MGUN Marketing

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Influencer marketing is a relatively new and expanding method of digital marketing. It represents an evolved variation of celebrity endorsement in social media. Due to concentration of audiences around celebrities’ accounts in the social networks, marketers use this channel to place featured promotions. The feature of interest in question, was how objectivity and rationality affected by transfer of secondary associations and celebrity image in the way to impact decision-making and buying behavior.

The purpose of this thesis was to find out how such promotional activity affects the information processing in decision-making processes of consumers. MGUN Marketing, as the commissioning party was assisting the study of how influencer marketing impacts the decision-making stages, information cognition processes, and supports the transferability of secondary associations.

At first, a large amount of literature was proceeded to build a relevant theoretical background of the research, and collect existing knowledge and numerical values on the matter in a form of secondary data. Then, quantitative and qualitative primary data was collected via survey, consumer and influencer interviews. Some media data from influencer was collected and analyzed within the framework of the current thesis.

As a result, some conclusions were made in accordance with the received data. Despite the commercial basis of such promotion, an audience maintains mainly positive attitudes towards this branded content and perceive it as credible due to transferability of secondary associations and image of the celebrity. Recommendation character of such promotions makes audience likely to consider it in either an impulsive purchase or later when the need would appear. According to the results the influencer marketing triggers the launch of decision-making and cognitive processes in large amount of cases, but the effect of such an activity is decreasing from one stage to another along the model. Finally, according to the research data, an influencer marketing, considering low-involvement offerings, results in impulsive purchase in nearly a quarter of the cases.

**Keywords**

Endorsement, decision-making, information processing, digital marketing, social media
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1 INTRODUCTION

Marketing is a constantly developing sphere, striving to adopt means of promotions to inform and persuade audiences in the most effective way. Therefore, with the development of technologies and adoption by public, marketing is expanding over the digital world, in order to keep the reach and adjust itself. Currently, the degree of power among marketing vehicles is shifting to the digital ones due to several reasons. At first it is cheaper than the offline media, which makes entry barriers lower and allows smaller companies to compete on the same level with bigger players. Second it is trackable. Companies can set up and measure the effectiveness of each promotion activity by many parameters, including exposure, reach, geographic and demographic consistence, etc. Basically, digital marketing eliminates the well-known marketing problem which Patrick de Pelsmacker described in his book “Integrated Marketing Communications”, stating the difficulty of measuring an effectiveness of each activity within the marketing strategy, seen as a combination of many promotional efforts happening simultaneously, which leads to mismatch between the marketing unit and other departments within a company. (Pelsmacker et al. 2010)

With the development of social networks, marketing companies managed to exploit them with a certain degree of success, since they contain a solid amount of personal information, provided by users. This allows companies to tailor their marketing with high accuracy and get to potential customers as close as possible. With the popularisation of the social media, the phenomenon of Influencers was born. Basically, influencer is a person, who is popular on the social network(s), and can affect the opinions and judgements of others (i.e. bloggers). Consequently, marketers adopted means of promotion to this area as well, since those Influencers aggregate sufficient audience around their media activities. Usually, these followers are having some common characteristics (i.e. age, gender, location), which allows companies to target their promotion by selecting a particular influencer.
As a side effect of technology development, information became as accessible as never, what makes the audience savvier. Today, before even going to the store to gain information on product/service alternatives, one can simply do an information search, sitting at home or being on the road. Moreover, in addition to facts and specs of a good, people can find recommendations and usage experiences of others, which can also affect the decision-making process and make the consideration process deeper.

As a result, the trustworthiness of media vehicles is decreasing, making marketers constantly seek new and less used options to promote their offers. One of the relatively new methods is influencer marketing. People are following online celebrities on the social networks, since they perceive them as role models or members of their reference group, pursuing certain attractive threats they see in them. Influencer marketing implements two main tasks: creates awareness and generates leads. Both functions are supposed to affect the early steps in consumers’ decision making process in the stage of need recognition (when exposed to the post) and information processing (when thinking is affected by subjective clues derived from influencer’s image).

To study this question, I decided to establish the following objectives for my thesis:

1. Evaluate the credibility level of sponsored posts made by influencers.
2. Study the effect on decision making when the audience is exposed to such a media vehicle.
3. Evaluate the effectiveness of such a promotional activity.

To narrow down the topic, I wanted to study the effect on the need recognition and information processing stages in consumers' buying behaviour. To do so, I came up with following research questions:

*RQ1: What is the perception of audience towards the sponsored posts online?*
*RQ2: What is the effect for information processing in the decision-making process?*
*RQ3: How effective are they from the marketing perspective?*
2 DIGITAL MARKETING

With the process of technological development and the growth of popularity of the internet particularly, marketing has largely expanded its operations and capabilities to the digital world to be able to reach audiences closer and gain more information. As a result, it got separated into the specific segment of E-marketing, what refers to any use of technology, to achieve marketing objectives. (McDonald et. Al 1999) To narrow it down, digital marketing as communication and interaction between a company or a brand and its customers using digital channels (e.g., the Internet, e-mail, mobile phones and digital TV) and information technology (Kotler et. Al 2009). Therefore, DMC (Digital marketing communications) could be seen as the natural evolution of relationships between companies and customers in the digital era.

2.1 Elements of digital marketing

![Digital Marketing Elements Diagram](image)

FIGURE 1: Digital marketing elements (Pelsmacker et. al 2010)

Website

Website is one of the main tools of digital marketing in the company’s availability. Probably the main function of a company/brand website is to maintain high loyalty; therefore, it should serve as the main source of information about the company, its vision and mission, current product offerings etc. A website is an aggregation point for all the firm-related data for past and present, available 24/7
by request. Online page should be made with appealing and intuitive interface to provide an effortless navigation and generate a satisfactory user experience. (Pelsmacker et. al 2010)

**E-mail marketing**

E-mail marketing is a direct tool of companies to keep the customer/receiver tuned about information updates regarding the company’s activities, new products or service offerings etc. There are several types of e-mail marketing, including *Direct mailing*. It is the most known application of such an online tool when a company is pushing the receiver towards the certain action, for example to discover further information or ideally purchase as a reaction on limited consumer promotion (i.e. discount) described in the e-mail. Usually, direct mailing is very well tailored via an application of various CRM tools and may be even based on previous purchasing behavior. *Retention e-mail* as another type is responsible for refreshing and reminding customers about the company. It is used to boost an awareness and attitude about the brand. The most frequent form of retention e-mail is a newsletter, containing some special value, such as relevant content for customer. Finally, *Third-party newsletters* are used by companies to obtain an advertising space from other firm to appear in their e-mails. (Pelsmacker et. al 2010)

It is very important to develop synchronization between the website and e-mail marketing. According to Forbes’ statistics, only up to 3% of website visitors do a purchase or initiate a buying decision after first visit. If digital marketing campaign is reinforced by the strategically well-developed mailing plan, including both direct and retention e-mails, then up to 65% of consumers are more likely to do a purchase, consequently delivering a better ROI. (Forbes)

**Search Engine Optimization**

SEO is a complex of measures oriented at toping up the company’s website in search engines’ lists of results, in order to promote the page. Since 47% of
internet users are looking for information on the internet and 78% of traffic goes for top 10 positions listed, it is vital for a business to be among those results. (Forbes)

There are two types of search results existing in SEO: first is organic which occurs naturally when the search request is made. To improve the organic search results, it is necessary to adopt information on the website (optimize copy, improve website navigation, add meta tags etc.) in a way the search engine spiders would be able to easily analyze it and present for a viewer. Another variation is Paid search. It is usually presented as short text or visual blocks and blended in the organic search, for example Google Ad Words. Companies can develop a campaign with pay-per-click scheme of bids. The highest one is to appear on the list of results for a viewer. (Pelsmacker et. al 2010)

There are several advantages of SEO; First, it is obviously attracting more traffic on the website. Then, such optimization is trackable and adjustable on the live scale, which allows marketers to edit their campaigns and monitor the effectiveness to deliver a better ROI. Moreover, it is cost-effective. As it was said earlier, a paid SEO is organized via pay-per-click scheme and bidding. The highest stake for a click wins, therefore the company doesn’t pay for exposure unless it is clicked. As a result, the cost effectiveness is high and expenditures only go for the generation of leads, rather than just an awareness or visual representation. (Forbes)

*Mobile Marketing*

Mobile marketing is a combination of activities, oriented to communication with customers via the usage of mobile devices to advertise products and services by providing information and offers.

As Neal Mohan, Vice-president of Google, said: "90% of consumer transactions starts on one device and finishes on another.” According to Statista, in 2016 the
sales of smartphones and tablets were larger than sales of PCs, what makes marketing on the mobile devices a must for businesses today. (Statista)
Mobile marketing can be carried out through 2 main types: Push and Pull advertisements, which consist of mobile-friendly websites, apps, mobile advertising and SMS accordingly. All these tools allow companies to permanently stay in touch and be visible, make it personal and social, enhance user experience etc. (Pelsmacker et. al 2010)

*Banner advertising*

Banner ad is a space on the website, occupied by text or visual block containing information of promotional type. It could be a short copy ad, such as AdWords, a picture or an animated gif or even a short video, such as pre-rolls on YouTube. They are various in size and form, but all of them are serving to perform the following functions:

1. *Deliver content.* Usually, banners are serving to attract an attention and stimulate an interest of web users to discover more information on the presented offer. Therefore, by clicking the banner prospects are usually redirected via hyperlink to a website or a landing page.

2. *Generate transactions.* When the banner is clicked, user can be transferred, for example, to the e-commerce platform which allows the company to generate leads and turn prospects into actual customers.

3. *Create and shape attitudes.* When the branded ad is presented, the company is aiming to create or expand a brand awareness and knowledge.

4. *Retention.* Due to the wide expansion of the digital marketing tools, such as Google Display network user’s browsing history is collected via cookies which allows companies to remind users about them by exposing ad of their website on the other platforms which are renting advertising space. For example, if the user was exploring accommodation for the touristic destination on Booking.com, later when one is watching YouTube, then Booking’s banner or pre-roll might appear. (Forbes)
The last two elements of the digital marketing are left together on purpose, since they are the most related to the topic of the influencer marketing. They are as follows:

**Content Marketing**

A concept of content marketing is simple: a company generates and distributes the content which is relevant and interesting for a target audience via social media. Content is one of the most important elements in the digital marketing strategy. By generating a new and relevant information flow, a company is enabled to increase a visitor flow on related media sources and initiate engagement of users by making them to share experiences, opinions and emotions as a reflection of their loyalty to the brand. Due to the relevance and high impact of content, the business may position itself as an authority in its business field and get recognition. (Pelsmacker et. al 2010)

The content marketing examples might be presented in different forms: it could be articles on relevant topics, pictures and videos with educational or entertaining purposes etc. It is extremely relevant, since the brand doesn’t end on a product or service itself, but expands deeper by creating association links with other aspects of a target group’s daily life. Therefore, it is important to hit those aspects with the content marketing and keep those associations and create new ones in people’s minds. All that aims to serve such purposes as attracting attention, lead-generation, loyalty development, increase a brand awareness, engage the followers into the dialogue etc. For instance, if an expensive watch brand does content marketing on Instagram, the product must be necessarily surrounded by other elements of luxury lifestyle, as pricey cars, classy outfits and locations. (Pelsmacker et. al 2010)

**Social Media Marketing**

The name digital marketing speaks for itself: Social Media Marketing (SMM) is realized by conducting promotional efforts via social networks, such as
Instagram, Facebook, VK, Pinterest etc. This tool is a must in every marketer’s disposal due to several reasons. First, as it was discussed in the introduction, social networks are well exploited by people all around the world and contain a large degree of personal information. This fact allows businesses to tailor their promotional activities accurately. Second, by getting closer to the target audience, it is easier to adjust the promotion strategy and generate more relevant content to stay in better touch with you audience. Since those networks are mainly build on sharing and exchanging information, impactful content will be spread around the web by users on its own. According to Statista, the daily usage of social networks is constantly increasing (see Figure 2). Consequently, the larger is presence, the better the coverage and exposure is. Third, today the social media offer a data tracking and statistics for businesses. When companies register their pages on social networks, they are enabled to use various adjustable tools to reach the maximum effectiveness from each activity. (Pelsmacker et. al 2010)

![Bar chart showing daily usage of social networks from 2012 to 2017, in minutes (Statista)](image)

**FIGURE 2**: Daily usage of social networks from 2012 to 2017, in minutes (Statista)

Such features as Instagram business accounts allows firms to track daily impression and reach rate, to provide the detailed data on the geographic and demographic consistency (location, age, gender etc.), and even show the audience’s activities during the day and week to tailor the posting time to reach
as much audience as possible. Moreover, all content can be promoted and exposed for the target audience on ad blocks.

### 2.2 Advantages of digital marketing

Despite output-relevant characteristics, the core benefit of the digital marketing is a two-way communication (see Table 2).

![Diagram of digital marketing](image)

**FIGURE 3:** Offline vs. Online marketing. (Chaffey, 2009)

Instead of pushing information through media channels and evaluating the effectiveness only via direct response data, such as the change in sales volume, companies exploiting online vehicles available now to receive feedback instantly, in both dimensions; the quantitative terms via media data to maximise the effectiveness in exposure and reach for target audience and in the qualitative terms in the form of feedback, when people express their opinions on a product or service and experiences on the usage and post-purchase period. This dialogue is happening particularly in social media. Audience is not only sharing with companies but also conducting information exchange with others, supporting the persuasive arguments of promotion via real life example. As said earlier,
there is a list of output-relevant characteristics of digital marketing, compared with traditional media vehicles: (Khan, 2014)

*Low cost*

Digital marketing is based on the effective placement of promotional efforts. One of the best examples here is PPC or similar systems, introduced as a pricing method for online promotion. As a result, in a ROI perspective, the digital marketing is much cheaper than the traditional marketing tools, since the cost occurs by an actual interaction of viewers and promotion, which reduced a waste of budget funds.

*Measurability*

Due to the technological nature of online marketing environment, all promotional efforts can be tracked and measured with precise accuracy. Despite the basic numbers of exposure, it is possible to obtain deeper data on the geographical and demographical consistencies of audience, and in some cases even to adjust the marketing strategy to make it more effective and better-penetrating for a target audience. Due to the measurability benefit and the digital marketing itself, it is often possible to do improvements live or in short periods, for instance, when campaign in AdWords is linked with Google Analytics, a marketer can track an effectiveness of each tag and delete less effective ones straight away.

*Greater appeal*

As it was explained earlier, the content marketing realised via application of online tools, including social networks particularly, can help to deliver brand attributes and a whole environment around it better than the offline tools, since the content placed online can be much more diverse and bring clear meaning.
Higher engagement

From a combination of online tools and content marketing, it is easy to avoid the wear-off effect of advertising and promotion. Content can be varied but still contain a similar meaning and message for audience.

There is an expanded view on the advantages of the digital marketing, discussed in one of Harward Business Review articles. (Comstock et. al 2011)

Radical Transparency

Due to the wide spread of information through the Internet, consumers have become savvier and now they are able to look for relevant information on any product or service. Hence, it is very important for businesses nowadays to stay open on web space, since even otherwise unwanted material, such as negative reviews, could be found anyways.
Businesses are required to manage the negative publicity and opinions, which can actually be used as a benefit to play for the company’s image. Everybody wants to engage with truthful and real businesses which are not hiding anything from the audience. (Comstock et. al 2011)

Micro-relevancy

Because of better targeting opportunities, provided by the expansion of business tools from online vehicles, such as social networks and search engines, companies can reach a precisely close group of people and provide them with local offers. For instance, if a car manufacturer opens a new dealership, it is possible to get in touch not only with the inhabitants of the city, but with a population of particular district where the dealership is located. The well-known marketing principle of think global, act local is as actual as never before and could be implemented at its best. (Comstock et. al 2011)
Open Collaboration

Since the digital marketing is changing the way parties of B2C market are communicating by turning it into a dialogue, it is much easier to stay in touch and get the opinions of the most valuable loyal customers to improve a product or a service. Users who have become experts about the company’s offers are able to affect decision making within the company and advice better solutions to deliver genuinely the best outcome. (Comstock et. al 2011)

2.3 Branding implications

Before passing to the decision making theory, it is important to consider some brand management implications to understand better the thinking of a consumer. Therefore, several concepts would be useful to consider and to look at the Influencer Marketing as a complete and independent part of digital marketing.

**Consumer-based brand equity** (CBBE) is the differential effect that brand knowledge has on a consumer’s response to advertising. (Keller, 2013) As it is visible, CBBE consists of three main elements: brand knowledge, to be possessed in a consumer's mind and be brought there via actual and/or previous exposure to promotion and certain behaviour, in form of a response which contain a differential effect, meaning that the response varies depending on degree of awareness about the brand from person to person. Consumer-based brand equity is happening only when a target audience member has high degree of **Brand Awareness**, familiar with a brand, and maintains a positive and strong attitude towards that, combining it with strong **Brand Associations**. (Keller, 2013)

Brands exist in a memory as a series of interconnected links, which allows consumer to store the concept, and brand awareness plays one of the key roles. The following elements of brand awareness are **Brand recognition**, an ability to conduct recognition at the time of exposure when brand is given as a clue, and **Brand recall**, a range of purchase situations when a brand comes up to the consumer’s mind and added into a consideration set in the decision-making process. Another important element of branding is **Brand Associations**. These are
the links, created between a brand and some element in the consumer’s mind. A brand association can be made with many things, such as the elements of lifestyle (i.e. tailored tuxedo and Rolex), descriptive characteristics (i.e. red + car = Ferrari). The main interest for us about these associations is that influencers, used in promotion, are helping to establish new and/or maintain already existing links in a customer’s mind at the point of exposure. (Keller, 2013) For instance, if a male blogger posts a sponsored picture of Rolex on a hand in Porsche with some Dubai cityscape over the windshield, all the image details are creating an ultimate association: a good-looking man, an expensive suit, a steering wheel of expensive sports car, a chic and fancy location.

2.4 Celebrity endorsement implications

According to Kotler, “celebrity endorsement is a particular strategy used by marketers to advertise a product from such a platform through which consumers can associate themselves with the brand value from the perspective of the celebrity personality.” (Kotler et. al 2006) The celebrity endorsement is well-used to create a leverage of secondary brand associations and enrich the latter with associations from a celebrity’s image. Therefore, a celebrity must be easily-recognizable, in order to deliver an effect of improvement in awareness and image, as well as in brand responses. The endorser, in return, must keep high visibility and a rich set of applicable associations, judgements and feelings (Kotler et. al, 2006)

With an expansion of the digital marketing, the celebrity endorsement took a new turn. Since people started to follow offline (e.g. actors, artists) and online (e.g. bloggers) celebrities in the social networks, their accounts started to serve as large hubs of aggregated audience. Moreover, with the new business tools of the social networks, such as Instagram Insights, it is possible not only to see amount of people in followers, but also their consistency from age, gender, geographical location and even time of the most active browsing. Therefore, marketers started to employ social media accounts to promote their offerings. Due to all the mentioned facts, it became easy to tailor the marketing activities related to a celebrity endorsement online to hit exactly the desired target audience. In
addition, the digital media environment making the endorsements more powerful and real-looking.

A celebrity endorsement, especially in the digital sphere has some advantages. First, it is effective in the *stimulation of discussion* in customer-company and customer-customer ways, due to the sharing nature of the social networks. (Social Ape Marketing, 2016)

The celebrity endorsement is also *influencing buying behavior*. For example, in 2003 Chanel signed up Nicole Kidman and the global sales of the same year increased by 30%. A similar result was reached when Nike signed up Tiger Woods in 2000. In 6 months, the market share increased from 0,9% to 4%. (Sokolovska, 2016) Moreover, from a digital marketing perspective, an *endorsement increases an awareness and reach*, due to the accumulation of large audiences around social media accounts of celebrities. (adopted from Bragg et. al, 2016)

### 2.5 Consumer Power

A research, conducted by the scientists from US and German universities, arises a new phenomenon of consumer power in purchasing, which has evolved into the new configuration via development of the internet and the social media in particular. Shortly, a concept defines two different types of the consumer power, including *Individual* and *Network-based* sources.

The individual-based sources includes two blocks of *demand* and *information*. Demand-based power stands for aggregated impact of purchase and consumption, based on Internet and Social Media use. Even though this power form existed way before the Internet, nowadays it took a new shape. For example, if previously a consumer could act only in two ways of purchase or boycott of products and services, today due to the large availability of information, consumers can affect the decision-making and purchasing behavior of the others, by spreading the information and opinions online on the social networks, blogs, websites etc. An information-based power resides in ability of people to *Produce* (creation of user-generated content as a mean of self-expression and extension
of individual reach) and *Consume* (access information, expedition of market diffusion and shortening of product lifecycle) content online.

Network-based sources include *Network* and *Crowd-based powers*. Network-based consumer power centers the changes of content within networks, oriented at building of personal reputation and influencing markets via distribution of digital content. Crowd-based power is about accumulating and mobilizing resources, to make it beneficial for both individuals and groups. Here, SoundCloud, Wikipedia and Kickstarter may serve as perfect representation of crowd-based power in consumer behavior. (Labrecque et. al, 2013)

This research is relevant for the thesis topic, since from this perspective influencer serves as a medium between the individual-based and network-based powers. Blogger still generates a content, which is different from typical form of SMM, but at the same time it still contains the promotional core of the message and aggregates the large audiences for the distribution of that content and in some way arranging the communication between a consumer and a company with the mutual beneficiation. A consumer gets the content and promotion in sponsored post, which serves as a part of already another loop of powers and company gets its promotional activities spread in masses. Concluding, this document transfers relevant findings of marketing research into new and important theory, which shapes consumer’s behavior online with considerations of modern setting.

### 2.6 Pinball Framework theory

In 2010, Journal of Service Research, published by Sage, placed an article of a group of researchers, who has conducted a large observation of how interaction between the companies and consumers are happening on the rise of “New Media”, which mainly consist of the digital tools of 21st century, such as the social networks. As a result, they defined a new Pinball Framework, which includes 10 new media phenomena. This research states a shift in marketing thinking, offering the companies to consider new realities, since the connections within relationships have become more complex, because today consumers not only to interact with the companies, but also to interact between each other creating a
large and an intensive information exchange. Nowadays, the companies are playing a "pinball game" while managing the consumer relationships. Therefore, these mentioned phenomena create the barriers which could be hit by the message, which compared with the ball, and fail to reach the target. (Henning-Thurau et. al, 2010)

One of these ten phenomena is *Understanding of Consumers*. It is particularly related with an electronic word-of-mouth (EWOM) and ability of people to share the reviews and experiences online. Authors apply to some other results of previous researches, stating that deep reviews are considered more useful by the consumers (Mudambi & Schuff, 2010). In addition, the initial findings of researchers deliver higher value of reviews in comparison with summaries (Chevalier & Mayzlin, 2006), as well as higher perceived credibility and an expertise of reviewers is related to previous postings and frequency of a response to additional questions. Another phenomenon, worth to be mentioned is *Customer measurement and Relationship outcomes*. The scientists apply to the study of hedonic products, where impact of the volume and valence of EWOM on sales was examined (Liu, 2006). The research was carried out in observing the differential effects of volume and valence of reviews on success of new movies. Turned out, that the volume of EWOM is in charge for the movie's success, but both valence and volume are resulting in the higher sales of tickets. (Duan et. al, 2008) A similar research was conducted towards the blog posts and its’ correlation with further sales of music albums. As a result, the volume is positively correlated with album sales and valence has less impact over it. (Pocheptsova et. al, 2009)

3 INFORMATION COMPREHENSION AND COGNITION

As a relevant aspect of current thesis, it is important to review consumers’ information processing processes, to study the way people comprehend information and proceed it from the first exposure to a purchase and even post-purchase stages. Due to the understanding of these algorithms, it is possible to create a certain effect and stimulate information processing towards the more appealing, from the marketing purpose perspective, resolution, such as an actual
purchase or any other certain action wanted by a marketer. These stimulations can positively affect an outcome of the marketing campaign.

### 3.1 Decision-making

One of the important concepts for information processing is decision making. From the psychological perspective, decision-making is seen as a cognitive process, oriented at the selection between multiple alternative possibilities. (Plous, 1993) Taking off on the topic, it is important to start from the basics. First, there are two types of decision making, depending on the market: Consumer decision buying and organizational buying. Even though the thesis topic is covering only consumer one, it is still important to make some clarification on processes, happening in B2B in order to understand B2C better.

Organizational buying is happening between two businesses and carrying several distinctive characteristics, such as the following. First, B2B markets are characterized with a smaller amount of buyers available to build relationships with. Nevertheless, this factor is equalled by larger quantities purchased, or to be precise, greater contracts, where negotiation aspect and readiness of both parties to reach special conditions underlies behind some possible disadvantages for a supplier in the form of special offers and lower price per item, since an economy of scale frequently takes place at the deal. Then, both sides are more interested in agreeing on long term relationships or partnerships, for example when the seller is put in the role of the supplier and providing necessary goods or services on a frequent basis in batches.

It is a benefit for both sides, covered in stability: for buyers it is reassurance that manufacturing would not suddenly stop because of a lack of supplies, and on the seller side regular portioned income allows more flexibility in budgeting and the development for a company growth. Moreover, sometimes organizational decision makers are called “professional buyers”, since they are applying more rational thinking when it comes to the establishment of relationships with a seller. Emotional or image aspects are less fluent or even sometimes non-existent,
since the key arguments are figures. Finally, just as in B2C, on the buyer’s side the Decision-Making Unit (DMU) takes place, but the difference is that in many cases, members of DMU are absolutely different people, contrary to the consumer markets. For example, it can be represented by the whole department in the company, against a family in the consumer’s decision making. There are the following members of decision making unit in business markets: Initiator, User, Deciders, Influencers, Buyers, Gatekeepers. (Jobber & Lancaster, 2009)

Nevertheless, according to the thesis topic, it is much more relevant to look only at B2C DMU, which consists of following roles (Jobber & Lancaster, 2009):
1. Initiator. This is the person who the decision making. Information gathering can be also up to this element.
2. Influencer. The person who applies persuasion to reach a certain outcome in the decision making process.
3. Decider. The person who is in charge for an actual decision on action towards buying. Usually carries some financial capacity.
4. Buyer. The person who does the transaction and controls all the steps in the exchange of money for goods or services.
5. User. The person who actually consumes a service or a product.

Both classifications of DMUs are very similar, with a difference that in the consumer’s decision making, all steps can be performed either by several people (i.e. family) or a single individual, whereas in B2B usually different people or even company departments serve as different members of the unit. (Jobber & Lancaster, 2009)

### 3.1.1 Consumer decision making process

As presented in the figure (see Figure 4), there are five steps in the decision-making process. It starts with an identification of need or problem recognition. By its nature, needs are functional, so people are striving to perform a certain goal when they look for satisfaction. A need can be aroused naturally, in daily life or it can be stimulated by an exposure to some promotion. (Backwell et. al, 2006)
Information gathering

As it was discussed before, the Internet impacted savviness of consumers, gave an access to nearly unlimited information, available almost everywhere, anytime. Now, people know exactly what they want, before they visit the store. This step is especially vital for high-involving products and services, due to their nature of high price and value. (Jobber & Lancaster, 2009)

![Diagram of consumer's decision making model]

FIGURE 4: 5-step consumer’s decision making model (Backwell et. al, 2006)

Evaluation of alternative solutions

In order to compare options from the range of options concerned, consumers may apply a certain system of evaluation, including:

1. **Evaluative criteria.** These dimensions are used to compare products or brands within the consideration set. Such criteria might be represented by price, value or risks, and belong to some rational appeals of choice.

2. **Beliefs.** The criteria are ranked in order of importance. For example, when the purchase of a new smartphone is carried out, a buyer might rank the
advantages of each as: the price (as of most importance), battery life and finally the design or image of a brand.

3. *Attitudes*. These are related with subjective preferences towards options from a consideration set. For instance, continuing with the last example, a person can turn the favour towards the option A than B only because the design is better, despite the higher price or shorter battery life which might be of higher ranking according to one’s beliefs.

4. *Intentions*. They are in charge of estimating whether a consumer will act according to the own attitudes. In other words, more favourable attitudes are increasing a probability of an actual purchase to happen. (Jobber & Lancaster, 2009)

*Selection of an appropriate solution*

At this point, usually action is happening. The consumer has evaluated all four elements of the system and complying to them when conducting a purchase.

*Post-purchase evaluation*

After the purchase, a consumer is evaluating results of the own choice. For instance, how expectations are matching real experiences. Ideally, it must be satisfactory in order to generate a repetitive purchase and stabilize a positive attitude to a brand and particular product in customer’s mind. Generally, in order to build long-term relationships with customers, it is important to create a pleasant feeling of satisfaction and reassure that the right choice was made to avoid the “cognitive dissonance” (Jobber & Lancaster, 2009). If there is any interaction with a company, happening during the post-purchase period (i.e. warranty), then it must to be on appropriate level as well, since a successful goodwill balance creation is possible if all the elements around the product, included in three product levels, from core to tangible to augmented, are getting the customer appeal. (Pelsmacker et. al 2010)
3.1.2 Classifications of decision-making

Despite the grouping of decision-making processes by parties, there is another classification of decision making, defined by an amount of effort put into decision making process: low involvement and high involvement accordingly. For example, usually a low involving decision-making takes place when a purchase is related with so called Fast Moving Consumer Goods (FMCG), such as home utilities, groceries etc. These types of purchases contain low value and the low price, and usually a buying process of such items is routinized. (Assael, 2004) High involvement buying is more typical for the semi-durable (furniture, clothes etc.) and durable (Cars, electronics etc.) goods. Since the relatively high expense and value are at the stake, people are more likely to carry out more extensive decision making, for example conduct deeper information search or evaluate alternatives with the larger criteria. (Jobber & Lancaster, 2009)

Along with the involvement, the degree of thinking and feeling takes place in consumers’ decision making. People usually shift their degrees of involvement with thinking or feeling. These sequences were put into table, called FCB matrix, or Learn-Feel-Do model, developed by Richard Vaughn, Senior Vice President of Foote, Cone and Belding in the 1980’s. There, patterns of consumer decision making were put into order and linked by degree of all three mentioned criteria (See Figure 5). (Akpan et. al, 2012) The elements of the matrix could be explained as follows: Learn – use of information and analytical skills to form an attitude and/or opinion on the option from consideration set. Feel – Understanding stimuli and drivers, leading to the certain choice. Assessing the result of purchase from an emotional perspective. Do – action towards purchasing and experiencing a product or service (Devacic. 2014)

Informative

Combination of high involvement with high thinking results in rational behavior. Due to the nature of the goods belonging to this category, consumers require a high degree of information available to conduct consideration. Such products as
cars, computers or real estate are allocated here. Therefore, a pattern of Learn-Feel-Do is working for the segment. (Devčić, 2014)

![Learn-Feel-Do hierarchy matrix](image-url)

**FIGURE 5**: Learn-Feel-Do hierarchy matrix. (Adapted from Vaughn, 1980)

**Affective**

In comparison with Informative segment, this block puts a high feeling first, mixing it with high involvement, since goods from this category fill up self-esteem needs. Here, a consumer is primarily driven by irrational stimuli, like emotions, feelings or other psychological factors. Things as fashion apparel, motorcycles, jewelry belong here. Consequently, a combination of Feel-Learn-Do takes place. (Devčić, 2014)

**Habit formation**

This part takes the smallest amount of efforts and thinking for buyer. Frankly, this segment is in charge for the formation of habits towards some products and services. As it was said before, these purchases contain low value and price, and habitual buying is consequently routinized. That’s why FMCG (groceries, housekeeping equipment etc.) falls into the scheme of Do-Learn-Feel. (Devčić, 2014)
**Self-Satisfaction**

Offers from this quadrant require a low involvement and low feeling and serving to stimulate self-satisfaction. Sometimes, consumers do these purchases because of an influence from the society or other individuals such as role-models. The sequence to be used here is Do-Feel-Learn. (Devic, 2014)

![Learn-Feel-Do pyramids](image)

**FIGURE 6:** Learn-Feel-Do pyramids (from left to right): Self-Satisfaction, Habit formation, Affective, Informative

### 3.2 Elaboration Likelihood Model

Elaboration likelihood model (ELM) is a dual processing theory, describing the effect of certain persuasive arguments on consumers’ information processing involvement and, consequently, further change of a behavior or an attitude. The working principle of ELM is the following. After an exposure of promotion to the customer, which is supposed to contain some persuasive arguments towards purchasing the offer, the consumer is taking one of two main ways, either Central route (High-involvement) or Peripheral route (Low-Involvement). (Petty & Cacioppo, 1986)

There is always a link between the strength of argument(s) and route selection. The persuasive techniques which were used in the promotion must have strong arguments to attract attention and launch information comprehension. If the promotion is successful at this point, then consumers are about to form a cognitive response, which is leading to a change of beliefs, attitudes and behavior accordingly. Otherwise, if arguments are not strong enough, then the person is applying heuristic cues towards information processing and changes
the attitude as a result. Nevertheless, there is an important aspect that if persuasive arguments are lacking power, then a slight change is just the tip of an iceberg. In the worst case, an attitude can shift to the negative side, which is critical for marketing and much more complicated to change in the long run. (Petty & Cacioppo, 1986)

![Diagram of Elaboration Likelihood Model of Persuasion](image)

**FIGURE 7:** Elaboration Likelihood model of persuasion (Petty & Cacioppo, 1986)

There are some more aspects related to the ELM theory. One of them is a repetition of advertisement. In the “Media Psychology” book, Fennis and Stroebe argue that the light frequency of exposure affects promotion positively, strengthening the arguments and favorable thoughts. Contrary, when an exposure is too frequent, then wear-off effect takes place. As a result, audience is getting annoyed by promotion and persuasive arguments simply backfire and result in a negative change. This opinion is supported by S-shaped function of the sales-response model, which states that during a period, of running an ad, increase in advertisement expenditures will result in the exponential sales growth. On the other hand, this effect is not endless, since at some point of time when expenditures lead to a very high exposure frequency, the wear-off effect will replace the positive and stimulate the negative evaluations. (Hanssens et. al, 2002)

The other important aspect of ELM is an existence and application of heuristic cues in advertising. Even in a lack of strong arguments, the effectivity of heuristic elements can be boosted by several techniques. The first one is an application of working knowledge on information processing. Study of Chaiken (1980) showed
that people with little knowledge on the advertised matter are more likely to proceed the cognition via compliance with heuristic cues, such as the length of a promo or country of origin. Another stimulus for the heuristic cues could be the time pressure. In the need of cognitive closure, people are more likely to apply the central route of ELM when a proper time for consideration is available, and vice versa, the peripheral route when time pressure was taking place. Along with the time pressure, a scarcity factor plays an important role in pushing a consumer towards heuristic cues than persuasive arguments by adding an artificial value. Heuristics (simple decision rules) are also effective in a situation when a consumer is in the mindlessness state, since one is more likely to apply for heuristics and increase compliance than actually proceed arguments and scrutinize every bit of information available. These simple decision rules are saving cognitive resources, and aid in daily judgements and decision making. (Fennis & Stroebe, 2010)

3.3 Information processing

To get a broader vision towards the comprehension processes, happening in consumers’ mind, it is not only relevant to study decision making, but also to examine the way how information is getting proceeded within neuro activities happening within the brain to be successfully placed in the memory of a human. Therefore, in the theoretical framework of the thesis, two models of information acquisition and processing will be discussed.

3.3.1 Information acquisition theory

This theory consists of four steps of information processing which a person undertakes when exposed to certain media vehicle. The model is trying to state how information is proceeded from the first moments of exposure till the elaboration and formation of opinion. Describing the setting, it is important to mention that an involvement level plays the key role in the depth of information processing, since it reflects the relevance for the consumer. (Fennis & Stroebe, 2010)
Preattentive analysis

At first, our implicit memory proceeds promotion as a general part of the surrounding environment. It is non-direct and therefore, cognitive processes used for accessing the content are rare. At this point, the feature analysis takes place when an advertisement is traced by memory and proceeds the information about the visual aspects, as brightness or contrast, rather than the actual meaning. There is an important mediator in the preattentive analysis stage which is called Hedonic fluency. This factor affects consumers’ evaluations towards the brand by incidental exposure. A hedonic fluency falls into perceptual and conceptual fluency, which reflect the easiness of assessing visual elements, such as shapes and semantic meaning of promotion accordingly. (Fennis & Stroebe, 2010)

Focal Attention

After noticing a stimulus, information goes to conscious processing in an explicit memory. There, it is about to be identified and categorized. Therefore, after pre-attention, data is getting transferred to the short-term working memory. Since it is very limited in capacity, focal attention is triggered only by a small number of stimuli. They could be classified in the following types:

1. Salience. The extent to which ad differs from the environment. To catch a focal attention, marketers may go for attention-drawing techniques, such as humour.
2. Vividness. This point stays for brightness of the ad, emotional interest and image-provoking features. Even though conscious assessment takes place, vividness is not fully context dependent. In order to be vivid, promotion should be well-targeted and match the interests and goals of the receiver.
3. Novelty. The last group is about to which degree of newness perceived by the recipient. The extent to which information is new, depending on existing knowledge, and how successful ad disconfirms existing expectation. (Fennis & Stroebe, 2010)
Comprehension

In the comprehension stage, a semantic meaning (e.g. persuasive arguments) is linked with already existing knowledge of a customer. The information is literally laying over the existing ground of experience and familiar information. The more links with familiar subjects a promo has, the more chances there are to settle for information in this promo. (Fennis & Stroebe, 2010)

Elaborative reasoning

In the last stage of elaborative reasoning, the full conscious cognition process is carried out. Hence, in consumers’ decision making, a higher involvement is more likely to stimulate elaborative reasoning and extend it in three dimensions: extent, valence and object of thinking. Here, inferences made from semantic concept are getting stable in between already existing knowledge. (Fennis & Stroebe, 2010)

3.3.2 Information processing model of McGuire

It important to consider the model of McGuire because of the following arguments: (Jennings & Oliver, 2009) processing of persuasive communication involves several stages; each of the stage can have different impact on cognition. This model considers the complex nature of processes and all the elements of the information processing, including consumers, media vehicle itself, environment and situation, etc. McGuire assumed that the result of a behavior change is a joint outcome of successful passing of advertising along all the five stages of the model:

1. **Attention**. As the first step, it is crucial for advertisement to be seen. Basically, if a commercial break will be used by a member of the target audience as a time to visit a kitchen or a restroom then contact will be lost without even being launched.

2. **Comprehension**. Just like in information acquisition, information is getting through an inferencing process and is about to be matched with existing
knowledge. The simpler a meaning is, the more likely it is to be successfully comprehended.

3. *Acceptance.* Even with a good comprehension, acceptance is a still great filter for information. Here, the obtained knowledge should be accepted as truth and match consumers' beliefs and attitudes.

4. *Retention.* Even after being accepted, information should still be kept in mind by the viewer, in the way that one must hold the attitude towards the promoted good or service.

5. *Behavior.* Finally, keeping in mind the intention to buy the promoted offer, a consumer is expected to do a purchase or any other action, wanted by the marketer. (Fennis & Stroebe, 2010)

### 4 COMMISSIONING COMPANY

MGUN Marketing is a company, located in the very heart of Berlin, providing different marketing services on the outsourcing basis for small and medium-sized businesses. The company's focus is made primarily at Berlin area, as well as the whole Germany and the neighboring countries, where branches of clients are located. Since Berlin is very well known as a trendsetter and a cradle of unique and therefore outstanding style, MGUN strives to deliver these traditions and carry them out throughout all the actions it provides. The activity focus is made towards developing complete visual and image-oriented solutions to help customers in building their brands. MGUN offers guidance and implementation of these activities towards the successful growth of recognition and awareness.

The main range of the company's activities is oriented at the digital marketing, which is mainly justified by limited capacities of clients in terms of financing and budgeting. It is much more affordable than the traditional marketing vehicles, and offers better targeting and measurability in addition to all other advantages of digital marketing mentioned before.
Activities include the following:

1. *Social media marketing.* A creative concept development, design of style and content creation, according to the wishes of client and requirements of the market, and execution.

2. *Public relation activities.* MGUN has a huge network of publishers, bloggers and other online influencers, which allows it to constantly strike the targeted audience in the best way. The company holds responsibility for carrying PR campaigns with the own layouts to the own contacts, resulting in complete and convenient solutions to reach the desired audience. Due to the strong networking, MGUN is enabled be presented at the best and the most popular media events, such as German Press Days, Bread & Butter, and even world famous Mercedes-Benz Fashion Week.

3. *Content creation.* In order to stimulate the interest of the final consumer, MGUN Marketing is taking all the responsibility, starting from developing a concept, to model(s) and a shooting spot selection, to a photographer search and final editing.

4. *Event management.* As a part of building a strong image, create awareness and the company’s relations with publicity, the commissioning party executes every single detail for the first-class events and conducts everything from developing a core idea to forming a guest list and selecting catering.

5. *Brand creation.* MGUN offers a complete package to design the brand identity, from logo to space, attributes and accessories.

MGUN has two employees in the office and a huge network of different freelancers (e.g. photographers, designers etc.), allowing to perform in the most cost-efficient and convenient way, delivering the best price-quality ratio for its customers.

Working with influencers is a big part of MGUN operations. The company has large networks of models, bloggers and generally famous people with big social
media accounts. They are getting invitations for events, featuring our client-companies in their posts to build an awareness and boost the image of the latter. Maria Günther (CEO) is a famous Instagram Influencer herself and is in a very good touch with the main online celebrities of Germany and the Berlin scene in particular. I believe having such a close connection with both sides is a great opportunity to obtain insights and spot all the relevant details of the cooperation process.

TABLE 1: Facts about MGUN Marketing

<table>
<thead>
<tr>
<th>Name</th>
<th>MGUN Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of foundation</td>
<td>2016</td>
</tr>
<tr>
<td>CEO</td>
<td>Maria Ursula Günther</td>
</tr>
<tr>
<td>Legal form</td>
<td>Personengesellschaft (Sole proprietorship)</td>
</tr>
<tr>
<td>Area coverage</td>
<td>Berlin; Germany and surrounding area</td>
</tr>
<tr>
<td>Annual Turnover</td>
<td>80,000 EUR</td>
</tr>
</tbody>
</table>

5 RESEARCH METHODS AND DATA COLLECTION

Research is an essential part of any study, since it is hardly possible to come up with any solid conclusions, without matching the theory with an actual data to support it. Therefore, it is a must to deliver a complete thesis block dedicated to the research. Dr. C.R. Kothari in “Research Methodology” described a research as “a scientific and systematic search for pertinent information on a specific topic”. (Kothari, 2004) Oxford dictionary defines a research as “a systematic investigation into a study of materials and sources in order to establish facts and reach new conclusions”. (Stevenson, 2010a) Therefore, combining these two definitions it is possible to assume the term itself as process of gathering data to do the certain conclusions.
5.1 Primary and secondary data

During the research, there are two basic types of the data to be collected: primary and secondary. *Secondary data*, is the information which already exists and was collected by somebody else. This data could be found in the scientific articles, reports of different companies, in printed and e-books, magazines or publications of various associations. (Kothari, 2004) An important aspect towards the secondary data is to follow the certain criteria, such as Reliability, Suitability and Adequacy. (Hulley et. al, 2013)

A reliability of the data stands for its origin. It is necessary to know the source of this information, who and how collected it or when it was gathered. (Kothari, 2004) These attributes serve as prerequisites for the further processing. If the sources or methods as well as any of the mentioned conditions don’t seem to be reliable, the piece of data is not recommended for examination, and not even worth to be checked by the other two criteria.

Suitability of data refers to the relevance of itself to the matter of research. Since information, which is valid for one research is not necessarily important for other. (Kothari, 2004) Therefore, researcher must scrutinize the definition of content and carefully and objectively judge about the relevance of such for the actual research. Last but not least, Adequacy of data describes how well already available information can fit in the scope of current study. If the information is wider or narrower than area of present enquiry, it shall not be used by the researcher. One of the forms which will be relevant for the research of this thesis is case study.

The other, even more relevant type of information is *Primary data*. Attributes of the latter are that it is collected for the first time and having an original character. (Kothari, 2004) The methods and types of the research, which are playing an important role in gathering of primary data includes questionnaires, interviews, observations etc. In order to gather primary data, survey among potential customers (social network users), interviews with customers and influencers
themselves will be used to gain some qualitative insights and get deeper understanding of interconnected processes.

5.2 Research methods

In order to collect a relevant information, it is important to understand what research consists of. There are two types broadly used to gather data: Quantitative, which stands for collection of a numerical data and examination of a correlation between variables set before, and Qualitative, which is studying the in-depth information, such as the attitudes or reasons, what is therefore non-numeric. (Kothari, 2004) By the combination of both types it is possible to create an optimal mix for the research to get broad and most complete overview of matter of the study.

5.2.1 Quantitative research

The quantitative research is used, when the research problem could be explained with usage of figures and quantities to approve or reject a certain hypotheses. (Kothari, 2004) In a framework of this thesis, the combination of Descriptive and Correlational strategies will be used. Simply explaining, a descriptive designed research is answering the question “what is” and just observes the environment without an intervention. A correlational design is trying to understand the relationships between two variables, or “how reacts X if Y”. (Bernard & Bernard, 2012)

Usage of exactly these two design types will help to study the attitudes and perceptions of the audience towards the influencer marketing (descriptive) and figure out the correlation between an exposure through influencer’s channel and a change of the decision-making of the customer (correlational). (Creswell, 2013) To keep the research plain and easy to realize, convenience sampling method is to be applied, where the main criteria are the reachability, convenience and availability of the population segment to be sampled. (Neuman 2014). The data collection methods will be made available by the digital means (e.g. Internet) so it would be simple to gather diverse responses and keep it as unbiased as
possible. I believe this is the most optimal and convenient strategy to collect primary data within the thesis framework.

Survey is one of the most broadly used forms of quantitative research for gathering the primary data, representing a study of the attitudes or experiences of people, formed as a list of structured questions in a predominated order. (Stevenson, 2010b)

5.2.2 Qualitative research

In the book “Research methods for business students”, the qualitative research is explained as “a non-numeric data or the data that has not been quantified and could be a product of all research strategies”. (Saunders et. al, 2009) Even though the qualitative data could be still partially shaped into some numbers, there is still plenty of information, which cannot be classified by the numbers and left in the unstandardized forms. (Neuman 2014) Hence, one of the most used methods to collect qualitative data is an interview. For instance, the results of the personal or phone interview can be considered as the qualitative data, since there usually are answers given in an open form. Since it is usually recorded by the means of audio and video, all the data from the interview should be transcribed by putting it on the paper. (Saunders et. al, 2009) Since this data cannot be formed and easily represented in a visual form, such as a chart or a pie, it is important to relate the obtained facts between each other and draw the conclusions, based on the received information. (Saunders et. al, 2009) There are several methods of the qualitative data collection: Interview, Observation, Focus groups. (Taylor et. al, 2015) An interview is a session of formal questioning of a person and exists in three types: structured, semi-structured and unstructured.

Structured interviews

In the structured interviews, or as they could be referred to as the “interviewer-administrative”, (Taylor et. al, 2015) contain a pre-determined list of questions and are limited in flexibility. Therefore, there is an opinion that structured
interviews are striving to get the quantifiable results, which could be turned into some visual or figural conclusion.1 (Taylor et. al, 2015)

Semi-structured interviews

These are containing pre-set topics to be discussed, but the questions content may vary from interview to interview, therefore resulting in a variable content. The advantage of such type is covered in flexibility in the qualitative data collection and allow an interviewee to elaborate more on the answer by asking the additional questions. Therefore, more conversational manner, rather than a scheme, is in the core of semi-structured interviews.

Unstructured interviews

This type of an interview is informal and contain no structure. They are of the most use, when it comes to the in-depth exploration of the matter. Due to no pre-determined questions list, it is very important for the researcher to constantly keep in mind the main aspect of the research and to be able to control a conversational flow over the whole period of the interview. Again, here the interviewee is empowered to talk freely on the topic and give as open and broad answers as it is theoretically possible. (Easterby- Smith et al. 2008)

The thesis interview will be designed to overview following aspects:

Direct and Indirect experience

According to Pollak (1995), direct experience happens when an individual is personally interacting with promotion and a brand. Indirect experience takes place when a person was shared with certain knowledge (e.g. heard from a friend about the brand). It is important to understand these degrees, since it is related to a competitive interference and therefore to the promotional efficiency of influencer marketing in general. As Danaher et. al (2008) explained, the competitive advertising interference takes place when viewers are exposed to the advertising messages of different competitive brands within the same category during a short time period. In order to reduce the effect, familiarity factor plays an important role (Fennis & Stroebe, 2010), since resistance of the consumer is less
strong when the brand recognition exists. Concluding, there is an important correlation between the direct experience for promotion exposure and familiarity of promoted brand. A correct combination increase probability of cognition from the viewers’ side to consider an action towards the purchase.

Episodic and semantic blocks of explicit (long-term) memory

The episodic memory is a remembrance of conscious action made by individual. Semantic memory is a unconscious recollection of facts, where a person does not remember the exact situation when the experience happened. For example, if one would be asked to name capital of France, the answer would be “Paris”, even though one might not know how, where and when exactly this information was obtained (i.e. book, school, parents etc.). This is a semantic memory. At the same time, if one would be asked whether he or she has been to Paris, the answer will be a result of cognition and the remembrance of conscious action (actual visit to the French capital), which is consequently an episodic memory. (Richardson-Klavehn & Bjork 2006) In relation to the thesis, some questions were designed to study the degree of both types of experiences, for instance, the knowledge of being exposed to sponsored post (semantic) and actual purchase (episodic). (Baddeley, 2007)

Implicit and explicit attitudes

As Stroebe explained, attitudes exist in two different perspectives: the implicit ones are those which are unconscious, but they are playing an important role in leading a person to actual behavior; and the explicit, when one can express the position on the matter in self-reporting. In the survey, the accent was made towards the explicit ones, since it is much easier to shape them into concrete answer, or choose the most suitable option from a multiple choice set or a Likert scale. Even though the implicit attitudes are more powerful in the question of action (Son Hing et. al, 2008), it is easier to obtain them via the interview through the qualitative data collection.
**Attitudinal ambivalence**

Attitudes are complex and interconnected, therefore the term of attitudinal ambivalence takes place and stands for the existence of positive and negative views of the same person towards the same issue. (Crano & Prislin, 2008) Even though the acknowledgment of one about his or her bipolar opinion may be conscious, the person still may not fully consider which of two extremes is actually in charge for the behavior, whether it is a more positive or a negative. Therefore, it is important to consider the difference to predict certain behavior. In this case, the survey was aimed to study a possible difference between attitudes and actual behavior.

**Case study** is a method, which involves a careful and complete examination of the subject (Mohd Noor, 2008), whether it is a social unit, certain happening or something else. Case would be relevant for the whole research process, since it’s possible to understand the depth, rather than the breadth, of the influencer marketing effect for the consumer promotion. Due to obvious the limitations, set by lack of the available research tools (e.g. inaccessibility to live tracking of consumer behavior on the social networks), there is available secondary data to be observed, particularly by studying the media statistics, collected from the influencers, which includes the exposure rates, information on demographical and geographical allocation of the audience. This type of secondary data is usually provided by the social networks itself and may impact the understanding of the influencer’s promotion effect in numbers.

Important moment to bear in mind when conducting the qualitative research is to follow the principles of Objectivity and Integrity (Gerring, 2007). Objectivity stands for a personal detachment from the research matter to reduce biased nature and interest of the researcher as human. In order to reach the desired result, the author offers a researcher not to abstract from personal perceptions and prejudices, but to get first deep into them by taking the advantage of own personality in understanding the social groups and then to “bracket” them and put aside as the second step. Integrity principle of qualitative research lies in the
“nature of science approach”. The researcher must conduct a study via application of the explicit and objective technology and methods. For instance, statements should be made with precise, neutral terms, well-documented and replicable, containing the objective measurements. (George & Bennett, 2005)

5.2.3 Sampling techniques

Sampling is a process of selecting cases from the population, in the way to generalize the research result over the whole population of interest. (adopted from Trochim, 2006) There are two main types of sampling: probability and non-probability sampling. In the probability sampling “the chance of each case selected from population is known and usually spread equally among all the samples”. (Valck et. al, 2007) There are several types of probability sampling, including the following: Simple Random Sampling is theoretically an ideal method, where all the sample members are picked randomly with an equal probability to be chosen for every participant. Systematic sampling is based on the principle of starting from a random point of the sample and take every certain (every 3rd/5th etc.) member. Cluster sampling is in the idea of dividing the whole sample into clusters and then, randomly picking several of these clusters on random basis for a research. Stratified sampling occurs, when the sample is split into the strata, based on a certain criterion and then members of each strata are taken for the research, proportionally to the size of the strata to represent the actual consistency of the society. (Dillman, 2007)

In non-probability sampling the probability of picking each case is unknown. One of the many types of non-probability sampling is convenience sampling, which stands for the information gathering from people around. For instance, on the street or in the shopping mall. Even though it is leading to the potential bias more, than probability sampling, it is more suitable for the thesis research, since it gathers the biggest amount of potential replies in comparison with other techniques. (Edwards et. al, 2007) Disadvantage of convenience sampling, as well as of all the non-probability techniques is in no sample frame. Consequently, it is hardly possible to gather an equal amount of responses from the different
cases within the sample. In order to get an information-rich data, a few cases are going to be studied in a form of an interview, which reduces the harmful impact of the mentioned disadvantage. (Guest et. al, 2006)

6 RESULTS

Here, the final outcomes of the research, conducted for the thesis, are presented. Research results contain both the quantitative and qualitative data of the primary and secondary character, which was collected in the framework of the thesis. Both the primary and secondary data were collected during October.

TABLE 2. Data collection schedule

<table>
<thead>
<tr>
<th>Task</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create the questionnaire and formulate questions</td>
<td>October 3 - 5</td>
</tr>
<tr>
<td>Conduct online survey &amp; interviews</td>
<td>October 9 - 15</td>
</tr>
<tr>
<td>Interviews and survey data analysis</td>
<td>October 16 - 20</td>
</tr>
<tr>
<td>Desk research</td>
<td>October 9 – 20</td>
</tr>
</tbody>
</table>

6.1 Survey results

The survey was placed on the Google Drive with an open-link access and was spread online via different public pages on the Instagram, Facebook and VK among the students and youth in general, mainly across Germany, Finland, the Netherlands and Russia. The demographic and geographic information wasn’t collected, due to irrelevancy to the thesis topic. Altogether, the survey was completed 168 times. The convenience method was applied to the census during the survey to gather the largest possible amount of data in order to get a complete overview concerning the opinions and attitudes of the interviewees and designed to serve the following aims:

- Study the reasons of audience’s engagement with the influencers via diverse social media channels on the long-term or even permanent basis by following the latter.
- Find out which social networks are of the highest popularity for such interaction.
- Examine the attitudes towards sponsored posts in the influencers' feed and probability for the audience to do or at least consider a purchase of the presented items.
- Evaluate the attitude change towards a) a brand in general b) a good within consideration set in case of the decision-making.
- Gather the data on credibility of different forms of the recommendations online.

Therefore, the survey design consisted 14 different questions, including the closed questions, multiple choice options, likert scales and more. According to the research results, 95.2% or 160 out of 168 people follow different influencers (e.g. bloggers and celebrities) on the social media. According to the responses, people do follow the influencers for a reason. As you can see from the Table 3, the main reasons of individuals to add bloggers in their feed on the social media are the content, style and lifestyle, image and traits. Nevertheless, the people had an option to add their own version of the answer and a few interesting ones were presented.

<table>
<thead>
<tr>
<th>Reason</th>
<th>Amount of replies, (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content</td>
<td>48,8</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>24,4</td>
</tr>
<tr>
<td>Style</td>
<td>13,1</td>
</tr>
<tr>
<td>Image and traits of influencer</td>
<td>6,5</td>
</tr>
</tbody>
</table>

For instance, people like the storytelling and contentful feed in the terms of saturation and quality; the motivational and inspirational manner of conversation coming from the influencers and educational nature, which is related to the vlog (video blog) format of running the social media on such platforms as YouTube and the text blogs. This information is adding the in-depth quality of understanding the triggers for people to follow others online. Presumably, the main reasons are still related to personal character of the celebrity, what is
basically supporting initial hypothesis of an influencer as a role model.
Nevertheless, there are more results to come and final conclusions should be
made after an overview and study of all the gathered data.

In questions of the social media, the research shows that the most popular
platforms among interviewees to follow celebrities are Instagram, YouTube,
Facebook and Russian VK, which is working the same way as platform of Mark
Zuckerberg. People are using Twitter, Life Journal and even LinkedIn to keep the
information flow on the track. In the Table 4 the allocation of choices is
presented. Important to note that the multiple choice question was used.

<table>
<thead>
<tr>
<th>Social Media</th>
<th>Amount of responses, (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instagram</td>
<td>78,6</td>
</tr>
<tr>
<td>YouTube</td>
<td>70,2</td>
</tr>
<tr>
<td>Facebook</td>
<td>25,6</td>
</tr>
<tr>
<td>VK</td>
<td>13,6</td>
</tr>
</tbody>
</table>

Concerning the frequency of exposure, the respondents said they have seen the
sponsored posts (images/videos, blog posts, stories etc.) in the moderate-to-high
periodicity with the response rates of 31% and 34,5% accordingly. Even though,
they maintain mainly neutral (47%) and positive (22%) attitudes towards these
promotions, it is possible to assume that the audience is not overexposed to such
promotion and the wear-off effect doesn’t take place to an extreme degree.

In the question of interest, towards discovering more about the promoted offering
resulted in a broad diversification of results. Majority of the answers (a little over
20% each) spread from very negative to positive on a Likert scale with 5 levels.
Nevertheless, the most voted categories were neutral and positive with the 26,2%
or 44 answers each.
Continuing the attitude topic, one question was oriented at conceptualizing the attitude into a short expression. Respondents were offered 5 pre-set options and one for the answer of their choice. The pre-set options were as follows:

1. It is interesting to know preferences of the influencer I am following.
2. I would like to know the selection of an influencer, but I would not order the item for myself.
3. If it is nice, I would order the item for myself.
4. These posts are commercial and I do not like them in my feed.
5. I usually ignore these sponsored posts.

The majority of the interviewees chose answer 3 in 40,1% of the all cases. The interest towards influencer’s selection (answers 1 and 2) obtained 27,5% of the votes each, when 28,7% of the respondents argued for the commercial nature of these posts (answer 4). This question was supported by another one, when people had to tell whether they ever did the actual purchase or not. According to the answers, 128 individuals or 76,2% had never done any purchase of promoted items in the influencer’s social media channels. Still, almost a quarter, or exactly 23,8%, did it at least once.

Of those interviews who had such an experience, one-third (33,8%) do it once a year, 12,2% with the double frequency (every half a year). Finally, some respondents were split into two categories, saying that they make these orders a) every month or more often, and b) every 2 – 3 months with 10,8% for each category. Based on this information, it is possible to assume that with mostly positive attitudes towards such posts, the majority is still not ready to do a trial and order an item, presented by influencer. Concerning those people who did a purchase, it is visible that some periodical frequency exists. Unfortunately, in the majority of cases, the lead generation still fails to be conducted by the influencers’ posts. Nevertheless, such posts are managing to fulfill the function of brand and/or product awareness and stimulate information search, since it arouse some curiosity to find out more. Concluding this block of questions, it is possible to presume that the early stages of consumers’ decision making are still affected by the influencer marketing, but the final assumptions on this issue will be made again in the conclusion part when the whole data will be analyzed.
The next set of questions was oriented to measure the likability of individuals to consider recommendations from people of different nature: from people the interviewee knows personally; from people online; and from the influencers they follow. In order to evaluate the attitudes, Likers scale from 1 to 5 points was used in all 3 positions. This part of survey resulted in the following answers: concerning the recommendations from known people, the majority answered for likely and very likely, 45,2% and 13,7% accordingly, when 26,2% stayed neutral. Concerning the online reviews and recommendations people are seem to be more skeptical, since the answer “Likely” (equals to 4/5), was chosen only in 32,1% of the cases; the neutral attitude was selected 65 times, which makes 38,7% of all replies. “Unlikely” option was made by 17,9% of the interviewees. The answers, concerning the influencers’ recommendations has spread more equally around the scale. Almost a quarter, or 23,8%, said they are likely to follow his/her recommendations, and 28,8% decided to be in the middle of the range as “Neutral” and 27,4% went for “Unlikely” position with 46 replies. As it is visible, there is a correlation of distance between followers and level of their acknowledgement with the other people and credibility and trustworthiness of their recommendations. Therefore, the less personal this recommendation is, the less likely an individual to consider that. In addition to this block, the respondents were asked to imagine the following situation: If you are considering a purchase and you see an influencer you follow, promoting an item from the same category you are about to buy a good or service from. Would you consider this option more? As a result, slightly more than a third of the individuals (35,8%) said they are likely to do so, when 28,5% were neutral to such a resolution. Amount of the negative, as well as very positive answers were just around 10% plank each.

As the final question, the respondents were asked to express their attitude change to a brand, promoted by an influencer they follow. Starting point of an attitude was set as neutral by default.
As a result, 103 persons, or 61.7%, mentioned zero change, meaning they would still remain neutral to the brand. Almost a third, 31.7%, said they would evaluate this brand more positively if it is featured in the post of an influencer they like, and only 4.2% argued for a negative change of the attitude (See Figure 8).

### 6.2 Consumer interviews

To gather the qualitative data, the consumer interview was conducted. The interview questions were designed in a way to match the survey, but oriented at obtaining more in-depth quality data to support the results of the questionnaire. During the interview sessions, three people were asked to answer 5 basic questions and a few additional ones, which were made during the actual discussion, in order to make the interviewees to elaborate more on the answer in particular cases.

When the interviewees were asked to explain the main reason for them to follow influencers on the social media, all respondents gave homogenous answers. Two of them stressed the content as a main reason when the third mentioned a review and recommendation matter as a main key to follow people online. The first content-oriented respondent mentioned the visual and text copy terms, when the second individual stated the actual thematic of the content, particularly educational and information-related feed that the influencers produce.
In question of the attitudes towards sponsored posts, a complicated and bipolar nature was mainly revealed. As discussed in the ambivalence of the attitude block, people said they a) accept and therefore positive about these promotions and b) stress a negative attitude, when it comes to the over-exposure and non-topic related or “cheap” promotion. A special anti-sweet spot of all the three influencers was a mismatch of the influencers’ grounds and beliefs with the promoted offer. One gave an example with a healthy-and-fit lifestyle blogger promoting the alcohol and the other mentioned anti-makeup beauty blogger promoting cosmetics. The third respondent said he is neutral to the promotion, as long as it is not affecting the quality of produced content. Concerning the positive attitudes, one person mentioned a professional interest, particularly stating himself as young marketing specialist, observing these promotions from job-related perspective, by examining the creative approach influencers used to do a promotion. The other respondent said that the positive attitude is mainly reached when a promoted good or service has high personal relevance or at least, fit the blog’s topic. Finally, all the three respondents see a rational core and cause-effect link, mentioning that the influencers are doing such promotions to maintain actual ability to reach the audience and get sponsored, so this move is understandable for all the cases in the interview. They believe that the influencers do promotions mainly to be able to run the blog, rather than to profit financially.

Even though all the interviewees assumed that the potential effect of promotion on the future considerations may exist, only two out of three individuals had an experience of buying promoted offerings. Both said they purchased the relatively cheap items, which require low involvement. Also, two of them mentioned the main tendency to do the online purchases on a frequent basis, such as apparel shopping or ordering some items from the trading platforms as Amazon. Consequently, it is possible to presume that people who are shopping online are more likely to be affected and convinced by the influencer marketing. One respondent said she mainly orders makeup and cosmetics from the influencer promotions. Other respondent bought some apparel. The individuals with an experience of such shopping said they are frequent buyers of the promoted
goods and both had explained the impulsive nature with small consideration and decision making, using the principle “if I like it, I buy it”.

**TABLE 5. Quick data on consumer interviews**

<table>
<thead>
<tr>
<th></th>
<th>Mikhail</th>
<th>Julia</th>
<th>Kiran</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Following influencers</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Reason to follow</strong></td>
<td>Content, trends</td>
<td>Reviews, trends</td>
<td>Education, information</td>
</tr>
<tr>
<td><strong>Attitude to sponsored posts</strong></td>
<td>Mainly positive, with some negative implications</td>
<td>Positive when it is relevant</td>
<td>Mainly neutral</td>
</tr>
<tr>
<td><strong>Purchasing experience</strong></td>
<td>None</td>
<td>A few times, low-involvement goods</td>
<td>Once, low involvement goods</td>
</tr>
<tr>
<td><strong>Attitude to recommendations</strong></td>
<td>Rarely consider</td>
<td>Always consider</td>
<td>Very important, especially in high involvement decision making</td>
</tr>
<tr>
<td><strong>Attitude change</strong></td>
<td>Stay Neutral</td>
<td>More Positive</td>
<td>Stay Neutral</td>
</tr>
</tbody>
</table>

In the attitudes towards the recommendations, all the participants highlighted the relevance of such. When one mentioned an importance of the recommendations only concerning the high-involving considerations, the other two said they apply to the reviews and recommendations in majority of situations, either in the low and high involvement purchases. One respondent had mentioned an important opinion, saying that all people having their own biases towards some product or even particular brands and when it comes to the examination of available reviews and recommendations, it is important to keep that in mind during the decision-making process.

Finally, in a question, related to the attitude change towards the brand, featured by the influencer, all respondents mentioned the fact that it is hard to generalize
an attitude change for all the possible cases. There were several factors which could affect the change, for example the correlation an influencer and a product. Anyway, two out of three people said they are more likely to stay cold and neutral towards the brand, and only one said that if there is a possible change, then to only positive side.

6.3 Influencer interview

During the research process, an interview with the influencer was designed and conducted to obtain some qualitative data for better understanding of processes in the influencer marketing. The interviewee was the CEO of the commissioning party, who is a popular Berlin-based influencer with the sufficient amount of followers to interest different companies such as Happy Socks, Persil etc. Maria had shed a light on the other side of the interaction between a consumer and a company via influencers. In Instagram content description, the interviewee mentioned her dedication to creation of the “strong woman” image to inspire younger generations and therefore Maria is surrounding herself with all the attributes of this image, in order to serve as a role model. According to the interview results, in order to create a successful influencer marketing promotion, it is a must to blend the commercial message into the main style of the whole Instagram, to make it look genuine and authentic. Otherwise, the response rates from the media data, such as likes, was dropping down sufficiently. According to Maria, as an influencer and an expert in the social media marketing according to her professional experience the influencer marketing is oriented more to building the brand awareness rather than the conversion and sales.

TABLE 6. Maria's Instagram general media data (week 43)

<table>
<thead>
<tr>
<th>Position</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Followers</td>
<td>12,397</td>
</tr>
<tr>
<td>Impressions</td>
<td>44,206</td>
</tr>
<tr>
<td>Reach</td>
<td>5675</td>
</tr>
<tr>
<td>Biggest age group</td>
<td>25 – 35 years old</td>
</tr>
<tr>
<td>Gender Allocation</td>
<td>65% men, 35% women</td>
</tr>
<tr>
<td>Geographical Allocation</td>
<td>Germany 30%, USA 14%</td>
</tr>
</tbody>
</table>
According to the media data from the influencer, the Instagram of over 12,000 followers is generating almost 45,000 impressions (content views, including repetitive ones), over 5,600 reach (the unique audience members), which is mainly young, between 25 and 35 years old. In the gender allocation, the audience is generally male, mainly from Germany and the US. The Maria’s Instagram is perfectly managing the goals towards building a strong woman image with perfect average age of the audience, which means the correct and suitable approach in the development of her Instagram. Below it is possible to find some more media data of usual and sponsored posts to see the proportions and correlations in the change of the impressions, reach and likes.

**TABLE 7. Non-commercial post in Maria’s Instagram**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impressions</td>
<td>4.330</td>
</tr>
<tr>
<td>Reach</td>
<td>3.178</td>
</tr>
<tr>
<td>Likes</td>
<td>943</td>
</tr>
<tr>
<td>Comments</td>
<td>19</td>
</tr>
</tbody>
</table>

As presented in the tables, the correlation between non-commercial and commercial posts within the same week are sufficient. Even though the reach and impressions in the commercial post are lower, it is possible to assign to fluctuations within the day, due to existence of prime-time, when followers have the most activity online. The main comparison should be done among the amount of likes and comments.

**TABLE 8. Commercial post in Maria’s Instagram**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impressions</td>
<td>3.345</td>
</tr>
<tr>
<td>Reach</td>
<td>2.408</td>
</tr>
<tr>
<td>Likes</td>
<td>636</td>
</tr>
<tr>
<td>Comments</td>
<td>18</td>
</tr>
</tbody>
</table>
As it is visible, the non-commercial post generates 26.9% more likes in comparison with the paid one. The lower amount of comments, comparing to the non-commercial and sponsored content takes place. On the other side, the quality of comments is much better. There is definitely visible interest towards the promoted product.

### 6.4 Secondary data

In order to support the primary data gathered for the research, the secondary data search was conducted as well. Primary aim was finding the literature and already existing studies, as well as the suitable cases to be applied for chosen topic. Summing up, findings resulted in the numerical information, which would be relevant in understanding the impact of the influencer marketing on the information processing in the consumers’ decision-making process. The search for the secondary data was mainly conducted via Google Scholar system which represents a convenient and effective way for searching for the scientific information online.

*Digital marketing impact on the consumer decision making process in Nike’s consumer retail operations in South Africa*

Research, conducted by Nike in South Africa, oriented at measuring the effectiveness of the digital marketing on the lead generation. According to the results of the marketing campaign, promotions were exposed almost a million times with the reach of almost 700,000 people in South Africa. The campaign was carried out in the following social networks: Facebook, Instagram and Twitter. The first one was of the most success in all the parameters, delivering 2.46% click through rate (CTR).
TABLE 9. Results of digital marketing campaign of Nike in South Africa

<table>
<thead>
<tr>
<th>ADVERTISER</th>
<th>CAMPAIGN</th>
<th>START</th>
<th>END</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Organisation</td>
<td>Nike Running Sneaker</td>
<td>20 April 2016</td>
<td>5 May 2016</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PLACEMENT</th>
<th>IMPRESSIONS</th>
<th>REACH</th>
<th>CLICKS</th>
<th>CLICKTHROUGH RATE</th>
<th>ENGAGEMENT</th>
<th>ENGAGEMENT RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FACEBOOK</td>
<td>982,065</td>
<td>693,408</td>
<td>24,156</td>
<td>2.46%</td>
<td>155,528</td>
<td>22.43%</td>
</tr>
<tr>
<td>TWITTER</td>
<td>138,496</td>
<td>138,496</td>
<td>1,864</td>
<td>1.35%</td>
<td>7,304</td>
<td>5.27%</td>
</tr>
<tr>
<td>INSTAGRAM</td>
<td>556,778</td>
<td>455,623</td>
<td>366</td>
<td>0.07%</td>
<td>61,043</td>
<td>13.40%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>982,065</td>
<td>693,408</td>
<td>26,386</td>
<td>2.69%</td>
<td>155,528</td>
<td>22.43%</td>
</tr>
</tbody>
</table>

This result could be considered as a great success, in comparison with the Facebook’s benchmark concerning retail industry and average 1.59% CTR. (Irvine, 2017) Also, according to the study of Salesforce Marketing Cloud, stated that the average engagement rate on Facebook was between 0.92% and 13.56%. Results of Nike’s campaign in South Africa resulted in 22.43%, which has doubled maximum. (See Table 9.) (Reddy, 2016) In relation to the effectiveness of the influencer marketing from the marketing perspective, this research is very relevant, since influencer marketing is a sub-type of the social media marketing, as an element of the digital marketing in general.

*Impact of Online Consumer Reviews on Product Sales: Quantitative Analysis of the Source Effect*

In the other study, the researchers examined the impact of the online consumer reviews on the product sales. There, authors compared the reviews, from three types of blogs: Seller Sites, Seller blogs and personal blogs. Aim of the study was to examine a role of those reviews as the sales stimulator and significance of a positive sales change, affected by the reviews. The results of this research were following: the personal blogs generate the biggest impact among all three and result in a significant positive change on product sales. The personal-blogger reviews contribute the most to encourage product sales, in comparison with other review types in the same conditional setting. According to the statistics, blog
interactions increased by 58% since 2004. Moreover, 12,000 blogs are created every day and 4,6 blogs are updated every second (Rainie, 2005). In order to study the effectiveness of different blogs, authors selected the low-touch commodity goods (goods, which do not require a physical inspection before purchase), which people are more likely to shop online (e.g. books, CD/DVD). In the conducted research, the sales were put as a dependent variable, when the quantity, quality, length and rating of the reviews were the independent variables. The results of the examination are presented in the Table 10. (Ho Ha et. al 2015)

<table>
<thead>
<tr>
<th>Source of review</th>
<th>Total number</th>
<th>Mean quantity</th>
<th>Mean quality</th>
<th>Mean length (letters)</th>
<th>Mean rating</th>
<th>Mean age (months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seller-site reviews (forty-letter reviews)</td>
<td>903</td>
<td>9.03(9.90)</td>
<td>1.34(0.43)</td>
<td>24.01(7.62)</td>
<td>3.95(1.10)</td>
<td>24.32(23.77)</td>
</tr>
<tr>
<td>Seller-blogger reviews (My Reviews)</td>
<td>3366</td>
<td>33.36(16.55)</td>
<td>2.67(0.25)</td>
<td>784.64(316.19)</td>
<td>4.16(0.35)</td>
<td>11.5(12.60)</td>
</tr>
<tr>
<td>Personal-blogger reviews (TTB Reviews)</td>
<td>623</td>
<td>6.23(5.40)</td>
<td>2.67(0.657)</td>
<td>1049.10(587.66)</td>
<td>3.93(1.14)</td>
<td>21.96(22.54)</td>
</tr>
</tbody>
</table>

As visible from the table, the personal-blogger reviews were the least in amount, but the highest in the average words/review ratio. As a result, it is presumable that the independent reviewers spent the most of the time and efforts to write them. In correlation with the research, previously mentioned in this thesis, volume (quantity) of the reviews is positively affecting sales, when the valence (i.e. rating) does not affect sales at all. Therefore, it is possible to do an assumption about mutual support by these two studies concerning the effect of the reviews on sales. Additionally, in testing hypothesis of a correlation between the length of the review and the influence on consumer behavior, personal-blogger reviews were considered as the most impactful towards the sales growth. Concluding the research paper, the authors argued for an extensive employment of the personal blogs for placement of the reviews to deliver the higher sales. (Ho Ha et. al 2015)

*Celebrating 70 years of Wrangler – Collabary case study*

This year, a Berlin-based company Zalando launched a subsidiary firm, called Collabary. It is an online platform, offering a complete solution for the businesses to run their influencer marketing campaigns. It offers the detailed and trackable data on the efficiency of each activity. This summer, the world famous clothing
brand Wrangler ran the influencer marketing campaign, dedicated to 70th anniversary via Collabary. To do so, the firm has selected 7 influencers and gave them complete freedom and creativity to transfer the summer positive feelings to their audiences. As a result, the digital firm reported in 600,000 impressions with 50,000 reactions in period of 3 weeks from 7 posts. At the same time, it resulted in 140% return on investment from Wrangler’s side. (Collabary, 2017) It was possible to gather some statistics on the engagement from one of the fashion bloggers from that campaign. The studied influencer had slightly over 37,000 followers and his media data is presented in a table below.

TABLE 11. Wrangler’s campaign influencer engagement rate

<table>
<thead>
<tr>
<th>Post</th>
<th>Likes</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsored post 1</td>
<td>887</td>
<td>56</td>
</tr>
<tr>
<td>Sponsored post 2</td>
<td>1102</td>
<td>50</td>
</tr>
<tr>
<td>Sponsored post 3</td>
<td>1035</td>
<td>76</td>
</tr>
<tr>
<td>Average post</td>
<td>1120</td>
<td>60</td>
</tr>
</tbody>
</table>

As presented, the appropriate blend into the major content of the social media account helps to obtain the coverage, comparable with the usual posting outcomes. Also, the quality of reactions (e.g. comments) was mainly positive. People perceived these sponsored posts as a reflection of the influencer’s style and, in many cases, were curious about receiving more information on the promoted product.

7 CONCLUSIONS

This final chapter will conclude the results of research, conducted in the framework of this thesis in combination with the applied theory and bring clearance to the research questions, set in the beginning.

*Consumer’s perception towards sponsored posts online*

The first research question was based on the examination of the audience’s perceptions towards sponsored posts of the influencers. According to the primary
data, gathered during the study, it is possible to assume that the sponsored posts deliver mainly neutral and positive reactions when the audience is getting an exposure. Moreover, in almost a half of the cases, people are likely to discover more information on the promoted offering, so it is possible to state that the influencer marketing is effective in stimulating consumers’ interest and serves as a stimulator of the cognitive processes, which serve as launch of the possible decision-making process. Even though hypothetical intentions are positive towards not only an additional information gathering but also a purchase, people in the majority of cases dismiss persuasive arguments, leading to relatively low-effectivity of such promotion in perspective of a lead generation, since more than three quarters of the respondents failed to conduct an actual purchase. This result can be justified by the ambivalent nature of the attitudes, when intentions do not match required actions.

Supporting this argument, implicit and explicit attitudes do not match. Even though the primarily explicit ones were measured during the survey and interview processes, it is possible to assume that the implicit attitudes contain contrast character and are less positive. Such statement could be made, since implicit attitudes due to its’ subconscious nature are difficult to measure but they are actually in charge of actions, undertaken by consumers (Son Hing et. al, 2008). If the explicit attitudes are positive but the action towards the purchase doesn’t happen in leading amount of cases, then the implicit attitudes are not as positive as the explicit ones. Of course, some limitations could be considered, such as other variables, which are affecting consumer behavior, such as external environment, other keys such as product characteristics, as well as members of DMU, like gatekeepers, which are preventing the purchase. (Jobber & Lancaster, 2009)

According to the interviews, purchase cases which took place, were characterized by low-involvement items, such as the FMCG and Semi-durable goods (Assael, 2004), where the low-involvement processing is used from the Elaboration Likelihood model perspective. According to the model, in order to reach the attitude change, it is required to change the beliefs and behavior first.
Again, applying the results of the survey, it is possible to see that mainly attitudes towards the brands and products, promoted by influencers, remain neutral, and only in the third of all the cases switches to a positive one. Therefore, it is possible to assume, that the influencer marketing is failing to deliver the positive attitude change in general majority of cases, which is also related to the ineffectiveness of such towards the lead generation. Nevertheless, according to the survey results, some passive effect of persuasion is visible. As questioned in a hypothetical situation, people are more likely to consider the brand or product promoted by an influencer. Unfortunately, it is only valid when the decision-making process is already ongoing. Here it is possible to state a hardly measurable long-term effect of the influencer marketing persuasion. Again, considering the implicit attitudes, such effect may not take place in all the cases, which is a limitation of such pattern. Even though, the results in that question remain mainly positive, some more study in the larger scale is required, since a long-term effect cannot be examined due to the obvious reasons of thesis timing and scheduling.

According to the secondary data collected during the research, there is some positive effect of the influencer marketing towards the sales growth, resided in the volume and valence of reviews and recommendations from the private sources, such as blogs. It is said that some positive effect takes place, which could be supported by the survey results. In questions of credibility of the influencers’ sponsored posts, the respondents stay neutral-to-positive in believing and perceiving promoted offering as a natural recommendation and could be considered in the further decision-making. The interviews aligned with this statement as well, since according to some data from them, respondents are following influencers, due to the recommendation-related nature of the posts. Getting back to the survey results, it is visible that people are still interested in the influencer’s selections and are more likely to consume this information, rather than dismiss it.
Effect of the Influencer Marketing on the Decision-Making

Even though the topic of effect on the decision-making and information processing was slightly touched in a previous section of conclusions, it is still relevant to bring more clearance on this issue. Starting from the very beginning of the consumers’ decision-making model, the first step of the problem recognition is relatively successfully triggered by the influencer marketing promotions. According to the survey, people in 26% of all the cases are likely to continue discovering the information and transfer to the next stage of information search along the decision-making model. Supporting this point, the survey resulted in 40,1% of the hypothetical intentions towards cognition of a purchase and in 27,5% of an interest arousal. In question of the information gathering step, more than a quarter of the cases are successful at passing to this stage. According to the Nike’s media data from South Africa, CTR rates are two times higher than the average, which is straightly related to willing of the audience to discover more information available. Moreover, according to the research of Korean scientists, the information gathering intentions are very likely to succeed, when there is a large and broad character of the recommendation or review exists. Even though there are many independent variables which are directly related with the post outcome, it still maintains possibility of successful passing of the information gathering stage, when the actual information on the matter is available in a large amount. It is considerable, that successful passing of the information gathering stage is more likely, when the information’s quality itself is high. The higher the volume and valence, the more chances there are to stimulate the formation of consideration set. Additionally, according to Labrecque et. al (2013), the network-based power of an influencer is more likely to result in a positive fulfilment of desired action, when an influencer successfully manages to serve as a medium between the businesses and audiences. For instance, according to the survey, there are some pursues, which the audience maintains to follow the online celebrities, or reasons why people actually follow others on the social networks. Some of the most popular reasons was the content, which gained almost a half (48,8%) of votes made by respondents. Therefore, it is possible to assume that
when an influencer manages to combine the contentful nature of post with promotional feature, then the influencer is beneficial for both company, via delivering the message and fulfilling the persuasive and awareness function of advertising, and the viewer, which is exposed to the content, which he or she pursued by following a certain influencer.

In the next step of the consumer decision-making, when consideration set is shaped, it is possible to observe an effect of the influencer marketing. According to the survey results, people are likely to perceive the influencer's recommendations as credible and believable in almost a quarter of the cases (23.8%), comparing to the general situation concerning the recommendations of people online with 32.1%. Here, it is important to mention, that the influencer's posts are perceived as commercial by default, due to their nature and difference of a little over 10% is relatively good, since the posts made by usual people online are unlikely to be commercial at all. It is presumable, that such a good ratio between these two categories of recommendations exist due to the leverage of personal image of the influencer to the promoted offerings. As a result, it generates some heuristic cues, from the information processing view. Again, in a hypothetical case of consideration, people are likely to consider a promoted by an influencer offer more in 35.8% of all the responses. Unfortunately, less than a quarter of cases (23.8%) leads to actual purchase. Concluding these results, it is visible that the effect of the influencer marketing promotions is degreasing along the stages of the consumers’ decision-making process, but still brings some sufficient effect, especially in the initial stages of the cognitive processes.

*Effect of Influencer Marketing on Information Processing*

Abstracting from the decision making, there are some relevant impacts of the influencer marketing towards the information processing in particular. In accordance with information acquisition theory used in the theoretical framework of the thesis, in the first step of preattentive analysis, when pre-cognitive and passive processes take place, person is mainly accessing all the incoming information without selectivity. Here, to get an attention and trigger an important
moderator of hedonic fluency, a promotion must contain bright and contrast visual attributes. As a result, the influencer marketing works great at this point, due to its nature and location primarily in the social media, where the possibility to visualize the message is more than sufficient. For instance, according to the survey 78.9% of respondents are following the influencers on Instagram, where the environment is perfect. People are oriented at evaluation of the visual attributes of the feed they look through by the very essence of the social network itself to share the visual content of photos and videos. Therefore, the visual elements of promotion are well-accessible what helps the attention to pass to further steps in assessing the core and meaningful content of the promotion. (Fennis & Stroebe, 2010) Later, to catch the focal attention, the promotion must be salient, vivid and novel and diversify itself from the general environment. Again, due to the social media nature, this function is carried out by the influencer marketing with a certain degree of success, according to the survey and interview. According to their results, people are noticing those commercial posts frequently. Consequently, the focal attention is caught. Finally, the comprehension and elaborative reasoning are processed already regarding the meaning of the sponsored post, when the textual and visual content is in charge for delivering the core message and persuasive arguments. (Fennis & Stroebe, 2010)

Taking slightly different angle on the information processing, McGuire’s model serves the best. At first, when promotion catches attention by all the mentioned means, comprehension stage is influenced by the persuasion of the promotion. Then, in the acceptance step, the viewer is exposed to the evidence of influencer, being pictured with the promoted good or using the promoted good or service in the video. As a result, the convincing function is working. In order to make it more successful, it is possible to add some incentives of the financial beneficiation (e.g. discount code or buy 1 get 1 for free). When the social media marketing strategy is planned well, a promotion of the same offer is spread among the different sources, leading to the multiple exposure and stimulates retention function of the information processing theory, according to McGuire. At the end, a certain behavior is about to happen, whether the promotion is dismissed or proceeded to next level of the consideration and decision-making.
Concluding the answer to this research question, there is a positive effect of the influencer marketing, towards the decision making and information processing as a part of the latter and independently as a cognitive process. Regarding the decision making, some result of a declining character could be seen. For instance, there is a relative and differential effect on the initial stages of the consumers’ decision-making, when the need recognition and information gathering are triggered with the promotion. Unfortunately, due to large amount of the independent variables, which separately affect the whole decision making algorithm, effect of the sponsored posts is vanishing, failing to deliver the lead generation with the same success in the same percentage of the cases. Nevertheless, this fluctuation of the fluency could be considered as vital and might take place with any kind of promotion. In question of information processing, the influencer marketing has an effect to turn subconscious observation of the environment into some cognitive process due to nature of influencer marketing itself, by delivering a contrast and contentful visual materials, which trigger the cognitive processes and drive an individual towards the conscious considerations. (Fennis & Stroebe, 2010)

**Effectiveness of such endorsement from the marketing perspective**

The influencer marketing is a sub-type of operations of the digital marketing in the social media. Therefore, delivering the performance and outcomes of such activity is a key aim in employment of the sponsored posts among the bloggers. According to the research results, the influencer marketing can be considered as relatively effective. Analyzing the secondary data, collected during the thesis research, there were some findings concerning the case of Nike’s digital marketing campaign in South Africa. For example, such promotions are delivering a high Click Through Rate, which is way higher than the average numbers. Regarding that campaign, posts received over 26,000 clicks with an impression of almost a million times combined from Facebook, Instagram and Twitter.

In terms of the lead generation and conversion, the thesis survey reported in 23,8% of cases resulted in a purchase of promoted goods. Also, this result can be considered as frequent, since more than 32% of these cases are repetitive in
nature in minimum of twice a year. 22% combined do purchase of the promoted offers every two to three months and more. Some interview results are reporting the same outcome. According to the results of the interviews, the influencer marketing in terms of sales generation and conversion is more effective, when it comes to the low-involvement goods, rather than expensive ones. Therefore, from the Think-Feel-Do model perspective, consumer classes of reactors and doers, located in products with low-involvement, are more likely to be affected by the influencer marketing.

According to the media data and the interview with the influencer, it is possible to assume that due to successful selection of the strategy towards running an Instagram account, for instance within certain topic or orientation, it is possible to decrease the fluctuations of interest and the audience’s engagement towards sponsored posts online. Even though both variables of likes and comments are dropping, quality of the comments is growing. It is visible, how the audience exposing some interest towards the promotion, resulting in the positive reaction and requests for more information (e.g. questions about the promotion or product). Also, as it is visible from the Wrangler’s case study, the influencer marketing with right setting can deliver a high ROI with solid exposure and engagement, comparable with the non-sponsored posts.

8 LIMITATIONS AND BOUNDARIES

As any research, this particular study has several limitations. First of all, the timing was relevant, since the influencer marketing is more about fulfilling the awareness function of marketing, rather than persuasive, which is leading to conversion and further sales. Therefore, more time is required to study the long-term effect of awareness, created by the means of the influencer marketing to assess effectiveness, and the passive effects of the latter.

Second, the sample of population was extremely small, and the survey was taken only by 168 with 3 interviews conducted. Consequently, this research cannot be successfully transferred and applied to the whole population. Larger poll results
could have given the broader description of the situation and the larger availability of interviewees from consumers would deliver much more qualitative data, which could make it possible to get more in-depth data and figure out the reasons of the certain behavior and add more light on the core grounds of why people behave this way, being influenced by the sponsored posts online. Moreover, some more studies, oriented at the cognition of information should be done to better understand the effect of the influencer marketing on the information processing and the decision making. Ideally, alfa and beta testing with the promotion exposure should be carried out in cooperation with focus groups, which is hardly possible within the thesis framework. Another situational boundary was introduction of the new law regulating social media promotions in Germany. According to its content, online celebrities featuring promoted offerings online must mention that in their posts. Since the media data analysis part was conducted in Berlin, it has affected the results of research, since law came into the force during the research process. The influencer’s media data could have been gathered in a larger scale, including broader analysis of Instagram Insights. Unfortunately, due to limitations of the influencer’s account, it was impossible to gather a bigger amount of data.

Another significant boundary of the thesis research was the lack of financial means to gather larger amounts of data. For instance, the majority of case studies and researches, which could have possibly delivered more concrete secondary data, were available only by the paid subscription with the prices between 35 and 50 EUR per article.

The focus groups were poorly defined in the demographic and geographic characteristics. As a result, it is impossible to define certain patterns of consumer behavior and some decision-making deviations, depending on gender, age and geographical allocation. Since the convenience sampling was used, the inability to structure sample took place. The probability sampling methods are considered as more objective and less biased, therefore more reliable. Again, a larger availability of resources was required to come up with larger data quantities, regarding the consistency of the population where the research was carried out.
Generally, the main aim of this thesis was to figure out the correlations between promotion, research results and theoretical framework, rather than focus on particular outcomes and interconnections between promotional exposure and resulted actions of respondents to observe direct effects. Finally, the research did not manage to deliver the expected explanation of existence of heuristic cues, provided by the influencer’s personality and image, and how they are possibly affecting the simplification of cognition and decision-making processes.

8.1 Reliability of the research

During this research, the survey was taken 168 times and 3 consumer interviews were carried out personally in discussion. All the respondents were asked the same set of questions, initially approved by the supervisor of this thesis. The consumer survey questions could be found in the appendix section of this thesis (Appendix 1). The interview questions were agreed with the supervisor as well and had the same setting for all the interviewees. Nevertheless, some different additional questions were asked in order to help the respondents to elaborate their answers on certain topics in order to obtain a larger qualitative data with better in-depth characteristics. The questions from these interviews are also available in appendix section (Appendix 2). All the interviews were recorded and transcribed in English, in the same manner, to eliminate misinterpretation. The priority of this research was dedicated to obtaining accurate, rich and objective data. In addition, a large amount of secondary data sources was used to provide a broader description to the topic and enrich the results of the research.

Concerning the secondary data, several papers and cases of the similar nature were found and processed to make the results as transferrable as possible. The detailed description of the data gathering methods before, during and after collection was provided and can be found in the chapters respectively. Finally, the researcher tried to deliver the primary in the secondary data in understandable and easily readable for for those who have little or no knowledge on the matter. The theoretical framework was delivered in the same way, assuming a zero-level of initial knowledge on the marketing subject and explained in the detail.
8.2 Concluding remarks

During the process of the study, I faced several challenges I did not expect to meet in the beginning. First of all, Influencer Marketing is a relatively new field of promotional work, as part of the digital marketing. Therefore, little amount of suitable secondary data was available for analysis, not even mentioning the theoretical background. Since I was having my professional practical training during the process of writing this thesis, I gained a lot of insider experience and studied the whole process of working with influencers for marketing purposes inside out. Therefore, it is hardly possible to overestimate the input of commissioning party of the thesis. The attentive and assistive supervision of my CEO brought a huge impact on the success of the study and research. Thankfully, I was able to access corporate databases to meet and interview actual influencers. I was also helped to carry out a survey and obtain more results than I could have gotten on my own. During writing this thesis, I obtain a large intelligence in social media marketing in general, would be doubtlessly useful for my future professional life. Moreover, I discovered many new interesting topics of cognition and information processing which I would love to get through later. I believe these outcomes were useful for the commissioning party and would be helpful in increasing intelligence and expertise in the influencer marketing, and the way people perceive and process information obtained from exposure to sponsored posts. Hopefully, the results of this study would serve as a ground and stimuli to carry more extensive research on the commission party’s side. Finally, due to the personal character of consumers interests and reasons to follow others in social networks, it was extremely challenging but interesting to obtain qualitative data and understand the profound grounds of certain consumer behavior.
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APPENDICES

Appendix 1. Consumers’ survey

1. Do you follow any influencers (i.e. bloggers) on social media?
   - Yes
   - No

2. How often do you see posts (images, blog posts, stories) containing promotion of products/services? (1 – never / 5 – very often)

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3. What is your attitude concerning those promos? (1 – Very Negative/ 5 – Very positive)

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4. How interested/curious are you usually, to discover more information for those promoted offerings? (1 – Not at all interested/ 5 – very interested)

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5. Have you ever ordered any item from those posts?
   - Yes
   - No

6. If yes, how often?
   - <1 month
   - Once in 2-3 months
   - Twice a year
   - Once a year
   - Other.

7. When you are about to purchase something, how likely it is for you to follow somebody’s recommendation? (1 – Very unlikely / 5 – Very Likely)

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8. How likely are you to believe recommendations of other people online? (1 – Very unlikely / 5 – Very Likely)

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9. Which of statements suits you the best? (You can select multiple options).

- It is interesting to know preferences of my favorite blogger/celebrity
- I would like to know my influencer’s selection, but wouldn’t order it myself
- If it's cool, I’d order the same thing for myself
- These posts are absolutely commercial - I don’t like them in my feed
- I ignore these posts
- Other

10. Imagine, you consider a purchase and the item from the same category is presented by influencer. Would it make you consider it more? (1 – Very unlikely / 5 – Very Likely)

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11. Does your attitude to the brand changes if you see it being featured by influencer from your followings?

- Yes, Negatively
- Stays neutral
- Yes, Positively
Appendix 2. Questions for consumers’ interview

Why do you follow influencers on social media?

What is your opinion and attitude on sponsored online posts made by influencers in social networks?

Have you made any purchases from those posts? Why?

What is your attitude towards recommendations of other people towards some products when you are about to make a purchase?

How do you think your attitude towards the brand changes if it is featured by influencer?
Appendix 3. Influencer Interview

Tell about your Instagram account.

According to your experience, what is deliver the best reaction of followers? (selfies, landscapes, videos etc.)

And how people react on your looks and outfits when you post them?

Since you are doing some promotions from different brands, how successful are they from marketing or selling perspective? How different the reaction is?

But how about media data? How different are they in reach, impressions, likes or comments?

Again, according to your experience, are these posts more about generating awareness or actual sale?

How about a new regulation in Germany, towards sponsored posts? (According to new German law, sponsored posts have to be marked as “paid advertising” in social networks – addition from interviewer). What are the possible changes and perspectives of influencer marketing then? Is this law going to kill it completely?