Exploring the effectiveness of influencer marketing in expanding brands to new markets

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ABSTRACT

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Influencer marketing is a modern marketing instrument widely used by companies aiming to promote their brands and products through influential social media creators. Influencer marketing is characterised by high adaptability according to business objectives, target audience specifics, and market geographies. Given the willingness of marketing professionals to invest a budget into influencer marketing, it is important to define the factors which make influencer marketing campaigns effective.

This thesis focused on researching influencer marketing effectiveness for the brand expanding into new markets. The objective was to create a practical framework enabling marketing professionals to execute effective influencer marketing campaigns. Considering the practical outcome of the thesis, the characteristics of influencers and their content impacting consumers' purchase decisions were researched. The theoretical part of the thesis included the existing literature review on the communication process, social media influencers' effectiveness and their interactions with their followers. The theoretical framework of influencer marketing effectiveness was synthesised based on the literature review. The qualitative research aimed to update the theoretical framework with practical insights from the interviews with the industry experts and through the case study analysis.

Results from the interviews and the case study suggest that influencer marketing is an effective marketing communication instrument to support the brand's launch in a new market. The data revealed that influencer marketing could solve multiple marketing objectives: brand awareness, lead generation and conversion into action. The practical framework emerging from the study includes key pillars which impact the effectiveness of influencer marketing. Influencers' characteristics, content features and the relationship built with the audience impact the campaigns' effectiveness.

In conclusion, the companies are recommended to employ influencer marketing to expand their brand in new markets effectively. Since influencer marketing is not an instrument with predictable outcomes, marketing professionals are encouraged to conduct thorough research of the target audience and new market to ensure sufficient input for the campaign execution.

Key words: influencer marketing, brand launch, marketing effectiveness, new markets
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1 INTRODUCTION

1.1 Background, context, and rationale for the Study

The master’s thesis is titled "Exploring the effectiveness of influencer marketing in expanding brands to new markets".

Influencer marketing is a partnership between influential social-media creators and brands with the objective to promote brands' products or services to the audience following the creator.

According to Influencer Marketing Hub research, the influencer marketing industry is projected to grow to approximately $21.1 billion in 2023 (Figure 1). Another important research finding is that 82% of marketers plan to spend a dedicated budget on influencer marketing, and 67% of the respondents intend to increase the budget. (Geyser, 2022)

Considering such focus on marketing investments into influencer marketing and the pace of industry growth, defining its role and effectiveness is essential. Like other forms of marketing, influencer marketing provides opportunities of adaptation to a brand's specific audience, including geography, language, demographics, and many other factors. Therefore, its ubiquity and adaptability to business objectives make influencer marketing a viable option for digital brand promotion in new markets.

The thesis is relevant to businesses seeking to expand their brands internationally using digital marketing strategies. It is particularly relevant for businesses operating in industries with high levels of competition, where expanding to new markets is essential for growth. Additionally, the thesis may be of interest to marketing professionals and researchers seeking to gain a deeper understanding of the effectiveness of influencer marketing in brand expansion.

There are several practical benefits of the project. Firstly, the thesis aims to provide businesses with a comprehensive understanding of the potential of influencer marketing in expanding their brands to new markets. Secondly, the
thesis can offer insights into the best practices and strategies for implementing influencer marketing strategies while entering new markets. Thirdly, the thesis aspires to help businesses make informed decisions regarding their digital marketing strategies for brand expansion. Lastly, this research aims to contribute to the body of knowledge on influencer marketing, which can inform future research and industry practices.

The thesis is intended to be practically applicable and answer contemporary business needs. The planned concrete outcomes of the thesis include a comprehensive analysis of the current state of influencer marketing, an overview of best practices for implementing influencer marketing in new markets, and a set of recommendations for businesses seeking to expand their brands using influencer marketing.

FIGURE 1. Influencer Marketing Market Size (Geyser, 2022)
1.2 Research Objective

The communication plan will be developed when the company launches the existing brand into a new market. That means other strategic decisions have already been taken regarding the market to enter, product portfolio, brand name and pricing strategy. The main objective of communication is to make the new market’s audience aware of the product and persuade them to buy it.

The thesis aims to investigate the potential of influencer marketing as a contemporary marketing instrument for expanding brands into new markets to help organizations thrive in new markets.

The research aims to develop insights and recommendations to enable the decision-making process for companies considering influencer marketing as a brand expansion strategy.

There are four objectives of the research. The first objective is to understand and describe the role of influencer marketing in brand expansion. Secondly, the thesis aims to identify the best practices and strategies for implementing influencer marketing in new markets. The third objective is to analyze the effectiveness of influencer marketing in expanding brands to new markets. Finally, the research intends to provide recommendations for businesses on effectively leveraging influencer marketing to expand their brands to new markets.

1.3 Research Questions

The thesis's strategic question is to understand to what extent influencer marketing can be an effective communicational strategy for expanding brands into new markets.

Considering the practical outcomes of the project, there are two secondary research questions which should be answered within the project. The first question addresses which characteristics of influencers and their content play a significant role in consumers' purchase decisions in new markets. The second
question studies whether local influencers in the target market are more effective in aiding brand expansion than international influencers.

1.4 Scope and Limitations

The effectiveness of influencer marketing is a vast topic. It can be linked with various factors like product category heuristics, commercial objectives, category and number of influencers, marketing budget, geography where the campaign is executed, social media platforms and multiple others. The business objective of brand expansion defines the scope of this thesis to a new market. However, other factors are not limited in the thesis. The idea of this project is to develop practical guidance which is category and platform-neutral. This approach makes insights and findings of the research applicable to a wide range of businesses and industries in multiple market contexts. It allows adaptability of the findings for various brands, regardless of the geography of launch and social media platforms selected for influencer marketing.

A global influencer marketing agency supports this thesis research. The research has limitations imposed by Non-Disclosure Agreements (NDA) and client confidentiality. Therefore, the extent of findings and insights details are constrained. For example, specific metrics and performance indicators of the campaigns cannot be disclosed, including marketing budgets. This restriction leads to another limitation concerning research methodology, specifically lack of triangulation in case study, which generally enables getting more credible results through cross-verifying.

1.5 Research Methods

For this thesis, the qualitative research method is used. The research questions will be answered through in-depth semi-structured interviews with influencer marketing experts of the influencer marketing agency supporting the thesis. The experts have extensive practical experience in influencer marketing and have been working with various customers from different business verticals internationally. The interview data will be analyzed qualitatively to reveal expert insights regarding the factors defining the effectiveness of influencer marketing.
in expanding brands into new markets. The semi-structured interviews are guided by the theoretical findings from the extensive literature review.

The interviews will be complemented with a business case study analysis. A case study implies a detailed examination of a certain influencer marketing campaign within the context of a new brand launch in a new geography. The case study allows us to compare the findings of the literature review and experts’ insights derived from interviews with practical business findings. Also, the case study demonstrates the logic behind marketing decisions based on the understanding of the target market, category heuristics and business objectives.

An online survey was used in this thesis to give a voice to the representatives of the business. However, this survey cannot be counted as quantitative and generally representative. It serves rather as a source of insights and ideas for future studies.

The research is enriched with examples of influencers’ parameters assessment. For this purpose the influencer marketing platform HypeAuditor is used (“100% AI-Powered Influencer Marketing Platform | HypeAuditor,” n.d.). HypeAuditor is an influencer marketing analytics and discovery tool empowered by AI technology which allows to analyze multiple metrics of social media accounts.
2 LITERATURE REVIEW

The literature review covers a brief overview of key research findings and theories on two main topics: brand communication strategy and the effectiveness of social media influencers.

The first topic is focused on understanding the basic theory around brand equity and how it influences consumer purchase intention, as well as the theory of communication process. This theoretic knowledge helps identify the problem the brand's communication plan to expand to the new market should solve and connect it further to the second topic of the review, influencer marketing.

The second topic, central to the thesis, is explored in more detail. Though influencer marketing is relatively new in marketing theory, existing research analyzes the effectiveness of sponsored branded content done by social media influencers. The starting point which defined the approach to literature review was the article “Influencer marketing research: review and future research agenda” (Aw & Agnihotri, 2023) which presents the overview of the research on the current state of different dimensions of influencer marketing. The number of aspects covered in the article was reduced to influencer marketing effectiveness for the thesis. The approach to the literature review also includes an analysis of the research done in the late 2000s.

The literature review of social media influencers' effectiveness is split into several sub-paragraphs reflecting three dimensions. The first sub-paragraph explores the dimension of the influencers’ characteristics. This approach is founded on the understating that the influencer serves as a source of the branded information transferred to the receiver of the message (audience). The second sub-paragraph is devoted to the influencers’ content attributes. It explores the message transferred by the influencer to the receiver and what attributes of the message are critical for brand sponsorship effectiveness. The third sub-paragraph delves into interaction and relationship factors. It examines the phenomena of the para-social relationship and their impact on the effectiveness of influencer marketing.
2.1 Brand’s communication strategy

2.1.1 Brand equity

The three stages of a general customer buying process include awareness, engagement, and action. The purpose of the marketing communication strategy for the brand expanding to the new market is typically to make the audience aware of the brand, engage them with it, and influence them to make an action, like the first purchase and repurchase.

In the thesis, effective brand expansion into new markets is limited to such performance indicators as brand awareness growth, purchase intention and conversion into trial. Influencer marketing, in the thesis, is assessed as a channel or marketing tool which drives potential customers through the purchase funnel.

When the company expands its brand on the new market, the concept of brand equity is used. The concept of brand equity is well-researched and described in marketing scientific literature and practical guides for marketers. Brand equity is “the differential effect of brand knowledge on consumer response to the marketing of the brand (Keller, 1993).” Dimensions of brand knowledge are presented in Figure 2.

High brand awareness and a positive consumer perception of the brand image positively impact the brand choice. A marketing communication plan is created by the company to grow brand awareness and form positive and differentiating (versus competitors) brand associations to facilitate the purchase of the branded product. (Keller, 1993)
2.1.2 The communication process

In the communication process, the company which expands the brand to the new market transfers the message about the brand to the target audience of the brand. To make communication effective, the company should set explicit objectives for the communication message, identify the target audience that the company wants to reach with the message, and clearly understand the potential interpretation and consequent reaction of the audience to the message. (Hollensson, 2020).

The company may choose influencer marketing as the communication channel to reach its objectives. The model of effective communication described by Hollenssen in the book “Global Marketing” (2020) is adapted to illustrate the process of effective communication through influencer marketing (Chart 2). The model implies that the sender should make a decision regarding the brand message and translate this brand message into the language which will be comprehended by the receiver (audience). However, several factors may impact the perception of the brand message and the feedback that may come from the audience. The feedback will be influenced by the noise created by the competition and overall distractors in media and social environments. Also, the message
should be adapted considering the peculiarities of the new market where the brand is being expanded, such as language, cultural differences, economic environment, and regulatory requirements. (Hollensen, 2020).

In influencer marketing, influencers transfer the brand message to the audience. In this case, the brand message can be adapted by the influencers based on their knowledge of their audience’s predilections and values (Figure 3).

FIGURE 3. The model of effective communication for the brand entering a new market through the influencer marketing channel. Adapted from Hollensen, 2020.
2.2 Social media Influencers and their Effectiveness

Social media is a variety of web-based applications, sites, forums, and networks that enable content creation and facilitate online communication and networking (Hollensen, 2020; Aichner, Grünfelder, Maurer, & Jegeni, 2021).

“Globally, 77% of consumers would take action following an earned endorsement or recommendation from family, friends, or online user reviews—an increase compared to traditional television and magazine advertisements in the 2000s.” (“Nielsen,” n.d.)

According to GWI, “As seen in the social” 2023 research report, 22-29% of users use social media to find inspiration on places to visit and things to buy, and around 25% of users are looking for products to purchase. Research demonstrates that the time spent on social media has hit the ceiling. The increased social media usage caused by the COVID-19 pandemic has balanced out. The primary learning for companies is that this shift is less about the actual time spent by an audience on social media and more about their choices regarding how and where they spend their time online. In other words, the competition for online time and the audience's attention is intense. (GWI, n.d.)

Thus, companies and social media influencers compete for audience online time. Social media influencers create content for their followers, focusing on making it valuable, engaging, and unique to attract new followers and sustain loyal followership.

Marketers widely use influencer marketing to communicate the brand's key attributes, announce new launches, or make promotional activations for the product. Influencers act as endorsers for their audience by posting content demonstrating sponsored branded products.

Influencer marketing is deeply rooted in the concept of influence and opinion change in social systems first described by Kelman (Kelman, 1961). The identification process implies that the audience identifies themselves with the influencer and desires to become like the influencer, which may lead to behaviour
imitation and intention to have the influencer’s identical product. Internalisation is when the audience internalises the message presented to them into their own belief system or value structure. Typically, this process leads to long-term changes in behaviour or attitudes. (Kelman, 1961)

Although influencer marketing is a relatively new field of marketing theory, existing research demonstrates its positive impact on brand value and purchase intention. When influencers interact with the audience, they create engagement with the audience and between their followers and the sponsored brand. The influence of social media influencers contributes to the perceived value of the sponsored brand. Brand engagement, in turn, also facilitates brand value. Both brand engagement and brand value lead to increased purchase intention. (Jimenez-Castillo & Sanchez-Fernandez, 2019)

Kapitan and Silvera re-established influencer’s effectiveness as a process, in which with the right combination of the branded content message and influencers characteristics leads to the influence on the audience through identification and internalization (Kapitan & Silvera, 2016). In the context of a sponsored influencer’s content identification process, it has a short-term impact on consumer behaviour, buying an advertised brand once, for example. At the same time, the internalisation process implies long-term effects and might lead to re-purchase and brand loyalty.

Existing research on influencer marketing effectiveness explores influencers' vital characteristics, content attributes, interaction, and psychological factors. The research connects mentioned aspects with commercial outcomes such as purchase intention and brand attitude. (Aw & Agnihotri, 2023)

Principal outcomes of the antecedent research regarding influencers' characteristics, content attributes and relationship factors facilitating influencer marketing effectiveness for the sponsored brands are presented in the paragraphs below.
2.2.1 Influencer’s characteristics

Influencer’s credibility is the characteristic which is relatively well-researched. Credibility in the context of endorsement can be presented as a construct of three dimensions: expertise, trustworthiness, and physical attractiveness. Trustworthiness in communication relates to the level of confidence and acceptance of the message or the person who conveys the message. Expertise is the perceived level of experience or knowledge in a particular topic the endorser holds. The audience perceives attractiveness as the physical appeal of the endorser. All these dimensions contribute to the level of the influencer’s credibility for their audience. Evidence from the literature review on source credibility demonstrates that sources with higher credibility tend to be more convincing in forming consumer purchase intention than those lacking in credibility. (Ohanian, 1990)

Lou, C. and Yuan, S. (2019) research showed that influencers’ trustworthiness, similarity, and attractiveness positively impacted consumers’ trust in the featuring brands’ content. The primary conclusion from the research indicates that certain aspects of an influencer’s credibility can strengthen followers’ trust towards influencer-created branded content. These aspects, consequently, can positively impact brand awareness and the likelihood of purchase intentions. Another research finding demonstrated that “influencers’ trustworthiness, attractiveness, and perceived similarity (to their followers) positively influenced their followers’ trust in their branded posts.” The authors presented empirical evidence indicating that when people trust sponsored content from influencers, it leads to increased brand awareness and a greater inclination to act on the information conveyed in the influencers’ content. (Lou & Yuan, 2019)

When launching a brand on a new market, the choice of influencers endorsing the product becomes critical. As a higher degree of similarity leads to more effectiveness, choosing the influencer based on the audience portrait and how it fits this audience to the brand positioning and target consumer in a new market is critical.
The influencers who have cultivated and grown their audience organically, without paid promotions or incentives, through authentic content and relationship building are often seen as more attractive, likeable, authentic and expert (Kapitan & Silvera, 2016).

In practice, marketers verify the audience of the influencers before collaboration to avoid partnerships with influencers who have primarily formed their audience through intensive paid promotions. Such an audience tends to be less engaged and loyal, which can lead to less effective paid brand content.

2.2.2 Influencer's content attributes

Authenticity attribute in marketing has been extensively researched. Authenticity profoundly impacts consumer behaviour, leading to increased purchase intentions (Napoli, Dickinson, Beverland, & Farrelly, 2014). While the authenticity attribute may have multiple meanings, it is essential to define what type of the influencers’ content featuring the product and brand may be perceived by the audience as authentic and consequently impact purchase intention.

Research revealed the following key factors of the influencer’s authentic content. The first factor is the personal fulfilment of the influencer from creating the content featuring the brand. Such content usually demonstrates the creator’s excitement and satisfaction through exclamations and capital words, genuinely revealing the influencer’s positive emotions.

The second factor is the influencer’s lifestyle and sponsored product compatibility. For example, the influencer may explain why the presented sponsored product fits into his or her mode of living.

The third factor is the presentation of the product. The authentic content reveals objective, detailed information about product benefits and features, user experience and primary outcomes of the product usage. Such a way of introducing a product by an influencer is perceived as honest by the audience.
The fourth factor is the disclosure of the fact that the product demonstration is sponsored.

A series of interviews demonstrated that influencers creating sponsored content “rely on a strategy of either passionate and/or transparent authenticity” (Audrezet, de Kerviler, & Guidry Moulard, 2020)

Influencers receive payments and complimentary products from companies which use their services to promote products and brands. Laws in different countries regulate the transparency of such commercial relationships. For instance, The United States Federal Trade Commission (FTC), the Advertising Standards Authority (ASA) and the Competition and Markets Authority (CMA) in the United Kingdom regulate the transparency of the influencer’s sponsored content. The research above demonstrates that sponsorship disclosure does not harm the effectiveness of sponsored content but, on the contrary, adds to the perception of the influencer's materials as transparent, authentic, and integral.

According to Google, the audience comprehends that content production by influencers requires financial investments and therefore, 58% of YouTube users express intention to support “the creators they relate to by watching ads alongside their content” (“Marketing Psychology,” n.d.).

Influencers usually demonstrate their values through content and disclose information about their personal lives. The study demonstrates that younger audiences must have shared values with influencers when they choose to follow them regularly. Furthermore, shared values play a more significant role in this decision than the influencers' social or physical attractiveness. This conclusion is also proper for the beauty and fashion category, where the influencer is expected to be beautiful. This nonintuitive result can be explained by influencers communicating with their audience through authentic content and sharing valuable information. (Jiminez-Castillo & Sanchez-Fernandez, 2019)

Another aspect of content efficiency was highlighted by Google in connection to YouTube creators. This aspect can be called “co-creation”: influencers communicate with their followers and ask them what content they want to watch. Based on the audience's comments and reactions, influencers craft their new
videos, thus leveraging the personal relevance of the content and engagement. ("Marketing Psychology," n.d.)

2.2.3 Interaction and relationship factors

Influencers grow their audience not only through creative content but also through relationship building and the creation of a community around his or her profile on social media. The loyal audience forms with the influencer parasocial relationship.

The concept of parasocial relationship has come to marketing from social psychology. This term was introduced by sociologists Donald Horton and Richard Wohl in the article “Mass Communication and Para-Social Interaction.” In 1956, the authors wrote: “One of the striking characteristics of the new mass media – radio, television, and the movies – is that they give the illusion of a face-to-face relationship with the performer”. (Horton & Richard Wohl, 1956)

In literature, two concepts are presented: parasocial interaction and par-asocial relationship. Parasocial interaction is “a media user’s reaction to a media performer such that the media user perceives the performer as an intimate conversational partner”. The parasocial relationship is a concept which can be described as a one-sided, intimate, long-term connection formed with a media performer based on repeated encounters. Usually, this connection has a positive character. (Dibble, Hartmann, & Rosaen, 2016)

With the development of technology and the rise of social media, parasocial relationship has evolved. Modern social media allow engaging with the influencer’s content through comments, likes or reposts, thus potentially giving the feeling to the audience of the interpersonal relationships with the influencer. According to Google, audience establishes strong relationships with YouTube creators, claiming that they feel the influencers are friends to them (“Marketing Psychology,” n.d.).

The development of live streaming platforms like Twitch has created a new form of parasocial relationship which is not one-sided but holds the potential of bilateral
communication between a streamer and the streamer’s audience. In such a relationship, “a mix of wishful identification, emotional engagement, community affiliation, and fandom” can be seen. (Kowert & Daniel, 2021)

Research demonstrates that the effect of parasocial interaction on purchase intention can be even more pronounced than the perceived credibility of the influencers. Namely followers with a stronger attachment, or even addiction, to the blogger are more inclined to purchase than those with a weaker connection. (Sokolova & Kefi, 2020)

Intimate self-disclosure impacts the formation of parasocial relationships between the audience and influencers. Intimate self-disclosure is the process of sharing personal and intimate information with other people. Modern social media platforms enable people to share their personal lives with wider audiences. Literature review executed by researchers demonstrates that intimate self-disclosure creates feelings of connection, closeness and even friendship. Research shows that when social media influencers create content which discloses their intimate personal information, aiming to strengthen the audience’s perception of a parasocial relationship with them and enhance perceived credibility, the intention to buy increases. The study demonstrates that intimate self-disclosure may have a more profound impact on purchase intention towards a sponsored product compared to influencers’ credibility. When an influencer shares personal and intimate information, he attracts the audience’s attention to the product recommendation. Therefore, intimate self-disclosure is an important relationship-related factor that enhances influencer marketing activities’ effectiveness. (Leite & Baptista, 2022)

Another relationship-related aspect which impacts sponsored content effectiveness created by the endorser is the involvement of the potential consumer in the product category.

Research demonstrates that emotional connection which consumer feels towards the product increases advertising effectiveness. The more consumer is involved in the product or advertised product category, the higher perceived credibility of the product endorser and the greater consequent effect of the endorser on the
consumer behaviour and attitude. Moreover, when the consumer has high product involvement, it increases the perceived similarity with the endorser which in turn has the increase effect on formation of the desired attitude to the endorsed product. (Munnukka, Uusitalo, & Toivonen, 2016)

2.3 Theoretical framework based on the literature review

Based on the literature review, the theoretical framework can be proposed for the brand expanding to the new market using influencer marketing. The framework is simplified for future research and potential adaptation for practical business implications. It consists of three main parts: input, process, and outcome (Figure 4).

The input consists of the brand message which the company defines. It is worth noting that the initial message for the brand entering a new market should be adapted, considering specific features of the target market, such as language, cultural differences, economic environment, and regulatory requirements (Hollensen, 2020). However, this thesis does not cover these dimensions and focuses on influencer marketing as the transmitter of the brand message to the target audience in the market. Adapting the brand message to the insights and needs of the target international market could be the topic for separate research.

The brand message is transmitted through influencer communication, which consists of two core dimensions reflected in the framework's input: the influencer's characteristics and attributes of the sponsored branded content. The brand message is adopted by the influencer with specific characteristics. The key characteristics of the influencer which impact communication effectiveness and are presented in this literature review include credibility, similarity, and organic audience. The influencer's credibility is the construct of expertise, trustworthiness, and physical attractiveness. The similarity is the likeness the audience perceives between themselves and the influencer they follow. The organic audience is the audience which has been grown by the influencer through engaging content rather than through paid promotions.
The influencer transmits the brand message through the content. According to the literature review, the influencer content determines the effectiveness of the influencer marketing communication through the following characteristics: authenticity, detailed product information and sponsorship disclosure. Authenticity is a complex concept which consists of the perceived honesty of the sponsored branded content and its alignment with the influencer's values and lifestyle. Detailed information about the product is perceived as authentic and leads to higher persuasion to buy the presented product. Sponsorship disclosure implies open communication because the company sponsors the brand message and product presentation in the content. This factor positively contributes to the content's perceived authenticity and positively affects communication effectiveness.

The process in the framework reflects the relationship between the influencer and the audience. The influencer transmits the brand message through the personality and the content. This relationship between the influencer and the audience is complex and impacts the brand message's effectiveness. The understanding of the relationship lies at the intersection of various scientific disciplines, such as marketing communications, sociology, and psychology. The framework depicts three critical elements of the process for simplification: parasocial relationships formed by the audience with the influencer, identification, and internalization. Parasocial relationship in influencer marketing reflects the connection the audience develops with the influencer. The audience can perceive the sponsored content transferred by the influencer to the audience through identification or internalization.

The outcome represents the realization of the objectives set for the communication focused on brand expansion to the new market. It includes brand awareness, purchase intention and desired action, which can be defined as first purchase, for example. It is important to note that the outcome in this framework does not include long-term consumer behaviour like re-purchase, loyalty, or recommendation. However, the internalization process may lead to more profound changes in consumer perception and form brand loyalty. There are research and practices demonstrating the ability of influencer marketing to impact long-term consumer behaviour. However, these outcomes are not taken into the
framework deliberately as they require elaboration into the field of consumer product experience, which is not the objective of the thesis. The identification process in influencer marketing can impact consumer actions and result in such outcomes as the first purchase or registration in an online application or mobile game, for example.

FIGURE 4. Theoretical framework. Influencer marketing effectiveness
3 RESEARCH METHODOLOGY

The literature review demonstrates that there is existing data supporting the effectiveness of influencer marketing in building brand equity and growing brand purchase intention. However, the objective is to investigate how influencer marketing can be effective for brand expansion in new markets. For this purpose, the qualitative research method is used as a combination of semi-structured interviews and case study analysis. A significant limitation of this thesis concerning quantitative research methods is that most companies using influencer marketing are highly competitive and unwilling to share data because it is under a non-disclosure agreement (NDA). The qualitative research cannot be used for generalization. However, it has the potential to give assumptions on connections between critical aspects in the theoretical framework.

Semi-structured interviews are used as a data collection method in this thesis. A semi-structured interview is a qualitative interview where the researcher is guided by a series of themes or questionnaires with flexibility in the wording and sequence of the questions. The interviewer has the freedom to explore answers and follow new lines of discussion started by the interviewee. (Edwards & Holland, 2013). This method was used in the research because semi-structured interviews allow us to link existing influencer marketing aspects described in the literature review with the experts’ concrete, practical experience. Furthermore, this method allows observing variability in participants’ perspectives on which factors in influencers’ personalities and sponsored content impact the campaign’s effectiveness. In addition, it is widely known that influencer marketing keeps rapid development as new technologies are evolving in social media. Therefore, interviews can reveal new insights from the variety and complexity of the experts’ marketing experience.

A primary research method was used to execute the interviews by asking questions based on the topic guide. The topic guide is a list of questions structured around critical subjects covered in the literature review (Appendix 1). Despite the detailed and sequenced list of questions, the interview process is flexible to allow the expert participating in the interview to express their opinion freely and broadly. Therefore, some questions can be skipped when they
contradict the flow of the discussion. The interviews are executed online using the Zoom platform, and oral permission given by the experts follows the records.

The number of qualitative interviews emerged as a subject of extensive discussion. The principle of saturation is recommended as a guiding principle for the number of interviews. Researchers are advised to keep executing qualitative interviewers until the interviewees reveal no new information and the data collection does not contribute to new insights. (Edwards & Holland, 2013) Following this principle, the initial number of intended interviews was nine.

A case study is a research strategy which involves a detailed investigation of a specific topic within the context of a so-called "natural setting". As a case study implies in-depth analysis, the researcher may use any ethical data collection method, for example, in-depth interviews, surveys, or study of the documents. The case study research strategy entails triangulation, which means that more than one data source should be used to cross-check findings. (Priya, 2021) From the methodological point of view, there are different understandings and approaches to case studies. As the thesis focuses on practical business outcomes, the naturalism approach fits the objective. According to naturalists, a case study's primary goal is to obtain practical knowledge in detail. "Natural generalization" implies that findings spread through social diffusion and the learning process. The findings are only generalized to the investigated case or topic. (M.Given, 2008)

The case study approach in the thesis implies in-depth business situation research. It allows an understanding of the premises and outcomes of marketing decisions in influencer marketing for launching a new product on the market. The limitation of the case study in this thesis is the impossibility of triangulation because the analysis is based on the documents created based on the influencer marketing campaign launched by the marketing agency and is limited to the NDA signed by the client. However, guided by the research question, the case study allows findings to be matched with those derived from interviews with experts, enabling the making of practically oriented conclusions.
The online questionnaires were organized to complement findings from the semi-structured interviews and the case study. It is essential to highlight that the data collected through online questionnaires is not central to the research outcome. The opportunity to execute the online survey resulted from the interview with one of the experts who offered to distribute the online questionnaire among existing clients of the influencer marketing agency. The questionnaires were distributed online through Google Doc forms among marketing experts who have extensive experience in influencer marketing. The experts are mainly from the gaming industry, known for its extensive usage of influencer marketing. As mentioned above, triangulation in this research is limited since business representatives must open their influencer marketing results. However, the questionnaire included questions which do not demand revealing confidential information but rather help to define the significance of different factors of influencer marketing campaigns on their effectiveness. The results of the questionnaires filled by marketing professionals do not represent a significant triangulation opportunity but give a voice to the brand owners in this study and enrich other qualitative data gained through the interviews and the case study.
4 DATA COLLECTION AND ANALYSIS

4.1 Data collection approach to the interviews with experts

Five key themes guide the interviews. The first theme is influencer marketing effectiveness. The primary aim of this theme is to understand how experts who execute influencer marketing campaigns on a day-to-day basis define the success of influencer marketing and what KPIs (Key Performance Indicators) are used for this purpose.

The second theme of the interview is entering a new market. This theme’s objective is to get insights from the experts on how influencer marketing can be tailored for a brand entering a new market and how the specifics of the market can impact the marketing plan.

The third theme is the characteristics of an influencer. This theme aims to research the influencer selection process executed by professionals in influencer marketing and define the list of critical characteristics. Additionally, it explores the significance of an influencer's locality and the role of cultural nuances.

The fourth theme is the content of an influencer. This theme is focused on getting experts’ insights into the main characteristics of the sponsored content which define the effectiveness of an influencer marketing campaign.

Finally, the fifth team explores the influencer and audience relationship. The key objective of this theme is to research how the relationship between the influencer and the audience impacts the campaign's effectiveness.

The complete list of questions guiding the semi-structured interviews is presented in Appendix 1.

The respondents of the interviews have been divided into groups by organizational streams, as presented in Table 1. All groups are represented by the employees of the influencer marketing agency. Their experience in influencer marketing varies from 3 years to 6 years. Before the interview, all employees got
information about the arching question of the research: “How can influencer marketing effectively aid in the expansion of brands into new markets?”. However, the participants did not get questions and themes beforehand to avoid special preparation and answers determined by theoretical frame. The employees were asked to share their expert opinions and experiences. The interview was executed as an open discussion guided by the abovementioned themes. The interview was executed online with the usage of the Zoom program. All the discussions were recorded for the purpose of further information processing. Before the recording, all participants were asked whether they agreed to record the interview for data analysis.

The experts in the influencer marketing production stream represent Group 1. Within the organization, they are responsible for developing influencer marketing strategy and tactics, including influencers selection, social media platform choice, decisions on the formats of sponsored integration into influencers’ content and content curation process. Group 2 is the talent management division, which in research is represented by the head of this stream. The main area of expertise of this employee is influencers’ management. Within an influencer marketing agency, it refers to identifying, recruiting, developing, and managing influencers to meet the business objectives of companies and enable the influencers’ growth. Group 3 consists of the account managers responsible for managing clients, comprehending their business needs as outlined in the brief for influencer marketing campaigns, and subsequently liaising with the influencer marketing production team. The head of the client excellence organizational stream represents group 4. The core expertise of this employee is ensuring better influencer marketing service and business results for the clients through excelling influencer marketing campaigns and implementing the latest trends and knowledge in the industry. The Head of Creative and Strategy represents group 5. This person is responsible for crafting an influencer marketing strategy and creative framework according to the client’s business objectives.

The initially planned number of interviews proved sufficient for data collection, and the decision was taken not to extend the interviewing process with other experts.
Themes in the subsequent sub-paragraphs below present the key insights revealed during interviews. All respondents mentioned after the interview that they found the discussion interesting and fruitful because it allowed them to reflect on influencer marketing efficiency and structure their practical knowledge.

TABLE 1. Categories of the respondents in the qualitative research.

<table>
<thead>
<tr>
<th>Group</th>
<th>Organizational stream</th>
<th>Role</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1</td>
<td>Influencer marketing production</td>
<td>Influencer Marketing &amp; Product Director</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Influencer Marketing &amp; Operation Director</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Head of Creative and Strategy</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chief Operational Officer</td>
<td>1</td>
</tr>
<tr>
<td>Group 2</td>
<td>Talent Management</td>
<td>Head of Talent Relations</td>
<td>1</td>
</tr>
<tr>
<td>Group 3</td>
<td>Account Team</td>
<td>Account Team Lead</td>
<td>2</td>
</tr>
<tr>
<td>Group 4</td>
<td>Business Excellence</td>
<td>Head of Client Excellence</td>
<td>1</td>
</tr>
<tr>
<td>Group 5</td>
<td>Creative team</td>
<td>Head of Creative and Strategy</td>
<td>1</td>
</tr>
</tbody>
</table>

4.2 Influencer marketing effectiveness

The insights regarding influencer marketing effectiveness found during interviews are presented in this subparagraph.

The participants of the interviews emphasized that when a new brand enters the market, the objectives can be divided into two main groups: first, to get immediate action from the audience – for example, first purchase or other action like registration or download of the digital product (this can be relevant for games or mobile applications); second, to grow brand awareness and purchase intention. When the objective is to drive conversion into action, the efficacy of influencer marketing stems from the level of return on investments the company gets upon campaign completion. This approach generally means the company earns more from the campaign than invested. Suppose the company aims to build brand awareness and form the purchase intention. In that case, the criterion for effectiveness is the growth of the relevant brand metrics such as top-of-mind brand awareness, aided brand awareness and intention to buy. These metrics are measured through dedicated marketing research.
Interviews also revealed other performance indicators used by the influencer marketing experts to define the campaign’s success indirectly. Such metrics include number of content views, engagement rate, content and tonality of the comments created by the audience. These indicators can be quantified and measured by social media listening tools. For example, the number of brand mentions and the context and the tonality of these mentions after brand integration can be indirect signs of the success of the influencer marketing campaign. Successful campaigns result in increased search traffic on search platforms, which indicates growing audience interest in the brand featured within an influencer's sponsored content.

Another insight from the interview is that an initial understanding of the target consumer in a new geography determines how effective the campaign will be. In other words, the company launching the brand in new markets should research the specifics of the audience properly before the influencer marketing campaign is planned.

Some experts mentioned that influencer marketing is not the instrument with 100% predicted results. That is why testing different options is required to find the right mix of influencers, platforms, and types of integrations for better results.

One of the experts during the interview proposed to execute a short online survey with the clients of the influencer marketing agency. The online survey was conducted among marketers from the gaming industry to complement the insights gathered from the experts during semi-structured online interviews and the case study. Ten responses were obtained in the online survey, which doesn’t make it representative but reflects the opinion of marketing professionals experienced in influencer marketing. The questionnaire is presented in Appendix 2, and the results are presented in Appendix 3.

The impact of influencer marketing on establishing brand knowledge when entering a new market was evaluated by all respondents as higher than average: 30% of respondents gave it a grade 7 out of 10, while 40% of respondents assessed the impact as the highest with grade 10.
The respondents were asked to mark the characteristics of influencers they think have the greatest impact on consumer purchase decisions when introducing the brand in a new market. The respondents could mark multiple characteristics. The majority highlighted cultural or regional relevance. This result correlates with the answers to the question: “Which type of influencer has demonstrated a more significant business result when launching a brand in a new market?” 80% said local influencers native to the target market demonstrated better business results.

The online answers of the marketing professionals allowed to list the importance of influencer’s characteristics for driving purchase decisions in the following priority, where the first one is the most popular answer: cultural or regional relevance; knowledge and expertise in the industry/niche; authenticity; engagement rate; number of followers. However, it is worth highlighting again that this is not quantitative research, and there is no difference between the importance of these characteristics based on the questionnaire. This data is more of an insight into how professionals contemplate this aspect.

The respondents were also asked which characteristics of the sponsored influencer’s content they believe have the greatest influence on consumer purchase decisions when introducing a brand in a new market. The respondents could choose multiple answers as well as write their answers. The most popular answers were that the influencer presents detailed information about the product, its features, and benefits and that the product is compatible with the influencer’s lifestyle and overall content. These answers align with the insights revealed during the interviews with the experts, which will be demonstrated in the subsequent subparagraphs of the thesis.

4.3 Entering a new market

This sub-paragraph includes insights collected during the discussion of new markets' specifics and their effect on influencer marketing campaigns and KPIs.

When entering a new market, the starting point for planning an effective influencer marketing campaign is understanding the brand's target audience. The brand
audience description is rarely limited by demographic aspects such as age and gender; it is usually a portrait including interests, hobbies, habits, and behaviour.

All respondents pointed out that when the audience is defined, the next step is determining which social media platforms the audience consumes influencers’ content in the specific geography where the brand is launched. Respondents say social media platform usage may vary from country to country. After the list of social media platforms is defined, the next step is to select the influencers for branded content integration. Audience portrait, social media platform, business objectives and marketing budget determine the influencers’ selection.

The local specific of the market is always considered to ensure the success of the influencer marketing campaign. Most respondents mentioned that particular research is executed prior to the campaign start. The research usually includes an assessment of the following factors: language specifics, key trends, popular content formats, cultural tabus, state regulations, and political context.

The influencer marketing KPIs set for the brand entering a new market are determined based on key business objectives covered in the previous chapter. The main KPIs linked to objectives are presented in Table 2.

When entering new marketing, a competitive analysis of the influencer marketing activities is recommended. Namely, the overview of the influencers the competitors collaborate with should be executed, as well as the review of the sponsored content and social media platforms used. Depending on the brand strategy in the new market, the decision can be taken if it is worth working with influencers who have collaborated with competitors' brands or not.

TABLE 2. The influencer marketing set of KPIs for the brand entering a new market.
<table>
<thead>
<tr>
<th>Business Objective</th>
<th>Influencer marketing KPIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead Generation</td>
<td>Number of Leads</td>
</tr>
<tr>
<td></td>
<td>Lead conversion rate</td>
</tr>
<tr>
<td></td>
<td>Cost per lead (CPL)</td>
</tr>
<tr>
<td></td>
<td>Cost per action (CPA)</td>
</tr>
<tr>
<td>Conversion into action</td>
<td>Purchases/Installs (other actions)</td>
</tr>
<tr>
<td></td>
<td>Cost per Conversion</td>
</tr>
<tr>
<td></td>
<td>Click Through Rate (CTR)</td>
</tr>
<tr>
<td>Brand Awareness</td>
<td>Brand mentions</td>
</tr>
<tr>
<td></td>
<td>New profile/web page visits</td>
</tr>
<tr>
<td></td>
<td>New followers of the brand web page</td>
</tr>
<tr>
<td></td>
<td>Web site Traffic</td>
</tr>
<tr>
<td></td>
<td>Top of mind brand awareness</td>
</tr>
<tr>
<td></td>
<td>Unaided brand awareness</td>
</tr>
<tr>
<td></td>
<td>Aided brand awareness</td>
</tr>
<tr>
<td>Brand Engagement</td>
<td>Likes and upvotes</td>
</tr>
<tr>
<td></td>
<td>Comments and their tonality</td>
</tr>
<tr>
<td></td>
<td>Shares</td>
</tr>
<tr>
<td></td>
<td>Reach/impressions</td>
</tr>
<tr>
<td></td>
<td>Cost per engagement (CPE)</td>
</tr>
<tr>
<td></td>
<td>Cost per mille/per thousand impressions (CPM)</td>
</tr>
</tbody>
</table>

4.4 Influencer's characteristics

The findings from discussions regarding the selection process of the influencers, their most essential characteristics, and the significance of the local appeal of the creator are reflected in this subparagraph.

The selection process of the influencers will be defined by the business's key objectives in combination with the budget.

The first characteristic which is considered is relevance and niche. The biggest challenge for the brand's launch is choosing the correct category of influencers to show better performance. Despite the common perception that the influencer should be in the same category as the promoted product, it is only sometimes a straightforward solution. Experts mentioned that it is a myth that brands should partner only with influencers who create content relevant to their niche. The key is to find creators relevant to the brand's audience, even if they are not working with other brands in the industry or talk about other categories in their content.
The main reason behind such an approach is that the brand's target audience may have vast interests besides the product category. If the product category is very niche, there is also a risk that partnering with specific influencers may limit the reach of the audience. One of the examples discussed during the interview was about a mobile game client targeting the audience of females older than 25 years. The niche-relevant influencers would be those who create gaming content. However, the target audience was found to be interested in influencers posting mystery and horror content. Sponsored integration in mystery and horror content demonstrated a positive return on investment and a 25% conversion rate.

The number of followers and their demographics will be surveyed as a part of the influencers’ selection process. The followers' demographics should align with the brand's target audience demographic portrait. The number of followers is connected to the potential reach – how many unique users can see sponsored content. However, the followership alone is not enough because the influencer may have millions of followers, but the number of people who regularly interact with the content can be much lower. Therefore, engagement and interactions are also assessed. Engagement rate (ER) assesses the engagement level, which reflects how the audience is involved with influencers’ content. Engaged audiences interact with the content by liking, commenting, and sharing.

Another critical dimension mentioned by the interviewees is the audience growth rate. The dynamics of the audience growth are analyzed, and the abnormal patterns should be revealed. For example, a significant increase or a sharp decline might indicate fraudulent influencers’ activities. The results are also benchmarked with the industry averages relevant for certain categories of creators in the specific niche or geography. Growth rate enables the long-term effect of brand integrations because it increases the number of unique viewers over time.

Brand alignment is another important factor which should be considered while choosing an influencer for collaboration. Several parameters should be analyzed to find the perfect match between brand values and the influencer’s content. These parameters include the influencer’s history of brand collaborations, the tone-of-voice of the content, as well as the reaction of the audience. The
influencer whose lifestyle and values align with those conveyed by the brand might create genuine content that will be better perceived by the audience and perform better. The respondents mentioned that sentiment analysis of the comments to understand the audience’s reaction is conducted. This analysis is usually done manually, and besides understanding how well the influencer matches the brand values, it is also essential for conducting a reputation check. Conducting a brand safety analysis is critical for the brand to enter the market. Influencer’s professional background checks, including work ethic, reliability, and involvement in any scandals and fraud in the past, should be conducted in order to secure the brand from possible reputational risks.

Another critical aspect mentioned by several respondents is the influencer’s compensation rates compared to the expected return on investment. When the brand enters a new market, thorough research regarding the level of compensation to different types of influencers is required. According to one of the respondents, sometimes influencers have rates which might be above the market benchmarks, and collaboration with such creators may lead to diminished campaign efficiency simply because the cost of integration might be too high to ensure positive ROI.

During the interviews, the question of the local appeal of the creators and whether global influencers are more effective than local ones for the brand’s launch was discussed. The importance of local appeal is defined by the market where the brand is launched. Most global influencers with a more extensive followership base create their English content. Therefore, they are generally followed by audiences from countries where English is either the official state language or the language is widely spoken. If the brand is launched outside the English-speaking market, all the respondents expressed confidence that the campaign might collaborate more effectively with local influencers. The main reason is that such influencers speak the same language as their audience and share the same cultural values, correlated with such characteristics as relevance and authenticity. According to respondents, the exception to this rule is when some celebrity is originally from the country where the company launched the brand but who went global and became a worldwide influencer. An excellent example of such a case is Novak Djokovic, a Serbian professional tennis player widely known worldwide.
According to HypeAuditor ("Influencer Page | HypeAuditor Youtube, TikTok & Instagram AI Analytics," n.d.-a) influencer platform, he has 14 million followers on Instagram and 11% of his audience is from Serbia. With an estimated reach of up to 2.4 million per post, his impact on the Serbian audience can significantly and positively influence brand awareness.

4.5 Influencer’s content

This sub-paragraph covers key insights and experts’ reflections concerning influencers’ content impact on campaign efficiency.

All respondents mentioned influencer content as an essential factor in the effectiveness of the influencer marketing campaign. According to respondents, the most common key characteristic of successful sponsored content is “nativity”. Nativity is the concept in advertising which refers to the sponsored content seamlessly integrated into organic content and thus is perceived by the audience without interruption. In modern reality, the audience understands well when they see sponsored integration in the influencers’ content flow. Therefore, according to experts, it is necessary to mark such content as sponsored so that the audience does not feel that the influencer wants to mislead or even deceive them. However, in practice, many companies are worried about disclosure of the fact of sponsorship, expecting the disclosure to diminish integration effectiveness. One of the experts told in the interview about the case when an influencer during the video stream shared with his followers how vital the sponsorship of the content was for him. He thanked the audience for their support and revealed that sponsorship integration allowed him to create new content and earn money for new video equipment. The followers perceived such honesty very well and reacted with positive comments mentioning the influencer himself and the sponsoring brand. On the contrary, sponsored content, which is presented as organic, can be perceived negatively by the audience. The main reason is that in modern reality, the audience understands that the influencer seldom mentions the brand which has not paid for integration.

Considering the context above, to succeed, the brand should focus on a creative approach to integration in combination with authenticity. It is recommended that
during integration, the product is presented in detail, and the influencer shares the usage experience. The product should be in line with the influencer's lifestyle and values. Usually, followers know a lot about their favourite influencer. Therefore, the brand promoted by the influencer should be an integral and natural part of his everyday routine, habits, and preferences. In the interview, one of the experts gave the example of ineffective integration when the influencer told his followers about a new brand of turkey meat steaks. At the same time, he was widely known for being vegetarian. Such integration can be harmful both for the sponsor and the influencer. Sometimes, for better results, more extended partnership is recommended. Such an approach demonstrates the brand’s trustworthiness and allows integration of the brand into the demonstrated lifestyle of the influencer. For the new brand on the market, such a long partnership establishes brand perception among the core audience and builds brand associations.

The impact of the frequency of sponsored integrations on an influencer's content flow turned out to be a more complicated topic than it might appear from a straightforward, logical perspective. Two main factors in the context of frequency may affect the efficiency of sponsored content. The first factor is the homogeneity of advertised products. Namely, there is a general practice that frequent integration of the brands from the same product category negatively impacts the efficiency of such integrations. In essence, it means for the audience that none of this advertised brand is personally meaningful to the influencer. Thus, it is perceived as simple advertising rather than a personal recommendation from a trusted person. Therefore, the expert recommendation is for the brand entering the market to choose for product launch the influencer who either never advertised products from a similar category or has done it more than six months ago. The second factor is the frequency of integrations customary for the audience. In simpler terms, it means that if the influencer has a consistent frequency of sponsored integrations in his content, for example, in every video, it becomes habitual to the audience. The audience expects sponsored integration, which does not diminish its perception.

Finding the balance between brand control over content creation and the creative autonomy of the influencer is a challenging topic. Most respondents claimed that
influencers should be given freedom in sponsorship content creation but within the guidelines provided by the brand team. The guidelines should not be too strict and should cover central pillars crucial for the brand (for example, key benefits or product features), business objective (for example, maximize reach and convert into audience into trial) and other mandatory requirements (for example, unique code or hashtag in publication). The main reason behind this position is that the influencer is proficient in content creation and knows the audience and their preferences. Therefore, the influencer comprehends better than the brand team how to execute sponsored integration to engage the audience and convert them into action. However, there is also an insight that such an approach might be idealistic when brands compete for deals with the key influencers on the market. The most popular influencers have a constant flow of sponsorship deals and do not have time to create unique content for brand sponsorship. Moreover, though this is only sometimes the case, businesses should be prepared to develop a creative idea which has the potential to resonate in social media. In most cases, such creative ideas are developed by marketing agencies in cooperation with the brand team.

During the interviews, a practical insight was revealed regarding the efficiency of tracking link usage with the bonus. Experts mentioned that giving special bonuses from brands via unique coupon tracking links enhances campaign performance. The bonuses encourage the audience to convert into action – for example, to read about a new product or make the first purchase (trial). A small bonus from a brand with a personalized link from an influencer can increase reach and conversion into targeted action because it attracts more audiences to share the information about it on social media. One of the respondents from Group 1 presented a real case example of how bonuses positively affect performance (Table 3). Two campaigns were executed with the same parameters (the same product, target audience, and country). One campaign was with bonuses, and another one was without them. The campaign with bonuses demonstrated a significantly higher number of clicks, click-through rate, installs (targeted action), conversion rate and return on investment.

<p>| TABLE 3. The impact of bonuses usage in influencer marketing content. |</p>
<table>
<thead>
<tr>
<th>KPIs</th>
<th>Campaign without bonuses</th>
<th>Campaign with bonuses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reach</td>
<td>51.7 million</td>
<td>50.6 million</td>
</tr>
<tr>
<td>Clicks</td>
<td>31,515</td>
<td>192,438</td>
</tr>
<tr>
<td>CTR (click through rate)</td>
<td>0.06%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Installs</td>
<td>4,335</td>
<td>34,184</td>
</tr>
<tr>
<td>CR (conversion rate)</td>
<td>14%</td>
<td>18%</td>
</tr>
<tr>
<td>ROI</td>
<td>2.1%</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

4.6 Relationship

This paragraph is devoted to the findings about the relationship between influencers and audiences.

All respondents highlighted that the relationship is essential to the potential campaign success. Typically, engagement rate (ER) is used to assess the level of the relationship. This KPI was partially covered in the sub-paragraph devoted to influencer's characteristics. ER allows the assessment of audience involvement in the influencers' content. The professionals of the influencer marketing industry use various platforms and tools that reveal the detailed parameters of engagement. The tool used by the interviewed experts is HypeAuditor.

The example of the key parameters derived from the tool mentioned by the experts is presented in Figure 4. Comment rate is the percentage of the influencer's audience who comment on their most recent 12 posts. The comment rate is quite low for the analyzed influencer and can be improved. Moreover, the comments' authenticity is also defined as average. To create this parameter assessment, HypeAuditor considers multiple factors, including the content of the comments and the quality of the account that left the comments. The comments may be considered inauthentic if they meet two conditions simultaneously: they were created by a suspiciously looking account, and their content looks generic and not meaningful. For example, unauthentic comments may contain emoji-only messages or generic words like 'wow', 'cool', etc. Such comments do not reflect a genuine relationship between the audience and the influencer. The "like-comment ratio" demonstrates the average number of comments the influencer gets per 100 likes. "Likes spread" is another reflection of the authentic engagement of the audience. This parameter demonstrates the difference in
number of likes between posts. If the engagement is authentic, the spread cannot be low because, in real life, followers like some posts more than others. The engagement rate for the account is average for the beauty category on the Instagram platform and is equal to 0.69%. The sentiment analysis shows that most of the comments to the influencer’s posts are positive. (“Influencer Page | HypeAuditor Youtube, TikTok & Instagram AI Analytics,” n.d.-b)

According to the experts, the authenticity of the audience is a critical dimension for the efficiency of the sponsored integration. The share of quality audience demonstrates the share of genuinely engaged authentic followers versus fake accounts and mass following. The usage of the parameter helps companies avoid spending resources on inactive users.

FIGURE 4. Example of the assessment of the influencer’s profile ER. (“Influencer Page | HypeAuditor Youtube, TikTok & Instagram AI Analytics,” n.d.-a)

![Example of the assessment of the influencer’s profile ER.](image)

Audience authenticity depends on the percentage of real people following the influencer. The higher the percentage of real people following the influencer, the
more authentic the influencer's audience. In the example in Figure 5, the influencer has 63% of the audience, which can be defined as real, authentic people. 6.7% of the audience are influencers themselves (accounts with number of followers exceeding 5000). 9.3% of the audience are mass followers – these accounts have over 1500 followers. People who are mass followers are less likely to see the influencer's post and engage with it meaningfully. This type of audience might not form a para-social relationship with the influencers. 21% of the suspicious accounts means that these are either Instagram bots or real people using automation services to grow the number of likes and comments. ("Influencer Page | HypeAuditor Youtube, TikTok & Instagram AI Analytics," n.d.-b)

FIGURE 5. The assessment of the influencer’s profile audience authenticity. The influencer Instagram account. ("Influencer Page | HypeAuditor Youtube, TikTok & Instagram AI Analytics," n.d.-b)

According to the interviewed experts, the relationship is formed by an influencer with the audience through active dialogue. As demonstrated in Figures 4 and 5, reports help assess the actual engagement parameters and reflect the level of relationship influencers create with the audience. However, some of the participants of the interviews mentioned that indirect indicators demonstrate the potential of formed relationships. Influencers who communicate with the audience
in comments, make question-and-answer sessions with followers, and organize live streams during which they talk to the audience and answer their comments tend to create solid and authentic relationships with followers. Modern social media platforms give multiple opportunities for engagement. For example, an influencer can make Instagram Stories around any topic and later demonstrate screenshots of reactions and questions from the audience related to this topic. In the following Stories, the influencer answers these questions. Such an approach creates a dialogue between the influencer and the followers, consequently enhancing the quality of the comments and engagement rate.

4.7 Case study analysis

The brand in the case study is the mobile service. The case study is analyzed based on documents provided by the commissioner of the master thesis. The documents include the brief with the objectives, the tactical approach developed by the agency and the post-campaign analysis. The project is partially under NDA, so the budgets cannot be disclosed.

The mobile service product provides communication without a contract with various tariff plans. The service includes an innovative mobile application through which it is easy to manage mobile communication and a crypto wallet. The application has 24/7 support in the format of chat. Existing or potential customers can receive voice consultations via phone calls. Customers can pay either using standard paying methods or with cryptocurrency.

The campaign was executed in November-December 2020. The primary objective of the influencer marketing campaign was to build awareness about the brand as an innovative mobile operator in the United Kingdom market. The second objective was to build a subscriber base of 9,000 subscribers by the end of 2020, which was expected to be an overall effect of PR and marketing campaigns.

The target audience was divided into two segments. The first segment was broad and defined as young people aged from 18 to 40 years old, eager to be the first to try something new on the market to not be "like everyone else". They heard
about crypto and believed in its big future but thought understanding the industry was time-consuming. This audience loved discounts and loyalty programs, but their saving approach was based on the optimisation principle. They considered changing their mobile operator. They valued beneficial offers and loved to form their service package themselves. The second segment was relatively narrow and defined as crypto users or those considering purchasing crypto.

The key message was "Serious about the future: mobile service of the future: innovative mobile operator which unites mobile communication with crypto wallet". The brand positioning was "mobile communication which helps to be in trend, test something new and makes complex things simple". To the segments of the audience, the campaign was executed with two groups of creators. The first group of creators focused on the telecommunication features of the new product. These were creators from the lifestyle and gaming categories. The creators from this group had a high percentage of young audiences above 18 years old. The second group of creators discussed with their audience the crypto-wallet features of the new product and mentioned telecommunication characteristics as a second priority. The creators from technology, science and entertainment categories were selected for this type of communication. The creators from this group had the audience interested in finance and technology.

The case study examines two influencers as representative examples of the abovementioned segments.

Ashley James represented the first segment of creators. She was an Instagram lifestyle content creator with 195 thousand followers whose blog focus was well-being. She produced well-rounded content which her audience trusted. She made photo posts in combination with Stories format announcing a new product. The sponsored integration gained 394,000 views, 2114 clicks to the product website and four purchases. The integration got a 0.06% engagement rate with 2114 likes and 11 comments.

True Geordie was the influencer with more than 1,8 million followers, representing the second segment of creators. He discussed sports and entertainment news in a podcast form on YouTube. The video featuring integration was number one on
YouTube's trending page, which was an excellent success for sponsored content. The integration gained 647,480 views and 2,126 clicks, resulting in 86 purchases. The integration got a 0.11% engagement rate with 28,000 likes and 2,958 comments.

The content strategy for the first group of influencers was built as real-life stories, in which creators shared personal information with their audience on the shortcomings of the previously used mobile service and what benefits they discovered for themselves when they switched to the brand-new mobile service. The tonality of the content was positive and did not contain any negative mentions of other brands. The idea was to show that the newly launched mobile service was flexible and could satisfy the demanding needs of the different users. The content strategy for the second group of influencers organically aligned with their existing material types and included a detailed overview of the new service and features of the crypto wallets, emphasizing education and new information. The audience of this group of influencers anticipated detailed product overviews, as this content type was native to them.

Overall, the campaign results were positively assessed by the company. The number of clicks surpassed 7,000. This outstanding result showed a growing interest in joining a new mobile network, especially in a competitive market with a relatively conservative audience.

The campaign aimed to increase brand awareness so that more people learned about the new mobile network brand. Target ads promotion on Instagram content was added to the campaign. This media approach helped to achieve a low for the region CPV (cost-per-view) while showing great results with views and clicks. On top of that, the loyal audience of several creators followed the links to the website integrated into the content. Influenced by the integrations, they made several transactions and became brand users. The comment section under the videos did not contain any negative feedback or backlash toward the sponsored content because the sponsored integration was made in a familiar to the audience style and integrated organically.
5 DISCUSSION

5.1 Practical implications

The research questions of the thesis had a practical business orientation. The research reconfirmed key points from the literature review regarding factors of influencer marketing effectiveness. This paragraph aims to define practical recommendations for companies on how to ensure the effectiveness of influencer marketing when launching brands on international markets.

The first research question of the thesis was focused on understanding which characteristics of influencers and their content impact the consumer's purchase decisions in the new market.

The research revealed that business professionals should not consider influencer marketing as a tool which can give unequivocally predicted results. A certain degree of uncertainty is inherent in the influencer marketing campaign outcomes when the brand is launched in a new market. Therefore, influencer marketing experts highly recommend companies implement a test-and-learn approach. This approach implies that the first campaign helps to identify the benchmarks of key performance indicators – for example, reach and conversion rate. The best-performing categories of influencers can also be identified during the test campaign. The learnings earned during the test campaign can be implemented in future influencer marketing campaigns for the brand. The amount of the marketing budget invested in the campaign can also be increased to ensure a higher reach of the target audience.

Prior to the test campaign, thorough research of the specific of the new market is paramount. For companies to ensure a successful launch of the brand on the international market, it is crucial to investigate and assess the specifics of the market.

Understanding the brand's target audience in the market is an integral part of a successful brand launch. Target audience apprehension is not recommended to be limited to demographic factors. The analysis should give broader knowledge
of interests, way of life, and cultural specifics. For instance, the language particulars impact the brand message and influencer selection for the campaign. As an illustration, if a minor part of the target audience in the market speaks and understands English, this aspect should be mentioned in the brief, and the influencer selected for the brand promotion should speak the same language as used by the target audience.

Research on the market should also give transparency on critical trends and popular content formats. Other essential factors to be included in the market research are state regulations, political context and strict cultural tabus. Competition analysis must be included in this research as it gives the marketing professionals an understanding of which influencers the competitors partner with, how the sponsored content looks like and which social media platforms are used. Key findings of the market research should be reflected in the brief for influencer marketing campaigns.

It was defined through the literature review and the research that the influencer’s characteristics are implicit in communication effectiveness. Therefore, it can be stated that influencer selection is a critical part of the influencer marketing campaign effectiveness, and companies should pay special attention to this process to be successful. Once the company has executed the market research described above, selecting the pool of influencers for the campaign becomes a more defined process rather than relying on conjecture and experimental efforts. Based on the expert interviews and case analysis, it is implicit to recommend that the selection of the influencers for the brand campaign should be executed through one of the influencer marketing platforms currently existing globally on the market. Such platforms enable the selection process through artificial intelligence technology and give access to millions of talents globally.

Marketing professionals should pay attention to specific characteristics of the influencers to decide which enhances the effectiveness of the influencer marketing campaign for the brand. The research reconfirmed findings from the literature review and gave additional learnings that marketing professionals should consider.
One of the implicit practical learnings of the research is the importance of the influencer’s relevance and category niche. There is a commonly held belief that the choice of the influencer should be limited to the same category as the promoted product. As an illustration, if the promoted brand is kitchen appliances, the creator should be in the cooking category. Nonetheless, the expert interviews and the case analysis demonstrated that the decision should be made based on the target audience’s interests, which can be broader than the promoted category. Moreover, suppose the product category of the promoted brand is very narrow and represented by a limited number of social media creators. In that case, the company risks decreasing the potential reach of the target audience.

Another practical insight from the interviews with the expert is the importance of the broader analysis of the influencer’s audience dynamics. While the number of followers defines potential reach, the audience growth rate can provide opportunities and risks for the business. Namely, any significant increase or a sharp decline in the followership needs special attention as it can be the sight of fraudulent activities of the influencer. However, the growing audience count impacts the long-term potential effect of the sponsored brand content, which may bring new clients to the brand over time.

Business professionals should consider the necessity of the brand message alignment with the values and lifestyle communicated by the influencer to the audience. The assessment of the degree of the alignment is typically executed manually and requires human resources. The sentiment analysis of the comments, coupled with the influencer’s reputation check, gives business professionals transparency and ensures brand safety. As revealed during the literature review, some target audience segments place shared ideals and values above the influencers’ social clout or physical appeal. This statement holds even in the beauty and fashion sectors, where aesthetics might be presumed to dominate. Therefore, business professionals must pay attention to the compatibility of the influencer’s beliefs, standards, and way of life with the brand message and positioning.

The research unveiled practical insights regarding the influencer’s content and influence on the consumer’s purchase decision.
Based on the interviews and case study analysis, it can be concluded that business professionals should work on creativity in the sponsored influencers' content in combination with authenticity. The findings and consequent recommendations are consistent with the literature review. The brand in sponsored content should be presented through a detailed review enriched with the usage experience examples endorsed by the influencer. The recommendation is that the brand promoted by the influencer should align with his or her lifestyle and be natural within his or her preferences.

The ambiguity of the frequency of the sponsored integrations impact was revealed during the research. The impact on the efficiency may depend on the similarity of the product categories promoted by the influencer. When the followers see different brands from the same product categories in the influencers' content, they may perceive that the recommendation is not genuine and not based on their personal usage experience. Consequently, such integration may be perceived as direct advertising rather than endorsement. Business professionals should select the influencer who either never endorsed a similar product or has created sponsored content with the competitive product more than six months ago. The other aspect to be considered for the brand launch is the habitual frequency of branded integrations in the influencers' content flow. The general understanding is that the audience gets used to seeing sponsored integrations with a certain regularity, making expected results from integrations more predictable. However, it is essential to highlight that the frequency of sponsored content in the influencer's feed and its impact on influencer marketing campaign results may require additional research.

The research reconfirmed the understanding from the literature review that the relationship between influencers and followers is critical for the influencer marketing campaign's success. There is a common understanding that the level of engagement between the influencer and the audience is determined by how the influencer communicates with the audience. The creators with a well-developed social relationship with their followers are usually active in the comments section, organize regular questions and answers sessions or make live streams during which they talk to the audience. The practical outcome for the business professionals executing influencer marketing campaigns is that they
should pay careful attention to the engagement rate and the quality and meaningfulness of the comments made by the followers. This information can be obtained through various influencer marketing platforms and systems for bigger campaigns.

The second research question of the thesis is whether local influencers in a target market are more effective in promoting brand extension than international influencers. The findings demonstrate that the choice between local and global influencers is defined by the market where the brand is intended to be launched. Many global influencers create their content in English, which implies that the brand's target audience in the new market should also speak and understand this language. Local influencers should become the first choice for the non-English speaking markets. The main reasoning is the local language knowledge and understanding of the local cultural code, specific local tabus and trends. However, an interesting finding is that the exception can be made if there is a certain well-known person who is originally from the target geography but gained a high level of celebrity status and widespread popularity.

This research has shown that companies can utilize influencer marketing as an effective communicational strategy to expand brands to a new market.

### 5.2 Recommended framework for influencer marketing campaigns

The theoretical framework of influencer marketing effectiveness was presented earlier in the thesis based on the literature review. This paragraph is devoted to the updated framework based on practical insights and findings of the research (Figure 5).

The input pillar consists of the actions the company launching the brand is recommended to execute before the influencer marketing campaign starts on a new market. The starting point is market research, which should cover multiple aspects of the new market: target audience specifics, key social media trends, audience preferences towards certain social media platforms, local language peculiarities, cultural codes and tabus, regulatory aspects and competitive analysis. As mentioned in previous chapters, the market research can be
conducted by the company, a research agency, or an influencer marketing agency. The second action is to analyze the key findings of the market research and make adaptations to the brand message if needed. For instance, the slogan or call to action sometimes cannot be directly translated into a foreign language, requiring localization. The third action implicit in the success of the influencer marketing campaign is the creation of the marketing brief. The conclusions of the market research, coupled with the adjusted brand message, should be part of the brief. The brief can also contain the following information: target audience portrait, description and critical highlights regarding competitors, brand and product benefits, business objectives, and KPIs, which allow for measuring the achievement of the objectives and any mandatory requirements.

FIGURE 5. Practical Framework for Influencer Marketing Campaign Effectiveness

The second pillar, which should be activated as soon as the input stage is finalized, is selecting influencers for the campaign. The research confirmed that the influencers’ selection is the most critical part of the campaign. The selection is a multivariate process and is based on multiple filters. The filters can be divided into three big groups. The first group includes influencers’ characteristics. The values and lifestyle which the influencer communicates through the content to the audience should be evaluated. The niche in which the content is created can be
critical for selecting the influencer. Some examples of the niches are gaming content, make-up tutorials, gardening tips, educational content, and many others. The number of followers and their dynamics is the next aspect of this group. The audience of the influencer should be thoroughly considered. Namely, the audience's demographics should be defined as their interests and overall dynamics, like growth rate. The second group of filters includes the characteristics of the influencer's content created and posted on social media. The frequency of sponsored integrations should be assessed, including partnership with competition. As mentioned in the previous paragraph, collaboration with a competitive brand might diminish the effectiveness of the integration due to a lack of exclusivity and authenticity. Consistency of posting is also important because the research demonstrated that the followers become habitual to the posting schedule and, as experts mentioned, the time breaks in the posting and inconsistency may decrease the effectiveness of the integration.

The level of personal self-disclosure is also evaluated in connection with the content. As the findings indicate, the personal stories in the influencer's content engage the audience and foster the creation of the para-social relationship.

It is worth noting that the processes that arise at the moment when the recipient (follower) interacts with the influencer's content, which were mentioned in the theoretical framework, are not included in the practical framework. The processes described in the literature review include para-social relationships, identification, and internalization. These processes are enablers to the practical implementation of the research findings and the practical framework. Understanding these processes is essential to clarify how influencer marketing works regarding audience persuasion. However, for business professionals, the consequent actions are more important than the processes behind the actions. Hence, the third group of the filters used for the influencers’ selection reflect these processes and represent factors of relationships between the influencers and their audience. These factors described in the previous paragraphs include engagement rate, comment rate, comment-like ratio, and the level of direct communication with the audience. All these parameters give an understanding of the level of the relationship formed and their authenticity. As uncovered in the research, if the relationship is authentic, communication is regular, and the sponsorship
integration is perceived as a genuine recommendation and endorsement from someone the audience knows and relates to.

The third pillar of the framework is the creation of the sponsored content. This pillar includes some of the factors which should be considered by business professionals when crafting the brand stories in the influencer's content. These recommendations are the summary of the key research findings. The detailed product features overview can benefit the campaign results as it gives more information to the audience to make the purchase decision. The effect can be enhanced if the influencer shares personal usage experience. If the campaign is performance-oriented, the special coupons, codes and discounts should be included in the influencer and sponsor integration. Integrations should also contain tracking links for every influencer, as it allows for linking the customer's actions with the specific integration. As highlighted in the literature review and research, the sponsorship disclosure is essential and should be done in line with the local legislation. According to the interviews, the audience might perceive the sponsorship labelling neutrally as they understand the overall context of the commercial basis behind the content creation.

It is worth considering that the influencer’s creative autonomy level in sponsored content creation should be discussed separately for every campaign and integration. In case the influencer has multiple and frequent partnerships with brands, it might be required for the company to provide creative ideas for the integration. Generally, the content which is created by the influencer may be perceived as more authentic and engaging due to the unique knowledge of the follower's needs and preferences.

The fourth pillar of the framework is the outcome of the influencer marketing campaign, which is assessed based on the business objectives and results. As described in paragraph 4.3 (Table 2), the results can vary, including lead generation, conversion into action, brand awareness and engagement.
At last, the framework highlights the noise which impacts the campaign results and, in many cases, cannot be predicted in advance. In the case of similar sponsorship activations, there can be competitive actions that might diminish the campaign results. There is also common knowledge that social media platforms implement algorithm updates, which influence the reach of the influencers’ content. Though the platform’s owners can announce the timing and key features of the updates in advance, there is still an uncertainty factor of the impact the change will have on the visibility of the influencer’s post. There can also be other distractors in social media. For example, major political, social, and cultural events may shift the audience’s attention from the habitual content of the influencers they follow.
6 CONCLUSION

The master's thesis "Exploring the effectiveness of influencer marketing in expanding brands to new markets" aimed to be practically oriented to answer the needs of modern companies. The study's primary research question was to comprehend to what degree influencer marketing is an effective communication strategy for expanding brands to new markets. There were two secondary questions of the research, which intended to ensure the practical outcomes of the thesis. The first question was to determine the critical characteristics of influencers and their content, which are implicit in consumers' decisions in new markets. The second question was to determine if local influencers are more effective in supporting brand expansion than global influencers. The research outcome is in the form of an overview of the best practices and set recommendations for business professionals, which should provide clear guidance on launching a successful influencer marketing campaign for the brand in the new market.

The qualitative research method was used to answer the questions above. Combining semi-structured interviews with industry experts and case study analysis gave insights and industry learnings, creating a practical framework for influencer marketing campaign execution. Though the qualitative research outcomes cannot be generalized, they are valuable for the discovery of new insights as well as connections between parameters synthesized from the literature review. The major limitation of this research is the need for more triangulation. The interviews and the case study represent the expertise and experience of the influencer marketing agency. The insights from the influencers participating in sponsorship campaigns and marketing professionals launching these campaigns could give a broader perspective. Companies using influencer marketing to enter new markets are highly competitive and unwilling to share business outcomes and findings. These data are under a non-disclosure agreement (NDA).

The critical finding of the research is that influencer marketing is not the type of tool which gives guaranteed results due to inherent uncertainties. These uncertainties may include variables such as the unpredictable nature of social
media platforms, algorithm changes, competitive activities, and social and political events that may impact consumers' behaviour. In most cases, these variables cannot be controlled and predicted. However, influencer marketing can be recommended to support the brand's launch in the new market. To make an influencer marketing campaign effective, business professionals should follow recommendations defined through the literature review and the research. Adopting the test-and-learn approach facilitates establishing reach and conversion benchmarks and helps identify the influencers' best-performing content categories. Market research before the campaign is crucial as it gives an understanding of the target audience, competitive landscape, and multiple specifics of the market. The selection of the influencers is the critical pillar for an effective influencer marketing campaign. The research reveals the significance of aligning the brand message and values with the influencer's values and communicated lifestyle. Though the number of followers might impact the reach of sponsored content, the research demonstrated that the quality of the audience can be more critical for the campaign's effectiveness. The level of engagement, the sentiment and quality of the comments, and audience growth dynamics are significant factors in the choice of influencers. The relationship between influencers and their audience, displayed through engagement rates, quality and frequency of interactions, is critical to the influencer campaign's potential effectiveness.

The research also revealed that effective influencer content should contain product benefits overview and endorsement through personal usage experience. The frequency of the sponsored integrations in the content flow of the influencer, the endorsed products and partnerships with competitors are essential factors which may impact how the audience perceives the sponsored brand.

Lastly, the thesis research concludes that the decision to work with local influencers or global ones should be made based on the target market language and cultural specifics. Global influencers can be effective for the markets with the native English-speaking audience. In other cases, the local influencers are generally more recognized as authentic and relatable, making them a better campaign choice. However, globally known influencers originating from the target geography can also be effective for the campaign.
The significance of the thesis lies in its practical applicability. The thesis contains a practical framework for influencer marketing campaign effectiveness (Figure 5), synthesizing critical discoveries and learnings. The research also delves into the influencers’ selection process, highlighting its significance for the effectiveness of an influencer marketing campaign. The thorough examination of this process presents a new perspective on the influencer marketing topic and opens new potential research questions for future studies. In addition, the thesis’s novelty lies in exploring the significance of the relationship between influencers and their audience and their impact on the campaign’s effectiveness. This paper gives perspectives on the parameters which may help measure these relationship's authenticity.

The research raised questions which may become areas for future research. As mentioned above, the essential limitation of this research is the need for more triangulation. Future studies could explore the perspective of the business and evaluate real-life examples and cases from companies which utilized influencer marketing as the primary instrument to launch a brand on a new market.

During the interviews, it was revealed that the impact of the frequency of sponsored integrations in an influencer's content flow is a complex factor which might depend on different aspects, such as the homogeneity of advertised products and habitual periodicity of integrations. An increasing number of marketing professionals are expressing concerns about the diminishing effect of influencer marketing integration, which might be connected to the frequency of sponsored content. The complexity of variable aspects requires separate assessment by other research methods than those used in this master thesis. One of the study areas could be the audience's perception of the sponsored integrations in the context of frequency and its impact on influencer marketing effectiveness.

A related question for a separate study is whether influencer marketing will retain its unique human endorsement characteristic; the influencers will be perceived as a media platform shortly, which could gradually reduce their effectiveness in persuading the audience.
From the interviews, it became apparent that the nativity of the sponsored content is a frequently used concept connected to the influencer's authentic and honest endorsement of the brand. Influencer marketing legislation in many countries is rapidly evolving. Considering these changes, an important research topic could be the impact of sponsorship content labelling on the persuasion to buy the product endorsed by the influencer.

This thesis has demonstrated that influencer marketing is a broad area of research which lies in the intersection of different academic fields. The focus of this thesis was practical applicability as it aimed to guide business professionals willing to use influencer marketing as the marketing strategy to launch the brand in new markets. The research confirmed that influencer marketing can be an effective strategy to build brand awareness, generate leads and persuade the audience to convert into action. In a broader context, influencer marketing can be seen as communication from human to human, where the social media platform is the communication enabler. Through the content posted by influencers, the followers form para-social relationships with these influencers and may perceive their recommendations as endorsements from someone they know personally. The effectiveness of the influencer marketing campaign depends on multiple characteristics of the influencer, the content and the level of engagement and communication with the audience. Understanding the brand's target audience and the local specific of the new market is implicit in the influencer marketing campaign's success because it impacts the influencer's selection, brand message adaption and content creation. To conclude, the thesis demonstrates the effectiveness of the influencer marketing strategy, adds findings to the existing body of knowledge and opens up potential research topics for future studies.
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APPENDICES

Appendix 1. Semi-structured interviews questionnaire.

Start. Background check
1. What is your background and experience in influencer marketing?
2. How many brands have you worked with to help them expand into new markets?
3. What types of products/services and markets have you mostly been involved with?

Effectiveness
1. How would you define successful influencer marketing?
2. What are the primary components of an effective influencer marketing campaign?

Entering new market
1. How can influencer marketing be tailored for brands looking to expand into new markets?
2. How does the specific of the new markets influence influencer marketing strategies? (For example: cultural, language, etc.)
3. What KPIs are essential when evaluating the effectiveness of influencer marketing in new markets? What KPIs are usually set by companies?

Influencer
1. How does the influencer selection process vary when targeting a new market versus an established one?
2. Would you recommend your clients go with local influencers or with global ones?
3. What characteristics of the influencers are the most critical? Can these characteristics be quantified?
4. Is attractiveness of the influencer important for the success of the campaign?
Content
1. Define authentic influencer's content. Name key parameters of such content
2. What are the main characteristics of the sponsored content to make the influencer marketing campaign effective?
3. How important is detailed product information?
4. How important is personal disclosure in connection to the demonstrated brand/product?
5. Should the influencer disclose the fact of sponsorship? Does it influence negatively or positively?
6. What is the role of the frequency of sponsored materials in the influencers’ content?
7. Does cultural specific impacts the approach to the branded/sponsored content?
8. What should be the level of control of the content from the brand? What is role of creative autonomy of influencers

Relationship
1. How does the relationship formed between influencer and the audience impact the effectiveness of the campaign?
2. In your experience, how important is the authenticity of an influencer's relationship with their audience for the success of a campaign?
3. Are there any metrics which allow to measure the relationship strength and its impact on sponsored content effectiveness?
4. How can audience feedback serve as an indicator of the health of the influencer-audience relationship? Are there specific tools or methods you use to gather and analyse this feedback?

Conclusion: Is there anything else you would like to add what we haven't covered in our discussion today?
Appendix 2. Questionnaire for the online survey “How can influencer marketing effectively aid in the expansion of brands into new markets?”

Dear Participant,

Welcome to the Influencer Marketing and Brand Expansion Survey.

This survey is designed to delve into the professional experiences and perspectives of professionals like you, shedding light on how influencer marketing can effectively aid brands in expanding into new markets.

It should take approximately 10-15 minutes of your time.

Your responses will be kept confidential, and the data will be analyzed collectively to ensure anonymity. We truly appreciate your time and expertise in helping us gather meaningful insights.

Thank you for your contribution!

On a scale of 1-10 (with 10 being the highest), how do you rate the impact of influencer marketing on establishing brand knowledge when entering a new market

1  2  3  4  5  6  7  8  9  10
no impact  O  O  O  O  O  O  O  O  O  very high impact

Which of the following characteristics of influencers do you believe have the greatest influence on consumer purchase decisions when introducing a brand in a new market? You can choose multiple options as well as add your insight.

☐ Authenticity and genuineness

☐ Knowledge and expertise in the niche/industry

☐ Engagement rates (e.g., likes, comments, shares)

☐ Popularity or number of followers

☐ Cultural or regional relevance

Based on your experience, which type of influencer has demonstrated a more significant business result when launching a brand in a new market?

☐ Local influencers native to the target market

☐ International influencers with a global audience

☐ Both are equally effective
Which of the following characteristics of the sponsored influencer's content do you believe have the greatest influence on consumer purchase decisions when introducing a brand in a new market? You can choose multiple options as well as add your insight.

- Authenticity of the content
- Content contains objective detailed information about product benefits & features, user experience and ...
- Sponsorship disclosure
- Influencer presents the compatibility between oneself and the sponsored product
- Influencer's personal fulfillment from creating the content featuring brand.
- Other...

Please introduce in free form:

What types of products/services and markets have you mostly been involved with?

How many brands have you worked with to help them expand into new markets?
Appendix 3. The result of the online survey: How can influencer marketing effectively aid in the expansion of brands into new markets?

On a scale of 1-10 (with 10 being the highest), how do you rate the impact of influencer marketing on establishing brand knowledge when entering a new market?

10 responses

Which of the following characteristics of influencers do you believe have the greatest influence on consumer purchase decisions when introducing a brand in a new market? You can choose multiple options as well as add your insight.

10 responses
Based on your experience, which type of influencer has demonstrated a more significant business result when launching a brand in a new market?

10 responses

- Local influencers native to the target market: 80%
- International influencers with a global audience: 20%
- Both are equally effective

Which of the following characteristics of the sponsored influencer’s content do you believe have the greatest influence on consumer purchase decisions when introducing a brand in a new market? You can choose multiple options as well as add your insight.

10 responses

- Authenticity of the content: 3 (30%)
- Content contains objective detailed information about the product: 8 (80%)
- Sponsorship disclosure: 0 (0%)
- Influencer presents the compatibility between ones’ needs and the product: 6 (60%)
- Influencer’s personal fulfillment from creating this content: 2 (20%)
- The creator highlighting the most significant strengths: 1 (10%)