

Instagram Influencers: How they impact consumer buying behavior

Bachelor of Science

in

International Management

Submitted to Christian Weismayer

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Affidavit

I hereby affirm that this Bachelor's Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

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Table of Contents

1	Introduction	7
1.1	Problem Statement	8
1.2	Purpose of the Study	8
1.3	Research Questions	9
1.4	Research Process	9
2	Literature Review	10
2.1	Defining Social Media	10
2.2	Social Media Platforms	10
2.3	Social Media Marketing	11
2.4	Use of Social Media	12
2.5	Instagram Marketing	12
2.6	Definition of Influencer	12
2.7	Influencer Marketing	13
2.8	Engagement Rate	14
2.9	Identifying Influencers	15
2.10	Promoted Posts	17
3	Hypotheses	17
4	Methodology	18
4.1	Research Area	18
4.2	Research Approach	18
4.3	Research Strategy	19
5	Results	20
5.1	Descriptive Statistics	20
5.1.1	Gender	20
5.1.2	Age	20
5.1.3	Education	21
5.1.4	Residence	22
5.1.5	Type of Influencers	22
5.1.6	Most Followed Type of Influencer	23
5.1.7	Promoted posts	23

5.1.8	Characteristics of a Post	23
5.1.9	Trust in Promoted Posts	24
6	Inferential Statistics	24
6.1	Hypothesis 1	24
6.2	Hypothesis 2	25
6.3	Hypothesis 3	26
6.4	Hypothesis 4	27
6.5	Hypothesis 5	28
6.6	Hypothesis 6	30
6.7	Hypothesis 7	31
6.8	Hypothesis 8	32
6.9	Hypothesis 9	33
7	Discussion	34
8	Conclusion	39
9	Limitations	41
10	Managerial Implications	42
11	Bibliography	44
12	Appendices	47
12.1	Terms & Definitions	47
12.1.1	Social Media	47
12.1.2	Social Media Platforms	47
12.1.3	Social Media Marketing	47
12.1.4	Electronic Word-of-Mouth (eWOM)	47
12.1.5	Social Media Influencer	47
12.1.6	Influencers marketing	47
12.2	Questionnaire	48

List of Tables

Table 1 - Hypothesis 1: Descriptives	25
Table 2 - Hypothesis 1: Inferential – Mann- Whitney U Test.....	25
Table 3 - Hypothesis 2: Inferential – Pearson-Correlation.....	26

Table 4 - Hypothesis 3: Inferential – Pearson-Correlation.....	27
Table 5 - Hypothesis 4: Inferential – Spearman-Correlation	28
Table 6 - Hypothesis 5: Inferential – Kruskal-Wallis Test.....	29
Table 7 - Hypothesis 5: Descriptives	29
Table 8 - Hypothesis 6: Inferential – Kruskal-Wallis Test.....	30
Table 9 - Hypothesis 6: Descriptives	31
Table 10 - Hypothesis 7: Descriptives	31
Table 11 - Hypothesis 7: Inferential – Mann-Whitney U Test.....	31
Table 12 - Hypothesis 8: Descriptives	32
Table 13 - Hypothesis 8: Inferential – Mann-Whitney U Test.....	32
Table 14 - Hypothesis 9: Descriptives	33
Table 15 - Hypothesis 9: Inferential – Mann-Whitney U Test.....	33

List of Figures

Figure 1 - Most famous social networks	11
Figure 2 - Types of influencers	14
Figure 3 - Hypothesized effects on buying behavior	18
Figure 4 - Gender	20
Figure 5 - Age	21
Figure 6 - Education	21
Figure 7 - Residence	22
Figure 8 - Type of influencers.....	22
Figure 9 - Most followed type of influencer	23
Figure 10 - Perceived level of trust in promoted posts.....	24
Figure 11 - Hypothesis 2.....	26
Figure 12 - Hypothesis 3.....	27

Abstract

The increasing popularity of social media platforms, especially Instagram, which has over one billion users, has resulted in appearance of a new marketing strategy for businesses that is the use of influencers. In this regard, it has been a recent trend for fashion industries to use the highest number of influencers in order to promote and advertise their products with the intention of increasing their sales. This thesis should address whether or not Instagram influencers/bloggers have an impact on their followers buying behavior. The paper therefore examines the use and power of influencers on Instagram, the way companies promote their products through influencers, users perceived trust toward such promoted products and last but not least, the consumer buying behavior affected by influencers on Instagram. Therefore, a quantitative method through survey-based research was conducted to carry out the purpose of this thesis. The questionnaire was drafted based on the existing literature and performed on a sample of total 55 respondents. Some of the variables had to be slightly adjusted to fit to the purpose of this study. Relationships and differences between factors such as trust, characteristics of a promoted post, type of influencers and number of bought promoted products were analyzed, from which, some of the hypotheses depict a significant findings.

The findings provide support for the research hypothesis according to which, the number of bought promoted products/services has a positive relationship with user's perceived level of trust towards promoted posts as well as with their preference for promoted posts. As a result, the data concludes that people do have a certain level of trust on promoted products.

There are some agreements between primary and secondary findings on key points with a few exceptions.

Key words: Social media, social media platforms, social media marketing, electronic word-of-mouth (eWOM), Instagram, influencers, influencers marketing, promoted posts.

1 Introduction

For decades now, marketing has been one of the most important strategies for businesses to target the right group of customers in order to build a long lasting and profitable relationship by creating value (Kotler & Armstrong, 2008). Gradually, traditional marketing has given its place to online marketing through social media platforms, as it has conquered our everyday life and can reach a larger scale of audience in a relatively shorter time period at lower cost compared to traditional marketing (Mangold & Faulds, 2009; Phua, Jin, & Kim, 2017). According to Statista (2018a) and Sipherd (2018), in 2017, people used on average more than five hours on smartphones every day worldwide and 75% of the purchasing decisions were made through social media. This development and digitalization has brought many different opportunities to the market (Hajili, 2015). The potential access to millions of people has enabled businesses to promote and advertise their products and services more convenient through integrated, personal as well as direct marketing communication (Boone & Kurtz, 2007).

Companies and brands use different social media applications as their advertising platform to reach easier to their target consumers (Evans, Phua, Lim, & Jun, 2017). One of the so-called opportunities that the growth of social media has brought is marketing through social media influencers. A social media influencer is someone with a considerable number of followers on a social media platform who creates awareness of a brand, product, or a service by collaborating with businesses (Abidin, 2016). The majority of businesses promote their products by paying social media influencers, i.e., opinion leaders, as the potential impact of influencers on their followers has been verified (De Veirman, Cauberghe & Hudders, 2017). Generally, influencers are categorized based on the number of their followers to three groups; micro-, macro-, and mega influencers. Micro influencers have between 1,000 to 100,000 followers, macro influencers have between 100,000 to 1 million followers, and lastly, mega influencers have more than one million followers (Ismail, 2018). Another related factor to the number of followers, is the influencer's engagement rate which results from the number of likes and comments as well as from interactions with their followers which to some extent is perceived as their social power (Tuten & Solomon, 2018). Influencers with a lower number of followers have higher engagement rates in

comparison with influencers with a high number of followers (Revell, 2017). Although there are plenty of influencers on social media and they can be found easily, identifying the right influencer that is best fit for business's target market in order to make a credible electronic word-of-mouth (eWOM) is one big challenge for marketers (Pophal, 2016).

Among all platforms, Instagram, with 1 billion users, could be exclusively mentioned as the most popular application in this sense since the greatest numbers of influencers, especially fashion bloggers, actively use it (Casaló et al., 2018; Statista 2018b). Influencers promote brands by tagging and using hashtags under their posts. This collaborations will lead to the popularity of influencers on Instagram who are regarded as "Instafamous" (Dewey, 2014).

1.1 Problem Statement

The higher the number of followers of an influencer does not always indicate their actual social power, so finding the best influencer is challenging. Moreover, using such influencers as a promoter of an item would not be the best choice of advertising for fashion companies, since this could have a negative effect on the brand's perceived uniqueness and accordingly brand attitudes (De Veirman, 2016). In addition, it has been observed that a very small number of influencers have an outstanding impact on their followers (SanMiguel & Sádaba, 2018).

The topic is widely discussed in practice as well as in academia, specific factors of the influencer marketing are researched in detail, whereas in order to provide a full understanding to businesses who have the intention to use influencers on Instagram as their marketing strategy the issue must be discussed comprehensively.

1.2 Purpose of the Study

Considering the background information and the research problem discussed above, the purpose of this thesis is to investigate the impact of the influencers marketing strategies on consumer buying behavior with a specific focus on items they are promoting, by analyzing their activity on the social media platform of Instagram and examining the role of trust in promoted posts. The research aim is to evaluate the impact of Instagram influencers on consumer engagement. In order to accomplish the

stated research aim, narrower objectives have to be examined. This research will focus on exploring whether people trust in promoted posts on Instagram throughout their experience with it. The characteristics of influencers and their posts will be analyzed. To be more specific, different types of influencers from celebrities to mommy bloggers, characteristics of a promoted post such as number of likes of the post, the experience people had with promoted posts and their preference for such posts which indicates the impact on their buying decision will be analyzed. There has been no prior study concerning this topic, especially considering the number of following influencers on Instagram and age.

1.3 Research Questions

The research question that arises in this thesis is: How can influencers on Instagram have an impact on the buying behavior of consumer?

1.4 Research Process

The topic is widely discussed in practice as well as in academia, specific factors of the influencer marketing are researched in detail, whereas in order to provide a full understanding to businesses who have the intention to use influencers on Instagram as their marketing strategy, the issue must be discussed comprehensively.

In order to carry out the purpose of this thesis and fill the research gap, a quantitative research method has been conducted by the researcher to identify which factors have an impact on the buying behavior of consumers when facing influencers' promoted posts on Instagram. A questionnaire has been developed and filled out by a sample of total 56 respondents. The gathered data was used to analyze the hypotheses, mostly derived from existing findings.

This work is structured as follows: Initially, a comprehensive review of the existing literature and previous findings regarding social media marketing, influencers marketing, as well as promoted posts is presented. The methodology and hypotheses will then be provided to indicate the chosen research methods and justify the selection. Then, the data is analyzed in the form of descriptive and inferential statistics, leading to draw a series of results and conclusions. Lastly, interpretation of

the findings from the primary research acquired from the qualitative study and limitations of this research will be discussed and concluded.

2 Literature Review

In order to proceed to the discussion related to the impact of influencers on Instagram on consumer buying behavior, it is important to first develop an understanding of some fundamental concepts that have led to the appearance of such influencers.

2.1 Defining Social Media

Social media is an online service provided through interactive technologies that allows users to connect, create, share, and exchange digital data and contents in a virtual space (Singh & Diamond, 2015). In 2018 there were 2.62 billion social media users worldwide, and this number is expected to reach to more than 3 billion users by the end of 2021 (Statista, 2019a), which is approximately one third of the earth's population. This indicates the consistent rise and growth of social media popularity.

2.2 Social Media Platforms

Platforms on social media can be accessed by using electronic devices such as desktop computers, laptops, and smartphones. There are different platforms each with specific tools and features such as Facebook, Instagram, Twitter, LinkedIn, etc (Singh & Diamond, 2015). Despite being mainly different from each other, connectivity, text messaging, exchanging information and data, are some common features that they all cover. These applications have a significant role in people's daily life (Berthon, Pitt, Plangger, & Shapiro, 2012). Hence, businesses and companies have been using different social media platforms in order to advertise and communicate online with their customers (Evan et al., 2017).

The following graph shows the most popular social media platforms based on the number of active users in millions, in 2019 (Figure 1).

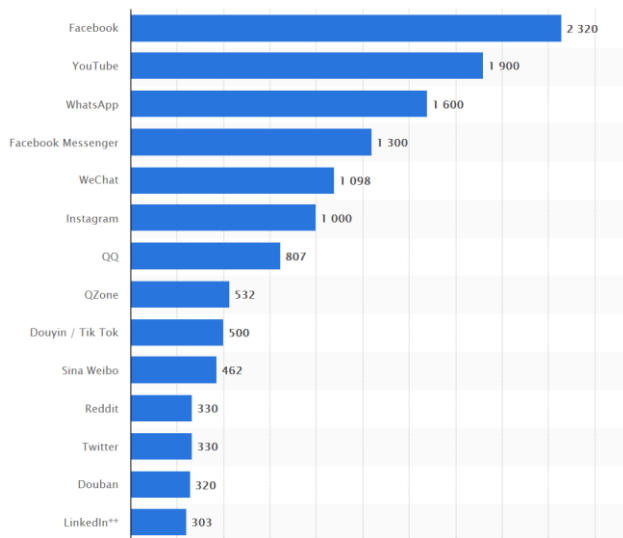


Figure 1 - Most famous social network sites worldwide as of April 2019, ranked by the number of active users (in millions) (Statista, 2019b)

2.3 Social Media Marketing

People spend five hours or more on their smartphones on a daily basis (Statista, 2018a) and more than half of the purchase decisions made worldwide, happened while using social media (Sipherd, 2018). This consistent rise and growth of social media popularity has generated several opportunities and possibilities for companies and businesses to expand their communications and accessibility to more potential audience around the world for lower costs. This happens by creating channels on different social media platforms with the intention of creating, connecting, communicating, and exchanging value with their customers online (Tuten & Solomon, 2018). When comparing traditional and nontraditional marketing tools used in the recent years, it can be observed that nontraditional advertising, such as social media marketing, has been more effective on persuading and therefore, buying behavior of consumers. This stems from the fact that the spread of electronic word-of-mouth (eWOM) throughout social media is broader and faster than word-of-mouth, i.e., oral person-to-person communication (van Reijmersdal, Samit, & Neijens, 2010 in Evans et al., 2017 ; De Veirman et al., 2017). Electronic word-of-mouth (eWOM) refers to “any positive or negative statement made about a product or company, which is made available to a multitude of people and institutions via the Internet” (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004, p. 39 in Evans et al., 2017).

2.4 Use of Social Media

Paid ads, sponsored posts, brand's website pages, and electronic word of mouth (eWOM) are the most common ways of using social media for companies to advertise their products and engage with customers on social media (Walters, 2016 in Evans et al., 2017). Brands use eWOM by paying opinion leaders, i.e., influencers, to strengthen and maximize the spreading of their brand message (Scott, 2015 in Evans et al., 2017). Consequently, the idea of using social media influencers has been raised among companies to promote their products, resulting in an increase in the number of their sales (De Veirman et al., 2017).

2.5 Instagram Marketing

As the research has indicated, Instagram, a photo and video sharing social media application with its rapidly growing popularity since 2010, might become the best social media platform in the near future. The simplicity and ease of use of Instagram, especially on the mobile devices, has affected the consumer engagement (DeMers, 2017), which has contributed to its popularity, especially among young generation (Colliander & Marder, 2018). Even though it has lower ranking among several other platforms, but it is perceived as one of the most important platforms for marketers (DeMers, 2017). Currently, around 70.7% of businesses use Instagram for their marketing which counts for 8 million business profiles on Instagram (Aslam, 2019). This is due to the fact that there has been an eye-catching 100% growth in the number of people who advertise and promote on Instagram to more than 1 million monthly as of 2019 (DeMers, 2017; Aslam, 2019).

2.6 Definition of Influencer

An influencer could be anyone even within a small and informal group of family or friends, who unconsciously and involuntarily has an influence on others to act in a specific way. It does not mean they have a certain position or rank among others, but their wisdom of persuading and building trust (Sádaba & SanMiguel, 2015). They have the power to not only influence their followers' opinion, but also their behavior and attitude by being regularly active and confidentially leading person-to-person in an informal way (Lazarsfeld, Berelson, & Gaudet, 1944 in Sádaba & SanMiguel, 2015). In the recent years, with the appearance of advanced social media platforms, an

increasing number of influencers have been observed who actively try to build an intimate relationship with others on different platforms (Sádaba & SanMiguel, 2015).

2.7 Influencer Marketing

There are individuals who have the willingness to share information about brands and products on their social media platforms, e.g. their Instagram page. This will lead in a critical mass, i.e., eWOM, as the message has reached to many other individuals by being passed through and shared on more networks, voluntarily and at no cost (Roggers 2010 in Evan et al., 2017). In order to reach to more audience who have the actual buying potential as well as potential to empower their brand or products, businesses pay to opinion leaders to distribute their message. This action is regarded as influencer marketing (Scott 2015 in Evan et al., 2017).

A social media influencer is an individual who has a remarkable number of followers on a social media platform and the willingness to share information about brands and their products as they are perceived as a source of advice for the followers (De Veirman et al., 2017; Casaló et al., 2018; Evans et al., 2017). Businesses achieve their marketing goal, which is creating awareness of their brand and products, through such influencers as influencers contribute to establish trustworthy and credible electronic word-of-mouth (eWOM) (Abidin, 2016), by showing their every-day lives and experiences to their followers. In general, influencers' impact on the follower's attitudes and decisions have made them a universal marketing phenomenon (De Veirman et al., 2017) since they have a significant positive impact on the buying decision of consumers (Phua, et al., 2017).

There are different types of influencers from celebrities to mommy bloggers and entrepreneurs. The number of followers divide influencers into three categories, micro-, macro-, and mega influencers with between 10,000 to 100,000, 100,000 to 1,000,000, and more than one million followers, respectively (Ismail, 2018). However, this not the only factor in demonstrating the power of the influencers.

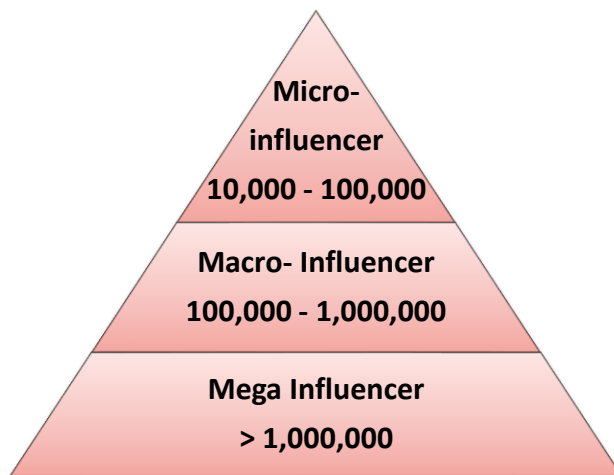


Figure 2 - Types of influencers _ based upon Ismail, 2018

Among all platforms, Instagram, with 1 billion active users monthly and 500 million active users daily, could be exclusively mentioned as the most popular application when it comes to influencer marketing since the greatest numbers of influencers actively use it (Casaló et al., 2018; Statista 2018b), which makes Instagram superior to its traditional rivals including Facebook, Twitter, Pinterest, and all others (Colliander & Marder, 2018).

In order to find the most influential influencer, marketers look at the number of the followers and their engagement rates as they indicate the true size and power of the influencer's social network (De Veirman et al., 2017) by considering the number of likes and comments as well as interactions with their followers (Tuten & Solomon, 2018). The type of the product they want to promote, the ability of an influencer in persuading his/her followers, and the number of likes of their post are other aspects that need to be kept in consideration. In this regard, there are some calculators that analyze these ratios (De Veirman et al., 2017), which will be discussed in the following paragraphs.

2.8 Engagement Rate

The interactions with followers through likes and comments, indicates the engagement rate of a specific influencer, which differentiates each influencer from another (Tuten & Solomon, 2018). There are three options to calculate the engagement rate (Chacon, 2018). First option is to divide the total number of likes

and comments of a post by number of the followers which is then multiplied by 100 to get the ratio, or in other words:

$$\text{Engagement Rate} = (\text{Likes} + \text{comments}) / \text{Followers} \times 100$$

The second option is to divide the total number of likes and comment by the impressions, multiplied by 100. Impression refers to number of people who have seen the post.

$$\text{Engagement Rate} = (\text{Likes} + \text{comments}) / \text{Impressions} \times 100$$

The third and last option is to calculate the total number of likes, comments and number of times that the post has been saved, divided by impressions and multiplied by 100.

$$\text{Engagement Rate} = (\text{Likes} + \text{Comments} + \text{Saved}) / \text{Impressions} \times 100$$

The advantage of the first calculation is that the data needed for calculation is publicly available and it is easier to compare it with other's ratios. Since there is a probability that not all of the followers have seen all the posts, the second option gives a better and more accurate result, as the number of people who saw the post is taken into account. Generally, the impressions show how many people actually decided to engage or not. Finally, the third option is not very often used since people usually tend to either like or comment on a post rather than to save it. However, the engagement shown on Instagram already includes the number of posts that were saved and one has not to forget that this is not publicly accessible (Chacon, 2018).

2.9 Identifying Influencers

One of the challenging situations for businesses in using influencer marketing is finding and identifying the right influencer by seeking for those who can make the most impact on the consumer behavior by implying credible message (Pophal, 2016). Choosing the right influencer(s) depends on the budget, marketing strategy, and the execution of the business (Lee, 2018). However, in order to have a successful advertisement in the end what matters the most is the attention that the ad has received, not the budget solely (Kotler & Armstrong, 2008).

In this regards, the followers of the selected influencer have to be a part of the business's target market in order to have an effective impact on their behavior toward the promoted and advertised post (Pophal, 2016). For instance, if a cosmetic company

collaborates with a fitness expert who has a notable number of followers from which a few are interested in cosmetic products, faces less impact on consumers' behavior in comparison with the situation where, the company works with dozens of self-proclaimed beauty bloggers with a smaller number of followers.

As mentioned earlier, there are three types of influencers based on the size of their follower: micro-, macro-, and mega- influencers. Micro influencers with 4% to 8% engagement rates have higher rates in comparison to macro- and mega- influencers whose ratios are 2.4% and 1.7% (MediaKix, 2017). This is due to the fact that they have a smaller number of followers so their interaction with followers is higher (Revell, 2017). On the other hand, macro influencers are professionals who have an interest in specific topics which allows marketers to reach to a more accurate target market (Lee, 2018). Macro influencers usually perceive their activity as their career. Therefore, they have to build a friendly relationship with their followers in order to be attractive to gain their trust as trust and attractiveness are perceived as key elements for having better engagement (Jin & Phua, 2014). In contrast to micro- and macro-influencers who can be anyone, mega influencers are actual celebrities, models, athletes, paparazzies etc., such as The Kardashians, Cristiano Ronaldo, and Beyonce (Hjorth, 2016). Despite the fact that they have a very large number of followers on Instagram (over a million), they have less credibility among their audience in comparison with micro- and mega- influencers. This could result from their excessive partnerships with different brands without paying attention to their guaranteed testimonial which makes followers uninvolved after a while (Hjorth, 2016).

Consequently, followers prefer to take advice from micro- and macro- influencers when considering promoted and advertised posts. It stems from the fact that micro- and macro- influencers are perceived more trustworthy by consumers than celebrities (Djafarova & Rushworth, 2017).

According to Statista (2019c), the influencer marketing on Instagram is worth 1.7 billion dollar as of 2019 and it is expected to reach 2.3 billion dollar in 2020.

2.10 Promoted Posts

Influencers on Instagram promote a brand or a particular item either in exchange for a payment or free samples and services. In general, influencers post images or videos on their Instagram account visually showing what they are promoting or by naming and mentioning a brand and its product in the caption of their posts. (De Veirman et al., 2017).

Particularly, collaboration between brands and influencers happens in different ways, namely, sponsored posts and product placements, documenting an event or experience, hosting and appearance in an event. As mentioned earlier, Instagram influencers either promote a brand or a product by posting photos with special content regarding to the brand's message, or posts showing they are invited to different occasions which are sponsored by brands, such as openings, launching new products and even staying at a sponsored hotel or flying experience with an airline in order to advertise them or be partners as a host at a party (MediaKix, 2016). Such collaborations will be mentioned as labels or disclosures (FTC 2015, in De Veirman 2017), e.g., "Sponsored", "SP", "Paid Ad", "Paid Partnership", or even sometimes no disclosures. Additionally, often influencers get a discount code from sponsored companies to share and post in the caption of the related promoted post which is considered as an effort with the intention to affect more on consumer's buying behavior (Dawson & Kim, 2009). One cannot say which disclosure brings the best outcome that makes users become aware of the product and the brand (De Veirman, 2017), but it has been observed that most of the Instagram users have a negative attitude toward promoted posts as they feel such posts are jeopardizing their rights of being free for making decisions (van Reijmersdal et al., 2016; Evan et al., 2017).

3 Hypotheses

The data were used to evaluate the relationship between different types of influencers and the buying intention of followers with the variables of promoted posts, posts with discounts, characteristics of a post, and trust. These variables were chosen because they were the important factors that help to determine how the buying behavior of consumers is affected by the influencers' interaction on Instagram.

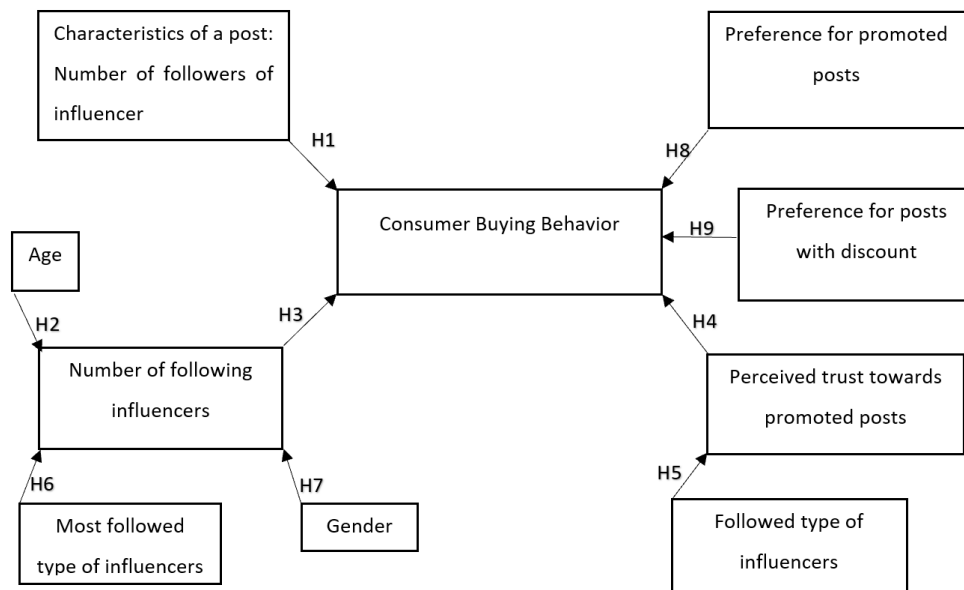


Figure 3 - Hypothesized effects on buying behavior

4 Methodology

4.1 Research Area

This study is aiming to explore the impact of Instagram influencers on consumer buying behavior. Therefore, the research area relates to the type of influencers on Instagram with relation to key dimensions of consumer behavior, such as trust.

4.2 Research Approach

The research method used in this study is a deductive approach as the existing hypotheses and ideas are being tested (Kothari, Garg, & New Age International, 2016). The research question and hypotheses in this study are examining the usefulness or success of an outcome, therefore the research approach is quantitative, empirical, where the data collected is quantifiable and presentable in numeric form and all the questions are standard with pre-determined answering options (Kothari et al., 2016). The data were collected from different forums and direct links to the respondents in different age groups. This will be considered as one of the quantitative research methods. For this study a cross-sectional research-design is considered where the population is analyzed at one single point in time.

4.3 Research Strategy

In order to determine the impact of influencers on Instagram on the buying behavior of consumers and collect the relevant data, an online questionnaire was designed by the author based on existing literature by Evans, Phua, Lim, and Jun (2017), De Veriman, Cauberghe, and Hudders (2017), Casaló, Flavián, and Ibáñez-Sánchez (2018). The questionnaire consisted of twelve close-ended and only two open-ended question's where participants had to put numbers, to make sure it is not overwhelming for the participant as they usually hesitate surveys that are long and require detailed inputs (Kothari et al., 2016).

The survey was posted on social media platforms such as Instagram, Facebook, direct internet link, and electronic word of mouth strategy to the respondents in different age groups. As a result, collecting data was fast and cost-effective. Targeting the individuals that are Instagram users or had experience with it was important since they comprise the sample population. The survey consisted of questions related to the users' experiences with promoted posts and their interpretation towards it. Used scales in this survey were nominal binary scales for type of influencers, yes or no, gender, and place of residence answers, and a Likert scale with 5 scale points for level of trust. The possible answers for nominal binary scales were coded with 0 and 1 (0 = no; male , 1 = yes; female), as well as 1 to 10 for different types of influencers, which will be explained in detail later, and sequentially for the Likert scale (i.e., 1 = no trust at all, 5= complete trust).

In order to test the proposed hypotheses mentioned, 55 respondents answered the survey who are mostly undergraduates between the age of 20 to 30 years old. The data generated from the online survey were gathered through Google forms and analyzed by using statistical software, IBM SPSS. Mann-Whitney test, Pearson-correlation, Spearman-correlation, and Kruskal- Wallis H analysis were used for indicating the significance level of hypotheses. The raw data were converted into useful statistics by filtering unsatisfactory responses which every not useful and unrealistic response will be deleted because it was not related to the variables analyzed for this research.

Ethical considerations were held throughout the research with respect to the code of conduct for the questionnaire. The participation was completely voluntary and confidential which results in unbiased data evaluation. Later, the findings were summarized and analyzed by descriptive and inferential statistics.

5 Results

In this section, the results from the primary study will be analyzed and explained through diagrams and tables with the purpose of developing a platform for further discussion. The conduction of the survey received 55 responses.

5.1 Descriptive Statistics

The following are general and demographic information about the participants.

5.1.1 Gender

Figure 4 shows the gender distribution of the participants. 25% of the participants were male and 75% were female.

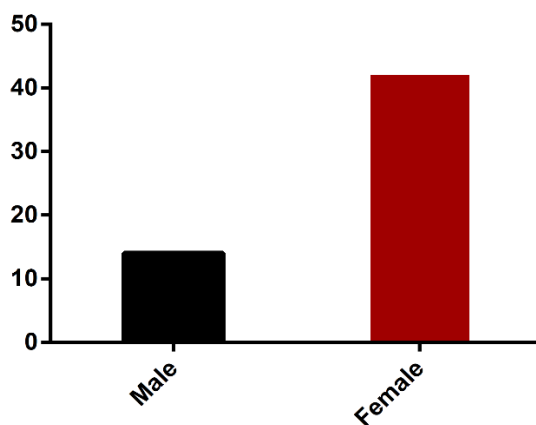


Figure 4 - Gender

5.1.2 Age

The age of the participants is between 18 and 55 years, with the majority being in their mid to late-twenties with an average age of 26.33 and standard deviation of

6.815. So, the age of the most of the sample is between 25 and 33. Only four of them are over 35 years old as also shown through Figure 5 below.

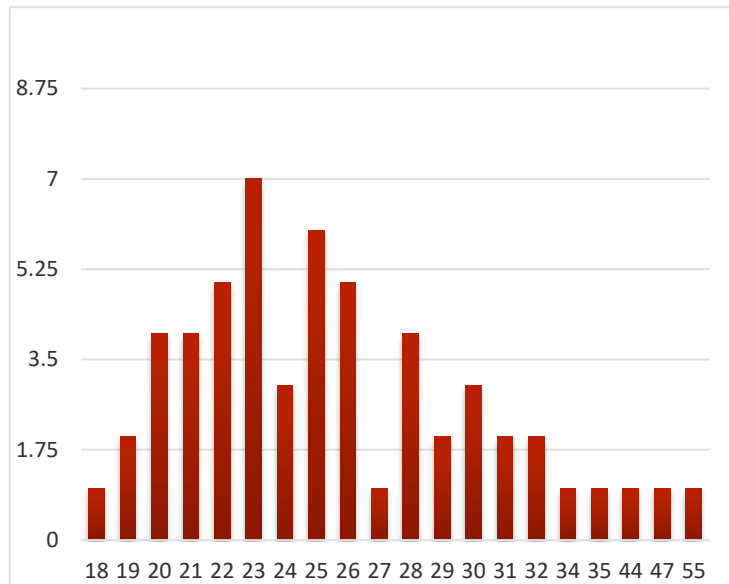


Figure 5 – Age

5.1.3 Education

The majority of the participants (26) have a bachelor degree and (19) are high school graduates or have a diploma (Figure 6).

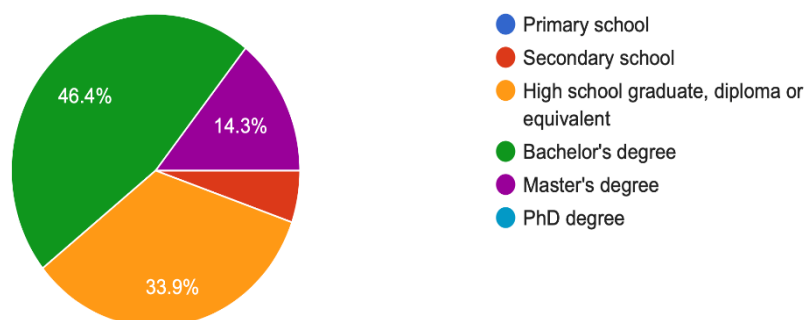


Figure 6 - Education

5.1.4 Residence

It is found that the majority of the participants come from Europe (47) and Middle East (16) and the minority of the participants belong to other regions such as Asia and North America (Figure 7).

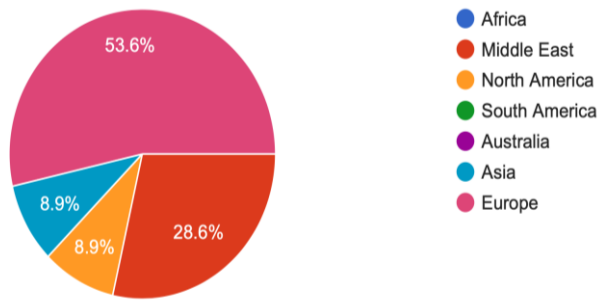


Figure 7 – Residence

5.1.5 Type of Influencers

The following Figure 8 illustrates what type of influencers participants follow on Instagram. They were able to choose more than one type assuming that Instagram users follow a variety of influencers. The majority of participants, 69%, stated that they follow “Celebrities/Models” on Instagram, which is highest against other types.

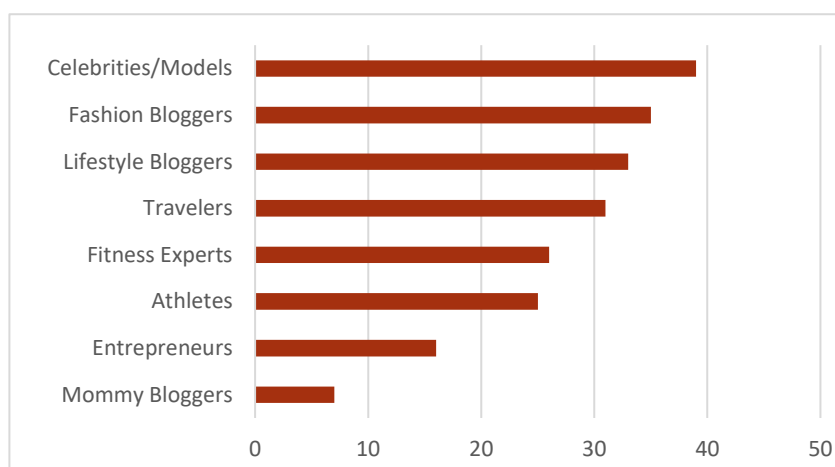


Figure 8 - Type of influencers

At the same time, a small number of participants wrote that they follow beauty bloggers in addition to the above mentioned influencers.

5.1.6 Most Followed Type of Influencer

Among all types of influencers, celebrities and lifestyle bloggers had a larger respondent size, namely 19 (33.9%) and 13 (22.2%), respectively (Figure 9).

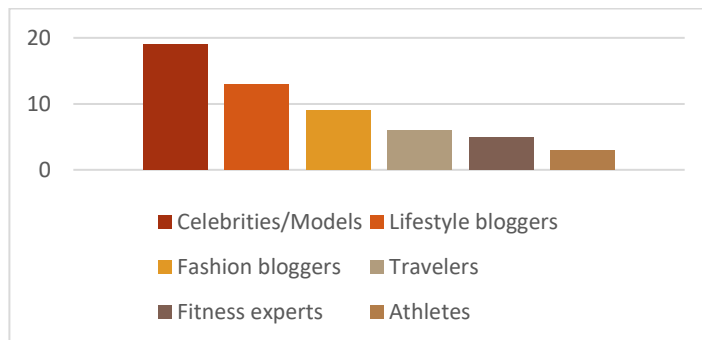


Figure 9 - Most followed type of influencer

5.1.7 Promoted posts

Furthermore, the participants were asked about their experience with promoted posts, and their preference for promoted post and posts with discounts, as the aim of the research is to focus on the buying behavior of the consumer resulting from influencers' interactions.

46.4% of the participants stated that they have experience with promoted posts, from which 20 have also bought a promoted product or service.

Most of the respondents namely 44 (78.6%) prefer regular posts in comparison with promoted posts, whilst preferring posts with discounts.

5.1.8 Characteristics of a Post

The main characteristics of a post that were chosen by the respondents, when it comes to promoted posts were the number of an influencer's followers with 28 respondents, number of likes of the post with 20 respondents, and last but not least, the number of posts of the influencer with 15 responses. Apart from these, some participants additionally referred to characteristics of the influencer, quality of the

posts, and their perceived trust to the influencers as other factors to take into account when facing a promoted post.

5.1.9 Trust in Promoted Posts

The majority of the participants have a moderate level of trust to promoted posts (normal distribution). The perceived level of trust toward promoted posts on Instagram can be seen in the Figure 10 below:

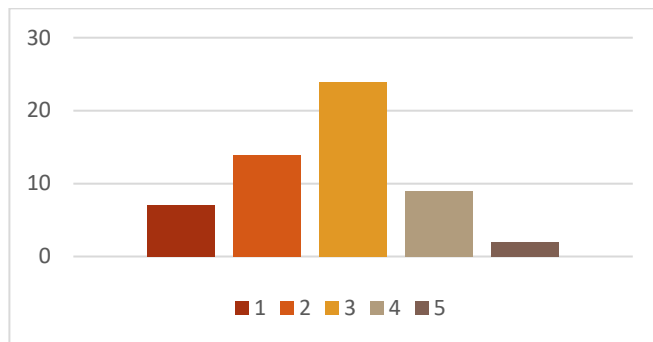


Figure 10 - Perceived level of trust in promoted posts

6 Inferential Statistics

6.1 Hypothesis 1

H0: There is no significant difference between people for whom the number of followers of influencers is relevant and for whom it is not with regard to the number of promoted products or services bought.

H1: There is a significant difference between people for whom the number of followers of influencers is relevant and for whom it is not with regard to the number of promoted products or services bought.

The hypothesis 1 was analyzed through Q5 and Q9 in the questionnaire.

Q5: How many promoted products/services have you approximately bought up to now where your decision was influenced by the promoted post?

Q9: Which characteristics of a certain post are relevant for you? Number of influencer's followers

The mean values and standard deviations can be found in Table 1 below.

Q9	Mean Score	Standard Deviation	N
0	2.96	6.881	27
1	3.18	9.592	28

Table 1 - Hypothesis 1: Descriptives

Results from two – independent sample test, Mann- Whitney test, can be found in Table 2.

Mann-Whitney U	357.000
Wilcoxon W	763.000
Z	-.411
Asymp. Sig. (2-tailed)	0.681

Table 2 - Hypothesis 1: Inferential – Mann- Whitney U Test

According to Table 2, the p-value is 0.681 which is bigger than 0.05 and the mean scores are very close to each other. Hence, it can be stated that the variable of hypothesis 1 shows not significant difference among the two groups. H1 can be rejected. Therefore, there is no difference between people for whom the number of followers of influencers is relevant and for whom it is not with regard to the number of promoted products or services bought.

It should be mentioned that the small size of the sample makes it hard to generalize the findings as one can see that for those for whom the number of followers of an influencer is important, have bought more promoted products or services.

6.2 Hypothesis 2

H0: There is no significant relationship between the number of following influencers on Instagram and the age of the user.

H1: There is a significant relationship between the number of following influencers and the age of the user.

The hypothesis 2 was tested by using Q1 and Q12 in the questionnaire.

Q1: How many influencers do you approximately follow on Instagram?

Q12: How old are you?

Results from Pearson-correlation analysis can be found in Table 3.

Q5		Age
	Sig. (2-tailed)	0.25
		.858

Table 3 - Hypothesis 2: Inferential – Pearson-Correlation

As the level of significance is bigger than 0.05, it can be resulted that hypothesis 2 has a not significant correlation and H2 can be rejected. Hence, There is no significant relationship between the number of following influencers on Instagram and the age of the user.

This could result from the fact that there are not enough older participants. The correlation can be observed in Figure 11.

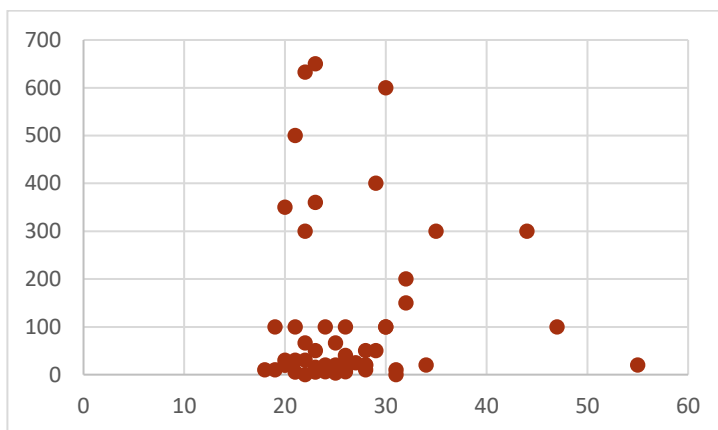


Figure 11 - Hypothesis 2 - Correlation between number of following influencers on Instagram and age

6.3 Hypothesis 3

H0: There is no significant relationship between number of influencers following on Instagram and number of bought promoted products or services.

H1: There is a significant relationship between number of influencers following on Instagram and number of bought promoted products or services.

The hypothesis 3 was tested by the use of Q1 and Q5 in the questionnaire.

Q1: How many influencers do you approximately follow on Instagram?

Q5: How many promoted products/services have you approximately bought up to now where your decision was influenced by the promoted post?

Results from Pearson-correlation analysis are as shown in Table 4.

Q5	-.031
	.822
	55

Table 4 - Hypothesis 3: Inferential – Pearson-Correlation

It can be concluded that hypothesis 3 has a not significant correlation. Therefore, the null hypothesis cannot be rejected. There is no significant relationship between the number of influencers following on Instagram and number of bought promoted products or services. The correlation can be observed in Figure 12.

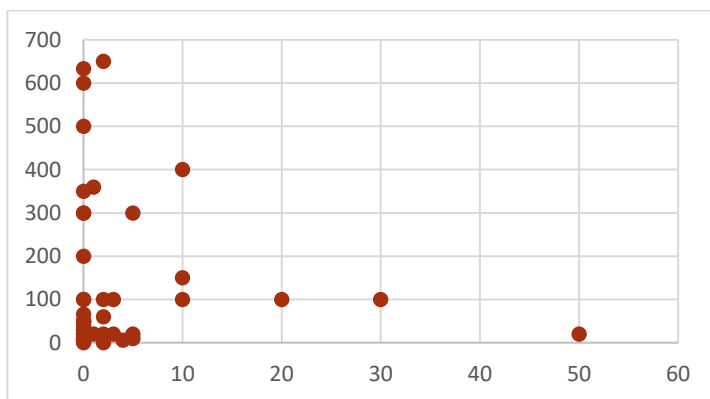


Figure 12 - Hypothesis 3: Correlation relationship between number of influencers following on Instagram and number of bought promoted products or services

One should consider that the sample size is small and most of the participants never bought a promoted product or service which makes it hard to generalize.

6.4 Hypothesis 4

H0: There is no significant relationship between the perceived level of trust towards promoted posts and the number of bought promoted products or services.

H1: There is a significant relationship between the perceived level of trust towards promoted posts and the number of bought promoted products or services.

The hypothesis 4 was tested by the use of Q5 and Q10 in the questionnaire.

Q5: How many promoted products/services have you approximately bought up to now where your decision was influenced by the promoted post?

Q10: How high would you rate your trust in promoted posts?

For this correlation the author conducted Spearman-correlation since trust was measured on an ordinal scale. Results from Spearman-correlation analysis can be found in the Table 5.

Spearman's rho	Q5
Q10	.280
	.038

Table 5 - Hypothesis 4: Inferential – Spearman-Correlation

The p-value is 0.038. As a result, it can be stated that hypothesis 4 has a significant correlation. The correlation coefficient is positive and represents the strength of the relationship. Consequently, the null hypothesis will be rejected and H4 will be accepted. There is a significant relationship between the perceived level of trust towards promoted posts and the number of bought promoted products or services.

6.5 Hypothesis 5

H0: There is no significant difference in perceived level of trust between different types of most followed influencers on Instagram.

H1: There is a significant difference in perceived level of trust between different types of most followed influencers on Instagram.

The hypothesis 5 was tested by using Q3 and Q10 in the questionnaire.

Q3: What type of influencers do you follow the most?

Q10: How high would you rate your trust in promoted posts?

In this question there are 10 different groups for influencers, namely, athletes, celebrities/models, cooking/nutrition, fashion bloggers, fitness experts, lifestyle bloggers, make-up artists, musicians, friends/family, and travelers. As mentioned earlier in the methodology part, answers for each group were coded from 1 to 10, respectively.

The result of the hypothesis is significant if one group shows a different level of trust. The selected test for this analysis was Kruskal-Wallis H (more than 2 independent groups). The results from the test are shown in Table 6.

Q10	
Chi-Square	13.085
df	9
Aymp. Sig.	.159

Table 6 - Hypothesis 5: Inferential – Kruskal-Wallis Test

As the p-value from the analysis is 0.159, which is bigger than 0.05, one can understand that there is no significant difference between the two variables of hypothesis 5. The mean values and standard deviations can also be found in Table 7.

Q10	Q3	N	Mean	Std. Deviation
	Athletes	3	2.33	1.528
Celebrities/Models	18	2.94	.938	
Cooking/nutrition	1	4.00	.	
Fashion bloggers	8	2.88	.641	
Fitness experts	5	3.20	.447	
Lifestyle bloggers	11	2.91	1.044	
Make-up artists	1	3.00	.	
Musicians	1	1.00	.	
My friends and family and animals	1	1.00	.	
Travelers	6	2.00	.894	

Table 7 - Hypothesis 5: Descriptives

Although 18 people from the sample follow celebrities/models the most on Instagram, but the mean value is relatively low (1 - No trust at all, 5 – Complete trust). This indicates their level of trust is low. In general, means are very close to each other which leads to a not significant difference between the type of influencer and trust. This could be due to the fact that the number of observation is low as well. Indeed for bigger sample groups the mean values would probably have suggest a significant difference.

Among all the groups, trust is higher when it comes to fitness experts.

6.6 Hypothesis 6

H0: There is no significant difference between the number of influencers followed between the most followed type of influencer on Instagram.

H1: There is a significant difference between the number of influencers followed on Instagram between the different type of followed the most influencers.

The hypothesis 6 was tested by using Q1 and Q3 in the questionnaire.

Q1: How many influencers do you approximately follow on Instagram?

Q3: What type of influencers do you follow the most?

Similar to hypothesis 5, types of influencers were coded and Kruskal-Wallis test has been run. The results from the analysis are given in Table 8.

Q1	
Chi-Square	9.484
df	9
Asymp. Sig.	.394

Table 8 - Hypothesis 6: Inferential – Kruskal-Wallis Test

In compliance with the p-value ($0.394 > 0.05$), it can be stated that there is no significant difference between groups in hypothesis 6. The null hypothesis will be accepted. The mean values and standard deviation can also be found in Table 9.

	Q3	N	Mean	Std. Deviation
Q10	Athletes	3	106.67	90.185
	Celebrities/Models	18	118.67	173..207
	Cooking/nutrition	1	30.00	.
	Fashion bloggers	8	84.38	95.970
	Fitness experts	5	40.00	34.641
	Lifestyle bloggers	11	160.55	228.752
	Make-up artists	1	5.00	.
	Musicians	1	10.00	.
	My friends and family and animals	1	650.00	.
	Travelers	6	64.00	118.229

Table 9 - Hypothesis 6: Descriptives

6.7 Hypothesis 7

H0: There is no significant difference between the number of influencers followed on Instagram between man and women.

H1: : There is a significant difference between the number of influencers followed on Instagram between man and women.

The hypothesis 7 was tested by using Q1 and Q11 in the questionnaire.

Q1: How many influencers do you approximately follow on Instagram?

Q11: Gender

Mean score and standard deviation of data can be observed in Table 10.

	Gender	Mean	N	Standard Deviation
Q 1	Male	97.62	13	125.197
	Female	116.83	42	183.969

Table 10 - Hypothesis 7: Descriptives

In order to analyze this difference, the Mann-Whitney U test has been run. The related results can be found in Table 11.

Q1	
Mann-Whitney U	248.000
Wilcoxon W	1151.000
Z	-.498
Asymp. Sig. (2-tailed)	.619

Table 11 - Hypothesis 7: Inferential – Mann-Whitney U Test

From the high number p-value, H0 cannot be rejected. One can find out that there is no significant difference in the number of influencers followed between men and women. As a whole women followed more influencers on Instagram but not significantly. If the sample involved a larger number of people, then the difference would probably be significant.

6.8 Hypothesis 8

H0: There is no significant difference in the number of promoted products or services bought between people who prefer promoted posts and people who do not prefer promoted posts.

H1: There is a significant difference in the number of promoted products or services bought between people who prefer promoted posts and people who do not prefer promoted posts.

The hypothesis 8 was tested by using Q5 and Q7 in the questionnaire.

Q5: How many promoted products/services have you approximately bought up to now where your decision was influenced by the promoted post?

Q7: Do you prefer promoted posts compared to others?

The mean values and standard deviations are shown in the Table 12.

Q7	Mean	N	Standard Deviation
No	2.00	43	5.598
Yes	6.92	12	14.055

Table 12 - Hypothesis 8: Descriptives

Results of the Mann-Whitney U test can be found in Table 13.

Q5	
Mann-Whitney U	169.500
Wilcoxon W	115.500
Z	-2.095
Asymp. Sig. (2-tailed)	.036

Table 13 - Hypothesis 8: Inferential – Mann-Whitney U Test

According to the p-value, 0.036, it can be stated that hypothesis 8 has a significant difference between groups. The null hypothesis will be rejected. Therefore, there is a significant difference in the number of promoted products bought between people who prefer promoted posts and people who do not refer promoted posts. This significant difference is also apparent by the mean scores' comparison; those who

prefer promoted posts, bought on average 6.92, whereas those who do not prefer such posts bought on average 2 products.

6.9 Hypothesis 9

H0: There is no significant difference in the number of promoted products or services bought between people who prefer discounted posts and people who do not prefer discounted posts.

H1: There is a significant difference in the number of promoted products or services bought between people who prefer discounted posts and people who do not prefer discounted posts.

The hypothesis 8 was tested by using Q5 and Q7 in the questionnaire.

Q5: How many promoted products/services have you approximately bought up to now where your decision was influenced by the promoted post?

Q8: Do you prefer Discounted posts compared to others?

The mean values and standard deviations are shown in Table 14.

Q8	Mean	N	Standard Deviation
No	.33	12	.778
Yes	3.84	43	9.250

Table 14 - Hypothesis 9: Descriptives

Mann-Whitney U test has been run for this analysis as there are two independent groups. Its results are shown in Table 15.

Q5	
Mann-Whitney U	183.000
Wilcoxon W	261.000
Z	-1.776
Asymp. Sig. (2-tailed)	.076

Table 15 - Hypothesis 9: Inferential – Mann-Whitney U Test

Regarding the above stated results, there is no significant difference between the groups as the p-value is 0.076. Now, it is the matter of how strict one is with the level of significance. If one is not very strict with 0.05, then a significant difference would exist for the number of promoted products or services bought between people who prefer discounted posts and people who do not prefer discounted posts. Otherwise, by comparing p-value with 0.05 for this hypothesis, the null hypothesis will be retained.

7 Discussion

In the discussion section of this paper the most important factors that affect the buying behavior of consumer that are resulted from promoted posts of influencers on Instagram will be critically assessed. Some of the findings from primary research are at odds with existing findings and others support the conclusions of the literature review.

The purpose of this research was to investigate the relationship and differences between different variables; different type of influencers, characteristics of a certain post, such as number of likes of the post or number of followers of the influencer, number of bought promoted products, perceived level of trust towards promoted posts, preference for promoted posts and posts with discount, and lastly, demographic variables such as age and gender. All the variables were speculated to be dependent in form of either correlations or differences. Among all the hypothesis, two of them were found to display significant results. The rest of the tested hypotheses were not significant. Accordingly, insights about impact of influencers and buying behavior of Instagram users can be gained. Thus, it can be said that the effort was to some extent successful.

Most of the variables used in this study were derived from previous findings, with few slightly adjustments in order to fit better to the purpose of this study. For instance, the variable “number of followers of influencers” was derived from De Veirman, Cauberghe and Hudders’ variable “impact of number of followers” (De Veirman et al., 2017) as well as from Jin and Phua’s research (2014). They stated that the variable

“number of followers of an influencer” has a correlation with product involvement which results in buying intention (Jin & Phua, 2014).

To be more confident with the validity of the findings, the probability of each hypothesis was compared to the statistical significance of 0.05. With reference to reviewed existing literatures, the researcher came to premises that the dependencies between above mentioned variables would be significant. The hypotheses were tested through conducting one-tailed, Spearman correlation as well as Pearson correlation; non parametric two-independent sample Mann-Whitney U test; non parametric statistics for more than two independent samples, Kruskal-Wallis H test.

The first hypothesis, tested the correlation between variables “Characteristics of a certain post: number of followers of influencers” and “number of promoted products or services bought”. The variables tested were included in two questions of the questionnaire. The distribution in two independent samples, i.e., people for whom the number of followers of influencers is relevant and people for whom it is not, was found to be not significant as the probability value is 0.681. This finding is in contrast with De Veirman, Cauberghe, and Hudders’ finding that number of followers of influencers have a significant effect on the followers’ purchasing decision (De Veirman et al., 2017). A factor that could potentially have led to the difference in results is the small size of population in primary research sample which makes it hard to generalize. Although the findings from primary research cannot be proved, but one can see that participants for whom the number of followers is important, bought more promoted products or services. According to De Veirman, Cauberghe, and Hudders’s findings, the higher the number of followers of an influencer is, the buying intention of followers decreases. It stems from the argue that influencers with higher number of followers have a stronger, broader and faster power in spreading eWOM among social media users (De Veirman et al., 2017), and consequently, this reduces the perceived uniqueness towards the promoted or advertised product, service, idea or even brand (Machleit, Eroglue, and Mantel, 2000 in De Veirman et al., 2017). This is especially the case when it comes to atypical products that get viral on Instagram. This lowers the intention of others to have the same product as it is not unique and outstanding anymore (De Veirman, 2017). Therefore, finding the right influencer who has the potential to show the promoted product to the target audience of the business is

more practical than working with an influencer who has high number of followers but unrelated to the type of the product (De Veirman, 2017).

In the support of the above stated findings, and meanwhile supporting the findings of the first hypothesis, Casaló, Flavián, and Ibáñez-Sánchez' findings can be mentioned, who argue that perceived originality and uniqueness of the posts of influencers on Instagram has the major impact on consumer behavior rather than quantity and quality, i.e., number of followers or likes (Casaló et al., 2018).

The second hypothesis tested the correlation between the variables "age" and "number of following influencers on Instagram". The correlation coefficient of the variables tested was found to be not significant with the p-value of 0.858. Although the statistics indicate that most of Instagram users are aged between 25 and 34 years (Statista, 2019d), but there has been no prior research concerning this topic, especially considering the number of influencers followed on Instagram. It has been expected that the younger generations, follow more influencers on Instagram or in other word, as the ages get higher, the number of following influencers get lower. Therefore, a scatterplot was performed to see the trends. As indicated in Figure 9, people between 20 and 30 years old follow the highest number of influencers on Instagram, but not significantly. Nevertheless, the reason for this not significant relationship could be the fact that not enough older samples participated in the survey.

The third hypothesis analyzed the correlation between "number of following influencers on Instagram" and "number of promoted products or services bought". The variables were included in two questions of the questionnaire. In order to see whether a correlation exist or not, a Pearson-correlation coefficient test was conducted. The tested correlation displayed a negative, not significant correlation as the p-value was 0.882. In Figure 10, it can be also seen that too many from our sample never bought any promoted product. There were no prior finding on the variables used in this hypothesis. Therefore, there are nor supports neither contrasts for the findings from existing literatures.

The fourth hypothesis analyzed the correlation between variables "perceived level of trust towards promoted posts" and "numbers of promoted products or services

bought”. The variables were included in two questions of the questionnaire, regarding rating level of trust. The correlation coefficient of the variables tested was found to be strong and significant with the p-value of 0.038. There has been a slight adjustment of variable “trust toward influencers” in Djafarova and Rushworth’s (2017) findings in order to fit the purpose of this study as there has been no prior research concerning this topic, especially considering trust toward promoted posts. The findings from primary research indicate that people who have experience with buying a promoted product or service, have more trust in such products and the same approach for people who never bought a promoted product, seemingly have no trust.

The fifth hypothesis analyzed the correlation between variables “perceived level of trust towards promoted posts” and “most followed type of influencers on Instagram”. There were ten types of influencers that were chosen by participants, namely, athletes, celebrities/models, cooking/nutrition, fashion bloggers, fitness experts, lifestyle bloggers, make-up artists, musicians, friends and family and animals, and travelers. The distribution among these groups was found to be not significant as the p-value was 0.159. Even though the results are not significant but one can see out of the sample, most participants (18 respondents) chose celebrities/models as the most type of influencers they follow on Instagram. This can be correlated to finding of Djafarova and Rusworth (2017), stating that users generally perceive their desired celebrities as a credible and trustworthy source of advice and subsequently, have the intention to purchase products they promote. This could be explained by the fact that the reason for following an influencer for a long time and establishing an intangible connection with them throughout a long period is they have trust to them and the products they promote. In this regard, macro- and micro- influencers are perceived more trustworthy than celebrities (Djafarova & Rusworth, 2017).

The correlation between variables “number of following influencers on Instagram” and “most followed type of influencers on Instagram” was tested through the sixth hypothesis. In accordance with p-value 0.394, it was claimed that there is no significant relationship between variables. This finding is in contrast to Casaló, Flavián, and Ibáñez-Sánchez’s (2018) finding that fashion bloggers are significantly the most followed type of influencers on Instagram (Casaló et al., 2018). Although the most followed type of influencers in the primary research was celebrities or model, but it

can be assumed that users mostly cannot distinguish between celebrities/models and fashion bloggers, as celebrities/models promote fashion items and even some have their own fashion lines, e.g., Victoria Beckham (Klerk, 2017).

The seventh hypothesis tested the correlation between variables “number of following influencers on Instagram” and “Gender”. The correlation coefficient of the variables tested was found to be not significant with the p-value of 0.619. This finding contrasts the findings of De Veriman, Cauberghe, and Hudders (2017) stating that gender differences are significant when it comes to following influencers on Instagram (De Veriman et al., 2017). A factor that could potentially have led to the difference in correlation, is the slight adjustment of variable “number of following influencers on Instagram”, which was referred to “followers/followees ratio” in the prior research. While putting the results for this question together, it is found that majority of the female participants in the sample followed more influencers on Instagram but not at a significant level, subsequently, it can be assumed that if the sample was involved 150 people, then the findings would be in support of De Veirman, Cauberghe, and Hudders’ (2017) findings.

The eighth hypothesis analyzed the correlation between variables “number of promoted products or services bought” and “preference for promoted posts”. The variables tested were included in two questions of the questionnaire. The distribution in two independent samples, i.e., people who prefer promoted posts and people who do not prefer promoted posts, was found to be significant as the probability value was 0.036. This finding is supported and in the meantime, rejected by Evans, Phua, Lim and Jun (2017). This might sound disparate but will be fully explained in the following section.

The findings are in contrast with Evans, Phua, Lim and Jun’s (2017)’s findings, as most Instagram users have negative attitudes toward promoted posts. They feel such posts are jeopardizing their right of being free to making decisions (van Reijmersdal et al., 2016; Evan et al., 2017). As a result, this will lead to a negative attitude and lower buying intention for the promoted products (Evan et al., 2017). On the other hand, the findings of Evans, Phua, Lim and Jun (2017) support the results of primary research. According to this, sometimes the ways that influencers are promoting and advertising products or brands do not make it clear that there even is an advertisement. In such

cases, these posts are perceived more attractive and might lead to increased buying intention (Land, Petter, and Bolls 1999; Evans et al., 2017).

The ninth hypothesis tested the correlation between variables "number of promoted products or services bought" and "preference for posts with discounts". The variables tested were included in two questions of the questionnaire. The distribution in two independent samples, i.e., people who prefer posts with discount and people who do not prefer such posts, was found to be not significant as the probability value was 0.076. As mentioned earlier, if one is not very strict with 0.05 as the statistical significance value, e.g., considering 0.07 as p-value, then a significant difference would exist for the number of promoted products or services bought between people who prefer posts with discount and people who do not prefer such posts. The better idea of this can be gathered by the findings of Dawson and Kim, stating that generally online sales promotions affect the impulse buying behavior of consumer (Dawson & Kim, 2009).

8 Conclusion

The objective of this thesis was to assess and analyze factors that affect the buying behavior of consumer that are resulted from promoted posts of influencers on Instagram.

The researcher reviewed previous researches on the topics of influencers marketing through Instagram and effects of promoted posts on attitudes and behaviors of consumer. A primary research with nine hypotheses was developed partially related to the literature review and a questionnaire was conducted and distributed to a sample of 56 participants. Two of the tested hypotheses in this research carried out significant correlations. Perceived level of trust towards promoted posts found to be positively correlated to the number of promoted products or services bought. In other words, people who bought more promoted products or services, have more trust in promoted posts. No prior research could be found in this regard, therefore, a slight adjustment of a variable in Djafarova and Rushwoth's findings (2017) was made. The second significant correlation was between "promoted posts" and "preference for promoted products". According to this finding, it can be claimed that people who have

already bought a promoted product or service, prefer promoted posts. This indicates that having experience with promoted posts will lead to a positive buying intention.

However, not all the findings in this study did conform to prior finding, it can be assumed that if the sample was involved more participants, for instance, 150 people, then the findings would be in support of existing literatures.

In the following section a short summary of the existing findings can be found as well:

Marketing has become one of the most important strategies for businesses in order to create value and keep up with their customers by understanding their target customers and their needs (Kotler & Armstrong, 2008). However, year by year, more developed and newer tools for marketing are being introduced which consequently, makes older marketing tools, i.e., traditional marketing, less effective and practical. This is because of the fact that newer marketing tools are not only faster to reach to the market but also cheaper and sometimes at no cost (Mangold & Faulds, 2009; Phua et al., 2017).

Another opportunity that has been brought by nontraditional marketing is the possibility of expanding communication and access to millions of people more convenient through integrated, personal and direct marketing communication on different social media platforms (Boone & Kurtz, 2007; Evan et al., 2017). Moreover, the spread of electronic word-of-mouth (eWOM) throughout social media is broader and faster than word-of-mouth, i.e., oral person-to-person communication (van Reijmersdal, Samit, and Neijens, 2010 in Evans et al., 2017 ; De Veirman et al., 2017). Accordingly, the idea of using social media influencers rose among companies (De Veirman et al., 2017) where companies collaborate with influencers who have a considerable size of followers on a social media network (Abidin, 2016). Influencers promote a brand and its product and service by posting a photo or a video in exchange for a payment or free samples and services (De Veirman, 2017).

In this regard, Instagram with one billion users is known as the best platform for spreading electronic word-of-mouth (eWOM) (Knoll, 2016 in De Veirman et al., 2017) as greatest number of influencers actively use it (Casaló et al., 2018; Statista 2018b). Instagram's functionality is very simple and almost 70% of business have an account

on Instagram (Aslam, 2019). Influencers collaborate with companies in order to create recognition of the brand and its product (Abidin, 2016). These collaborations between companies and influencers could take place in different manners, namely, sponsored posts, documenting an event or experience, or hosting and appearance in an event (MediaKix, 2016). In order to show the collaborations, influencers use disclosure languages such as “Sponsored Post” and “Paid Ad” in the caption of their posts (De Veirman, 2017). Generally, influencers are categorized based on the number of their followers to micro-, macro-, and mega- influencers (Ismail, 2018). However there are plenty of influencers on Instagram, but identifying the right influencer whose followers are the target customers of the company is not easy (Pophal, 2016). When considering influencers marketing, companies look at the engagement rates of each influencer which is an indicator of the ratio of likes, comments, as well as interactions of the influencer with its followers (Tuten & Solomon, 2018). Depending on the type and power of influencers, they can create credible and trustworthy eWOM (Abidin, 2016). According to Lee (2017), influencers have a significant positive impact on buying decision of consumer.

Although disclosures such as “Sponsored Ad” or “Paid Ad”, result in brand recognition and customer awareness about the paid partnership and consequently, broader spread of advertising message through eWOM in comparison with unclear statements such as “SP” (Wojdyski and Evans 2016 in Evans et al., 2017), but it results in negative attitude and buying intention toward the advertised product and brand (van Reijmersdal et al., 2016). This is due to the fact that users feel their choice of freedom for acting in a specific manner is being threatened (Brehm 1989 in Evans et al., 2017). However, promoted posts that involve discount codes, led to an increase impulse buying decision of consumer (Dawson & Kim, 2009).

9 Limitations

A number of limitations can be acknowledged in this research. Among the limitations of this research, the sampling size was rather small with only 56 respondents in total which may not be enough to represent the whole population. A small sampling size will decrease the power of the statistical test which it will lead to the incorrect

interpretation of the hypotheses. In our case, it may increase the probability of making a Type II error which is to retain the null hypothesis incorrectly.

Convenience sampling method was used in this research, with most of the respondents being undergraduate students or people with the age of 20-30 which may lead to sampling bias. Unit non-response might occur because other subjects or other groups of people do not have the chance to participate in the survey. Value related to our variables from certain possible respondents will be missing which may also lead to misinterpretation of the results. Hence due to the small sampling size, one does not have enough respondents in order to draw a conclusions on people who did not have an experience with promoted posts before and therefore one cannot draw conclusions on how influencers have an impact on buying behavior of people who have no experience with promoted posts.

10 Managerial Implications

According to the findings of this study, some useful and practical managerial implications can be highlighted.

Marketing managers of companies should take several factors into account when considering advertising through influencers on Instagram in order to increase their sales. To be more specific, the number of followers shall not be seen as the true size and power of an influencer. Engagement rates and impressions are better factors when it comes to categorizing influencers. On the whole, engagement rates of influencers with lower number of followers is higher, which means their interactions with users is higher. Followers usually prefer to take advice from micro- and macro-influencers when it comes to promoted and advertised posts. It stems from the fact that micro- and macro- influencers are perceived more trustworthy by consumers than celebrities (Djafarova & Rushworth, 2017). It is offered that working with hundreds of micro- or even macro- influencers has a better result in reaching to target audience than working with a mega- influencer. Although a mega- influencer such as a celebrity has the ability to transfer the message to a larger audience, whom mostly are not the target customers of the company, but in the same time, lowers the uniqueness of the promoting product and therefore, lowers the buying intention of

users. By this mean, companies also reduce their costs as mega- influencers get relatively higher wages.

It is important to mention that, although promoted posts might lead to a negative attitude towards the item promoted, but majority of the participants preferred promoted posts with discount codes. Hence, if already using influencers on Instagram for promoting products or services , including a discount code, i.e., promo code, in the related posts will positively affect the number of sales.

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12 Appendices

12.1 Terms & Definitions

12.1.1 Social Media

An online service provided through interactive technologies that allows users to connect, create, share, and exchange digital data and contents in a virtual space (Singh and Diamond, 2015).

12.1.2 Social Media Platforms

There are different platforms on social media with specific tools and features such as Facebook, Instagram, Twitter, LinkedIn, etc. Despite being different from each other, connectivity, text messaging, exchanging information and data are some common features that they all cover (Berthon, Pitt, Plangger, & Shapiro, 2012).

12.1.3 Social Media Marketing

Companies creating channels through social media platforms in order to create, connect, communicate, and exchange value with their customers (Tuten & Solomon, 2018)

12.1.4 Electronic Word-of-Mouth (eWOM)

“any positive or negative statement made about a product or company, which is made available to a multitude of people and institutions via the Internet” (Hennig-Thurau, Gwinner, Walsh, and Gremler, 2004, p. 39 in Evans et al., 2017).

12.1.5 Social Media Influencer

An individual who has a remarkable number of followers on a social media platform (Abidin, 2016)

12.1.6 Influencers marketing

Using opinion leaders, i.e., influencers, as a marketing tool for businesses to promote their products or services (Tuten & Solomon, 2018).

12.2 Questionnaire

Instagram Influencers

Dear Participant,

This survey tries to find out more about the role of influencers on Instagram. During the last years, the relationship of the influencers and engagement of followers has been observed by the fashion industry as it has potential for growth. This is the focus of this bachelor thesis to measure the impact.

Please consider that this survey is only for Instagram users. (If you are not an Instagram user, you can stop continuing this survey now.)

Participation is completely voluntary and confidential. If you decide not to participate there will not be any negative consequences. Please be aware that if you decide to participate, this survey will be anonymous and will never be linked to you personally.

If you have any questions please feel free to contact me via email azaritaraa@gmail.com.

Thank you in advance for your time and participation!

Tara Shirehpazazari

Types of Influencers

1. **How many influencers do you approximately follow on Instagram?**

2. **What types of influencers do you follow?**
Check all that apply.

- Fashion bloggers
- Celebrities/Models
- Athletes
- Travelers
- Fitness experts
- Lifestyle bloggers
- Entrepreneurs
- Mommy bloggers
- Other: _____

3. **What type of influencers do you follow the most?**
Mark only one oval.

- Fashion bloggers
- Celebrities/Models
- Athletes
- Travelers
- Fitness experts
- Lifestyle bloggers
- Entrepreneurs
- Mommy bloggers
- Other: _____

Promoted posts

4. **Do you have experience with promoted posts?**
Mark only one oval.

- Yes
- No

5. **If yes, how many promoted products/services have you approximately bought up to now where your decision was influenced by the promoted post?**

6. **How many of them were fashion products?**

7. **Do you prefer promoted posts compared to others?**
Mark only one oval.

- Yes
- No

8. **8. Do you prefer posts with a discount compared to those without a discount?**
Mark only one oval.

- Yes
- No

9. **9. Which characteristics of a certain post are relevant for you?**
Check all that apply.

- Number of influencer's followers
- Number of likes of the post
- The number of posts of the influencers
- Other: _____

10. **10. How high would you rate your trust in promoted posts?**
Mark only one oval.

	1	2	3	4	5	
No trust at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Complete trust

Demographics

11. **Gender**
Mark only one oval.

- Male
- Female
- Prefer not to say

12. **12. How old are you? (in years)**

13. **13. What is your highest completed level of education?**
Mark only one oval.

- Primary school
- Secondary school
- High school graduate, diploma or equivalent
- Bachelor's degree
- Master's degree
- PhD degree
- Other: _____

14. **14. Place of residence?**
Mark only one oval.

- Africa
- Middle East
- North America
- South America
- Australia
- Asia
- Europe