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**The concept of influencer and the emergence of the
influencer industry**

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degree in Management from the Nova School of Business and Economics

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This WP report is inscribed in the Work Project (under the Field Lab format) with the topic **“What are the most valued attributes and characteristics of Instagram influencers? A case study of the skin care market in Portugal”**, conducted by Carlota Rodrigues, Diogo Quitério Correia, Elena Frankenberger, Frederic Schoeller, and Rodrigo João Gaspar dos Santos, which took place during the third semester of the master’s degree at Nova SBE in Lisbon.

Abstract

Social media influencers are the new celebrities, gaining more relevance amongst younger generations than traditional celebrities. The current work (individual contribution) provides a theoretical background to consumer decision-making processes that are at stake when followers are consuming influencer generated content.

It inscribes in a more general research project – the Work Project (Field Lab) “*What are the most valued attributes and characteristics of Instagram influencers? A case study of the skin care market in Portugal*” – that empirically investigates Portuguese consumers perceptions and preferences regarding characteristics and attributes of social media influencers on Instagram. The importance of each attribute and characteristic was collected through different surveys, the data arranged into a multidimensional perceptual map and in a conjoint analysis. “Trustworthiness”, “Content quality” and “Authenticity” were the most important characteristics. “Interaction with followers”, “Type of products advertised”, and “Frequency of general posts” the most valued attributes. With these insights influencers can reach their goals: more followers and higher engagement rate.

KEYWORDS: Social media marketing, perceptual mapping, conjoint analysis, brand personality, social media influencers, Instagram

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1. Introduction

In the early days of social media, platforms such as Instagram were mainly used by people to post pictures to let their friends know what they were doing. Those days are long over. In the past years, social media companies have grown from being entertainment and picture sharing websites to a global trillion-dollar advertising and e-commerce industry. An example that illustrates this phenomenon is the case of two Chinese social media stars: “In just one day in October 2021, two Chinese live-streamers, Li Jiaqi and Viya, sold \$3 billion worth of goods, equivalent to three times Amazon's average daily sales. That’s roughly three times the daily Amazon’s sales” (Geysler, 2022a).

This example comes along with a more general trend that has developed in the past decade: the media consumption patterns of the young generation has dramatically changed over the last ten years. In the past, younger generations consumed media and advertising through traditional marketing channels such as television, radio, or magazines. Today, a large proportion of their media time consumption is spent on social networks. A study from Pew Research Centre finds that nearly 50% of all participants younger than 29 years old visit Instagram daily and spend at least 30 minutes on it (Anderson and Jiang, 2022).

More recently however, another marketing trend has gained popularity: influencer marketing. Instead of posting ads on the platforms, the companies pay influencers to promote their products to their audience. For example, one of the most successful German influencers, Pamela Reif, started her career as an influencer by posting work out videos, whereas today she is a German fitness model, social media sensation, YouTuber, and entrepreneur. She became a million-dollar brand by attracting the attention of more than 9 million followers on Instagram through famous advertising deals, collaborations and her own collections (Reif, 2017).

These influencers grow in popularity and hence in audience. As companies and brands increasingly partner with them, shifting their marketing budgets to influencer marketing campaigns, academic research is evolving alongside this contemporary trend.

1.1. Focus of this research

This research aims to fill a gap in social media influencer research: exploring influencers as brands or products. Most of the research in this field is focused on the perception of corporate brands and how they achieve the greatest success by collaborating with influencers for their commercial activities. In contrast, this thesis focuses on the perception of the influencers by their followers, who can be perceived as consumers. Hence, this thesis treats influencers as if they were products, and the followers are treated as the consumers that can choose to consume different influencers. In the light of the recent growth of social media usage and the strong growth of popularity of social media influencers, two questions arise to many people:

- How to become a successful influencer?
- Why certain influencers are very successful whereas others are less successful?

With the insights provided by the research, regarding the characteristics that followers prefer and how certain influencers are perceived, influencers can create their own brand personality. They can incorporate characteristics that satisfy followers and increase brand trust (in this particular case, trust in the influencer), both factors increasing brand loyalty. Consequently, this study provides insights to influencers on how they can improve their performance. By exploring consumer's perceptions and preferences, the topic of brand personality and its connection to influencers and brand loyalty becomes relevant.

This provides a solid and loyal follower base for the influencers. As Jun and Yi (2020) argue, “[f]ollowers are likely to have the desire to maintain the relationship with the influencer brand when they feel a strong emotional attachment toward the brand”. By creating their own

Group part

brand personality around characteristics relevant to consumers, influencers reach this emotional attachment.

As for this research, one of its aims is to find out information about the importance of perceived personality characteristics such as trustworthiness, authenticity, or competence. For the scope of this research, the project develops as follows:

Firstly, it focuses on the social media platform Instagram, as it is the most popular social media platform for influencers (Hype Auditor, 2021), the most engaging platform, since a recent study reported that 79% of global marketers preferred Instagram for influencer marketing in 2021 (*ibid.*).

Secondly, this study focuses on the Portuguese market for influencers. As many influencers are targeting local audiences with local products, the possible findings need to be assessed in the light of one specific market. In addition, it serves the concept of excluding a nationality bias from the participants in the survey, so that they couldn't make biased decisions when the influencers were from different countries. Hence, all influencers are from the same country.

Thirdly, this project focuses on the skin care market, as influencers typically focus on an overall content and industry related strategy. Hence, the product biased influencer perception from our surveys' participants is excluded by choosing on a specific product category/industry.

Consequently, this research is about the perceived attributes of the influencers as products and not about the skin care products that are displayed. Hence, the following research question has been chosen: *“What are the most valued attributes and characteristics of Instagram influencers? A case study of the skin care market in Portugal?”*.

The present part of the global research focuses on the following topic: *The concept of influencer and the emergence of the influencer industry.*

1.2. Research approach

To answer the research question, it was decided to conduct a mixed method approach. This type of method involves both qualitative and quantitative approaches (Halcomb and Hickman, 2015). Using this research method prevents and overcomes some of the limitations coming from the usage of only one of the methods (Doyle, Brady, and Byrne, 2009). For the qualitative part of the research, the objective was to conduct semi-structured interviews, as they allow for an open-ended discussion, using an interview guide, some pre-defined questions, and pre-defined topics (Busetto, Wick, and Gumbinger, 2020). Influencers were approached for the interviews, in order to reveal crucial insights and deepen the study. The quantitative part of the study is organized through three different surveys. This method is used for sampling data from respondents that are representative of a population and uses a closed-ended instrument or open-ended items (Williams, 2007). Structured procedures and formal instruments are adopted for data collection, so that with this approach data are quantifiable, objective, and systematic. Their analysis is performed through statistical procedures, using software as SPSS.

1.3. Structure of this research

The global research is structured into five topics. Chapter 1 briefly highlights what is at focus and what lies ahead in this Work Project (Field Lab). Chapter 2 contains a literature review that provides the theoretical background to social media influencer marketing. This chapter is divided into four parts: 2.1. presents a brief overview of the market for influencers, where the most important social media platforms are referred, the concept of ‘influencer’ is explained, and a case study of an influencer marketing campaign is demonstrated. 2.2. provides a theoretical background to consumer decision-making processes that are at stake when followers are consuming influencer generated content. 2.3. briefly summarizes the skin care industry and ends with a case study of a skin care influencer. Finally, 2.4. underlies the relevance of the present study.

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Chapter 3 explains the methodology and the research strategy chosen in this thesis to answer the research question. Briefly, the methods of the preliminary survey, the perceptual mapping and the conjoint analysis are explained. Chapter 4 presents the results from the surveys and highlights the findings from the extra experiment. In Chapter 5 the findings are discussed, and Chapter 6 and 7 conclude the thesis, the former presenting the limitations of this research and the latter outlining future research strategies.

2. Literature review

This chapter refers to the three core fields that this research work is targeting: the influencer industry (2.1.), which is the topic covered by the present thesis, the consumer decision-making processes (2.2.), and the skin care industry (2.3.). In 2.1., there is an overview of the market of influencers and of its projected growth rates (2.1.1.), an overview of the most important social media platforms in the influencer industry (2.1.2.), a brief literature review of who influencers are and how they can be classified (2.1.3.), a description of how the economic mechanisms and KPI work in this market (2.1.4.), a brief case study of how an influencer marketing campaign looks like and works (2.1.5.), and, finally, an outlook of what is coming next in this market (2.1.6.). Next, 2.2. provides theoretical context to consumer decision-making processes, which is relevant to understand the great influence of influencers on consumer decision-making processes. Finally, 2.3. contains a brief overview of the skin care industry and of the reasons why it is relevant in the influencer market and prone for consumer decision-making processes.

2.1. The market for influencers

The market for influencers has evolved alongside the growth of social media platforms, that started to exist only a decade ago. In the early days of social media, usage on these platforms was primarily among people who knew each other. This was especially the case for platforms such as Facebook or Myspace. Over time, however, and as the number of users of these platforms grew, people, brands and celebrities started to realize the value of these platforms that was manifested in the growing audience. Since then, the consumption patterns of consumers, advertising channels and marketing budgets have shifted dramatically. In general, and for this thesis, there are two different concepts to distinguish: the market of influencers and influencer marketing. The market of influencers refers to the market size, growth, trends and context in which brands are intermediated by influencers that promote products and brands to

their audience, much like celebrities did in the past in television, radio or newspaper commercials. On the other hand, influencer marketing refers to the business practice of using influencers to promote products: “Influencer marketing is a hybrid of old and new marketing tools. It takes the idea of celebrity endorsement and places it into a modern-day content driven marketing campaign. The main differentiator in the case of influencer marketing is that the results of the campaign are collaborations between brands and influencers” (Geysler, 2022a). Today, the business of being an influencer has grown into a multi-billion market that has grown into a mainstream industry as *The Economist* recalls: “it is a sure sign that a hot trend has reached the mainstream when tax authorities catch up.” (*The Economist*, 2022b) commenting on a 210 million USD imposed fine by the Chinese tax authorities to social media star Viya, who promotes products in videos on Chinese social media.

2.1.1. The concept of “influencer” and the emergence of influencer marketing

According to recent literature, an influencer is someone who has the authority, expertise, position, or relationship with his or her audience that allows him or her to influence the purchase decisions of others (Geysler, 2022b). Additionally, influencers are adored by individuals because they are exploited as guides when taking decisions, and companies perceive them as someone who can generate trends and encourage others to buy the things, they advocate (Geysler, 2022b). In addition, this study may also categorize them based on their number of followers, genre of material, and level of impact. Influencers are mostly linked with social media platforms, where they provide content that is publicly accessible to their audience, the followers. According to Booth and Matic (2011), the days of the media communicating a brand's message to customers are long gone. Influencers are now the people who disseminate personal or second-hand tales to their social networks and the rest of the globe. They are the new brand advocates and storytellers for a brand. According to the British Beauty Council's

2020 Value of Beauty report, firms received a return on investment of roughly \$11.45 for every \$1 invested on influencer marketing (Yieldify, 2022). With that in mind, it is not difficult to understand the exponential growth of the influencer market as a whole, as well as the ongoing investment made, since, according to Harvard Business School, “global spending on influencer marketing rose from an estimated \$2 billion in 2017 to about \$8 billion in 2019, and that spending is expected to jump to \$16 billion by 2022.” (Yieldify, 2022). This represents nearly 5% of the total online advertising market of approximately 250 bn. EUR (Haenlein *et al.*, 2020). The size of the influencer marketing market accounts for all payments made by marketing agencies, brands, etc. to influencers for executing an influencer marketing campaign in which the influencer is endorsing a product or service.

2.1.2. Platforms of the influencer industry

Influencers can be found on social media platforms such as Facebook, Twitter, Instagram, TikTok, Snapchat, Twitch, and LinkedIn. LinkedIn is most recognized as a corporate networking site, Twitch as a game streaming platform, and YouTube and Twitter are used as informational platforms. For private entertainment, social media platforms such as Instagram, Snapchat, and TikTok are the places for consumers. Hence, these platforms are typically associated with the existence of influencers. They also tend to have the youngest users overall, which makes it especially interesting for advertisers to use these channels to target younger audiences that are also willing to purchase online. Research finds that these younger consumers are also desperate for an entertaining value in the consumer journey: Croes and Bartels (2021) find that by improving the entertainment value of online shopping using endorsers such as social influencers with whom people strongly identify may reduce boredom and boost the purchasing behaviour of young adults.

In the past, social media platforms have grown in popularity and have the potential to develop rapidly because they are free to users. The user may join up instantly and there is no charge to use the platform or communicate with influencers.

Platforms such as Instagram, TikTok and Snapchat monetize their business by providing corporations the ability to place advertising that can be targeted to the users. Users typically scroll down vertically through their “newsfeed”, a never-ending vertical banner that displays pictures and videos from accounts that the user follows. Advertising from collaborations is placed in-between posts.

Ads on social networks have grown in popularity with the introduction of mobile phones, owing to the ability to target specific audiences based on demographics, psychographics, or personal interests.

However, internet advertising and influencer marketing are widely regarded as two distinct marketing disciplines:

- Influencer marketing:
 - refers to any marketing efforts in which a company pays an influencer to advocate a product to his/hers target audience.
- Online advertising:
 - refers to any displayed ad that is targeted through online channels. This does not involve a celebrity or influencer endorsing a product.

Influencer marketing is becoming much more interesting to brands, as influencers nourish their relationships with their audience every day. For example, influencers can actively engage with their audience by commenting and live chatting to share their product experiences and opinions with other users. If liked by their audience, this can result in a sort of viral marketing-effect in which the message may be distributed to thousands of users with a few mouse clicks (Sudha and Sheena, 2017). Hence, influencers have an incentive to boost their

personal relationships and connections with their audience (Kim and Kim, 2022), because it ultimately determines the value of an influencer to a company that wants to execute an influencer marketing campaign. The personal relationship and connection illustrate how interactions between influencer and follower affect the marketing process in influencer-follower relationships: “Attachment causes followers to incorporate the influencer's engagement into their ideas and feelings and commit to the connection.” (Kim and Kim, 2022). As a result, social influencers have greater power than ever before, particularly in terms of influencing consumer purchase decisions. Consumers in today's culture are much more impacted by social influencers than ever before (Sudha and Sheena, 2017).

2.1.3. Different types of influencers

Not everyone enters a social media platform to immediately become an influencer. Most of the time, influencers evolve from promoting, reviewing, or doing things they call their hobby, and by this, growing their audience. There is an infinite number of different influencers in diverse niches, regions, and sizes.

Most commonly, influencers are categorized based on their number of followers (Park *et al.*, 2021). As Chatterjee (2011) claims, “[t]he visible display of members of one’s social network at social network sites plays a signalling role in enhancing a recipient’s decision to comply with an influencer’s new product recommendation”. As a result, the number of followers or fans indicates how influential they will be. As Campbell and Farrell (2020) claim, five distinct influencer tiers can be organized based on the number of followers:

- 1) celebrities or mega-influencers (more than one million),
- 2) macro-influencers (500,000 to one million),
- 3) mid-tier influencers (50,000 to 500,000),
- 4) micro-influencers (10,000 to 50,000),

5) nano-influencers (under 10,000).

The number of followers is the most common category type that reflects a trade-off between popularity and intimacy, especially when a brand wants to choose an influencer for its influencer marketing campaign. Several studies have proven that nano- and micro-influencers demonstrate the highest engagement rate due to an intimate connection with their followers and a niche-focused approach, whereas macro-influencers, typically internet-made celebrities, achieve relative low engagement rates, but a maximum of brand reach (Alassani and Göretz, 2019). Specifically, according to Park *et al.* (2021), several studies show that micro-influencers are more persuasive than mega-influencers since their endorsements are perceived as being more authentic and credible. One question that needs to be asked, however, is if the rate of engagement decreases as the influencer's total follower count rises. A considerable amount of literature has argued that another classification of social media influencers could be based on the types of content or niche they are focusing on (Jin, Muqaddam, and Ryu, 2019). According to Alassani and Göretz (2019), a niche implies a specific segment of the market for a particular kind of service or product, such as fashion, gaming or wellness. The categories of nationality, industry and number of followers are all non-performance related features. However, as the influencer market has professionalized within the last years, some key performance indicators have been established in order to evaluate the value of an influencer.

2.1.4. Measuring success in the influencer market: KPI

In general, the approach of measuring success in the influencer industry needs to be reflected from two perspectives: the one of the brands and the one of the influencers.

When brands need to choose an influencer, they first have to find an influencer with the right audience, including the right demographics, nationality, age, product preference, etc. For this task, there are many advertising agencies that help brands identify the right influencers.

However, when it comes to measuring performance itself and also as a brand that is conducting an influencer marketing campaign, there are some key industry performance indicators that have evolved in the last years. These indicators can be divided into two categories:

- 1) **Follower selection indicators:** evaluating and selecting the right influencer, publicly assessable information²
 - a. Engagement rate: ratio of engagement (sum of comments, shares and likes) to its total reach³.
 - b. Number of followers: number of Instagram profiles that follow an influencer.
- 2) **Campaign performance indicators:** measuring and evaluating the effectiveness of an influencer marketing campaign
 - a. Conversion rate: measures the relationship between the number of viewers of a post and the number of people who purchased a product⁴.
 - b. Reach (also known as views): number of total viewers of a post⁵.
 - c. Engagement rate: sum of comments, shares and likes of a post divided by reach.

In the next two subchapters the two categories are briefly explained. In this context, the KPI are considered to have the same relevance for both influencers and brands that pay them. It is very important to understand the KPI of this ecosystem between influencers, brands/advertisers and followers, as they align the incentives of influencers.

1) Follower selection indicators

When looking for the right influencer, first, publicly available information can be assessed. This includes the number of followers that the influencer has. However, what matters is not only the number of followers, but also the quality of the relationship between the

² The number of followers is visible on each profile of an Instagram account. The engagement rate can be accessed publicly on websites such as <https://phlanx.com/engagement-calculator>, accessed 30.10.2022.

³ If there are 100 followers and there is 1 comment on a post, the engagement rate is 1%.

⁴ Or any other “call to action” goal such as signing up for a newsletter.

⁵ This might be higher than the number of followers since posts – if liked – can also be displayed to non-followers.

influencer and its audience, because this is critical since it determines if the influencer can actually impact the consumption preferences of the followers. Talking about a survey carried on by Influencer Marketing Hub, Geysler (2022a), states that “respondents see little value in working with somebody who doesn't really influence their audience or perhaps has an excellent relationship – but has the wrong audience for that brand.”

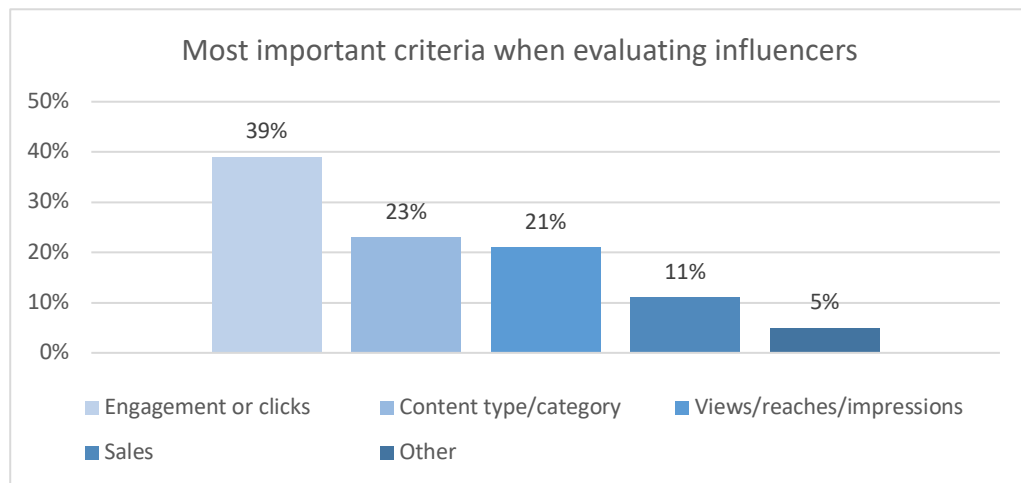


Figure 1 – Importance of criteria when evaluating influencers – adapted from Geysler (2022a)

The most common KPI for measuring the quality of the relationship and the engagement is the engagement rate, which is an industry standard that can be publicly assessed on every Instagram profile⁶:

“The engagement rate (...) is a commonly used benchmark of success on Instagram as it can determine how well an influencer connects with their audience” (Hype Auditor, 2022).

The engagement rate measures the average number of interactions of the social media content that the influencer receives per follower. Therefore, the engagement rate displays how “active” an audience of an influencer is, as it tracks the total interactions of the audience in relation to the total number of views. Subchapter 2.1.3. contextualizes the different types of

⁶ The engagement rate can be accessed publicly on websites such as <https://phlanx.com/engagement-calculator> (accessed 30.10.2022).

influencers based on size (nano-, micro-, etc.). The engagement rates can strongly differ among these different cohorts (see Figure 2). Smaller influencers tend to have higher engagement rates, as these influencers tend to be positioned in a niche, and the audience has a higher engagement with the influencer.

Besides these metrics, that can be measured, there are also quality related aspects about influencers, such as content quality. These are typically assessed by marketing agencies.

2) Campaign Performance Indicators

Campaign performance indicators are another relevant KPI that is relevant for both brands and influencers. After selecting an influencer, reaching a commercial agreement, and launching the campaign, the corporation must track and assess the success of their investment. This is known as the Return on Investment (ROI). According to a poll of marketing professionals, once the campaign is completed, involvement becomes less crucial. Rather, businesses attempt to assess the immediate financial return of their effort. According again to Geysler (2022a), 42% of respondents use conversion and sales success as the most essential KPI to assess the ROI of an influencer marketing campaign (see Figure 3).

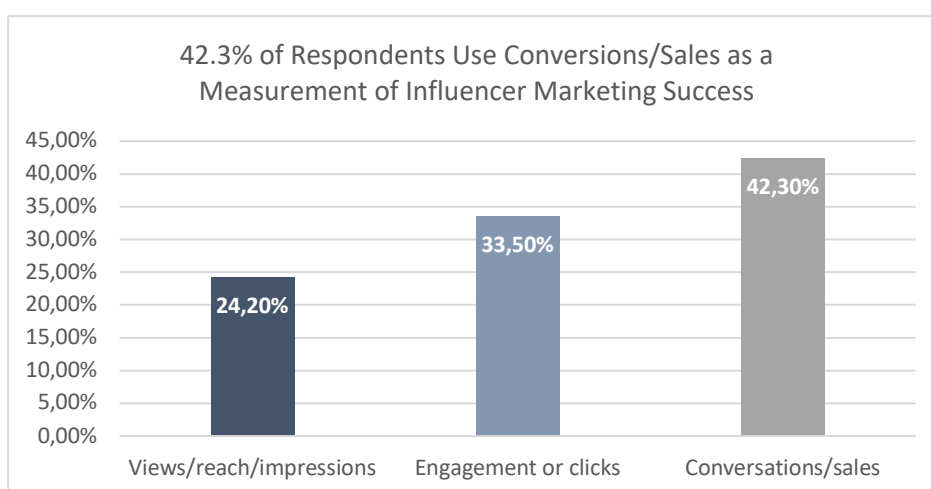


Figure 3 – Measurements of success of influencer marketing (Source: Geysler, 2022a)

The conversion is typically calculated as the share of followers that have purchased a product that has been promoted⁷, or any other “Call to action” that is the target of an influencer marketing campaign (for example, signing up for a newsletter). Besides conversion, engagement metrics are also relevant to evaluate the success of a campaign, as well as the reach of a post of an influencer.

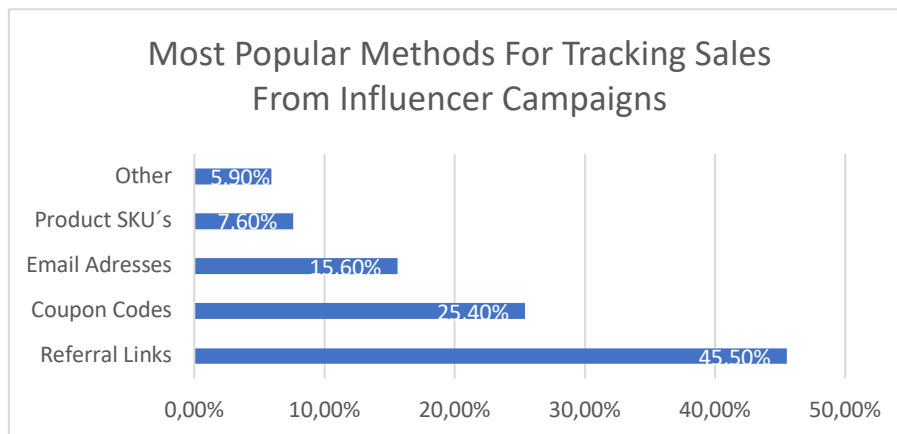


Figure 4 – Tracking methods for sales of influencer campaigns (adapted from Geysler, 2022a)

This chapter has highlighted which KPI are at the centre of the Instagram ecosystem. It outlines that the size of the audience (followers), the quality of the audience (engagement) and the ability to turn promotions/campaigns into sales (conversion) are the most important performance indicators in this ecosystem.

Our research targets the question of how influencers can be successful from the standpoint of the follower’s perception. However, as research continues, its attention moves toward qualitative measures or reasons for success, that is, identification of the qualitative success factors that followers like about influencers and that make them follow them.

2.1.5. The rise of social commerce

⁷ There are several technological ways for tracking campaign sales. According to the poll, the most prevalent means for tracking the efficacy of an influencer marketing campaign are referral links or coupon codes.

Influencer marketing has grown in tandem with the expansion of well-known social media platforms. Influencer marketing campaigns have become a significant strategy for influencing consumers' purchasing behaviour. This process and the work of an influencer is described as discovering, finding, supporting, and engaging people active in high-impact dialogues. It is an essential type of web marketing in which marketers target a subset of influential individuals rather than the complete pool of prospective purchasers (Zak and Hasprova, 2020).

When consumers are purchasing products directly through social media, this is commonly referred to as social commerce, a new sub trend of e-commerce. Accenture – a global consulting firm – projects that “globally, sales made through social commerce in 2021 are expected to reach \$492 billion. Growing at a CAGR of 26%, the social commerce opportunity will reach \$1.2 trillion by 2025” (Murdoch, 2022). This trend marks the next step of development in the social media industry: “The opportunity for brands to reach customers directly, without paying huge mark-ups, may democratize retailing in a way not seen since the Industrial Revolution” (*The Economist*, 2021). Selling products through online e-commerce channels and especially through social media platforms can be summarized as Direct-to-Consumer (D2C), and has seen high growth rates during the pandemic lockdown. On the one hand, accessing customers directly through those online channels enables great opportunities to personalize the user journey, but also to explore new opportunities in the business model, such as subscription models. On the other hand, the trend of social commerce also poses big risks for established brands: the boundaries for market entry are lowered, new brands can easily be established and promoted through digital channels⁸. Influencers and entrepreneurs had it never easier to establish new brands and own the point of sale to the customer. This marks a reversing

⁸ A good example is the D2C brand “Dollar Shave Club”, an online retailer for razors and razor blades that sells at a fifth of a price compared to traditional companies such as Gillette. The Dollar Shave Club has quickly won customers with an innovative marketing campaign and a competitive product offering (Booth, 2019).

trend in the retail industry: “pull” system rather than a producers’ “push” one. “At the turn of the 20th century, the commander-in-chief of commerce was the retailer, with the manufacturer as equal partner. Today it’s the customer who’s in charge.” (*The Economist*, 2022a). And this trend is not just beginning to get started, but rather fully accelerated, as highlighted by the above example of Li Jiaqi and Viya.

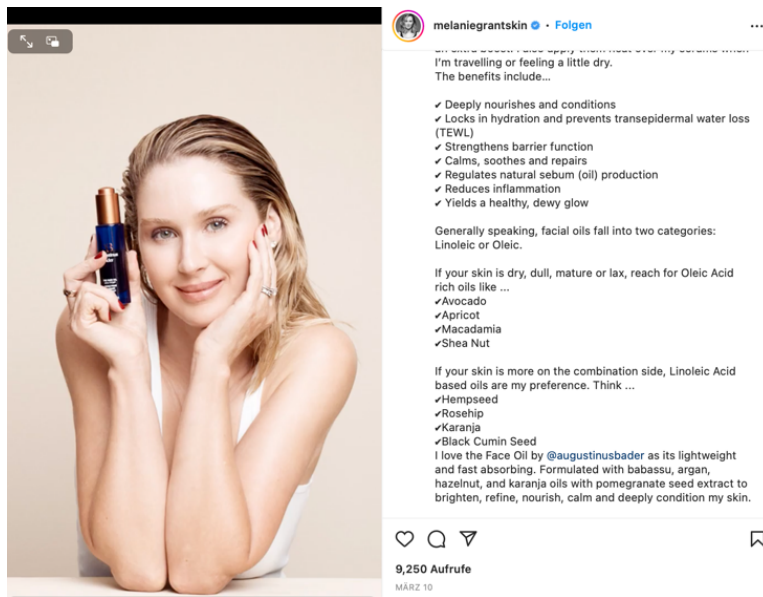
This subchapter has demonstrated that social media enters a new development phase as the customer journey extends into the point-of-sale and shopping experience. This highlights the tectonic shift in consumer journey and shopping experience. It also highlights the importance of this research, as the importance and influence of influencers continues to grow, as will the competition among influencers. The next chapter provides a case study that showcases not only how influencers are endorsing products but also how the social media platforms themselves are developing into e-commerce shops.

2.1.6. Case study “Melaniegrantskin”: Influencer marketing

Influencers are shaping their actions to improve their KPI. As elaborated previously, companies choose influencers they want to partner with based on different factors.

The nature of an influencer is that they post some sort of content – an image, a video, or an Instagram reel – which will typically offer a product discount that followers may use to purchase goods. These referral links or promotional discount coupons are developed specifically for the influencer campaign. Consequently, the firm may use this one-of-a-kind link or code to track all purchases produced by this influencer marketing campaign.

The following case, “Melaniegrantskin”, is basically about a post where the influencer Melaniegrantskin is endorsing a face oil by Augustinus Bader. She endorses the product because she “loves” it and its benefits. At the end of the post, Melanie invites her followers to actively engage with this post (engagement rate) by asking them to discover the products.



Today, and even more so in the future, in-app purchases will be allowed, requiring the user to never leave the app. This reflects the changes in the industry: as digital channels are being included into marketing strategies and customers use digital gadgets instead of travelling to physical stores, digital marketing efforts are becoming more common (Sudha and Sheena, 2017).

3. Discussion

This research global project's goal is to answer the question “*What are the most valued attributes and characteristics of Instagram influencers? A case study of the skincare market in Portugal*”. In this context, the intention is to first deepen knowledge about influencer marketing and understanding which of their attributes and characteristics are most valued by their audiences. Here, the viewpoint of the thesis is that influencers are to be perceived as brands – this is one of the bases of this thesis –, which means that the concept of “brand loyalty” and “brand personality” can be applied when talking about their perceived and appreciated qualities by followers. This chapter summarizes the findings of this work, that may help players in this field to perform better within their job: social media influencers (SMI) may adapt their performance to get more followers, higher engagement rate and just grow as influencers overall.

Some of the personal and behavioural characteristics that have been referred to in literature as SMI’s success factors (e.g., in influencing perception and attitudes of consumers towards brands they endorse) are age, gender, attractiveness, lifestyle, trustworthiness, credibility, authenticity, similarity, relatability, extroversion, charisma, expertise, likeability, frequency and quality of sponsored and general posts, disclosure, overall feed attractiveness, and content quality and relevance.

As mentioned before, after analysing the results from the preliminary survey, it was uncovered that followers seem to value personality of the influencer and content quality over physical appearance of the influencer and frequency of posts. Taking this into account, the perceptual map was constructed and analysed a set of influencers on specific characteristics linked to their personality. These characteristics were explored in the literature review, and the analysis of previous authors served as the basis of the choice. With the perceptual map analysis and data, it was possible to obtain the rating of each of the influencers on each attribute. Inês Mocho was the influencer with the highest average score, followed by Helena Coelho, Joana

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Medeiros, A Pipoca Mais Doce and, finally, Cátia Vilas Boas. These findings are consistent with the ones discovered when followers were asked to choose which of the influencers they would most likely follow, with the order of the influencers being the same. To find out what are the most valued characteristics in influencers by followers, a comparison between the data from the average position of each attribute and the score of the preferred influencers in those attributes can be made. According to the average position of each characteristic, the results were as follows (in ascending order): “Extroversion”, “Similarity”, “Overall Feed Attractiveness”, “Likeability”, “Expertise”, “Lifestyle”, “Charismatic”, “Relevance of Content”, “Trustworthiness”, “Content quality”, “Authenticity”. These results prove the idea generalized in the literature that Authenticity and Trustworthiness are between the two or three most valued characteristics of influencers. The most important ones were “Authenticity”, “Content quality” and “Trustworthiness”.

“Authenticity” and “Content quality” had the highest standing, with an average position of 4 (1 being the best position obtainable and 11 the worst position), whilst “Trustworthiness” was very close, with an average score of 4.2. The remaining characteristics were too distant to be considered on the same level of importance. These findings are only partially consistent with the ones obtained through the perceptual map, as only “Trustworthiness” and “Content quality” were considered as the most important characteristics across both sets of data. These results show a difference in consumer’s preferences (conjoint analysis) and perceptions (perceptual mapping). Despite this, “Authenticity” will be considered for the discussion, as it proved to be very important in respondents’ preferences and in previous literature.

Considering “Authenticity”, the highest scoring influencer was Joana Medeiros. Inês Mocho, the influencer with the highest average score, only ranked fourth in this attribute. Helena Coelho, although second in average score, was third here. “Content quality”, tied in first place with authenticity for the most important attribute, had Inês Mocho as the leader. Helena

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Coelho was second overall and Joana Medeiros third, showing consistency with the order of preferred influencers. Lastly, “Trustworthiness” revealed Inês Mocho as the most trustworthy influencer, followed by Joana Medeiros in second and Helena Coelho in third, also showing consistency. These data are summarized in Figure 5:

The scores are the result of respondents’ perceptions, rated on a Likert-Scale of 1 to 5; so, even though the differences in absolute value might be small, they are considerable. For instance, the highest difference in value, 0,72, between Inês Mocho (3,65) and Cátia Vilas Boas (2,93) in “Content quality” means that respondents consider Inês Mocho’s content to be better than Cátia Vilas Boas’ by that amount. This value, close to 1, is very relevant on the scale adopted, representing a very big difference in perceived “Content quality”. On a larger scale the variations would have been higher and more noticeable. When the scores change, the preferred influencers and characteristics also change. The higher value of these scores corresponds to the preferred influencer in each of the characteristics.

From these findings, it can be concluded that followers seem to value “Content quality”, “Authenticity”, and “Trustworthiness” the most. Although other factors and characteristics are also important, the preferred influencers of the respondents were high scorers in these characteristics, except for Inês Mocho in “Authenticity”. These characteristics seem to have a higher weight than others when evaluating the influencer. From the influencers evaluated, lower tier influencers seem to be regarded as more authentic, but content quality and trustworthiness tend to be more balanced across tiers. This finding suggests that the size of the influencer impacts the way followers react and evaluate them.

Brand loyalty is important for influencers, as they build their brand and audience (Gommans, Krishnan and Scheffold, 2001). According to the same authors, customers’ satisfaction plays an important role, since a satisfied customer tends to be more loyal to a brand

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over time. Consequently, influencers can use these findings, for instance by building their own brand personality around these important characteristics, improving follower satisfaction, and inspiring a more loyal and larger audience.

The technique used in the first part of the Conjoint Survey, which focuses followers' opinions instead of followers' perceptions as in the Perceptual Survey, was choice-based conjoint analysis, using five attributes, with two or three alternatives each, that were highlighted in the Perceptual Survey: "Number of followers" ("Local", "National" and "Global"), "Frequency of sponsored posts" – renamed by the platform Conjointly as "Number of publicities related to number of posts" – ("Posts 7 times a week", "Posts 3 times a week" and "Posts once a week"), "Frequency of general posts" – renamed by the platform as "Activity level" – ("Posts 7 times a week", "Posts 3 times a week" and "Posts once a week"), "Interaction with followers" ("Yes" or "No"), and "Type of advertised products" – renamed by the platform as "Price of advertised products" – ("Low-cost", "Normal" or "Premium"). Respondents were asked to choose one out of three proposed influencer personas per question, associating that persona with a given combination of their preferred levels for each one of the five characteristics.

The results of this part of the survey show that most respondents prefer an influencer who works at national level (2.4%), with a weekly frequency of sponsored posts (12.7%), with general posts published three times a week (4.3%), with a high degree of interaction with followers (20.4%), and whose advertised products have a normal price (4.4%).

The result of "frequency of general posts" is surprising, since it is a fact that in present times there is a great pressure on influencers, coming from sponsors, in the sense of enlarging their online time (Laporte, 2021).

The answer to the second part of this survey consisted of ranking the above five attributes according to what the respondent values the most. Respondents chose, in the respective order,

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“Interaction with followers”, “Frequency of sponsored posts”, “Type of advertised products”, “Frequency of general posts” and “Number of followers”.

This is an interesting result, since, on the one hand, it confirms the idea found in literature about the close relation that is often established between SMI and followers, and, on the other hand, it contradicts the generalized idea that the number of followers is important.

The results of this part of the survey are, curiously enough, aligned with those of the “Preliminary interview”, where the influencer Diana Monteiro says that what her audience values the most are her personal characteristics such as “[b]eing a real person”, and that she thinks the number of followers is irrelevant when compared to the sense of community felt by her fans.

To conclude, the data collected allow to answer some questions like “How to become a successful influencer?” and “Why are certain influencers perceived successful whereas others are less successful?”, and the main one: *“What are the most valued attributes and characteristics of Instagram influencers? A case study of the skincare market in Portugal”*. All the questions are connected and can be answered by asserting that the most valued characteristics are “Authenticity”, “Content quality” and “Trustworthiness”. As for the attributes, “Interaction with followers” is what matters the most to followers. Influencers that follow these findings will be on the path to success, and the ones who do not will find it harder to thrive.

To further validate the findings, a final experiment was performed. The experiment was carried out to investigate the dominance of personality traits on posting behaviour. The personality trait trustworthiness was chosen because it was found that influencers that had high “Trustworthiness” scores were also mostly chosen by the participants of the survey. Secondly, the attribute “Frequency of sponsored posts” was chosen, as it was assumed that the number of

sponsored posts had a strong negative correlation for followers with a great number of sponsored posts.

The results show indeed that the “Trustworthiness” scores are observable. This study has found that influencers with higher scores can do more sponsored posts than competitor influencers. This implies that consumers’ willingness to view sponsored posts is a function of their perceived trustworthiness of the influencers. The reasons for this are probably that the more influencers post and advertise products in their feed, the lower the perceived value to the follower is. If too many sponsored posts are displayed, consumers perceive the influencer as commercially driven and the overall entertainment value decreases. As this trend applies to all the influencers surveyed, the threshold is different to each influencer. The higher the trustworthiness, the more sponsored posts an influencer can post. It can be said that the consumer trusts the influencer more, that his/her sponsored posting behaviour is less commercially driven. One intention of this thesis was to derive executive suggestions. So, we have a proven methodology on how to calculate the optimal sponsored posting behaviour. As sponsored posts and influencer marketing campaigns are the main revenue source for influencers, this can have a significant revenue optimization potential. Even though the number of participants in the experiment was limited, the trustworthiness levels perfectly corresponded with the influencers threshold levels which suggest that correlation.

4. Conclusion

Given the rapid rise of Instagram, as examined before, and marketing research being in its infancy about SMI marketing, this study aimed at providing a basis for future research to obtain a deeper understanding of influencer marketing from the perspective of followers looking at the influencers as if they were products or brands. Therefore, this work extended the knowledge about the stated relationship between followers and influencers and the impact on their

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followers' consumer behaviour. Different types of surveys were conducted to construct a multidimensional perceptual map and a conjoint analysis.

Based on the explored perceptions and preferences of followers regarding influencers, this study provides not only a basis for further research, but also suggestions for influencers about how to build a successful Instagram profile, in terms of number of followers and engagement rate. The findings reveal two main recommendations for Instagram influencers, addressing significant characteristics and characteristics as an outcome of the survey data.

Firstly, in which regards to characteristics, "Trustworthiness", "Content quality" and "Authenticity" were derived as the most preferred ones. This implies that the influencer has to focus on the honesty, integrity and believability he or she demonstrates ("Trustworthiness"), while fulfilling the previously evaluated criteria for being perceived as authentic ("Authenticity"), namely being sincere, visible and knowledgeable. In terms of "Content quality", it is highly recommended to focus on the overall perceived image of SMI, such as their profile's appearance and content. When Instagram influencers focus on their content quality, their uniqueness and expertise is perceived higher, resulting possibly in more followers and a higher engagement rate.

Secondly, in which regards the attributes, the findings reveal that "Interaction with followers", "Type of products advertised", and "Frequency of general posts" are considered as the most promising ones.

Finally, the additional experiment reveals that the characteristic "Trustworthiness" is, indeed, a dominant trait that increases the chances for influencers to be financially successful. It was found that influencers with higher "Trustworthiness" scores can post significantly more sponsored posts, since followers are willing to consume more posts. This increases the income opportunity for influencers if they are perceived to be trustworthy. However, the question remains about what trustworthiness, or how to be trustworthy.

Consequently, Instagram influencers are advised to first identify their audience, and to appear like themselves, in order to become “friends” with their followers. Having a close relationship is key to influence the follower’s consumer behaviour. Hereby, inspiring products should be advertised while posting content not too often.

5. Limitations and future research

While the present analysis has essential implications, several limitations need to be acknowledged.

Firstly, this study was conducted taking into consideration just one social media platform, Instagram, without considering other existing platforms. Consequently, cross-platform comparisons might be interesting to consider for future studies in order to highlight if the outcomes vary between different platforms.

Secondly, research focuses only on one product category, namely the skin care market, due to the scope of the research project. It could also be insightful to investigate other product markets in relation to Instagram.

Thirdly, this study is focused on Portugal, due to the research gap for influencer markets in this country. Therefore, the surveys were only sent to Portuguese followers. Apart from nationality, most respondents belonged to generation Z, as a result of the fact that surveys were mainly sent out to people aged between 10 and 25 years. Consequently, the result of the study cannot be transferred to other nationalities and generations. To overcome this limitation, future research should consider more nationalities and age groups to provide a more in-depth understanding of the promising attributes for success.

Moreover, the interview was conducted with a single influencer, since it was very difficult to reach and motivate other influencers to provide some insights. As a result, the answers do not allow a significant conclusion.

Finally, the different surveys contain a set of attributes that was determined based on the chosen literature concepts. However, alternative influencer attributes and characteristics may be used to explore their specific influence on the consumer's perception. To illustrate this variation, taking "Authenticity" as an example, this study focuses on a general understanding of this concept. Nevertheless, other studies additionally identify specific dimensions of authenticity, namely continuity, credibility, integrity and symbolism (Beverland and Farrelly, 2010). Future research could explore different dimensions of the chosen characteristics in detail.

Another recommendation for future studies could be to investigate whether gender influences the perceived characteristics, and the relationship between follower and influencer.

As for the experiment, one limitation persists. While this finding can be communicated to the influencers, it is hard to suggest the influencer to be more trustworthy. Rather, the findings in this thesis tell us that some influencers are perceived as more trustworthy, while others are perceived less so, given that trustworthiness is a predictor for accepted sponsored posting thresholds. But the executive suggestion to influencers about how to become more trustworthy could not be derived here. Hence, future research should focus on this matter, as it will be helpful for individual influencer to adjust their individual behaviour, style, content, etc.

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