

## **Topic: Analysis of influencer marketing effectiveness and ways to maximize effectiveness**

### **Introduction**

*Recently, as interest in brand design and brand communication has increased, interest in brands containing corporate philosophy, beliefs, and stories is increasing. In addition, as the number of SNS users increases, companies are also promoting their brands through various SNS channels. Social media channels are diverse, such as YouTube, Instagram, and Facebook. Social media marketing is an alternative to traditional marketing that draws consumers' attention through SNS to purchase products and services. Social media marketing is an alternative to traditional marketing. It is evaluated positively as it can execute various marketing strategies such as direct promotion, sales, and purchase. In SNS marketing, influencers emerged as marketing propagators, and gradually changed and influencer marketing emerged. We analyze the current situation of brand design and influencer marketing, and through analysis of various cases around the world, we propose a process for companies to select and verify influencers for effective brand communication and propose influencer marketing strategies. The purpose.*

*As the importance of a brand increases, it can remain in users' memory, and efforts to become a trusted brand are also actively changing. In addition to the visible brand logo and design, we are building the brand in detail in various aspects such as the goals, values, and beliefs contained in the brand. In addition, the influence of influencers is growing due to the increase in consumer interest in influencers, along with the use of social media and the increase in influencer activities. Companies are increasingly conducting influencer marketing that communicates with consumers with these influencers. Companies identify the relationship between users and brands, companies and influencers, analyze the emergence, concept, and influence of influencers, and analyze how companies communicate with consumers through influencer marketing through various case studies. Study how to communicate.*

*Also using of smartphones is increasing, and the time spent on social media is also increasing. Using the talents and skills of individual influencers, they create content containing information from the consumer's point of view and upload it to various social media channels. As consumers encounter this content, consumers form a sense of intimacy and empathy that influencers are people similar to me rather than general celebrities, and by following influencers of interest, they build relationships and build trust. Influencers share various information about products and services in their field and subtly induce consumers to purchase them. Influencers create and share various contents through SNS channels such as YouTube, Instagram, and Facebook, and have numerous subscribers and followers, and they form a kind of fandom with the influencers they follow. .*

## Problem statement

1. It is difficult to analyze the actual impact.

As it becomes increasingly easier to buy fake followers and follower engagement (likes, comments, etc.), more and more influencers are inflating their influence. As a result, many marketers are having difficulty objectively verifying the influence of influencers.

Beginners in influencer marketing spend a lot of money just looking at the number of followers, but are unlikely to get the results they expect. There is a way to objectively verify influence by calculating the participation rate of followers such as likes and comments, but there is a limit to directly calculating and verifying the participation rate of hundreds of influencers. Considering that there are many influencers who artificially increase the level of participation by purchasing likes and comments from followers, it is becoming increasingly difficult to find influencers with genuine fans.

2. Performance is difficult to measure.

*The hardest thing about influencer marketing is that it's hard to measure performance. This is because they are aware of the need for performance measurement, but do not know what metrics to measure, and rely entirely on influencers to obtain indicator data. It depends on the purpose of the campaign, but in common, the success of influencer marketing can be measured by measuring how much the content is exposed and how much attention is received. In addition, since the data values of the indicators change every day and every week, it is good to measure the change by asking influencers to share regularly for at least one month after the end of the campaign. However, many marketers have difficulty measuring performance due to influencers showing uncooperative attitudes.*

## Objectives

Objectives provide a list of goals that will be achieved through the proposed research – What are the benefits/impact (e.g. better understanding, improved customer satisfaction, improved positioning ...) that will be generated if the research problem is answered? *Sometimes research questions are formulated here 0,25 - 1 page. You can also write Objectives with the Problem statement and Introduction part (if all: 1-3,5 pages)*

As marketing efforts through influencers continue to grow, so does the need to prove the effectiveness of these campaigns. The purpose of this study is to investigate the characteristics of influencer marketing that affect purchases and prepare a plan to maximize the effect of influencer marketing. Research proves that the six characteristics of influencer marketing have a positive effect on consumer trust, and that trust affects purchase intention. Companies can expect to use this result to create greater profit value by taking advantage of the positive characteristics of influencer marketing.

## Literature review

Literature review: provide a summary of previous related research – existing knowledge on the research problem and a justification of your research - What is known/what have been done by others? And, why your research is still necessary? + it provides needed knowledge of concepts and relationships between concepts (typical for real research) 2 – 4 pages.....*in academia and in confirmatory research hypotheses used to be formulated in this part...you can try, but not necessary; at least 10 references = academic articles from journals ranked in the scientific database Web of Science or Scopus THIS COULD BE IN POINTS – NOT FULL SENTENCES*

## Definition of social media influencer

A social media influencer is an individual who has a large number of followers on social media platforms such as Instagram, YouTube, and TikTok. They are recognized as experts in their fields and have the ability to influence the opinions and actions of their followers. Social media influencers can be categorized into various types, such as sellops, macro-influencers, micro-influencers, and nano-influencers, depending on the size of their followers and degree of influence. You can get paid by your brand to promote your product or service through sponsored posts, product reviews, or endorsements.

## Types of social media influencers

The literature review discusses various types of social media influence factors. This includes celebrities, macro-influencers, micro-influencers and nano-influencers. Celebrities are individuals who have gained fame through various means such as acting, music, and sports. They often have a large following on social media and their endorsement can have a significant impact on consumer behavior. Macro-influencers have followers from 100,000 to several million and are often considered niche experts. Micro-influencers have around 1,000-100,000 followers, but their relationship with their audience is very high. Nano-influencers, on the other hand, have very few followers, less than 1,000, but are believed to have more authentic and authentic relationships with their followers.

## The Importance of Social Media Influencers in Marketing

In recent years, social media influencers have become an increasingly important part of a company's marketing strategy. This is largely because influencers have built a loyal fan base that trusts their opinions and endorsements. As a result, influencers promoting their products and services on their social media channels can have a significant impact on their followers' purchasing decisions. We also found that influencer marketing was more effective than traditional advertising methods because it felt authentic rather than blatant advertising.

## **A theoretical framework for the influence of social media influencers on consumer behavior**

In recent years, the use of social media influencers in marketing has received attention from both academics and marketers. Various theoretical frameworks have been proposed to understand the impact of social media influence factors on consumer behavior. One commonly used framework is social influence theory, which assumes that individuals are influenced by the opinions and actions of others. Another framework is the source credibility model, which shows that influencer credibility plays an important role in message effectiveness. Furthermore, the theory of social identity suggests that individuals are more likely to be influenced by those they perceive to be like them. Overall, these theoretical frameworks provide valuable insight into the underlying mechanisms by which social media influencers can influence consumer behavior.

### **Effects of Social Media Influence Factors on Consumer Behavior**

#### **(1) Impact on purchasing decisions**

The impact social media influencers have on consumer behavior is undeniable, especially when it comes to purchasing decisions. Social media platforms offer influencers unparalleled reach and allow them to connect with millions of followers around the world. Through endorsements and product reviews, influencers can shape the opinions of their followers, which can ultimately lead to increased sales for the brands they promote. Studies show that consumers are more likely to buy products recommended by influencers they follow and trust. As a result, many brands have switched their marketing strategies to include partnerships with social media influencers as a way to reach their target audience and drive engagement.

#### **(2) Impact on brand awareness and loyalty**

Social media influencers have been found to have a significant impact on brand awareness and loyalty among consumers. By endorsing your brand or product on social media platforms, influencers can increase your brand's reach and impressions to followers who may not have previously known about your brand or product. These increases in awareness can lead to increased brand loyalty as consumers feel more connected to the brand and its values through relevance to influencers. Consumers also become more trustworthy when people they follow and trust endorse brands and products, further increasing brand loyalty. However, to ensure a truly effective partnership, it is critical that brands carefully select influencers whose values and image align with them.

#### **(3) Impact on consumer attitudes and perceptions**

The influence of social media influence factors on consumer attitudes and awareness is considerable. Many consumers trust influencers and view them as experts in their field. When influencers promote products and services, consumers often perceive this as a personal endorsement of someone they trust rather than traditional advertising. This can lead to positive perceptions of the product or service and willingness to try it. Additionally, influencers have the ability to influence what is considered popular or desirable among consumers, shaping cultural and social trends. As a result, it can have a significant impact on consumer attitudes and perceptions of particular brands and products.

#### **(4) Impact on social media platforms**

The influence of social media influencers on consumer behavior extends beyond brands and marketers. Social media platforms themselves have been affected by the injury of influencer culture. The success and popularity of influencers on these platforms has led to changes in algorithms, policies, and capabilities to embrace and support influencer marketing. As a result, social media platforms have become an integral part of the influencer ecosystem and their evolution will continue to play a key role in shaping the future of influencer marketing.

#### **Current Status and Characteristics of Influencer Marketing Business Development**

Yaixin's (2019) study described the current status and characteristics of the business development of influencer marketing in the United States, South Korea and China. For example, Michelle Phan, an American living in Vietnam, created her own beauty brand by gaining recognition and popularity from some famous cosmetics companies through beauty videos on the Internet. was valued at \$500 million. According to Yoo Seung-ah (2018) research, the characteristics of influencers such as attractiveness, reliability, and expertise are derived, and the characteristics affect the corporate image and the degree of product purchase. Park Kyung-ae (2018) studied by constructing influencer's characteristic similarity and attractiveness. The single-person media has developed and has a positive impact on the public through its own content, and the economic development has been crazy, which is called the influencer economy. The influencer economy has gone through a total of three stages of development. The first stage is the text-centric influencer economy. The second stage is the image-centric fluencer economy. With the development of the Internet, we have entered an age of images. Currently, on the Internet, it is said that "without pictures, there is no truth." Influencers have gained popularity with people's curiosity through characteristics that are usually different from others. The third stage is the convergent media influencer economy. Since 2015, along with the development of video technology, we have entered the age of video content. Various social media have started new broadcasts. Video, audio, image, and text media are referred to as content expression formats centering on convergence media.

## Methodology

To understand influencer marketing, analysis is possible through the SMCRE Model proposed by Lasswell. The name of the model is derived from the name of each stage. S stands for Sender, M stands for Message, C stands for Channel, R stands for Receiver, and E stands for Effect.

1. Sender refers to a person who produces content and sends it to consumers. As they filmed, edited, and shared their interests through SNS, bloggers and YouTubers came to mind. They are called so-called one-person creators, and consumers empathize with them and feel fun. They create content in a more diverse and unique way, and many consumers become influential influencers only by following them.

2. Message refers to content. Content contains the message the influencer wants to convey. Content produced by influencers is created in a more diverse and creative way than before, gaining fun and empathy from consumers.

3. Channel refers to various social media channels used by influencers. As the era of digital media changes, various social media channels such as blogs, Facebook, and Instagram are being operated, starting with portals and internet cafes.

4. Receiver refers to the consumer who uses the influencer's content. With the advent of the digital media era, the behavior of the audience has also changed. They are referred to as digital natives, and they are a generation that prefers images over words and videos over images.

5. Effect refers to the current influence of the influencer on various fields and the resulting effect.

Influencer marketing can be divided into 5 stages and the interaction and marketing influence of each stage can be analyzed. If you subdivide the stages as in the SMCRE analysis, it becomes easier to analyze which stages are lacking or strong in marketing.

After selecting an influencer, it is necessary to review the brand, products and services, and the influencer's competitiveness. It is necessary to review how competitive influencer marketing is compared to other marketing, what are the differentiation points, what are the core competencies, and what factors may be threats through SWOT analysis. SWOT analysis is an analysis of Strength, Weakness, Opportunity, and Threat, and is a marketing method that analyzes the current situation based on each element of the internal and external environments. Predict and analyze the success of influencer marketing through verification. It is good practice to use market positioning in competitive analysis to establish new product or new service positioning. Market positioning within influencer marketing means utilizing influencers. Companies introduce and use their products and services to influencers by providing their products and services to influencers ahead of ordinary consumers, and provide information about them, how to use them, or reviews through various types of content such as photos and videos. Create and upload to SNS to share with consumers. Consumers say that they feel more familiar with the content of influencers, who are ordinary people like themselves, than the content of famous celebrities. Companies use the comfort, kinship, and intimacy that consumers feel with influencers to carry out marketing.

## Limitations

### There are limits to tracking influencer marketing

The number of exposures plays an important role in spreading word of mouth. However, I don't know if the marketing message actually induced the interest of potential customers, and if so, what kind of reaction it elicited.

Also, comments on posts are nuanced from other metrics. While it makes sense for brands to be explicitly mentioned, there is little relevance between comments on these posts and actual brand advertising effectiveness. The mention of the brand in the comments can prove that the influencer campaign elicited the interest of this particular user, but it proved to be effective overall with the prospective customer. isn't it.

That means there are fundamental limits to tracking influencer marketing. Tracking verifiable factors isn't particularly harmful, but it's likely that you rely on vanity metrics to gauge the effectiveness of influencer marketing.

**A limitation of this study** is that the number of samples is not large, so there is a problem with the representativeness of the samples. Therefore, it is judged that there are some limitations in generalizing the derived results. If the study were to proceed on the basis of a larger number of samples that reflected the individual characteristics of the various subjects, It is believed that this limitation can be overcome and more objective results can be presented. Also, the model used in the study has limitations. The effects of various control variables could not be controlled effectively. Therefore, as research progresses, it is judged that various control variables should be considered and reflected in statistical analysis in order to derive more objective results.

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