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I was under the Influence of the 'Influencer' when I bought this!

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ABSTRACT

Last week I bought a pair of shoes that I did not require, which is costly enough to buy me a decent laptop. I saw them in an 'un-boxing video' by a famous vlogger on YouTube. It was like I was under some influence; I could not resist myself. I pride myself on having good willpower and control, but alas! As a business student, I was intrigued and worried simultaneously, so I decided to talk to my Professor of Marketing and do some research. The present article outlines our exploration of Influencer marketing and its potential psychological drivers.

Keywords: *Influencer marketing, Social media marketing, Halo effect, Cultural conformity, Social Proof.*

I. INTRODUCTION

Influencer marketing fundamentally entails promoting a business/idea/product through a person who possesses the power (influence) to change the perspective of prospective buyers (Schwartz, 2022). It is not a new phenomenon but has gained popularity since it has been mainstreamed in pop culture. It has always been there but in a different way/form as we see it today.

In 1763, the royal family permitted Josiah Wedgwood, an English potter, to call himself the "Potter to Her Majesty," as he was Queen Charlotte's favorite craftsman. At that time, the royal family had a considerable influence over the ordinary people, eventually resulting in Wedgwood's first foreign order. He even released a series of ceramics depicting the royal family's likeness, known as "Queen's ware" (The Editors of Encyclopaedia Britannica, 1998). By the late 19th and early 20th century, with the advent of cinema and television as sources of entertainment, several companies started hiring actors and actresses to promote their products/services. This gave way to celebrity endorsements of products/services. Every newspaper, magazine, and TV advertisement would have celebrities; almost every other product/service was celebrity-endorsed. As it was just the start of celebrity endorsements, the selection of the celebrity was based on popularity (e.g., Amjad Khan, Gabbar Singh from the

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Hindi-language film Sholay, endorsed Glucose-D biscuits).

However, companies eventually realized that they could not use celebrities for every advertisement due to the costs involved, so they started using ordinary people in the advertisements for home-related products. Ordinary people had little influence over the audience. However, they were assumed to be more authentic and relatable (e.g., ordinary women were hired for home-product advertisements such as washing powders, cooking utensils, dish soaps, etc., however politically incorrect it was).

II. INFLUENCER MARKETING NOW AND ITS IMMEDIATE BENEFITS

In the 21st century, as technology advanced, it expanded platforms, and social media marketing became a popular way for businesses to promote their brands. Content creators publish their interests through social media posts, blogs, videos, etc. People sharing the same interest started following them and consuming their content. This built trust in consumers and credibility for the creator. Consumers would even trust a brand if the creator they follow talks well about it, as they profoundly influenced them. Companies started to select content creators based on their niche and asked them to promote products or services for the company in return for some free service, product, or cash.

This helps companies in many ways:

- (i) Financially – Return on Investment (RoI) is far more with influencer marketing than other campaigns. For example, companies try to get positive word-of-mouth about their product through sample distribution. In that process, many products are distributed for free; still, positive word-of-mouth is not always promised. Influencer marketing, though, guarantees positive word-of-mouth.
- (ii) Technologically – Traditional advertisements are delivered on every social media platform, so isn't it the best way to promote your brand? The answer is an emphatic no, as advertisements can be avoided with the help of adblockers, but the content delivered on platforms by content creators are not easily avoidable.
- (iii) Sales – It helps target people with a direct interest in the product or service as opposed to doing mass-marketing or even the traditional way of segmenting, targeting, and positioning. Targeting becomes more personalized and nuanced and hence directly affects sales.

III. WHO IS AN INFLUENCER? HOW DOES INFLUENCER MARKETING WORK?

An influential entity or influencer is someone whose opinions, actions, and choices can shape

the choices of those around her. Such an entity can be an incredibly valuable asset in today's hyper-consumerist society. In marketing parlance, influential entities are content creators who post about their respective lives, the ups and downs they face, their opinions, values, etc. Due to the hyper insight into their lives, the audience starts relating and identifying with them (Social Identity Theory) and deems them more authentic. Content creators also often possess specialized knowledge of the topic/subject matter they post about, making them more trustworthy (Expert Power). For example, suppose a renowned Freelance Political Analyst/Journalist gives her opinion about a political situation. Even while taking sides, she will likely be deemed more trustworthy given her supposed knowledge/expertise in the said field.

As per Rob Sanders (2023), there are five types of Influencers viz., Mega (with more than a million followers), Macro (500K to 1 million followers), Mid-Tier (50K to 500K followers), Micro (10K to 50K followers), and Nano (1K to 10K followers). Mega-influencers are highly visible on social media due to their celebrity status and thus generate immense engagement. They are incredibly expensive. Macro-influencers are often minor celebrities, TV personalities, athletes, or thought leaders who can leverage their reputation to gain followers on social media. Mid-Tier influencers are a powerful group of content creators trusted by their followers, offering a broad reach and often slightly more engagement than macro- or mega-influencers. Their content is polished but is more authentic and familiar. They often rise the ranks from Nano to Micro to Mid-Tier. Micro-influencers have a much smaller following but are generally more effective in engagement and trust as they are more intimate with their followers and are more niche-focused. They usually have very impressive Sales RoI. Nano influencers offer a modest reach but with increased engagement rates as their content is hyper-authentic and personalized. They are best suited for brands with limited resources.

Influence is not always intentional and positive. Often, it can be unintentional and damaging. For example, the movie *Heroine* (2012) caused an abnormal increase in the consumption of cigarettes among Indian youth. This happened because the movie consisted of scenes in which the lead actress was constantly seen smoking (a rare instant where gender parity has had disastrous results).

Influencer marketing can also help garner the support of a peculiar nature, such as in the much-hyped court case – *Depp v. Heard*. Johnny Depp's influence as a celebrity was such that many other celebrity and non-celebrity influencers (from Mega to Nano) supported him inside and outside the court, thus garnering favor from the luxury fashion brand 'Dior.' Dior has had an endorsement contract with Depp since 2015. Under the circumstances around the case (*Depp v. Heard*), most brands would flee and discontinue their contract with the influencer. However,

Dior did not cancel the contract with Johnny Depp during this court case. Instead, they renewed the old one. To support Depp during the trial, Depp's fans bought and promoted Dior. Their sales skyrocketed (O'Neill, 2022).

IV. PSYCHOLOGICAL DRIVERS OF INFLUENCER MARKETING

Besides Social Identity Theory and the Five Bases of Power (particularly, Legitimate, Expert, and Referent), we have identified four other psychological drivers of influencer marketing, viz., The Mere Exposure Effect, The Halo Effect, Cultural Conformity, and Social Proof. These are briefly described below:

- (i) The Mere Exposure Effect – A phenomenon by which people prefer people/things they are familiar with or have continuous or repeated exposure to, such as a repeat advertisement, an often-seen celebrity/influencer, an often-eaten home-cooked food item, etc. This effect suggests that information deriving from repetitions may have an impact on the cognition-emotion interaction, thus rendering the stimulus more pleasant (Palumbo et al., 2021).
- (ii) The Halo Effect – A phenomenon where a person or a firm's favorable reputation in a particular field can also alter people's decisions relating to them in other fields. It happens because of the trust they have created (Campbell and Farrell, 2020). For example, when a trustworthy beauty influencer with a decent number of followers posts about a food product, even though that field is not related to the influencer, the audience still believes her opinion as they trust her with all things relating to beauty and this trust spills over to other domains.
- (iii) Cultural Conformity – Humans are social animals; staying in a group is a natural survival instinct. Hence, people follow the group they want to be related to, akin to Social Identity Theory which explains how individuals create and define their place in society. To show the relevance of some form or connection with the group, people always follow something big that helps them embed in the culture. For example, the famous South Korean boy band BTS (Bangtan Sonyeondan) has a fan following of over 90 million. The band addresses their fan following as "army." To be embedded within the group, people buy merchandise of the boy band. Their merchandise sales in 2019 were around US \$114.5 million, and the band was merely six years old then.
- (iv) Social Proof – A theory that states that people will accept what everyone else is doing, as it is believed that whatever the crowd is doing must be right, akin to herd mentality. For example, during the 2020 COVID lockdown, a trend started where people would

make Korean Dalgona coffee. As it went 'viral,' even people who had never tasted coffee started doing the trend.

V. CONCLUSIONS

Influencer marketing is an excellent way of marketing, but then again, it is only a way of marketing. The truth about marketing is that facts are never twisted; they are just not presented as they should be. Marketing is all about the pros of a product or service. Influencers have evolved from influential people (queens) to more relatable people (content creators). Nowadays, people find content creator endorsements more trustworthy than celebrity endorsements.

Why is there so much trust in content creators? People may think the answer is relatability. Yes, it is true but only partially. The reason influencers were trusted in the beginning was motive or gain. By suggesting a product, influencers were not gaining any monetary rewards. They suggested the product because of their liking. Nowadays, when we look at influencer marketing, it is a lot like a regular advertisement in which companies hire a person to endorse their product. The real question is, can we still trust them with the same level of credibility, knowing that they are gaining commissions or benefits if we buy the product they are recommending? What if the influencer does not even use the product and endorses it for monetary and service benefits?

All this aside, influencer marketing is still an excellent tool for brands that work with public awareness, new ideologies, and new products that are not readily acceptable, non-traditional, or complicated to use. For example, when menstrual cups were first introduced, explaining their benefits over tampons and pads was difficult. It took multiple campaigns and influencers (including doctors) to share their experiences to ensure the new product's safety.

Ultimately, it all depends on the consumer's needs, wants, and desires (the fundamentals of Marketing). However, with influencer marketing, the real question is, can the consumer look beyond what is shown?

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