

FUTURE INFLUENCERS FROM A SALES, MARKETING AND MANAGEMENT PERSPECTIVE

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Abstract

In sales and marketing, influencers play a central role. Previous research shows that recommendations from a third party (i.e., influencers) are regarded as being more reliable than the brand itself (Weinswig 2016). In the relevant literature, influencers are defined as individuals who have the power to affect purchase decisions of others because of their (real or perceived) authority, knowledge, position (function) or relationship. In terms of consumer spending, members of a peer group or reference group act as influencers. In business-to-business (organizational) buying, internal employees (engineers, managers, purchasers) or external consultants act as influencers. Consequently, marketers need to take these factors into account when marketing decisions are made. This is especially the case in strategic and operative sales and marketing. Another aspect that needs to be considered concerns future trends, which implicates the future relevance and role of influencers. The aim of this research is to shed some light on this issue. For this purpose, a multinational study will be conducted, whose aim is to determine the most relevant developments and highlight potential novel strategic sales and marketing opportunities. As a result, practical guidelines and a scholarly research foundation are provided, research gaps identified and proposals for future research suggested.

Keywords: Marketing, Word of Mouth, Relationship Marketing, Influencer, Trend

JEL Code: M31, M37

Introduction and Problem Statement

The role of influencer has become much more important in marketing and management over recent years. Frost (2007) revealed that 82% of the fastest growing private companies use word-of-mouth (WOM) techniques, which is why influencers in marketing are becoming increasingly popular. Nowadays, influencer marketing is a relevant disciplinary instrument,

especially due to the rise of online marketing and Internet 2.0, which has spawned social media. The resulting sales success has confirmed the power of this marketing method. The burgeoning importance of technology platforms for social interactions has prompted the interest of marketers who want to explore them as new advertising and promotion media opportunities. However, existing social networks' revenue models are based primarily on advertising, although, to date, the use of (mostly) banner-type advertising has produced disappointing results (e.g., *Business Week* 2008). Marketers more and more believe that an efficient approach to using social networks for marketing relies on harnessing WOM, and therefore the involvement of influencers, by analysing the network of members' connections (Kantona et al. 2011). In marketing-led enterprises, the "uncertainty problem results in the risk that resources will be wasted on inefficient marketing. Word-of-mouth marketing that employs influencers is a new and effective marketing method. It can reduce resources and marketing costs and create more business opportunities" (Ming Li et al. 2011, p. 5145).

As a result, according to Ming Li et al. (2011, p. 5144), the question arises as to how "the influential seeds with the strongest virulence can be] chosen". The aim of this research is to determine the key factors that contribute to successful marketing influence and help to identify potential marketing influencers. Meanwhile, the research objective is to recognize future trends in marketing sales and management as understood by future influencers. This research will mainly focus on the following questions:

- What is the role of the influencer now and in future?
- Who shapes the values and preferences of future influencers?
- Are values and preferences of future influencers compatible with the latest developments and innovations in marketing and management?
- What are the buying habits and preferences of future influencers? Are they related to the latest developments and innovations in marketing and management?
- What are the job and management priorities of future influencers?

As the aim of this research is to identify the factors surrounding the creation of an influencer, the following questions are also asked:

- How can an influencer be identified and what are the relevant factors in this regard?

- Furthermore, how is an influencer created and can a change in the pertinent factors and their relevance be expected?

1 Theoretical Background

As stated by Huang (2015, p. 1319), “relationship marketing has been increasingly studied in marketing academia and has received intense interest in marketing practice. Relationship marketing has been defined as all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges.” In addition, “in the past decade, the existing literature has established the theory in relationship marketing and posited that relationship marketing investments enhance customer trust, commitment, relationship satisfaction, and in turn these relational mediators influence the seller’s performance outcomes”. Furthermore, Boyle et al. (1992, p. 473) reveal a potential negative association between a buyer-seller relationship and the influence strategies of threats, legalistic pleas and requests. Furthermore, these researchers also show that the “frequency of recommendations, promises, and information exchange is associated positively with a global measure of the buyer-seller relationship and the frequency of the supplier communications” (Boyle et al. 1992, p. 473).

According to Haryani and Motwani (2015, p. 50), word-of-mouth communication (WOM) is a primary information channel that influences consumer decision-making. Furthermore, accompanied by the prevalence of the online marketplace, eWOM (WOM over the Internet) is rapidly flourishing. Haryani and Motwani (2015, p. 50) also indicate that “77% of online consumers check online reviews and the ratings of products before deciding to make a purchase, and 92% of consumers reported that online reviews are extremely helpful”. As emphasized by Ming Li et al. (2011, p. 5143), “word-of-mouth marketing is increasingly being recognized as a crucial strategy in social influence and marketing domains”. A broad set of potential customers can be significantly attracted by social interactions, in which influencers participate. The effectiveness of promotional actions can be improved by an actively supported distribution of positive messages via WOM, especially by employing influencers. As stated by Lilien et al. (1981, p. 494), the “impact of company marketing is significantly enhanced by the effect that occurs when costumers first using the product find it satisfactory and recommend it to their colleagues”. Meanwhile, Haryani and Motwani (2015,

p. 50) suggest that “word-of-mouth marketing utilises the recommendations by friends and has a snowball effect”. WOM marketing that uses influencers is more powerful than other advertising channels because it conveys an implied endorsement from a known person. Furthermore, regarding a new product introduction, it has been highlighted by Jaakkola and Renko (2007, p. 342) that “marketers of new products should also not underestimate the importance of gaining publicity and positive word-of-mouth consumers. New product acceptability in the market may be strongly influenced by lay consumers and may overrule performance advantages.” However, for Cooley (2009, p. 46), “consumers no longer depend on subjective sources such as word-of-mouth, but also look at objective internet sources”. Consequently, it is evident that the level of influence is influenced by WOM and information sources. Ming Li et al. (2011, p. 5144) propose that the marketing influence process can be divided into three main categories: network-based, content-based and activeness-based values.

This process of WOM communication corresponds to Petty and Cacioppo’s (1986) elaboration likelihood model of persuasion (ELM). The ELM proposes that attitudes might be formed and changed by logical reasoning and superficial judgements. This model contains two components, the central and peripheral route. According to Petty and Cacioppo’s (1986), the persuasion via the central route results from a careful and thoughtful consideration of the presented information, leading to an enduring change of attitude (Petty and Cacioppo, 1989). Furthermore, under the peripheral route, the persuasion can result from an association with positive or negative stimulated cues and can be unrelated to their logical quality. According to Miller (2005, p. 129), the main factors include the credibility and/or attractiveness of the message source.

Naumov and Tao (2017, p. 49) describe how diffusion in social networks can be affected by influencers. The effect of “diffusion happens when a product or a social norm is initially adopted by a small group of agents who later influence their peers to adopt the same product. The peers influence their peers, and so on. There are two most commonly used models of diffusion: the cascading model and the threshold model.” Iyengar et al. (2008) differentiate between two types of influencer: self-reported and sociometric (when a person is nominated by others). Kantona et al. (2011, p. 425) show, in their study, that an individual who is connected to many adopters has a greater adoption probability, as well as find that “younger people and female network members have a greater influence in social networks” (2011, p.

442). Furthermore, they also highlight a “greater influencer effect for similar individuals and a significantly greater influence of females among younger individuals” (2011, p. 442). These findings are somewhat surprising because many researchers in sociology have acknowledged that men have greater social power (Depret et al. 1993). Furthermore, Kantona et al. (2011, p. 443) find that “influencers’ position in the entire network and some demographic variables are good predictors of adoption”. As a result, Kantona et al. (2011, p. 443) argue that “influencer’s demographics and global network position can predict their influential power within the market”, as well as confirm that the “average influential power of influencers decreases with an increase in the total number of their contacts” (2011, p. 443).

Ines Haefliger (2018) conducted interviews with professional influencers regarding their activities. The influencers stated that they see themselves as social media stars. As a result, they are idols to their followers who in turn imitate them; consequently they can be viewed as trendsetters. The influencers also mentioned that their intention is to motivate and inspire in order to influence. Some have more than 100,000 followers and typically receive 10 Swiss francs per 1,000 followers from the companies whose products the influencers promote. A communication strategy involving influencers in this way enables the companies to personalize marketing messages on social media.

Based on these findings, Weinswig (2016) suggests a conceptual construct of the relevant factors crucial for influencers’ market impact: namely, authority, knowledge, position (function) or relationship, as shown in Figure 1. However, their relevance is not known and additional factors could be added.

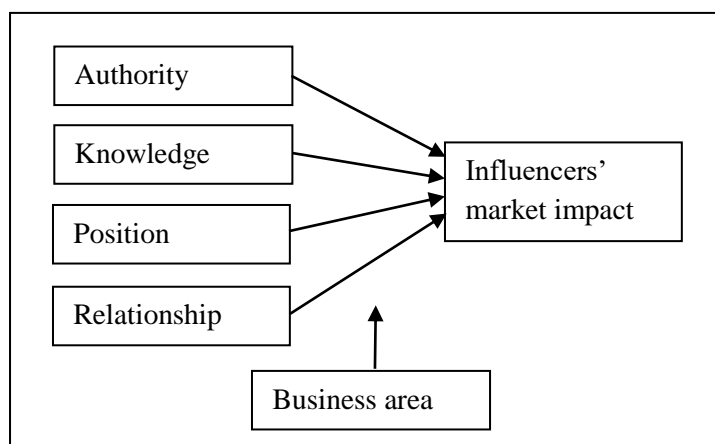


Figure 1. Suggested research framework (source: authors)

2 Methodological Approach

The research is intended to combine qualitative and quantitative approaches. The present study will use this conceptual model as a starting point. Its research design is exploratory in nature. The data will be collected by a market research company, as part of a multinational study being conducted by the participating academic institutions, using a questionnaire in order to obtain primary data on the necessary information. In order to gather the required data, a survey will be conducted using a computer-assisted web interview (CAWI) approach (see Table 1).

Types	Longitudinal, international CAWIs
Method	CAWIs
Frequency	Twice per year
Target group	Future influencers
Sample	Business school students (BA, MA), 18 to 26 years old
Sample size	250 students per term 500 per participating institution

Table 1. Survey characteristics (source: authors)

As a first step, a self-structured questionnaire will be designed. In the first section of this questionnaire, a brief introduction to the research and survey will be made. Furthermore, a confidentiality statement and the approximation of the expected participation time will be provided. This questionnaire will be pretested within the institution. In the second section of the survey, the participants will be asked to rank the given statements on a semantic scale (1-7, not efficient to highly efficient, or no answer). The questionnaire will be divided into two sections: seller (influencer as marketing manager) and buyer (influencer as opinion leader) perspectives. Finally, the opportunity will be given to add comments, as well as an email address.

3 Conclusion

The results will involve theoretical as well as practical implications. As a theoretical approach, a model and measurement scales will be provided. These findings will have important consequences for firms that want to better understand how customers adopt a

product or service. The proposed approach of this research should support marketers/advertisers in promoting their products/services with less effort and cost. This study will also provide a set of factors that could increase the influential power of influencers and improve the effectiveness of marketing activities.

In common with every study that involves human feedback, there will be space for bias. Study participants could provide false information due to the belief that it may reflect their personality. However, an increase in sample size, as well as including respondents from varied demographics, will reduce this limitation.

There are still a number of avenues for future research. First, this research focuses mainly on the discovery of factors and the future development of powerful influencers. However, influencers' strength is based on general content and network characteristics, which are domain-independent. However, it would be interesting to further compare the effectiveness of WOM marketing with respect to different application domains. Finally, effective and efficient diffusion strategies of influencers could also be developed.

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