

## **INFLUENCER ENDORSEMENT ON INSTAGRAM: A LITERATURE REVIEW**

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### **ABSTRACT**

The present study aims to systematically understand the research literature available on Instagram influencers and their endorsement activities. Instagram was founded in 2010, and the study considers research done in the area of Instagram influencers till 2020. The study tries to understand the change in findings from the early years of the social media site to the end of the decade, and how the consumers and brands view the influencers. It is found that over the years, influencers have made firm ground parallel to celebrity endorsers on Instagram although in some countries celebrities still hold the edge. They rate higher on trustworthiness and credibility, and brands and influencers help each other in their journey in the digital media. Some studies show that influencers are shy of sponsorship disclosures although this needs to be backed by more academic research. Another major gap area is the lack of enough studies in India about influencer endorsement in its unique environment.

**Keywords:** Influencer endorsement, Instagram influencer, Sponsorship disclosure, Social media marketing, Literature review.

### **INTRODUCTION**

The use of internet has increased steadily over the last decade. In India alone, the number of internet users has grown from 92.57 million in 2010 to 749.07 million in 2020. Globally the figure has increased from 1,802 million to 5053 million during the same period. A major development happening parallelly in this decade was the growth of users of social media platforms like Facebook, Twitter, Instagram etc. More and more people globally turned to these platforms for entertainment, networking and staying in touch. The year 2020 saw a major jump due to the emergence of the pandemic caused by Covid 19 as people were spending most of their time at home. Instagram alone reached one billion monthly users for the first time in 2020.<sup>1</sup>

Instagram is a photo and video sharing social media platform founded in 2010 by Kevin Systrom and Mike Krieger, and later acquired by Facebook Inc (now Meta Platforms, Inc). The interactive platform allows users to post pictures, videos, reels

and stories, giving them an opportunity to use creative ways of connecting with their followers. This easy-to-use interface has led to the emergence of a new class of endorsers called social media influencers or SMIs. According to Campbell & Grimm (2019), an influencer is someone who takes compensation in exchange for posts on social media. Social media influencers (SMIs) are a new type of endorser who mould audience attitudes through online activities like blogs, tweets, and the use of other social media (Freberg et al., 2011). These are common people who are followed by thousands, sometimes millions of people voluntarily as these followers find their content interesting, entertaining or informative. On Instagram, influencers usually charge for posting mentions, stories, hashtags etc. of the paying brand on their page. While smaller emerging influencers work in exchange for freebies and gifts, established influencers with large followings demand fat pay cheques in exchange for an appearance on their page. This has led to a rapid rise in Influencer marketing.

Globally, the influencer marketing industry has grown from \$1.7 billion in 2016 to \$13.8 billion in 2021, indicating a massive growth with a similar trend in India. According to a survey, most marketers spend as much as 40% of their digital marketing spend on Influencer marketing.

As such huge amounts of investment and marketing expenditure is involved in this industry, there is need to understand the academic research done in different countries and areas of Influencer marketing. This will help us understand the common understanding on the topic, and areas that need further research. As Instagram is one of the most popular social media sites, this study concentrates on Influencer marketing on Instagram.

## **INSTAGRAM INFLUENCERS**

One of the first published studies about influencer endorsement on Instagram was done by Kutthakaphan et al. in 2013 in Thailand where they described the buying behaviour of generation Y consumers with regards to the use of celebrity endorsement through Instagram. The results showed that the use of celebrity endorsement through Instagram had a low effect on buying behaviour but was effective in reaching the consumers. However, these were early days of the app, when it was a purely photo sharing application. Instagram incorporated video sharing in June 2013. This feature was key in helping it to become a preferred platform by brands, celebrities and influencers for endorsements and paid partnership.

## **INFLUENCER ENDORSEMENT AS COMPARED TO CELEBRITY ENDORSEMENT.**

Celebrities have attracted brands for endorsement collaborations since the longest time (Kaikati, 1987). Much research exists to prove that people like to imitate their role models which is why celebrity endorsements have an undisputed impact on

purchase intentions of the consumer (Atkin & Block, 1983; Erdogan, 1999; Mehta, 1994). Recently, however, in addition to traditional media, celebrities have embraced social media as a platform for brand endorsements. Immense research literature is available on celebrities endorsing products on their social media handles, especially Instagram. A study by Russell & Rasolofoarison in 2017 studied the impact of endorsements in the natural setting by celebrities on social media and found that they are more impactful and work better than commercial brand advertisements, making a case for native advertising. Other research literature has also shown that embedded advertising where the viewer finds it hard to spot a commercial association works more effectively than obvious advertisements. In the literature review article on native advertising by Campbell & Marks, published in 2015, it is clear that when the advertising message is merged well and forms a part of the immediate content, it is received better by the consumer. Another barrier to commercials or advertisements is the fact that online consumers often use software to block ads in order to protect the privacy of their data, so native advertising is more effective to reach such consumers (Brinson et al., 2018). This finding is in line with D. G. Taylor et al., who in 2011 found that native advertising works better than open commercial advertisements on social media sites.

Celebrities on social media have to compete with the natives of the platform, i.e. the influencers. Researchers are interested in understanding and comparing the endorsement activities and effectiveness of the two types of endorsers on social media. In a recent study conducted on German consumers by Gräve, in 2017, consumers' perception of traditional celebrities is compared to social media influencers on variables like expertise, trustworthiness, attractiveness, similarity, familiarity and likeability. It is seen that while the influencers are rated higher on trustworthiness by the German consumers, celebrities are rated higher on all other variables. In a stark contrast to this, a study by Nouri, 2018 in UK concluded that users bond better and experience a greater connection with influencers than traditional celebrities as influencers exhibit higher levels of reliability, authenticity and engagement. Through content analysis, the study examined the extent to which YouTube and Instagram influencers, also known as micro-celebrities, are able to affect fashion and beauty trends in mass culture as compared to celebrities.

Social presence, source trustworthiness, envy and brand attitude are important variables of comparison between traditional celebrities and Instagram influencers as studied by Jin et al., 2019 in their study in USA. Results indicated that consumer exposure to Instagram celebrity's posts garnered higher trust and a greater positive response towards the brand than the traditional celebrity's post. Structural equation modelling and multiple regression analysis also reveal that these posts rate higher in terms of envy and social presence. Therefore, the study concluded that Instagram celebrities had an upper hand as compared to traditional celebrities. Another study by Schouten et al., in 2020 in Netherlands investigates advertising effectiveness as affected by identification and credibility. Perceived similarity and wishful

identification is used to measure identification while trustworthiness and expertise measures credibility. Advertising effectiveness is measured through attitudes toward the advertisement and product, and purchase intention. The results revealed that influencers rate higher on identification, similarity and trustworthiness and as a result, influencer endorsement is more effective than celebrity endorsement. A similar study conducted in the Indian scenario by Agnihotri & Bhattacharya, in 2020 for a comparison between the two types of celebrities contradicted these results. The study explored the relative endorsement effectiveness of mainstream celebrities versus social media influencers while establishing India as materialistic cultural environment. The findings suggested that the Indian consumer is affected by the wealth, power and status of the celebrities and therefore forms stronger parasocial relationship with them than social media influencers. As a result, traditional celebrities are more effective endorsers in India.

A Turkish study conducted in 2020 by Zeren & Gökdağlı found that although celebrities are less active than influencers on Instagram, they are preferred by brands for endorsements and share more sponsored posts. They also command a greater following although influencers are also being roped in to share a supportive role. It was also observed that disclosure of sponsored content is not a common practice among the Turkish celebrities or influencers on Instagram.

#### **INFLUENCER ATTRIBUTES FOR EFFECTIVE ENDORSEMENT**

As is evident from the discussion, influencer endorsement has become an unavoidable tool for social media marketing strategy for brands. In some countries, it has even been proved to be more effective than celebrity endorsements. However, more research is required to understand what attributes make influencers more effective and powerful in swaying the consumer decision about purchase intentions.

In the research conducted in 2017 in Belgium, De Veirman et al., tried to provide more insights in the characteristics that make a social media influencer on Instagram efficient above and beyond their potential reach through their large social network. It studied the brand effects of influencers and examined the moderating role of number of followers on the advertising effectiveness of influencers' posts. Results showed that having more followers positively affects attitudes towards the influencer. This is mostly because of higher perceptions of popularity, and also because these higher perceptions of popularity makes people believe in the opinion leadership of the influencer. The results further suggested that a high number of followers may negatively impact influencer likeability for influencers who are following fewer accounts themselves.

Shan et al., 2020 have also tried to understand the effectiveness of Influencer endorsement by examining the effects of self-influencer congruence on brand attitude, brand engagement, and purchase intention in China's dynamic social media context. They examined the perceived motive of social media influencer's

endorsement behaviour, parasocial identification with social media influencers, and their roles in the endorsement process. The results of this study suggest that a high degree of congruence between the image of a social media influencer and the consumer's ideal self-image leads to effective endorsement outcomes. Parasocial identification was found to mediate the relationship between self-influencer congruence and endorsement outcomes while perceived endorser motive was found to moderate the effects of self-influencer congruence on such outcomes through parasocial identification.

Nascimento et al., 2020 examined the main forms of endorsement that connect digital influencers and brands in order to gain a better understanding of Influencer endorsement journey. The research outlines three forms of endorsement relationship that evolve during the influencer's career cycle: experimenting, partnering and bonding. Brands also play different roles: as providers, partners and hirers, supporting and rewarding digital influencers' entrepreneurial journey on social media. The study implies that both brands and influencers work side by side, benefitting from each other in the trajectory of an influencer's life cycle. At the beginning of their career, smaller brand endorsements help push the influencer's career while generating goodwill and organic appreciation for the brand. For more popular influencers, brand endorsements are similar to those with traditional celebrities, where there's a formal agreement and often a commercial advertisement.

## **INFLUENCER ENDORSEMENT AND SPONSORSHIP DISCLOSURE**

Another aspect of Influencer endorsement is the fact that social media is a breeding ground for native and embedded advertisement (Campbell & Marks, 2015). Researchers have also started exploring the effect of disclosure of sponsored content on credibility and trustworthiness of the endorser. According to De Cicco et al. (2020), disclosure statements are appreciated by policymakers, and helps enhance the credibility of the Influencer. A prominent disclosure statement is also expected to increase users' attitude as well as intention to continue following the Influencer. Weismueller et al., 2020 examined the impact of advertising disclosure and source credibility on purchase intention through their study conducted in Australia. The analysis revealed an interesting result. It was found that a disclosure statement improved source attractiveness, while a disclosure hashtag had a negative impact on source attractiveness. Source trustworthiness or source expertise were neither affected by the disclosure, nor the hashtag. The findings confirmed the positive impact of all source credibility subdimensions on consumers' purchase intention.

By analysing the data collected through an online questionnaire, Dhanesh & Duthler, 2019 examined the effects of awareness of paid endorsements by social media influencers on followers' ad recognition, relationships with the influencer, and behavioural intentions, specifically eWOM intention and purchase intention. The findings of this study revealed that awareness of paid endorsement is positively

associated with ad recognition and influencer-follower relationship but is not correlated with eWOM and purchase intentions.

Dwidienawati et al., 2020 examined the impact of customer review and influencer review to purchase intention and the mediating role of trust to those relationship. The study also intended to reconfirm the moderating effect of trust in the reviewer on purchase intention. This study showed that influencer endorsements had a positive impact on purchase intention, but customer reviews failed to show an influence on purchase intention. Trust as a moderating variable was also not validated in this study. This study confirms that not all types of eWOM can influence purchase intention.

### **INFLUENCER ENDORSEMENT IN INDIA**

India is a large and unique country, where vast differences exist between education levels, economic backgrounds, cultures, internet connectivity etc. through different regions and different sections of people. Yet, very limited academic research and study is available about the use of Instagram in India for marketing activities. Nikita & Vanishree, 2020 indicate that Instagram influencer marketing in India is especially effective in luxury fashion brands. Research has shown that 'influencers can be used as facilitators for building empathy, relationships and connect with consumers'. Saima & Khan, 2020 found that influencer's trustworthiness and credibility directly affect the purchase intention of a consumer. While researchers have started exploring the effect of sponsorship disclosure on customers, no research however has yet been done about sponsorship disclosure in regard to Indian influencers and audiences as there were no established rules yet in this area in India, until recently. Major journals have also specifically demanded more research into this area of influencer marketing due to the existence of numerous research gaps (C. R. Taylor, 2020).

### **RESULTS AND CONCLUSION**

As discussed above, there is a lot of interest developing around the activities and behaviour of Instagram influencers in the academic circle. However, there is not enough research available. Although Instagram is a relatively new medium of endorsement, having been founded in 2010, yet the sheer massiveness of the influencer industry warrants ample research. More research is required to provide clarity and insights on the attributes that make an influencer a worthy brand endorser. It would be interesting to note exactly at what stage in the consumer buying behaviour as per the AIDA model do the influencers actually 'influence' their followers. Are they successful at getting attention of the consumer, enticing their interest, evoking desire or at the action stage? No research has yet addressed this area.

There is also massive gap in research in influencer endorsements in India. For a

vast country like ours, just not enough research exists to shed any light on the various paradigms of influencer endorsements. In the absence of any concrete ruling about sponsorship disclosure till April 2021, most influencers have followed what they are comfortable with. However, now with the ASCI making sponsorship disclosure mandatory, it is essential to see how influencer behaviour as well as brand trust in the influencers has changed since the ruling.

### Notes

1. <https://www.insiderintelligence.com/content/global-instagram-users-2020>

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