

The role of trust in influencer marketing when promoting two competing brands

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Affidavit

I hereby affirm that this Bachelor's Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

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Abstract

Influencer marketing has become increasingly important in the way companies promote their new products and their own brand. In a collaboration, all involved parties could benefit from it, the influencer, the company as well as the followers. Influencers need to try to get to the bottom of the following: how to gain and maintain trust among the customers. Before signing collaborations, many aspects have to be taken into account: they have to fit in the influencer's overall feed, they have to match with the influencer's specialization and they have to differentiate from previous collaborations. But handling this might represent a hurdle in the influencer's job tasks. This thesis intends to answer the question how the difference between promoting in the same compared to in a different product category is perceived by customers.

A field experiment tested the different perceptions of customers in the same compared to the different product category. Three scales namely trustworthiness, expertise and attitude were measured to find out an answer to the research question. According to the, in the field experiment, tested theoretical developed hypothesis, the analysis approved that the three scales trustworthiness, expertise, and attitude are higher in the different product category and lower in the same category. Leading to the conclusion, influencers should pay especially attention to which brands they work with and which products they promote, to avoid a decrease of trust among their followers.

Table of Contents

AFFIDAVIT.....	2
ABSTRACT.....	3
TABLE OF CONTENTS.....	4
LIST OF TABLES.....	5
LIST OF FIGURES.....	5
1 INTRODUCTION.....	6
2 LITERATURE REVIEW	10
2.1 INFLUENCER MARKETING	10
2.1.1 WORD-OF-MOUTH MARKETING.....	11
2.1.2 USER-GENERATED CONTENT.....	11
2.2 SOCIAL MEDIA.....	12
2.3 CONSUMER TRUST.....	15
2.3.1 DIMENSIONS OF CONSUMER TRUST	16
2.3.2 SOURCES OF CONSUMER TRUST	18
2.3.3 THE ROLE OF IDENTIFICATION, CREDIBILITY AND PRODUCT – ENDORSER FIT	21
3 METHODOLOGY.....	24
3.1 RESEARCH DESIGN	24
3.1.1 STUDY DESIGN.....	25
3.2 PROCEDURE AND MEASUREMENT	28
3.3 DATA ANALYSIS AND RESULTS	29
4 CONCLUSION	33
4.1.1 MANAGERIAL IMPLICATIONS	33
4.1.2 LIMITATIONS AND FURTHER RESEARCH.....	34
5 BIBLIOGRAPHY.....	36
6 APPENDICES.....	44
APPENDIX 1 – MEASUREMENT SCALES	44
APPENDIX 2 – QUESTIONNAIRE	46

List of Tables

Table 1 Different definitions of consumer trust according to marketing researchers 17

Table 2 Sample Characteristics.....31

Table 3 Results (M)ANOVA: manipulation check, H1, H2 and H3.....33

List of Figures

Figure 1 Conceptual model.....25

Figure 2 Experiment Group 1 SAME.....28

Figure 3 Experiment Group 2 DIFFERENT.....28

Figure 4 Mean comparisons among same vs. different product categories for trustworthiness, expertise and attitude.....34

1 Introduction

Being an influencer on Instagram has become popular and favorable in the last years. Worldwide there was a total of an estimated amount of 2.65 billion people who were using social media and about one billion active users on Instagram. This number is foreseen to increase to almost 3.1 billion in 2021 (Statista, 2019a). Marketers first used “traditional” celebrities in order to make sure to endorse their brand, but the trend has been moved to make use of social media influencers (also called ‘micro-celebrities’) as a component of their companies’ marketing strategy (Marwick, 2015).

“What makes someone an influencer?” – an influencer is someone, who has the power to influence the purchasing decisions and the willingness to pay due to his or her knowledge, empathy, authority, or relationship with the follower base (Influencer Marketing Hub, 2020). There are various kinds of influencers, who share their self-generated content on different fields ranging from beauty, food, fashion, fitness, or general lifestyle to travel blogs. These (mostly female) influencers have gained a large follower base and use their online social media presence for advertisements or personal recommendations (Lin et al., 2018). Influencers have a strong impact on the overall brand attitude and its overall image and purchase behavior, especially of young consumers, who are using these online channels (Djafarova & Rushworth, 2017).

The online and mobile phone photo-sharing and video-sharing app, Instagram, was first launched on October 6 in 2010 (Blystone, 2020). Nowadays it is seen as the fastest growing social network online site worldwide (Wagner 2015). Internet users tend to spend the most time on Instagram. The essential question that organizations therefore pose is, why are consumers using this social media channel and what benefits they receive from it, after leaving (Sheldon & Bryant, 2016). Since influencers are primarily actually “normal people” and not celebrities, it is not difficult for them to build up a reliable relationship between their followers, as they are on the same level and often seen as the “girl or boy from next door”. The path of becoming an influencer started with creating an online profile and posting informative content and trying to reach more and more followers as anybody could do it. Building a trust basis between the followers and influencer is a very important step, to become more and more popular and for receiving different cooperation inquiries (Charlesworth, 2018).

The reasons for success over the last years of Instagram, that is the most important and frequently used tool for influencers, are various: First of all, because of the mobility, the users can access it with internet all the time, wherever and whenever they want to (Lee et al., 2015). Secondly, it is easy to use and provides interesting content with images and short clips or even longer videos with the new function of Instagram TV (Lee et al., 2015). Additionally, Instagram's success and rapid growth can be also explained by narcissism, because the app gives the user the complete control of expressing themselves and creating their self-presentation through sharing photos with others (Sheldon & Bryant, 2016). The rise of social media and the advantage of being in touch with your friends and family members every day is well-known. Another more up-to-date information is that the number of influencers is also rapidly increasing and is becoming more popular. In order to explain the impact of influencer marketing on Instagram on customers, the concentration lays particularly on trust and how trustworthy the Instagram influencers are while recommending special products during a cooperation with a brand (Sheldon & Bryant, 2016).

The consumer's intention to shop online is based on the fact that the internet is not only an information source anymore, but also it has become quite popular to purchase things online on different websites, rather than to buy them physically in brick-and-mortar stores. The percentage of online shoppers increases steadily as for example in 2010 42,5% of the Austrian population and in 2019 it has run up to 62,4% (Statista, 2019c). The cause of this rapid growth could be explained because of the "usefulness", "ease of use" and "enjoyment" (Perea y Monsuwe et al., 2004). This convenience of online shopping has become an emerging trend, especially for Generation Y (Jin Lim et al., 2016).

Problematization

It is no surprise that more and more organizations are making use of influencer marketing since social media has become a central platform for customers not only to socialize but also to get inspired to shop, review things and check comments of products and services (Jaakonmäki et al., 2017). It is known that influencers collaborate with many different brands at the same time and they receive in exchange, of posting advertisements of specific services or products, rewards in terms of payment or other advantages (Jaakonmäki et al., 2017). The question arises, even

if influencers are having expertise concerning to promote different products, how many brands and different product lines can they post until the trust of the followers is jeopardized (Woods, 2016). According to Woods, there is a thin line between how paid and unpaid content in Influencer Marketing is perceived by the followers. The risk increases that both the influencer and the brand can lose credibility among their customers (Woods, 2016). Transparency and showing expertise about the product or service being promoted are the two factors that show who is a trustworthy influencer. The risk of uncertainty does not arise when the sponsored posts are being marked and acknowledged as such on social media (Woods, 2016). Contrary, regarding unpaid influencer marketing, the question arises, why an influencer is promoting something without gaining monetary value (Hasan, Subhani & Osman, 2012). For brands, unpaid Influencer marketing means a high risk of negative reviews, since they could cause a decline in sales (Hasan, Subhani & Osman, 2012). To cite, what Scott Cook said, “*A brand is no longer what we tell the consumer it is – it is what consumers tell each other it is*” (Scott Cook, cited in Gensler, Liu-Thompkins & Wiertz, 2013). This sentence implicates why brands have started to communicate with customers through influencers. The rise of brands that are willing to incorporate with influencers and including Influencer Marketing in their marketing strategies, has become a challenge for influencers to make a thoughtful decision with whom to collaborate with (Hobson, 2017). This increases the circumstance of promoting and working with two very similar brands that follow the same brand philosophy (Hobson, 2017).

The overall objective of this paper is to investigate how an influencer is noticed by its followers, how high the amount of trust is, when they are cooperating with a brand, how competing brands are being communicated through Influencer Marketing and if skepticism appears when the influencer is providing a buying recommendation of its own experience and not a sponsored purchase post. Therefore, it will be necessary to examine, if influencer marketing is successful for organizations and companies, which strive to reach a larger customer base.

Accordingly, this paper aims to answer the following question:

- 1. „How do consumers evaluate influencers regarding trust when they are communicating competing brands?“**
- 2. “How is the difference between promoting in the same vs. in a different product category perceived by customers?“**

Since influencer marketing and the related consumer trust are main research topics in this thesis and are being analyzed in the following questions using a quantitative research approach. In order to analyze and identify what aspects are determining the level of trust among customers in influencer marketing, an online questionnaire with an additional experiment will be distributed among Instagram users, who access it at least on a weekly basis. The respondents were asked to fill out this online questionnaire answering questions on how consumers evaluate an influencer who is communicating competing brands.

This thesis continues with a literature review, starting in general with the influencer job and its tasks, their roles of being a part of an organization’s marketing strategy campaign, the definition of social media marketing in general, and the online purchases influenced by Instagram. Furthermore, the literature review points out the relevance of trust among followers in more detail. The methodology includes an explanation of why quantitative research design was chosen for this paper and how the data was collected and analyzed, following by the managerial implications. The thesis is going to end with conclusions, limitations of the study, and with propositions and suggestions for future research.

2 Literature Review

This chapter outlines the main marketing strategies in the social media context. Following, the thesis focusses on the role of consumer trust, the definition, dimensions, and sources of consumer trust as well as the role of influencers as an identification, credibility role.

2.1 Influencer Marketing

According to Juhlin and Soini (2018), influencer marketing is an important strategy to strengthen or change the consumers' brand association in a positive way. The power of influencers can have a big impact on consumer purchase decisions, even though they know that the content might be paid (Woods, 2016). Influencers have a larger follower base and post content about products, services, or experiences, that should inspire and create intended brand associations (Juhlin & Soini, 2018). The name influencer derives from the main purpose behind it: influence other people. Because they are, first of all, "normal people" as everyone else, they can easily build trust in their follower base (Charlesworth, 2018). The main goal, therefore, is that the followers become customers and that they trust in the recommendation or opinion on services and products. Many influencers concentrate on a specific topic, either they post content about primary fashion, food and how to be vegan, beauty, or traveling. Followers tend to trust certain influencers on social media more, if they also follow their mindset or advice on products, companies, or brands (Charlesworth, 2018). Influencer marketing is for organizations one of the cost-less and very effective marketing strategies. The costs, a company has to spend, are determined by how many followers the influencer has, their range of influence, the amount of engagement, their previous work and experience and other factors that contribute to the goal to reach more potential customers (Charlesworth, 2018). The way of how a cooperation between a company and a certain influencer is started has the following steps:

First, a company that decides using influencer marketing as a marketing strategy in their business plan, contacts the company's most suitable and topic related influencer, via e-mail or directly via Instagram direct message. As compensation, the company offers the influencer money, free or discounted products or services (Juhlin & Soini, 2018). Second, the assignment for the chosen influencer is either to post the

discussed photo or video in their profile, by tagging the company's profile or providing an affiliate link (Juhlin & Soini, 2018). Offering a special discount for the followers, while reviewing it, is also one of the best marketing strategies in influencer marketing. Nonetheless, the most essential factor is that the customer then is influenced by the created content and has a willingness to purchase the recommended product or service. So that the conversion rate, the percentage of visitors who become customers, increases (Juhlin & Soini, 2018). Gustavsson, Nasir, and Ishonova are convinced of the fact, that the customers first just consider the amount of the followers and the degree of the esteem of the influencers and choose regarding these two factors, who they trust and who not. Lastly, the end result and most important factors are knowledge and trustworthiness (Gustavsson, Nasir, & Ishonova, 2018). Influencer Marketing can be seen as an extension of Word-of-mouth marketing approach.

2.1.1 Word-of-mouth marketing

WOM is one of the most important approaches to communicate products and brands towards consumers, it is an influential source in marketing and functions by passing on personal recommendations from one person to another (Dahlqvist & Preiksaite, 2018). WOM can be defined as an individual opinion, that can be positive as well as negative, of a customer of a brand, which is especially important for first purchases by other customers. The elements why customers trust especially influencers' opinions and recommendations are because of their professional ability to show knowledge about the product and also their skills of choosing the right display and method of presenting and showing that product (Wiedmann et al., 2010). Consumers tend to compare different offers of different brands and decide to trust the influencer who accordingly matches their own opinions, ideas, and level of relatedness (Wiedmann et al., 2010).

2.1.2 User-generated content

Nowadays, the internet provides so many opportunities for companies as well as consumers and users, but that can also be threatening, as "the increase in customer power and knowledge [...] the bargaining power of customers" (Chaffey, Ellis-Chadwick, Mayer, & Johnston, 2009, p.47), has become one of the major difficulties regarding e-commerce trade, besides the rise of competitors (Schwarzl & Grabowska,

2015, p.190). User-generated content is a concept whose main goal is to increase brand awareness of a company (Smith et al., 2012). The content is created by consumers, based on their experience or opinions, which can be, for example, reviews on TripAdvisor and Amazon, pictures and videos on Instagram or YouTube (Smith et al., 2012). Although the content is created and uploaded by users, user-generated content could be earned media as well as paid media (Daugherty, Eastin, & Bright, 2008). Four main factors influence the user-generated content: Empowerment, community, co-creation, and self-concept. Motivation, the dependence of power, and the wish influencing other people are the basis, in order to make sure content is posted by users (Blackshaw et al., 2017). The outcome of these postings and content is that the pursuit of feeling better, gaining self-confidence, influence others with their sharing (Daugherty et al., 2008). The longest existing social media network for user-generated content is YouTube (Susarla, Oh, & Tan, 2012). Where users can upload videos and pursuit of more and more subscribers, shares, likes, and comments (Susarla, Oh, & Tan, 2012). Another platform that provides users the opportunity to post their created content with others, is Instagram. Users with a large following base have the possibility to gain inquiries of sponsorships, collaborations, or other forms of online marketing (Manikonda et al., 2014).

2.2 Social Media

Social Media is essential for Influencer Marketing regarding the fact that it is a tool that is used to reach potential customers and to build up a community base. Social Media is a type of marketing that creates value and satisfaction for the customers in order to fulfill their wants and needs (Tuten & Solomon, 2017). In other words: Kaplan and Haenlein (2010, p. 60-61) determine Social Media as “a group of Internet-based applications that develop the ideological and technological foundations of Web 2.0, which allow the creation and return of user-generated content”. According to Kotler et al (2013) marketing, in general, is a “process by which companies create value for customers and build strong customer relationships to capture value for customers in return.” The main difference between marketing and social media marketing is that the latter one is carried out online and more exactly on social media platforms (Gay, Charlesworth, & Esen, 2007). Today, the most frequently used social media platform is Facebook, which currently passes the boundary of almost 2.41 billion monthly active users. The photo- and video – sharing app, Instagram, is the sixth-ranked social media

platform that had 1 billion monthly active accounts as of October 2019 (Statista, 2019b). Our community tends towards globalization, that is one reason why social media is rapidly growing. More and more people spend most or more of their daily time, surfing on the internet, and getting in contact with other people (Tuten & Solomon, 2013). Due to this fact, it is crucial for all businesses, whether they are a startup, a small organization, or a huge corporation, to understand the role of Social Media Marketing and its importance towards building trust in customers for brainstorming new and essential business' strategies. From this point of view, social media makes communication between the companies and the customers better, easier, and far more personal (Tuten & Solomon, 2013).

The main advantages for companies using social media as their marketing strategy are because of the increase of the probability of creating revenue and because of the cost decrease, by decreasing staff time and as it is one of the not as expensive as the other types of advertising (Sl, 2016). The fact, that sharing know-how and expertise can be very attractive to customers, as well as consumers helping other potential purchasers and future customers, e.g. through liking posting or sharing the companies' profile or product's posts on Instagram or Facebook (De Vries, Gensler, & Leeflang, 2012). A viral marketing campaign is essential for every business, as it relies on a, not upon request, mouth-to-mouth communication through the internet and social media. However, in contrast to traditional mouth-to-mouth communication, a viral campaign is based on the creation of an organization to promote itself as an employer, its brand, or its products and services. A viral campaign can improve creating awareness, awaking interest, generating, and ensuring sales for the companies' products (De Bruyn and Lilien, 2008). In other words, social media provides a new type of marketing and allow brands to build awareness regarding their products and their brand. Social media has enhanced the relationship between brands and customers, simply by building a more individual and trustworthy image (Nawaz et al., 2015).

Affiliate Marketing

To give a deep insight into Social Media Marketing it is important to explain the functions of affiliate marketing, which is a type of online marketing where commissions are paid by advertisers to affiliate websites or other companies for referring potential customers to their own web site. The Economist (2005) defined

affiliate marketing also “the holy grail of online advertising.” Amazon started in 1996 with affiliating marketing, as they paid another website when they referred customers to their website with a link (Ul Haq, 2012). Businesses have to understand the important potential of affiliate marketing programs, as an online advertising marketing tool, in order to make sure to regard the special characteristics of it, to elaborate the attitude and opinion of the customers and the different options consumers are influenced by its content (Ul Haq, 2012). How much money is earned through an affiliate link is determined by the number of clicks and the percentage of sales which were placed through it (Grabs, Bannour & Vogl, 2016). Affiliate links are, besides sponsored posts and advertisements, content creation for organizations and sales of their own created products, one of the most crucial ways to earn money (Grabs, Bannour & Vogl, 2016). Affiliate marketing is the fastest growing marketing among the online advertisement selling segment, as it covers about a 7 billion business pie (Marketing Sherpa 2007 cited in Singh, 2018).

There are many advantages for companies’ advertisers using affiliate marketing because it is a performance-based approach, where costs for advertisers only occur when sales have been processed (Edelman & Brandi, 2013). Compared to other online advertising possibilities, such as display ads or “banner ads”, where the advertiser already has to pay, as soon as the website offers the ad to the user and even every search ads an advertiser is charged, as soon as the user clicks the ad (Edelman & Brandi, 2013). An affiliate only receives the commission only if the user buys something, coming from the affiliate link or a potential customer browses to an affiliate’s website or if the user clicks the coded link to the merchant (Edelman, 2013). Therefore, the advertiser is protected from unnecessary additional expenses (Edelman & Brandi, 2013).

Sponsorship

“Sponsorship is a financial investment or materials on an activity, person, or event hand having access to a potential communication associated with this activity person, or event” (Chebli & Gharbi, 2014, p. 915). To understand the difference between sponsored posts and not sponsored posts, it is necessary to explain what sponsorship generally means: Sponsorship is a form of marketing, that ensures a better position of the brand and its image (Derbaix & Lardinois, 2001 cited in Chebli & Gharbi, 2014). It

is defined as the process of a company supporting another company, a single person, or event financially or helping in the planning process. Public relations, sales promotions, and advertising are factors that lead to good working sponsorship, and collaboration (Delaney et al., 2016). Sponsorship includes showing the brands' logo e.g. on posters, websites, clothes, due to the fact the cooperation of these two or more brands has to be mentioned ("Sponsorship", 2008). In contrast to affiliate marketing, sponsorship is one of the most expensive marketing strategies, but the value of it is incomparable. Moreover, sponsorship is a used tool for enhancing the brands' image as it also became a major communication strategy in companies (Westphalen, 2005 cited in Chebli & Gharbi, 2014).

2.3 Consumer Trust

Different authors have defined consumer trust in various ways, as it has a lot of meanings in different disciplines. In general: "Trust is seen as an expression of security between partners when making an exchange, or in another type of relationship" (Garbarino and Johnson, 1999). It is "a belief that the partner in a negotiation will not exploit or take advantage of the other's vulnerability" (Dwyer, Schurr, and Oh, 1987). Marketing researchers do also have different explanations and definitions for consumer trust.

Author	Definition	Year
Anderson and Narus	"A partner's belief that the other partner will perform actions that will result in positive outcomes, as well as not take unexpected actions that would result in negative outcomes."	1990
Doney and Cannon	"In the retail environment trust is consumer confidence in a retailer's reliability and integrity which implicitly assumes that one can have trust in organizations or firms."	1997

Garbarino and Johnson	“Trust is seen as an expression of security between partners when making an exchange, or in another type of relationship”	1999
Parasuraman et al.	“Customers should be able to trust their service providers, feel safe in their dealings with the service provider, and be assured that their dealings are confidential.”	1985
Singh and Sirdeshmukh	“Emotional security that makes consumers think that the other (a brand, an employee or the firm) will fulfill their expectations of results or behavior (expectations of brand quality, of contact with the personnel or of the overall relationship with the firm)”	2000

Table 1: Different definitions of consumer trust according to marketing researchers

Table 1 shows different definitions for trust, especially consumer trust, in marketing research. As per empirical studies (Garbarino and Johnson, 1999), the fundament of a stable relationship between customers and firms is trust. According to the definition of Singh and Sirdeshmukh (2000), trust is described as the “emotional security that makes consumers think that the other will fulfill their expectations of results or behavior.” Parasuraman et al. (1985), is convinced that “customers should be able to trust their service providers, feel safe in their dealings with the service provider and be assured that their dealings are confidential.” Moreover, “in the retail environment trust is consumer’s confidence in a retailer’s reliability and integrity which implicitly assumes that one can have trust in organizations or firms” (Doney and Cannon, 1997). This thesis agrees mostly with the definition of Garbarino and Johnson (1999).

2.3.1 Dimensions of consumer trust

According to Chen and Dhillon (2003), integrity, competence, and benevolence are the three most relevant dimensions of consumer trust in e-commerce. The first dimension of trust in e-commerce is **integrity**, which includes that the organization’s behavior is consistent, reliable, and trustworthy. It represents the trust that the

customers have towards the specific brand or company regarding honesty. The reputation and the prominence are factors that influence the perceived integrity because buyers tend to judge mistakes more when the company is not well-known or favored (Lee & Turban, 2001). **Competence** means, that the company needs to fulfill all promises it mentioned in presence of their customers. Furthermore, competence is related to the skills the company has (Chen & Dhillon, 2003). **Benevolence** is determined by the competence of a company to satisfy the customers' needs and their well-being (Chen & Dhillon, 2003) and honesty regarding if the company is focused either on the well-being of the customers or on the profit growth of the company (Lee & Turban, 2001). It is worth mentioning that the right combination of integrity, competence, and benevolence is the result if the intention appears to purchase or not purchase. Improving consumer trust for an influencer and therefore also for an internet vendor is simply possible by focusing on one of the three dimensions: competence, integrity, and benevolence (Chen & Dhillon, 2003).

Individual characteristics influence the dimensions of trust named competence, integrity, and benevolence of an influencer or internet vendor. These individual characteristics consist of attitude towards online shopping, personal values, gender, age, and educational level. The personal values contribute to the overall experience of trust and can even build a propensity to trust, for example, people who are trustworthy and endorse values, such as honesty also see their opposites and partners as trustworthy (Chen & Dhillon, 2003). Besides demographic variables like age and education level, gender is also one characteristic that has been found to affect the level of trust regarding one's purchase intention or behavior (Chen & Dhillon, 2003). According to Parasuraman et al. there are five dimensions of service quality (tangibles, reliability, responsiveness, assurance, and empathy) that offer a meaningful tool to evaluate service performance (Chen & Dhillon, 2003). If the service quality is good, the satisfaction is secured and the overall goal of everybody's shopping experience is fulfilled (Gronin & Taylor, 1992). To sum up, it ends with the perceived competence, integrity and benevolence of an Internet vendor that influences the overall trust of the consumer (Chen & Dhillon, 2003).

2.3.2 Sources of consumer trust

After analyzing the dimensions of consumer trust, it is important to evaluate the sources of consumer trust. Apart from the external stimuli, which contribute to the influence factors of trust, it is also to a large amount personality-based (Chen & Dhillon, 2003). The reputation of the influencers, the brand recognition, the offline presence as well as the number of their followers, and the profile characteristics or the collaboration partner's website characteristics influence the perception of competence, integrity, and benevolence of an Internet vendor (Chen & Dhillon, 2003). These website characteristics include privacy and security, well-arranged, functionality, efficiency, reliability, integrity, easy usability. It is efficient, to concentrate on the presence of the website or profile since it can have a huge impact of the follower's overall trustworthiness. The influencer's profile feed or website and their communication tool are like the influencer's business card and therefore essential to get in contact with their followers. It is an institution-based trust source and the overall goal is to provide potential customers with a professional website so that they have a sense of normality (Chen & Dhillon, 2003). There are four main factors in experience-based trust, these are service quality, customer satisfaction, length of the relationship, and courtship. However, quality and satisfaction are known as the drivers of the evaluation of the post-purchase outcomes in service marketing.

Before someone does something for the first time, like traveling to a foreign country, booking a hotel or trying out a new restaurant, it is usual to check for recommendations on e.g. blogs and read and evaluate user-generated reviews. As humans we trust other ones who deliver services for example: when we get on a bus or airplane we trust the driver and the pilot, as a client of a lawyer we have to rely on their skills and know-how of the legal maneuvers, when the car needs to be repaired we have to trust the mechanic of having the required expertise (Dasu & Chase, 2013).

The sources of consumer trust, where we get our information, can be various but one of the most common ones is to believe in the WOM recommendations of friends or family members (Dasu & Chase, 2013). User-generated content, that is provided on rating websites such as TripAdvisor, is used for online search for the customers, who tend to rely on the experience of other customers and who have already been at the place or made the experience. In general, customers trust people more than

recommendations on the internet or advertisements, since it is more personalized and therefore also more reliable, although the reviews are written by foreigners (Dasu & Chase, 2013). This concept is the reason why brands are cooperating with influencers in order to give the customers this personalized and for them more trustworthy method of recommendation and advertisement. Especially the younger generation, meaning Generation Z and Millennials, trust in that what their favorite influencers suggest (Dahlqvist & Preiksaite, 2018).

The achievement of influencer marketing is that the followers buy something online or go directly to brick-and-mortar stores. E-commerce is an important component for most companies and e-commerce can be described as the “sale of products and services over the internet” (Chen and Dhillon, 2003). The transactions, in e-commerce, are carried out without personal contact. Online retail websites have to use a secure SSL encryption, this acronym stands for Secure Socket Layer, to protect the online shopper from fraud. SSL is a protocol that encrypts transactions, that take place during the online shopping process, between the customer and the online store server (Lal Das and Samdaria, 2014). According to Turban et al. in 2002, examples of the uncertainty of the customer management and the internet shopping characters and parameters that influence the customer’s trust in internet shopping, they include following: credit card assurance policies, product warranty and return merchandise policies and providing user-friendly service hotline for customers (via mail, telephone or directly on the website).

Lack of trust among customers is the main cited reason for having doubts shopping online (Lee & Turban, 2001). For online retailers, it is more difficult to diminish risks that customers are exposed to and to build up trust among customers, because the difference between trust in a face-to-face situation and during the online buying process is the physical distance because, in the brick-and-mortar store, the customer can decide individually, if she or he has enough trust and willingness to pay (Mukherjee & Nath, 2007). Another situation occurs in e-retailing, the seller and buyer are here not interacting personally, that is why the potential customer could increase their level of skepticism about the legitimacy of the vendor and the quality of the product or service itself (Chen and Dhillon, 2003).

Trust is crucial because it is a process that is already formed before the transaction of the purchased product is made or specific service is delivered (Dasu & Chase, 2013). There are many advantages for companies in building consumer trust, these are structured in a chain, where one factor influences the other. A higher level of consumer trust also immediately means higher brand equity, which is in turn correlated with the brand name awareness and key precursor of e-loyalty (Dasu & Chase, 2013). Trust is the most relevant antecedent of e-loyalty in online shopping, especially for Gen Y customers for providing a positive online shopping experience (Jin Lim et al., 2016).

Maximizing customer loyalty is also one of the results and outcomes of high consumer trust. It leads to word-of-mouth marketing that furthermore results in a good reputation (Pappas, 2016). Trust in general helps to build a good consumer relationship which maximizes the overall willingness to pay (Dasu & Chase, 2013). When consumer trust is high, the possibility of making failures or mistakes declines. Trust is a crucial factor when it comes to the question: “which attributes influence and finally lead the customer to shop online?”. Trust is a huge benefit for companies because if your customers trust you, you do not have to provide as many explanations as to when you are still in the creating trust process (Dasu & Chase, 2013).

Even though almost all followers know that the influencers are paid for what they post and recommend products or services in their postings as a marketing act on Instagram, they trust the influencers and the paid partnership with the brand. The question here appears, how influencers act not only on behalf of their interests but also at the same time in the interests of their followers, concerning their perception of posts where influencers communicate competing brands in their profile. Honesty plays, in this context, a significant role in whether they just want the best for their followers or if they want to maximize their profits. Handling both at the same time is one of the challenges the job influencer has to deal with (Chen & Dhillon, 2003).

Reputable influencers also have already created a high level of trust among their followers and this does not decline if the posted content might be sponsored (Dahlqvist & Preiksaite, 2018). For Dahlqvist and Preiksaite it is obvious, that the content has to be marked if it is a sponsored one or not in order to increase or stabilize the level of trust. Beside sponsored posts and concentrate to stabilize the follower's

confidence, they have to create trustful not-sponsored content regularly as well. Influencers who have already established a large number of followers, still have to pay attention and have to choose with which brand they collaborate in order to avoid posting too many paid advertisements, which may lead to an increase of uncertainty and doubt and may develop a level of mistrust in the perception of the promoted posts (Juhlin & Soini, 2018). For keeping trust and interest in their followers, influencers always have to consider what, when, and how often and also the order of their posts. The overall goal is that the followers get the feeling that they know the influencers personally and therefore ensure the trust for the present and the future (Woods, 2016). This is what influencers differentiate from celebrities since celebrities are considered more as a role-model.

2.3.3 The role of identification, credibility, and product – endorser fit

Marketers tend more and more to promote their brands, products, and services with support of influencer endorsement (Marwick, 2015). It is a simple way for companies to add value to their brand and increasingly attract more customers and extend their range of influence (Marwick, 2015). According to one research of the World Federation of Advertisers in 2018, marketers are investing large sums on influencer endorsement and are making use of influencers as spokespersons for their brands (WFA, 2018).

To cite what Stephen Loerke said, the CEO of WFA: *“Influencer marketing is becoming a key channel for many marketers but it will only be effective if consumers can trust the influencers by declaring paid relationships and marketers can trust that they are reaching real people, not bots. This area has evolved rapidly and this research provides a benchmark revealing how marketing teams and their external partners are managing the new channel.”* (WFA, 2018).

One reason, why marketers credit the merits of influencer marketing to this high extent could be, that influencers are characterized by the fact that they have built their careers online on social media platforms. Nevertheless, influencers have not the power to directly convince the consumer to buy something, but they are a reliable information source that is more and more likely to be considered in the buying decision process (De Veirman et al., 2017). In an interview study by Chapple & Cownie (2017), consumers stated to follow lifestyle influencers and bloggers’ product or

service recommendations regularly and the background or the reason for this is that the outcome can be either that the consumers themselves develop a purchase intention and a willingness to pay or they forward it to others.

Colliander and Dahlén (2011) found out that a blog post about a fashion brand resulted in a better brand reputation among potential customers and overall in higher purchase intent compared to advertisements in an online magazine about the same topic. This can be explained by the feeling to be more related and connected to people, who recommend something that has been already tried by themselves. The fact to be able to comment on influencer's posts on social media networks provide the possibility to interact with them and ask a question, increases and strengthens the overall trust and purchase intention (Schmidt, 2007). Consumers positively evaluate brands and products endorsed by people who have been rated to be credible (Erdogan, 1999).

Credibility consists of two determinants: trustworthiness and expertise (Sternthal et al. 1978). Trustworthiness is linked to honesty, integrity, and believability of an endorser while expertise refers to the relevant knowledge, skills, or experience the endorser is identified to be possessing (Erdogan, 1999).

Before creating the survey and the specific questions, that the respondents are supposed to answer, three main aspects are chosen: the relationship between influencer and follower, promoted posts, purchase behavior as well as trust. Due to the three components trustworthiness, expertise, and attitude and based on the reasoning above, I postulate following hypotheses:

H1: Consumers perceive influencers who promote more than one brand in the same product category as less trustworthy as compared to influencers who promote only one brand in the same product category.

H2: Consumers perceive influencers who promote more than one brand in the same product category as less expertised as compared to influencers who promote only one brand in the same product category.

H3: Consumers have a lower attitude toward influencers who promote more than one brand in the same product category as compared to influencers who promote only one brand in the same product category.

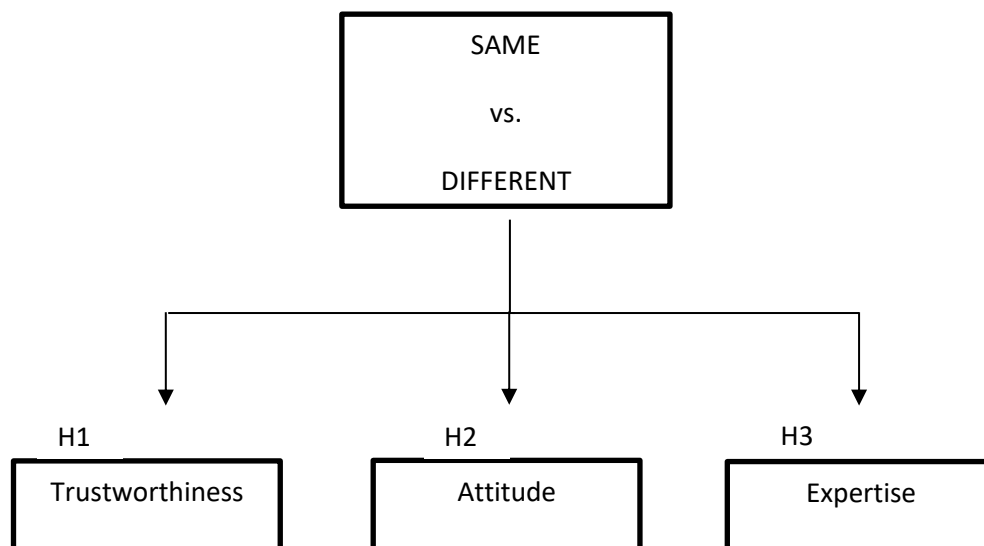


Figure 2: Conceptual model

3 Methodology

This chapter is targeted to describe the empirical testing of the conceptual model. For answering the theoretically developed hypotheses, one factor, between-subjects experiment with the number of posts within one product category (same vs. different category) is conducted. This part outlines which method was used to analyze the data, how the research was conducted, how the data was collected, and the findings and results of the survey are stated in this section.

3.1 Research Design

A research method shows the fundamental basis of how data should be collected. A quantitative research design was implemented in this thesis. The aim of quantitative research is that it concentrates on testing theories by analyzing relationships between two or more variables (Creswell, 2014). The quantitative research design was used, since an online questionnaire, one of the most efficient ways of conducting research (Fowler, 2002). The variables in quantitative research design have to be measurable so that statistical methods can be applied and conducted. A quantitative approach was chosen for this study since the data analysis and measurement were acquired online through a questionnaire, that consists of questions with established scales such as trustworthiness, expertise, and attractiveness, exploring whether followers trust influencers or if they tend to decrease their level of trust, when influencers, who are communicating competing brands for the same product category, with help of an additional implemented experiment, where participants were exposed to one of two stimuli and the respondents were randomly allocated to one of the two experimental groups. To test the theoretical hypothesis, this online questionnaire with an integrated online experiment was sent out mainly to Millennials and Generation Z, who are using social media, especially Instagram, on a weekly basis.

The advantages of online questionnaires are first of all, that it is one of the more frequently used strategies in businesses especially in the marketing sector for conducting research and the participants can give their answers without having the impact of the interviewer. Second, the questionnaire is performed anonymous, which provides all participants the opportunity of being completely honest with their answers (Paler, 2010). One disadvantage might be that solely people who have WiFi

access can participate and fulfill the online-based questionnaire, but regarding the fact that it also focusses on Instagram users, this limitation is justifiable.

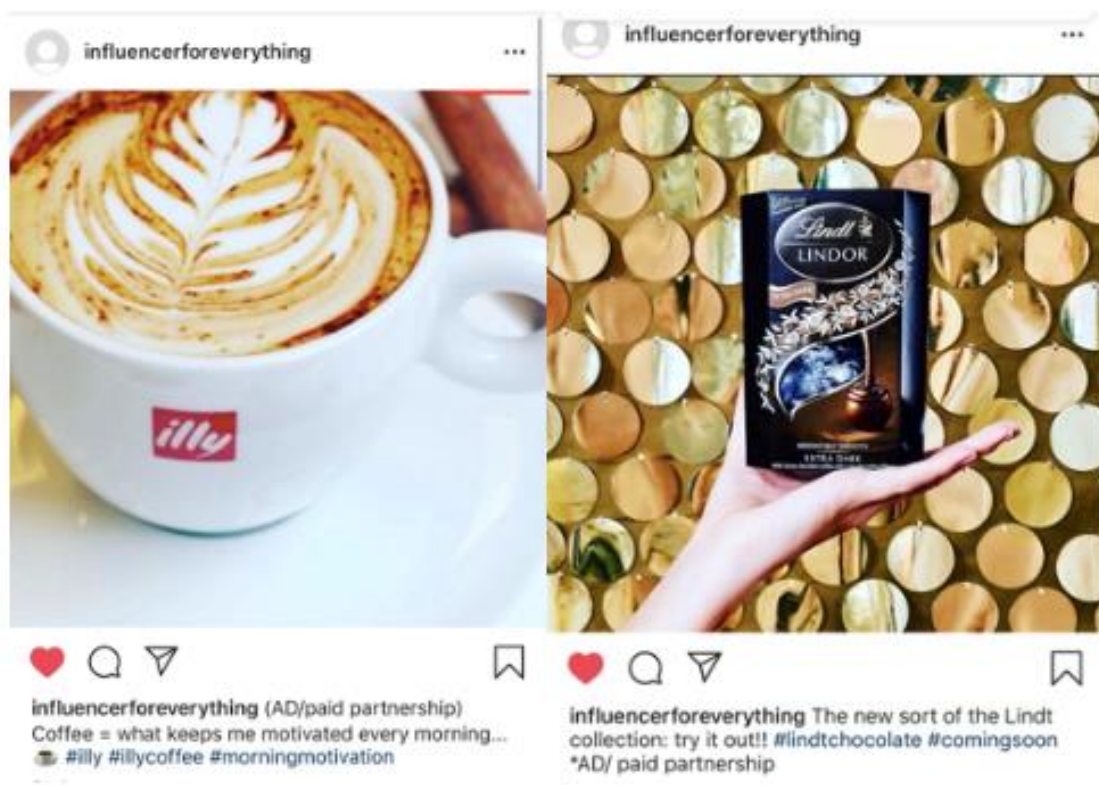
3.1.1 Study Design

A one-factor between-subjects quasi-experimental design is selected to test the proposed hypothesis. The experiment was aimed to examine if there is a change in the level of trust when influencers endorse a product from the same category but different brands. This means that the participants are assigned randomly either to fill out the questionnaire, based on the impression of Figure 1 with the posts including the same product category or based on the impression of Figure 2 with the posts including the different product categories. In general, a field experiment provides the advantages of being surrounded by a neutral environment, that indicates realistic outcomes as well as having a better condition for generalization (Weismayer, 2018). Contrary, it provides also a disadvantage like that the control of all reactions can be difficult (Berger-Grabner, 2013).

Figure 1 Experiment group 1: SAME product category



Figure 2 Experiment group 2: DIFFERENT product category



In Figure 1 and Figure 2, the two different groups of the experiment are shown. These two kinds of experiments, with the two posts respectively, are employing one factor analysis with two different posts within two separate experiments (same category vs different category).

The purpose of this thesis' questionnaire with the included experiment was to find out the grade of trust of the customers, who are following influencers, who communicate competing brands in the same product category (Figure 1), and in the different product category (Figure 2). Moreover, it was furthermore analyzed how followers have been motivated by influencers to buy a certain product or service considering that the influencers have been paid by companies and have a collaboration with a brand. During the creation of the questionnaire and the additional experiment of this research, semantic differential scales were applied for many questions. In primary research, it is one of the most used psychometric forms of question type and usually used for psychological measures (Barua, 2013). This gives respondents the opportunity to point out their opinions towards the related topics in more detail (Croasmun & Ostrom, 2011). In the middle of these semantic differential scales questions, respondents find a neutral answer, that is important in social sciences, because it automatically makes the research more representative, since the respondents are able to give a truly honest and neutral opinion. The respondents decide to choose this neutral point of a choice option (Garland, 1991).

The key factors, for a successful collecting data process, are that the survey questions have to be well thought and selected carefully. The usage of an online questionnaire and the integrated online experiment allowed direct and anonymous contact with the target group, namely people using Instagram. Data was collected from many Millennials or Generation Z aged people, since the probability, that people in this age are using social media weekly, is higher and to have a more transparent outcome of the survey and result. Generally, the participants were selected randomly, but regarding the fact that they also meet the need criteria. The requirements, that the participants needed to fulfill the questionnaire were: to have access to WiFi and to have an Instagram account and to follow influencers, who post sponsored or collaboration related topics and sales recommendations. The survey was created on Soci survey, which has free access for users to create an online questionnaire. The

language of the survey was provided in English for giving internationals also the possibility to take part in the survey. Additionally, it was posted to various platforms and forums such as Facebook groups for reducing the bias and make the outcomes more transparent.

3.2 Procedure and measurement

The questionnaire contains out of 12 questions and is separated in different parts: The first part is the experiment, where the participants were given a stimulus with two Instagram posts, these are either posts from the same influencer in the same product category (i.e., coffee from Illy and Lavazza) or these posts are from the same influencer, but in different product categories (i.e., coffee from Illy and Lindt chocolate), they had to evaluate them regarding trust and purchase intention.

The second part aimed to measure the study variables: trustworthiness, expertise and, attitude. The respondents had to rate the endorser's trustworthiness on five seven-point semantic differential scales including items ranging from undependable to dependable, dishonest to honest, unreliable to reliable, insincere to sincere, untrustworthy to trust-worthy (Ohanian, 1990). Expertise was also measured with five 7-point semantic differential scales ranging from not an expert–expert, inexperienced–experienced, unknowledgeable–knowledgeable, unqualified–qualified, and unskilled–skilled. Attitudes toward the advertisement and product were assessed with a scale based on Spears and Singh (2004). Both were rated with five items on seven-point semantic differential scales: unappealing–appealing, bad–good, unpleasant–pleasant, unfavorable–favorable, unlikable–likable.

Afterwards, the participants had to fill out the questions if they have an Instagram account and if yes, if they use Instagram regularly and if they follow a number of influencers. Purchase intention was measured with one item, rated on a 7-point scale ranging from 1 (very unlikely) to 7 (very likely) related to trust, asking: How much a person is likely to buy a product just based on a recommendation of an influencer, ranging from very unlikely – very likely.

Besides from the constructs that were measured with semantic differential scales, the control items, regarding Instagram usage, were measured by a nominal scale, namely a Dichotomous scale, with “yes” or “no” answer possibilities (Berger-Grabner, 2013).

This is followed by demographic characteristics questions of the participants such as age, gender, educational background. The online version of the questionnaire is included in the Appendix. To interpret these findings and outcomes, the mean, standard deviation, and range of scores are provided in the following.

3.3 Data analysis and results

Data were analyzed with the computer program SPSS, which stands for Statistical Package for the Social Sciences. The aim was to find out, which of the three dimensions **trustworthiness (H1), expertise (H2), or attitude (H3)** had the strongest impact on purchase intention overall, and which one possibly did not have an impact at all. Before heading to the main findings of the research, the sample characteristics regarding age, gender, and education, of the respondent have to be further analyzed in order to draw conclusions on how representative the results of the research are.

Table 2: Sample Characteristics

Sample characteristics		N = 97
Age	Mean age	27
Gender	Women	70
	Men	31
	Prefer not to say	0
	other	0
Education	High school	59
	University	37
	Vocational school	4
	Apprenticeship	0
	Cumpulsory schooling	0

Table 2 refers to the sample characteristics of the experiment. The sample built 100 respondents with 97 valid cases in total. The mean age of the respondents is 27 years and mainly women, with 69,1%, filled out the questionnaire. The respondent's education was dominated by a high school degree with 58,8% and 37,1% have a

university diploma. Regarding the Instagram usage and if the respondents have an Instagram account: 94,8% of the respondents answered that they have an Instagram account and 84% of them are using it frequently as well as 87% indicated that they follow influencers on Instagram as well.

An analysis of variance (ANOVA) was used to check if the manipulation of posts from a different product category and from the same product category, worked as predicted. To assess the successful manipulation of whether consumers perceive influencers who promote more than one brand in the same product category as less trustworthy, expertised, or having less attitude as compared to influencers who promote only one brand in the same product category. A Chi-Square test confirmed that there was a significant association between the two experimental groups (same category and different category) ($\chi^2 (1, N=97) = 7,238, p<0.01$).

Table 3 Results (M)ANOVA: manipulation check, H1, H2 and H3

MANOVA	SAME		DIFFERENT		F	p-value
	MEAN	SD	MEAN	SD		
Trustworthiness	5,01	1,87	6,35	1,71	13,31	<0,01
Expertise	4,97	1,94	6,56	1,56	19,29	<0,01
Attitude	5,24	1,90	6,62	1,35	16,21	<0,01

A multivariate analysis of variance (MANOVA) was estimated to test the hypothesized impact of influencers promoting competing brands in the same category versus in the different category on trustworthiness (H1), expertise (H2) and attitude (H3) (Pillai's trace $V = ,174, F (3, 93) = 1,571$). Using Pillai's trace, there was a significant effect of

the difference between promoting in the same or a different product category ($V=0,174$, $F(1, 95) = 6,54$, $p = ,000$).

The descriptive statistics show the means and standard deviations of the seven-point semantic differential scaled questions from the questionnaire, higher means indicate higher levels of agreement. Attitude has the highest mean and trustworthiness the lowest. As postulated in H1, promoting a product in a different product category indicates a higher trustworthiness as compared to promoting products in the same product category (6,35 vs. 5,01, $p < 0,01 = ,000$), as displayed in Table 3. Additionally, participants experienced higher expertise (6,56 vs. 4,97, $p < 0,01 = ,000$) and attitude (6,62 vs. 5,24, $p < 0,01 = ,000$) compared to respondents in the same product category experiment (see Table 3: (M)ANOVA). Overall, the values of p indicate that there was a significant difference between the three variables ($p < ,05 = ,000$ in all three cases). Therefore, it can be assumed that promoting with different product categories is better for an influencer's trustworthiness, expertise, and attitude.

Figure 2: Mean comparisons among same vs. different product categories for trustworthiness, expertise, and attitude

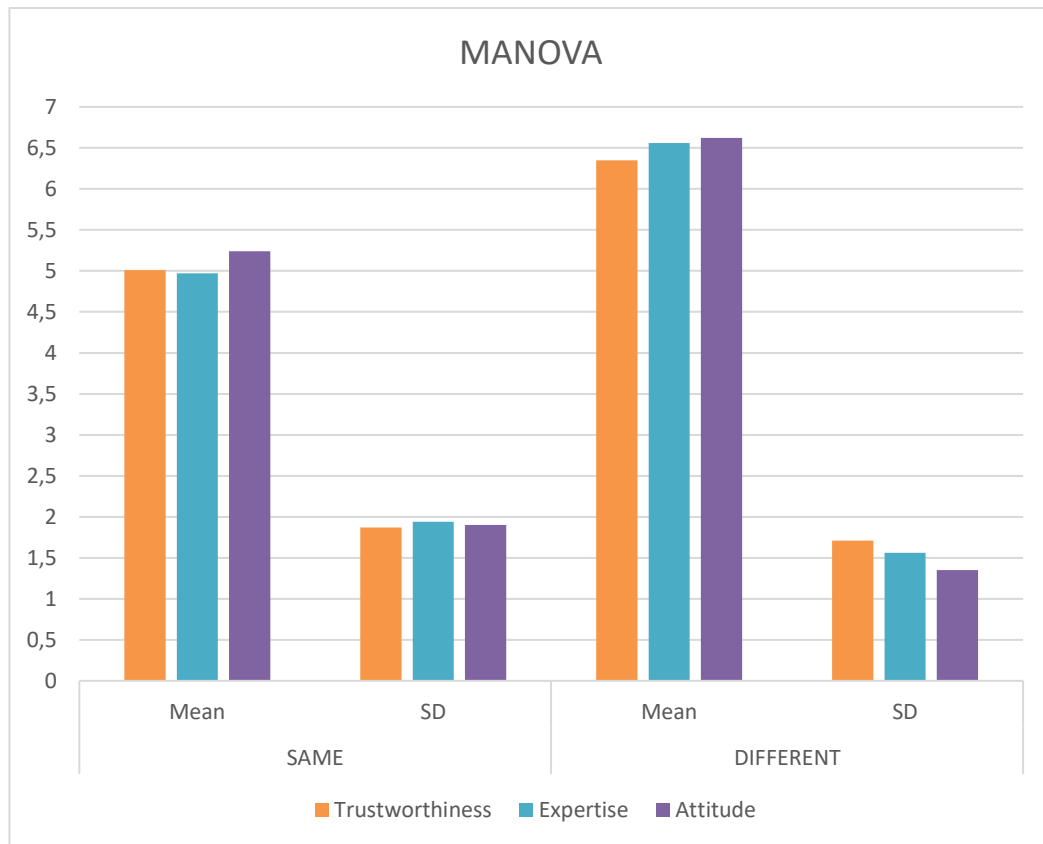


Figure 2 shows a summary of the means yielded by the MANOVA. A visual inspection demonstrates that the values of the means in the different categories are higher for trustworthiness, expertise and attitude compared to the values of the means in the same category.

4 Conclusion

In summary, this thesis provided literature describing influencer marketing and the benefits and advantages of it for companies and businesses, as well as how trust is affected among customers regarding the social media presence of a company. The main focus was the trust followers have in influencers on Instagram. The research questions in this thesis aimed to examine how consumers evaluate influencers who communicate competing brands in a different product category (e.g. Café Illy and chocolate Lindt) compared to them who communicate competing brands in the same product category (e.g. Café Illy and Café Lavazza). So, the aim was to identify the possible change of trust among the followers when an influencer is communicating competing brands. There have not been done so many researches, especially not quantitative, about how influencers handle the situation of communicating competing brands to avoid a decreased level of trust among the followers. Therefore, the results of this research could be seen as an extension of all already existing trust-related influencer marketing topics.

Overall, the results have shown that the prediction, when an influencer is promoting two competing brands in two different posts in the same product category, might be also in series the level of trust. To be more specific the assumption, that the follower is perceiving the posts in the same product category as less trusted, expertised, and with less attitude compared to the different product category posts of influencers, has been confirmed. Especially attitude in the different product category turned out to be confirmed most, followed by expertise and trustworthiness versus in the same product category where trustworthiness and expertise are minor upon approval by followers, that too many collaborations often lead to a decrease of trust and a negative reaction of the followers and consumers.

4.1.1 Managerial implications

The major finding of this research is that when influencers are communicating competing brands in the same product category, e.g. Nike and Adidas, Illy and Lavazza or Milka and Lindt, the trustworthiness, expertise, and attitude which is perceived by the influencer's followers are less than posting in the different product category. When influencers post advertisements of two different brands in the same product category, they have to give attention to have an appropriate time lag between those

two posts. So, the recommendation for influencers based on this research is to focus mainly on promoting competing brands in different categories and otherwise try to handle the timeframe within advertisement posts in order to avoid skepticism among followers. Influencers should decide carefully which collaborations they accept and which not. A collaboration is a triangle: company, influencer, and followers, the decision if a request should be accepted or not can be made easier when companies and influencers ask themselves following questions before they start a collaboration: What is the additional value for the company or my followers? Is it really profitable? Does the company's request match with my overall feed? How can the company and influencer receive positive response among many consumers?. In general, influencers should promote brands that match with their overall feed, once influencers post an advertisement or paid partnership with a brand that might differ from their overall work. Because the field experiment reveals that trustworthiness is less in the promotion of the same product category than of the different product category, influencers should especially focus on not having too many paid partnership posts and additionally concentrate on not promoting competing brands in the same product category.

Finally, concentrating on creating posts and accepting collaborations can be advantageous for the company as well as for the influencer as long as the sales increase because of this marketing strategy, and the followers show their purchase intention and become customers.

4.1.2 Limitations and further research

Despite the new findings this thesis generates, it has to deal with a few limitations which also offers avenues for future research. This thesis opened up new possibilities in which future research can be conducted. Since the majority of the older aged respondent group (above 40 years old) stated that they do not use Instagram and therefore are not influenced by an influencer, the question here could be how to attract them to download the app or how the influencer can use other channels in order to reach the older generation. The research design did not allow to interview some influencers and ask them about their personal experience on how to handle the difficulties to avoid posting too many posts including advertisement, as well as a range of followers and their experience how it is being perceived by them. Another example

of future research could be to analyze the research gap regarding the correlation between perceived trust and actual sales, especially considering the influencer and Instagram era. Another one could be to evaluate the difference in making use of a celebrity to promote the new company's product comparing to making use of a normal influencer as a marketing strategy. An additional field that could be studied is the psychological effect of posting regarding their design and layout and how young adults are dealing with the "perfect world" on Instagram.

Summarized, the element of the personality of influencers and how the followers can relate themselves to them are the main reasons why a follower decides to follow an influencer. The personality plays a huge role regarding the level of relatedness and if followers and influencers have a similar or same mindset. This can lead to an increase of trust, which is established through the communication of the influencer due to the way the influencer promotes paid and unpaid Influencer Marketing which is fulfilled through the product placement on social media.

Additionally, looking at the demographics of the respondents, the mean age was 26 years and the majority's age was from 21 to 25. However, Statista (2019) shows that only 32 % of Instagram users are of that age. One must also keep in mind, to receive representative data, therefore the questionnaire was mainly sent out to predominantly 18-25 years and maybe one third from users aged between 26-35 years. While all of the information mentioned above concerning the behavior of followers, it can be helpful for influencers, especially in the food, fashion, and beauty sector.

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6 Appendices

Appendix 1 – Measurement Scales

Manipulation check (MP) (self-constructed)

PI Purchase Intention

Purchase intention was measured with one item asking rated on a 6-point scale from 1 (very unlikely) to 7 (very likely) related to trust

TR Trust (Ohanian, 1990; $\alpha = 0,96$)

Participants rated the endorser's trustworthiness on five 7-point semantic differential scales:

undependable–dependable

dishonest–honest

unreliable–reliable

insincere–sincere

untrustworthy–trustworthy

EX Expertise (Ohanian, 1990; $\alpha = 0,97$)

Expertise was also measured with five 7-point semantic differential scales:

not an expert–expert

inexperienced–experienced

unknowledgeable–knowledgeable

unqualified–qualified

unskilled–skilled

AT Attitude (Spears & Singh, 2004; $\alpha = 0,98$)

Attitudes toward the advertisement and product were assessed with a scale based on Spears and Singh (2004). Both were rated with five items on 7-point semantic differential scales:

unappealing–appealing

bad–good

unpleasant–pleasant

unfavorable–favorable

unlikable–likable

Education

Age

Gender

Appendix 2 – Questionnaire

Scales: Trustworthiness, Expertise, Attitude

Please have detailed look at the following posts. Afterwards, you will be asked to answer some questions relating to these posts

1. How much are you likely to buy a product just based on the recommendation of this influencer?

Very unlikely

Very likely

1 2 3 4 5 6 7

2. Did you notice the brands promoted by the influencer? (Please write the names of the brands in the boxes below)

Brand 1:

Brand 2:

3. Do the two promoted brands refer to the same or to different product categories?

A product category is all the products offering the same general functionality and meeting the same consumer need. For instance, an iPhone and a Samsung Galaxy phone both relate to the product category „mobile phones“.

- Same product category
- Different product category

4. Participants rated the endorser’s **trustworthiness** on five 7-point semantic differential scales:

Please evaluate the influencer based on the following items:

Dishonest	honest
unreliable	reliable
undependable	dependable
untrustworthy	trustworthy
insincere	sincere

5. **Expertise** was also measured with five 7-point semantic differential scales.

Please evaluate the influencer based on the following items:

unappealing	appealing
bad	good

unpleasant	pleasant
unlikeable	likeable
unfavorable	favorable

6. **Attitudes** toward the advertisement and product were assessed with a scale rated with five items on 7-point semantic differential scales:

Please evaluate the influencer based on the following items:

inexperienced	experienced
unqualified	qualified
unknowledgeable	knowledgeable
not an expert	expert
unskilled	skilled

7. Do you have an Instagram account?
- Yes
 - No
8. Do you use Instagram on a regular basis? (at least once per week)
- Yes
 - No
9. Do you follow one or more social media influencer?
- Yes
 - No
10. What is your gender?
- Female
 - Male
 - Other
 - Prefer not to say
11. Age: _____
12. Highest completed occupation?
- High school
 - University
 - Vocational school
 - Apprenticeship
 - Compulsory schooling