Exploring the Effectiveness of Influencer Marketing on Consumer Trust and Brand Loyalty in the Digital Age

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Chapter 2: Literature Review

2.1. Introduction

This chapter reviews the literature based on consumer behaviour and influencer marketing, which can help find how the objectives have been dealt with by authors before this study. The theoretical framework for the research is also developed in this chapter. This will also help identify the gaps in the literature, which can then be used for refining the rest of the research.

2.2. Key Concepts

2.2.1. Social Media Marketing

Social media platforms are considered to be platforms on which people build networks and share information and opinions. Social media is important in marketing due to the interconnected, dynamic, egalitarian, and interactive features of the platforms, which have caused changes in the marketplace (Li, Larimo and Leonidou 2021). Social media allows customers and companies to interact in previously unknown manners. The connectedness is provided by platforms including social networking sites like Facebook and Instagram, content communities like YouTube and Pinterest, and microblogging sites like Twitter (Li, Larimo and Leonidou 2021). Companies have been widely using social media for their marketing strategies, and the social networking sites allow the users to engage in interactive communication. This is because of the benefits caused by social networking sites, including the low cost and the wide base of consumers, along with the high penetration in the population (Wibowo et al. 2020). According to Mason, Narcum and Mason (2021), since the Covid 19 pandemic, there has been an increase in the use of social media platforms as a tool for decision making by consumers, as they allow the consumers to identify products, collect data about products, evaluate products, and purchase products. This shows how the social media platforms have gained space in the marketing arena in the past few years.

2.2.2. Influencer Marketing

Online influencers, according to Yesiloglu (2020), are ordinary users of the internet who assimilate a large number of followers on social media and blogs through visual and textual narration of their personal lifestyles and lives, engaging with their followers in physical as well as digital places. The influencers gain monetary benefits from their follower base through the integration of advertorials into their posts on social media. Online influencer marketing, as defined by Leung, Gu and Palmatier (2022), is a strategy in which a company chooses and incentivises the online influencers to engage their follower base on social media so that the unique resources of the influencers can be leveraged to promote the offerings of the company,

aiming to improve the performance of the company. With the use of online influencer marketing, companies deliberately pay and select online influencers so that word of mouth can be spread. This kind of marketing also allows the online influencers to engage their followers, intending to promote the offerings of the company and affecting the attitudes and the behaviours shown by the followers towards the company. Thus, online influencer marketing has been gaining popularity in the recent times. According to Santiago and Castelo (2020), the process of usage of digital influencers for promoting the products or services of a brand has five stages, including planning, recognition, alignment, motivation, and coordination. The steps are shown in the figure below.

Figure 1: Stages of the process of influencer marketing campaigns

(Source: Created by Author; adapted from Lin, Bruning and Swarna 2018)

In the planning stage, the goals of the campaign need to be set, aligned with the wider social media strategy of the company. These goals can help the campaigns be more strategic and potentially influence the selection of the influencer for marketing, the duration of the partnerships, and the content that needs to be provided to the influencers. There is limited information regarding the planning stage of the influencer marketing campaigns, making this a challenging process for the marketers (Santiago and Castelo 2020).

In the recognition stage, the relevant social media influencers who can be used for the campaign are identified. This is a crucial stage in the campaign since it is important to recognise the kind of influencers who are likely to motivate the consumers to follow their examples, which is important for influencer marketing (Rahman 2022). The companies need to identify the principal features of the influencers that influence their target market, thus choosing the right influencers who can help maximise these factors (Ketrin and Szilárd 2020).

In the alignment stage, the companies look for influencers that are aligned with the objectives that they have for the marketing campaign. According to Belanche et al. (2021), in order to make the influencer communication process persuasive, there is need for alignment between the influencers and the consumers, the influencers and the products, and the consumers and the products being endorsed by the influencers. The congruence between the consumers and the

products is the most dependent on the degree of fit of the influencer with the products. Since followers tend to see their influencers as a role model (Campbell and Farrell 2020), an influencer who fits well with the products is likely to motivate the followers to evaluate the product as a fit with how they perceive their ideal selves to be as well, which then affects further assessments and behavioural intentions (Janssen, Schouten and Croes 2022). Also, according to Janssen, Schouten and Croes (2022), the influencers who have a larger number of followers are usually found to be more liked by followers, and their endorsements usually garner more positive consumer attitudes towards the products and the advertisements compared to influencers with a moderate number of followers. This shows that alignment in influencer marketing also requires the companies to be aware of the follower strength of the influencers.

In the motivation stage, the brand and the influencer negotiate on the incentives that are to be provided to the influencers for the endorsement. The marketers need to find ways in which digital influencers can be motivated to share positive content regarding the brands and products. Decisions regarding long term relationships with the influencers also are taken in this step, since long term relationships can provide the cohesion and consistency that the brand requires. Monetary remuneration may or may not be involved among the incentives for the influencers (Santiago and Castelo 2020).

Negotiation and coordination form the final stage of the influencer marketing campaigns. According to Syed, Mehmood and Qaiser (2023), influencer marketing is being seen also as a challenge due to the possibilities of wastage of investment and low success rate. Influencer marketing has also been connected with an increase in competitiveness of the brands, since it can affect the behavioural intentions of the consumers towards the influencers as well as towards the brands (Casaló, Flavián and Ibáñez-Sánchez 2020). Weak collaboration with the influencers can, though, cause the customer relationships to be weaker. The dynamics of influencer engagement can cause there to be significant challenges for the marketers due to the rapid increase in the number of individual influencers, the transformations in the business models, and the evolutions in the approaches towards best practices for evaluating the engagement levels of influencers (Wolf and Archer 2018).

2.2.3. Consumer Trust

Rousseau et al. (1998) refers to trust as a psychological state that consists of the intention to accept vulnerabilities on the basis of positive expectations of the intentions or behaviours of the others. Consumer trust is one of the main factors driving purchasing intentions. Trust is

associated with the aspect of risks in consumer behaviour. The perceptions of the consumers regarding the risks and benefits of a transaction can affect their trust, which can then affect how they behave with respect to the brand and the influencers, depending on the trust that is developed (Hidayat et al. 2021).

2.2.4. Brand Loyalty

Brand loyalty, according to Atulkar (2020), is a metric for the attachment of a consumer towards a brand, inspiring the consumers to show consistency in their positive purchasing behaviour towards a brand. As per Van der Westhuizen (2018), the brand loyalty is responsible for showing the probability of a consumer making a switch to a different brand, especially when changes are made in quality, price, and other features of the brand. This implies a commitment to purchase again from the brand even when faced with different situations.

2.3. Theoretical Framework

2.3.1. Self Concept and Self Congruity Theory

Self concept, according to Rosenberg (1989), is defined as the total thoughts and feelings of an individual, considering themselves as an object. According to Sirgy, Grewal and Mangleburg (2000), self concept has four dimensions, including the actual self, which is the way in which a person sees their own self, ideal self, which is the way the person aspires to be, social self, which is the way in which the person thinks other people perceive them, and the ideal social self, which is the way in which the person aspires to have others perceive him. The self congruity theory, on the other hand, is useful for explaining and predicting different aspects of consumer behaviour, showing a better understanding of the self concept of the consumers. The self concept usually determines the consumption behaviours. Self image congruity shows the cognitive fit between the images of the self concept of a consumer and a brand. The higher the congruence of the brand image with the self image of a consumer, the better is the perception of the brand for the consumer, due to a match in the self expression (Li et al. 2022). According to Xiao et al. (2021), the behaviours of the consumers are influenced by people who have congruity with their value system. The social identification of the followers causes an idea of interactivity to be developed, thus making influence easier. Similar preferences and lifestyles as the consumers, thus, could influence the level to which the consumers are affiliated to the influencers. According to von Mettenheim and Wiedmann (2021), there is scant research available on the effect of desired self congruence in relation to influencer marketing of brands. Thus, further research is required regarding how self congruence could be responsible for the effectiveness of influencer marketing.

2.3.2. Theory of Planned Behaviour

The theory of planned behaviour is used for understanding the way in which the behaviours of the consumers can be transformed. The model states that consumers are motivated by normative (beliefs regarding the expectations of other people), behavioural (beliefs regarding the potential outcomes of an action), and control (beliefs regarding the presence or absence of factors that could enhance or degrade the behavioural performance) (Ajzen 1991). This theory was applied to influencer marketing by Chopra, Avhad and Jaju (2021), who showed that the attitude towards influencers and perceived control of behaviour that can help increase the knowledge of the domain can have a positive effect on consumer behaviour, but the influence of word of mouth from peers was negligible. According to this theory, the subjective norms show the perception of individuals regarding the common social pressure. If the individual sees that others approve or do not approve of a particular behaviour, they are more or less likely, respectively, to intend to show such behaviour. Behavioural control factors show the perceived influence of particular factors to encourage or discourage a particular behaviour. Attitudes shown towards the behaviour also show the positive or negative evaluations of the specific behaviour. The theory shows that the more positive the attitudes of the consumers regarding a particular behaviour, the stronger is the intentions of the consumers to execute the behaviour (Chetioui, Benlafqih and Lebdaoui 2020). The figure below shows the different constructs included in the theory of planned behaviour.
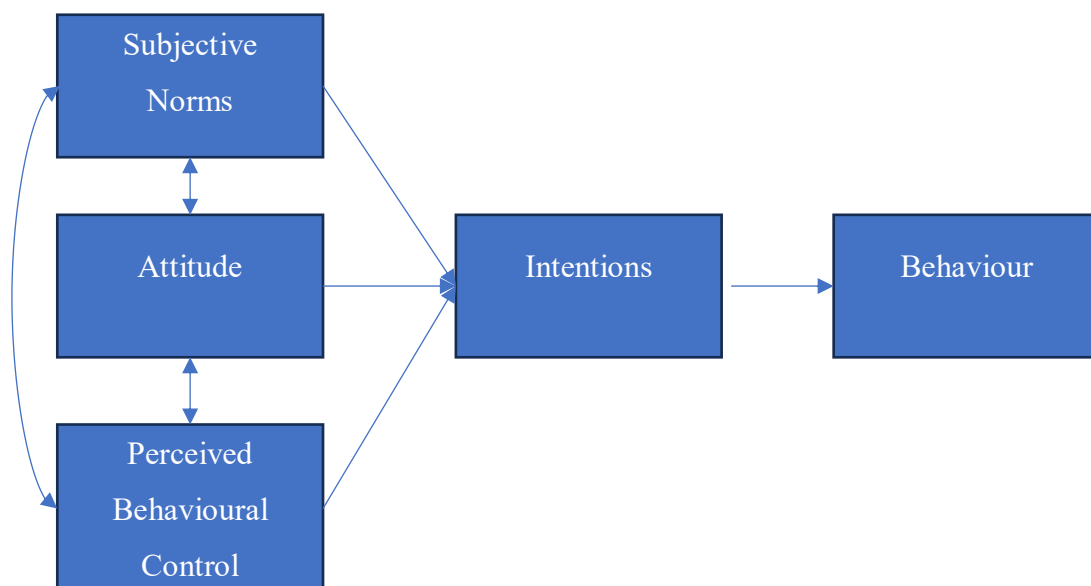

Figure 2: The Theory of Planned Behaviour

(Source: Created by Author; adapted from Hagger and Hamilton 2021)

2.4. Effect Of Different Kinds Of Content Posted By Mega Influencers On Social Media On The Trust Of Consumers And Their Brand Loyalty

According to Ki, Chow and Li (2023), consumers are often concerned about whether the content created by a social media influencer is authentic or not. Misleading advertisements from social media influencers could cause the consumers to have less trust on the products that were being endorsed. These have been challenges that have affected the trust of the consumers on the social media influencers. As per Lou and Yuan (2019), the entertainment value of the content created and posted by the influencers dictate the perceived degree of trustworthiness of the content for the consumers. This implies that if the content is entertaining, it is usually considered to be trustworthy as well. Also, according to Sun (2021), consumers usually have positive attitudes towards video marketing, since videos can provide true, objective, and multidimensional information. The trust of the consumers towards social media influencers is also related closely to the source of credibility of the influencers, as the influencers who have higher credibility are more likely to gain the trust of the consumers. Furthermore, video marketing done by social media influencers could have an effect on the purchasing intentions of the consumers. Shen and Wang (2024), the interaction between the influencers creating short videos and viewers through formal social media platforms contributes to the creation of shared value. Trust of the consumers can develop the interactions between the viewers and influencers on social media channels. As per Wongkitrungrueng and Assarut (2020), the trust of the consumers in a particular seller can have a positive correlation with the customer engagement. The influencers can increase the loyalty and sales of the consumers through live streaming content as well. Live streaming, according to Wongkitrungrueng and Assarut (2020), allows the consumers to see the face and expressions of the sellers, the background, and the products that are being offered. While traditional advertisements may feel artificial, the live streaming videos showing the reality of the sellers are usually considered to be more authentic by the consumers. This can then increase the trust of the consumers in the brands and thus allow growth of the companies.

According to Argyris et al. (2020), influencers gain the followers by posting content that is visually attractive, which shows their preferences of merchandise and lifestyle. Influencers have to curate posts that establish visual congruence with the consumers, so that shared interests with the followers can be enhanced thus attracting followers to the content. In fact, Argyris, Muqaddam and Miller (2021) state that visually presenting the extroversion of the influencers can increase the perceived credibility of the influencers and the purchasing

intentions of the consumers. A positive connection is seen between the extroversion of a source and the affect of the receiver towards the source. This shows that visual presentation of the features of the influencers is important for ensuring credibility of the influencers, and this can have a positive impact on the trust and loyalty of the consumers towards the influencers and the brands.

2.5. Effect Of The Different Features Of Mega Influencers On Social Media On The Trust Of Consumers And Their Brand Loyalty

According to Belanche et al. (2021), credibility of the influencers can help develop positive attitudes among the consumers towards the influencers as well as towards the brands. The short video influencers can enhance their credibility to increase the trust of the viewers, which may cause the participation of the consumers in shared value creation and interaction to increase. The credibility of the influencers can affect the purchasing intentions of the consumers (Weismueller et al. 2020). Dhanesh, Duthler and Li (2022) state that across the different platforms, the interactive characteristics of distance and perspective and the narrativity of the images can improve engagement of the consumers with the influencers. The compositional features of framing the different elements as being either connected or disconnected with each other are then responsible for increasing the engagement of the followers on the social media platforms like Instagram. The presence of visual content using images, fit between the images and the texts, and the characteristics of the images including their quality and professionalism are factors improving engagement of the users on Twitter and Instagram (Li and Xie 2020). This implies that the professionalism and quality of content shown by the influencers on social media can affect the degree to which the consumers are engaged with the influencers.

The source characteristics of an influencer, including authenticity, expertise, homophily, and physical attractiveness affect the loyalty of the consumers to the influencers. Trust of the consumers mediates the effects of authenticity, expertise, and homophily on the loyalty (Kim and Kim 2021). Physical attractiveness, however, according to Kim and Kim (2021), was not found to be highly connected with the development of relational trust. AlFarraj et al. (2021), though, found that attractiveness and expertise of the influencers can attract the online engagement and purchasing intentions of the consumers. Attractiveness of the influencers is considered to be a highly important factor determining the value of the messages. Physically attractive influencers are usually considered by marketers since they are considered to be more effective in modifying the attitudes of the consumers towards the brands being targeted (AlFarraj et al. 2021). This shows that the characteristics of the influencers can affect the way

in which they affect the consumers through their content. Celebrity status of the influencers, according to Saini et al. (2021), can be responsible for improving repurchase intentions and the brand loyalty of the consumers. Ahmed, Islam and Ghaffar (2024) did not find any significant independent effect of homophily of the social media influencers on the brand loyalty of the consumers. Consumer engagement mediates the relation between the homophily and the brand loyalty of the consumers. The parasocial relationships shared between the influencers and the consumers also have a significant modifying effect on the connection between the homophily of the influencers and the loyalty of the consumers towards the brand (Ahmed, Islam and Ghaffar 2024). This shows that while homophily of the influencers does not affect the actions of the followers directly, they can have an indirect effect on the loyalty of the consumers towards the brand.

2.6. Literature Gap

The literature shows that there are conflicting opinions regarding the effects of different features of the influencers and the types of content that they produce on the brand loyalty of the consumers. The effect of emotional engagement with the influencers and the aesthetic appeal of the influencers on the loyalty of the consumers, and the potential effect of the sponsorship disclosure in the content of the influencers on the brand loyalty and consumer trust have also not been adequately researched. Also, there has not been research based on a particular industry or a specific market, which might also bring cultural influences into consideration. There is need, therefore, to also find whether the cultural factors could affect the relationship between influencer marketing and the trust and loyalty of the consumers towards the brands.

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