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INFLUENCER MARKETING

Analysis of the influencer phenomenon via Instagram

Autor: Sáenz de Valluerca Solana, Sofia Ines

Tutor: Fernández Moya, Dª María Eugenia

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Introduction

INTRODUCTION

Most significant changes of recent times are led by technological advancement. The number of mobile phone lines is already greater than the world population and it is expected that nearly one billion mobile phone users will be added by 2025, reaching 5.9 billion subscribers, equivalent to 107 per cent of the expected population at that time[1].

One indicator of this change is the occupations of citizens, in other words, the professions or ways in which people earn a living. It is known that with the technological revolution certain jobs are no longer necessary and with society's new needs we find ourselves in the obligation to create new professions.

Influencers are the clear example of new ways to earn a living. Whilst some, are sceptical to this new flamboyant business, and not taking it seriously, ones you crack the numbers it is hard not to accept influencers have become a part of the labour market. It is for this reason I have embarked myself into creating conciseness on what lies behind the world of influencers, unravelling the truths of marketing campaigns that hide behind each post and the economic impact these have in well-renowned brands, the development of an influencer figure and the drives it has to become one.

To analyse the phenomenon we will take Chiara Ferragni as an example since she is considered to have one of the leading Instagram accounts for fashion, lifestyle and traveling.

Chosen as an object of study because she has been named the most valuable influencer account, accruing up a total of 3.2 million of million in media impact value and 5.7 million engagement during Paris Fashion Week 2018 (held in Paris in September 2018)[2].

In addition to a profession a new branch of marketing has been created: influencer marketing. Social networks are the perfect scenario of analysis for these two phenomena.

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[1] Groupe Spéciale Mobile Association (2018): Annual report of the mobile economy.

[2] Diderich, J (2018): Brazilians Top Influencer Charts in Paris.

1. – MARKETING COMMUNICATION

In order to understand marketing communication we should first define what marketing is. Marketing is consider the "science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires." (Kotler, 2011)

In addition, it pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services. This definition still fits with our idea of marketing, but many factors are changing in the world of communication:

First of all consumers, they do not have to settle for the information provided and they can inform themselves whenever they please. We are now facing much more independent consumers. Second, marketing strategies, they are now focused on more specifically defined micro-markets. And above all, digital technology, which has transformed information and communication tools.

For this new scenario, many companies are using Integrated Marketing Communications to reach this new markets and to adapt their ways of working.

To do so, companies try to integrate and coordinate its multiple communication channels to convey a clear, consistent and compelling message about the organization and its brands[3]. The abovementioned integration can be graphically represented as we see in table nº 1.
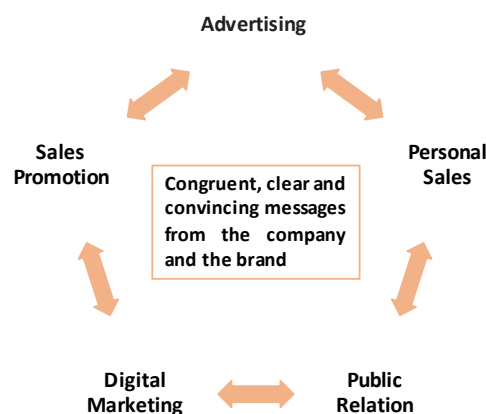

Table nº1 - Mix of the best suited combination of promotional tools

Adapted from: Consumer Behaviour-Michael R. Solomon

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[3] Consumer behaviour notes. Topic 8. Slide 9.

As we see in table nº 1, promotional tools like advertising, sales promotion, personal sales, digital marketing and Public Relation are mixed. The purpose of this combination is to create a congruent, clear and convincing message to get to the customers.

As said, promotional tools are mixed to create the message. From now on I will focus the study on three of them. These are the tools I've chosen because they are considered the most relevant tools at the moment. Also, for being the most related to social networks.

2.-INFLUENCER MARKETING

With a clear marketing definition in mind we need to know more about *influencer marketing or influence marketing.* It is defined as "the art and science of engaging people who are influential online and share brand messaging with their audiences in the form of sponsored content" (Sammis, 2016).

The creation of this new marketing category is a response to new needs, related with the problems that companies are facing to reach their consumers. They need to work harder and invest more money to get people´s attention and create a long lasting relation. That relation that can cost lots of money and effort but that relationship will at some point create value.

To respond to the tendency of the soon-to-be customers to ignore messages, influencer marketing happens to be an operative solution. The focus is placed on particular type of individuals instead of the market in general. Since the firm believes it can shape the customer purchasing decision if organized in this way.

Before influencers marketing existed as such, the market was already using famous people to reach consumers. Companies were using famous characters related in some way with the product. A clear example of this practice are television advertisements.

When you turn on the television and find Clooney lifting his cup of coffee we all know what brand it is, even before the *"Nespresso, what else?"* slogan appears on the screen. He was chosen because he is a world know figure and matches with the image that the brand wants to transmit. In such a simple way they managed to catch the attention of consumers. But strategies have changed, in the last couple of years the effort, attention and investment of the brands has diverged from television and moved into social media.

But, why do this new form of communication arises now? We can sum it up by saying that it is the *right moment and the right place*.

There are several factors that made the moment suitable. To begin, social media nowadays is accessible to almost everyone. For this reason the market is much bigger for companies, therefore, brands have a high number of profiles that could fit in. Not only has there been a quantitative change, but the variety has also increase. Variety in platforms has had a positive outcome because content is not restricted to one format. Which gives the opportunity to choose the most appropriate channels, depending on the message they want to convey or to who they want to reach.

Not all changes are the result of innovation and improvement. A clear example is how traditional advertising is falling behind. Nobody clicks banner ads and we all skip ads if we have the chance. The topic of conversation in the street is no longer about the Cola adverts but instead it has shifted to the gossip of witch brand is dressing who. Take for example the case of Meghan Markel's dress, everyone knew what tailor was making it even before the she arrived to the church. Another issue is that.

Besides, influencer marketing is key because people will listen to who they consider a friends when it comes to product references and purchasing decisions. The numbers guarantee it, since influencer marketing has the power to generate eleven times more return on investment than other marketing practices annually[4].

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[4] Nielsen Catalina Solutions (2016): *"Sales Effect Study"*.

3.-ELECTRONIC WORD OF MOUTH

In today's society, social media has come to create a filling that famous people you follow are your friends. Because of that, influencer marketing is being perceived as a virtual word of mouth, people who get the message are more likely to react in a positive way if the message is given by a so called friends-both real and virtual-over a recommendation from the company that sells the product.

In that friendship, there will be conversations about many products and services. Those conversations are known as an electronic word of mouth, been defined as "communications between consumers about a product, service or company in which sources are considered independent of commercial influence." (Litvin et al., 2008)

Numbers speak for themselves, the 83% of consumers believe or trust recommendations from friends and family over all forms of advertising. Indeed, that first influence has an impact on consumers who have not yet decided to buy anything-potential consumers. These consumers, before choosing one product or another, tend to read the comments that other users share on the net. They trust this feedback in 66%, this percentage is the same that users have given to traditional media such as the newspaper articles[5].
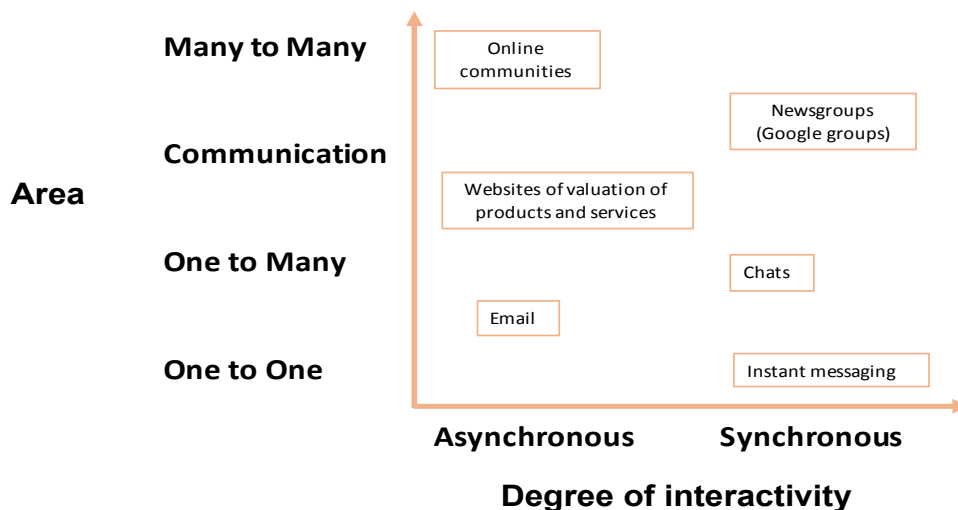

Table nº 2: Types of electronic word of mouth channels

Adapted from: Stephen W. Litvin, *Electronic word-of-mouth*

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[5] Nielsen (2015): *"Global Trust in Advertising Survey"*.

Table nº2 explains different types of electronic word of mouth channels.

In order to capture and classify them, it takes into account two factors (corresponding to the X-axis and the Y-axis): the area in which we can use them and the degree of interactivity they require.

The level of interaction is divided into two categories: asynchronous and synchronous communications. What differentiates these types of communication is the moment in which the receiver gets the message. In synchronous communication the message is received at the same time that the sender receives it, this communication is a concept framed within the communication mediated by electronic devices.

On the other hand, the asynchronous communication, established between people when there is no temporal coincidence.
An example of this communication are emails or valuation websites. Analysing the communication used in influencer marketing, it is difficult to locate it in a specific point of this graph. But if one thing is clear is that the goal is to reach as many people as possible, so we could place it at the end that corresponds to "many to many" area.

In order to decide if it corresponds to asynchronous or synchronous communication we have to differentiate them according to the content. Posts that an influencer publishes do not have to be seen at the same time of their publication, but the real time videos that many of the influencers share through Instagram live for example they have to be consumed in real time. So I would place it on the chart between the two types of interactivity.

4. - MAJOR PARTICIPANTS IN INFLUENCER MARKETING

4.1.-INFLUENCERS

Influence refers to the power or capacity that someone or something can create on us: it can create or increase a desire or even take us to do something in particular.

In line with this, influencers are individuals that use that capacity to boost purchase decisions. Because of that they are considered a suitable peer group and reference for their followers.

We can consider them opinion leaders and they are latest performers in the field of communication. To be considered an opinion leader some years ago you needed knowledge in a particular field, experience and a gained reputation. But the importance of today's influencers is not so much in their background but in the value they generate.

The fact that the concept of influence has changed does not mean that the current influencers are less capable. Their skills and abilities to create value reside in other factors, we can develop them in six main points:

1. They are technically competent and possess expert power.
2. They have pre-screened, evaluated and synthesized product information in an unbiased way.
3. They tend to be socially active and highly interconnected in their community.
4. Effective opinion leaders tend to be slightly higher in terms of status and educational attainment than those they influence, but not so high as to be in different social class.
5. They tend to be similar to the consumer in terms of ideals and beliefs. This phenomenon is known as homophily.
6. They are often among the first to purchase new products.

Influencers are the ones that appear on screens, but on the other side we have the followers who deserve to be studied.

4.2.-TARGET MARKET AND FOLLOWERS

Two decades ago, the market was facing passive consumers, who were very difficult to participate in the design of a product and a service. His opinion was rarely taken into account in relation to the product in order to generate improvements or modifications.

That change of attitude is led by Millennials and Generation Z. Two generations that we will focus the study on because of their relevance in the topic.

Both generations need social networking connectivity. Once they establish link with a specific brand they want to actively participate, co-create, and most importantly, be part of the brands they love.

Trends followed by users depend on the generation to which they belong. Both generations paid great attention to their virtual identities- concept that refers to the name given to the digital version of ourselves that virtual platforms allow us to create.

4.2.1.-Generation Z

People who belong to this generation are the ones born from the early 90´s to the mid-2000s. When talking about this generation technology is a key word, they are the first generation that it is been raised with smartphones and they have always know social media. They are really skilful with electronical devices and they collect information instantaneously but they lose attention even faster[6].

They are the ones that use the largest number of Social Networks at the same time. They have preferences among them, their favourite ones are Instagram, Snapchat, Tumblr and 21Buttons.

Besides that, on average they use 5.6 Social networks being really popular WhatsApp, YouTube and Instagram.

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[6] Willians, A (2015): "Move over, Millennials, Here Comes Generation Z".

4.2.2. - Generation Y

Generation Y or Millennials were raised during boom time and they are the ones born between 1980 and late 90´s.They are digital natives and they are characterized by their mastery of technology. Almost all their relationship or actions are mediated by a screen. They use multiple channels and digital devices for their activities and screens are considered their access for socialization, work and leisure.

They are extremely social, they all have profiles on social networks, and they are not only a mean of communication for them but an integral part of their social life. But besides being useful, they are also a vice for them: there are mobile addicts, since they feel the need for constant connectivity and they cannot spend a single day without their smartphones.

They are always informed before each performance and take their time to seek and listen to opinions before any purchase decision. As a means of interacting with companies, 65% prefer social networks to the contact centre to be attended[7].

They are quite young but they are much more critical, demanding and volatile than other users. For Millennials, negative online and mobile digital experiences have a much greater negative impact.

The fact that they set such high standards should lead companies to put consumer experience at the heart or their company strategy. So companies should shift from working on product characteristics to user experiences. In addition to seeking good customer service, they ask for customization and expect the company to suit their performance.

Above all, Millennials are faithful to new values like transparency, sustainability and social commitment.

To meet those demands, companies need to broaden their knowledge about their customers by incorporating social data about them with the idea of adding value.

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[7] Gutierrez Rubi, A (2014): "*Seis rasgos clave de los Millenials, los nuevos consumidores*".

Customer Relationship Management should change to Social Customer Relationship Management because they can take advantage of the valuable information shared online. Disseminating client and competitive material to develop better value propositions for clients[8].

Companies are now taking advantage of the potential of the big data to see how their customers behave, since this allows them to expand the knowledge it also enables them to anticipate their needs.

Focusing on their use of social networks, millennials use 5 social networks primarily: being Facebook, WhatsApp and YouTube the most used ones.

For brands and as decision parameters all the above has a great importance, but tracking on social networks is key. Eight out of every ten clients follow brand account they like through Social Networks[9]. When asking them if they use their Social Network profiles to follow brands answers were as follows:

- 19% **do not** use them for that purpose.
- 42% of the respondents confess that they use them **little** to follow brands.
- 29% use them quite **a bit.**
- 10% use them **a lot.**

For those who do not use their account to keep abreast of brands advertising can be annoying. That is why spontaneous advertising on these platforms is a controversial topic these days. The survey conducted by the Interactive Advertising Spanish Bureau in 2018 unveils that 32% of the users accepts positively the advertising if it is in line with their interests[10].

That same study reveals that 72% of the users use Social Networks to follow Influencers, most of that percentage are women or young people. Both Facebook and Instagram are crowned as the favourite networks among these audience, followed by YouTube and Twitter.

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[8] Buttle, F (2016): "*Customer Relationship Management*". Elsevier Verlag.
[9] Interactive Advertising Bureau Spain for Elogia (2018): "*Estudio Anual de Redes Sociales".*
[10] Interactive Advertising Bureau Spain for Elogia (2018): "*Estudio Anual de Redes Sociales".*

5. - OPINION LEADERSHIP MODELS IN COMMUNICATION

As mentioned, some years ago opinion leadership required other type of factors. Opinion leadership therefore has suffer a big change, shifting from traditional to updated opinion leadership.

Original or traditional opinion leadership is represented by a simple communication scheme with few participants. Where on the one hand we have the mass media or general public from that big group we have to get to a smaller group of people and reach the recipients.

To do so, opinion leaders are elected to deliver the message in such a way that it reaches our small group of people and create brand awareness. The practice explained can be seen graphically in the following scheme.

Mass Media ➝ **Opinion Leaders** ➝ **Recipients**

Table nº 3: Traditional opinion leadership model

Adapted from: Consumer Behaviour-Michael R. Solomon

As communications became more complicated we left this model behind and moved on to the updated opinion leadership model.
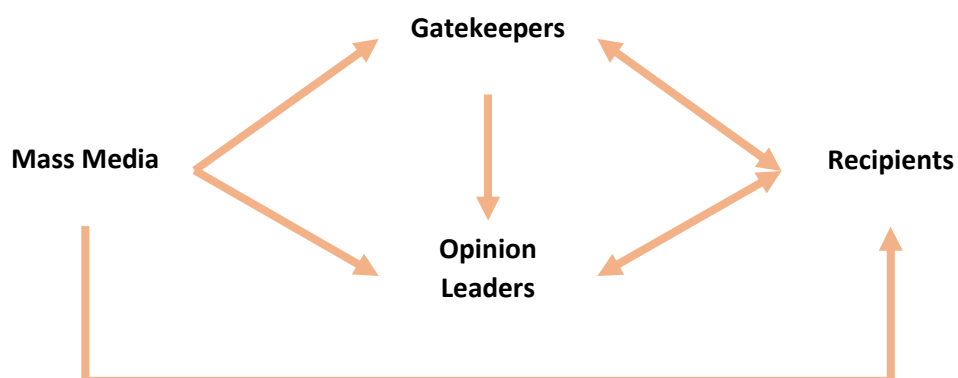
Gatekeepers

Mass Media

Opinion Leaders

Recipients

Table nº 4: Updated opinion leadership model

Adapted from: Consumer Behaviour-Michael R. Solomon

In the updated opinion leadership model -shown in table 4- we still have the mass media on the one hand and the recipients at the other side. But it has more components and participants than the traditional one as shown below.

In this new communication system come into play the known as gatekeepers. Gatekeepers are information specialist, they respond effectively to the information demands and they even anticipate information needs.

Nowadays, with the huge amount of information that it is created gatekeeper intermediary is increasingly necessary.

Once they have fulfilled their function they pass the information on to opinion leaders. These last actors are the ones that will emit the information to recipients. Once the chain is finished, recipients perceive and spread the message by talking between them. What is known as the information cascade[11].

6. - SOCIAL MEDIA AND NETWORKS

Few years ago, social networks did not mean as much as they do now. We use social networks for almost everything: we look for recipes to improve our meals, we order means of transport through them and even look for our future couple on them. The variety has increased exponentially and there is a social network available for every purpose we can think of.

Being more precise and trying to specify this new tool we can define them as: online means of communication, conveyance, collaboration, and cultivation among interconnected and independent networks of people, communities, and organizations enhanced by technological capabilities and mobility[12].

Nowadays social networks are the most important tool to interact with people and companies and that is why I will focus my analysis on them. They are also a tool through which people can: exchange information, advice and knowledge or they can be used to publish their opinion or feelings.

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[11] Solomon, M (2013): Comportamiento del consumidor. México: Pearson.
[12] Solomon, M ((2013): Comportamiento del consumidor. México: Pearson.

They are used among individuals, groups or institutions within an open and constantly evolving system that includes different members with different and specific needs to enhance[13].

Technology is part of our day to day without a doubt. We have more and more electronic devices, but we tend to give each one a specific use or associate it with a specific activity.

The device we use tends to predetermine the activity that we are going to perform, depending on the device it is more likely to use some social network versus others. People using their mobile phones are more likely to use WhatsApp or Instagram. On the other side, the ones using their tablets or computers are more likely to visit YouTube or Facebook.

Compared to 2017 the mobile phone is consolidated as the most used device. Right behind the mobile, we have the computer which in 2017 was the number one device[14].
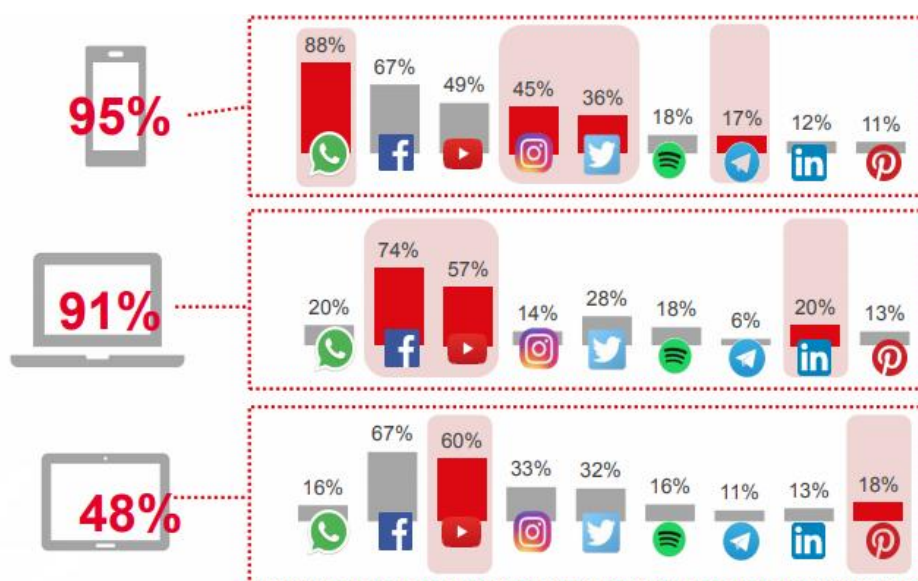

Table nº 5: Applications used depending on the devices
Adapted from: Annual study of social networks 2018

[13] González, Rafael (2012): "*Marketing en el Siglo XXI*". Madrid: Marcial Pons.
[14] Interactive Advertising Bureau Spain for Elogia (2018): "*Estudio Anual de Redes Sociales*".

In table nº 5 we can see the leadership of the mobile phone compared to the computer. In addition, within the uses of the mobile phone we can see what apps are the most popular ones among mobile phone users.

Bearing in mind the indisputable leadership of the mobile phone within the devices it makes sense that mobile marketing is becoming more and more important.

6.1.-MEASURING SOCIAL MEDIA

By following behaviour on websites a lot of data and hints about costumers can be gained. The difficulty lies on the filtering of the data to gain useful information.

The main problem when measuring engagement in social media is the non-homogeneity. It has not the same value someone liking a Facebook photo or value having someone ask request you to follow. Gil Eyal, founder of the platform HYPR, explained in relation to this that "More than three-quarters of large brands that paid for influencer marketing did not know how to evaluate whether the money they spent on it provided a positive return on investment"[15]. The value of a follower or a fan is an example of how difficult can metrics be.

Followers combine a lot of reasons to follow someone and metrics cannot reflect or identify all of them. So trying to give a uniform value to them is worthless[16].

But not all measures are worthless, if we understand them with care and reflection they can give us valuable information. Return on Investment, also known as ROI is one of the measures.

Hoffman and Fodor analysed whether ROI Measurement of social media marketing was possible. To be meaningful need to gather as much information as possible.

They need to seek answers to important questions as the reasons of someone visiting the profile (e.g., because he has been using your products for a long time) how they are involved (e.g., comment their personal experience with a particular

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[15] Eval, G: "10 tips for working with social media influencers".
[16] Dahl,S (2018): "Social Media Marketing: Theories and Applications" Page 204 and 205. London: SAGE.

product) once we have these answers we will be able to establish actions in line with our objectives[17].

In addition to satisfying our customers and adapting to their wishes the companies have to cover costs. To do so, managers need specific numbers to know if their investments are worth it or not.

But this numerical application has two problems:

a) it is not geared towards analysing long term results.
b) they need to understand that those the return on investment may take more time than expected because what really matters is to develop a relationship with customers.

It is important to appreciate and internalize that online relationship that is what gives return on investment. Each social network has its particularities. They are different for those who use them, for the uses they give them and for the different ways of creating value.

In order to better understand the uses and particularities below I try to explain the most important of both Facebook and Instagram.

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[17] Hoffman, D/ Fodor, M (2010):"Can You Measure the ROI of your Social Media Marketing?".

6.2. - BRANDS IN SOCIAL NETWORKS

How and for what purpose a brand used its profiles on social networks varies greatly.
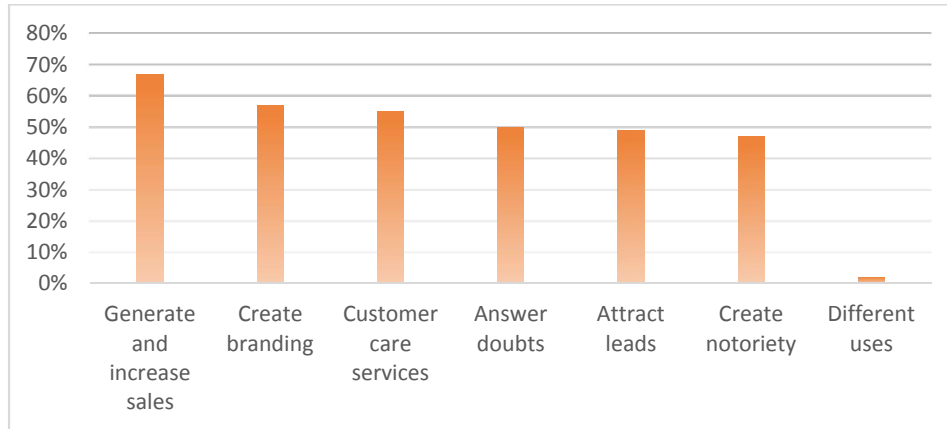

Table nº 8: Brand purposes in social networks
Adapted from: Interactive Advertising Bureau Spain.

As seen in Table 8 brand purposes in social networks are: 67% to increase sales, 57% to create branding, 55% for customer care services, 50% to answers doubts, 49% to attract leads, to create notoriety 47% and for different uses 2%.

The role of influencers in social networks is already an important strategy for professionals: 46% of the professionals has hired their services in Social Networks, mainly in Instagram with a 59% followed by Facebook with 34%. The relationship influencer-brands seems to work well, because when evaluating results the level of satisfaction of the brands that hired influencers is positive according to the facts: 87% affirms to be quite or very satisfied, 9% declares to be somewhat satisfied and 4% is unsatisfied.

This overall satisfaction with the results may be the reason most businesses have decided to increase their advertising investment in social networks in comparison with 2016. 71% has augmented investment, 22% has maintained investment and only 7% has reduced investment [18].

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[18]Interactive Advertising Bureau Spain (2018): "*Profesionales en el sector digital.*

7.-FACEBOOK

As of October 2017, Facebook was the biggest social media network between marketers. At that time, they were more than 2 billion users per month.
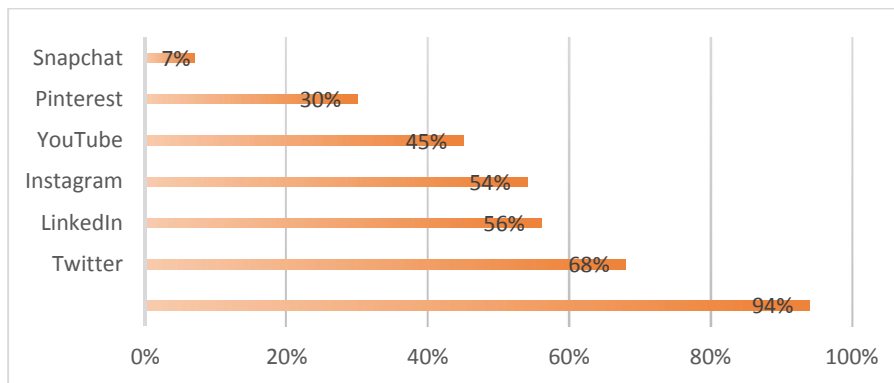

Table nº 6: Facebook Rated Most Important Social Platform for Marketers
Adapted from: American Marketing Association News

I have analysed Facebook as an example of communication through social networks because it is one of the first social networks that comes to people's mind. All the figures analysed so far correspond to large numbers that help us to make the idea of the importance of Facebook.

In a study conducted by the Interactive Advertising Bureau, participants were asked about the social networks they knew. In their responses Facebook is together with Twitter the most mentioned network. Indeed, in what the survey calls "spontaneous knowledge of Social Networks" is the most important[19].

It is important to know which social network to use but it is also very important the technique used. Companies know what and when they post on Facebook, most of the time they use visuals, either photos or videos.

Visuals have become "essential" for marketers posting on networks, as 85% of marketing professionals use visuals in their social media marketing, and 73% plan on increasing their use[20].

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[19] Interactive Advertising Bureau Spain for Elogia (2018): "*Estudio Anual de Redes Sociales*".
[20] Social Media Examiner (2018): "Social Media Marketing Industry Report".

When uploading visuals companies are looking for interaction and the most common is the liking. It has been proven that likes on Facebook pages can have a positive impact in offline behaviour.

That kind of data is what makes sense to these techniques, driven by the chance to better reach online clients via social media[21].

8.-INSTAGRAM

On the graphs and statistics used so far Instagram may not seem as important as it really is. In fact, Facebook may seem like a safer bet but in a short (very short) time, Instagram will be a leader in social networks. It is the fastest growing social media application and its importance in 2018 is an indisputable fact.

As depicted in Table nº 7, in June 2018 Instagram had 1000 million active users per month. If we look at the evolution of users since 2013 we can see that the increase is considerable and very fast.
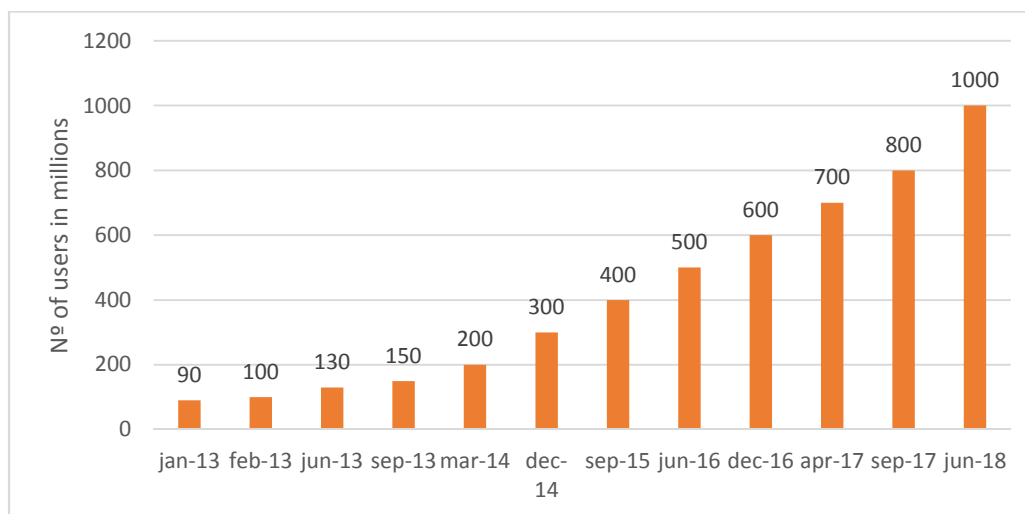

Table nº 7: Monthly Active Instagram Users

Adapted from: Statista

The main purpose of the application is to capture and share photos or videos with your smartphone. But it has many more:

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[21] Lance, A (2017): *"What´s the value of a like? How to use Facebook and Other Social Media Effectively".* American Marketing Association.

Before posting those pictures and videos, the application gives you different tools or filters to touch up the photo and make it more attractive. Captions can also be added, apart from that you can mention other users by using @ symbol followed by their user name and hashtags by using the # symbol to introduce key aspects of the photo or key words. By default, the images that people share can be seen by everyone unless you privatize the profile. The user can follow other users account with no limit, turning them into virtual friends. You can also react to the posts of other Instagrammers by liking or commenting uploads[22].

Since its creation in October 2010 the application has not stopped growing exponentially and has acquired users at an astounding rate. Just two years after the platform was made, Facebook realized the potential for growth that could Instagram reach and they made it his own for 1 Billion dollars[23].

Once the acquisition was made, Facebook´s Chief Executive Officer shared his opinion regarding the operation: "For years, we've focused on building the best experience for sharing photos with your friends and family. Now, we'll be able to work even more closely with the Instagram team to also offer the best experiences for sharing beautiful mobile photos with people based on your interests." (Zuckerberg, 2012)

The use of the application is not restricted to individuals, it can also be used by businesses and it is a great opportunity for them to promote their brand and products. Businesses are a huge part of the Instagram experience nowadays.

This particular type of users are those who generate more content as they get more interactions and web traffic, especially related to promotions. But most of the content they create, they don't do it alone.

In fact, the presence of businesses does not stop growing and at the same time the collaborations between influencers and businesses do. Because those who are in charge of business know that: "With the right strategy, Influencer

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[22] Arizona State University (2014) "What we Instagram: A first Analysis of Instagram Photo Content and User Types".
[23] Rusli, E (2012) "Facebook Buys Instagram for $1 Billion".

partnerships, and tactics, you can move the needle for your business on far more than just sales and engagement"[24] (Beasley, 2018).

8.1.-INSTAGRAM IN FIGURES

In 2017, 70% of the companies in the United States were using Instagram. As of 2018, there are 8 million company profiles. Most of these profiles correspond to medium or small companies.

Beside, companies are responsible for 70% of the creation of application´s hashtags. We may find the explanation in that it is proven that a publication that includes at least one hashtag has 12.6% more participation than those that have none. It also allows you to keep track of the results of your campaigns.

The importance of company profiles is clear, 80% of Instagram users follow at least one business or company profile. In addition, 60% of users say they know a product or service thanks to Instagram and at least 30% of users bought a product they saw for the first time on Instagram. But not everything is hashtags, the publications with location achieve a greater participation as they get to reach 79% more participation[25].

There is also some less good data, 70% of Instagram's publications are not seen, which is why it is so important to generate attractive, coherent and conscious content.

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[24] Beasley, K (2018): "How Facebook´s latest changes Impact Influencers and the future of Social Media Marketing".
[25] Guidara, M.E (2018):"Las 10 estadísticas que tienes que tener en cuenta para planificar tu estrategia".

8.2.-INSTAGRAM ´S KEY PERFORMANCE INDICATORS

All managers are aware of the importance that good measurement tools have. As Peter Drucker points out, "It is not possible to manage what you cannot control and you cannot control what you cannot measure" (Drucker, s.f.)

That is the reason why measuring performance is essential in brand campaigns, to be able to identify their effectiveness. Well selected Performance Indicators helps companies to decide where action needs to be taken.

For social networks the following Key Performance Indicators are the most important ones:

a) Number of followers

It is one of the main indicators in Social Media, the analysis of the total number of followers of a specific account. The analysis should go further, since quantity and quality is not the same we should get to know from all the followers who is really active and relevant and can be considered part of the community. A high number of followers is not a synonymous of success if they do not interact with publications or even pay attention to them.

b) Engagement and Interaction

The fastest and easiest measure of performance is the collection of likes per post. The main problem with "likes" is that they do not require much involvement and therefore do not come to represent much interest from users.

The number of comments that a photo gets shows more interest because it requires more attention and engagement to the brand. Because no one can argue that liking a post is easier and more common than posting a comment.

We cannot only take into account the number of comments, we must also analyse the intent and nature of them. It can be seen in the raffles that many influencers launch with different brands. If the participants only have to give like to a photo to be part of the draw, the participation is much higher. However, if they are also required to comment, participation decreases.

9. - ADVERTISING

9.1.-INFLUENCERS AND ADVERTISEMENT

It is clear that sharing photos of your day to day life in Instagram in an informal way does not have a great difficulty. But little by little your followers are more and more and you become an Influencer the maintenance of your profile will require a lot of time and effort. Maintaining the interest and loyalty of all of them is complex and important.

Because of it, collaborating with brands in advertising campaigns may not always be profitable for the influencer. Followers have a default image of your profile and they expect to see content that fits their expectations. To meet that expectations "It is imperative that the brand deals align with their values, and that taste arbiters continue to stay true to themselves and exercise transparency" (Garcia, 2018). If the deal does not align with those values, the loyalty of your followers may come to an end[26].
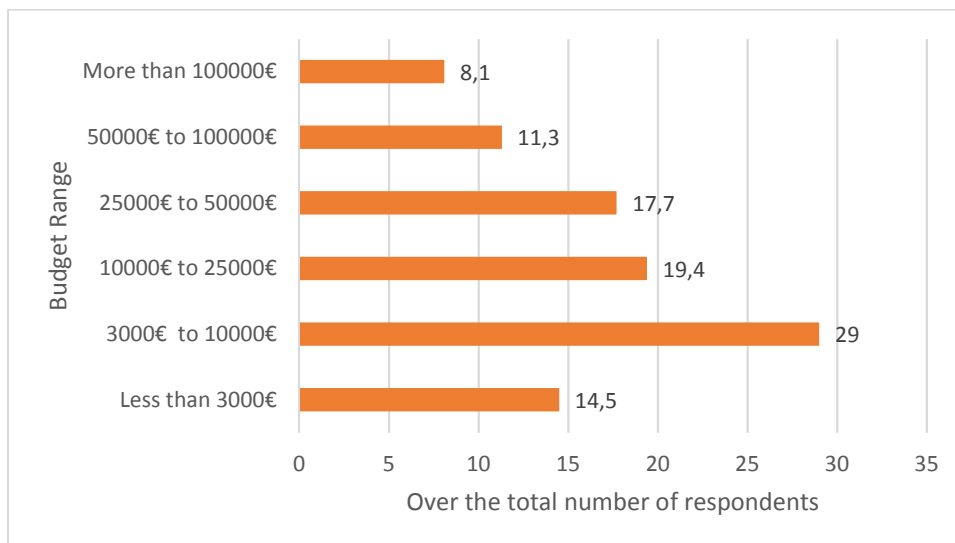

Table nº 9: Influencer Marketing Budget Estimations
Adapted from: Study on Influencer Marketing in Spain- Brandmanic

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[26] Yale Campus Press (2018) "How Instagram Influencers are changing traditional Marketing".

The expectations for the future are very favourable for Influencers in advertisement as seen in Table nº 9.

Moreover, 56,5 % of the brands confessed that next year they plan to increase their investment in Influencer Marketing, 38,7% expect to maintain it and only 4,8% will decrease investment in this type of Marketing [27].

9.2. - ADVERTISING ON INSTAGRAM

The best example of a clear and transparent campaign on Instagram is the successful advertising campaign starring Selena Gomez and Coca Cola.

Selena Gomez (the famous American singer, actress and producer) uploaded an image the 25th June 2016 to her Instagram account. The celebrity appears drinking a Coca-Cola bottle.

What recalls the attention of this image is that by the hashtag #ad it specifies that the post was paid by the company. In a matter of hours it became the most likeable photo in Instagram with almost 7 million.

The social media management tool *HopperHQ* created an Instagram *Rich List 2017* that ranks the top influencers taking into account who is charging the most per sponsored post within their category.

Selena is given the number one position because of their 122 million followers and because she was paid $550,000 per post in that year [28]. Dated October 2018 his followers were even more, reaching 144 million followers.

Not all Instagram campaigns are as transparent as the one with Selena Gomez. In fact, is a controversial subject that is always in the minds of consumers.

What we see on Instagram, is an innocent photograph or an example of covert advertising?

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[27] Brandmanic (2018): "Estudio sobre Marketing de Influencers en España".
[28] Hopper HQ (2017): "Instagram Rich List 2017".

9.3.-ADVERTISING REGULATION

Until 2017 Instagram had not forced Instagrammers to put a signal on the photos if they are announcing something of if they are receiving money for posting it. The objective is to protect consumers and to differentiate what is advertising and what is a personal opinion.

In order to achieve these two main objectives, it is necessary to have a concrete regulation that still does not exist in Spain. Experts like the lawyer Alexander Benalal[29] explain it ""The legal vacuum is because it does not regulate the specific situation in social networks (which has its particularities) and the problem with 'influencers'. There are general regulations (General Law of Advertising, Law of Unfair Competition and Law of Information Society Services) but how to apply them to the case of social networks remains uncertain".

Covered advertising is prohibited in our country, the law determines that advertisers need to disclose the nature of their campaigns and they cannot omit information in a confusing way.

"If you do not communicate in a transparent way what is advertising content and what is not (for an average consumer) 'influencers' and advertisers could face actions of competitors and fines" states Benalal.

The lack of laws and resolutions regarding hidden advertising campaigns in social networks in Spain is producing continuous breach of existing regulations. The way in which regulation is approached depends on the idea we have of the activities that are carried out in advertising on social networks.

Since it is an activity that encompasses different sectors (unfair competition, user´s rights on the Internet and leasing of services, among others) the Spanish Interactive Advertising Bureau has published a legal guide to regulate Influencer Marketing[30].

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[29] Co-Director of the Commercial, Technologies and Communication department at Bird& Bird LLP.
[30] Interactive Advertising Bureau Spain (2018): "Guia Legal: Marketing de Influencers"

It regulates different aspects, most relevant are the following:

- <u>Type of contract</u> that parties should sign

There is no obligation to conform to a particular model contract and they can include regulation of the terms and conditions that parties wish to include.

It has to be clearly delimited the services that are requesting. The more specific the easier it will be to control the compliance. With the only inconvenient of limiting influencer independent and creativity.

- With regard to the <u>rights of third parties</u>

The content that influencers share it has to be of their own creation, they cannot imply a copy of content created by a third party or invade property rights.

It is difficult to eliminate the risk of reputational damage in case of rights infraction, but the company that hires the service can derive the responsibility to the influencer.

- Regulating <u>remuneration</u>

A great number of influencer, especially when they start in this business they receive present as a form of payment instead of money. But they cannot escape tax obligations.

Most of the times brands send their product to influencer, without a commercial relation of a sign contract. Their objective is to receive a positive or thanksgiving review and that this person will share it with his followers. This actions can also be considered advertising because it is really difficult to prove that they do not have any kind of commercial relation. So they need to be carried out carefully.

- Law enforcement bodies:

When regulating and controlling influencer-brand relations the Spanish Administration shall be competent in form of labour inspection or the Courts and Tribunals is demands are highlighted, Social Security when it is related to insurance or tax aspects.

For unlawful advertising cases, the control falls to the courts and tribunal on request. And if consumers are affected, the relevant authorities.

Instagram has also spoken out on the matter. They introduced the "Paid partnership with" tag that it is necessary to include when there is a commercial relationship. A recent study carried out concluded that 93% of sponsored publications are not clearly informed, not enough for users to understand that they are in front of an ad[31].

DOs	DON'Ts
✔ Place disclosure at the beginning of the description and before the "more" button	✘ Bury disclosure among many other hashtags
✔ Use the hashtag #sponsored, #ad, or #paid to disclose partnership	✘ Put disclosure at the very end of the post description
✔ Use the phrase "Sponsored by…" and tag the sponsoring brand in the post description	✘ Use #sp, #spon, #collab, #ambassador or other hashtags that don't clearly convey sponsorship
✔ Clearly disclose paying/sponsoring brands tagged in photos	✘ Use the phrase "Partnering with…" or "Collaborating with…"
✔ Accompany "ambiguous disclosures" including "thanks", #ambassador, #collab, #sp, and #spon with additional proper disclosure	✘ Include disclosure in a comment instead of in post description
✔ Superimpose disclosure on Instagram Stories	✘ Rely on the paid partnership tag only
✔ Include additional proper disclosure when using the paid partnership tag	

Table nº 10: Influencer Marketing Budget Estimations
Adapted from: Study on Influencer Marketing in Spain- Brandmanic

Spain has lagged behind in regulating these cases. Because countries like United States or the United Kingdom already have specific rules. The Unites States Federal Trade Commission sent letters to influencers reminding them to clearly and visibly disclose their brand relationship. In fact, they now need to add #ad to their promotional messages. They explained that "when the tool is used, both the creator and business partner will have access to insights for that post, making it easier to share how followers are engaging with these posts"[32].

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[31] Mediakix Influencer Marketing Agency (2016) "CMO´s guide to influencer Marketing".
[32]Instagram Information Center (2017):"Bringing more transparency to commercial relationship on Instagram".

10.- CASE STUDY: CHIARA FERRAGNI

When talking about influencer marketing and the most famous profiles we cannot forget to talk about Chiara Ferragni. She was one of the first women to create a blog back in 2009 called "The blonde Salad" focused on sharing her daily looks and her recommendations or discoveries.

As Chiara stated she started the blog at the best time possible "when the world started talking about the fashion blogger phenomenon, and brands started approaching me from the very beginning"[33].

It is such a phenomenon that in January 2015 it became a Harvard case study. Chiara is defined as "a globe-trotting founder of the world's most popular fashion blog"[34].

Without forgetting the blog, his efforts are now focused on her Instagram profile and her personal brand of clothing and accessories. Most of his followers follow his footsteps via Instagram. As of October 2018 she has 15.3 million followers, she follows 828 account and has 16.5 posts[35].

Everything that happens to her in life becomes an event (from the birth of her son to her marriage) and makes her even more valuable on the net. She is the clearest example of influencer marketing today. Everything she touches turns to gold. That is the reason why it has the best collaborations with the most prestigious brands in the world.

If we analyse her wedding weekend celebrated in Noto, Sicily from August 31st to September 2nd 2018 we can have an idea of her presence on Instagram worldwide. The event was named as *theferragnez,* term created from the names of the couple: Ferragni and her husband Fedez.

The best parameter for someone to get the idea of the dimension of the wedding are the following: 34 million of interactions in the analysis period: 32 million of those 34 million interactions came just from Instagram.

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[33] O´connor, C for Forbes (2017):"Instagram It girl Chiara Ferragni on building a fashion empire".
[34] Harvard Business School Case Collection (2015): "The Blonde Salad".
[35] Information obtained from Chiara Ferragni´s Instagram profile.

Contrary to expectations, Twitter also played an important role in diffusion. In this social network were published over 94k posts with the hashtag #TheFerragnez, more than 80% of the total posts[36].

The favourite post shared by the Italian attending to the number of likes received was the photo of the couple kissing at the altar that has 2,9 million likes and 45k commets[37].

Both Chiara and Fedez had a positive impact on their profiles thanks to the wedding the bride earned 440k followers and the groom 225k.

The Ferragnez can be compared with the wedding between Prince Harry and Meghan Markle. Dior, the brand that made three dresses for Chiara gained 2 million interaction on Instagram and had a Media Impact Value of 15%.

The makeup for that day was also an object of study. Lancôme was the chosen one and gained a global Media Impact Value of 700,000 dollars and 1,3 million in engagement. While Givenchy, the French brand in charge of dressing Meghan had a 7% Media Impact value[38].

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[36] Blogmeter- Social Media Inteligence Comany (2018):"#The Ferragnez Wedding: an event with 21 million guests".
[37] Information obtained from Chiara Ferragni´s Instagram profile.
[38] Trendencias (2018): "La Boda de Chiara Ferragni en cifras: el impacto en RRSS".

11.-CONCLUSIONS

I chose this topic because of two situations: the first one was that more and more people talk about influencers nowadays, in all conversations about consumer goods they are mentioned and it is no longer just an obsession in the younger ones. Different age groups have been caught up in this phenomenon. The second reason was that when I downloaded the new IOS for my iPhone I realized that Apple had introduced a tool that allows you to limit your time using social networks. If we have reached that point is because we are really investing a lot of time from our day to day in this type of applications.

Given the above arguments, I wanted to answer the following question: Are influencers the new models and is Instagram the main platform for advertising campaigns?

These piece of work has helped me to understand that behind every interaction there are many things that social network users do not take into account. There is no loose end and that really social networks are the new perfect showcase for advertising campaigns for major brands. And above all, despite being a free application for users, a lot of money is invested in campaigns, but the money they can generate is even greater.

I could never have imagined that the impact would be so high in each campaign. Work has made me think at all times where the key to the success of influencers resides. Because as I have already mentioned, not many years ago you had to be someone important or knowledgeable in a particular subject to have the power to influence someone. The influencers get people to want to be like them, eat in the places where they eat and wear the clothes they wear without any apparent knowledge in the subject matter.

But I have come to the conclusion that this is just the key: everything seems easy and nice. I have understood that social networks are a showcase for the perfect, but also for the natural. Most people follow different profiles in Instagram because they seem closer than traditional celebrities (such as models or actresses) Influencers to a greater or lesser extent have a routine closer to us. Many of them wear low-cost clothes and say they have basic or attainable tastes.

Models and actresses could generate distance for the perfection of both their life and their physical perfection, most of the influencers comment much more on their imperfections and daily problems.

They are an entertainment for many people, especially in dead hours. They also serve as inspiration in different subjects such as sport and healthy eating.

In order to increase interaction and awareness, many of them propose product raffles with which they collaborate and even share discount codes. This direct benefit to consumers is something new. We have never been directly rewarded for being fans.

They can also be very useful for more minority subjects or hobbies that used to be difficult to access or have information. Although this type of accounts are not the most followed. Since the profiles that have more followers today are those related to fashion, food and travel.

What has amazed me the most is that since people have been following an account for a long time, followers consider the people behind these profiles as a kind of friends. This relationship of affinity does not seem to me to be a minor issue. People we do not even know have a direct influence on the users and we do not know if what they tell us through their profile is their opinion or part of a perfectly detailed contract.

This is where I believe that regulation should be more exhaustive and protect consumers effectively, controlling at all times whether the content of the publication is remunerated or not. Creating a figure responsible in some way to control that they comply with the regulations in force.

After gathering information about this phenomenon I realized that little by little it looks more like an obsession. People go from follower to fan and as many of them denounce in their networks people feel free to criticize their work and even them.

I think it is because of the closeness that the networks bring, we have the opportunity to send a message directly to the person we want and that can be a double-edged sword.

Thinking about the future of influencers I think that in the short term they will continue to have a lot of importance and prominence in our lives. But in the long

run I don't think it's going to be like that, I think they're a fashion and most of the profiles will end up tiring or the content will be 100% sponsored and will take us away from what we considered something natural.

I do believe that the most professional profiles will be maintained, but in general they will not have the importance they have now, nor will they be able to maintain the growth rates they are having. Probably the change will come from a new application, another radical computer change or a more demanding regulation.

For all of the above and until brands find a more efficient and economical way to advertise or create a more direct channel, influencers will continue to be the best sales tools.

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