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UNDERSTANDING THE POWER BEHIND INFLUENCER MARKETING IN TODAY'S WORLD

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Purpose: Today's marketing observes many changes. Especially the after-pandemic world empowered skilled individuals, called influencers, to affect quantifiable actions or buying habits of their audience, by uploading some form of content on their social media platforms. Often such following is gathered on YouTube, Instagram, TikTok or LinkedIn. Influencers increasingly provide sources of information and innovation to many consumers. Those techniques sell regardless of the influencer's knowledge on the matter. Proposed article highlights how a congruence psychological mechanism, leveraged in influencer marketing proposes success to many businesses of today's world, mentions the costs of it, the need for its presence in companies' yearly budgets, as well as marketing power behind the newly created phenomenon.

Design/methodology/approach: The paper uses the desk research method of analysis.

Findings: Today's marketing is highly affected and shaped, to a tremendous degree, by the social media world as well as its influencers who nowadays create the newest trends in the advertising sphere.

Social implications: Social needs should be highlighted as a priority and implemented solutions should be adopted accordingly.

Originality/value: The article is an original approach to understand the newest ways marketing is created, as well as how much value (monetary and not only) is present in this way of advertising.

Keywords: influencer, marketing, influencer marketing, new advertising, digital marketing, social media.

Category of the paper: research paper.

1. Introduction

By some the current stage of civilization development is referred to as the Information Age; to others is it rather understood as the Entertainment Era. Meaning, many of our life decisions, shopping, finding the right education, job, place to live or even a life partner is based on the well-crafted marketing hiding in various forms of entertainment. As follows, the basic attribute of such development is information management which mostly uses the Information Technology and Cybersecurity, so called ICT. As a matter of fact ICT, refers to the components and infrastructure that allow modern computing (App, 2023), which undoubtedly gave rise to the New Economy and changed the way of operating for many businesses around the world. As a result to unlimited access to information and free transfer of knowledge among all market entities, the Web 2.0 that make possible creation and exchange of user-generated content". (Kaplan, Haenlein, 2010). Web 2.0 phenomenon was the effect of creating a new quality of websites where the Internet had ceased to be a network of interconnected files of information, and had forms of their functioning are constantly changing. The dissemination of information and communication technologies has changed the concepts of modern marketing. Influenced by global Internet network, technology information and communication technologies, evolve into the form of technological marketing, becoming the basic area of activity for many businesses, organizations, determining their development, openness to innovation and comprehensive change for ways of functioning (Mazurek, 2018).

Solutions for using newer and newer technologies, constantly displace traditional tools (Łaszkiewicz, 2022). Social media is referred to as "a group of web applications based on the ideological and technological foundations of to evolve into a network of relationships interpersonal interactions" (Opalska-Kasprzak, 2016). As a matter of fact, it is a space for active individuals, social groups, institutions, business entities (Peszko, 2016).

Originally created Social Media had an intention of "supporting" human interactions; however now, the same medium of communication is used to do so much more. As nowadays, humans do not just receive the "support," but at times they rely almost every aspect of their lives on the use of technology. That increase of the need for technology significantly changed the functioning of societies in most of the countries in the world, but more so the well-developed ones. Therefore, as described by Dr Magdalena Brzozowska-Wos in an information society, a network society, was created (Brzozowska-Woś, 2013). Its functioning does not only concern technological aspects, but also, above all, cultural aspects (Dąbrowska, Wódkowski, Janoś-Kresło, 2009).

In addition to private use, social media is used for promotional purposes such as advertising. As follows, it seems to be not only an important element of the activity of many entities wishing to reach a large group of potential customers, but it also seems to be almost the "only way" to find today's client, regardless of the product in question.

2. The importance of online marketing in Poland

As published in the Global Digital Insights Report, the state of digital adoption in Poland in 2023 is quite intriguing. In a country of a total population of 41.48 million, in January 2023, there were 36.68 million Internet users, which makes up for 88.4% of the country's population. Out of that impressive number, the social media was used by 27.50 million, equating to 66.3% of the total population. What is even more interesting is the number of cellular connections in the whole country, it made up for 52.95 and that figure is equivalent to 127.7% of the whole population. "Kepios analysis indicated that Internet users in Poland increased by 2.9 million (+8.5 percent) between 2022 and 2023" (Kemp, 2023).

The information published in the ad planning tools of top social media platforms indicated that there were 24.10 million users aged 18 and above using social media in Poland at the beginning of 2023, which was equivalent to 71.0%. More broadly, 75.0% of Poland's total Internet user base (regardless of age) used at least one social media platform in January 2023. At that time, 50.6% of Poland's social media users were female, while 49.4% were male (Kemp, 2023). Especially the last information was extremely prominent throughout the whole study.

2.1. Usage of Facebook

When it comes to the most famous platforms, Facebook (the parent company, which in 2021 has changed its name to Meta, in reference to the metaverse, which combines social media with virtual and augmented reality) (Houge, 2023), had 17.85 million users in Poland in the early 2023. Which means, that anything advertised on that particular platform would have a reach of 43% of households. Again, advertising catered more towards women would be advisable on this particular media outlet, since females use this platform more often than men, ranking 53.4% compared to the male representation of 46.6%.

2.2. Usage of YouTube

"Updates to Google's advertising resources indicate that YouTube had 27.50 million users in Poland in early 2023. (...) However, the company's own data suggests that YouTube's ad reach in early 2023 was equivalent to 66.3 percent of Poland's total population at the start of the year. To put those figures in perspective, YouTube ads reached 75.0 percent of Poland's total Internet user base (regardless of age) in January 2023"(Kemp, 2023). Again, almost 51% of the audience were women, even in the products which were potentially considered more "men interest dominated", which made up for a clear indication of the marketing demographic.

2.3. Instagram users in Poland

"Numbers published in Meta's advertising tools indicate that Instagram had 10.40 million users in Poland in early 2023. The company's recently revised figures suggest that Instagram's

ad reach in Poland was equivalent to 25.1 percent of the total population at the start of the year. However, Instagram restricts the use of its platform to people aged 13 and above, so it's helpful to know that 28.8% of the "eligible" audience in Poland uses Instagram in 2023. In early 2023, 57.8% of Instagram's ad audience in Poland was female, while 42.2% was male" (Kemp, 2023). Again, the composition of that statistic clearly indicates who the adds should be geared towards.

2.4. TikTok users in Poland in 2023

Figures published in ByteDance's advertising resources state that this social media platform had 10.14 million users aged 18 and above in Poland in January 2023. The same report mentions that TikTok ads reached 29.9% of all adults aged 18 and above in Poland at the start of 2023. As follows also this platform has more female (almost 55%) than male users (Kemp, 2023).

2.5. Polish representation of LinkedIn

Figures published in LinkedIn's advertising resources indicate that LinkedIn had 5.50 million "members" in Poland in early 2023. The company's advertising reach figures suggest that LinkedIn's audience in Poland was equivalent to 13.3% of the total population at the start of 2023, and the writer of portrayed article decided to mention this particular platform mostly because, it is one of not many popular social media platforms where a major part of the statistic 51% is assigned to the male audience.

2.6. Following of Pinterest in Poland

Not as common or widely understood as a platform – Pinterest has a very short lifespan. As it is mostly used by individuals who are looking for creative solutions only for a short period of time. Majority of the users download the application for up to 33 days and use it mostly in their free time, from 8-11 pm. With its peeking hour 9 pm (Marie, 2023). Data published in Pinterest's advertising resources indicate that Pinterest had 5.42 million users in Poland in January of 2023. However, the interest for the platform is growing as it increased by 1.2 million (which makes up for 28% of an additional audience) within just one year from 2022 to 2023. As the report progresses, it implies that almost 80% of users are made up by females (Kemp, 2023). Therefore, the question of - who the target demographic is - does not seem to present a high level of difficulty while answering and creating adequate marketing campaigns.

The portrayed data indicates that Facebook (Meta) is among the most popular platforms. YouTube, LinkedIn and Instagram (Jung, 2010) or any of these mediums have similar ideas, but slightly different functions (Marzec, 2022). Overall, social media is the foundation of personal entertainment, as well as today's way of creating a successful business. The idea of such means (for communities getting together, having something advertised to them and purchasing it), is known in the history of civilization for a long time, but the Internet has introduced an element of a mass communication to the process and that is quite innovative.

The author of portrayed article created a study in one of the taught be her classes, where 100 participants (73% women, 27% men, aged 19-24) were asked to answer a couple of Internet/influencer marketing related questions, to which answers presented themselves accordingly:

- How many of you does not read the online reviews before buying anything?
 There was no positive answer.
- On average how many times do you buy products advertised to you by your favourite influencer (given that you can afford it)?
 87% of the class answered every time.
- How much do you trust your favourite influencer's recommendations? 93% answered positively.

Among the answers to the question "why" regarding the last question in the provided survey, the most common answer was, "because we trust them".

3. Marketing Influencers

In today's world, it is not just the opinions of consumers which are taken into consideration while creating a marketing campaign, but also a new type of advertising called "marketing influencers" who seem to impact many purchasing decisions. As per definition, "an influencer is a person who can influence the decisions of their followers because of their relationship with their audience and their knowledge and expertise in a particular area, e.g. fashion, travel or technology. Influencers often have a large following of people who pay close attention to their views. They have the power to persuade people to buy things, and influencers are now seen by many companies as a direct way to customers' hearts. Brands are now asking powerful influencers to market their products. With some influencers charging up to \$25,000 for one social media post, it is no surprise that more and more people are keen to become influencers too" (Social..., 2023). That is probably why the number of influencers and the need for them grew tremendously (by an 80% since the year 2017) within the past couple of years (Figure 1).

Influencer Marketing Market Size \$\frac{\\$21.1B}{\\$1.7B}\$ 2016 2022 2023

Figure 1. Influencer Marketing Market Size.

Source: Geyser.

The vast majority of respondents believe the influencer marketing to be very effective. Unsurprisingly, considering the overall positive sentiment expressed about influencer marketing - over 83% respondents believe influencer marketing to be one of the most successful for of marketing in today's world. In order to work with constantly changing world of marketing, many brands create budget assigned only to influencer marketing. About 82% of major American brands indicated that they would be dedicating a budget to influencer marketing in 2023. This number seems to be a great increase since 2017 (back then only 37% of companies declared that budget to that medium of marketing) and is a slight increase from last year's 77% (Social..., 2023) (Figure 2).

How Much Do Brands Spend on Influencer Marketing



Figure 2. How much do brands spend of Influencer Marketing.

Source: Geyser.

As follows, "although most brands spend less than \$50K on Influencer Marketing, more than 11% spend over \$500K. Brands of all sizes participate in influencer marketing. Therefore, it should be no surprise to see quite some variation in what firms spend on the activity. 43% of the brands surveyed said they spend less than \$10K annually on influencer marketing (higher than last year's 37% - these are probably newcomers dabbling with influencer marketing). 22% spend between \$10K and \$50K (down from last year's 30%). A further 14% spent \$50K to \$100K (higher than in 2022), 10% \$100K to \$500K (unchanged), with a noticeable 11% spending more than \$500K (nearly 3x more than last year)" (Social...,2023). So it seems that many brands noticed a positive experience with influencers and a great revenue assured by brand deals. Therefore, "brands with happy influencer marketing experiences have increased the percentage of their marketing budget they spend on the activity. However, brands that have experienced less happy outcomes have decreased or eliminated spending on the activity, turning their attention to other forms of marketing" (Social..., 2023) (Figure 3).

One-Off vs "Repetitive" Influencer Partnerships

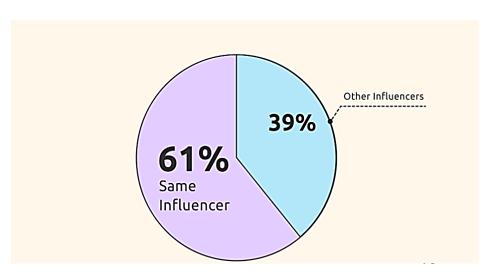


Figure 3. One- off vs "Repetitive" Influencer Partnerships.

Source: Geyser.

As it is clearly pointed out on the above graph, brands favour working with the same influencers and base their relationship on already established grounds. Additionally, so called "repetitive" influencers, who can predict their following and assure the brand with an estimation of a potential gain. Additionally, not many brands base their marketing reach only on one influencer. Sometimes, the nature of the campaign calls to reach out to a different niche, demographic or a target audience. "The 4% increase in firms working with existing influencers probably indicates the natural increase in influencer-business relationships over time" (Social..., 2023). Which translated into a simple, logically driven truth: "the more successful an influencer campaign is, the greater the likelihood that the parties will want to work together on other campaigns" (Social..., 2023).

Of course, different influencers have a different flowing, hence a diverse marketing power. Therefore, there are a couple of levels of Influencers (Figure 4).

What are the types of influencers?

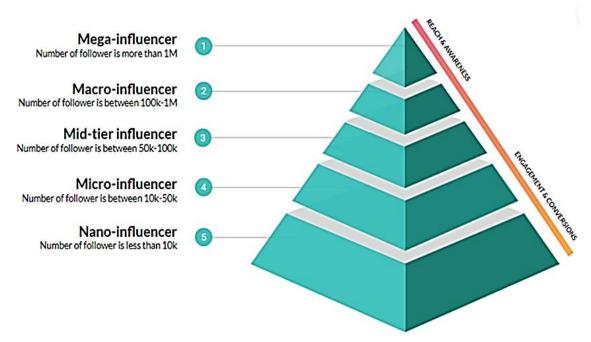


Figure 4. Different types of Influencers How much do brands spend of Influencer Marketing. Source: Team.

Upon a quick "Google" search, with a question: "how many influencers are there", a couple of nanoseconds provide the answer of 64 million. This impressive number is divided into five categories according to the following a particular influencer can accumulate.

3.1. Nano Influencer

Nano Influencer is an influencer with the lowest number of followers up to 10,000. Of course, the scale is filled with this category and the world seems to have the most of them. The advantage of working with such influencers is not a very high price, but maybe a bigger engagement in a small, local, territorial or trusting community. Therefore, they are simply ideal for brands with a clear (relatively small, locally cantered) target audience. Those influencers specialize in niche markets and maintain has a close relationship with their followers.

3.2. Micro Influencer

This level is represented by influences with up to 50,000 followers. However, it is not only the amount of following that is different from Nano influencers, but also the content of managed channel or platform is presented in much more processional way than the one with lesser following.

3.3. Mid-Tier Influencer

Mid-Tier Influencer is an influencer with following which falls under a number from 50,000 up to 100,000 followers. As follows, channels created by mid-tier influencers have a high quality content created and they build on a reasonably well understood idea of a brand recognition.

3.4. Macro Influencer

Macro Influencer is a person with followers ranging from 100,000-1,000,000 people. Very often they are already pretty famous and well recognized individuals in the represented society, such as actors, signers (who already made their name in the industry) and then become influencers, to either sustain their presence in the media, gain even more recognition, or branch out to different markets. Since it usually is an already well-established person, their recognition is quite high, what follows, the price for a potential cooperation would be quite high as well. Companies might prefer to work with such individuals, not only because of an immediate success of their marketing, but also because of the level of professionalism attached to the possible engagement.

3.5. Mega Influencer

Mega Influencer is someone whose numbers of following are higher than 1,000,000 followers. Of course they are also known Celebrity or Mass Publishers. An incredible advantage of working with such influencers is the media reach – a powerful person and a potential immediate success of the marketing campaign, as the brand recognition would be potentially noted by millions. However, those kinds of influencers usually work with many brands at once, so the scheduling and price might be of a quite high.

Even though, usually platforms for the working influencers are free, and posted material does not cost much to watch, listen to or download – since all a potential audience needs is a charged device with an Internet connection and Wi-Fi signal. In order for the material to be well received, it needs to be well prepared and presented which is not free. So how do influencers get paid (Figure 5)?

Ways To Pay Influencers

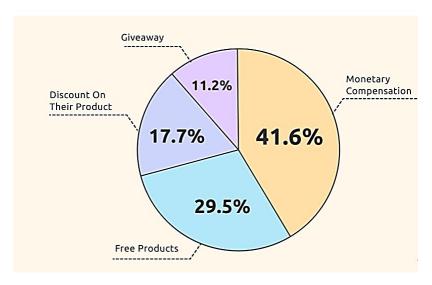


Figure 5. Ways influencers get paid.

Source: Geyser.

Many brands, especially when working with smaller influencers pay them with free products. This way, helps the influencer create a material for their channel, hence gain more viewers, become more recognizable and get to the largest portion of the graph presented above (41.6%) and get the monetary compensation for mentioning the company's product on their channel. Many others, get products from brands to create some form of a give-away segment on their channel, but they are required to mention the sponsor, they can also get a discount, or provide their viewers with an affiliate, promotional link (but just like in a case of sponsorship, an influencer has to clearly inform the viewer about the affiliation). Apparently, within the last year many more brands opted for the monetary compensation while working with mentioned form of marketing. That usually gives influencers a lot of creative freedom when prompting the product and very often gives the audience the "feeling of authenticity," while hearing about the item or a service.

4. Does influence marketing work?

As mentioned above, an influencer is a rather famous person and an influencer of any online media. However, "the term influencer does not mean that one must be a celebrity, an artist, a public figure, but can also be a natural person or a page with followers on social media and the ability to influence their followers. Every influencer is different. It must be the character (identity) of that influencer, as well as the style of content creation of each influencer that will distinguish which influencer is suitable for which brand or product" (Team, 2023) (Figure 6).

HOW EFFECTIVE IS INFLUENCER MARKETING?

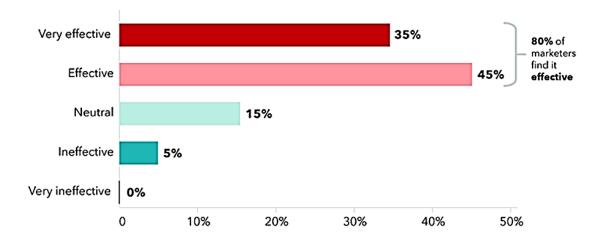


Figure 6. How effective is influence marketing.

Source: Team.

In testimonials of many marketers, the influencer marketing is a very effective medium of marketing. As very often influencers have a "halo effect" ("which is a type of cognitive bias in which the overall impression of a person influences how people feel and think about their character. Perceptions of a single trait can carry over to how people perceive other aspects of that person") (Msed, 2023) for their audience. Influencers give an impression of someone who is a friend and builds trust on the premise of friendliness and being "there" for the audience. Some of the influencer based communities are very active and they share many thoughts under every uploaded material and that creates a sense of unity, that differs from others. According to the studies, "influencer marketing is more trustworthy" than traditional advertising, because it gives an impression of real users who recommend or share the value of the product for themselves (Team, 2023). Of course, in many of those cases, money buys vulnerability, consistency in posting the material and simple likeness for the influencer usually buys trust – so the truth of the matter is – it all works quite well and many companies choose this pathway for many of their advertising campaigns.

5. Problems with Influencer Marketing:

Some marketers state that "brand engagement is considered to be fully related to influencer marketing" (Team, 2023). In traditional advertising customers had to get to know the product in order to decide if they liked it. The "word of mouth advertising" also worked in the past,

the only difference now is that the "word of mouth" is not carried from one friend to another ten colleagues; nowadays it is passed from one influencer to a "small community of a million closest friends" (Jung, 2010) and that is the power of a potential financial gain that today's marketers seem to recognize better than anyone else.

The problem with influence marketing is the fact that people create and publish, almost anything (as long as, it does not violate the law) and anyone can watch blogs, vlogs, podcasts and more forms of "influenced" creativity. By the dictionary provided definition, an influencer is a person who has gained popularity on the Internet and uses their fame, influencing their viewers, readers, their worldview, taste. According to Dr William Wolg, "that taste does not always have to be tasteful; however, the influencer always influences, even the tastes they did not intend to influence" (Wolg, 2023).

Regardless, of what is understood as tasteful in today's world, the growing popularity of influencers and the increase in their importance contributed to the rise of influencer marketing is tremendous. The cooperation of the brand with online creators - concerns promotion selected products, which, apart from advertising, focuses on public relations (Kuczamer-Klopotowska, Piekarska, 2016). Influencer marketing can owe its effectiveness to Internet users who see influencers as role models and authorities. The observers "trust" the brand and their products just because it is recommended by their favourite entertainment creators. A popular person can maintain constant contact with his fans, which is not possible in the case of classic advertising (Wolska-Zygata, 2018). Influencer marketing requires very thorough analysis and planning, when preparing a campaign, it is necessary to:

- get to know the target group,
- know the size of the target audience, as not everyone in the group of subscribers has to be a potential target audience for the advertised product,
- determine whether a given product should be promoted by a chosen influencer,

The popularity of influencer marketing is primarily due to sale efficiency. As a matter of fact, "it is a method that generates a multiple return on investment. Much more than other forms of advertisements" (Woods, 2016). There are a couple of problems with influencer marketing; meaning, influencers have a lot of freedom while advertising particular products, often on the basis of specific guidelines, however, sometimes it is not subjected for verification by the principal prior to publication. Another problem is the lack of clear indications about the sponsored promotion. In Poland, on the 26th of September 2022, the President of the Office of Competition and Consumer Protection (UOKiK), published special guidelines for brand cooperation with influencers. The purpose of introducing the regulation is to protect the interests of the consumer and compliance with the principles of a fair competition. Influencer marketing is an element of modern marketing transformations, and it becomes more and more individualized, directed to a specific recipient, potential customer. As mentioned above, it enables directing the marketing's message to specific group of recipients, it is very precise and still relatively competitive when it comes to its price.

6. Summary

Lockdowns during COVID-19 pandemic did not only make many societies spend time at home and get more accustomed to the online sphere of life. Many of us by spending more time online either got more familiar with many social media platforms, others moved major aspects of their lives online, such as jobs, schools or shopping trends. Apparently, we moved to the era of entertainment where much of what we know comes for the platforms that were created with a completely different purpose in mind. Many of us get their daily news from Twitter, creative ideas how to arrange their homes from Pinterest, some probably buy into lifestyles influenced by the rich and famous, others are influenced by the people who seem "likeable" online. Regardless of what it is, one needs to remember that so much of what is being sold in today's world, comes from people being influenced by not one (trustworthy) friend who lives next door, but by about a million of the "closest" following strangers.

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