INCREASING CUSTOMERS' BRAND AWARENESS WITH INFLUENCER MARKETING: A FOCUS ON INSTAGRAM

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ABSTRACT

As social media marketing is becoming an advantage for companies, they are increasingly investing in influencer marketing i.e. digital influencers to endorse their brands. Digital influencers are ordinary people that generate a base of followers by creating and posting content with an expertise in a certain area. They monetize their base by endorsing brands for a fee. This study examines social media users' involvement in Instagram influencer following and their perceived trust in Instagram influencer branded content with the aim to determine how they affect customer's brand awareness. For the purposes of the research study an online questionnaire was sent to Instagram users in the Republic of North Macedonia using the non-probabilistic purposive sampling method. The multiple linear regression method was applied to a set of effective 77 responses, using the statistical software SPSS to test hypotheses. The results indicate that involvement in Instagram influencer following positively affects customer's brand awareness. This study is the first, as known by the authors, to examine the effect of involvement and perceived trust on customer's brand awareness with the focus on Instagram. This study is also the first, as known by the authors, to examine the direct effect of involvement and perceived trust on brand awareness, as opposed to their mediating role being already analyzed in the literature. At the end of the study, conclusions along with theoretical contributions and practical implications, are given. Especially important are the recommendations given for companies and their marketing departments regarding influencer marketing activities on Instagram when it comes to improving customer's awareness of the existence of their brand.
Keywords: *Brand awareness, Influencer marketing, Involvement, Perceived trust, Social media*

1. INTRODUCTION

Social media marketing is an advantage for companies (Rebelo, 2017) due to social media use becoming a habit among people (Gottfried and Shearer, 2016). The evolution of social media has empowered customers to build relationships with brands (Uncles, 2008) and has led to the emergence of digital influencers (Rebelo, 2017). Digital influencers are ordinary people (Lou and Yuan, 2019) that act as microcelebrities (Rebelo, 2017), generate followers base by visually sharing their lifestyle and monetize their base by endorsing brands for a fee (Castillo and Fernández, 2019). Digital influencers create and post content on social media usually with an expertise in specific area (fashion, food, travel, health etc.) (Lou and Yuan, 2019). Moreover,

Munnukka et al. (2016) points out that to increase ad effectiveness, brands should use normal-looking endorsers. The rise of Instagram is, as the fastest growing social media network nowadays, more than evident (Garifova, 2016). Accordingly, Instagram influencers are more fascinating than celebrities because Instagram users perceive them as ordinary people (Rebelo, 2017). In that direction, influencer marketing is experiencing a rapid growth as well (Lou and Yuan, 2019) since brands are increasingly investing in digital influencers to endorse their brands by creating and posting brand related content to both: digital influencers' followers base and brands target customers (Yodel, 2017).

Several theories may explain the relationship between social media users and influencers. Hence, the media dependency theory points out that social media users are dependent on influencers since the latter ones are perceived by social media users as an online source of information (Castillo and Fernández, 2019). This is in line with the theory of observational learning which refers to people as observers who use the information gained through observation (Bandura, 1977).

Based on the integrated social media influencer value (SMIV) model developed by (Lou and Yuan, 2019), this study examines social media users' involvement in digital influencer following and their perceived trust in digital influencer branded content based on the following assumption: involvement and perceived trust affects customer's brand awareness. Although the role of digital influencers in brand communication with customers is becoming an increasingly relevant topic, there is still a lack of research focusing on customer's involvement in digital influencer following and their perceived trust in digital influencer branded content, especially with a focus on Instagram. Hence, the study will contribute to filling the gap with the aim to determine the effect of involvement in Instagram influencer following and perceived trust in Instagram influencer's brand related content on customer's brand awareness.

The remainder of the paper is organized in the following order: first, literature review and development of hypotheses is presented; followed by methodology and data analysis and results. At the end, conclusions and theoretical and practical implications are discussed.

2. LITERATURE REVIEW

Trust: Given the fact that digital influencers are content generators with an expertise in a certain area (Lou and Yuan, 2019), according to Hall (2016), consumers trust more those influencers that collaborate with brands similar to digital influencers' specific area of expertise. According to Giffin (1967) consumers perceive the message source to be trustworthy if it is perceived as truthful, honest, or sincere. On the other hand, the study of Racherla et al. (2012) reveals that both the content element (message quality) and social element (perceived background similarity) of a product review contribute to increased consumers' trust. Social media users' trust in sponsored ads has a positive effect over brand awareness and their willingness to take certain actions resulting from the information received (Lou and Yuan, 2019).

Involvement: Zaichkowsky (1985, p. 342) defines involvement as "a person's perceived relevance of an object based on inherent needs, values, and interests" and high involvement is in line with high personal relevance (Greenwald and Leavitt, 1984). According to Park and Mittal (1985) involvement is goal oriented. Originally, O'Cass (2000) has divided involvement into four dimensions: product involvement; purchase decision involvement; consumption involvement and advertising involvement, all of which are important prior purchasing (Choo et al., 2014). According to Cohen (1983) an actualized interaction must exist so that there is a customers' potential involvement level and according to their level of involvement, customers process

advertising messages differently (Pornpitakpan, 2004). According to consumer involvement theory, involvement forms a link between customers and a certain object (e.g., products, advertisements etc.) (O'Cass, 2000). Customers became involved in a particular object when they perceive a potential for satisfying their psychological need (O'Cass, 2000). In other words, social media users tend to be more involved in digital influencer following when their content provide psychological satisfaction to customer's needs.

Brand awareness: Brand awareness increases the likelihood that a particular brand will be taken into account when considering the buying decision process, due to the fact that the customer is already familiar with the brand (Moisescu, 2009; Alhabash et al, 2015; Lou and Yuan, 2019). Regarding influencer marketing goals, brands are pursuing to reach brand awareness as a goal since is important for customers' purchase decision (Barreda et al., 2015) and purchase behavior (Lou and Yuan, 2019). The study of Alhabash et al. (2015) also contributes to the understanding of the effect of brand awareness over customer's purchase intentions. Brand awareness is connected with customers' confidence in purchase decision due to their familiarity with the brand (Moisescu, 2009). According to Farquhar (1989) companies should build strong brands by stimulating brand awareness. Brand awareness is the key driver for brand loyalty (Aaker, 1991). Brand awareness reflects customers' ability to identify (Keller, 1993) and recall the brand in a specific product category and therefore it is essential in buying decision process (Moisescu, 2009). Taking into account previous research on this topic (O'Cass, 2000; Munnukka et al., 2016; Rebelo, 2017; Castillo and Fernández, 2019; Lou and Yuan, 2019; Balaban and Mustăţea, 2019) and the need for in-depth research focusing on one social network (e.g., Instagram) on the other hand, we propose following hypotheses:

H1: Involvement in Instagram influencer following positively affects customer's brand awareness.

H2: Perceived trust in Instagram influencer's brand related content positively affects customer's brand awareness.

3. METHODOLOGY

3.1. Sample and measures

For the objective of this research, an online survey was conducted where respondents were reached through non-probabilistic purposive sampling method composed of Instagram users in the Republic of North Macedonia. The sample consisted of total 126 respondents. However, the questionnaire listed 3 eliminatory questions at the very beginning that wouldn't allow respondents to further participate in the survey if they didn't meet the following criteria: have an Instagram account, actively use Instagram and follow Instagram influencers. Finally, the effective number of responses which were further analyzed was 77. The sample size is above the recommended minimum level of at least five times as many observations as the number of variables to be analyzed (Hair *et al.*, 2010). Most of the respondents were female (77%), with higher education (51%), that spend up top 1 hour on Instagram per day (18,7%) and publish at least one post on Instagram per week (45%).

We measured perceived trust in influencer's brand related content using twelve 7-point semantic differential scales ("honest/ dishonest;" "trustworthy/ untrustworthy;" "ethical/ unethical;" "genuine/ phony;" "reliable/ unreliable;" "sincere/ insincere;" "convincing/ not convincing;" "credible/ not credible;" "reasonable/ unreasonable;" "unquestionable/ questionable;" "conclusive/inconclusive;" and "authentic/ not authentic") adapted from the studies of Lou and

Yuan (2019) and Wu and Lin (2017). The involvement was measured using a 7-point Likert scale (1 - strongly disagree and 7 - strongly agree) to determine the degree of agreement with statements that define respondents' involvement in Instagram influencer following. The statements originally used by Choo et al. (2014), were adapted from the study of Lou and Yuan (2019). Furthermore, the dependent variable: brand awareness was also captured by measuring degree of respondents' agreement with statements represented by 7-point Likert scale (1 - strongly disagree and 7 - strongly agree). The statements were adapted from the studies of Lou and Yuan (2019) and Yoo et al. (2020). Since the original items and statements were adapted from English they were translated to Macedonian language when conducting the online survey.

4. RESULTS

4.1. Assessment of reliability and construct validity

We used the statistical software SPSS and the multiple linear regression method to explore hypotheses. The regression model determined the effect of involvement in Instagram influencer following and perceived trust in Instagram influencer's brand related content on customer's brand awareness. Prior conducting multiple linear regression we determined reliability of scales by calculating Cronbach's alpha coefficients. Cronbach's alpha coefficients for involvement (0.931), perceived trust (0.937) and brand awareness (0.916) were above 0.7 and indicated high internal reliability of scales because they exceed the threshold value recommended by Hair et al. (2010). Exploratory factor analysis was used to assess construct validity in each of the models. Principal component analysis with Varimax rotation was used to identify the factors as conceptualized in the literature. Three factors were extracted (involvement – 5 items, perceived trust – 12 items and brand awareness – 5 items) that explain 68.543% of variance. One item: "I have difficulty in imagining X in my mind" from the factor brand awareness was removed. Standardized factor loadings for the EFA model exceeded the 0.5 threshold as recommended by Hair et al. (2010). Table 1 shows factor structure and loadings after rotation.

No.	Indicator	Factor		
		1	2	3
	Perceived trust			
1	Sincere	0.872		
2	Reliable	0.844		
3	Reasonable	0.835		
4	Credible	0.834		
5	Convincing	0.782		
6	Authentic	0.774		
7	Conclusive	0.729		
8	Trustworthy	0.727		
9	Genuine	0.717		
10	Honest	0.703		
11	Etical	0.642		

12	Unquestionable	0.598		
	Involvement			
1	Following their posts/updates on social media is an important part of my life.		0.892	
2	I am very much involved in following their posts/updates on social media.		0.877	
3	I pay a lot of attention to following their posts/updates on social media.		0.836	
4	Following their posts/updates on social media is a significant part of my life.		0.827	
5	I am very interested in following their posts/updates on social media.		0.775	
	Brand awareness			
1	I am aware of X.			0.864
2	Some characteristics of X come to my mind quickly.			0.856
3	I can recognize X among other competing brands.			0.855
4	I can quickly recall the symbol or logo of X.			0.842
5	I know what X looks like.			0.832

Table 1: Factor analysis results, factor loadings (N=77)
(Source: Authors' calculations)

4.2. Multiple linear regression model results

Prior running the statistical data analysis we checked whether the model meets the assumptions of multiple linear regression in terms of multicollinearity, normality, linearity and homoscedasticity. The model meets all the assumptions associated with a linear regression model (see Table 2). Tabachnick and Fidell (2012) recommend examining the assumptions: normality, linearity and homoscedasticity by creating and analyzing charts and diagrams of standardized residuals from multiple linear regression, so we visually examined those assumptions.

Multiple linear regression equation is as follows:

$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \varepsilon$

where: Y = brand awareness; x_1 = involvement; x_2 = perceived trust; ε = standard error

	Model values
Durbin-Watson test	1.885
Tolerance	0.898 – involvement
	0.898 – perceived trust
Variance Inflation Factor	1.113 – involvement
	1.113 – perceived trust

Table 2: Linear regression model assumptions
(Source: Authors' calculations)

The Durbin Watson test for autocorrelation in the residuals from a regression analysis, has a value ranging between 0 and 4. Values closer to 2 confirm that there is no autocorrelation, while values that are closer to 0 or 4 indicate high autocorrelation, positive or negative (Durbin and Watson, 1971). In this study the d value is closer to the value 2 indicating there is no autocorrelation.

We assessed multicollinearity by examining tolerance and the Variance Inflation Factor (VIF) and confirmed that there is no multicollinearity among variables since both tests exceed all threshold values recommended by several authors. According to Hair et al. (1995) maximum acceptable value for VIF (Variance Inflation Factor) is 10. Considering tolerance most common threshold value is 0.10, recommended by Tabachnick and Fidell (2001).

The p-value 0.006 for the F-test of overall significance of model (effect of involvement and perceived trust on brand awareness) is less than the significance level 0.05 indicating that the regression model is statistically significant and explains a significant variation in the dependent variable.

The coefficient of determination $R^2 = 0.132$ and adjusted coefficient of determination $R^2 = 0.108$ indicate that respectively 13.2% and 10.8% variation in brand awareness is explained by involvement and perceived trust. Falk and Miller (1992) recommend that R^2 value should be greater or at least approximately 0.1. On the other hand, the small R^2 value indicates the existence of other factors that may influence brand awareness, as a sensitive topic, which are not subject to this research.

Furthermore, given the fact that the p-value for the independent variable involvement (p-value = 0.004) is less than the significance level 0.05 we can conclude that involvement in Instagram influencer following positively affects customer's brand awareness. and by that confirm H1. On the other hand, H2 is rejected due to the p-value for the independent variable perceived trust (p-value = 0.706) which is greater than the significance level 0.05 indicating that perceived trust in Instagram influencer's brand related content doesn't affect customer's brand awareness. Coefficients and significance level for each variable is given in Table 3.

Dependent variable	**Brand awareness**	
Independent variables	**Involvement**	**Perceived trust**
F-test	5.539*	
coefficient of determination R^2	0.132*	
adjusted coefficient of determination R^2	0.108*	
p-value	0.004**	0.706**

*at model level **at variable level*

Table 3: Multiple regression model results
(Source: Authors' calculations)

5. CONCLUSIONS AND IMPLICATIONS

This research study determines the impact of involvement in Instagram influencer following and perceived trust in Instagram influencer's brand related content on customer's brand awareness This study, the first known by the authors to empirically examine how involvement level and perceived trust affects brand awareness with a focus on one social network i.e., Instagram, represents an attempt to fill the gap in the theoretical research literature regarding this topic.

The results indicate that perceived trust in Instagram influencer's brand related content did not play a role in affecting customer's brand awareness. This may be because brand awareness is under influence of the actual consumers' exposure to brands (Shojaee and Bin Azman, 2013) and entertainment as a social media marketing activity (Bilgin, 2018). Therefore, the analysis shows that involvement in Instagram influencer following positively affects customer's brand awareness. These results are consistent with the claims of Lou and Yuan (2019) in terms of involvement positively affecting customer's brand awareness.

5.1. Theoretical contributions

Since this study is the first, as known by the authors, to examine how involvement in digital influencer following and perceived trust in digital influencer's brand related content affect customer's brand awareness on Instagram, it will deepen the general knowledge in the literature regarding influencer marketing. Furthermore, the study contributes to further understanding what drives brand awareness in the digital world, especially in one of the fastest growing social networks, nowadays, that is Instagram. This study is the first, as known by the authors, that examines the direct influence of involvement in digital influencer following and perceived trust in digital influencer's brand related content on customer's brand awareness, in contrast with the present literature (Lou and Yuan, 2019) that analyze those variables in their mediating role.

5.2. Practical implications

Companies are investing heavily in influencer marketing (Yodel, 2017). Therefore, any additional research that generates results and knowledge further contributes to companies future marketing activities so that they maximize the effects of their effort in reaching marketing goals. Accordingly, this research study is of a great value for present and future marketing managers since it provides them with insight into what affects brand awareness regarding influencer marketing on Instagram. In that direction, if companies want to affect customer's awareness of the existence of their brand on Instagram, it is necessary to cooperate with influencers whose content will correspond to the brand profile and will encourage activity and greater involvement by their base of followers.

6. LIMITATIONS AND FUTURE RESEARCH

There are several limitations regarding this research study. Firstly, one of the eliminatory questions that wouldn't allow for respondents to continue to next questions was whether the respondent was active or passive social media user. If the respondents chose the passive option, then they wouldn't be allowed to continue with the questionnaire. Future research may include the option for respondents to choose whether they are active or passive users and either way to continue with the questionnaire so that an analysis to determine whether there are differences in perceptions regarding influence of involvement and perceived trust on customer's brand awareness based on the type of social media users i.e. active/passive can be conducted. This gives the opportunity for the future researcher to make comparison based on the type of social media usage. Secondly, although large enough to conduct statistical analysis, yet the sample size could be improved. Thirdly, since the results from this research indicate that perceived trust in Instagram influencer's brand related content doesn't affect customer's brand awareness future research may examine

whether perceived trust actually affects customer's behavioral intention i.e. purchase intention and include additional factors that may affect customer's brand awareness.

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