The Impact of Influencers on Purchasing Decision Making Process - An Example of Croatian Social Networks Users

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Abstract. *Various factors influence consumer behavior and their purchasing habits. With the development of digital technology, the impact of these factors on buying habits of individuals is increasing much more every day. An individual goes through a certain stage of a purchasing decision making process, and when we combine that process with the need to belong to a certain group, usage of social networks has a significant impact on it. In this paper we will try to find out how big the impact of influencers on this process is and in which stage they impact the most.*

Keywords. consumer behavior, purchase decision, digital marketing, social networks, influencers

1 Introduction

Given that as much as 45% of the population actively uses social networks (Chaffey, 2019), it is obvious that companies want to use them to their advantage. The way companies interact with their consumers today has changed with the advent and development of social networks. Conducting marketing activities through social networks involves using these platforms to connect with company's audience, increase conversations, build a brand, boost brand awareness, launch a product, increase sales, improve SEO and generally drive internet traffic. This includes posting content on social media profiles, listening and engaging followers, analyzing results, and running ads on social networks (Buffer, no dat.). But nowadays, also influencers are often opted or forced to conduct those marketing activities through social networks. And this term is gaining in importance as social networks themselves evolve. Based on this presumption, we choose to conduct research to get some insights and to find out how influencers on the Croatian market impact on consumers' purchasing habits and at what stage of the purchasing decision making process their role may be the significant, if any. In this paper we presented results of a quantitative research conducted on Croatian consumers, users of social networks, in order to get answers to the stated research problems.

2 The concept and historical development of influencer marketing

There are many definitions of influencer marketing, but almost all draw similar conclusions. Kling (2017) says influencer marketing is *"a type of marketing that focuses on using key leaders to drive a brand's message to the larger market"* rather than marketing directly to a large group of consumers. Sammis et al (2015) define influencer marketing as *"the art and science of engaging people who are influential online to share brand messaging with their audiences in the form of sponsored content"* while influencer marketing is viewed by Word of Mouth Marketing Association (WOMMA) as *"The act of a marketer or communicator engaging with key influencers to act upon influencers in pursuit of a business objective."*

It should be borne in mind that companies have always used celebrities as a way to increase brand awareness and perception, as people tend to trust celebrities they admire and sometimes want to be just like them. According to the literature, the beginnings of influencer marketing goes back to history when the pope and the queen promoted medical drugs to people who did not yet believe in them (Sammis et al., 2016). It can be said that since then, companies have started working with celebrities to promote their own products. Influencer marketing is similar in concept but has introduced a new way of defining celebrities. In addition to television and movie stars, professional athletes and musicians, there is a new kind of celebrities in the world, celebrities of social networking kind. People can build large, engaged audiences on social networks, such as blogs or Facebook, Twitter, YouTube, Instagram and other virtual communities. Their influence is similar to that of celebrities (Sammis et al., 2016).

In doing so, Brown and Hayes (2008) define influencers, as *"a third party who significantly shapes the customer's purchasing decision, but may even be accountable for it"*. According to Roope, Müller, and Brocke (2017), an influencer is *"a third party who*

significantly shapes the opinions and purchasing decisions of other customers". Mediakix (2016) considers the influencer to be *"an individual with a large social reach that has the power to influence the decisions their audience makes"*. By building an engaged audience that follows them on social media channels, influencers can become powerful brand advocates as they promote and make a product or service relevant to their audience. They represent the voice that the consumer trusts when expressing opinions about a particular brand and experience with that product or service, that is, they represent one of the reference groups in an online environment.

2.1 Characteristics and role of influencers

While anyone can work with influencers to drive sales, having a true understanding of those in the brand niche and finding the right brand influencer can help campaigns reach maximum efficiency and authenticity. To identify influencers on social media that will have the biggest impact on a brand campaign, marketers first need to identify their target audience and then consider the types of topics, blogs, videos and multimedia that will generate the most engagement (Mediakix, 2016). Other factors companies should consider when choosing influencers, include: demographic - who follows them?, reach - how many followers or views?, engagement - do their followers comment, like and share content?, brand experience - do they have brand experiences as influencer?, frequency of posts - how active are they on your channel?, past campaigns - how well have your past campaigns been executed? (Mediakix, 2016). These questions must be answered by companies, given that partnering with the wrong influencer can lead to a weak campaign or damage a brand's message or reputation.

The power of persuading an influencer is based on its personality and positive character traits, which over time have contributed to image building. An ideal image of influence combines qualities such as credibility, trust, originality, and charisma. By combining them, individual profile of an influencer is developed (Deges, 2018).

- Credibility - Social network members expect the influencer to make recommendations only when he/she is confident in the products and uses them in their daily lives. Anyone who communicates with a high level of expertise on a particular topic is recognized and appreciated. Professional status is even more credible if the influencer's activity is linked to his profession and people's passions will trust them more. Therefore, credibility is about the coincidence of speech and action.
- Trust - Trust reduces subjectively perceived risk in purchasing decision process. The community trusts the influencer, recognizing him/her as an independent and neutral guide. Loss of confidence occurs if he/she does not act in accordance with its recommendations. Companions are aware of the fact that influencers work with companies, but this does not necessarily undermine trust unless the impression is given that the recommendations are "bought in" and do not reflect the influencer's beliefs. The influencer must announce its advertising partnerships and mark promotional content. Also, trust can be compromised if promotional content does not fit into organic content, if multiple companies are simultaneously advertised and there is a rapid change in advertising partnerships in the same product category.
- Authenticity - Authenticity indicates the type of information and communication. Over the years, influencers have developed their own individual style by emphasizing information in an unbiased and open manner. Originality, that is, authenticity, means passion and enthusiasm. Ideally, the influencer should also be seen as a fan of its own profile. Because many of them appeal to young communities, it is also about the right language and style.
- Charisma - Influencers can be ordinary people whose reputation and popularity is built upon their social media activities. They don't have to be artists, athletes, musicians, film, television and broadcast stars who are well known to the public and ubiquitous with their appearances in the media world. Influencer's strong characteristic is his/her personality in the digital world. They nurture their exposure there and do not look like foreign, inaccessible people to many followers because they seem to speak honestly and personally about their lives, giving their followers a sense of belonging to them.

The most successful influencers are not necessarily the ones who have the most followers or fans. Therefore, when choosing influencers who stay true to their style and those who offer carefully compiled, companies or their brands need to take into account the quality and relevance of content of their followers will give them much more. The influencer must be original, passionate, and authentic and strive to promote the products he really would use and knows more about. Because of this, the true influencer does not exactly present everything that is offered to him but should carefully choose which brands to represent. Depending on what he/she has already promoted, the audience assesses him/her as a reliable source of information and decides whether to trust them or not (Business Journal, 2018).

According to Deges (2018) there are several influencer classifications, one of them is social divisions used by influencer, so there are bloggers (writing their own blog and communicating with followers via text content and images through their blogs), youtubers (having their own YouTube channel where they interact with their followers with visual and audio content posted on their YouTube channel), instagrammers (use Instagram to communicate with

their followers through pictures and short texts and videos posted on their Instagram profile), etc. But today, most influencers are operating across multiple social networks or platforms to gain more reach, so it is difficult to say that they are only in one of these categories. Also, Deges (2018) gives one classification of influencer based on type content or topic they cover, as most influencers focus on one topic of their interest. Therefore, there are fashion bloggers, lifestyle bloggers, travel bloggers, fitness bloggers, food bloggers, etc.

However, most commonly, influencers are classified into four main categories, namely: mega, macro, micro and nano influencers (Ismail, 2018; Stevens 2017). Mega-influencers are the highest ranked influencers, usually having more than one million followers. They often have a very diverse audience with different topics of interests. Their relationships with an individual follower is more distant than it is the case in other categories. They are not necessarily experts in a particular topic, but they certainly have a greater reach. Mega-influencers are, for example, actors, artists, athletes, and social media stars who use influencer marketing as a secondary source of revenue to monetize their fame. Macro-influencers mostly have between one hundred thousand and one million followers. They gained fame through the internet, such as through vlogging or by producing funny and inspiring content. Macro-influencers can be executives, bloggers and other professionals who make money as influential people and generally show expertise in a particular industry, such as business, lifestyle or fashion. A micro-influencer is someone who has between one thousand and one hundred thousand followers and don't often boast celebrity status. They are focused on a specific niche or area and are generally considered to be an industry expert or certain subject matter expert. Micro-influencers have stronger relationships than typical influencers because these are everyday users or employees who have a relevant influence and may not know it or seek to become a macro-influencer. Their influence is fueled by the power of relationships within their networks. Lastly, nano-influencers are a relatively new type of influencer. They tend to have a smaller number of followers in comparison to micro-influencers, less than a thousand followers to be exact. A nano-influencer is someone who has influence in the local neighborhood or their community. Some examples might be a local pastor, a local community leader, or a local government leader or it can be said that in this category of influencers it is about ordinary, regular everyday people.

3 Research

Based on the secondary data, a questionnaire was created as an instrument for primary data collecting. The primary, quantitative data were collected through a questionnaire, distributed on social networks, since social media users are the primary target group of influencers (a non-probability sampling technique, convenience sampling). The questionnaire was completely anonymous and available from April 2019 to June 2019 on social networks. Questionnaire consisted of 20 questions divided into categories (social networks, purchasing decision making process, influencer impact on that same process and demographic characteristics). Most of the questions were closed-ended questions where respondents had to choose from multiple answers offered. The questionnaire was accessed total by 276 respondents, of whom 197 responded fully to all questions and their statistical analysis was presented below. The main goals of this research were to find out to what extent social network users are familiar with the concept of influencers, how many influencers they follow, and how ultimately influencers affect their purchasing habits, especially on each phase of the purchasing decision making process itself.

At the beginning, the results of the demographic characteristics are presented in table 1, using the absolute and relative values. The table shows that there are more female respondents, 164 (83,25%), that more than half of the respondents (52,28%) are in the age group of 18 to 23 years old, which is why in the sample we have the highest number of students (51,78%). Regarding the region in which the respondents are located, there are by far the most from Northern Croatia, 89,34%. It is on the basis of these results that we can see potential limitations of this research, so before showing other results it can be concluded that the results in this paper cannot be generalized to the entire population and the entire Republic of Croatia.

Table 1. Demographic characteristics of the respondents (Source: Research)

Variable	Category	Number of respondents (N = 197)	Percentage of respondents
Gender	Male	33	16,75%
	Female	164	83,25%
Age	18-23	103	52,28%
	24-29	40	20,30%
	30-35	14	7,11%
	36 and more	40	20,30%
Education completed	No college education	0	0%
	Primary school	6	3,05%
	High school graduation up to 3 years	40	20,30%
	Four Years High School	97	49,24%
	Higher education, college	49	24,87%
	Master's Degree, Ph.D.	5	2,54%

Region	Zagreb and surroundings	19	9,64%
	Northern Croatia	176	89,34%
	Slavonia	1	0,51%
	Lika, Kordun and Banovina	1	0,51%
	Istria, Primorje and Gorski Kotar	0	0,00%
	Dalmatia	0	0,00%
Status	Student	102	51,78%
	Employee (full-time or part-time)	74	37,56%
	Housewife	10	5,08%
	Unemployed	4	2,03%
	Retired	4	2,03%
	Other:	3	1,52%

The first category of questions was related to the social networks themselves, how familiar they are with the term influencer, and what content they like to follow. The first question was whether the respondents included in the sample use social network. 195 of them answered that they use social networks, which makes 98,98% of respondents, while only two respondents from the sample (1,02%) does not use social networks. The following question builds on the previous one and the respondents had to answer which social networks they use. In this question, the respondents could mark all the social networks they use, and under "Other" they could write some that were not offered in the question itself (Figure 1).
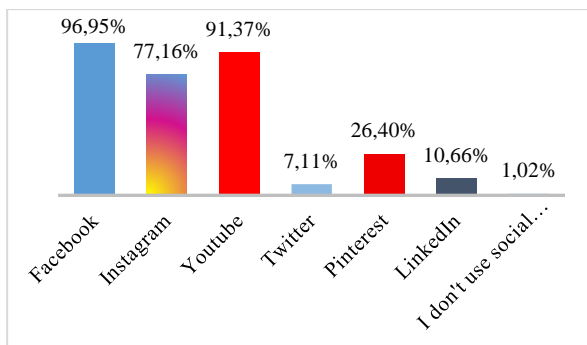
**Figure 1.** What social networks do you use? *(Source: Research)*

Figure 1 shows that most respondents use Facebook, 191 of them (96,95%), and YouTube users follow by 180 (91,37%) of respondents. The third most used network in this case is Instagram, 152 (77,16%) of respondents use this social network. Interestingly, more than half of the respondents (61,84%) who use Instagram are in the 18 to 23 age group. Which would mean that out of the total number of respondents from the age group of 18 to 23 (103 respondents), 94 (91,27%) have an Instagram profile, while only 9 of them don't, which is in line with the aforementioned

claims that Instagram is very popular within younger population. The few respondents use Twitter, 14 of them (7,11%), although Twitter is also one of the social networks on which influencers are very active. Some of the other social networks mentioned by the respondents were Tumblr, Discord, Whatsapp, Snapchat.

The next question was about the time they spend on social networks. According to the results, 38,07% of respondents spend between two and three hours on social networks, while 33,50% of them spend more than three hours on social networks.

This was followed by a question regarding whether the respondents had heard of the term influencer. Interestingly, almost all respondents were active on social networks, and probably encountered some influencer postings, but not everyone was familiar with this term, at least they offered such answers. 180 of them (91,37%) are familiar with this term, while 17 (8,63%) are not. It is interesting that out of the total number of male respondents (33 respondents), as many as 7, which is 21,21%, did not hear about the term influencer, while on the other hand, only 10 (6,10%) of the total number of female respondents did not hear for influencers. When asked how they found out about the researched term, the majority of respondents, 149 (75,63%) answered that they heard about this term through social networks and circles of people with whom they share common interests. The respondents then had an open-ended question where they had to indicate which influencers they had heard about. Among the respondents, the most prominent were the names of Croatian influencers, such as: Ella Dvornik, Andrea Andrassy, Sonja Kovač, Jelena Perić, Martina Boščić, Jelena Veljača, Ivana Blažoti Mijoč and Ana Ude. In addition to the domestic influencers, the Kardashians, Kylie, and Kendall Jenner sisters, followed by Carli Bybel, Chiara Ferragni, Isabella Fiori and many others.

This was followed by the question of what type of content (product/service categories) the respondents follow the most on social networks, which can be seen in the figure below.
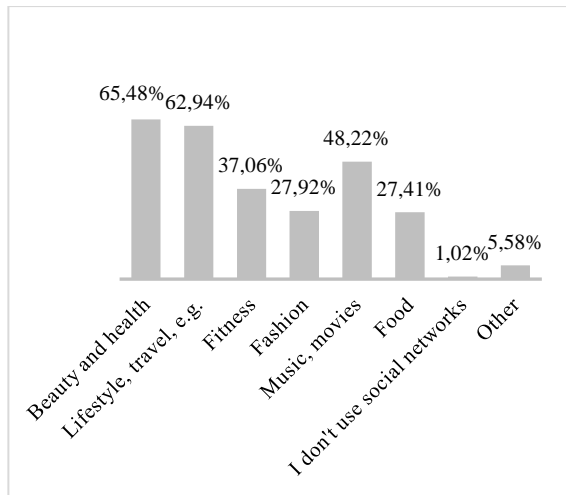
Figure 2. What type of content (product / service categories) do you follow the most on social networks? *(Source: Research)*

Figure 2 shows that most respondents like to follow content on beauty and health (65,48%), lifestyle and travel (62,94%), music and movies (48,22%), slightly less follow fitness, fashion and food products. Respondents had the opportunity to indicate in the "Other" some other areas, which also included children's facilities, design, interiors and exteriors, games, creative ideas, recipes, sports, animals, cars and e.g. It can be seen that almost all types of content are equally represented among the respondents, that is, respondents from the sample like to follow diverse content regardless of age, gender or other characteristics.

Below (in table 2) are the results with respect to the statements with which the respondents were required to express a degree of agreement (according to the Likert scale). Statements are created according to collected secondary data and previous research findings. The table also shows the mean scores for each of these statements.

Table 2. The degree of agreement with consumer claims *(Source: Research)*

STATEMENT	1	2	3	4	5	I can't evaluate
When deciding to buy products/services, I look for information on social networks.	10,66%	6,09%	34,01%	27,92%	18,27%	3,05%
Recommendation for a product/service from family and friends is important to me.	4,06%	8,12%	17,77%	40,10%	29,44%	0,51%
Product posts on social networks affect my purchase.	12,18%	13,20%	36,55%	24,37%	12,18%	1,52%
I'm willing to pay more if the product/service is promoted through social networks.	30,96%	27,92%	23,86%	10,15%	5,58%	1,52%
When making a buying decision, I trust influencers.	19,29%	22,34%	38,07%	11,68%	4,57%	4,06%
The number of subscribers is important to me when following influencers.	31,47%	20,30%	24,37%	13,20%	8,12%	2,54%
It is important to me that influencer provide quality product/service information.	12,18%	8,63%	17,77%	28,43%	29,95%	3,05%
The paid posts diminish my confidence in influencers.	12,18%	11,17%	34,01%	17,77%	17,77%	7,11%
If a certain influencer gives a negative review about a product, I will stop using it even though I like it.	51,78%	19,80%	18,27%	5,58%	2,03%	2,54%

Table 2 shows the results of the respondents' answers to the stated claims, related to the topic and objectives of the conducted research. What is important to point out is that for the respondents are, on average, the most important recommendation from family and friends when considering buying a product or using services, so that the primary reference group that stands out through the existing literature, stands out as the most important in this research. That is confirmed by the respondents and a mean score of 3,83 for the statement "Recommendation for a product/service from family and friends is important to me.". Regarding the topic of this research, how influencers and social networks generally influence their shopping habits, it can be noticed that on average respondents are hesitant about the impact of social media posts and their influence on purchases, which was confirmed by a mean score of 3,11 for that

statement. On the other hand, to what extent influencers influence the purchase decision, it can be noted that on average for respondents' influencers are irrelevant, as shown by the mean score of 2,58.

Following these results, it is also important to analyse specifically at what stage of the purchase decision process influencers have a strongest impact on respondents, as can be seen in Table 3. The impact was estimated by the Likert scale, where rating 1 implies that influencer has no influence at all, while rating 5 meant that influencer has the greatest influence on that stage of the buying decision process.

Table 3. Impact of influencers on each stage of the buying decision process *(Source: Research)*

STATEMENT – The extent to which influencers affect a particular stage of the buying decision process	1	2	3	4	5	I can't evaluate
Knowledge of need / Spotting the problem	15,74 %	13,20 %	45,18 %	17,77 %	4,57 %	3,55 %
Searching for information	7,61 %	9,14 %	39,59 %	31,47 %	9,14 %	3,05 %
Evaluation of alternatives	8,12 %	12,18 %	40,61 %	27,92 %	6,60 %	4,57 %
Purchase decision	10,15 %	11,68 %	44,16 %	24,87 %	3,05 %	6,09 %
Post-purchase behavior	14,21 %	14,72 %	38,07 %	20,81 %	4,06 %	8,12 %

From these results, it can be concluded that influencers have the greatest impact on the information seeking and evaluation phase with average scores of 3,26 and 3,13. Although it should be taken into account that from the perspective of the respondents this impact is not so great, that is, on average, they think that impact neither affect nor influence them. Which confirms obtained results, so according to these results on average, respondents do not trust influencers when making a purchase decision (the average rating for the stated claim is 2,58).

Respondents were also asked if they purchased a product simply because it was promoted by a particular influencer. Figure 3 shows that the majority of respondents, 154 (78,17%) have never purchased a product or used the service simply because it was promoted by a particular influencer, while six (3,05%) did not want to answer this question. Those who answered the question in the affirmative were able to indicate which product/service was/were and if they were satisfied. Most of the respondents answered that they purchased cosmetics and other products of decorative cosmetics, body care products, and fashion and textile products and other similar products. An interesting fact is that all respondents were generally satisfied, satisfied or delighted with the products purchased and promoted by influencers.
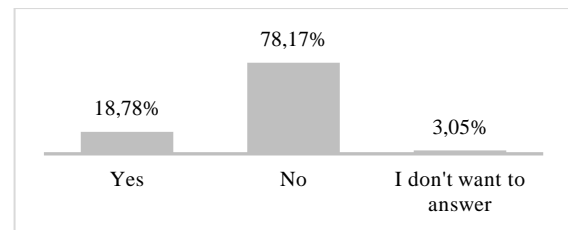
Figure 3. Have you ever purchased a product or used a service just because it was promoted by a particular influencer? *(Source: Research)*

The last question in the questioner was regarding whether respondents consider influencers a cost-effective form of promotion. More than half of the respondents, 103 (52,28%) of them consider influencers as a cost-effective form of promotion, while 37 (18,78%) respondents think that they are not cost-effective, as can be seen from Figure 4. It is also interesting to note that a large number of respondents (57, i.e. 28,93%) do not know whether influencers are a cost-effective or non-viable form of promotion. One possible reason for this may be the fact that influencers do not publicize how much they earn on publication, so consumers are not aware of how much a brand pays influencers to promote them. Likewise, it is difficult for consumers to estimate how many people choose to buy a particular product or use the service simply because it has been promoted by a particular influencer.
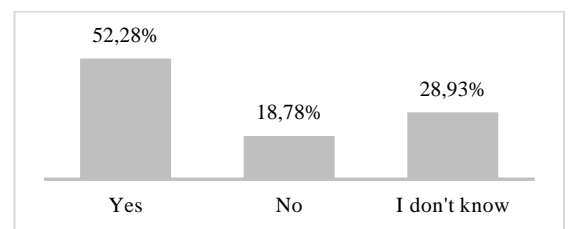
Figure 4. Do you consider influencers as a cost-effective form of promotion? *(Source: Research)*

4 Conclusion

A well-known fact is that consumer's behavior is influenced by a large number of factors which are primarily divided into social and personal factors. But it is important to keep track of what is happening to them with the development of technology and the increasing use of technological tools on a daily basis by consumers. This paper illustrates how influencers,

as one of the reference groups that have evolved with the increasing role of social networks, are affecting consumers' purchasing habits, or whether they have any influence on them at all. Our main findings are presented through the analysis of the results obtained by quantitative research. The paradox that the research points out is that influencers are being monitored by respondents, but they believe that they have no influence on their purchasing habits, that is, on the purchasing decision making process itself, and at no stage in this process. Therefore, future research should examine this paradox more closely and see what the reasons for monitoring influencers may be, whether a sense of belonging to a particular group, tracking trends to keep up with everything, or something else. Future research could also avoid the limitations of this research, which are primarily related to the research sample itself, which does not allow generalizing the data obtained to the entire population.

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