"Do you want to be on my Instagram?"

A qualitative study of how companies collaborate with influencers

Influencer marketing is booming among marketing practitioners across the globe. Only in Sweden the spend on influencer marketing was 660 million SEK in 2017, a 33 percent increase from previous year and a proof of the strong interest. However, little research has explored how companies actually work with influencers. The purpose of this study is to understand how companies collaborate with influencers, by investigating the characteristics of influencer collaborations. In order to achieve this, a qualitative study including 19 semi-structured interviews with participants working with influencer marketing was conducted. To gather an overall picture of the collaborations, we interviewed participants from three groups of actors often involved in the collaborations: companies, influencer intermediaries and influencers. With support from celebrity endorsement theory and network theory, we find that having a suitable fit between the brand and the influencer is essential to achieve a successful collaboration. In order to reach a suitable fit, companies evaluate factors such as *credibility, meaning transfer*, *virtuous attractiveness*, *data* and *personal relations.* Furthermore, our study shows that companies have not yet developed clear processes for how they work in the collaborations, the set up often varies which indicates that clear roles have not yet been established. Building *relationships* to the influencers are however found to be of importance.

Keywords: Influencer, Influencer Marketing, Celebrity Endorsement, Network Theories, Relationships

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Acknowledgements

Definitions

Collaboration: An agreement between two or more actors to perform an influencer marketing collaboration. It can take the form of for example: sponsored content, posts, product placements, documenting an event or experience, making event appearances.

Content: The material (e.g. pictures, videos) which is shared online in a social network. The material should be valuable and relevant to engage, attract and retain a specific audience.

Content Creator: A person who is responsible for the contribution of information and design of the material (see definition of content above) to any media, most common to digital media.

Endorser: An individual who promotes a product/brand through her social channel.

Influencer: An individual who possess certain influence over a targeted group on social media channels.

Influencer Marketing: A brand using a celebrity, a blogger, social media star or any other influential person to communicate its message, often using the influencers own channel (Hörnfeldt, 2015).

Intermediary: An actor who act as a middleman between a company and influencer. The middleman can offer different services, such as a platform connecting companies with influencers, an agency, or a search engine.

Macro influencer: An influencer with a large follower base in relation to his or her niche.

Micro influencer: An influencer with a small follower base in relation to his or her niche.

Post: A message posted in a social media channel which often takes the form of a picture/video and/or text.

Social media profile: An individual's profile online in a social media network.

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1. Introduction

The first chapter will introduce the background of this thesis (1.1), followed by a description of the problematization (1.2), research gap (1.3), purpose and research question (1.4), expected contribution (1.5), and delimitations (1.6).

1.1 Background

"We take a large part of this year's advertising budget and put it on a male Instagram profile that will be responsible for our marketing." - Chief Marketing Officer, BMW

The above quote, stated by the CMO of BMW (Svd, 2017), illustrates how marketers today are turning their heads and budgets towards the phenomenon of influencer marketing. In today's digital era, where more than 77 percent of the US's population has a social media profile on which they on average spend around 90 minutes per day (Statista, 2018b), marketers have been provided with new channels to reach their target audience. Channels where the audience already spend their time. The top 10 influencers on Instagram together have a follower base of over 1 billion followers (Instagram, 2018). In other words, several of the world's largest influencers have follower bases over ten times larger than Sweden's population of 10 million. The Portuguese football player Cristiano Ronaldo (Cristiano, 2018) has for example 147 million followers, and the American actress and artist Selena Gomez has 144 million followers (Selenagomez, 2018).

Interesting with influencer marketing is however that not only people already famous for something such as being a sport star, as Cristiano Ronaldo, are included in the category of being an influencer. There are as many influencers that have become famous due to their presence on social media. Martensen et al, (2018) mean that ordinary consumers today can achieve likes and gain an audience of followers in no time. Two Swedish examples are PewDiePie, a YouTube influencer with over 74 million subscribers (PewDiePie, 2018) and Anna Nyström, a health and lifestyle influencer with over 7 million followers (Annanystrom, 2018). These numbers are representing the enormous potential the influencers' have to reach customers through their social media channels.

Individuals are turning to influencers to get inspiration, advices and purchase recommendations (Digital Marketing Institute, 2018), which have implied that the use of influencer marketing has increased among companies, as they are not late to adapt to this digital trend in order to reach their target audience (Ibid). Due to the rise and increased practice of influencer collaborations, new business models have emerged. New platforms, tools, agencies, and services are appearing with the aim to facilitate and enhance the work for both marketing practitioners and influencers (Influencive, 2018). However, limited research has been conducted within the field of influencer marketing (Childers et al., 2018; Lou & Yuan, 2018), in particular studies exploring how companies work with influencers. We therefore believe that both academia and marketing practitioners would be interested in understanding more about the phenomenon and about how companies collaborate with influencers.

1.2 Problematization

The rising interest in influencer marketing are impacting the marketing activities of companies globally, and many firms are today allocating an increasing part of their marketing budgets to influencer collaborations (Lou & Yuan, 2018). The influencer marketing industry was in 2017 worth 2 billion dollars globally and is expected to grow to 10 billion dollars by 2020 (Digital Marketing Institute, 2018). In Sweden the spend on influencer marketing was 660 million SEK in 2017, a 33 percent increase from previous year. Putting this number in relation to Sweden's overall advertising spend of 78 billion SEK in 2017, with only a 5 percent increase from the previous year (IRM, 2018), the magnitude of companies' interest in influencer marketing is evident.

Even though the interest in influencer marketing is growing (Abidin, 2016), our literature review shows that not much research is devoted toward increasing the understanding of how companies work with influencer collaborations. With regard to the above factors, we see a clear indication for a need to investigate and increase the understanding in this area. Moreover, the pre-study shows indications that the selection process and the development of relationships are interesting components of collaborations and will therefore be emphasized in this study. Two quotations from the pre-study is presented below.

"Influencers often contact us saying they like our brand and ask if we want to be on their Instagram." - Company-A

"I only collaborate with brands that can strengthen my Instagram profile, to keep a red thread in my feed." – Influencer-A

1.3 Research gap

Influencer marketing being a fairly new phenomenon, the literature as of today is therefore rather limited (Childers et al., 2018; Lou & Yuan, 2018). According to our literature review, research has mainly focused on topics related to the identification of influencers and the influencer-consumer relationship. There has been limited research taking a more holistic perspective of how companies collaborate with influencers, which is why we have chosen this focus for the study. The lack of prominent research arguably contributes to an existing knowledge gap regarding companies' approach of collaborating with influencers. Furthermore, a majority of the research conducted is of quantitative nature, which is why we found it interesting and warranted to apply a qualitative method.

1.4 Thesis purpose and research question

The purpose of this study is to increase the understanding of how consumer goods companies develop collaborations with influencers. As a result, the following research question has been developed:

How do consumer goods companies develop collaborations with influencers?

After conducting the pre-study, we identified two areas appearing to be of importance in influencer collaborations; the selection process of choosing which influencer to collaborate with; what role each actor has and how they develop a working relationship. Thus, the following two sub-questions were developed to ensure to be able to answer the research question.

Sub-question A: *How do consumer goods companies select which influencers to collaborate with?*

Sub-question *B: How do consumer goods companies, intermediaries and influencers develop a working relationship, and what role does each actor develop?*

Note: This study will focus on the consumer goods companies' perspectives but will also include the influencers' and the intermediaries' perspectives to gather a comprehensive picture of the collaborations.

1.5 Expected contributions

The findings of this study expect to generate value to both academia and practitioners. On a theoretical level we aim to contribute by providing a deeper understanding to the nascent state of the influencer marketing literature, with support from network theories and celebrity endorsement theories. Additionally, we expect to contribute by broadening and strengthening the interlink between celebrity endorsement and influencer marketing. On a practical level, this study aims to contribute to an improved understanding of how companies work with influencer collaborations, and thereby generate valuable insights to both companies already collaborating with, and companies considering collaborating with, influencers.

1.6 Delimitations

This study will only investigate consumer goods companies, as influencer collaborations are often used to promote consumer goods products. Companies tend to work with local influencers, which is why the study is limited to companies with operations in Sweden, Swedish influencers and Swedish intermediaries. Whereby little can be said about implications for influencer collaborations in other industries or countries.

2. Literature review and theoretical framework

This section provides an overview of the current state of literature in the areas of influencer marketing (2.1), celebrity endorsement (2.2) and network theory (2.3). The chapter continues by presenting the theoretical framework (2.4), and integrated theoretical framework (2.5).

2.1 Influencer marketing

As influencer marketing is relatively new, the research within the field is fairly limited today (Childers, 2018). However, the interest among academia has grown during the last years as the practice of using influencers in the marketing activities are becoming more common among companies (Pophal, 2016). After reviewing the literature written within the area, we have concluded that a majority of the research is of quantitative nature. Further, the literature can be divided into three research streams presented below.

2.1.1 Definition of influencer marketing

The first research stream has focused on the definition of influencer marketing and influencer. Among academia influencer marketing has been defined as: "*a viral marketing approach where an online personality shapes consumers' attitude through tweets, posts, blogs, or any other formats of communication on social media*" (Ferguson, 2008; Freberg et al., 2011; Xiao et al., 2018). Araujo et al, (2016) mean that influencer marketing is the practice of endorsing a brand or a special product, through an influential social media user's social media activity. The Swedish trade organization of influencers, *Influencers of Sweden*, defines influencer marketing as: "*a brand using a celebrity, a blogger, social media star or any other influential person to communicate its message, often using the influencers own channels*" (Hörnfeldt, 2015). As the latter definition suggests, an influencer does not necessarily have to be a celebrity, rather it can be an individual who possesses certain influence over a targeted group on social media (Abidin, 2016). Booth and Matic (2011), describe how ordinary consumers today are gaining a large share of voice in the market through their social media channels. They mean that individuals now are broadcasting personal or second-hand stories on their social networks, thus they are a brand's storytellers and the new brand ambassadors.

2.1.2 Identification of influencers

The second stream has focused on the identification of influencers, for example how to identify the most influential influencers in an online social network grounded in social network theory (Liu et al., 2015; Kiss, C. & Bichler, M., 2008). Araujo et al, (2016) state that one key challenge with influencer marketing is the identification of an appropriate influencer. For example, Bokunewicz and Shulman (2017), study how destination marketing organizations can identify influencers with the greatest reach existing on Twitter, whereas Boot and Matic (2011), initiate a valuation algorithm and influencer index to identify influencers.

2.1.3 Influencers and their followers

The third stream has focused on the relationship between the influencers and their followers, such as how influencer marketing affects brand attitudes and purchase decisions. Sudha and Sheena (2017), find that bloggers seem to have a significant impact on how consumers behave after reading a positive post. Furthermore, research has looked into how customers are affected by advertorial disclosure. Williams and Hodge (2016), study how the disclosure of a post being sponsored affect consumers perceptions related to sponsorship and authenticity. Moreover, De Veirman et al, (2017) study the relationship between an influencer's number of followers and the influencer's perceived opinion leadership.

2.2 Celebrity Endorsement

Previous studies have concluded that influencers can be seen as micro-celebrities within their social networks (Carter, 2016). Furthermore, marketers' way of working with influencers is in many ways similar to working with traditional celebrities (Ibid). Senft (2008), means that the influencers see themselves as public personas, their followers as their audience, and their social platform as their tool to gain popularity, hence arguing that influencers are similar to a celebrities. Due to the nascent state of literature of influencer marketing, in combination with the already established links between influencers and celebrities (Veriman et al, 2017), we have turned to the literature of celebrity endorsement in order to gather a theoretical foundation.

Celebrity endorsement is a way for marketers to promote their products or services through a well-known person. The most established definition among academia is that a celebrity endorser is *"any individual who enjoys public recognition and who uses this recognition on behalf of a consumer goods by appearing with it an advertisement"* (McCracken, 1989). The

interest in celebrity endorsement has increased in the last decade as a substantial amount of the marketers' budgets are spent on compensating the celebrities (Yang, 2018). Existing literature have focused on three main research streams presented below.

2.2.1 Definition of celebrity endorser

The first stream is dedicated to identifying celebrity endorsers. A celebrity endorser is typically a movie star, singer, model, athlete, politician, or a business person (Hsu & McDonald, 2002). However, nowadays with the rise of social media Yang (2018), means that ordinary people that gain a large audience through their social media channels can become famous and thus be perceived as celebrities.

2.2.2 Advantages and risks

The second research stream has focused on the advantages and the risks of using celebrity endorsers, where the benefits such as increased advertisement attention, positive attitudes, and purchase intentions can be attained (Amos et al., 2008; Atkin and Block 1983; Erdogan, 1999; Kamins et al., 1989; Malik & Guptha, 2014; O'Mahony & Meenaghan, 1997; Seno & Lukas, 2007). Further, studies show that negative information about a celebrity can imply a negative perception of the endorsed brand or product (Erdogan, 1999). Another identified risk is the "vampire effect" which occurs when the match between the product/brand and the celebrity endorser's image does not fit each other, implying the consumer find it hard to associate the meaning in-between, steering the consumers' attention towards the celebrity and not the product/brand (Erdogan and Baker, 2000; Karlícek and Kuvita, 2014). Mowen and Brown (1981), shows that a celebrity that endorses many different products can lead to overexposure, meaning that the positive effects of the celebrity endorsement on the product/brand is weakened as the link is not as distinctive.

2.2.3 Selection of celebrity endorser

The third and largest research stream is devoted to the selection process, as the marketers' spend a substantial amount of money on a collaboration, it can be costly if they not select a suitable celebrity (Choi & Rifon, 2012). Hovland et al (1953), introduced the first framework, *the source credibility model*. Their study show that the effectiveness of the message will increase if the endorser is perceived as trustworthy and as an expert. From the source credibility model, three other frameworks have evolved, the source attractiveness model (McGuire, 1985),

the match-up hypothesis (Erdogan 1999; Forkan, 1980; Kamins et al., 1989; Kamins and Gupta, 1994), and the meaning transfer model (McCracken, 1989).

2.3 Network theory

Influencer collaborations are a result of a collaboration between several actors. We have therefore seen network theory as relevant to include in this study. Network theory is applied in multiple disciplines; biology, computer science, economics and sociology to mention a few. Due to the character of this study's research question, the literature review is limited to interactional and relational network theory. Both organizational theory (social network theory) and inter-organizational theory (industrial network theory) have been reviewed, since both social and economic exchanges between the actors involved in an influencer collaboration are of interest in this study.

An extensive amount of research has been conducted solely within the field of interactional and relational network theory. In fact, the interest for social network theory in particular has grown exponentially since 1980 (Borgatti & Foster, 2003). In broad terms, social networks are defined by a set of actors, individuals or organizations, and a set of linkages between the actors (Brass, 1992). Borgatti and Foster (2003) elaborate on the definition describing a network as a number of actors connected by a number of ties. The authors mean that the actors can be persons, teams, organizations or concepts and that the ties link the actors together. The linkages can take several forms and therefore be of different strength (Ibid). Moreover, Oinas-Kukkonen et al, (2010, p. 62) expand on the definition by including an interactive aspect saying that social networks *"provide a simple yet powerful abstraction for social scientists that can represent almost any type of human interaction or connection, including their structure and dynamics"*. In the case of industrial networks, the linkages between the actors involved in the network are defined in terms of economic exchanges which are performed within the frames of a consisting relationship (Axelsson & Easton, 2016).

2.3.1 Social network theory

Reviewing the literature within the area of social network theory, we got over 25,000 hits in the database "Scopus", where most of the articles are written in the early years of the 21th century. Within this literature area, research spans over several fields. A large amount of research have focused on trying to predict and explain *structural characteristics* of networks,

for instance social interactions and different patterns of links connecting actors (Hoang & Antoncic, 2003; Monge & Contractor, 2003; Borgatti & Foster, 2003; Parkhe et al., 2006). Another stream has focused on understanding *behavioral aspects* of social formations such as organizations, teams and on-line communities (Shapiro & Varian, 1999; Barabasi, 2003; Christakis & Fowler, 2009). Additional streams within the field are; *embeddedness* (Granovetter, 1985; Saxenian, 1994; Uzzi, 1997), *governance* (Mizruchi, 1996), *social capital* (Granovetter 1995; Burt 1992), *dynamics* (Ibarra, 1992) and *joint ventures* (Powell et al., 1996).

2.3.2 Industrial network theory

Industrial networks are according to Axelsson and Easton (2016, p. 181) *"concerned to understand the totality of relationships among firms engaged in production, distribution and the use of goods and services in what might best be described as an industrial system."* A majority of the research written in this field has been conducted by the IMP Group, a European research initiative in the area of industrial marketing (IMP Group, 2018). The first industrial network study, an IMP study, showed the dyadic relationship between buyers and sellers of manufactured products (Ibid). The IMP group later developed the initial model by prosperously showing the existence of stable relationships between the buyers and sellers, they hence introduced networks to the field (Ibid). Research related to industrial network theory can be divided into five research streams; *networks as relationships* (Johanson & Mattsson, 1987; Gadde & Mattsson, 1987; Easton & Smith, 1984), *networks as structures* (Mattsson, 1988; Hagg & Johanson, 1983), *networks as processes* (Håkansson, 1987; Thorelli, 1986), *networks as positions* (Mattsson, 1984; Johanson & Mattsson, 1985) and *networks as actors, resources and activities* (Håkansson & Johansson, 1992).

2.3.3 No business is an island

Common among these research streams is the importance of seeing an actor, for example a company, as part of a context where several actors are present. Gadde et al (2003, p. 357), emphasize that *"the basic point of departure for an industrial network approach is that firms operate in the context of interconnected business relationships, forming networks."* Furthermore, Håkansson and Snehota (2006) say that *"no business is an island"*, a quote describing the necessity of having a continuous interaction with other actors, providing the organizations with a meaning and role.

With regard to these theoretical references, in combination with the findings from the pre-study indicating that relationship structures are of importance, focusing on interactional and relational network theories have been chosen to be included in this study. The selected theories will be described in the theoretical framework presented below.

2.4 Theoretical framework

The following section presents the three components of our theoretical framework. Firstly, four selection models from the celebrity endorsement theory are described (2.4.1), thereafter the chosen network theories (2.4.2). Finally, the integrated theoretical framework is presented (2.4.3).

2.4.1 Celebrity endorsement

As mentioned in the literature review, there exist four models on how to select a suitable celebrity endorser. However, there exist no agreement on which of the models that has the greatest explaining power (Yang, 2018). All four models are therefore included in the theoretical framework to see whether one or more can contribute to explain how companies choose which influencer to collaborate with.

The source credibility model

The model suggests that the effectiveness of the message of an endorser is depending on the credibility the endorser possesses (Hovland & Weiss, 1951; McGuire, 1985). Credibility is most commonly suggested to consist of the two factors, *"trustworthiness"* and *"expertise"* (Pornpitakpan, 2004). Trustworthiness is according to Erdogan (1999, p. 297), defined as *"the celebrity endorser's perceived believability, honesty and integrity"*, while expertise refers to *"a celebrity endorser's perceived level of knowledge, experience or skill related to the endorsed product/brand"*. The model suggests that information from a credible source (the celebrity), can through the process of internalization influence the receiver's beliefs, opinions and attitudes, thereby impact advertisement rates and purchase intentions (Hovland & Weiss, 1951; Hovland & Weiss, 1953).

The source attractiveness model

The model suggests that the effectiveness of an endorsed message depends on the attractiveness of the source (McGuire, 1985). How effective a message is perceived depends on the *familiarity*

(knowledge of the source through exposure), *similarity* (as a supposed resemblance between the source and receiver of the message) and/or *likeability* (affection for the source as a result of the source's physical appearance and behaviour) of the source (McGuire, 1985). Attractiveness is said to consist of both physical attractiveness and virtuous factors such as personality, lifestyle, status and intellectual skills (Erdogan, 1999). However, most marketers mainly concentrate on the physical attractiveness (Erdogan & Baker, 2002). Baker and Churchill (1977), argue that people want to identify with attractive people and hence are more willing to listen to attractive endorsers. Some scholars however argue that "normal-looking" people are more effective since they are perceived as more honest and trustworthy (Bower & Landreth, 2001).

The match-up hypothesis

The model concentrates on the fit, the congruence, between the celebrity endorser and the endorsed product/brand (Erdogan 1999; Forkan, 1980; Kamins et al., 1989; Kamins and Gupta, 1994; Till & Busler, 1998). The model suggests that high congruence between a product/brand and an endorser can affect customers' brand attitudes, purchase intentions, and willingness to pay a higher price (Ibid). A suitable fit can also strengthen the celebrity's trustworthiness and attractiveness, thus creating a win-win situation (Kamins & Gupta, 1994). On the contrary, when the fit is not congruent it can result in the "vampire effect", causing the audience to remember the celebrity and not the product. McCracken (1989), argues that a mismatch between the product/brand and the endorser is a common explanation when celebrity endorsement does not succeed. However, researchers have not reached a consensus of what attributes (e.g. gender and physical attractiveness) that make up a good fit.

The meaning transfer model

The model takes a cultural perspective into consideration. The model suggests that the celebrity endorsers possess certain symbolic properties that can be transferred to the product/brand they endorse and further to the customers when they buy and consume the product/brand (McCracken, 1989). The idea is that the effectiveness of the celebrity endorsers is depending on the meaning they bring to the endorsement process, where factors such as status, gender, personality and lifestyle shape meanings (Ibid).

2.4.2 Network theory

The ARA-model

One of the most established and cited models within the area of industrial network theory is the Actors-Resources-Activities (ARA) model (Håkansson & Johansson, 1992). The model describes three components constituting a network; actor bonds, resource ties and activity links, and how these components have a connecting relationship (Ibid).

Actors can be individuals, companies and groups of individuals or companies (Håkansson & Johansson, 1992). These actors perform and control activities and resources. Through exchanges they establish and develop relationships both internally and externally among the actors of the network (Ibid). The activities are based on either direct (based on ownership) or indirect (based on relationships with other actors) control (Håkansson & Johansson, 1992). The common goal of the actors is to increase their individual control over the network by strengthening their direct or indirect control of resources or activities (Ibid). Actors have different types of knowledge which often is derived from their experiences of activities in the network (Ford, 2002).

The *resources* can be both tangible and intangible and are necessary in order to be able to carry out activities (Håkansson & Johansson, 1992). Resources can be controlled directly by one actor or jointly by several actors, or indirectly controlled by the actors who have relationships to the actors owning the resources (Ford, 2002). Easton and Lenney (2009, p. 553) describe it as followed: *"Actors have control over some resources, access to others and work with other actors to create combine, develop, exchange or destroy resources."*

The final component of the ARA model is the *activities* the actors perform in order to reach a specific goal (Håkansson & Johansson, 1992). They take place when one or more actor combines, develop, exchange or create resources by utilising other resources. Activities in the network are both closely and loosely linked to other activities in the network which often implies a great number of relationships between activities (Ford, 2002). The activities of each actor are directed to fulfil a certain function in the network, and the final purpose of the model is to find the optimal linkages of activities in order to be able to transform the resources to their optimal value (Håkansson & Johansson, 1992).

In 2009, Easton and Lenney presented a developed version of the original ARA model by adding a fourth component, the role of *commitment*. The authors define commitments as *"agreements between two or more social actors to carry out future actions"* (Easton and Lenney, 2009, p. 555). By incorporating commitment to the model, the authors propose that the understanding of network interactions is enhanced, since commitments provide expectations of roles and actors. As described in the original ARA model, actors perform activities in order to reach a specific goal (Håkansson & Johansson, 1992). Easton and Lenney (1992), mean that commitments are necessary in order to meet these goals, since individual actors can seldom achieve goals alone.

Embeddedness

Granovetter (1985), the author who first applied the concept of embeddedness to market societies, says that economic action is "embedded" in structures of social relations. Uzzi (1997), elaborates on the concept of embeddedness and concludes that there are two different kind of social ties that influence economic transactions; arm-length ties (impersonal, self-interest motivates action) and embedded ties (personal, long-term collaborations). The structure and quality of the exchanged ties shape expectations and opportunities. Uzzi, argues that there are generally more arm-length ties between actors than embedded ties, even though the latter is more important. Embedded ties consist of three components; *trust* (mutual trust between two actors increase the chance of having a flexible relationship with cooperation and sharing of resources), *fine-grained information transfer* (close ties imply better conditions for coordination and information exchange) and *joint problem solving* (by exchanging innovations and learnings, actors with close ties can solve problems more easily) (Uzzi, 1997).

Having embedded ties can lead to a number of opportunities; *economies of time & allocative efficiency* (by knowing each other's businesses actors can react to changes and reallocate resources without information search), *search & integrative agreements* (by having mutual trust, actors stick to each other and can also accept higher prices) and *risk taking & investment* (the possibility to share risk and investments are greater in close ties) (Uzzi, 1997). However, embeddedness can become a liability if a network is too embedded, besides "feelings of friendship and obligations", it can reduce an actor's ability to adapt to sudden structural changes (Ibid). Over-embeddedness can also reduce the flow of new information into the network, if an actor relies too heavily on ideas only coming from inside of the network. Uzzi,

therefore concludes that an actor should have a balanced mix of embedded and arms-length ties.

2.4.3 The integrated theoretical framework

After a thorough review of the existing literature, we can conclude that no suitable theoretical model exists to answer the study's research question: "*How do consumer goods companies develop collaborations with influencers?*". Therefore, a theoretical framework has been developed to guide the empirical research and analysis.

Since the study aims to look at collaborations between several actors, the ARA model functions as an overall model, relevant for guiding the analysis of both sub-question (A) and (B). The components of the celebrity endorsement selection models aim to guide the analysis toward answering the first sub-question (A), while components from the theories of embeddedness aim to support the analysis toward answering sub-question (B). By answering the sub-questions, we aim to answer the research question.
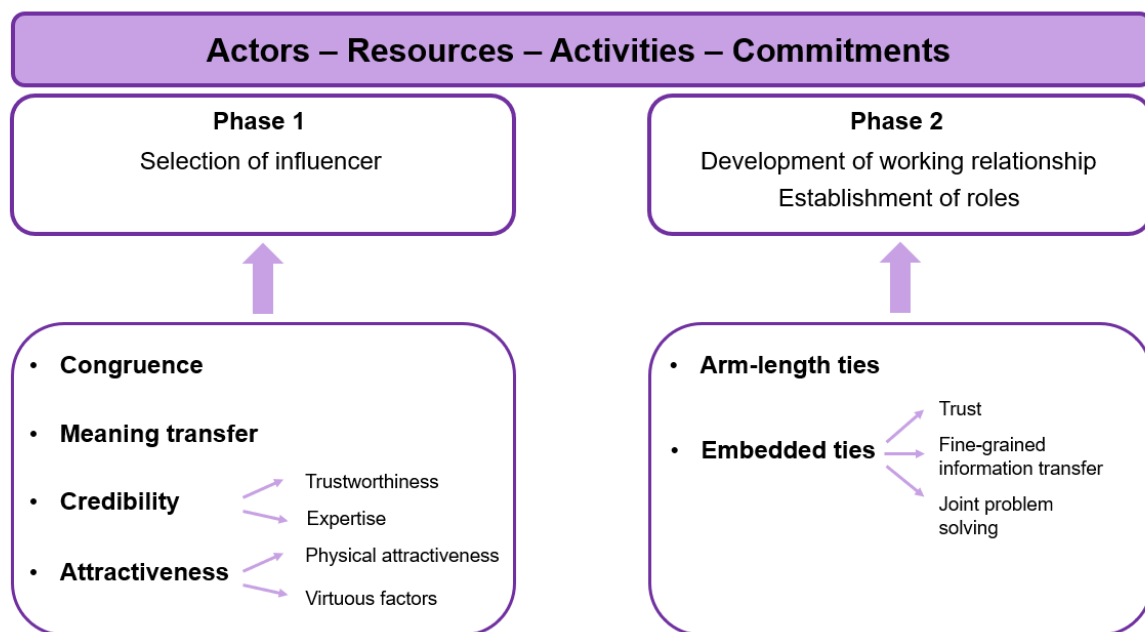
Figure 1 – Theoretical Framework

3. Methodology

This section presents the chosen methodology of this study. The first part describes the conducted pre-study which contributed to arriving to the research topic (3.1). Followed by a description of the scientific approach (3.2), data collection (3.3), data documentation and analysis (3.4), and quality concerns of the study (3.5).

3.1 Pre-study

3.1.1 Initial thoughts

Social media being of great interest for both researchers, conducting research within the field was a natural choice. Being curious to understand what drives the increase of companies collaborating with influencers and the nature of those collaborations, we narrowed down the focus of interest. A first review of the literature written within the field showed several potential angles that would be interesting to study. After having concluded that a great amount of the research has an influencer-follower perspective, for example how influencer marketing affects purchase decisions, we decided that it would be interesting to have a company perspective in this study. Due to the emergent state of literature, a pre-study was seen as necessary in order to arrive at and to decide on the specific scope of the study, as well as to identify potential contribution (Flick, 2014).

3.1.2 Pre-study interviews

A pre-study consisting of three interviews was conducted to gather a better understanding of how companies work with influencer collaborations. Three actors were identified in the initial literature review to be of interest to interview in the pre-study: (1) company working with influencer marketing, (2) company working as an intermediary between the company and the influencer, and (3) influencer. The interviews were exploratory as the objective was to receive an understanding of whether there are interesting tensions to be found in the process of influencer collaborations (Bryman & Bell, 2013). The interviewees were asked to talk about their view of influencer marketing, how a collaboration typically looks like and what their specific role is. Opportunities and challenges were also discussed.

Findings from the pre-study suggested that it would be interesting to study how companies develop collaborations with influencers. The research question could hence be formulated based on the empirical findings from the pre-study. Three areas to further investigate in order to be able to answer the research question were found in the pre-study. First, it was emphasized that the match between the company and the influencer is of importance. Second, it was found that how the actors involved in a collaboration develop relationships is of interest, and finally what role each actor develop was seen as important to investigate.

3.2 Methodological fit

To ensure quality of the research study, internal consistency was important to achieve among the four elements of the study: pre-study, research question, research design and theoretical contribution (Edmondson & McManus, 2007).

3.2.1 Qualitative method

To answer the research question: "*How do consumer goods companies develop collaborations with influencers?*", a qualitative research approach was evaluated to be most suitable. The research area of focus is, as described above, in a nascent state. The scarcity of academic research is supporting the qualitative method allowing open-ended learning and rich, detailed and evocative data (Edmondson & McManus, 2007). The philosophy of interpretivism is preferably adopted when investigating an emergent field, since an understanding of the social world, interpretations of the observations and reflection of the phenomenon is made possible (Flick, 2014). Furthermore, the thesis aims to answer a "how-framed" research question, which makes qualitative data more suitable than quantitative data (Bryman & Bell, 2013). To understand a fairly unexplored phenomenon, specifically one of *"how"* nature, analyzing data from in-depth interviews is appropriate (Saunders et al, 2012).

3.2.2 Abductive approach

The abductive approach, taking advantages of both deductive and inductive methods, is considered suitable in the context of qualitative research and was used in this research study (Alvesson & Sköldberg, 2008). Initially, a review of relevant literature was collected to familiarize within the research field. The literature later guided the data collection when conducting the pre-study. From the pre-study, theoretical patterns could be identified, from which interview questions for later interviews could be developed. By continuously making

revisions by moving back and forth between the theoretical framework and empirical findings, the research study was generated using an iterative process (Bryman & Bell, 2013).

3.3 Data collection

3.3.1 Semi-structured interviews

A semi-structured interview approach, preferred in qualitative research studies, was applied throughout this study (Edmondson & McManus, 2007; Saunders et al. 2009). The method was chosen to generate deep insights by asking open-ended questions, which enables a greater freedom for the interviewees to formulate their answers and to touch upon subjects they personally find relevant (Bryman & Bell, 2013). Each interview was based on a predetermined interview guide, with flexibility for the interviewees to elaborate on topics they considered specifically interesting (Ibid).

3.3.2 Interview guide

An interview guide was developed and used, as suggested by Bryman and Bell (2013). The questions were formulated based on the initial literature review and were refined after piloted in the pre-study were the empirical findings suggested modifications. The interview guide was recurrently refined in alignment with the abductive logic, to ensure the generation of data needed to answer the research question (Lee & Aslam, 2018).

The guide consisted of five parts, (1) definition, (2) motivation, (3) selection, (4) collaboration, and (5) relationships. Due to the fact that we interviewed three kind of actors involved in influencer collaborations; companies, intermediaries and influencers, three versions of the interview guide were created in order to make the questions suitable for each group of interviewees. However, all three versions of the guide covered the five areas described above. *The interview guide of the pre-study and the main study can be found in appendix 2 and 3.*

3.3.3 Participant sampling

The primary data sampling is based on 19 in-depth semi-structured interviews with 22 respondents, whereof three of the interviews were included in the pre-study. The majority of the respondents were selected using the purposive sampling method, suitable for qualitative studies where the aim is to achieve representativeness or comparability (Bryman & Bell, 2013).

The selection of interview objects was based on several developed criteria. The companies had to; (1) offer consumer goods; (2) have operations in Sweden; (3) have used influencer marketing. The reason why we limited the selection to consumer goods companies, is that Instagram and other social media platforms (the channels of influencer marketing) are mostly used by individuals, hence customers of consumer goods. Further, the intermediaries had to; (1) offer an intermediary service or product used in influencer marketing; (2) have operations in Sweden. Finally, the influencers had to; (1) be Swedish; (2) have Instagram and have more than 1000 followers; (3) have made collaborations (influencer marketing campaigns) with companies. The reason why we saw it as important that the interviewed influencers have Instagram as their main (or one of their main) social media platform(s), is that as of January 2018, 78 percent of all collaborations made between brands and influencers were through Instagram (Statista, 2018a). Furthermore, we found it important to interview influencers with different number of followers, in order to gather different perspectives. The followers ranged from 1000 to one million.

In total, over 50 companies, intermediaries and influencers, meeting the criteria described above, were contacted. The contacted potential interviewees were identified using secondary data sources such as google and social media. Due to difficulties of getting a large enough data sample through solely using the purposive method, the convenience sampling method (choosing interviewees easily accessible and willing to participate in a study), was used as a compliment to find the final interviewees needed (Flick, 2014). By posting on the researchers own Facebook pages, that we were looking for companies, intermediaries and influencers working with influencer marketing, we were able to get in contact with the final interviewees needed to achieve saturation. Furthermore, we had initially planned to interview a triad of actors working on the same collaboration, to get all three perspectives on one collaboration. We did not succeed to access a triad though. Instead we made sure to ask each interviewee about their perceived relation to the other actors involved.

The number of interviews were decided as a result of the empirical data collection. We continued conducting interviews until recurring themes could be identified, hence until saturation was achieved. Finding recurring themes is an indication that additional interviews would only contribute marginally to the findings (Eisenhardt, 1989). After identifying recurring themes, an additional interview with each group of respondents were conducted to secure saturation.

3.3.4 Interview setting

A majority of the interviews were conducted face-to-face at the offices of the interviewees' to ensure their convenience. Brinkmann (2013), means that face-to-face interviews are to prefer, since they provide a richer source of information from facial expression and body language. Four of the interviews were however conducted via video call due to geographical reasons. By using video calls it was still possible to see facial expressions and body language. We kept the interviews anonymous to encourage honest responses.

3.4 Data documentation and analysis

The interviews spanned from 45 to 90 minutes and were all digitally recorded, after approval from the interviewees, in order to secure all empirical data collected (Flick, 2014). Both researchers were present in all interviews allowing one to lead the interview while the other took notes and probed if suitable. All interviews were transcribed as soon as possible after each interview respectively, within a maximum of two days, to ensure that we recalled the interviewees non-verbal cues (Brinkmann, 2013). To ensure convenience and to increase the probability of getting rich and comprehensive answers, all interviews were conducted in the native tongue of each respondent. A majority of the selected citations in this report are therefore translated from the original interview language, from Swedish to English.

After transcribing each interview, both researchers read through the transliterations individually and summarized interesting findings and identified themes before discussing together. The empirical data was analyzed using the thematic method by coding and categorizing the data into sub-categories (Braun & Clarke, 2006). This method is suitable when conducting a qualitative study, because it ensures getting a comprehensive picture of the recurring themes (Ibid). The coding of themes started of individually and was later compared, if dissimilarities was found the researchers discussed and drew a common conclusion (Miles & Huberman, 1994).

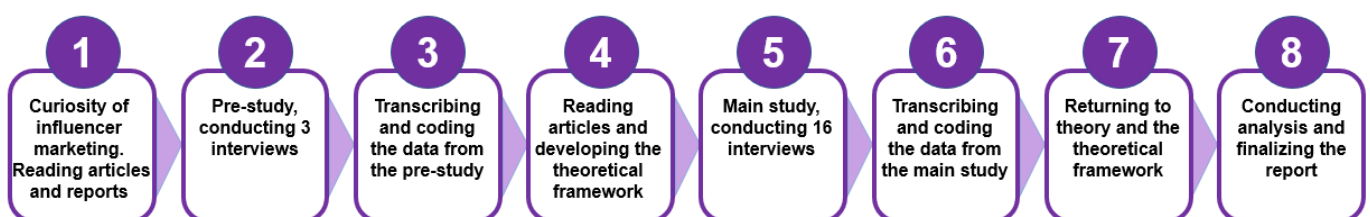| 1	2	3	4	5	6	7	8
Curiosity of influencer marketing. Reading articles and reports	Pre-study, conducting 3 interviews	Transcribing and coding the data from the pre-study	Reading articles and developing the theoretical framework	Main study, conducting 16 interviews	Transcribing and coding the data from the main study	Returning to theory and the theoretical framework	Conducting analysis and finalizing the report

Figure 2 – Research process

3.5 Quality consideration

The following sections will discuss quality aspects of this study in terms of reliability (3.5.1) and validity (3.5.2).

3.5.1 Reliability

In this study the internal reliability (the subjectivity of the researcher's empirical interpretation), can be questioned since the empirical data is interpreted subjectively by the researchers who have commonly agreed on the rendering (Ibid). However, avoiding subjective interpretations in this type of interview study is inevitable. To make the study as reliable as possible, both researchers have carefully listened through each interview and individually first identified recurring themes, as described above. The external reliability (to what extent it is possible to replicate the study), should be considered rather high as the approach of the study can be repeated (Ibid). Nevertheless, as Bryman and Bell (2013) argue, in most qualitative studies it is impossible to freeze a social environment and its conditions to make it fully replicable.

3.5.2 Validity

The internal validity can be considered strong since long-term dialogues with the interviewees made it possible to strengthen the consistency between concepts and observations. Internal validity means that there is a clear correlation between observations and the theoretical ideas that are being developed (Bryman & Bell, 2013). Furthermore, according to Peat et al. (2002), the internal validity is increased when conducting a pre-study, hence true for this study. The external validity, which refers to the degree to which the findings can be generalized across social settings, may be considered weak due to the qualitative character of this study (Bryman & Bell, 2013). According to Bryman and Bell (2013), the generalization of results to other social environments and situations is often problematic in qualitative research. Moreover, it should be noted that each interview was conducted at different locations. This may have affected the empirical data since the respondents are affected by the environment in which the interviews are being conducted (Ibid). Something that however increases the external validity by facilitating the transferability, is the detailed descriptions of the used methods and processes provided in the above sections (Ibid).

4. Empirical Findings

This section presents the empirical data. First, an overview of the included interviewees is presented (4.1). Second, we have chosen to present the data in chronological order of a collaboration. Where "Phase 1" presents the data related to the selection process (4.2), and "Phase 2" presents the data related to how the actors develop collaborations after the selection process (4.3). In each phase, the empirics is presented from the perspectives of the companies', intermediaries', and influencers' respectively.

4.1 Overview of actors

The following section provides an overview of the identified actors which can be involved in an influencer collaboration. Due to anonymity requirements, no in-depth descriptions can be provided.

4.1.1 Companies

The interviewed companies are firms that at the time of the interview work with influencer collaborations. The companies are all selling consumer goods and are present in the following industries: food and beverage, home appliances, furniture, medical appliances, beauty and fashion.

4.1.2 Intermediaries

The interviewed intermediaries are companies working as a middleman between a company and an influencer. When investigating the influencer marketing landscape, it was apparent that there exist different kinds of intermediaries offering different services:

- *Connector: connecting the brand and influencer through an online platform*
- *Campaign planning: handling an influencer campaign from start to end*
- *Creative development: developing concepts for a collaboration*
- *Data analytics: providing data such as statistical insights about influencers*
- *Search engine: providing an algorithm and/or index to identify influencers*
- *Agent services: representing the influencer and act in the interest of the influencer*

We saw it as important to interview an as broad span of intermediaries as possible. The included intermediaries in this study offer one or several of the above-mentioned services.

4.1.3 Influencers

We have interviewed both influencers that have become famous through their social media channels (non-celebrities), as well as influencers that first have become famous through their celebrity status (celebrities). No distinction is made between the two. The influencers have different niches: beauty and fashion, society and politics, equestrian and interior design.

Phase 1

4.2 Selection process

4.2.1 Companies' view

Manual process

Prior entering a collaboration with an influencer, the empirics shows that an important and significant part of the work is to identify which influencers the company should collaborate with. During the interviews, it is clear that all companies have their individual way of choosing influencers. What is common among all participants is that they primarily do the research and decision process of influencers in-house. A majority of the representatives say that they have worked with intermediaries earlier, but as of today, they do the research internally. It is a manual process, meaning no specific search tool to find the influencers are used.

"It is a research process. There are agencies doing this work, but we do it in-house by searching and scrolling through Instagram on hashtags and similar functions." - Company-D

Fit between the brand and the influencer

All companies say that they have certain criteria they look for in a potential influencer. They mean that the criteria work as a facilitator to ensure that there is a fit between the influencer and the company's brand. One respondent says that they only collaborate with young and trendy influencers since they want to be perceived as a cool brand. Another respondent tell us

they choose influencers with certain follower bases, in order to reach customer segments they have difficulties reaching in their other marketing activities.

"When we choose influencers we want to have a large spectrum of women. As we sell a medical product, the influencer and its followers must have reached a certain age and be willing to switch contraceptives." - Company-A

"Besides being a mother, we find it important that the influencer has a healthy body, is not against HBQT or shows strong religious or political opinions." – Company-G

As illustrated in the two examples above, what criteria the influencer should satisfy differ among the firms and depend on the type of brand, the message the company want to spread and the type of product or service the company provides. Several respondents further emphasize they find it important that the pictures and videos of the influencers' feed are of high quality.

"We had a campaign for a beauty product that improves hair quality, we thought about "Influencer X" because she has the right target audience and the blond beach hair that might need some nutrition because of all her traveling between beaches and cities." - Company-D

Liking the product

All interviewed participants argue that they want to work with influencers who genuinely like their brand or products. They mean that when an influencer really likes the product the collaboration is perceived as more authentic. One interviewee says that they are looking for signs showing that the influencer likes their products. They found an influencer that had previously posted pictures of their products on her Instagram, something they interpreted as a "sign of liking".

"I have only signed influencers that truly like our products without us trying to convince them. I believe it is a winning concept. If you have to "buy" or convince an influencer, I do not believe in influencer marketing." - Company-C

All participants further say that they appreciate when they are contacted directly by the influencer, as it indicates a genuine interest in the product. Additionally, they mean it increases

the number of options of influencers to collaborate with, as they get access to influencers they otherwise might not have thought of.

"We like when influencers contact us. It is many who want to work with us. We can therefore be selective." - Company-G

"Influencers often approach us. I receive about 20 requests every day. We are flattered about their eagerness to collaborate with us." - Company-H

Data criteria

The interviewees also say they evaluate quantitative criteria when choosing influencers. They for example look at the size and demographics of the follower bases, also engagements rates such as comments, likes, and shares. The respondents say that they look at different number criteria depending on the goal of the collaboration.

"We do not necessarily only work with the largest influencers, we rather prefer the ones having the most engaged followers. Their followers are more likely to buy the products the influencer promotes." - Company-D

To evaluate the influencers' follower is a criterion all companies mention as always being of significant importance, as one main reason for using influencer marketing is to reach a specific target segment. To also consider whether the influencer also collaborate with competing brands is another aspect raised as being of importance.

"A fashion and beauty account might have 100,000 followers on Instagram and seem like a good fit, but then we see that the majority of the followers are older men that follow good looking women." - Company-D

"If an influencer posts a picture of our product today and then shares a post of a competitor's product a couple of days after, it does not look genuine" - Company-H

Micro versus macro influencers

A majority of the participants are collaborating with both micro and macro influencers. As mentioned in the quotation above, they mean that the largest influencers not necessarily have to be the most effective ones. Instead all respondents mention several benefits working with micro influencers, such as micro influencers having more engaged followers and are perceived as being more trustworthy.

"We work with both macro and micro influencers. Nevertheless, most collaborations today are with micro influencers. They are more genuine and are closer to their followers. Their followers follow the influencers through their whole life." - Company-H

Several respondents mention collaborations where they have experienced that the macro influencer did not put as much effort into the collaboration as they had expected.

"What you see is that macro influencers often just take a picture and then they feel like the job is done. We once paid a huge amount of money to one of Sweden's largest influencers and the result was a selfie where you only see the product in the background. It was a waste of money and a mistake that web have learned from. The micro influencers are generally more compassionate and perhaps feel more pressured to create something very beautiful and unique. But there are of course differences." - Company-D

Furthermore, a majority of the interviewees say that macro influencers often have a too broad spectrum of followers, meaning that even if the influencer has many followers, only some of them are part of the brand's target audience.

"It is about quality rather than quantity. It is about reaching the right audience. You rather reach 10,000 people who actually are interested in your product than 700,000 people that are not." - Company-B

Limited marketing budgets are also raised as another reason for why they often collaborate with micro influencers, as they are less expensive. Several respondents say that the prices of collaborating with larger influencers have increased tremendously recently, making it difficult to afford. One respondent however says that they only work with macro influencers since it is

part of their overall marketing strategy - to always think globally. The respondent means they want to reach a global target audience, which is why they have chosen four macro influencers as their ambassadors. Additionally, the interviewee saw an opportunity to capitalize on the influencers' network for upcoming marketing activities.

Initial contact

The empirical data shows that how the first contact is established between the company and the influencer often varies. A majority of the companies say they often contact an influencer directly. But if the influencer is connected to an intermediary, they must contact the intermediary first. This is typically done by sending an email where the company demonstrates its interest. There is a consensus among the participants that the intermediary is often an unneeded middleman, rather they would have direct contact with the influencer.

"Today we contact influencers directly but if an influencer is connected to an intermediary, we have to go through them, but we see this is a useless middleman. It does not add any value we just have to pay more" - Company-F

Moreover, the participants say that they also frequently get approached by influencers, often by micro influencers interested in smaller collaborations. On the other hand, the companies mean they often are the ones contacting the macro influencer or the macro influencer's intermediary.

"Micro influencers often contact us to get a product. They can say "I am going to buy Christmas presents this weekend. Do you want to be on my Instagram?" - Company-H

Personal contacts

The companies' personal networks are also utilized to get in contact with influencers.

"I knew that one of my colleagues was a good friend of "Influencer X", an influencer I thought would be a good fit for a beauty campaign. So I asked my colleague to talk to her and thanks to that, she now works on that campaign" - Company-D

"A lot is about personal relations. If we would contact influencers without having a personal contact, no one would answer. Our friend is the boyfriend to one of Sweden's biggest influencers, he convinced several influencers to come to our launching party for example." - Company-B

4.2.2 Intermediaries' view

Data driven process

A clear empirical finding is that all intermediaries say they analyze data when matching influencers and brands. Common for a majority of the respondents is in fact that they provide data analytic tools for the selection process. One intermediary says that their company's business idea is to develop an outstanding influencer search engine for companies.

"We thought the industry was lazy and not data driven. We index the web on influencers as Google index the web on information." - Intermediary-B

Two intermediaries describe that they identify what goal the company has with the collaboration prior they evaluate data in order to find a suitable match.

"We evaluate the goal of the brand's campaign, the KPI, i.e. if the brand wants to create awareness we search for influencers with a large reach. It is a matching process - does the influencer fit with the brand and does the influencer have the engagement we want, etcetera."
- Intermediary-G

Another intermediary, having influencers connected to their online platform, states that all the influencers that are connected need to fulfill certain quantitative criteria, such as having a minimum of 3,000 followers, be active and have a certain theme on their Instagram.

"We receive a brief from a brand which we post on our platform and if the brand wants a sporty person, then we write that. Influencers who feel they are sporty can contact us if they feel they want to be part of the collaboration." - Intermediary-A

Authentic match

Among the intermediaries, the importance of trustworthiness are being emphasized. One interviewee mentions that customers today both use ad blockers and are getting "banner blindness", meaning that customers are too exposed to banners to actually see them. The interviewee means that influencer collaborations are a good marketing channel to avoid these problems, as customers trust influencers if they are perceived to be authentic. Another respondent states the importance of the influencer wanting to work with the brand in order to be perceived as genuine among its followers. A third respondent argues that an influencer either is a Coca Cola or Pepsi person, meaning that that the influencer cannot be collaborating with both brands to be perceived as trustworthy.

"An influencer cannot promote an Android mobile phone for 10 years and suddenly start promoting an iPhone" - Intermediary-G

A poor match can lead to a lack of perceived credibility, hence resulting in an unsuccessful collaboration.

"We did a campaign for a speaker where the client had a predetermined idea of what the result should look like. The client wanted to collaborate with 20 influencers, all having the same type of profile, same style and niche. This resulted in 20 very similar posts, which created irritation among the followers who did not perceive the collaboration as authentic. The followers wrote negative comments and the influencers were not happy either, not feeling personally selected for the campaign." - Intermediary-E

First contact

The intermediaries all say that they are contacting both companies and influencers, and vice versa. Most intermediaries have developed sales departments that daily work on finding brands and influencers to collaborate with. One intermediary state that it is easier to close bigger deals with larger brands when they are the one contacting the brand. Often it is smaller companies with less budgets that contact the intermediaries for collaborations.

4.2.3 Influencers' view

Liking and authenticity

All influencers emphasize the importance of choosing which brand they collaborate with, that the collaboration must be perceived as trustworthy.

"I choose brands that suits me. It is not authentic if I post pictures of a feeding bottle for babies when I do not have a baby." - Influencer-A

"I say no to 9,5 out of 10 requests from companies. Most brands are not cool enough for me."- Influencer-D

"I want to work with companies that seem trustworthy and show that they have done their research and therefore have chosen me." - Influencer-C

"I say no to many requests. For instance, food chains that sell fast food. I do not want to talk about what people should eat or not eat." - Influencer-B

"I am a bad liar, so I only want to work with products I like and think are good." - Influencer-E

One example of a bad match that an influencer mentions, is that she said yes to a collaboration despite feeling that she did not stand behind the product nor the brand.

"I always try to be myself and write exactly what I think, it is what I am famous for. However, I once did a collaboration only for the money and it did not turn out well. I did not like the product and exaggerated its benefits. I promised more than I could stand behind." - Influencer-E

Personal brand building

Among the influencers there is a consensus that they use their social channels as a way of building their personal brands. One respondent explains that she works as an interior designer and that she has received all her latest interior projects through her Instagram. Therefore, she needs to be selective with which brands she choose to collaborate with. Another influencer says

that she does not collaborate with competing brands as it is not perceived as being authentic and therefore could harm her personal brand.

"My goal is not to make money on my Instagram account, rather I want to build my personal brand which is why I am selective with who I collaborate with." - Influencer-A

"I was doing a collaboration with a beauty brand and I was contacted by another beauty brand during that time. I said no to the offer since I care about my own brand and it would not have been perceived as trustworthy." - Influencer-C

Money versus product

Compensation is a factor the influencers take into consideration when choosing collaborations. A majority of the influencers prefer getting paid in money. However, all influencers say that they can reduce the level of payment if they really like the brand. One influencer says that if she really likes the brand and its product, or that she finds other benefits with the collaboration, such as increasing reputation in the influencer industry, she is willing to accept a smaller payment. Another influencer says she hosted a competition on her Instagram for an organization fighting for cancer, for free, only because she liked the concept and the feeling of doing something good for the society. On the contrary, she also mentions when getting paid, it feels more like a job and that she puts more effort into the collaboration.

"I generally do not say yes to products as compensation, an exception was this bag because I think it is very neat. I would have picked this model and size if I was in a fashion store, which is why I said yes" - Influencer-B

However, a majority of the respondents say they quite often accept to be compensated in products anyway. They also say that they quite often contact companies themselves, because they like a certain company's product or service and hence want to do a collaboration.

"I often contact companies myself. If I for example need a new coffee machine, I would not buy one, I would contact the company selling the machine I want." - Influencer-A

Creative freedom

Furthermore, the degree of freedom regarding how much the influencer can impact the content creation in a collaboration, is raised as a key criterion in the selection.

"I prefer to work with smaller companies because I then can steer the content creation more. The more impact, the more I like the collaboration. The more freedom I have, the more I can adapt the content to fit my YouTube channel" - Influencer-B

First contact

Most of the collaborations start with an email or a direct message on Instagram. As mentioned in the company view, the influencers often get contacted by companies but also contact companies themselves. One interviewee for example says that she contacted several companies in order to get her first collaboration. Once she received the first one, she no longer has to contact companies as she gets requests continuously.

"After being part of a TV show, I was quite popular and had received some attention. At the time, I was in Dubai where a friend of mine gave me an advice to send out and ask companies for collaborations. So, I emailed three companies and one said yes. It was a quite new brand and I knew they liked to cooperate with young blond girls, so I thought I would be a good fit." - Influencer-E

Two of the influencers are connected to an online intermediary and often get the initial contact to the brand through the intermediary's platform, where they get recommendations on collaborations. One influencer says that her assistant takes care of all contact with companies or intermediaries.

Phase 2

4.3 Development of collaboration

4.3.1 Companies' view

Strategies and processes differ and having direct contact is preferred

How companies identify and make contact with influencers differ, both between and within companies, as presented in above section. Apparent in the empirical data is that the work and processes related to influencer collaborations often differ, not only in the initial phase. The respondents also have different strategies with influencer marketing and several say that they have not yet developed one. However, a majority of the companies mention that they use influencer collaborations to strengthen their brand and to increase awareness, not primarily to boost sales.

"The processes vary a lot, sometimes we contact an influencer directly and sometimes we collaborate with an intermediary." - Company-D

"The strategy has emerged. Our strategy is not related to sales, it is about how to strengthen our brand." - Company-H

"We do not yet have a formulated strategy. However, we are mostly working with influencer marketing to create awareness, to reach a customer segment we normally do not reach, or to spread dull messages." - Company-F

One respondent emphasizes the importance of not seeing influencer collaborations as a separate part of the marketing mix, meaning that influencer marketing is just a natural way of extending your reach.

"Influencer marketing is not independent from media relations per se. It is just a layer of it. It is an integrated part of the marketing strategy." - Company-E

As mentioned above, the processes related to influencer collaborations vary, also within the companies. One clear empirical finding is that a majority of the companies aim to do as much as possible of the work related to influencer marketing in-house and that they have a somewhat negative attitude towards using the different intermediaries available on the market. All but one respondent mention that they are often contacted by different intermediaries that are trying to sell their services. The interviewed say that the intermediaries often pitch a campaign proposal and provide suggestions of which influencers that should be included in the collaboration, often influencers connected to that specific intermediary. Several respondents say they are not specifically positive towards these calls.

"We are often contacted by different intermediaries promising "gold and green forests"[1], they try to pitch their unique selling proposition, but in my opinion, they are all pretty similar." - Company-B

Together, the interviewed companies have tried all the different services provided by the different kind of intermediaries presented in section (4.1.2), having contact with the influencer through an agent being the most common. In fact, a majority of the interviewed firms have had contact with an agent service in order to get in contact with an influencer that is exclusively connected to that specific agent. Apparent is however that the companies prefer to have direct contact with the influencer, they find the agent to be a costly and unnecessary third party.

"I generally like meeting the influencer in person so that I can present the product to see if the influencer actually likes it. It diminishes the risk that it is just an agent wanting money that have agreed on the collaboration." - Company-D

"I believe it is best to build a relationship directly with the influencer because then you can act more like friends." - Company-H

Two respondents have a more positive view of the use of intermediaries, however not regarding the use of agents. One company say that they would probably use intermediaries to a much greater extent if they offered a different kind of product, for instance cloths. The interviewee, working on a medical company, argues that their product is too complex to use intermediaries.

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[1] A Swedish saying, equivalent to the English saying: "promise the moon and the stars"

The respondent says they want to have direct contact with the influencer so they can describe the product themselves, to avoid third hand misunderstandings. Another participant says that they will probably use intermediaries more in the future, as a complement, when more resources probably will be allocated to influencer collaborations.

In-house activities are increasing through an "learning by doing" attitude

As mentioned above, an empirical finding is that all respondents emphasize that they do most of the work related to influencer collaborations in-house. In fact, a majority of the interviewed companies have, or are working on, developing in-house social media departments, in particular focusing on influencer marketing. One respondent, describing they are one of Sweden's largest advertisement buyer, says that they historically have collaborated with a lot of different intermediaries. The interviewee further explains that they recently have started to reduce the use of intermediaries and instead do more of the job in-house in order to save costs and to get control of the data related to the campaigns.

"We have now started an in-house bureau and do all work related to influencer marketing ourselves. We have hired people who previously worked on different intermediaries, we have hence acquired the knowledge to do everything ourselves. It was a matter of cutting costs and we are now much faster. It is also easier to tweak content." - Company-F

As mentioned above, several respondents mention that they find the intermediaries too costly and that it is often is easier to do the job in-house. That the process gets slower and that the risk for misunderstandings increase when using a third part in an influencer collaboration.

"Something that make us unique is that we create all content ourselves. We do not need help from anyone else, the influencer bureaus are so expensive. We had one bureau here once who helped us with one campaign with 20 influencers in a month, that is what we normally do in a week." - Company-H

Even though a majority of the interviewed companies talk about the advantages of performing many of the activities related to influencer marketing in-house, several points out that they are still on a learning journey. They mean that due to the fact that influencer marketing is a new phenomenon, there is still much to learn.

"Being the only one working with influencer marketing at our company I have tried different approaches and processes - learning by doing. I have taken risks and I have stretched the limits and I always try to use the expertise of the influencer." - Company-C

Relationships are key but contract is an important factor

Another empirical finding is the importance of relationships. All participants emphasize the importance of relationship building, that the social bonds and networking are key in influencer collaborations. When the interviewees talk about the significance of relationships, a majority talk about the relationship with the influencer without mentioning a potential intermediary.

"It is advantageous to build a relation. If you have direct contact with the influencer it becomes more personal and it is easier to call and ask: "can you perhaps do this as well", you can ask for extra services if you have a closer relationship, help answering comments on posts etcetera." - Company-D

"It is all about relationships. But it is of course also a business transaction, we always have to go through some juridical and economical aspects. But I would say that 99 percent is about relationship building. The result will be better if you have a close relationship with the agent or the influencer." - Company-A

"The relationship is important. In Sweden you want to meet and talk, grab a coffee. Many tell stories of their children for example. It is a professional relationship similar to a friendship relationship, you can for example write "hugs" in text messages." - Company-G

Even though all respondents point out the importance of relationships, the interviewees say that having a solid contract is also significant. It is a component that secures and facilitates collaborations.

"We once did a long-term collaboration with an influencer that promoted one of our mascaras that strengthen and lengthen your eyelashes. The purpose was to follow this influencer while using the mascara, so her followers could see the difference. But during this campaign she started a collaboration with another company providing false eyelashes. The whole purpose with our campaign was hence ruined. To avoid this type of situation, we now agree upon these kinds of questions in the contract." - Company-D

As mentioned above, several companies say that they are still on a learning journey when it comes to influencer collaborations. Something that a majority mention as a challenge is how to use, and what to include, in contracts. Several respondents however say that this is something they have become better at, by making mistakes.

"We once did a campaign with several big influencers. It was a wonderful campaign with beautiful material, but we forgot to secure how the influencers should spread the material in their channels. This was a great lesson for us." - Company-G

Long term contracts - long term relationships

Another thing that is emphasized by the companies is the benefits of long-term collaborations. Nevertheless, a majority of the respondents say they use both short term and long-term contracts. Several participants say that one-off collaborations can be useful if wanting to create awareness, for instance of the brand or of a product launch, for example by sending product samples to a large number of influencers. These one-off "gifting" types of collaborations are common and said to be efficient and fairly inexpensive.

However, a majority argue for the advantages of longer collaborations. The respondents mean that it easier to build a close relationship to the influencer if working together for a longer period of time. By having longer contracts, which the interviewees mean often lead to better relationships, the collaboration process becomes easier since the influencer have experience of the company and its products or services. The participants further mean that the trustworthiness increases, since the followers of the influencers will see that the influencer use a product or service for a longer period of time. Several respondents also say that longer collaborations increase the possibility of getting the influencer to do more than agreed upon in the contract, since the influencer really likes the product or people working at the company.

"If you have a better and longer relationship, it often happens that the influencer posts more pictures than the number we had agreed upon. We prefer long-term contract, preferably up to one year, it is more trustworthy. You want the followers to follow an influencer with a specific brand." - Company-D

"If you have worked with someone for a long time, she will know the product which facilitates the process, you will not have to have as frequent contact and provide as much support." - Company-A

Something that is mentioned as a potential risk with longer contracts, is that it can be a disadvantage if a company change direction or strategy. A potential disadvantage of having close relationships is also raised. One respondent say that it might be difficult to provide negative feedback, or to end a collaboration, if you have built a close relationship with the influencer.

"I think one-year contracts are suitable, I believe in long term collaborations. They should however not be too long, say that your company change guidelines or that you do not personally connect with the influencer." - Company-C

Compensation

What kind of compensation the influencer gets varies a lot. Most of the companies use both products and/or money as compensation. Monetary payments are more common in larger collaborations, larger in terms of number of posts or number of followers of the influencer. Products are on the other hand often used as compensation for smaller collaborations and to micro influencers.

"We both work with product and monetary compensation, both are equally worthy payments. In the contract it is very clear what is expected." - Company-H

A few respondents mention that they only use monetary compensation since they find it more professional. While two respondents say they only provide products as compensation, due to budget constraints and an opinion that paying the influencers makes it less genuine.

"Even though we are a global company, we have a very small budget dedicated to influencer marketing. I can basically only offer products as compensation in exchange for advertising." - Company-C

"We would never pay an influencer. When money is involved the authenticity disappears." - Company-B

Importance of creative freedom

All respondents agree that the influencers should have a lot of freedom in the content creation. They mean that one of the biggest advantages of influencer collaborations is the customized content the influencers can create, content suitable for each influencers' follower base. The interviewees say that the followers follow an influencer because they love her profile and specific feed.

"You pay a person who knows exactly what her followers want, it is therefore important to let the influencer spread our message in her way." - Company-F

"If we would control the content creation, all collaborations would look the same. I think freedom is important in order to seem genuine." - Company-B

One respondent mentions that it can be better to let the influencers show the product exactly as they want, that it is not necessarily preferable to follow exactly what has been agreed upon in the contract.

"I often say: "feel free to show the product exactly as you want". The results are often better than you first had expected, if the influencers do not follow exactly what has been agreed upon in the contract." - Company-C

Another respondent describes a situation when an influencer posted a blog post that did not feel genuine or like she had written the text herself. The interviewee means that the collaboration was a failure.

"We once did a collaboration with one of Sweden's largest influencers. The post did not feel genuine for her profile. She was very busy and it turned out that her assistant had written the text and had chosen the picture that was posted. The followers saw through and the result was not positive for either of us." - Company-H

4.3.2 Intermediaries' view

Different intermediaries provide different services and tasks

The interviewed intermediaries all describe different strategies and arguments of how they provide value to companies working with influencer collaborations. Something a majority of the respondents however emphasize, is that the industry needs to become more data driven. Several respondents say that they saw an opportunity to help companies become more data driven, which was one reason why they started their companies.

"We facilitate the process for the advertiser, instead of sending individual email to each influencer we can do it by pushing one button. We can scale and we provide a set up. We are the junction point of a collaboration." - Intermediary-G

"We describe ourselves as a bureau and a tech-company, we lean on data and technology. We work with talent, the companies are our customers and the influencers the talent. We have a search engine and have indexed the entire Instagram and YouTube. A traditional influencer agency only works with a certain number of influencers." - Intermediary-E

"One challenge is that influencers can buy comments, likes and engagement. It is problematic for companies to discover. But we have developed algorithms which help determine which accounts that show true numbers." - Intermediary-D

Besides supporting companies by providing data driven insights, a majority of the respondents say that they offer different degree of support to both the companies and the influencers depending on their experience and need. Several interviewees also point out that they especially support the influencers, they mean that the companies sometimes do not understand the work of the influencers. One example being that some companies do not understand that many influencers often have another job on the side of being an influencer, and hence cannot always post content within desired time.

"Our customers often buy a full-package deal. We develop an approach and a strategy, who to target and how to work. We also help the companies with the administration, payments etcetera. We deal with the frustration the companies experience when doing this in-house.

Our business model puts the influencers over the customers, we find a company which we present for the influencer and not the other way around." - Intermediary-E

Contractual relationships

A majority of the respondents say that the relationship to the influencers are closer than the relationships to the companies. They however describe the relations as being mostly of technical and contractual character. The intermediaries talk about the influencers as being a media channel where the companies can buy advertising space.

"We have a more frequent contact with the influencers. During a four-week campaign, we talk with the customer once a week and with the influencer every second day. We answer many questions and guide the influencers, often regarding how to answer comments they have received on posts." - Intermediary-E

"We are the "influencer mama", we care about them. In a campaign we are on their side, but the company is the customer." - Intermediary-D

Compared to the interviewed companies, the intermediaries do not talk as much about the importance of relationship building. All but one of the interviewed intermediaries however talk about the importance of having a scalable business model. Since they work on a large scale with many brands and influencers, they mean that it is difficult to have a close relationship to them.

"The relationships vary a lot, we work with so many influencers so we have a technical relationship, we communicate via mail or the app. However, it is close in the sense that we have frequent contact during the campaigns, we answer a lot of questions." - Intermediary-A

"We never meet the influencers in person, we work with so many so it would not be possible. All contact is made digitally. We sometimes meet the companies, but it depends. However, they can always follow the campaign through a login to our website." - Intermediary-G

One respondent, being an intermediary having influencers exclusively connected to them, has a different view. The interviewee means that they have built an influencer community where they, together with the included influencers, have created a close relationship. They organize

events and have a lounge where everyone can hang around. The respondent states that it has become prestigious to be part of this community.

Monetary compensation and creative freedom are important

The interviewed intermediaries emphasize the importance of seeing the influencers as working professionals. They therefore say that having a solid contract and to use monetary compensation should be industry standard.

"We only compensate with payments. Of course, the influencers get the product as well, the product is a prerequisite but not a payment. We hire these people to do a job."
- Intermediary-E

"We think it is important to pay the influencers. They take this seriously even though many have another job too." - Intermediary-D

The intermediaries say that contracts work as a safety for both the companies and the influencers, that contracts ensure that both parties agree upon what is expected of the collaboration. There are however different views on whether short term or long-term contracts are to prefer. Some respondents argue that long term collaborations risk causing the followers of the influencers to perceive the posts as repetitive and not genuine. While some argue that long term contracts are better, since it seems more trustworthy and also make it possible to modify and improve content during the campaign.

"Long term collaborations are key, the companies need to have a strategy. Many companies have made a few one-off collaborations without thinking on the long-term perspective. They have not made follow ups or evaluated what they have learned. We try to help them with these issues." - Intermediary-C

"We do both short term and long-term collaborations. But we see that continuity is key, the ROI will be better." - Intermediary-G

"Too long collaborations between a company and an influencer are not to prefer. Sometimes an influencer works with the same brand for months and it may lead to frictions. We often use different influencers when working with one customer for a longer period." - Intermediary-E

All respondents agree that it is important to not put too strict constraints regarding the content creation in the contracts. They mean that it is important that the influencers have a lot of freedom when developing and creating the content. The influencers are hired since they know their follower base and are hence best suitable to decide how to communicate a certain message to them.

"There are always some criteria the influencer needs to follow, but we let them have a great freedom. If they are too locked, their creativity is hampered. The influencer should act as the followers' friend. To engage and earn the followers trust, the influencers have to be themselves. You trust a friend more that you trust a company." - Intermediary-E

4.3.3 Influencers' view

The contact with an intermediary or a company varies

All influencers say they initially started their respective social media accounts due to a specific personal interest. Several explain that they wanted to have a place where they could gather and share pictures and videos related to this interest. One influencer explains that creating and posting content are an expression for the respondent's creative side, an interest that ended up becoming the respondent's source of income. Hence, common for the interviewees is that none started their social media accounts thinking they would or could earn money on it. They all agree though, that now being able to get paid, either in the form of products or money, for keep doing their interest has become a partial reason for why they are continuously posting content on their social media channels.

"Initially, I just wanted to have a place where I could gather everything I did related to interior design." - Influencer-A

The respondents have, on the other hand, different views on how a collaboration generally looks like. Some prefer and do have most of the contact with an intermediary, while some prefer and do have most of the contact directly with the companies. Common among the interviewed is that everyone often has a close relationship to either an intermediary or a company. A majority have also in common that they have been connected to one or several intermediaries in one way or another. They have different experiences and opinions about it.

One respondent has an agent who manages all communication with the companies the influencer is doing collaborations with. This respondent says she loves this set up and thinks it is perfect to have someone who helps with the administration so that she can focus on the creative parts of the collaborations. Two respondents say they sometimes do collaborations via an intermediary and sometimes they do not. Both interviewees are positive towards using intermediaries, they mean that it often facilitates the process since the intermediaries are experts. One respondent says that even though doing most collaborations using two intermediaries connecting companies and influencers, she does not feel close or loyal to these intermediaries. The respondent means that intermediaries are working with so many influencers so you do not have an individual contact person and you are only one in the crowd.

"When I first started doing collaborations I often had contact directly with the company, but now I often work with an intermediary. The intermediaries are generally more up to date and have a more modern way of working, while companies often use a simple Excel-sheet or similar." - Influencer-C

Contract is an important factor, but it can harm creativity

A majority of the interviewees further emphasize the importance of using contracts. One influencer tells that she one time got swindled. After putting a lot of time and effort on creating and posting beautiful content, the company stopped answering and did not pay the agreed amount. The respondent continues telling that she nowadays always sees the contract as a vital component of a collaboration. Another participant raises the issue that it sometimes is difficult to understand the contracts though.

"I always get a contract before every collaboration, they often look very different and it can therefore be difficult to understand them." - Influencer-A

Some interviewees say they quite frequently get products sent to them from different companies without having had any prior contact. In those cases, there are hence no contracts in place and the companies take a chance hoping that the influencers will make a post. In these situations, the influencers do not see it as a problem to not use contracts though, since they do not carry any risk. All influencers agree that it is nice to sometimes get products for "free".

"I sometimes get clothes from a big clothing chain in the mailbox. They typically write that they like my feed and hope that I will like their clothes. The first time I got a package, they wrote that they hoped that I would post a picture and so I did. Now they just send me clothes every now and then." - Influencer-E

All respondents emphasize that they often think the contracts have too strict guidelines regarding how to create the content. All respondents value having room for creativity so they can develop content suitable for their individual feed and followers.

"Freedom is very important for me. I once got a picture from a company which they wanted me to imitate, but I could not do that. It must feel like me when I post a picture, otherwise my followers would notice." - Influencer-E

Long-term collaborations are preferred

A majority of the influencers prefer long term collaborations. They say that continuity improves the trustworthiness and feeling of professionalism. Another benefit being raised is that the followers follow a certain influencer partly due to which brands the influencer collaborate with.

"If I promote a product for six months people will eventually buy it, compared to if I only do two posts." - Influencer-D

"If having longer collaborations, you will get followers that are following you in order to also follow a certain company. I believe that many people follow me since I continuously post pictures of a certain brand, followers that like that brand." - Influencer-E

Several influencers however mention that it can be repetitive with too long collaborations. That it can feel embarrassing to post too many pictures of the same company. All respondents also agree that it does not feel good to have too many sponsored posts in their feed, that it is important to have a varied feed.

5. Analysis

This section presents the analysis of the empirical results through our theoretical framework. First by analyzing the selection process of influencers through the celebrity endorsement selection theories and the ARA model (5.1), followed by an analysis of how the actors develop working relationships (5.2) and of the roles of the actors (5.3), both using network theories, hence the ARA model and the theories of embeddedness.

5.1 The match between the brand and the influencer

5.1.1 Importance of having a fit

A key finding from the empirics, is that all interviewees agree that a prerequisite is that there must exist a suitable fit between the product/brand and the influencer, in order for a collaboration to be perceived as successful. Our findings suggest that the companies and intermediaries are looking for certain characteristics when searching for a suitable fit, for example the influencer's age, gender, interest, or political standpoint. The above findings, in combination with the fact that the influencers themselves say they are more likely to enter collaborations where they can see an obvious connection between the product/brand and their social media profile, indicate that all actors aim at achieving a good fit. These findings support the match-up hypothesis, which emphasize the importance of having a congruence between the brand and the endorser (influencer) (Erdogan, 1999). The fact that the companies say that they hope to reach new target segments or boost their brand through the use of influencer collaborations, can explain why the companies find it important to achieve a good fit, since the model further say that high congruence can affect the customers' brand attitudes, purchase intentions, and willingness to pay a higher price. Another advantage, not mentioned in the theory, is that the influencers say they get more engaged when working with companies that fit their personal brand. This finding indicates that a suitable fit increases the influencers' engagement, hence commitment in the collaboration (Håkansson & Johansson, 1992).

According to the match-up hypothesis, a high congruence between the brand and the endorser can strengthen the attractiveness and the trustworthiness of the endorser, thus creating a win-win situation (Erdogan, 1999). This is supported in the empirics, as our results show that the influencers are considering if there are additional benefits from the collaboration, besides the

agreed upon compensation, such as being able to strengthen their personal brands by increased reputation or job opportunities, in other words their trustworthiness and attractiveness.

Several risks that a bad fit can imply are also raised in the empirics. An illustrative example is the collaboration where an influencer created a post that was not perceived as authentic among her followers, which resulted in many negative comments about the influencer and the brand, thus creating a vampire-effect (Erdogan, 1999, Erdogan and Baker, 2000; Karlícek and Kuvita, 2014), since the focus was shifted from the brands' product to the influencer. Another mentioned risk is that the influencer's social media channel is overexposed by collaborations. This risk is also supported by theory, Mowen and Brown (1981), argue that endorsing too many different products can lead to overexposure, which means that the positive effects of the celebrity endorsement on the product/brand is weaken as the link is not distinctive anymore.

5.1.2 Capitalize on the influencers

The empirical results also support the meaning transfer model, where McCracken (1989), states that the symbolic properties of the endorser control the effectiveness of the message being spread. Our empirical results support that companies can select an influencer because of her perceived lifestyle or status, which we interpret as the influencer's symbolic properties, in order to boost their brand. This hence indicates that the companies are seeking to transfer the symbolic properties of the influencer to their brand. Another empirical finding supporting the model, is that the companies say that by letting an influencer show a product in her personal way, hence transfer their meaning to the product, could help the company reach customer segments they otherwise have difficulties reaching. Additionally, the empirical results show that the practice of meaning transferring works the other way around, as the influencers are saying they prefer to select a collaboration with a product/brand which can strengthen their personal brand.

5.1.3 Trustworthiness is the key

Trustworthiness is another component highlighted by all interviewees to be of importance when choosing influencers, a component which can be linked to the source credibility model (Hovland & Weiss, 1951; McGuire, 1985). There are several empirical findings supporting that the companies evaluate trustworthiness when selecting influencers. That all actors emphasize the importance of the influencer to genuinely like the product/brand prior entering a

collaboration being one example. That the "liking" increases the perceived authenticity of the collaboration among the influencer's followers. Another example is that both companies and intermediaries say they like when influencers themselves chose or propose to collaborate with the company, as they mean it shows a genuine interest for their product/brand. Another indicator is the fact that the companies rather collaborate with micro influencers, meaning they are perceived as more authentic and genuine among their followers. Additionally, our empirics show that the influencers themselves emphasize the importance of being perceived as authentic in their collaborations. That this is achieved by working with products/brands they personally stand behind and where they can create content in their personal way. These examples all provide support for the theory saying that companies chose endorsers which are perceived as being believable, honest and have integrity, in other words trustworthy (Erdogan,1999).

In the empirical findings, we also find support that the second component of the source credibility model, "expertise", is an important component in the matching process. An indicator is the fact that the companies say that they like to collaborate with micro influencers since they are perceived as more knowledgeable because of their niche. Additionally, our empirical results show that companies like influencers who already have some experience with their products. Another aspect is that the companies say they sometimes educate the influencer about their product if the influencer lack the knowledge and help them answer questions that can appear among followers. The endorser's perceived level of knowledge, experience or skill related to the endorsed product/brand, can hence be interpreted as something the companies evaluate, and is therefore in line with the model (Hovland and Weiss, 1951).

5.1.4 Physical attractiveness is not the key

As stated in the source attractiveness model, the more attractive an endorser is the more positive responses the message will get (Baker & Churchill, 1977). Interestingly, the empirical findings however do not support that influencers are selected because of their physical attractiveness, which contradicts previous literature saying that most marketers concentrate on physical attractiveness in their endorsement practices (Erdogan & Baker, 2002). This suggest that likeability (where physical appearance is included), one of the components of attractiveness according to the theory (McGuire, 1985), is not seen as important when selecting influencers. Rather we find that both companies and intermediaries select influencers whose followers are similar (e.g. age, interest, gender) to the influencer herself, arguing that it increases the

possibility of engaging the followers, hence the target segment. This however suggests that the companies evaluate familiarity and similarity when choosing influencers, something that is said to make a message more effective (McGuire, 1985). We also find that the influencers are being chosen because of their perceived authenticity among their followers and because of their interests and knowledge about an area, not because of how beautiful they are, which supports Bower and Landreth's (2001) argument that "normal-looking people are more effective since they are perceived as more honest and trustworthy". The fact that the influencers often share their personal life through their social media channels, indicate that the virtuous factors (Erdogan & Baker, 2002), such as lifestyle and status, actually have an importance in the selection process.

5.1.5 Data criteria

A key empirical finding show that both companies and intermediaries see the evaluation of data criteria and insights about the influencers as an important part of the selection process. However, this empirical finding has no support from the selection theories in our theoretical framework. A likely and natural explanation to the lack of support, is that the selection theories were developed before the era of digitalization.

5.1.6 Relational aspects of the matching process

In a network, the actors want to increase their individual control by strengthening their direct or indirect control of both intangible and tangible resources and/or activities (Håkansson & Johansson, 1992). The empirical results indicate that when the company or intermediary choose an influencer, they want to get access and exposure to a specific influencer's followers. This indicates that the they want to increase their control of one of the influencer's resources, its followers, hence a specific customer segment. Additionally, we have found that the companies want to leverage on the influencer's personal brand and her ability of creating content, which indicates that they want to take advantage of the influencer's intangible resources. The vice versa is also occurring as the influencer evaluates the form of compensation and aims to strengthen her personal brand by collaborating with a certain brand or product. This implies that the influencers want to take advantage of the companies' tangible and intangible resources (Håkansson & Johansson, 1992).

As mentioned above, in the selection process the companies rely on different data criteria and insights of the influencers. The data analysis process is more manually driven by the companies, whereas the intermediaries have developed techniques and algorithms making the process more efficient. These findings support that different actors have different types of resources and knowledge in a network (Ford, 2002), and that there was room for carrying out an activity (data analysis) more efficiently, which can explain why many kinds of intermediaries have emerged (Håkansson & Johansson, 1992).

Our empirical findings further show that the relations between the actors can affect the selection process of an influencer. If a company already has established a relation to an influencer, either directly or indirectly, it is more likely that a collaboration will be initiated. This thus supports the argument that actors are more likely to make exchanges when they already have an established relationship (Håkansson & Johansson, 1992). Once the selection process is completed, when the company and influencer have agreed to collaborate with each other, they decide upon what the collaboration should include and what is expected of each other. These actions support what Easton and Lenney (2009), define as commitments, hence when two or more social actors agree to carry out future actions.

5.2 Working relationship

5.2.1 Companies prefer embedded ties

A key empirical finding is the companies' emphasis on the importance of relationships, something that is also described in the ARA model as being of importance when several actors are part of a network (Håkansson & Johansson, 1992). These relations can, according to the theoretical framework, take two forms; "arm-length" or "embedded" (Uzzi, 1997). The empirical results show a presence of both kinds of ties. The data however demonstrates that the companies desire to have a majority of embedded ties, in particular with the influencers. The fact that a majority of the companies say they want to, and often have, a direct contact with the influencers and preferably also meet in person and talk about life in general, saying they often establish a "friendship" relation. This indicates that the companies aim at having embedded ties with the influencers. Another indicator is the companies believe that having long term collaborations are to prefer. Not only as a means to enhance the trustworthiness of a

collaboration, but also to increase the possibility of building more personal and long-lasting relationships, hence the nature of embedded ties (Uzzi, 1997).

The empirical data however indicates that the companies instead prefer, and also have, more arm-length ties, hence not as close and personal ties (Uzzi, 1997), toward intermediaries. Support from the empirics is that none of the interviewed companies say they have had a long-term collaboration with an intermediary. Another support is that several companies say they only cooperate with an intermediary in collaborations where they have to, for instance when an influencer is exclusively connected to an intermediary and thereby have to go through the intermediary.

Interesting is however that the empirical findings suggest that the influencers not necessarily find having close relationships with the companies as important. Indications are the fact that several influencers say that they primarily value a simple and smooth process, but also to be taken as professionals, which they mean often is the case using intermediaries since they are experts on influencer marketing. A belief of the importance of close relationships is in fact not as prevalent in either the influencer nor the intermediary empirics. Empirical support is that several intermediaries say their business models do not involve having close contact with the companies or influencers. Furthermore, that several intermediaries emphasize that they mostly have relations of technical and contractual character to the companies and influencers, though often closer to the influencer, implies that the relations from the intermediaries' point of view rather are of arm-length character (Uzzi, 1997). The empirics further show that the influencers often have a close relationship to either a company or an intermediary, suggesting they have a closer tie to at least one actor of the network.

5.2.2 Components of embedded ties

As the above analysis demonstrates, we find indications that the companies have more of the embedded ties. Several advantages are being raised to why the companies aim to build close relationships with the influencers. A close relationship can imply less frequent contact regarding administrative factors, for example how to demonstrate the product in a post, since the influencer already has knowledge and experience and do not need as much support. Additionally, there is less need for monitoring, since you know what to expect from the influencer. These findings indicate the presence of trust in these relationships, supporting the

presence of embeddedness where trust is one of the components (Uzzi, 1997). By trusting the influencer and not having to provide as much support, the companies mean they can save time, which is seen as a potential opportunity with close ties according to the literature.

Apparent in the empirics is that the companies see close relationships as advantageous due to the possibility of being able to ask the influencer for extra favors, to get a little more than agreed upon in the contract, for example an extra post. Another benefit is being able to have an easy going communication, to simply send a text message or call the influencer to bounce ideas about the campaign. These advantages are in line with another component of embeddedness, that close ties should lead to joint problem-solving activities (Uzzi, 1997). To avoid third hand misunderstandings, the companies prefer having direct contact and building a "friendship" relation to the influencer and getting to know each other personally, which indicates that the companies also experience the third component of embedded ties, fined-grained information transfer (Uzzi, 1997).

5.2.3 Opportunities of embedded ties

Companies mean that it is easier to coordinate and communicate what message they want to spread through an influencer when having close relationships, which indicates support for the theory saying that close ties should lead to improved communication (Uzzi, 1997). Another indicator is the influencer saying she prefers meeting the companies in person, at least once, in order to improve the conditions for having a well working dialog. That there is a risk for misunderstandings if the companies try to understand what kind of person she is by simply looking at her social media accounts.

Something the empirics not support though, is that actors having closer ties are more prone of sharing risks and investments or to stick to each other by accepting price increases and similar (Uzzi, 1997). However, the fact that the majority of the influencers say they could accept lower compensation if they like a certain brand or product, is indications of an integrative agreement, in line with the theory. This implies that companies have room for negotiation with influencers in cases where the influencer genuinely like the brand and the collaboration. This is hence another reason for why it is important that the influencer like the brand when choosing which influencer to collaborate with, as discussed in section (5.1.3).

5.2.4 The importance of contracts

Several risks with having too long or close relationships are also evident in the empirics. One being that several companies mention that it can be difficult to end a collaboration, or to provide criticism to an influencer, when having developed a close relationship. This is also mentioned in theory as being a potential liability with being over-embedded (Uzzi, 1997). The risk of looking too repetitive if having too long collaborations, mentioned by all three groups of interviewees, is another liability of over-embeddedness (Ibid). In other words, problems can raise if having to embedded relations, indicating that Uzzi's argument that having a balanced mix of embedded and arms-length ties are to prefer. However, the advantages of having close ties are emphasized in relation to the potential liabilities discussed.

The empirical findings show that the different actors have different view of the importance and the presence of arm-length versus embedded ties. The fact that there are differences, might explain why the importance of contracts are being raised by all three groups of interviewees. If there would only exist embedded ties characterized by trust and open communication, the emphasis on the importance of having solid contracts would probably not be as apparent in the empirics, as the actors would trust each other to a greater extent. The empirical findings show several issues that can occur in a collaboration, such as not getting paid or not getting enough exposure of the product in a post. These issues could perhaps have been avoided without having a solid contract in place, as the interviewees today see as the solution, if closer relations and more open communication would prevail, as the theory of embedded ties suggests (Uzzi, 1997). Another explanation to why the importance of contracts is emphasized can be explained by the extended ARA model, which says that commitments are necessary in order to meet the goals of the network (Easton & Lenney, 2009). In this case, the contracts can be seen as the commitments, since the contracts say what respective actors involved in an influencer collaboration are expected to do.

5.3 Dynamic roles

The companies have not yet developed clear processes for how to work with influencer collaborations, further a majority say that their respective strategies are under development. The companies also say they do most work themselves but have on the other hand all collaborated with an intermediary or plan to do so in the future. These empirical findings suggest that established roles are not yet in place. That the setup of a collaboration varies from

time to time, indicates that the actors have not yet figured out how to best interlink activities in order to optimize the use of the resources (Håkansson & Johansson, 1992). All interviewees agree that the influencers should have a great freedom over the content creation though, the influencers are said to be most suitable of performing these activities, as they know how to best engage their followers. With this finding, we therefore see a clear indication that the influencers' role in a collaboration is to be the content creator and message distributor.

Further, we can conclude that the companies tend to move the activities related to influencer marketing in-house. This finding supports the above discussion suggesting that the companies today have not yet figured out what activities to perform themselves. Additionally, this finding can be seen as a way to get more control over the resources (Håkansson & Johansson, 1992). By doing the work in-house, the companies (actors) for instance get more control of the data (resource) needed to choose a suitable influencer and to do follow ups (activities). Another explanation to why the companies want to carry out most of the activities in-house, even though there are many different intermediaries on the market, is that the companies say it is more cost efficient, which can be seen as an attempt to optimize resources (Håkansson & Johansson, 1992).

6. Discussion

This section discusses the empirical findings and analysis presented above, by first elaborating on the findings (6.1), followed by a completion of the theoretical framework (6.2).

6.1 Elaboration of the findings

As presented in the above analysis, all celebrity endorsement selection models presented in the theoretical framework have support in the empirical findings of this study. We can therefore conclude that the models, with some additions and deductions, are suitable to apply also in the selection process of influencers, in an influencer collaboration. But instead of seeing the models as four distinct models, we find support that all four complement each other, but that the match-up hypothesis model works as an overbridged model. That the importance of having a fit, a congruence, between the brand and the influencer, as stated in the match-up hypothesis model (Erdogan, 1999), is the overall criterion which can be broken down into the components of the remaining models.

The importance of choosing an influencer that: (1) *genuinely likes* the product/service in order to enhance the trustworthiness; (2) *has knowledge* about the product/service in order to seem like an expert, is in line with the source credibility model (Hovland & Weiss, 1951; McGuire, 1985). These criteria can be linked to the importance of having a congruence, as trustworthiness and expertise can be seen as conditions for increasing the fit. The same connection can be made for the other criteria found to be of importance when selecting an influencer. When looking at the criteria of choosing an influencer in order to *transfer meaning* (the meaning transfer model) (McCracken, 1989), it is important that there is a fit so that the right meaning of a campaign is transferred from the influencer to the followers. When looking at *virtuous factors*, such as what lifestyle an influencer has (the source attractiveness model) (Erdogan, 1999), the lifestyle shall fit the brand. Finally, that there is a fit is also important for our added *"data criteria"*, as the companies evaluate data, such as the followers' demographics and engagement rates, in order to find a good fit matching the desired target audience.

Beyond these criteria, the analysis show that the companies' already established relationships also can impact the selection process. A potential reason to why companies sometimes contacts influencers they already know, might be that trust and well working communication are already

established between the actors, hence indicating the presence of embedded ties (Uzzi, 1997). This finding implies that the character of the relations can impact the selection process. This interesting idea, that already established relations can impact the selection process and thereafter the collaboration, one can assume the other way around. That the selection process also can impact how the relations later will develop. When achieving a suitable fit, the analysis shows that the influencers become more engaged in the collaboration, hence more committed (Håkansson & Johansson, 1992). The analysis further shows that more engaged influencers are appreciated by the companies, which in turn increase the probability for long term collaborations, hence paving the way for the development of embedded ties (Uzzi, 1997). Once embedded ties are established, the analysis shows that the influencers' and the companies' working relationship are becoming more closely linked, for instance in the idea generation part of a collaboration. One can thus argue that the actors' activities become more integrated when embedded ties exist (Håkansson & Johansson, 1992). This discussion therefore suggests that all three parts of our theoretical framework are interrelated. Hence implying that a suitable fit between the brand and the influencer leads to higher commitment, which in turn implies higher probability of embedded ties and closely linked activities. Or the other way around.

As the above discussion demonstrates, the overall criteria for how companies select influencers are fairly established. But as shown in the analysis, how companies develop a working relationship and what role each actor has is not as clear though. Two key findings are however, that in-house activities tend to become common, and that the companies find it important to evaluate data criteria even though they find it is difficult to ensure correct data. At the same time the intermediaries emphasize the importance of the industry to become more data driven. Several intermediaries in fact offer some kind of technology or algorithm that can achieve this. One can therefore question why the interviewed companies not use those services to a greater extent. Despite the opinion that it is costly, one reason might be that the companies say they are still on a learning journey, that they do not yet know what activities they should do in-house and what activities that preferably could be done by an intermediary, for instance data evaluation. Further, considering influencer collaborations being a fairly new phenomenon, one can argue that it is reasonable that distinct roles have not yet evolved, but that they will do so in the future.

6.2 Completion of theoretical framework

The analysis of the empirical findings has resulted in a revised theoretical framework, presented below. As the above analysis and discussion show, we find the networking theories suitable to apply in the context of analyzing an influencer collaboration. Furthermore, we find support for a majority of the components included in all four celebrity endorsement selection models, as discussed in section (6.1). Figure 3 illustrates the completion of the theoretical framework by highlighting the additional criterion discovered through the empirical results, "data", as well as deemphasize the criterion "physical attractiveness" which we do not find support for to be a criterion in the selection process. As discussed above, "the congruence" serves as an overbridged criterion. Furthermore, as also discussed, the relational components can affect the selection process which is why there is an arrow from the components of the embedded theories directed toward phase 1.
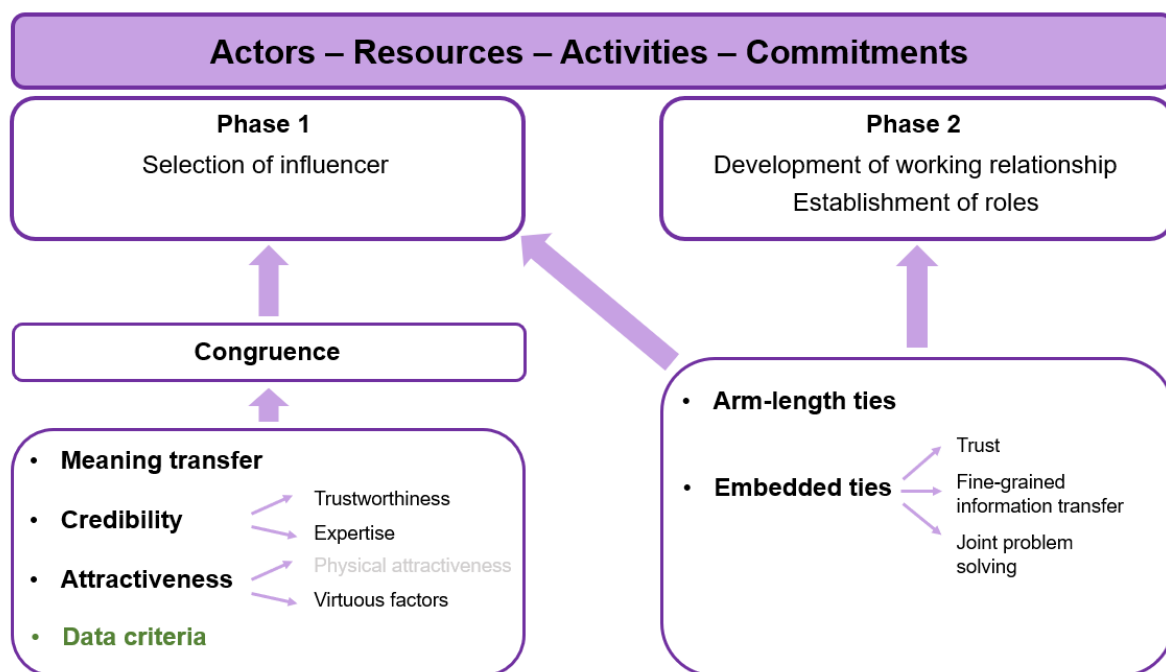

Figure 3 – Revised Theoretical Framework

7. Conclusion

This section addresses the research question (7.1), followed by the theoretical contributions (7.2), managerial implications (7.3), and finally limitations and future research (7.4).

7.1 Addressing the research question

The purpose of this study was to empirically investigate how companies work with influencer collaborations. This objective was led by the research question:

How do consumer goods companies develop collaborations with influencers?

We discovered that the aim of initiating influencer collaborations are that the consumer goods companies' want to leverage on the influencers' resources, such as their content creation abilities or personal brands, in order to get access and exposure to the influencers' followers, targeted customer segments.

We have found that companies have certain criteria they evaluate when selecting which influencers to collaborate with; (1) *congruence*, the importance of having a fit between the product/brand and the influencer. This criterion is found to be working as an overall criterion which can be broken down to the remaining criteria; (2) *meaning transfer*, the importance of selecting an influencer with the desired symbolic properties in order to be able to transfer the "right" meaning to the endorsed product/brand; (3) *credibility*, the importance of choosing an influencer that is perceived as trustworthy and/or as an expert in the field of the company; (4) *virtuous attractiveness*, the importance of choosing an influencer that for example have a lifestyle that matches the endorsed product/brand, a lifestyle the followers find "attractive"; (5) *data*, the importance of evaluating data of the influencer and her followers in order to be able to target and engage the desired audience. Beyond these criteria, we found that the companies' personal relations can be leveraged in the selection process, which can impact their choices.

Beside what criteria the companies find important when selecting influencers, we have found that the processes for how the companies work in influencer collaborations vary. The companies have not established clear strategies or processes, the setup of the collaborations often varies from time to time. We have therefore found that the roles of the different actors involved in collaborations are not yet established either. Nevertheless, we see the importance

of direct and long lasting relations to the influencers to be an important component of collaborations. This aspect is however not seen as equally important from either the influencers' or intermediaries' perspectives, hence making a clear contract between the involved actors to be of great importance in collaborations.

7.2 Theoretical contribution

By answering the research question, this study contributes to the fairly nascent state of literature on the phenomenon of influencer marketing. By researching influencer collaborations through celebrity endorsement theories and network theories, we (1) strengthen the bridge between influencer marketing and celebrity endorsement literature, and (2) contribute to the understanding of influencer collaborations through both celebrity endorsement and network theories. Additionally, we contribute empirically by conducting a qualitative study in an emergent field where the majority of the studies are of quantitative character.

7.3 Managerial implications

The findings in our study can provide key insights to practitioners working with influencer collaborations. The results indicate the importance of investing time and resources in the selection process of finding a suitable influencer that fits the brand. Not attaining a good fit has proven to be costly for both the company and the influencer. Further, the results highlight the advantages of creating direct and long-lasting relations to the influencer which can imply additional benefits, for instance getting more out of a collaboration than first agreed upon, such as being able to ask for extra favors. However, it is of importance to keep the communication clear as the influencer prefer simple and efficient processes and to be perceived as a professional business partner. Finally, the results indicate the need of more data-driven processes, which companies can leverage either by the use of an intermediary, who already have the resources and knowledge, or by developing the capabilities in-house.

7.4 Limitations and future research

Due to the qualitative nature of this study, there is limited basis for scientific generalization (Yin, 2014). This is however often the case for this type of qualitative exploratory study, where smaller sample sizes generally are used. A second limitation is that we have not included a triadic case study where we interviewed representatives from a company, an intermediary and

an influencer working together in a collaboration. Getting all three perspectives on one collaboration would potentially have contributed with interesting and different empirical data and is therefore a suggestion for future research.

A third limitation is that the influencers included in this study do not have an as broad span of follower bases as we would have wanted. We had difficulties finding influencers willing to participate in the study. The fact that there are four influencers having less than 30,000 followers and one that has more than one million followers, might imply that we did not access as varying perspectives as we could and would have wanted. Furthermore, due to the time and resource constraints of a master's thesis, a fourth limitation is that the interviews per group of interviewees (companies, intermediaries and influencers) are relatively few.

Besides the suggestion of doing a case study, following a collaboration from start to end by interviewing all actors involved, another interesting topic to study would be to examine if and how the rise of influencer marketing has affected how companies work with their holistic marketing mix. Furthermore, it would be interesting to conduct a larger scale study examining if and how the result of a collaboration is affected by how close relationships the involved actors have to each other.

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9. Appendix

Appendix 1: Interviewee sampling

Pre-study

Actor type	Name	Title	Interview Type	Location	Date
Company	Company-A	Marketing Partership Manager	Face-to-face	Stockholm, Sweden	2018-09-20
Intermediary	Intermediary-A	Senior Sales Manager	Video call	London, England	2018-09-25
Influencer	Influencer-A	Influencer >13,000 followers	Video call	Stockholm, Sweden	2018-09-17

Main-Study

Actor type	Name	Title	Interview Type	Location	Date
Company	Company-B	Digital Marketing Manager	Face-to-face	Stockholm, Sweden	2018-10-03
Company	Company-C	Global PR Manager	Video-call	Stockholm, Sweden	2018-10-04
Company	Company-D	PR and Communication Manager	Face-to-face	Stockholm, Sweden	2018-10-09
Company	Company-E	PR and Earned Media Manager	Face-to-face	Stockholm, Sweden	2018-10-09
Company	Company-F	Planner & Project leader	Face-to-face	Stockholm, Sweden	2018-10-15
Company	Company-G	Social Media Manager	Face-to-face	Stockholm, Sweden	2018-10-16
Company	Company-H	Social Media Coordinator Ecommerce & Website Deployment Manager Social Media Content Manager	Face-to-face	Stockholm, Sweden	2018-10-24
Intermediary	Intermediary-B	Co-Founder	Face-to-face	Stockholm, Sweden	2018-10-04
Intermediary	Intermediary-C	Chief Operating Officer	Face-to-face	Stockholm, Sweden	2018-10-09
Intermediary	Intermediary-D	Campaign Manager & Events	Video-call	Stockholm, Sweden	2018-10-10
Intermediary	Intermediary-E	Campaign Operations Lead Studio Lead	Face-to-face	Stockholm, Sweden	2018-10-16
Intermediary	Intermediary-G	Co-Founder	Face-to-face	Stockholm, Sweden	2018-10-18
Influencer	Influencer-B	Influencer >30,000 subcribers	Face-to-face	Stockholm, Sweden	2018-10-04
Influencer	Influencer-C	Influencer >1000 followers	Face-to-face	Stockholm, Sweden	2018-10-18
Influencer	Influencer-D	Influencer >1 million followers	Video-call	Marbella, Spain	2018-10-24
Influencer	Influencer-E	Influencer > 8000 followers	Video-call	Stockholm, Sweden	2018-10-31

Appendix 2: Sample Interview Guide – Pre-study

- Introduction of the researchers and the topic of the thesis
- Explanation of the interview process (recording, structure, duration, anonymity)
- Ask interviewee for an introduction, professional position, the person's connection to influencer marketing

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The following main areas were touched upon in all interviews. However, depending on whether a company, an intermediary or an influencer was interviewed, adaptations were made.

Definition
- What does "influencer" mean to you?
- What does an influencer do?
- What does "influencing marketing" mean to you?

Influencer marketing collaboration
- What is typically your goal using influencer marketing?
- What does a typical influencer marketing collaboration look like?
  - How do you find which influencers to collaborate with?
  - Are you collaborating with an intermediary, why/why not?
    - If yes, in what way?
  - What is generally your role in a collaboration?
  - What are generally your collaborating actors' respective role in a collaboration?
- What kind of relationship do you normally have to the influencers?
- If relevant: what kind of relationship do you normally have to the intermediary?
- How do you measure success?

Successful versus unsuccessful collaboration
- Example of a successful collaboration?
  - Reasons why?
- Example of an unsuccessful collaboration?
  - Reasons why

Opportunities
- What opportunities do you see with influencer marketing?

Challenges
- What challenges do you see with influencer marketing?

Appendix 3: Sample Interview Guide – Main study

- Introduction of the researchers and the topic of the thesis
- Explanation of the interview process (recording, structure, duration, anonymity)
- Ask interviewee for an introduction, professional position, the person's connection to influencer marketing

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The following main areas were touched upon in all interviews. However, depending on whether a company, an intermediary or an influencer was interviewed, adaptations were made.

Definition
- What does "influencer" mean to you?
- What does an influencer do?
- What does "influencing marketing" mean to you?

Background influencer marketing
- What does your business model look like?
- Why do you use influencer marketing?
    o What is the motivation?
- Do you have an influencer marketing strategy?

Matching
- How do you choose which influencers you cooperate with?
- Why do you choose to work with micro and/or macro influencers?
    o Differences between micro and macro influencers?
- Example of a successful match?
- Example of a less successful match?
- Does compensation affect the choice of influences? the result?

Collaboration
- How is a collaboration initiated? Who contacts who and how?
- How is the contact maintained?
- Depending on the type of contact (direct/indirect with influencer and/or intermediary) have you experienced differences in the outcome of the collaboration?

Relationship
- What kind of relationship do you have with the influencer and/or intermediary?
- Long term versus short term collaborations?
    o What do you prefer and why?