

# Closer Connection for Perfection

---

A qualitative study of marketing professionals' assessment and management of value creation in influencer marketing with smaller influencers, and the inherent opportunities and challenges, as well as the future of value creation in the industry.

## **Abstract**

As influencer marketing has become a widely used marketing strategy for companies to reach new and existing audiences, marketing professionals need to better understand how to manage influencer marketing based on strategic factors to create value. One strategic factor and potential source of value is the relationship between influencers and their audiences. Recent research suggests smaller influencers have closer connections to their audiences than larger influencers, enabling marketing professionals to leverage higher engagement rates and perceptions of authenticity, credibility, and congruence to create marketing value. Meanwhile, the opportunities and values of smaller influencers need to be balanced with the inherent challenges of managing them, causing deterioration of potential value. Thus, this qualitative study provides insight into the experiences with and perceptions of managing influencer marketing with smaller influencers among marketing professionals in Sweden employed by 1) sponsors, namely large B2C companies, and 2) intermediaries, such as digital marketing, media, PR-, advertising and influencer marketing agencies. Seventeen marketing professionals were interviewed. Results indicate marketing professionals employ a wide range of assessment and value creation activities to manage the opportunities and value of smaller influencers, as well as a wide range of activities to mitigate challenges and protect value from deteriorating in the process, which can have both managerial and academic implications. Furthermore, future opportunities in the influencer marketing industry are addressed to shed light on future areas of research.

**Keywords:** Influencer Marketing, Management of Influencer Marketing, Micro-Influencer, Nano-influencer, Value Creation

**Supervisor:** Riikka Murto, *Affiliated Researcher*, SSE Institute for Research (SIR)

**Examiner:** Per Andersson, *Professor*, SSE Department of Marketing and Strategy

**Word count:** 19 654

Master Thesis written by Robin Naderi, 41863 and Nicholas Sjögren, 41821

Master Program in Business and Management

Stockholm School of Economics



## **Acknowledgments**

We would like to sincerely thank our supervisor Riikka Murto for all her help during our research and the writing of this study. Furthermore, we would like to thank the Stockholm School of Economics and the professors that have prepared us to think innovatively, critically, and creatively during our Master of Science program. Lastly, we would like to applaud and express our utmost gratitude to the marketing professionals that participated in the interviews for this research. Your contributions have brought tremendous and valuable insights to the field of influencer marketing, both academically and professionally.

## Glossary

Shortening	Meaning	Definition
	Audience	The followers of an influencer's social media account.
	Brief	A formalized document communicating campaign details to actors involved in influencer marketing campaigns.
B2B	Business-to-business	Companies serving other companies.
B2C	Business-to-consumers	Companies serving consumers.
	Content	Photos, videos, audio, text and graphics that influencers post on social media.
CPA	Cost per action	The average cost of generating actions from consumers on a piece of content.
CPC	Cost per click	The average cost of generating clicks from consumers on a piece of content.
CPE	Cost per engagement	The average cost of generating interactions from consumers with a piece of content.
CPM	Cost per mille	The average cost of generating 1000 impressions from consumers with a piece of content.
CPV	Cost per view	The average cost of generating views from consumers with a piece of content.
ER%	Engagement rate	Average number of interactions social media content receives per follower.
	Influencer	An individual promoting products/services/brands on behalf of sponsors on social media platforms.
	Instagram, Facebook, TikTok, YouTube, LinkedIn	Common social media platforms where influencers post sponsored content.
	Intermediary	A company operating between sponsors and influencers.
	Macro-influencers	Influencers with between 100.000 and 1.000.000 followers on social media.
	Mega-influencers	Influencers with more than 1.000.000 followers on social media.
	Micro-influencers	Influencers with between 10.000 and 100.000 followers on social media.
	Nano-influencers	Influencers with between 1.000 and 10.000 followers on social media.
	Smaller influencers	Influencers in the nano- and micro-segments.
	Sponsor	A company initiating influencer collaborations.

# Table of Contents

<b>1. INTRODUCTION.....</b>	<b>1</b>
1.1 RESEARCH GAP .....	2
1.2 CONTRIBUTION AND DEFINITION OF SCOPE.....	3
<b>2. LITERATURE REVIEW.....</b>	<b>4</b>
2.1 WHAT IS INFLUENCER MARKETING.....	4
2.2 ACTORS IN THE INFLUENCER MARKETING VALUE CHAIN .....	4
2.2.1 <i>Sponsor</i> .....	4
2.2.2 <i>Intermediary</i> .....	5
2.2.3 <i>Influencer</i> .....	5
2.2.4 <i>Audience</i> .....	5
2.2.5 <i>Influencer Size Categories</i> .....	6
2.3 THE VALUE OF INFLUENCER MARKETING.....	6
2.4 VALUE ASSESSMENT IN INFLUENCER MARKETING .....	7
2.4.1 <i>Reach</i> .....	7
2.4.2 <i>Engagement</i> .....	7
2.5 VALUE OF SMALLER INFLUENCERS .....	8
2.5.1 <i>Authenticity</i> .....	8
2.5.2 <i>Credibility</i> .....	9
2.5.3 <i>Congruence</i> .....	10
2.5.4 <i>Illustrative Example: Value of Smaller Influencers</i> .....	10
2.6 VALUE DETERIORATION IN MANAGING SMALLER INFLUENCERS.....	11
2.7 MANAGEMENT OF INFLUENCER MARKETING .....	12
2.8 FOUR-STAGE MODEL: MANAGING INFLUENCER MARKETING.....	13
2.8.1 <i>Stage 1: Strategic Planning</i> .....	13
2.8.2 <i>Stage 2: Strategic Selection</i> .....	14
2.8.3 <i>Stage 3: Campaign Management</i> .....	14
2.8.4 <i>Stage 4: Measuring Outcomes</i> .....	15
2.9 SYNTHESIS OF LITERATURE AND KNOWLEDGE GAP.....	16
<b>3. THEORETICAL FRAMEWORK .....</b>	<b>17</b>
3.1 VALUE.....	17
3.2 ASSESSMENT AND CREATION OF VALUE .....	18
3.3 VALUATION.....	19
3.3.1 <i>The Objects of Value and Valuation</i> .....	19
3.3.2 <i>Devices and Practices of Valuation</i> .....	20
3.4 VALUE IN INFLUENCER MARKETING .....	21
3.5 ANALYTICAL FRAMEWORK .....	22
<b>4. METHODOLOGY.....</b>	<b>23</b>
4.1 METHODOLOGICAL FIT .....	23
4.2 RESEARCH DESIGN.....	24
4.2.1 <i>Selection of Participants</i> .....	24
4.2.2 <i>Number of Interviews and Redundancy</i> .....	25
4.2.3 <i>Abductive Research Approach</i> .....	26
4.3 DATA COLLECTION .....	26
4.3.1 <i>Introductory Survey</i> .....	26
4.3.2 <i>Semi-structured interviews</i> .....	26
4.4 DATA ANALYSIS .....	27

4.5	QUALITY OF STUDY.....	28
4.5.1	<i>Worthy Topic</i> .....	29
4.5.2	<i>Rich Rigor</i> .....	29
4.5.3	<i>Sincerity</i> .....	29
4.5.4	<i>Credibility</i> .....	30
4.5.5	<i>Resonance</i> .....	30
4.5.6	<i>Significant Contribution</i> .....	30
4.5.7	<i>Ethics</i> .....	30
4.5.8	<i>Meaningful Coherence</i> .....	31
<b>5.</b>	<b>EMPIRICAL FINDINGS AND ANALYSIS .....</b>	<b>32</b>
5.1	THE VALUE OF INFLUENCER MARKETING .....	32
5.2	VALUE OF SMALLER INFLUENCERS .....	33
5.3	INFLUENCER MARKETING VALUE CREATION PROCESS.....	34
5.4	ASSESSMENT AND MANAGEMENT OF VALUE CREATION WITH SMALLER INFLUENCERS.....	35
5.5	STRATEGIC PLANNING.....	35
5.5.1	<i>Goals and KPIs: Assessing and Establishing Value Creation</i> .....	35
5.5.2	<i>Brief: Aligning Actors and Ensuring Value Creation</i> .....	36
5.5.3	<i>Challenges of Value Creation in Strategic Planning</i> .....	36
5.6	STRATEGIC SELECTION .....	37
5.6.1	<i>Selecting influencers: Assessing Value Creators</i> .....	37
5.6.2	<i>Genuine, Trustworthy and Engaging Content: The Value Object of Exchange</i> .....	38
5.6.3	<i>Challenges of Value Creation in Strategic Selection</i> .....	39
5.7	CAMPAIGN MANAGEMENT .....	40
5.7.1	<i>Negotiation and Contracting of Influencers: Assessing Monetary Value</i> .....	40
5.7.2	<i>Sending Information, Supporting, and Allowing Creative Freedom to Influencers: Facilitating Value Creation</i> .....	42
5.7.3	<i>Review and Revision of Content Draft Proposals: Protecting Value</i> .....	42
5.7.4	<i>Campaign Monitoring: Managing and Enhancing Value</i> .....	43
5.7.5	<i>Challenges of Value Creation in Campaign Management</i> .....	43
5.8	MEASURING OUTCOMES .....	45
5.8.1	<i>Measurements and Evaluation: Assessing Value and Legitimizing Value Creation</i> .....	45
5.8.2	<i>Optimize Strategy for Future Purposes: Adapting Value Creation</i> .....	48
<b>6.</b>	<b>DISCUSSION .....</b>	<b>50</b>
6.1	KEY FINDINGS.....	50
6.2	INFLUENCER MARKETING .....	51
6.3	THE VALUE OF SMALLER INFLUENCERS.....	51
6.4	MANAGING VALUE CREATION WITH SMALLER INFLUENCERS .....	53
<b>7.</b>	<b>CONCLUSION .....</b>	<b>55</b>
7.1	ANSWERS TO RESEARCH QUESTIONS .....	55
7.2	THEORETICAL CONTRIBUTION .....	56
7.3	PRACTICAL IMPLICATIONS .....	58
7.4	LIMITATIONS AND FUTURE RESEARCH.....	59
<b>8.</b>	<b>LIST OF REFERENCES .....</b>	<b>61</b>
<b>9.</b>	<b>APPENDICES .....</b>	<b>71</b>
9.1	APPENDIX 1 - INTERVIEW GUIDE.....	71
9.2	APPENDIX 2 – INTERVIEWEE PARTICIPANTS.....	73
9.3	APPENDIX 3 - INTRODUCTORY QUESTIONS.....	74

# 1. Introduction

In the last decade, social media have become integrated into our daily lives (Gajanan, 2017) and the daily time spent on social networking worldwide has increased by about 60% from 2012 to 2020 (Statista, 2022). With the rise of various social media platforms and the shift in where consumers place their attention, traditional marketing has a harder time influencing consumers and creating value for companies and brands (Heinonen, 2011). As a response, digital marketing and presence on social media have become a necessity for companies to market their products and services towards consumers (Lin, Bruning, and Swarna, 2018; Pascaretta, 2022; Patoli, 2022). Along with the rapid growth of social media, a phenomenon defined as "Influencers" has become a popular profession (CNBC, 2019). Influencers refers to individuals posting content and/or endorsing products/services on social media in exchange for compensation from companies. (Campbell and Grimm, 2019). Influencer marketing is a valuable marketing activity consumers respond better to compared to other forms of digital advertising since it is less intrusive, less overtly promotional, and more subtly styled (Cho and U.O.T.A.A.I.A., 2004; Campbell and Farrell, 2020; De Veirman, Cauberghe, and Hudders, 2017).

Influencers can be categorized by the number of followers an influencer's social media account inherits. Campbell and Farrell (2020) make a distinction between larger and smaller influencers through four categories: larger influencers, such as "Mega-influencers" and "Macro-influencers", as well as smaller influencers, such as "Micro-influencers" and "Nano-influencers". A recent trend in academic research suggests smaller influencers generate better engagement rates among audiences than larger influencers (Campbell and Farrell, 2020; Childers, Lemon, and Hoy 2018; De Veirman, Hudders, and Nelson, 2019; Kay, Mulcahy, and Parkinson, 2020; Schouten, Janssen, and Verspaget, 2019). This might be due to higher perceived authenticity (Campbell et al., 2020; Park et al., 2021), credibility (Djafarova and Rushworth, 2017) and congruence between influencers and their audiences (Balaji, Jiang, and Jha, 2021). Further, recent statistics published in 2021 (Statista, 2022) showcase influencers with less than 5.000 followers to have an average ER% of 5%, compared to an average ER% of 1.7% or less in the larger influencer size categories. Meanwhile, influencers with less than 10.000 followers represent 54% of all influencers worldwide on the most popular platform Instagram (Mediakix, 2022).

However, in terms of knowledge surrounding how smaller influencers can be managed, academic research is still nascent and much remains to be explored (Bakker, 2018; Hudders, De Jans, and De Veirman, 2020; Taylor, 2020). Much of the strategic foundation in academic literature has researched influencer marketing without considering the size of influencers' audiences as necessary prerequisites of how marketing professionals should manage it. This might be due to its infancy compared to other marketing efforts, where much of the associated opportunities and challenges in value creation activities remain to be researched. Even though its nascent state academically, a recent global market report highlighted that 89% of marketing professionals believe influencer marketing is an effective marketing activity (Social Publi Blog, 2020), making it interesting to research how marketing professionals assess and create value with smaller influencers.

## 1.1 Research Gap

With the rise of influencer marketing, companies need to better understand how to manage it based on strategic factors. Previous research has identified some opportunities and challenges for marketing professionals in the process (Childers, Lemon, and Hoy, 2018; Leung, Gu, and Palmatier, 2022; Lin, Bruning, and Swarna, 2018), however, the concept of influencer marketing is relatively nascent as a researched phenomenon, whereby most academic publications have been published after 2018 (Hudders, De Jans, and De Veirman, 2020). Previous research focuses mostly on influencer marketing in broad terms, whereby the impact of influencers' audience size and its implication for management is unexplored. Meanwhile, several studies suggest different influencer size categories to achieve different outcomes and behaviors among consumers (Britt, Hayes, and Park, 2020; Campbell and Farrell, 2020; Kay, Mulcahy and Parkinson, 2020; Park et al., 2021). At the same time, marketing professionals seem to have a hard time defining and measuring the value of influencer marketing (Childers, Lemon, and Hoy, 2018). Therefore, we aim to understand what factors marketing professionals' account for to assess and create value when managing smaller influencers.

**RQ 1:** *How do marketing professionals assess and create value when managing influencer marketing with smaller influencers?*

To fully explore the research question, we conduct 17 in-depth semi-structured interviews with the help of the theoretical framework presented under **section 3**. The first aim is to understand

marketing professionals' current processes and to what extent they are assessing and creating value with smaller influencers. Thereafter, this thesis aims to address the opportunities and challenges arising for marketing professionals when assessing and creating value with smaller influencers.

**RQ 2:** *What opportunities and challenges of value creation arise for marketing professionals' when managing influencer marketing with smaller influencers?*

Thus, the aim of the thesis is to contribute with a conceptual roadmap of managing value creation with smaller influencers, bringing implications for both academic and practical knowledge.

## **1.2 Contribution and Definition of Scope**

In a previous literature review by Hudders, De Jans, and De Veirman (2020), future research is suggested: *“Further research can investigate different types of influencers, specifically nano-influencers, and their value for business success.”* and *“Moreover, insights from specific intermediaries such as specialized influencer marketing agencies and technological applications, that support influencers in their commercial activities, formally shape collaborations and track results would be valuable.”* These are two areas of research we aim to shed light on. The study aims to bridge the existing knowledge gap and help understand **1)** factors, in the management of smaller influencers, that help assess and create value and **2)** opportunities and challenges that allow or inhibit marketing professionals to create value with smaller influencers.

## **2. Literature Review**

In the following section, the current state of research within influencer marketing and its value, relevant to the study is presented. Further, research about smaller influencers is emphasized, concluding with research within the management of influencer marketing and how it relates to value creation.

### **2.1 What is Influencer Marketing**

Influencers are individuals providing content through social media platforms who have amassed a sizable social network of people (Gaenssle and Budzinski 2020). They are often seen as trusted tastemakers in one or several niches, whereby companies' have understood the value of collaborating with them in marketing efforts to persuade consumers. Paid collaborations between companies and influencers are commonly framed in the form of published product/service recommendations by influencers receiving compensation from the sponsoring company in return. (Campbell and Farrell, 2020; De Veirman, Cauberghe, and Hudders, 2017).

### **2.2 Actors in The Influencer Marketing Value Chain**

To better understand the influencer marketing value chain, one needs to map the actors involved. Actors in the process can be distinguished into three sources, where Campbell and Farrell (2020) distinguish the sources as: the endorser, the social media manager, and the audience, while Hudders, De Jans, and De Veirman (2020) recalibrate the classification as the sponsor, the intermediary, and the influencer. In the following section, actors' role in the value chain is described with regards to Hudders, De Jans, and De Veirman (2020) classification. However, we propose one addition of the “Audience” since social influence is an interplay between elements, whereby social influence exists due to audiences' feelings and experiences with influencers (Ouvrein et al., 2021).

#### **2.2.1 Sponsor**

The sponsor refers to a company, a non-profit, or a governmental entity initiating advertisement of a product/service through influencer marketing (Hudders, De Jans, and De Veirman, 2020). At the sponsor, marketing professionals are hired or contracted to handle influencer marketing in promotion of the sponsor's brand, products and/or services. Thus, marketing professionals

create value through their expertise and knowledge of how it should be managed. Such efforts can be conducted solely by marketing professionals at the sponsor or in close collaboration with intermediaries.

### **2.2.2 Intermediary**

The intermediary refers to an employed entity such as an ad-, media-, PR-, influencer- and marketing agency, as well as software companies managing influencer marketing through various means (Hudders, De Jans, and De Veirman, 2020). Marketing professionals and their role at intermediaries are largely related to evaluative practices, whereby they place a valuation on the worth and potential of an influencer to deliver meaningful promotional value for sponsors (Brooks, Drenten, and Piskorski, 2021). Furthermore, they often create value through contributing to the creative production of the advertisement, procuring and matchmaking influencers for a campaign, negotiating and contacting influencers on desired terms from the sponsor, and coordinating activities throughout the whole process (Lin, Bruning, and Swarna, 2018).

### **2.2.3 Influencer**

An influencer refers to a person who, in exchange for compensation, posts content on social media (Campbell and Grimm, 2019). Influencers can be compensated in several ways, with money or in the matter of other forms, such as free products, services, trips, or experiences (Campbell and Farrell, 2020). They represent a new category of opinion shapers in the dimension between celebrities and friends, which has emerged because of social media opportunities (Belanche et al., 2021). The difference between celebrities and influencers is defined by the way their popularity emerges, where celebrities are known for non-social media activities (e.g., music, sports), whereas influencers acquire their initial fame from activities on social media (Schouten, Janssen, and Verspaget, 2019, Tafesse and Wood, 2021). The audience of influencers rely on their opinions to inform purchase decisions, emphasizing the relevance and impact of influencers (Casaló, Flavián, and Ibáñez-Sánchez, 2020; Schaefer, 2012).

### **2.2.4 Audience**

Audiences refer to people who follow influencers on social media and are relevant actors in the value chain because they are co-creators of value (Grönroos, 2011; Yi and Gong, 2013), whereby they produce value in the form of their reactions to the influencer's content, such as

clicking on it to make purchases, positively commenting on it and/or sharing it to further audiences. Furthermore, social influence depends on how influencers and audiences experience and perceive content and relationships with each other. (Ouvrein et al., 2021). Thus, audiences' reactions are what marketing professionals aim to achieve, whereby different sizes of audiences can hint towards the relative closeness and influence influencers have in those relationships.

### **2.2.5 Influencer Size Categories**

Influencers are, in academic contexts, generally segmented into different categories based on the size of influencers' audiences. The two largest categories are Mega-influencers and Macro-influencers. Mega-influencers have gotten to a point in their influencer career where they are perceived as celebrities because of large audiences with 1.000.000 or more social media followers. Macro-influencers are influencers successful within their niche area of interest with between 100.000 and 1.000.000 followers. Larger influencers can provide value to brands by endorsing products/services to large and, sometimes niched but, broad audiences for a high/medium level of compensation relative to smaller influencers. (Campbell and Farrell, 2020)

The two smallest categories are Micro-influencers and Nano-influencers. Their audience is large enough to receive compensation for being a professional influencer with an audience of between 1.000 and 10.000 followers (nano), as well as 10.000 to 100.000 followers (micro), generally more localized than larger influencers' audiences. Their smaller audiences can make followers perceive their recommendations as more genuine through higher perceived accessibility and authenticity compared to larger influencers. Thus, smaller influencers can create value by endorsing products/services with higher perceived authenticity to a smaller and more localized audience for lower compensations than larger influencers. (Campbell and Farrell, 2020)

## **2.3 The Value of Influencer Marketing**

Influencers and their perceived popularity among niche audiences have given rise to the identification of influencers as relevant endorsers of products/services/brands, as well as facilitators to access and influence company stakeholders (Enke and Borchers, 2019). Thus, influencer marketing as a marketing strategy has proven valuable for brands to communicate with consumers by leveraging the connection influencers have towards their audience

(Childers, Lemon, and Hoy 2019; Lou, Tan, and Chen, 2019). The positive effects of such connection have proven that sponsored ads promoted by an influencer generate more value through more engagement, compared to identical ads distributed by sponsors directly (Lou, Tan, and Chen, 2019), whereby reach and impact are two potential sources of value in using influencers (Hudders, De Jans, and De Veirman, 2020).

## **2.4 Value Assessment in Influencer Marketing**

In terms of assessing value in influencer marketing, a common practice among marketing professionals is to evaluate the performance based on reach (Schwarz, 2020), namely influencers ability to reach their audience (Ismail, 2018; Schwarz, 2020), whereas another practice is to evaluate engagement (Hudders, De Jans, and De Veirman, 2020), the reactions influencers generate among audiences through their posts, such as likes, comments, and shares (Influencer Marketing Hub, 2022). Both values are highlighted as important for marketing professionals (Hudders, De Jans, and De Veirman, 2020), whereby a brief explanation of the two values is given below.

### **2.4.1 Reach**

Reach refers to the amount of exposure of the endorsed brand influencers can achieve among consumers (Gräve, 2019). Terms might differ on different social media platforms, where Instagram uses the term “Impressions”, Facebook uses “Reach” and “Exposures”, LinkedIn uses “Reach”, TikTok uses “Reach” and “Frequency”, and YouTube uses “Views”. On most of those platforms, the measurements are similar in how they are produced, where reach is usually defined as the number of unique users having seen a piece of content. Furthermore, all the platforms’ definitions of reach can be quantified, tracked, and measured.

### **2.4.2 Engagement**

Engagement refers to interactions’ consumers have with content influencers produce (Hudders, De Jans, and De Veirman, 2020). In broader terms, customer engagement relates to experiences happening due to company-initiated communication efforts, such as interactions and responses to a brand’s offerings, participation in marketing efforts, engaging in word of mouth on social media, giving valuable feedback, among others (Kumar, 2013). For the measurement of engagement, the terms seem to be homogenous among social media platforms and refer to clicks, likes, comments, shares, and saves. Thus, these become data points measured and

perhaps linked to purposes of why audiences react to content. Understandably, engagement measurements can be interpreted to represent a degree of value an influencer's post generates among its audience, as Tafesse and Wood (2021) explain:

*Follower engagement captures the extent to which followers view influencers favorably, engage with their content constructively, and are willing to accept influence from them. As such, it offers a parsimonious numeric measure of influencers' degree of influence on social media.*

However, despite the growing appreciation and inclination towards engagement, companies have difficulties assessing the value of engagement to the company accurately (Kumar, 2013). Meanwhile, higher average ER% is one of the distinct values of smaller influencers (Statista, 2022).

## **2.5 Value of Smaller Influencers**

In explaining why, the management of smaller influencers deserves its own area of research, recent research has highlighted the difference in value between larger and smaller influencers (Britt et al., 2020; Campbell and Farrell, 2020; Kay et al., 2020; Park et al., 2021). Furthermore, Hudders, De Jans, and De Veirman (2020) suggest there is no one-size-fits-all strategy for influencer marketing, indicating the harm of generalizing findings across all segments of influencers and potentially foreseeing the value different segments can contribute. Recent academic research suggests smaller influencers are perceived as more authentic (Campbell and Farrell, 2020; Park et al., 2021), credible (Djafarova and Rushworth, 2017), and congruent (Balaji, Jiang, and Jha, 2021) than larger influencers, whereby a brief explanation of such values is given below.

### **2.5.1 Authenticity**

According to psychological literature, authenticity stems from a person being true to oneself through actions reflecting the person's own desires rather than acting according to the expectations of others (Kernis, 2003; Kernis and Goldman, 2006; Tisdell, 2003; Wood et al., 2008). Authenticity in influencers can be defined as presenting some aspect of their true self when posting content on social media (Kowalczyk and Pounders, 2016) and is seen to be an important factor to influencers' success and value (Kowalczyk and Pounders, 2016; Lou and Yuan, 2019; Woodroof et al., 2020).

Findings suggest influencers who have creative freedom over the content they produce appear more authentic towards their audience, whereas sponsors' control of influencers' content can diminish the authenticity audiences perceive. (Woods, 2016) In the comparison between influencer segments, Park et al. (2021) demonstrates, through four experimental studies, how micro-influencers are more effective than mega-influencers for hedonic products due to higher perceived influencer authenticity and higher perceived product authenticity. Such findings are further enforced by Campbell et al. (2020) suggesting nano-influencers give more access to their audience and achieve higher perceived authenticity, often leading to the highest ER% of all influencer size categories.

### **2.5.2 Credibility**

Credibility consists of two elements: trustworthiness and expertise (Sternthal, Dholakia, and Leavitt, 1978). An individual's trustworthiness is based on their perceived honesty, integrity, and believability, whereas an individual's expertise is based on their perceived knowledge, skills, and experience (Erdogan, 1999). Credibility in influencers can be defined by the followers' judgements of the veracity of the content of communication (Appelman and Sundar, 2015). Furthermore, credibility is an important predictor for campaign effectiveness (Hudders, De Jans, and De Veirman, 2020), where factors such as expertise and attractiveness contribute to the credibility of influencers (Balaban and Mustăţea, 2019).

Balaji, Jiang, and Jha (2021) examines the persuasion process for nano-influencers on social media and finds nano-influencers who produce posts with positively framed and low construal messages to perform better than larger influencers in terms of credibility. They further find credibility to influence the intentions of consumers towards both the service provider and the influencer, whereby smaller influencers are perceived as more credible due to their audience mainly consisting of family, friends, and acquaintances. Likewise, Djafarova and Rushworth (2017) examines the linkage between product endorsements from social media celebrities, their eWOM (internet word-of-mouth) and purchase decisions. They find influencers with smaller audiences to be most influential in persuading purchase decisions of female consumers because of higher perceived credibility.

### **2.5.3 Congruence**

According to self-concept theory, someone's ideas and feelings about themselves pertaining to others can be taken in two forms: their "actual self" and their "ideal self" (Zhu et al., 2019). The actual self describes how an individual perceives themselves, whereas the ideal self explains how an individual wants to perceive themselves (Choi and Rifon, 2012; Jeong and Koo, 2015; Onkvisit and Shaw, 1987), which relates to how congruence is formed, whereby it is high when actors and factors can be seen as connected with the influencer/audience actual and ideal self. Furthermore, high congruence can result in higher purchase and recommendation intentions (Belanche et al., 2021).

Findings by Schouten, Janssen, and Verspaget (2019) emphasize the importance of perceived similarity between the influencer and consumer to achieve value. In addition, Djafarova and Rushworth (2017) find the composition of an image on social media and the influencer's relevance to the product are most influential in persuading consumers. This is further supported by Bu, Parkinson, and Thaichon (2022) who find congruence between the audience and the influencer, as well as the influencer and endorsed product to be of large importance to increase value. Likewise, Bentley et al. (2021) find congruence in the cultural similarity between the influencer and its audience as important to increase deep engagement among them. Lastly, when influencers transition from smaller to larger audiences, audiences' identification and congruence with the influencer can be seen to weaken and result in decreased relative engagement (Childers, Lemon, and Hoy, 2018; De Veirman, Hudders, and Nelson, 2019; Schouten, Janssen, and Verspaget, 2019).

### **2.5.4 Illustrative Example: Value of Smaller Influencers**

Aforementioned research has highlighted potential values of smaller influencers. Meanwhile, it is important to understand how potential value is assessed monetarily and how it affects the management of influencer campaigns. Research on pricing associated with influencer marketing is limited, but Lee et al. (2021) finds advertisers in the hospitality industry to generally adopt CPV. However, their findings suggest CPA to be a better pricing approach since value is seen to stem from audiences' actions leading to increased revenue, whereas views are seen to lack a connection to increases in revenue. An illustrative example based on CPV and CPA can showcase why smaller influencers with high ER% (Statista, 2022) can be more valuable than larger influencers.

### **Illustrative example**

A sponsor runs an influencer campaign using CPV as its pricing approach, aiming to reach an audience of 100.000 people. The sponsor compares two different segments of influencers: smaller influencers with 5.000 followers, requiring 20 to reach a total of 100.000 people, or larger influencers, with 100.000 followers, requiring one to reach a total of 100.000 people. Since the sponsor is compensating influencers based on CPV, 20 smaller influencers will entail the same compensation as to one larger influencer. Thus, in terms of reach, the two segments of influencers will perform equally well for the same compensation. However, the distinction comes from the amount of engagements the two segments are expected to generate. With the average ER% of smaller influencers (Statista, 2022) they will generate 5000 engagements ( $5\% * 100.000$ ), which is greater than the larger influencer's 1300 engagements ( $1.3\% * 100.000$ ). Thus, the general adaptation of CPV can showcase the higher potential value smaller influencers can contribute with, indicating more favorable cost structures with smaller influencers because sponsors receive more engagement for the same compensation.

## **2.6 Value Deterioration in Managing Smaller Influencers**

Despite the favorable cost structure of smaller influencers when CPV is used, other factors need to be accounted for in the total marketing investment. One such factor is the cost of manpower resources (Lee et al., 2021). One quantitative research paper suggests that typical social media accounts can generate better results on Twitter than larger accounts, unless larger acquisition costs of identifying and managing larger amounts of influencers prohibits value to be created (Bakshy et al., 2011). This is further highlighted by Haenlein et al., (2020) in their review of how companies should navigate in the management of influencer marketing: *“Even if smaller influencers may have benefits compared with larger ones in some instances, the cost of managing them can easily make the net benefit unfavorable”*.

In the illustrative example, more, and perhaps less experienced, smaller influencers need to be managed compared to the work with larger influencers (Lee et al., 2021). These insights make it interesting to research how marketing professionals balance smaller influencers' benefits with the challenge of more manpower resources required to be managed.

## **2.7 Management of Influencer Marketing**

Both positive and normative research has been conducted on the management of influencer marketing without considering how it might differ among different influencer size segments. Childers, Lemon, and Hoy (2018) studied the experiences and perceptions of marketing professionals in the management of influencer marketing and described three major process areas in their experiences: **1)** extending reach and building credibility, **2)** managing influencer marketing, and **3)** measuring success. Meanwhile, Lin, Bruning, and Swarna (2018) developed a five-step framework as a tool for companies to use influencers as part of their marketing strategy, consisting of **1)** planning, **2)** recognition, **3)** alignment, **4)** motivation, and **5)** coordination. The authors view the framework as a strategic tool for marketing professionals to align their influencer marketing strategy with the sponsor's broader social media marketing strategy. Furthermore, Leung, Gu, and Palmatier (2022) leveraged a conceptual framework in their aim to capture the key elements of influencer marketing: **1)** Select and incentivize online influencers, **2)** Empower influencers to engage their audience and **3)** Leverage influencers' unique resources. Moreover, the authors find influencer marketing to frequently be integrated into traditional firm-led approaches but acknowledge their lack of ability to adequately understand the scope, effectiveness, and potential threats of influencer marketing. Garnering insights from Childers, Lemon, and Hoy (2018), Leung, Gu, and Palmatier (2022), and Lin, Bruning, and Swarna (2018) and a four-stage model emerges as the first piece of a roadmap to managing value creation with smaller influencers: **1)** Strategic Planning, **2)** Strategic Selection, **3)** Campaign Management, and **4)** Measuring Outcomes.

## 2.8 Four-Stage Model: Managing Influencer Marketing

The below model illustrates the four stages of managing influencer marketing campaigns.

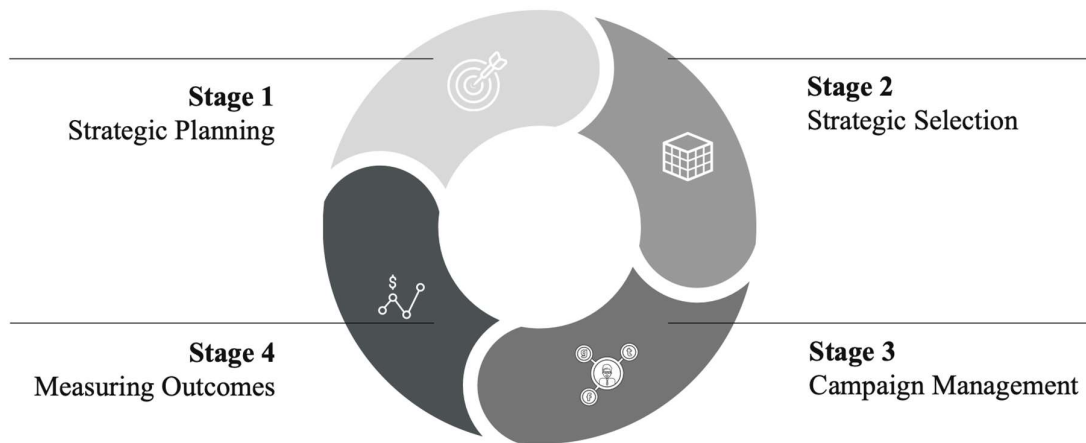


Figure 1: The Four-Stage Model of Managing Influencer Marketing

### 2.8.1 Stage 1: Strategic Planning

The first stage of managing influencer campaigns starts with setting goals and objectives for the campaign at hand (Lin, Bruning, and Swarna, 2018), such as desired reach and engagement, which marketing professionals can expect from influencer campaigns (Hudders, De Jans, and De Veirman, 2020). Marketing professionals view influencer marketing as a marketing activity to build trust and credibility in new or existing consumer audiences for a brand through influencers' connectivity with their audiences. (Childers, Lemon, and Hoy, 2018). Through such connectivity, influencers can influence audiences' attitudes and behaviors for the endorsed product/service with the intention to increase awareness, reinforce favorable brand perceptions, and drive sales, thus creating value to the endorsed brand (Leung, Gu, and Palmatier, 2022). However, before such value is created, marketing professionals first need to determine what the desired outcomes of the campaign are and how such outcomes should be realized. Santiago and Castelo (2020) used Lin, Bruning, and Swarna's (2018) framework to identify such planning among experienced marketing professionals managing influencer marketing in the beauty industry. Firstly, they found budgetary concerns and objectives as the first topics of importance when planning influencer campaigns, determining structure of the following activities. Furthermore, the authors found the main objective among marketing professionals was to create awareness for new products/services and brands, whereby generating sales was

the end goal of such awareness, even if not verifiable in the short term (Santiago and Castelo, 2020).

### **2.8.2 Stage 2: Strategic Selection**

The second stage refers to the strategic selection process, such as selecting relevant target audiences, influencers, platforms, and content formats for the campaign. Relevancy can be determined based on strategic factors, such as influencers traits and suitability to the established goals and objectives (Berne-Manero and Marzo-Navarro, 2020), the resources at hand to support and engage influencers, what roles, as well as functions influencers will have for the intended campaign (Lin, Bruning, and Swarna, 2018) and how well influencers align with the brand (Childers, Lemon, and Hoy, 2018). To ensure the selection of suitable influencers for campaigns, Childers, Lemon, and Hoy (2018) find marketing professionals to review past and present collaborations influencers have had with other actors, indicating concerns of credibility and congruence in who the influencer is and what type of products/services the influencer endorses. Furthermore, marketing professionals need to consider the target audiences of campaigns and if influencers can serve it and communicate the value of the endorsed product/service (Lin, Bruning, and Swarna, 2018). While using Lin, Bruning, and Swarna's framework, Santiago and Castelo (2020) found the influencer's relationship with the brand as an important factor increasing authenticity and credibility, followed by the value of engagement, indicating interactions between the influencer and its audience as a prerequisite when selecting influencers.

### **2.8.3 Stage 3: Campaign Management**

The third stage concerns the management of influencers and the campaign in general. Firstly, marketing professionals need to contact and negotiate terms with influencers based on established goals and objectives (Lin, Bruning, and Swarna, 2018) and strategic selection decisions. Furthermore, legal aspects and requirements need to be considered when collaborating with influencers such as domestic and industry-specific guidelines, regulations, and taxes (Lin, Bruning, and Swarna, 2018). Furthermore, the remuneration influencers receive varies between different segments of influencers based on several factors (Leung, Gu, and Palmatier, 2022).

Coordinating influencers is crucial to ensure achievement of the intended objectives, requiring marketing professionals to continually evaluate how the marketing campaign performs, communicate with influencers on the performance, and aid influencers in their activities such as supporting the content creation process with product/service information and details (Lin, Bruning, and Swarna, 2018). Brooks, Drenten, and Piskorski (2021) find marketing professionals' role to be creative concierges more than content producers, wherein marketing professionals' creative control is abandoned and instead focuses on aiding influencers and brands in the creative process. However, Childers, Lemon, and Hoy (2018) find marketing professionals to maintain some creative control over the content influencers produce, originating from the fear of influencers posting content not aligned with what sponsors intend to promote. By leveraging Lin, Bruning, and Swarna's (2018) framework, Santiago and Castelo (2020) find much importance in negotiations on content, formatting, coordinating activities, scheduling, and remuneration, as well as campaign monitoring through responding to, or making changes if something unforeseen or unagreed occur. Furthermore, supporting influencers is an important activity to create value, which involves clarifying doubts on details surrounding the product/service and/or other issues raised by audiences (Santiago and Castelo, 2020).

#### **2.8.4 Stage 4: Measuring Outcomes**

The fourth stage refers to measuring outcomes of influencer collaborations. Childers, Lemon, and Hoy (2018) find marketing professionals to measure the number of impressions and engagements generated by content from influencers. They further mention the unique opportunity social media brings with followers sharing the post through their own social media channels to amplify the number of impressions and engagements. However, the authors also find marketing professionals to lack a solidified understanding of how to measure influencer campaigns, indicating its nascent state and lack of defined values compared to traditional forms of marketing. Santiago and Castelo (2020) find marketing professionals to emphasize engagement as the most used metric of measuring outcomes of campaigns, followed by shares and following sales. Not surprisingly, the respondents in Santiago and Castelo's (2020) research emphasized the same concern as highlighted in Childers, Lemon, and Hoy's (2018) research, where marketing professionals experience difficulties in measuring the return on investment of influencer marketing.

## 2.9 Synthesis of Literature and Knowledge Gap

The key concepts previously presented are actors in the influencer marketing value chain, the value of influencer marketing and how it is assessed, value of smaller influencers and management of influencer marketing. Research concerning the management of smaller influencers, from marketing professionals' perspective, is limited (Hudders, De Jans, and De Veirman, 2020). However, research has shown several distinctions to be made concerning the value of smaller and larger influencers. Our illustrative example also highlights potential opportunities and challenges in managing smaller influencers. As the research questions emerged from calls from Hudders, De Jans, and De Veirman (2020) for **1**) investigating different types of influencers, especially nano-influencers (the smallest influencer segment) and their value for business success and **2**) how intermediaries and technological applications shape influencer marketing, this study focuses on understanding how marketing professionals create and assess value when managing smaller influencers. **Figure 2** showcases where the focus of the study is, in marketing professionals' management of assessment and creation of value with smaller influencers and their value, as well as opportunities and challenges of managing them.

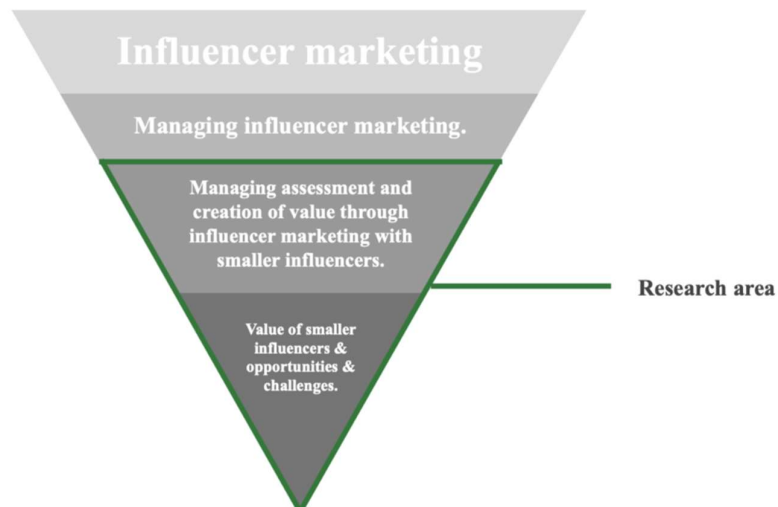


Figure 2: The focal research area of the study

### 3. Theoretical Framework

In assessing the value smaller influencers can bring and how value is created through such marketing efforts, one must define the foundation conceptualizing values and valuations, as well as its relation to influencer marketing. Thus, the theoretical framework and its key contributions are presented below.

#### 3.1 Value

The notion of value can be viewed in several ways. In Karababa and Kjeldgaard (2014) study, the authors discuss several conceptions of value in marketing and consumer research and how economic, social, and semiotic values can form different context-dependent conceptualizations of value. Examples of different notions of values, related to the abstract values above, are use, exchange, aesthetic, identity, instrumental, economic, social, shareholder, symbolic, functional, utilitarian, hedonic, perceived, community, emotional, expected, and brand values (Karababa and Kjeldgaard, 2014). The authors argue that the interrelational dynamics between the notions of and the abstract types of values demonstrate that notions of value are subjective, context-dependent, complex, and interrelated. This illuminates' issues concerning the observation and understanding of value as a singular and isolated form. E.g., economic value can be objectified into the monetary gain from an exchange between two parties, whereas social and semiotic values can be derived from different aspects of an exchange and of the object of exchange itself.

To define what value is in influencer marketing, one can take the perspective of the sponsor who employs marketing professionals. From a sponsor perspective, the most elementary reason why the sponsor exists is to create shareholder value. Shareholder value can be explained by four principles in modern finance: **1)** cash flows, where value is based on cash and what the shareholders receive after all expenses have been paid, **2)** time value of money, where time is an component of the value of cash, a set amount of money is worth more today than tomorrow **3)** the opportunity cost of capital, the return investors could obtain if they invested elsewhere with similar risk and **4)** net present value, maximizing the net present value of a business, which leads to maximizing investment returns to shareholders (Doyle, 2000). Meanwhile, marketing professionals have formulated a variety of measurements to evaluate and justify their marketing efforts, whereby common criteria for measuring the performance of marketing are increases in sales and market share (Butterfield, 1999). Another way of justifying marketing efforts is

through brand awareness, consumer attitudes, repeated purchases, and ratings of consumer satisfaction. However, many of these criteria have a weak relationship to sales and profit increases and thus shareholder value. (Doyle, 2000)

### **3.2 Assessment and Creation of Value**

Due to the weak relationships of causality between shareholder value and criteria to justify marketing efforts (Doyle, 2000), one can turn to Helgesson and Muniesa (2013), Vatin (2013), and Heuts and Mol (2013) for a broader understanding of how value is assessed, how valuation practices take place, as well as how and when value is created. Valuation can be performed through objective and subjective practices where values can be objective once it undergoes a contextual objectification where valuation is solid, meaningful, and useful. Thus, the objectivity of value is constructed in its context. Valuation can also be subjective and connected to socially constructed desire and desirability, a phenomenon closely linked between people and things, and between people. A more refined view of subjective value is one where the concept is attentive to shifts in agency and transformation of consciousness at work in processes of attachment and detachment. (Helgesson and Muniesa, 2013) In terms of value in influencer marketing, objective value can be seen to exist through formalized measurements, capturing consumer activities and behaviors on social media platforms. Meanwhile, subjective values are valuations of value perceived by audiences and marketing professionals, which are not yet formalized in a quantifiable and contextual measurement. Such values might be the perceived authenticity audiences and marketing professionals attach to an influencer, which cannot be measured because of the unavailability of data provided by social media platforms.

On the topic of valuation, Vatin (2013) makes the distinction between processes of assessment, wherein things undergo judgments of value, and processes of production, where things are produced to be of value. Such suggestion can be linked to the tensions of valuing registers explained by Heuts and Mol (2013), where shifts from one value register to another happens according to circumstances, e.g., when a consumer wants a cheap tomato for their pasta sauce because it will disappear into the pan, whereas the same consumer purchases expensive tomatoes for salads because of enjoyment for their appealing looks. This example emphasizes value can shift through context, where the monetary value register might triumph over sensual qualities in one context and vice versa (Heuts and Mol, 2013). This might suggest marketing professionals contemplate whether one value, such as the level of compensation to an

influencer should triumph over the sensual qualities of the influencer's content. The tension between costs and sensual qualities may be solved by a compromise or distributed over situations, but sometimes one value overrules the other. If the marketing professional has been contracted by a sponsor to achieve the production of beautiful content with influencers, they might be inclined to higher compensate influencers to achieve such value. Meanwhile, another sponsor might demand high reach with a low budget, motivating the pursuit of low costs instead of beautiful content.

The value of sensual qualities can also be in tension with other value registers, such as *handling*, whereby value is created through handling objects, *naturalness*, whereby value is created through a lack of interference, and *historical time*, whereby value is assessed based on glorified historical outcomes (Heuts and Mol, 2013) Marketing professionals can use different tactics to achieve different values, where one might control the delivery of an influencer's content through strict guidelines, in order to achieve desired output. Meanwhile, another might leave all the creative freedom to influencers to achieve naturalness. As Heuts and Mol (2013) gracefully explains, valuation is not a matter of casting judgments after the facts, instead, it is part and parcel of a variety of activities experts engage in to care for their objects.

### **3.3 Valuation**

In Helgesson and Kjellberg's (2013) review of values, valuation, and markets, three broad themes are shed light on when the authors compare and put four empirical studies in conversation: **1)** the object of value and valuation, which is meaningful in relation to influencer marketing in order to understand which objects are of importance for value **2)** devices and practices of valuation, which is meaningful to understand how valuation practices might take place in influencer marketing and **3)** studying values and valuations in markets, which is excluded in the following section due to its nature being beyond the scope of this research.

#### **3.3.1 The Objects of Value and Valuation**

A typical object of valuation in markets is the object of exchange between two actors, where valuation looks at price, characteristics, performance, and other related factors. The object of exchange can have value at a certain time of the exchange, but its value can also change over time. This means valuation can also assess the future value of the object of exchange. Further,

practices which establish the value of the object of exchange, can themselves enact other values. (Helgesson and Kjellberg, 2013)

In influencer marketing, the value object of exchange can be defined as the content produced by influencers, which is what marketing professionals pay for. Meanwhile, Helgesson and Kjellberg (2013) concludes that the value of exchange objects can have strong transgressive qualities, meaning other values and settings can be linked to the values related to the exchange. It has been highlighted that one value, e.g., authenticity in the content produced, might influence another value, e.g., engagement among audiences. Thus, Helgesson and Kjellberg's (2013) reasoning might help shed light on the transgressive qualities of values in influencer marketing and how one value can impact other values in the exchange.

Beuscart and Mellet (2013) exemplify how the digital advertising market in France had two different quality conventions for the value and valuation of ad space. The media convention originated from the traditional media advertising model, with advertisers mostly interested in improving their product/brand awareness. The pricing model for such value was in turn founded on a CPM-basis, valuing the exposure of the message. The direct-response convention, in contrast, was founded on a CPC- or CPA-basis, valuing the actions of consumers in their decision-making. As the two quality conventions show, different valuation models can apply and determine the value of content where different goals, KPIs and pricing models apply for different purposes.

### **3.3.2 Devices and Practices of Valuation**

Devices and practices of valuation refer to techniques, systems, and procedures to establish the value of the object of exchange. Marketing research has been influenced by the traditional economic view of price as a core in valuation where differences in value due to psychological perceptions can be expressed by monetary numbers. (Kjellberg et al., 2013) The devices and practices used in the matters of value and valuation are not merely interesting in the focus of understanding them from a methodological point of view, but also pragmatically as they also are key objects in their enactment of the values at stake (Dewey, 1939; Muniesa, 2011). Beuscart and Mellet's (2013) study showcases how the click-through-rate emerged from ease of availability to measure the performance of direct-response advertising, resulting in strengthening the form of advertising and therefore enacting the economic value of online

advertisements. Further, Cluley (2018) showcases how marketers accepted viewability as a measurement in the digital advertising market since it was productive in their marketing activities, despite having problems with its inaccuracy, indicating how the practical implications of measurements might be of more importance for marketing professionals than its accuracy in capturing what it aims to capture.

### **3.4 Value in Influencer Marketing**

Meanwhile, if one were to link valuation studies to influencer marketing, it becomes clear it is an activity built on values and valuation. As much research has highlighted, influence over influencers' audiences happen because of audience perceptions (Belanche et al., 2021; Coco and Eckert, 2020; Kay, Mulcahy, and Parkinson, 2020; Lee et al., 2021; Schouten, Janssen, and Verspaget, 2019). Characteristics attached to influencers, such as credibility, authenticity, and congruence are perceived by the audience or marketing professionals and are interpreted as subjective values. However, it depends on the context whether these characteristics are objective or subjective (Helgesson and Muniesa, 2013). They could e.g., be made objective if a platform introduces a widely used formalized practice for measuring such perceptions.

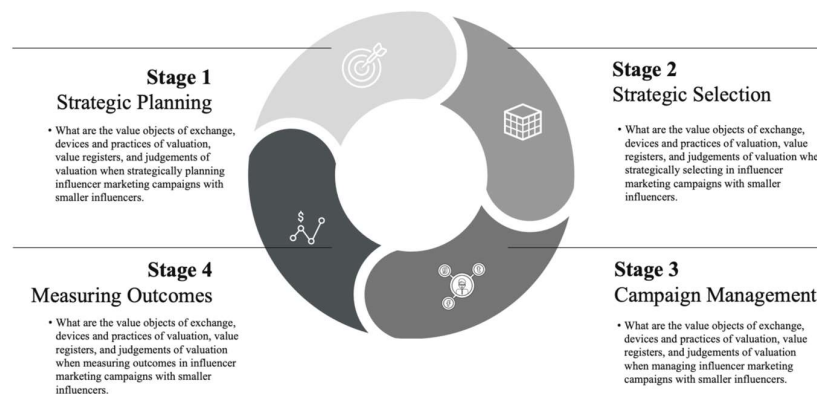
An observation is that many values in influencer marketing remain subjective. This raises interest to when, where, and if subjective valuations are troublesome and/or valuable. The holy grail of value measurements for sponsors over an extended period is profit (Doyle, 2000; Osborne, 1964). Thus, if one were to look at the value chain, marketing professionals are employed by sponsors to create value for sponsors, not themselves or anyone else. Therefore, every action of the marketing professional should, in theory, be taken to increase profits in the long term. Anything else could be considered an agency problem (Eisenhardt, 1989). However, prominent marketing researchers like Susi Geiger (Kjellberg et al., 2013) suggest that expressions of value are not as simple as boiling it down to one measure, but rather: *“Instead of assuming that all expressions of value can be translated into a common metric, it should account for the collective, non-linear, multi-dimensional character of valuation processes”*

This might help understand why valuation in influencer marketing includes a vast dimension of valuation practices. Different devices and practices for valuation might be conducted to evaluate authenticity, credibility, congruence, and other thinkable values. However, rather few formalized practices have been established for such values. Furthermore, Heuts and Mol's

(2013) observation of judgments and production of value, might help clarify marketing professionals' different value registers in tension with one another and compromises between them. Furthermore, Beuscart and Mellet's (2013) emphasis on different measurements serving different marketing purposes might help understand why and how marketing professionals adopt measurements when measuring value with smaller influencers. Lastly, measurements' emergence from consensus, wherein actors use standardized and productive measurements that make it easier to align interests and communicate desired value, might help explain why some devices and practices of valuation are more predominant than others in influencer marketing.

### 3.5 Analytical Framework

Based on the four-stage conceptual model presented in **Figure 3**, the analytical framework is developed from **1)** previous research of management in influencer marketing on the major activities marketing professionals engage in (Childers, Lemon, and Hoy, 2018; Leung, Gu, and Palmatier, 2022; Lin, Bruning, and Swarna 2018) and **2)** concepts of valuation and value central to understanding the experiences and decision-making of marketing professionals in their value-related activities (Helgesson and Kjellberg, 2013; Heuts and Mol, 2013; Karababa and Kjeldgaard, 2014; Vatin, 2013). The analytical framework addresses the research questions by aiding the analysis of marketing professionals' experiences when managing smaller influencers and captures broad categories of activities performed and their relation to value and valuation. In each stage, questions are formulated to understand what marketing professionals do to assess and create value and further helps understand what opportunities as well as challenges marketing professionals face when aiming to assess and create value through smaller influencers.



*Figure 3: The circle of value creation for marketing professionals: An analytical framework of managing influencer marketing and value creation with smaller influencers*

## **4. Methodology**

The following section describes the research method used for addressing the study's research questions. Firstly, the reasoning for the methodological fit (4.1) and research design (4.2) is described, and its appropriateness to the research purpose. Secondly, the choices in the approach for data collection are discussed and the data collection process is described (4.3). Fourthly, a rich description of how the acquired data was analyzed is presented (4.4). Concluding, we critically reflect on how the study has been conducted to improve the quality of the study (4.5).

### **4.1 Methodological fit**

Given the nature of the study's open-ended research questions, the focus is to create an in-depth understanding of the participants' experiences and perceptions of their social world when managing smaller influencers.

As influencer marketing is in a nascent state, deploying a qualitative approach allows for a better exploration and understanding of the phenomenon's complexity (Williams, 2011), allowing for a thorough understanding of the perceptions among participants, and exploring the relevant areas of research in a relevant setting (Morrison et al., 2012). Since understanding the subjective experiences of individuals for a phenomenon is the focal point of the study, leveraging a qualitative approach enables a richer understanding of how values, beliefs, behaviors, and contexts matter to their experiences (Bell, Bryman, and Harley, 2019; Fossey et al., 2002; Korstjens and Moser, 2017). Through insights derived from empirical observations, a qualitative approach contributes to further expanding the research area (Bell, Bryman, and Harley, 2019; Korstjens and Moser, 2017). Furthermore, more qualitative research is called for in influencer marketing (Hudders, De Jans, and De Veirman, 2020). As the heart of the thesis lies in acquiring an in-depth understanding of a phenomenon, a quantitative approach is not suitable as it rather seeks to measure occurrences and generalize findings (Bell, Bryman, and Harley, 2019; Korstjens and Moser, 2017). Thus, the qualitative approach and the theoretical framework can better help understand how marketing professionals assess and create value when managing smaller influencers.

## 4.2 Research Design

The research design was constructed to guide the process with a clear and logical framework (Bell, Bryman, and Harley, 2019), and designed with regards to the nature of the research questions and scientific knowledge aimed to reach (Korstjens and Moser, 2017).

Having searched for influencer marketing, as well as value and valuation literature in the beginning, we were committed to conducting a study offering new and interesting insights to the area of both influencer marketing and marketing values and valuations. Thus, we began by creating an overview of potential participants at relevant sponsors and intermediaries engaged in influencer marketing. We purposely employed sampling to select participants that could potentially provide us with rich information about their experiences with smaller influencers. After reaching out to potential participants and establishing first contact, we also relied to a small extent on snowball sampling, whereby some participants referred to additional participants at other companies.

### 4.2.1 Selection of Participants

The study aimed for a holistic view of how marketing professionals manage smaller influencers. Thus, the selection of participants was focused on marketing professionals working at sponsors and intermediaries. Two different approaches to the selection of and outreach to participants were conducted, whereby potential participants were informed of the purpose of the study and asked about their willingness to participate in in-depth interviews.

1) 66 marketing professionals at B2C sponsors in Sweden were mapped in a separate excel list and 57 of them were reached through LinkedIn. 7 of the 57 participated, whereby 1 participant was referred to through snowball sampling (**Figure 4**). The marketing professionals were found through the LinkedIn search function where four different keywords were searched for: "Influencer Marketing", "Influencer Marketing Specialist", "Influencer Marketing Strategist".

2) 53 marketing professionals at digital marketing, media, PR-, advertising and influencer marketing intermediaries in Sweden were mapped in an excel list and 45 were reached through email or LinkedIn. 10 of the 45 participated, whereby 2 participants were referred to through snowball sampling (**Figure 4**). The actors were mostly found either through Google Search or LinkedIn search function, whereby the keywords "Influencer Marketing", "Influencer

Marketing Specialist”, "Influencer Marketing Strategist", “Influencer Marketing Tool Sweden”, “Influencer Marketing System Sweden” and “Influencer Marketing Sweden” were used.

<b>Interviewee</b>	<b>Organisation</b>	<b>Work Title</b>	<b>Industry</b>	<b>Work Experience</b>	<b>Date of Interview</b>	<b>Time (h:mm:ss)</b>
A1	Digital Marketing Agency	CEO	Media and marketing	17 years	01.03.22	0:35:02
A2	Media Agency	Digital Strategist	Media and marketing	10 Years	03.03.22	1:00:16
A3	Media Agency	Project Leader	Media and marketing	20 Years	16.03.22	1:03:34
A4	Media Agency	Head of Digital	Media and marketing	4 Years	16.03.22	0:42:50
A5	Digital Marketing Agency	Media Strategy Director	Media and marketing	15 Years	15.03.22	1:05:12
A6	Media Agency	Project Leader	Media and Marketing	3 Years	05.04.22	0:37:37
A7	PR and Advertising Agency	CEO	Media and Marketing	8 Years	12.04.22	0:52:42
A8	Influencer Marketing Agency	Project Leader	Media and Marketing	3 Years	02.03.22	0:48:50
A9	Influencer Marketing Agency	Head of Influencer Operations	Media and Marketing	4 Years	03.03.22	0:54:06
A10	Influencer Marketing Agency	Head of Influencer Marketing	Media and Marketing	19 years	23.03.22	0:43:45
C1	B2C Company	Influencer Marketing Specialist	Financial services	5 Years	15.03.22	0:50:36
C2	B2C Company	Influencer Marketing Manager	Cosmetics	4 Years	17.03.22	0:37:12
C3	B2C Company	Influencer Marketing Specialist	Accessories	2 Years	21.03.22	0:57:05
C4	B2C Company	Head of Marketing	Groceries	6 Years	22.03.22	0:55:03
C5	B2C Company	Head of PR and Private Labels	Cosmetics	8 Years	22.03.22	0:40:49
C6	B2C Company	Influencer Marketer	Tech / Publishing	4 Years	25.03.22	0:54:42
C7	B2C Company	Project Leader	Groceries	6 Years	08.04.22	0:59:10

Figure 4: Interviewee participants

#### 4.2.2 Number of Interviews and Redundancy

Instead of conducting a fixed number of interviews, the redundancy criterion was used to decide the number of interviews finally conducted, which amounted to 17 in-depth semi-

structured interviews. The redundancy criterion establishes an approach where participants are recruited and interviewed until no new information is found (Taylor, 1994).

### **4.2.3 Abductive Research Approach**

The study was conducted using an abductive research approach. Building theoretical ideas grounded in empirical evidence is the pathway to conceptual innovation in the social sciences (Timmermans and Tavory, 2012). The data collection analysis provides insights from the interpreted experiences and perceptions of the participants to sharpen the lenses (Korstjens and Moser, 2017). Conducting the research through an abductive approach supports initial theories and analytical frameworks from current research as well as enables established frameworks to develop and adjust based on emergent themes and concepts during the research process (Bell, Bryman, and Harley, 2019; Timmermans and Tavory, 2012).

## **4.3 Data Collection**

The following section describes how data was collected to address the research questions.

### **4.3.1 Introductory Survey**

To allocate time to the in-depth questions of the interviews, an introductory survey, through Google Forms, was sent out to the participants. The introductory survey, in Appendix 9.3, asked questions to get a general and foundational understanding of each participant's situation prior to the interviews.

### **4.3.2 Semi-structured interviews**

17 semi-structured interviews were conducted with marketing professionals with various backgrounds and degrees of experience. Interviews ranged from 35 and 65 minutes per participant and totaled 858 minutes. Each interview was held either through a digital meeting software or at the participants' offices. Furthermore, participants consent to be recorded, transcribed, and used as anonymous participants in the study was confirmed before each interview began.

The reasoning for a semi-structured format was to both **1)** initiate an open dialogue for participants to freely express their experiences and **2)** establish certain boundaries to ensure the research questions were addressed. **Appendix 10.3** displays the interview guide used in the

semi-structured interviews, based on the theoretical framework and previous research, which was improved throughout the data collection process based on insights from empirical findings to better address the research questions. Each interview was initiated with introductory questions to create a comfortable space for the interviewees to express themselves openly and freely. The topics of the interview guide were followed sequentially but the questions in each topic were freely put forward based on the state of the dialogue to create a more natural atmosphere. Having flexibility in the dialogue enabled us to ask clarifying and probing questions to better understand the experiences of the participants (Bell, Bryman, and Harley, 2019).

The interview guide includes 27 questions, see Appendix 9.1. To reach the goal of qualitative research and let communication with the participants develop freely, the interview began with a tour question asking participants to share how and when smaller influencers are leveraged, for what purpose, and what historic outcomes it has achieved in their efforts. Thereafter, the interviews continue with a set of questions related to the four stages model in **section 3**. to further detail and structure the experiences of participants.

#### **4.4 Data Analysis**

When conducting interviews, each interview was recorded and transcribed by either one of the authors, so the information would be easily accessible afterwards. Transcribed interviews amounted to 187 pages and became the data used for later data analysis. Thereafter, since most of the interviews were conducted in Swedish (16 out of 17), central data had to be translated into English by the researchers. Such translation was done independently by both researchers and then merged to one representative translation. Both researchers participated in the interviews and alternated who led the interview, whereby both reviewed the transcripts before conducting an open coding of each answer to reduce bias as per investigator triangulation (Bell, Bryman, and Harley, 2019). Then, the first-order codes were discussed and compared to find similarities in categories and to merge and group them into relevant second-order themes, which ensured a reduced and focused number of themes. The identified coding themes were then assigned to two aggregate dimensions: “Assessment and Creation of Value” and “Opportunities and Challenges of Value Creation”. The aggregate dimensions aim to capture a holistic view of the experiences marketing professionals face when assessing and creating value with smaller influencers. These aggregated dimensions are then used in the Empirical

Findings (4) to illustrate the importance and challenges of strategic factors in each stage of the conceptual model. Data was continuously analyzed to manage the vast amount of text transcribed, adapt the interview guide and to identify data saturation (Eisenhardt, 1989).

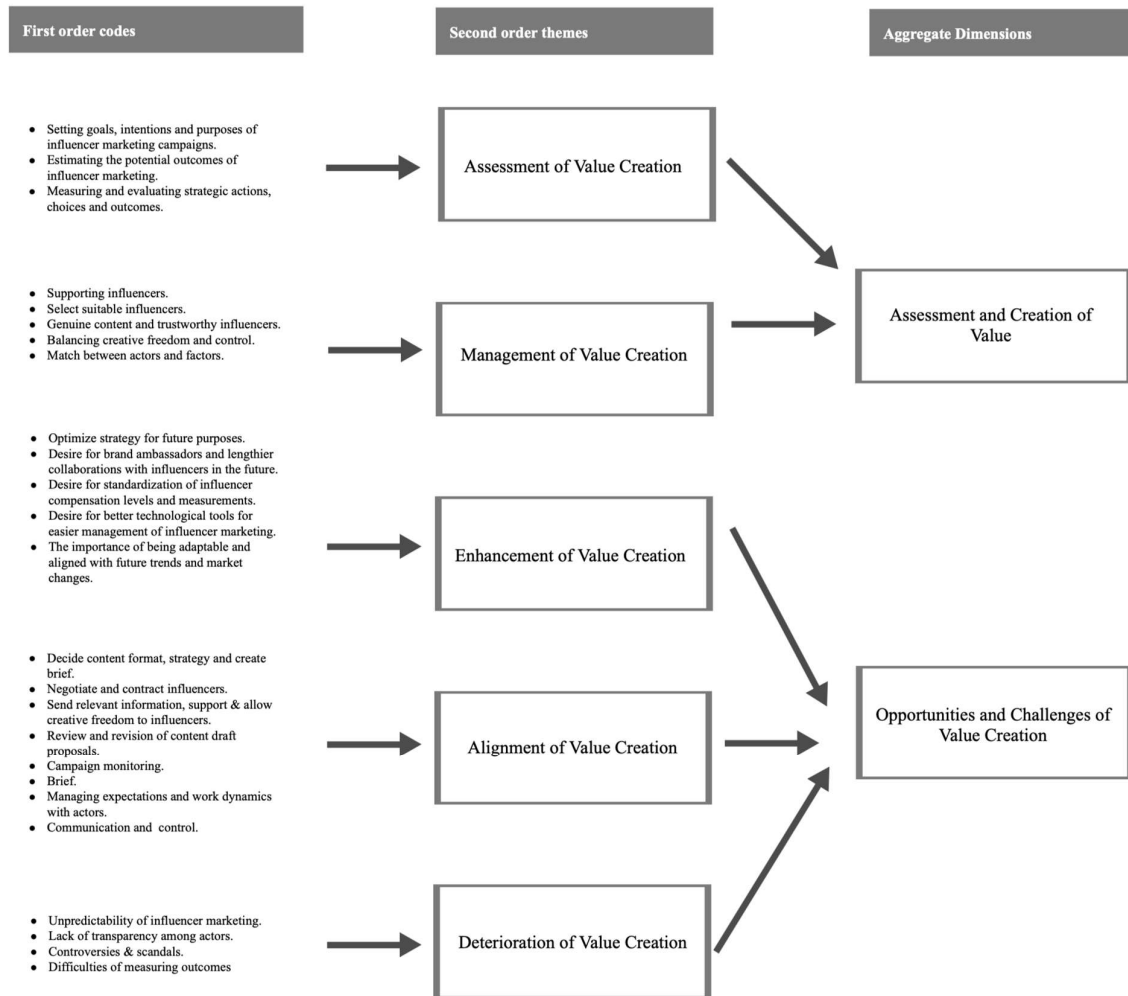


Figure 5: Extract from the data structure

## 4.5 Quality of Study

As the research design is structured using a qualitative approach, the general quality criteria used in quantitative research are not plausible to assess the quality of qualitative research (Bell, Bryman, and Harley, 2019; Korstjens and Moser, 2018). To assess the quality of the qualitative study, the study implemented Tracy's (2010) eight-point conceptualization of qualitative quality.

### **4.5.1 Worthy Topic**

Worthy topic refers to relevant, timely, significant, interesting, or evocative qualitative research (Tracy, 2010). The marketing mix at companies has seen a tremendous shift in recent years, incorporating influencer marketing as an integral part to reach and influence consumers (Campbell and Farrell, 2020; Cho and U.O.T.A.A.I.A., 2004). Academic research of how marketers manage and create value through smaller influencers remains unexplored (Hudders, De Jans, and De Veirman, 2020) and therefore the topic is deemed relevant and timely for further research.

### **4.5.2 Rich Rigor**

Rich rigor refers to qualitative research marked by a rich complexity of abundance (Winter, 2000). It also provides with face validity, namely if the research is deemed to be reasonable and appropriate (Golafshani, 2003). Rigor was established through 17 in-depth interviews with deep and rich data in the field, as well as a data collection process over a two-month period with adequate time allocated to each interview to capture interesting and significant data. Furthermore, context and sample appropriateness were established through incorporation of participants with both diverse work experience and backgrounds from sponsors and intermediaries in different industries. Lastly, an abductive research approach allowed for appropriate procedures, where each interview was recorded, transcribed, and reviewed before conducting an open coding of each answer, enabling reduced bias as per investigator triangulation (Bell, Bryman, and Harley, 2019).

### **4.5.3 Sincerity**

Sincerity refers to qualitative research marked by honesty and transparency about the researcher's biases, goals, and foibles, as well as how these have played a role in the methods, joys, and mistakes of the research. In qualitative research, sincerity can be achieved through self-reflexivity, vulnerability, honesty, transparency, and data auditing. (Tracy, 2010) The researchers of this paper took measures to ensure such sincerity through continuous questioning of whether our biases were apparent in our research and continuous measures were taken to exclude any biases in the writing of this paper. Furthermore, data gathered from interviews were audited and data deemed not relevant to the study were excluded from the paper.

#### **4.5.4 Credibility**

Credibility in qualitative research refers to the trustworthiness, verisimilitude, and plausibility of the research findings in the study. For qualitative research, practices such as thick description, triangulation, or crystallization and multivocality and partiality helps achieve credibility. (Tracy, 2010) To gain credibility for the research findings, quotes are provided when needed, as well as descriptions of the circumstances of the participants, to give the reader the ability to make their own conclusions about the findings.

#### **4.5.5 Resonance**

Resonance refers to the study's ability to reverberate in a meaningful way and affect an audience which can be achieved through aesthetic merit, evocative writing, and formal generalization as well as transferability (Tracy, 2010). To achieve resonance, the findings are presented in a clear manner where jargon used by the participants are described and translated in a way to be more comprehensible for the reader.

#### **4.5.6 Significant Contribution**

Significant contribution is judged by researchers gauging of the current climate of knowledge, practice, and politics. By asking questions such as what implications the study has for academic research and practical practices, the clearer the research contribution for deepened understanding and insight of social life becomes. (Tracy, 2010) The nascent state of academic research in influencer marketing enables theoretically significant contributions to academic researchers on the perspectives of marketing professionals. Further, practically significant contributions can be made for the marketing professionals themselves by managerial implications of how opportunities and challenges in the current practices can be managed.

#### **4.5.7 Ethics**

Ethics refer to the ethical practices' researchers take in qualitative research to study people's lives, and include procedural, situational, relational, and existing ethics (Tracy, 2010). The participants were anonymized through code names, and data that could be traced to the interviewees was coded to ensure their anonymity, enabling them to freely and truthfully, express their experiences of sensitive topics (Bell, Bryman, and Harley, 2019). Furthermore, a consent form explaining how the data would be used in the research was sent to participants for them to consent and sign.

#### **4.5.8 Meaningful Coherence**

Meaningful coherence refers to studies achieving their stated purpose, accomplishing what they espouse to be about, using methods and representation practices partnered well with espoused theories and paradigms, and attentively interconnect literature reviewed with research foci, methods, and findings (Tracy, 2010). During the study, the researchers continuously reflected on the findings gathered and evaluated how well the literature review, theoretical framework and the method aligned with the aim of the study.

## 5. Empirical Findings and Analysis

The following section describes the empirical findings and analysis of the study. The structure of this section starts by presenting the value participants see in influencer marketing (5.1) and a distinction of value in smaller influencers compared to larger influencers (5.2). Thereafter, the four-stage model is analyzed based on participants' experiences, describing the process and important activities for value creation and assessment of value occurring in each stage, and the opportunities as well as challenges existing in value creation with smaller influencers (5.3-5.8).

### 5.1 The Value of Influencer Marketing

When participants define the value influencers have, a vast range of different values are stated, such as generating reach, brand awareness, brand/product/service preference, engagement, and sales increases among others. There seems to be a lack of consensus regarding the value influencers have and rather depends on the context marketing professionals find themselves in, whereby different notions of value can be seen to exist in the exchange between marketing professional, influencer and audience (Karababa and Kjeldgaard, 2014):

*Who we want to reach, why we want to reach them, what the mindset of consumers is on social media platforms is important when working with influencer marketing. The desired outcomes of smaller influencers are dependent on what you try to sell - for example if there is a high or low barrier for conversion. (A5; 15.03.22)*

The dependency on context is emphasized more by participants working at intermediaries than sponsors. Intermediaries work with several customers, making their context more dynamic, whereas sponsors aim to solely connect their own purpose to their marketing efforts. Such findings are aligned with Karababa and Kjeldgaard (2014) notion of value being context-dependent and interrelational. Furthermore, intermediaries seem to be more attentive to shifts between value registers according to circumstances (Heuts and Mol, 2013), where customers' goals and intentions determine the notions of value they aim to generate, such as aesthetic, identity, social, shareholders, symbolic, community, brand, emotional, and perceived values (Karababa and Kjeldgaard, 2014). Thus, expressions of value in influencer marketing seem to not be as simple as boiling it down to one measure (Kjellberg et al., 2013).

## 5.2 Value of Smaller Influencers

Findings from several participants highlighted a focus on matching influencers with factors such as brand values, industry belongings, content, esthetics, target groups, influencer expertise, ER% etc.: *“It’s important to look into categories the influencers are in, to understand the relationship they have with their followers and the percentage of their followers in relevant geographic markets for us.”* (C1; 15.03.22). Participants find consensus in certain characteristics of smaller influencers valuable to them, such as better ER%, abilities to reach niche target groups, less risk, and lower relative costs. They are seen to have more trustworthy, credible, and authentic identities and closer communities with their audiences compared to larger influencers, generating more favorable perceptions, suggesting many of the values stated in Karababa and Kjeldgaard’s research (2014) can be seen to apply:

*Smaller influencers have better trust and trustworthiness among their followers. Such influencers can keep a certain tone with their followers’ larger profiles can’t. Smaller influencers have more trustworthiness because they don’t feel like corporations in the same way as large influencers. Smaller influencers do less collaborations and are therefore perceived as more trustworthy. It’s also about the personal tone, followers perceive more closeness to smaller influencers.* (A4; 16.03.22)

The value in the relationship between smaller influencers and their audiences are perceptions of more authenticity, credibility, and congruence (Belanche et al., 2021; Coco and Eckert, 2020; Kay, Mulcahy, and Parkinson, 2020; Lee et al., 2021; Schouten, Janssen, and Verspaget, 2019), whereby such values are yet to be formalized by social media platforms (Helgesson and Muniesa, 2013). However, several participants suggest such subjective values can lead to objective values:

*We also want to drive traffic to our e-commerce and conversions, so for that purpose we see micro influencers and nano influencers tend to have quite a high level of engagement among their followers, because they think of the influencer sort of as a friend. So, through them you can build a lot of engagement around a product or a brand through more comments, likes and so on.* (C5; 22.03.22)

Thus, the content communicated from influencer to audience can have strong transgressive qualities (Helgesson and Kjellberg, 2013), whereby audience perceptions of, for example, congruence can be linked to higher ER%. However, alongside the values of smaller influencers are challenges preventing value creation, such as lack of reach, less experience and availability of engaging in collaborations, and heavier management costs due to larger amounts of

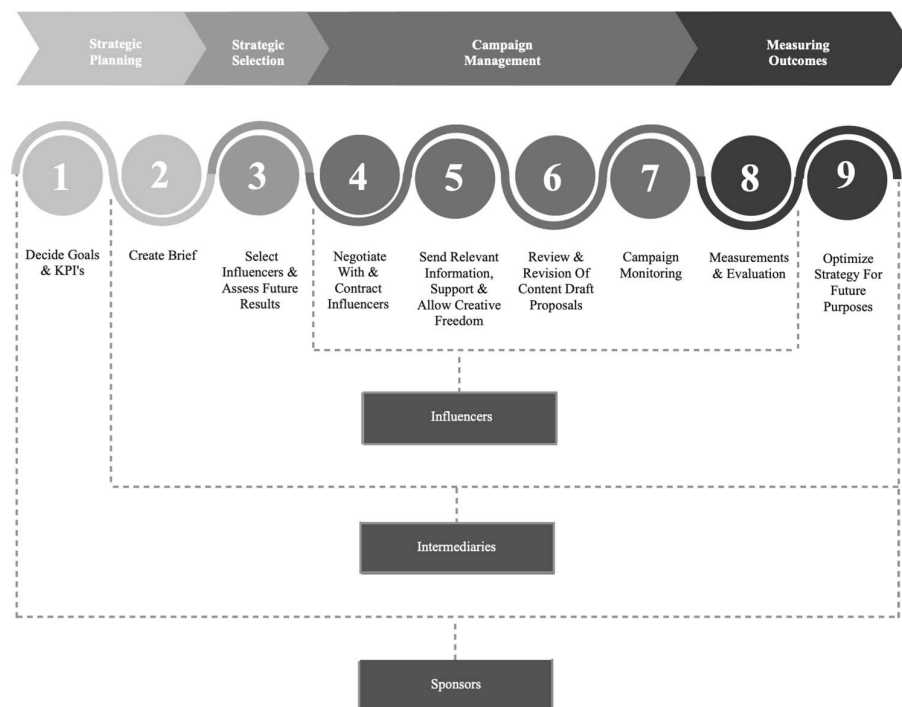
influencers needing to be managed in campaigns to reach targets. Thus, marketing professionals might overlook the positive aspects of smaller influencers' value because the challenges of handling are complex (Heuts and Mol, 2013):

*We don't work with smaller influencers since they have a lower reach, and it would require us to work with many different profiles which we don't have the capacity for. It is also harder to find smaller influencers since there are so many of them. (C1; 15.03.22)*

Lastly, the reasoning that valuation is not a matter of casting judgments after the facts but instead part and parcel of a variety of activities marketing professionals engage in to care for their influencer marketing efforts (Heuts and Mol, 2013) can be seen to apply because handling is emphasized as crucial for value to be created. Furthermore, based on the findings, influencer marketing can be seen as a process of assessing value and producing value, with an interplay between them (Vatin, 2013).

### 5.3 Influencer Marketing Value Creation Process

The participants of this study described the process similarly in broad terms, whereby some participants only describe parts of it depending on their context. **Figure 6** summarize the value creation process described by the participants and the roles of actors involved.



**Figure 6:** Illustration of the influencer marketing process as described by the participants.

## **5.4 Assessment and Management of Value Creation with Smaller Influencers**

The following sections describe value creation and assessment activities participants emphasize in the four stages of managing smaller influencers: (5.5-5.8), why they are important for value creation, as well as opportunities and challenges participants experience when assessing and creating value, are presented and analyzed.

### **5.5 Strategic Planning**

The following section describes the findings and analysis of strategic planning among participants.

#### **5.5.1 Goals and KPIs: Assessing and Establishing Value Creation**

The first step of the process involves setting strategic intentions, purposes, goals, and KPIs of influencer campaigns by sponsors as a foundation for value creating activities and decision-making in later stages. The value of setting such factors were voiced as a way of aligning actors involved, ensuring value creation is achieved for the sponsor's purposes through establishment of accountability. Furthermore, established goals and KPIs become the basis for value assessment and measuring of how the influencer campaign has performed.

The participants stated several KPI's and goals, such as increasing brand awareness, liking for the brand, sales, app installs, new customers, as well as maintaining certain compensation levels to influencers in terms of cost of sales, CPM, CPV, CPE, CPA and CPC, goals. Several participants explained it is context-dependent, such as the product/service to be advertised, relevant markets, customers internal goals, influencers' sizes and platforms that will be targeted and/or used in the campaign:

*It is important to establish clear goals and KPIs. At the end, we need to evaluate all marketing channels towards the same end goal to make it clear [...] Unclear goals are reflected directly on the advertiser and the ones they collaborate with [...] We need to determine who we want to reach, why we want to reach them, what is the mindset of consumers on the platform, all of which is important when working with influencer marketing. The outcomes of smaller influencers are dependent on what you try to sell. (A5; 15.03.22)*

Thus, values seem to be context-dependent and include different notions of value for marketing professionals (Karababa and Kjeldgaard, 2014), whereby the participants' choices of the devices and practices of valuation to apply, does itself enact the value that is measured (Helgesson and Kjellberg, 2013). Two major KPIs expressed by the participants are reach and engagement. However, several participants say the end goal is to increase sales, but they generally lack the ability to measure sales from influencer marketing. They acknowledge the lack of cause-and-effect relationship between reach/engagement and sales but seem to choose them anyway because they are productive and accessible measurements (Cluley, 2018), whereby they are important because it is their way of legitimizing efforts towards advertising customers and/or their managers (Santiago and Castelo, 2020).

### **5.5.2 Brief: Aligning Actors and Ensuring Value Creation**

After deciding goals and KPIs, marketing professionals create so-called briefs. The brief is stated as an industry practice among the participants for articulating the strategic factors in a campaign which helps establish a mutual understanding between actors:

*I send the influencers a brief, with a structure of the collaboration, problem statement, solution, product walkthrough, do's and don'ts, a promo code, and link, and all things they need. We agree on a posting timeline and sign a contract. (C1; 15.03.22)*

The brief facilitates value creation by outlining the strategy and operative details of campaigns, standardizing communication between actors in the value chain, managing expectations, influencing decision-making, and assigning responsibilities. Its value is related to decreasing misunderstandings and lead times since actors are well-understood of its structure and quickly understand how to create intended value. Thus, it is largely related to the value register of handling whereby marketing professionals care for and protect value creation in later stages (Heuts and Mol, 2013) and can showcase how value is first assessed in the setting of goals and KPIs and then produced through the articulation of such values in clear and structured communication to actors involved (Vatin, 2013).

### **5.5.3 Challenges of Value Creation in Strategic Planning**

A common thread in the concerns of participants in the strategic planning stage revolves around insufficient methods to estimate outcomes:

*We must have something to evaluate, it's important to estimate profits and set expectations towards customers. We need to make the customer understand that the campaign creates both hard and soft values [...] But it's hard to make quantitative estimations so we can't measure the exact outcome [...] We try to make the customer understand it is unpredictable and we can't promise some form of result. (A2; 03.03.22)*

The issues of quantitatively estimating influencer marketing can be due to its infancy and the larger presence of human involvement compared to traditional marketing. It is expressed as unpredictable because marketing professionals are forced to rely on the future output of influencers and many of the values offered and created by influencers can be seen to remain subjective for the participants to evaluate, such as aesthetics, historical output and its estimative relationship to future output and results. Thus, marketing professionals seem to have different degrees of challenges with different value registers, whereby historical time and sensual values are hard to assess (Heuts and Mol, 2013) because such values are assessed after the fact to judge potential future outcomes, indicating how assessed values (Vatin, 2013) have transgressive qualities to produce future value (Helgesson and Kjellberg, 2013). The challenge of estimating such interrelational dynamics of values (Karababa and Kjeldgaard, 2014) and the unpredictability of potential value from influencer campaigns is expressed to constrain sponsors' marketing budget allocated to influencer marketing.

## **5.6 Strategic Selection**

The following section describes the findings and analysis of strategic selection among participants.

### **5.6.1 Selecting influencers: Assessing Value Creators**

After the overall strategy has been decided and the brief has been created, marketing professionals proceed to find suitable influencers for campaigns. A common practice among participants is to leverage influencer networks and/or technological tools to scout, evaluate and select influencers since it is a time-consuming activity for the participants: *"We primarily work with networks for finding, selecting, and managing influencers. Since it is a time-consuming process, it saves us time [...] It is hard to work with many different influencers."* (A3; 16.03.22).

The participants emphasize the importance of assessing influencers and their channels to match the sponsor's brand (Berne-Manero and Marzo-Navarro, 2020) on geographics, demographics,

target groups, content aesthetics, format suitability, previous collaborations among others. The participants want the collaboration between the sponsor and the influencer to feel natural, credible, and genuine:

*We also make sure influencers and platforms match our intentions [...] What do we want to achieve, what does the brief say, what target group are we trying to reach? [...] It's important for the customer to see a match between their brand and influencers [...] Who do we try to reach, how do they consume media? What are their interests, which influencers appeal to them? (A3; 16.03.22)*

These factors emphasized by the participants seem to imply it is not just about selecting suitable influencers, but also selecting suitable audiences. Correctly matching actors and factors can facilitate the right conditions for **1)** the influencer to create value aligned with the strategic factors (Childers, Lemon, and Hoy 2018; Lin, Bruning, and Swarna, 2018) and **2)** for the audience to be susceptible, through authenticity (Campbell and Farrell, 2020; Park et al., 2021), credibility (Djafarova and Rushworth, 2017), and congruence (Balaji, Jiang, and Jha, 2021), to the endorsed content and value conveyed by the influencer. Thus, the influencers' ability to create value seems to be dependent upon the sponsor's expertise and assessment of finding influencers where sponsor (brand)-influencer and influencer-audience congruence is high (Belanche et al., 2021).

### **5.6.2 Genuine, Trustworthy and Engaging Content: The Value Object of Exchange**

Many participants advocate having influencers who produce genuine content perceived to be a natural part of their channel: *"It's important for us that followers feel it is natural for the influencer to collaborate with our brand and sector."* (C1; 15.03.22). Genuinity (Campbell and Farrell, 2020; Park et al., 2021) and naturalness (Heuts and Mol, 2013) in influencers' content seem to evoke perceptions among audiences that influencers are staying true to themselves and acting through their own desires rather than the sponsors expectations (Kernis, 2003; Kernis and Goldman, 2006; Tisdell, 2003; Wood et al., 2008), which can be a prerequisite for successful influencer campaigns (Kowalczyk and Pounders, 2016; Lou and Yuan, 2019; Woodroof et al., 2020). These perceptions might place the audience in a more favorable mindset to digest the influencer's content, indicating naturalness is particularly important for perceived value (Heuts and Mol, 2013).

The content influencers produce is explained by the participants to be what drives value in the form of audience reactions. Thus, content might be considered the value object of exchange, whereby the content has transgressive qualities (Helgesson and Kjellberg, 2013), such as perceived genuinity and credibility of what the influencer recommends, which leads to other values that can be linked to the exchange, such as more likes, comments, and purchases, measures formalized by social media platforms.

Some participants emphasize lengthier collaborations to gain more value from influencers: *“When it comes to branding, one needs to be more creative in the communication. Then it is really good to focus on ambassadorships, longer collaborations, which feels more genuine and trustworthy.”* (C3; 21.03.22). The desire for ambassadorships and lengthier collaborations can be explained by the favorable outcomes of increased perceptions of genuinity, credibility, and congruence between the sponsor’s brand and influencers. The audience can come to associate the influencer with the brand and thereby value creation comes from the audience being more susceptible to endorsements. Furthermore, it can serve favorably for the sponsor through greater trust among audiences as the influencer is perceived to consume what they preach. Thus, ambassadorships and lengthier collaborations can improve the transgressive quality of the content by enhancing value from increased perceptions of authenticity, credibility, and congruence (Balaji, Jiang, and Jha, 2021; Campbell and Farrell, 2020; Djafarova and Rushworth, 2017; Helgesson and Kjellberg, 2013; Park et al., 2021).

### **5.6.3 Challenges of Value Creation in Strategic Selection**

Smaller influencers are stated to have less experience with collaborations, which might impact the amount of value they can create from a sensual point of view (Heuts and Mol, 2013). Lacking professional content creation can be troublesome as some of the participants collaborate with influencers to access content they can leverage in their own native marketing channels. Interestingly, participants also state the importance of genuine content as it is more appealing to the audience, which might pose a dilemma. Should marketing professionals select influencers with genuine content but lose the ability to gain professional content to advertise in other marketing channels or should they select influencers producing aesthetically appealing content that might lack genuinity? This can be analyzed to be a tension between value registers, whereby content’s aesthetic appeal might suit one context, whereas less appealing content might suit another context (Heuts and Mol, 2013). Another impact of smaller influencers' lesser

experience is more manpower (Lee et al., 2021) required to manage and support the process since smaller influencers are stated to need more support in collaborations. If the process requires more manpower to manage non-value-adding activities, then consequently financial burdens limit the marketing professionals' return on investments.

Furthermore, marketing professionals experience difficulties in assessing audiences of value. Participants emphasize they refrain from paying for reach to audiences that do not match their intended target group, such as audiences in the wrong geographical region or influencers with “fake” followers (Owen, 2018). This challenge is seen to be less apparent with smaller influencers, which might be due to them generally having audiences in their local area and large ER% (Hudders, De Jans, and De Veirman, 2020), ensuring the audience belongs to the right geographical area and have not been purchased. However, marketing professionals still take value-protective measures to ensure influencers have the right audiences for their purposes through technological tools or requests to have influencers send their audience statistics. Thus, smaller influencers' value seems to be entangled with such value-caring activities (Heuts and Mol, 2013) and with values that are assessed are used to produce future value (Vatin, 2013).

## **5.7 Campaign Management**

The following section describes the findings and analysis of campaign management among participants.

### **5.7.1 Negotiation and Contracting of Influencers: Assessing Monetary Value**

When influencers have been selected, participants start negotiating with and contracting influencers on aspects relevant to the campaign. One central aspect of the negotiation revolves around the compensation to influencers, whereby one approach by the participants is grounded in objective metrics such as CPE, CPI, CPC, and other price related metrics. The metrics used in the pricing model is dependent on their fit with the customer, affected by the type of sponsor, the type of industry and the type of product or service to be advertised, indicating monetary values are set from other values such as identity and brand values which are context dependent (Karababa and Kjeldgaard, 2014): *“We price with CPM. Usually, a fixed CPM for different formats. We can set higher if we have experience of an influencer who delivers good results.”* (A9; 03.03.22).

Some participants express technological tools have made it easier to set price levels and manage smaller influencers, which has contributed to risk-spreading and less expensiveness in terms of influencer brand premiums, indicating ease of handling (Heuts and Mol, 2013) is of utter importance for monetary values (Karababa and Kjeldgaard, 2014):

*We use our in-house tool to standardize pricing, based on number of followers or engagement or a mix. [...] Technology and tools have made working with a broad range of smaller influencers more accessible [...] our in-house platform manages the whole dialog with influencers instead of us sending 30 emails. This has created more standardization and easier administration. (A5; 15.03.22)*

Some participants explain the fixed price for an Instagram Feed post, which can last in the influencers content feed for an infinite amount of time, is larger than for a Story post, which only lasts 24 hours. This can be explained by the non-constant value of content, with one value at the time of the exchange, which can change over the campaign period (Helgesson and Kjellberg, 2013). Thus, longer-lasting content formats entail longer periods of potential value generated among audiences, making it more unpredictable to value, entailing marketing professionals to pay more for it.

The other approach of assessing compensation levels is grounded in subjective evaluations based on past influencer collaborations and outcomes:

*We have a negotiation with the influencer but there is no framework. We see if we can compensate them in other ways if our budget doesn't allow for their asking price. We compare what we have paid other influencers. We use our own experiences in the judgement. (C2; 17.03.22)*

Thus, marketing professionals use different pricing models, whereby one is seen to be objective and the other subjective, indicating there is a lack of consensus regarding compensation levels to influencers. On one hand, objective metrics can be used to value influencers, whereas on the other hand, participants express such numbers are sometimes not enough to value the collaboration with influencers due to subjective evaluations of how much work is required of the influencer, as well as how well influencers'/audiences' characteristics suits the campaign. Thus, it seems like several value registers are considered by marketing professionals in determining compensation levels, whereby monetary (Karababa and Kjeldgaard, 2014) is in tension with historic time, handling, and sensual value registers (Heuts and Mol, 2013).

### **5.7.2 Sending Information, Supporting, and Allowing Creative Freedom to Influencers: Facilitating Value Creation**

When parties involved have reached an agreement, participants supply influencers with the product/service and relevant information to communicate what the expectations are of the influencer's performance: *"We help in producing content and always have a dialogue with the customer and the influencer to ensure it is delivered according to the timeline. This is necessary to ensure we achieve our KPIs and goals."* (A8; 02.03.22).

Marketing professionals emphasize the importance of supporting influencers, indicating valuation is not a matter of casting judgments after the facts but rather entangled in a variety of activities experts engage in, to care for their value (Heuts and Mol, 2013). Another value-adding aspect is the balance of creative control and freedom, where marketing professionals set guidelines to secure delivery but expect influencers to produce content with their own personal touch. Marketing professionals can be seen to be creative concierges more than content producers (Brooks et al., 2021), wherein marketing professionals' creative control is largely abandoned and instead they focus on aiding influencers and brands in the creative process. However, marketing professionals maintain some creative control over the content influencers produce, originating from the fear of influencers posting content not aligned with what sponsors want to promote (Childers, Lemon, and Hoy 2018). It is a balance and compromise between value registers, whereby naturalness, where content is good if it has not been interfered with, conflicts with handling, whereby content is good if it has been cared for (Heuts and Mol, 2013).

### **5.7.3 Review and Revision of Content Draft Proposals: Protecting Value**

After influencers have created content, participants state influencers send content proposals that are reviewed and sometimes revised.: *"Influencers must send us some materials which me and someone else on the team review and make comments on. In our sector (financial sector) we need to be extremely careful they don't say anything wrong."* (C1; 15.03.22).

Some participants feel the need to revise content produced by smaller influencers more closely since they are seen to lack expertise in content creation and are perceived as less professional than larger influencers: *"There is usually a fairly high risk that the large percentage of those with under 5,000 followers might not work as much with content."* (C2; 17.03.22). Thus, ease

of handling is a value register marketing professionals are attentive to (Heuts and Mol, 2013), indicating that managing influencers is an integral part of producing value (Vatin, 2013). Thus, revisions and reviews of influencers' content proposals is a way of protecting the value of the object of exchange (Helgesson and Kjellberg, 2013).

#### **5.7.4 Campaign Monitoring: Managing and Enhancing Value**

When content proposals have been approved, influencers are allowed to publish content on the agreed platforms and set time frame. Thereafter, participants continuously monitor the campaign, both in terms of results generated through published content and comments from audiences:

*If there are any questions, I would reply, for example to their story: "Hey, if there are any questions from your followers, you can forward them to me and I can answer them" [...] And then I just scan through the comments and see if there are any questions or critical comments so I can answer them so you kind of stay on top of what you're posting and you don't just put it out there. (C1; 15.03.22)*

Addressing questions and criticism from audiences is seen as an activity caring for the value (Heuts and Mol, 2013) of the object of exchange (Helgesson and Kjellberg, 2013). Value is created by meeting the audience, supporting, and educating them on questions arising from posted content, and representing the brand as caring and present among audience communities, which means the care for community value (Karababa and Kjeldgaard, 2014) can be seen to be important in influencer marketing as well.

#### **5.7.5 Challenges of Value Creation in Campaign Management**

One of the stated challenges among intermediaries of managing campaigns was the management of expectations and work dynamics with their advertising sponsors and influencers. If the actors of the value chain differ in their expectations of what value and performance each actor can provide, tensions between actors might arise in the value register of handling (Heuts and Mol, 2013), whereby actors have different expectations of value that can be created through the handling of marketing efforts:

*It is important to have smaller influencers on your side, otherwise it becomes challenging to work with them, because they do not respond or send things in on time. It is not possible to scold them because then they will just give up on the collaboration. (A9; 03.03.22)*

Such complications in handling might deter marketing professionals from working with influencers they feel are inexperienced and lack ability to deliver what is expected. If complications arise even though cautionary measures have been taken, marketing professionals will spend more time revising content of influencers, indicating shifts in value registers, such as the weight on naturalness to handling and vice versa (Heuts and Mol, 2013), happen prior, during and after campaigns are live.

Furthermore, many participants express the complication of determining reasonable compensation levels to influencers due to each influencer having their own compensation preference: *“It is difficult to know what each influencer is worth. There is no framework for compensation levels. It is a skewed pricing process.”* (A3; 16.03.22). This might be due to the valuation practice being mostly subjective, where each influencer can be considered unique and the pricing they set for each collaboration will differ depending on several factors, such as what brand/product is to be endorsed, the level of creative freedom influencers will have, the amount of content required to be produced and the historical performances of the influencers. Thus, Helgesson and Kjellberg’s (2013) assessment applies in this context: a typical object of valuation in markets is the object of exchange between two actors, where valuation of content looks at price, characteristics, performance, and other factors related to it. An interesting observation is that the objective approach of determining compensation levels is most present among intermediaries, while the subjective approach is mostly present among sponsors, whereby the subjective approach entails more complications. This might be due to the objective approach allowing less negotiation room for specific influencers than the subjective approach, which can be linked to the compromise between two value registers, monetary and sensual (Heuts and Mol, 2013), where intermediaries seem to prioritize monetary over sensual and vice versa with sponsors.

To mitigate above stated problems, participants expressed the desire for more data-driven and automated technological tools in the future to enable easier handling:

*We need a better way to have an overview of content flows and what brands profiles have worked with. Contacting and sending emails back and forth and negotiating is also something that should be automated. [...] I wish it could be a more automated process, like a tool with a bank of profiles, and data that matches influencers to a campaign. [...] We want easier analysis and what influencers will generate*

*in terms of results. We want an easier process for negotiation, sending briefs, and sending products [...] More automation would let us focus more on the creative parts. (C3; 21.03.22)*

Thus, non-value adding activities in the process revolve around the manual work sponsors and intermediaries do to facilitate the value creation process for influencers. Such administrative tasks are seen to be demanding for most of the participants and takes away valuable time from more value-adding activities. Such value desire can be connected to the value register of handling, whereby participants want easier handling of campaigns in the future (Heuts and Mol, 2013).

## **5.8 Measuring Outcomes**

The following section describes the findings and analysis of measuring outcomes among participants.

### **5.8.1 Measurements and Evaluation: Assessing Value and Legitimizing Value Creation**

Participants evaluate outcomes of influencer campaigns both quantitatively and qualitatively. Quantitatively, the participants measure data from social media platforms such as reach, engagement, and demographic data of the audience reached by linking to the influencers profile. External tracking tools such as promo codes and links can measure activities outside of the platform, such as conversions and sales. Qualitatively, the participants evaluate comments from audiences, as well as the aesthetics of the content published, how influencers perceived the collaboration, and how the participants themselves experienced the process. External tracking tools such as brand surveys can help measure brand awareness, changes in brand preferences, and other branding-related qualities. Furthermore, many of the participants emphasize connecting the measurements with the strategic factors set in their strategic planning:

*We measure mainly based on the goals we have and benchmark with other campaigns. We measure CPV, CPM, CPC, clicks, engagement, and comments. Then we also go deeper and look at the engagement, if it has been relevant, if it has created purchase intention. (A9; 03.03.22)*

Measuring the outcomes of actions and choices is expressed as important to legitimize the value generated by actors involved, the value of influencer marketing, and drawing lessons for future marketing purposes:

*The measurements are important because it says something about what they (influencers) have contributed with. You must be able to show advertising customers what you have achieved in results. Otherwise, you cannot charge for the work. (A2; 03.03.22)*

Common measurements marketing professionals' resort to are reach and engagement (Childers, Lemon, and Hoy 2018; Santiago and Castelo, 2020), which are well-established in their campaigns. However, it is difficult to connect such objective measurements with value:

*It is not always possible to derive insights from an influencer campaign, but one can still draw certain conclusions. Sometimes what you measure says nothing about what you want [...] There is a bit of conceptual confusion in this industry that when one sees 10 million impressions on a digital ad, it really says nothing about how many have seen it, how many have perceived it, how many have taken action to something, and where things have changed, so measurability is not very apparent. (A2; 03.03.22)*

One reason for using pragmatic measurements anyway, such as reach and engagement, can be due to the ease of availability of such metrics on social media platforms (Beuscart and Mellet, 2013). Furthermore, the value of good content can have transgressive qualities (Helgesson and Kjellberg, 2013) by enacting other forms of values, such as impressions, likes, and comments, which the social media platforms are able to objectify and formalize through technology, making it available for analysis to actors in the value-chain. Interestingly, there is consensus among several participants that the end goal is to generate sales and increase profits (Doyle, 2000) indicating the implicit importance of shareholder value. However, there is a lack of adequate methods to measure growth in sales and profits from influencer marketing, inclining marketing professionals to use other valuation practices: *“Customers almost always have sales as their ultimate goal, and it is usually only they who see those numbers.”* (A2; 03.03.22).

Thus, it seems the devices and practices of valuation themselves become key in enacting the value at stake (Dewey, 1939; Muniesa 2012), whereby marketing professionals choose valuation practices productive in their marketing activities despite having problems with its inaccuracy of measuring sales increases (Cluley, 2018). Reach and engagement is easier to measure, which leads to a mutual desire among participants to measure reach and engagement

and to facilitate them as the prerequisites to successful outcomes. This seems to enact value to those measurements even if they do not promise any growth in sales or any profitable growth.

Furthermore, several participants state brand value is another difficult value to measure. Participants explained one can mostly use subjective evaluation if such values increased from their marketing efforts. Even when marketing professionals use standardized practices for measuring such value through, for example, brand surveys, their campaigns are often too small to identify any statistically significant impact, making many of such valuation practices useless to marketing professionals in terms of objectivity:

*It is harder to measure branding. One can look at mentions, if the amount of followers on the brands insta profile has increased. When one measures branding, one has to look at the long-term perspective. It's harder to measure, we don't know what data to use [...] We haven't had a good tool for analysis and measurements of this. We will need such tools going forward to measure branding. (C3; 21.03.22)*

Several participants state a desire to measure such values, anyway, suggesting they are important and valuable even if they are not objective and easily measurable. They do this by evaluating comments, if audiences have reacted positively to the influencer collaboration, and the perceived aesthetics of the content, if audiences like what they see and find it appealing. However, participants explain it can be difficult to value a response even if it is positive because the response might be targeted more towards the influencer than the endorsed brand/product, indicating a lack of objective transferability. Furthermore, subjective value can be related to the process itself, where objective results might be considered mediocre, whereas the perceived smoothness and lack of complexity of the process might create a level of satisfaction and value to marketing professionals:

*We also measure how smooth the process has been and whether the content created has quality. We try to categorize words in the comment section to see their relevance, for example this many followers have said good, good-looking, cool etcetera. (A9; 03.03.22)*

Thus, value is often perceived, where several value registers can be seen to be involved in subjective evaluations, whereby actors care about *monetary*, how much investment was required to reach desired results, *sensual*, the aesthetics of content, and *ease of handling*, how smooth the marketing process went for the actors involved. These value registers are in tension and actors compromise between them in their assessment of the value created. (Heuts and Mol,

2013) Furthermore, even though subjective evaluations lack accuracy in measuring brand value, they can be seen to be relevant because marketing professionals find them productive in legitimizing their marketing activities (Cluley, 2018).

### **5.8.2 Optimize Strategy for Future Purposes: Adapting Value Creation**

Some participants emphasize the importance of continuously learning and being adaptable to changes in the influencer marketing landscape:

*The influencer marketing process, so it's about learning and becoming better. I think it's important you always learn from each influencer campaign, because sometimes something you thought worked well didn't work. So, you want to try to figure out what can I learn from this? What was the reason? [...] With time, we have learned what platforms and what type of content works well for us. When content should be posted and in what format. (C1; 15.03.22)*

Several of the participants voiced the importance of adapting to changes in trends and markets as well as platform algorithms as the current approaches to meet consumers on these platforms may not be suitable for future purposes:

*You must never get caught up in a process because these channels are constantly evolving. And there will be new ones like Instagram's algorithm changing all of a sudden. There might be something else that is prioritized in the algorithm, so you have to be constantly adaptable for this to work. It may not work in three months or six months. It's a rapidly changing environment. (C5; 22.03.22)*

Improvements in handling of the process can be identified by evaluating past campaigns, whereby participants adjust practices that can prevent actors in the value chain to create and realize intended values. Furthermore, value can be enhanced through the value registers of sensual and historic time (Heuts and Mol, 2013) where participants' experiences of campaigns can showcase the influencers, platforms, and content formats aligning favorably with different strategic factors.

Some participants emphasized the desire of a standardized compensation and measurement framework to enable easier negotiations with influencers and better ways of measuring outcomes, such as brand-related qualities:

*I would like a standardized compensation model, to find a framework so it is easier to get a general picture of whether the compensations are reasonable or not [...] I would like a way to better measure outcomes, and to implement tags on Instagram for your own sake. Some form of index capturing brand values and how brand preference has increased from ER%. (A3; 16.03.22)*

Since the devices and practices of valuation can enact value to the measures themselves (Helgesson and Kjellberg 2013), there is an inherent risk of marketing professionals giving value to and prioritizing measurements with a lack of understanding for how they contribute to overarching goals and KPIs for the sponsor. Thus, to avoid marketing professionals accepting inadequate measures lacking accuracy of what they aim to measure, such as the example from Beuscart and Mellet (2013), better frameworks need to be created to capture real values in marketing efforts.

## **6. Discussion**

The following chapter presents the key findings of the study and discusses influencer marketing, value of smaller influencers and managing smaller influencers based on the study's findings and previous research.

### **6.1 Key Findings**

The data of this study indicates marketing professionals assess and create value when managing smaller influencers through several activities. Such activities include **1)** Strategic planning, such as setting goals, KPI's, intention and purpose to facilitate the right conditions for value creation, as well as creating briefs communicating, aligning, and controlling actors in value creation activities. **2)** Strategic selection, such as assessing and selecting the most capable influencers producing genuine, trustworthy, and engaging content, which is the value object of exchange in influencer marketing. **3)** Campaign management, such as negotiating and contracting influencers through assessment of monetary, sensual, historic time and handling values, as well as sending relevant information to support and allow creative freedom, facilitating value creation for influencers. Furthermore, in this stage, marketing professionals review and revise content draft proposals from influencers to protect value in the exchange, as well as monitor campaigns, following up on content published and audience reactions to care and enhance value in the exchange. **4)** Measuring outcomes, such as measuring and evaluating the campaign's results to assess value created after the fact and to legitimize value created. Lastly, the marketing professionals optimize their strategy to create more value for future purposes.

The data of the study further indicates marketing professionals face opportunities and challenges of value creation arising when managing smaller influencers. Smaller influencers enable value creation opportunities through closer relationships with their followers, generating perceptions of trustworthiness, credibility, authenticity, and congruence. Such relationships can be used to facilitate certain strategies and perks in marketing efforts, such as leveraging higher ER%, better abilities to reach niche target groups, managing less risk, and better relative costs because of a lack of influencer brand premiums. However, there are also several challenges inherent with the management of smaller influencers, such as a lack of reach and experience, less professional content creation, costlier management process, as well as less time availability of smaller influencers to engage in collaborations. Furthermore, when

managing the process, marketing professionals find several challenges, such as insufficient methods to estimate future outcomes, difficulties in assessing relevant audiences for value creation, managing expectations and work dynamics among actors involved, determining reasonable compensation levels, as well as measuring certain values, such as brand values and sales. Lastly, marketing professionals see future opportunities to overcome certain challenges, such as lengthier collaborations and ambassadorships with influencers to increase perceptions of credibility, authenticity and congruence, standardized compensation and measurement frameworks, as well as the application of more data-driven and automated technological tools, to enable easier handling.

## **6.2 Influencer Marketing**

In our research, the theoretical foundation of influencer marketing is well represented in previous literature. Influencers are providers of content in exchange for remuneration (De Veirman, Cauberghe, and Hudders, 2017; Gaenssle and Budzinski 2020) for marketers to achieve certain marketing efforts in a wide range of industries (Campbell and Farrell, 2020). The actors involved are to a large degree mapped in previous literature, whereby Sponsors, Intermediaries and Influencers are present (Hudders, De Jans, and De Veirman, 2020). However, the Audience, as an actor in the value chain, is seemingly left out in literature when discussing influencer marketing from the marketing professional's perspective, which our research contradicts, whereby the audience is present, influential and can be considered important value creators in the stage of campaign management (Ouvrein et al., 2021). Furthermore, the study supports previous literature on the value of influencer marketing, such as enabling access to niche target groups (Enke and Borchers, 2019), leveraging close relationships to their audience (Childers, Lemon, and Hoy, 2019; Lou, Tan, and Chen, 2019), supporting a bigger impact than other marketing efforts (Lou, Tan, and Chen, 2019), which can generate reach (Schwarz, 2020) and engagement, influencing the decision making of audiences (Hudders, De Jans, and De Veirman, 2020).

## **6.3 The Value of Smaller Influencers**

Our research supports reach and engagement being the most used goals, KPI's, and measurements in influencer marketing, whereby such values include sub values, such as brand awareness, brand preference, sales increases, conversions, installs, clicks, likes, comments and several others. The study supports that these measurements can be seen to represent a degree

of value an influencer's post generates among its audience (Tafesse and Wood, 2021). However, it also highlights there are difficulties among marketing professionals to assess the value of these measurements (Kumar, 2013). The reason for such difficulties is the lack of connectivity of the measurements to greater purposes of e.g., generating sales, profits, and brand preference (Childers, Lemon, and Hoy, 2018; Santiago and Castelo, 2020). Likes, follows and views are not necessarily representative of favorable brand perceptions, even if it might be an indication of such value, likewise increased sales are not necessarily causal with shareholder value due to, for example, unsatisfactory profit margins of marketing efforts (Doyle, 2000). However, the used measurements ease of availability and productiveness to implement in influencer marketing is viewed as appealing and satisfactory among marketing professionals. These observations support both Cluley's (2018) showcase of how marketers accepted viewability as a measurement in the digital advertising market despite having problems with its inaccuracy since it was productive in their marketing activities and Beuscart and Mellet's (2013) example of how ease of availability was a determining factor of how performance of direct-response advertising is measured. As reach and engagement have dominated the practices among participants and legitimized their marketing efforts, despite their insufficiency of measuring what the participants aim to measure, they support Beuscart and Mellet's (2013) findings of how devices and practices of valuation can strengthen the form of marketing it values and therefore enact economic value to it.

In the discussion of the value in influencer marketing, both the study and previous literature has shown there are distinctions of value between larger and smaller influencers (Britt et al., 2020; Campbell and Farrell, 2020; Kay, Mulcahy, and Parkinson, 2020; Park et al., 2021), suggesting one needs to adapt marketing efforts based on influencer size and other circumstances of campaigns (Hudders, De Jans, and De Veirman, 2020). It is illustrated in the research of this study that smaller influencers have higher ER% and are perceived as more authentic (Campbell and Farrell, 2020; Park et al., 2021), credible (Djafarova and Rushworth, 2017), and congruent (Balaji, Jiang, and Jha, 2021). Previous research (Bakshy et al., 2011; Haenlein et al., 2020) gave birth to the illustrative example of the value of smaller influencers through higher ER% but with inherent challenges in handling, such as more required manpower to manage the process (Lee et al., 2021). The participants confirm the logic behind the illustrative example, experiencing both the benefits and challenges of managing smaller influencers.

## 6.4 Managing Value Creation with Smaller Influencers

How influencer marketing is handled has been highlighted in some previous literature, whereby such literature represents the process well in broad terms (Childers, Lemon, and Hoy 2018; Lin, Bruning, and Swarna, 2018; Leung, Gu, and Palmatier, 2022), which produced the four-stage model of managing campaigns presented in this study (section 2.8). However, previous literature lacks an overarching definition of more practical sub steps in the process deemed relevant for value creation, such as the activities defined in **Figure 6**. These practical sub steps have a degree of connection to previous literature, but are scattered across several academic publications and lack coherence, whereby some literature highlight the setting of goals and KPIs (Hudders, De Jans, and De Veirman, 2020; Lin, Bruning, and Swarna, 2018; Santiago and Castelo, 2020), selection of influencers (Childers, Lemon, and Hoy 2018; Lin, Bruning, and Swarna, 2018; Berne-Manero and Marzo-Navarro, 2020), negotiating and contracting (Childers, Lemon, and Hoy 2018; Leung, Gu, and Palmatier, 2022; Lin, Bruning, and Swarna, 2018;), sending relevant information, supporting and allowing creative freedom (Brooks et al., 2021; Childers, Lemon, and Hoy 2018; Lin, Bruning, and Swarna, 2018), reviews, revisions and monitoring of content (Santiago and Castelo, 2020), as well as measuring and evaluating campaigns (Childers, Lemon, and Hoy 2018; Santiago and Castelo 2020).

Concerning factors of value creation in influencer marketing, the theoretical framework provides a suitable lens for understanding how the participants experience value and value creation. Identifying the value object of exchange (Helgesson and Kjellberg, 2013) is easy to grasp, which is the content and message influencers provide to their audiences on sponsors behalf. Such an object of exchange can be seen to have transgressive qualities influencing consumers to take actions benefiting the sponsor in terms of e.g., purchases happening due to audiences perceiving the purchase recommendation as credible or genuine because the influencer provided it. Additionally, the object of exchange can be seen to have different values at different times as content formats are available for audiences during different time periods, indicating the unpredictable nature of the object of exchange in influencer marketing with the existence of a non-constant value increasing, or decreasing, with time. E.g., an influencer's so-called Instagram feed photo can last for an infinite time-period and may produce positive value in close connection to the publication and thereafter, after a certain amount of time, the influencer is subject to a scandal, which suddenly undermines all the previous value created.

Furthermore, content can be exchanged in different ways and be better suited for specific purposes in different contexts, e.g., sensually appealing content produced by one influencer can be suitable in the sponsor's channel, because it provides sensual value to the sponsor's brand, but not suitable in the influencer's channel because the sensual appeal makes it feel less genuine than what the influencer usually posts. Thus, a perhaps controversial thought, is that the value of sensual appeal can be toned down by influencers to make it more congruent with what the influencer usually posts, making it more genuine. This supports Heuts and Mol (2013) example of one tomato being suitable for pasta sauces but not salads because it is cheap and not sensually appealing, whereas another tomato is better suited in salads because it is expensive but sensually appealing. This implies strategies need to be adapted to the purpose and circumstances of the marketing context. Furthermore, the example above also implies smaller influencers' perceived inability to produce what may be considered "professional" content by the participants is not always a problem because it entails they will produce what is congruent with their own identity, making their audience perceive it as more credible.

Marketing professionals compromise between value registers (Heuts and Mol, 2013), which is particularly evident in the management of smaller influencers. Closer connections to audiences and other values unique to smaller influencers implies they can be leveraged to produce better results than larger influencers, which was illustrated in the illustrative example of this study. However, such value is tension with complicated handling of smaller influencers because of more manual work to be managed to achieve reach and engagement targets than with larger influencers. Several participants see automation and technological tools as a potential solution to such an issue, which in theory would eliminate the handling problem because manual work could then be replaced by technology, helping marketers leverage the value of smaller influencers without the complications and value deterioration of managing them. Such connections can be made to Huang and Rust's (2014) article concerning the future of marketing, whereby the long-term trend of technology in marketing is expected to: a) increase the capability of firms to communicate with customers, b) increase the capability of firms to collect and store information about customers, and c) increase the capability of firms to analyze customer information. The authors further suggest these changes imply a transformation of marketing science in both the topics to be emphasized and the methods to be employed, whereby the same logic might apply to influencer marketing.

## 7. Conclusion

The following chapter presents answers to the study's research questions and the theoretical contribution and practical implications of the study are discussed. Finally, the limitations of the study and calls for future research are put forth.

### 7.1 Answers to Research Questions

**RQ 1:** *How do marketing professionals assess and create value when managing influencer marketing with smaller influencers?*

Marketing professionals are perceived to create value through various means with smaller influencers. This study emphasizes activities of assessing, managing, aligning and enhancing actors and factors in the process, contributing towards value creation of influencers. Value assessments are made by setting strategic factors, identifying smaller influencers suitability with the sponsor's brand and related factors, and potential future outcomes of their marketing efforts. Such value assessments facilitate favorable conditions for value to be created in later activities.

Value management is done in the value creation process where smaller influencers are guided, advised, and reviewed in their content production. Such management ensures intended value is created according to the strategic factors and estimated future outcomes. Realization of value is created by aligning actors in the value chain through a formalized document called the brief, encompassing all necessary information needed in the value creation process. As an industry practice among actors, the brief has become essential for facilitating conditions for actors to make informed decisions to create intended value.

Enhancement of value is made by supporting influencers in their interaction with their audience by being present and helpful when any questions arise from influencers and audiences. Such value enhancements increase favorable audience perceptions of the brand. Lastly, enhancement of future value is made by reviewing past collaborations and optimizing strategies for future campaigns.

**RQ 2:** *What opportunities and challenges of value creation arise for marketing professionals' when managing influencer marketing with smaller influencers?*

Marketing professionals face several opportunities with smaller influencers. Smaller influencers are assessed to have closer connections to their audiences, generating perceptions of more credibility, authenticity, and trustworthiness than larger influencers. Smaller influencers are also favorable in terms of higher average ER%, less risk, and lesser compensation levels. Furthermore, smaller influencers can be leveraged to reach niche audiences.

However, marketing professionals face challenges when trying to leverage smaller influencers for such outcomes. The biggest challenge identified is high management and acquisition costs in campaigns with smaller influencers. Leveraging smaller influencers entails more influencers to be scouted, selected, contacted, negotiated with, contracted, supported, and measured to achieve desired KPI's. Another challenge is the perception of smaller influencers to be less experienced in content creation and less reliable due to their unavailability to collaborate with brands as their sole profession because of low compensation levels. Such challenges can be seen to deteriorate value and make marketing professionals refrain from working with smaller influencers.

Future solutions and opportunities, voiced by participants of this study, that could potentially mitigate above stated challenges are standardized compensation and measurement frameworks and technological tools automating or enabling easier handling of parts of the process marketing professionals perceive as valueless. Furthermore, marketing professionals see opportunities to leverage lengthier collaborations to generate higher perceptions of authenticity and credibility among smaller influencers' audiences.

## **7.2 Theoretical Contribution**

This thesis examined how influencer marketing with smaller influencers are managed from the perspectives of marketing professionals at sponsors and intermediaries. Furthermore, the study emphasized the process marketing professionals undertake, its relation to value and valuation, and the experiences of intermediaries in their position in the value chain. Thus, the study answered calls from Hudders, De Jans, and De Veirman (2020) for further research of smaller influencers and their value for business success, as well as insights from intermediaries supporting influencers in their commercial activities.

Furthermore, this study contributes by identifying two additions of sub-processes, namely creating briefs and optimizing strategies for future purposes, marketing professionals face with smaller influencers. The additions of the sub-processes are seen to lack representation or briefly highlighted in prior research (Childers, Lemon, and Hoy 2018; Lin, Bruning, and Swarna, 2018; Santiago and Castelo, 2020). Why such activities are seldom specified in previous literature might be due to them being highly practical. Thus, many authors might have overlooked the inclusion of them as separate and important activities even though the study's empirical findings illuminate their importance for marketing professionals in value creation. Thus, the two sub-processes strengthen the four-stage model, garnered from Childers, Lemon, and Hoy (2018), Leung, Gu, and Palmatier (2022), and Lin, Bruning, and Swarna (2018) as a conceptual framework of how to manage value creation in influencer marketing with smaller influencers.

With regards to Hudders, De Jans, and De Veirman (2020) mapping of actors in the value chain in influencer marketing, our proposed addition of the "Audience" is seen to be integral and of relevance in the experiences of the participants. Such a theoretical addition would acknowledge the importance, from the marketing professionals' perspective, of the "Audience" as a co-creator of value (Grönroos, 2011; Ouvrein et al., 2021; Yi and Gong, 2013) and offers opportunities for shedding light on a new actor in the value chain from a marketing professionals' perspective.

Furthermore, the study contributes theoretically by showcasing challenges with the assessment and creation of value in influencer marketing. This study can help understand how marketing professionals are attentive to shifts in value registers (Heuts and Mol, 2013) and how they compromise between them, how they choose valuation practices based on availability, consensus, and productivity (Beuscart and Mellet, 2013; Cluley, 2018), as well as how one can view the value object of exchange (Helgesson and Kjellberg, 2013) in influencer marketing. It is highlighted in this study that smaller influencers are valuable but management of them inherits challenges from a value perspective. Such challenges have consequences to the value creation process with increased handling time. However, technological tools are identified as a potential solution to complex handling (Huang and Rust, 2014), offering opportunities to research its relevance for influencer marketing further.

### **7.3 Practical Implications**

One of the purposes of this study was to contribute to the practical work marketing professionals perform with smaller influencers. The empirical analysis showcases key processes, opportunities, and challenges useful for marketing professionals to be aware of when pursuing campaigns with smaller influencers. Following are three suggestions for marketing professionals, at sponsors and intermediaries, to consider:

Firstly, marketing professionals are recommended to adequately allocate activities for setting the strategic foundation of their influencer campaigns, as it is the foundation for decision-making in later activities. The strategic foundation can be coupled with technology to make data-driven and conscious decisions in their selection process of smaller influencers. The more successful collaborations are seen to be with authentic and credible influencers and a success factor expressed by the participants is congruence, in terms of demographic, geographic and interest factors, between the brand, the influencer and the audience. Therefore, marketing professionals are recommended to match strategic factors and target group traits with smaller influencers who share these factors and traits themselves and in their audience. When such influencers have been identified, it is recommended to communicate important factors and intended outcomes in a thorough brief but leave creative freedom to the influencer to generate authenticity, credibility, and trustworthiness in the collaboration.

Secondly, sponsors and intermediaries can leverage automation to eliminate non-value-adding and time-consuming processes, potentially mitigating many of the challenges with smaller influencers. Such processes can e.g., be the contacting, negotiations and contracting with influencers, as well as other processes not providing any value by themselves, but rather facilitates actors in the value chain to create value. Alignment among actors on strategic intentions is important and therefore automation can facilitate standardized processes and communication to inform actors clearly and easily on the value creating activities to be performed.

Finally, successful value creation is founded on connecting the message and content with an audience susceptible of being influenced. It is stated lengthier collaborations with influencers can achieve such value better than one-time collaborations. Thus, marketing professionals should run influencer campaigns and evaluate collaborating influencers to contract the best-

performing ones over a longer time-period. Furthermore, subjective evaluations are perceived to entail difficulties in the assessment of influencers value, whereas objective and data-driven evaluations are seen as easier procedures to assess value. Thus, marketing professionals should lean on objective and data-driven evaluations and cautiously use subjective evaluations to base their marketing decisions.

## **7.4 Limitations and Future Research**

This study has contributed with both practical and theoretical knowledge in the fields of influencer marketing, management, and value creation with smaller influencers. But as the study pursued exploring the experiences of marketing professionals at sponsors and intermediaries, there are some limitations in place providing opportunities for future research. Firstly, as the participants are in Sweden, there might exist differences in cultural and sociological aspects affecting the degree of transferability of the findings to other countries or contexts where such aspects are different. Such differences can offer opportunities for future research to explore how cultural and sociological aspects can have implications for value creation with smaller influencers.

Furthermore, most of the participants are employed within B2C sponsors or marketing intermediaries which might serve distinct organizational structures and market conditions shaping the participants' experiences. Influencer marketing has predominantly been used by B2C sponsors and intermediaries historically. However, a suggestion for future research can be to identify opportunities and challenges for B2B sponsors in the management of smaller influencers.

As influencer marketing is in a nascent state and constantly evolves with market and social media platform developments, conducting a similar study over a longer time-period can showcase changes in practices and experiences as well as how socio-economic aspects and trends in social media can shape the practices of marketing professionals. TikTok is a platform participants emphasize as a shift in the industry of media consumption, whereby new content formats, behaviors and audiences are located. It is probable for new or existing social media platforms to gain popularity and create new changes in how influencer marketing can be leveraged in the future, indicating the dynamic nature of this field, which should be studied over longer periods of time.

When researching influencer marketing with smaller influencers, one becomes weary of the low threshold to become an influencer, where regular consumers can amass an audience large enough to have substantial influence over several people, but small enough to be considered regular consumers. Thus, an interesting thought is where the distinction between regular consumers and influencers is made. E.g., smaller influencers might also be considered regular consumers, whereas regular consumers with influence over their circle of family, friends and acquaintances might be considered smaller influencers. Thus, if one is to take a pragmatic stance, the distinction between the term “influencer marketing” and “consumer marketing” might be practically hard to make, offering the distinction to be explored in future academic research.

## 8. List of references

- Appelman, A. and Sundar, S.S., 2016. Measuring message credibility: Construction and validation of an exclusive scale. *Journalism and Mass Communication Quarterly*, 93(1), pp.59-79.
- Bakker, D., 2018. Conceptualising influencer marketing. *Journal of emerging trends in marketing and management*, 1(1), pp.79-87.
- Bakshy, E., Hofman, J.M., Mason, W.A. and Watts, D.J., 2011, February. Everyone's an influencer: quantifying influence on twitter. In *Proceedings of the fourth ACM international conference on Web search and data mining* (pp. 65-74).
- Balaji, M.S., Jiang, Y. and Jha, S., 2021. Nanoinfluencer marketing: how message features affect credibility and behavioral intentions. *Journal of Business Research*, 136, pp.293-304.
- Balaban, D. and Mustățea, M., 2019. Users' perspective on the credibility of social media influencers in Romania and Germany. *Romanian Journal of Communication and Public Relations*, 21(1), pp.31-46.
- Belanche, D., Casaló, L.V., Flavián, M. and Ibáñez-Sánchez, S., 2021. Understanding influencer marketing: The role of congruence between influencers, products and consumers. *Journal of Business Research*, 132, pp.186-195.
- Bell, E., Bryman, A., and Harley, B. (2019). *Business Research Methods* (5th ed.). Oxford University Press.
- Bentley, K., Chu, C., Nistor, C., Pehlivan, E. and Yalcin, T., 2021. Social media engagement for global influencers. *Journal of Global Marketing*, 34(3), pp.205-219.
- Berne-Manero, C. and Marzo-Navarro, M., 2020. Exploring how influencer and relationship marketing serve corporate sustainability. *Sustainability*, 12(11), p.4392.

- Beuscart, J.S. and Mellet, K., 2013. Competing quality conventions in the French online display advertising market. *Journal of Cultural Economy*, 6(4), pp.402-418.
- Britt, R.K., Hayes, J.L., Britt, B.C. and Park, H., 2020. Too big to sell? A computational analysis of network and content characteristics among mega and micro beauty and fashion social media influencers. *Journal of Interactive Advertising*, 20(2), pp.111-118.
- Brooks, G., Drenten, J. and Piskorski, M.J., 2021. Influencer Celebrification: How Social Media Influencers Acquire Celebrity Capital. *Journal of Advertising*, 50(5), pp.528-547.
- Bu, Y., Parkinson, J. and Thaichon, P., 2022. Influencer marketing: Homophily, customer value co-creation behaviour and purchase intention. *Journal of Retailing and Consumer Services*, 66, p.102904.
- Butterfield, L., 1999. Advertising and shareholder value. In *Excellence in advertising* (pp. 265-295). Butterworth-Heinemann.
- Campbell, C. and Farrell, J.R., 2020. More than meets the eye: The functional components underlying influencer marketing. *Business Horizons*, 63(4), pp.469-479.
- Campbell, C. and Grimm, P.E., 2019. The challenges native advertising poses: Exploring potential Federal Trade Commission responses and identifying research needs. *Journal of Public Policy and Marketing*, 38(1), pp.110-123.
- Casaló, L.V., Flavián, C. and Ibáñez-Sánchez, S., 2020. Influencers on Instagram: Antecedents and consequences of opinion leadership. *Journal of business research*, 117, pp.510-519.
- Childers, C.C., Lemon, L.L. and Hoy, M.G., 2019. # Sponsored# Ad: Agency perspective on influencer marketing campaigns. *Journal of Current Issues and Research in Advertising*, 40(3), pp.258-274.
- Cho, C.H. and as-, U.O.T.A.A.I.A., 2004. Why do people avoid advertising on the internet?. *Journal of advertising*, 33(4), pp.89-97.

Choi, S.M. and Rifon, N.J., 2012. It is a match: The impact of congruence between celebrity image and consumer ideal self on endorsement effectiveness. *Psychology and marketing*, 29(9), pp.639-650.

Cluley, R., 2018. The construction of marketing measures: The case of viewability. *Marketing Theory*, 18(3), pp.287-305.

Coco, S.L. and Eckert, S., 2020. # sponsored: Consumer insights on social media influencer marketing. *Public Relations Inquiry*, 9(2), pp.177-194.

De Veirman, M., Cauberghe, V. and Hudders, L., 2017. Marketing through Instagram influencers: the impact of number of followers and product divergence on brand attitude. *International journal of advertising*, 36(5), pp.798-828.

De Veirman, M., Hudders, L. and Nelson, M.R., 2019. What is influencer marketing and how does it target children? A review and direction for future research. *Frontiers in psychology*, 10, p.2685.

Dewey, J., 1939. Theory of valuation. *International encyclopedia of unified science*.

Djafarova, E. and Rushworth, C., 2017. Exploring the credibility of online celebrities' Instagram profiles in influencing the purchase decisions of young female users. *Computers in human behavior*, 68, pp.1-7.

Doyle, P., 2000. Value-based marketing. *Journal of Strategic Marketing*, 8(4), pp.299-311.

Eisenhardt, K.M., 1989. Agency theory: An assessment and review. *Academy of management review*, 14(1), pp.57-74.

Enke, N. and Borchers, N.S., 2019. Social media influencers in strategic communication: A conceptual framework for strategic social media influencer communication. *International Journal of Strategic Communication*, 13(4), pp.261-277.

- Erdogan, B.Z., 1999. Celebrity endorsement: A literature review. *Journal of marketing management*, 15(4), pp.291-314.
- Facebook.com, 2022. Reactions, Facebook, viewed at 17 February 2022, <<https://www.facebook.com/brand/resources/facebookapp/reactions>>
- Fossey, E., Harvey, C., McDermott, F. and Davidson, L., 2002. Understanding and evaluating qualitative research. *Australian and New Zealand Journal of Psychiatry*, 36(6), pp.717-732.
- Gaenssle, S. and Budzinski, O., 2021. Stars in social media: new light through old windows?. *Journal of Media Business Studies*, 18(2), pp.79-105.
- Gajanan, M., 2017. Middle-aged Americans spend more time on social media than millennials. *Forbes*.
- Golafshani, N., 2003. Understanding reliability and validity in qualitative research. *The qualitative report*, 8(4), pp.597-607.
- Gräve, J.F., 2019. What KPIs are key? Evaluating performance metrics for social media influencers. *Social Media+ Society*, 5(3), p.2056305119865475.
- Grönroos, C., 2011. Value co-creation in service logic: A critical analysis. *Marketing theory*, 11(3), pp.279-301.
- Haenlein, M., Anadol, E., Farnsworth, T., Hugo, H., Hunichen, J. and Welte, D., 2020. Navigating the New Era of Influencer Marketing: How to be Successful on Instagram, TikTok, and Co. *California management review*, 63(1), pp.5-25.
- Heinonen, K., 2011. Consumer activity in social media: Managerial approaches to consumers' social media behavior. *Journal of consumer behaviour*, 10(6), pp.356-364.
- Helgesson, C.F. and Kjellberg, H., 2013. Introduction: values and valuations in market practice. *Journal of Cultural Economy*, 6(4), pp.361-369.

- Helgesson, C.F. and Muniesa, F., 2013. For what it's worth: An introduction to valuation studies. *Valuation Studies*, 1(1), pp.1-10.
- Heuts, F. and Mol, A., 2013. What is a good tomato? A case of valuing in practice. *Valuation Studies*, 1(2), pp.125-146.
- Huang, M.H. and Rust, R.T., 2021. A framework for collaborative artificial intelligence in marketing. *Journal of Retailing*.
- Hudders, L., De Jans, S. and De Veirman, M., 2021. The commercialization of social media stars: a literature review and conceptual framework on the strategic use of social media influencers. *International Journal of Advertising*, 40(3), pp.327-375.
- Jeong, H.J. and Koo, D.M., 2015. Volunteering as a mechanism to reduce guilt over purchasing luxury items. *Journal of Product and Brand Management*.
- Owen, J 2018, 'Blurred lines' - closing in on the influencer frauds: fake influencers, PR Week, viewed at 02 February 2022, <<https://www.prweek.com/article/1491897/blurred-lines-closing-influencer-frauds>>
- Lee, P.Y., Koseoglu, M.A., Qi, L., Liu, E.C. and King, B., 2021. The sway of influencer marketing: Evidence from a restaurant group. *International Journal of Hospitality Management*, 98, p.103022.
- Leung, F.F., Gu, F.F. and Palmatier, R.W., 2022. Online influencer marketing. *Journal of the Academy of Marketing Science*, pp.1-26.
- Lin, H.C., Bruning, P.F. and Swarna, H., 2018. Using online opinion leaders to promote the hedonic and utilitarian value of products and services. *Business horizons*, 61(3), pp.431-442.
- Lincoln, Y.S. and Guba, E.G., 1985. *Naturalistic inquiry*. sage.

Lou, C., Tan, S.S. and Chen, X., 2019. Investigating consumer engagement with influencer- vs. brand-promoted ads: The roles of source and disclosure. *Journal of Interactive Advertising*, 19(3), pp.169-186.

Lou, C. and Yuan, S., 2019. Influencer marketing: how message value and credibility affect consumer trust of branded content on social media. *Journal of Interactive Advertising*, 19(1), pp.58-73.

Karababa, E. and Kjeldgaard, D., 2014. Value in marketing: Toward sociocultural perspectives. *Marketing Theory*, 14(1), pp.119-127.

Kay, S., Mulcahy, R. and Parkinson, J., 2020. When less is more: the impact of macro and micro social media influencers' disclosure. *Journal of Marketing Management*, 36(3-4), pp.248-278.

Kernis, M.H., 2003. Toward a conceptualization of optimal self-esteem. *Psychological inquiry*, 14(1), pp.1-26.

Kernis, M.H. and Goldman, B.M., 2006. A multicomponent conceptualization of authenticity: Theory and research. *Advances in experimental social psychology*, 38, pp.283-357.

Kjellberg, H., Mallard, A., Arjaliès, D.L., Aspers, P., Beljean, S., Bidet, A., Corsin, A., Didier, E., Fourcade, M., Geiger, S. and Hoeyer, K., 2013. Valuation studies? Our collective two cents.

Korstjens, I. and Moser, A., 2017. Series: Practical guidance to qualitative research. Part 2: Context, research questions and designs. *European Journal of General Practice*, 23(1), pp.274-279.

Korstjens, I. and Moser, A., 2018. Series: Practical guidance to qualitative research. Part 4: Trustworthiness and publishing. *European Journal of General Practice*, 24(1), pp.120-124.

Kowalczyk, C.M. and Pounders, K.R., 2016. Transforming celebrities through social media: the role of authenticity and emotional attachment. *Journal of Product and Brand Management*.

Kumar, V., 2013. *Profitable customer engagement: Concept, metrics and strategies*. SAGE Publications India.

Morrison, M.A., Haley, E., Sheehan, K.B. and Taylor, R.E., 2011. *Using qualitative research in advertising: Strategies, techniques, and applications*. Sage Publications.

Mediakix, 2022, *Influencer Marketing Statistics: Demographics, Data, Stats | Mediakix*, viewed at 30 January 2022, <<https://mediakix.com/blog/category/influencer-marketing-statistics/influencer-marketing-statistics/>>.

Moser, A. and Korstjens, I., 2018. Series: Practical guidance to qualitative research. Part 3: Sampling, data collection and analysis. *European journal of general practice*, 24(1), pp.9-18.

Muniesa, F., 2011. A flank movement in the understanding of valuation. *The sociological review*, 59, pp.24-38.

Onkvisit, S. and Shaw, J., 1987. Self-concept and image congruence: some research and managerial implications. *Journal of Consumer Marketing*.

Osborne, D.K., 1964. On the Goals of the Firm. *The Quarterly Journal of Economics*, pp.592-603.

Ouvrein, G., Pabian, S., Giles, D., Hudders, L. and De Backer, C., 2021. The web of influencers. A marketing-audience classification of (potential) social media influencers. *Journal of Marketing Management*, 37(13-14), pp.1313-1342.

Pascarella, J 2022, *Council Post: Why Digital Marketing Should Be A Top Priority For Small Businesses In 2022*, Forbes, viewed at 8 February 2022, <<https://www.forbes.com/sites/forbesbusinesscouncil/2022/01/18/why-digital-marketing-should-be-a-top-priority-for-small-businesses-in-2022/?sh=f74d03c3d878>>

Park, J., Lee, J.M., Xiong, V.Y., Septianto, F. and Seo, Y., 2021. David and Goliath: When and Why Micro-Influencers Are More Persuasive Than Mega-Influencers. *Journal of Advertising*, 50(5), pp.584-602.

Patoli, Z 2022, *Council Post: Why Digital Marketing Is Important For Business Owners*. Forbes, viewed at 8 February 2022  
<<https://www.forbes.com/sites/forbesagencycouncil/2021/08/02/why-digital-marketing-is-important-for-business-owners/>>

Rust, R.T., 2020. The future of marketing. *International Journal of Research in Marketing*, 37(1), pp.15-26.

Rust, R.T. and Huang, M.H., 2014. The service revolution and the transformation of marketing science. *Marketing Science*, 33(2), pp.206-221.

Santiago, J.K. and Castelo, I.M., 2020. Digital influencers: An exploratory study of influencer marketing campaign process on instagram. *Online Journal of Applied Knowledge Management (OJAKM)*, 8(2), pp.31-52.

Schouten, A.P., Janssen, L. and Verspaget, M., 2020. Celebrity vs. Influencer endorsements in advertising: the role of identification, credibility, and Product-Endorser fit. *International journal of advertising*, 39(2), pp.258-281.

Schwarz, R 2020, *Is Smaller Better In Influencer Marketing?*, Forbes, viewed at 03 February 2022, <<https://www.forbes.com/sites/forbescommunicationscouncil/2020/07/24/is-smaller-better-in-influencer-marketing/>>

Social Publi Blog, 2021. *2020 Influencer Marketing Report: A Marketer's Perspective*, SocialPubli.com, viewed at 20 January 2022, <<https://socialpubli.com/blog/2020-influencer-marketing-report-a-marketers-perspective/>>

Statista, 2022. *Daily time spent on social networking by internet users worldwide from 2012 to 2022*, viewed at 31 January 2022 <<https://www.statista.com/statistics/433871/daily-social-media-usage-worldwide/>>

Statista, 2022. Engagement rates among IG influencers worldwide 2020 | Statista viewed at 8 February 2022 <<https://www.statista.com/statistics/992887/growth-engagement-rate-influencers-followers/>>

Statista, 2022. Top challenges of influencer marketing Europe 2021 | Statista, viewed at 8 February 2022 <<https://www.statista.com/statistics/1255375/challenges-influence-marketing-europe/>>.

Sternthal, B., Dholakia, R. and Leavitt, C., 1978. The persuasive effect of source credibility: Tests of cognitive response. *Journal of Consumer research*, 4(4), pp.252-260.

Tafesse, W. and Wood, B.P., 2021. Followers' engagement with instagram influencers: The role of influencers' content and engagement strategy. *Journal of Retailing and Consumer Services*, 58, p.102303.

Taylor, C.R., 2020. The urgent need for more research on influencer marketing. *International Journal of Advertising*, 39(7), pp.889-891.

Taylor, R.B, 1994. Qualitative Research. In *Mass Communication Research*, edited by M. Singletary. New York: Longman.

Tisdell, E.J., 2003. *Exploring spirituality and culture in adult and higher education*. John Wiley and Sons.

Timmermans, S. and Tavory, I., 2012. Theory construction in qualitative research: From grounded theory to abductive analysis. *Sociological theory*, 30(3), pp.167-186.

Tracy, S.J., 2010. Qualitative quality: Eight “big-tent” criteria for excellent qualitative research. *Qualitative inquiry*, 16(10), pp.837-851.

Influencer Marketing Hub, 2022, *What is Engagement rate?*, viewed at 17 February 2022, <<https://influencermarketinghub.com/glossary/engagement-rate/>>

Vatin, F., 2013. Valuation as evaluating and valorizing. *Valuation Studies*, 1(1), pp.31-50.

Williams, C., 2011. Research methods.[JBER]. *Journal of Business and Economics Research*, 5(3).

Winter, G., 2000. A comparative discussion of the notion of validity in qualitative and quantitative research. *The qualitative report*, 4(3), pp.1-14.

Wissman, B., 2022, *Micro-Influencers: The Marketing Force Of The Future?*, Forbes, viewed at 31 January 2022 <<https://www.forbes.com/sites/barrettwissman/2018/03/02/micro-influencers-the-marketing-force-of-the-future/?sh=7088d1cf6707>>

Wood, A.M., Linley, P.A., Maltby, J., Baliouisis, M. and Joseph, S., 2008. The authentic personality: A theoretical and empirical conceptualization and the development of the Authenticity Scale. *Journal of Counseling Psychology*, 55(3), p.385.

Woodroof, P.J., Howie, K.M., Syrdal, H.A. and VanMeter, R., 2020. What's done in the dark will be brought to the light: effects of influencer transparency on product efficacy and purchase intentions. *Journal of Product and Brand Management*.

Woods, S., 2016. # Sponsored: The emergence of influencer marketing.

Yi, Y. and Gong, T., 2013. Customer value co-creation behavior: Scale development and validation. *Journal of Business research*, 66(9), pp.1279-1284.

Zhu, X., Teng, L., Foti, L. and Yuan, Y., 2019. Using self-congruence theory to explain the interaction effects of brand type and celebrity type on consumer attitude formation. *Journal of Business Research*, 103, pp.301-309.

## **9. Appendices**

### **9.1 Appendix 1 - Interview Guide**

#### **1. Introduction:**

- 1.1. How do you categorize different influencers, for example based on the follower amounts?
- 1.2. How much work experience do you have with influencers with a lower number of followers?
- 1.3. What is your role and responsibility when working with these influencers?
- 1.4. What do you aim to achieve with influencers who have a lower number of followers?
- 1.5. What have been the outcomes of working with these influencers in your marketing efforts?

#### **2. Tour of participants current process of working with influencers:**

- 2.1. How do you usually manage influencer marketing campaigns with influencers with a lower number of followers? Please walk us through the process from start to finish.

#### **3. Strategic planning:**

- 3.1. What are typical goals you set for marketing campaigns with influencers who have a lower amount of followers?
- 3.2. Why do you set these goals before the start of a campaign?
- 3.3. What is important to do before you decide to engage in a micro-and nano-influencer marketing campaign and start selecting influencers, platform, content guidelines, legal considerations?
- 3.4. Are there any external parties involved in this step, such as media agencies or software companies? In such case, how does your relationship work?
- 3.5. What is your experience of your strategic planning process today? What is good, and what difficulties exist?

#### **4. Strategic Selection:**

- 4.1. When you select influencers with a lower amount of followers, what is important to keep in mind in order to increase the chances of the campaign being a success?
- 4.2. Why are these things important to keep in mind?
- 4.3. How do you evaluate influencers and other strategic decisions of the campaign? (if not answered in 5.1.)
- 4.4. Are there any external parties involved in this step, such as media agencies or software companies? In such case, how does your relationship work?
- 4.5. What is your experience of selecting influencers with a lower amount of followers today? What is good, and what difficulties exist?

## **5. Campaign Management:**

- 5.1. After you have selected the influencers (with a lower amount of followers) you want to be part of your campaign, what are important activities to keep in mind?
- 5.2. Why are these activities important?
- 5.3. How do you decide on the level of compensation to offer each influencer?
- 5.4. When and why do you have to support influencers during the campaign?
- 5.5. Are there any external parties involved in this step, such as media agencies or software companies? In such case, how does your relationship work?
- 5.6. What is your experience of managing your micro-and nano-influencers marketing campaigns today, what is good and what difficulties exist?

## **6. Measuring Outcomes:**

- 6.1. How do you evaluate if your marketing campaign with these influences has been successful?
- 6.2. What measurements do you look at to evaluate this? (if not answered in 7.1.)
- 6.3. Why are these measurements important for you to evaluate?
- 6.4. Are there any external parties involved in this step, such as media agencies or software companies? In such case, how does your relationship work?
- 6.5. What is your experience of measuring the successfulness of your micro-and nano-influencers marketing campaigns today? What is good and what difficulties exist?

## 9.2 Appendix 2 – Interviewee Participants

Interviewee	Organisation	Work Title	Industry	Work Experience	Date of Interview	Time (h:mm:ss)
A1	Digital Marketing Agency	CEO	Media and marketing	17 years	01.03.22	0:35:02
A2	Media Agency	Digital Strategist	Media and marketing	10 Years	03.03.22	1:00:16
A3	Media Agency	Project Leader	Media and marketing	20 Years	16.03.22	1:03:34
A4	Media Agency	Head of Digital	Media and marketing	4 Years	16.03.22	0:42:50
A5	Digital Marketing Agency	Media Strategy Director	Media and marketing	15 Years	15.03.22	1:05:12
A6	Media Agency	Project Leader	Media and Marketing	3 Years	05.04.22	0:37:37
A7	PR and Advertising Agency	CEO	Media and Marketing	8 Years	12.04.22	0:52:42
A8	Influencer Marketing Agency	Project Leader	Media and Marketing	3 Years	02.03.22	0:48:50
A9	Influencer Marketing Agency	Head of Influencer Operations	Media and Marketing	4 Years	03.03.22	0:54:06
A10	Influencer Marketing Agency	Head of Influencer Marketing	Media and Marketing	19 years	23.03.22	0:43:45
C1	B2C Company	Influencer Marketing Specialist	Financial services	5 Years	15.03.22	0:50:36
C2	B2C Company	Influencer Marketing Manager	Cosmetics	4 Years	17.03.22	0:37:12
C3	B2C Company	Influencer Marketing Specialist	Accessories	2 Years	21.03.22	0:57:05
C4	B2C Company	Head of Marketing	Groceries	6 Years	22.03.22	0:55:03
C5	B2C Company	Head of PR and Private Labels	Cosmetics	8 Years	22.03.22	0:40:49
C6	B2C Company	Influencer Marketer	Tech / Publishing	4 Years	25.03.22	0:54:42
C7	B2C Company	Project Leader	Groceries	6 Years	08.04.22	0:59:10

### **9.3 Appendix 3 - Introductory Questions**

1. What is your job position at your company?
2. How many years of experience do you have of influencer marketing? You can include other experiences you deem relevant for this area.
3. What industry would you say your company operates in?
4. Can you give us a rough estimate of how much yearly budget your company allocates to influencer marketing?
5. Can you estimate an interval amount of followers influencers have that you have worked with in the past? Also, please include the interval you see your company working with in the future.