Impact of social media Influencer marketing on consumer at Ho Chi Minh City

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Abstract:

The marketing field is changing simultaneously with the digital world and social media influencer marketing would be a good alternative to other old types of marketing. The authors sketched the literature of social media Influencer marketing and conducted a survey in Ho Chi Minh City. The authors find that consumers tend to trust in influencers strongly and the consumer's purchasing intention is significantly impacted by four factors including the trust of influencer, the quality of content, the relevance between influencer and product, the involvement of consumer. The result shows that the trust of influencer is a key component of influencer marketing.

Key words: Influencer marketing, purchasing intention, social media.

1. INTRODUCTION

With the rapid development of digital era, nowadays social media has become an important online tool that has a tremendous effect towards our lives, especially marketers, along with the diffusion of communication firms. New forms of advertising have emerged, and terms of marketing have been found. In this study, the authors focus on Influencer marketing and its impacts on consumers with three reasons as follows. First, traditional advertising tactics are no longer effective, and

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current consumers tend to be affected by their networks. With regard to statistics by Nielsen in 2015, 92% consumers trust recommendations from other people, above all other forms of advertising from firms. Second, the explosion of social media and the emergence of a generation of influencer on social media have a significant impact on consumers. These people all have personal brands and always lead others opinions. Third, so far, there are not many specialised studies in the impacts of Influencer Marketing on consumers in Vietnam. Most of them only mention experiences and approaches to effectively implement influencer marketing; meanwhile, there are plenty of researches on influencer marketing in the world. Insights and findings from those studies provide valuable contributions to the discipline of marketing, especially to corporations, communications in exploiting efficiently the wave of influencer marketing. Thus, by this study, the authors expect that this topic will receive more research attention and discussion in the future.

2. THEORETICAL BACKGROUND AND CONCEPTUAL MODEL

2.1. Influencer marketing
2.1.1. Influencer
An influencer is defined as an individual that have active minds and influential activities to networks and surroundings (Keller & Berry, 2003). In other words, influencers are not essential to be who have great reputations, but whoever can affect others surrounding (such as friends, colleagues, families and relatives).

However, in terms of influencers on social media, most marketers use the definition by Brown & Hayes (2008): "Influencer is a third party who significantly shapes the customer's purchasing decision". Although everyone could be an

influencer, especially on social media where "all have a voice", some are "more influential than others within a community".

2.1.2. Influencer marketing on social media

Gillin (2007) states that influencer marketing on social media involves interactions with influential people to drive a brand's message and products to the world market. Influencer marketing is simply the action of marketing through influencers. This form of marketing goes hand-in-hand with creating messages that are carried by influencers to enhance the extent of brand awareness towards consumer segmentations. Brown & Hayes (2008) explain impacts that could occur in one–to–one situations or in large groups, and affect both cognition and emotion. Besides, Brown & Hayes (2008) identify influencers' dynamics to use companies' messages that influencers tend to collaborate with firms if firms' messages are valuable, and most importantly, add values to their influence. That is also an essential component of a successful influencer marketing strategy. Nowadays, with the emergence of key leaders on social media, marketing activities through influencers have become more and more popular and effective recently.

2.2. Conceptual model

To construct conceptual model studying the impact of influencer marketing on consumer, the authors apply research model on the impact of electronic word-of-mouth marketing towards consumers by Fan & Miao (2012) and by Milad Kamtarin (2012).

Influencer credibility: In online environment, there are many factors affecting consumers' purchase decisions. Nathalie Zietek in the research "Influencer Marketing - the characteristics and components of fashion influencer marketing" states that influencer's credibility is the first most

important factor. Ivelina Dimitrova (2013) also indicates the implication of influencer's credibility on purchase intention. Therefore, it is a fundamental and essential variable that should be included in our research model on the impact of influencer marketing on social media towards purchase intention of consumers.

Figure Error! No text of specified style in document.**.1. Proposed research model (own elaboration)**
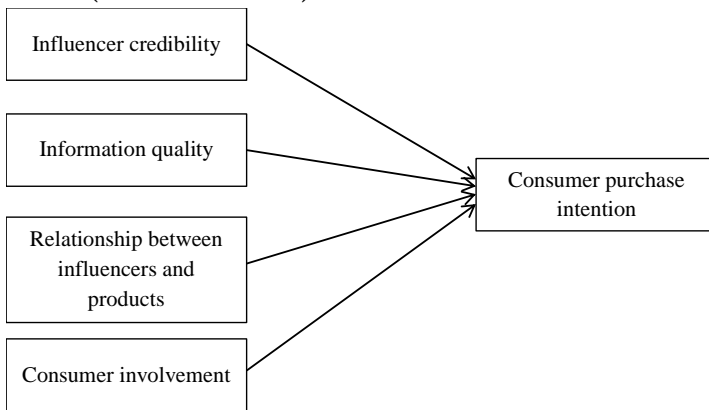
Information quality: Liengpradit et al. (2014) collect 1000 Facebook posts and conclude that information quality has effect on users. In addition, they emphasise the interests of transferred information. Cheung (2009) also states that positive information affects consumers, and opinions about an offer, product or service are much more trustworthy than sponsored commercials on social media.

Relationship between influencers and products: In the report named "New Media, New Influencers and Implications for Public Relations", Society for New Communications Research (2008) found that the relevance of products to influencers is the second-most important factor, following the quality of content. Zietek (2016) also describes brand-influencer fit as a component of influencer marketing. Further, Liengpradit et al. (2014) emphasise the importance of the

relationship between influencers and brands. In other words, it is essential to identify an influencer that fits and embodies the brand, and has the relevance to products and services, as that action affects customer's trust and has positive influences on consumer's purchase decision.

Consumer involvement: Park & Kim (2008) find that consumers that regularly seek for friends' advice and recommendations and acquire information about products will be more easily affected by social media contents than others. Fan et al. (2012) also conclude the negative effect of consumer expertise on their buying decision. In other words, consumers who frequently prefer making purchase decisions on their own without adopting other opinions will be less affected by information from social media. Hence, in this paper, since consumer behaviour in HCM City is different from that in previous research in other cultures, the authors test the impact of the variable of consumer involvement.

3. RESEARCH METHODOLOGY

The research was done using two main steps: an initial research by qualitative method and a final study by quantitative method.

The initial research was conducted in September 2016. The objective of this period is to administer the initial questionnaire. Data was collected with a sample size of 54. The first step of initial analysing is testing credibility coefficient Cronbach's Alpha to manipulate the reliability of scale, and then forming the final questionnaire.

The final research was done in October 2016. With the final questionnaire from the initial research, the authors expanded final survey with a bigger sample size of 312. The purpose of the final study is to re-assess factors of proposed model through Cronbach's Alpha coefficient analysis,

exploratory factor analysis (EFA), Correlation coefficient analysis, regression analysis, and analysis of variance ANOVA. Data was processed using the software SPSS 20.0.

4. FINDINGS

4.1. Descriptive statistics

Table 4.1. Descriptive statistics results for demographic factor of research sample

Characteristics	Frequency	Percent (%)
Gender		
Male	128	41,03
Female	184	58,97
Age		
18 to 24 years	143	45,83
25 to 34 years	133	42,63
35 to 45 years	30	9,62
More than 45 years	6	1,92
Income		
Less than 5 million	121	39
5 to less than 10 million	109	35
10 to less than 20 million	65	35,521
More than 20 million	17	5

(Source: own elaboration from SPSS, n=312)

As it can be seen, most respondents are young people from two groups of age from 18 to 24 years and from 25 to 34 years. That has a relevance to research topic, since young people spend more time on social media than older ones.

4.2. Reliability coefficient Cronbach's Alpha analysis

Being modified in the initial constructed research, the scale used in the final research excluded variable TRUST3 and variable RELEV2, hence, the reliability of scale of the model had a significant increase. Results of reliability coefficient Cronbach's Alpha analysis are shown as follows.

Table 4.2. Results of reliability coefficient Cronbach's Alpha analysis

Employed variables	Cronbach's Alpha
Influencer credibility	**0,774**
Information quality	**0,842**
Relationship between influencers and products	**0,798**
Consumer involvement	**0,763**
Customer purchase intention	**0,777**

Source: own elaboration from SPSS, n=312

The scale employed in the study has high reliability. As can be seen from the table above that the scale of influencer credibility has reliability coefficient Cronbach's alpha at 0.774 and item-total correlation coefficients of the observable variable are more than 0.3. Regarding the scale of content quality, reliability coefficient Cronbach's alpha equals 0.842, and item-total correlation coefficients of the observable variable are more than 0.3. In terms of the scale of Relationship between influencers and products, it has reliability coefficient Cronbach's alpha at 0.798 and item-total correlation coefficients of the observable variable are more than 0.3. The scale of customer involvement has reliability coefficient Cronbach's alpha at 0.763 and item-total correlation coefficients of the observable variable are more than 0.3 with the smallest value at 0.521. The scale of customer buying intention has reliability coefficient Cronbach's alpha at 0.770 and item-total correlation coefficients of the observable variable are more than 0.3 with the minimum vale at 0.541. Therefore, the authors employed the modified scale to analyse factors.

4.3.   Exploratory factor analysis EFA

Results of exploratory factor analysis EFA categorise groups of different criteria, in which similar criteria are in the same group. In the table as follows, criteria that have factor loading is greater than or equal to 0.5 are included or otherwise excluded. Hence, there are 17 criteria divided in 4 groups.

Table 4.3. Results of exploratory factor analysis

	Component			
QUALI3	0,804			
QUALI1	0,779			
QUALI2	0,745			
QUALI5	0,723			
QUALI4	0,705			
QUALI6	0,672			
TRUST1		0,783		
TRUST5		0,769		
TRUST2		0,753		
TRUST4		0,712		
INVOL3			0,793	
INVOL1			0,760	
INVOL2			0,752	
INVOL4			0,723	
RELEV3				0,846
RELEV1				0,839
RELEV4				0,839

Source: own elaboration from SPSS, n=312

Factor loadings of observable variables in each scale all increase and can be considered acceptable to requirement of method (factor loading > 0.5). EFA analysis shows no variance in 17 initial independent variables, thus, the authors continue to use in the next analysing step.

4.4. Regression analysis

Results of multiple regression analysis are shown as follows:

Table 4.4. Results of regression between independent variables and dependent variable

Model	R	R square	Adjusted R square	Std. error of the estimate	Durbin-Watson
1	0,797[a]	0,635	0,631	0,49878	1,696

Source: own elaboration from SPSS, n=312

Results of multiple linear regression analysis indicate that the value of R^2 is 0.797 and adjusted R^2 is 0.635. This result represents the relevance of model is 0.635, meaning that four independent variables TRUST, QUALI, RELEV and INVOL

explain 63.5% of the variance in INFLU. The rest of 36.5% is explained by other components excluded from the study.

Durbin-Watson test shows that the model has no problem with multiple regression method. The value of Durbin-Watson 1.696 is between 0 and 4, indicating that there is no first-order serial correlation in the model. In the next step, it is essential to test the generalisation of the model.

Table 4.4 represents the low level of significance of four variables TRUST, QUALI, RELEV and INVOL. To be more specific, sig coefficient values of TRUST, QUALI, RELEV and INVOL are 1.145, 1.107, 1.005 and 1.050, respectively, and all less than 5%. Therefore, independent variables all have influence on the dependent variable.

Table 4.4. Results of regression coefficients

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.	Multicollinearity	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-2,288	0,260		-8,788	0,000		
TBTRUST	0,544	0,041	0,490	13,280	0,000	0,874	1,145
TBQUALI	0,381	0,040	0,347	9,562	0,000	0,903	1,107
TBRELEV	0,298	0,039	0,266	7,693	0,000	0,995	1,005
TBINVOL	0,243	0,042	0,206	5,825	0,000	0,953	1,050

(Source: own elaboration from SPSS, n=312)

With the significance level of 5% and on the basis of collected data, the dependent variable can be explained by independent variables by the equation as follows:

$$INFLU_i = -2{,}288 + 0{,}544 TRUST_i + 0{,}381 QUALI_i + 20{,}298 RELEV_i + 0{,}243 INVOL_i + e_i.$$

4.5. Discussion

Influencer credibility: The result of regression analysis represents a positive correlation between influencer credibility and customer purchase intention. Regression coefficient of 0.544 suggests that if influencer credibility had a one-unit increase, and nothing else changes, customer purchase

intention would increase by 0.544. Further, influencer credibility also has the most impact on customer purchase intention due to the highest value of regression coefficient, among independent variables. In other words, that customers always tend to support their influencers has a huge impact towards their buying decisions.

Information quality: The result of regression analysis indicates that there is a positive correlation between information quality and customer buying intention. With the second-highest value of regression coefficient at 0.381, if nothing else changes, when there is a one-unit increase in information quality, customer purchase intention increases by 0.381. The quality of information was proved as a significant prediction to the success of an information system in previous literature reviews (DeLone & McLean, 1992). Consumers aware of the confidence and usefulness of transferred information, and good content will enhance their trust in conveyed information.

Relationship between influencers and products: On the basis of the regression analysis result, links between influencers and products have a positive correlation with customer buying decisions. Regression coefficient at 0.298 suggests that if nothing else changes, when there is a one-unit rise in the relations between influencers and products, consumer purchase intention will increase by 0.298. In other words, the factor of relationship between influencer and product has a remarkable effect on consumer intention to brands, following the effects by influencer credibility and content quality. The reason for that implication is that selecting a relevant influencer that fits brands, products and services has core significance towards affecting consumer trust and their purchase intention.

Consumer involvement: As can be seen from regression analysis result, there is a positive correlation between consumer involvement and their purchase decision. With regression coefficient of 0.243, if nothing else changes, when consumer involvement increases by one unit, customer intention will rise by 0.243. This indicates that consumers who often involves in learning about product's information and considering friend recommendations will be easier affected by word-of-mouth on social media than others. However, the influential level of this factor has the least implication among four constructs on consumer intention.

5. CONCLUSION

Regarding research method, this paper contributes to the model studying impacts of influencer marketing on social media on purchase intention of consumers in HCM City with four components, namely Influencer credibility, Information quality, Relationship between influencers and products, and Consumer involvement. Also, this research adds scales of variables to the model, which is significantly appropriate for scholars and applications in marketing in Vietnam. From findings about effects of influencer marketing towards consumer buying decision, the authors emphasises the significant importance of influencer credibility. Further, creating good content and selecting appropriate influencer to product also has a positive effect on influencer marketing.

In addition, research findings suggest that corporations, communications and marketers should grasp insights of impacts and effects of influencers towards purchase decision of consumers in order to establish marketing strategies that fits consuming tendency as well as exploit effectively influencer marketing. Further, developing influencer marketing will help save more advertising and promotion costs than traditional marketing activities, consequently maximise company's profits.

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