

Customer Engagement Through Influencer Marketing on Instagram
A Content Analysis on Sponsorship Disclosure and Product Placement
Utilising Micro-Influencers on Instagram in the Fashion Industry

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Executive Summary

Instagram influencer marketing is the new word of mouth marketing tactic in which influencers are able to directly impact people. These so called opinion leaders are of great value for brands who wish to distribute their products or services to a certain type of audience. Micro-influencers are a specific group of influencers with a following of less than 100.000 followers. Micro-influencers are perceived as authentic and relatable, have a high engagement rate and cost a lot less to hire for companies than influencers with a large following. This makes them highly attractive for collaborations with companies that wish to increase customer engagement.

The influencer's trustworthiness, sponsorship disclosure and product placement are of great importance for a successful campaign for any brand in the fashion world that wishes to engage in influencer marketing. This study aimed to provide more insights for companies on how to use micro-influencers to increase customer engagement through influencer marketing on Instagram. A quantitative content analysis has been conducted on 200 Instagram posts focusing on sponsorship disclosure and product placement of two Dutch micro-influencers, Itisormane and Josiefromspace. Each post was categorised by analysing the likability, the number of likes, and the engagement rate, the number of comments under each post.

The outcome of the research indicates that the followers of micro-influencers activate their coping mechanism against potential covert advertisement through hashtags that are provided from the micro-influencer such as #partner, #ad and #spon. Posts that contain sponsorship disclosure performed less in terms of engagement, however the disclosure helps build trust and integrity towards the influencer and the brand. Product placement receives only a negative reaction when the product has a too prominent role in the photo. The less followers a micro-influencer has, the greater the engagement rate on the posts. However, the amount of people that the post will reach will diminish as well. Brands should try to connect with multiple micro-influencers at once.

This study helps marketers in the field of influencer marketing in the fashion industry to choose the best practise on how to choose an influencer to promote their brand and by doing so increasing customer engagement. Little research was found on the effects of influencer marketing in the fashion industry on Instagram. Additional research is necessary to find the specific differences between influencers with more than a million followers and micro-influencers. Furthermore, research on influencers of different countries are recommended to discover if the outcome is the same in other parts of the world. Moreover, a bigger sample size would provide a more detailed overview and would increase the validity. In conclusion, this study gives a noteworthy insight on how companies are able to use influencer marketing on Instagram to increase customer engagement using micro-influencers.

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1. Introduction

The influencer marketing on Instagram has become a two-billion-dollar industry and is expected to be a ten-billion-dollar industry in 2020 (Contestabile, 2018). According to a study by Pauriol (2017), Instagram has the highest follower growth rate and has the best engagement rate, compared to any other social network. Understanding the Instagram influencer marketing universe enables any marketer to discover where the pulse of a market is located. Balakrishnan and Borstin (2017) explain that online consumers are gaining more trust in the point of view of influencers than marketing campaigns of companies themselves. Until recently people were only focusing on how brands embodied themselves in commercials. Nowadays they take advice from their preferred influencers. Influencer marketing has always been of high importance in the fashion industry. According to Izea (2018) almost 60% of the fashion brands are using Instagram influencer marketing, from watches and jewels to haute couture. Instagram has made it accessible for the people to follow their favourite fashion brands and influencers. The influencer marketing on Instagram will keep on growing as long it stays a platform where influencers can share content easily.

In October 2010 the social media platform Instagram was launched and gained 25.000 users in only 24 hours. In only three weeks' time, 300.000 people had downloaded the app (Sengupta, Perlroth & Wortham, 2012), and since that time Instagram has kept growing with over 800 million users in April 2017 of which 500 million are daily active users (Balakrishnan & Borstin, 2017). Social media are a rather recent online development of platforms that are interactive on which users can develop a public or private profile, connect with other users who are called friends or more commonly followers, and interact with these followers through sharing, (co-) creating, adjusting and discussing content (Boyd & Ellison, 2008; Kietzmann, Hermkens, McCarthy & Silvestre, 2011). Instagram is a visual based platform on which users can make a profile and post pictures or videos. Unique about Instagram is the filter you can apply to the pictures to make them look more attractive and professional.

After only a year and a half of the launch of Instagram, Facebook' founder and CEO Mark Zuckerberg bought Instagram for 1 billion American dollars (Sengupta, Perlroth & Wortham, 2012). In May 2013, more than 65% of the top 100 global brands, which are recognized by Interbrand, a respected branding consultancy firm, made use of social networking platform Instagram (Gagloeva, 2014). Research has proven that visual content is easier to convey to users, making a visual based social media platform such as Instagram a very powerful form of communication (Gagloeva, 2014). Despite Instagram's incredible success, to date moderately little academic research has been done on the effects Instagram has on its users.

Instagram is not exclusive an application for consumers. Brands can use Instagram as an influential marketing tool. Businesses are able to approach potential and existent consumers in quite an easy and low-cost way. This helps brands to increase and build trust and loyalty while creating a close relationship with their consumers. This in turn can enhance brand image and brand awareness (Kreutzer & Hinz, 2010) Brand awareness is an indirect result of brand engagement, which indicates the emotional connection people have with the brand resulting in worth-of-mouth marketing and loyalty to the brand (Traphagen, 2015). Focusing on brand engagement is important for internal as well as external use. Employees who are engaged with the brand will help to strengthen the brand and that will lead to improving the brand perception for consumers (Traphagen, 2015). Social media has given word-of-mouth marketing a whole new meaning and has given the consumers and brands the opportunity to interact and build a relationship with each other on a whole new level. Brand engagement leads to customer engagement which convert to an increase in the company's profitability, market share and revenue (Traphagen, 2015).

Instagram marketing can be done through different marketing purposes; one possibility is through influencer marketing. Influencer marketing can be seen as the electronic worth of mouth (Wong, 2014). Instagram users, who have built a huge group of followers, reach an online celebrity status through their social media activities. They are referred to as influencers, because through their reach they are able to influence an enormous audience (Uzunoğlu & Kip, 2014). Influencers are not bound to one single brand or company, however their big influence makes them attractive to companies who want to reach the audience that the influencer has or whose activities are similar to their brand or product (Hilker, 2017). This way, companies can approach their target group in a different way than using direct marketing. To generate positive consumer feedback is the general goal when using influencer marketing (tapinfluence, n.a.; wehype, 2016). The most important factors are the credibility of the message, brand attitude and how likely people's intention are to buy the advertised product. These factors indicate how good an advertisement or in this matter the post on Instagram is (tapinfluence, n.a.; wehype, 2016; Cheung, Luo, Sia & Chen, 2009; Lee & Koo, 2015; Loda, Teichmann & Zins, 2009). To see if this goal of using influencer marketing can be achieved depends on various factors regarding the way that Instagram post is made, that is to say which influencer is used, product placement and sponsorship disclosure. These concepts will be elaborated in the following.

Firstly, choosing the right type of influencer is an important choice, since the attributes that consumers associate to the influencer can have an effect on the advertising (Wymer & Drollinger, 2015). With the arrival of social media and following the influencer marketing, a new kind of endorser rose up called influencers. The term influencer is nowadays regarded as a new branch of

celebrity endorsers (Weinswig, 2016) in which influencer marketing the modern-day form of celebrity endorsement is. Those who have a great reach and a following of hundred thousand people or less as a result of their social media activities are called micro-influencers (Weinswig, 2016).

Secondly, aside from the sort of influencer, sponsorship disclosure is a crucial factor to take into account as well. Sponsorship disclosure can give the true intention away when uploading a post on Instagram. Not informing the existence of a sponsorship is one of the major problems regarding influencer marketing. In 2017, government bodies such as the Federal Trade Commission (FTC) of the United States and the Competition and Market Authority (CMA) of the UK were giving out warnings to influencers and brands that were misleading their audiences by not informing posts were sponsored (Stewart, 2016). According to Nisha Arora, the senior director at CMA, have influencers on Instagram a high influence on people's opinion, in particular on children. People should not be deceived by these marketing campaigns on Instagram which are in fact conducting covert advertisement (Stewart, 2016). If the influencer does not disclose their sponsorship, consumers will be tricked into believing that the influencer personally made the recommendation of a certain product or brand (Sammis, Lincoln & Pomponi, 2016). This in return does not help with the honest people who wish to express their true opinions. Followers cannot know if someone is being sponsored or not without influencers disclosing the information (Hutchinson, 2017). Which can lead to Instagram users become suspicious on all recommendations. Having credibility is of high importance, followers need to be able to trust influencers on their true opinion of a product or service for their posts to be of any value. Various honest influencers always disclose if they have been sponsored through certain hashtags such as "#sp" or "#ad" as a caption to a photo or video on Instagram, or explicitly stating on a photo or video that they are in a paid partnership with a brand using the paid partnership tag tool from Instagram.

Lastly, there will be a focus on product placement. Kuhn, Hume and Love (2010) argue that seeing a product in a post, which is not disclosed in any way, can be seen as covert advertising. Posts made where the influencer has put a lot of focus on a product are often regarded negative since the advertisement seems rather forceful towards the viewers. Product placement will be included in the research to find out if distinctive placement has a negative response when using influencer marketing. Using sponsored and product placement in posts effectively will lead to an increase of brand engagement in a positive sense for the influencer and the brand (Kuhn et al., 2010).

Not a lot of research has been done on what the effects of sponsorship disclosure and product placement has on the engagement rate on Instagram using influencer marketing. The goal of this paper is to research the effects sponsored and product placements Instagram posts have on

engagement when looking at how the consumer reacts to these different posts. Through these findings a best practice will be formulated that companies who are in the fashion industry and are interested in using influencer marketing to increase customer engagement. The following research questions have been set up to guide through this research:

RQ: How can micro-influencers on Instagram effectively use product placement and sponsored Instagram posts for brands to have success in influencer marketing in the fashion industry in order to increase customer engagement?

Sub-RQ1: What are the success factors to increase engagement using micro-influencers on Instagram?

Sub-RQ2: What is the effect of sponsored versus non-sponsored Instagram posts of a micro-influencer on Instagram when examining the likability and engagement of the post?

Sub-RQ3: What is the effect of product placement versus no product placement in the Instagram posts of a micro-influencer on Instagram when examining the likability and engagement of the post?

To find the answer of the main research question a total of three sub-questions have been devised. First of all, a guideline is formulated on increasing the engagement rate using micro-influencers on Instagram. This will help companies to choose what type of influencer to collaborate with. Furthermore, the importance of sponsorship disclosure and product placement will be explained. Secondly, the effects on the engagement rate of posts with or without sponsorship disclosure will be examined to gain a better understanding on the difference between the two. Lastly, the engagement rate of product placement will be analysed to find if appearances of products in posts perform better or worse in terms of customer engagement. This study will give companies practical recommendations on how influencers on Instagram can be used to their best potential with a special focus on the fashion industry to increase customer engagement.

In order to find an answer to these questions, chapter two will give a summary of prior research on customer engagement, social media, Instagram and influencer marketing, in addition to emphasising the relationship between these theories. Chapter three will provide an in-depth overview on how the research was done and will answer to why several choices were made concerning the sample of the research, the operationalization performance, the data collection, and how the data analysis was analysed. Chapter four will give the results of the research, which will be

followed by chapter five in which the results will be explained. These explanations will be used to answer the research questions, disclose any limitations of the research, and provide several recommendations for future studies.

2. Theoretical framework

In this section of the research I will answer the question: what are the success factors to increase engagement using micro- influencers on Instagram? A literature research was performed focusing on the following points: customer engagement, influencer marketing (micro-influencers, product placement and sponsorship disclosure) and social media (Instagram). In the conclusion of this chapter the above-mentioned question is answered.

2.1 Customer Engagement

Kahn (1990) was the first to theorize the term engagement, focusing on its psychological qualifications. In recent times, brands have created programs in which they want to engage with their customers, while at the same time gauging how customer engagement effect the rising displeasure of traditional marketing plans (Bagozzi & Dholakia, 2006). From 2005 onwards the term “engagement” has been used in several academic studies (Brodie et al., 2011). Even though the term has been used more extensively in academic research the term has been given diverse definitions in academic literature (Vivek et al., 2012). An agreement between scholars has yet to be attained (Hollebeek, 2011; Javornik & Mandelli, 2013).

Patterson et al. (2006) describe customer engagement as “the level of a customer's physical, cognitive and emotional presence in their relationship with a service organization.” Engagement is recognized as a variable that is greatly situation dependent that influences the choice of customers regarding products or brands (Patterson et al., 2006). Bowden (2009) defines customer engagement as an emotional process that is influential for customer's loyalty. Engagement can be divided in different degrees which are personal and context dependent (Bowden, 2009; Sprott et al., 2009). Vivek et al. (2012, p.127) argue that consumer engagement can be described as “the intensity of an individual's participation and connection with an organization's offerings or organizational activities, which either the customer or the organization initiates.”

According to Brodie et al. (as cited in Fernandes and Esteves, 2016, p.126), customer engagement signifies a “context-dependent psychological state characterized by a specific intensity level that plays a centre role in the process of relational exchange”. Other comparative theories can conduct as backgrounds and ramifications in customer engagement development. For that reason, customer engagement is defined as “a multidimensional concept comprising cognitive, emotional, and/or behavioural dimensions” (Brodie et al., 2011, p. 260). Even though customer engagement is composed in multifaceted ways, the behavioural dimension is the most extensively used in academic literature (Brodie et al., 2011) and has most frequently been implemented (Javornik & Mandelli,

2013). The definition of Brodie et al. will be used for this study, since it is the most extensively used definition in academic literature.

Customer engagement is established through customer participation. Customer's participation can be defined as "the degree to which the customer is involved in producing and delivering the service" (Rafiq, 2017). This interaction can lead to greater forms of enthusiasm which increases the engagement (Bagozzi & Dholakia 2006). This seems to indicate that customer participation can increase customer engagement positively. Aslam (2018) provides support for the statement saying that "brands engage prospects and customers by identifying itself with their common interests". The research has a focus on customer's participation on brands using social media, specifically Instagram. In the following sections will be explained how customer engagement can be reached through social media.

2.2 Social Media

Social media signifies all the "forms of electronic communication (as Web sites for social networking and microblogging) through which users create online communities to share information, ideas, personal messages, and other content (as videos)" ("Definition of social media," 2018). Social media is a new form of media where the sender is aware to who is receiving their messages and where the receiver can respond. This differs greatly from traditional media where the receiver is unknown and cannot respond. Customer engagement can be reached on social media in different ways. Firstly, companies are able to grow their audience and customer base using relevant and attractive posts. There is a higher chance that current followers will share these posts which will enable growth in awareness and followers. Secondly, companies are able to engage with their audience. Brands are able to create a business image which is not only a logo or company name. Thirdly, companies can use these mass communication channels to distribute messages which would be money and time consuming if done through traditional forms of communication (Rafiq, 2017).

2.2.1 Instagram

Social media have many different platforms, one of those is Instagram. This social media platform was launched in 2010 and quickly became one of the top social media channels. Currently having more than 800 million users (Aslam, 2018). Instagram is a visual based platform where only photos can be uploaded, users can apply filters on their photos to change the colours before posting this on their own Instagram page. There are four main reasons for companies to use Instagram as a

marketing instrument (Berg & Sterner, 2015). First of all, to post often inspirational content. Secondly, gaining more information about the demographic of their customers. Thirdly, companies try to inspire consumers without the need to show promotional offers. Lastly, the objective of most companies is to gain as many followers as possible to showcase their products and or services. Instagram is hence an interesting marketing instrument for every company. In order to realize these goals influencers, with a similar niche group as the company, are collaborating with brands.

2.3 Influencer Marketing

Influencer marketing is “the art and science of engaging people who are able to influence people online in order to distribute messages of brands with their audience in the form of content that is sponsored” (Sammi et al., 2016). Hence, influencers can be seen as people who have a direct impact on other people online and are collaborating with companies to promote their products, services or brands (Sammi et al., 2016). There are various ways to utilise influencer marketing. Influencers could receive products for free in the hope of the companies that they will review the products on their platform(s) or companies could pay influencers for posting about it on their social media account or website (Sammis et al., 2016). Influencer marketing can be seen as the electronic word of mouth (WOM) marketing (WOMM) (Pophal, 2016; Wroblewski, 2017). Yet, WOM is regarded as quite unreliable as stated by Brown and Hayes (2008) since it is hard to track who says what and to whom. Influencer marketing is profoundly dissimilar since a company can choose an influencer depending of their audience and reach. Moreover, the influencer and company have set how the message will

be conferred beforehand. Influencer marketing can be seen as an old marketing concept in a modern jacket. The two-step flow theory substantiated this as well (figure 2.1). The theory explains that in society there are opinion leaders that look closely to mass media messages. These individuals relay these messages to the mass (Katz & Lazarsfeld, 1966). In influencer marketing the opinion leaders are the influencers. While influencers get compensated to distribute a personal message, the theory where people take the opinion of opinion leaders seriously is still valid. Influencer marketing has great benefits for companies and influencer alike. Companies can target a specific group of people inexpensively (Kaplan & Haenlein, 2010; Loeffler, 2016; Weiss, 2013) and besides money influencers also receive goods to post

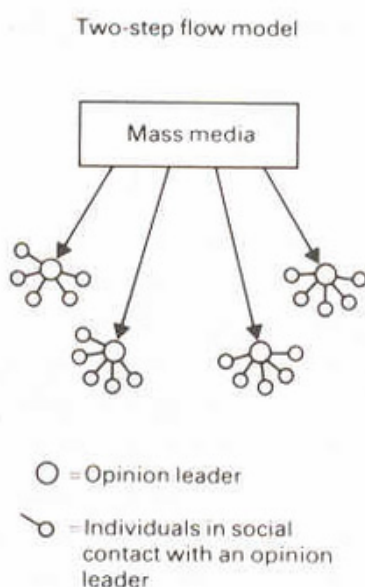


Figure 2.1 - Two-step flow model

on their social platform(s) which they take pleasure in doing anyway. Research has been done in the past to examine the effect endorsements have on traditional advertising to the consumers. Influencers can be regarded as the new form of advertising and thus the question rises if these new opinion leaders called influencers have a different effect on consumers.

2.3.1 Micro-influencers

Having a big following can also have a downside. When a social media influencer reaches a large amount of followers, the engagement of their followers on their posts begins to decrease ("Instagram Marketing, 2016). Micro-influencers do not have this problem, since they have a personal affection with their niche and are perceived as genuine and trusted people when giving recommendations (Pierucci, 2018). They can be defined as influencers who have a social media account with a following between 1.000 and 100.000 followers (Chen, 2016). Accounts around 1.000 followers have the best engagement ratio. After reaching 100.000 followers the likes and comments of the followers becomes less and less (Pierucci, 2018). People tend to interact more with someone they can relate to then a celebrity. Micro-influencers are more interesting to work with for companies then big time influencers. According to Medium (Pierucci, 2018), micro-influencers have 60% more engagement and campaigns and are 6,7 times more efficient than accounts with millions of followers. Furthermore, they bring 22,2 times more conversation per week than the typical user. Focusing on the like ratio, users with ten million followers or more receive only 1,6% of likes of their followers, while users with a following of 1.000 users get 8% likes ("Instagram Marketing," 2016), as seen in figure 2.2 (*Figure 2, Instagram like ratio*). Looking at the comment ratio shows us a similar image, users with ten million users receive 0,04% of comments from their followers, while accounts of 1.000 followers amass 0,5% comments ("Instagram Marketing," 2016), as can be seen in the figure down below (*Figure 2.3, Instagram comment ratio*). The difference is an astounding 12,5 times between ten million plus accounts and users with 1.000 followers.

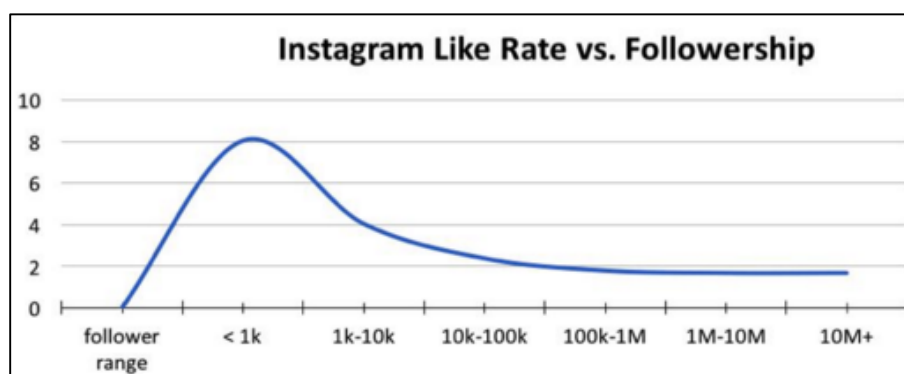


Figure 2.2 - Instagram like ratio ("Instagram Marketing," 2016)

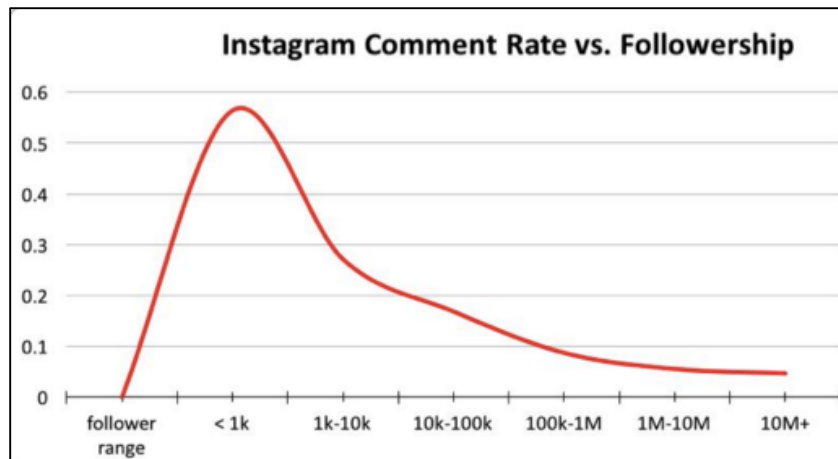


Figure 2.3 - Instagram comment ratio ("*Instagram Marketing*," 2016)

This leads to the assumption that the optimal amount of followers for companies to use for their campaigns would be Instagram accounts that have between 10.000 and 100.000 followers. Those micro-influencers still reach a large specific group while still being seen as authentic and relatable and costing a great deal less than their big time celebrity colleagues. In the following sections will be explained how influencers use Instagram to promote brands and/or services which will lead to customer engagement for companies will be explained.

2.3.2 Sponsorship disclosure

Boerman et al. (2016), interpret individual messages differently when the aim is to persuade the viewer. Advertisements hidden in messages may not activate peoples coping system when the ad is not clarified to the viewer. Research indicates that disclosing the intention of advertisement leads to positive advertising recognition across traditional media platforms (Evans et al., 2017). Influencers on social media who are being sponsored to post a specific photo or video and/or promote a particular product are conducting covert advertising (Bauer, 2015). Influencer marketing is in a grey area since it often cannot be proven if the influencer is partaking in an advertisement. There has not been much research on sponsorship disclosure on social media, due to the fact that it is a rather new phenomenon. Sponsorship disclosure triggers the coping mechanism against the message that is trying to be conveyed causing people to see the brand in a negative light which can affect the purchase intention unfavourably (Boerman et al., 2016). People do not trust advertisements (Koslow, 2000), but people are able to repel the influence when they identify sponsorship disclosure in an advertisement (Boerman, et al., 2014).

The value of sponsorship disclosure is frequently described by the source credibility theory, which implies that consumers are more prone to be persuaded to do a certain action when the source of information is reliable (Ohanian, 1990). Trustworthiness is an important factor for people's view on the endorser that is promoting the product or service (Korotina & Jargalsaikhan, 2016). The source credibility model is based on how much influence a message has by focusing on expertise, trustworthiness and appeal of the endorser (Ohanian 1990). Dekker and Reijmersdal (2013) believe that disclosing a sponsorship would merely bring negative views on what the message is trying to convey, when the followers have suspicion of the influencer being insincere. The effectiveness of the message rests on the credibility of the source that is transmitting the message (Gotlieb & Sarel 1991). Boerman and Van Reijmersdal (2016) argue that sponsored content has no impact on the perception of the message as long as the source has a credible background. The source credibility theory applies on celebrities with an enormous following. Ohanian (1990) explains that celebrities are perceived to be more trustworthy than marketers. Even if the influencer's only goal is to gain revenue, people believe that the intention of promoting a product or service is still genuine. According to Ewers (2017) people have an even higher expectation of transparency in sponsorship disclosure with micro-celebrities, or micro-influencers than celebrities with a large following. Turning influencers who already have a connection with a brand as a fan into a promoter has the most credibility (Ewers, 2017). Followers have seen the influencer already promoting products or services of a certain brand before they received a sponsorship (Pierucci, 2018). This leads to the assumption that even though sponsorship disclosure activates the coping mechanisms against advertisements by the consumers, the trustworthiness and transparency sponsorship disclosure gives is more beneficial for both the brand and influencer in the long run in terms of customer engagement. Besides sponsorship disclosure there are other ways influencers can increase customer engagement, in the following section the focus will be on product placement.

2.3.3 Product Placement

Product placement is the unification of entertainment with advertising (Williams et al. 2011) and can be seen as an expansion of traditional advertising (Al-Kadi, 2013). Fennis and Stroebe (2016) define product placement as "paid inclusion of branded products or brand identifiers through audio and/or visual means". While it can appear in different forms the goal is always the same, incorporating an identifiable brand-named product into the post or background. Besides using product placement in traditional advertising, such as television, radio and in movies, it is now used on new platforms such as videos games, smartphone applications and social media channels. Using product placement on social media sites such as Instagram, Facebook and YouTube, where the focus is on WOM and user

generated content, are seen as important opportunities for companies (Van Buskirk 2010). According to Karrh (1998), product placement happens when the marketer is paying for the placement of their service or product in a post or is offering certain services or goods (Karrh, 1998). Product placement does not mean that the physical product needs to be visible, having the logo or brand name in the post would be sufficient when the content is visual (Der Waldt & La Rey, 2005). Findings show that product placement can have a positive as well as a negative effect (Kuhn, Hume & Love, 2010; Jargalsaikhan & Korotina, 2016). Kyrkjeeide and Lervik (2015) argue that the effects of product placement would be positive in changing people's buying behaviour while not altering their attitude. However, having a too prominent role in the content could lead to a negative reaction (Homer, 2009; Van Reijmersdal, Neijens & Smit, 2009). Instagram is a visual content platform, making it easy to put the focus on products ("Product placement Instagram", 2015). According to Korotina and Jargalsaikhan (2016) most consumers have a negative view on the content when product placement is visible, particularly when the effort to sway the consumer is too noticeable and if the post uses product placement only for financial gain. However, according to the influencer marketing agency Ifluenz ("Advantages of Influencers," 2016) have companies many benefits by using influencers that incorporate their product or services in their posts. First of all, it creates instant credibility ("Advantages of Influencers," 2016). People tend to trust the opinion of their preferred influencers, which leads to an effective WOM strategy for companies. Secondly, the advertising market has received a negative view from the people over the decades due to the fact they have been trying to just sell or create brand awareness using product placement. Influencer marketing has enabled to intertwine product placement with the image the influencer portrays, making the product placement far less direct and more relatable to their followers ("Advantages of Influencers," 2016). Lastly, this all results in an improvement of brand awareness and indirectly customer engagement. The increase of people using their smartphones to search for entertainment can lead a single post on Instagram from an influencer to be liked and commented from people across the world for a low cost while having a tremendous impact to its niche ("Advantages of Influencers," 2016).

2.4 Conclusion

Fashion brands looking to use Instagram influencers to market their products can choose those whose niche interests align with their target audience, while the influencers in turn broadcast their brand-related posts to their many followers, leading to a mutually beneficial relationship between brands and influencers. Fashion brands typically collaborate with influencers in several ways, including sharing sponsored content and product placements. Reflecting back on the research

question: What are the success factors to increase engagement using micro influencers on Instagram, it can be concluded that the best amount of followers for companies to use for the campaigns would be Instagram accounts that have between 10.000 and 100.000 followers. These fashion micro-influencers still reach a large specific group while still being seen as authentic and relatable and costing a great deal less than their big time celebrity colleagues. Sponsorship disclosure of influencers should always be done to create transparency to the consumers when influencers are commercially incentivized to promote brands. By stating sponsorship trustworthiness can be established, while this may affect customer engagement in the short term, both brands and influencers gain from honesty in the long term. Product placement can be done but should not be too obvious for the consumer, it will be regarded as a post too commercialized and will negatively affect customer engagement. A visual representation has been made in the form of a conceptual model in figure 2.4.

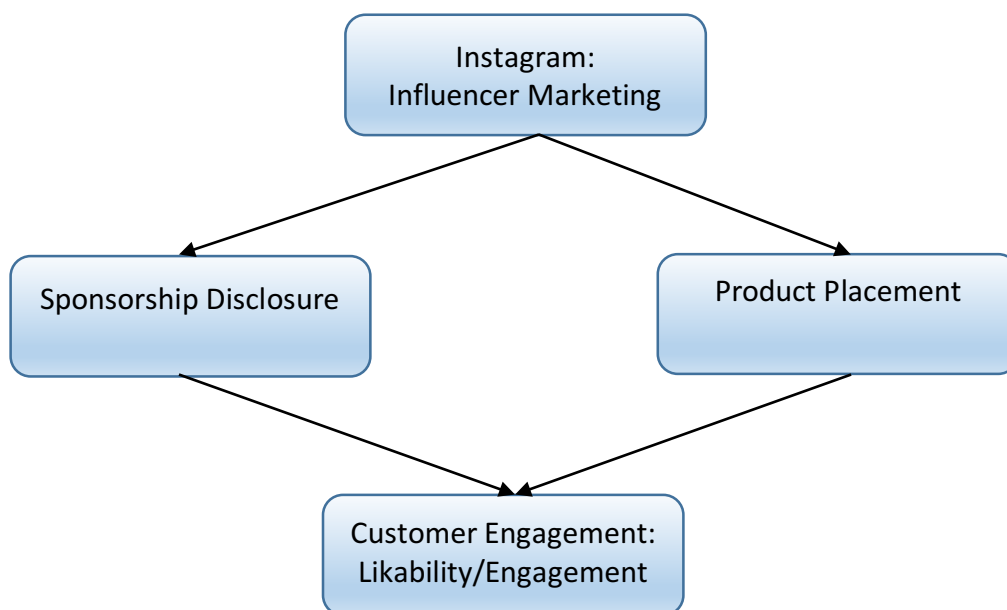


Figure 2.4 - Conceptual Model

3. Method

In this chapter the research this study has done will be explained in detail. Focusing on the sample, operationalisation, data collection and data analysis. Through an inter-reliability test the trustworthiness of the research was measured.

3.1 Method

In order to answer the research question, a quantitative analysis was performed of micro-influencers on Instagram who are sharing posts that are sponsored, have no-disclosure of sponsorship, contain product placement and posts with no product placement. The choice for a quantitative research instead of a qualitative one is due to the fact that this method permits logical and rational research on both sponsorship disclosure and product placement. According to Hu et al. (2014) is applying a quantitative method most suitable in order to show the relation of photo content with the amount of followers a user can have on a social media platform. Implementing this theory to this study makes a quantitative research the best research method for analysing micro-influencers photo content (sponsorship disclosure and product placement) to the amount of engagement (likes and comments) for each photo. The research by Ewers (2017), who analysed influencer marketing on Instagram also conducted a quantitative research. The study by De Jonge (2016), who studied the user-generated content and corporate-generated content on Instagram, conducted a quantitative research as well. Furthermore, Verboord and Kneer (2013) argue that the focus of a qualitative analysis research is most of the time on the semiotics, which can be interpreted as the study of signs and their meaning. A quantitative content analysis would prove to be a better choice since this research paper will be focused on sponsorship disclosure, product placement, likability and engagement. The results of using a quantitative content analyses are typically that reliability is high and the research is easy to reiterate to check for errors (Verboord & Kneer, 2013). A cross content analysis was done between the Instagram posts of the Instagram influencers. Attitude towards the different types of posts in forms of likes and comments were used as an indicator. The benefits of a content analysis, in comparison to a test panel or questionnaire, is that it is transparent inconspicuous, context sensitive, makes researching massive amounts of data doable, and it is appropriate for correlating studies (Verboord & Kneer, 2013). To increase reliability of this study, a second coder performed the same test. Cohen's Kappa intercoder-reliability test will be used to measure the reliability. Legitimacy helps to prove what you are trying to research is in fact being assessed (Verboord & Kneer, 2013). Furthermore, each step of the data collection and the analysis will be written down as precisely as possible to increase the understanding of this study.

3.2 Sample

The quantitative study will consist of four parts, the units that will be analysed are posts on Instagram that will be divided in sponsored, no sponsorship disclosure, product placement and no product placement posts. The quantitative content analysis will analyse two Dutch micro-influencers of Instagram who have a focus on the fashion and lifestyle. These two micro-influencers are both interesting, not because their primary focus is fashion, but also because they both have around 30.000 followers which has the best Instagram like and comment rate compared to the amount of followers as described in the theoretical framework. The last 100 posts of each micro-influencer will be analysed, resulting in 200 posts in total. The first Instagrammer is 'Itisromane', she is a Dutch 22-year-old who has been posting on Instagram since mid-2012. Itisromane has 37.000 followers and has posted 967 posts over the years on Instagram since April 2018. Furthermore, there will be an in-depth analysis of the Dutch 'Josiefromspace', she is 24 years old and has been uploading photos on Instagram since mid-2014. Josiefromspace has just over 29.000 followers and 312 posts on her account as of April 2018. Furthermore, they have both been involved with partnerships and have promoted several different fashion brands on their Instagram page. The reason of not choosing from a specific date onwards is due to the fact that Josiefromspace does not upload as frequently as Itisromane, resulting in a bigger timeframe to acquire the desired units to analyse for Josiefromspace. This is measured by comparing the amount of likes and comments on every post. It is taken into account that on Instagram one can only post visual-based content such as photos and videos, and with that posts on Instagram are valued by the amount of 'likes' and 'comments' one can get on a certain post. Instagram itself does not have a feature to 'share' a post of a different account, only by taking a screenshot of the picture and posting it on your own account. Therefore, only likability and engagement are key factors in conducting research on Instagram (Alshawaf & Wen, 2015).

3.3 Operationalisation

The research of this quantitative content analysis will be done through categorizing a total of 200 Instagram posts from two micro-influencers Instagram influencers who have a primary focus towards fashion. Categorizing the last 100 posts each influencer has posted, going back from the 11th of April 2018. During the analysis the focus will be towards the likability and engagement of the posts, with the means to make a comparison between sponsored and no sponsored posts, and product placement and no product placement. The posts are categorized to these four categories. In the codebook section will be explained how posts are sorted in which category.

3.3.1 Codebook Section

First of all, for both micro-influencers is a photo that is posted on their Instagram page considered to have sponsorship disclosure when the hashtag 'ad', 'spon', 'sp' or 'partner' is used in the caption of the post (Photo 3.1 – Sponsorship disclosure post). The likability on a post is not the solely representation of the number of engaging followers of an influencer, but can generate likes through hashtags that can lead non-followers to a certain photo (Alshawaf & Wen, 2015). Hashtags are the '#' symbol followed by a one-word description of the picture (Hu et., al, 2014). A posts on Instagram can have multiple hashtags, making it more easy to find the photo for people through the search bar on the main page of Instagram. However, this research will not focus on these hashtags because both the micro-influencers seldom use them.



Photo 3.1 – Sponsorship disclosure post

Photos that mention brand names or products using the tag function on Instagram or includes a brand name in the caption besides the photo will be seen as sponsored posts for both the micro-influencers (Photo 3.2 – sponsored post). As soon as one of these two methods is found the post will be labelled as a post that discloses sponsorship.



Photo 3.2 – Sponsored post

Secondly, photos that include products that can be seen in the post and are mentioned in the caption or in which the product has a prominent place in the photo will be interpreted as product placement in this study (Photo 3.3 – Product placement post). It is important to look at clues in the description section that can help categorize the posts when photos do not have an emphasis on a specific product or where multiple products are shown.



Photo 3.3 – Product placement post

Thirdly, the observation of the likability and engagement towards the post will be analysed. This is measure by comparing the amount of likes and comments on every post. It is taken into account that on Instagram one can only post visual-based content such as photos and videos. Engagement is measured by looking at the amount of comments each photo has and likability is found through the amount of likes. This study is going to take certain hashtags into account such as 'spon', 'sp' 'ad' (referring to sponsorship and advertisement) or 'partner' to find out if these hashtags invoke a more negative reaction from their followers compared to posts which do not have these in their caption.

3.4 Data Collection

The 200 Instagram posts coming from the two micro-influencers, Itisromane and Josiefromspace, have been manually coded and categorised using Excel. The has been done by the author of this study, Nicolas Cediey, who has been trained during his bachelor of European studies at The Hague University of Applied Sciences. The second coder has already obtained a bachelor degree in Communication and Media two years ago at the Erasmus University of Rotterdam.

The data for Itisromane came from June 22, 2017 to April 11, 2018. For Josiefromspace, the posts dated from May 20, 2017 until April 11, 2018. The difference between these two micro-influencers is that Itisromane has been posting slightly more than Josiefromspace. It was anticipated that the data collection would use the last 100 photos of each micro-influencer and thus a specific date was not expected.

After the data collection, all 200 posts have been categorised into two categories: sponsorship disclosure and product placement. The amount of likes and comments per post has been cumulated, and the two categories were compared regarding the amount of likes and comments.

3.5 Data analysis

After the two steps are completed, the results of the data collection have been analysed by using Excel. First, manually the inter-reliability test of Cohen's kappa has been performed to find out how trustworthy the results are. This was done by comparing the results of the first assessor with the results of the second assessor, who analysed 25% of the sample of 200 photos. Thus, 50 photos in total were coded, 25 photos per micro-influencer. While the inter-reliability test was only performed on 25% of the total sample, the results consists of the complete sample and is categorized. The

outcome of Cohen's Kappa has been put in a table to compare the amount of sponsorship disclosed posts, no disclosure posts and product placement posts.

The following formula has been used: $Kappa = \frac{Pr(a) - Pr(e)}{1 - Pr(e)}$.

Or in other words: relative observed agreement ($Pr(a)$) – probability of agreement based on chance ($Pr(e)$) / 1 - probability of agreement based on chance ($Pr(e)$)

		Assessor 1			
		Sponsorship disclosure	No	Yes	
Assessor 2	No	10	4	14	28%
	Yes	0	36	36	72%
		10	40	50	
		20%	80%		

Table 3.1 - Inter-reliability test of Cohen's Kappa of sponsorship disclosure

In table 3.1 can the table be seen of Cohen's Kappa test on sponsorship disclosure. The relative observed agreement, $Pr(a)$ is equal to $(36+10)/50 = 0.92$.

- Assessor 1 said 'Yes' to 40 posts that have sponsorship disclosure and 'No' to 10 posts. Therefore, it can be concluded that assessor 1 said "Yes" 80% of the time.
- Assessor 2 said 'Yes' to 36 posts that have sponsorship disclosure and 'No' to 14 posts. Therefore, it can be concluded that assessor 2 said "Yes" 72% of the time.

The probability that both assessors would say 'Yes' is $0.80 * 0.72 = 0.576$ and the chance of both assessors saying 'No' is $0.20 * 0.28 = 0.056$. The probability of a random agreement $Pr(e)$ would be $0.576 + 0.056 = 0.632$. These findings can be used to calculate Cohen's Kappa. In the results chapter can the results of the inter-coder reliability test using Cohen's Kappa for sponsorship disclosure be found.

After testing the agreement on posts that contain sponsorship disclosure was another inter-reliability test conducted on Instagram posts. The focus this time was if posts had product placement. The results of the first and second assessor can be found in Table 3.2.

		Assessor 1			
		Product placement	No	Yes	
Assessor 2	No	18	0	18	36%
	Yes	4	28	32	64%
		22	28	50	
		44%	56%		

Table 3.2 – Inter-reliability test of Cohen's Kappa of product placement

The relative observed agreement, $Pr(a)$ is equal to $(28+18)/50 = 0.92$.

- Assessor 1 said 'Yes' to 28 posts that have sponsorship disclosure and 'No' to 22 posts. Therefore, it can be concluded that assessor 1 said "Yes" 56% of the time.
- Assessor 2 said 'Yes' to 18 posts that have sponsorship disclosure and 'No' to 32 posts. Therefore, it can be concluded that assessor 2 said "Yes" 64% of the time.

The probability that both assessors would say 'Yes' is $0.56 * 0.64 = 0.358$ and the chance of both assessors saying 'No' is $0.44 * 0.36 = 0.158$. The probability of a random agreement $Pr(e)$ would be $0.358 * 0.158 = 0.06$. In the results chapter can the results of the inter-coder reliability test using Cohen's Kappa be found.

Secondly, scatterplots were made to analyse the connection that likability and engagement have with posts that contain sponsorship disclosure and product placement. The difference of variables was researched by using a Pearson correlation matrix. Pearson's matrix shows how the amount of likes and comments correlates to the variables. Observing the scatterplot helps identifying potential outliers that can meddle with the outcome. Two outliers were observed for itisromane that interfered with the results, for that reason the two outliers were removed from the data. Afterwards the likes and comments of each micro-influencer were collected and categorized in two sections: sponsorship disclosure or product placement.

The outcome from the analysis will be presented in the results chapter and the remaining sub-questions and limitations will be answered in the conclusion chapter.

4. Results

In this chapter the findings of the statistical analysis will be presented. Focussing on the correlation of likability and engagement of sponsored and product placement content. A quantitative content analysis using Microsoft Excel has been performed.

4.1 Sponsorship disclosure effects on customer engagement

Firstly, the outcome of the amount of posts that had or did not have sponsorship disclosure for each influencer can be found in figure 6. Itisromane has posted 23 photos that included sponsorship disclosure and 77 posts did not have sponsorship disclosure. Out of the 100 posts in total, over three quarters of itisromane photos that were posted on Instagram did not have sponsorship disclosure.

Secondly, Josiefromspace shared in total 17 posts with sponsorship disclosure and 83 posts without sponsorship disclosure, as can be observed in table 4.1. Over 80% of Josiefromspace posts contained no sponsorship disclosure. These numbers could indicate that these micro-influencers did not have many collaborations with brands for which they received compensation. However, it has to be noted that the influencers might have had more brand deals but chose not to disclose their partnership to their followers. Through Cohen's Kappa test of inter-reliability, a check was conducted to find out if the outcome was reliable.

	Sponsorship disclosure	No sponsorship disclosure	Total
Itisromane	23	77	100
Josiefromspace	17	83	100
Total	40	160	200

Table 4.1 - Amount of sponsorship disclosure posts

In order to discover the reliability of the assessment a second assessor has coded the first 25 Instagram posts of each micro-influencer that were examined, in total 50 posts or 30% of the entire sample. The agreement between the two assessors on sponsorship was calculated:

$$K = 0.92 - 0.03 / 1 - 0.03 = 0.91$$

A Kappa score of 0.91 means that the agreement between the two assessors on sponsorship disclosure was 91%. The high agreement between the two assessors might be due to the fact that the detailed codebook was well conveyed. The reliability of the quantitative content analysis can be concluded as outstandingly high.

First of all, the connection between likability and engagement of the posts of each micro-influencer is measured. This was done through the use of scatterplots in order to find any outliers in the data. In figure 4.1 the scatterplot can be found for posts that have sponsorship disclosure from itisromane. The data implies a relative positive connection between the amount of likes and the amount of comments. After calculating Pearson's R for itisromane, it can be stated that a positive relationship exists between the amount of likes and comments for Itisromane on posts with sponsorship disclosure. Table 4.2 shows that R is .44, meaning that the number of likes influences relatively the amount of comments on a post on Instagram. Sharing a variance of 19,18% ($0.438 \times 0.438 = 0.191844 \times 100 = 19,18\%$). Figure 8 shows as well that the outcome is statistically meaningful since $p = .000$.

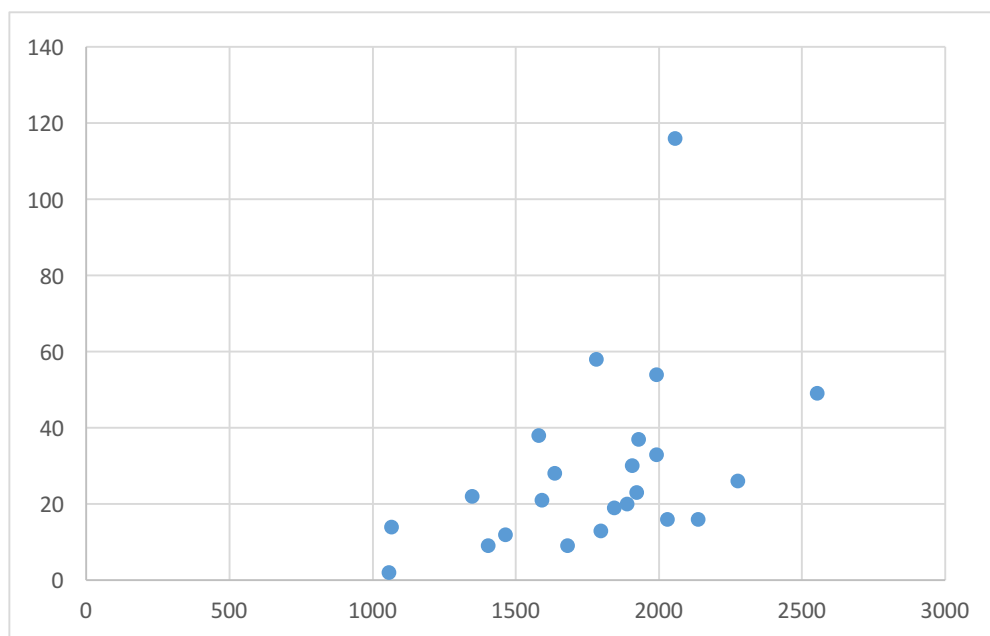


Figure 4.1 - Scatterplot itisromane posts sponsorship disclosure with outlier

		itisromane number of likes	itisromane number of comments
Itisromane number of likes	Pearson Correlation	1	.438
	Significance (2-tailed)		.000
	N	23	23
Itisromane number of comments	Pearson Correlation	.438	1
	Significance (2-tailed)	.000	
	N	23	23

Table 4.2 - Itisromane connection between the number of likes/comments on posts with sponsorship disclosure

Secondly, the effects of posts that did not contain any sponsorship disclosure of Itisromane were put in a scatterplot. The scatterplot of figure 4.2 shows that Itisromane had one outlier that had to be removed from the dataset since it would compromise the outcome. In figure 4.3 the scatterplot can be found without the outlier. Therefore, Itisromane will have 76 instead of 77 posts that will be examined. The scatterplot of figure 4.3 implies a positive modest correlation between the likability and engagement on posts without sponsorship disclosure for Itisromane. Pearson's R indicates this with an R value of .31 (Table 4.3). Sharing a variance of 9,67% ($0.311 \times 0.311 = 0.096721 \times 100 = 9,67\%$). The statistics are significant since $p = .000$.

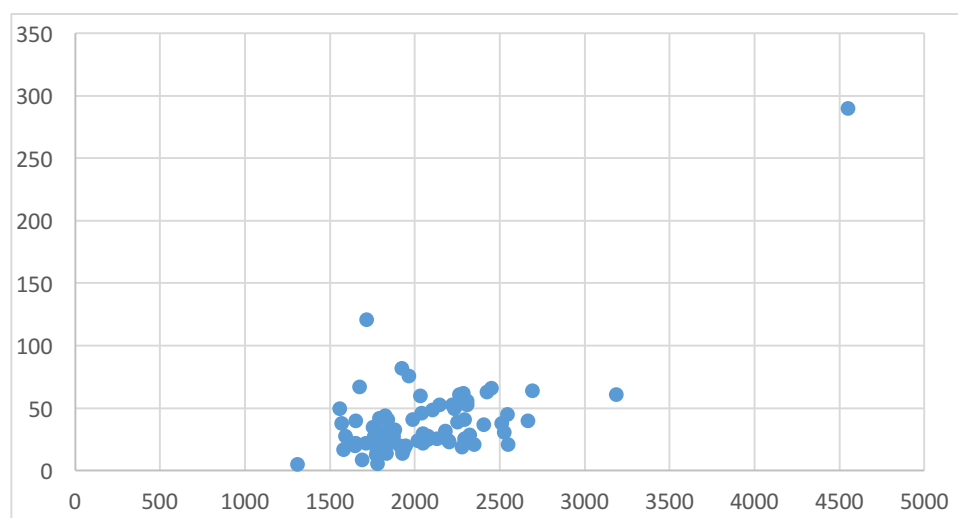


Figure 4.2 - Scatterplot itisromane posts of no sponsorship disclosure with outlier

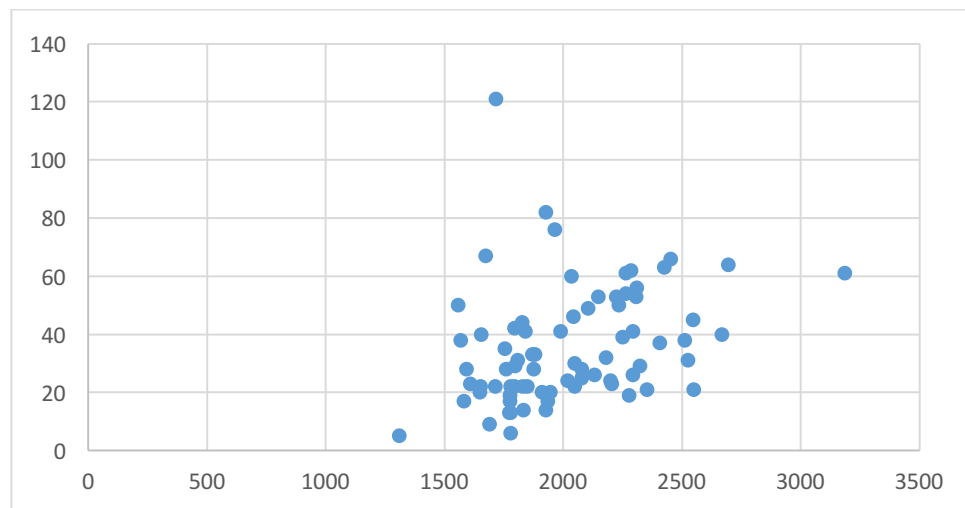


Figure 4.3 - Scatterplot itisromane of no sponsorship disclosure without outlier

		itisromane number of likes	itisromane number of comments
Itisromane number of likes	Pearson Correlation	1	0,311
	Significance (2-tailed)		.000
	N	76	76
Itisromane number of comments	Pearson Correlation	.311	1
	Significance (2-tailed)	.000	
	N	76	76

Table 4.3 - Itisromane connection between the number of likes/comments on posts without sponsorship disclosure and without outlier

Thirdly, the posts of Josiefromspace will be analysed in the same manner. No outliers were observed for Josiefromspace in figure 4.4, meaning that all posts will be used for the analysis. The outline of the scatterplot implies a positive relation between the amount of likes and comments. Table 4.4 shows an R value of .71, signifying a strong correlation exists between the likability and engagement of posts from Josiefromspace with sponsorship disclosure. The variance the two components have is 50,55% ($0.711 \times 0.711 = 0.505521 \times 100 = 50,55\%$). Once again, the outcome has great significance with a p value of .000.

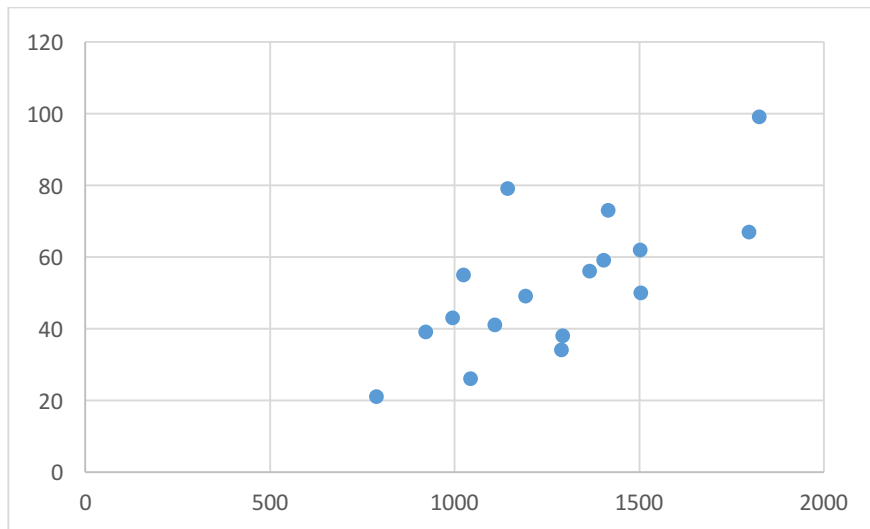


Figure 4.4 – Josiefromspace scatterplot of sponsorship disclosure

		Josiefromspace number of likes	Josiefromspace number of comments
Josiefromspace number of likes	Pearson Correlation	1	0.711
	Significance (2-tailed)		.000
	N	17	17
Josiefromspace number of comments	Pearson Correlation	.711	1
	Significance (2-tailed)	.000	
	N	17	17

Table 4.4 – Josiefromspace connection between the likability and engagement of posts with sponsorship disclosure

Lastly, the data of posts without sponsorship disclosure from Josiefromspace are displayed with a scatterplot in figure 4.5. After observing no abnormalities in the data of the scatterplot, a high correlation is implied between the number of likes and number of comments on post without sponsorship disclosure for Josiefromspace. Pearson's R validates this with R being .79 (Table 4.5). The variance the two are sharing is 62,41% ($0.790 \times 0.790 = 0.6241 \times 100 = 62,41\%$). Result is significant with $p = 0.000$.

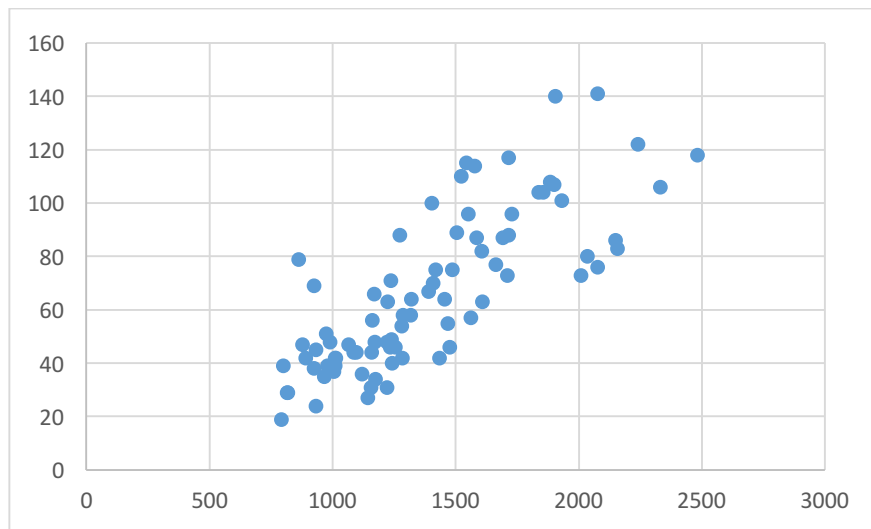


Figure 4.5 – Josiefromspace scatterplot of no sponsorship disclosure

		Josiefromspace number of likes	Josiefromspace number of comments
Josiefromspace number of likes	Pearson Correlation	1	0.790
	Significance (2-tailed)		.000
	N	83	83
Josiefromspace number of comments	Pearson Correlation	.790	1
	Significance (2-tailed)	.000	
	N	83	83

Figure 4.5 Josiefromspace connection between the likability and engagement of posts with no sponsorship disclosure

4.2 Product placement effects on customer engagement

After the findings of sponsorship disclosure, a similar analysis was conducted on product placement, which is the focus of sub-question 3: What is the effect of product placement versus no product placement in the Instagram posts of a micro-influencer on Instagram when examining the likability and engagement of the post? In Table 4.6 the results can be found for both micro-influencers regarding if posts on Instagram had product placement or not. Itisromane posted a total of 62 photos in which product placement was observed and 38 posts that did not have product placement. Over 60% of Itisromane Instagram posts did contain product placement.

Next, Josiefromspace posted as well 62 Instagram photos that included product placement and 38 photos that did not have product placement. Resulting in the same results for Itisromane as Josiefromspace. Almost 40% of Josiefromspace posts did not had product placement. The difference in numbers with sponsorship disclosure is most likely caused that any 'tag' in an Instagram posts would be regarded as product placement. Once again, Cohen's Kappa test of inter-reliability was done to analyse if the results were reliable.

	Product placement	No product placement	Total
Itisromane	62	38	100
Josiefromspace	62	38	100
Total	142	76	200

Table 4.6 - Amount of sponsorship disclosure posts

The reliability of this test was done through a second coder who coded 30% of the total research. In total were 50 posts analysed, 25 posts of each influencer. Through Kappa was the reliability measure with the following formula:

$$K = 0.92 - 0.06 / 1 - 0.06 = 0.91$$

Resulting in a score of 0.91, or in other words 91%. Once again, the trustworthiness of this quantitative content analysis has a very high result.

After calculating the reliability of the research, the connection between the amount of likes and the amount of engagement of the posts of each micro-influencer is measured. Scatterplots were

made to find any potential outliers that could meddle with the outcome of the data. Figure 4.6 shows the posts of Itisromane that have product placement in the form of a scatterplot. At first glance, a slight positive trend can be observed between the number of likes and the amount of comments. Pearson's R was calculated to measure this trend statically. Figure 4.7 shows that R is .46, indicating that likes for posts that have product placement for itisromane have a positive correlation towards the amount of comments. These two unites share a variance of 20,70% ($0.455 \times 0.455 = 0.207025 \times 100 = 20,70\%$). Additionally, Figure 13 shows that $p = .000$, making the results have statistically importance.

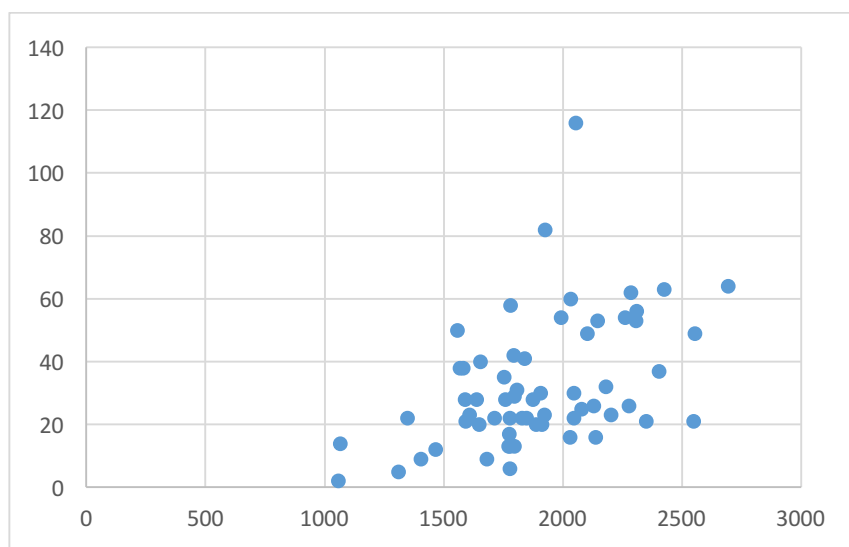


Figure 4.6 - Scatterplot itisromane of no product placement

		Itisromane number of likes	Itisromane number of comments
Itisromane number of likes	Pearson Correlation	1	.455
	Significance (2-tailed)		.000
	N	62	62
Itisromane number of comments	Pearson Correlation	.455	1
	Significance (2-tailed)	.000	
	N	62	62

Table 4.7 - Itisromane connection between the number of likes/comments on posts without product placement

Next, the scatterplot of figure 4.7 shows the scatterplot for posts of Itisromane without product placement. One outlier was found and had to be removed from the scatterplot since it would interfere with the results. In figure 4.8 the scatterplot can be found without the outlier. Only 37 posts will be analysed instead of 38 for this study. The scatterplot of figure 8 implies a slight positive connection between the likability and engagement on posts without sponsorship disclosure for Itisromane. Pearson's R, table 4.8, validates this with an R value of .18. Sharing a variance of 9,67% ($0.188 \times 0.188 = 0.035344 \times 100 = 3,53\%$). The statistics are significant since $p = .000$.

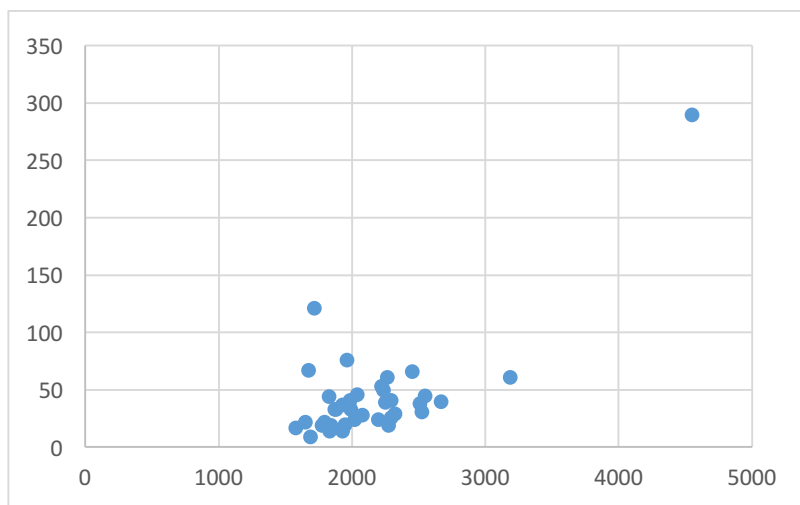


Figure 4.7 - Scatterplot itisromane of posts with product placement with outlier

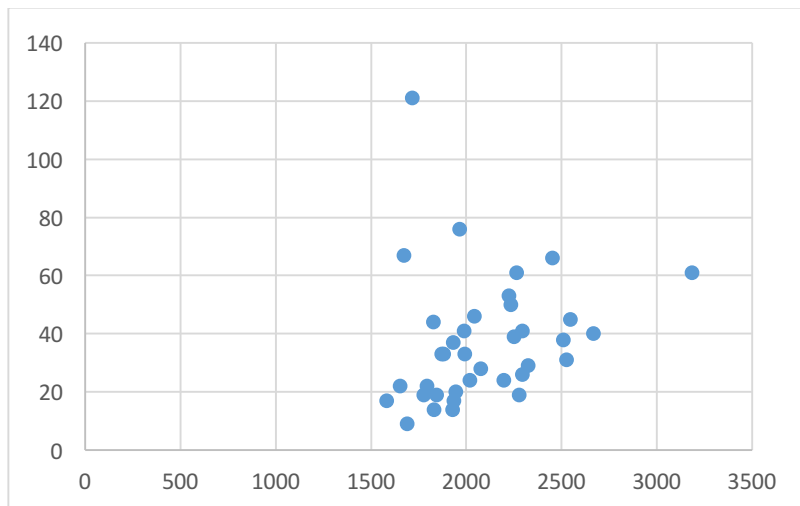


Figure 4.8 - Scatterplot itisromane of posts with product placement with outlier

		itisromane number of likes	itisromane number of comments
Itisromane number of likes	Pearson Correlation	1	.188
	Significance (2-tailed)		.000
	N	37	37
Itisromane number of comments	Pearson Correlation	.188	1
	Significance (2-tailed)	.000	
	N	37	37

Table 4.8 - Itisromane connection between the number of likes/comments on posts with product placement

After analysing the posts of Itisromane the data of the micro-influencer Josiefromspace will be analysed in the same manner. No outliers were observed for Josiefromspace in figure 4.9, meaning that all posts that contain product placement will be used for this study. The scatterplot implies a relative positive relation between the amount of likes and comments. Table 4.9 shows an R value of .46, signifying a connexion exists between the likability and engagement of posts of Josiefromspace with product placement. The variance the two components share is 20,70% ($0.455 \times 0.455 = 0.207025 \times 100 = 20,70\%$). The results have significance since the p value is .000.

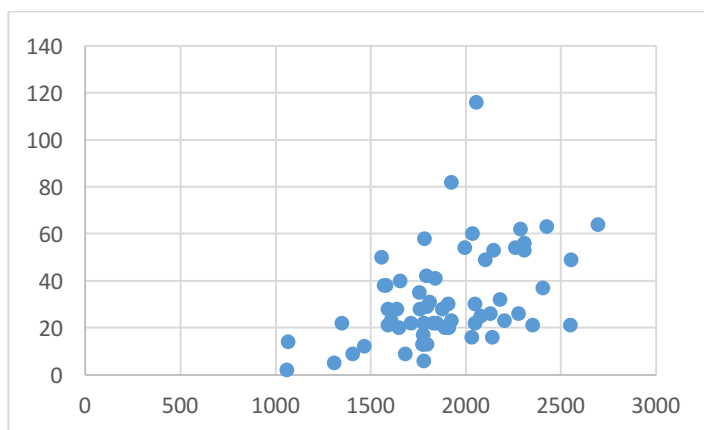


Figure 4.9 – Josiefromspace scatterplot of no product placement

		Josiefromspace number of likes	Josiefromspace number of comments
Josiefromspace number of likes	Pearson Correlation	1	.455
	Significance (2-tailed)		.000
	N	62	62
Josiefromspace number of comments	Pearson Correlation	.455	1
	Significance (2-tailed)	.000	
	N	62	62

Table 4.9 - Josiefromspace connection between the likability and engagement of posts with product placement

Lastly, in figure 4.10 the data of posts without product placement from Josiefromspace are found in a scatterplot. No outliers were detected and a high positive relationship was implied between the number of likes and number of comments on post without product placement for Josiefromspace. Pearson's R confirms this with R being .82 (Table 4.10) The variance the two factors share is 67,77% ($0.823 \times 0.823 = 0.677329 \times 100 = 67,77\%$). Result has significance with $p = .000$.

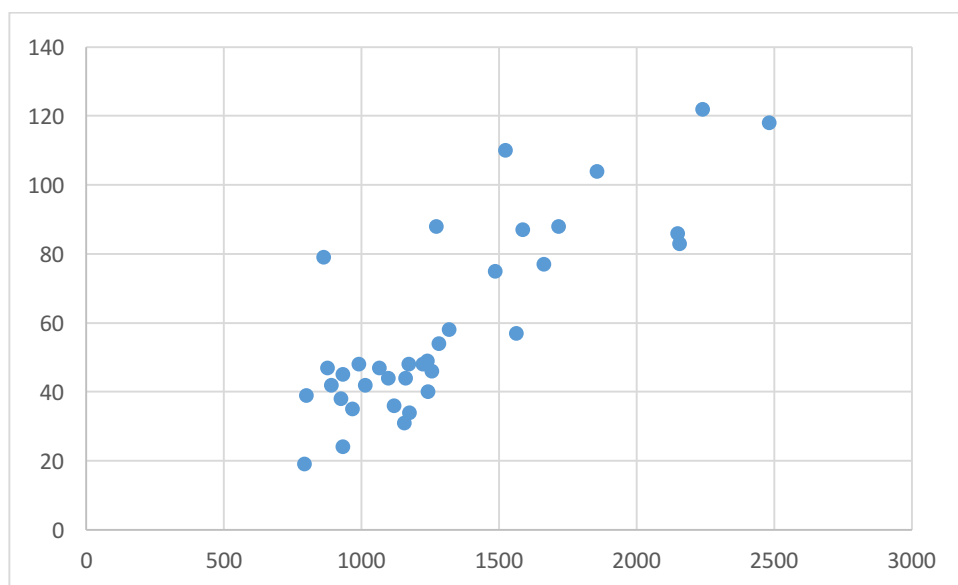


Figure 4.10 – Josiefromspace scatterplot of no product placement

		Josiefromspace number of likes	Josiefromspace number of comments
Josiefromspace number of likes	Pearson Correlation	1	.823
	Significance (2-tailed)		.000
	N	36	36
Josiefromspace number of comments	Pearson Correlation	.823	1
	Significance (2-tailed)	.000	
	N	36	36

Table 4.10 - Josiefromspace connection between the likability and engagement of posts without product placement

5. Conclusion

The main objective of this study was to research how brands can increase customer engagement using influencer marketing. This section will answer the remaining sub-questions, give a critical reflection on the research method, give a conclusion on the overall research, formulate an answer on the main research question and will give recommendations for future research.

5.1 Analysis

First, the second sub-question is: What is the effect of sponsored versus non-sponsored Instagram posts of a micro-influencer on Instagram when examining the likability and engagement of the post? Both Itisromane and Josiefromspace have posts that included sponsorship disclosure. These micro-influencers were having multiple brand deals to promote several products and services. According to Pophal (2016) and Wroblewski (2017) this is a form of electronic word of mouth. People are more easily influenced by the message of an influencer than by the message of a company as described by the two-step flow theory of Katz and Lazarsfeld (1966). However, due to the coping mechanism of the followers of both influencers it was expected that the engagement rate would be lower on posts with sponsorship disclosure than without sponsorship disclosure. This appeared to be partly confirmed. The outcome for the micro-influencer Josiefromspace shows that posts with sponsorship disclosure, that receive a high number of likes, will have its chances increased to have a higher engagement rate, in the form of comments. Josiefromspace posts without sponsorship disclosure shows that a high number of likes will increase the chances even more to get a high number of comments. For Itisromane, posts with sponsorship disclosure had a modest form of influence on the number of likes and the number of comments. The correlation between likability and engagement is slightly less apparent on posts without sponsorship disclosure for Itisromane.

Secondly, the last sub-question is: What is the effect of product placement versus no product placement in the Instagram posts of a micro-influencer on Instagram when examining the likability and engagement of the post? Posts from Itisromane with product placement show that the likability has influence on the engagement rate. The number of likes a photo receives will help increase the chances of getting more comments of Itisromane's followers. The likability of the posts that do not have product placement of Itisromane have only a slight influence on the amount of comments. Posts that contain product placement for Josiefromspace will have more chance of receiving comments from her followers if the influencer has more likes on that post. Posts without product placement have a high positive relation between the likability and the engagement rate.

Josiefromspace has a much higher correlation ratio between likability and engagement than Itisromane. According to Pierucci (2018) this is due to the fact that influencers with less followers have a higher engagement ratio, since people are able to relate more to that person. This is the case with Josiefromspace who has less followers than Itisromane. Disclosing if posts have sponsorship or not does not seem to have much impact on the engagement ratio. However, disclosing sponsorship should always be done to create trustworthiness and integrity with the followers of the influencer. Both brands and influencers can establish better relationships with consumers in the long term. Product placement in the posts of Itisromane has a more prominent role than in the posts of Josiefromspace. Making the photo too commercialized will evoke less engagement which is supported by the theory of Korotina and Jargalsaikhan (2016). Posts of Josiefromspace had less focus on the products which in return led to a higher engagement ratio. In conclusion, the theories used in this study are partly valid. Numerous limitations were encountered during this research and will be discussed in the following section.

5.2 Limitations and recommendations

To start with the biggest observable limitation this research had was that the theories were only applied on two micro-influencers from one country. The limited sample size made it difficult to make statements about the outcome that would be able to apply in multiple countries and potential niche markets in fashion. Future research could potentially research the difference and the similarities other countries might have on influencer marketing in the fashion industry. Furthermore, more micro-influencers and more Instagram posts could be used to analyse the effects on sponsorship disclosure and product placement. Future research could analyse on the reason why people engage with a post on Instagram through likes and specifically through comments. Additionally, future research could conduct a qualitative research besides a quantitative research to discover the motives of engagement a follower has on a post of a micro-influencer. Lastly, micro-influencers could be compared to multimillion influencers on Instagram to analyse the differences between the two groups more in detail. While the outcome of the research is statistically significant, the sample size made the outcome less significant. This study can be used as a basis for future research, which will be able to create better insights on how companies can use influencer marketing on Instagram to increase customer engagement for brands and influencers alike. In conclusion, this study has given insights on how companies can use micro-influencers to increase customer engagement on Instagram for companies in the fashion industry.

5.3 Conclusion

Influencer marketing on Instagram is a rather new marketing tactic of marketers in the fashion industry. Understanding how consumers are responding can help brands on what they should focus. The main research question is: How can micro-influencers on Instagram effectively use product placement and sponsored Instagram posts for brands to have success in influencer marketing in the fashion industry in order to increase customer engagement? Brands that want to increase customer engagement through influencer marketing on Instagram should use influencers that have between 10.000 and 100.000 followers. Reaching a large audience while still being relatable makes micro-influencers unique and authentic. Fashion brands that wish to get the most out of their campaign on Instagram should employ multiple micro-influencers who have a focus on fashion, while disclosing sponsorship and have posts contain product placement. The results from this research suggest that sponsored posts will be successful when sponsorship is disclosed, which will lead to more trust from the followers to the influencer and brand, and that products should not be too prominent present in the posts. In return, this will produce more likes and more comments and thus more customer engagement on products or services promoted by micro-influencers for brands in the fashion industry.

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