

Management Practices for Digital Influencer Marketing

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requirements for the degree of Master of Management in the field of
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ABSTRACT

This research report highlights the growth of Digital Influencer marketing on social media, and how consumers interaction and engagement with brands are changing as a result. Through qualitative research with 17 Digital Influencer experts and practitioners in South Africa from various marketing disciplines, this study sheds light on best practices for this emerging marketing field.

In South Africa, consumer attention and media consumption are increasingly becoming digitally centric, and the use of online channels for marketing continues to grow exponentially. This has implications for brand building, advertising, and marketing management. This research reports on how the traditional marketing and consumer behaviour paradigms have shifted from uni-directional static advertising, towards bi-directional digital engagement using Digital Influencer Marketing (DIM). As a growing field, the research found that although DIM as a marketing tactic is increasingly effective in meeting business objectives in modern day digital marketing environments, there is a lack of knowledge and shared best practices amongst marketing practitioners.

The research finds that despite DIM growing and being strategically important in all the marketing environments that have been researched, most organisations are conducting DIM on a “best-effort” basis with limited cross functional coordination or strategic planning. Due to a lack of knowledge about the field, there is also relatively little action being taken by organisations to meet the growing demand by putting in place the requisite skills and capabilities to better manage influencer marketing initiatives. Aspects highlighted in this research such as Influencer Performance, Payment, Brand Safety, Campaign Management, Creative Control, Organisational Capabilities, and Risks associated with DIM are discussed and reported on, providing marketing practitioners with practical insights into this emerging marketing field.

A key recommendation emanating out of this research is that DIM is not the responsibility of any specific marketing function, for it to be successful, cross-functional expertise, integration, and management is required.

DECLARATION

I, **Ahmed Ismail Kajee**, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in the field of Digital Business at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Name: Ahmed Ismail Kajee

Signature:



Signed at: Johannesburg, South Africa.....

On the **23rd** day of **August**..... **2021**

DEDICATION

Doing a masters course and research report during a pandemic whilst working full time from home with a toddler is no easy feat. This work is therefore dedicated to my friends, family, colleagues, and classmates who tirelessly supported and motivated me throughout my studies.

To my friends, colleagues and classmates, thank you for the early morning and late night calls, texts and emails. Your regular check-in's and the conversations we had meant more to me than you can imagine.

To my wife, this research report and degree is ours to share, I doubt it would have been possible to complete it if it were not for the strength you displayed every moment of every day.

ACKNOWLEDGEMENTS

This work would not have been possible without the inspiration and motivation I received from my classmates, many of whom provided me with the tools and advice that I needed throughout this research. Thanks is also due to my employer Nedbank, who gave me the funding and the flexibility to embark on this masters journey. A special word of appreciation for my supervisor, Laurence Beder, who guided this work through his ongoing communication, and generously sharing his knowledge and insights.

Finally, a sincere thanks to the participants and industry professionals who contributed to this research either formally via interviews, or by being sounding boards for my ideas. Co-creating this report with them has been a very rewarding learning experience.

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CHAPTER 1. INTRODUCTION

1.1 Context of the study

This research *is a qualitative study that will investigate the best practices for Digital influencer marketing in South Africa*, with a view to contributing towards a growing body of knowledge in this emerging marketing field. As will be discussed, there is an increasingly larger share of consumer attention shifting towards social media platforms, and in particular, to Influencer Marketing. This research is therefore significant in that it will support marketers to better understand how to be more successful on social media by leveraging and managing influencers for various marketing and commercial purposes.

1.2 Study Background

The growth of the internet spurred on by faster internet connectivity, cheaper computing devices and data costs, and an explosion of Digital applications and services globally and in South Africa has meant that increasingly more and more consumers are online. Customers are spending more time connected to the internet, with online media consumption being the highest it has ever been in the history of civilisation. This exponential growth across digital platforms and services shows no signs of abating. According to Statista (July, 2020) South Africa's internet penetration is reportedly between 56,3% - 62%, with 36,54 million active internet users as at January 2020, of whom 22 million are active Social media users. These numbers are forecasted to grow in the coming decade as can be seen in **Figure 1**;

Internet user penetration in South Africa from 2015 to 2025

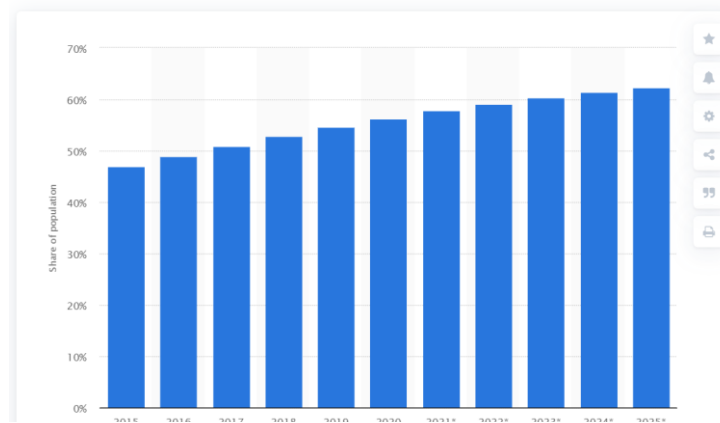


Figure 1: Internet Penetration in SA (Source: Statista)

Recent studies by WeAreSocial (Hootsuite,2020) show that as of July 2020, more than 50% of the worlds population was active on Social Media, having grown to 3,96 billion from previous years. Consumers spend 30% more time online than last year (2019), with the global average being 6h42 min. In South Africa, WeAreSocial (January, 2020) show that new Social Media users grew by 19%, or 3,5 million additional users in the 9 months between April 2019 and January 2020. Daily time spent on the internet in South Africa is 9h22 minutes – which is 50% more than the global average. A third of this time (3h10min) is spent on Social Media, and roughly 60% of these users are between 18-34 years old. **Figure 2** shows the daily time South Africans spend with different media, and **Figure 3** provides a profile of Social Media Audiences;

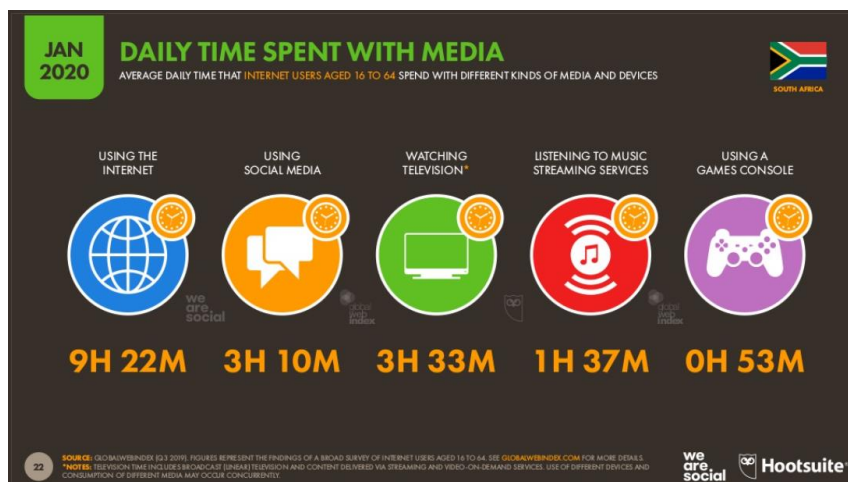


Figure 2: Time spent on Internet in South Africa (Source: Kemp, S. 2019a)

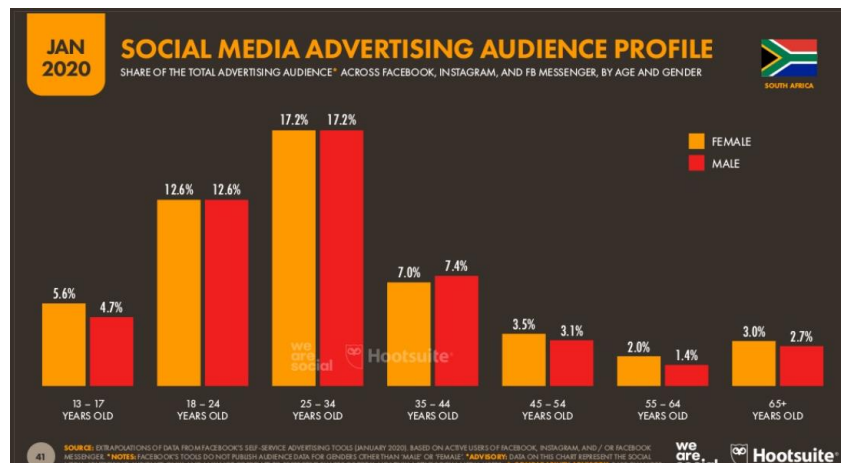


Figure 3: Social Media Advertising Profile (Source: Kemp, S. 2019a)

Of the total internet traffic in South Africa, Social platforms such as Facebook, Instagram, and Twitter are amongst the top 10 visited platforms with 98% of active social media users accessing these from mobile devices. Reports further show that Social media platforms such as Youtube, Facebook, and Instagram have the highest penetration rate of internet users ranging between 61% to 87%, with other smaller (by size) Social platforms such as Twitter, LinkedIn, Snapchat, TikTok etc having significant penetration. The top 3 as is noted in **Figure 4** are Whatsapp, YouTube, and Facebook;

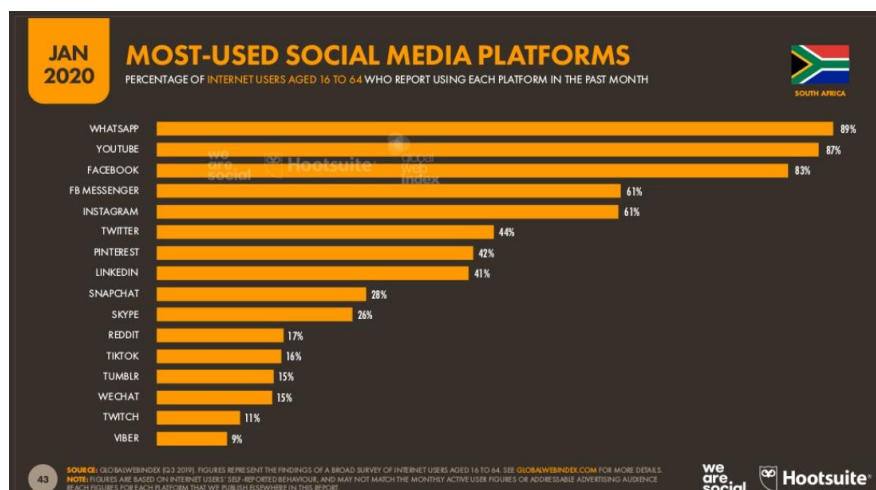


Figure 4: Social Media Usage Breakdown SA (Source: Kemp, S. 2019a)

The significance of these numbers show that the internet, and social media specifically, is growing rapidly. This growth in and of itself may at first glance

appear to be of limited significance for strategic marketing as these platforms could merely be seen as additional consumer reach channels. When considered in conjunction with media consumption patterns, it becomes apparent that competition for consumer attention is intensifying, and that Social media platforms are attracting an increasingly larger share of consumers time. This trend continues to signal the migration of customer attention away from traditional media (i.e. TV, Radio, Newspapers etc) to Digital media. This trend has profound implications for marketers and advertisers. Media, marketing and advertising values chains are being reconfigured, and businesses and their marketers need to better understand how to compete for, reach, and attract consumers attention in this Digital driven world. This involves understanding consumers online preferences, habits, behaviours, and interests. Businesses need to be able to utilise emerging digital marketing tactics effectively to reach consumers.

1.3 The Emergence and Use of Influencers in Marketing

Through the use of influencers, marketers can now reach more audiences than mainstream media such as television and radio. It is estimated according to influencer platform Humanz.Ai report (2020) (as shown in **Figure 5**) that in South Africa there are close to 80 000 influencers on Social Media, with 500 influencers having an audience of between 250 000 – 1 million, and 162 influencers able to reach over 1 million consumers. This means that influencers can be used as an effective media channel itself, particularly given Social media's rich and interactive content capabilities, and video marketing capabilities. This is something not available to traditional advertising channels eg. TV, Radio, Outdoor, and Print.

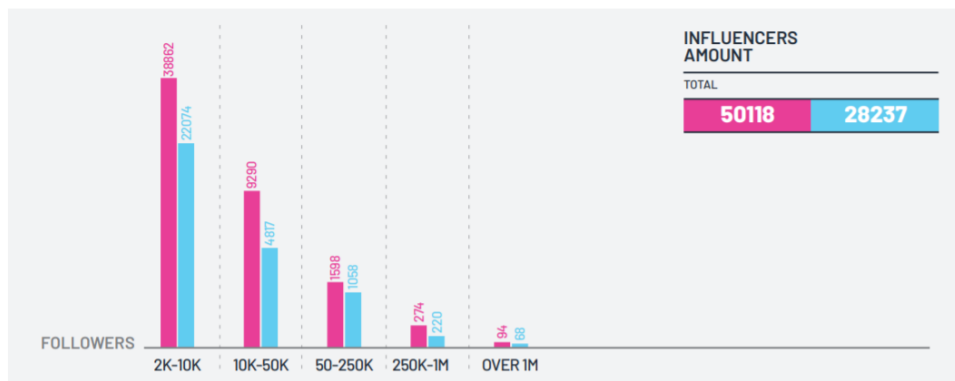


Figure 5: SA Influencer and Reach Volumes (Source: Humanz, 2020)

Talkwater (2019), a global Digital marketing consultancy conducted a survey of 800 Marketing and PR professionals and found Influencer marketing to be a strategic priority amongst 69% of respondents, with 61% indicating that they intend to increase their marketing spend on in this area. Measuring ROI, finding the right influencers, and finding creative ways to work with influencers were identified as the top 3 challenges. Their research identified that authenticity in brand marketing was an important component of driving value through influencers, and that longer term relationships with influencers were likely to start forming. Also, that much of the work being done in influencer marketing happens in a manual manner bringing about automation and measurement challenges. With only 31,5% of marketers having an official influencer marketing program in place, they see this area representing opportunities into the future. Although influencers can be used to achieve multiple marketing objectives, an overwhelming majority of respondents (65,8%) as can be seen in **Figure 6** chose Brand visibility as key objectives for influencer marketing. This was followed by Leads / Sales (16,9%), Creative Campaigns (10,4%), Customer Loyalty (4,2%), and Other objectives (2,7%). Reasons for this selection are not provided, therefore questions as to why these objectives are selected remain.

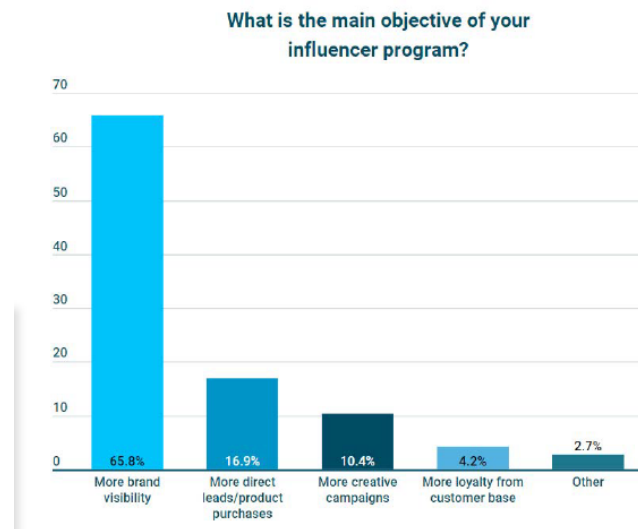


Figure 6: Influencer Marketing Objectives Breakdown (Source: Talkwater, 2019)

On the consumer side, Rakuten Marketing (2019) conducted a consumer survey with 3600 participants and found that 61% of consumers surveyed interact with an influencer at least once a day, whilst 35% do so multiple times. They identified Social media platforms as the key point of influencer discovery and interaction. Instagram leads as the channel of choice with 65%, followed by YouTube and Facebook tied at 62%, with variations between male and female behaviour. The former skewed towards YouTube and Gaming and the latter towards Instagram and fashion (Rakuten, 2019). This gives further context to this study, and the relationships between social media and influencer marketing as it relates to marketing and consumer behaviour at a specific digital channel level.

In terms of content, Video is preferred, followed by images and then written content. This has implications for the creation or co-creation of the branded content between brands and influencers. Sharing of influencer content amongst consumers is growing, Word-of-Mouth marketing therefore remains a core component Social media marketing (Chen, Z. and Yuan, M. 2020). Referrals by friends and family or brand product giveaways play a major role in online consumer behaviour. Interestingly, the research overwhelmingly shows that less than 1% of consumers have not discovered a brand via influencers, and that 87% of consumers were inspired to make a purchase based on influencer content. The

frequency of these brand and product discovery behaviours with 65% of consumers doing so weekly and 24% doing so daily makes Influencer marketing tactics a powerful marketing tool that marketers can gain considerable value from. Not only does it support brand and product discovery, but 80% of consumers surveyed were reportedly comfortable with clicking through on influencer content to make purchases, making it a sales tool as well. In the US for instance, 80% of consumers surveyed had actually clicked through and made a purchase after seeing influencer sponsored posts and links.

Since Social media platforms transcend borders, consumers are increasingly following international influencers. This means that brands could increasingly use influencers from outside their countries to market to their local consumers. Conversely, it also means that consumers perceptions and competition is increasingly being shaped on the global stage.

Over 49% of consumers said that Influencer Marketing offers them entertainment, and a further 49% found information that influencers shared useful content, with authenticity playing a key role. Consumers are reportedly prone to following recommendations of influencers that align to their values, ethics, and passion, and who have “good taste”. In contrast to traditional branded advertising which struggles to break through the clutter, this kind of engagement is highly sought after by marketers looking to gain product or brand awareness.

Brands can therefore get considerable advertising value from influencer who are deemed authentic, trustworthy, honest and ethical. However, given that Influencers share branded content through sponsored posts or product reviews for which they get paid, 34% of consumers reportedly do not trust sponsored content. This opens up many questions regarding selecting influencers, and ethical considerations of disclosing sponsorships to maintain influencer credibility. Stubb et al’s research (2019) provides insights into ways of increasing sponsored content affectiveness, this will be discussed later in this report. The IMH (2020) however showed that a low 14% of influencers comply with disclosure requirements, making this a risk for brands. Also that 78% of marketers produced and managed influencer marketing in-house, with the remainder outsourced to

agencies. This means that marketers need to manage more influencers into the future, and to develop influencer marketing skills and capabilities.

Measuring performance is also a key challenge in influencer marketing, with marketers tracking Brand Reach, Awareness, Direct Sales, Online Traffic and Indirect sales. Challenges in Influencer fraud however represents a key issue with 68% of IMH (2020) respondents having been victims of influencer fraud. This includes fake and inactive followers and bots that can skew influencer rating and results. This is estimated in South Africa to be approximately 18% on both Instagram and Twitter (HumanAi, 2020).

WHAT BRANDS ARE TRACKING:

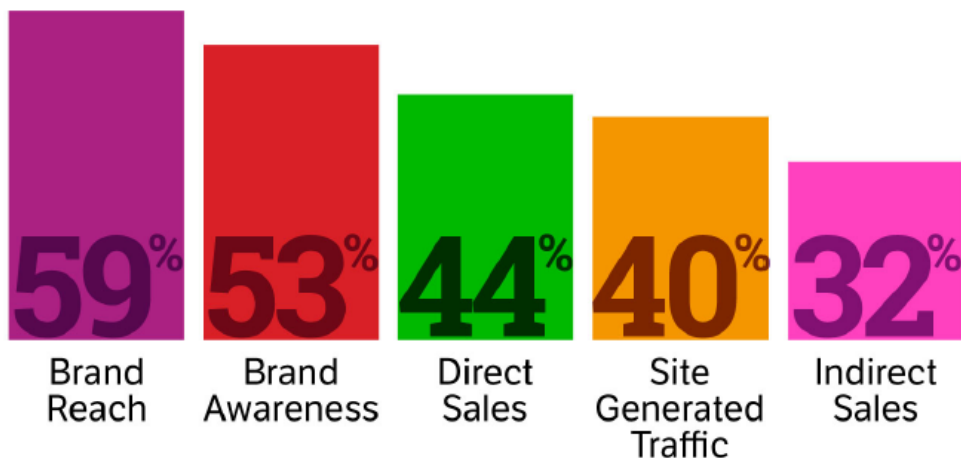


Figure 7: Influencer Marketing Measurement (Source: Rakuten, 2019)

Tracking performance and paying influencers go hand in hand, this works according to deliverables required from influencers as well as results achieved. There are therefore various types of payment models depending on how influencers are used. Some of these include position based payment, first click, time-decay, equal credit, or last click – or a combination of these. There however does not appear to be an industry standard with many marketers unsure of how payment for influencers should work, and 54% reported that they “somewhat understand” how marketing fees work for influencers. **Figure 7** above shows the different measurement approaches. What compounds this is that only a paltry 23% of influencers are open about how they get paid, with many marketers

reporting that the influencers they work with don't care about results. The payment model is a key component of the working relationship between influencers and marketers and requires further investigation.

Creative power is yet another pitfall that has not been fully understood. Brands of course need to ensure their reputations are protected, and that their brand tone is maintained through content that is well thought out and not offensive. At the same time, the authenticity of the influencer needs to be upheld. This is a fine balancing act that is far from being resolved, with the power relationships yet to be established. According to the Rakuten report, 61% of marketers surveyed said that influencers were open to creative content suggestions, but that only 40% are open to best practices, whereas 18% said that influencers hold all the creative power.

To understand this emerging marketing tactic better, best practices are needed in influencer skills, measurement, payment, creative, and risk management – to mention a few. These will guide marketers to get the most out of this exciting field.

1.4 Research problem

Kotler (2012) defines marketing as *“The science and art of exploring, creating and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential”*.

Marketing Management has evolved considerably since the mid twentieth century, with different streams of marketing practice and theory emerging over the decades. Starting with Print, Radio, and Television advertising, marketing management has evolved to include Telemarketing, Customer Relationship Marketing (CRM), Direct Marketing, Relationship Marketing, Integrated Marketing Communications (IMC). More recently, Digital Marketing has now become an indispensable part of the marketing toolbox.

Digital Marketing as a growing field not only represents digital platforms where consumers are engaged in digital media consumption, but they represent new advertising models and specific marketing tactics that can be unique to the platforms. Some Marketing management theories have evolved to be applicable in these contexts, such as Direct Marketing integrating Email Marketing into its practices, there remain gaps within the marketing body of knowledge to accommodate for the specificities of many areas within Digital Marketing. These include but are not limited to Search Engine Optimisation, Social Media Marketing, Mobile Marketing, Web Marketing, and Digital Media Advertising.

Digital Marketing definitions vary, but Stokes, R (2018) state that the complete scope of marketing can be practiced on the internet, and that Digital marketing involves marketing in a digital world. Citing Cadell (2013), Digital is described as a *“participatory layer of all media that allows users to self-select their own experiences and affords marketers the ability to bridge media, gain feedback, iterate their message and collect relationships”*. This can include the use of Search Engine Marketing (SEM), Search Engine Optimisation (SEO), Social Media Marketing, and User Experience Management amongst other areas.

A gap however exists in understanding marketing best practices as it relates to Digital Influencer Marketing. Campbell and Farrell (2020) concur pointing out that despite increasing growth in the use of influencer marketing tactics, that ***“little strategic or academic insight exists that is specific to influencers”***.

1.5 Research objectives

As an emerging field, influencer marketing is not fully understood. The practices for the selection and mix of influencer types, values alignment, and audience size is not well defined. Managing brand safety whilst using influencers is not clear, neither are the mitigating techniques to identify and manage influencer fraud and risks. Shifts are occurring in the use of influencers for brand awareness and engagement, to include achieving direct and indirect sales, this means its impact on businesses bottom lines can be more tangible. This makes influencer

marketing an important sales tool provided marketers can understand how to leverage it more effectively.

There are also variations in influencer contracting, payment, and fee models amongst marketers with no clearly defined industry standards. Whilst the majority of influencer marketing is produced and managed in-house, little is said about how this is done, or the management structures and departments that support effective influencer marketing. The low levels of compliance from influencers themselves in disclosing paid partnerships ought to receive increased attention given the risk it represents to brands. Also, regulatory standards requirements, and the ethical obligations of parties involved to disclose sponsorships or endorsements remain opaque.

1.6 Significance of the study

The study will provide marketers in South Africa with insights into best practices for developing, managing, and growing their use of digital influencer marketing tactics.

1.7 Delimitations of the study

The study is conducted in the South African context and represents the experiences of the SA market. It only covers Influencer Marketing as it relates to its use as a tactic on Digital Platforms, specifically, Social Media Marketing. It covers in part aspects such as brand ambassadors known for example for their music, sports and other activities, and who are contracted in offline situations. It should be kept in mind that offline celebrities consistently also use their digital presence to leverage influence for brands, companies and their products.

1.8 Assumptions

A key assumption driving this research is that Digital Influencer marketing as a growing and evolving marketing tactic will continue to grow in importance. It

therefore warrants further research. This is supported by the historical evolution of marketing, where in general, theory normally follows practice. Further evidence can be found in the growing number of specialised Influencer Marketing agencies and platforms which now number 1300 globally (Campbell,C. Farrell, J R. 2020). Traditional marketing agencies are also setting up new platforms focused exclusively on Influencer Marketing, such as InfluenceO which was recently launched in South Africa by long standing agency Ogilvy and Mather (Bizcommunity, August 2020). These market signals highlight the growth and importance of influencer marketing.

CHAPTER 2. LITERATURE REVIEW

2.1 Introduction

Although the Influencer marketing academic body of knowledge is still growing, it has its roots firmly in marketing management. Keller (2016) acknowledge the diverse and growing range of communication channels available to marketers, specifically due to digital options. In this chapter therefore, influencer marketing is explored with an Integrated Marketing Communication (IMC) lense.

In terms of the marketing body of knowledge, Digital Influencer marketing has many parallels with Word-of-Mouth marketing (WOM) which was originally defined by Brooks (1957). Rosario et al (2020) point out that WOM has become more relevant, and has been given new significance due to the internet. The growth of internet usage - in particular social media, has given consumers the ability to widely share their opinions and feedback on topics ranging from politics, environment, and business, to brands and their products and services. This phenomeonon is termed eWOM, or electronic word of mouth. According to Rosario's (2020) definition, eWOM is "*consumer-generated, consumption-related communication that employs digital tools and is directed primarily to other consumers*". They point out that despite eWOM's growing significance and consumers reliance on it for their buying decisions, "*marketers are still struggling to maximize the business value of eWOM*". Their research covered "*consumer-generated content, electronic word of mouth, online review, online word of mouth, social earned media, and user-generated content*", all of which have clear parallels to Digital influencer marketing. They also identify 3 key consumers roles being that of creating eWom, exposure to eWom, and evaluating eWom. Importantly, they distinguish between the role of consumers who "send and receive eWom", and that of marketers who "amplifies and manages eWOM for business results". Thus similarities between Influencers who send and receive eWOM can be identified.

It could be argued that Digital Influencers are fast becoming the most dominant form of eWOM given the proliferation of Social media. Rosario et al (2020) state that eWOM includes but is not only online rankings or recommendation systems. With the exception of Ranking, Reviews and Recommendations commonly known as the 3 R's (Park et al, 2007) - which is a form of eWOM that drives purchase behaviour and repurchase intention in online marketplaces and e-commerce platforms, this study views eWOM in the context of social media that is driven by influencers through their content. This view fits well with Rosario et al's (2020) research into eWOM across 1050 research papers which found that the common underpinning of eWOM theories and / or frameworks is their "*focus on influential consumers and their role in spreading information*".

These "influential consumers" are now simply called influencers, and this research thus from a marketing theory context explores the factors involved in amplifying and managing eWOM. The research specifically looks at eWOM generated by and through Digital Influencers to achieve marketing and business results.

With the emergence and growth of new communications environment, consumers have more channels to interact with brands, whether by sms, email, online chat, or social media posts. As a result, the time delays from request to responses between companies and their customers are also getting shorter. The growth of these digital communications channels bring with them a new marketing environment, a digital one. Keller (2016) points out that this allows engagement between consumers and brands to be very high on the one extreme through online web and social media services with proactive consumers highly active in shaping brand perceptions through engaged online brand communities. On the other extreme, engagement may be low or non existent with no online communication services available, typically resulting in a brand not benefiting from an online presence. Therefore, it can be understood that a strong online presence necessitates high online engagement.

These online brand communities as Keller (2016) calls it, support companies "*to drive short-term sales, they can offer promotions and other incentives through*

tweets, texts, and targeted e-coupons. And to reinforce long-term brand loyalty, they can form online brand communities through their own or third-party social media". It was discussed earlier that influencer marketing objectives vary, with uses moving away from only brand engagement, to become more direct and indirect sales related through promotions. Also, influencers operate on social media and are external to the brand i.e. third party, therefore it can be surmised that influencer marketing audiences fits exactly with Kellers (2016) description of Online Brand Communities. DIM as a marketing mechanism can support this effectively as it provides brand awareness and reach, positive eWOM, sales promotion support, and customer loyalty.

2.2 The Growth of Influencer Marketing

Amongst the services competing for the attention of online consumers are entertainment platforms, news and lifestyle websites, and as discussed in Chapter 1, Social Media platforms. Against this backdrop, a relatively recent field emerging within digital driven marketing on Social Media is "Influencer Marketing".

Social Media has given rise to pro-active consumers (i.e. Prosumers), meaning that brands and marketers need to take a much more active role in managing their brands advertising online. Negative electronic word of mouth (WOM) can impact on product sales and brand reputation (Chen and Yuan, 2020) and in extreme cases, lead to severe financial losses – and overall company reputational loss.

In recent times, there has been a spotlight on brand marketing on Social Media, with Clicks for example experiencing backlash (Daily Maverick, September 2020). Although not an influencer driven campaign, it is clear that more attention needs to be paid to the companies reputation when advertising online, via Social Media specifically. Influencer Marketing according to Campbell and Farrell (2020) is "the practice of compensating individuals for posting about a product or service on social media". It is a sub-set of Social media marketing, which itself is a sub-

set of Digital Marketing. There are part of the overall Marketing body of knowledge.

They state that Influencer marketing is estimated to grow to \$101 billion globally by 2020, with the Influencer Marketing Hub report (IMH, 2020) estimating that 10% of marketing budgets are allocated towards this. They also report that over 80% of marketers intend to set aside dedicated budgets for this medium. Influencer marketing has been gaining popularity as an effective marketing tactic that is being used for brand awareness and development, product marketing and promotion, and increasingly to drive sales, with growing success. These global figures are naturally estimations as **Figure 8** indicates, they do however give us a good idea of the scale and pace of growth of DIM;

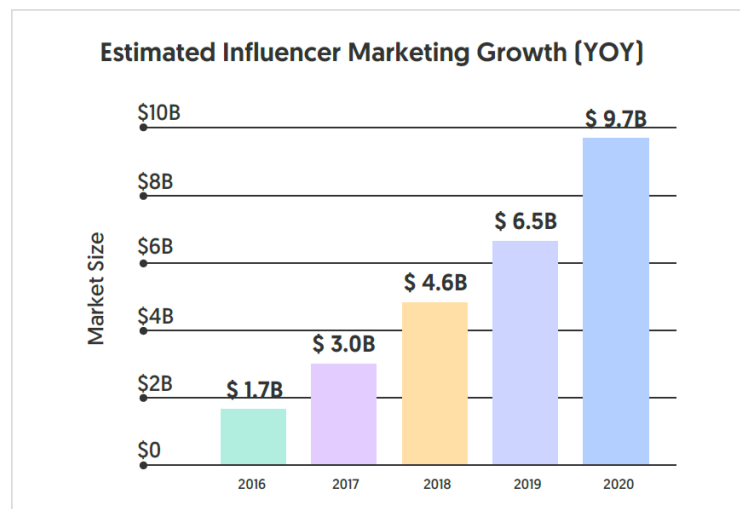


Figure 8: Global Influencer Marketing Growth (Source: IMH, 2020)

There is also a growth in dedicated Influencer Marketing agencies with 380 new influencer platforms and agencies in 2019 totalling 1120 (See **Figure 9**). Recently for example, Ogilvy - a global marketing agency giant, had recently launched

their “InfluencerO” platform in South Africa (Bizcommunity, August 2020).

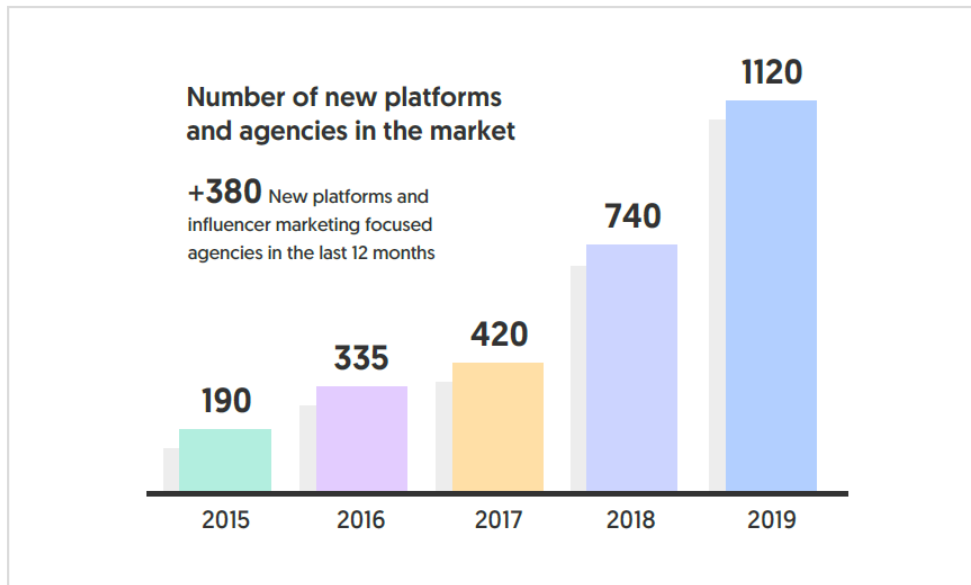


Figure 9: Influencer Marketing Platforms (Source: IMH, 2020)

2.3 Types, Categories and Use of Influencers

There are several different type of influencers who differ in their focus areas, with fitness, fashion, lifestyle, music and beauty amongst the top categories in South Africa (Humanz, 2020). Other influencers focus on music, gaming, health, photography and finance amongst a wide range of other topics. There are further niche categories such parenting and maternity, arts, and the like. Influencers can be seen as entertainers, experts, endorsers, or simply just known and admired for their lifestyle, tastes, values, and opinions, or the inspiration and motivation they provide to their audience via Social media.

According to Campbell and Farrell (2020), they summarise these various influencers into 5 types, these are listed in **Table 1**;

Table 1: Influencer Marketing Types (Adapted from Campbell and Farrell, 2020)

Influencer Type	Audience Size	Description
Nano (Newcomer)	0 – 10K	Generally a niche influencer who is new to influencing and has a small following but tend to have higher engagement rates as they are perceived to be highly authentic, and accessible.
Micro (Rising Star)	10 - 100k	An influencer who has built a strong and growing following through either niche expertise or lifestyle related content that offers value to their audience. Their also have higher engagement rates.
Macro (Sweet Spot)	100k – 1mil	An established influencer that has amassed a sizeable audience and is well regarded amongst their followers for the value of their content, their opinions, their tastes, or the quality of their interaction.
Mega (Everyday Celeb)	1mil +	An influencer who has “made-it” online with a large following making them an online celebrity through the value they add, and also possibly breaking into offline influencing.
Celebrity(Rich& Famous)	1mil +	A traditional celebrity such as a sports person or musician that already have a large offline fan base who also follow them on Social media, giving them online influencing capabilities.

Figure 10 below summarises these types of influencers;

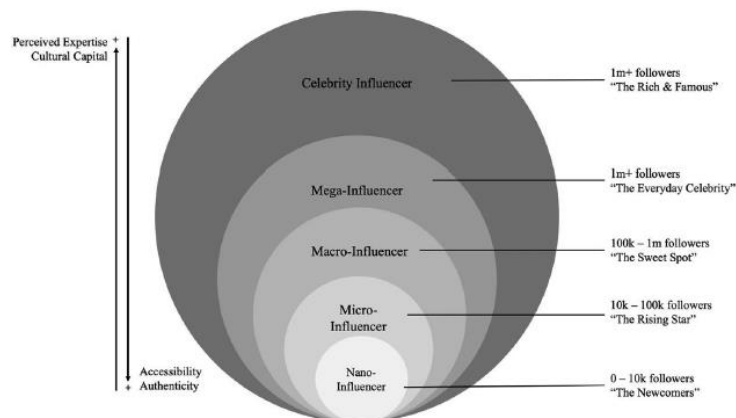


Figure 10: Influencer Categories (Source: Campbell and Farrell, 2020)

As can be seen, using Mega-influencers can have the same impact as offline Celebrities endorsing brands. They are associated with Brand strategy techniques such as Brand Ambassadorship (Campbell and Farrell, 2020). As follower growth increases, perceived authenticity and influencer accessibility tends to decline, leading to lower engagement rates. IMH (2020) report a growing trend to include more micro-influencers for every macro-influencer. **Figure 11** shows that in 2016 this ratio was 1 to 3, whereas in 2019 it changed to 1 to 10.

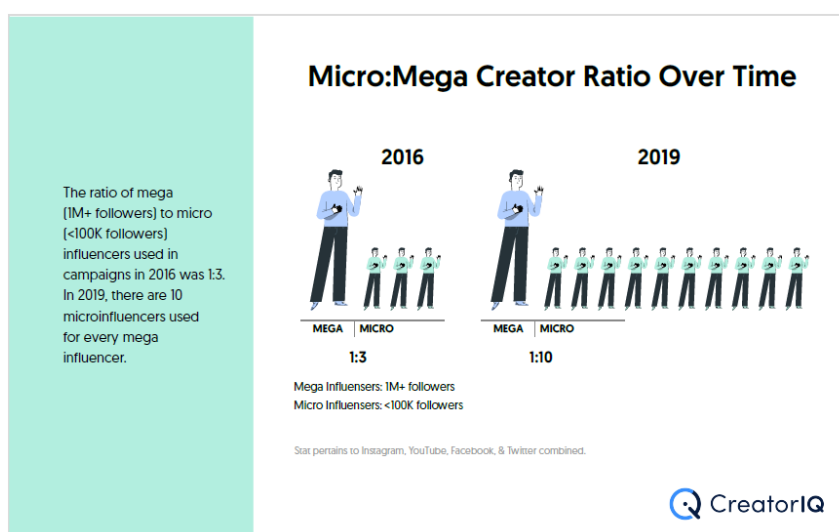


Figure 11: Influencer Usage Ratio (Source: IMH, 2020)

This opens up many considerations for brands who associate closely with influencers, higher reach may come at the expense of lower engagement. Also, with Mega and Macro influencers and their large reach and online celebrity status, brand reputational risk can be a serious issue. Influencers in the digital world whose followers, fans or audiences are leveraged for marketing activities could be relatively unknown outside of Social Media, but yet have the potential to cause reputational harm to a brand. This is seen in the offline world from the cases of Tiger Woods that impacted brands such as Tag Heur and Nike who reportedly lost between \$5 – 12 million as a result of his infidelity, and callous drunk driving behaviour (Campbell and Farrell, 2020).

The National Broadcasting Standards Authority of South Africa (NABSA) regulates traditional media, with the Advertising Standards Authority (ASA)

regulating the marketing fraternity conduct. Influencers blur the lines between Media and Advertising. On the one hand, they offer brands reach and awareness, advertising content, audience engagement and interaction. They can however also provide conversion to sales via product recommendations, and affiliate marketing. This makes it a powerful marketing and advertising mechanism.

A clear distinguishing factor for Digital Marketing, specifically Social Media Marketing, is the public and real-time interactivity with masses of consumers at scale. This means that executing and managing a Digital Influencer marketing (DIM) campaign requires a marketing environment that actively monitors, engages, and responds to consumers online.

Digital influencer marketing also straddles multiple functions within marketing departments. Whilst there is a big digital social media component, it can also be purchased as posts or tweets similar to traditional media blocks, or negotiated as part of a sponsorship endorsement or public relations contract. 80% of respondents in the IMH (2020) said that influencer marketing was budgeted for from PR departments. It is still however unclear at the moment whether this should be under the purview of the media, advertising, brand management, public relations, marketing communications, digital marketing, or other marketing function.

2.4 Digital Influencer Marketing Best Practices

Recognising that Digital Influencer Marketing is closely linked to Online Brand Communities, this study still needs to understand best practices associated with this medium. Marketing best practices are closely associated with their communications channels and its tactics. A high level distinction is one popularised fairly recently (Stephen and Galak, 2012), specifying marketing communications as either Paid (eg. buying of advertising space on TV, Radio, Billboard or Magazine), Owned (eg. Company Blog, Website, Social Media Accounts, or Mobile Apps), or Earned (eg. Word of Mouth, PR Coverage etc).

The Paid, Owned and Earned distinction, whilst applicable to many other types of marketing, does little to clarify Influencer Marketing. The influencer for example can get paid based on their audience and reach, similar to any other paid advertising. Influencer content can also be integrated on company owned digital platforms to engage customers, and they can clearly generate earned media in the form of content sharing, recommendations, and referrals. Also, influencers can play the role of a creative agency partner by developing content for audiences, and managing the campaign and its engagement on behalf of the brand. This places them at the intersection of these 3 different forms of marketing communications as explained in **Figure 12** below;

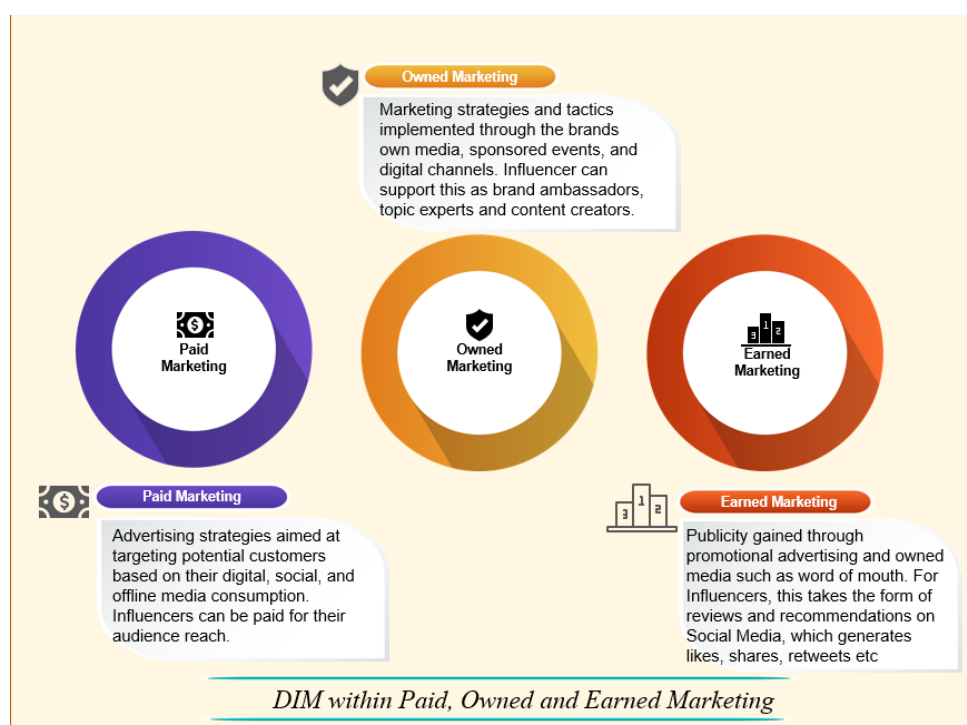


Figure 12: DIM within Paid, Owned and Earned Marketing Channels
(Source: Authors own, adapted from Stephen and Galak, 2012)

2.5 Customer Mix, and Influencer Analysis and Selection

2.5.1 Influencers Role in Integrated Marketing Communications

Jackson and Ahuja (2016) trace the evolution of marketing over the 20th century and discuss how marketing frameworks have evolved to cater for changing business and customer needs. For a Digital world, they argue that the current marketing mix and IMC framework is inadequate in that it *“believes the paradigm shift that has occurred in consumers’ behaviour, attitudes and use of media and, therefore, hardly does it justice”*. They therefore propose a reconceptualization of the traditional marketing mix into an IMC2.0 to cater for Social media marketing, and its unique capabilities to generate “viral marketing” communications – or in simpler terms, shares, recommendations, and referral. This extends marketing communications beyond paid media advertising.

The paradigm shift being referred to relate to people and societal changes such as consumer behaviours and political views, technology changes from analogue to digital, media changes from traditional communications channels to internet driven media, information changes in the spread and accessibility to knowledge, and changes in economy and business represented by money flows. This shift is driven largely by digital connectivity, applications, services, platforms, content and media that is bi-directional. It traverses cultural, demographic, social, economic, and geographic boundaries.

Changing business and consumer working and personal environments has shaped new routines driven by online services, communities, media, and social networks Jackson and Ahuja (2016). Online information and its exploration has changed media habits and consumption patterns. Online communities by businesses and consumers now garner high levels of engagement and quality participation that engender trust and loyalty. Convenient mobile and other connected devices make access from

anywhere at anytime possible, resulting in contextually aware communications becoming highly important. Bi-Directional communications between companies and their consumers is now instantaneous with messaging and chat services enabled by the internet and social platforms, this calls for new ways of developing and planning marketing and communications initiatives.

Collectively, these digitally driven market forces are fundamentally changing the way brands communicate to customers. New customer routines, media consumption habits, online engagement trends, access to information, and ubiquitous connectivity requires new ways of thinking.

Marketers as a result require new models of marketing and communication for the 21st century. Jackson and Ahuja (2016) identify Relationship Marketing (RM), Customer Relationship Management (CRM), Co-Creation, Salesforce automation, and Digital Marketing as important components of contemporary marketing.

Relationship Marketing focuses on brands investing in the brand-consumer relationship to move customers from engaged and involved to loyal. Engaged customers on Social media platforms could be those that like posts or contents, whilst involved customers may be those who regularly comment. Loyal customers are ones that share brand content, or refer and recommend products online. The intent of CRM is to include lifetime value of customers through creating social bonds as can be found in peer-to-peer social networks and online brand communities. Financial bonds such as purchases involve customer targeted promotions with coupons, and structural bonds can include privileged access to an online platform. These are seen to lead to loyalty. Co-creation is also an important aspect of contemporary marketing, allowing customers and brands to interact freely in the exchange of product ideas and improvements. This can be enabled through digital via online engagements on Social media platforms.

Digital influencer marketing as a tool can leverage RM, CRM and Co-creation. In terms of Salesforce automation, DIM opts instead to allow for direct sales capabilities via clickthroughs to e-commerce platforms.

2.5.2 Digital Marketing and Influencer Marketing within Marketing

Digital marketing as a contemporary marketing tool integrates with all other dimensions of marketing. It can use the collaborative web (i.e. Social Media, Blogs, Wikis etc) in analysing, understanding, defining and managing the consumer decision making process. It provides benefits to marketers and consumers (Jackson and Ahuja, 2016). Kotler et al (2017) in their aptly titled book "*Marketing 4.0: Moving from Traditional to Digital*" identify that power is shifting to the digitally connected consumer. This therefore warrants a shift to digitally powered marketing – or Digital Marketing.

Given the proliferation of Online Web Communities which are increasingly fragmented into sub-cultures, brands cannot assume to be able to use traditional consumer segmentation any longer – it is too static and vertical i.e. top down segmentation. Also, fragmentation of media into countless options means that reach, messaging believability and source credibility are under threat with increasingly lower advertising efficacy and engagement rates. This means that the strategic marketing roles that influencers play is to offer marketers improved customer segmentation based on niche online communities. Jackson and Ahuja (2016) termed this the "Customer Mix", and propose that it should precede the development of the marketing mix and messaging. This is because online communities increasingly shape marketing strategy and communication plans. Influencers closeness to the communities they create or participate in also means that they can deliver more credible and relevant messaging that has higher levels of authenticity and value to the consumer. This improves advertising effectiveness and engagement rates.

Recent South African research conducted by Humanz (2020) shown in **Figure 13** that the average DIM engagement rates to be 7,42% with it being as high as 34,69% with influencers who have smaller audiences.

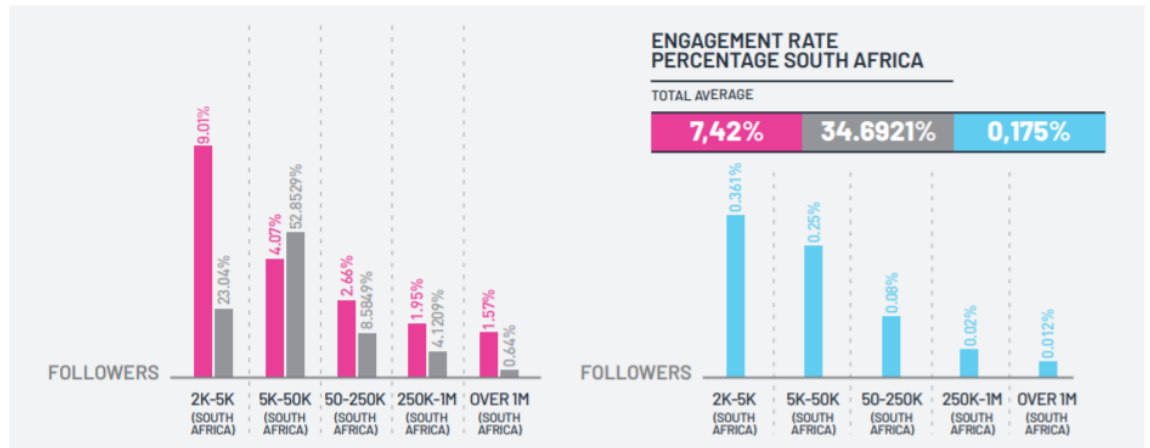


Figure 13: DIM SA Engagement Rates (Source: Humanz, 2020)

These relatively high engagement rates represents a strong opportunity for marketers to leverage DIM within their IMC strategies.

2.5.3 The Importance of the Customer Mix in Influencer Marketing

Given the nature of contemporary marketing in digital environments, Jackson and Ahuja (2016) have proposed a “Customer Mix” that according to them, ought to precede the Marketing mix. They define it as “*The customer mix is the set of personal elements that determine the source of demand, purchasing preferences, consumption patterns and the relationships between the consumers of goods, services and experiences and their suppliers*”.

This is premised on their 4 P’s i.e. People, Personalities, Perceptions and Participation and serves to highlight the nature of 21st century marketing. In terms of People, this is encapsulated by empowered, digitally connected and internet savvy content creators and consumers, who rely on peer reviews, searches and online communities for their decision making. This makes managing online communications and reputation for brands an

instrumental component. From a personality perspective, Jackson and Ahuja (2016) highlight the importance of specific customer targeting through deeper understanding of their personalities. The need to recognise individuality and support personal expression is thus critical to successful marketing.

Perception in the Digital age becomes more fluid, as digital platforms allow brands to shape and reshape these more actively with consumers. Brands can now test and execute different positionings and strategies, and allow for different meanings to develop in the brand-customer relationship within online digital communities.

Finally, regarding Participation, the Digital age allows for interactive, real-time, bi-directional communications between brands and customers. This results in the ability of brands to move away from creating adverts to developing shared experiences that consumers can participate in, making the interaction more rewarding for both parties.

Clear parallels can be drawn from this framework to the investigation into DIM with People being Influencer Audiences who represent different and varied customer typologies in sometimes small numbers within online communities, Personalities being the Influencers themselves who create and share content and act as conduits for brand and marketing communication activities, Perceptions being the specific audience view and outlook towards brands which inform the content marketing strategy and activities online. Participation is highlighted by their level of engagement and interactivity with influencer and brand content which creates shared, relevant, and meaningful brand experiences for consumers.

Though the frameworks of different authors may differ, Kotler et al (2017) agree with this viewpoint and attribute changes directly to the rise of social media. They encapsulate it as follows "*In the digital economy, customers are now facilitated and empowered to evaluate and even scrutinize any*

company's brand-positioning promise. With this transparency (due to the rise of social media) brands can no longer make false, unverifiable promises. Companies can position themselves as anything, but unless there is essentially a community-driven consensus the positioning amounts to nothing more than corporate posturing”.

2.5.4 The role of the influencer in the Marketing Mix

Campbell and Farrell (2020) point out 3 core functions of influencers, they provide an audience, they endorse brands or products, and they manage social media. From an IMC perspective, they therefore serve as a communication or media channel (i.e. Audience), a brand ambassador or product promoter (i.e. Endorsement), or as an external marketing partner or agency (i.e. Social Media manager).

2.5.5 Selecting Influencers

Kotler et al (2017) point out that an important implications of marketers moving from traditional to digital, is that there is a move from “*Segmentation and Targeting to Customer Community Confirmation*”. Therefore, amongst the factors to consider when selecting influencers are their size and audience in order to give a brand the reach to the right customer mix. Also key is the Influencers history and credibility in order to ensure trustworthiness and competency, and their alignment to brand values to ensure authenticity. Finally, their attitude and receptive to what the brand is doing is important so that they are able to work together with the brand to plan, execute and manage content campaigns by balancing the needs of their audiences with those of the brand.

This according to them, entails horizontal web communities that is different from vertical segmentation since customers are social connected to each other. Communities therefore become the new segmentation, and Digital marketing, and by extension - Influencer marketing, requires an

understanding of the sub-cultures within the communities. Central to this is also understanding their values and having an appreciation of how these communities interact with each other.

2.5.6 Growing Importance of Influencer Marketing within the IMC

The literature on changes that are occurring in marketing due to the move to the Digital age shows that shifts are occurring. This includes a reconceptualization of the IMC, the marketing mix, brand communication channels, and the customer and marketing segmentation models. Influencer marketing appears to align closely with these shifts, it is therefore suggested that ***Influencer Marketing will grow in importance within the IMC framework becoming more prevalent in the marketing mix, marketers therefore intend to develop specialised expertise in this emerging marketing field in the near future.***

2.6 Influencer Performance Measurement, Tracking, Contracting and Payment Models

2.6.1 Influencer Marketing Measurement

Kotler et al (2017) espouse a 5 A model to measuring Digital marketing which entails “Aware, Appeal, Ask, Act and Advocate”. Aware can be likened in its most basic form to advertising reach which aims to have consumers see brand communications above other advertising clutter. Appeal is associated with brand relevance and resonance normally delivered through creative messaging and content on the right channel, and at the right time. Ask involves interaction with the brand, its websites, chat platforms, social media, or other digital engagement channels. Act entails commitment to purchase such as on an e-commerce website by clicking through from an advertisement. Advocate relates to loyal customers who advocate via sharing, recommending and referring the brand. **Figure 14** below describes this process;

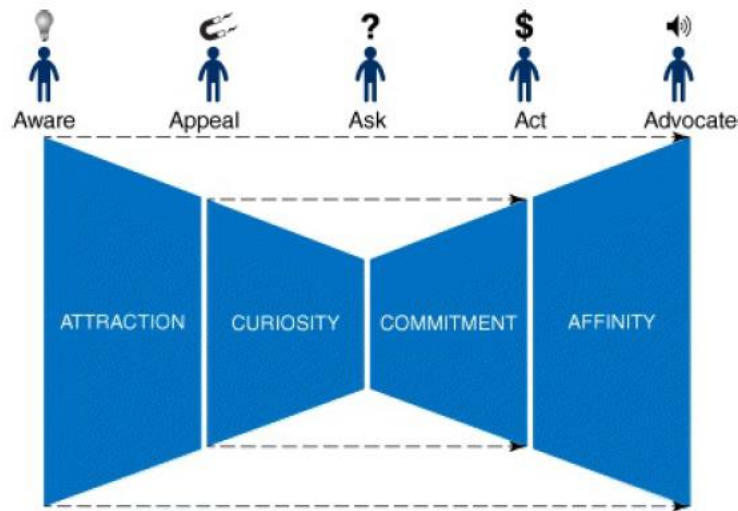


Figure 14: 5 A's of Marketing (Source: Kotler et al, 2017)

They also propose Purchase Action Ratio, and Brand Advocacy Ratio's as components that contribute to the calculation of Return on Marketing Investment (ROMI), with PAR catering for the "Return" component, and BAR catering for the "Marketing Investment" aspects (Kotler et al, 2017). **Figure 15** below details this;

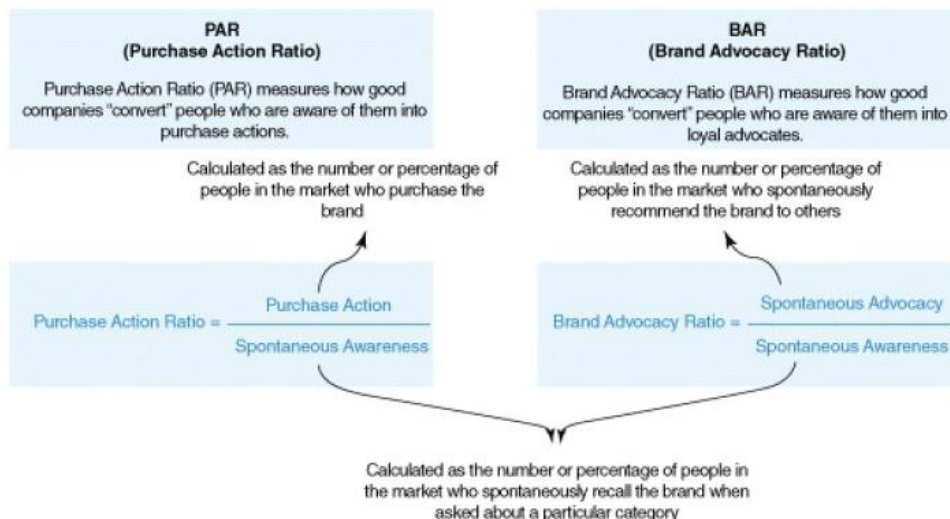


Figure 15: PAR / BAR Marketing Measurement Models (Source: Kotler et al, 2017)

Digital marketing metrics involve impressions, engagement actions, clicks, registrations and purchases. The Digital Marketing funnel measurements are well

know for its metrics of digital activity across digital channels. According to Stokes (2018), it can be defined as “an established set of steps a user should take in reaching a goal, such as making a purchase”. This involves tracking marketing performance using metrics such as Cost per Impression (CPI), Cost per View (CPV), Cost Per Click (CPC), Cost per Lead (CPL) and Cost per Acquisition (CPA). Social media measurement metrics are related to these concepts, whilst they include these, they also have specific metrics depending on the Social platform. These are mainly engagement specific metrics such as likes, comments, shares, posts, followers, or retweets.

According to IMH (2020) data in **Figure 16**, 41% of marketers evaluated Influencer performance based on specific Social Media Engagements such as content likes and comments, with a further 25% evaluated on the basis of reach, impressions and views.

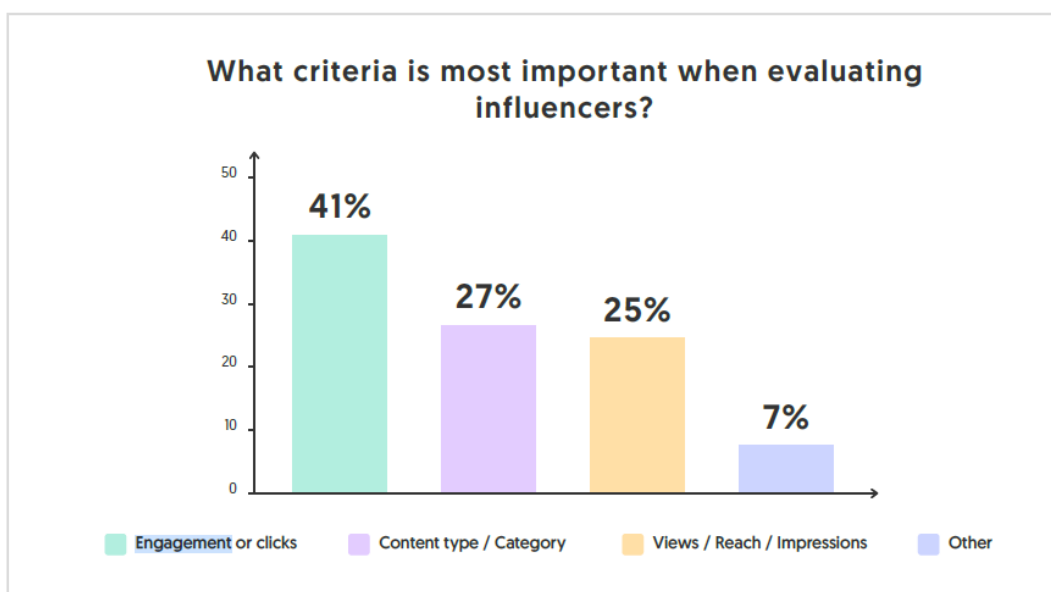


Figure 16: Influencer Evaluation Criteria (Source: IMH, 2020)

These measurements mainly fall into Kotler et al's (2017) BAR category that constitute brand actions, shifting the measurement of returns to purchase action ratios. In Digital marketing funnel terms, this is considered to be top of the funnel. Clearly not all marketing activities require conversion to sales and may be limited

to BAR measurements, however, as more marketing budget moves towards Influencer marketing, PAR measurements will become necessary.

2.6.2 Influencer Payment and Contracting Models

IMH (2020) found that Influencers were remunerated based on their reach and engagement metrics, but that the trend is moving towards sales and conversion rate metrics as with the Digital marketing funnel.

From a digital media purchasing perspective, performance and remuneration tend to be tied together, with payment based on reach (impressions), frequency (number of adverts), and penetration metrics (% of customer reached). In terms of Digital performance marketing, budgets are usually calculated on the basis of well tracked funnel metrics such as CPI, CPC, CPL, CPC etc (Stokes, R. 2018), with full digital funnel tracking giving detailed PAR metrics.

If Influencer performance is tracked on a BAR basis, this would need to include both Digital Media and Social Media engagement metrics, whereas it becomes evident that if ROMI measurements are required to be calculated for influencer marketing activities, then Digital marketing PAR metrics (Digital funnel) will need to be included.

It however remains unclear what best practice is with regards to measuring, tracking, and paying influencers as there are accounts of Celebrity influencers who have gotten paid over \$1 million simply for posting content due mainly to the size of their audience and their category, this falls into the 27% in figure 16 above.

Finally, as identified by Campbell and Farrell (2020), apart from providing audiences, influencers can also act as Social media managers, content producers, strategist, and community managers. These services can attract a separate marketing fee, or could be included as part of the overall contract.

There emerges distinct categories of contracting and payment for influencers that could be used in combination for influencer contracting and remuneration, these are audience based, performance based, and services based.

2.6.3 Evolving Influencer Contracting and Payment Models

Due to the emerging nature of Digital Influencer Marketing, performance management, measurement, and payment models have not been clearly defined.

A movement towards standardised industry remuneration models based on a blend of existing media metrics, social media performance measures, and content services is expected.

2.7 Brand Safety, Reputation, and Creative Control when using Influencers

2.7.1 Online Reputation Management

Research has shown that Celebrities through their endorsement can create meaning for brands through the transfer of qualities (McCracken, 1989). In influencer marketing, particularly macro, mega, and celebrity-influencers, this transfer of meaning has implications for brands online reputations, particularly if the influencer is found to have acted unethically, or has shared defamatory or objectionable content. The rise of “Cancel Culture” (Ypulse, 2020) has meant that brands risk consumer backlash and serious reputational harm through their association with influencers.

Campbell and Farrel (2020) identify several DIM risk factors, they state that the growth in Influencer marketing brings with it increased public visibility that could tarnish a brands image if they have close associations with individuals prone to indiscretions, or are part of a scandal. With celebrity influencers in particular, due to their status and following, a brands reputation and credibility could face serious risk and consequences. This is especially true should the influencer deviate from expectations and act in a morally questionable or reprehensible manner.

2.7.2 Creativity and Quality Control

Another function of the Influencer identified by Campbell and Farrel (2020) is that of Social Media manager. This involves content creation in collaboration with marketers and their agencies, publishing content on various social media channels at different times according to an agreed content schedule, promoting content to increase engagements such as likes, shares and retweets, and managing and growing the community by engaging with users through responding to posts and comments in a timely and relevant manner.

Some influencers may have the capability themselves or a team in place to do all of this for a campaign partnership with a brand. Others may not offer any of this except for the community engagement aspects. In some cases as a condition of collaboration, influencers may insist on end-to-end management and creative control with minimal oversight from the brand in order to ensure messaging credibility to maintain their authenticity. Brands on the other hand may not be willing to relinquish creative power, or conversely, could give absolute creative freedom to the influencer. The circumstances vary, however, it would make sense that more experienced influencers with stronger capabilities and proven track records should enjoy a higher degree of creative freedom. Brands on the other hand may allow more creative flexibility to Influencers that they have been working with for longer periods of time, and who display an appreciation for, and an alignment to the brand values and ethos.

Campbell and Farrel (2020) suggest that whilst developing brand communications content, too much involvement from many people without clear guidelines in place risk diluting brand values, positioning and meaning, and deviation from business goals and ethos.

2.7.3 Developing Influencer Marketing Frameworks and Guidelines

Influencer marketing intersects with Brand Communications, Media and Advertising, Public Relations, Digital Marketing, Social Media marketing, and Content Marketing areas, deriving much of its practices from a blend of these different marketing mix elements. ***It is expected that marketers intend to put in place Influencer marketing frameworks, policies and guidelines to better manage and protect their brand reputation and image online.***

2.8 Modern Marketing Operations for Influencer Marketing

The evolution of Integrated marketing communication methods and platforms brings with it the need to modernise how marketing is done i.e. marketing operations. Armstrong et al (2020) define modern marketing as “*the ability to harness the full capabilities of the business to provide the best experience for the customer and thereby drive growth*”. They claim that doing so can reduce marketing costs by 10 – 30%, and can unlock between 5 – 15% additional growth through leveraging 10 identified marketing capabilities and enablers seen in **Figure 17**;

To deliver on growth, modern marketing requires updated capabilities and enablers.

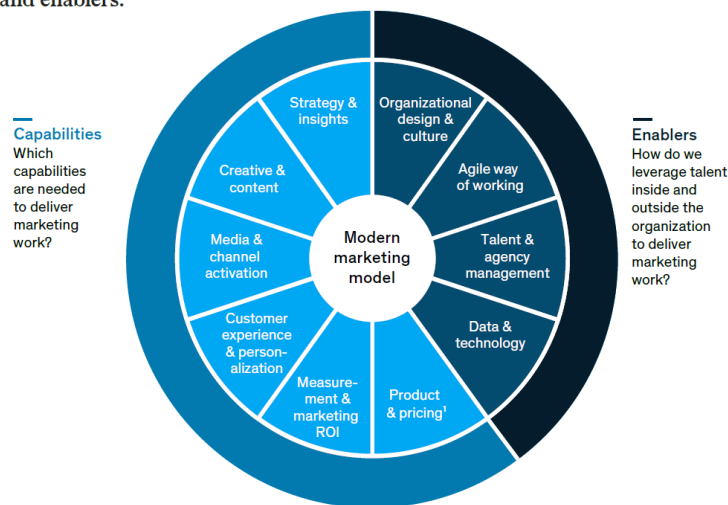


Figure 17: Modern Marketing Model (Source: Armstrong et al,2020)

The capabilities proposed include real-time strategy and brand insights, always on content, iterative media management, unified customer experience management driving purposeful communications, marketing measurement and tracking, and customer activation through targeted customer product and pricing offers. The mentioned capabilities exemplify DIM where the ability to achieve real-time brand and strategy insights available from online communities exists. Content marketing on Social media for DIM is delivered in an interactive and always-on manner with communications needing to be relevant and purposeful to the online community. Performance measurement and tracking utilises paid, owned and earned media metrics. Customer promotion capabilities exist through targeted and personalised product and price offers, as well as coupons.

Cohesive marketing operations with inter-departmental and inter-agency operations functioning in cross-functional ways that leverage data, and are centred around the customers experience, are all hallmarks of modern marketing. Importantly, agile teams that deliver in rapid test and learn modes are key enablers to successful modern marketing.

The research has shown that organisations involved in Influencer marketing tend not to have dedicated departments or functions driving Influencer Marketing initiatives or budgets (IMH, 2020). Given the cross-functional nature of influencer marketing which straddles brand communications and strategy, media and advertising, sponsorships and public relations, and digital marketing, cohesive operating models become a necessity for effective Digital Influencer marketing. The real-time and interactive nature of online communities and social media means that marketing for these channels require agile working approaches to performance measurement, tracking, content marketing, and brand communications.

2.8.1 *Influencer Marketing Requires Modern Marketing Practices*

There is evidence that shows that “how” marketing is being done is evolving to accommodate digital and data marketing practices, platforms, tools and technologies. All marketing functions, departments and partners have a role to play in ensuring successful Digital Influencer marketing. ***Influencer marketing as a modern marketing tool requires agile, data-enabled, cross-functional, and real-time modern marketing management practices to be successful.***

2.9 Influencer Disclosure, Risks, Ethics and Governance

Influencer fraud can lead to financial risk through losing value from marketing spend. Also, non-compliance to disclosure of sponsorships create the risk of sanctions from regulators. There are also ethical considerations surrounding associating with influencers involved in contentious issues, this risks damaging brand perceptions.

2.9.1 *Sponsorship and Compensation Disclosure*

Influencers disclosing receiving compensation has recently come under the spotlight. In order to protect consumers, the US Federal Trade Commission (FTC) recently mandated that any form of sponsored content by third parties must disclose this information (Stubb et al, 2019). Sponsorship compensation may come in many forms, in the case of influencers, these could be free products, promotional support, coupons, or other incentives such as event and hospitality. Consumers view sponsored material as advertising (Hwang and Jeong, 2016), and may be sceptical and less likely to engage. Leading Influencers are also found to be less compliant in their disclosure in order to improve their online engagement rates (Hwang and Jeong, 2016).

For influencers, authenticity is an important aspect of building and growing their customer base, according to Stubb et al (2019), this involves walking

a tightrope between the needs of the brand, the followers, and the influencer. Online sponsored content can sometimes appear innocuously similar to other content on Social platforms, or be embedded as part of the overall post. This could lead to consumers being unaware of the advertising intent of the message. This brings about ethical considerations, particularly as research shows that disclosures affect consumers attitudes and behaviours, and that their responses depend on the type of disclosure. Hwang and Jeong (2016) identify 3 different types of disclosure, these are simple disclosures that inform consumers that content has been sponsored, disclosures that provide more information, such as honesty claims and detail related to product or service quality, and finally, disclosures that inform customers on the type of sponsorship and compensation received.

The traditional advertising industry is well regulated, and serves to amongst other functions, protect consumers from false advertising and poor advertising practice. The Advertising Standard Authority (ASA) or the National Association of Broadcasting are bodies to whom complaints can be directed. Governance for the type of disclosures and content influencers disseminate is largely left up to the Social media platform providers to self-regulate via their community rules and terms of services. It remains to be seen as DIM grows, whether this form of governance model is adequate to protect brands, their reputations, and consumers, or whether brands and local advertising industry bodies would need to play a more active role in the governance and compliance of Influencers.

2.9.2 *Influencer and Follower Fraud*

Recent research has shown that 65% of marketers who conducted an influencer marketing campaign were victims of influencer fraud (IMH, 2020). Influencer fraud is a relatively new occurrence, it involves things such as buying of followers or fans, creating of fake accounts to boost network size, or using software bots to drive up engagements such as

views or clicks. This can lead to higher compensation for influencers who charge on audience or performance, resulting in financial loss for brands.

There are many tools in the market such as Klear.com, Upfluence.com, or Hypeauditor.com who provide influencer discovery, selection, verification and campaign management tools at a cost. These platforms offer brands the ability to do analysis by providing data of influencer audience gender, age, location etc. They check Audience Quality Scores (AQS) that analyses influencers on four categories i.e. Engagement Rate, Active Audience, Growth, and Authenticity on platforms such as Instagram, YouTube and Twitter (Amok, 2020). Given the existence of these platform tools, the high prevalence of influencer fraud comes as an anomaly. A reason for this could be that marketers are not aware of these platforms and have limited skills and training in using them.

2.9.3 Brand Credibility Risk

Messaging source credibility refers to whether individuals receiving the communications perceive the source to be honest, reliable, credible, as and competent (Flanagin and Metzger, 2007). Influencers acting on behalf of brands disseminate brand communications on Social Media platforms. They therefore serve as the source of brand messaging (Stubb et al, 2019). The believability of the message (eg. Post, Blog, Video etc) is therefore intrinsically tied to the credibility of the source i.e. Influencer, and subsequent behaviour and intentions of the consumer. It stands to reason therefore that the efficacy of influencer communications and messaging would be poor for the brand should an influencers credibility be low, this could also negatively impact consumers perceptions of the brand and adversely affect its reputation.

2.9.4 Other Risks

There also exist other risks, such as Influencers representing or working for competing brands with whom they could share confidential information, or being involved with a brand that might be part of a scandal which would impact the influencers credibility if not addressed effectively. Also, severing relationships with an Influencer may be met with retaliation that could could tarnish a brands image. Influencers may also act in their own capacity, in a controversial manner, advocating for contentious causes. This could draw consumer backlash that might affect associated brand perceptions. There is also the risk of influencers being misleading in their content communications drawing consternation and action from online communities.

The ethical, legal, contractual and governance aspects of Influencer marketing management to cater for these risks are still in their infancy with a limited body of knowledge.

2.9.5 Influencer Contracting Drives Governance & Compliance

Influencer marketing growth means more vigilant governance, compliance and risk management when contracting with Influencers. Whilst part of this will be covered through Influencer marketing frameworks, guidelines and policies, ***in order to manage and improve influencer compliance and risk, a trend towards developing more stringent legal contracts to govern brand-influencer relationship will occur.***

2.10 Conclusion of Literature Review

The preceding sections have reviewed industry reports and literature on the evolving IMC and marketing mix and its relationship to Digital Influencer marketing. This has explored performance measurement and tracking models on digital and social media platforms, and how those relate to DIM. The research then reviewed online brand management and creative control in content marketing,

which identified specific challenges in these areas when conducting DIM campaigns. The discussion then covered modern marketing capabilities and enablers, and their necessity to the success of DIM. Finally, DIM governance factors such as influencer disclosure, financial risk, and ethics were highlighted. There are 5 research propositions that emanate from this, these are summarised below under high level developed categories.

2.10.1 Influencer Marketing Growth and Development (IMGD)

Influencer Marketing will grow in importance within the IMC framework becoming more prevalent in the marketing mix, marketer therefore intend to develop specialised expertise in this emerging marketing field in the near future.

2.10.2 Influencer Marketing Performance & Payment (IMPP)

A movement towards standardised industry remuneration models based on a blend of existing media metrics, social media performance measures, and content services is expected.

2.10.3 Influencer Marketing Policies and Guidelines (IMPG)

Marketers intend to put in place Influencer marketing frameworks, policies and guidelines to better manage and protect their brand reputation and image online.

2.10.4 Influencer Marketing Capabilities and Enablers (IMCE)

Influencer marketing as a modern marketing tool requires agile, data-enabled, cross-functional, and real-time modern marketing management practices to be successful.

2.10.5 Influencer Risk and Compliance Management (IRCM)

In order to manage and improve influencer compliance and risk, a trend towards developing more stringent legal contracts to govern brand-influencer relationship will occur.

2.10.6 Qualitative Questions Formulation

What follows is a Conceptual Framework in **Figure 18** below that summarises the various factors we have discussed to be explored as part of this research;



Figure 18: Influencer Marketing Best Practices Conceptual Framework (Source: Authors Own)

In this context, the overall research objective is to explore **Best Practices for Digital Influencer Marketing Management**. The aim of this research is therefore to better understand some of the following in the context of South Africa;

- How Digital Influencers are being selected, and the specific marketing objectives that are most suited to the use of specific Digital Influencers

- Measuring the key success factors of Digital Influencer campaigns, and the business value that can be derived from using Digital Influencers
- Influencer Contracting practices and payment models
- Managing brand safety and reputational risk, and other challenges such as influencer fraud, legal, regulatory and compliance requirements when using Influencer Marketing
- How marketing departments can be structured to manage and leverage Digital Influencer Marketing across marketing functions
- Ethical impact and dimensions of influencer marketing disclosure

Below table 2 shows the derived qualitative questions that have arisen through the literature review. The propositions are coded with the appropriate abbreviations derived from the proposition categories.

Table 2: Influencer Research Categories and Questions

Code	Proposition Category	Question/s
IMGD	Influencer Marketing Growth and Development	<ol style="list-style-type: none"> 1. What is the strategic role of DIM in yours or your customers Brand and IMC Strategies? 2. To what extent do you anticipate the use of DIM to grow in your future IMC strategies? 3. What kind of DIM skills exist in your organisation and how, if at all, are you developing them?
IMPP	Influencer Marketing Performance & Payment	<ol style="list-style-type: none"> 4. How have influencer marketing campaigns performance been tracked and measured? 5. Where have you experienced the most value from using influencers? 6. What payment models have you used to compensate influencers?
IMPG	Influencer Marketing Policies and Guidelines	<ol style="list-style-type: none"> 7. How do you or the organisations you work with go about selecting influencers? 8. What are the most important factors to consider when using influencers? 9. What level of creative freedom and control do you allow influencers?
IMCE	Influencer Marketing Capabilities and Enablers	<ol style="list-style-type: none"> 10. What are the main organisational capabilities needed for successful influencer marketing? 11. Are there any specific marketing practices or processes that you believe are important for DIM? 12. Which marketing functions are responsible for influencer marketing?
IRCM	Influencer Risk and Compliance Management	<ol style="list-style-type: none"> 13. How do you manage brand, influencer fraud, and other risks and compliance factors when using influencers? 14. What regulations or standards are you aware of that govern influencers?
GEN	General Discussion	<ol style="list-style-type: none"> 15. Given your experience, is there anything you would like to add regarding DIM best practices?

CHAPTER 3. RESEARCH METHODOLOGY

3.1 Research approach

Creswell and Creswell (2018) point out that it is important for researchers to distinguish and explain their research paradigm or worldview. This influences the practice of research inquiry, and the selection of research methodology.

Given that this research is directed towards theory building and contributing to our collective knowledge in Marketing Management, it is inductive in nature, therefore a qualitative research approach is followed.

The concept of Digital Influencer Marketing is relatively new and has only come into mainstream marketing over the last decade or so. This means that practitioners are still understanding this growing area, and are negotiating and socially constructing its meaning as it develops (Neuman, 2009). In this research context, a constructivist paradigm is applied. This approach acknowledges the subjective, varied and multiple different meanings that may exist, and allows the research to integrate the complexity of differing viewpoints into the meaning-making process that ensures cohesive research outcomes. These different worldviews can be seen in **Figure 19**;

Postpositivism	Constructivism
<ul style="list-style-type: none">• Determination• Reductionism• Empirical observation and measurement• Theory verification	<ul style="list-style-type: none">• Understanding• Multiple participant meanings• Social and historical construction• Theory generation
Transformative	Pragmatism
<ul style="list-style-type: none">• Political• Power and justice oriented• Collaborative• Change-oriented	<ul style="list-style-type: none">• Consequences of actions• Problem-centered• Pluralistic• Real-world practice oriented

Figure 19: 4 Research Paradigms (Source: Creswell and Creswell, 2018)

Crotty (1998) identify the process of meaning-making to be socially constructed through multiples perspective, and that the researcher uncovers the participants subjective experiences through the research process.

3.2 Research design

Qualitative research characteristics are varied, according to Creswell and Creswell (2018), commonalities do however exist, these are *“Natural setting, Researcher as key instrument, Multiple sources of data, Inductive and deductive data analysis, Participants’ meanings, Emergent Design, Reflexivity, and Holistic Account”*.

The key aim of this research is to uncover and understands participants viewpoints related to Digital Influencer marketing best practices. Participants were engaged in their professional capacity to discuss their specific context of the subject, therefore, the interview questions which are developed by the researcher were used as guiding questions in a semi-structured manner to allow for natural dialogue. This allowed for open-ended discussion, and clearer interpretation of the results. Paton (2002) says that *“Purpose and audience, then, guide design and analysis”*.

The primary source of data is the qualitative interviews, industry reports on DIM, and open-ended data such as DIM videos and guideline documents. These were be consulted to form a richer picture of the DIM environment. Personal communications between the researcher and research participants and non-research participants also formed part of the inductive sensemaking process from which codes and themes emerged.

The data analysis process was both inductive and deductive. Whilst the conceptual research framework and its themes have been deduced through an analysis of the available literature and industry data, these acted as a lense from which to inductively explore the subject and gather data. As the themes emerged

from the data collection process, participants meanings took precedence over research or literature ascribed meanings.

The researcher serves as a key instrument in qualitative research, interpreting the data, ascribing meaning to it, and objectively reporting on. This required ongoing reflexivity to ensure that the researchers experiences, values, and biases do not unduly shape the direction or outcomes of the study.

Finally, this research endeavours to provide a holistic account of DIM best practices, in the context of South African marketing practitioners, through the lense of the participants. Factors that emerge that have not formed part of the study is reported as part of the research outcomes and further work.

3.3 Data collection methods

The research entailed Semi-structured qualitative interviews. This strategy of inquiry is selected in conjunction with the purposeful nature of the research. This allowed for open-ended dialogue between participants and researcher in order to gain clarification, probe topics deeper, or explore new topics or themes of interest.

Participants were interviewed remotely via MS Teams over a duration of between 60 – 90 minutes. Personal communications such as email or calls with participants or experts also formed part of the research where necessary. This mainly supported the process of reflexivity in order to ensure a holistic account.

3.4 Population and sample

3.4.1 *Population*

The research participant sample was drawn from different marketing practitioner population in South Africa.

The labour force surveys conducted by Statistics South Africa provides only aggregate information of employment within the formal sector which is 11,22

million, as at Quarter 1 2020 (StatSa, Quarterly Labour Force Survey, QLFS Quarter 1: 2020). This breakdown covers all major industries including Agriculture, Mining, Manufacturing, Utilities, Construction, Trade, Transport, Finance, Community and social services, and Private households. Marketing professionals can be found in all the abovementioned industries. Marketing however also makes up an industry of its own through specialised marketing, advertising, media and communication agencies. In terms of the labour force surveys, employed marketing professionals are aggregated under the major industries themselves eg. Trade, whilst the services the marketing industry provides is aggregated under “finance and other business services”. This includes real estate and insurance services. In breaking this down further, the labour force surveys identifies the job categories of Manager, Professional, Technician, Clerk, Sales and services, Skilled agriculture, Craft and related trade, and Plant and machine operator. These collectively make up the formal employment sector.

Marketing professionals can be found amongst 3 job categories, these are Manager (1,463 million), Professional (884 000), and Sales and Services (2, 667 million), which collectively account for a population of 5,014 million employed in jobs that may include marketing services personnel. This does not include unemployed marketing professionals. The labour force survey does not provide any further breakdowns that is able to provide insights into the marketing services industry or professionals.

The marketing fraternity of professionals in South Africa is somewhat fragmented with no reliable data as to its size, composition, and breakdown. Empirical research on the profession is lacking, with a limited number of self-regulating bodies representing the industry. Furthermore, many categories of marketers require little in the form of formal qualifications and accreditation. The industry is diverse with entry points into the profession coming from a variety of formal education fields such as creative arts, multimedia design, communications science, business and commerce, information technology, and engineering – to

name a few. This also leads to marketing job functions and titles that are not standardised, and in the case of Digital marketing, are still emerging.

The Marketing Association of South Africa (MASA) is a growing industry body that aims to represent the marketing industry and to accredit its professionals. Membership and accreditation is however discretionary. It therefore represents only a small but growing part of the entire industry with approximately 328 registered members of which 240 are approved with professional designations (MASA, 2020). Not all marketers choose to register with the organisation. Other optional industry self-regulatory bodies include the South African Marketing Research Association (SAMRA), Direct Marketing Association (DMA), the Mobile Marketing Association (MMA), the Internet Advertising Bureau of South Africa (IAB), and the Advertising Regulatory Board (ARB). MASA however is the only professional marketing body for Marketers in South Africa that is recognised by the South African Qualification Authority (SAQA).

Whilst statutory professional registrations is on the cards for marketing professional with an estimated completion date of 2023 (Du Plessis, MASA 2020). Due to the current optional nature of marketing body membership, the lack of accreditation requirements for marketing professionals, the flexibility and diversity of qualification and professional education requirements in the marketing fraternity, and the lack of standardisation in terms of marketing job titles and roles, specific population data supported by empirical research is presently unavailable. Although this empirical population data gap exists, from consultation conducted with MASA in an attempt to understand the marketing sector population, it is estimated that there are approximately 4500 – 5000 marketers employed in corporate companies in South Africa, with an additional 1500 – 2000 employed or working in the marketing agency, advertising, and creative design industries. This amounts to a total of between 6000 – 7000 employed and active marketers in South Africa. Separately, MASA also estimates approximately 5000 – 7000 students currently enrolled for marketing related studies at Universities and Colleges in South Africa. Whilst these estimates are anecdotal in nature, they

are informed by the only recognised professional body that exists in South Africa for marketing, they can therefore be considered as reliable.

The research population is derived from the pool of employed marketers estimated at between 6000 – 7000 professionals. Population generalisability is not an intended outcome of this research as is the case with quantitative research. The research intent is to build theory in a specific area of interest which will contribute to the marketing body of knowledge in the field of Digital Influencer Marketing. Therefore, a sample of experts drawn from this population is adequate for the intended research outcomes.

3.4.2 Sample and sampling method

Paton (2002) state that *“The logic and power of purposeful sampling lies in selecting information-rich cases for study in depth”*.

Due to the the theory building nature of this research and the need to explore a specific context where the research needs to reflect multiple viewpoints of various categories of marketers involved in Digital Influencer Marketing, a purposeful (or purposive) sampling approach was used. There are several a priori decisions that have been made in relation to this research project which has informed the research purpose and expected outcomes. Paton (2002) suggest that purposeful sampling is a key distinguishing aspect of qualitative research, and that qualitative inquiry focuses purposefully in an in-depth manner on relatively small samples, which can even be the size of 1.

Choosing a precise purposeful sampling strategy to fit a specific kind of inquiry is recommended by Paton (2002). The sample size in this research report is made up of 17 marketing practitioners from South Africa who were selected on the basis of their involvement and experience in DIM, and who are able to provide an information-rich context since the research sample is drawn from 3 categories of marketers. These categories are a) Senior DIM experts who are specialised in Influencer Marketing, b) Advertising Agency Marketers, and c) Senior Corporate marketers.

In the first category of DIM experts, a sample of 5 was drawn from leaders working in specialist Influencer marketing agencies, or with Influencer Marketing platforms (eg. Webfluentia, Humanz). This expert category are generally seen to be active in growing, educating, and evangelising the marketing fraternity on influencer marketing and represent viewpoints for leading practices in this field. Given their commercial interests in DIM, it is expected that they are strong advocates for it.

The second category sample of 7 was drawn from experienced Advertising agencies marketers who facilitate and integrate all forms of integrated marketing communications (eg. Radio, Print, TV, Digital etc) into the marketing mix. The selection criterion includes a requirement for them to have been involved in DIM campaigns over the preceding 12 months. Preference was given to participants who have done more and larger DIM campaigns recently. This cohort of participants represents a balanced view of the role that DIM does and can play in broader IMC plans, and within the marketing mix. They are also able to shed light on the perceived efficacy of DIM as a medium when compared to other IMC elements, and are able to provide insights into the views of their clients appetite, interests, reservations and challenges in using DIM.

The third and final category of participants was drawn from corporate marketers across a range of industries. This group has some responsibility for their companies brand image and reputation, marketing budgets, risk management, and advertising and marketing compliance. Participants in this category have a minimum of 5 years senior marketing experience, and have been involved in DIM campaigns over the preceding 12 months. Preference was also given to participants who have done more and larger DIM campaigns, more recently. It is expected that this cohort is able to provide insights into the strategic marketing aspects of DIM.

As generalisability is not intended, and the research context is specific, the sample size and mix is adequate for the purpose of this research. Table 3 below summarises the respondent profiles.

Table 3: Profile of Research Participants

Participant Type	No. to be sampled
Influencer Marketing Experts: Senior DIM experts who are specialised in Influencer Marketing	5
Advertising Agency Marketers: Experienced marketers who facilitate and integrate all forms of integrated marketing communications (eg. Radio, Print, TV, Digital etc)	7
Corporate Marketers: Senior marketers who have some responsibility for their companies brand image & reputation, budgets, risk management & marketing compliance.	5
TOTAL Number of respondents	17

3.5 The research instrument

Given the nature of the research, Creswell and Creswell (2018) suggest that it is advisable for the researcher as a key instrument to develop the research questions.

A total of 14 questions which can be found in **Appendix B** have been developed. These are based on the literature review covering the broad categories i.e. the role of influencer marketing in strategic marketing, integrated marketing communication, customer segmentation, brand communications and management, marketing measurement, and marketing governance. The questions have been designed in a manner that encourages open ended responses that could lead to deeper insights and themes.

3.6 Procedure for data collection

The data collection process consisted of 4 key stages i.e. Invitation Distribution, Participant Analysis and List Development, Participant Confirmation and Meeting Booking, and Interviewing.

Invitation Distribution entailed a call for interest by distributing via email participation information letter contained in **Appendix A** with details of the research This was sent to the membership managers of the Marketing Association of South Africa (MASA), and the Internet Advertising Bureau of South Africa (IABSA) to distribute to their selected members. The researcher is

members of both these organisations. The invitation was also distributed to the researchers network of marketing professionals via Email, Whatsapp, and LinkedIn. Parties interested in participating were requested to respond via email to express their interest, after which they were requested to provide some information regarding their marketing experience. This included the Company they work for, their job position, total marketing experience in years, Influencer Marketing experience in years, and Influencer campaigns they've worked on over the last 12 months.

This was followed up by the Participant Analysis and List Development stage where all parties expressing an interest were analysed against the sample categories and criterion, from which a list of 17 final participants was developed and classified. This included details related to their suitability for the research.

The selected participants were thereafter sent a confirmation and the Participant consent form in **Appendix C** for approval, and a online meeting booking request for a suitable time was negotiated with them via email or telephonically. At this stage, the interview protocol was communicated to them as well. Participants who were not selected were communicated to via email and telephonically. The researcher however engaged in personal communications with them at various points during the duration of the research, this was used to augment existing data, support researcher reflexivity, and to ensure a holistic account of the context.

The final stage of the process was to conduct the qualitative interviews which Creswell and Creswell (2018) define as *“the researcher conducts face-to-face interviews with participants, interviews participants by telephone, on the Internet... These interviews involve unstructured and generally open-ended questions that are few in number and intended to elicit views and opinions from the participants”*.

Each interview meeting lasted between 60 – 90 minutes long. A total of between 17 to 25.5 hours was required, which was spread over a 2 week period allowing enough time for extended meetings should participants choose to engage in longer discussions. This allowed time to accommodate the sharing of any

information being volunteered by participants, to conduct any follow up discussion offered by them for clarification, or to continue any discussions that may have prematurely ended for unforeseen reasons. The interview guide is contained in **Appendix B**.

The data collection process took between 4 - 6 weeks in total and covered the aforementioned 4 stages. Records were kept via a password protected excel document of participants who expressed interest, shortlisted participants, and meta-data of the interviews held i.e. time, duration etc.

3.7 Data analysis and interpretation

The interviews were recorded with the permission of interviewees and were transcribed in order to analyse the data. Thematic analysis (TA) techniques were used to identify patterns and themes in the data which were coded into categories. (Braun and Clarke, 2012) state that TA is “*a method for systematically identifying, organizing, and offering insight into patterns of meaning (themes) across a data set*”. Using this data analysis method, the researcher was able to understand the shared meanings and commonalities, and the experiences of participants. The research covered different categories of marketers involved in DIM i.e. Experts, Agencies, Corporates, who could have different experiences, understanding and outlook towards DIM. The TA method allowed for identifying patterns in the data, and for flexibility in analysing a broad range of topics, or on specific phenomenon coming out of the data. In this regard, it was well suited to the research project.

Through the use of TA, obvious, semantic and latent meanings of the data was explored (Braun and Clarke, 2012) . The DIM industry and field is still evolving, this means that the lexicon for it has not fully developed. Meanings ascribed to certain data was different for the various research participants, TA allowed for uncovering and understanding the different meanings ascribed to the data.

TA was further used for both inductive and deductive approaches to research. This research is a combination of both approaches where through a deductive

approach from literature and industry reports, a thematic map of ideas and topics (see figure 18) that relate to DIM best practices has been developed, after which the research instrument was developed in order to guide the inquiry. However, new and previously undiscovered concepts, themes and topics emerged from the inquiry during the interviews. This inductive approach ensured a holistic account of participant data. A blend of theory based (deductive) and data based (inductive) meanings is therefore applied to the research.

(Braun and Clarke, 2012) suggest a 6 step approach to TA, these are 1) **Familiarising yourself with the data**, where the researchers immerses themselves in the data through things such as detailed review, listening, and note taking in order to become intimately familiar with the data. 2) **Generating Initial Codes**, which entails descriptive or interpretative analysis of the data to create codes that adequately represent the data and its latent meanings. 3) **Searching for Themes** that capture important patterns within the data and that can represent various codes. 4) **Reviewing potential Themes** to define and quality check themes to ensure that they are reflective of the data codes and are appropriately descriptive of the specific topics and ideas they represent at a high level. 5) **Defining and Naming Themes** to ensure themes and sub-themes are distinguished, and that the themes are clearly defined and can answer the research questions. Finally, 6) **Producing the Report** which writes up the results of the data, and interprets the data into the research findings.

This research closely follows these 6 suggested steps. According to (Braun and Clarke, 2012), TA Data-Analysis may be done manually or with the aid of Computer Software to code, categorise and analyse the data once transcribed. Given the relatively small sample size (n=17), using Software was not necessary. Paton (2002) support this approach for qualitative research with a small number of participant.

3.7.1 Data Collection Process

The study collected qualitative data through semi-structured interviews using a purposive sampling method (Paton, 2002) of participants drawn from professional marketers in South Africa. A total of 17 participants were identified as described in **Table 3**, this sample was selected as a representative of experts in the DIM field from the different functions and organisation types within the advertising and marketing industry. It was developed through a process of desktop research and search of authors of news articles and blogs on DIM. Participants were found via LinkedIn search criteria for Digital Influencer Marketing professionals, and via referrals from the authors own network. An original list of participants was initially created, however, several of the participants were recommended by many others during preliminary engagements whilst formulating the list, prior to the data collection, and were included in the final sample.

Broadly speaking, the data collection process involved 3 steps over a period of 3-4 weeks, these were; 1) Invitation Distribution 2) Participant Confirmation and Meeting Booking, and 3) Conducting Interviews.

Step 1 – Initial Contact (Invitation Distribution)

The participants were initially contacted via email where their contact details were available, or via LinkedIn to gauge their interest in participating and to collect their contact details. An introductory note was sent briefly introducing the researcher, the research intent itself, and requesting participants to express their interest in participating upon which further information was sent. All 17 participants indicated interest either via email or LinkedIn message, and requested more information.

Upon receipt of participants expression of interest, **Appendix A** containing the information sheet was distributed to them, together with the consent form contained in **Appendix C**, and a list of possible interview dates and times from which they could select a suitable one.

Step 2 – Participant Confirmation and Meeting Booking

Most participants responded with their preferred date and time, and provided their signed consent forms within a few days. Follow up reminder emails were sent to those who hadn't responded, after which their responses were received with confirmed meeting preferences and their consent forms. Given the COVID pandemic and Work from Home (WFH) environment, all participants were comfortable and au-fair with online meetings using MS Teams. An online meeting reminder together with the Interview guide in **Appendix B** was distributed to participants, all of whom accepted the meeting request. The interviews were scheduled for between 60-90 minutes each over a period of 9 days with 2 interviews conducted per day. With the exception of 1 participant who rescheduled to a later date within the 9 day period, all the interviews happened on schedule with no deviations from the initially proposed dates and times.

Step 3 – Conducting and Recording the Interviews

The interview protocol followed a semi-structured approach, with all participants initially being briefed on the various interview categories and questions. The fact that the questions were not prescriptive was communicated at the onset of all interviews, and also that they were expected to be referred to as guidelines for the discussion which would be more natural and interactive. It was explained to participants that they could feel free to discuss any DIM area in any order, and to introduce any new insights at any point in the discussion. These questions were also projected in a document via MS teams projection mode throughout the interviews for ease of reference, and to bolster interviewee comfort levels. Participants responded positively to the approach, and openly discussed their points of views, and were receptive to follow-up and clarifying questions in all categories.

3.7.1 Data Analysis Process

At the onset of the interviews, participants were asked to provide information on their years of marketing experience, and their DIM marketing experience. All participants were randomised and given a participant number ranging from 1 – 17. Many participants upon reflection pointed out that DIM is a nascent field of

marketing, as a result, it was not considered to be DIM when they started doing it as part of complementing their other marketing activities. In total, the participants had 184 years of marketing experience, of which they have been doing DIM cumulatively for 97 of them (52%). Agency participants led the way with most experience (37 years), followed by Specialist (31 years), and Corporate trailing with the least experience (29 years).

On average, participants had 10,8 years marketing experience, and 5,7 years DIM experience. There were some who had up to 10 years DIM experience, making them the early adopters as practitioners, with a few relative newcomers having between 2-5 years experience in DIM. This is summarised in **Figure 20**;

Participant	Category	Marketing Experience (Years)	DIM Experience (Years)	Words	Duration (Minutes)
1	Agency	23	10	13400	84
2	Agency	11	4	11900	86
3	Agency	6	3	10100	60
4	Agency	8	6	12300	85
5	Agency	10	8	11600	72
6	Agency	6	6	13200	87
7	Specialist	15	6	9900	73
8	Specialist	10	5	8200	50
9	Specialist	8	8	12600	78
10	Specialist	12	2	13600	78
11	Specialist	20	10	12700	84
12	Corporate	9	6	11500	74
13	Corporate	6	4	12400	68
14	Corporate	9	7	10700	68
15	Corporate	11	6	11400	64
16	Corporate	12	2	7900	45
17	Corporate	8	4	11200	57
		184	97	194600	1213
		Total Experience	DIM Experience		

Figure 20: High Level Participant and Interview Data

Data Recording and Transcription

A total of approximately 20 hours (1213 minutes) of interview time was held, and recorded, with the average interview lasting 71,35 minutes. The longest interview lasted 86 minutes, whilst the shortest lasted 45 minutes.

The interview recordings were then manually transcribed resulting in approximately 195 000 words of text data emanating from the research. On average, each interview generated 11 500 words, with the highest being 13600

words, and the lowest being 7200 words. This points to the richness and interactivity of the discussions held, with the amount of data and duration of time spent on individual interviews reflected as shown in **Figure 20** above as well.

Data Analysis

To analyse this data, some textual data analysis software was used for the project, mainly to understand key themes, this approach however provided very little insights. Given that the interviews were highly conversational and interactive, the transcribed data between the interviewer and interviewee was context specific and required interpretation. Below **Figure 21** provides an example of the data, as well as raw and specified word clouds without many conversational words.

Number of characters (including spaces):	1089134
Number of characters (without spaces):	844796
Number of words:	198812
Number of sentences:	11248
Number of syllables:	289428
Some top phrases containing 6 words (without punctuation marks)	
at the end of the day	42
strategic role of digital influencer marketing	14
the strategic role of digital influencer	14
the most important factors to consider	13
level of creative freedom and control	13
do you know what i mean	12
the most value from using influencers	12
because at the end of the	10
role of digital influencer marketing in	10
what are the most important factors	10
move on to the next category	10
is the strategic role of digital	9

Figure 21: Data Analysis Examples



As envisaged, there were no discrete themes or categories from the textual transcribed data (other than what was specified by the researcher) even when coded against phrases such as “Influencer Growth” or “Influencer Risks” because these meant different things to the different respondents. Some respondents for example interpreted Influencer Growth from the perspective of the Influencers themselves, whereas others did so from a business point of view, and yet others did so from a marketing or industry perspective.

The manual data analysis approach however proved to be more effective. This followed the 6 step approach suggested by Braun and Clarke (2012).

This was done by consulting the source data and listening to original recordings and reading the transcripts in order to develop the results of this report. This was based on the 5 themes of the research instrument (**Appendix B**). A manual approach was possible given the relatively small sample size (i.e. n=17) as proposed by Paton, M (2002).

Step 1 - Familiarising yourself with the data

The entire set of recordings were listened to again in random order by the researcher, covering all 17. Notes captured during the interviews were also referred to in conjunction with the recordings.

Step 2 - Generating Initial Codes

This entailed analysing and interpreting the data and its latent meanings, developing descriptive codes for sets of the data, and documenting “thick descriptions” for each. These make up the final report.

Step 3 - Searching for Themes

After the key ideas and insights generated were adequately coded, it was found that they were adequately described by the 5 core research themes within this research conceptual framework (i.e. DIM Growth, Performance and Payment, Policies and Guidelines, Capabilities and Enablers, and Risk and Compliance).

As all the data was well represented within the existing themes, there was no need to generate additional themes.

Step 4 - Reviewing potential Themes

In order to quality check themes to ensure that they are reflective of the data codes and are appropriately descriptive of the specific topics and ideas they represent at a high level, segments of the various interviews were listened to simultaneously in relation to the themes, which followed a specific order in the interview recordings. This process of re-listening to the interviews took between 3 to 6 times the actual length of the recording itself due to the need to interpret and cross reference all the related theme data from various participants to identify whether any descriptive gaps existed between the data and the identified themes. The outcome of this step indicated that the data found clear resonance with the themes.

Step 5 - Defining and Naming Themes

As the themes and sub-themes were already named, these were already distinguishable, and associated with the research questions for which intended answers were sought.

Throughout the aforementioned process in Step 5, specific topics generated by the data were validated against the theme, and a sub-theme within it. This allowed the researcher to surface categories within the themes, and to saturate those categories by cross referencing data from all participants against them, and thereafter ensuring the sub-themes accommodated them. Insights, ideas and comments that were generated were synthesised and documented against the DIM theme and sub-theme, and associated with the research questions it aimed to answer. The themes, sub-themes, and questions from the research conceptual framework and instrument were once again found to be representative of the data – as well appropriate to answer the related questions. This was validated since there was no identifiable data generated that was unable to be associated within the originally intended theme or sub-theme.

Finally, to negate the risk of overfitting the data into the conceptual framework, once the initial results were documented descriptively, key aspects of the different interview recordings that related to certain insights were revisited to ensure adequate and appropriate representation in the data. Data saturation was achieved in this manner. Also it supported the researcher to ensure congruency and accuracy was maintained in interpreting the data, and that all participant data was appropriately represented throughout the report.

3.8 Summary of the Data Analysis Process

The textual data analysis process indicated that there were no additional categories emanating from the research other than what was specified in the conceptual framework. Given the multiple meanings and emergent nature of the DIM field as was expected, the qualitative research approach, and data collection via semi-structured questionnaire was validated. Also, the research questionnaire as a suitable instrument with its core categories to describe and investigate the DIM field was found to be appropriate.

Step 6 in the process entails **Producing the Report**, this will follow in Chapter 4.

3.9 Limitations of the study

The study participants are marketing practitioners, therefore, the research and management best practice outcomes for DIM is specifically reported on from this perspective. It does not include best practices from the perspectives of influencers themselves.

3.10 Transferability and Dependability

In Qualitative research, particularly Social research, transferability, dependability, credibility and confirmability, are analogous to external validity, reliability, internal validity, and objectivity respectively. Collectively, these address trustworthiness (Paton, 2002). The intent of

this research is not directed towards empirical generalisability, instead, the constructivist research paradigm being used is intended to uncover and understand the subjective experiences of participants involved in Digital Influencer marketing in a natural manner, rather than to explain causal relationships that may exist.

Morse (2015) point out that these 4 qualities of research are important aspects of achieving rigour.

3.10.1 *Transferability*

The research contains “thick descriptions” that will be contextually rich and relevant to researchers and marketing practitioners interested or involved in digital influencer marketing. Although the study is conducted in South Africa, the research is located in the marketing body of knowledge and intended for marketing management contexts, aspects of it may therefore be transferable to other similar marketing contexts in other locations.

3.10.2 *Dependability*

The research process entails rigour and is auditable. Invitation, Participant, Interviewee and other lists are maintained. Interview, transcribed and interpreted data is available in their original forms, together with derived information, and personal communication data so that the research report findings and results can be easily traced.

3.10.3 *Credibility*

The researcher in a professionally capacity is an experienced marketer with a Chartered Marketer SA (CMSA) designation, who is working in a senior digital marketing role. The researcher has been involved in Digital influencer marketing work, and has considerable Digital experience gained over 2 decades. This prolonged experience and involvement in the marketing and digital industry and domains ensures a high level of

credibility in the interpretation of the data. Member checking was done through personal communications with participants not part of the research interviewees but who have indicated an interest in contributing. Peer-debriefing also occurred through engagements with academics, professionals and colleagues in the researchers personal and professional networks. Collectively, these measures support an overall high level of credibility in the research outcomes.

3.10.4 Confirmability

Confirmability can be attained through the implementation of credibility and dependability measures (Morse, 2015).

3.11 Demographic profile of respondents

Demographic information was not needed for the purpose of this study as it has no relevance to any of the propositions that are being explored. This information was therefore not requested from any of the participants.

3.12 Ethical considerations

This research represents minimal risk to the research participants with the only foreseeable risk was that they were inconvenienced due to the time required for the interviews. Questions that were posed are based around their lived work experiences, work activities, and the professional opinions of the interviewees. There are no sensitive topics or questions involved in the research.

The research furthermore did not collect biographical or demographic information from the participants as it is not required for the purposes of the study. There are also no vulnerable categories, contexts, groups or topics involved.

In terms of confidentiality, no individual responses were disclosed to participants, nor were they identifiable to anyone other than the researcher. Responses are also not attributable to individual participants in the final report. Pseudonyms such

as “Participant 1, 2,3” or similar are used where necessary. Also, it is not the intention of the research to collect any restricted or confidential information, if shared by participants however, these were not disclosed in this final report.

This type of research and its qualitative approach necessitated the identity of participants to be known to the researcher, and hence, identifiable in the raw data as this made up an important component of the analysis. Anonymity is however protected as identities are not disclosed in this final report, nor are the respondents organisation. Care was taken to ensure that inferences as to participants identity cannot be made.

Working data such as interview notes, excel lists and transcribed raw data are password protected at the document level. These and Interview recordings will remain on a secure password protected PC and will all be destroyed after 1 year.

Since there are no sensitive topics or vulnerable contexts contained in the research, the measures of collecting only the data absolutely necessary, protecting participant confidentiality and anonymity, and ensuring data is adequately stored and disposed of ensures strong ethical standards throughout the research project.

CHAPTER 4. DISCUSSION OF THE FINDINGS

4.1 Introduction

Digital Influencer Marketing is approached by marketers as a specialised field of marketing, it is seen by many experts in the industry as a disruption to the existing value chain of marketing and advertising (Participants 2,5,6,7,10,11,17). Current marketing specialisations deal with niche functions in areas such as marketing research and insights, creative design and content, media and advertising, digital marketing, and public relations. A major differentiator that emerges from this research is that Influencer marketing can more effectively combine these various marketing areas to design and deliver marketing communications in an efficient manner by integrating the various marketing functions.

Research participants believe that given the growth of Digital channels, Influencer Marketing will replace the standard advertising value chains, particularly because DIM can improve consumer insights, message distribution, and content relevance to target audiences in a quicker and more responsive manner than the “silo’ed” approach using traditional advertising method (Participants 2, 6, 10). DIM is also more trackable than other channels with digital performance and engagement data being available in real-time. This together with the ability to execute quickly based on consumer insights, to be flexible in working with influencers, to work in a more agile manner, and to test and learn are seen as important differentiators of DIM as well. Importantly, the growth of DIM has implications for a re-organisation of the marketing process. This entails designing and focusing advertising and communications initiatives around customer niches and communities, rather than marketing disciplines.

An expert research participant suggested that societies are formed around communities (Participant 11), and that in communities, there are hierarchies. Within them, there are different types of participation from members, involving people with varying degrees of influence. Brands it is believed, cannot be a member of the community, they can however participate in activities through

influential members of the community introducing them to the community. Online communities are microcosms of real world communities, and for brands to participate in them, they require Influencers to advocate them. The influencers “serve as the mediators of brand messaging and content into these communities of interest” (Participant 1).

The aspects of cross functional integration, online brand communities, and value chain disruption is probed and discussed within this research, it also serves to inform the DIM management best practices.

Due to the pervasive nature of Social media and Digital channels, all Influencers, even those with predominantly offline activities such as sports, participate in the online ecosystem. This makes them Digital Influencers as well, therefore, the terms Influencer marketing and Digital Influencer marketing can be used interchangeably. This is supported by the research, with all participants stating that social media activity is implied and expected in all forms of influencer marketing campaigns. In terms of defining influencers, these could range from prominent people like famous celebrities, TV actors, and Radio DJ’s, to leaders within small communities, musicians, and topic experts as explained by research participants. The consensus from participants within the research on defining influencers can be summarised as follows;

An “Influencer” is anyone that has influence over consumer perceptions and attitudes towards brands, its meanings, and its products, services. Through aspects such as their expertise, fame, societal status, tastes, or personality, they have influence over consumers lifestyles, behaviours, values, and their choices. They play a role in shaping peoples goals and aspirations through the content they create and share, most notably, on Social Media platforms.

Through their content, Influencers influence what people consume, how they live, what they think about the world around them, and their goals and ambitions. Informed by the research, the below **Figure 22** summarises the various types of impact that Influencer can have on consumers;

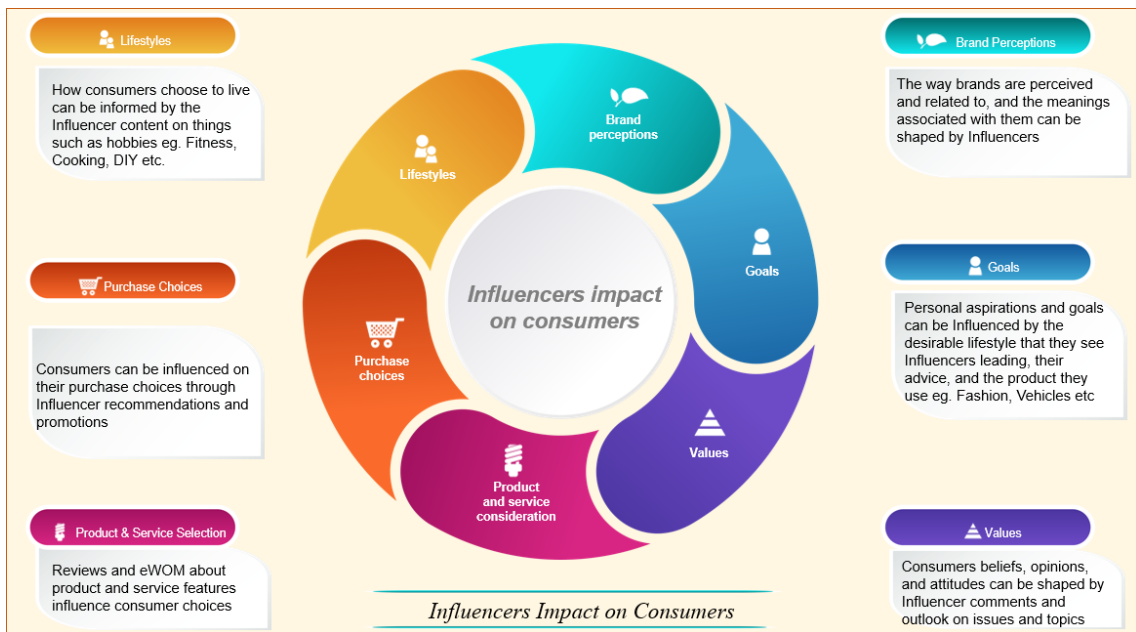


Figure 22: Influencers Impact on Consumers (Source: Authors own)

The research has indicated a level of fragmentation within the DIM industry, with competing interpretations, fragmentation in standards between providers, and a lack of consistency in how DIM is conducted. There was broad consensus amongst the expert research participants that common best practices in this field with assist marketers to improve the efficacy of their marketing strategies, and to realise better returns on their marketing investments through more effective influencer marketing strategies.

This clearly points to a need within the marketing industry participants to better define best practices for Digital Influencer Marketing.

4.2 Discussion pertaining to Influencer Marketing Growth and Development

Industry reports show over 80% Compound Annual Growth Rate (CAGR) annually (Humanz, 2020) for DIM with the key driver of growth being the ability of marketers to reach and engage more authentically with audiences. Influencers help marketers to break through the increasing clutter of online advertising, which has recently seen huge growth due to the COVID pandemic. This has resulted in

more traditional forms of media such as outdoor advertising, in-store advertising and merchandising, and events being relegated. Due to their low efficacy, they are being replaced with digital marketing and online advertising formats. The ability for advertisers to realise, or understand how to achieve return on marketing investment (ROMI) from DIM, is seen to be one of the main restrainers of growth (Participant 6, 10). This together with lack of knowledge and the resource intensity to develop, execute and manage influencer marketing campaigns are stated as barriers by almost all research participants. Many companies are however trialling DIM in a low-risk manner, with those who are seeing successes and ROI scaling up their investments in this area significantly. They are doing so by working with specialist Influencer Agencies, PR companies, and Media Agencies to execute DIM campaigns.

Specialist Influencer Marketing agencies who participated in the research (Participants 10 and 11) are seeing YOY revenue increases and volume of campaigns doubling and in some cases more over the preceding 3-5 year period. An influencer marketing expert from a leading global advertising agency network (Participant 2) says that every client brief they receive now includes a requirement for Influencer marketing, with some clients insisting that their marketing campaigns are influencer led. This of course displaces the budget for more traditional “above the line” (ATL) type marketing activities. They are also seeing what they term “signals of growth” that point to future growth, some of which include receiving more incoming requests from prospective clients than they are searching for. They note the inclusion of Influencer marketing on media schedules, as well as the increased support from Social platforms to whitelist Influencers in order to amplify their content. There is also a high number of new Digital Influencers coming into the industry as Influencer marketing is becoming a career path for many who deem it their job. In many cases, it may be in addition to another career, and for some it could be their exclusive job and main source of income (Participant 1).

Participant 4, a leader in “passion based” marketing eg. sports, highlighted the shifting media landscape as a result of COVID 19, stating that they have seen a

direct uptake of the use of DIM in marketing activities since the onset of the pandemic. This is particularly for younger target audiences who don't necessarily want to talk to brands as they prefer to engage with influencers who are more relateable. Accordingly, Influencers who mirror consumers perception of themselves in these target audiences are effective at getting and maintaining their attention. This is a consistent theme throughout the research.

4.2.1 *The Role of DIM in IMC Strategies*

As an IMC tool, DIM supports a range of marketing activities and functions, from Public Relations, Brand Marketing, Media Management, to Digital and Social Media Marketing, to Event Marketing and Corporate Social responsibility initiatives – to name a few. It can also be used to drive product trial, online registration and purchase, and education. Interestingly, there appears to be a shift away from a channel driven approach to marketing eg. TV, Outdoor, Digital, Radio etc, towards a “channel agnostic” approach that is driven by content. Digital and Social Media has accelerated the fragmentation of audiences, bringing about niche online communities, access to which is supported by DIM. It was mentioned in some manner by all research participants, that through DIM, marketers can reach previously inaccessible audiences. They can do this more meaningfully, and in an authentic manner based on the trust relationship between the influencer and the community.

Public Relations and Digital Influencer Marketing

In PR, DIM supports existing communication strategies by giving marketers the ability to amplify awareness on Social channels, it is seen as a complementary tool to other media and advertising initiatives (Participant 16). It also enables marketers to deliver messages with more depth than would have otherwise been possible with more traditional type media. Product reviews and customer testimonials are good example of this. PR practitioners tend to work through media journalists to deliver their communication, they normally need to adhere to restrictive guidelines and story scripts which makes it difficult to communicate the messages they would like to, losing much value as a result. They therefore find

that the ability for them to use influencers to disseminate their messages directly and in a more targeted manner to customers via DIM is extremely valuable. According to all PR practitioners who participated in the research, this level of access to consumers was previously not possible for them.

Customers reached via DIM are also seen as more receptive and engaged as they have opted in to receive communications from an influencer who they deem credible and / or trustworthy. Another value driver to using DIM for the Public relations fraternity is having more scope and control of the communication messages itself. When working with media journalists, they are unable to overtly “push” brands or products, and to communicate in meaningful detail about the benefits of a product, service or event (Participant 3).

The use of DIM in PR is expected to grow with increasingly creative and novel ways to use influencers being applied (Participant 1). Marketers are taking a more focused approach moving away from the “A-Listers” with large audiences, into more niche audience type influencers who represent smaller more focused online communities (Participant 9). Given the COVID pandemic with people falling on tough economic times, becoming an influencer is seen as a way to make some income. Cases cited are a fashion retailer (Zara) allowing influencers to earn revenue through promotional codes, or influencers in very niche areas such as house cleaning being relatively successful.

From a skills perspective, Participant 1 pointed out that PR practitioners are looking to differentiate themselves in the way in which they do influencer management and marketing. Influencer tracking, measurement and analytics are cited as critical success factor. This allows them to develop and communicate value added insights to organisations. These are used to improve their advertising and marketing on an ongoing basis. Developing the skills to be able to do this well, with cost effective tools that cover Social, Digital, PR and DIM specifically, is seen to be a key development opportunity. This results from current PR tools monitoring mainly online, print and broadcast media and not being effective at tracking Digital channels. These include Social Media tools such as listening, reporting, community management, and analytics.

Aside from tools, the ability develop and maintain relationships with influencers is touted as one of the unique selling propositions (USP's) for PR practitioners. Capabilities and skills in this regard need to be developed in order to maximise the results they can achieve from the influencer ecosystem. This is achieved through personalised interaction and relationship building with brands.

All the PR research participants firmly believe that DIM should be PR-led and aligned to PR processes citing the parallels between them in terms of their objectives i.e. Generating Talkability, Newsworthiness, Improving Sentiment, and Increasing Share of Voice.

Brand Marketing and Digital Influencer Marketing

In Brand Marketing, many participants saw the role of Influencers in their marketing mix as an effective channel to help them “build meaning” around their brands (Participant 5, 14,15). Using DIM certainly offers brand marketers the campaign reach and awareness, however, the research found that their focus is equally on the brand fit, the association, and the endorsement value that they derive from influencers. This is akin to Kotler et al (2017), Brand Advocacy Ratio i.e. BAR metrics as discussed in Chapter 2, Figure 15.

Whilst recognising the need for long term relationships, brand marketers are acutely aware of the brand risks involved in working with influencers. They therefore opt to work with Influencers on a campaign by campaign basis developing the relationship over time, as opposed to upfront Brand Ambassadorship type models.

Participant 3 cited a case study in which DIM was used to “resuscitate” the brand. The brand was not top of mind and its relateability to customers was eroding. The DIM campaign showcased the brands creativity and positively shifted customer perceptions in the respective target markets, leading to an improvement in brand sentiment therein.

With its ability to offer highly targeted and contextually relevant online reach, DIM is expected to grow in terms of the brand awareness type value that can be

achieved through its use as a channel for wide audience reach. This was likened to TV advertising by some participants. A participant who manages several FMCG brands (Participant 12) says that they are seeing “Influencer marketing experiencing explosive growth” in this context. There are also “bespoke” DIM opportunities with individuals that have a brand fit. This would involve a closer brand “tie-in”, and would contribute more meaningfully to building brand meaning. Influencers with high levels of “Social Currency” through wide social acceptance and relevance, and low levels of controversy are ideally suited to represent brand marketing activity. They are able to help brands to not just drive up share of voice, but to shape narratives, and shift sentiment positively. Accordingly, DIM is expected to grow within the IMC mix in both these directions i.e. Broad Reach type advertising for share of voice, and Niche or bespoke type tactics for engagement and sentiment. Unlike advertising, with DIM, the content is always available and accessible on Social media, therefore, there is long term value of the content and its impact. The potential reach upside of brand content through sharing is another important value driver of DIM for Brand marketers, this allows creative content to reach far beyond initial paid audiences.

Advertising Media and Digital Influencer Marketing

Digital Influencer marketing is fast making its way into advertising schedules, becoming a stable feature in media channel selection. As one participant put it (Participant 16), it is “*another bullet in the chamber*” for marketers to be able to reach consumers. Influencer marketing should also be seen as complementary channel to other forms of marketing as it can be used effectively to support all types marketing activities.

A key benefit of DIM to marketers as an advertising channel, is that it can reach previously inaccessible niche audiences. Typically, this is done through multiple smaller (eg. Nano) type influencers. Media practitioners are also able to profile and target audiences with previously unavailable precision, this takes market segmentation to a new level.

Using Influencers as purely an Advertising mechanism does however have its drawbacks. It impacts the perceived Authenticity of an influencers message, especially as it is necessary for them to disclose paid sponsorships. Participants in this area argued that pure brand advertising on paid for media is very low on the authenticity spectrum, whereas real customer testimonials will be very high on authenticity. Using Influencer marketing as an Advertising channel would definitely score higher for authenticity than brand message advertising would. As a result, they generally receive at least 4x the engagement rates (Participant 9). Of interest is the fact that almost half of all internet users globally use ad-blockers of some sort, this necessitates digital advertising to become more creative in order to break through the clutter. DIM is seen as one way in which this can be possible. **Figure 23** below shows the insights developed from the research around the relationship between Authenticity and Engagement, with the research participants concurring that high reach with quality engagement and authenticity should be the aim of DIM campaigns;

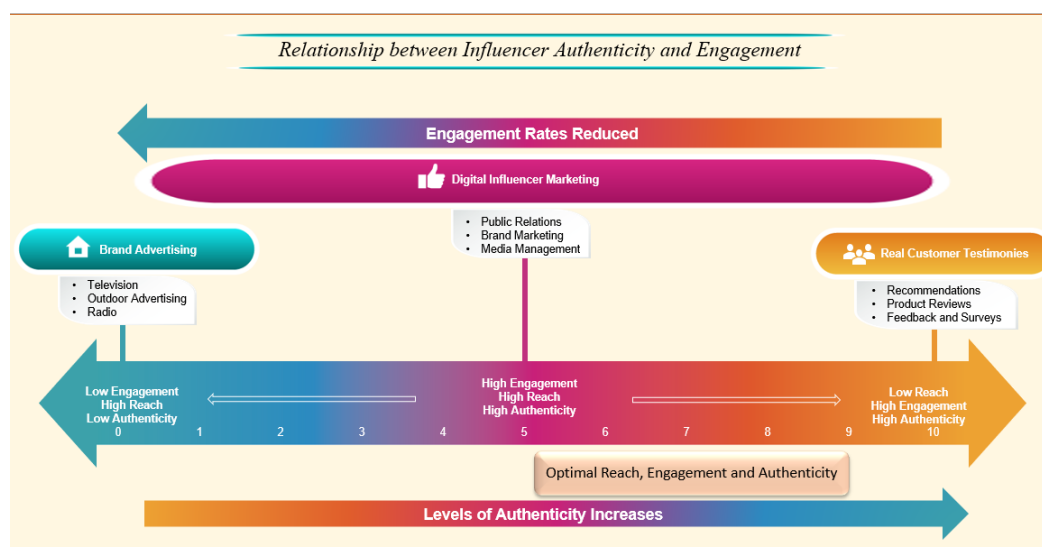


Figure 23: Relationship between Influencer Authenticity and Engagement (Source: Authors own)

Platforms such as Facebook allowed relatively recently (Early 2020), the whitelisting of influencers, and the ability to buy additional reach for their sponsored content. This means that brands are able to use influencers, and then

amplify or “boost” this content via paid for digital media advertising, essentially giving them the best of both worlds.

Events and Digital Influencer Marketing

The research identified a consistently strong use for Influencers with them participating in various stages of marketing events. This can include promoting the event in the run-up by supporting the brand to build hype, participating in the events themselves by being featured, or by simply attending. They can also add value by “reporting” on an event by sharing general content on Social media whilst the event is happening, or producing expert type content during and after an event. Different types of influencers are effective for different strategies, for example, Celebrity influencers famous for their music or sport involvement can be featured in an event such as a concert or sports match. Specialised influencers who have expertise in a specific area such as fashion or motoring are effective at producing content for a product launch type event eg. Clothing line or Vehicle. Lifestyle type influencers are useful in “reporting” on events either live through Social media streaming, or via post event content sharing.

Marketers “Experiential” knowledge, their understanding of the social landscape, and their immersion into the Brand cultures and sub-cultures is an often overlooked but crucial component in DIM (Participant 14). These marketers are able to unlock value by identifying the right influencers to attend events, who may then bring several high profile friends with them that add exponential value to the brand. They are able to easily recruit influencers through their network and relationships, and are able to negotiate deliverables and create added value effectively. This human centred relational approach to finding, selecting, contracting, negotiating, and management approach to DIM is agile in nature, and a far cry from the highly functional, process, and technology orientated alternatives. It appears to be more suited to event and sponsorship related DIM activities.

The value to consumers is also an important factor to consider at marketing events, through them, brands can offer customers the ability to meet and interact

with celebrities. In the past, Brands would pay appearance fees to Celebrities, more recently however, this is packaged to be included as part of DIM components.

Digital Influencer Marketing adds value to all marketing functions, **Figure 24** below summarises the different DIM value drivers that originated from the research;

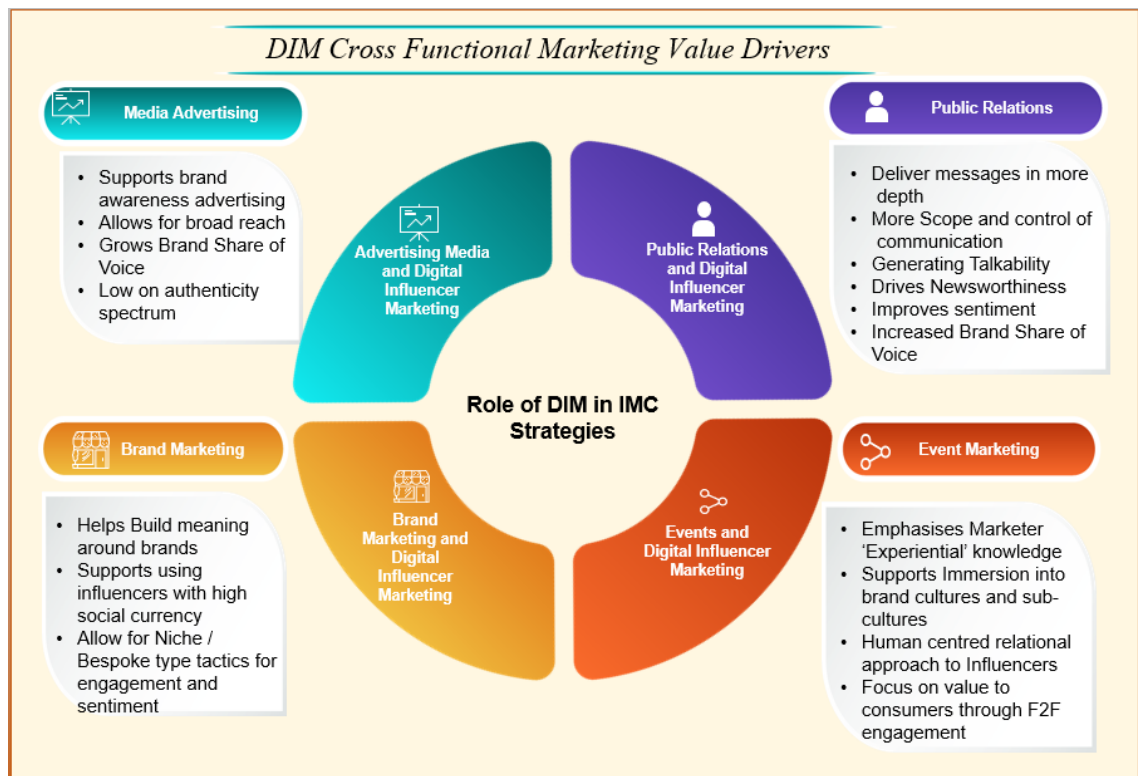


Figure 24: DIM Cross Functional Marketing Value Drivers (Source: Authors own)

4.2.2 Influencer Marketing Maturity and Value

According to customer trends, activity, interaction and spend in DIM, the research found that there are 3 distinct stages of DIM Maturity that has been observed, which brands and their marketing organisations go through.

The initial stage is where they realise benefits from the “**Media Value of Influencers**”. This typically focuses on generating and maximising awareness

for the brands, its products and services, and its marketing initiatives. Extracting media value from DIM entails using Influencers to generate reach, drive content views and impressions, increase online and offline brand engagement, improve online followers and community sizes, and in some cases, support improvement in sales and purchase behaviours (Participant 3).

The second stage of DIM is the “**Brand Endorsement and Content Creator**”. This stage moves away from brands mainly deriving media value from DIM, to brands leveraging influencers trust within their fans or follower community. In this stage, through closer partnerships, influencers authentically endorse brands. They create relevant, entertaining, and / or educational content that is meaningful to their community, and that has high value for the brands they represent. The benefits of this for brands are that through their association with influencers, they become more trusted, and their content is seen to be less interruptive than advertising messages. It therefore has a higher likelihood of engagement. The “long tail” of the brand sponsored content also has value beyond the short term campaign objectives, this drives long term value (Participant 8).

The third and final stage of DIM growth is “**Collaboration and Integration**”. In this stage, influencers are seen by marketers as part of the “*Brands marketing team in the field*” (Participant 13). They are loyal to the brand and share its values, and can serve as their “antennae” – or eyes and ears on the ground. Due to their closeness with niche customer audiences, Influencers can become strategic decision making partners to the brands, helping them understand what is relevant to their target audiences. They can also support them to design marketing communications and content that will resonate with consumers. Influencers can also serve as “First Customers”, able to trial company products and services in order to give brands important suggestions and feedback on improvements. Finally, due to being more in touch with their communities, Influencers can provide brands with real-time research and insights on customer trends, topics, preferences, affiliations, beliefs etc. Through this, marketers are able to tailor advertising messages and communications strategies that find more resonance with customers. An important and less recognised value stream from this level of

DIM maturity for marketers is that through having influencers as a brand extension, the cost of having to employ knowledgeable staff in the different areas within this field is reduced. **Figure 25** below depicts the various maturity stages identified through the research, and the associated influencer activity authenticity curve;

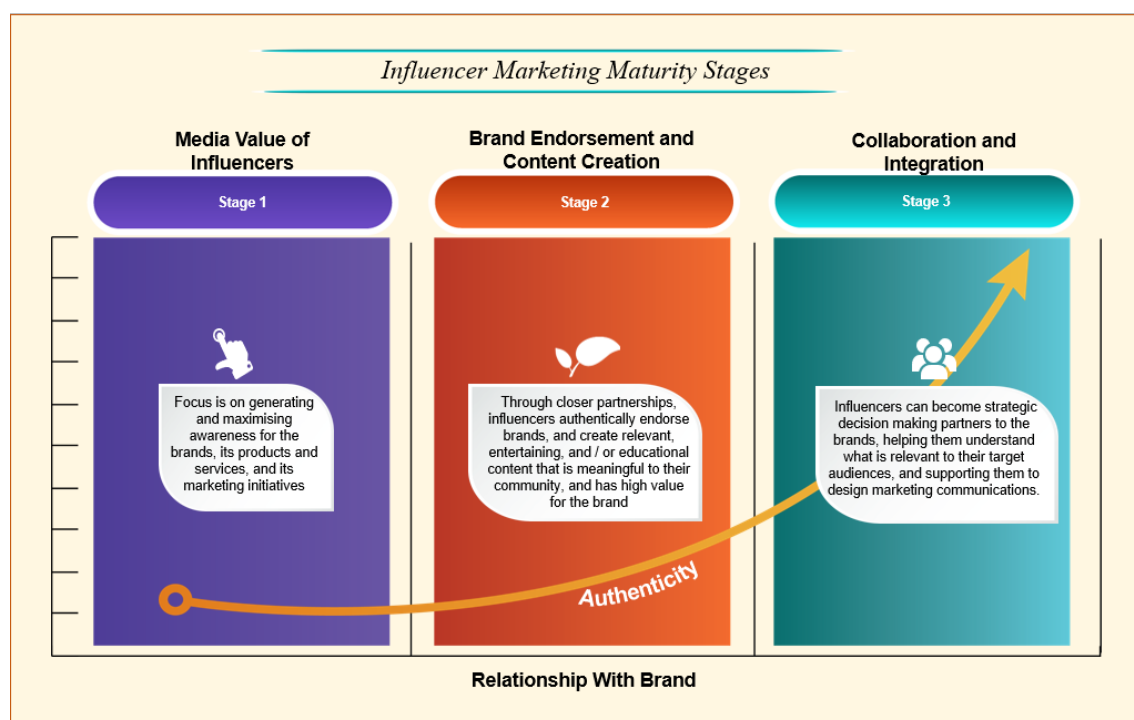


Figure 25: Influencer Marketing Maturity Stages (Source: Authors own)

The research suggests that DIM maturity is not happening evenly globally or even amongst organisations in similar industries and sectors. It is worthwhile noting that an organisations “orientation” (eg. Product, Customer, Brand etc) plays a big role in their level and pace of maturity (Participant 10). Anecdotally, several participants believe that organisations that are more customer orientated tend to have higher levels of DIM maturity, with customer experience being identified as an accelator of maturity. Furthermore, “Pureplay” digital market entrants are seen as more mature early adopters of DIM (Participant 8,10,15).

4.2.3 Digital Influencer Marketings Skills

In terms of DIM expertise that is required to sustain growth and realise value in this field, the research points out that a broad range of marketing skills are needed. These are marketing knowledge, business skills, social media expertise, and creativity and content. Marketers require strong knowledge in market research and insights, digital media data, and marketing science - with a firm understanding of digital customer engagement and path to purchase. Expertise in Social Media policies, best practices, trends and norms is critical. Specific knowledge of the different platforms (eg. Instagram, YouTube, Twitter etc) and a deep understanding of the cultural influences related to the different digital channels and their audiences is necessary. The main business skills that have been highlighted is negotiation, project management, and relationship managements skills. These are deemed as indispensable when it comes to dealing with influencers commercially, gaining and sustaining their interest in a brand, convincing them to participate in campaigns, activities, and events, and managing the quality of their content, and the scheduling and publishing of their output on the various digital channels (Participants 7,11,12, 17). Creativity and content development has been universally emphasised throughout the research by all participants, making it central to successful influencer marketing as one of its main differentiators.

With the exception of specialist Influencer marketing agencies, by and large, seperate DIM skills and capabilities do not exist within organisations or their agencies. It is generally expected that other departments integrate it into their work, without much in the form of formal training or upskilling being planned in this field by any of the participants. This is despite its envisaged growth in scope and scale by all participants. Participant 13, a senior marketing strategist for a global FMCG brand that has hundreds of brands with thousands of products, said that DIM is being included in every single media schedule since the COVID pandemic. This is due to its ability to drive the same kind of broad reach and awareness as TV and Outdoor media, with the added benefit of being able to use

it for consideration, as well as purchase intent. Despite this, there are no plans to build these skills.

4.2.1 Section Conclusion

To conclude this section on “Influencer Marketing Growth and Development”, it is important to review the hypothesis for this research report. This states that;

Influencer Marketing will grow in importance within the IMC framework becoming more prevalent in the marketing mix, marketers therefore intend to develop specialised expertise in this emerging marketing field in the near future.

The research found that DIM is growing in importance within IMC due to its ability to generate multiple streams of value. It was also found that DIM touches on all marketing functions, and that it is increasingly being used in novel standalone and integrated ways in the marketing mix. Marketers however have no plans or intentions to develop specialised expertise in this field in the near future. In general, the research pointed out that they expect that DIM will be conducted within the various existing marketing functions. It will be located mostly within PR and Brand Management for the foreseeable future, with the necessary upskilling taking place organically. They are however aware of the need for better integration and co-ordination amongst the various marketing functions in order to sustain the increased use of DIM, and to maximise its effectiveness.

4.3 Discussion pertaining to Influencer Marketing Performance and Payment

Given the range of research participants from different marketing disciplines and industries, the participants represented a broad view from across the DIM value chain. There was understandably different and divergent views on influencer marketing performance measurement practices, marketing objectives, and value

drivers for which DIM is being applied. There was also a variety of payment models in use.

All participants responded to this category by specifying that the use, tracking, measurement and payment for DIM would depend on, and be linked to, the business and marketing objectives specific to the campaign. Broadly speaking, although not clearly delineated with overlaps amongst them, 3 distinct schools of thought emerge i.e. 1) DIM as a Media Channel, 2) DIM as part of a Communications Strategy, 3) DIM for Brand Building.

4.3.1 *DIM Value as a Media Channel*

In terms of DIM as a Media Channel, this perspective generally sees influencers as an additional digital channel on which to amplify their advertising messages. As covered in earlier discussions in Chapter 2, media metrics are highly quantitative with established online media performance measurement framework covering reach, frequency and penetration being applied. These include digital funnel metrics such as Cost per Mili (CPM), Cost Per View (CPV), Cost Per Click (CPC), Click Through Rate (CTR), Engagement Rate (ER), Cost Per Acquisition (CPA) etc which collectively measure the efficacy of the channel. Practices include providing influencers with trackable links or pixels to embed into their content, allowing click through and conversion measurement and tracking. As DIM in this instance can easily be compared to other online and traditional media channels. The media cost of the channel is one of the key deciding factors in using DIM, with value deriving from a lower cost to reach, and higher engagement on advertising. In certain instances, particularly for E-commerce type campaigns, increase in online customer acquisition or sales can be an important measure. This aligned to Kotler et al's (2017) "Purchase Action Ratio" marketing measures discussed earlier in this report.

Payment for influencers in this instance is exclusively monetary and tends to be weighed-up in lock-step with other "paid media" channel choices. Marketing practitioners select this channel based on media efficiency performance using indicators such Influencers audience size, target audience, and engagement rate

– typically on the basis of large follower and community sizes (eg. Mega Influencers). These indicators fit comfortably with media objectives of reach, frequency, and penetration and make comparative ROI analysis relatively seamless. Similar to other media platforms, pre-approved content is generally provided to the influencer who in turn publishes (eg. Shares, Posts etc) according to an agreed upon schedule.

4.3.2 DIM Value in the Communications Strategy

DIM as part of a communication strategy does have parallels with the media channel approach, what is unique in this approach is that there is more emphasis placed on “earned media” and organic reach (non-paid) aspects of marketing communication. Although all brand communications should be relevant to audiences, this approach advocates for a focus on authentic and relateable content, produced in partnerships between brands, influencers, and their agencies. This approach is done to find resonance and achieve higher than average reach and engagement for the brand. Advertising Value Equivalent (AVE) metrics are specific PR related measures which are applied to DIM, where the value of an influencers organic reach and community engagement (eg. Liking, Sharing etc) is calculated in terms of what it would have costed if it were paid for advertising. In DIM, Share of Voice (SOV) measures are analysed in the context of a brands share of conversation, typically on Social Media channels. This is calculated as a percentage of other brands in the same category, or with the same or similar products or services. Sentiment is also an important element, in that it measures tonality of coverage of content (i.e. Positive, Neutral, Negative). As opposed to their media reach and value, influencers are selected for their affinity to their audiences, their authenticity, their engagement, as well as their knowledge and expertise in a specific topic area (eg. Fitness, Fashion, Motoring, DIY etc). As a result, niche influencers with smaller and more focussed audience sizes are commonly used in this area (eg. Nano and Micro influencers). Payment in this area can be nuanced, with a mix of product seeding where influencers receive products that they can use and share the experience with their community online, monetary payment in exchange for developing and posting content, and

for their time for engaging in online and offline brand marketing activities (eg. Events, Press Briefings etc).

4.3.3 DIM Value for Brand Building Activities

DIM for Brand building focuses mainly on using influencers for brand related marketing. Whilst it can be argued that most marketing activity contributes to building a brand in some way, this area speaks to the active use of influencers to support the overall brand strategy, with this being the primary campaign objective. This is achieved through initiatives aimed at for example brand positioning, improving brand recall, as well as building, changing or enhancing a brands image. Influencers through their brand endorsement and association add value to the brands appeal, this enables brands to maintain their unique identity in the eyes of consumers, and to create positive brand perceptions that enhance value for their company through occupying brand territories for their products and services in the minds of the consumer (eg. Quality, Luxury, Stylish, Premium, Responsible, Affordable, Active etc). Typically, although not exclusively, influencers who have large online and offline followings and are famous in some area (eg. Musician, Actor, Sports star etc) are used to support brand building initiatives as part of their broader brand marketing campaigns (i.e. Celebrity Influencers). Some brand marketers however are circumspect on the use of Celebrity influencers, preferring to select a number of well known influencers with smaller followings, within smaller niche online communities, especially where local relevance of the brand is of high importance. Marketers measure the performance of these types of DIM engagements through the aforementioned media and communications metrics for shorter term indications of results. The main value drivers are however measured through brand surveys, brand tracking reports, and brand valuations – all of which are long range performance measurement tools as specified by Kotler et al's (2017) BAR measures. In DIM specifically, Social Capital in online brand communities influences Brand loyalty as a result of Participative Behaviour, Sense of Belonging, and Network Ties (Meek et al, 2019). Brand influencers play an important role in the building of social capital for brands. Payment to Celebrity or brand influencers are based on

brand endorsement, they are less transactional in nature as would be the case for shorter term campaigns. This would include monetary compensation, but not necessarily based on the influencers audience size, engagement rate, posts or content creation per se as is the case with the other approaches discussed. The influencers in this instance charge for their celebrity status, wide-ranging appeal, or fame and expertise within the specific online and offline communities of interest. As a result, their costs vary wildly and are negotiated as part of a longer term relationship between brands and influencers. It is also common for influencers to receive brand products which they actively use, to receive as gifts access to local and international events and concerts, to receive hospitality at brand sponsored or affiliated activities, and to be part of brand curated experiences at no charge. This can include incentives such as travelling to exotic destinations. In some cases, there is no monetary payment, particularly for lesser known brand influencers who may only receive compensation through products, and gifts of brand hospitality and curated experiences. Also, an influencer may be a “friend of the brand” because of their affinity to the brand and its products or services (Participant 12). They could receive care packages and be invited to events with no obligation or expectations. Brands however hope that User Generated Content (UGC) will result from the Influencers experience with the product or brand. In these instances, as the influencers are not paid for their services, Brands cannot expect to review or have a say in their content and messages, if any.

4.3.4 *Influencer Payment and Compensation*

DIM Marketing tactics, value drivers, performance measurement, and payment practices are closely correlated to the different perspectives discussed. High levels of creativity, softer measurement metrics, deeper brand relationships, and flexible payment approaches are recommended for influencers as they participate in Brand building activities, compared to only serving as a media or communications channel for marketing campaigns. As pointed out, these different approaches are not mutually exclusive, there may be instances where for example a media channel approach to influencer marketing is applied to

amplify a brand building campaign for reach, or a communications campaign may include aspects of brand building via influencers, whilst at the same time driving product awareness and purchase call to action.

A prime example cited in the research is having a famous rapper wear a particular brand and type of sneaker, the content of which is featured on Social media channels, and which subsequently gets sold out. Participant 14 who has a long term relationship with an Influencer say that when their influencer posts an Instagram story of them visiting the brands retail store to get fashion merchandise, those products are sold out within day. The brand is now deepening their collaboration with the influencer to develop a co-branded line of products. Clearly, there is a directly correlation between product sales and the influencers activity. However, this is not the result of any overt purchase call to action. Whilst this is clearly attributable to the DIM activity, this “product seeding” activity is not directly measureable. Questions that arise then are what should marketers pay for such a DIM engagement? In practice, mixed payment models are applied.

With this said, many of the research participants displayed a clear preference towards a specific perspective in terms of how to measure and track, derive value, and compensate influencers. This is presumably as a result of the specific marketing discipline they are trained in and represent eg. Advertising, Media, Creative, PR etc. The exceptions to this were the specialist influencer marketing agencies and platform experts, who displayed less bias towards a specific DIM approach due to their exposure and experience to a wider cross section of different marketing campaigns with varying objectives. This points to the fact that a lack of knowledge in this field exists amongst non-experts, and that to improve a range of usage, performance, measurement standards, and value extraction from DIM, more education for marketers is needed.

Although these different perspectives exist, a common theme emerging from the research is that influencer performance and tracking ought to be linked to the business goals that should be set upfront. Therefore, media metrics, share of voice, and brand measures ought to be seen in the context of success factors in

relation to the outcomes set out in the business goals. This approach ultimately unifies the disparate perspectives into a meaningful marketing strategy.

Experts recommend that payment for influencers should be aligned to the value that brands expect to derive from using influencer in their entirety, as opposed mainly their audience size (eg. Followers, Fans etc) and reach. They argue that the true value that brands get from using influencers is in the creativity and content, their specialised competence (eg. DIY expert, Fashion Designer etc), and the brand association value. They state that Influencers should be compensated for these, and their work deliverables related to content production, in addition to their audience. Thus, if the objectives were exclusively reach based, then purchasing more traditional digital media through “performance buys” may be cheaper and more effective (Participant 5, 15).

In more mature organisations where deeper relationships are held with influencers, there is the opportunity for influencers to also influence strategy, product, and design. In this model, there can be shared risk and revenue flowing between a company and the influencer. There have been several successful examples collaborations between influencers and organisations who jointly come up with a branded and unique line of products for example, where the basis for the engagement is grounded in commercial outcomes. This might include referral or affiliate programs, in such cases, success is dependant on the extent to which the influencer has a vested interest in the commercial success of the strategy (Participant 14).

It can thus be concluded that some factors to consider in payment would include compensation for;

- Strategy and Insights
- Attendance or Appearance
- Content Deliverables, Production and Publishing
- Audience and Reach
- Online Community Engagement
- Brand Endorsement Value

- Commercial Performance

Given that the use of DIM is generally one part of a broader marketing mix, and that the overall campaign performance could be the result of different marketing touchpoints, a promising avenue for understanding and attributing DIM value, tracking DIM performance, and establishing ROMI for DIM, is integrating it into the organisations “Media mix modelling” (Participant 12).

4.3.1 Section Conclusion

Below is the research hypothesis developed for “Influencer Marketing Performance & Payment”.

A movement towards standardised industry remuneration models based on a blend of existing media metrics, social media performance measures, and content services is expected.

The research expected to validate that the industry was coalescing towards standardisation in remuneration and performance measurement. In reality however, it was found that the level of skills maturity and knowledge of DIM amongst marketers is low, and that standardisation cannot occur in the absence of a solid understanding of the different DIM capabilities and dependencies. Whats more, it was found that DIM campaigns in practice are far too nuanced and contextual for remuneration or measurements to be standardised. Also, that the scope of different and creative ways that DIM can be applied has not yet been fully explored. With that said however, participants did identify the need for certain shared “rules of thumb” that are based on DIM campaign types, and which would support more informed DIM remuneration and measurement.

4.4 Discussion pertaining to Influencer Marketing Policies and Guidelines

4.4.1 *Influencer Selection*

The research showed that there are 3 main aspects to finding and selecting influencers, these are their preferences and interests, their followers or audience, and the influencers values, interest and affinity towards the brand, product and campaign.

Regarding finding and selecting influencers, the research uncovered that there isn't a common approach towards this. Finding influencers is seen as a challenge for many. It is accomplished through a blend of direct relationships between marketers and influencers, marketing networks, via agencies and partners, agents representing one or more influencers, and influencer software platforms (eg. Webfluential, Humanz etc). Each of these approaches have benefits and drawbacks and requires marketers to firstly find influencers that match the marketing objectives and campaign criteria with specific interest and /or expertise in an area, then to analyse them for various factors ranging from audience reach and target market, brand risk and safety, to costs. Platforms have developed proprietary algorithms that collect Influencer data from Social Media channels, and use that to rank Influencers based on various measures, such as their audience size, location, and quality, their online behaviour, engagement rates, customer ratings, delivery history, costs and value, and content quality – amongst a host of other factors. Off-system factors are equally important, such as whether the Influencers are users of the brand products or clients, their location for geo-targetted campaigns, and other background information that might be relevant to the brand and its objectives.

In some cases this is done manually, which requires specialist knowledge, expertise and relationships through immersion into DIM. In other cases, platforms are used exclusively to find, analyse, and select influencers. The various approaches have their respective merits and drawbacks, as an example, finding

a digitally savvy influencer who is or will be moving into new house to talk about their experience of a moving service or home renovation company is not something that can be done via an online platform, nor is it likely to give marketers access to “A-list” celebrity type influencers who are typically represented by talent agencies. On the other hand, software tools provided by platforms make influencer analysis seamless through access to data such as audience and followers, engagement rates and scores, and interests, passions and preferences. Important checks such as whether the influencer has a criminal record, history of misaligned content on their social feeds, and quality of their content also need to be conducted.

The selection of influencers manually by marketers also introduce a level subjectivity and bias into the decision making. The research uncovered a tendency from marketers to specify names of known influencers they would like to work with without defining their strategy and campaign objectives first. All participants concurred that selecting the influencers should come towards the end of the strategy and campaign design process, not at the beginning. Subjectivity could also lead to a lack of diversity in terms of influencer selection, and lack of race and gender representation (Participant 17). Brands also expose themselves to a considerable amount of “brand noise” by using the same known name influencers who represents multiple companies concurrently.

Subjective selection can also yield positive results. One research participant says that prior to selecting an influencer to work with, they personally watch them by learning more about them through their online and offline activities. They also ask others influencers who work with and are close to the brand for their experiences and opinions in working with the person (Participant 14). They follow this up with using the platform tools to analyse their audience, following, and social media history. An important learning from this approach is that brands could benefit from developing and managing an “Influencer Watchlist”.

Figure 26 below summarises the various influencer selection categories, as specified by the research participants;

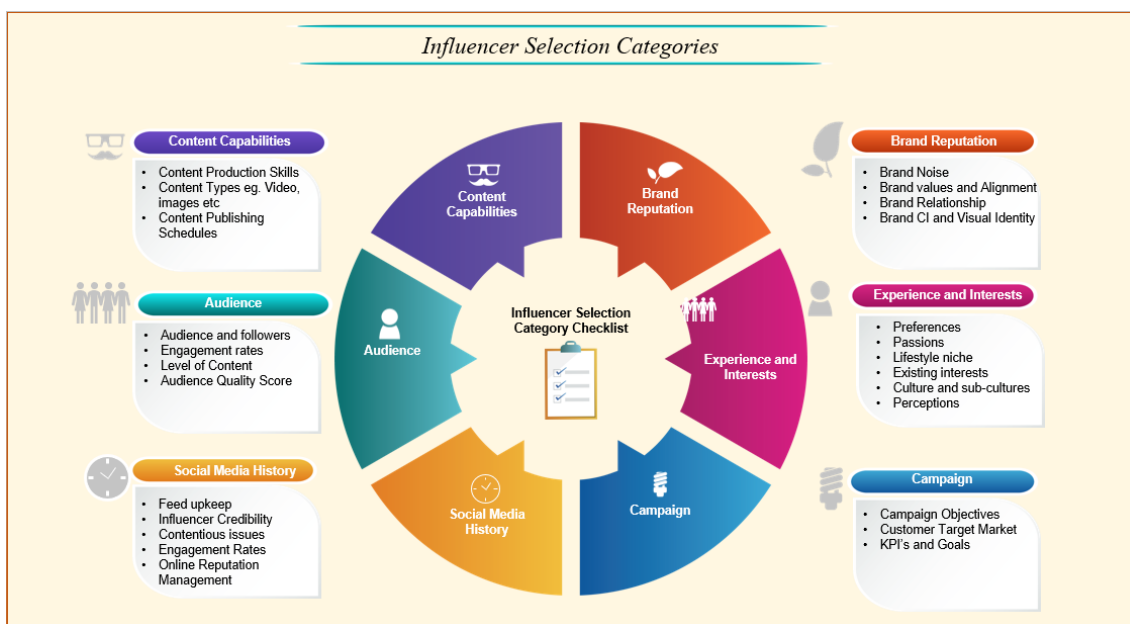


Figure 26: Influencer Selection Categories (Source: Authors own)

In terms of understanding an influencers audience, an important finding in this area is that the main influencer marketing frameworks that are being promoted which for example categorises influencers on the basis of their audience size i.e. Nano, Micro, Macro, and Celebrity, are largely oversimplified tools that are inappropriate by themselves for the selection, pricing, and management of influencers. Whilst it is important to understand the influencers reach, in practice, the research shows that from a strategy perspective, a more nuanced approach to the selection of influencers is required from marketing practitioners. Participant 14, a brand manager representing a global fashion brand argued that an Influencer who has a large following, and who may be a successful musician for example, may not necessarily be known for their taste in clothing, using them therefore to promote a new line of fashionable apparel would not be effective – irrespective of their fame status. Factors that would be more important are the Influencers image, their associations, their lifestyle, and their tastes. According to Participant 14, immersion of marketers into the culture, and having the lived experience by being part of the “zeitgeist” is an indispensable aspect of Influencer scouting and selection. This participant in fact deters Influencers from mentioning their brand, they much prefer that they are seen using their product, and that their brand is a true part of the cultural experience taking place. In this way, they

believe that their brand becomes more relevant in an authentic manner, which the participant terms “cultural marketing”.

In conclusion, there appears to be clear benefits for the process of influencer scouting and selection to be based on the one hand on personal relationships, subjective experiences, topical knowledge, and immersion into the culture and lifestyle by marketers. This allows marketers to find and exploit DIM opportunities in a creative and tactical manner that would otherwise not be possible. On the other hand, selection based on platform software tools provide ready access to influencer audience data, ranking, history, costs, and engagement rates for marketers. This allows for effective and objective analysis, comparison, and selection.

4.4.2 *Influencer Selection Consideration Factors*

In many cases, a large portion (up to 20% on average) of an influencers audience are “bogus” followers, typically made up of bot or hacked accounts, or data gathering software. Unengaged followers also make up a part of an influencers audience, these include followers who might be subscribed to a large host of content, followers who are inactive, and dormant social media accounts. Thus it is of paramount importance that marketers involved in DIM truly understand the real engagement, passions and shared interests (eg. Runners, Music Lovers, Cooking, Fitness etc) from active followers using first hand native social media platform data (eg. Twitter, Facebook etc). They should also vet both the influencers and their followers for fraud and social media activity. **Figure 27** below shows the composition of Influencer Audiences as specified by influencer platform experts that participated in the research;

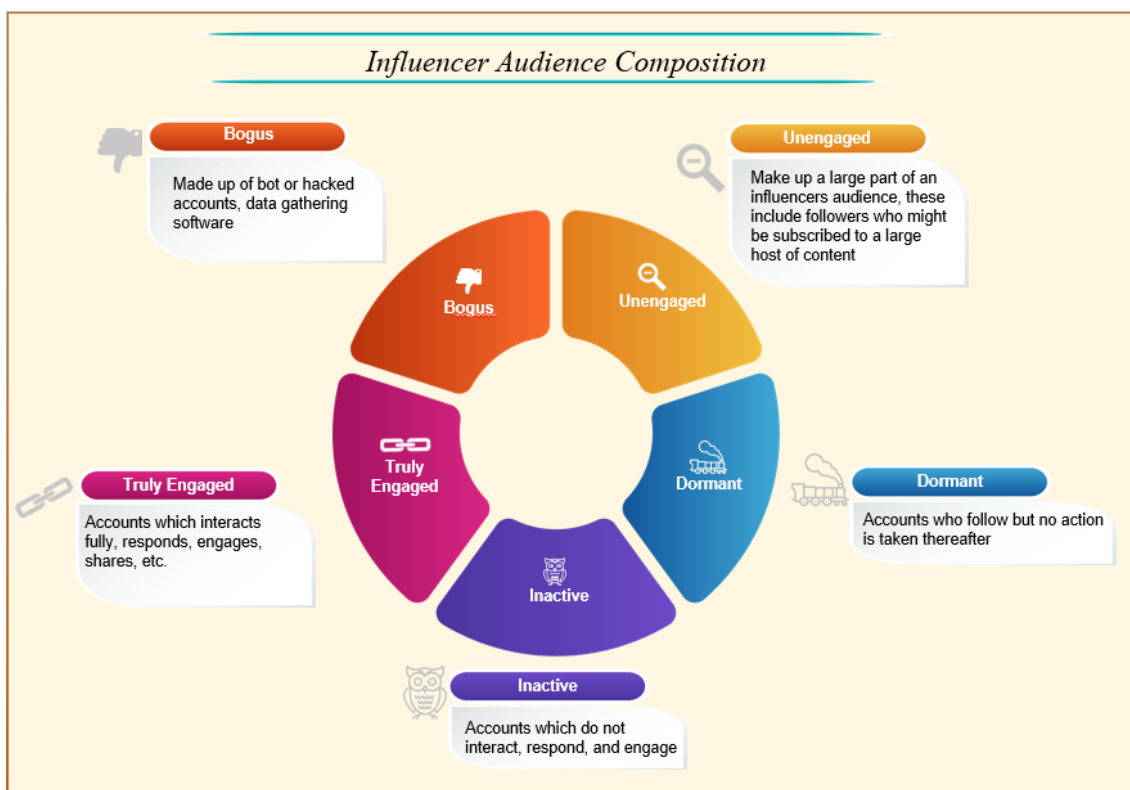


Figure 27: Influencer Audience Composition (Source: Authors own)

The influencers interest in working with the brand should also be established when selecting influencers. Understanding their views on the companies products, services, and the campaign itself, and ensuring that these are aligned. Influencers who are interested and passionate about the brand will go a long way to support success and future collaboration. Aligned values and interest between the influencer and the brand ensures that they engage more meaningfully on the campaigns that they collaborate on in an authentic and genuine manner.

Campaign objectives needs to also be aligned to the “Influencer Mix” – which can be a range of influencers selected to meet the different marketing goals. For example, 1 or 2 influencers may be selected for their broad appeal and reach, coupled with a selection of several smaller influencers for their content creation capabilities and niche appeal. This could range from as few as 5 to 10, up to hundreds in some cases (Participant 11).

When selecting influencers, from a strategy perspective, marketers should also understand the types of influence that is required, broadly speaking, these fall into 3 categories as described below.

- Role Models & Celebrities (Influencers who engender trust, mirror consumers values, or are perceived to have positive intentions)
- Topic Experts (Influencers who are experts in a topic eg. Nutrition, Fitness. Typicall with a professional right to speak to something eg. Michael Jordan and shoes)
- Social Crowd (Influencers that are Customers, staff, or entertainers who address relevant and topical matters)

The main selection factors can be summarised as follows;

- Brand Selection Factors
- Campaign Selection Factors
- Risk Factors
- Audience Factors
- Personality Factors
- Design and Creative Factors
- Industry Compliance Factors
- Delivery Factors
- Pricing and Commercial Factors
- Background, Expertise and other factors

The research pointed out that these need to be managed within the 3 areas of DIM campaigns i.e. Planning, Management, and Execution. **Figure 28** display the research outcomes in terms of the relevance of the factors within the 3 abovementioned research areas;

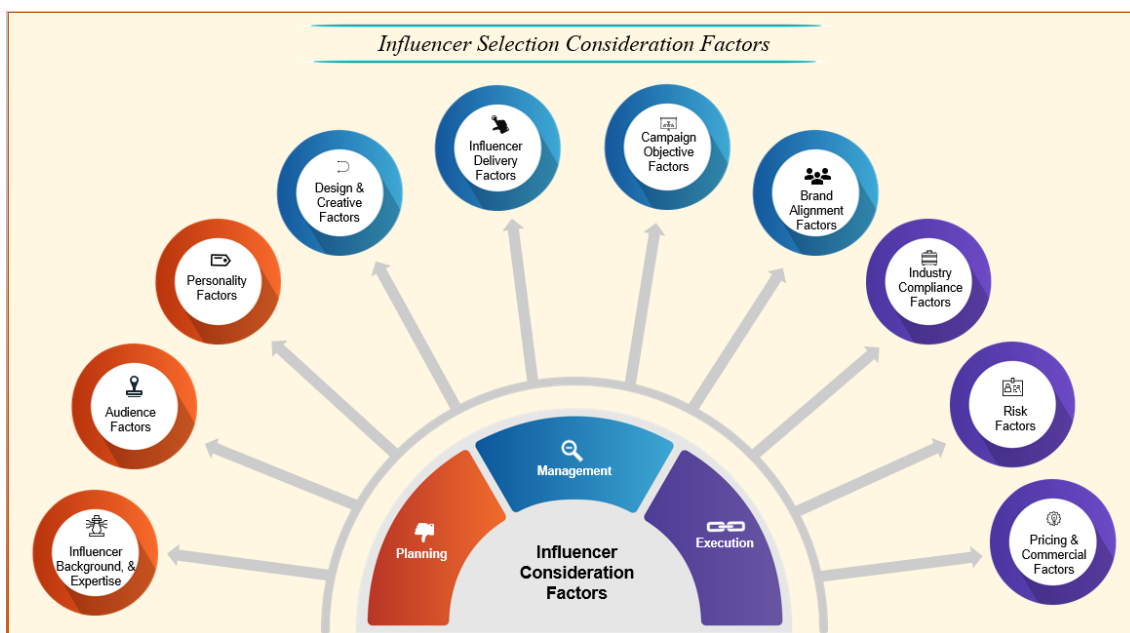


Figure 28: Influencer Selection Consideration Factors (Source: Authors own)

According to several experts (Participants 2,5,11, 13) Trust with their community is the most important aspects of an influencers ability to influence their audiences. However, the larger the audience size and reach of an Influencer, the lower the perceived trust, authenticity, and reach.

An often overlooked metric when selecting and analysing influencers is their “True reach”. Despite an influencer having a large number of followers, due to content filtering algorithms and user settings, the actual reach on their Social media posts may be a fraction of their audience size. This is helpful to marketers to set KPI’s around the performance of their campaigns.

4.4.3 Creative Freedom and Control

Another important guideline the research explored was best practices around managing the level of creative freedom provided to influencers. The tension explored was the relationship between brands and their need to ensure that their image and reputation is maintained, protected and enhanced. Influencers at the same time need to be authentic and transparent so as to ensure that they are

relevant to their community, and not to come across as overly scripted in the brand related content that they share. As publishers themselves, influencers understand their audiences better than brands and know what content will resonate with their online community. They are in a position to guide brands on this. What cannot be overlooked is the limited context of marketing practitioners, which a few participants claim are far removed from the realities, perspectives, and lives of customers (Participants 13, 14, and 17). They argue that many senior marketers in the industry whether in corporate or at agencies, are generally older and disconnected from what is actually going on, particularly with younger and more niche type audiences. They need to get out of their “ivory towers”, away from their desks and emails, to “smell, taste and feel” what’s going on on the ground (Participant 14). Influencers can play a vital role in helping marketers to bridge this gap, and to help them understand new generations of customers much better.

Brands on the other hand understand their objectives, intent, messaging, values, and marketing communication strategies. Whilst many of the research participants are proponents of a high degree of creative freedom for influencers, others argue they ought to be subject to the same constraints as creative agencies, who receive and interpret briefs, and who produce content that is aligned to the brand and its marketing objectives. On the other side of the spectrum are marketing practitioners who suggest that too much creative oversight defeats the main purpose of using influencers, which is to create genuine endorsement through authentic content. They advocate for minimal intervention from brand in the creative output so that influencers can bring an element of truth and authenticity in their communications. Without this freedom, they can be seen as “selling out” to the fans and followers within their community. This can cause an online uprising against such influencers, colloquially termed “cancel culture” – which refers to ostracising people on the basis of their behaviour or statements, typically done via social media. This is contagious and can have far reaching consequences, causing serious reputational and financial harm to brands. The recent Clicks Tresemme online advertising bungle, or the

Oursurance collaboration with GBV accused Katlego Maboe, bears testament to the power of cancel culture on Social media.

Marketers operate on a continuum between a “hard” brief with limited creative room, and a “soft” brief giving the influencer considerable space to interpret the brief. Consideration factors impacting this are the relationship between the brand and influencer, whether they have used the person in the past, the influencers experience and professionalism, their previous work and quality, and the brands that they have represented. Also, the brands sensitivity towards reputational issues, their risk tolerance appetite, and their customers attitudes and expectations play a large role in calibrating the level of creative freedom they are comfortable to provide. A brand operating in a highly regulated industry with serious and professional clientele such as a large investment firm may for example have different requirements to an FMCG company with a fun and entertaining product. A theme regularly mentioned in the research was “Advertising and Creative Guidelines, Principles, and Parameters” that need to be communicated to influencers, and followed by them as “Guardrails”, whereafter, they should be able to follow their own creative style.

Irrespective of the approach taken to creative control and de-risking the process, a comprehensive upfront brief covering the marketing goals and objectives, expected output, product and brand images, mood boards and storylines, art direction, visual identity, copy suggestions, and other creative elements is advised by all participants.

Content schedules that specify when and by whom content is expected to be posted make the process predictable. This allows for brand review or legal sign off prior to content being published. High levels of predictability should be sought as a best practice (Participant 12), which further de-risks the process. In certain instances, Brands specifically collaborate with Influencers due to their creativity as an artist – such as a painter or musician, and their strength in content creation. In this instance, higher levels creative freedom is an express intent of the collaboration. **Figure 29** describes the creative continuum related to influencer marketing described by the research participants. Different research participants

found themselves at a different point within this continuum based on their industry and their specific needs;

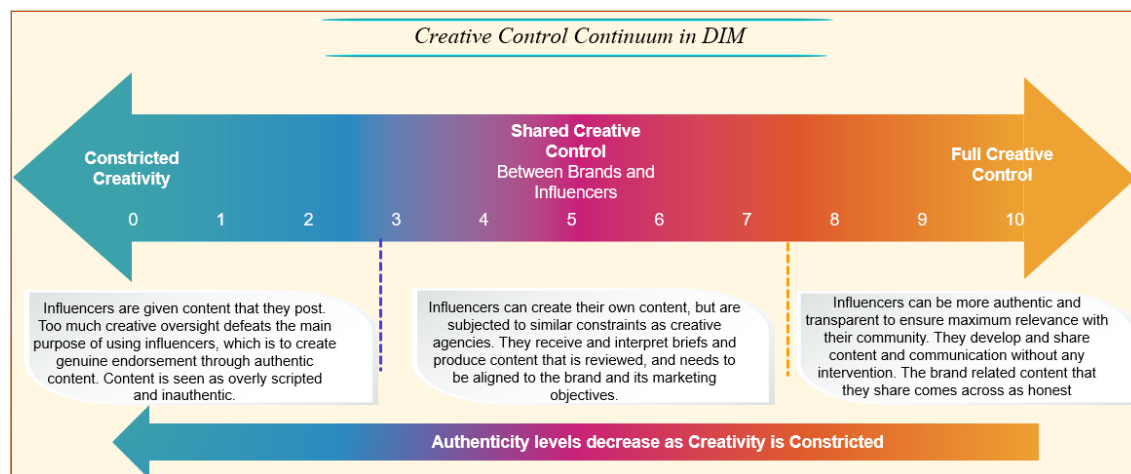


Figure 29: Creative Control in DIM (Source: Authors own)

Finally, a “Creative Framework” within which Influencers need to operate is advised. This entails various parties in the marketing value chain working together, with the advertising agency providing the “Creative Theme” to the Influencer. This is informed by the Brand strategy, which Influencers then interpret in a human centred manner, applying their style and approach to create content. This manner of “Applied Creativity”, which according to Titus (2007) is uncertain, and requires uncommon sense, cognitive flexibility, motivation, and knowledge. One senior research participant (Participant 9) from a specialist agency suggested that an influencer can be “*A whole creative agency in 1 person*”, and that brands stand to lose the core value of Influencers if they exert too much control over the creative process and its outcomes. This sentiment was echoed in similar terms by most other participants.

4.4.4 Section Conclusion

The research hypothesis for “Influencer Marketing Policies and Guidelines” is listed below as follows;

It is expected that marketers intend to put in place Influencer marketing frameworks, policies and guidelines to better manage and protect their brand reputation and image online.

The research found this to be true with the participants, all of whom are actively practicing DIM. There were several specifically dedicated Influencer Marketing initiatives being planned – particularly amongst the specialists. These included development of DIM Playbooks and Creative Frameworks for example. Most of the plans however involved improving existing marketing frameworks, policies, processes and guidelines to better represent the specific DIM needs within them. Marketers are therefore seeking to improve in general the way they brief, project manage, conduct content planning and design reviews, and collaborate and integrate DIM campaign and activities in order to improve brand safety.

The lack of a planned and concerted approach to improving DIM in terms influencer selection, management, and quality control does raise concerns given the considerable growth and increase in the use of influencers by marketers.

4.5 Discussion pertaining to Influencer Marketing Capabilities and Enablers

4.5.1 Organisational Capabilities for DIM

It is strongly believed that Influencers have their “finger on the pulse” on what is happening and trending, they are more closely connected to their audiences than brands generally would be, and they have a good understanding of their communities attitudes, behaviours and perceptions. The capability to have this kind of deep level insights and immediacy into the specific communities that brands want to participate in is seen as an important capability that influencer marketing can bring into their organisations. Marketers themselves need to develop the tools required to leverage this more frequently in order to quickly execute their communication strategies. This necessitates a deeper and holistic

understanding of consumer behaviours and trends, and being able to be sensitive to the socio-cultural, socio-economic, and socio-political environments.

In some instances, particularly within multinational global brands, companies are putting in place personnel dedicated to manage influencer relationships. This assists them to more frequently leveraging the richness of insights they are able to provide, and to reduce the lead time to develop, design, and execute a marketing campaign (Participants 4,5, 14,15). The DIM industry is rapidly evolving and growing, with several “gold-standard” case studies to learn from, such as KFC’s #MakeitLegendary TokTok focused influencer marketing campaign. This generated a reach of over 1,2 billion within a short space of time (approximately 6-7 months). Its success resulted from a clear brief on the use of DIM for the brand objectives, a focus on a specific platform i.e. TikTok, and a deep understanding of the relevant trends and culture which Influencers helped them to unlock (Participant 15). The ability for marketers to engage regularly with peers in the marketing industry, to access and read the latest reports and case studies, and to network at a local and global level with experts and marketers who are applying DIM in novel ways are seen as strong capability enablers (Participant 9).

4.5.2 DIM Marketing Processes and Practices

Marketers also need to be able to understand how to deal with unsolicited collaboration proposals from influencers which are growing in number. They need to be able to understand how to assess their commercial viability (Participant 1). Other participants do not engage with unsolicited proposals from influencers as they strongly believe in immersing themselves in the culture, on scouting influencer talent, and on nurturing meaningful and personal connections with them (Participant 14). Negotiating Influencer content usage rights on various brand, media and partner channels is an important consideration as well (Participant 11 and 14).

The ability for marketers to understand the full digital customer journey, and the capability to design end-to-end digital experience requires attention. Participant

9 pointed out that their experience has shown that brands tends to lose considerable value when consumers take action from influencers posts because the end-to-end customer journey is not designed adequately. They may search online for the brand and / or its products / promotions and not readily find the information. They could click on links that go to websites that are not user friendly or mobile optimised, and be poorly designed – or at worst, not work at all. They may enter promotional codes on checkout that don't work, or have to go through cumbersome registration processes and provide unnecessary amounts of information. Making the online experience seamless, enjoyable, user friendly, and quick is seen a complementor to deriving value from DIM. Marketers also need to improve their ability to understand how to track and measure DIM activity, and Digital funnel performance.

The access to, training, and use of influencer marketing technology has also been highlighted as a key enabler that helps marketers make influencer marketing “*simpler, safer, and ultimately more predictable*” (Participant 10). These technologies cover influencer analysis and selection, content publishing, social media, and engagement reporting to name a few. Businesses are faced with age old choices as to whether to build or buy these technologies.

4.5.3 Responsibility for DIM in Organisations

It is envisaged by some that influencer marketing will become a separate internal organisation function. Participant 8 who works for a specialist influencer agency and has worked with many brands clients on dozens of DIM campaigns suggests a dedicated influencer marketing function and budget, whereas others believe it will be subsumed and built within existing marketing functions (eg. PR, Digital, Brand, Media). Yet others expressed that it is most likely better outsourced to agency partners who remain best equipped to deal with the complexities. What emerged from the research however is that organisations who opt to develop separate internal core competencies in influencer marketing are typically early adopters who have a relatively mature and entrenched brand, and whose brands and products success are premised on them being and remaining relevant in

popular culture. They also tend to need to execute marketing relatively quickly in order to remain relevant and capture share of voice. Others are happy to develop some level of DIM capabilities within their existing marketing organisation, together with supporting frameworks and guidelines for their various marketing teams, and their partners and agencies. In this instance, Influencer marketing is not necessarily located within a specific marketing function, but a cross functional capability with the different areas that contribute to the overall DIM strategy, and the execution of campaigns. This model is largely adopted by organisations with multiple business units, product categories, and marketing departments. Their main needs are to enhance their brand and marketing through using influencer marketing both as a media channel, and as a strategic marketing capability.

Key features identified in the organisations that choose to outsource DIM entirely are that their business model focus remains on their core business proposition, such as quick service restaurants or retailing. Marketing within these type organisations serve to enable their commercial objectives and business targets more directly.

A move away from functional siloes towards cross-functional marketing teams such as agile marketing squads based on the marketing objectives and target markets is envisaged by many as an enabler of effective DIM. More education for marketers in the areas of Influencer Briefing, Influencer Tools, Influencer Engagement, Social Media Marketing, Messaging Penetration Measurement, Influencer Agreements, and Influencer Analytics has been identified from the research. Irrespective of the model chosen, the research pointed out that marketers within organisations ought to be knowledgeable in, and au fair with DIM practices. Also, the capability to finding influencers is ideally suited to external partners who contribute actively to the creative industries, and who move around and participate in creative circles. Strategically however, particularly for larger type organisations with multiple brands and products, the consensus is that a seperate Influencer strategist type role would be beneficial within them, this would help organisations to develop an overarching strategy for DIM. It would also enable them to share learnings and best practices internally amongst

different marketing departments, and would support the development of standards for measurement and performance.

In summary then, influencer marketing does touch on various aspects of paid, owned, and earned marketing. In some cases, DIM campaigns may involve all marketing functions and channels – particularly when “above the line” media is being used, and in other instances, it may only require PR where for example unpaid influencers are invited to offline events. In the case of Social Media, online organic Share of Voice (SOV) is earned via Influencer content, thus DIM supports marketing activity across paid, owned and earned marketing touchpoints in all marketing stages i.e. Awareness, Consideration, Purchase, Service, and Loyalty.

Figure 30 shows the value that research participants have identified from DIM within marketing stages;

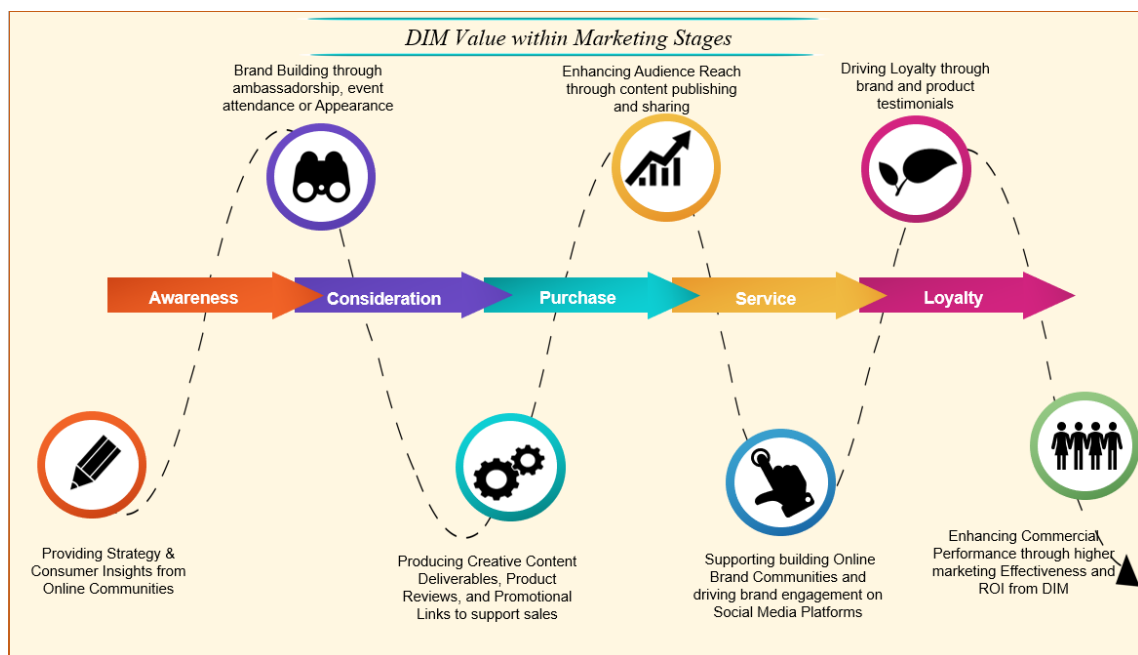


Figure 30: DIM Value within Marketing Stages (Source: Authors own)

Participant 4 observed that for successful DIM campaigns, clear lines of accountability and assigned roles and responsibilities are needed. In their experience, organisations do not yet have a process for DIM, and since DIM touches on so many marketing functions, this leads to a relatively uncoordinated effort from marketers involved. Furthermore, the fact that Influencers can add

value in both the physical and digital worlds necessitates an omnichannel marketing approach from the onset. Marketers would do well to consider how they better leverage influencer touchpoints outside of the digital ecosystem. ,

Another often overlooked and very important consideration when using Influencers is the “Influencer Experience” with the brand, the company, and the campaign (Participants 1, 2, 9,13,14, 17). Things such as the manner in which they are treated, consistently fair and on-time payment, quality and timeous briefing, and clear 2 way communication are all aspects for marketers to ensure when conducting DIM. Poor management of these components could lead to unintended consequences with negative sentiment spilling over into Social media. Influencer collaboration skills that appreciate the always-on nature of the engagement and communication with busy influencers are also deemed critical. Whether internally located or outsourced, sensitivity towards the human side of working with influencers is also necessary, as is understanding and appreciating their communication and professional style, tastes, and personality. The Influencer experience with the brand also plays a role in retaining influencers for whom several brands are competing (Participant 14).

Marketers should also be aware that as much as they want Influencers to be invested in their companies brand, Influencers also have their own brand to build and manage. Bi-directional investment in each others brands is therefore advised, particularly for the more professional, well-known, and high engagement influencers.

Whilst the brand and marketing perspectives in terms of capabilities and enablers for DIM has been discussed, little has been said about these in relation to the influencers themselves. Although out of the scope of this research, some participants identified gaps with influencers (Participants 2, 5, 9, 17). They propose Influencer programs to help them work more effectively with brands. Aspects such as training in managing their own brand as influencers, marketing copywriting expertise, design skills, multimedia content production capabilities, commercial negotiation ability, client service knowledge, reporting cadence and quality, and general business management skills were highlighted as key

enablers. Influencers are also expected to work on multiple projects and priorities in an agile manner, therefore, skills and training to help them manage and maximise their time and output is seen as important as well.

Given that DIM cuts across functions, to support organisations to develop and execute on Influencer marketing strategies and campaigns, an “Influencer marketing panel” made up of senior personnel from the different marketing functions is recommended. This would ensure the necessary integration and collaboration structure are in place.

4.5.1 Section Conclusion

The related research hypothesis follows below with a concluding discussion around it.

Influencer marketing as a modern marketing tool requires agile, data-enabled, cross-functional, and real-time modern marketing management practices to be successful.

The research indicated a strong move towards agile marketing practices to leverage the tactical opportunities that DIM presents. It also emphasised the use of data for performance measurement and monitoring, as well as the ability to test, learn and optimise marketing in real-time. The cross-functional nature of DIM was highlighted throughout the research, making it a key success factor in executing on DIM campaigns.

4.6 Discussion pertaining to Influencer Marketing Risk and Compliance Management

4.6.1 Risk Management in DIM Environments

DIM is a relatively new marketing channel and tactic, the research pointed out that the risks are not fully understood, and there are different levels of

understanding amongst the various participants. The research indicated several categories of risk, these are;

- **Audience Risk:** Where the influencers audience is overstated due to for example bot accounts, which overstate their actual reach and engagement.
- **Brand Reputation Risk:** Where harm is caused to the brands image, due to their association with the influencer, or through some action or inaction by them, whether intentional or not.
- **Commercial Risks:** Where the brand stands to lose money or get poor results or ROI as a results of campaign non-performance, poor engagement rates, or overpriced services.
- **Delivery Risk:** Where Influencers do not fulfil on their obligations to attend events, produce or publish content, or participate in agreed brand activities.

Expert research participants tended to concur that the main aspect to mitigating most risks are; 1) upfront research and analysis of influencers, 2) close collaboration to align interest and values between the brand and influencers, 3) developing clear content and activity schedules, 4) assigning clear roles and responsibilities, and 5) developing and negotiating contracts.

By far, “Brand Reputation” was the most cited risk concern amongst participants, with a considerable number of factors leading to it such as “brand noise” (Participants 1, 4, 7, 13). An important consideration is the number and type of brands an influencer represents.

Figure 31 summarises the key risk categories and some of their mitigation strategies as established via the research;

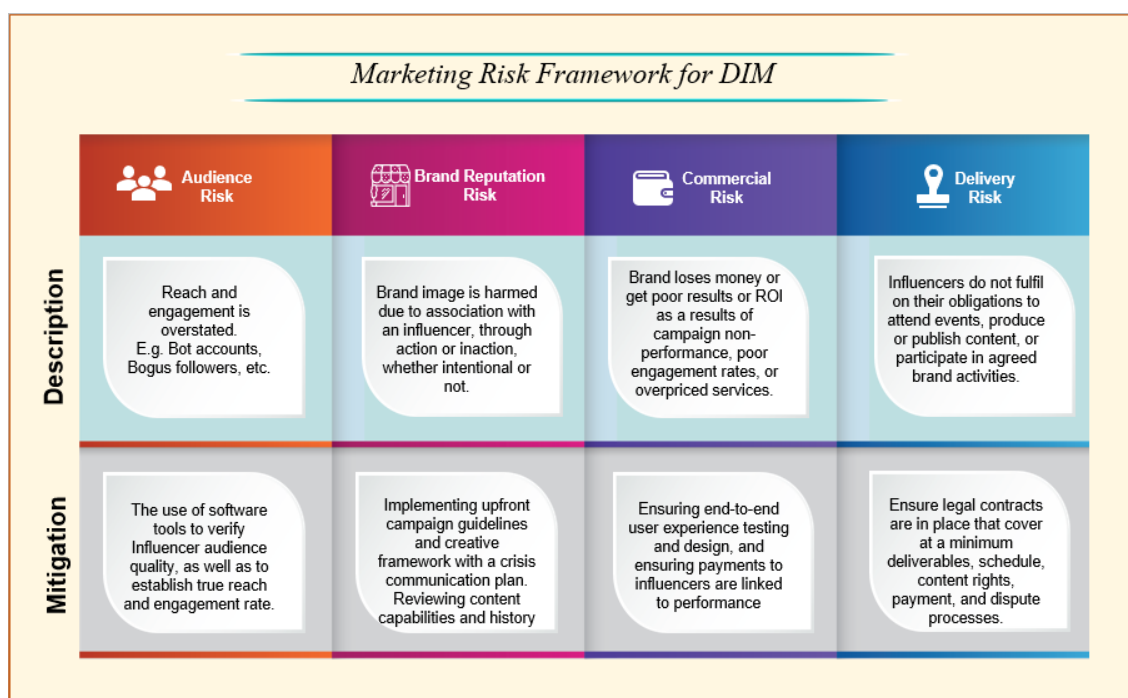


Figure 31: Risk Framework for DIM (Source: Authors own)

Whilst relatively rare, there are very real risks of brand damage being caused by influencers outside of the campaigns they are working on where due to a delivery disagreement or payment dispute, an influencer may disparage a brand online. These are managed on a case by case basis as they come up (Participants 3,5,8,11,15) . The recommendation emanating from the research is to develop ongoing relationships with influencers through regular engagement and communication sessions. A brand manager in the FMCG industry that was interviewed said that apart from formal “Brand Induction” for influencers, his company has weekly informal “get togethers” in a fun and social setting at their premises with an open invitation for their brand partners, suppliers, and agencies – including influencers. This allows them to connect with their influencers regularly, and to engage them on any pertinent issues and opportunities. Whilst not specifically focused on managing risk, this does help them to identify, understand, and resolve any looming disputes (Participant 12). A recommendation therefore to mitigate this type of risk would be for marketers to regularly engage with influencers representing their brand, informally and socially, in order to proactively address possible brand

damage arising from disagreements. More formal approaches such as “Brand Influencer Councils” have also been touted as ways of minimising brand damage and limiting brand noise. This will involve an organisation having a structure that offers things like brand training, product knowledge, and coaching and support for select influencers with high brand affinity. Fundamentally, many marketers concur that influencers should be seen as an extension of the brand and the companies workforce. They ought to be treated with the same level of care that an organisation might treat their employees with, and that this should be nurtured by developing meaningful long term relationships with them.

A common approach taken by many marketers as Participant 9 pointed out is to first decide on the role that the influencer is expected to play in the campaign. 3 discrete type roles were identified i.e. Supporting, Integrated, and Lead roles. **Supporting roles** generally limit the use of influencers as an “add-on” to a marketing initiative. Influencers receive a brief to post a certain type of communication that supports a promotion or event, or to generate talkability for something the brand and company is doing. There is little integration of the influencer across marketing functions and activities, and they are not part of the overall brand marketing and campaign strategies. In **integrated roles** however, Influencers are central to all activities. They participate in the research, strategy formulation, and design and execution of all marketing activities – be that ATL such as TV, Radio, Outdoor etc, or BTL such sponsorships events, product launches, and customer experience activities. They also work across all marketing functions and contribute to the Digital, PR, and Media strategies and channel planning. Finally, in **Influence-led approaches**, the main thrust of the creative framework, messaging and content themes, and brand strategies are built around influencers. Marketing strategies, advertising activities, and media channels feature influencers prominently.

In supporting roles, the impact of Influencer risk such as brand reputation, audience fraud etc is low. However, in integrated and influencer led

approaches, these become higher given the close association with the brand. Therefore, each of these approaches require a different level of risk management and governance requiring more stringent selecting, contracting, management, legal and other mechanisms as Influencers become more embedded in brand marketing activities.

It is also advisable for brands to have a “crisis communication” management plan catering for Influencers. This should includes things like holding statements in the event an influencer “goes rogue”, and actions such as immediate pausing of campaign activity in the event of an issue arising. Also, disassociating with an influencer and processes for executing a “take down” notice for offending content may be necessary depending on the nature of the issue. As digital is immediate in nature, delays in communication could exacerbate brand damage. Maintaining shorter and more frequent cycle of communications on Digital channels with regular updates is seen to be an effective measure to reduce brand reputational damage (Participants 8,9,16).

4.6.2 DIM Standards and Regulations

In terms of regulations and standards governing DIM, one avenue for regulating the field are the Social Media platform policies around content, information, disclosure and acceptable use. These are seen as the primary governance mechanisms. This is modelled on specific platform developed community rules and ethics, with built in recourse for those offended to report offensive behaviour or content. Reported content is reviewed and the offending user is suspended and the content is taken down. Another avenue specific to South Africa are the consumer protection bodies such as the ARB (Advertising Regulatory Body), or National Broadcasting complaints Commission (NABSA). These govern fake or malicious advertising to consumers, and to whom consumers can direct their complaints. The Internet Advertising Bureau (IABSA) has recently put in place an Influencer Marketing Committee that aims to develop best practices related to Digital Influencer Marketing. An area receiving considerable attention is the need for disclosure

of collaboration with brands by Influencers through specifying that the Influencer is being paid by the brand for content. There are proponents for and against this, with those against it arguing that a blanket disclosure cannot apply to all types of brand / influencer arrangements. Those for it emphasise the need for consistency and transparency in the interest of consumer protection and to ensure the same standards for all DIM campaigns. Apart from this, there appears to be no unified standards or regulation that govern DIM. With that said, the research indicated that upfront discussions and negotiations resulting in formal contractual agreement between the brand and influencers are seen as one of the most important tools to govern the relationship, as well as to mitigation risks.

What is also helpful is to arm influencers with “Frequently Asked Questions” (FAQ) guides related to the product or service being promoted, as well as company contact details to whom enquiries from consumers can be directed. Participant 3 suggested a complementary guide of “do’s and don’t’s” as well which can include aspects such as contentious topics not to engage on. An example cited by a beverage brand that participated in the research was detailed information to influencers on questions and engagements related to sugar tax. Participant 4 highlighted this aspect as well with a case studying citing a male influencer who prepared dinner for his family, including a baby, using ready-made dinner products that were perceived to be not suitable for infants. Some consumers took offense to the content shared, calling on the brand to desist from promoting their products as suitable for infants. These suggested mechanisms are seen as tools that help to empower influencers to engage and communicate effectively and authentically with their audiences. In this manner, they can also remain compliant with brand or industry standards and regulations.

4.6.1 Section Conclusion

The research hypothesis for this section follows below;

In order to manage and improve influencer compliance and risk, a trend towards developing more stringent legal contracts to govern brand-influencer relationship will occur.

Whilst the research uncovered differences in opinion around managing risk and compliance, the need for specific and detailed Influencer agreements was identified, and is expected to occur. Some participants believed that the best risk mitigation strategy ought to be better briefing, deeper relationships, improved communication, and regular engagements with Influencers. This they argued would reduce the chances of something going wrong. Others believed that many risks can be avoided by better Influencer selection upfront. Some preferred to transfer risks by using Influencer platform providers to mediate the selection, management and payment of influencers. Whatever their differences however, all participants indicated the requirement to having a clear, detailed, and binding contract in place with influencers. This should at minimum cover deliverables, schedule, content rights, payment, and dispute processes.

Interestingly, whilst contracts are seen as internal mechanisms to manage risk, there is little in the form of external recourse for companies. With the exception of the few industry leading participants who participated in the research, marketers themselves expect that other parties will drive and develop the necessary policies, regulations, and governance standards.

4.7 Conclusion

The research shows that DIM clearly sits at the confluence of a range of marketing activities with Management Best Practices for it being derived by marketers through a conglomeration of established practices within various marketing functions. Chief amongst these are;

- ***Social Media Marketing*** which provides effective tactical marketing capabilities for DIM engagement, organic reach, and content sharing to online communities. Online reputation management, community

management, and building online brand communities are key capabilities from Social Media that are used for DIM.

- **Digital Advertising** which offers measurement frameworks paid for media to which DIM can be compared such as cost per reach, cost per impression, advertising frequency benchmarks, and target market penetration rates. This allows marketers to understand the media benefits and efficiencies of using influencers as an advertising channel.
- **Digital Performance Marketing** provides the ability to track results and conversions, notably for marketing sales promotion activity through DIM. This is done via Click through rate, Cost per Click, Cost Per Lead, and Cost Per Acquisition metrics. Collectively, these enable ROMI and ROI tracking for digital business and e-commerce channels.
- **Public Relations Management** enables marketers to produce high Share of Voice, Positive Sentiment, Talkability, and Contextual Relevance when executing DIM campaigns. It also provides DIM with crisis communications frameworks to protect brand image and reputation.
- **Cultural Marketing** supports marketers to achieve brand immersion, hyper-segmentation, and niche audience insights when using DIM. It also allows brands to make a meaningful contribution to customers, and their culture through the embedded nature of DIM initiatives within online communities and tribes in a relevant and value adding manner.
- **Brand Marketing** offers marketers the brand guardrails from which DIM executes on – and aligns to. This can include the organisations Brand Strategy, its Brand Values, the Brand CI, and its Brand Ambassadors. It prioritises the need to protect Brand Reputation, and encourages strong Brand Loyalty, positive Brand Experiences, and Brand Fit.
- **Event Marketing** gives marketers the framework for the physical components of managing Influencers who represent the brand at sponsored, branded, or partner events. Event briefing and content guides, managing ambassador appearances, and developing and marketing curated experiences have clear parallels to influencer marketing.

- **Marketing Research & Insights** supports marketers who conduct DIM with market and industry data, consumer insights, customer behavioural data, and competitor intelligence. This combined with deeper insights from social media, influencer, and advertising platforms informs DIM strategies to make them highly effective.

There therefore is a symbiotic relationship between DIM and other forms of marketing, with DIM used to support different types of activities and vica versa. What is key to successful execution is cross-functional integration, and clear roles and responsibilities amongst marketers involved in DIM strategies and campaigns.

CHAPTER 5. CONCLUSIONS & RECOMMENDATIONS

5.1 Introduction

This chapter concludes the research with overall recommendations, study limitations, and input into further research that might be conducted. DIM is clearly an emerging marketing tactic with strong growth. The research appears to show a trend towards it becoming an established marketing practice within the Integrated Marketing Communications (IMC) framework. This could mean that it becomes a separate field of marketing altogether – such as Email Marketing, Web Marketing, or Social Media Marketing, in which case it would need considerably more attention from academics and marketing practitioners alike.

5.2 Recommendations

This research has highlighted that despite the Digital Influencer Marketing industry growing, and expected to grow exponentially in the near and mid-term, it is receiving surprisingly very little attention from the marketing fraternity in terms of its development.

This research report has discussed at length the best practices related to DIM execution and management. At an industry and strategy level, there are multiple recommendations that emanate out of this research, these are;

- ***A Unified Measurement Standard for DIM***, similar to the “Barcelona Principles” agreed upon by the PR industry, which sets standards at a global level for PR measurement. This could be an integrated standard with input from all marketing disciplines
- ***Common and agreed upon DIM industry toolkit*** that could contain sample influencer selection checklists, risk plans, reputational tools, influencer contract templates etc. This will support practitioners to uniformly plan, manage, and execute DIM campaigns.

- **Brand specific DIM Playbooks** developed by organisations and their partners to provide guidelines to marketers on how to go about doing DIM within the company, and the related best practices. Since each brand, product and marketing environment is unique, these context specific will enable organisations to align best practices internally.
- **Training and Certification for both Influencer and Marketers** on the various DIM areas eg. Selection, Payment, Risk etc. This will allow them to gain the requisite DIM knowledge and expertise through formal means rather than through experience alone. Higher education institutes and professional bodies could add this into marketing curricula.
- **Influencer Coaching and Training on managing their own brand**, as well as on managing themselves and their clients as a business. This would enable smoother interaction on commercial, legal, financial, project delivery, content production and other matters.
- **Influencer Code of Conduct** as a voluntary code subscribed to by all influencers that work commercially with organisations. This will support accountability from influencers on their online content and behaviour, as well as allow them to share best practices amongst themselves.
- **Influencer Industry Specific accreditation**, such as pharmaceutical, financial, alcohol, retail etc. This could be in the form of a “badge” or “trustmark” that verifies that they have training or experience in an industries specific marketing nuisances and regulations. This will help brands identify Influencers that have experience in regulated industries, or with specific type of customers.

5.3 Study Limitation and Suggestions for Further Research

The study has been conducted with participants representing a cross section of the marketing and media industry. In terms of fields of specialisation, participants represented a diverse group from areas such as Brand Management, PR, Event Marketing, Digital Marketing, and Specialist Influencer Marketing. Whilst the different views were assimilated into the research to present an objective and

balanced perspective, there were very diverse views on best practices within certain areas from the different participants, in some cases conflicting with dominant viewpoints. Functional research on DIM from a specific marketing perspective would deepen marketers understanding of related DIM best practices within different marketing disciplines.

Also the company types in the representative sample was varied, with marketing operations and process best practices being widely different depending on whether the participant represented a creative agency, a platform, a brand, or a specialist agency. The industry ecosystem is still being shaped with each area jostling to ensure that there is minimal disruption to their current business models whilst still embracing and preparing for change. There appear to be concerns of being disintermediated by many of the participants. Research around an industry operating model and ecosystem would benefit the participants and support them to move forward.

There are also nuances specific to different industries in terms of their general and specific advertising regulations and limitations. These are not readily transferable or understood in digital advertising and marketing environments, such as influencer marketing. As an example, Alcohol advertising is prohibited to under 18's in South Africa, how do these brands then verify that an Influencers audience do not include this market? Industry specific research that seeks to understand its regulations and limitations as it relates to Digital Environments will help marketers to more readily apply them in a DIM context.

Finally, none of the corporate /participants had considered any form of formal skills development, training, or organisational development work for DIM. Research into organisational structure, change management, and training and skills development as it relates to DIM could be undertaken to bolster marketing capabilities within organisation. This is more important for organisation types that provide favourable environments for building internal DIM environments.

It should be noted that the study has been conducted in South Africa, and although many of the best practices contained herein can be generalisable

globally, it is unclear at what stage of development marketers in other countries may be in terms of DIM.

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APPENDIX A – Participant Information Sheet

Attention: [Insert addressee details], [Contact person], [Organisation name]

Dear [Name]

Re: Request for your participation in Qualitative Research Interview on Influencer Marketing in SA

My name is Ahmed Kajee, I am a Chartered Marketer South Africa (CMSA) presently working as the Head of Digital Marketing and Social Media at Nedbank. I am currently completing an academic research thesis as part of a Master of Management in Digital Business degree at the University of Witwatersrand's (WITS). My supervisor is Laurence Beder, Adjunct lecturer at WITS Business School.

As part of this project, I would like to invite you to take part in an interview. The research is titled “**Management Practices for Digital Influencer Marketing**” which seeks to better understand the growing field of Influencer Marketing in the context of South Africa, from a marketing management point of view. I would like to conduct remote interviews via MS Teams with experienced marketing practitioners who have had exposure to influencer marketing campaigns in any capacity over the preceding 12 months.

Amongst the best practices we are researching when using Influencer marketing are aspects such as Influencer Selection Methodologies, Brand Reputation and Safety Management, Influencer Fraud and Risk Factors, Payment Models and Fees, Campaign Tracking, Measurement, Process and Management, Creative Control, and Influencer Ethics and Disclosure. As the research aims to understand this area better from marketing experts working in the field, input on best practices in other areas will be welcomed. The interview will therefore consist of several open-ended guiding questions, and be conducted in a semi-structured manner to allow for dialogue on any salient points that we could discuss further. This activity will take between 60 - 90 minutes. With your permission, I would also like to record the interview.

There will be no personal costs to you if you participate in this project, you will not receive any direct benefits from participation but there are no disadvantages or penalties if you do not choose to participate or if you withdraw from the study. You may withdraw at any time or not answer any question if you do not want to. The interview will be completely confidential and the information you give to me will be held securely on a password protected device and not disclosed to anyone else. I will be using a pseudonym (false name) to represent your participation in my final research report.

If you have any questions during or afterwards about this research, feel free to contact me on the details listed below. This study will be written up as a research report, I will be pleased to send the summary to you and would welcome an opportunity to share its insights with you in a telephonic discussion. The data collected from this research project will be stored securely and will be kept for 1 years. If you have any concerns or complaints regarding the ethical procedures of this study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email hrec-medical.researchoffice@wits.ac.za.

If you require further information regarding this research, please contact me on ahmed@kajee.org or via mobile on 082 4900 290, or my supervisor Laurence Beder on laurence.beder@wits.ac.za

Yours sincerely,

Mr. Ahmed Kajee

Master of Business Administration (UCT)

PgDip Honours, KISM (Stellenbosch)

Chartered Marketer, CMSA (MASA)

APPENDIX B – Interview Guide

Qualitative Semi-Structured Interview Guide

Code	Proposition Category	Question/s
IMGD	Influencer Marketing Growth and Development	<ol style="list-style-type: none"> 1. What is the strategic role of DIM in yours or your customers Brand and IMC Strategies? 2. To what extent do you anticipate the use of DIM to grow in your future IMC strategies? 3. What kind of DIM skills exist in your organisation and how, if at all, are you developing them?
IMPP	Influencer Marketing Performance & Payment	<ol style="list-style-type: none"> 4. How have influencer marketing campaigns performance been tracked and measured? 5. Where have you experienced the most value from using influencers? 6. What payment models have you used to compensate influencers?
IMPG	Influencer Marketing Policies and Guidelines	<ol style="list-style-type: none"> 7. How do you or the organisations you work with go about selecting influencers? 8. What are the most important factors to consider when using influencers? 9. What level of creative freedom and control do you allow influencers?
IMCE	Influencer Marketing Capabilities and Enablers	<ol style="list-style-type: none"> 10. What are the main organisational capabilities needed for successful influencer marketing? 11. Are there any specific marketing practices or processes that you believe are important for DIM? 12. Which marketing functions are responsible for influencer marketing?
IRCM	Influencer Risk and Compliance Management	<ol style="list-style-type: none"> 13. How do you manage brand, influencer fraud, and other risks and compliance factors when using influencers? 14. What regulations or standards are you aware of that govern influencers?
General	General Discussion	<ol style="list-style-type: none"> 15. Given your experience, is there anything you would like to add regarding DIM best practices?

APPENDIX C – Participant Consent Form

Research Topic: Management Practices for Digital Influencer Marketing Management

Name of researcher: Ahmed Kajee, WITS MMDB 2020, Student No: 1010743

I,, agree to participate as an interviewee for this research project. The research has been explained to me and I understand what my participation will involve. I agree to the following:

(Please circle the relevant options below).

- | | | | |
|---|-----|----|-----------------------|
| I agree that my participation will remain anonymous | YES | NO | <input type="radio"/> |
| I agree that the researcher may use anonymous quotes in his / her research report | YES | NO | <input type="radio"/> |
| I agree that the interview may be audio recorded | YES | NO | <input type="radio"/> |

Interviewee

..... (signature)

..... (name of participant)

..... (date)

Researcher

..... (signature)

Ahmed Kajee..... (name of person seeking consent)

..... (date)

Kindly complete and sign this form and return via email to ahmed@kajee.org

APPENDIX D – Influencer Rate Card Example

 LISA RALEIGH	2019 RATE CARD
	
Lisa Raleigh Ambassadorship: Lisa Raleigh Guest Speaker: Lisa Raleigh MC:	POA POA POA
Digital Blog Review: Facebook Post: Twitter Mention with Image: Instagram Post:	R7 000 R12 000 R3 000 R4 000
Personalised Photography (*Lisa with product): Personalised Photography (*Product shot only): Personalised Video: Instagram Story:	R1 500 R750 R10 000 R1500
Competition Posts (*With personalised photography):	R5000
Repost: Instagram Live: Facebook Live: Boosting:	R950 R4 000 R12 000 R300 - R2 000 Per Post <i>(For Maximum Results)</i>

APPENDIX E – Influencer Audience Data Example





DIGITAL STATS

<p>Lisa Raleigh Website: www.lisaraleigh.com</p> <p>Newsletter:</p> <p>Instagram: Lisa Raleigh (@lisaraleigh)</p> <p>Twitter: Lisa Raleigh (@LisaRaleighSA)</p> <p>Facebook: Lisa Raleigh (@LisaRaleighSA)</p>	<p>24 433 Ave Views p/m</p> <p>19 366 subscribers</p> <p>16 600 Followers</p> <p>30 838 Followers</p> <p>127 154 Likes</p>
<p>Instagram: Mumentoes (@Mumentoes)</p> <p>Twitter: Mumentoes (@Mumentoes)</p> <p>Facebook: Mumentoes (@Mumentoes)</p>	<p>2606 Followers</p> <p>671 Followers</p> <p>136 376 Followers</p>



