THE EFFECT OF DIGITAL INFLUENCERS' REPUTATION ON EWOM, PERCEIVED INTENTION AND PURCHASE INTENTION OF INSTAGRAM USERS

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ABSTRACT

Only behind the USA and India in user numbers, Brazil is the third country with more people on Instagram. This article sought to understand the relationship between Instagram influencers reputations and the purchase decision process of their followers. The methodology used consisted of the multivariate analysis of an on-line survey answered by 378 subjects. The results showed that on-line mouth-to-mouth and influencer reputation carry great importance for the online consumer. The researchers concluded that business should always consider the habits of the influencers they choose to represent their products, once their reputations will affect their sales numbers.

Keywords: consumer behavior; purchase decision process; digital influencer; social media; purchase process.

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1 INTRODUCTION

According to the website Statista (2021), Brazil currently occupies the third place in the ranking of countries with the highest number of active users on Instagram. As of April 2021, Brazil had accrued more than 100 million active users accessing Instagram daily, only behind the USA and India. According to Qualibest's (2018) Digital Influencers research, among Brazilians who are on-line, 71% of them follow an influencer. Among these people, 55% claim to seek out the opinions of digital influencers before making an important purchase. The results showed that 86% of the subjects had found out about a product via an influencer, and 73% had indeed bought a product because of their recommendation.

Numbers like these are proof of the ascension of digital influencers, microcelebrities who amass followers on social media and/or blogs through text and visual narration of their personal lives and lifestyles, monetizing their followers by selling endorsements to brands for a fee (Castillo; Fernández, 2019). In the year of 2019 alone, digital influencers were responsible for moving U$4 billions in the world Economy (Terra, 2019).

A digital influencer's behavior is constantly overseen by thousands, if not millions, of users. When their negative actions take big proportions, their reputations are threatened, negatively affecting users' engagement and purchase intentions. A person with good online social relations can establish a reputation that positively influences the development of persuasive knowledge and, consequently, affects the purchase behavior of others (Hung e Li, 2007).

As the reach of influencers expands through a variety of fields such as society, culture and economy, their influence grows and so should their responsibility for their actions, making it more and more important for an influencer to manage their reputation in order to improve their perceived value to their clients (Ryu; Han, 2021). The success of an influencer depends on consumers seeing their reputations as positive and favorable, and it is expected that the management of such reputation contributes significantly to the sustainability of the influencer's marketing (Ryu; Han, 2021).

Thus said, the present research sought to answer the question on how do the relationship between influencers and their followers interfere on purchase intention of a brand or product. In order to do that, the authors analyzed how an influencer's reputation influences eWOM, perceived risk and purchase intention of Instagram users.

2 THEORETICAL REFERENCE

2.1 SOCIAL NETWORKS

A social network is a group of people (or organizations or other social entities) connected by a number of social relationships, such as friendship, cooperation or information exchange (Garton; Haythornwhaite; Wellman, 1997). With the popularization of the internet, the definition expanded to include virtual environments in which the users can share messages, infographics, videos, written text, pictures and links to websites.

However, social networks don't limit themselves to communication among friends, they are also used to track the consumption preferences of their users when they interact with brand pages post content relative to those brands voluntarily (Erkan; Evans, 2016).

Tapiador, Carrera and Salvachúa (2011) add that relations in social networks can be bi or unidirectional. Bidirectional relationships are the ones in which the user follows what their contacts produce, and vice-versa, while the unidirectional relationships are the ones in which only one of those parts follows the content created by the other. This research focused on the latter, which is the relationship between followers and influencers, who by the definition of their jobs, could never follow all that their thousands or millions of followers create online.

2.2 INSTAGRAM

Instagram is a social network that allows the users to edit and shares their videos and pictures with other users, even allowing them to share such videos and pictures in other social networks, such as Twitter and Facebook. In 2012, Facebook bought Instagram for around US$1 billion (G1, 2012).

As previously mentioned, Brazil is the third country with the largest base of Instagram users in the world, only behind the USA and India. Instagram itself is the fourth most popular social media platform among Brazilians between the ages of 16 and 64, with 58,2% of its users being women and 41,8%, men (Statista, 2021; Digital, 2021; Brazil, 2021).

Celebrity profiles are on the top of the ranking of most followed profiles on Instagram, which makes them the perfect vehicles for brands who are seeking to impact as many people as possible in the platform (Djafarova; Rushworth, 2017).

2.3 DIGITAL INFLUENCER

A digital influencer is a microcelebrity who performs in multiple internet platforms with a high degree of success, amassing followers through social media and/or blogs through text and visual narration of their personal lives and lifestyles, monetizing their success by endorsing brands in front of their audiences for a fee. These non-traditional celebrities are often more successful than than the common celebrity endorsers, since the audience feels closer to them, not seeing the relationship between influencer and user as a commercial one (Castillo; Férnandez, 2019).

A digital influencer becomes a brand ambassador when they promote such brand to their followers, usually in exchange for free goods, the promise of exposure, or a small amount of money (Castillo; Férnandez, 2019). One of the main roles of influencers in digital media is to direct the consumer's decisions in their purchase behavior (Ryu; Han, 2021).

That is how digital influencers can act as bridges between their followers and companies/brands, breaching the gap between the audience and goods and services, and orienting specific purchase behaviors. A side effect of this relationship is the humanization of brands, since the mix between public and private provided by Instagram makes the opinions published feel authentic, leading to a trust and commitment relationship (Silva et al., 2020), showing that people are more likely to trust and believe in opinions closer to their own (Cheung et al., 2009).

2.4 TRUST

Mishra (1996) defines trust as the disposition of one part to be vulnerable to another based on the belief that the latter is competent, open, interested and trustworthy. In their study, the author assumes that the dimensions (competence, openness, interest and trustworthiness) represent the building bricks of the concept of trust, combining to determine the general degree of trust between the participants.

According to Che, Cheung and Thadani (2017) claim that, in the absence of physical evidence, consumers will take the word of opinion leaders, like influencers, when buying from Instagram stores.

Lu, Chang and Changa (2014) showed that if a consumer engages with content created by an influencer, not only enjoying their content but also believing them, they are prone to feel the purchase intention towards the recommended product or service, as long as the consumer doesn't identify the endorsement as contrary to the influencer's projected image, which could

64

lead to the destruction of the goals set by the company when they hired the influencer (Silva et al., 2020).

2.5 REPUTATION

Ryu & Han (2021) define a digital influencer's reputation as the perceptions and evaluations generated on their followers through contact with the influencer's activities and image, acquired through direct and indirect experiences. The authors divide the digital influencer reputation construct in four factors: Communication Skill, Influence, Authenticity and Specialization.

Thus, when one or more influencer reputation factors fail, their performance is damaged, as was the case of the rapper who behaved in a way that was perceived as xenophobic and abusive during a very influential Brazilian reality show in 2021. Her behavior cost the celebrity several sponsors, with estimated losses of R$5 millions on the long run (Nicoceli; Mirell, 2021), which goes according to what Zhou & Whitila (2013) and Ryu & Han (2021) pointed about the importance of an endorser's positive reputation.

2.6 eWOM (electronic Word of Mouth)

The concept of eWOM has attracted a lot of attention in the last few years due to the growth of the internet and the popularity of e-commerce. Potential consumers seek out eWOM in search of information on products and services they might buy, in order to mitigate doubts on costs and risks associated with the purchase (Chan; Ngai, 2011).

According to Harrison-Walker (2001, in Chan & Ngai, 2011), eWOm is an informal, person-to-person communication between a communicator seen as non-commercial and a receiver regarding a brand, a product, an organization or service. A crucial difference between WOM and eWOM is that while the former is ephemeral, the latter tends to survive indefinitely on the internet, forever linked to the product's name on search engines (Litvin; Goldsmith; PAN, 2008).

Prior studies have shown that consumer evaluations carry more weight on purchase intentions than the messages perceived as from marketing professionals, since they are judged as originating from people who don't profit from manipulating other consumers, demonstrating the importance of credibility for the eWOM receivers (Park; LEE; Han, 2007; Bickart; Schindler, 2001; Cheung et al., 2009).

2.7 PERCEIVED RISK

According to Bauer (1960), the consumer knows that their choices involve risk, with their purchases being capable of bringing undesirable consequences. The search for information is a measure taken by the consumer in order to mitigate the risks of a potential purchase decision(Barnes et al., 2007).

According to Tan (1999), consumers perceive internet shopping as riskier than in physical stores. The consumer then will seek information in formal and informal sourcers, consider the image or reputation of a brand or price as a quality guide (Akaah, 1998) and, mainly, the reference groups - defined by Belch & Belch (2014) as a group whose points of view or values are used as basis for evaluations, opinions and actions.

2.8 PURCHASE INTENTION

For Lu, Chang and Changa (2014), purchase intention is the consumers' desire to buy a determined product, in a specific moment or situation. The consumer's purchase decision is a complex process and purchase intent is generally related to consumer's behavior, perception and attitudes (Mirabi; Akbariyeh; Tahmasebifard, 2015).

Kotler & Armstrong (2015) enumerate the six phases consumers go through during the decision making process: awareness, knowledge, sympathy, preference, conviction and purchase.

3 METHODS

This study performed a single cross-sectional survey, with a 19 questions quiz that was shared during a period of 10 days through three social network platforms: Facebook, Instagram and WhatsApp. The target audience for the survey was comprised of men and women, aged between 18 and 50, who used Instagram at least three times a week and actively followed, for at least six months, a digital influencer.

The data received went through factor analysis and regression (both simple and multiple) in order to find the representative factors of the presented phenomenon and the relations among the explanatory variables of the process that leads to purchase intention. Eventually, discriminant analysis was used to analyze how separating the number of influencers that a person follows on Instagram in groups would impact the purchase intention average.

Figure 1 shows the theoretical framework built to orient the study's objectives, followed by the hypotheses descriptions.

Figure 1 - the studies theoretical framework
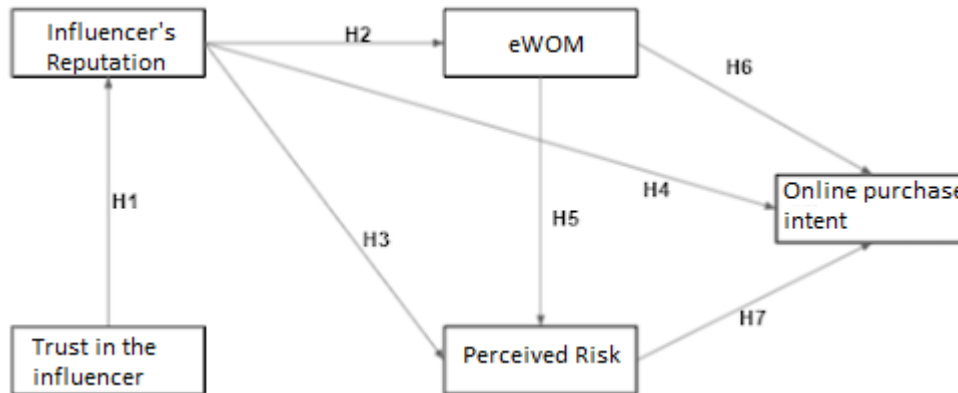
Source: the authors themselves

Hypotheses:

H1 - Trust in the digital influencer has positive effects on the digital influencer's reputation on Instagram.

H2 - The influencer's reputation has positive effects on Instagram eWOM.

H3 - The influencer's reputation has positive effects on mitigating perceived risk by Instagram users.

H4 - The influencer's reputation has positive effects on the purchase intent of Instagram users.

H5 - eWOM has positive effects on mitigating perceived risk by Instagram users.

H6 - eWOM has positive effects on online purchase intent of Instagram users.

H7 - Perceived risk has positive effects on Instagram users' purchase intentions.

Table 1 lists the scales used in order to structure the survey with the concepts previously discussed.

Table 1 - Scales used in the quiz

Scale	Author	Number of items
Reputation	Adapted from Ryu & Han (2021)	8
Trust	Adapted from Moorman, Deshpande & Zaltman (1993)	7
eWOM	Adapted from Thoumrungroje (2014).	4
Perceived Risk	Adapted from Laroche et al. (2005).	5
Purchase Intent	Adapted from Hausman & Siekepe (2009).	4

Source: the authors themselves.

4. RESULTS

4.1 SAMPLE PROFILE

The sample had 456 respondents in total, with only 378 making past the five filter questions (P1, P2, P3, P4 and P7). Regarding gender, 79% declared to be women, 20% men and 1% declined to identify their gender. The more common age group was between 21 to 25 (32%), which was also the proportion of graduation students in the study, making them the majority group regarding formal education. Regarding income, most of the respondents had monthly wages of around R$3.500,00 and R$4.999,00 (23%), followed by the people ranging between R$5.000,00 to R$8.999,00 (21%). Table 2 shows a better representation of these data.

Table 2 - Sample profile

Variable	Frequency	Percentage (%)
Gender		
Female	300	79%
Male	76	20%
Not specified	2	1%
Age group		
18 to 20	48	13%
21 to 25	120	32%
26 to 29	62	16%
30 to 34	72	19%
35 to 39	34	9%
40 to 50	42	11%
Education		
Complete middle school	10	3%
Incomplete middle school	2	1%
Incomplete High-school	6	2%
Complete High-school	80	21%
Incomplete Grad-school	122	32%
Complete Grad-school	112	30%
Post-graduate onwards	46	12%
Income		
Up to R$2.499,00	22	6%
From R$2.500,00 to R$3.499,00	72	19%
From R$3.500,00 to R$4.999,00	86	23%
From R$5.000,00 to R$8.999,00	78	21%
From R$9.000,00 to R$12.999,00	64	17%
Above R$13.000,00	26	7%
Not specified	30	8%

Fonte: the authors themselves.

Analyzing how often they use Instagram, 84% of the subjects claimed to use it several times a day and 40% said they followed 6 to 15 digital influencers. The research showed that 43% of the respondents had a long history of following influencer content, going for more than 3 years. The study was also interested in knowing if the users looked up the products displayed by the influencers, finding that most of them (34%) do indeed always research said products. Table 3 displays the data discussed in this paragraph.

Table 3 - Instagram use and related activities.

Variable	Frequency	Percentage (%)
Frequency of use		
Up to 3 times a week	8	2%
From 4 to 7 times a week	14	4%
At least once a day	38	10%
Many times a day	318	84%
Time following the influencers		
1 to 6 months	22	6%
7 months to 1 year	62	16%
1 to 3 years	130	34%
+3 years	164	43%
Number of influencers		
1 to 5	102	27%
6 to 15	152	40%
16 to 25	44	12%
26 to 35	20	5%
+40	60	16%
Product research		
I sometimes look up these products	106	28%
I often look up these products	104	28%
I rarely look up these products	40	11%
I always look up these products	128	34%

Source: the authors themselves.

With so many influencers talking about several themes, P6 sought to find out what subjects interested their followers the most. As shown in Table 4, Lifestyle takes preference over most subjects, followed by Beauty. "Others" regards subjects that were cited by too few respondents to merit a single category.

Table 4 - Influencer segments

Segment	Frequency	Percentage (%)
Fitness	22	6%
Fashion	38	10%
Pets	10	3%
Beauty	58	15%
Food	26	7%
Travel	22	6%
Lifestyle	112	30%
Music	20	5%
Design	6	2%
News	10	3%
Technology	2	1%
Sports	10	3%
Others	42	11%

Source: the authors themselves

The following questions were created in order to understand the importance of an influencer's bad reputation to the followers:

RI1 - "Have you ever stopped following a digital influencer or their content because of something wrong they had done?"

RI2: "Have you ever refrained from buying a product or service recommended by a digital influencer because of something they had done?"

Table 5 shows that both questions had majoritary positive answers, pointing that to most of the sample, bad reputation influences their content consumption and purchase intent.

Table 5 - Answers to RI1 and RI2.

Question	Frequency	Percentage (%)
RI1		
No	72	19%
Yes	306	81%
RI2		
No	126	33%
Yes	252	67%

Source: the authors themselves.

5. DISCUSSION

More than half of the sample (62%) claimed to engage in research about products or services recommended by an influencer on Instagram. Supporting Erkan' & Evans' discussions (2016) about brands in social media, the the varied distribution of more than 10 segments shown in this research, Instagram showed itself as a broad niche platform in which brands are able to connect with their target audiences and efficiently advertise their products.

The results of Table 5 showed that an influencer's bad reputation brings a negative impact for content following, as well as for the purchase intent of an endorsed product, confirming what Zhou & Whitila (2013) found, where reputation impacts an influencer's activities or endorsed brand.

Regarding the proposed framework, nearly every hypothesis was validated, with the exception of H5 and H7. H1 showed that trust influences the reputation of the influencer, however minimal influence might be. H2 showed a more pronounced effect of reputation over eWOM, showing that through comments or Instagram content sharing, a digital influencer's reputation eWOM can be researched and judged by the users. These findings are supported by Bickart & Schindler's own work (2001).

Regarding hypothesis H3, statistical analysis shows that influencer reputation contributes to the reduction of perceived risks, and may show a higher propensity to interact with activities linked to content or purchase intent. H4 confirms the influence of reputation on purchase intent, although with a small significance, while H6 confirmed that eWOM is a variable in the framework that contributes a great deal more to Instagram users' purchase intent. Hypothesis H5 showed that, for this study, eWOM does not mitigate perceived risks, in fact enhancing it, which invalidates the hypothesis. This phenomenon can be explained by the velocity and power wielded by negative eWOM on Instagram. As for H7, the results were unable to prove the influence of perceived risk on purchase intent.

The multiple regressions confirmed that the variables with the most influence on purchase intent in this framework were trust and eWOM, with the rest having such a low degree of significance that they didn't even make it into the analysis. When adding other variables from the study that were not initially on the framework, it was assessed that the search for products

recommended by an influencer is the variable with the highest weight on purchase intent of Instagram users. It was also confirmed that eWOM is the factor with the most influence over reputation on Instagram, as well as reputation's power of diminishing user's perceived risks.

Discriminant analysis showed that, despite the small size of the group that followed 25 to 35 influencers (5%), this is the group with the highest leaning towards buying a product recommended by an influencer.

6. CONCLUSION

This paper sought to understand how a digital influencer's reputation interferes with eWOM, perceived risk and purchase intentions of Instagram users. Statistical analysis showed that while an influencer's reputation has power over purchase intent, that influence is minimal.

Influencer reputation, however, is effective over eWom, which follows what older researches have already shown. It is very easy to have broad discussions about an influencer's reputation through comments and shared content on Instagram's digital environment, which makes tracking their actions via eWOM barely an inconvenience. It's important to highlight the mitigating role of reputation over perceived risk. That might mean that Instagram users that already know of an influencer's reputation are more likely to consume their content, since the risk they represent has been diminished.

In the Instagram digital influencer's environment, the study showed the significance of eWOM over purchase intent, contributing to the findings of Park, Lee and Han (2007), where eWOM has a positive effect on purchase intent in an online environment. On Instagram, the user can see comments or ask their contacts in the platform if they want information about a product endorsed by an influencer. Contrary to the expectations of one hypothesis, perceived risk was not relevant to purchase intention.

The results showed that people who follow more influencers tend to eventually buy something endorsed by them. That happens because the higher the number of influencers a person follows, the higher the probability of said person eventually finding something of interest in the products marketed to them.

Considering the vast number of niches that influencers and brands can find on Instagram, the platform is ripe for the use of targeted marketing.

It should be noted that Lifestyle bloggers are the most followed kind of influencers on Instagram, which meets with findings by Cheung et al. (2009), according to whom, people are more likely to engage with content that resembles their own lives or desired lifestyles.

The present study contributes to the recent theory regarding digital influencers. As a recent phenomenon, these researches are in need of more data.

Regarding the limitations of the present study, it's fair to mention that a disproportionate number of respondents were women (79%) and young people, ranging from 18 to 34 (80%).

Future research could benefit from studying influencers from different networks, such as Facebook or Youtube. Another suggestion would be to research digital influencers that restrict their activities to one social network instead of several.

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