

INFLUENCER MARKETING THE CASE OF NORTH MACEDONIA

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ABSTRACT

It is believed that influencer marketing is making a huge impact on businesses. Whenever someone online attracts the attention of the consumer, he/she can be considered as an influencer. Whether the consumer is following a politician or an expert on Instagram, or picking recipes and cooking according to the Facebook chef page or is growing flowers as a Pinterest gardener, or is watching a video from the favorite YouTube vlogger, it is a matter of communicating with an influencer. Influencer is a person who is at the forefront of social trends. He/ she is able to create new ideas, concepts or content (innovators) or discovers trends before anyone else and is spreading them further into the social medium (disseminators). Influencers are Internet users with a lot of subscribers across different social networks, who have significant influence on their followers. In simple words, an influencer is a person who is able to impact on purchasing decisions of others by using social networks.

Companies are trying to use influencers in order to attract more consumers to see and buy their products or services. However, there are many intrigues related to this kind of marketing. Many experts and marketers believe that influencer marketing is not achieving the expected results and that it is only about tricks and frauds.

This paper attempts to explain the use and impact of influencer marketing on Macedonian consumers. Do they believe in influencers and do they buy according to influencers' recommendations. In order to achieve this goal and answer the questions, an electronic survey was conducted.

KEYWORDS

Influencer marketing, social networks, Instagram, Facebook, YouTube, innovators, disseminators

JEL CLASSIFICATION CODES

M31, M37

INTRODUCTION

The rise of social media and especially the pandemic period that has started in the beginning of 2020, has opened up a new channel for companies to connect with consumers more directly and more originally. As media and technology have become more advanced, companies can choose from a range of options in outlets to market their products. These options have also led to the evolution of social media influencer marketing. There are people now, representing companies through branded content on personal

social media accounts, such as Instagram, Snapchat, Twitter, and YouTube. More than ever, consumers are looking to fellow consumers to inform their purchasing decisions. According to Forbes, influencer marketing can be defined as “a form of marketing in which focus is placed on specific key individuals rather than the target market as a whole” (Forbes.com).

However, the influencer marketing is not new. Consumers have seen celebrities endorsing brands on TV and other traditional ad formats. The “new” is that that marketing continues online, including also other influential and knowledgeable people. Nowadays, consumers can see celebrities talking about the products or services they are promoting on social media, as well as ordinary persons, like travel bloggers who discuss interesting destinations and travels by budget airlines, or mothers who post a new recipe on Facebook, or fashion stylist who pose a new denim line on Instagram. All of these are examples of influencer marketing and that is why it is defined as “the process of identifying, researching, engaging and supporting the people who create high-impact conversations with customers about your brand, products or services”. (Marketing craft, 2020).

Some marketers consider influencer marketing as an evolution of the powerful marketing strategy known as “word of mouth”. However, there are similarities, but also a big difference between these two terms. “Word of mouth” is when individuals talk about products, services, brands, outlets with persons they know, like their family, friends, colleagues, partners, neighbors. This kind of marketing was proven to be very effective coming from someone close who actually used the product or service. Even in the digital era, word of mouth remains a strong marketing force. Nielsen’s “Global Trust in Advertising Report” showed that some 83% of consumers trust recommendations from people they know. This is higher than ads on TV, for example, trusted by 63% of consumers.

With social media, however, personal interactions go beyond conversations among family, friends, or colleagues, but happen online. It has also expanded to include interactions not only with people we personally know but also with people we probably haven’t even met yet. Influencers are those magnetic personalities that people haven’t met and still are following them on Facebook, Twitter, Instagram, or any other social media platform, including blogs. They amplify the power of word of mouth using their social media connections.

The statistics below on a world scale, shows why influencer marketing is such a popular marketing tactics: (Digital Marketing Institute, 2020)

- 70% of Teens Trust Influencers More than Traditional Celebrities,
- 86% of Women Use Social Media for Purchasing Advice,
- 49% of Consumers Depend on Influencer Recommendations,
- 6 in 10 Teens Follow Advice from Influencers Over Celebrities,
- Influencer Marketing Campaigns Earn \$6.50 for Every Dollar Spent,
- Influencer Marketing Is the Fastest-Growing Online Customer-Acquisition Method,
- 57% of Fashion and Beauty Companies Engage in Influencer Marketing,
- Major Brands Plan to Increase Spend on Influencer Marketing,
- The Influencer Marketing Industry is Expected to Hit \$10bn by 2020,
- 74% of People Trust Social Networks to Guide Purchasing Decisions,
- Influencer Marketing has Surpassed Print Marketing,
- 40% of Customers Use Ad-Blocking Technology,
- Marketers spend \$25,000-\$50,000 on Influencer Marketing Campaigns,
- 40% of Twitter Users Made a Purchase Based on a Tweet,
- 67% of Marketers Promote Content with the Help of Influencers,
- Facebook Is the Most Influential Social Media Network,
- When it comes to millennials, only 1% of them trust advertisements. However, 33% of them trust blog reviews for their purchases.
- Around 40% of people reported that they purchased a product online after seeing it used by an influencer on YouTube, Instagram, or Twitter.
- 71% of influencers believe that it’s an honest and authentic voice that keeps their audience engaged

- 60% of Consumers Have Been Influenced by Social Media or Blog While Shopping at a Store and
- 71% of Marketers Believe Influencer Partnerships are Good for Business

LITERATURE REVIEW

There are lot of definitions on influencer marketing. One of them is that “Social media influencers represent a new type of independent, third-party endorsers who shape an audience’s attitudes through blogs, tweets, and the use of other social media channels” (Fredberg, 2010). Through sites like Instagram, YouTube, Twitter, and Facebook, social media influencers create content promoting certain brands with the goal of obtaining a following and brand recognition. According to Fredberg, the success of social media influencers is vitally important to brands; therefore, technology has been developed to identify and track influencers’ relevance to a brand or organization. This technology tracks the number of hits on a blog, times a blog is shared, likes and comments, and followers. All of these points are pivotal aspects of a social media influencer’s success. Social media influencers promote brands through their personal lives, making them relatable to the average consumer. Where traditional marketing targeted mostly mass audiences, influencers have the unique ability to target niche audiences that have until now been unreachable (Ledbetter, 2016).

In terms of followers, influencers may be categorized as mega-influencers, macro-influencers, or micro-influencers, and working with each of these types has its benefits. According to Talkwaker, the three types of influencers are: (Talkwaker, 2020)

A) **The Celebs:** mega influencers with around 1 million plus followers, among whom are TV and movie actors, sports and music stars and social media masters,

B) **The Execs:** macro level influencers with between 10,000 to 1 million followers and here are journalists, bloggers, industry experts and other content creators,

C) **The Everyday:** micro level influencers with 500 to 10,000 followers and here are ordinary consumers who can work well for Influencer marketing. In literature, influencers with fewer than 1,000 followers are also called nano-influencers.

The celebrities are famous because of their background in the “real” world. They are called mega influencers, even though they do not always have a great influence on human’s behavior. Their reach is used to increase brand awareness. Just because a person can recognize a celebrity’s name, does not mean that he or she respects them enough to buy the products they recommend (De Veirman, et.al, 2017)

On the other extreme, nano-influencers do not have lot of followers. They usually are people with the most credibility in a particular neighborhood and their advertising looks like friendly advice, so they have the highest level of engagement.

What are the most important aspects of influencers? (Talkwaker, 2020)

- A) **Reach:** relates to the ability of influencer to deliver a message to a large number of people. This is simply how many potential people the influencer talks to, whether that’s followers or subscribers. This can be the readership of a publication, the audience of a TV host or the number of social followers someone has. But a great reach doesn’t always mean a great result. Reach is important but insufficient.
- B) **Engagement:** This is the opposite to reach. It is how much interaction the influencer gains from the audience. And it is becoming more important than reach when considering influencers. Engagement comes in two forms. Passive engagement is usually the bare minimum of what a reader can do; clicking a like or retweet button. It doesn’t mean they have actually fully absorbed the content message. While active engagement is when someone has taken the time to read the content and add to the conversation around it. These are the people who are generating ideas about the message and will more likely engage with it further. What type of engagement you receive depends on the audience?
- C) **Audience:** Who is the influencer talking to on a regular basis? Is it a wide audience that has a general interest in what is said, or a smaller, more specific group, who are focused on a niche

subject the influencer works in? This is the key to how far the message travels. A niche audience tends to be more connected within their industry and will help promote the content further.

- D) **Recognizability:** For companies, it's vital to consider the influencer's recognizability, especially within their market. Traditionally, it is believed that celebrities are more recognizable. And in a wider market, they probably are. But in a more niche market, an industry blogger or speaker may gain more recognition from their audience. The same can be said for younger markets. YouTube vloggers and the like could actually be more recognizable than celebrities, and therefore be more relevant.
- E) **Creativity:** There are two types of influencer, the creator (who innovates trends) and the disseminator (who adopts them). A creator will be followed for their creativity. Their audience will appreciate their originality, and interact with it in a more in-depth way. While a disseminator is someone that shares ideas, and it is expected their audience to simply do the same.
- F) **Contextual credibility:** the level of trust and authority given by the audience based on the influencer's perceived knowledge and expertise on a specific topic. A celebrity chef will have high credibility in recommending meals but low credibility in politics, for example. (Forbes, 2017)
- G) **Salesmanship:** the presence and communications style that gives the influencer the ability to understand and embrace a particular point of view. There are some people who seem to have an extraordinary power to convince people of their point of view. They have an ability to explain things in convincing ways, are clear with their messages and deliver their points of view with confidence.

RESEARCH METHODOLOGY

For the purpose of this paper, two sources of data were used:

A) **Secondary sources:** data and information from relevant existing literature on influencer marketing, like journals, statistical data, reviews, e-books, published presentations, blogs, FB statuses and YouTube vloggers. Mainly online sources were used and the reason is obvious. Even though influencer marketing is not new term, lately it is becoming a hot topic for marketers, probably because it is powerful and related to the traditional advertising it is inexpensive and efficient. Influencer marketing is happening online and targets consumers who are using Internet. Secondary sources provide a lot of data from qualitative and quantitative research, historical reviews and method of comparisons.

B) **Primary data:** the data necessary to develop the final questionnaire were divided in two sections: a) demographic data (gender, age, working status) and b) psychographic data on person's opinions, beliefs, attitudes, and preferences collected through open and closed questions. The questionnaire was randomly distributed to 125 individuals, in the period between 15th of September and 15th of October, 2020. Results were collected by e-mail and Facebook.

ANALYSIS AND RESULTS

For the purpose of this paper, the questionnaire with standardized questions was disseminated through Internet platforms. The survey was conducted in in the period between 15th of September and 15th of October, 2020. Out of 125 respondents, 93 (74%) fully answered the questionnaire and only their answers are taken into account for compiling the statistical data and results. The online survey was used for data collection because of the nature of the questions, as well as the characteristics of collection – very fast and easy way to get responses from a large number of respondents.

The first part of the questionnaire refers to the demographic characteristics of the respondents. Questions were asked about their age, gender and employment status.

According to age, 13 respondents (14%) aged up to 17 years, 22 respondents (24%) aged 18 to 20 years, 28 respondents (30%) aged 21 to 29 years, 11 respondents (12%) aged 30 to 35 years, 19

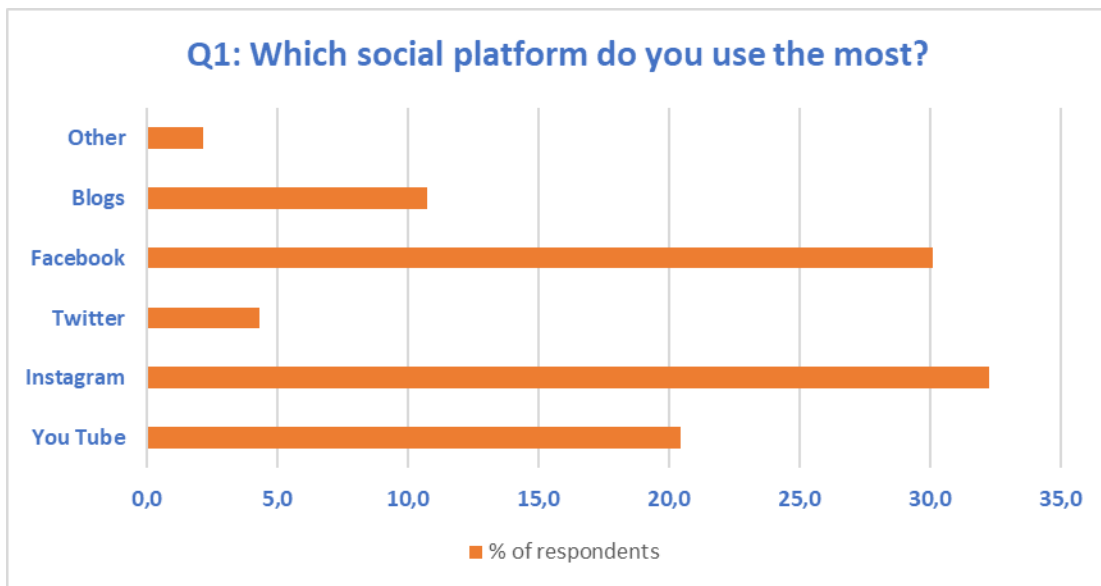
respondents (20%) aged over 36 years participated in the survey. The respondents between the ages of 21-29 have the largest participation in the survey. This is a good indicator of the reliability and accountability of the data given that this age group uses social networks and the Internet the most.

By gender, the participation of male respondents is 34%, and of female respondents is 66%.

According to the working status, 41 respondents are employed, 9 are unemployed, 32 students and 8 who did not comment on this issue, participated in the survey. Students have the largest share in the survey.

The second, essential part of the research refers to the collection of psychographic data from the respondents, regarding their opinions, attitudes, beliefs regarding the knowledge, monitoring (following) and purchase of products from social influencers. This part of the questionnaire contains 6 questions. The questions, their answers and analytics are given below:

GRAPH 1: Which social network do you use the most?

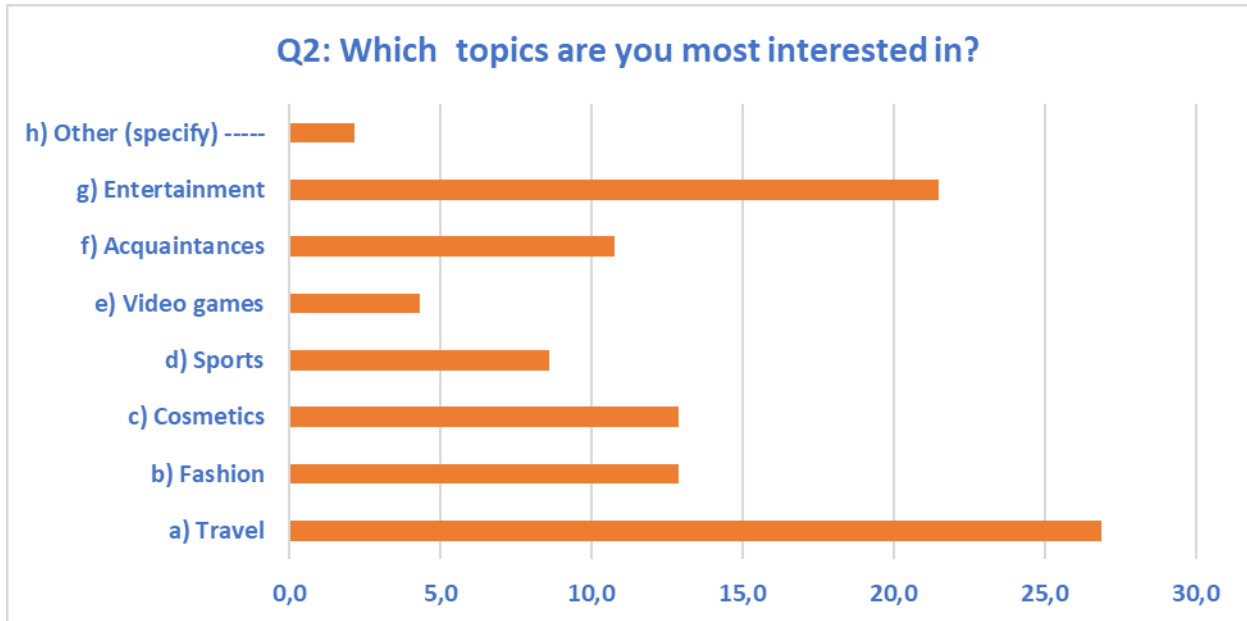


Source: Own research of the authors

According to the answers to this question, almost all respondents use a social platform on the Internet. Most respondents use Facebook (30%) and Instagram (32%) or a combined 62%. The other respondents use Twitter, Blogs, You Tube, but also Snapchat, Pinterest and other networks.

Respondents on social networks mostly follow topics in the field of travel (27%) and entertainment (22%). After them, important topics for which there is interest among the respondents are fashion (13%) and cosmetics (13%), which is understandable considering that most respondents are female. The least interest exists for video games (4%). This data can help companies to decide in which areas to use social influencers. Data, also, can help companies to know exactly where to focus their marketing activities - marketing programs and promotions.

GRAPH 2: Which topics are you most interested on social networks?



Source: Own research of the authors

To the third question “Do you follow a person (influencer) on social networks who talks and knows the best about the topic of your interest?”, all respondents answered in the affirmative way, i.e. they like to follow the people who talk the most about certain topic or have the greatest knowledge about it. Having in mind that people use social networks, this question is related to the first one, it is logical that they follow the topics they are most interested in. Therefore, this and the following question is asked to all respondents.

GRAPH 3: Have you ever bought anything based on the recommendations of a social influencer?



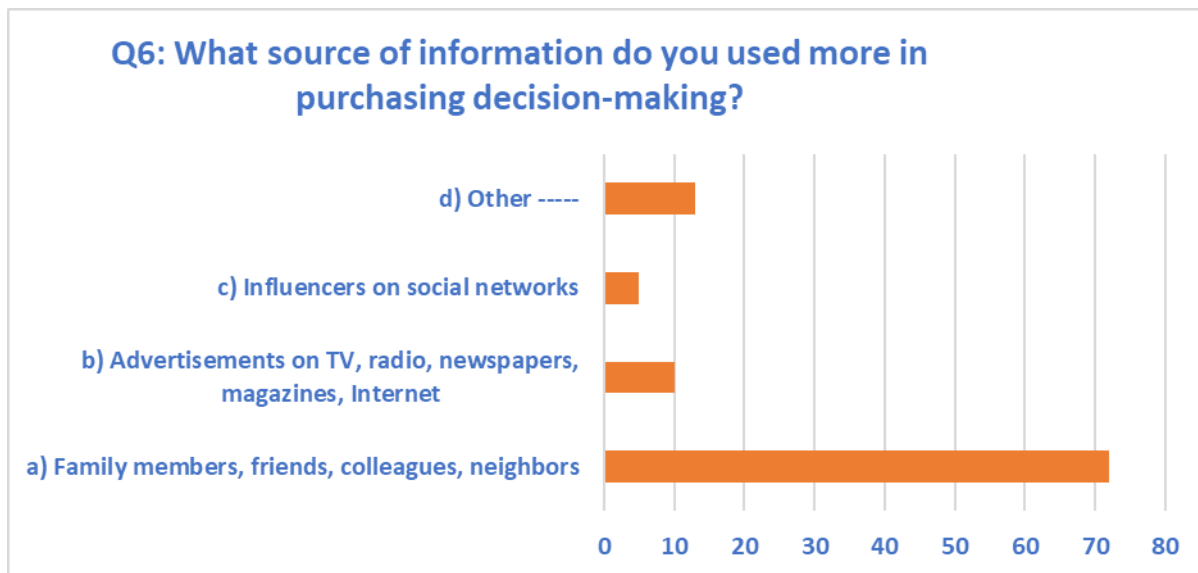
Source: Own research of the authors

According to the answers to this question, most respondents (52%) have never bought products or services due to promotions or recommendations by influencers. Only 6% of respondents bought a product or service influenced by a social influencer. This shows that in Macedonia, consumers follow what is

happening, which is a trend on social networks, they follow the topics they are interested in, but do not buy under the influence of influencers.

On the fifth question: “If you answered “Yes, regularly” or “Yes, several times” to the previous question, please answer this question. Are you satisfied with the purchase under the influence of social influencers?”, only 23% of respondents are satisfied with the purchase of products and services influenced by social influencers. 39% of the respondents are not satisfied, i.e. what they bought online under the influence of influencers did not meet their expectations. And 38% answered this question with “I do not know”.

GRAPH 4: When making a decision to buy products or services, which source of recommendations do you trust the most?



Source: Own research of the authors

According to the answers to this question, most respondents (72%) consult with their closest friends, relatives, colleagues to buy products and services. This data shows how powerful “Word of mouth” marketing is still in Macedonia. Companies need to focus on this type of marketing the most. Influencers are watched and followed, they are interesting, they are fun, but they do not have the power, yet, to influence the purchasing decisions of the consumers.

This research is not representative of the entire population in Macedonia. The research was done in order to get an idea of whether the young population has any interest in buying products or services online, under the influence of social influencers.

CONCLUSION

Seth Godin, the guru of Marketing is right when he says that “People don’t buy goods and services. They buy relations, stories and magic”. This logic goes in favor of using influencer marketing.

Influencer marketing is currently the most popular marketing technique that possesses an incredible ability to connect with highly relevant audiences as well as create authentic content. It has been found that influencer marketing can generate eleven times higher ROI than any other digital marketing technique. The world data show that consumers believe to influencers and they buy products and services they

promote and advertise. Research shows that influencer marketing is increasingly replacing traditional marketing. It represents the word of the moth, which is the most powerful marketing tactic, now transmitted online.

However, the research conducted in this paper, shows that Macedonian consumers follow and are interested in stories of social influencers, but they don't make buying decisions based on them. Only 6% of respondents replied that they have bought products or services based on influencer's impact. This is a very small percentage. The most of respondents based their purchasing decisions on sources that come from their families, friends, colleagues or closest ones.

This research was done with a small sample of the population and is not representative of all consumers in Macedonia. Its aim was to give an idea of whether the young population has any interest in buying products or services online, under the influence of social influencers. It can be a starting base and encouragement for more research in future.

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APPENDIX

QUESTIONNAIRE

I would like kindly to ask you to complete this electronic Questionnaire that refers to the usage of recommendations of social influencers in your purchasing decision-making process. The questionnaire is anonymous. It is composed of two parts, demographic data and psychographic data. The second part of the questionnaire refers to your views, opinions, beliefs about buying products and services from social influencers. The questionnaire will be used for research purposes only.

Thank you for your time!

I PART

1. Please state your age: -----
2. Please mark with "X" your gender: Male ----- Female -----
3. Please circle your employment status:
 - a) Employed
 - b) Unemployed
 - c) Student
 - d) Other (specify) -----

II PART

- 1) **Which social network do you use the most?**
 - a) You Tube
 - b) Instagram
 - c) Twitter
 - d) Facebook
 - e) Blogs
 - f) Other (specify which) -----
- 2) **Which topics are you most interested on social networks?**
 - a) Travel
 - b) Fashion
 - c) Cosmetics
 - d) Sports
 - e) Video games
 - f) Acquaintances
 - g) Entertainment
 - h) Other (specify) -----
- 3) **Do you follow a person (influencer) on social networks who talks and knows the best about the topic of your interest?**
 - a) Yes
 - b) No
- 4) **Have you ever bought anything based on the recommendations of a social influencer?**
 - a) Yes, regularly
 - b) Yes, several times

- c) No, never
- d) I'm not sure

5) If you answered “Yes, regularly” or “Yes, several times” to the previous question, please answer this question. Are you satisfied with the purchase under the influence of social influencers?

- a) Yes
- b) No
- c) I do not know

6) When making a decision to buy products or services, which source of recommendations do you trust the most?

- a) Family members, friends, colleagues, neighbors
- b) Advertisements on TV, radio, newspapers, magazines, Internet
- c) Influencers on social networks
- d) Other -----