

I HAVE SEEN IT IN YOUR STORIES: THE
ROLE OF INSTAGRAM INFLUENCERS IN
FOLLOWERS' PURCHASING BEHAVIOUR

by

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LIST OF ABBREVIATIONS

UNCTAD United Nations Conference on Trade and Development

WOM Word of Mouth

eWOM electronic Word of Mouth

MAU Monthly Active User

IU User Interface

PSI Para-social interaction

UGC User Generated Content

CHAPTER 1. INTRODUCTION

Whenever a new business emerges or sets up a new product, it needs to be promoted. Promotion is one of the elements in the marketing mix known as 4 Ps: Product, Price, Promotion, Place. Advertising is a part of Promotional tools which is aimed to inform consumers about products or services and change their purchasing decision in favour of the particular product.

As technologies emerge, new advertising tools appear. The development of the Internet generated a variety of efficient platforms for advertising and business development. Although these technologies initially were referred to information and communication, in a modern scenario, the Internet plays an essential role in affecting consumer purchasing behaviour. Nowadays, online advertising is considered to be more cost-efficient than traditional forms of advertising. Interactive, visually attractive and entertaining content make the information easier to consume. Naturally, this tool became the most desirable and popular advertising instrument for business. The channel opened a new way to communicate with consumers directly and receive real feedback. Unlike traditional media, customers have also obtained an opportunity to tell about their needs, create and distribute the content.

Social media are one of the most actively growing tools for communication and advertising provided by the Internet development. According to the GlobalWebIndex report, social media were the most used digital media worldwide in 2019. On average people devote for it 2 hours and 20 minutes per day, which is almost 35 days a year.

As people obtained an opportunity for not only personal communication with friends but also a chance to share own experience and impressions with publicity, many of social media users started personal blogs where they communicate with a big audience. As the next step of growing popularity of blogs and the spread of social media, a term social media “maven” or “influencer” emerged. These are the people who share their ideas, experience, beliefs and expertise have a significant number of followers and are believed to affect followers’ approaches.

Naturally, popularity and reputation got a chance to be monetarised. Therefore, bloggers, besides the usual content, also provide advertising services for business. Nevertheless, it is essential to mention that not all social media are equally suitable for this type of advertising.

The study focuses on the analysis of Instagram influencers because it is a fast-growing, visually-oriented social media with the highest number of social media influencers.

Following the Theory of Reasoned Actions by Fishbein & Ajzen (1975), some individuals intentions for action are motivated by attitudes and subjective norms. Therefore, mavens may affect peoples' approaches and some beliefs. In particular, this study analysed the effect of influencers on followers' purchasing behaviour.

Although people are likely to follow the recommendation of those whom they know and trust, most people do not know an influencer personally; therefore, they may not build a trust-based on personal communication. On the other hand, the style of bloggers communication, number of followers and other traits may evoke the particular feeling of trust so their followers will be or not likely to follow the influencers' recommendation an make a particular purchase.

The aim of the study is to find out what influencers' traits make them more trusted and quantify how their advertisements change consumers' purchasing behaviour. In particular, whether Para-social interaction (when the person likes the influencer's lifestyle, clothes, appearance and wants to resemble) between follower and influencer has a positive effect on the purchasing behaviour; and whether active online communication with followers makes an influencer trusted source of information.

The result of the study may be useful for any type of B2C business that is considering cooperation with the Instagram influencers. The finding may help to choose the right blogger according to the expected outcome.

The base for the study is a survey conducted by the author and distributed among Instagram users from 27 countries and background.

To quantify the effect of each trait, that may evoke a sense of trust to the blogger on the probability to follow the recommendation, several logistics regressions were estimated.

According to obtained results, it was found that Para-Social Interaction between the influencer and follower indeed has a positive effect on the consumers' purchasing behaviour. Therefore, a follower who wants to resemble a blogger is more likely to follow the recommendation provided in the blog when considering a particular purchase.

Communication matters. Influencers, who actively communicate with followers in comments, stories and direct messages are considered to be trustworthy and have a positive impact on the followers' purchasing behaviour. Therefore, it may be declared that the cooperation with bloggers who possess such traits will potentially be more effective for business than with those who do not.

The study has also discovered that, in general, people do not tend to trust followers unless they follow them for a long time. Paid partnership was observed to be ambiguous due to signs in different models. Therefore, values and personal traits that the followers share with blogger make the last one look trustworthy and reliable.

CHAPTER 2. INDUSTRY OVERVIEW AND RELATED STUDIES

2.1. Social media advertising market worldwide

The world becomes more digitalised every day. The online world is a large part of life and everyday routine for modern people. According to the survey provided by GlobalWebIndex in 2019, social media is second used media by the time devoted after online mobile media (e.g., podcasts, games, photo and file editors, maps, etc.). According to Table 1. on average, people spend 2 hours and 20 minutes per day using social media.

Table 1. Time per day usually devoted to the different media by age groups

	Total	16-24	25-34	35-44	45-54	55-64
Online via PC/Laptop/Tablet	03:27	03:31	03:37	03:21	03:19	03:13
Online Mobile	03:18	04:13	03:40	02:56	02:12	01:33
Social Media	02:20	02:57	02:34	02:04	01:37	01:14
Linear TV	01:55	01:30	01:50	02:00	02:17	02:43
Music Streaming Services	01:14	01:39	01:24	01:05	00:47	00:29
Online TV	01:10	01:17	01:22	01:09	00:53	00:39
Games Consoles	01:00	01:15	01:10	00:56	00:38	00:23
Online Press	00:59	01:01	01:08	01:00	00:47	00:35
Broadcast Radio	00:54	00:38	00:54	01:02	01:06	01:06
Broadcast Radio	00:54	00:46	00:47	00:43	00:35	00:30

Note: (in hours and minutes)

Source: Digital vs Traditional Media Consumption. Trend Report 2019

The survey also provides information about time spent online according to the geographical zone. Table 2. provides the information on time spent on social media. According to the data, Europeans spend the least time on social media in comparison to others. Simultaneously, people who live in Latin America spend on average 3 hours and 29 minutes per day using social media, which is the highest amount of time devoted among all groups.

Table 2. Time per day usually devoted to social media by geographical zones

	APAC	EUROPE	LAT AM	MEA	NORTH AM
Social Media	02:13	01:53	03:29	03:05	02:03

Note: (in hours and minutes)

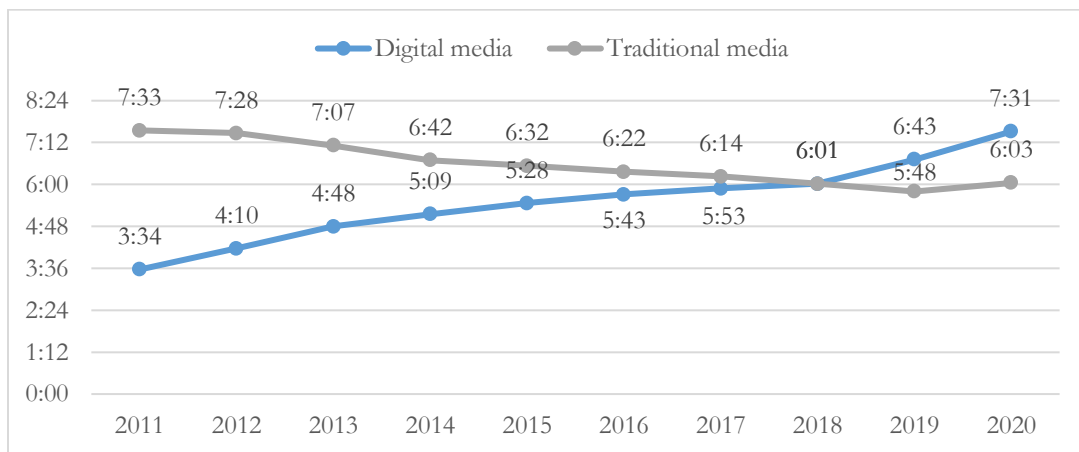
Source: Digital vs Traditional Media Consumption. Trend Report 2019

According to the flagship report on the latest social media trends, provided by GlobalWebIndex in 2020, the time devoted to social media has increased in 18 of 46 analysed countries since 2019. The study included respondents from Europe, APAC, North and South America, Middle East, and Africa.

One of the most significant changes was observed in the USA, where the average time spent using social networks increased from 2 hours and 1 minute in 2019 to 2 hours and 8 minutes in 2020. It constitutes one additional day and 18 hours a year. In most other countries included in the research, the time spent on social media continued to remain at the same level.

Social media has become more popular than traditional. Data from Statista (Figure 1.) shows how time spent on digital and traditional media has been changing in the USA during the last decade. Figure 3 shows that the time spent with digital media has more than doubled since 2011 and in 2018 exceeded the average time USA people spend with traditional media.

Figure 1. Time devoted to digital vs traditional media in the USA

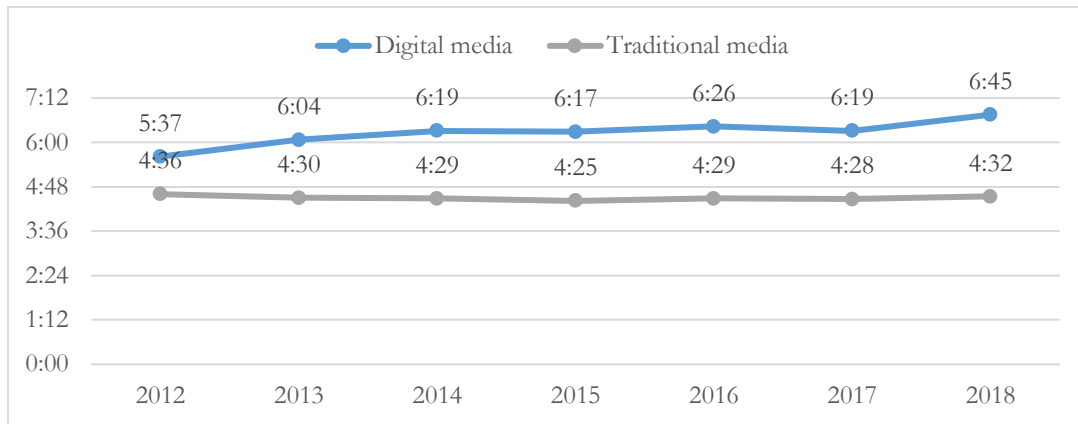


Note: (in hours and minutes)

Source: Statista. Time spent with digital vs traditional media in the U.S. 2011-2020

The cross-country data provided by the GlobalWebIndex survey in 2020 states that people devote more time to spend on digital media versus traditional. Figure 2. shows that time dedicated to digital media has increased from 2012 to 2018 by 1 hour and 8 minutes while for conventional media, it has slightly decreased. Therefore, it may be declared that digital media is becoming more popular and used.

Figure 2. Time devoted to digital vs traditional media general case



Note: (in hours and minutes)

Source: Digital vs Traditional Media Consumption. Trend Report 2020

According to the report, social media contributes to the most significant share of total time spent on digital media. On average, people spend 2 hours and 20 minutes per day on social media. The second biggest share is online TV; people devote to it 1 hour and 10 minutes, which twice less than for social media. Table 3 also provides information that youth age from 16 to 24 years is the most active social media users and spend almost 3 hours per day.

Table 3. Online media consumption (in hours and minutes)

	All	16-24	25-34	35-44	45-54	55-64
Total Media Time	06:45	07:44	07:17	06:17	05:31	04:46
Online TV	01:10	01:17	01:22	01:09	00:53	00:39
Music Streaming	01:14	01:39	01:24	01:05	00:47	00:29
Online Press	00:59	01:01	01:08	01:00	00:47	00:35
Social Media	02:20	02:57	02:34	02:04	01:37	01:14
Other	01:02	00:50	00:49	00:59	01:27	01:49

Note: (in hours and minutes)

Source: Digital vs Traditional Media Consumption. Trend Report 2019

As a result, nowadays, the e-commerce and digital marketing markets are on the top as business development channels. The global e-commerce market has risen by 13% and reached 3.5 trillion USD in 2019, according to the Ecommerce Report 2019, provided by Emarketer. Statista forecasts e-commerce sales growth in 2020; the sales are expected to reach 4.2 trillion USD. The number of people who buy online has increased by 6.7% in 2020; therefore – 2.05 billion people do online shopping regularly.

Digital marketing (also includes social media marketing) offers many benefits. It provides details about consumers. In particular, the business gets almost immediate information about the exact number of people who have viewed the ad or visited the website, their geographic location, and the time they spent on the page. In some cases, it allows learning how many website visitors eventually made a purchase. Due to the opportunity to target the audience and control ads for conversion, digital marketing can provide higher ROI than traditional media tools.

Of course, digital marketing also has several disadvantages which businesses should take into account when deciding on marketing strategy and tools to use. For example, the ad may have a low impact from visual ads because the web is overloaded with visual information; thus, the advertisement may be easily ignored by the user. There is also a risk that advertisements may be mimicked or plagiarised for fraudulent activities. Bad feedback from users may affect reputation.

Among benefits and risks for businesses, it is worth mentioning that costumers buying online also face the risk of losing money or getting a product of bad quality. On the other hand, it is more efficient in terms of time and provides an opportunity to compare prices and find a better deal.

Advertising in social media plays a significant role in Ukraine. According to the Internet Advertisement Market report (2020) by the Ukrainian Internet Association, the share of sponsored advertising cooperation has increased by 3.9 p.p. and contributes 4% of all mobile media advertising. 43,7% of advertisements posted by agencies are published in social media and messengers.

Access to the Internet plays an essential role in digital marketing. According to the research provided by Factum Group in October 2019, 71% of the population in Ukraine are regular users of the Internet, it constitutes approximately 22,96 million people. The most important reason for it is that more people start using smartphones, and for 22% of users, a smartphone is the only device to go online.

Summarising, digital marketing tools can help companies of all sizes tune up their advertising campaigns with an opportunity to show their advertisements to the audience, which is considered to be a target following the location, age, interests and other characteristics. These options facilitate the use of a marketing budget, making it a more

efficient use of money in comparison to other traditional tools as TV, radio and other instruments.

2.2. The role of reputation

Social media have been emerging as a form of global communication, but now it is not only about communication between people anymore. This communication has evolved into a stream of information and interaction between individual and product via self-promotion and self-made reputation of expertise in particular fields. This tool is handy for business in advertising their goods or services. Nevertheless, benefits for business seem to be bigger than risks, while in case of consumer it is not so obvious.

Following feedbacks and ratings on the Internet, the consumer may get a hint about the reliability of the seller, availability of better offers, and actual quality of the product. On the other hand, the information may be misleading, therefore, the reputation of the source is crucial.

Participatory social media (as Twitter, Facebook, Instagram and others) strongly depend on the activity of the users. These platforms provide a “consumer-to-consumer” communication where individuals can openly share their experience, comment and give feedbacks which are known as an eWOM.

Nonetheless, shops that sell their products through social media cannot always be rated, and the customer can either take a risk or spend more time to find another offer. When people are facing a choice between several unknown sellers, they are likely to follow the recommendation of those whom they know and trust or have been recommended. In this case, Word of Mouth (WOM) plays an important role. The online world has modified WOM into eWOM. Nowadays, it is considered to be one of the most influential media channels among consumers, businesses, advertising agencies and people in general.

Reputation becomes an essential trait for a source of information. When the source is trusted, the advertising provided will be beneficial for both consumer and business. Consumers will obtain correct information and make a purchase knowing possible pros and cons of the good. Business, on the other hand, will get an opportunity to make the desired brand image. The most beneficial reputation is for the source of information. High level of trust makes the advertisement more valuable and therefore allows to charge more for advertising.

2.3. Influencers' impact on consumers' behaviour

Social media maven is a new term which emerged through the spread of social media marketing. This term is mostly used for famous Instagram bloggers. In Ukraine, they are commonly called “influencers”, those who spread trends, ideas, affect peoples' beliefs, approaches and purchase intentions. These people become respectful individuals who use their social media accounts for commercial activities, thanks to their popularity which is seen by a high number of followers. In general, influencers are people who acquired a high level of interest from others with the content they create. Influencers may focus their content on the specific topic such as makeup, travel, cooking, etc., or by having a personal “lifestyle” blog and eliminating everyday routine.

Influencer marketing is a vital and trusted form of advertising for any type of brand and business. To be more precise, according to the research provided by Invespro, 94% of US marketers who used influencer marketing believe such cooperation to be effective. Moreover, this form of marketing generates 11 times higher ROI than other digital marketing tools.

There are four types of influencers. Celebrities, such as Cristiano Ronaldo, Eva Longoria and others make the largest group. Cooperation with them is usually based on the ambassadorship of big brands.

Macro-influencers are more open to cooperation. They are bloggers with the audience between 100.000 and 1 million. They usually cover few topics in their blogs. Macro-influencers are professionals and enjoy influencing. On the other hand, authenticity can be questionable, when the influencer advertises, there is no guarantee that the person indeed uses this product.

Micro-influencers focus on a specific niche or subject. They are considered to be experts within a particular industry; their audience is between 1.000 and 100.000 individuals. They are not celebrities but have a group of loyal and active followers who trust them. Cooperation with this type of bloggers usually bring a bigger ROI and decrease marketing costs.

Nano-influencers have up to 1.000 followers. The lack of followers is compensated by personal interaction with the audience. These influencers are highly trusted by followers and have a powerful impact on them.

Influencers can create and deliver their content and ads in several ways. The following marketing tools are the most popular.

Stories ads. Short videos vertically oriented disappears in 24 hours, seen by people that follow the account or just visited it. Bloggers usually use it to create content, increase awareness and engagement.

Photo ads. Pictures of goods or anything shared by the blogger. May go with a post below, good description, locations, hashtags, etc. Do not expire with time.

Video ads. Short videos shared by a blogger in the profile, as well as photo ad, may be accomplished by good description, locations, hashtags, other people mentions. Do not expire with time.

Carousel ads. Few pictures, videos or both in one post may be viewed by swiping right or left for change. Similarly, to a photo or video ads may be accomplished by text description and do not expire.

Despite the size of the audience, some bloggers sacrifice ethics and moral codes and use unfair ways to increase their popularity, gain more followers and advertising offers. Therefore, influencers can increase the number of followers not with the content but by the purchase of fake followers' accounts.

According to the survey provided by Invesco the level of credibility is believed to correlate with the number of sponsors the influencer cooperate with. On the other hand, it is not always the truth. Many bloggers fake paid partnership to increase followers' and brands loyalty. The problem is that it is difficult to understand where it the paid partnership and where is not.

The most popular social media (excluding messengers) in the modern world are Facebook – 2.23 billion Monthly Active Users, YouTube – 1.9 billion MAUs, WeChat – 1.06 billion MAUs and Instagram – 1 billion MAUs.

Once used by teens and young millennials, Instagram continues growing and attracting users of different age, interests, cultures and approaches. Instagram is among the most developing visual-oriented application. The key difference between Instagram and other social media like Facebook and Twitter is the User Interface (UI). On Instagram, the emphasis is on visual content. Photos and videos are the tools for people to create the content there, while the description is of minor importance. Facebook and Twitter, on the other hand, focus on the content. Although Instagram also has a desktop version, it is mostly used through the mobile app. When comparing the number of likes provided by users, Instagram followers are more active and engaged than Facebook users.

Unlike other popular social media, Instagram also provides an opportunity to create a commercial account. This tool has features that make it easy to advertise on Instagram and create promoted posts, review performance statistics, add a “contact” bottom, etc. Numerous Instagram accounts that sell goods appear every day. Advertising is crucial for them; therefore, influencers are the best way to attract customers and create a positive brand reputation.

Although influencers marketing is essential for business and very useful for consumers, not all bloggers are trustworthy and provide honest and efficient advertng. Therefore, this

study is focused on defining the influencers' features which followers consider reliable. The result of the research may be used by any type of business when considering cooperation with influencers. Hence, the company will be able to understand whether the influencers' audience will follow the recommendation and make a purchase, so the budget spent on advertising will provide a higher return.

2.4. Online advertising & digital media advertising

Advertising is a form of communication used to provide information about an event, product or another phenomenon. In business, this tool is used to provide information about the good or service and to persuade a consumer to buy it.

According to Mishra and Mahalik (2017), the information presented in an enjoyable way is accepted easier. Therefore, the advertising may be taken in an informative and entertainment concept.

The emerging of the Internet brought a new tool for reaching consumers and developed a variety of technologies for influencing consumers' purchase behaviour (Boudreau and Watson, 2006). Online advertising is widely used by companies to promote their goods and services and to create the company's image.

Online advertising has numerous features that make it attractive, enjoyable and engaging. According to the Wei, Jerome, and Shan, (2010), it includes multimedia, pictures and content. Rosenkrans (2007) defines multimedia as a form of expression that includes audio, video and animation. Yoo, Kim, and Sout (2004) consider animation to be an innovative tool that enhances advertising by making it more interactive and attractive. Consumers were found to respond favourably to animated pictures, texts and other visual elements on websites. The success of Instagram is a vivid example of the finding.

Glass (2007) states that consumers engaged in video games are more likely to build a favourable attitude to in-game brands. Wise et al. (2008) support this hypothesis and found out that companies that develop thematic connections between a brand and games built a favourable consumers attitude toward the product or brand in general.

The second tool used to facilitate online advertising is a picture. Visual materials in advertisements like pictures or images attract more potential customers attention; therefore, people are more likely to create a primary impression about the product.

The third feature that enhances advertising is content. This tool provides text information about the product, service or brand. Although content loads on the page faster than other visual elements, Armstrong (2001) found that companies that focus mostly on content may attract fewer potential customers.

The development of online media and technologies created many channels for advertising. Social media marketing is one of the emerging forms of online marketing these days. This channel opened a new way for companies to communicate with consumers directly. Unlike traditional media, social media allows customers not only consume the information about the brand or product but also engage with, create it and distribute (Alhabash, Mundel and Hussain, 2017). Authors define social media advertising as a piece of online information disseminated via social media platforms that allow users to participate in the creation and distribution of the ad.

Marketers realised that the publicity of the brand is no longer lies in the hands of traditional media and corporation activities. Marketers also discovered that the reputation and publicity of the brand are generated by the ability to produce public content and share it in social media (Kietzmann, et al. 2011).

This research is motivated by the Theory of Reasoned Action (TRA) by Fishbein & Ajzen (1975). According to the theory individual's intention to do something or not is motivated by attitudes and subjective norms. Therefore, the more positive is a person about any specific action, the higher is the probability that the person will participate in a particular activity.

Consumers are more likely to rely on peer-to-peer recommendations. Therefore, influencers' market is continually growing and becomes a key component in companies' marketing strategies (Association of National Advertisers 2018).

Social media influencers represent a new type of third-party endorsers that are considered to be opinion leaders. They communicate with a big audience and shape their attitudes trough blogs and with use other social media channels (Berne-Manero and Marzo-Navarro, 2020; Freberg et al., 2011). They gain the trust and influence by permanent communication with followers on their social media accounts and blogs where influencers share the lifestyle, hobbies, trend, etc., shaping followers' attitudes at the same time (Curie, 2017). Therefore, they become a subject of high interest for companies.

Commitment-Trust theory (Morgan and Hunt, 1994) states that commitment and trust are the keys to successful marketing communication. Authors say that these factors encourage long-lasting relationships with customers, and therefore gain consumers' loyalty.

When the business operates on the market for a long time and has already gained a particular reputation, the customer can have an idea of whether the brand should be trusted or not. On the other hand, everything is not yet clear with influencers. The goal of this research is to specify what influencers' traits persuade people to trust their recommendations, attitudes and advertisements.

2.5. The role of credibility in social media

Influencers are not the only people who tell about their life. According to Raggatt et al. (2018), influencers are observed in various fields like beauty, health, psychology, business, and automobile. DeVeirman et al., (2017) claim that the popularity of bloggers and their User Generated Content (UGC) emerged a new form of online marketing that is now known as “influencer marketing”. Thus, influencers turn to be a reliable source of eWOM (Evans et al. 2017).

Many researchers investigated the effect of celebrities’ endorsement. According to Ford (2018), corporations realised that celebrities’ image and a number of followers could enhance advertisement credibility and affect consumers purchase intention. On the other hand, the level of influence depends on the connection the celebrity has with followers. Therefore, it may cause a different reaction to the advertisement.

In contrast, social influencers are not celebrities like famous football players or actors, and they do not participate in traditional advertising campaigns (Abidin, 2016). Hautzet al. (2012) stated that bloggers get a higher level of engagement than celebrities, even though the content they create is less professional.

Macro-bloggers are considered to be closer to followers than celebrities and more desirable than micro-bloggers at the same time (Mundo, 2019). When following macro-influencers, the Para-Social Interaction (PSI) may emerge. In the context of social media, the PSI may be defined as an illusion of intimacy between the influencer and follower. According to Kelman (1958), this type of relationship is established by the spectator, but the performer may be unaware of this relationship. Greenwood et al. (2008) noted that women are likely to have a para-social relationship with celebrities and famous people. Adopting the conclusion from the previous study to social media, we may assume that para-social interaction may be developed between the influencers and follower as well. Therefore, followers may express a desire to inherit influencer’s lifestyle, appearance and etc. Hence, macro-influencers are likely to shape followers’ purchase intentions

On the other hand, micro-influencers have fewer followers but generate higher engagement through better connection with followers. They are considered to be more natural, open and to be considered as a friend (Mundo, 2019).

Customer’s purchase behaviour may be affected when the brand or company is considered to have a sufficient level of credibility (Lafferty and Goldsmith 1999). Goldsmith et al. (2000) state that credible endorser positively affects customer’s purchase behaviour. Therefore, a trustworthy influencer is considered to create a positive image for a brand or product and persuade consumers to make a particular purchase.

In the modern world of social media, marketing credibility is determined as a belief that the influencer is reliable and has a sufficient level of expertise in a specific area. On the

other hand, very little is known about what influencer's trait makes them look trustworthy in followers' eyes.

Diekmann and Przepiorka (2018) investigated how reputation promotes cooperation in a crypto market for illegal goods. On the market with no central authority, unlike usual online shops, where people can find a trustworthy source by ratings, reviews and platforms moderators, customers can only rely on the rating provided. Sellers react to the rating changes by adjusting the prices. While low-reputed sellers decrease prices for their goods to compensate for potential buyer's risk, well-reputed sellers increase to monetarise their reliability (Przepiorka, 2013).

At the moment, very little is known about influencers' feature, which followers consider to be trustworthy and reliable. This study aims to fill this gap. The findings of the research may be used by any type of business when considering cooperation with influencers. Therefore, the companies will be able to understand whether the influencers' audience will follow the recommendation and make a purchase, so the budget spent on advertising will provide a higher return.

CHAPTER 3. METHODOLOGY

The study aims to quantify how the trust to bloggers and individual influencers' traits influence followers' purchase intention. Another goal is to find out whether followers that want to resemble influencers will follow their recommendations. Another question to verify is whether bloggers' communication with followers affects followers' purchase intention.

Following the market size and studies analysed above, the paper focuses on the following hypotheses:

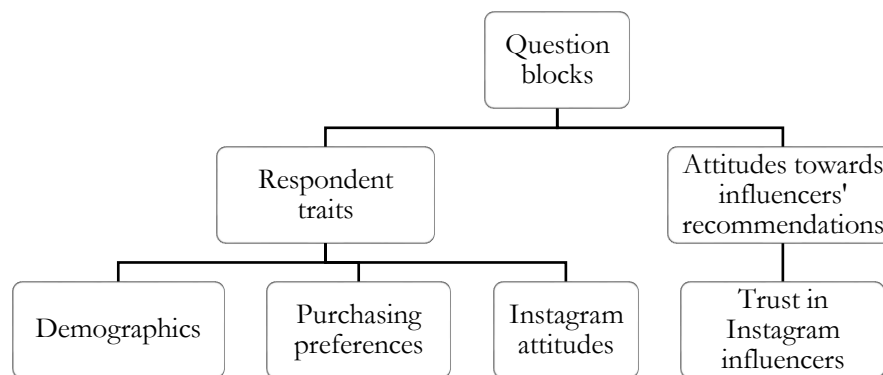
H1: para-social interaction between the influencer and follower is positively related to the change of followers' purchase intention. (If the person likes the influencer's lifestyle, clothes, appearance, he/she is more likely to follow the recommendation provided by blogger)

H2: Influencers' communication with followers in comments, direct messages and stories positively correlated with the change of consumer's purchase intention.

Given the lack of data describing the impact of influencers' ads and recommendations, the author decided to conduct a survey to collect the necessary information. The survey was processed in Google Form and distributed via Instagram and other social media focusing on Instagram users. The questionnaire was provided in three languages: English, Ukrainian and Russian.

The survey consists of 24 questions (Appendix A). The questionnaire consists of two main groups of questions short structure of questions is provided in Figure 3., the extended structure is available in Appendix B.

Figure 3. Questionnaire short structure



Therefore, the first block “Respondents traits” was divided into two: “Demographics” and “Instagram attitude”. In the “Demographics” set of questions, respondents were asked to provide their personal information as gender, age, the highest level of education, country of living, the population of the city of the residence, their family’s financial situation.

The questionnaire divided respondents into six groups. According to obtained results, three age groups were established: under 24, 25-32, above 33.

Although individuals’ income does not obviously determine individuals’ financial opportunities, wealth is expected to be a significant variable in the model. Therefore, in the survey, the author asked people about the financial situation of their families.

Following the generally accepted approach in asking people about their financial situation, five possible options were suggested to respondents (Table 4). In further steps, five categories were grouped in three: respondents from families with lower or upper income and middle class.

To the group “Lower-income” were included respondents who answered that they had enough money for food but buying clothes may be problematic for them and those whose families can afford food and clothes but buying more expensive things like TV, refrigerator and washing machine may be difficult for them.

To the middle class were included respondents who answered that they have enough money for necessary appliances, but they will have to save for some time to buy a car. People that can afford any purchases but real estate and those who can afford it were referred to the group “Upper-income”.

Table 4. Categories of respondents by the family’s financial situation

What is your family's financial situation?	Income groups
We have enough money for food, but buying clothes may be difficult for us	Lower-income
We have enough money for food and clothes, but buying a TV, refrigerator or washing machine may be difficult	
We can buy necessary appliances, but we will need to save for a car for some time	Middle class
We have enough money for everything except buying real estate (apartment, cottage, house)	Upper-income
We can afford any purchase including real estate	

The “Purchasing preferences” block of questions determines where respondents make purchases more often and whether they have ever followed the recommendation of the influencer when buying any goods or services.

The main question in the block that was chosen to be an explanatory variable for the model is “Have you ever made a purchase following the influencer’s recommendation?”. The survey provides three possible answers, Table 5. For further analysis and appropriate estimation answers provided by respondents were binned and assigned modified values “Yes” or “No”. Therefore, a binary variable was obtained.

Table 5. Experience of following influencers’ recommendations

Have you ever made a purchase following the influencer’s recommendation?	Binned values for further estimation
Yes, I often follow the recommendations and advertisements of bloggers	Yes
Yes, several times	
No	No

The “Instagram attitudes” block, aimed to learn the purpose of using Instagram, the average amount of time spend on the platform, how many public figures respondents follow and what thematic blogs do they prefer.

Another important block of questions that are expected to provide significant variables is “Attitudes towards influencers’ recommendations”. This part is focused on influencers’ traits that make them look reliable and trustworthy in the eyes of followers.

For respondents’ and author’s convenience, these questions were constructed in the form of a statement. Therefore, respondents were asked to rate to what extent they agree or disagree with the statement. The example is provided in Table 6.

Table 6. Trust question example

I trust the recommendations of bloggers who actively communicate with followers via stories, comments and reply to messages in the direct.								
Not at all	1	2	3	4	5	6	7	Absolutely yes

In further estimation, the scale was modified. Hence, answers with a degree from 1 to 3 were transformed into the variable that describes the lack of trust, the degree of 4 – indifference in trust to bloggers and from 5 to 7 – trust bloggers.

According to the aim of the study, two logistic models were estimated. The first model was aimed to specify influencers' features that make them a trustworthy source of information and recommendations. The second model estimated the impact bloggers' ads on the experience adjusting followers' purchasing behaviour according to influencers' recommendations.

Model 1 has a binary dependent variable Y_1 that determines whether a person has any level of trust to bloggers.

Expression of the influencer and followers' purchase behaviour (Model 1):

$$\begin{aligned} Prob(Trust\ to\ bloggers = 1) \\ = F(x_1\beta_1 + \beta_2x_2 + x_3\beta_3 + x_4\beta_4 + x_5\beta_5 + x_6\beta_6 + \varepsilon) \end{aligned}$$

where:

x_1 – a vector of age variables

x_2 – education variables

x_3 – wealth variables

x_4 – settlement characteristic variables

x_5 - categories of users by time spent on Instagram

x_6 - thematic blogs users follow

We also tried the model with dummies for the country of residence, but the final specification does not include them. The estimated country coefficients were insignificant; coefficients and marginal effects for other variables do not differ whether country dummies included or not. Results of regressions with control for country variables are available upon request.

To estimate the influencers' impact on the purchasing behaviour of Instagram users, the logistic model was assessed (Model 2):

$$\begin{aligned} Prob(Follower\ buys\ goods\ following\ influencer's\ advice = 1) \\ = F(x_1\beta_1 + \beta_2x_2 + x_3\beta_3 + x_4\beta_4 + x_5\beta_5 + x_6\beta_6 + Trust\beta_8 + \varepsilon) \end{aligned}$$

where:

x_1 – a vector of age variables

x_2 – education variables

x_3 – wealth variables

x_4 – settlement characteristic variables

x_5 - categories of users by time spent on Instagram

x_6 - thematic blogs users follow

Trust - trust variable(s)

We consider two specifications of the Model 2: one includes a single trust variable which measures general trust to bloggers while the second specification includes several different specific trust indicators. The dependant variable remained unchanged, while trust variables varied; all other independent variables remained unchanged to the initial model. Model 2 also does not control for the country of residence for the reasons described above.

Following suggested study hypotheses, trust descriptive variables that describe a willingness to resemble the influencer and bloggers' communication attitude are expected to have a positive impact of dependant variables.

CHAPTER 4. DATA

The data for research was collected by the author by conducting a survey. Original dataset consists of 24 variables and 255 observations.

Respondents that took part in a survey come from more than ten countries on different continents. Majority of respondents live in Ukraine, but the survey also includes answers from respondents that live in Post-Soviet countries, European countries. There are also responses from people who live in African, North and South American countries and Australia. The structure of respondents by country of living is shown in Table 7.

Respondents from Ukraine account for almost 76% of the sample – 193 people; from post-soviet countries including Russia, Kazakhstan and Georgia – 8%; European countries including Austria, France, Belgium, Italy, Spain, Poland and others – 6%. Respondents that live in other countries contribute less than 5% of the sample.

Table 7. Structure of respondents by country of living

Country of living		
	Absolute frequency	Relative frequency
Ukraine	193	76%
Post-Soviet countries	20	8%
European countries	16	6%
South American countries	8	3%
Eastern and Asian countries	7	3%
African countries	6	2%
North American countries	4	1%
Australia	1	>1%

Majority of respondents are women, the share of female respondents is 70% - 176 respondents, while male respondents are 30% of the data set – 79 respondents (Table 8).

Table 8. Gender structure of respondents

	Absolute frequency	Relative frequency
Female	176	70%
Male	79	30%

The age structure of respondents is represented in Table 9. There are respondents in all age groups, including “below 18” and “above 55”. Young respondents age 18-24 constitute 69% of respondents. People from 25 to 32 years old account for 20% of all responses; other age groups do not exceed the share of 5%.

Table 9. Age structure of respondents

Age group		
	Absolute frequency	Relative frequency
Less than 18	10	4%
18-24	177	69%
25-32	51	20%
33-39	13	5%
40-55	3	1%
More than 56	1	>1%

The biggest share of respondents lives in cities with a population above one million people – 47%. People that live in cities with a population between 50 and 500 thousand people constitute 29% of respondents. From Table 10, it may also be seen that 11% of respondents come from a small city or rural area.

Table 10. Structure of respondents by the size of the settlement

Settlement population		
	Absolute frequency	Relative frequency
Above 1 million	121	47%
Between 500k and 1 million	34	13%
Between 50 and 500k	74	29%
Less than 50k	12	5%
Rural area	14	6%

The data includes responses provided by people with varied educational background (Table 11). In particular, Bachelors’ degree is the highest level of education for 40% of respondents; 30% have master’s degree. For 20% of respondents, the highest level of education completed is high school.

Table 11. Structure of respondents by the highest level of education completed

Level of education		
	Absolute frequency	Relative frequency
Elementary	3	1%
Secondary school	14	5%
High school	51	20%
Professional education	6	2%
Bachelor	102	40%
Master	77	30%
PhD. or doctorate degree	2	>1%

According to the methodological approach, respondents were divided into five groups characterising the wealth of their families. For convenience, they were regrouped into three: middle class, lower- and upper-income groups. Table 12. represents the structure of respondents by wealth. According to the methodology, 45% of respondents were classified as a middle class; 33% - above middle and 22% - below.

Table 12. Structure of respondents by wealth

Wealth categories		
	Absolute frequency	Relative frequency
Lower-income	56	22%
Middle class	115	45%
Upper income	84	33%

When asked about trust to bloggers, 29% of respondents declared that they do trust bloggers to some extent, 28% say they are indifferent. On the other hand, 55% of respondents declared that they do trust bloggers who communicate with followers in comments, stories or direct messages. People are likely to trust those who they like, admire or are willing to resemble. 46% of respondents declared that they trust bloggers who dress as they like or would like to. Also, 41% said that they trust bloggers they would like to resemble. 60% of respondents declared that they trust influencers that have a thematic blog recommend or advertise goods or services within their competence or the subject of the blog. Appendix C provides information about the structure of the respondent according to the influencers' traits that make them trustworthy. Table 13. represents the structure of trust variables which were found significant in estimations.

Table 13. Structure of respondents according to their trust to influencers

Trust to influencers by traits		
	Absolute frequency	Relative frequency
Trust to bloggers	74	29%
Trust because of communication with followers	140	55%
Trust because of willingness to resemble	105	41%
Trust to influencers who run a thematic blog	153	60%
Trust because of long-time following	148	58%

Trust to influencers that the person has been following for a long time is also observed in the majority of respondents. The understanding of a “long time of following” is a subjective term and has no definite terms. Nevertheless, 58% agreed that bloggers who they follow for a continuous period of time are considered to be trustworthy for them.

As mentioned above, respondents were asked whether they have ever made a purchase following the recommendation of an influencer. The majority, 61% of respondents, declared that they have made a purchase following the influencers’ recommendation or do it regularly.

Respondents were also asked the reason for not following influencers’ recommendations. Among these reasons, followers mentioned that they do not need advertised goods – 52%, do not trust bloggers – 26%, and do not like advertised goods – 21%.

Table 14. Structure of respondents by purchase behaviour

Purchase behaviour		
	Absolute frequency	Relative frequency
Regularly follow bloggers’ ads or did it a few times	156	61%
Didn’t follow bloggers’ ads	99	39%
Reason for not following a recommendation		
Do not need advertised goods	52	52%
Do not trust influencers’ ads	26	26%
Do not like advertised goods	21	21%

Besides suggested answers, respondents could provide their own reasons, among common were relatively higher prices for products that have been advertised and boring advertising content.

CHAPTER 5. RESULTS

5.1. Who trusts influencers?

As long as blogging is used to generate profit, building trustful relationship with followers is crucial for an influencer. Thus, it is important to investigate why we choose to trust a blogger. Attractive appearance, open communication or maybe other personal traits may evoke a sense of trust and make followers more likely to consider an influencer to be a reliable and trustworthy person.

Very little is known what actually evokes trust to influencers, the study is aimed to fill the gap. Therefore, the model estimating impact of bloggers' personal traits on the degree of trust to them was developed (Appendix D). The regression included nine influencers' traits that might affect trust to them and five of them were found significant. Marginal effects of influencer's features in the regression are provided in Table 15.

Table 15. Marginal effects of factors making an influencer trustworthy

	Marginal effect
Influencer's personal traits	
Celebrity	-10.1%
Followed for a long time	16.2%
Follower's willingness to resemble	16.6%
Paid partnerships	9.2%
Active communication with followers	24.1%

According to Greenwood et al. (2008), women are more likely to be involved into para-social interaction with celebrities and famous people. Ford (2018) also states that celebrities are considered to be a credible source of information. Nevertheless, these statements are not confirmed in this regression. Gender was found to be insignificant as well as other variables describing the follower's individual characteristics. Therefore, neither age, nor gender, education, nor other demographic variables affect the followers' view on the influencers' trustworthiness in a given sample. According to the results, it may be declared that people with low income are 10.6% less likely to trust influencers than middle-class users.

With respect to the characteristics of the influencers, it was found that followers are 10.1% less likely to trust celebrities. People involved in para-social interaction with influencers are 16.6% more likely to trust them. Active communication with followers makes a blogger 24.1% more likely to be considered as a trustworthy person. While some people consider that paid cooperation between bloggers and brands is only about money and should not be trusted, others might think that partnership with brands is a privilege of successful people who may be trusted. Therefore, according to obtained results, paid partnership and advertisements increase the chance for an influencer to be trusted by 9.2%.

Trust variables in the study were found to have a certain correlation between each other (Appendix E). Therefore, the study analyses what factors influence different kinds of trust to influencer. Therefore, corresponding regressions were estimated with dependent variables being different kind of trust.

If talking about the trust that is based on the long period of following the influencer (see Table 16) it is mostly associated with younger users and those who follow cooking as well as fashion and beauty blogs. Specifically, people elder than 33 years old are 21.8% less likely to consider influencers they follow for a long time as reliable. In addition, those who live in small cities and rural area, are 16.8% less likely to trust influencers, who they follow for a long time. On the other hand, those people, who follow cooking blogs and blogs about fashion and beauty are 34.7% and 14.2% more likely to trust influencers they have been following for a long time.

Table 16. Marginal effects of variables making influencer trustworthy because of long-time following

	Marginal effect
Age (>33)	-21.8%
Living in a small city	-16.8%
Cooking blogs	34.7%
Fashion and beauty blogs	14.2%

Another source of trust is a blogger's expertise. Almost 60% of respondents, in general, declare that they trust bloggers who run a thematic blog or have a particular expertise in some topic, to be a reliable source of information. The most trusted are influencers that run travel blogs. Specifically, influencers who run travel blogs are 21.4% more likely to be trusted.

Celebrities are 44% more likely to be trusted by younger followers and by people interested in fashion and beauty (by 19.4% more relative to the average respondent).

The appearance of an influencer is important for 47% of respondents. Respondents with lower income are 17.8% less likely to trust influencers because of their good look. Influencers who run a thematic blog about fashion and beauty are 25.8% more likely to be trusted because of good looking.

Para-social interaction is described through the willingness to resemble the influencer (Table 17). According to the regression results, after 25 years, a person is 19% less likely to trust bloggers on that ground. People, who on average spend 1 to 2 hours per day on Instagram are 13.3% more likely to trust influencers they want to resemble. Moreover, people living in a small city are 19% less likely to trust influencers they are willing to be alike.

Table 17. Marginal effects of variables affecting trust based on willingness to resemble influencer

	Marginal effect
Age 25-32	-18.7%
Living in a small city	-19%
Moderate user (1 – 2 hours)	13.3%

Paid partnership is a controversial criterion for trust. Nevertheless, according to regression results, there are some followers consider it as a trait of a reliable influencer. Followers, who are older than 33 years old are 32.3% less likely to trust influencers who have sponsored cooperation with brands. Therefore, younger audience is more open to consider those bloggers trustworthy. Following thematic blogs has different impact on follower’s trust attitude. In the context of sponsored cooperation, influencers running fashion and beauty blogs are 25.5% are more likely to be trusted due to paid partnership. (See Table 18.) A possible explanation can be related to the purpose of following thematic blogs. For the blogs about fashion and beauty it might be aesthetic pleasure as well as the information about news and trends. Thus, for them sponsorship may indeed convey useful information.

Table 18. Marginal effects of variables affecting trust based on paid partnership

	Marginal effect
Age>33	-32.3%
Cooking blogs	23%
Fashion and beauty blogs	25.1%

The most powerful influencer’s trait in trust image creation is communication. Influencers who actively communicate with their audience are 24.1% more likely to be trusted. Although, majority of respondents use Instagram for communication (61%), the author is also eager to know what other follower’s and influencer’s traits affect trustworthiness of blogger. Table 19 represents significant variables in communication-trust regression. In particular, follower living in a small city is 19.3% less likely to trust communicable blogger. On the other hand, influencers, who run travel and fashion blogs are 12.7% and 14% more likely to be trusted for chatting and talking with followers.

Table 19. Marginal effects of variables affecting trust based on communication

	Marginal effect
Living in a small city	-19.3%
Travel blogs	12.7%
Fashion and beauty blogs	14%

There are so many types of bloggers and each of them has something special in the blog, the way of sharing own experience, informing and engaging people, helping to find important information or advice. There are also lots of followers, who have own approach about influencers, some of them may be willing to resemble their favourite one, others probably just follow someone to take a break from everyday routine, others might be only interested in information provided. Every attitude depends on both, follower’s and influencer’s characteristics, their lifestyle, believes appearance, and other traits.

5.2. Who follows influencers' recommendations?

This section presents the results of the Model 2 which looks at the likelihood to buy something following blogger's advice. The main question of interest is how trust to bloggers converts into purchasing. Do followers buy more if they trust more?

Some respondent's characteristics are found positively related to purchasing driven by blogger's recommendations. Particularly, females are in general 14.2% more likely to follow influencers recommendations when making purchasing decisions. A person with high education is 16.1% more likely to adhere to influencers' advice when shopping. The largest effect is found for fashion and beauty blogs followers. These users are 21.3% more likely to shape their purchase preferences according to influencers' recommendations. As a matter of fact, it has a simple explanation – followers come to blog to learn about novelties in fashion and beauty industries. These sectors are very dynamic, and trends change fast. Therefore, to keep up with the time followers are likely to follow the information found in relevant blogs. In contrast, people are 10.3% less likely to adhere to recommendations if they mostly follow travel blogs.

After controlling for these factors, trust itself is still important for stimulating sale. On average Instagram users who trust bloggers are 17% more likely to make a purchase following their recommendations. Trust has an effect comparable in magnitude to higher education.

The extended specification of the Model 2 includes all the trust variables to single out their effect. Four of them are significant, i.e. the size of the audience, long relationship, bloggers perceived expertise and paid sponsorship (see Table 20).

Table 20. Marginal effects for variables affecting purchasing behaviour

	Marginal effect, %
Female	14.2*
High education	16.1**
Travel blogs	-10.3*
Fashion and beauty blogs	21.3***
Trust variables:	
Liking blogger's lifestyle	1.4
Few ads	-7.6
Expertise in certain topic	9.7

Table 20. Marginal effects for variables affecting purchasing behaviour (continued)

Long-time following	15.8**
Celebrity	4.8
Liking the way, the blogger dresses	6.2
Willing to resemble the blogger	3.8
Paid partnerships	-15.5**
Blogger's active communication	6.9
Mega-blogger	-18.8*

Note: * significant at 10% significance level; ** significant at 5% significance level; *** significant at 1% significance level; all trust variables and only significant control variables are reported.

First of all, loyalty matters. Long-time followers are 15.8% more likely to buy advertised goods and services. Similar result for “long following” was observed in regression describing trust.

Second, active communication with followers is important. It is associated with the 12.5% higher probability of making certain purchase recommended by an influencer.

Third, expertise pays. Users do follow the recommendation of bloggers who run a thematic blog and recommend products or services within their competence or the subject of the blog. These users are 9.7% more likely to purchase the advertised commodity.

In contrast, trust to mega bloggers is associated with 18.8% lower probability of purchasing based on blogger's recommended. A negative effect is also observed for paid advertising – followers are 15.5% less likely to purchase recommended good if it is known that such recommendations are sponsored by companies.

Trust to a celebrity, trust-based on communication, para-social interaction, influencer's lifestyle and appearance, and even communication does not make followers more responsive to blogger's recommendations (the effect is not significant).

CHAPTER 6. CONCLUSIONS AND RECOMMENDATIONS

Social media became an important part of today's life. People communicate, study, sell and buy on the internet. It plays a large role in affecting consumer purchasing behaviour through direct advertising by firms and recommendations of bloggers.

This paper investigates the impact of followers' trust to influencers on their purchasing behaviour. The goal of the research was to find out whether bloggers' lifestyle, behaviour, communication and other relevant characteristics make them trustworthy in the eyes of their followers and increase the probability that followers will make a purchase based on the ads they have seen at bloggers. To answer these questions a survey of Instagram users was conducted, and two logit models were estimated, namely the probability of trusting influencers and the likelihood of purchasing goods or services advertised by influencers. Although, the sample cannot be considered representative to make conclusions about population, association found provide important insights.

According to the survey results, in general people do not consider bloggers to be a reliable source of information. In the sample collected for research, 43% of respondents declared that in general, they do not trust bloggers and 28% are indifferent.

On the other hand, the situation turns out to be different when respondents were asked about the blogger's trustworthiness based on specific features of the blog and blogger. The results suggest that people are more likely to trust influencers who have little ads, directly admit paid partnership, are considered to be experts in a certain field or run a thematic blog. Active communication with the audience makes a blogger closer to followers, so the share of people who consider them to be reliable is larger as compared to bloggers who do not actively interact with their followers. Thus, the trust to bloggers is very heterogeneous.

Next important result is that trust indeed converges to sales. Overall, users are 17% more likely to buy advertised good if they trust the blogger. It works differently for different kind of trust. After controlling for many factors, we found no evidence that respondents are likely to follow the recommendation of those bloggers who they want to resemble, have a similar lifestyle or dress up as an influencer does.

According to the trust regression results, it may be declared that para-social interaction indeed has a positive impact on the probability of considering an influencer trustworthy source of information. Specifically, followers who would like to resemble the influencer are 11.3% more likely to consider the influencer trustworthy. But the effect of this kind of trust on the probability of purchase in response to the blogger's recommendation is not significant.

Similarly, influencer's communication, their openness to the audience plays an important role in trustful relationships between them. Bloggers, who interact with followers

in comments, stories and answer direct messages are more likely to be considered as a reliable source of information. People who follow the blogger that actively communicate with the audience are 27% more likely to trust the influencer and again do not clearly follow the recommendation provided when making purchases. We could not confirm the communication hypothesis either. Therefore, neither of our study hypotheses is confirmed.

Instead we found other interesting results. One of the most intriguing result is related to the paid partnership. Sponsored cooperation is perceived ambiguously by followers. On the one hand, it makes the influencer 9.2% more likely to be trusted, but, on the other hand, it has negative effect (-15.5%) on the probability that the follower will consider his recommendations when making purchases.

Typically, bloggers that have a broad audience are considered to be more influential. But in the case of sales, it is not quantity but the quality that is important. We found that respondents are not more likely to follow the recommendation of bloggers with larger audience if controlling for other factors. In fact, if there are more than a million of subscribers the effect is negative. At the same time, 58% of respondents agreed that they trust an influencer who have followed for a long time. Therefore, it is a loyal audience not a larger one that is more likely to make a purchase advertised in the blog.

There is a fair degree of correlation between trust variables and of course certain variables may be found insignificant. When controlling for each trust variables separately, willingness to resemble an influencer and communication attitude appears to be significant and are associated with a positive probability of following influencers' recommendations when making purchases. Thus, it is quite possible that relationship is more complicated. For example, communication may help to build up a more loyal group of followers who then are more likely to purchase the following blogger's advice.

Several thematic topics were declared to effect followers' purchasing behaviour. Followers of fashion and beauty blogs are 21.3% more likely to make a purchase based on the recommendation provided by the influencer. Presumably, the majority of followers are visiting those blogs to find and information about trends and novelties in the beauty industry. As the fashion is very dynamic and followers are willing to be aware of the latest news and stay in trend, they are also eager to adjust their purchases according to influencers and beauty tendencies.

Advertising in travel blogs is almost 10% less likely to be concerted in the purchase. It may be explained by the fact that unlike Fast Moving Consumer Goods, products advertised in that type of blogs may not be widely popular and demanded.

Advertising is crucial for B2C business model and influencers' marketing have been proven to be efficient instrument in increasing brand awareness and sales. Nevertheless, cooperation with influencer may not guarantee desired result. Therefore, when selecting a blogger for cooperation, one should analyse number of factors about the influencer and the blog.

These findings and obtained results may be useful for any type of business that provides goods and services to consumers when choosing the influencer to cooperate with. Taking into account study outcome and following recommendations, the business may choose an influencer who can provide the best result for the advertising campaign.

First of all, what should be considered when selecting an influencer to cooperate with is loyalty of the audience. Influencers, who have attracted a big number of followers by such activities as giveaways usually lose a big part of the audience after the end of the activity. In contrast, bloggers who attract an audience because the blog is interesting for them, not because of a prize, are likely to be followed for a longer time. Therefore, the time of influencer's activity, tendency and approach of attracting new followers are important to take into account for successful advertising.

Another thing to account for is communication. As mentioned above, active communication with followers makes the advertising look sincere and honest. So, people will not treat it as an ad, but as a good recommendation. Thus, the more influencer interacts with audience, the better is the outcome. But it has to be investigated further how to transform this trust into sales.

Although, paid partnership is an influencer's trait that is hard to interpret unambiguously, the author would recommend using this tool for certain purpose. As the trait increases trust but decreases the probability of purchases, one should use it for generation of brand image. But companies are interested in reputation as well as in sales. Therefore, declaration of paid partnership with an influencer, who has a loyal audience might be an efficient action on a way to enhance brand recognition and sales.

Despite the fact, that for majority of respondent's number of blogger's audience is not important, advertising provided by mega-blogger has negative effect on the probability to convert it into purchase. Therefore, it is recommended to cooperate with smaller influencers to increase sales and cooperate with big ones to develop brand image and awareness.

To promote certain specific products for fashion and beauty thematic blogs should be considered. Bloggers who are claimed to have certain expertise in this topic are likely to provide positive effect on the probability of shaping followers purchasing behaviour.

The most important things to account when choosing a blogger to cooperate with, are the expected return of the cooperation and type of good to be advertised. Once the company has a clear vision of the goal, the recommendations provided above may be useful in influencer's selecting process.

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APPENDIX A

Table A.1. Questionnaire for data collection

Question	Options for answer
Respondent traits	
Demographics	
Choose your language	<ul style="list-style-type: none"> • English • Ukrainian • Russian
Gender	<ul style="list-style-type: none"> • Male • Female
Age	<ul style="list-style-type: none"> • Less than 18 • 18-24 • 25-32 • 33-39 • 40-55 • Above 56
Country of living	<ul style="list-style-type: none"> • Open question
City of living	<ul style="list-style-type: none"> • City with more than 1 million inhabitants • City with 500 thousand - 1 million inhabitants • City with 50 - 500 thousand inhabitants • City with up to 50 thousand inhabitants • Rural area
What is the highest degree or level of school you have completed?	<ul style="list-style-type: none"> • No schooling • High school • Trade/technical/vocational training • Bachelor's degree • Master's degree • Doctorate degree

Table A.1. Questionnaire for data collection (continued)

<p>What is your family's financial situation?</p>	<ul style="list-style-type: none"> • We have enough money for food, but buying clothes may be difficult for us • We have enough money for food and clothes, but buying a TV, refrigerator or washing machine may be difficult • We can buy basic appliances, but we will need to save for car for some time • We have enough money for everything except buying real estate (apartment, cottage, house) • We can afford any purchase including real estate
<p>Purchasing preferences</p>	
<p>Where do you shop most often?</p>	<ul style="list-style-type: none"> • In online stores and/or social media • In offline stores
<p>Have you ever made a purchase in a store (regular or online), following a blogger's recommendation?</p>	<ul style="list-style-type: none"> • Yes, I often follow the recommendations and advertisements of bloggers • Yes, several times • No
<p>If no, why?</p>	<ul style="list-style-type: none"> • I do not trust bloggers' recommendations • I don't like what bloggers advertise • I don't need products that bloggers I follow advertise • other
<p>Instagram attitudes</p>	
<p>For what purposes do you use Instagram?</p>	<ul style="list-style-type: none"> ▪ Leisure ▪ Work/business ▪ Communication ▪ Shopping ▪ Information ▪ other

Table A.1. Questionnaire for data collection (continued 2)

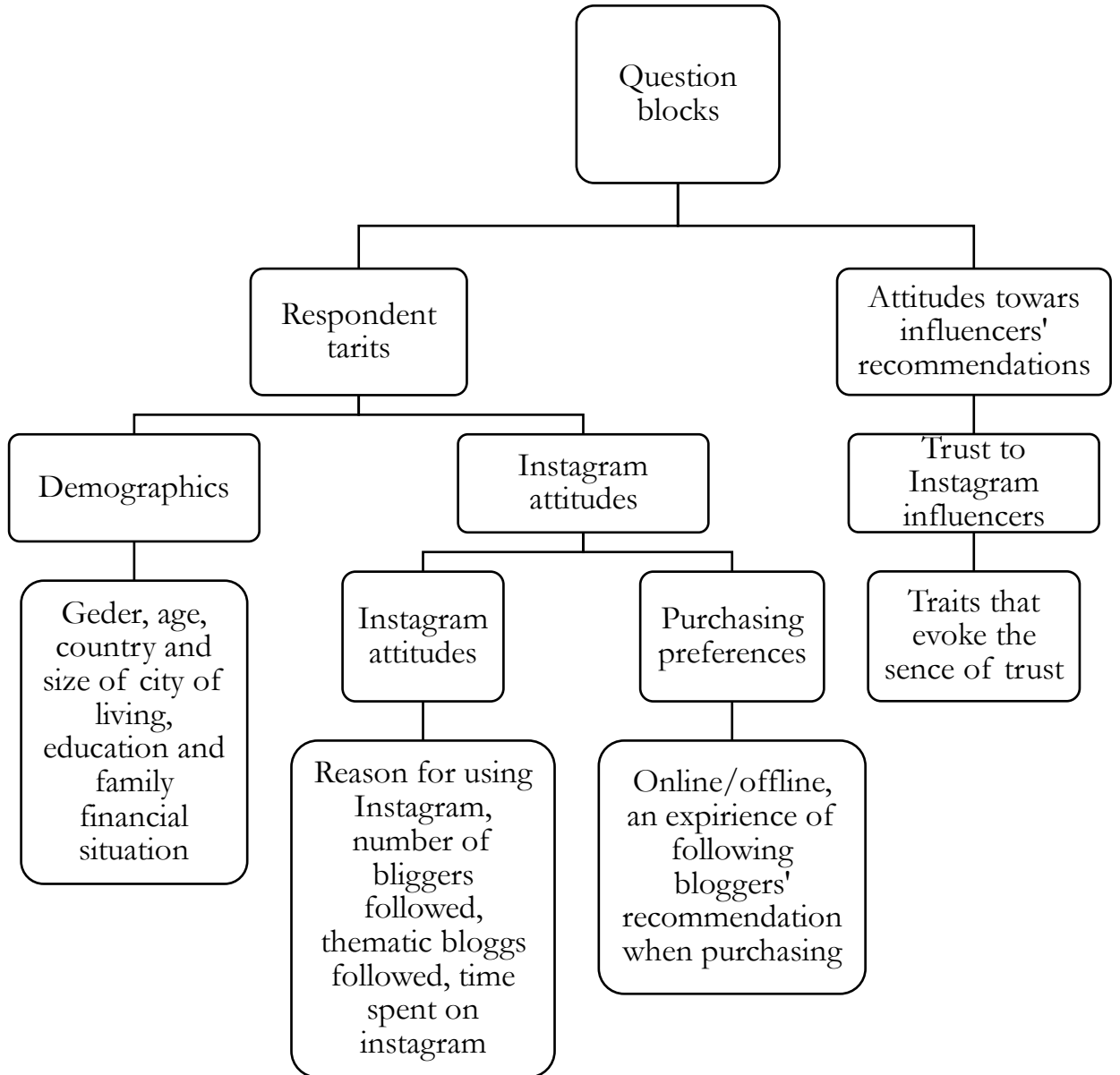
How much time a day do you spend on Instagram?	<ul style="list-style-type: none"> • Less than 30 minutes • 30 minutes - 1 hour • 1-2 hours • 2-3 hours • More than 3 hours • I visit Instagram only few times a week 							
How many bloggers / public figures do you follow on Instagram?	<ul style="list-style-type: none"> • None • 1-5 • 6-10 • 11-15 • More than 15 							
What thematic blogs do you follow on Instagram?	<ul style="list-style-type: none"> ▪ Fashion and beauty blogs ▪ About sport ▪ About children and child care ▪ About cars ▪ Travel blogs ▪ other 							
Attitudes towards influencers' recommendations								
Trust in Instagram influencers								
I trust the recommendations of bloggers.								
Not at all	1	2	3	4	5	6	7	Absolutely yes
I trust the recommendations of bloggers who actively communicate with followers via stories, comments and reply to messages in the direct.								
Not at all	1	2	3	4	5	6	7	Absolutely yes
I trust the recommendations of bloggers, who I have been following for a long time.								
Not at all	1	2	3	4	5	6	7	Absolutely yes
I trust the recommendations of bloggers who publish little advertising, I consider them independent, and advertising is unpaid.								
Not at all	1	2	3	4	5	6	7	Absolutely yes
I trust the recommendations of bloggers who run a thematic blog and recommend products / services within their competence or the subject of the blog.								
Not at all	1	2	3	4	5	6	7	Absolutely yes

Table A.1. Questionnaire for data collection (continued 3)

I trust the recommendations of bloggers who have paid sponsorship advertising with well-known brands.								
Not at all	1	2	3	4	5	6	7	Absolutely yes
I trust the recommendations of public figures (designers, artists, presenters, etc.).								
Not at all	1	2	3	4	5	6	7	Absolutely yes
I trust the recommendations of bloggers who dress the way I like or would like to dress.								
Not at all	1	2	3	4	5	6	7	Absolutely yes
I trust the recommendations of bloggers that I like and those I want to resemble.								
Not at all	1	2	3	4	5	6	7	Absolutely yes
Bloggers who lead a lifestyle that I like, evoke a sense of trust in me.								
Not at all	1	2	3	4	5	6	7	Absolutely yes
Which blogger's recommendations do you trust the most? With the audience:				<ul style="list-style-type: none"> • From 1 to 10 thousand subscribers • From 10 to 100 thousand subscribers • From 100 thousand to 1 million subscribers • More than 1 million subscribers • It does not depend on the number of blogger subscribers 				

APPENDIX B

Figure B.1. The structure of the questionnaire



APPENDIX C

Table C.1. Trust variable frequency descriptions

Trust to influencers by traits		
	Absolute frequency	Relative frequency
Trust to bloggers	74	29%
Trust because of communication with followers	140	55%
Trust to those, who they want to resemble	105	41%
Trust to influencers who run a thematic blog	153	60%
Trust those who they have been following for a long time	148	58%
Trust celebrities	84	33%
Trust to paid cooperation	84	33%
Trust those who publish little advertising	138	54%

APPENDIX D

Table D.1. Trust descriptive regression results

	Estimate	Std. Error	Pr> z
Gender (female)	7.673e-02	6.062e-01	0.899
Age 25-32	2.470e-01	6.080e-01	0.684
Age>33	-9.074e-0	9.235e-01	0.326
Living in a small city	-1.763e+01	9.471e+02	0.956
Living in a middle city	-2.668e-02	4.915e-01	0.956
No schooling	-1.534e+01	2.956e+03	0.995
Higher education	1.364e-04	5.693e-01	0.999
Upper-middle income	3.646e-01	4.969e-01	0.463
Lower-middle class	-9.082e-01	5.837e-01	0.119
Moderate user (1 – 2 hours)	-1.816e-01	5.129e-01	0.723
Light user (up to 1 hour)	-2.553e-02	5.237e-01	0.961
Trust variables			
Long-time following	1.567e+00	6.735e-01	0.019
Liking blogger's lifestyle	5.481e-01	4.969e-01	0.270
Few ads	3.306e-01	4.910e-01	0.500
Expertise in certain topic	1.224e-01	5.472e-01	0.823
Celebrity	-9.787e-01	5.039e-01	0.052
Liking the way, the blogger dresses	-3.280e-01	5.465e-01	0.548

Table D.1. Trust descriptive regression results (continued)

Willing to resemble the blogger	1.603e+00	5.329e-01	0.002
Payed partnerships	8.933e-01	4.888e-01	0.067
Blogger's active communication	2.334e+00	6.271e-01	0.000
Thematic blogs			
Entertaining	3.979e-01	1.633e+00	0.807
Art	-2.132e-02	1.197e+00	0.985
Cooking	9.018e-01	1.069e+00	0.399
Sport	-1.061e-02	4.952e-01	0.982
Children	-4.046e-01	9.151e-01	0.658
Travel	3.725e-01	4.774e-01	0.435
Fashion & beauty	7.496e-01	5.512e-01	0.173

APPENDIX E

Table E.1. Correlation matrix between trust descriptive variables

	Overall trust to bloggers	Liking lifestyle	Long-time following	Few ads	Blogger's expertise	Celebrity	Liking how the blogger dresses	Willingness to resemble a blogger	Paid partnership	Communication attitude
Overall trust to bloggers	1	0.52	0.69	0.45	0.53	0.29	0.51	0.61	0.53	0.73
Liking lifestyle	0.52	1	0.60	0.47	0.46	0.36	0.56	0.69	0.45	0.57
Long-time following	0.69	0.60	1	0.60	0.60	0.39	0.53	0.58	0.55	0.79
Few ads	0.45	0.47	0.60	1	0.53	0.41	0.49	0.48	0.46	0.59
Expertise	0.53	0.46	0.60	0.53	1	0.35	0.50	0.56	0.47	0.61
Celebrity	0.29	0.36	0.39	0.41	0.35	1	0.50	0.43	0.56	0.42
Liking how the blogger dresses	0.51	0.56	0.53	0.49	0.50	0.50	1	0.67	0.46	0.59
Willingness to resemble a blogger	0.61	0.69	0.58	0.48	0.56	0.43	0.67	1	0.52	0.54
Paid partnership	0.53	0.45	0.55	0.46	0.47	0.56	0.46	0.52	1	0.49
Communication attitude	0.73	0.57	0.79	0.59	0.61	0.42	0.59	0.54	0.49	1