UNIVERSITY OF TARTU

Faculty of Social Sciences

School of Economics and Business Administration

Rufat Dargahli

Effective usage of Instagram Influencer Marketing in Fashion E-commerce industry Case: Aurum Scarves

Supervisor: Tanel Mehine, Assistant in Marketing

Co-supervisor: Kerli Ploom, Junior Research Fellow

This paper confirms to the requirements for a Bachelor Thesis
(signature of the supervisor)
Admitted for defense " " (date)
I have written this Bachelor Thesis independently. Any ideas or data taken from other authors or other sources have been fully referenced.
13.05.2019 (signature of the author and date)

Table of Contents

Effective usage of Instagram Influencer Marketing in Fashion E-commerce industry1
Introduction4
1. Influencer Marketing in Fashion E-commerce Industry6
1.1 E-commerce and its role in the Fashion industry6
1.2 Influencer Marketing strategies for fashion industry
2. Descriptive Research on finding the effective fashion Instagram influencer22
2.1 Research Data and methodology
2.2 Interview results and its analysis
Conclusion
References41
Appendices

Introduction

The traditional marketing and management of industries that are related to fashion are currently experiencing many alterations due to the establishment of e-commerce (electronic commerce) stores. Businesses are becoming present online as the attention on the usage of social media platforms have been expanding. Looking at the current number of social media users it is estimated that by 2021 there will be more than 3 billion people that will be using online media platforms including Facebook, Twitter, YouTube, and Instagram. (Centralbyran, 2018). It can be seen how much potential the online social media platforms have and the power of reaching to society members from all around the world is becoming way more accessible than it was before. When it comes to the commercial side of the internet, this section can be viewed as a booming technology which has changed the interaction between different members of society. The developments in technology have also had a significant impact on commerce by making them available on the internet which means that, if there is a transaction happening between two parties, they do not have to be present physically near each other while purchasing the item or service (Jahanshahi, 2013).

Promoting the products through e-commerce, the necessity of influencers on social media platforms have been growing as the number of new online shops and brands in recent years have been increasing. Notably, in the field of fashion where there have been new trends almost every single day, finding the suitable and fitting influencer which can be helpful for the brands to increase their sales and brand awareness can be extremely problematic (De Veirman, 2017). The main issue that the emerging e-commerce stores are facing is finding the suitable and fitting influencers for the promotion of production according to their niches. Uzunoglu (2014) mentions as the number of online businesses is increasing this also has an impact on interest from bloggers and influencers side which results in the growth of competition. Rajashekarreddy (2012) explains the effectiveness as one of the critical factors when it comes to promotions through influencer marketing, as he mentions the consumers remember the product according to the high attention

5

EFFECTIVENESS OF INFLUENCER MARKETING

and power that the influencers have on social media platforms. Throughout the research, the

author of this thesis shares numerous tools that can be implemented by e-commerce store owners

to reach out to potential influencers and tips on cooperating with them effectively. Entrepreneurs

that have a lack of practical experience get caught up in numbers such as the number of

followers of influencers or number of likes of the post receives on a social media platform that

the influencers are using, and they immediately start making decisions on working with them.

Therefore, the main goal of this thesis is to figure out the aspects that describe the most effective

influencers on social media platforms with a major focus on Instagram.

Research tasks of the paper include:

• To explain the role of e-commerce in fashion marketing,

Overview of social media's contribution to the results of an e-commerce store,

• Overview of a selection of Instagram platform over other social media platforms on

fashion niche,

Collection and analysis of the data from the current successful influencers of Aurum

fashion e-commerce store

• Analysis of effective influencer marketing with the focus of the Instagram platform

The research of this topic is essential to the author as he has been part of the e-commerce

industry, particularly by niching down on fashion section for over a year and half now and have

implemented numerous marketing strategies to reach out to targeted audiences. In author's

previous experience, he has used a variety of advertising tools such as Facebook ads, word of

mouth and referrals, but testing on Instagram influencer ads has always been more successful by

attracting more customers. Additionally, this type of advertising provides more personal value to

a targeted audience and the likelihood of a purchase increases if a brand finds the relevant

influencer to collaborate with.

Keywords: E-commerce, fashion, Instagram, influencer marketing

1. Influencer Marketing in Fashion E-commerce Industry

1.1 E-commerce and its role in the Fashion industry

The term of e-commerce is focused on the process of buying and selling goods or services on the World Wide Web, or the other hand, purchasing and selling the information or services that are being exchanged on the internet (Yuliandre, 2013). There is a variety of institutions that are involved and associated with a term of e-commerce. Online shopping or in other words online retailing can also be named as e-store, e-shop or webstore, however, the most preferred and most well-known name can be said as e-commerce (Niranjanamurthy, 2013). Looking at the last decade, it can be observed that online shopping has become popular worldwide and the number of enterprises that established their presence online - e-commerce stores have increased (Ogonowski, 2014). Nowadays purchasing products online without going to physical stores gives customers much more convenience such as not waiting in the long queues or travelling to the physical shops from their homes (Niranjanamurthy, 2013). Additionally, e-commerce also allows consumers to go through a high variety of products to choose from and saves a lot of time. From a financial perspective, a consumer can also control his or her budget by making comparisons between two or more stores and pick the suitable product for themselves such as by checking the lower price options between e-shops (Chui, 2013). Therefore, when the situation is looked from supplier's perspective, the managers need to be aware of how to take over the business in online platforms by applying the appropriate strategies while marketing the products, as well.

Shoppers that are interested in online fashion industries are accepted as highly sensible consumers in the market (McCormick, 2012). Therefore, they can be recognized as one of the most enthusiastic parts of online shopping communities. Whenever they are purchasing a product online, there is a feeling convenience and ease accompanied, as opposed to visiting a physical store and checking every piece of clothing one by one. Buyers go through several steps before completing the order online (Livett, 2012). Therefore, brand owners have to present the

products in several ways by showing them on different models trying on the products. Before completing the purchase, consumers want to have a clear idea and vision of different kinds of styles they would most probably wear the item or if there's any individual instruction or way that they can try putting on the scarf for example. And this is one of the main downsides that come along in the e-commerce industry as the consumer is not able to touch or wear the product physically, they are in need of searching more features, new styles or even in some cases the stories behind the products and brands to have the feeling of connection on decision making at purchase (Livett, 2012).

The number of e-commerce stores has been increasing, and as a result, there is a big competition which starts to happen between the organizations. Research by Chui and Wang (2013) explains that this is the reason that many store owners that have an online presence have been switching their perspective on keeping the customer for not just one purchase but at least 3 or more orders. An e-shop can use the power of social media to draw the attention of customers faster and increase their lifetime value by providing more content and brand awareness. The previous research continues to mention that an average number of orders by a single customer in an e-shop equals to four times of completion of a law which is the sign of consistency. Therefore, if the customer sees and receives more content including advertisements, daily posts or email marketing campaigns, the likelihood of the next orders continues to grow on a long term rather than sticking to just one order. It is also mentioned that online shoppers check for more value of the functions of products while searching for products. These functions include numerous aspects such as specific features of the good, benefits that come along, quality and durability of goods. Out of these shoppers that search for products, just above 90% of them are asking for brand new products in this case in the niche of fashion that looks stylish, innovative and comfortable (Chui, 2013). Sales that are made on e-commerce stores is estimated to reach to 4.5\$ trillion (Frisby, 2018). Frisby mentions that the clients that spent the most amount of money on e-shops are mainly coming from the United Kingdom, the United States and Australia, with

the corresponding numbers of 4.201\$, 3.428\$ and 1.764\$ spend per capita. As the leading e-commerce stores are established in mostly English-speaking countries which were mentioned previously, however when analyzing the data from e-commerce spend per capita statistics, big European countries such as France and Germany can be also seen as the leading countries (Frisby, 2018).

Research done by Morrison (2014), goes through information by consumers who conduct online research before buying a product. It is pointed out that 81% of shoppers search for the brands on the internet to get the necessary information or look for a specific product or service. The results show that more than 2/3 of the internet users checked the websites to compare and see the prices and read product descriptions on e-commerce stores. Apart from product descriptions, shoppers also tend to read reviews on e-commerce stores to have a clearer understanding of what exact product they are buying beforehand (Morrison, 2014). Another research completed by Buckling (2004), mentions that the conversion rates on completing the purchase on e-commerce stores equal around 5%. In contrast, it is also essential to understand the fact that many factors come along while searching for products online. As the customer is not physically present at the store, the intent on purchase is not as strong as they are surfing and checking different websites during this period. Apart from that, there are technical aspects that also need to be considered such as website design, product description or the visual content (photos and videos if used). When it comes to looking at the e-commerce industry from numbers' perspective according to the data received from Statista (2019) from 2014 to 2019, the sales from e-commerce stores increased three times, from 1.3 to 3.5 billion US dollars respectively worldwide. (See Figure 1). Siders (2019) mentions 1/5 of the total number of sales in e-commerce stores is coming fashion nice in particular apparel and accessories section which is accepted as the largest category of products in the e-commerce industry.

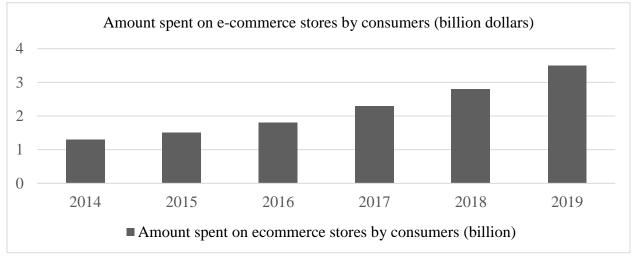


Figure 1. Spending on e-commerce stores between 2014 – 2019 worldwide

Source: Statista (2019). E-commerce sales worldwide from 2014 to 2019 (in billion U.S. dollars)

As social media platforms continue growing, the number of algorithm changes on these platforms were inevitable as the demand started skyrocketing by the community members (Bucher, 2016). Algorithms on social media play a crucial role in the ability for marketers and business owners to reach their targeted audiences and make an impact on them (Peters, 2019). And although algorithms are often difficult to understand, it is necessary to learn to work with them and not against them if the goal is to find success. For example, on Facebook, the algorithm included customizing user's feed on the fields that actually interest to him or her, or by choosing to see the specific posts from people that user wants to see or eliminating the advertisements that come up to the feed that does not match the interests or in other words needs (Bucher, 2016). These advancements have also given opportunities to marketers to run the ads by targeting particular person of interest or any geographical location to either buy their product if it is an ecommerce store or get participants for the upcoming running event in summer (Bucher, 2016).

According to the report from Women's Wear Daily News Journal (WWD) in 2017, nearly 1900 physical fashion related stores and boutiques have been closed down due to the high number of increases in e-commerce industry resulting in less interest of customers going to

actual physical stores. This report also indicates this number for last year equalled around 10000 which mean it was just above a 400% increase in shutdowns of stores that are mainly focused on fashion industries. There were big fashion stores including brands like J.C. Penney, Marcy's and Sears Holding group who faced with these issues (Clark, 2017). One of the examples can be given from the J. Crew Group brand which closed almost 50 of their physical stores due to uncompetitiveness in recent years (Clark, 2017). According to the CFO and COO of the J. Crew Group, Mr Mike Nicholson mentions "We recognize that in order to drive top-line growth, we must evolve our business model from a traditional brick-and-mortar speciality retailer to a digital-first omnichannel business." (Hargrove, 2017). He also talks about the importance of ecommerce and opportunities on reaching out to the company's current customers through social media platforms, in particular through the help of e-commerce.

The research completed by M2PressWire (2011) shows that in 2010 a substantial number of fashion brands increased their presence online by 50% through online networking websites. Another study talks about the power of youth on social media (Qualmann, 2009). Qualmann conducted a survey among youth that is ranging from18 to 25 years old from 25 countries. This survey covered just above 12600 participants, and the results demonstrate that 1/3 part of them checked their favourite fashion brand on search engines, wrote several reviews or questions on forums and engaged with the likeminded people who were sharing the same interest towards the brands. Besides, another 20% of the survey group bookmarked their favourite brands on their first page of internet browsers to get the latest updates and keep up with the new collections (Qualmann, 2009).

The research by Apparel Magazine (2010) mentions social media platforms role as a fundamental tool for e-commerce as many variables go into it. Communication between the fashion brand and customer is one the main focus area that needs more attention; as brands keep posting the variety of blogs, photos or videos to engage with potential shoppers, on the other end consumers receives these posts as a value or way of communication to have a better

EFFECTIVENESS OF INFLUENCER MARKETING understanding with the brand.

1.2 Influencer Marketing strategies for fashion industry

The term of influencer marketing has established from the word of mouth marketing approach, in which the businesses get a chance to connect to their consumers by the help of influencers (Khamis, 2017). Influencers on social media can be explained as independent individuals who have their following or in other words communities that are "following" them frequently on social media platforms such as Facebook, Twitter, Instagram, YouTube, etc. (Freberg, 2011). These individuals are reaching to their audiences through blogging, writing an article, posting a photo or a video on any specific niche on any platforms to communicate with others (Fastenau, 2018). A recent study that's been done by Influencer Marketing Hub in 2017 shows that there has been seen an increase of Google search on "influencer marketing" by about 330% during 2017. As this field of marketing is remaining as untapped, the marketers start slowly recognizing the importance of it and focus on investing in it over the next decade carefully (Fastenau, 2018). This statement is followed by, in most probable scenario experts on marketing field are planning to be spending around 37000\$ on average per year just on influencer marketing. The recent research by Influencer Marketing Hub (2017) shows that the social media influencers that have been tested to promote products had an average value of 7.5\$ per purchase where marketers spent only a 1\$ in contrast.

Taking a closer look at influencer marketing, it can be said that one of the critical points why this field has been getting a popularity is because of how fast and quickly companies can get in front of the potential consumers, and also it is one of the less expensive ways of using marketing in particular if it is compared to traditional techniques (Hobson, 2017). Besides, influencer marketing is also giving opportunity or in other words freedom to companies and brands to choose their specific person as an advertiser while they are promoting their products through the cooperation (Brown & Hayes, 2008). Swant (2016) supports this opinion from

influencers' perspective as he mentions consumers particularly youth tend to trust recommendations from online celebrities as much as they would get advice from their peers. "Influencer marketing, when used to its best effect, is about building a network of business relationships that will yield results over time. You'll get as much out of the program as you put into it" mentions Social Marketing Strategist Ted Rubin at his interview with Mastorakis (2018). The effectiveness of influencer marketing was also pointed out by Anderson (2019) with the highlight of financial perspectives. She mentions that testing the products through influencers is generally way cheaper than advertising on different channels including TV and billboard ad for example. Influencer marketing also gives an e-commerce store owner to test his or her audiences and product ideas at the same time which eventually gives a clearer picture of the choosing high performed method (Anderson, 2019). According to Djafarova and Rushworth (2017), bloggers are perceived as more credible than celebrities when it comes to measuring the effectiveness of influencer marketing. The researchers mainly talk about the Instagram platform and mention the credibility as the main tool as the consumer can relate to the influencers in an easier and more natural way. Researchers explain it as the platform makes the connection between consumer and influencers easier, the consumers can see the influencers daily from the visual content they provide. The research continues to emphasize the power of micro-influencers as they can be accepted by consumers more relatable to their lifestyle and the recommendations the influencers are providing to their audiences tend to convert successfully rather than celebrities with a larger number of followers on Instagram.

The fashion industry has been one of the main targeted markets of influencer marketing industry where the product advertising posts, blogs about lifestyle, reviewing products have become a crucial part of it (Sudha, 2017). Based on the research that has been completed by Marwick (2013) it can be seen that females have been the dominant audience who has been targeted on fashion related posts and also in the other hand, the number of female influencers has been increasing significantly compared to males. The representatives of influencer marketing

prefer to use several ways on promoting the products online such as writing blogs or posting a visual content such as a photo or video post.

When it comes to the channels to use the influencer marketing apart from word of mouth marketing there can be mentioned three top social media platforms that contain influencer marketing on a larger scale. These platforms include Facebook, YouTube, and Instagram.

According to the social media experts and researchers Leimgruber and Gaid (2019), the brand needs to implement the five fundamental step process (See Figure 2) before starting to collaborate with the influencer on social media platforms. This process begins with a brand signing up on one of the previously mentioned social media platforms (this does not necessarily have to be these three in particular). After creating a business account, the main goal of the brand is to look for potential influencers in their niche and create a list of dormant accounts which they would be willing to collaborate with (Leimgruber & Gaid 2019). The next step is explained as coming up with a suitable proposal and offering the request to an influencer. The proposal can vary from business to businesses. In most of the cases, two main methods are being used on proposals. The same research continues to explain these methods by; first, the brand sends a complimentary product to the potential influencer and asks for a shoutout or in other words product advertisement post. This method is applied to micro influencers meaning that accounts that mostly have following around 10k followers or less on the specified social media platforms. And the second method is most relevant for influencers with larger audiences who require a free product plus payment on making a single post. (Leimgruber & Gaid 2019). These influencers are already experienced in this field and have had many previous collaborations previously. Therefore, asking for a payment from a single post needs to be acceptable from the perspective of brands in these cases.

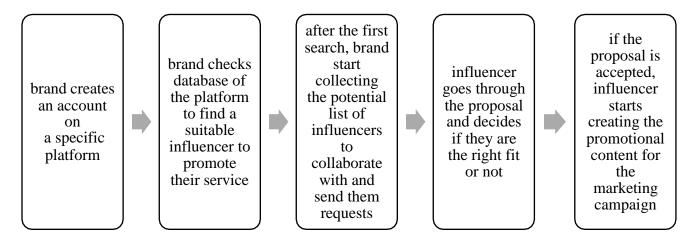


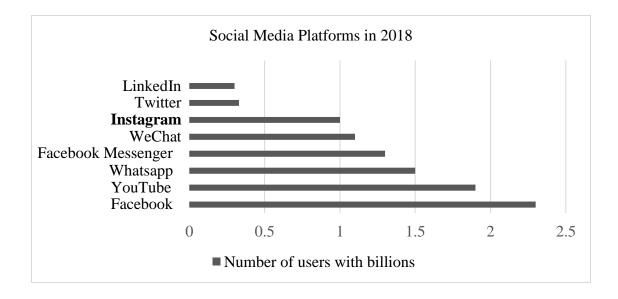
Figure 2. 5 fundamental steps for brands on finding the influencer on social media platforms Source: Compiled by the author with reference to Leimgruber and Gaid (2019)

Leimgruber and Gaid (2019) also explain the vitality of personal experience of influencers when it comes to marketing products on Instagram. They point out that as many collaborations or partnerships the influencers do, they get more professional on the industry and can offer better ideas to marketers when it comes to promotions.

Facebook has been one of the top platforms to implement influencer marketing strategies in the last decade according to Jacobson (2018). On the platform, users can come up with a variety of post types to share information or updates daily. According to data retrieved from Statista (2019), the number of active users just on Facebook equalled at 2.3 billion monthly active users (See Graph 1).

Graph 1.

Number of social media users in 2018 according to specific platform



Source: Compiled by the author with reference to Global social media ranking (2018)

When we look at the last decade on Facebook's history it can be clearly seen that since the beginning of the company, the platform has been favouring organic reach to their users which gave everyone equal amount of space to post their content and if liked by their audiences their content will be organically reached to new users Jacobson (2018). Through this algorithm, the significant amount of profiles had an opportunity to grow without advertisements. In 2006, Facebook used a simple ranking system to find the suitable or in other words preferred profiles on the news feed of users. Starting in 2014, the paid content on Facebook began to grow significantly due to the ads spent by marketers continued increasing. Jacobson continues to explain as a result, in January 2018, Facebook announced new changes in the latest algorithm that the company came up with. According to the most recent alterations in the algorithm on organic reach has been decreased where the company favoured the posts from pages that were registered as business pages. In this case the users who had personal pages needed to transfer the profiles from personal to business pages to keep with the algorithm on reaching their audiences

organically. Moving the personal page to a brand new business page means they have to direct all the attention on a created new profile which requires more time which can be accepted as one of the main disadvantages. In addition to Facebook, there is another group of influencers on social media platforms which tend to use the YouTube platform to reach their desired audiences. According to Glucksman (2017), compared to Facebook which mostly includes photos, videos, written blog type posts YouTube provides an influencer to create their channel and post video content for their communities. The advantage of being part of the YouTube influencer community is that content creators have a much closer relationship to their audiences as they can turn on the camera and start speaking directly to their followers. Apart from being a social media platform, YouTube is also known as a search engine platform which allows specifically influencers to demonstrate or come up with step by step how to videos for example (Glucksman, 2017). Another aspect of being a creator on YouTube is that influencer only focuses on one specific method which is video content. However, this can be accepted as also one of the main disadvantages of utilizing this platform to target the audiences as the channels of reach is only based on one video type of posts (Glucksman, 2017).

Recently Instagram has reached around 800 million users that have been active on the platform every month. (Wertz, 2018). Every day more than 70 million visual content including both photos and videos are shared on the platform daily (Sheldon, 2016). When looked at current trending social media platforms, according to Influencer Marketing Hub (2017) the majority of influencers are using Instagram due to specific reasons such as the comfortable design and features of the platform. There are several concepts of advertising on Instagram. The main one can be named endorsements that are coming through influencers, according to Angela (2008), shoutouts which are another way of mentioning this concept can be done through visuals including photos and videos. And when social media platforms are considered in terms of visuals, here Instagram stands out, in particular under the fashion field. In contrast, Angela also discusses the vitality of finding an effective brand ambassador or advertiser for companies when

it comes to marketing. According to Page Winterich (2018), the physical look of an influencer also plays an essential role in dragging the attention of consumers. Considering Instagram is one of the leading visual platforms in the market right now the previous statement also matters a lot when it comes to finding the effective influencer for the brand promotions.

Hashtags are accepted as one of the essential features that come along with Instagram (Sheldon, 2016). The hashtags are public to everyone on the platform and help engaging specific communities under one page. According to Sloane (2015), e-shops have been using the power of hashtags to reach out to potential communities. Hashtags can be easily used as a part of the marketing campaigns on Instagram as there is a link between a single one click on a hashtag can result in viewing the landing page of a product on company's website, and this can turn into a sale. Another feature that Instagram provides for its community is instead of mentioning the "Purchase here" or "Buy here" buttons, the platform gives marketers to merely connect their website checkout pages online (Sloane, 2015).

According to research completed by Oren (2015), it is found out that around 60% of the top 50 companies worldwide post about five times on the platform every week. These posts include mainly photos, and video contents follow this. Another interesting fact is internet users have been transferring their accounts from other famous image-based social media platforms such as Pinterest or Tumblr to Instagram as the communities in this specific platform have been growing on a larger scale every other day.

According to the research by Leimgruber and Gaid (2019), the effectiveness of Influencer marketing can be explained through several aspects that need to be focused on. Firstly, the brands have the potential of reaching more audiences that are related to their specific communities. The influencers that are implementing these marketing campaigns for the brands already share the similar topics of interests with their audiences which makes the work on finding the suitable leads much convenient during the process. Influencer marketing also comes handy while establishing a high authenticity between potential customers. The research also

mentions that consumers have fewer doubts on purchasing a product from the brands even though they have never heard about them previously, however, the trust on the influencer "melts the icebergs" between targeted people and the brands. As the number of advertisements online continues growing every day, the consumers are not willing to accept the ads on their feeds while scrolling down on social media platforms. The main idea here, if the influencer is effectively demonstrating the product without showing it as an advertised product, the likelihood of purchase at the end customer grows up due to the presentation of it.

The survey which was conducted between 181 marketers and marketing agency representatives by Sipka and Alizadeh (2018) gives a different point of view on how marketers measure the success of influencer marketing programs or in other words ROI (return on investment) of campaigns. According to the results, 90% of the marketers pointed out post engagement is the number one aspect that they check while analyzing the results of influencer marketing campaigns. On the other hand, 54% of the respondents talked about conversions on the sponsored posts. Conversions can be explained in different ways depending on the goal of a marketing campaign such as the number of sales or if they get new members to show up on a particular event (Sipka and Alizadeh, 2018). Chacon (2019) supports the previous survey which was conducted by Sipka and Alizadeh with the point that the majority of Influencer marketing is happening on the Instagram platform. He also highlights the vitality of engagement when it comes to influencer profiles. High engagement rate is explained by Chacon as followers of the account are paying more attention and taking actions according to the posts of influencers. In general, the engagement rate of an influencer needs to equal between 2-3% to be accepted as "good" or in other words suitable to partner up with. If the ratio is between 4-6%, this can be confirmed as an "excellent" profile which can be considered. Additionally, the profiles that have more than 6% of engagement rate can be considered as a high potential person to partner up with. On his study, Chacon also explains the fundamental engagement rate calculator process for the Instagram platform which can be done by as following:

Engagement Rate = (Likes + Comments) / Followers x 100

To explain, here it is needed to be taken into account the number of likes and comments the profile receives, sum it up and divide it by the total amount of followers and multiply it by 100 which will give us an estimated result of engagement rate in the end (Chacon, 2019). Chacon also draws the attention on the quality of followers of the Influencers; he explains this point with an example of which countries the followers are representing and what is the main reason that subscribers are specifically following the particular influencer. In addition to engagement and reaching out to quality followers, when this thesis was being written, Instagram added new features to its platform such as making polls and quizzes on the story section which can be accepted as a massive tool to keep users in the platform and reaching out to more like-minded communities that are sharing similar interests of influencers (Miller, 2019).

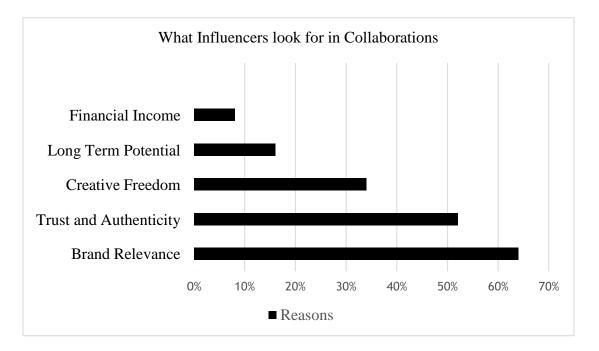
Jeffery (2018) mentions about the geographical location of the influencer also plays a vital role while making a sponsored advertisement. For example, if the post is being made in a famous beach and geo-tagged in California, United States there is more of a likelihood that the amount of organic engagement will be higher as in this case not only the actual followers of the influencer's will see it but this number can be doubled or even tripled by the visitors of this location at the same time period (Jeffery, 2018).

Although this paper mainly focuses on influencer marketing mostly from e-commerce store owner's perspective; however, it is also crucial to have a fundamental understanding of what influencers generally look for when it comes to brand partnerships. A study compiled by Mediakix (2018), points out the primary reasons why influencers are willing to prefer on collaborating with a specific brand over the other one. On a scale from 1 to 100%, the study explains the crucial points by questioning particular areas of interests of influencers. When looked at the results, brand relevance is pointed out as the most vital point with 64% which can be explained as for example if the brand is specializing in selling make up products for women it is more relevant for brand to look for influencers that are in either exact or in similar niches on

social media platforms (Mediakix, 2018). Secondly, trust and authenticity have the rank of 52% when it comes to importance, and this aspect is followed by the creative freedom, having a long-term potential and financial incomes respectively (See Graph 2).

Graph 2.

What Influencers look for in collaborations



Source: Compiled by the author with reference to study by Mediakix on influencer marketing (2018)

All in all, thesis mainly focuses on two areas: e-commerce, specifically the stores that are niche down on fashion sector and how they can involve the effective influencers to help them grow their presence on social media platforms specifically on Instagram. All in all, the first part of the research takes a closer look at the theories that are already existing and searches more into it. To make it clear, first, subchapter focuses on e-commerce and online stores that are on the fashion field, how e-commerce has been used and its importance in today's world through the different point of views. The following chapter takes a closer look on social media influencers and analyzes top the platforms that influencer marketing is being used currently and how it can be used as one of the main tools on Instagram for branding in particular. Apart from that,

influencer marketing section brings out the most recent research and studies that are conducted by top social media marketing agencies and its representatives gives a broader idea on specific aspects on effective usage of influencers for e-commerce businesses.

2. Descriptive Research on finding the effective fashion Instagram influencer

2.1 Research Data and methodology

For the methodology, to gather the data interview was used as this method is accepted as one of the most frequent collections of data format from qualitative perspectives (Jamshed, 2014). To have a deeper understanding and to get the detailed answers during the interview, mainly open-ended questions were asked from the respondents. According to Singer and Couper (2017) asking open-ended questions in interviews is essential as a researcher as it gives much of a broader understanding of the directed questions. This specific method also comes handy as the respondents can easily express their feelings and can provide more of his/her personal opinions in-depth than limiting to answering shortly (Singer and Couper, 2017). Easwaramoorthy and Zarinpoush (2006) also agree with the previous opinion that such tool is accepted as an appropriate method when it comes to researching the necessities on a subject matter and get a significant outlook on the topic. Additionally, choosing qualitative data for this study was linked to the past experience of influencer marketing, which arose the desire to gain a deeper understanding of cooperation between e-commerce store owners and influencers extensively. Moreover, qualitative data is aligned with the inductive approach as well as the exploratory research (Ghauri & Grønhaug, 2010). Therefore, this data selection was the most suitable for this research, which led to the development of a model and the explanations behind it.

Ten respondents (fashion influencers) have been interviewed from the regions of Australia, the United States and European countries respectively. Summary of the responders can be seen in Appendix A. There have been various researches on influencer marketing and their cooperation with online businesses. Lisichkova and Othman (2017) have analyzed the impact of influencers specifically on online purchases. In the case of Grafström and Jakobsson (2018), the mentioned researchers analyzed the impact of influencer marketing on the attitudes of consumers. However, the cooperation between influencers particularly on fashion industry on

and e-commerce store owners have not been mentioned together with regards to the focus on the Instagram platform.

The data has been collected from a fashion e-commerce store called Aurum Scarves. Aurum was established in January 2018, and since then the brand has been producing women's apparel in particular accessories of scarves (www.aurumscarves.com). The data information, in particular, the result of statistics regarding the brand are taken from Aurum's database (including sales, number of website visitors and their geo-locations) which is running under the Shopify platform where the online shop was created initially. The main reason that this particular e-shop was selected to be analyzed was due to the high conversion rates that were reported from the database of the Shopify platform. To explain, when looked at the statistics (purchases), the store equalled to 5.9% conversion rate which was way higher than the average store conversions in ecommerce industry according to the information by Buckling and Morrison (2014). To continue, from the latest report of Shopify in May 2019 Aurum was listed in the top 4% stores according to the high traffic rates which are relevant with the research completed by Sipka and Alizadeh (2018) on traffic and engagement sections. When looked at the statistics from Aurum's database, the interval between the dates is taken from January 2018 (the establishment date) to April 2019. In total, the website was visited 44,752 times with 37,776 unique visitors from all around the world (Shopify, 2019). There has been in a total of 2,150 sessions that were converted successfully which means the number of purchases over a year and four months in total. The average session duration – number of minutes on average every visitor spent on the website equalled around 02:51 minutes. According to the Jeffery (2018) geo-location of the brand's presence plays a crucial role when it comes to the high number of sales. This opinion is supported and continued by the research of Frisby (2018) with the top spending consumers of countries on e-commerce stores. When looked at the demographics of Aurum's top 5 countries in terms of visitors are coming in order of Australia, United States, United Kingdom, Germany and Italy which matches with Frisby's previous research and makes this brand relevant to

analyze on. These countries are mainly followed by other European countries on a larger scale.

The major cities of purchases came from Melbourne, Brisbane, Sydney (Australia), London (UK), Berlin, Dusseldorf (Germany), the states of Utah, Illinois, Florida and North Carolina (USA).

As the brand has been using a variety of marketing tools over a year now, the most successful strategy has been accepted as influencer marketing with the focus on the Instagram platform. Brand's target audiences include two countries mainly which are Australia and the United States. However, the third primary market is accepted as Europe. To explain, the main idea is to analyze the ten successful influencers who the brand has already worked previously or currently continue to be collaborating with. These individuals have been selected according to their number of followers, geographical location and engagement rate on the Instagram platform (See Figure 3).

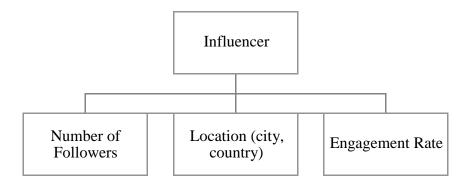


Figure 3. Criteria on selection of Aurum's Instagram Influencers

Source: Compiled by the author according to database of Aurum Scarves (2019)

The main idea out of the conducted interviews is to analyze and show the results of how e-commerce stores can use this study and apply the aspects of finding an effective influencer to collaborate with. The methods which are mentioned below can be helpful to e-commerce store owners, in particular to the ones that are at the beginning phases of their online business adventure.

Since the establishment, the e-commerce store "Aurum" has implemented numerous

marketing campaigns. However, the most effective one on bringing results (number of visitors on the website, the sessions that were converted into sales) was pointed as partnering up with influencers on the Instagram platform. The brand has mainly implemented the strategy of "5 fundamental steps for brands on finding the influencer on social media platforms" to reach out to Instagram influencer by the theory of Leimgruber and Gaid (2019). After the selection of influencers, Aurum's partnership or in other words Brand Ambassador Program starts with company sending one of the bestsellers of Aurum's scarves to the influencer. When the influencer receives the scarf, the company creates a unique coupon code for the influencer on Shopify platform and sends it out through email. The coupon code gives discount to influencer's community (followers) 30% off in their whole purchase from Aurum's website, as a result the influencer gets 20% commissions from the order under their names. An example of influencer posts has been mentioned in Appendix C.

For the participants for the interview, ten respondents were chosen in total according to the number of followings, geographical location and user's engagement rate (See Table 3).

Four of the influencers that were interviewed currently resides in Australia, four of them in Europe (Greece, Germany Denmark and Romania respectively), while the rest of the two are in the United States. However, it is essential to note that as the respondents are originally representing different nationalities, their followings also include diverse backgrounds and ethnicities from demographical perspectives. It can also be noted that "Aurum" has been collaborating with all of the ten influencers that were interviewed, over six months now on a consistent time lapse. The main reason when it comes to the selection of these particular influencers were due to the report that was provided from Shopify Analytics (2019) on store's performance (between January 2018 and May, 2019) according to sales and website visitors (according to geographical location of customers) which is affiliated with the selected influencers' promotional performances (See Table 1). Although Aurum has worked over fifty influencers in an international level since the establishment the influencers from the following

mentioned cities and countries have been the most powerful ones on bringing leads and highquality website visitors meaning in turning them into actual sales (See Table 1).

Table 1.

Aurum Store Performance between January 2018 and May 2019

Country / Region	# of Visitors	# of Purchase	Major Cities	Source
Australia	13,154	1087	Melbourne, Brisbane, Sydney	Instagram
United States	5965	420	Utah, Illinois, Florida, N.Carolina	Instagram
Europe	5532	350	London, Berlin, Dusseldorf	Instagram
Conversion Rate	5.90%	[Traffic is in the t	op 4% of stores that launched the same	week]

Source: Compiled by the author according to Shopify Analytics (2019)

According to Table 1 it can be seen that the majority of traffic and number of purchases are coming from Australia, the United States and European regions respectively from highest to lowest. And the leading source of traffic was shown as Instagram which makes the interviews relevant to this research to get a broader idea of what to look for when choosing the suitable influencer for an e-commerce store on a fashion industry specifically on this platform.

The first responder is Ludovica who is originally from Pescara, Italy; however, she is currently residing in Utah, United States. Ludovica's personal Instagram account has about 21k followers where she has been making posts regularly. According to engagement calculator, Ludovica's profile rate is 2.5% which can be rated as "good" profile to partner up with (Chacon, 2019). Ludovica started her presence on social media in the last three years mainly. She was elected as Miss United Nation USA in 2016, since then, she became a local celebrity in Utah after her attendance in the Miss United States. Until then, Ludovica wasn't an active social media user. However, after her success, the social media team of the United Nations suggested her to focus on her Instagram account mainly to increase her brand awareness. She posts more about her songs, quotes about lifestyle and inspirational content.

The second responder is Thania who is currently living in North Carolina, United States.

She was born and raised in the Dominican Republic and moved to the United States 10 years ago. Thania's Instagram account has a roughly 1.5k following which is considered as micro-influencer (Leimgruber and Gaid, 2019). According to engagement calculator, Thania's profile is rated as 4.7% which goes under "excellent" category and has potential on working further. Apart from her Instagram account she also has a blog where she writes about inspirational posts on lifestyle and helps to her local community. Thania used to work as a full-time hair stylist, and she also has strong experience in makeup and beauty fields. She recently changed her major to nursing; however, as her passion includes fashion; therefore, she decided to start her blog. Thania pointed out becoming an influencer was always her dream since the young age. "I remember watching videos at a young age and seeing influencers sitting at their chairs from home and

making videos, that was the time I got inspired to become an influencer". Her content includes makeup looks including weddings, going out and everyday life-related photos.

The first influencer from Australia is Isabel who is the CEO of a local event management company which focuses on organizing fashion shows in Brisbane, Australia. She mainly uses the website to run her company, and her personal account to both promote and keep up with the content production. Her following on Instagram is around 2k and engagement rate equals to 4.9% which goes under "excellent" section as an influencer.

The other influencer is Sarah who is also from Brisbane, Australia. She started blogging about two years ago with the purpose of sharing her travel adventures and later after she started getting followers, she focused on posting her lifestyle daily. Sarah considers herself as a micro influencer. Although by looking at numbers Sarah is accepted as micro-influencer with roughly 1.5k followers, however, her engagement rate reached 7.4% which is a "high potential" influencer to consider working with. The main thing that draws attention when looking at her profile, Sarah has a specific sequence on her posts by selecting the similar coloured themes which result in having a clean and tidy account.

Next responder's name shall remain incognito as requested. The interviewee will be cited in the "Influencer A". However, respondent gave permission to give general information about her content. The influencer is located in Sydney, Australia and posts more of her student life, lifestyle and fashion related content. The profile has 4k followers and goes under 3.1% with engagement calculator and can be considered as the preferable profile to collaborate with according to Chacon (2019).

The last influencer also decided not to disclose his/her identity. Therefore, the person will be referred to as "Influencer B". Respondent also permitted to share brief information about the account however it was noted not to mention the specific number of followings. This microinfluencer focuses on sport and healthy lifestyle niche and makes videos and photo content every week to engage with his/her Instagram community.

As an instrument, an interview which included 11 questions was asked from the influencers. The summary of the questions according to their references can be seen in the Appendix B section. Majority of questions were compiled from the prior theory and to follow up the researcher asked open-ended questions from responders to get detailed answers from influencers. Structured interview type was preferred by the author to conduct the research. According to Jamshed (2014), structured interviews include questions which have already been determined previously by the author and asked from interviewees.

When it comes to the procedure of the interview author completed it through mainly through video and phone calls. Only three of the respondents gave their answers through the written form as the main reasons were noted as language barriers and major time differences.

The first interviewee representing the European region is Makenzie. Originally coming from the Wisconsin United States, Makenzie got her academic education in New York and later on moved to Copenhagen, Denmark due to personal reasons. She enjoys living in Copenhagen as she sees the city as a mixture of different styles, in particular, she pointed out the main difference between New York (American) and Copenhagen lifestyles during the interview. Her Instagram

has about 1k following, and according to engagement calculator, this profile goes under 13%. It is also important to mention that Makenzie's Instagram profile is considered as a microinfluencer. However, her numbers have been growing steadily in the last couple of months.

The second responder is Karin who is originally Romanian; however, she has spent most of her life living in the United States and several different countries in Europe such as Hungary, Ukraine and the United Kingdom. Her primary profession is a psychologist, but she is currently focusing on video editing, and recently she received her professional photographer license. Karin owns several pages on the Instagram platform which have a large amount of following on different themes with the main focus of fashion and life. One of the accounts she owns has about 71k following. Karin's engagement rate goes around 2.2%.

The next interviewee is Greek-English writer Elektra who is currently living in Athens, Greece. She is passionate about travelling and this aspect also has a high impact on her social media contents. Elektra has a strong experience in retail businesses, magazines and journals that are in the fashion industry. Elektra is also a content creator and editor for several music production companies and freelance writer. She owns around 9k following on the Instagram platform, and her engagement rate is calculated around 3% which is considered to be under preferable influencer to collaborate (Chacon, 2019).

The last influencer who was interviewed is Katie who is originally Slovakian. However, she grew up Dusseldorf, Germany and currently living there. Katie has been working as a fashion model for eight years. She has been passionate about sewing and designing since her childhood which resulted in Katie participating seminars and classes on this industry in the last couple of years. Katie started her clothing line in 2018 called "IM'LIKE"YOU" where she has been coming up with her designs, and also three years ago Katie established her blog and focused on focusing on running as an influencer on Instagram platform. Currently, through her profile she has a potential of reaching to 18k people who have been following her on Instagram. Katie's engagement rate equals to 5.5% which goes under the "excellent" category of influencer

list.

2.2 Interview results and its analysis

In order to make influencers feel more comfortable during the interview at the beginning, some general questions were asked about themselves

The first question was related to the respondent's general background including nationality and location which was pointed out by the finding of Jeffery (2018). As the respondents were representing three major geographical locations (Australia, United States and Europe) and professional backgrounds, there were a variety of answers. However, the majority of the influencers has expressed their strong experiences in fashion related industries such as design, photography and the ones as models. One of the facts that are also important to be pointed out is, although the influencers who are residing in their current locations for a long period, majority of the respondents represented several ethnic backgrounds which also impacted on their follower list when looked at the demographics. After the interviews, it was understandable that the previous success rate of an influencer meaning the achievements that were received and experiences had a critical role in their brand. For example, Ludovica who was elected as Miss United Nations in 2016 in the United States pointed out that after her success in modelling, she started giving more attention on becoming an active user on social media platforms, particularly on Instagram (phone call, April 17, 2019) She mentions:

"I wasn't an active social media user until my participation at Miss United Nations event.

Later on, the social media team who was promoting the Miss United Nations event suggested me to focus solely on my Instagram account and grow my branding as I already had local popularity in the city."

The next question included responders experience as an influencer. To make it clear, the question was more about why they considered themselves as an Instagram influencer and the reasons beyond that. Going into results of this question the respondents were divided mainly into

two major answer groups. The main reason for this particular division was the number of followers of the accounts. As the interviewees were selected on three main aspects, one of them was the number of followers that the accounts have. Analyzing the large accounts owners - Ludovica, Katie, Karin and Elektra it can be mentioned that all the accounts have around 10k and more followers which already brings them social proof on the Instagram space. The views collected from this group for the question, aligned with Sudha's research (2017) on the experience of an influencer when it comes to promotions. One of the main responses that were noted as these influencers have an experience of at least several years they are more confident when it comes to getting in touch with their followers and communities.

However, on the other hand, Karin – the influencer who currently resides in Romania mentioned:

"Although I have a large amount of following, I have faced with several obstacles particularly during my stay in Romania as the brands don't want to ship the products to Romania with the reason of unattractiveness of potential targets in this region".

The previous statement brought the attention on studies completed by Jeffery (2018) on geo-location and the quality of followers by Chacon (2019). This statement can be explained as the main following of Karin is coming from Romania and neighbouring countries the potential for selling or promoting the products by e-commerce stores in this specific region wasn't considered satisfactory.

When looked at the rest of the responders for the question of experience as an influencer, this group were mainly categorized under the micro-influencer section, who has mostly an experience around a year or less. Although the number of followers, in this case, was between 1k to 4k, the researcher found out that these responders have reflected big amount passion on their responses and showed interest on collaborating brands like Aurum. For example, Makenzie who had the least amount of following compared to the other influencers in this group mentioned that she is open to new collaborations and focuses more on posting quality content daily (video call,

April 17, 2019). When it comes to Sarah from Brisbane, she also pointed out a similar response while adding that she prefers doing Instagram blogging more of a side hustle and getting engaged with her small community (phone call, April 17, 2019). Influencer A mentioned as she has been posting more of her lifestyle, particularly studies in Australia she also gets engaged with her community daily and focuses on expanding her experience as a micro-influencer (phone call, April 17, 2019).

As a follow-up question for experience as an influencer, the respondents were asked about their presence on social media platforms. Although the majority of them mentioned their accounts on the Instagram platform, some of them also own personal blogs where they talk about their lifestyle and fashion related topics. The micro-influencer Thania's blog posts include inspiring people especially the ones who suffer from low self-esteem and anxiety issues (video call, April 17, 2019). Apart from the Instagram platform Influencer B mentioned the importance of social media presence on other platforms such as Pinterest, LinkedIn and Tumblr platforms (email, April 17, 2019).

The next two questions were combined and asked together which were related to the main content and the consistency (frequency) between the posts of the respondents. As mentioned previously, the respondents were mostly representing the fashion related background; the answers were similar to each other in many cases. However, the influencers who had a massive number of followings mentioned the importance of focusing on two or three types of contents maximum, meaning sticking to the personal brand and following up with that. Ludovica who was elected as a Miss United Nations mentions she mainly posts about her songs, quotes about lifestyle and inspirational content (video call, April 17, 2019). When it comes to her post frequency, Ludovica has been posting every Tuesdays and Thursdays 8 pm Mountain standard time consistently as this specific time zone seems to be working for her successfully. On the other hand, Karin who also has a large number of subscribers mentioned that she on her content

she values quality over quantity concept (phone call, April 17, 2019). Karin posts mainly visual content on fashion niche, specifically videos as she has a strong experience in video editing, nature and food-related photos to represent her lifestyle. Regarding her consistency, she doesn't have a specific schedule; she prefers to post two times a week and mostly in the evening hours. The micro-influencer Sarah mentioned:

"It doesn't matter how many followers you have, 50, 1000 or even 1 million, we all influence each other in very different ways. My content includes lifestyle-related topics, and I schedule my posts for every day, precisely at 9 am or 3 pm afternoon, so I can reach to people in different time zones rather just focusing on Australia".

In addition to Sarah's comments, the other micro-influencer Thania pointed out:

"I noticed that I don't get as much as engagement and attention on my photos if I post the photos of the product, on the other hand, if I just post me as the main focus it gets more attention as it is more of personal interaction with my community. My main goal is to post every day, although sometimes I can run out of content which ends up me taking a break 1 or two days per week. However, it is important to mention that scheduling and consistency is the key when it comes to Instagram marketing".

On the other hand, Elektra who is a Greek-English writer she points out the content of an influencer needs to be focused on him or her on a large scale (email, April 17, 2019). When it comes to her specifically, as an influencer Elektra is a big travel lover, and she focuses on sharing weekly content from the places she visits and brings out content from the travels.

All in all, it can be noticed that majority of influencers gave the response of scheduling the posts when it comes to consistency and trying to post at least once a day to keep engaged with the community daily.

The following three questions were more of a getting the respondents' perspectives on

collaborating with brands. These questions were compiled according to the study by Mediakix (2018) on how influencers choose which brand when it comes to collaborations. The questions included:

- Do you have any partnerships currently going on?
- (If yes) what was the most successful brand partnership you've had?
- What are the key factors that you look for when choosing the brand to partner up with?

For these questions combined, the researcher received a variety of answers as the influencers were coming from different professional backgrounds and experience levels.

Majority of micro-influencers has or has had up to three various partnerships till now while this number equalled at least to ten for the accounts who had a more considerable amount of followings and experiences.

Starting with US-based Italian influencer – Ludovica mentioned about one of the skincare companies who came to her at the beginning of her Influencer career with the offer of sending her their bestselling products, however this collaboration ended up not working well due to the reason that product wasn't effective on her skin, and she eventually needed to refuse from the continuation of the partnership (phone call, April 17, 2019). On the other hand, as Ludovica has experience as a singer since childhood, apart from Aurum, recently she partnered up with a music production company who has been helping every week with her with new upcoming music project. When it comes to the question of partnering up with brands, she pointed out about sticking to the image that influencers or in other words the individuals have as a personal brand.

"I don't understand some of the influencers who go out of their areas which doesn't reflect their image or personality or their style. At the end of the day I want to bring value to my audience, it is super easy to go out there and find hundreds of companies to partner up but as a result, am I really hitting my target and vice versa if they can get any benefit from me?"

On the other hand, micro-influencers Sarah and Isabel from Brisbane, Australia gave their comments about finding the quality products rather than accepting every offer that is out there in the market (phone call, April 17, 2019). Sarah points out:

"When choosing brands to collaborate with, I am always curious about the quality of the products; especially my main thought is about would I wear this product if I'd see it in the store? Additionally, I prefer to be a fan of the brand or in other words passionate about products to be a successful and effective representative. When Aurum first came up to me on collaboration, I remember going through their Instagram page and website, reading the reviews by previous customers. Also, the quality of products was extremely high as the material was super soft and it was an accessory that I can wear every day without even thinking".

When it comes to American influencer in Copenhagen – Makenzie and Influencer B, their points were more about aesthetics (phone call, April 17, 2019). They both mentioned that having a strong brand requires to have an aesthetic and matching with the personalities.

Continued by aesthetics, consistency was mentioned as a significant factor by Katie. She says:

"The most successful partnerships are those which last long. I see consistency as a necessity in today's digital world overloaded with ads and commercials. When it comes to key factors that I consider when working with companies, since I have my clothing brand, I only partner with brands that providing accessories. For example, when Aurum reached out to me a year ago, at that time I was really in need of finding the right neck scarf which would suit my style. After getting in touch with the Aurum team and discussing the partnership, I accepted your offer, and I am really happy about it. However, apart from an accessory brand, I kindly refuse all interests, which coming from clothing brands or e-shops".

The micro-influencers Thania and Influencer A had similar responses both from experience level and aspects of choosing on collaborating with brands (video call, April 17,

2019). They both mentioned different watch companies that they have been working with in the last couple of months. The mentioned brands have been implementing a similar strategy like Aurum by sending out the products to influencers and setting up a personal coupon code and if there is a sale that comes along with that the influencers receive commissions according to the amount of purchase they make. When it comes to the next question on aspects to consider while working with brands, the respondents pointed out three primary reasons including authenticity, the relevance of company/product with their brand and financial income which were also mentioned in the study that was done by Mediakix (2018).

The next question was more about reporting the analytics including influencers' audience location, gender and the age range to have a clearer understanding of the background of their followers. As mentioned previously, the majority of influencers are representing several ethnic backgrounds while their permanent location is in a different country. However, to generalize, the majority of followers of larger accounts were coming from the United States, Australia and major European countries including Germany, France and Italy. On the other hand, micro-influencers also mentioned their subscribers to be coming from countries from their ethnic backgrounds while also some portion of the location representing their current countries of living. When looked at the demographics, females between the age of 18-35 were pointed out as the main common group by all influencers who were interviewed.

After the questions section, the researcher also asked from influencers their general opinion about the brand and look for suggestions on how to develop the strategies on Aurum's influencer marketing collaborations which are also known as Brand Ambassador Program. To summarize, the answers were mostly positive while there were several comments such as developing the prioritization of posts on Instagram and investing financially more in collaborations. The influencer Ludovica explained prioritizing by giving higher attention, featuring more the accounts with more massive followings on the platform while Karin

mentioned focusing on more video content to attract new influencers to the company to reach out to new potential clients (phone call, April 17, 2019).

To summarize the previously asked questions the author of the thesis created a table which demonstrates the major aspects to look for by e-commerce store owners when looking for an effective influencer on Instagram (See Table 2)

Table 2.

Key factors to look for when choosing an influencer

Background	Location	Experience	Platforms	Qualities	Analytics	Account both (micro &
					18-35 age	large
photography	AUS	1-5 years	Instagram	Brand Relevance	range	accounts)
			Personal	Trust and		
fashion designer	EU		Blog	Authenticity	Female	
fashion blogger	USA		Pinterest	Long Term Potential		
make up			LinkedIn	Financial Income		
stylist						

Source: Compiled by the author according to interview summarization (2019)

Seven sections have been picked according to the major factors when it comes the selecting the effective influencer marketers which includes background check, the geographical location of the influencer and his/her audience, the experience as an influencer, presence on other social media platforms apart from Instagram, the qualities, analytics meaning the age range and gender division of influencer's audience and finally the account type (size). By focusing on the previously analyzed theory and addition of the results from the interview it can be mentioned that it is recommended for e-commerce store owners to look for the mentioned key factors (See Table 2), when it comes to searching the effective influencers to promote their products.

EFFECTIVENESS OF INFLUENCER MARKETING Conclusion

The significance of influencer marketing cannot be disregarded, particularly in the 21st century's society which has been bringing innovations daily. As the number of e-commerce stores continues to grow, having the marketing strategy with higher results can be challenging particularly to the new starters who have a lack of experience on the e-shop industry. As there are a variety of platforms to choose when it comes to marketing products on social media platforms, the fashion industry requires more of a visual content which can be found and widely used in the Instagram platform. Instagram is in the top five preferred social media platform list by the internet users which has over a hundred million members who are using the platform actively.

As social media has become part of our day to day lives the term of advertising has also started moving immensely online from traditional marketing. When it comes to promoting the products, brands have always been looking for different methods on reaching out to potential clients by testing both traditional and social media marketing strategies. Taking it into account the increasing number of e-commerce stores, influencer marketing, particularly on Instagram, can be accepted as one of the most powerful tools on telling the brand's story and advertising products through individuals with a specific number of followers who are sharing the similar interests. Prior theories do not seem to provide the information that is specific on effective usage of influencers on Instagram for e-commerce stores and brands that have an online presence.

Ten successful influencers were chosen according to the number of sales and visitors that were brought to Aurum's website were interviewed in order to demonstrate their perspectives on influencer marketing on Instagram and get their opinion on what key aspects to look for when cooperating with influencers. The respondents were chosen according to three major concepts which are geographical location by representing three major regions, number of followers (micro and accounts with a larger number of followings) and engagement rate. According to selected

accounts, the researcher gives a perspective of both micro influencers and influencers who has larger followings. Two of the interviewees requested to remain incognito while the rest of the eight shared their identities and detailed information about their Instagram profiles and stats.

It is found out that e-commerce stores can follow different methods when it comes to finding their "dream" influencer. In fact, there is not a specific account or in other words, a personal brand who owns all the high qualities at the same time, however by focusing down on specific aspects which were mentioned from concluded according to theory and interview analysis can come handy for e-commerce owners. The findings show that the first point that influencers are looking while starting to working with brands include relevancy of their account with in correspondence with the brand. This reason is followed by long-term potential of collaboration and financial outcome from the partnership. This means that influencers prefer to have these main qualities from e-commerce stores perspective that can provide them value and keep the collaboration going. The findings from theory also demonstrate the geographical target market and e-commerce store plays a crucial role. One of the advantages that come along with having an online brand is the comfort of promoting worldwide. Therefore, focus on larger countries with higher income levels such as United States, Australia and Western European Counties including Germany, France, UK and Italy can have a massive impact on turning the visitors on the online shop to potential clients. This statement was also supported by the answers received during the interviews from influencers who have a large number of followings in the previously mentioned countries. When it comes to gender perspective, it is found out that it is recommended for e-commerce store owners to look for influencers who have a bigger number of female subscribers than male dominance. The age range of the followers of Instagram influencers is also vital; according to the interviews it was mentioned that the average age was between 18-35 dominant female followers (See last Table 2)

To summarize it can be said that, choosing the effective influencer can be tricky and this process includes several major aspects that need to be considered from an e-commerce owner's perspective. However, by going through the previously mentioned points can help and give a clearer understanding of establishing long-term effective partnerships.

For further research and to obtain a more objective outlook on this topic, it is recommended to test out different geographical markets such as Southern American and Asian countries with local influencers who have followings from these regions. Additionally, as this research study covers mainly the topics from fashion industry, another perspective can be looked as the influencers in different niches to get a broader understanding.

References

- 1. Angela, C. (2008), 'Brand communications in fashion categories using celebrity endorsement', Journal of Brand Management, 17(2), pp.146–158.
- 2. Anderson V. (2019). Why Influencer Marketing Is Effective Retrieved from https://www.venetia-anderson.com/
- 3. Apparel Magazine (2010). "How Social media is revolutionizing the Apparel Industry-One message at a time" (2010) Apparel magazine,52(4),1-6. Retrieved from: EBSCO host
- 4. Aurum Scarves Database (2019) Retrieved from: https://aurumscarves.com/
- 5. Brown, D. & Hayes, N. (2007). Influencer Marketing: Who Really Influences Your Customers?
- Bucher, T. (2016) The algorithmic imaginary: exploring the ordinary affects of Facebook algorithms Retrieved from https://www.tandfonline.com/doi/abs/10.1080/1369118X.2016.1154086
- 7. Centralbyran (Central Bureau of Statistics). (2018). Statistics Sweden (SCB). [online]

 Available at: http://www.scb.se
- 8. Chacon B. (2019) The Ultimate Guide to Instagram Influencer Marketing Retrieved from https://later.com/blog/instagram-influencer-marketing/#partner
- 9. Chui, C.M., Wang, E.T.G., Fang, Y.H and Huang, H.Y. (2014) *Understanding* customers' repeat purchase intentions in B2C e-commerce: the roles of utilitarian value, hedonic value and perceived risk. Information System Journals, 24(1), 85-114.
- 10. Clark, E. (2017) Which Retailers Are Closing Stores in 2017 From American Apparel to Macy's Retrieved from: https://wwd.com/business-news/financial/retail-store-closures-

- 2017-macys-bcbg-american-apparel-wet-seal-abercrombie-limted-jc-penney-sears-10842214/
- 11. De Veirman, M., Cauberghe, V. & Hudders, L. (2017), 'Marketing through Instagram influencers: the impact of number of followers and product divergence on brand attitude', International Journal of Advertising, 36(5), pp.798–828.
- 12. Djafarova, E., & Rushworth, C. (2017). Exploring the credibility of online celebrities' Instagram profiles in influencing the purchase decisions of young female users. Computers in Human Behavior, 68, 1-7.
- 13. Easwaramoorthy, M., Zarinpoush, F. (2006). Interviewing for Research. Imagine Canada. Retrieved from http://sectorsource.ca/sites/default/files/resources/files/tipsheet6_interviewing_for_re s earch_en_0.pdf
- 14. Fastenau, J. (2018) Under the Influence: The Power of Social Media Influencers Retrieved from https://medium.com/crobox/under-the-influence-the-power-of-social-media-influencers-5192571083c3
- 15. Freberg, K., Graham, K., Mcgaughey, K. & Freberg, L. (2011), 'Who are the social media influencers? A study of public perceptions of personality', Public Relations Review, 37(1), pp.90–92.
- 16. Frisby J. (2018) *The World's Biggest Online Spenders Revealed* Retrieved from https://www.websitebuilderexpert.com/blog/worlds-biggest-online-spenders/
- Ghauri, P. & Grønhaug, K. (2010). Research methods in business studies.
 England: Financial Times Prentice Hall.
- 18. Glucksman M. (2017) *The Rise of Social Media Influencer Marketing on Lifestyle Branding:* A Case Study of Lucie Fink pp. 77-85
- 19. Grafström, J. and Jakobsson, L. (2018) The Impact of Influencer Marketing on Consumers' *Attitudes A Qualitative Study on What Reasons Affect Millennials*'

EFFECTIVENESS OF INFLUENCER MARKETING Attitudes by Influencer Marketing in Sweden pp. 3-15

- 20. Hargrove, C. (2017) J. Crew Is Closing Even More Of Its Stores Retrieved from https://www.refinery29.com/en-us/2017/11/182285/jcrew-store-closings-2017
- 21. Hobson, R. (2017). The integration of influencer marketing into social media strategies (Doctoral dissertation, University of Cape Town)
- 22. Influencer Marketing Hub (2017) The Remarkable Rise of Influencer Marketing

 Retrieved from https://influencermarketinghub.com/the-rise-of-influencer-marketing/
- 23. Jacobson, M. (2018) How to Run Influencer Marketing Campaigns on Facebook Retrieved from https://www.theleverageway.com/blog/influencer-marketing-on-facebook/#top
- 24. Jahanshahi, A.A., Zhang, S.X. And Brem, A. (2013) *E-commerce for SMEs: empirical insights from 73 three countries*, Journal of Small Business and Enterprise Development,
 20(4), 849 865
- 25. Jamshed, S.Q. (2014). Qualitative research method-interviewing and observation.

 *Journal of Basic and Clinical Pharmacy. Volume 5, pp. 87-88. Retrieved from https://www.ncbi.nlm.nih.gov/pmc/artiles/PMC4194943/
- Jeffery, J. (2018) Confessions of an Instagram Influencer Retrieved from https://www.entrepreneur.com/article/315156
- 27. Khamis, S., Ang, L., & Welling, R. (2017). Self-branding, 'Micro-celebrity' and the rise of Social Media Influencers. Celebrity Studies, 8(2), 191-208.
- 28. Leimgruber, P.J. and Gaid, A. (2019) Influencer Marketing, *Grow your business with digital influencers* pp. 10-20
- 29. Lisichkova, N. and Othman, Z. (2017) The impact of influencers on online purchase intent pp. 3-10
- 30. M2PressWIRE. (2011). Retailers more than double their following on social media sites pp.2-8

- 31. Marwick, A. (2013). "They're really profound women; they're entrepreneurs":

 Conceptions of authenticity in fashion blogging. Presented at the International

 Conference on Web and Social Media, Cambridge, MA, 8 July
- 32. Mastorakis G. (2018). "It's All About Relationships!" An Interview with Ted Rubin Retrieved from https://www.mentionlytics.com/blog/its-all-about-relationships-interview-ted-rubin/
- 33. McCormick, H. And Livett, C. (2012) Analysing the influence of the presentation of fashion garments on young consumers' online behaviour. Journal of Fashion Marketing and Management: An International Journal, 16(1), 21-41.
- 34. Mediakix (2018) *How Influencers choose which brands to partner up with* Retrieved from http://mediakix.com/2018/12/influencer-brand-partnerships-interview-insights/#gs.6rdtp9
- 35. Miller, C. (2019) Instagram adds new quiz sticker for asking multiple choice questions through Stories Retrieved from https://9to5mac.com/2019/04/23/instagram-quiz-sticker/
- 36. Morrison K. (2014). Infographic about Shoppers that conduct Online Research Before Buying Retrieved from https://www.adweek.com/digital/81-shoppers-conduct-online-research-making-purchase-infographic/
- 37. Niranjanamurthy, M., Kavyashree, N., Jagannath, S and Charhar, D. (2013) Analysis of E-Commerce and M-Commerce: Advantages, Limitations and Security issues. International Journal of Advanced Research in Computer and Communication Engineering, 2(6), 2360-2370.
- 38. Ogonowski, A., Montandon, A., Botha, E and Reyneke, M. (2014) *Should new online stores invest in social presence elements?* The effect of social presence on initial trust formation. Journal of Retailing and Consumer Services, 21(4), 482-491.
- 39. Page Winterich, K., Gangwar, M. & Grewal, R. (2018), 'When Celebrities Count: Power Distance Beliefs and Celebrity Endorsements', Journal Of Marketing, 82, 3, pp. 70-86.

- 40. Peters, B. (2019) A Marketer's Guide to Decoding Social Media Algorithms in 2019

 Retrieved form https://buffer.com/resources/social-media-algorithms-2019
- 41. Qualman,E.(2009).Socialnomics, how Social media transforms the way we live and do the business. John Wiley & Sons, Inc.
- 42. Rajashekarreddy, P. (2012). Celebrity endorsers impact on the brand building-A case study of Lux. International Journal of Multidisciplinary Research Vol. 2 Issue 12; December 2012; ISSN 2231-5780 SR. NO., 2(12), 365.
- 43. Sheldon, P and Bryant, K. (2016) *Instagram: Motives for its use and relationship to* narcissism and contextual age. Computers in Human Behavior, 58 (8), 87-97
- 44. Shopify, Aurum Scarves Database (2019) Retrieved from https://aurumscarves.myshopify.com/admin [online]
- 45. Siders, S. (2019) Top 18 Ecommerce Fashion Websites to Watch in 2019 Retrieved from https://www.bigcommerce.com/blog/fashion-apparelecommerce-design/#best-fashion-ecommerce-sites
- 46. Sipka M. and Alizadeh N. (2018) The State of Influencer Marketing 2018 A look into how brands and agencies view the future of influencer marketing
- 47. Sismeiro, C. and Buckling, R.E. (2004) *Modeling Purchase Behavior at an E-Commerce Web Site: A Task-Completion Approach*. Journal of Marketing Research, 41(3), 306-323
- 48. Singer, C. and Couper, M. P. (2017). Some Methodological Uses of Responses to Open Questions and Other Verbatim Comments in Quantitative Surveys Vol. 11(2), pp. 115-134
- 49. Sloane, G. (2015) Instagram Has Eye on Click-to-Shop Ads. Adweek, 56(14), 13.
- 50. Statista (2018) Most popular social networks worldwide, ranked by number of active

- users Retrieved from https://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/
- 51. Sudha, M., & Sheena, K. (2017). *Impact of Influencers in Consumer Decision Process:*The Fashion Industry. Journal of Indian Management, 14(3), 14-30.
- 52. Swant, M. (2016, May 10). Twitter Says Users Now Trust Influencers Nearly as Much as Their Friends. adweek.com. Retrieved from http://www.adweek.com/digital/twitter says%20users-now trust-influencers-nearly-much-their-friends-171367/
- 53. The algorithmic imaginary: Exploring the ordinary affects of Facebook algorithms, Information, Communication & Society, pp. 30-44
- 54. Uzunoğlu, E., & Kip, S. M. (2014). Brand communication through digital influencers: Leveraging blogger engagement. International Journal of Information Management, 34(5), 592-602.
- 55. Vacca, J., & Loshin, P. (2002). Electronic Commerce (4th ed.) Charles River Media.
- 56. Wertz, J 2018 How To Use Instagram To Grow Your E-Commerce Business Retrieved from https://www.forbes.com/sites/jiawertz/2018/06/05/how-to-use-instagram-to-grow-your-e-commerce-business-with-zero-budget/#2bf09e954f0a
- 57. Yuliandre, D. (2013) The urgency of communication media (e-commerce) in Indonesia's creative industry as an effort to increase international business competition: A case study of the fashion industry. International Journal of Organizational Innovation (Online), 5(3), 206-220.

Appendices

Appendix A. Interviewee details

Table 3.

Interviewee details

	1	T		T	
Interviewee	Number	Engagement	Nationality /	Post Frequency	Interview Type
	of	Rate	Country	(days/ per week)	
	Followers				
Ludovica	21k	2.5%	Italian,	2/7	Phone call,
			United States		(30 min)
Thania	1.5k	4.7%	Dominican	5 / 7	Video Call,
	(micro)		Republic,		(25 mins)
			United States		
Isabel	2k	4.9%	Australia	3 / 7	Video Call
	(micro)				(15 mins)
Sarah	1.5k	7.4%	Australia	7 / 7	Phone Call
	(micro)				(30 mins)
Anonymous	4k	3.1%	Azeri /	3 / 7	Phone Call
Influencer A	(micro)		Australia		(15 mins)
Anonymous	N/A	N/A	Australia	2/7	Email
Influencer B	(micro)				
Makenzie	1k	13%	American /	5 / 7	Video Call
	(micro)		Denmark		(20 mins)

Karin	71k	2.2%	Romania	2/7	Phone Call
					(25 mins)
Elektra	9k	3%	English,	2/7	Email
			Greece		
Katie	18k	5.5%	Slovakian,	7 / 7	Email
			Germany		

Source: Compiled by the author

Appendix B. Interview Questions

Table 4.

Interviewee details

Question	Reference
What is your background, who are you?	-
Where are you located at?	Jeffery (2018), Chacon (2019)
How's your experience as an influencer look	Angela (2008), Influencer Marketing Hub
like?	(2017), Sudha (2017)
Do you use any other platforms to engage	Freberg (2011), Fastenau, (2018)
with your audience?	
What is your content mainly about?	Chacon (2019), Jacobson (2018)
Do you keep consistent when it comes to	Sipka and Alizadeh (2018), Swant (2016)
posting regularly?	
Do you have any other partnerships currently	Mediakix (2018), Leimgruber and Gaid (2019)
going on? (If yes) What was the most	` '

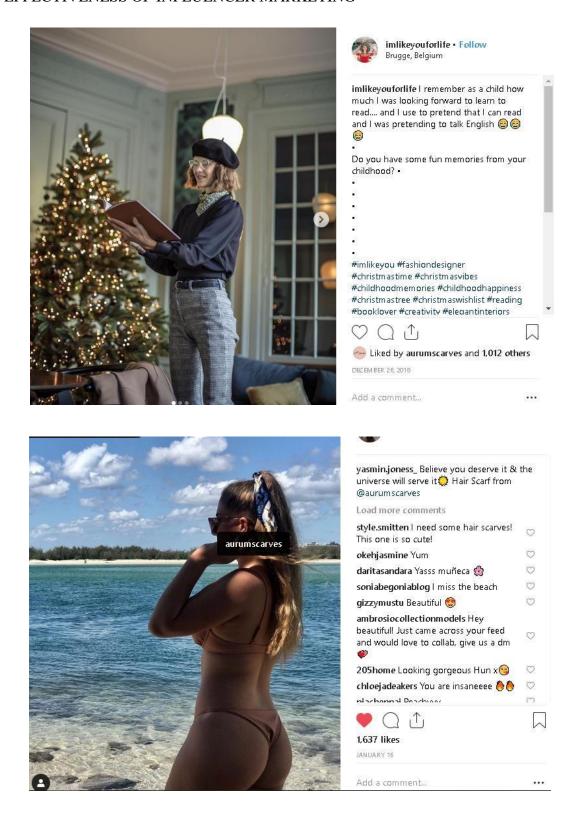
Mediakix (2018), Leimgruber and Gaid
(2019), Djafarova and Rushworth (2017)
Frisby (2018), Marwick (2013), Bucher (2016)
-

Source: Compiled by the author

Appendix C

Instagram Influencer Examples





Source: Instagram accounts of Influencers, Instagram (2019)

Non-exclusive licence to reproduce thesis and make thesis public

I, Rufat Dargahli

1. herewith grant the University of Tartu a free permit (non-exclusive licence) to

reproduce, for the purpose of preservation, including for adding to the DSpace digital archives until the expiry of the term of copyright,

Effective usage of Instagram Influencer Marketing in Fashion E-commerce industry

Case: Aurum Scarves

(title of thesis)

supervised by Tanel Mehine (supervisor) and Kerli Ploom (co-supervisor)

- 2. I grant the University of Tartu a permit to make the work specified in p. 1 available to the public via the web environment of the University of Tartu, including via the DSpace digital archives, under the Creative Commons licence CC BY NC ND 3.0, which allows, by giving appropriate credit to the author, to reproduce, distribute the work and communicate it to the public, and prohibits the creation of derivative works and any commercial use of the work until the expiry of the term of copyright.
- 3. I am aware of the fact that the author retains the rights specified in p. 1 and 2.
- 4. I certify that granting the non-exclusive licence does not infringe other persons' intellectual property rights or rights arising from the personal data protection legislation.

Rufat Dargahli

13. 05. 2019