

Influencer Marketing, Rewards and Challenges

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Influencer marketing is a word-of-mouth marketing technique that rewards connected social media participants who have the credibility and motivation to drive positive word-of-mouth to a broader and noticeable segment of the market. It usually includes consumer-to-consumer campaigns in which the identified influencer receives incentives to post positive messages about a brand so that it permeates throughout their valuable network via electronic word-of-mouth.

Influencer marketing is not without challenges. Brands might find it difficult to identify, recruit, and retain high-value influencers. Incentives are a necessary component of an influencer marketing campaign because only a small fraction of social media influencers will write a review without even the smallest incentive, which may include both money and product samples. Moreover, it is difficult to constantly maintain a high level of motivation and activity from the influencers, even with incentives. For influencers, it is tough to self-identify, join, stay motivated and maintain a long-term commitment to brands, as incentives are constantly needed and real-life consumption is expected to be aligned with influencer communication.

Despite the efforts of businesses to justifiably engage in influencer marketing, the level of integrity and unethical conduct in fake reviews is still a problem. Amazon has filed in 2015 a lawsuit against more than 1,000 unidentified individuals who were allegedly selling fake reviews on Fiverr.com for products sold on Amazon. Businesses have started campaigns to incentivize buyers with a variety of discounts and promotions for posting positive recommendations. However, some companies still have disguised business-generated reviews as consumer recommendations in the anonymity of the Internet.

In a research study, we found that incentivized campaigns lead to more positive reviews, because influencers receive benefits from posting reviews and potential further incentives and campaigns. Consequently, the influencer can contribute to a lasting increase in the number of reviews with a more positive sentiment and with the potential to lead to higher sales. Overall, incentivized campaigns result in increased positive word-of-mouth, increased consumer interest, and higher purchase potential.

To read more about this topic:

Petrescu, Maria, Bay O'Leary, Deborah Goldring and Selima Ben Mrad (2017).

Incentivized reviews: Promising the moon for a few stars. Journal of Retailing and Consumer Services, in print.

<http://www.sciencedirect.com/science/article/pii/S0969698916306397>