

# **INFLUENCERS AS ENHANCERS OF THE VALUE CO-CREATION EXPERIENCE**

Isabel Morteo, Universidad Autónoma de Baja California

## **ABSTRACT**

*The figure of the influencer is slowly getting recognized in marketing literature. The importance of their opinions, how they present them to their audience and the level of interaction that this exchange generates represents a powerful channel for organizations to communicate products' characteristics and attributes. The concept of value co-creation, first proposed by Prahalad & Ramaswamy (2004) explored how the value of a product can be increased through the interaction between an organization and their customers, thus increasing the quality of the experience. It is through the creation of original content that the influencer sets the stage that fosters interaction to explore and sometimes deepen the level of detail with which an influencer expressed their opinion and it is through interacting with their audience that the value assigned to a product or service is increased. Though value co-creation measurement and assessment has been done through a variety of instruments, the dimensions provided by Verleye (2015) will be used as the basis for this analysis, due to the all-encompassing nature of this structure with which to evaluate the complete value co-creation experience. Interviews conducted with 13 influencers engaged in the beauty industry provide the data with which this analysis will be performed.*

**JEL:** M310, M370

**KEYWORDS:** Influencers, Marketing, Value Co-creation, Brands, Communication Channel, Advertising

## **INTRODUCTION**

**C**urrent changes in the marketing strategy of an organization respond to the increased immediacy that the customer expects in terms of access of information, its availability and reduced time allowed to organizations to answer requests and offer solutions requested by the customer. The speed at which these answers are expected put pressure on an organization to be as efficient and prompt as possible to meet those expectations and keep customers satisfied. Additionally, online channels have provided customers with added avenues and forums to interact with organizations and among each other, thus fostering a sense of closeness and familiarity which in turn foster bidirectional communication between the customer and the organization.

An increase in communication channels, the ease of access to them via multiple devices such as smartphones or tablets, and the closeness with which these interactions can occur has provided customers with power to improve on their experience with the products and services they consume. Understanding how customers experience these interactions with the organization and the impact it can have on their perception of the product and the organization are of the utmost importance, because it provides organizations with a better understanding of what the customer perceives as valuable features and how a product or service can be improved to better suit their needs.

One of the actors in these new channels through which organizations can become closer to customers, both current and potential, are influencers, which are defined as “an individual who through their

expertise in a specific topic creates original content and offers their unbiased opinion to an audience gained through word-of-mouth communication that voluntarily has determined them to be a referent and trust their opinion” (Morteo, 2017). These individuals provide customers with an interactive stage that benefits from the use of social media platforms and the direct interaction with an individual that shares their interests. The audience of an influencer makes them an ideal outlet for organizations to share information with current and potential customers, due to the interest their audience has in their perspective and opinions. One of the main characteristics of an influencer is that their audience is voluntary and has been acquired by word-of-mouth communication, thus it is assumed that the audience takes the content they share into consideration to evaluate products and/or services that the influencer shares with them.

The purpose of this paper is to explore how the interaction between an influencer and its audience enhances the value co-creation experience. Interviews conducted with influencers active in the beauty industry in Mexico provide the data which will be used to explore how the influencer actively engages with their audience and expands on the experience that current and potential customers can have with a product and how it can increase its value. This study expands on the evidence found by Verleye (2015), in their analysis of the mechanisms present in a value co-creation experience. The structure of this paper first presents a literature review on which this analysis will be based, followed by details on the data used and the methodology followed to analyze the available information. Results of the analysis and conclusions are provided next, closing with final comments and suggested future lines of research to expand on this research line, as well as the limitations of the current study.

## LITERATURE REVIEW

The current study is framed on the principles of Parasocial Interaction Theory (PIT) which state that individuals develop a sense of closeness with fictional characters based on their agreement with said characters’ behavior and decisions (Rubin & McHugh, 1987). An expansion on the reach of PIT is the consideration of a development of a relationship between individuals active in interactive media, such as social networks. Those principles support the relationship that has been identified to develop between bloggers and their audience, thus validating the argument in favor of influencers establishing a relationship with their audience (Colliander & Dahlén, 2011). Previous studies on the characteristics that determine the impact of the information shared on social networks have considered such elements as type of content of the post or the degree of approval from the audience in the form likes or comments that the post generates (de Vries, Gensler, & Leeﬂang, 2012), in an effort to aid managers in determining what type of content can be most interesting to their audience.

### Influencers

The definition of influencer previously provided emphasizes the main features that identify a regular individual who creates and shares content with other individuals connected to them in the wide variety of social networks currently active and available, from an individual who has acquired an audience, with the main distinction of being considered a referent in the specific topic about which said individual has developed expertise. The relevance of this distinction lies in the potential effect on behavior that an individual with credibility has acquired, which in turn can be translated into changes in behavior from their audience.

Identification of who those influential individuals are and what their main characteristics are has been the focus of research aimed at uncovering their behavior patterns in an effort to consider them into an organization’s communication efforts with their audience. One of such studies focused on determining how to identify such individuals (Trusov, Bodapati, & Bucklin, 2010), and identified a few relevant factors that pinpoint more influential individuals, such as gender, where females have greater influence

over male users; or usage behavior, where users who have longer been active on a specific social network tend to have established relationship with influential individuals.

As evidence of the importance that consumers place on recommendations when considering their options before purchase, Senecal and Nantel (2004) analyzed the online shopping behavior of more than 450 subjects and obtained evidence that supports this argument, finding that consumers tend to more frequently lean towards a recommended product rather than a product for which they obtained no information. Even though analysis on the type of content published provided to be inconclusive as to the effects on post popularity (de Vries, Gensler, & Leeflang, 2012), it shed some light on the importance of remaining focused on the content that has proven to appeal to the audience, which should remain related to the brand.

As for incorporating social media into the marketing strategy of an organization, Hassan, Nadzim, and Shiratuddin (2015) proposed its implementation based on the principles of the AIDA model (considering the elements of attention, interest, desire and action) in small business firms in Malaysia, citing the benefits that social media could yield for organizations facing limitations such as monetary constraints or lack of experience from their employees, as well as the threat posed by bigger organizations. The main benefit of using social networks is allowing the audience the possibility of creating content (Hensel & Deis, 2010). Based on this premise, the use of social networks provides the organization a platform to interact on a direct and reciprocated manner with their audience.

### Value Co-creation

The concept of value co-creation was first explored by Prahalad and Ramaswamy (2004), highlighting this process as a next step in the evolution of consumer – organization interaction, proposing four building blocks of interactions on which to base this process, namely Dialogue, Access, Risk-Benefits, and Transparency, and emphasized the character of uniqueness that each customer was to assign to the experience they created with the organization.

Though the concept was the object of intense consideration and scrutiny (Leclerq, Hammedi, & Poncin, 2016), its conceptualization lacked the basic quality of consensus. The review of the concept and previous research provided by Leclerq, Hammedi, and Poncin (2016) provides a summary of the evolution of the concept, its relevance in the context of current marketing practice and emphasizes the need to continue exploring this concept in the context of digital marketing literature. The current research is focused specifically in this context, where a variety of new marketing strategies are finding to expand on the dynamic between customers and organizations, shifting from a unilateral exchange of information from organization to customer in the form of product characteristics and features, to a bilateral discussion on expectations and requirements that reach the organization via the direct interaction with their customers, both current and potential.

The dimensions of the co-creation experience used to frame this research are provided by the study performed by (Verleye, 2015), who proposed five dimensions to explore the depth of the experience experienced by an active participant on a dynamic. Said dimensions are hedonic experience, cognitive experience, social experience, personal experience, pragmatic experience, and economic experience. The relevance of this dimensions lies in their dissecting qualities to the value co-creation experience: it allows for a deep exploration of the composing elements of the value co-creation experience in terms of the events, interactions and even emotions involved in experiencing a product or service.

## **DATA AND METHODOLOGY**

As previously mentioned, in depth interviews conducted with 13 influencers active in the beauty industry in Mexico are used to provide evidence of their influence to the value co-creation experience of current

and/or potential customers, based on the structure of dimensions of the value co-creation experience provided by Verleye (2015). The interviews were conducted with the purpose of acquiring a general understanding of the influencer's characteristics, such as their emergence, main activities, how they decide which products to feature, how they define their identity, the types of interactions between them and organizations and who is responsible of the content they publish. The fact that the interviews were not focused or intended to uncover value co-creation mechanisms increases the validity of their finding.

Generally, the purpose of the interviews was to understand how influencers work. Among the inquiries set were which activities were considered into their regular tasks, how they interacted with brands and how collaborations came to be, as well as how they chose the products and type of content they would create, the way in which they interact with their audience, and ultimately, obtaining an all-encompassing feel of how an influencer acquired their identity. This extensive line of questioning provided a rich amount of detail that allowed to form a detailed map as to the everyday activities and challenges faced by those who acquired an identity as influencers, which in the end, is not a self-imposed label but rather is earned and validated through an increase of the audience to which they appeal.

Interviews were conducted during the summer of 2017, either face-to-face or remotely via audio or videoconference, and were being recorded with the knowledge and approval of the subjects. The number of interviews allowed to reach theoretical saturation, with the answers being overall consistent among all participants.

The influencers interviewed, as previously stated, were active in the beauty industry, creating original content that they shared throughout their various social networks. The most common platforms used were Facebook, Instagram and Youtube, to which tailored content was published. Each influencer had a specific objective depending on the platform and type of content they shared, such as sharing pieces that were aimed at creating a conversation, in which case they were more frequently shared on Facebook, which is where they felt it was most appropriate to that purpose. As for Instagram, since the latest update allowed the publication of content as well as live broadcasts and ephemeral content in the form of stories, it had become a network in which a significant amount of content was shared.

Instagram also provides the influencer with immediate feedback on the performance of their shared content, such as the amount of views that the stories get and the approval or agreement with their more permanent content in the form of photographs. Since interacting with their followers is a critical part of the activities that they carry in the fulfillment of their self-imposed responsibilities as influencers, the possibility of having live interaction ends up being a determinant feature of the preferred social networks. Finally, the publication of Youtube content ends up being the most time consuming, because of the requirements and expectations set by the audience in terms of content relevance and quality. The creation of content for this specific network requires a heavy dose of time investment, which is divided between the selection of the topic to be discussed, the specific content to be shown whether it be a product review or a tutorial for example, and finally, the end product which generally requires editing and uploading to be published.

For the purposes of this paper, analysis of the 13 interviews is done through the identification of the activities carried out by them that conform to the characteristics of each previously mentioned dimension of the value co-creation experience. Evidence to support each of the dimensions of the value co-creation experience is provided in the form of quotes extracted from the interviews and discussed, with the purpose of exploring the characteristics of said activities, which appeal to a specific dimension of the value co-creation experience and detailing how it can influence strategic marketing decisions by organizations in their efforts to connect with their current and potential customers.

## RESULTS AND DISCUSSION

The main finding of this research is that through the creation of content that satisfies their own interests and criteria, the influencer expands on the main characteristics of a product, thus providing evidence for each of the value co-creation experience dimensions previously described. Companies can benefit from this content by fostering an honest and unbiased evaluation of their products, thus generating a discourse among users and potential customers that shed a light on the products' characteristics and even their flaws and shortcomings so that the expectations of consumers can be known and taken into consideration for improvement.

Next, activities mentioned by influencers related to each of the dimensions of the co-creation experience are detailed, so as to explore whether there are shared perceptions among the influencers that were interviewed. By identifying which activities are encompassed in each dimension, it will be easier to understand what types of activities are involved for each specific dimension of the experience and if there are specific traits or characteristics shared among them, allowing organizations to focus on that kind of activities depending on the dimension of the value co-creation experience they would be interested to improve or work with, depending on their intent in the value co-creation experience with their customers.

### Hedonic Experience

The dimension of hedonic experience is composed by the motivations which support the influencer's desire to create and publish original content, which is mainly because the topic that they work on is considered by them as a hobby. It is relevant to emphasize that the influencers consider this as a significant factor into the level of effort that they are willing to put into the frequency and quality of the content that they publish.

*My purpose was never to, to (receive an) income – I01*

*I started as a hobby or, I don't know, because I wanted to talk about the things I liked, but it was rather by chance that my friends were like, like they didn't care that much about all this things related to makeup – I02*

*...Once I went to the border and bought makeup and I said to myself, well, it would be really cool to be able to share this – I05*

### Cognitive Experience

This dimension highlights the abilities and knowledge that the influencer acquires in the course of performing the tasks inherent to their work. It is relevant to emphasize that the work they do is voluntary, and most of the effort that they are willing to exert is in response to a self-set level of expected quality. The acquisition of abilities and skills required to increase the quality of their content is the guideline with which they decide where to focus on.

*It makes my creativity fly, because like I told you, the topic is "whatever, what am I going to do, if they are like, clouds, I don't want them to be just clouds – I06*

*You have to be like, very self-taught, so that's how I started, watching tutorials to understand what this thing about YouTube was – I07*

*This is what makes a good influencer, having knowledge about what it is they are talking about – I10*

### Social Experience

This dimension responds to the most relevant aspect to the work of an influencer which is to connect with other people with whom they share their passion and interests. For the case of this particular sample, the main topic in common consists of fashion and beauty related products, and the interaction with their audience is based on the exchange of opinions and perceptions to specific products which are featured in the influencer's published content.

*I wanted to help people, that if I bought a product, like, giving them my opinion whether the product was really worth it or not, if it was worth buying them or not... so that they have some parameters to evaluate them with – I07*

*So I have favored now staying true to what I have, and to create a community little by little – I11*

*...Who am I creating content for? It's for them, right? So, to be thanked I think is the most satisfying thing – I13*

### Personal Experience

Related to the social experience dimension is the personal experience dimension, which gives the influencer an additional boost to work on the quality of their content, as well as maintaining a periodic frequency of publication, or type of content which may require additional levels of expertise or skills, in the form of recognition by both their audience and the companies with which they can establish collaborations. These collaborations can be in the form of getting their original content published in the company's social networks or receiving requests to create special content specifically to the company or to a product. The mechanism through which the influencer interprets or assigns this interaction the character of receiving recognition is when the organization approaches the influencer recognizing the quality and relevance of the content they have published and are interested in collaborating with them in a more direct manner.

*(On acquiring an organic audience) Those I believe are the most important because it's when the brands realize how much your work is worth, that people listen to you – I05*

*Once people see that brands are reaching out to you that means you've got something, right? Something good, something valuable, something important, that, that your work is relevant - I08*

*You have to be constant because acquiring subscribers can be done by anyone... but you have to be constant to maintain them (interested) – I12*

### Pragmatic Experience

This dimension is composed by the activities that the influencer perceives to allow them a better use and understanding of the features and qualities of the products they are trying out. The relevance of expanding their experience with a product on this dimension lies in the increased alternatives for its use and the appeal they can achieve to the multitude of profiles that can be found among their audience.

*(When collaborating with brands) I will tell, them, "honestly, this does not work with me, but this does, I know my audience very well" – I03*

*If you do your research and start to go deeper, you will find an immense number of alternatives of new brands, of unknown brands that you had no idea about... - I07*

*For example, I try to, in every photo, to give as much information about the product as possible – I11*

#### Economic Experience

The final dimension on which an influencer can expand their experience of a product is the economic dimension, which influencers are not considering to be transcendental to their decision of investing time and their own resources to the creation of content that satisfy the needs, expectations and requests set by their audience.

*That's just in case we get paid, which are, it's a few brand which end up paying you – I01*

*...and they invited me to a campaign, they told me "we won't pay you anything, not even one peso..." – I04*

*...and I told them, I am not interested so much in the monetary aspect of it... I'd rather be paid in kind – I13*

There are relevant implications and practical applicability of these findings. First, knowing which kind of activities impact which dimensions of a value co-creation experience allows management to focus efforts to align with the purpose of the communication towards their audience. Additionally, there can be differences on which dimensions of the value co-creation influencers appeal the most, this translates into the possibility of selecting between influencers which could establish a better connection towards the specific market that the organization might be interested in reaching through the use of influencers. Finally, dissecting each of the dimensions of the value co-creation experience, it is possible to observe that the activities that the influencer performs as part of their creation of original content naturally appeal to the expansion of the characteristics that a brand presents when presenting the characteristics of their products. On the other hand, allowing users that have a captive audience explore this characteristics without restrictions offers a brand with content that feels unbiased and thus, can be trusted more.

#### **CONCLUDING COMMENTS**

As was previously stated, the purpose of this paper was to explore how influencers interact with their audience and how this interaction expands on the value co-creation experience of the potential consumer. So as to fulfill this purpose, interviews with 13 active influencers in the beauty industry were analyzed, and dissected based on the dimensions proposed by Verleye (2015), which are hedonic, cognitive, social, personal, pragmatic, and economic.

Evidence supporting the dimensions comprising the value co-creation experience proposed by Verleye (2015) namely hedonic, cognitive, social, personal, pragmatic, and economic were presented based on in depth interviews of 13 influencers from the beauty industry. This analysis provides managers with vital information on the relevance of identifying and sharing content that is created by independent individuals that are willing to share their experience with a specific product and engage in conversation with an audience who share their interests.

Following the previous analysis, it is important to highlight that these findings are based on the influencer's own experience of the content creation labor that they perform and the authors interpretation of those activities. One of the main limitations of this paper is that the subjects interviewed were active on a specific industry thus these results could not be applicable to other industries, where influencing mechanisms could require other types of validation, in terms of the profile and credentials that the influencer is expected to bear in order to be taken into consideration.

An initial avenue for continued understanding of this phenomenon would be to confront influencers with the previously explored dimensions and expand on their interpretation of the relevance of their work, such as the effect that it can have when they are aware of the dimensions that conform the value co-creation experience and how it ends up affecting the appreciation that their audience has of a specific product. This awareness can improve the quality of the content they produce and in turn offer increased benefits to the brand which consequently could be more willing to establish a more productive relationship with the influencer.

A relevant expansion of this study would be to explore the perception of the audience of an influencer, in terms of their appreciation of the content generated by the influencer, and whether or not it does in fact provide them with additional information that allows them to improve their experience while using a specific product or service. To begin this analysis, it would be relevant to identify the characteristics of the content that receive better feedback and generate a more intense response from the audience, such as type of content whether it be video, a live feed, a series of photographs, or still images.

A useful starting point to this categorization, would be to identify all the distinct types of content published by influencers, taking into consideration details such as the specific social media where it is published, time, day of the week, among others, factors which have already been explored (Senecal & Nantel, 2004), but focusing now on the effect these factors have on the influencers' audience perception and purchase behavior. Following this understanding, a dissection of level of response provided to the various types of content would allow researchers to focus on a specific type to determine which features incite a response from the audience. It would be relevant to make a distinction to the type of response, whether positive or negative, and the grounds to such a response: did the audience agree with the stance of the influencer or not? Did it trigger a specific type of behavior?

Following this dissection, companies should be more attentive to the content published by influencers and determine whether the product is being positively received by the intended market segment or if a distinct segment is taking interest in it, what characteristics of the product are more valued and which features are not taken into consideration towards the evaluation of the performance of the product or if there are aspects to be improved.

## REFERENCES

- Colliander, J., & Dahlén, M. (2011). Following the fashionable friend: The power of social media. Weighting publicity effectiveness of blogs versus online magazines. *Journal of Advertising Research*, 51(1), 313 - 321.
- de Vries, L., Gensler, S., & LeeFlang, P. S. (2012). Popularity of brand posts on brand fan pages: An investigation of the effects of social media marketing. *Journal of Interactive Marketing*, 26(2), 83-91.
- Hassan, S., Nadzim, S. Z., & Shiratuddin, N. (2015). Strategic use of social media for small business based on the AIDA model. *Procedia - Social and Behavioral Sciences*, 172, 262-269.
- Hensel, K., & Deis, M. H. (2010). Using social media to increase advertising and improve marketing. *The Entrepreneurial Executive*, 15, 87-97.
- Leclerq, T., Hammedi, W., & Poncin, I. (2016). Ten years of value co-creation: An integrative review. *Recherche et Applications en Marketing*, 31(3), 26-60.
- Morteo, I. (2017). To clarify the typification of influencers: A review of the literature.



Prahalad, C. K., & Ramaswamy, V. (2004). Co-creation experiences: The next practice in value creation. *Journal of Interactive Marketing*, 18(3), 5-14.

Rubin, R. B., & McHugh, M. P. (1987). Development of parasocial interaction relationships. *Journal of Broadcasting & Electronic Media*, 31(3), 279 - 292.

Senecal, S., & Nantel, J. (2004). The influence of online product recommendations on consumers' online choices. *Journal of Retailing*, 80, 159-169.

Trusov, M., Bodapati, A. V., & Bucklin, R. E. (2010, August). Determining influential users in internet social networks. *Journal of Marketing Research*, 47, 643-658.

Verleye, K. (2015). The co-creation experience from the customer perspective: its measurement and determinants. *Journal of Service Management*, 26(2), 321-342.

## **BIOGRAFIA**

Isabel Morteo, Universidad Autónoma de Baja California, Tourism Faculty, Calzada Universidad 14418, Tijuana, Baja California, México.

## BIOGRAPHY

Isabel Morteo is full-time Professor at the Tourism and Marketing Faculty at Universidad Autónoma de Baja California, in Tijuana, Mexico. Her work focuses on the figure of the influencer and its relevance as part of a strategic marketing plan. She can be reached at [imorteo@uabc.edu.mx](mailto:imorteo@uabc.edu.mx).