



Influencer Marketing an Emerging Tool for the Success of Local Businesses with Special Reference to the Hotel and Restaurant Industry

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ABSTRACT

With technological advancements, the traditional form of advertising has gradually upgraded as per the demand of present social media. Advertising through word of mouth has always been one of the most effective and impactful ways and in the past decade, influencer marketing or advertising through social media influencers is gaining a lot of popularity. Consumers trust and follow their favourite social media influencers as they feel more connected and can relate with the influencers more. Thus, with the growing popularity of influencer marketing, brands and companies are collaborating with social media influencers to promote their product and services.

This study is designed to explore the role of influencer marketing in the success of local businesses especially the hotel and restaurant industry through primary and secondary data. The study will also try to explore the key features that attract brands and businesses to approach social media influencers. The secondary data will be collected through reports on social media and related available literature. The primary data will be collected through informal discussions and semi-structured in-depth interviews and will be presented in form of findings.

Keywords – Social Media Influencers, Influencer marketing, Advertising, Local businesses, Hotel and Restaurant Industry.

INTRODUCTION

In contemporary society, majority of the world population has access to various social networking platforms and social media. The traditional advertising and marketing techniques have also upgraded with the advancement of technology and digital media. Major brands have recorded remarkable changes in consumer behaviour in past few years, the consumers are now focusing more on word-of-mouth advertising from the non-celebrity users of the product or services. The increasing popularity and rise of social media influencers have attracted the attention of brands and businesses for advertising and marketing their products and services. Consumers are more comfortable in knowing the hands-on feedback, experiences, and reviews by using a product or service from someone as common as themselves rather than a public figure or a big celebrity, who might have not even used the product or the service. Influencer marketing is not a new concept, though, with the popularity of online shopping and social media, it is gaining tremendous popularity among social media users. In the past few years, influencer marketing has emerged as an important activity to increase revenue generation.

Social media influencers are the opinion leaders who are popular within a digital community and have good number of followers. Influencer Marketing is a new strategy that is gaining in popularity among companies (Kadekova & Holienčinova, 2018). They are popular because social media influencers are considered trustworthy and experts in giving opinions on a product or service. Based on the number of followers influencers can be of four types, nano influencers with 1 thousand to 10 thousand followers,

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micro-influencer with 10 thousand to 100 thousand followers, medium influencers with up to 1 million followers and mega influencers with more than one million followers.

Brands are approaching and investing in local social media influencers as it's much cheaper with greater and better results than running huge traditional advertising campaigns with big celebrities. Onboarding Influencers in marketing and their effects on Millennials are very significant (Chatzigeorgiou, 2017).

OBJECTIVE OF STUDY

The major objectives of the study are

1. To find out the role of influencer marketing in the success of local hotel and restaurant businesses.
2. To explore the key features that attract brands and businesses to approach social media influencers.

LITERATURE REVIEW

According to Freberg, Graham, McGaughey, & Freberg (2011), independent third-party endorsers also known as Social Media Influencers' (SMIs) emerging to play important role in influencing the perception, attitude and behaviour of the public through social media platforms such as blogs, tweets and other audio-video content. Social Media Influencers (SMI) are used these days largely through Facebook, Instagram, and Twitter (Arora, Bansal, Kandpal, Aswani, & Dwivedi, 2019).

Digital and social media environments have drastically transformed the way advertisers reach consumers (Kumar & Gupta, 2016). Companies realize the strategic potential of partnering with social media influencers to reach new audiences, who are their potential customers (Childers et al., 2018).

The popularity of influencers attracts the attention of brands and businesses. Tajudeen, Jaafar & Ainin (2018) concluded in their study that influencers can reduce the expense of reaching the target audience and offer choices. Supporting the fact Ledbetter (2017) also says that while mainstream marketing primarily targets mass markets, influencers have the rare potential to reach niche audiences that have been unattainable up until now.

The customers have trust in their favourite social media influencers and the fact is supported by Janusz Wielki (2020) in his study where he found that the most crucial factor affecting the success of digital influencers' actions was trust in a particular person as an authority, the legitimacy of the message expressed, and the link between the message and a certain person.

Brands' collaborations with social media influencers help in fostering brand loyalty Morgan Glucksman (2017) states that the reputation a brand gains from its social media influencers helps to create direct relationships with its core consumers and fosters brand loyalty.

Since advertisers and brands want to collaborate with social media influencers, so the basic question is why the brands want to collaborate with the social media influencers and what makes them special. The answer to the question is given by Sammis, Lincoln, & Pomponi (2016) in their study, they say influence is no longer the exclusive domain of celebrities, sporting stars, politicians, major brands, or publications anymore. (Sammis, Lincoln, & Pomponi, 2016). Thus, the communication between the social media influencer and their audience is quick and the results or feedback can be recorded immediately in terms of like, comments, sharing the post with friends on digital platforms or even using the same product or service as soon as possible.

METHODOLOGY

The current study is qualitative and incorporates semi-structured in-depth interviews. Since only such individuals were selected for the study those who can provide a better understanding of the theme, the purposive sampling technique was used in the study. According to *Etikan, et al.* (2016), the main aim of

purposive sampling is to focus on individuals with specific characteristics and knowledge of the research theme. Though one of the major critiques of purposive sampling *Suri* (2011) says that it is not easy to justify the representativeness of the samples, it helped the researcher to understand the samples' feelings and experiences in detail.

The participants of the study were selected considering ethical aspects with specific conditions to reach the maximum level of accuracy in the study and as the study was based on the local hotel and restaurant industry twelve semi-structured interviews, including five hotel and restaurant owners and seven social media users, were conducted.

DATA ANALYSIS

The data was gathered through semi-structured interviews. Interviews were conducted in the restaurants giving the respondent's opportunity to be engaged in a more relaxed and informal discussion with the researcher.

For data analysis, all the interviews were recorded and transcribed and further thematic coding was done to explore similarities and differences in the theme of the study through Interpretative Phenomenological Analysis (IPA).

FINDINGS

Interviews of hotel and restaurant owners –

Findings show that all the five interviewees admitted that using local social media influencers for advertising and marketing has helped in improving their business. All five of the interviewees said that approaching the local social media influencers had a far greater response than finding celebrity influencers for the business.

“Considering a local social media influencer for marketing and not a celebrity was somehow a not-so-sure decision, but we took our chances and approached the local social media influencers for promoting our chains of restaurants and unimaginably customers started to approach us and surprisingly most of them ordered the same food as the influencer did. So, ultimately it was a good decision.” Himanshu.

“Since we are comparatively new in business, so we are keeping a track of local social media influencers and their followers, so we selected local influencers for our marketing and after their Vlogs were viral, we got a tremendous increase in the number of customers. People believe in the local influencers and their reviews.” Harshad.

On talking about what are the key features or characteristics of the influencers that attract businesses to approach the social media influencers. All five respondents admitted that identifying the local social media influencer with genuine followers and huge popularity is not tough but is very important.

“While identifying local social media influencers for our business, the first thing we check is the number of genuine followers of the influencer which can be easily identified by the average number and nature of posts the influencers uploads and the likes and comments on those posts by the followers.” Nishant.

“Yes, it's very important to identify a good and profitable influencer for the business. Nowadays the number of influencers who claim to be most popular and followed has increased tremendously, and out of all such influencers identifying good, the trustworthy influencer is one of the most important tasks. We consider that comments of the followers on the posts of the influencers are the main criteria, and the other criteria is the quality of the content presented by the influencer, as we also want to maintain a certain level of our business.” Neha.

Interviews of social media users –

Findings show that all the seven social media users rely on and trust the reviews of their favourite local social media influencers. The consumers find it easy to trust the reviews given by the influencer and find it easy, worthwhile and time-saving.

“I like to explore new places with my family and friend but don’t want to waste my time and money on places I won’t like. So, I watch the reviews of restaurants by my favourite Vlogger, she never disappoints me, and she gives authentic and amazing reviews. I always go to places she recommends.” Shraddha.

“You know with the mushroom growth of the hotels and restaurants in my locality, and everyone claims to serve the best food and provide the best services, it’s tough to select but after getting the reviews from a couple of Vloggers I feel confident to explore a new place. Apart from a couple of times, these reviews have helped me in finding food and services to my taste.” Vijay.

“Ah, I generally have a hectic week and on weekends I like to spend quality time with my friends and family, and I don’t feel like exploring restaurants for half a day and in the end staying in and ordering from Zomato, so for me reviews in Instagram and YouTube are the best.” Anil.

“I started following the influencers to know more about the destinations to visit, but gradually I started following the influencers who explore and review local hotels and restaurants. The way they present is just amazing and urges me to try it at least once. I trust on their reviews, they give a real review on ambience, food and services.” Chaitali.

Adding to the convenience, saving time and money, the analysis showed that the social media users talked about the importance of the content presented by the influencer. All the seven respondents agreed that they follow social media influencers because of the way the influencer present and reviews the hotel or restaurant in a very short, engaging and interesting way.

“I follow certain influencers because I like the way they review a new or even an older hotel or restaurant, it’s like I told you, I like the content created by them, it gives an authentic review in a way that urges me to use the services offered by these hotels and restaurants.” Ankita.

On the same line, another respondent adds,

“When I see my favourite influencer review a new restaurant, she always amazes me with the creative and powerful camera angles she uses. I like the way she presents the ambience and the quality of food. It’s always mouth-watering and urges me to go and explore it.” Abhishek.

“After COVID lockdown, the fear of going out and eating in a restaurant was a big challenge for me, one of my cousins sent me a small YouTube video of an influencer where she was explaining that eating in a restaurant is now safe and all the restaurants are welcoming guests with proper measures and cure.” Nishant.

RESULTS & CONCLUSION

The current study concluded that the popularity of local social media influencers is very high among the local potential customers. Hence, it plays a significant role in the success of local businesses, especially the local hotel and restaurant industry. The study also reveals that the huge number of followers is not the only criterion that attracts businesses but the frequency of posts and the genuine followers who comment or chat are the important characteristics that attract the potential business for influencers marketing.

Further, the study concludes that the local social media influencers are more effective for the success of local businesses than the bigger celebrity influencers. The study points out that the collaboration of brands with the local social media influencers is much more effective as the customers rely mostly on the local influencers for exploring new hotels and restaurants.

LIMITATIONS AND FUTURE RESEARCH

Since the study was conducted in a small area with smaller sample size, a similar study can be conducted across a bigger universe. A quantitative study of similar nature with a big sample size can be conducted to understand the clear point of view of the customer. Further, the study was limited to the small local business of hotels and restaurants, similar studies can be conducted on the lifestyle, tourism and cosmetics industry.

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