



Impact of Influencer Marketing on Consumer Brand Loyalty in the E-Commerce Industry

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ABSTRACT

This thesis delves into why ecommerce firms opt for influencer marketing to boost brand visibility in global markets. Through qualitative analysis of four Swedish ecommerce companies operating internationally, it uncovers patterns between influencer marketing and traditional strategies. The study, adopting a deductive approach, aligns with theories of international marketing, social media, and brand awareness. Empirical findings from company interviews are compared with theoretical frameworks, leading to insights on influencer marketing's role in international expansion. The research fills a gap by defining influencer marketing's significance in global business and offers practical guidance for ecommerce ventures venturing into new markets.

INTRODUCTION

Influencer marketing has revolutionized business communication, yet its impact on growth and the business environment remains unclear. This study aims to evaluate the effectiveness of social media influencer partnerships in driving business growth.

Social Media Marketing (SMM):

SMM entails the strategic use of platforms like Instagram and Twitter to promote products, build brand identity, and foster consumer loyalty. It enables personalized interactions that enhance engagement and loyalty, making it a cost-effective marketing tool.

REVIEW LITERATURE

1. Wu, , & Hisa, (2008) : The findings show that there has been a significant innovation from I-commerce to M-commerce, which has resulted in significant modifications to the business model. Disruptive shifts, however, take place in both the technological and business model dimensions as M-commerce gives way to U-commerce. For every innovation, a set of essential dynamic capabilities is determined. The findings offer valuable perspectives for practitioners and scholars to expand their comprehension of E-commerce innovation. Additionally, the guidelines can assist practitioners in transitioning from one innovation type to another.
2. Colla, & Lapoule, (2012) : This Statement of objective of this piece of qualitative research is to identify the key success factors (KSFs) of the grocery “click and drive” (or drive or drive-in) model developed by French grocery retail companies and to understand the basis of their competitive advantage
3. Chen, Pan, & Ouyang, (2014) : This statement says Drawing on the conceptualization of “routine as trajectory”, in which routines are viewed as trajectories of interdependent actions through which organizations accomplish much of what they do, we investigate the interactions between the components of a trajectory, i.e., the trajectory projection, trajectory scheme, and trajectory action. A case study was conducted on the largest Chinese home appliance manufacturer attaining an ecommerce capability. Three roles of routine reconfiguration and their underlying mechanisms were identified. The study's theoretical contribution and practical implications and future research directions are discussed.
4. Abed, , Dwivedi, ., & Williams, (2015) : This statement says accordingly This article intends to offer an overview of the existing literature on the adoption of e-commerce by Small- and Medium-sized Enterprises (SMEs) using social media through the study of several prior research. First, to give some context, the study gives a summary of the definitions and advantages of e-commerce, the characteristics of SMEs, the opportunities and difficulties associated with SMEs adopting e-commerce, and the relationship between social media and e-commerce adoption. Second, research that pinpoint the variables that prompt SMEs to embrace e-commerce through social media are emphasized. Lastly, existing knowledge gaps are noted and suggestions for further research are given.
5. Hua, (2016) : This study aims to examine the extant E-commerce performance literature to derive a coherent framework to further the understanding, identify research gaps and suggest potential future study directions

6. Chen, Tang, & Yang, (2018) : This statement says This paper aims Fierce competition in electronic commerce, especially Business-to-Customer (B2C) in mainland China, has fostered the need of research on business model. This paper is to rule out the research line on B2C business model. For static model, three phases, conceptualization, elementalization, and modeling of Business Models, are abstracted. The dynamic evolution of business model research and the introduction of system dynamics in the field of business model research are discussed in particular in the paper, including several mainstream models, such as EBMO, e3-value, and business model canvas, are selectively analyzed. On the basic of that, B2C e-commerce business shows its distinct characteristics. The paper concludes that next stage of the research will focus on quantitative analysis and dynamic model.

7. Lim, ., Jin., & Srail, . (2018) : This statement says Purpose of this paper is to reexamine the extant research on last-mile logistics (LML) models and consider LML's diverse roots in city logistics, home delivery and business-to-consumer distribution, and more recent developments within the e-commerce digital supply chain context.

8. Behl, , Dutta, Lessmann, ., Dwivedi, ., & Kar, . (2019) : This statement say accordilly The results indicate that access to relevant data forms the base of the framework and would act as the strongest enabler in the adoption process while the company rates technical skillset of employees as the most important enabler. It was also found that there is a positive correlation between the ranking of enablers emerging out of ISM and ANP. The framework helps in simplifying the strategies any e-commerce company would follow to adopt BDA in future.

9. Rosário., & Raimundo, (2021) : This statement says This paper aims to identify research trends in the field through a Systematic Bibliometric Literature Review (LRSB) of research on marketing strategy for e-commerce. The review includes 66 articles published in the Scopus® database, presenting up-to-date knowledge on the topic. The LRSB results were synthesized across current research subthemes.

10. Guthrie, Fosso-Wamba, & Arnaud, (2021) : This statement says objective is to better understand how consumers use e-commerce to react to, cope with and adapt to periods of environmentally imposed constraints. Based on multiple sources including transaction and search data from a major French online retailer, we describe how consumer behavior evolves during such stressful life events as COVID-19. Our results support the usefulness of the multi-perspective react-cope-adapt framework of constrained consumer behavior in an online environment.

STATEMENT OF PROBLEMS

1. Technological advancements: Keeping up with rapid changes in e-commerce platforms, payment systems, and data analytics.
2. Regulatory compliance: Adhering to data privacy laws, consumer protection regulations, and taxation policies across various jurisdictions.
3. Cybersecurity risks: Protecting customer data from breaches, hacking, and phishing attacks to maintain trust.
4. Sustainability and ethical practices: Addressing concerns regarding environmental impact and ethical sourcing in the supply chain.
5. Adaptation to changing trends: Anticipating shifts in consumer behavior, such as influencer marketing and omni-channel retailing.
6. Traditional retail challenges: Facing declining foot traffic and adapting to changing consumer preferences.
7. Customer experience: Ensuring seamless product delivery, returns, and customer service.
8. Competition: Competing with established players and emerging startups in the e-commerce space.
9. Supply chain management: Efficiently managing inventory, logistics, and vendor relationships.
10. Brand trust and authenticity: Building and maintaining trust regarding product quality and reliability, especially in the beauty and fashion sectors.

OBJECTIVES OF STUDY

1. Analyze effectiveness of influencer marketing in e-commerce.
2. Identify factors influencing consumer brand loyalty towards influencer-promoted brands
3. Examine consumer behavior influenced by influencer marketing content.
4. Evaluate relationship between influencer marketing and brand loyalty metrics.

Research Methodology:

Research Design: This study adopts a descriptive research approach utilizing the survey method. It aims to gather factual information with appropriate interpretation, focusing on specific features or dimensions of identified problems. The study's objective is to collect descriptive data, which will be obtained through a questionnaire. Data analysis will employ statistical procedures aligned with the study's goals.

Primary Research Methodology:

1. Surveys: Gather data from online businesses, e-commerce professionals, and consumers via surveys to understand their experiences, preferences, and challenges in e-commerce.

2. Interviews: Conduct interviews with e-commerce entrepreneurs, industry experts, and stakeholders to gain qualitative insights into emerging trends and challenges in online business.

Secondary Research Methodology:

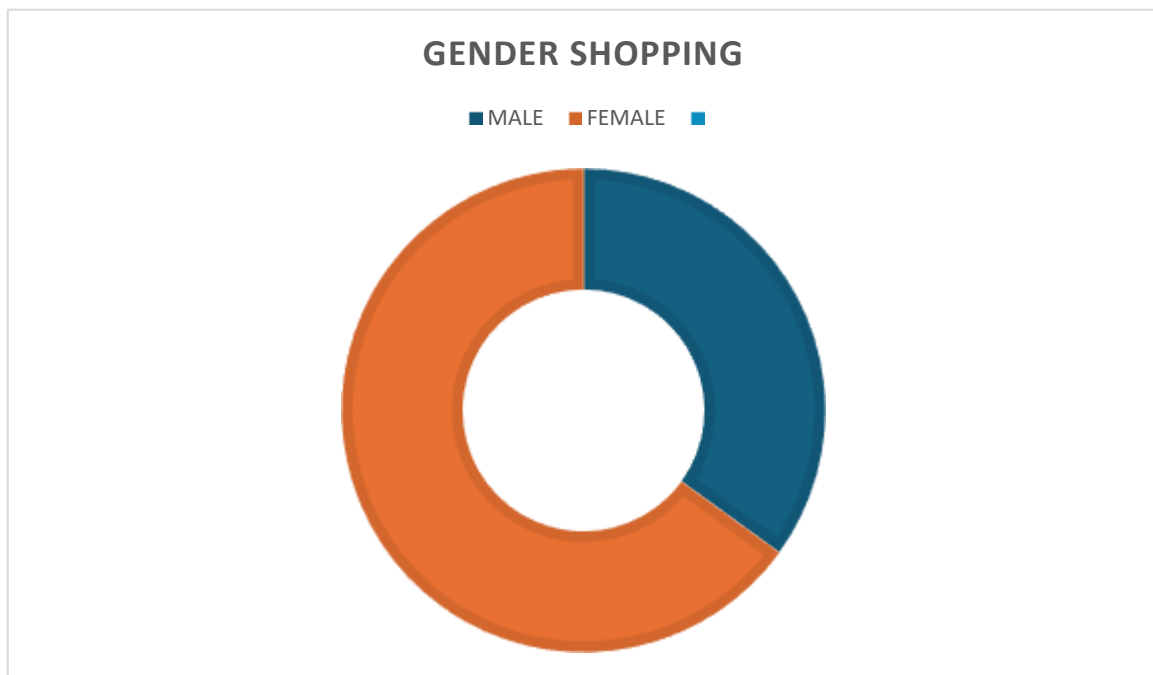
1. Literature Review: Review existing literature, academic papers, industry reports, and case studies to gather insights into e-commerce trends and strategies.

2. Market Analysis: Analyze market research reports, industry databases, and online analytics tools to understand market trends, consumer behavior, competitive landscape, and technological advancements in e-commerce.

DATA ANALYSIS

Table 1.1

| GENDER | FREQUENCY | PERCENTAGE |
|--------|-----------|------------|
| MALE | 35 | 35 |
| FEMALE | 65 | 65 |
| TOTAL | 100 | 100 |



Interpretation: Table No 1.2 shows that female responses outnumbered male responses. Female responses being 65% and male responses being 35%.

Table 1.2

Online preference

| PREFERENCE | ZARA | H&M |
|------------|------|-----|
| Yes | 85 | 75 |
| No | 15 | 25 |
| Total | 100 | 100 |

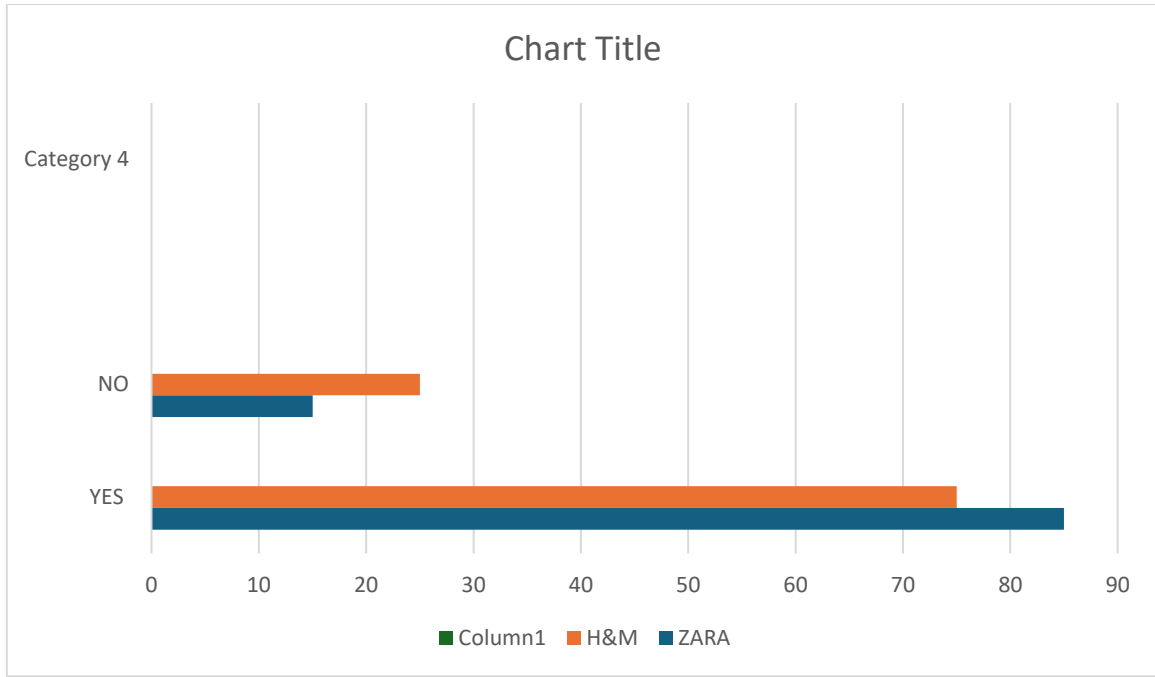
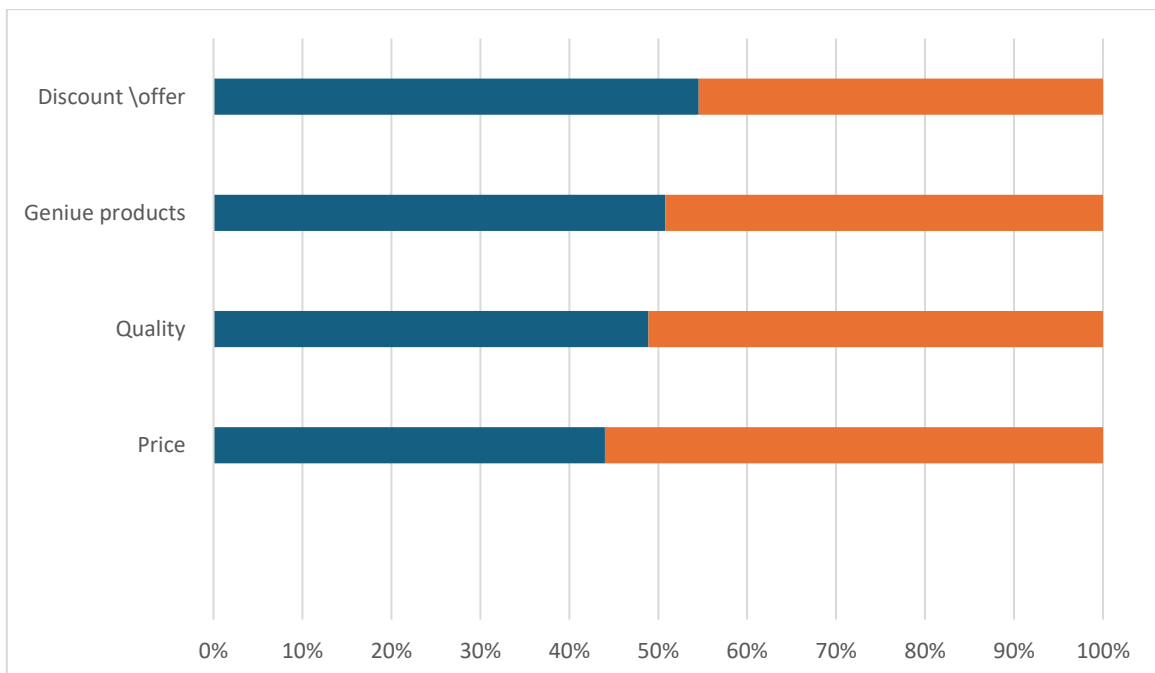


Table 1.4

Respondents opinion on Uniqueness of ZARA and H&M

| Uniqueness | ZARA | H&M |
|-------------------------|------|-----|
| Price | 11 | 14 |
| Quality | 22 | 23 |
| Geniue products | 32 | 31 |
| Discount \offer | 12 | 10 |
| Wide ranges of proctuds | 23 | 22 |
| Total | 100 | 100 |



Based on the provided information from the two tables:

For ZARA:

- 32% of respondents prefer quality as the uniqueness of ZARA.
- 24% of respondents prefer genuine products as the uniqueness of ZARA.
- 21% of respondents prefer the wide range of products as the uniqueness of ZARA.
- 12% of respondents prefer discounts as the uniqueness of ZARA.
- 11% of respondents prefer price as the uniqueness of ZARA.

For H&M:

- 23% of respondents prefer quality as the uniqueness of H&M.
- 31% of respondents prefer genuine products as the uniqueness of H&M.
- 23% of respondents prefer the wide range of products as the uniqueness of H&M.
- 10% of respondents prefer discounts as the uniqueness of H&M.
- 14% of respondents prefer price as the uniqueness of H&M.

Interpretation:

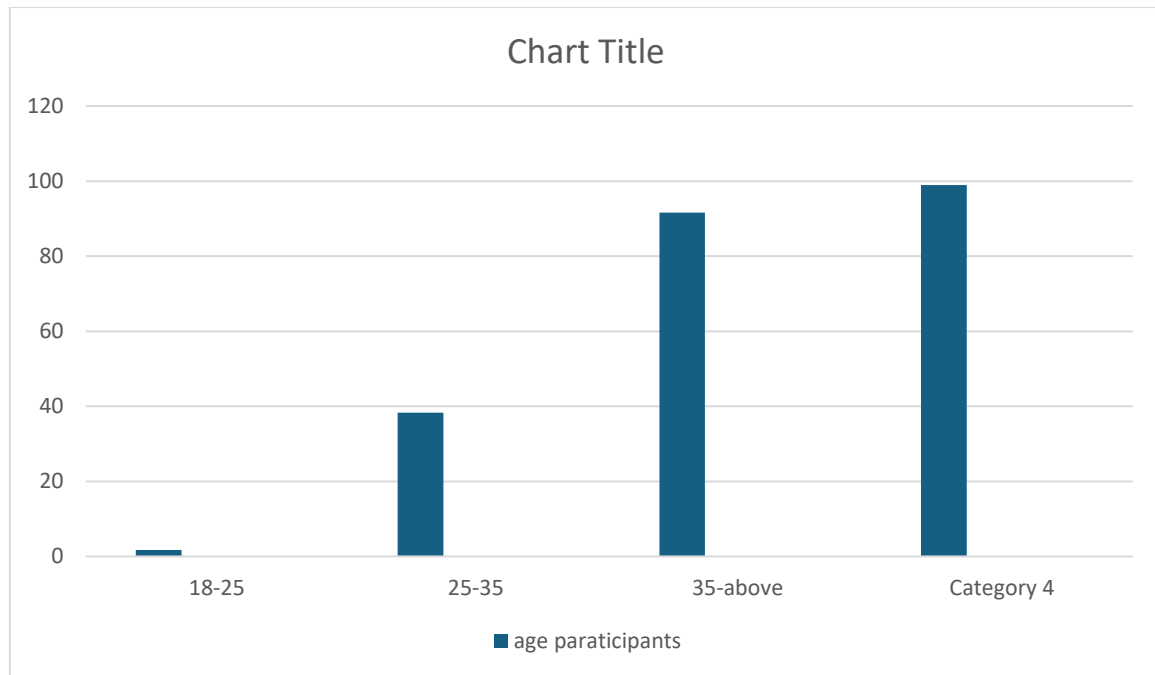
These interpretations highlight the various factors that respondents consider as unique or important when choosing ZARA or H&M for purchasing beauty products. Both ZARA and H&M have different strengths in the eyes of the respondents, such as quality, genuine products, product range, discounts, and pricing.]

1. Table showing the Demographics of participants

Age of participants

| Frequency | | Per cent | Valid Percent | Cumulative Percent |
|-----------|-----|----------|---------------|--------------------|
| Valid | 6 | 1.7 | 1.7 | 1.7 |
| 18-25 | 127 | 36.6 | 36.6 | 38.3 |
| 25-35 | 185 | 53.3 | 53.3 | 91.6 |
| 35 above | 25 | 7.2 | 7.2 | 98.8 |
| Under 18 | 4 | 1.2 | 1.2 | 100.0 |
| Total | 347 | 100.0 | 100.0 | |

Table: Age of Participants.



Interpretation

During the survey, the researcher assessed 3 categories of participants for this research process based on age. The first group was composed of 18 to 25 and the second group was composed of 25 to 35 years old participants. The second last group was 35 and above. There were participants from the category of under 18. The highest number of participants participated from the category of 25 to 35 years. However, the lowest category of participants belongs to those under 18.

CONCLUSION

In conclusion, while influencer marketing boosts brand awareness in e-commerce, its impact on brand loyalty has limits. Further research can clarify its effectiveness and consumer behavior. Authenticity and transparency are crucial for long-term trust. Zara and H&M exemplify influencer marketing's power, engaging audiences and expanding reach. Yet, sustaining brand loyalty demands genuine relationships with both influencers and consumers. As e-commerce evolves, influencer marketing remains vital for brands to foster loyalty amid competition.

LIMITATION

1. Data mainly sourced from secondary sources, limiting original insights.
2. Findings applicable primarily to businesses employing similar social media marketing strategies.
3. Generalizability challenged by variation in influencer marketing impact across different e-commerce sectors.
4. Difficulty in accurately measuring brand loyalty due to multifaceted nature and subjective interpretation.
5. Influencer marketing's effect confounded by other factors like product quality, pricing, and customer service.

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