Social media as a communication channel –

Is it possible to build a digital brand and generate revenue streams simultaneously by applying influencer marketing?

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ABSTRACT

This thesis covered a part of the research area of digital brand management and Instagram as a marketing tool, more specifically influencer marketing as a tool to not only achieve brand awareness and therefore create a digital brand, but also to generate sales and create steady revenue streams. With the help of qualitative research methods different hypotheses were tested and modified respectively. Moreover, practical examples were given by the success story of Daniel Wellington. The researcher concluded his work, by answering the research questions, whether Instagram, or more specifically influencer marketing, is suitable to build a digital brand and generate revenue streams at the same time.
1. Introduction

Around 3.7 billion people are now using the Internet all over the world and the trend is still growing (Worldometers, 2017). Proportionally, the number of social media platforms is increasing. According to Facebook’s own data, the social network has 1.94 billion monthly active users as of March 31, 2017 (Facebook Newsroom, 2017). Instagram counts 700 million active users as of April 31, 2017 (Constine, 2017a) and Twitter 328 million monthly active users (Statista, 2017a). Ignoring these numbers would be fatal. For this reason, social media marketing (SMM) is of great importance. Businesses must face the ever-changing challenges of Web 2.0, and must constantly rethink social media requirements. Therefore, it is important to align SMM with the company’s objectives and to incorporate it accordingly into the communication policy so it can become a solid part of a company's marketing management process.

In social media the understanding of modern brand management according to Esch (2005) should form the basis for the communication concept. Social platforms seem to offer the opportunity to shape brand identity, brand personality and the brand image and the associated relationship to a brand in a sustainable manner. The strongly growing photo and video-sharing community Instagram seems to bring the best conditions for this, focusing on a particular form of aesthetic staging.

The purpose of this thesis is to examine and compare the ideas of companies and users regarding Instagram, Facebook and Twitter, in order to characterize the social media channels and to assign them a certain role in the communication mix of the SMM. For a basic positioning of the individual communication media is of elementary importance for an effective and adequate SMM strategy formulation. Moreover, it is examined, whether a brand can not only build its digital brand, but also generate sales at the same time. Research has already been done in the area of building a digital brand and including digital opinion leaders to gather brand awareness, but so far influencer marketing hasn’t been examined as a tool which is not only helping a brand to increase its reach, but also generate sales and revenues at the same time. Therefore, the research question of this thesis is as follows:

“Is it possible to build a digital brand and generate revenue streams simultaneously by applying influencer marketing?”

This thesis is placed within the field of industrial management, since it addresses how companies can create not only value for customers, but also value-creating processes within the company.
2. Literature review

To get a better understanding of the spectrum of digital brand management and which tasks and areas must be considered when trying to create a digital brand, a wide range of books, journals and guides has been assessed to give an in-depth overview about modern brand management. Moreover, this section aims to explain basic structures of the social medial platform Instagram and how this can be utilized for marketing purposes.

2.1. Digital brand management

Brands are the golden cores for companies (Esch and Möll, 2005). A brand is not only a legally protected trademark, but also a trustworthy certificate which guarantees a certain standard of quality (Mitchell and Kearney, 2002). Strong brands are well anchored in the minds of people. They are staged in a way to aim the heart and brain of their recipients and thus are essentially characterized by feelings, emotions, pictures and other nonverbal impressions (Esch and Möll, 2005).

The main reasons for establishing a social media presence are increasing brand awareness and improving the brand reputation (Hutter et al., 2013). Therefore, the definition of a brand and its conception plays a central role in the field of social media marketing (SMM). To fully understand the importance of marketing within social media platforms, a basic understanding of some areas of modern brand management particularly defined by Esch (2005) is vital.

Figure 1 shows the main aspects of digital brand management according to Esch and Möll (2005), which will be further explained in this chapter.

![Digital Brand Management Diagram](image_url)
2.1.1. Brand identity

In 1939, Domizlaff appointed the connections of human and brand-related identity and declared that brands, like humans, would have unique faces. There followed several personal identity research, which lead to three characteristics of brand identity (Esch and Möll, 2005):

a. Self-perception: Describes the subjective image of the brand identity which managers and employees have of their own brand, developed from their reflection.

b. Identity-reflecting characteristics: This is understood as the temporally stable and usually visible artefacts of a brand, through which the brand identity becomes perceptible to the recipient. Through personal and mass communication target groups are coming into contact with the identity-reflecting characteristics of a brand. Brand identity is expressed, for example, in the presentation of corporate design, corporate buildings, show rooms, packaging, the behavior of employees, advertising, etc.

c. Perception by others: The external image describes the reputation which is set within the (external) target groups’ mind of a brand by the perception of the identity-reflecting characteristics of a brand. It develops through learning processes and is a result of any personal contact and experiences you gather with a specific brand.

According to this, the brand identity reflects the essential characteristics of a brand for which the brand is known. Initially inward and later on also outward (de Chernatony, 1999). As a matter of fact, you can designate brand identity as the basis of a brand. It represents the starting point of all considerations regarding the brand and thus reflects all strategic ideas of a company towards the basic orientation of a brand (Esch and Möll, 2005).

2.1.2. Brand positioning

Brand positioning is defined by clear visions and images by the customer towards a brand (Esch, 2005). At the same time a brand should focus on its essentials and keep the message simple. Already a short and precise slogan must clearly show the advantages over competitors in order to differentiate the brand from its competition and to be the preferred choice for consumers (Boush, 1993).

Therefore, brand positioning is the central starting point of the behavioral-oriented strategy formulation. The defined positioning features must be aligned with the needs of the customer, since a distinction between the brand and its competitors is only achieved through the subjective perception of the consumers, which creates an independent and unique brand profile. According to this, the positioning is about the construction of specific and need-relevant memories towards
brands" (Esch, 2005). In contrast to product positioning other marketing tools such as, communication, distribution, service and price policy, are determined by the brand positioning (Sujan and Bettman, 1989).

2.1.3. Brand personality

According to Lorenz, the personality of a brand is described as the totality of human qualities associated with a brand (2009). Accordingly, it assumes an added value function, in addition to the attributes related to the product.

Brands are often given human character traits by consumers, which results in the above mentioned added value. Because of this development several companies have already given their brands their own personality. Examples of this are Spee, M&M’s or Meister Proper (Aaker, 2005).

With the aid of these brand personalities it is possible to anchor stable and long-lasting personality traits in the minds of the consumers – in the brand image (external image) (Kapferer, 2012). According to Freling and Forbes (2005) the personality of the brand is a determinant of the branded image (external image), which symbolizes the soft factors of the latter.

Brand personality develops with any sort of direct and indirect contact with the brand. Therefore, character traits of representative brand consumers, employees, the executive board, the company itself and the brand evangelists also characterize the personality of the brand (Aaker 2005). In addition, Figure 2 shows a few other influences which can influence the development of the personality of a brand.

![Figure 2: Development of brand personality (according to Aaker, 2005)](image-url)
2.1.4. Brand relationship

During the development of advertising and its measurability, the greatest efforts were made towards exploring the brand image and brand personality. Although these determinants are created by the interaction between the identity and the image of a brand, it does not reflect the entire relationship between the brand and the consumer (Fournier, 1998).

Based on the brand image and the brand personality, the brand itself is only an object of the consumer attitude. Hence, the complete interaction between brand and consumer is only possible through analyzing the brand relationship (Fournier, 1998).

According to the above mentioned it is important to not only consider a brand as a passive object of marketing transactions, but rather as an active participant in building a relationship (MacInnis, Park and Priester, 2015). Blackston defined the concept of brand relationship as follows: "The relationship concept is defined as the interaction between consumers' attitudes towards the brand and the brand's, attitudes toward the consumer" (Fournier and Yao, 1997). So if a brand is considered to be a partner of the relationship, it must also behave as an interacting part within the relationship. Interactive and perceptive marketing communication qualifies the brand as a reciprocal partner (MacInnis, Park and Priester, 2015).

According to Fournier, all marketing activities can be treated as a bundle of behavioral patterns, which allow conclusions to be drawn about the brand personality. As a result, the personality of a brand will always be updated. Therefore, the decisions in the marketing mix represent this bundle of behaviors. Thus, a theory for establishing a brand relationship can be developed, if the brand behavior is in the core of it (MacInnis, Park and Priester, 2015).

2.1.5. Brand image

Brand images are defined as any external marks for everything which is responsible for the brand being acknowledged and anchored in the consumer's head. Currently, brand images are gaining more and more importance within (low-involvement) communication (Bian and Moutinho, 2011).

Brand images or often referred to as brand looks offer the possibility to identify, familiarize and remember a brand. To have an image of a brand means to associate concrete images or inner images with a brand. Inner images are defined as concrete, pictorial and sensory ideas which are based on a different memory code as verbal information (Bian and Moutinho, 2011). This assumption is based on the theory of dual coding presented by Allan Palvio in 1986. It states that the memory representation of word or object information is based on separate verbal and imaginary
coding systems (Paivio, 1990). The decisive factor is that internal images are stored differently from linguistic information and therefore have a different effect. Thus, inner pictures can be perceived as real images in their color, intensity and emotionality (Esch, 2005).

The importance of internal images for marketing purposes can be formulated in four points:

a. Images in particular unfold strong emotional effects because they represent the reality more vividly, more colorfully and more realistically than words. Therefore, they are ideal means for building emotional worlds and experiences.

b. Internal images are anchored better in the memory of people and not only easier but also quicker to retrieve compared to verbal information: images are kept in memory better and are available spontaneously.

c. The development and recall of internal images, like all processes in the right hemisphere, are subject to low cognitive control. Pictures are not so critically interrogated. Logically contradictory messages (such as the consistency of the best physical condition and strong smoking in the earlier Camel advertising) can be communicated via images – but not verbally – without reactance.

d. Moreover, internal images are capable of activating further stored information. This results from the combination of speech and image memory. That’s why they are an effective and discreet vehicle for information that affects consumer behavior (Esch, 2005).

Brands, which succeed in creating animated and positive inner images in the minds of their customers, have therefore particularly great influence on the consumer behavior (Cretu and Brodie, 2007).

2.1.6. Brand world

Through the highly saturated markets, products have become interchangeable. Brands can only survive if they are positively anchored in the consumers' minds in the long term. One of the most important buying criteria is the quality of a brand's experience, which affects the market communication of the future (Franzen and Bouwman, 2008).

Individuals of the prosperity society tend to realize themselves in extensive areas on an emotional level. This makes the experience a welcoming opportunity for emotional perception and feeling of security in a separate world. Accordingly, successful brands are in a position to identify current values of the trend so they can help the demander in his/her realization of certain value trends (Weinberg and Diehl, 2001). Brand worlds are, according to this understanding, no real places, but
An experience is understood as the subjectively perceived contribution to the quality of life of the consumers, mediated by the product and the marketing policy. Through brands, sensory experiences are anchored in consumers' emotional and experiential worlds and make a real contribution to their quality of life. The overall impression of the mediated experiences is the world of experience (Esch, 2005).

It is possible to intensify the emotional consumer ties and to create additional preferences through marketing worlds (Gad, 2016).

According to the criterion of range, experiences according to Weinberg and Diehl can be divided into three categories (Weinberg and Diehl, 2005):

a. Cross-cultural experiences (archetypical experiences, emotional experiences, such as the “Kindchenschema”, country-specific, interdependent experiences, such as the Mediterranean scheme)

b. Cultural events (fairy tales, myths, fables, traditional and nostalgic experiences, cultural festivals such as the Munich Oktoberfest),

c. And subcultural or target group-specific experiences (lifestyles, trends, hobbies).

2.1.7. Brand aesthetics

The rapidly advancing development of internet technology creates a virtual reality in which communication possibilities with customers change continuously. However, above all the communication conditions have changed. According to Esch, a paradigm shift from branding to aesthetics (2005) took place. In branding determinants such as product properties and product use, brand names and brand associations play a central role. However, these alone are no longer sufficient to arouse interest in a brand in a time of incessant, intensive communications which are based on numerous media and interactive and sensor-oriented multimedia tools. Sensory experiences are in harmony with the positioning of the company, the product or the customer service, in order to be able to permanently bind the consumer. Thus, the concept of branding is losing its meaning increasingly and is replaced by the marketing of sensory experiences, viz. the marketing of aesthetics (Atwal and Williams, 2009).

Figure 3 shows in which three areas marketing aesthetics are divided into according to Esch (2005). Each subsection is split. The function in product and graphic design represents the utility
or purpose-oriented property of a product or service. The shape, on the other hand, refers to the packaging (Atwal and Williams, 2009).

![Figure 3: Spectrum of marketing aesthetics](image)

The same applies to the section communication. While the central message conveys the most important arguments, the peripheral message focuses on marginal elements. These can be, for example, the attractiveness of the communicator, the color of the space in which the message is conveyed, or the music that accompanies the presentation (Esch, 2005).

The spatial design differs in structure and symbolism. The term "structure" means how people interact with their environment on a practical level. This includes, for example, the number of floors of a building. The symbolism, on the other hand, represents the non-functional, experience-oriented aspects of space (Atwal and Williams, 2009). Brand aesthetics also brings advantages. Some of them can be transferred to the social media sector. These are listed below.

On the one hand, brand aesthetics create loyalty, since immaterial values, such as experiences, are among the fundamental selling advantages. Aesthetics also justify higher prices. Special experiences, which are perceived by the customer, offer an added value to the consumer and thus are willing to pay more. It is also possible to break information blockades through aesthetics because it is based on a distinctive symbolism that characterizes the company and points to the company. This increases the likelihood that brands will be remembered in today's information technology (Esch, 2005).

**2.2. Social media as a communication channel**

Social media is the buzzword of the past two decades. Human relationships are shifting increasingly into the digital universe. The Internet is networked, shared, followed and subscribed. Users discuss and discover new trends. They exchange thoughts and cause so-called “shitstorms”. On
the net are niche groups, which would never have been found in the real world. People get to know each other, who could never have exchanged a word with each other. Whether on blogs, microblogs, social networks, or on video and video sharing platforms, social media offers their users a variety of new ways to communicate with each other and determine a large part of today's lives. And the offer is extensively used: for instance, only in Germany 58 million out of 81 million (84%) people are now online (ard-zdf-onlinestudie.de, 2016). 78% of these are already registered on at least one social media platform (Bitkom.org, 2013). The form and idea of the use of social media is evolving steadily.

No one would have believed 15 years ago that marketers are dependent on the advertising forms on the Internet – even on social media channels – to communicate with their target groups. If a person had been told 15 years ago that one is hardly talking on the mobile phone or smartphone, but spending time in the social media with it – one might have not believed it (Sherrod, 2016).

But that is reality today. And it is precisely this potential that not only offers people an unlimited freedom of communication, but also a significant opportunity for companies and their brands to re-establish their communications. The condition for this is the understanding of the characteristics of the different social platforms.

Instagram seems to have hit the nerve of the time and is taking an increasingly important role in the marketing mix. The rapidly growing number of users and the recently achieved brand of 700 million users speak for themselves (Constine, 2017) and above all for images, emotions and storytelling. Nieberding wrote in 2014, brands and consumers have never been so close to each other (Nieberding 2014).

2.2.1. Instagram as a marketing channel

Images are capable of transporting entire messages and simply presenting complicated facts. Measured on Facebook, images increase the interaction between 120 and 180 percent (Pein, 2014), which explains the general trend for image worlds on social media platforms. This was a good starting point for the photo and video sharing community Instagram, which was launched in October 2010. The focus lays and is clearly on the post of photographic material. At first, the app was only available on iPhones, the Android version was released much later in April 2012. A short time later, Facebook announced that Instagram was purchased for a billion dollars (Pein, 2014). The number of users of Instagram rose so immensely that it even outshined the growth of Facebook and Twitter. While the number of users in early 2012 was only 15 million, the number of users rose to over 100 million in February 2013 (Aßmann and Röbbeln, 2013).
Instagram is therefore an established social media platform. What Instagram is and what makes it a marketing tool is described in this chapter.

2.2.2. Basic structure of Instagram

Instagram is a reduced photo and video sharing app. The company describes the application as follows: Instagram is a free and easy way to share your life with others and stay up to date (Instagram, 2017).

To use the photo and video sharing community it is required to register and create a profile (Pein, 2014). As a member you have the possibility to take photos and videos either with your smartphone or to upload images from your gallery into the app and to edit them with filters and creative tools (Dummies et al., 2015). Thus also photos of lower quality (like those of smartphones) are getting upgraded to considerable pictures. In addition to setting up its own content, Instagram lives as a community of commenting, the likening of content, and the following or subscribing of other users or companies (Pein, 2014). Initially Instagram was mobile only application. It wasn’t until 2012 when the web version was introduced. After an update in June 2015, you can also search for people, places or hashtags and comment on contributions. In early August 2015, Instagram announced that it has released its Advertising Application Programming Interface (API). As a result, it is now possible to prepare and plan contributions not being on a smartphone (Dummies et al., 2015).

Instagram clearly focuses on image content. For example, the optional description text can be a maximum of 2200 characters and only contain up to 30 hashtags. Links in the mentioned description of the pictures are only displayed as text, but not as hyperlinks (Joyner, 2015). Hashtags are used to tag your posts to make them visible or searchable for other users. Since May 2013, Instagram has also enabled the tagging of users or accounts on images (Pein, 2014). In April 2015, Instagram released another update, which allows you to receive notifications about new content, as long as it is desired for certain accounts. At the end of August 2015 the photo- and video-sharing community resolved the limitation to square-formatted photos and videos and now also allows cross- and portrait-formats to be posted (The Verge, 2015).

Only this year Instagram introduced the new feature Instagram Stories, as a reply to the (especially for teens) uprising app Snapchat. Facebook, who also owns Instagram, offered to buy Snapchat several times for 3 billion USD (Forbes.com, 2013). Since Snapchat kept declining the offer Instagram as a part of the Facebook corporation copied some of Snapchats features and implemented them in their own environment (Fortune.com, 2016). As a result, you can now send pictures, which are only visible for ten seconds to other users and as soon as the other user watched the snapshot it disappears forever. Moreover, you can now upload stories on Instagram, meaning uploading
photos or short videos of maximum ten seconds to your story, which are visible for 24 hours and won’t be posted on your Instagram grid as usual (CNET, 2017). Just this month (May 2017) Instagram launched its next feature to apply funny filters on your face – a feature Snapchat is widely known for and made Snapchat to what it is today. By copying this signature feature, Instagram keeps on rising and trying to outcompete its competitors (Constine, 2017b).

As far as new features are concerned, it can be seen that Instagram has to be monitored continuously, since many adjustments and updates have been published and are being released in short time intervals.

2.3. Instagram as a marketing tool

Instagram distributes images – but not links. Posts only have URL in the web version of Instagram. It is not possible to share linked images. So far a high reach on Instagram does not necessarily lead to a higher number of visitors on your website where you are selling your products. The advantage for a company or a brand is rather to support its branding or to extend its campaigns. Instagram is a social media platform which focuses on people and emotions. Brands are successful when they act like people. Everything else is perceived as disturbing. However, the content must create entertaining and exciting branding experiences. Therefore, in addition to quality, storytelling is of particular importance (Kennedy, 2016).

2.3.1. Storytelling

Storytelling means to integrate messages to your advertising in order to create a story which aim to reach customers and potential customers and create emotions towards a brand or product. Stories touch the reader, create emotions and remain as a memory in people’s heads. It is a matter of sustainable communication, since only stories (and not product features) are relevant for the brain according to neuro marketing (Woodside, Sood and Miller, 2008).

2.3.2. Content Marketing

Storytelling is assigned to be a part of content marketing. Content marketing is responsible for producing content to not only entertain users, but also inform them in a subtle and humble way. Therefore, it can be considered as the opposite of frontal advertising. The company, the brand or
the products are not directly lauded in this form, but influenced indirectly and based on sustainability and trust building. It is not just another style of communication, but a service-oriented way of thinking (Rowley, 2008).

With the new Instagram feature – Instagram Stories – Daniel Wellington has the opportunity to combine their content marketing strategy with storytelling, as seen as in Figure 4. In this example DW hired two adventurous influencers to travel with the DW truck, which is also a pop up store, throughout the United States to generate great content and give the feeling of being part of this adventure and cross country road trip. During the whole trip both influencers were wearing DW watches and presented them in different ways to embrace the feeling of freedom and adventure.

2.3.3. Influencer Marketing

An effective way to achieve a large and high-quality reach is offered by influencer marketing. It is particularly popular among social media experts as it can have a targeted resonance. Trademarks are looking for suitable individuals, who are popular in a specific target group, who then commit their passion to that brand. In this way, many new potential customers are reached which are at the same time more receptive to a new brand as they already have trust in the influencer. Basically this model can be compared with the use of testimonials. Influencer are similar to celebrities, serve as role models and a source of inspiration for their followers (Brown and Hayes, 2008).

In March of 2017, Daniel Wellington officially launched their new icon – the Classic Petite with a mesh wristband. To gain awareness of this product globally they partnered up with Instagram idol and it girl Kendall Jenner, who has the 11th biggest Instagram channel worldwide with almost 82 million followers (Socialblade.com, 2017). As you can see in Figure 5, Kendall is offering a 15% discount code on all Daniel Wellington products online, which is part of the company’s social
commerce strategy. Moreover, she tags the brand on the picture and in the text with @mention, so her followers can be redirected to the brand’s account to buy the watch she is wearing.

Figure 5: DW’s influencer marketing on Instagram

2.3.4. Paid ads on Instagram

Since 20th of April 2015, it has been possible for certain companies to place paid advertisements on Instagram. These were displayed to users according to preferences or demographic features. Zalando, Porsche, Samsung Mobile Volkswagen, Ben & Jerry's, Mercedes Benz, REWE, DNGRS and EDITED (Horizont, 2017) covered the sectors Fashion, Automobile, Electronics, E-Commerce and food retailing. Since September 2015, every company of any size has been given the opportunity use this service of paid ads – as of 30th of September 2015, Instagram ads are available worldwide. However, the users experience should not be changed by sponsored content. The design and approach of the advertisements should be ensured in order to preserve the usual emotional characteristics of the network. Therefore, the advertisements should include less offers and product-related effects (Instagram for Business, 2017). Paid contributions differ optically and in content from the previous posts of the brand and / or company profile, since obvious ads are punished by the community. Only the note “sponsored” in the location tag line indicates paid ads on the feed (Horizont, 2017).

Since June 2015, an additional advertising form has been introduced by Instagram, the carousel ad. Thus, advertisers have not only the possibility to publish individual images, but image series.
In addition to the opportunity to further deepen storytelling, companies are also able to integrate a call to action button into the sponsored ad. With this, it is possible to forward the user to the company's website or online shop (Instagram for Business, 2017).

Instagram started trying to integrate the call to action buttons into ads with only one image in the same period. These "direct-response formats" are designed to lead to offline sales and business visits for companies. On the user side this innovation would have the advantage that the user can directly access the website, the product or download an app (Instagram for Business, 2017).

In early August 2015, Instagram also announced to release its advertising application programming interface (API). This allows service providers to create advertisements, automatically start them and analyze their performance. The photo and video sharing community uses the same tools that Facebook offers when creating ads. In addition, advertisers can access the user data already analyzed by Facebook in order to launch eccentric and targeted advertising campaigns on Instagram (Facebook.com, 2017).

Also in terms of advertising strategies and possibilities, it is important to observe Instagram on an ongoing basis, as many innovations will expand and alter the existing offer.

DW made use of this offer for several campaigns, this example shows the summer campaign, where you get a free nato strap to any leather watch you buy online, see Figure 6.

![Figure 6: DW's sponsored post on Instagram](image)
2.4. Relevance of Instagram as a marketing tool

Instagram can be assessed as a marketing tool with regard to several factors of relevance. Three main aspects can be identified:

The first important factor is the rising percentage smartphone or tablet users and the accompanying increasing use of the mobile internet. Instagram was launched in 2010 exclusively as a smartphone application. While it is now possible to retrieve the content via the browser, you still need to install the application on your smartphone or tablet to actively participate in the community and upload your photos. The possession of a smartphone or tablet and the associated mobile data usage are therefore decisive for the use of Instagram (Pein, 2014).

The possession of smartphones worldwide rose from 12% in 2008 to 37% in 2014, see Appendix 1 (Pyramid Research, 2014). Similar trends were found when examining tablets. As a result, the use of mobile data has also grown.

Another study demonstrates the relevance of Instagram on the smartphone for students. In the nomophobia study conducted by Ambs and Schmied (2014) 1672 students were interviewed, which communicative apps they are using on their smartphone on a regular basis. 30.5% stated that they use Instagram regularly. Prior to that were only Facebook (84.1%) and WhatsApp (95.1%). In addition, a clear growth is apparent, as in 2012 only 20.7% of 1527 students surveyed used Instagram regularly.

The second important factor is the increase in users, which Instagram has recorded in the past years. While Instagram had an active number of users of 15 million persons in 2012, this figure rose to 100 million users by February 2013 (Aßmann and Röbbeln, 2013). This trend has continued steadily, so that Instagram announced in April 2017 that it had exceeded the 700 million user limit (see Figure 7).

In the beginning of 2016 3.5 billion likes were given and 80 million new photos were uploaded every single day. Overall, Instagram records more than 40 billion uploaded photos (Instagram, 2016). The photo and video sharing community is important as a marketing channel due to its high and still increasing user number. It is particularly suitable for setting up young target groups, since 41% of the world’s active users are between 16 and 24 and 35% are between 25 and 35 years old. Both age groups make up to 76% of all users. Only Germany has more than nine million Instagram users which accounts to more than ten percent of the country’s entire population (Statista, 2017b).
The third important factor is the growing insight of companies and brands to understand and use Instagram as a marketing channel. In the third quarter of 2013, 71% of Interbrand's most valued brands used the photo community. A year later it was already 86%. At the same time, the number of brands with more than 100,000 subscribers increased by 223% (Simply Measured, 2015).

Therefore, all three factors show a continuous growth of the photo community. The relevance of Instagram as a marketing channel is not only given, but steadily increases in connection with the growing number of users and the growing use by companies and brands.

Figure 7: Number of monthly active Instagram users (in millions)
3. Methodology

The results in this thesis have been obtained through qualitative research methods, since the object of investigation is still a very recent research area, with little or no theories nor findings. Group discussions and focus groups were carried out. While qualitative research is selected according to the theoretical yield of the case, quantitative research is based on statistical representativeness. Data collection is standardized while for qualitative research it is open for creative space. Consequently, this type of data evaluation is interpretive and not statistical, as in quantitative research (Patton, 1980). Ultimately, the aim was to derive theories from a very recent research subject and to formulate their own theses. In the following, the aims and structures of the research method are briefly explained:

The aim of the group discussions is to obtain information. It is an alternative to interviews. It is not so much the individual statements of individual participants as the collective opinion of the entire group, which makes focus groups interesting (Kitzinger, 1995). During these discussions it is possible to understand how attitudes and evaluations come about and change, and that in the course of the discussion participants will express more and more detail than in individual interviews. At the same time, this method makes it possible to get information about design variants or content. In addition, group discussions lead to ideas and topics being interrelated and widen the horizon of the research area through new ideas and opinions on different topics. This means contributions of the interlocutors are regarded as stimuli for the next participant. The great advantage of this method is the authentic insights into the reality of life of the participants. A group discussion can also be described as a focus group if it concentrates on a specific topic (Ritchie and Lewis, 2014).

The first requirement for searching for participants for the focus groups, was the representativeness of both sexes in the discussion. It was to be assumed that male and female individuals had different visions and opinions about Instagram, Facebook and Twitter. This assumption had to be considered so the distribution of opinions in the group was as heterogeneous as possible (Ritchie and Lewis, 2014). Therefore, at least two participants of each gender were represented in each of the three focus groups. There was also a necessary and a sufficient condition for the focus groups representing the users of the social media channels as well as for those who should reflect the views of the companies.

The necessary condition to the focus groups of users was to know the basic structures of the social media channels. As a sufficient condition, the participants had a concrete idea and accordingly an opinion about the differences of Instagram, Facebook and Twitter and were able to discuss them. It would not have been possible to discuss the subject with insufficient content.
For the participants of the focus group representing the companies’ view, it was the necessary to have sufficient professional experience and to have experience or responsibility for social media channels important to this study. The adequate condition for this group is to bring as many different occupational backgrounds as possible in order to be able to represent a broad picture of opinions.

Criteria to choose the different groups was their profession to get different insights from intensive social media users (high school students and students) and a brand’s/company’s perspective on this topic. Several studies have shown that most social media users are between the age of 16 and 34: 71% of all Instagram users, 54% of Facebook users and 61% of Twitter users. This also shows that Instagram is the social media channel with the youngest user group, see Figure 8, (Global Web Index, 2017). The first focus group (FG1) consists of users between the age of 15 and 18 years. The second focus group (FG2) is formed of older users between 21 and 30 years. The third focus group consisted of entrepreneurs and social media managers from different agencies (see Appendix 2). The characteristics of the individual social media channels were adequately analyzed based on the statements of users and companies.

![Figure 8: Age distribution of active social media users worldwide as of 3rd quarter 2014, by platform](image)

On the one hand, it was possible to identify criteria according to which the social media channel users as well as the companies rated the contributions by applying this methodology. On the other hand, it was also possible, based on these criteria, to derive and compare the respective perceptions...
of users and companies with regard to the channels, thereby attributing tendencies and characteristics to respective social media channels. The third aspect, which could be examined in this way, was whether the contributions of social media channels were at all discernible on the basis of content, and what problems could arise with the differentiation of content. Therefore, it was less important to assign alienated posts correctly to the corresponding channel. More importantly was the reasoning behind the criteria used by the respective test person to allocate alienated posts to the respective social media channel (see Appendix 3, Appendix 4 and Appendix 5).

In the following, the characterizations of the selected social media platforms (Facebook, Instagram and Twitter) are listed from the perspective of companies and users. Based on this, the respective positioning and core tasks will be highlighted. Figure 10 serves as an aid for orientation and already visualizes an important positioning model in advance. The first criterion measures how informatively or emotionally the respective social media platform is perceived. The second criterion, on the other hand, compares how strongly the individual social media channel was used by companies and at the same time perceived by the users. The company's data on the marketing intensity in the respective social media channel served as a basis for this. On the side of users, the information on the perception of company contributions was used in the respective social medium.

In the following chapters the positioning and characterization of the selected social media channels is cited from the group discussions within the focus groups one to three. Since three focus groups have been managed, each of them has a specific number assigned. The same applies to each participant. The table in the appendix shows this constellation in detail (see Appendix 2). The citation works as follows:

<table>
<thead>
<tr>
<th>FG1</th>
<th>P1 – P10</th>
<th>example: FG1, P6</th>
</tr>
</thead>
<tbody>
<tr>
<td>FG2</td>
<td>P11 – P20</td>
<td>example: FG2, P18</td>
</tr>
<tr>
<td>FG3</td>
<td>P21 – P28</td>
<td>example: FG3, P24</td>
</tr>
</tbody>
</table>

*Figure 9: Citation of focus groups*

Besides collecting valuable data and information, the aim of the group discussions was to either verify, modify or falsify the following three main hypotheses:

1. Compared to Facebook and Twitter, Instagram is the most emotional social media platform and therefore most suitable to create a digital brand.
2. Facebook is a very commercial social media channel.
3. Twitter is a highly informative social media channel and not suitable for establishing a brand.
4. Group discussions

This chapter presents the relevant data from the conducted group discussions and summarizes the key findings and hypotheses.

4.1. Instagram

Instagram is perceived as the most emotionally social media channel. This is mainly due to the fact that it is associated with photos, which are perceived primarily as emotional contributions. This is particularly evident since the photo- and video-sharing community was allocated as beautiful, imposing or aesthetically pleasing much more frequently due to the contribution photos. At the same time, this results in a higher demand for the quality of the uploaded images. The text, on the other hand, plays a subordinate role, but lives from hashtags and @mentions (the linking of other accounts). Instagram is clearly marked by the community, which separates it from Facebook and Twitter. This social media channel is often used as a staging facility, as a virtual "perfect world" (FG1, P6). Young female users are more likely to be presented, which makes Instagram an inspiration source for fashion and lifestyle. As a result, the content of Instagram is much more aesthetic and artistic compared to Facebook and Twitter. This is the main reason why content is often used in sports, cooking, fashion, music and photography. Moreover, Instagram is prioritized and used more intensively by a young user group.

Companies are well aware of this situation. Instagram serves as a new and interesting "marketing tool" (FG3, P24), which could be effective especially within a young target group (FG3, P22). The strengths are as mentioned above in creative content marketing – primarily storytelling. As a result, Instagram is less understood and used as a direct-advertising medium, but as a creative, inspiring and emotional stage for a brand. This understanding is positively accepted by active Instagram users. Thus the active users identify themselves with the company contributions much more, since those are understood as "indirect" (FG1, P5), thus less advertising. On the one hand, this is due to the more creative and innovative posts, which differ from Facebook and Twitter contributions. On the other hand, the Instagram community is much easier to use as a brand ambassador, which makes the content more credible than ready-made marketing messages and corporate propaganda (Brown and Hayes, 2008).

In contrast to Facebook and Twitter, Instagram lacks an important function from the corporate and user perspective: direct reposting and sharing of contributions. According to companies, this aspect leads to a loss of real estate.
Overall, the views of companies and users are very close. The great opportunity of Instagram lies in the emotional staging of a brand. Brands can become a part of the community and therefore interact with their users on a friendly base. Well-presented contributions, considered as aesthetic, are perceived as far less advertising, whereby a higher identification with the contribution can also take place with the brand.

4.2. Facebook

Facebook is a hybrid social media channel. It contains both emotional and informative elements from the perspective of companies and users and is therefore a medium which can be classified between the two extreme Twitter (informative) and Instagram (emotional). This is mainly due to the fact that all display formats (text, image, video) are connected to the social network, whereby Facebook is mainly associated with videos. Nevertheless, younger users rate Facebook as more informative compared to Instagram. Contrary to this, the social network is described as emotional because of its use as a "contact telephone book" (FG2, P15) by users between 21 and 26 and is declared so important that the everyday life without the medium would be different. Overall, Facebook is a local communication channel for all age groups. The ability to join groups as well as the Facebook Messenger feature, reinforces this understanding. In this social network, one presents his own personality and enters into the dialogue with friends. Facebook is not focused on specific topics, while Instagram and Twitter are mainly focusing on individual interests. Despite the local nature, Facebook is devised by both companies and users as the social media channel for the masses, which is mainly due to its "high number of users" (FG3, P26).

Compared to Twitter and Instagram, contributions are recognized mainly at the formulated sentences. As a result, users need more time to consume the contributions. Hashtags and mentions are much less associated with Facebook than with the other two social media channels. Unlike Instagram, Facebook offers the ability to directly share seen contributions with one click, which is particularly important from an entrepreneurial point of view to achieve a high reach.

Facebook is seen by companies as well as by users. Due to its high number of users and the high reach of target groups it is also used most intensively for marketing purposes. However, the frequency of the various company contributions is perceived as too partial by the users. The younger target group in particular compares advertising to Facebook with "frontal advertising" (FG1, P1) known from TV programs, as this is permanently visible in displayed ads on the side bar. As a result, publicity on Facebook is generally less noticeable. Moreover, the themes of ads do not always correspond to current needs of users and have a recognizable character. Younger users can identify with advertising content less. Users between the age of 21 and 26 expressed their malaise with regard to the proposed publicity on Facebook, as this function was so effective that they
would feel "caught". However, users between the age of 14 and 18, found the mixture of private use for communication purposes and the very direct advertising on Facebook to be unfavorable, which is why they often felt disturbed by advertisements.

Because of the possibility to switch to Instagram and its prioritized properties, younger female users are losing more and more interest in Facebook. The male young target group is still most closely involved in Facebook as it provides other usage expectations for a social media channel. It lacks the need to be able to stage itself as contacts of the circle of friends and acquaintances. For the same reasons, Facebook is also the most popular social media platform for the older user group. Companies and users can use Facebook to consume and upload both emotional and informative content because of its hybrid features. Users who do not have access to the Instagram and Twitter are looking for this channel-specific, hybrid property in this social network (see Figure 10).

![Figure 10: Positioning and key tasks for social media channels](image)

### 4.3. Twitter

The social media channel Twitter, which was developed as a global communication tool, was the most controversial debate in the focus groups, as the opinions on this medium were very different. It can be seen that textual contributions characterize the microblogging service from the perspec-
tive of companies and users. Since texts are understood primarily as informative, Twitter is described by all parties as an informative medium. The microblogging service is mainly recognized on the level of the text, and, similar to Instagram, especially through the use of hashtags and mentions.

Especially for users between 21 and 26 years, who use Twitter much more frequently than users between 14 and 18 years, this offers a fast, interactive message character, which by its factual tonality is mainly for searching and transmission of information. This is why it is also the social media channel, which is consumed most concentrated by this age group. With its fast-paced, the social media platform is given a higher topicality. In this channel (political) events are often accompanied. However, Twitter is primarily used for the targeted search for information on interesting topics for profession, study or research projects. Companies are especially interesting if they know how to establish themselves "as experts, as specialists for a topic" (FG2, P17). Twitter can serve as an instrument for bundling content, since there can be short links to external pages, which then provide the detailed and in-depth information.

From the perspective of the user group between 14 and 18 years, social media platforms are mainly designed for leisure. Information and status updates are read by and about stars, which is a trending topic among the youngest people in this area. As a result of using Twitter, it can be seen that the use of social media channels can change depending on the age and life situation. Users between 21 and 26 years use Twitter mostly because of professional or student interests. Companies are most likely to use Twitter as a channel for information exchange, but less as a service channel, as this offer is rarely accepted by users. This is precisely the opportunity to make available the existing information material, which is stored on external sources, as described by the target group between the ages of 21 and 26, through short links via Twitter.

Company contributions on Twitter are perceived to be very interesting and not very intrusive by the older user group due to the high identification with their own interests in student and professional life. Younger user groups pay far less attention to informative company contributions, who place much more emphasis on emotionality. Social media channels are given subjective importance due to the current living situation. At the same time Twitter is also attributed by this user group a lower – albeit higher than Instagram – advertising character.
4.4. Key findings

The key findings of the group discussions and the characteristics of each social media channel can be found in Figure 11. After the focus group discussions have been conducted, it was necessary to verify or modify the hypotheses mentioned in the beginning of this chapter.

Hypothesis I (verified): Instagram has to be positioned as a tool for the emotional and aesthetic brand staging for a young target group in the social media communication mix. All participants agreed, that Instagram is the most emotional channel, due to the strong photo and video messages delivered through the platform. Therefore, it is the perfect channel to build a brand with appropriate storytelling and content marketing accordingly.

Hypothesis II (modified): Facebook is a powerful social media channel compared to Instagram and Twitter. Due to its hybrid form and characteristics, its high number of users and the resulting diverse target groups, it is particularly suited to the development and enhancement of the brand name.

Hypothesis III (modified): The basic feature of the social media platform Twitter is the short, up-to-date and fast information exchange. The user connection takes place by offering an informative value of the company or the brand.

<table>
<thead>
<tr>
<th>hybrid channel</th>
<th>most controversial</th>
<th>photos and videos</th>
</tr>
</thead>
<tbody>
<tr>
<td>emotional and informative</td>
<td>use of text #hashtags and @mentions</td>
<td>use of #hashtags and @mentions</td>
</tr>
<tr>
<td>associated with videos</td>
<td>informative</td>
<td>most emotional</td>
</tr>
<tr>
<td>used as a contact book</td>
<td>fast-paced platform</td>
<td>virtual “perfect world“</td>
</tr>
<tr>
<td>essential for users</td>
<td>search for specific content</td>
<td>aesthetic content</td>
</tr>
</tbody>
</table>

*Figure 11: Characteristics of social media platforms (key findings)*
5. Influencer Marketing

An important topic of digital branding is influencer marketing or social influencer management (Schulten et al., 2012). In essence, this is an important feature of the two-step flow model. While in the one-stage communication model, information is disseminated directly to the target group via the classical media, in the two-stage communication model, opinion leaders are specifically involved in the information process on the final target persons. As a leader often reaches several people, he/she takes the function of a multiplier. In this way, the person can create value for the company through positive opinions and even drive sales – or destroy them by negative statements.

According to a study conducted by Launchmetrics (2015, p. 5) in 32 countries, the following goals of influencer marketing dominate:

- 93%: increasing brand awareness,
- 76%: increasing customer loyalty,
- 75%: Recruitment of sales leads.

To achieve these goals, influencers are "involved" in various forms (see Launchmetrics 2015, p. 7). 67% of the companies integrate influencers into their content promotion. 59% use these persons on the product launch and/or content creation. 45% of the company's opinion leaders use event management; 32% include them in corporate communications. Only 23% rely on influencers for search engine optimization (SEO) – while in crisis management it is only 14%. In this case it is no longer necessary to speak indirectly, but directly to persons concerned.

In sum, it is clear that influencer marketing is a dominant sales-promoting function. Therefore, this important task area of influencer marketing belongs to value-oriented customer management, as a customer's recommendation activities increase its value for the company (customer value). Value-oriented customer management describes the development of concepts which help to select and process profitable customer relationships. Value-oriented customer management consists of two tasks:

- Selection of customers to be won and maintained,
- Development of customer support, which is oriented to customer relationship life cycle.
In summary, the tasks of value-oriented customer management can be characterized as the selection, construction, design, maintenance and termination of business relationships with individual customers or customer groups on the basis of their value contributions to defined corporate objectives (Kreutzer 2016). These value contributions are also called customer value. The customer lifetime value, which attempts to determine the value of a customer over the expected duration of the relationship, is an expression of the customer's value (Helm et al., 2017).

5.1. Importance of digital opinion leaders

One target group is particularly important for companies – digital opinion leaders. This refers to persons who do not have to be prospective customers or customers of a company, but have a high influence on its success. These people can exert a decisive influence on the opinion of many people with their expressions of opinion on blogs and communities, on YouTube as well as on social networks like Instagram. In this way, regular opinion leader relations can develop. Digital opinion leaders, who appear as power bloggers, Instagramers, online community organizers, and / or operators of their own YouTube channels, need to identify their own brands and "communicate" them. In the context of the community, the term "Fandom" is also used today. This refers to the entirety of the fans of a product, a brand, an author or an artist (Steenkamp, 2017).

Since these digital opinion leaders do not have to be interested or customers, only the reference value is mentioned here. Against this background, the (customer) reference value is referred to meet both target groups. Both groups of persons are to be taken into account in their importance for the opinion management and opinion formation in the online world in general and in particular in digital branding (Kreutzer and Land, 2015).

This takes into account the fact that the significance of former opinion-makers has changed in public. Up to a few years ago (public) opinion was dominated by presentations in the (professional) discussion forums in (mass) media. It was dominated by the voices of the (supposed) experts, who also understood themselves as such and gave the world the qua of "their own vocation" and explained the world. As a result of the increased use and spread of social media by quite "normal" users and experts, it will not only be difficult for current experts to communicate their opinion monopoly, but a much greater diversity of opinion will emerge (Kreutzer and Land, 2015).
At the same time, new (digital) opinion leaders are establishing themselves, who are becoming stars on platforms like Instagram or YouTube and influence many users, without many companies having noticed so far. Here are three examples of new (digital) opinion leaders, often only known in the younger generation:

- YouTube and Instagram star Bibi or Nilam Farooq aka Daaruum are relevant for the cosmetics or fashion industry. By the end of 2016, Bibis Beauty Place had achieved just under four million subscribers and nearly one million calls, which is of great relevance in the target group of young girls. Bibi provides, among other things, make-up and fashion tips. Daaruum provides lifestyle, beauty and fashion information and has already reached over one million subscribers and over 200 million views.

- The YouTube channel from LeFloid also appeals to young people. He was only known to a wider audience when he was the first YouTuber to interview Angela Merkel in the Chancellery in July 2015. Again, the figures impress: three million subscribers and more than 500 million calls.

Such opinion leaders are to be identified in order to win them for their own communication. This is equally true for people who run their own blogs, are active on Instagram, Facebook, Twitter, Pinterest or create online communities relevant to their own industry or company.

The reference value of these people is of particular importance in the course of digital branding. The reason why this is so important is that it must be integrated into concepts for customer value determination shown in. It was found that online recommendations represent the most trustworthy advertising form with 60% according to the personal recommendations with 78%. Therefore, the (customer) reference value has become significant to any brand or company (Kreutzer and Land, 2015).

The wide range of interaction possibilities of the internet makes it increasingly important to evaluate the information value of customers and non-customers. Today, every person with an internet connection has the opportunity to act as an inspiring or creative partner for companies by direct contact with companies or by engaging in relevant platforms. An even more intensive relationship is expressed by the production value when customers become the co-producer. For this purpose, a wide range of concepts and (online) platforms can be used. For these two forms of online-based engagement of customers and non-customers, however, no separate (customer) value models are presented below. The reason for this is that there are often only a few hundred or a few thousand
people moving on the corresponding platforms. Therefore, no independent evaluation is required (Kreutzer, 2016).

The management of digital opinion leaders and brand ambassadors includes four steps:

- Identify (derive relevance from the target group),
- Courting (through appreciation / recognition),
- Motivate (with the provision of own products / services and / or a remuneration for their activities),
- Monetize (convert positive opinions into sales for your own company).

This trend should be consistently implemented for digital brand management in order to exploit the viral potentials of these target groups. In doing so, one should keep in mind what influencers ultimately motivates them. According to the study cited by Launchmetrics (2015, p. 10), the following picture emerges:

- 55% want to increase their sphere of influence and thus their audience.
- 45% would like to create qualitative content for the auditorium.
- 29% want to sharpen their image.
- 25% are interested in perks such as discounts and free samples.
- 24% make it to earn money.
- 22% want to gain new experiences (for example through trips and events).

Managers responsible for influencer marketing are well advised to recognize the motivation of opinion leaders to be involved at an early stage, in order to encourage their courage and motivation. In addition, it has to be examined whether the channels preferred by the leaders for their commitment correspond to the corporate objectives. In general, 68% of Twitter dominates blogs (54%), Facebook (51%), classic media (42%), Instagram (24%) and LinkedIn (20%). Which platforms are most important depends on the respective industry (Launch Metrics 2015, p. 8).

But in what form should which criteria be used to identify the truly important digital opinion leaders? A distinction must be drawn between individual and standardized concepts for determining the (customer) reference value of these persons.
5.2. Trends in influencer marketing

In 2016 influencer marketing was the buzzword among all online and offline marketers and got a lot of attention in media and social networks. The likelihood of influencer marketing establishing itself throughout the whole marketing mix is really high. Therefore, the most important trends must be identified to be on top of all developments to exploit the whole potential of influencer marketing.

5.2.1. Micro influencers become more important

Contrary to the big social influencers in the industry, who often gather millions of subscribers, fans and followers, there are so-called micro influencers with reach between 1,000 and 100,000 users mostly in the lower midfield. Recent studies show that it is precisely these types of digital opinion-makers who have the most influence on their audience. The reason: trust and credibility are simply bigger, the target group often consists of family members and friends – the commitment rates are therefore disproportionally high. This in turn makes small influencers particularly interesting for companies with small marketing budgets. Forecast: 2017 will be the year of micro influencer (Westwood, 2017).

5.2.2. Influencer marketing goes B2B

Until now advertising with social media stars has been particularly interesting for beauty, lifestyle and travel brands, but this could change in the coming year: B2B companies have often been deterred by large rather nonspecific ranges (including the corresponding costs), micro influencer might be the solution. Because their target groups are rather homogeneous, so that age, gender, interests and cohesion can be better defined, these smaller influences are particularly interesting for niche themes. In the meantime, Facebook and others will not necessarily have to be used for B2B campaigns. Channels like LinkedIn or Xing could become increasingly important here. But as always, the old rule of thumb applies here: brand and influencer must match (Newlands, 2017).
5.2.3. Live streaming and story features create even more proximity

The Social Media Year 2016 was characterized by a cross-platform development, the core of which could be summarized as follows: ever closer, ever faster. The two functionalities that best represent this change are livestreaming on the one hand and story functions on the other. Both features are in principle the same notch and offer the influencer marketing scene for 2017 a whole lot of new possibilities, necessary companies but also a certain amount of creative control loss. In this way, Influencers can communicate directly with their fans more directly and they can accompany events live as well as provide exciting insights behind the scenes of companies. In particular, Instagram is becoming more and more relevant here, since the photo sharing network allows linking within individual stories. And even if it is difficult to say which new innovations large platforms have planned for 2017, it seems clear: Fan proximity is also en vogue next year (Rohampton, 2017).

5.2.4. Authenticity and good storytelling as key differentiation feature

After the great buzz in this year, more and more companies are investing in the effectiveness of inflation, it is clear that smart campaigns must move away from the masses in order to penetrate the desired target group at all. Even though the term was admittedly somewhat inflationary in recent months, the credibility factor will play a central role in 2017. In addition to many others, the question is simply: How authentic are internet stars? Do they buy their fans from the fact that they are moving the product drum for product X or service Y? In answering these questions, it will also be crucial how good (and credible) stories are telling the campaigns. 2017 will still apply more than 2016: good influencer marketing only works through good storytelling (Arcstone.com, 2017).

5.2.5. Influencer marketing as an integral part of marketing campaigns

Since 2016 was the year in which influencer marketing celebrated its breakthrough, in all likelihood, in 2017 this marketing discipline will establish itself as an integral part of the marketing mix of companies. Micro influencers, in particular, can make a decisive contribution to this by enabling smaller companies with little budgets to promote digital opinion leaders, as well as allowing larger companies to make first attempts without causing too high costs (Forbes.com, 2017).
6. Conclusion and future research

Companies must always take the different intentions and characteristics of the social media channels in the SMM area into account and adapt the content to these. It makes little sense to post the same contributions on different channels over a longer period of time, since the target groups are now mostly on several channels (FG3, P22). As a consequence, a user would then tend to the channel, which he feels most positive (FG3, P25). A successful mix of social media channels emerges precisely when a company understands that each channel has its specificities, but also its target group (FG3, P22).

In addition, it must be taken into account that the findings of this thesis are current snapshots. In the dynamic range of social media channels and their trends, a permanent observation and evaluation of the individual possible applications is important. In view of recent developments, Instagram itself is the best example for this. It is demonstrated by the rapid changes that the photo and video sharing community ran through in July and August 2015 and continues to go through. In addition, the range of social media platforms is constantly expanding, which means that the positioning of the various channels has to be reconsidered and adapted.

In order to be able to pronounce a final action recommendation, it is important to visualize the understanding of individual social media channels resulting from the empirical research. Facebook is particularly important for the establishment and enhancement of a brand name due to its high number of users and the various target groups. From the point of view of a company, this results in the high marketing intensity, while the channel is perceived by users strongly advertising. Companies have the task to establish the most efficient contribution frequency possible, without giving the user the feeling of being "spammed" (FG2, P13). Through the hybrid form of the channel, Facebook offers significantly greater variability of contributions as both informative and emotional content can be provided. In doing so, Facebook is in the tense of not balancing the communication intentions of Twitter or Instagram by means of posted content. At the same time, due to its hybrid characteristics, it must comply with a compensation function for Instagram and Twitter if they are not used (see Figure 10) (FG3, P26).

Twitter offers a fast and interactive message character, which mainly serves the exchange of information. Through the possibility to bundle external content through links, a company can provide more detailed and in-depth information. In this way, they can become established as experts or as specialists for a topic (FG2, P12). Companies thus have the opportunity to convey competence, expertise and seriousness, and to build up a qualitative trust relationship with the users.
As Instagram is the main topic of this thesis as a marketing channel, we should take a closer look at the possibilities offered by Instagram as a marketing tool for companies and brands. An elementary guidance helps the modern brand management, which is essentially characterized by feelings, emotions, pictures and other nonverbal impressions (Esch and Möll, 2005). These are exactly the characteristics of Instagram. The photo and video sharing community offers an emotional communication space with the possibility of staging through aesthetic images. According to Esch, images in particular develop strong emotional effects because they represent the reality more vividly, colorfully and more realistically than words (2005). Therefore, branded images are ideal means of building emotional experiences (Esch, 2005). As both companies and users associate Instagram with the representation of images, the social media channel thus offers the optimal prerequisites for the staging of such a world of branding. There is the possibility of bringing a brand's quality of experience to a young consumer group. According to Weinberg and Diehl (2005), the community demands that Instagram works on its own in a perfect world (FG1, P6), as individuals of the welfare society are able to realize themselves in increasingly comprehensive areas on an emotional level. The experience is a welcome opportunity for emotional feelings and security in a world of its own (Weinberg and Diehl, 2005). And precisely at this point, brands on Instagram have the opportunity to be understood as inspiration and guidance. This answers the first part of this thesis’ research question, weather Instagram is suitable to build a digital brand, which is clearly “yes” if it is conducted appropriately.

The second part of the researcher’s question is, if it can generate sales at the same time, while building a digital brand. Yet again the answer is “yes” and the key to success in this context is influencer marketing. Not only can brands establish themselves by choosing the right influencers or digital opinion leaders to be their brand ambassadors, but at the same time also generate sales and reach potential customers with the power of pictures (Miles, 2014). A brand has to carefully pick its influencers, to stay on brand and only choose key opinion leaders, who are representing the same ethics and values as the brand itself. By paying influencers, either on a barter deal base (with only products) or monetary bonus, a brand can take full advantage of the influencer’s reach and community. If done right, followers of the digital opinion leaders see the brand in an influencer’s post and then get redirected to the brand’s profile. In best case scenario the user converts and follows the brand’s Instagram account and moreover purchase the product, which was shown by the influencer. Therefore, a brand can simultaneously increase not only its reach and followers, but also generate sales at the same time while having influencer marketing campaigns. During the whole process the selection of appropriate influencers is vital to not harm the brand’s image and reputation and only have high quality content, which is reflecting the brand’s values and ethics.

Daniel Wellington proves that digital marketing and especially influencer marketing works to gain brand awareness, build a globally known brand and generate sales throughout the whole progress.
Since Filip Tysander founded Daniel Wellington in 2009 the company did almost only rely on digital marketing and was a pioneer when it comes to using the great potential of key opinion leader on social media platforms, such as Instagram. Within only a few years, Daniel Wellington sold over a million watches only in 2014 and generated a turnover of 200 million USD in 2015. The numbers clearly undermine, that working with digital opinion makers pays out and can generate a proper hype around a brand and its products (Pulvirent, 2015).

The biggest limitation of this thesis is, that the researcher has access to all internal data of Daniel Wellington to verify his research question, but is not allowed to use this information in any way nor to publish it. This is why the researcher used external sources to prove the success of the Swedish watch brand.

This thesis aims to contribute to current research within SMM. Moreover, this research should give a practical example on how to use influencer marketing for your own brand to achieve brand awareness. This marketing tool is interesting especially for small companies and startups with a tight marketing budget, since paying for influencers is creating a much higher reach compared to conventional advertising, such as TV spots, for the same amount of money (Adweek.com, 2016). For qualitative research there is an implication, which must be taken into account. With all planning, it must not be forgotten that user behavior cannot be completely foreseen as an individual. A certain dynamic is assumed which, despite all calculations, is not always calculable. Also concentrating on certain or different variables will most likely change the research and key findings (MacLean and Mohr, 2006).

Future research in this area could include the sustainability of this marketing tool. Moreover, social bots (bots which are automatically liking, commenting or following Instagram accounts) are dangerous for the further development of Instagram, since it is getting harder to tell if accounts are real or if they bought followers, likes or even comments. Another interesting topic would be to examine different Instagram accounts and compare which accounts are generating sales for a brand and why. Maybe there is a correlation of criteria like likes, comments or followers, which could be used to give a hands-on guide for startups, which are trying to generate product awareness for a cheaper price than publishing print ads.
APPENDIX

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Appendix 1: Global smartphone penetration from 2008 to 2014 (in percent of new handset sales)
Appendix 2: Different focus groups and respective participants

<table>
<thead>
<tr>
<th>Participant</th>
<th>Gender</th>
<th>Age</th>
<th>Profession</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Focus group 1 (FG1)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1 (A. R.)</td>
<td>female</td>
<td>16 years</td>
<td>student</td>
</tr>
<tr>
<td>P2 (P. F.)</td>
<td>female</td>
<td>17 years</td>
<td>student</td>
</tr>
<tr>
<td>P3 (N. A.)</td>
<td>male</td>
<td>18 years</td>
<td>student</td>
</tr>
<tr>
<td>P4 (M. M.)</td>
<td>female</td>
<td>16 years</td>
<td>student</td>
</tr>
<tr>
<td>P5 (J. K.)</td>
<td>female</td>
<td>15 years</td>
<td>student</td>
</tr>
<tr>
<td>P6 (M. D.)</td>
<td>male</td>
<td>18 years</td>
<td>student</td>
</tr>
<tr>
<td>P7 (P. H.)</td>
<td>female</td>
<td>16 years</td>
<td>student</td>
</tr>
<tr>
<td>P8 (F. F.)</td>
<td>male</td>
<td>17 years</td>
<td>student</td>
</tr>
<tr>
<td>P9 (E. V.)</td>
<td>female</td>
<td>16 years</td>
<td>student</td>
</tr>
<tr>
<td>P10 (L. F.)</td>
<td>female</td>
<td>17 years</td>
<td>student</td>
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<td><strong>Focus group 2 (FG2)</strong></td>
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<td></td>
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<tr>
<td>P11 (D. V.)</td>
<td>male</td>
<td>27 years</td>
<td>student, working in business development</td>
</tr>
<tr>
<td>P12 (J. H.)</td>
<td>male</td>
<td>21 years</td>
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</tr>
<tr>
<td>P13 (A. H.)</td>
<td>female</td>
<td>24 years</td>
<td>student, working in consulting</td>
</tr>
<tr>
<td>P14 (F. W.)</td>
<td>female</td>
<td>25 years</td>
<td>student</td>
</tr>
<tr>
<td>P15 (T. G.)</td>
<td>male</td>
<td>24 years</td>
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</tr>
<tr>
<td>P16 (J. L.)</td>
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<td>28 years</td>
<td>student</td>
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<tr>
<td>P17 (S. G.)</td>
<td>female</td>
<td>23 years</td>
<td>student</td>
</tr>
<tr>
<td>P18 (V. B.)</td>
<td>female</td>
<td>22 years</td>
<td>student</td>
</tr>
<tr>
<td>P19 (M. A.)</td>
<td>male</td>
<td>26 years</td>
<td>student</td>
</tr>
<tr>
<td>P20 (L. B.)</td>
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<td>30 years</td>
<td>student, working in sales</td>
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<tr>
<td><strong>Focus Group 3 (FG3)</strong></td>
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<td>P21 (K. L.)</td>
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<td>28 years</td>
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</tr>
<tr>
<td>P22 (C. O.)</td>
<td>male</td>
<td>30 years</td>
<td>social media manager at a startup</td>
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<tr>
<td>P23 (A. H.)</td>
<td>male</td>
<td>33 years</td>
<td>head of social commerce for a fashion brand</td>
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<td>P24 (D. C.)</td>
<td>male</td>
<td>28 years</td>
<td>social commerce manager for a fashion brand</td>
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<td>P25 (J. L.)</td>
<td>female</td>
<td>28 years</td>
<td>influencer marketing manager for a fashion brand</td>
</tr>
<tr>
<td>P26 (G. N.)</td>
<td>female</td>
<td>25 years</td>
<td>digital marketing specialist for a FMCG company</td>
</tr>
<tr>
<td>P27 (A. B.)</td>
<td>male</td>
<td>38 years</td>
<td>marketing and communications manager for a tech startup</td>
</tr>
<tr>
<td>P28 (N. C.)</td>
<td>female</td>
<td>27 years</td>
<td>manager of digital entrepreneurship platform at LMU</td>
</tr>
</tbody>
</table>
Appendix 3: Alienated Facebook post

We’re so excited to take our partnership with Kendall Jenner to the next level, with the addition of Kirby Jenner, a highly sought after modern icon. We couldn’t be happier about the pair being the faces of our new Classic Petite collection! Want more? Check out our Instagram Story today, where we posted this exact photo but Kirby has his eyes closed. It’s a game changer.

Appendix 4: Alienated Instagram post

danielwellington Big announcement! We’re so excited to be working with not one, but two of our favorite Jenner’s; @KendallJenner and @KirbyJenner. When we first set out to find an “Adult Personality & Reasonably Impressive Liaison”, as well as a “Fashion Officer Of Luxurious Style”, we had our eyes set on the pair. Can’t get enough of this new collaboration? We posted this exact photo but with @KirbyJenner’s eyes closed to our Story, so check it out! #DWClassicPetite #DanielWellington (APRIL FOOLS!)

Appendix 5: Alienated Twitter post

Here's an even better photo from our shoot with @KendallJenner & @KirbyJenner. The dreamy Kirby and the gorgeous Kendall are a dynamic duo!
LIST OF REFERENCES


