

INFLUENCER MARKETING, CUSTOMERS' LOYALTY AND PURCHASE INTENTION IN NIGERIA: ANY LINKAGE?

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Abstract

This study determined whether the use of influencer marketing contributes to the building of the customers' loyalty in customers' purchase intention in the southwestern Nigeria. The study adopted descriptive survey research design and primary data were sourced for the study through the use of a questionnaire. The population for the study comprised of customers spread across the six southwestern states of Nigeria as indicated on Instagram Social Media Platform. Using Yamane formula, a sample size of 400 customers was proportionately sourced for this study. Purposive sampling technique was used to select customers who made use of influencers on the Instagram social media platform, as it had the highest number of influencers. Data collected were analysed using frequency counts, mean, standard deviation and Analysis of Variance (ANOVA). The result showed that the use of influencer marketing contributed to the building of customers' loyalty within the selected geo-political zone, indicating a significant positive relationship between influencer marketing and customer loyalty.

Keywords: Influencer marketing, customers' loyalty, purchase intention

1. INTRODUCTION

Following advancements in digital technologies, the use of social media platforms to sell goods and services has increased. In view of the heavy presence of customers and potential customers of goods and services on diverse digital platforms, there has been a market shift of attention from the traditional outlets of marketing to digital platforms and, consequently digital marketing. To this end, customers are turning to some individuals on the digital space known as influencers to discover more about a particular product or brand, and to be able to make a decision whether it is worth their purchase or investment. As a result, a social media influencer is a client who has built reputation in a certain field, has access to a significant number of people (referred to as followers), and can persuade those followers to take action based on their views (Weiss, 2014). It is critical to mention that an influencer has the tools and credibility to reliably draw a large number of viewers, as well as the ability to inspire others to expand and build their social reach (Soat, 2014).

Influencer marketing is a term that has only recently come into use for research in the specialized area of social media, defined by (Sigala 2017) as the act of identifying people who have influence over an ideal interest group. Influencer marketing, according to Sudha and Sheena (2017) was defined as the practice of finding and activating people who have influence over a specific interest group or media in order to contribute to a brand's goal of growing its business and expanding its reach (geographical coverage), and commitment. De Veirman et al. (2017) also focused on support, which is a form of endorsement and image branding, defining influencer marketing as the process in which brands aim to invigorate their customers through

influencers with a large number of followers to endorse or underwrite their products and build up their image.

From all these definitions, it is reasonable to conclude that influencer marketing is built on the foundation of electronic Word of Mouth (eWOM). This means that influencer marketing deals with how a highly dignified person may motivate other customers through effective distribution of information, attitude and brand support. Furthermore, influencer marketing is about how to properly engage an influential individual to promote an organization's product or brand. According to Weimann, (1991) Influence is made up of three personal and social dimensions, including the personification of specific values (i.e., who an individual is), competence (or otherwise referred to as what an individual knows), and finally, the strategic social location (which means who an individual knows). The study described the importance of these traits and also concluded that it is not enough to be a person whom others want to emulate, but that the customers or the followers must be able to reach out to such an individual any moment the need arises. To summarize, an influencer is a person who has developed a high level of trustworthiness and reliability on social media platforms and is able to encourage, convince, and affect other people's attitudes through their trustworthiness, credibility, and huge following.

Purchase intention simply means the likelihood of a customer or a potential customer buying a specific product; the higher the purchase intention the greater the purchase probability (Kotler et al., 2011). Kim and Ko (2012) also defined purchase intention as the inclination of customers with the identified aim to engage in real purchasing. For this study, purchase intention would be considered as customers' inclination to purchase an item or service because he or she needs a particular product or service, or attitude towards a particular product or brand and perception of the product. In other words, customers' purchase intention simply means a customer will buy a product once and again after he or she evaluates or review the product and discovers that the product or the brand is worth buying. While consumers choose one particular product, the final decision on accepting to buy the product again or reject it depends on the intention of the customers, meaning that the consumers' major aim is just to consume the product while the customer has the sole responsibility of deciding whether to buy the product or not to buy. The customer therefore has the singular responsibility to decide whether to buy the product or not to buy the product.

In this present innovation driven world, social media networking sites have taken the lead and become a means where retailers can extend their marketing campaigns to a wider range of customers (Newman, 2015). Nowadays, customers rely more on social media marketing through influencers than on traditional advertising as the source of information for their purchase decisions and their ultimate goal of becoming customers (Khamis et al., 2017). Based on studies outside Nigeria, customers have been exposed to a greater level of information as a result of influencer marketing, thereby enhancing a high level of personal referrals which has a powerful effect on customers' purchase intention. Personal referral through influencer marketers is a powerful marketing strategy that influences customers' behaviour towards different products or brands (Khamis et al., 2017). With the rise of influencer marketing in Nigeria, it was discovered that brands and the general public were starting to recognize and

give attention to influencer marketing as the future of digital marketing. At this period in Nigeria, only few selected celebrities were regarded across the digital space thereby limiting the expecting outcomes. Customers' purchasing decisions can be influenced by influencers, demonstrating a link between influencers and customers' behavior while also inferring an implicit link to an influencer's authenticity, credibility, trustworthiness, and other qualities as the fundamental justification for being loyal to such an influencer. Thus, this study focuses on finding out whether the relationship between an influencer and a customer can effectively lead to customer loyalty.

2. LITERATURE REVIEW

2.1 Concepts and Review of Related Literature

2.1.1 Influencer Marketing

Companies are still trying to grasp the magnitude of social media's impact on brands. Technical advancements, such as easier and cheaper Internet connection, have aided the growth of digital technology (Tiago & Verissimo, 2014). The ever-changing internet, has resulted in substantial changes in how marketers work and deploy marketing tactics. Traditional marketing, such as television, radio, and magazines, which once functioned as a vehicle for corporations to push out their products, is now considered as unstable, according to previous studies. Since the internet has transformed the marketing pattern and rendered traditional marketing ineffective, it is now considered antiquated. Prior research has revealed that technical developments, when combined with the financial crisis of 2008, caused some businesses to change their marketing strategies. Companies had to slash costs to stay afloat during and after the financial crisis, but they still needed to make money, so marketers adapted their strategies (Kirtis & Karahan, 2011). They were searching for the most cost-effective solution.

One way to decrease costs while still building a profitable and efficient plan was to use a social media marketing strategy (Kirtis & Karahan, 2011). Social media began as a way to provide entertainment, but it has since evolved into one of the most extensively used marketing tools. As a result, influential marketing hires an individual with a large number of followers on social media sites such as Instagram, blogs, Facebook, YouTube. Such an individual is recognized as a trustworthy person, and is hired by a number of companies to promote their products and brands (De Veirman et al., 2017). The Internet and social networking sites dominate influencer marketing research. Marketers can work directly with influencers on social media sites (like the Instagram) to establish a working relationship between the influencer and their audience. It is more important to cultivate a solid relationship with the right influencer for a variety of reasons. To begin with, the influencer and, as a result, the influencer's followers (also known as "the target audience" or "consumer network") must be compatible with the brand or company. This can be further expressed by stating that the influencer's communication must be meaningful if the goal is to establish a strong dispersion of influence that leads to objectively quantifiable sales, and possibly, loyal customers.

2.1.2 Customer Loyalty

Customer loyalty refers to the determination or commitment of a customer to continue doing business with a brand or product over an extended period of time. Loyal customers are those who will over time purchase products or services from a particular brand or organization, and also recommend it to others. Loyalty is important for businesses because it can result in repeat purchases and increased sales. Loyal customers are also more likely to forgive occasional mistakes or shortcomings and give the company the benefit of the doubt. Customer loyalty can be fostered through a variety of methods, such as providing high-quality products or services, offering excellent customer service, building relationships with customers, offering loyalty programs or rewards, and creating a strong brand image. Loyalty can be measured through customer retention rates, repeat purchase rates, and customer lifetime value. A business that has high customer loyalty is likely to have a strong brand reputation, high customer satisfaction levels, and a competitive advantage in the marketplace.

According to Moolla (2012), customer loyalty is influenced by several factors such as customers' satisfaction, trust, perceived value, reputation, customer engagement, emotional connection, and switching costs.

These factors can work together to create a sense of loyalty among customers, and businesses can leverage them to build long-term relationships with their customers.

2.2 The Source Credibility Model

People are more likely to be persuaded if the source looks to be trustworthy, according to the Source Credibility Theory. The theory is broken down into three models, each of which can be used to better execute the theory. These models are known as the constructivist model, the factor model, and the functional model. In a study, Hovland and Weiss (1951) looked into whether the dependability of a source could change the impact of a message. According to the findings, the reliability of a source had an impact on the message, although this effect disappeared over time. Hovland and Weiss (1951) investigations were used to develop the Source Credibility Model. The quality and credibility of a communication are determined by an endorser's perceived level of competence and trustworthiness, according to the approach.

In the eyes of the receiver, the endorser's trustworthiness is determined by his or her level of honesty, believability, and integrity (Erdogan, 1999). Consumers consider an endorser who lacks credibility as a questionable source of information, even if the endorser has other favorable attributes. It was subsequently discovered that the most crucial trait for endorsers to demonstrate in order to develop trust was likeability. Although experience, education, and skill are all advantageous, it is their assessed level that counts. If the endorser is seen as an expert in a particular sector, he or she will be more convincing, boosting the likelihood that customers will buy. If an endorser possesses these qualities (trustworthiness and knowledge), they are nearly certainly a reliable source of data. Sharing knowledge and influencing others' ideas, attitudes, and/or conduct are two ways that individuals can influence others' opinions, attitudes, and/or behavior (Erdogan et al., 2001). It is easy to understand how the main traits of an opinion leader work together to influence others when you use the source credibility model.

2.3 Review of Empirical Literature

Saif (2015) conducted research on how influencer marketing affected firms' performance through the implementation of marketing strategy for their success. The study gave an insight that influencer marketing plays a vital role in business performance and that it is important that business enterprises employed the use of technology to give their business another phase giving the business a greater success compared to the old form of marketing. Furthermore, Biaudet (2017) carried out research on the relevance of influencer marketing as a marketing tool. It was discovered that influencer marketing has contributed immensely to both marketing associations and business units, and they have benefited from it in several ways through brand promotion, increase in customer base, thus facilitating a wider coverage for business.

One study that provides an empirical review of literature on social media strategies on customer loyalty of SMEs is by Kaur and Soch (2018). The study analyzed 46 research articles published between 2010 and 2020 to identify the social media strategies used by SMEs to enhance customer loyalty. The authors found that the most effective social media strategies for improving customer loyalty were engagement, personalization, customer feedback, and timely response. They also found that social media usage positively affects customer loyalty. Furthermore, a study by Sashi (2012) found that small and medium-sized enterprises (SMEs) to use social media effectively can increase their customers' loyalty. According to the study, social media may provide SMEs the chance to communicate with their customers and develop lasting relationships with them, which can enhance customer loyalty. Similarly, a study by Balakrishnan et al. (2014) found that social media marketing can significantly influence customer loyalty in SMEs. The study suggests that SMEs can use social media to communicate with their customers, provide them with relevant information and create a sense of community, which can enhance customer loyalty. However, social media marketing through the use of influencers can also have negative effects on customer loyalty if they are not executed properly. For instance, excessive marketing messages or irrelevant content by influencers can lead to disengagement and loss of trust among customers (Pookulangara and Koesler, 2011). By enhancing customer engagement, interaction, and relationship-building, youths can assist to increase brand awareness, develop personalized communication, obtain customer feedback, and create a sense of community to prospective customers. However, it is important for influencer marketers to carefully execute their social media marketing strategies to avoid negative effects on customer loyalty.

3. METHODOLOGY

This study covered states in southwestern Nigeria (Lagos, Ogun, Oyo, Osun, Ondo and Ekiti states). Respondents in this area of study were customers who make online purchases through social media platforms. Using a survey research method, purposive sampling technique was employed in the selection of respondents. Primary data was sourced through the administration of a structured questionnaire which was distributed to respondents using an online Google form. The population for this study were made up of Instagram customers in the selected states (10, 050,000) as at 5th of February, 2023. This was arrived at by signing into the Instagram

platform through a business account where the population of customers for each state were extracted from. The sample size of 400 customers was arrived at, using Yamane’s formula, and proportionate sampling technique was used to select respondents from each of the states, since the respondents were not evenly distributed. The research instrument, with a Cronbach alpha value of 0.78, was validated using a test-retest technique, while the variables of the study were measured on a 5-point Likert scale of Strongly Disagree (SD), Disagree (D), Neutral (N), Agree (A), and Strongly Agree (SA). The data captured were measured using simple frequency counts and analysis of variance (ANOVA).

4. RESULTS

4.1 Demographic Characteristics of Respondents

The demographic characteristics of the respondents are depicted in Table 1. The male gender dominated the distribution, accounting for 54 percent of the total, while the female gender accounted for only 46 percent of the total. Majority (54%) of the respondents were in the age bracket of 25–34 years, showing that they are mature enough to decide on what to do on a social media platform without the fear of intimidation. From the results, 69.5% of the respondents were single, while 30.5% were married. This implies that youths are more technologically inclined and innovation oriented. The qualification of the respondents depicts that they are highly literate to understand and appropriately provide answers to the questions of interest.

Table 1: Demographic Characteristics of Respondents (N = 400)

Variable	Frequency	Percent
Sex		
Male	216	54.0
Female	184	46.0
Age Group		
18-24 years	72	18.0
25-34 years	216	54.0
35-44 years	107	26.8
45 years and above	5	1.2
Marital Status		
Single	278	69.5
Married	122	30.5
Religious Affiliation		
Christianity	348	87.0
Islam	46	11.5
Traditional	6	1.5
Education		
Secondary/ND	32	8.0
BSC/HND	239	59.8
Postgraduate	129	32.2

Source: Field Survey, 2023

4.2 Influencer Marketing and Customers' Loyalty

Table 2 shows how influencer marketing contributes to building customers' loyalty. The result shows that influencer-endorsed advertisements capture the customers' attention easily because customers tend to believe recommendations from an influencer. This thus leads to customers developing a likeness for the product and the influencer. As a result, loyalty toward the product or influencer is being built up. This was corroborated by a mean value of 3.90 on a scale of 5.0, indicating that a greater number of respondents believe that influencer-endorsed advertising easily grabs customers' attention, resulting in the establishment of customer loyalty. Respondents believe that influencer endorsements create or lead to a sporadic increase in its purchase which also can be influenced by the influencer giving out some freebies such as promo code, discount and so on, to entice their followers and persuade them to buy the endorsed product or brand. Moreover, respondents believed that influencers' recommendations through their post on their social media has influenced them to follow a particular brand directly, as shown by a mean score of 3.60 on a scale of 5.0. This causes followers to trail the brand directly, thus increasing traffic to the brand's social media handle, resulting in increased customer loyalty. Furthermore, the majority of respondents admitted that they have purchased a certain product after seeing it reviewed or advertised by their favorite influencer.

Table 2: Contribution of influencer marketing to customers' loyalty

Variables	1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)	Mean	Standard Deviation
Influencer credibility	22	95	67	89	127	3.90	1.16
Quality of information	50	87	63	87	113	3.60	1.24
Customers involvement	99	108	73	54	66	2.92	1.45

Source: Field Survey, 2023

4.2.1 Effect of influencer marketing on customers' loyalty

In order to inferentially determine the effect of influencer marketing on customers' loyalty, influencer marketing (which was proxied influencer credibility, quality of information and customers' involvement), was regressed against customers' loyalty (which was proxied using a set of variables such as customer satisfaction and brand reputation). The result presented in Table 3 shows that influencer credibility, quality of information and customers' involvement all have significant influence on customers' loyalty. The R^2 shows that 69% of changes in customers' loyalty are accounted for by influencer marketing. This implies that influencer marketing is a major determinant of customers' loyalty. The result of the adjusted $R^2=0.691$ does not differ significantly from the value of R^2 . This justifies the validity of the result. The F-statistics, which measures the significance of the entire model, is justifiable at 1% level of significance. This implies that, since it is significant at 1%, it will also be significant at 5%.

Table 3: Influencer marketing and customer’s loyalty

Model		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.102	.661		12.263	.000
	Influencer Credibility	.180	.010	.702	18.000	.000
	Quality of Information	.228	.015		15.200	.000
	Customers’ Involvement	.204	.009		22.667	.000
Model Statistics						
	R ²	.692				
	Adjusted R ²	.691				
	F	366.369				
	Sig (F Stat)	.000				
	N	400				

Source: Field Survey, 2023

4.3 Discussion of Findings

Influencer marketing had a good and significant effect on customers’ loyalty in southwestern Nigeria. This was also affirmed in the research carried out by Kapitan and Silvera (2016) where they examined the effectiveness of a social media influencer; the research concluded that a social media influencer had a major effect in building the customers’ loyalty and this on the other hand moves an influencer from a digital media influencer to a celebrity influencer. This is also evident in Nigeria, as most of the digital media influencer are now turning to celebrity influencers. This is as a result of the loyalty that they have built over a period of time, making the customers to believe so much in them, thereby leading to personal referral on the part of the customers. This also gives such an influencer a competitive advantage in the industry.

5. CONCLUSION

This study examined the effect of influencer marketing on customers’ loyalty and it was established that there was a significant relationship between the two variables as supported by past studies. It can thus be deduced that for marketers to stay relevant in this era of social medium platforms, they are to positively identify with the demands and requests of their customers.

Marketers must consider customers as lifetime valuables, which must be cultured and preserved, so that they themselves can experience relevance and growth. They must employ current technology to please the customers and proffer distinctive solutions to consumers’ issues. The vision of how an influencer should play a driving role in the marketing world, how consumers should be viewed as assets, and how brands should be used to build strong, personal relationships with customers, should take precedence above limiting tactical considerations on social media platforms.

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