# Improving SMEs competitiveness with the use of Instagram Influencer Advertising and eWOM

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Abstract
Under Saudi Vision 2030, there will be a forthcoming increase in support to small or medium-sized enterprises (SMEs) from the current 20 percent of GDP to 35 percent. Thus, SMEs’ access to finance will become easier. At the same time, the cosmetics retail industry is expected to rapidly grow in the next few years because of the already mounting demand and availability of cosmetics through online channels. The purpose of this study is to explore the use of beauty Instagram influencers in advertising as a tool to increase competitiveness for SMEs. An exploratory research design was employed, and in-depth interviews conducted to gain a better understanding of female Saudi young adults’ perceptions of trust towards Instagram influencers, electronic word-of-mouth (eWOM), and advertising. Implications for SMEs managers are also discussed.
1. Introduction

Small or medium-sized enterprises (SMEs) play a pivotal role in the modern business world (Ozgulbas, Koyuncugil, & Yilmaz, 2006; Han, Xiang, & Yang, 2017). The importance of SMEs in the global economy is undoubtedly reflected in most countries’ economies, as more than 90 percent of all businesses fall into this category (Cull et al., 2006). Still, SMEs’ dominance in most economies is insufficient to prevent their vulnerability to existing competition from large corporations. In recent years, the introduction of new technologies and globalisation have increased opportunities but also fierce competition (Tajuddin, Hashim, & Zainol, 2017). The global economic slowdown has also presented a new challenge for SMEs, which had to demonstrate resilience in terms of sustainable business (Karaev et al. 2007; Rizomyliotis, Konstantoulaki, & Kostopoulos, 2017). In an increasingly unpredictable business landscape, SMEs have always had the advantages of flexibility and adaptability, mainly due to their small size. In that sense, it seems feasible and perhaps inevitable for SMEs to consider factors, such as changing technologies and emerging communication techniques, as pathways to achieve competition and sustainability (Gradzol, Gradzol, & Rippey, 2005).

Thus, on-going communication with their customer base is a critical success factor for SMEs’ continued operational effectiveness in the future (Dulewicz & Higgs, 2003). SMEs must strengthen dialogue and communication with their customers to enhance their resilience and remain sustainable in the global market (Gończ, Skirke, Kleizen & Barber, 2007). According to Gunasekaran, Rai and Griffin (2011), ‘sustainability can become operational only if consensus and balance is found in its conflicting constraints by means of optimised, win–win solutions, suitable for the cultural characteristics. Local and global solutions should support each other, and the integration of new technology and academic research should be aligned with sustainability of SMEs’ (p. 5492).

Thus, this article offers a better understanding of the use of social media, Instagram advertising, and electronic word of mouth (eWOM) as key communication pathways for modern SMEs in their effort to achieve resilience and competitiveness. Resilience is a business’ ability to survive change through constant renewal of its operations (Mafabi, Munene, & Ahiauzu, 2015). Resilience for SMEs calls for successful information and knowledge management through strategic managerial thinking and technology (Egbu, Hari, & Renukappa, 2005). As such, the use of new technologies in various fields of SMEs...
operations is essential to achieving competitiveness. One field where technology has been increasingly invasive is business and marketing communication with the inclusion of social media into SMEs’ marketing mix. While the research area of social media is gaining increasing attention, there has been relatively limited research on the implications for SMEs’ resilience and competitiveness, especially in the context of emerging economies (Fong & Burton, 2008; Tajuddin, Hashim, & Zainol, 2017).

Specifically, this article aims to explore the role of Instagram e-WOM as a potential determinant of the resilience and competitiveness of SMEs in the cosmetics industry. More specifically, the authors explore young adults’ perception of e-WOM and investigate how beauty Instagrammers influence their buying intentions. The study encompasses three research questions:

- How do consumers perceive SMEs’ influential Instagrammers in the cosmetics industry?
- How do SMEs’ influential beauty Instagrammers influence consumers purchase intentions in the cosmetics industry?
- What are the key elements that make SMEs’ beauty Instagrammers’ e-WOM more effective?

The paper is structured as follows. First, it reviews the relevant research background and then describes the methodology in section two. The third section explains the research findings, which are then discussed in further detail in the conclusions.

2. Research Background

The research setting of the Saudi Arabia economy was deemed ideal for the scope of this paper. Under Saudi Vision 2030, there is a forthcoming increase in support of SMEs from 20 percent of GDP currently to 35 percent by 2030 by facilitating their access to funding. In view of this favourable state, the cosmetics retail industry is expected to rapidly grow in the next decades. The demand is already mounting, partly due to the accessibility of cosmetics through online channels. This is a considerable challenge for local SMEs given that online is an affordable and effective way of doing business. On this basis, it appears that SMEs could take advantage of these opportunities and explore the prospects of online communication to reach the goal of businesses resilience and competitiveness.
In the last decade, the introduction of new technologies has contributed to the use of social media influencers to promote brands and improve business sales and performance (Yap, Soetarto, & Sweeney, 2013). For SMEs to survive and grow, they need a strong e-commerce strategy. Social media has opened a pathway for eWOM and the rise of social media influencers now have access to millions of followers, and in turn, potential customers. Specifically, influential Instagrammers are people with a large online presence that has an impact on followers using Instagram, a video- and photo-based social media application.

The cosmetics industry is also spreading across social media platforms. For example, luxury brands are using viral marketing content, such as sponsored videos, to attract new customers. Companies in the industry use public, commercial social media accounts to advertise their products (Wolny & Mueller, 2013). The growth of e-commerce is following the growth of social networking. Brands increase sales by connecting with users in an online environment and users, in turn, share their product experience. By sharing their views through posts, they lead new consumers to form opinions about products that ultimately affects their decision-making. Therefore, bloggers and social media influencers can thrive because they are regular people and occasionally not affiliated with a specific brand. Moreover, there is a defined need for the cosmetics industry to adapt to virtual consumers who participate in forums and blogs (Kulamala, Mesiranta, & Tuominen, 2013). In these online environments, consumers gain entertainment and social links and seek product information. Some consumers consider these types of online platforms as more reliable than corporations themselves.

Internet advertising combined with e-WOM has a positive effect on perceived value and risk, which has an immediate effect on the intention to buy (Lim, 2015). This can lead to a stronger and more competitive position in the market because of both increased sales and consumer satisfaction. Yet, beauty websites occasionally attempt to influence consumers’ purchase intention with the use of online advertising (Chen, 2014). This type of advertising steers consumers away because consumers are aware of the business’ intention to persuade by promoting the brand’s positive aspects, so the tactic is less and less effective. Among others, marketers seek ways to gain their consumers’ trust by instilling trust in advertising (Li & Miniard, 2006). It has been argued that consumers scepticism towards advertisements is less focused on advertisements, especially those that offer generic information and only highlight the brand (Obermiller, Spangenberg, & MacLachlan, 2005).
2.1 Word of Mouth and e-Word of Mouth

Word of mouth (WOM) is oral communication and the means of spreading information (Ismagilova, Dwivedi, Slade, & Williams, 2017). In the context of marketing and communications, WOM is defined as a process between people where the receiver obtains information that usually concerns a brand or their products or services (Ismagilova et al., 2017). Lim and Chung (2011) define WOM as casually communicating information with other consumers usually independent of marketers. WOM plays an important role in the market because it helps consumers to shape their attitudes and behaviours. When consumers ask their peers for help with decision-making, WOM has a significant effect on what people know, feel, and do (Buttle, 1998). Therefore, companies heavily rely on WOM: When releasing a product into the market they point to the importance of WOM as one of the marketing communication strategies that can increase new product demand (Bruce, Foutz, & Kolsarici, 2012). Trusov, Bucklin and Pauwels (2009) used a vector autoregressive modelling approach to study the effect of WOM in online marketing versus traditional marketing. Their study found that online marketing has a greater impact than traditional marketing, produces more actions based on WOM, and a higher response rate.

In fact, advertisements become ineffective and easy to forget when they are voluminous, and thus advertising is less successful (Dinh & Mai, 2016). Therefore, unconventional and cost-effective marketing methods, like guerrilla marketing, have been employed to deal with this issue. Guerrilla marketing uses many tools, including eWOM (Weiss, Lurie, & MacInnis, 2008). Trusov, Bucklin, and Pauwels (2009) argue that WOM is known to be more effective than traditional advertising because it avoids consumer unwillingness to listen to advertisements, it is low cost, and has efficient delivery. Herr, Kardes, and Kim (1991) argue that because consumers do not have a specific agenda, they are perceived to be trustworthy than adverts. Customers can be influenced to buy a product through normative and informational influencing. Normative influencing occurs when consumers experience other peoples’ affirmations and informational influence occurs when they receive information about the product, which could be gained through previous experiences (Chu & Kim, 2011).

However, consumers seem to be affected less by WOM when they already have a prior experience with the brand (Herr, Kardes, & Kim, 1991). Basri, Ahmad, Anuar, and Ismail
(2016) found that WOM, and specifically independent variables like service quality, food quality, physical environment quality, and price, significantly affect consumers’ purchasing decision.

While afforded the task of connecting to several audiences, marketers have explored communication tools based on the development of technology, so e-WOM is often used instead of traditional WOM. Ahrens, Coyle, and Strahilevitz (2013) refer to this as e-referrals, a way for individuals to promote a brand, product, or service. This process can either be inbound or outbound and performed through different technological means, like blogs, e-mail, instant message, and social media sites.

Zhang, Abound Omran, and Cobanoglu (2016) argue that the technology literate usually have a more positive experience using technology-based services, which suggests that they are more likely to engage in positive e-WOM about the experience of using this service. Additionally, Liu et al. (2015) recognised that trust in e-WOM is important for consumers because it affects their purchasing decisions, especially if the e-WOM is anonymous and does not occur face-to-face.

When consumers trust influencers, they accept recommendations that could alter their purchasing decisions. For companies to establish a good relationship with their customer base, it is important they work with influencers who are trusted by most of the target audience. Sparks and Browning (2011) argue that consumers tend to trust negative information. However, when positive information is presented alongside facts, consumers’ interest is increased. In the context of hotel booking, for example, consumers seek for easy-to-process e-WOM when searching for hotels in the form of reviews. Al-Debei, Akroush, and Ashouri (2015) emphasise that consumers’ attitudes towards e-commerce is based on trust and the benefits they can receive. Therefore, if consumers trust e-commerce based on e-WOM, they are more likely to engage in shopping online.

By building trust in e-WOM advertising, companies give consumers the opportunity to believe in their information (Shaemi & Saneian, 2014). In Shaemi and Saneian’s study, it was shown that a consumer’s positive online experience encouraged positive WOM, which, in turn, increased trust in the company. Filieri, Alguezaui, and McLeay (2015) state that trust is influential for consumers and may cause them to follow others’ advice. Yoon (2012)
argues that people with positive experiences with online shopping are more likely to participate in e-WOM by posting about their shopping experience, which could influence future consumers.

2.2 E-WOM in Social Media

Wolney and Muller (2013) argue that e-WOM includes non-textual communication, such as ‘liking’ or ‘re-tweeting’ as well as some form of comments. Wolney and Muller view e-WOM in a wider perspective and do not limit e-WOM to just the statements Ishida, Slevitch, and Siamionava (2007) mentioned. Jin and Phua (2014) indicate that social media is a main priority for companies’ growth. However, Kaplan and Haenlein (2010) show that there is a narrow understanding of the definition of social media among companies. Consumers use social media to discuss and review products they have purchased, which is another form of e-WOM. Similar to WOM, their definition of e-WOM refers to ‘any positive or negative statement made by potential, actual or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet’ (Jin & Phua, 2014, p. 1).

Social networking sites are the best platforms for e-WOM because as mentioned previously, they allow consumers to give positive or negative feedback on brands’ products and services. As Chu and Kim (2011) mention, social networking sites are growing tremendously. DEI Worldwide (2008) states that in the United States, the impact of social media on purchasing decisions is high. They assert that 70 percent of consumers use social media websites to get information on a company, brand, and product. Also ‘nearly half (49%) of these consumers made a purchase decision based on what they gathered’ (DEI Worldwide, 2008, p. 4). This statistic shows the magnitude of influence that social media has upon consumers. DEI Worldwide (2008) states that 6 out of 10 (60 percent) people are more likely to share information they receive online.

3. Research Methodology

This study used purposive sampling since it was necessary to understand the perceptions of Saudi young adults concerning e-WOM on Instagram. Therefore, the sample required a specific age group (Bryman, 2012). Young Saudi adults ages 18–25 years were recruited, and the study focussed on females who followed influential beauty Instagram. The following criteria were considered when selecting interview participants: manage an Instagram
account, follow influential people, and visit their Instagram accounts on a regular basis (i.e. four times per week). A qualitative method was chosen to address the research question and was deemed suitable for this study (Perner, 2017; Ritchie, Lewis, & Mcnaughton Nicholls, 2014). As it was necessary to gain a deep understanding of participants’ perceptions, we conducted 12 in-depth interviews (Deakin & Wakefield, 2013) with female Saudi young adults who are highly active on social media platforms. The interview sessions lasted between 30 to 60 minutes, however, most interviews lasted 40 minutes.

This study followed the theoretical approach to carry out the thematic analysis. A thematic analysis involves a recursive process where the flexibility of the approach allows it to go back and forth in the data, and the analysis develops over a period of time (Braun and Clarke, 2006). In the first phase of a thematic analysis the authors became familiar with the data (Braun and Clarke, 2006). During this phase, the authors reviewed and transcribed the data that was produced from the interviews. Then, the authors found parts of the data that were in relation to the research questions. Codes are the most basic segment, or element, of the raw data or information (Boyatzis, 1998) and were assessed in a meaningful way regarding the phenomenon at hand. The authors, then, developed, named and defined the themes that related to the research question. The themes included sufficient evidence, and they are presented in a coherent and logical manner (Braun and Clarke, 2006). The thematic analysis included six stages, comparable with other qualitative studies (Braun & Clarke, 2006; Boyatzis, 1998). The outputs from the interviews and the participants’ answers are presented thematically. Each theme includes the participants’ quotes as well as the authors’ explanations.

4. Data Analysis – Findings

4.1 SMEs Instagram eWOM and Purchase Intention

This theme addresses the interpretation of the impact of e-WOM on participants. The participants held that e-WOM had a significant influence on their purchasing behaviour. Regardless of the source of eWOM (customer reviews or influential Instagrammers), the participants believed it helped them with selecting and purchasing goods. Two participants held that Instagram has become a great platform for people interested in beauty products, a great place to find products and brand recommendations and to watch tutorials. An important aspect for them is that the product reviews had to intrigue them in order for them to think about purchasing a beauty product.
I think what they present is great. Instagram has become a platform for people who are interested in beauty and gave them an outlet to demonstrate their talent in the field. For me, in order to purchase a product/brand based on a recommendation, it had to intrigue me or at least it has to be a product that I already need. [Y.S.]

I have purchased a product based on a beauty Instagrammer’s recommendation. Actually, for me, to be convinced and intrigued at least more than three popular Instagrammers had to talk about the product/brand for me to go a decide that I might purchase. Obviously, that is after I do my own research. [Y.S.]

All participants stated that they prefer to do their own research, but they also expressed that Instagram posts on beauty products persuaded them to purchase certain products. B.B.1 commented:

Beauty influential Instagrammers tended to have some impact on my perception towards beauty products, but it would not necessarily mean I would purchase it. But it does impact on how I feel towards a product or brand. [B.B.1]

Yeah, it has an effect on me. I think whether it is from Instagrammer or regular customers review it definitely plays a big part. I would say a negative and positive comments has an effect on me. [B.B.1]

The statement from Y.S. shows that e-WOM had an impact, but it did not necessarily produce a purchase, thus some participants prefer to also undertake their own research. Sometimes influential Instagrammers provide information about a product and awareness, but it did not always translate into the participant purchasing the product. Two participants, B.B.1 and S.L., had a different outlook on this theme. B.B.1 discussed the social media application, its efficiency, and information provision:

Instagram allows you to see more reviews and product recommendations and tutorials in a smaller amount of time. Which saves me time instead of having to watch a long video. I find it very efficient. [B.B.1]

S.L, on the other hand, discussed if the recommendation was positive or negative and how it would impact her decision to purchase a beauty product. The participant was sceptical about
Instgrammers. She found their e-WOM impactful, but she was distrustful of what they were presenting. It was found that honesty and trust most affected her purchasing behaviour:

Yes, I mean like I said it effect my perception. That is why I feel sometimes brands try and get the influencers on their side so that the product can be talked about positively. But sometimes you do get Instagrammer who talk about brands or products that turns out to be not as good. That makes me immediately hesitate when listening to what they have to say about a beauty product. [S.L]

Y.S. truly relied on e-WOM; specifically, what influential beauty Instagrammers were presenting. She lacked the requisite knowledge of make-up, so she had to rely on other people’s opinion of products to help her determine if she should purchase the product.

*e-WOM has a big influence on me weather it is beauty product or anything else I value the reviews on product is worth purchasing and if it is going to be good for me.*

### 4.2 Trust and Honesty in e-WOM

This theme was a controversial topic in the context of Instagram. B.B.1 discussed deception and the ability for an influential beauty Instagrammer to provide false information by editing pictures without followers truly knowing the difference. She described the uncertainty of not knowing if the Instagrammer had tested the product before recommending it. Both Y.S. and A.H. had the same opinion as B.B.1:

*I would say probably a negative for both Instagram and YouTube is that there is always the ability for people producing content to either Photoshop or edit the content which is one of the reasons where it makes it hard to trust what they are saying.*

Participants thought that Instagrammers should be genuine and authentic because they believed that when trust existed, the Instagrammer’s recommendation would have more of an impact. Some participants mentioned honesty in Instagrammers’ positive or negative opinions on products. Several participants believed that some influential beauty Instagrammers lacked honesty in their content and preferred customer reviews because customers do not benefit if they talk positively or negatively about a product:

*I think maybe because the customers don’t really have an agenda they’re just giving the experience they had with the product. Sometimes they mention that the post is an
advert which I think what they should all do because the audience has the right to know and decide based on that information. [B.B.]

G.B. had a different outlook on e-WOM because she only trusts people who know her personally, and she values their opinion over influential beauty Instagrammers. The only exception for her is if the beauty Instagrammer was a professional make-up artist or a dermatologist who might recommend skin care products. She believed that it was easier to trust a professional make-up over a beauty guru or someone who uses their platform as a business or as a hobby:

I would say that I trust the people around me for recommendation. My only exception is professionals on Instagram in make-up and skincare. [G.B.]

4.3 Positive Vs. Negative e-WOM

In the interviews, there was a distinction made between positive and negative e-WOM and the effect it had on the participants’ trust. It was found that most participants held that negative e-WOM made more of an impact on their purchasing decision because some participants found it too risky, especially if the negative e-WOM was about a specific product. One of the participants’ main concerns was if the product’s e-WOM concerned health issues. For the participants, it was important that the beauty products they used were good for their skin and would not harm them. J.H. mentioned that she usually avoids products that have been negatively reviewed across social media:

When it comes to e-WOM I tend to generally avoid products that have been spoken about negatively more than once across social media. I personally feel that if these beauty Instagrammers are using make-up all the time and some of them are make-up artist. They must know which is a good product and what product is not as good.

J.A. agreed, as she believed that she needed to be more cautious and avoid taking a risk with products relating to skincare.

With skincare products, I take negative e-WOM into consideration more than with skincare products. Just because for me it is important to use good quality and highly recommended skincare products. With make-up on other hand I don’t really look into negative or positive e-WOM too much I prefer to test and try it for myself and then determine. [J.A.]
4.4 Characteristics of the SME Instagram Influencer

This theme concerns the nationalities of the influential beauty Instagrammers the participants were following. All participants were from Saudi Arabia: some followed Instagrammers who spoke Arabic and were from the Middle East, and a few followed people from different countries; however, most followed beauty influencers from the Middle East. A few participants perceived beauty products as something universal and not limited to a certain country or culture. L.A. held that beauty products and specifically makeup was a universal language that led many females who are from different countries and backgrounds to connect, relate, and discuss online.

*I personally feel that make-up is defiantly universal because I can talk to someone online about make-up and they are from different country and different culture and we still can relate when it comes to make-up. [L.A.]*

Y.S. had a different outlook. She preferred to follow Instagrammers who spoke Arabic and were from the Middle East because she believed that when they recommended products, it would be suitable for her country. She mentioned aspects like the heat in Saudi Arabia or how people in Saudi Arabia prefer to use more intense makeup for special occasions. She believed that only people from the same region would understand these elements.

*In opinion, I prefer following beauty Instagrammers from the middle-east as I have mentioned before because their able to understand certain aspects about the country that not all beauty Instagrammer would understand. Like the weather because it can very hot and the type of make-up worn in special occasions. [Y.S.]*

Participants mentioned deception and mistrustfulness more than once during their interviews as they believed that it was important for Instagram influencers to be honest. One of the participants, G.B., mentioned that she was following a well-known Middle Eastern Instagrammer with whom she had no issues initially. But in time she started to think that most posts were formally promoting specific brands, which she did not enjoy and unfollowed. The participants were sceptical about the situation on Instagram, believing that there was deception regarding beauty products. The participants mentioned that for them to believe and trust Instagrammers, the advertisements had to be reasonable and aligned with their own perceptions.
Yes, a lot because the products are over hyped to the point where you either feel it is not true or genuine or where you feel like you want to buy it then turns out to be a very average product. Something not worth the money or the non-sense hype. [Y.S.]

Many participants believed that it was important for the influential Instagrammer to be an expert in the field of beauty, for instance, as a make-up artist, someone who runs a make-up brand, or even a dermatologist. This was deemed particularly important for SMEs as they usually do not assert benefits and prestige from their brand name. The use of an Instagrammer who is a professional in the field of beauty is expected to add trust and value to the SMEs’ offering. To the participants, it was reassuring to know that the Instagrammer was a professional, which encouraged them to purchase based on product recommendations.

However, if the beauty influencer was a make-up artist or someone who was an expert I would definitely take what they say on their posts on board. It does especially that some of these influencers are make-up artist that have experience in the field of make-up. So, their opinion would have a bigger impact on my perception because I know that they are professionals. [B.B.1]

4.5 SMEs Instagrammers Advertising Products

All the participants mentioned advertising by influential Instagrammers, and most held a negative view of that advertising as it relates to trust and honesty. Similarly, and consistent with the previous theme, the participants seemed to find it hard to trust Instagrammers who advertise a specific person frequently:

Their post because sometimes they can be adverts for companies and they don’t really say however I can tell sometimes. [Y.S.]

I had an experience where I followed a beauty influencer from the Middle East, but she lives in Los Angeles and the majority of her posts are not useful and her content contain lots of advert sponsorship not sure what you would call them. I immediately unfollowed her although she has millions of followers but that shows that for content and then personality is important. [B.B.1]

If they have trustworthy reputation if they tend test out the products on camera. I have issue with beauty Instagrammer that advertise a lot because I feel like that trust goes away for me. [G.B.]
Another participant, A.H., felt ambivalent about advertising and trusting Instagram. She felt that some Instagrammers could be trustworthy, while others could not be trusted, depending on certain aspects of their Instagram accounts:

*Trusting the beauty influencers, I feel is tricky because you want to believe she is saying is the true but on the other hand it may be an advert. Personally, I would say I trust around 70% are being truthful sometimes it’s obvious because they hype a product so much and you would see the product talked about all over Instagram anyways you since that it is an advert then you have influencers that are straightforward and say that it is an advert. [A.H.]*

5. Discussion

This study aimed to explore the importance of Instagram e-WOM for SMEs in the cosmetics industry as a tool to gain competitiveness and resilience. The authors investigated how Instagrammers influence young consumers’ purchasing intentions. The findings indicated that the participants are quite sceptical when receiving reviews or promotion from beauty influencers as they do not always regard them as authentic. And, they need to do their own research, too. Moreover, participants seem to trust influential beauty Instagrammers more when they already had a previous positive experience with the influencer. The most interesting finding is the importance of trust, honesty, and authenticity to an e-WOM’s impact.

To gain and build trust, participants mentioned that they used their personal experience with the beauty influencer. A relationship between trust and e-WOM has been reported in the literature. Liu et al. (2015) recognise that trust in e-WOM is important for consumers because it affects their purchasing decisions, especially if it comes from someone anonymous and not face-to-face. According to Al-Debei et al. (2015) consumers’ attitudes towards e-commerce is based on trust and the benefits they will receive. It has been shown that once an influencer gained the participants’ trust, the decision-making process was facilitated.

One of the criteria for a trusting relationship between influencers and the participants was whether the products the influencers recommended were good and reflective of their descriptions. If a beauty influencer recommended a product and if the review was reflective
of the product the participants had purchased, this built trust in the relationship. This supports Li and Miniard’s (2006) argument that consumers’ trust affects their perceptions and choices, and if it meets expectations, it also affects their loyalty and assurance.

Furthermore, most participants were wary of the content beauty influencers presented to them on Instagram. The findings showed that they were seeking signs to see if the beauty Instagram influencer was independent or sponsored by a brand. According to Li and Miniard (2006), companies want consumers to trust and believe their information, and for them to do that, they use trust advertising. These types of actions made the participants question the content they were presented with on Instagram.

One surprising finding was that nationality and culture did not play a big role in the findings. It did not affect the participants’ trust or perception of e-WOM, and it did not affect the type of individuals the participants followed on Instagram. In reviewing the literature, it was found the culture plays some role in e-WOM in certain countries. Fong and Burton (2008) argued that there is difference in e-WOM with different cultures, and that certain cultures have different expectations. A possible explanation for the discrepancy between results of this study and those in the literature is that the participants did not believe that Saudi culture played a role in e-WOM, trust, and social media.

SMEs can benefit greatly from e-WOM in their quest for competitiveness. Social media provides the opportunity for SMEs to be noticed by thousands or even millions of prospects only by following certain influencers. This is particularly important in the battle against well-known corporations with solid customer bases and highly recognized brands, as SMEs normally cannot afford to spend heavily on communication (Brink, 2015). Moreover, SMEs marketers have less control over what is said about their brand online, which is why they should carefully work with beauty influencers to take back some control over their reputation (Wolney & Muller, 2013). Therefore, when a beauty influencer on Instagram advertises a product for SMEs’ followers, the audience takes notice of the brand, which in turn leads to an increased awareness and purchase intention. Sales figures are expected to benefit from this result, too (Ahrens, Coyle, & Strahilevitz, 2013). Therefore, SMEs have more weapons in their arsenal and are more likely to overcome any communication issues and bounce back with the use of more convincing promotional material. Finally, SMEs that integrate social media eWOM into their marketing mix will
have a greater opportunity to become more competitive against large corporations as they can directly influence consumers’ buying behaviour given that social media users are consumers more likely to act. Thus, SMEs marketing managers should carefully manage positive reviews as these are found to be less effective when they do not include facts and relevant information (Sparks & Browning, 2011).

References


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Abstract

Under Saudi Vision 2030, there will be a forthcoming increase in support to small or medium-sized enterprises (SMEs) from the current 20 percent of GDP to 35 percent. Thus, SMEs’ access to finance will become easier. At the same time, the cosmetics retail industry is expected to rapidly grow further in the next few years, on account of the already mounting demand and easy availability of cosmetics through online channels. The purpose of this study is to explore the use of beauty Instagram influencers in advertising as a tool to increase competitiveness for SMEs. An exploratory research design was employed, and in-depth interviews were conducted to gain a better understanding of female Saudi young adults’ perceptions in regards to trust towards Instagram influencers, electronic word-of-mouth (eWOM), and advertising. Implications for SMEs managers are also discussed.

Comment [wt1]: Not sure what this means? They will give them 35 percent of GDP? Or hope to increase their participation to 35 percent of GDP?
1. Introduction

Small or medium-sized enterprises (SMEs) play a pivotal role in the modern business world (Ozgulbas, Koyuncugil, & Yilmaz et al., 2006; Han, Xiang, & Yang, 2017). The importance of SMEs in the global economy is undoubtedly reflected in most countries' economies, as more than 90 percent of all businesses fall into this category (Cull et al., 2006). Still, SMEs' dominance in most economies is not enough to prevent their vulnerability to existing competition. In recent years, the introduction of new technologies and the wave of globalisation have increased opportunities while at the same time fierce competition has become fierce (Fassoula, 2006; Tajuddin, Hashim, & Zainol, 2017). The universal economic slowdown has also presented a new challenge for SMEs, which had to demonstrate resilience in terms of sustainable business (Karaev et al. 2007; Rizomyliotis, Konstantoulaki, & Kostopoulos, 2017). In an increasingly unpredictable business landscape, SMEs have always had the advantage of flexibility and adaptability, mainly due to their small size. In that sense, it seems feasible and perhaps inevitable for SMEs to consider factors, such as changing technologies and emerging communication techniques, as pathways to achieve competition and sustainability (Gradzol, Gradzol, & Rippey et al. 2005).

In light of this situation, on-going communication with their customer base is a critical success factor for SMEs' continued operational effectiveness in the future (Dulewicz & Higgs, 2003). SMEs must strengthen the dialogue and communication with their customers in order to enhance their resilience and remain sustainable in the global market (Gonz et al., 2007). According to Gunasekaran et al. (2011, p. 5492), sustainability can become operational only if consensus and balance is found in its conflicting constraints by means of optimised, win–win solutions, suitable for the cultural characteristics. Local and global solutions should support each other, and the integration of new technology and academic research should be aligned with sustainability of SMEs’ (p. 5492).

Thus, this article offers a better understanding of the use of social media, and Instagram advertising, and electronic word of mouth (eWOM) in particular, as key communication pathways for modern SMEs in their effort to achieve resilience and competitiveness. Resilience is the business' ability to survive change through constant renewal of its business-operations (Mafabi, Munene, & Ahiazu et al., 2015). Resilience for SMEs in...
particular calls for successful information and knowledge management through strategic managerial thinking and technology (Egbu, Hari, & Renukappa et al., 2005). As such, the use of new technologies in various fields of SMEs operations is considered to be essential in achieving competitiveness. One such field where technology has been increasingly invasive is business and marketing communication with the inclusion social media into SMEs’ marketing mix of SMEs. While the research area of social media is gaining increasing attention, there has been relatively limited research on the implications for SMEs’ resilience and competitiveness, and especially in the context of emerging economies (Fong & Burton, 2008; Tajuddin, Hashim, & Zainol, 2017).

Specifically, this article aims to explore the role of Instagram e-WOM as a potential determinant of the resilience and competitiveness of SMEs in the cosmetics industry. More specifically, the authors explore young adults’ perception of e-WOM and investigate how beauty Instagrammers influence their buying intentions. The study encompasses three research questions:

In specific, this article aims to explore the role of Instagram e-WOM as a potential determinant of the resilience and competitiveness of SMEs in the cosmetics industry. The main purpose of this study is to explore young adults’ perception of e-WOM and how beauty Instagrammers influence their buying intentions. It is important to recognise that social media and specifically Instagram are fairly new phenomena, which suggests that there is not much literature base on Instagram. The study encompasses three research questions:

- How do consumers perceive SMEs’ influential Instagrammers in the cosmetics industry?
- How do SMEs’ influential beauty Instagrammers influence consumers purchase intentions in the cosmetics industry?
- What are the key elements that make SMEs’ beauty Instagrammers’ e-WOM more effective?

The paper is structured as follows. It first reviews the relevant research background and then describes the methodology in section two. The third section explains the findings of the research, which are then discussed in further detail in the conclusions.

2. Research Background
The research setting of the Saudi Arabia economy was deemed ideal for the scope of this paper. Under Saudi Vision 2030, there is a forthcoming increase in support of SMEs from the current 20 percent of GDP currently to 35 percent by 2030 by facilitating their access to funding. In view of this favourable state, the cosmetics retail industry is expected to rapidly grow further in the next decades. The demand is already mounting, partly because of the ease of accessibility of cosmetics through online channels. This is a considerable challenge for the local SMEs given that online is an affordable and effective way of doing business. On this basis, it appears that SMEs could take advantage of these opportunities and explore the prospects of online communication as a way of reaching the goal of businesses resilience and competitiveness.

In the last decade, the introduction of new technologies has contributed to the use of social media influencers to promote brands and improve business sales and performance (Yap, Soetarto, & Sweeney, 2013). In order for SMEs to survive and grow, they need a strong e-commerce strategy. Social media has opened a pathway for electronic word of mouth (eWOM) and the rise of social media influencers have now access to millions of followers, and, in turn, potential customers. Specifically, influential Instagrammers are people who have a large online presence that has an impact on followers through the use of Instagram, a video- and photo-based social media application.

The cosmetics industry is also spreading across social media platforms. For example, luxury brands are using viral marketing content, such as sponsored videos, to attract new customers. Companies in the industry use public, commercial accounts in the social media accounts so that they can advertise their products (Wolny & Mueller, 2013). The growth of e-commerce is following the growth of social networking. Brands increase sales by connecting with users in an online environment and users, in turn, share their experiences of product experiences. By sharing their views through posts, they lead new consumers to form opinions about products that affect their decision-making. Therefore, this allows bloggers and social media influencers to thrive because they are regular people and occasionally not affiliated with a specific brand. Moreover, there is a defined need for the cosmetics industry to adapt to virtual consumers who participate in the rise of forums and blogs (Kulamala, Mesiranta, & Tuominen, et al., 2013). In these online environments, consumers seek entertainment and social links and
but also seek **product** for information about **products**. Some consumers consider these types of online platforms as reconsidered to be more reliable than corporations themselves. Internet advertising combined with e-WOM has a positive effect on perceived value and risk, which has an immediate effect on the intention to buy (Lim, 2015). This can lead to a stronger and more competitive position in the market because of a result of both increased sales and consumer satisfaction. On the other hand, beauty websites occasionally make an overwhelming attempt to influence consumers’ purchase intention with the use of online advertising (Chen, 2014). This type of advertising steers consumers away because they are aware of the business’ intention to persuade them by promoting the brand’s positive aspects, so the tactic of the brand and it is therefore considered less and less effective. Among others, marketers aim to find ways to gain their consumers’ trust by instilling trust in advertising (Li & Miniard, 2006). It has been argued that consumers who are sceptical towards advertisements is focused on advertisements, especially those ones that offer generic information and only highlight the brand (Obermiller, Spangenberg, & MacLachlan, 2005).

2.1 Word of Mouth and e-Word of Mouth

Word of **Mouth** (WOM) is referred to as oral communication and is a means of spreading information (Ismagilova, Dwivedi et al., Slade, & Williams, 2017). In the context of marketing and communications, WOM is defined as the process that occurs between people where the receiver obtains information that usually concerns a brand or their products or services (Ismagilova et al., 2017). Lim and Chung (2011) define WOM as casually communicating information with other consumers in a way that is usually independent of marketers. WOM plays an important role in the market because it helps consumers to shape their attitudes and behaviours. When consumers ask for help with their decision-making, WOM has a significant effect on what people know, feel, and do (Buttle, 1998). Therefore, companies heavily rely on WOM. When releasing a product into the market they which points to the importance of WOM as one of the marketing communication strategies that can increase new product demand (Bruce, Foutz, & Kolsarici, et al., 2012). Trusov, Bucklin and Pauwels (2009) used a vector autoregressive modelling approach to study the effect of WOM in online marketing versus traditional marketing. Their study found that online marketing has a greater impact than traditional marketing, produces more actions based on WOM, and produces a higher response rate as a result.
In fact, when there is an overwhelming amount of advertisements, they become ineffective and easy to forget when they are voluminous, and thus making in turn, advertising is less unsuccessful (Dinh & Mai, 2016). Therefore, unconventional and cost-effective marketing methods, like guerrilla marketing, have been employed to deal with this issue. Guerrilla marketing uses many tools, and among them is eWOM (Weiss, Lurie, & MacInnis, 2008). Trusov, Bucklin, and Pauwels (2009) argue that the reason why WOM is known to be more effective than traditional advertising is because it avoids consumer the unwillingness of consumers to listen to advertisements, it is of low cost, and it also has efficient delivery. Lo (2012) even suggests that it is the best way to appeal to consumers.

Herr, Kardes, and Kim et al. (1991) argue that because consumers do not have a specific agenda, they are perceived to be trustworthy than adverts. Customers can be influenced to buy a product through normative and informational influencing. Normative influencing occurs when consumers experience other peoples’ affirmations, and informational influence occurs when they receive information about the product, which could be gained through previous experiences (Chu & Kim, 2011).

However, consumers seem to be affected less by WOM when they already have a prior experience with the brand (Herr, Kardes, & Kim et al., 1991). Basri, Ahmad, Anuar, and Ismail et al. (2016) found that WOM and specifically independent variables like service quality, food quality, physical environment quality, and price significantly affect consumers’ purchasing decision.

While afforded with the task of connecting to several audiences, marketers have explored communication tools that are based on the development of technology, so e-WOM is often being used instead of traditional WOM. Ahrens, Coyle, and Strahilevitz (2013) refer to this as e-referrals, a way for individuals to promote a brand, product, or service. This process can either be inbound or outbound and can be performed through different technological means, like blogs, e-mail, instant messages, and social media sites.

Zhang, Abound Omran, and Cobanoglu et al. (2016) they argue that those who are the technology literate usually have a more positive experience in using technology-based services, which suggests that they are more likely to engage in positive e-WOM about the experience of using this service. They also showed that the majority of most developed countries use smart-phones, which suggests that young consumers would be more involved
in e-WOM. Additionally, Liu et al. (2015) recognised that trust in e-WOM is important for consumers because it affects their purchasing decisions, especially if the e-WOM is from someone anonymous and does not occur face-to-face.

When consumers trust influencers, they accept recommendations that could alter their purchasing decisions. In order for companies to establish a good relationship with their customer base, it is important that they work with influencers who are trusted by the majority of the target audience. Sparks and Browning (2011) argue that consumers tend to trust negative information. However, when positive information is presented alongside facts, consumers’ interest is increased. In the context of hotel booking, for example, consumers seek for easy-to-process e-WOM when searching for hotels in the form of reviews. Al-Debei, Akroush, and Ashouri (2015) emphasise that consumers’ attitudes towards e-commerce is based on trust and the benefits they can receive. Therefore, if consumers have trust in e-commerce based on e-WOM, then they are more likely to engage in shopping online.

By building trust in e-WOM advertising, companies give consumers the opportunity to believe in their information (Shaemi & Saneian, 2014). In Shaemi’s and Saneian’s study, it was shown that once a consumer’s had a positive online experience, this encouraged positive WOM, which, in turn, increased trust in the company. Sparks and Browning (2011) argued that when positive information is received alongside facts, it increases the consumer’s interest. Filieri, Alguezaui, and McLeay (2015) state that trust is influential for consumers, and it may cause them to follow other’s advice. Yoon (2012) argues that people with positive experiences with online shopping are more likely to participate in e-WOM by posting about their shopping experience, which could influence future consumers.

2.2 E-WOM in Social Media

Wolney and Muller (2013) argue that e-WOM includes non-textual communication, such as ‘liking’ or ‘re-tweeting’ as well as some forms of comments. Wolney and Muller view the aspect of e-WOM in a wider perspective and do not limit e-WOM to just the statements mentioned by Ishida, Slevitch and Siamionava et al. (2007), mentioned. Jin and Phua (2014) indicate that social media is a main priority for companies’ growth. However, Kaplan and Haenlein (2010) show that there is a narrow understanding of the definition of social media among companies. Consumers use social media to talk about and review products they have purchased, which is another form of e-WOM. Similar to WOM, their
definition of e-WOM refers to ‘any positive or negative statement made by potential, actual or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet’ (Jin and Phua, 2014, p.1).

Social networking sites are the best platforms for e-WOM because, as mentioned previously, they allow consumers to give positive or negative feedback on brands, products and services. As Chu and Kim (2011) mention, social networking sites are growing tremendously. DEI Worldwide (2008) states that in the United States, the impact of social media on purchasing decisions is high. They assert that 70 percent of consumers use social media websites to get information on a company, brand, and product. Also, nearly half (49%) of these consumers made a purchase decision based on what they gathered (DEI Worldwide, 2008, p. 4). This statistic shows the magnitude of influence that social media has upon consumers. DEI Worldwide (2008) states that 6 out of 10 (60 percent) people are more likely to share information they receive online.

3. Research Methodology

This study used purposive sampling since it was necessary to understand the perceptions of Saudi young adults concerning e-WOM on Instagram. Therefore, the need to sample required a specific age group (Bryman, 2012). Young Saudi adults aged 18–25 years were recruited, and the study was focussed on females that followed influential beauty Instagram. The following criteria were considered when selecting interview participants: they needed to have managed an Instagram account, follow influential people, and visit their Instagram accounts on a regular basis (i.e., four times per week). A qualitative method was chosen to address the research question and was deemed suitable for this study (Perner, 2017; Ritchie, Lewis, Mcnaughton and Nicholls, 2014; Yeo et al., 2014). As it was necessary to gain a deep understanding of participants’ perceptions (Wang, 1999), we conducted personal 12 in-depth interviews (Deakin and Wakefield, 2013) with female Saudi young adults who are highly active on social media platforms. The interview sessions lasted between 30 to 60 minutes. However, the majority of the interviews were lasted 40 minutes long.

This study followed the theoretical approach to carry out the thematic analysis. A thematic analysis involves a recursive process where the flexibility of the approach allows it to go back and forth in the data, and the analysis develops over a period of time (Braun and
In the first phase of a thematic analysis the authors became familiar with the data (Braun and Clarke, 2006). During this phase, the authors reviewed and transcribed the data that was produced from the interviews. Then, the authors found parts of the data that were in relation to the research questions. Codes are the most basic segment, or element, of the raw data or information (Boyatzis, 1998) and were assessed in a meaningful way regarding the phenomenon at hand. The authors, then, developed, named and defined the themes that related to the research question. The themes included sufficient evidence, and they are presented in a coherent and logical manner. The thematic analysis included six stages, comparable with other qualitative studies (Braun and Clarke, 2006; Boyatzis, 1998). The outputs from the interviews and the participants’ answers are presented in a thematically approach. Each theme includes the participants’ quotes as well as the authors’ explanations.

4. Data Analysis – Findings

4.1 SMEs Instagram eWOM and Purchase Intention

This theme addresses the interpretation of the impact of e-WOM on participants. The participants held that e-WOM had a significant influence on their purchasing behaviour. Regardless of the source of eWOM (customer reviews or influential Instagrammers), the participants believed that it helped them with in the process of selecting and purchasing goods. Two participants held that Instagram has become a great platform for people interested in beauty products, and that it is a great place to find products and brand recommendations and to watch tutorials. An important aspect for them is that the product reviews had to intrigue them in order for them to think about purchasing a beauty product.

Y.S. said:

I think what they present is great. Instagram has become a platform for people who are interested in beauty and gave them an outlet to demonstrate their talent in the field. For me in order to purchase a product/brand based on a recommendation it had to intrigue me or at least it has to be a product that I already need.

I have purchased a product based on a beauty Instagrammer’s recommendation. Actually, for me to be convinced and intrigued at least more than three popular Instagrammer had to talk about the product/brand for me to go a decide that I might purchase. Obviously, that is after I do my own research.
All participants stated that they prefer to do their own research, but they also expressed that Instagram posts on beauty products persuaded them to purchase certain products. B.B.1 commented:

"Beauty influential Instagrammers tended to have some impact on my perception towards beauty products, but it would not necessarily mean I would purchase it. But it does impact on how I feel towards a product or brand."

"Yeah, it has an effect on me. I think whether it is from Instagrammer or regular customers review it definitely plays a big part. I would say a negative and positive comments has an effect on me."

The statement from Y.S. shows that e-WOM had an impact, but it did not necessarily produce a purchase, which connects to the idea that some participants prefer to also undertake their own research as well. Sometimes influential Instagrammers provide information about a product and awareness, but that doesn’t mean that it did not always translate into the participant would eventually purchasing the product. Two participants, B.B.1 and S.L., had a different outlook on this theme. B.B.1 discussed the social media application, its efficiency, and information provision:

"Instagram allows you to see more reviews and product recommendations and tutorials in a smaller amount of time. Which saves me time instead of having to watch a long video. I find it very efficient."

S.L, on the other hand, talked about how the recommendation was positive or negative and how it would impact her decision to purchase a beauty product. The participant was sceptical about Instagrammers. She found their e-WOM impactful, but she was distrustful of what they were presenting. It was found that honesty and trust most was affecting her purchasing behaviour:

"Yes, I mean like I said it effected my perception. That is why I feel sometimes brands try and get the influencers on their side so that the product can be talked about positively. But sometimes you do get Instagrammer who talk about brands or products that turns out to be not as good. That makes me immediately hesitate when listening to what they have to say about a beauty product."

Y.S. truly relied on e-WOM: specifically, and in particular, what influential beauty Instagrammers were presenting saying. She lacked the requisite knowledge of make-up was not enough so, and she always needed to rely on other people’s opinion of products to help her determine if she should purchase the product herself.
e-WOM has a big influence on me whether it is beauty product or anything else I value the reviews on product is worth purchasing and if it is going to be good for me.

4.2 Trust and Honesty in e-WOM

This theme was a controversial topic in the context of Instagram. B.B.1 talked about deception and the ability for an influential beauty Instagrammer to provide false information by editing their pictures without anyone—followers—truly knowing the difference. She described the uncertainty of not knowing if the Instagrammer had actually tested the product before recommending it. Both Y.S. and A.H. had the same opinion as B.B.1:

I would say probably a negative for both Instagram and YouTube is that there is always the ability for people producing content to either Photoshop or edit the content which is one of the reasons where it makes it hard to trust what they are saying.

Participants thought that Instagrammers should be genuine and authentic because they felt believed that when there was trust existed, the Instagrammer’s recommendation would have more of an impact on them. Some of the participants mentioned honesty in Instagrammers’ positive or negative opinions on products. Several participants believed that some influential beauty Instagrammers lacked honesty in their content and preferred customer reviews because customers do not benefit if they talk positively or negatively about a product:

I think maybe because the customers don’t really have an agenda they’re just giving the experience they had with the product. Sometimes they mention that the post is an advert which I think what they should all do because the audience has the right to know and decide based on that information.

G.B. had a different outlook on e-WOM because she only trusts people who know her personally, and she values their opinion over influential beauty Instagrammers. The only exception for her is if the beauty Instagrammer was a professional make-up artist or a dermatologist who might recommend skin care products. She believed it was easier to trust a professional make-up artist or a beauty guru or someone who uses their platform as a business or as a hobby:

I would say that I trust the people around me for recommendation. My only exception is professionals on Instagram in make-up and skincare.
4.3 Positive Vs. Negative e-WOM

In the interviews, there was a distinction made between positive and negative e-WOM and the effect it had on the participants’ trust. It was found that the majority of the participants held that negative e-WOM was more impactful on them. It impacted their purchasing decision because some participants found it was too risky for some participants, especially if the negative e-WOM was about a specific product. One of the participants’ main concerns was if the product’s e-WOM concerned was about health issues. For the participants, it was important that the beauty products they used were good for their skin and would not harm them. J.H. mentioned that she usually avoids products that have been spoken negatively reviewed about across social media:

> When it comes to e-WOM I tend to generally avoid products that have been spoken about negatively more than once across social media. I personally feel that if these beauty Instagrammers are using make-up all the time and some of them are make-up artist. They must know which is a good product and what product is not as good.

J.A. also agreed, as she felt that she needed to be more cautious and avoid taking a risk with products relating to skincare.

> With skincare products, I take negative e-WOM into consideration more than with skincare products. Just because for me it is important to use good quality and highly recommended skincare products. With make-up on other hand I don’t really look into negative or positive e-WOM too much I prefer to test and try it for myself and then determine.

4.4 Characteristics of the SME Instagram Influencer

This theme concerns is about the nationalities of the influential beauty Instagrammers that the participants were following. All the participants were from Saudi Arabia, and some of them followed Instagrammers that spoke Arabic and were from the Middle East. There were a few participants that followed people from different countries; however, the majority followed beauty influencers from the Middle East. A few of the participants perceived beauty products as something that are universal and not limited to a certain country or culture. L.A. felt that beauty products and specifically make-up was a universal language that led many females who are from different countries and backgrounds to connect, relate to, and talk and discuss online.
I personally feel that make-up is defiantly universal because I can talk to someone online about make-up and they are from different country and different culture and we still can relate when it comes to make-up.

Y.S., on the other hand, had a different outlook on the theme. She preferred to follow Instagrammers who spoke Arabic and were from the Middle East because she believed that when they recommended products, it would be suitable for her country. She mentioned aspects like the heat in Saudi Arabia or how people in Saudi Arabia prefer to use more intense make-up for special occasions. She felt that only people that were from the same region would be able to understand these elements.

In opinion, I prefer following beauty Instagrammers from the middle-east as I have mentioned before because their able to understand certain aspects about the country that not all beauty Instagrammer would understand. Like the weather because it can very hot and the type of make-up worn in special occasions.

Participants mentioned deception and mistrustfulness more than once during their interviews as they felt that it was important for Instagram influencers to be honest. One of the participants, G.B., mentioned that she was following a well-known Middle Eastern Instagrammer with whom she had no issues initially. But after a while, she started to feel that the majority of the posts were formally promoting specific brands, which she did not enjoy. The participant did not enjoy that and immediately stopped following. The participants were skeptical about the situation on Instagram, believing that there was a lot of deception regarding beauty products. The participants mentioned that in order for them to believe and trust Instagrammers, the amount of advertisements had to be reasonable and aligned with their own perceptions:

Yes, a lot because the products are over hyped to the point where you either feel it is not true or genuine or where you feel like you want to buy it then turns out to be a very average product. Something not worth the money or the non-sense hype.

A lot of the participants believed that it was important for the influential Instagrammer to be an expert in the field of beauty, for instance, as a make-up artist, someone who runs a make-up brand, or even a dermatologist. This was deemed particularly important for SMEs as they usually do not assert benefits and prestige from their brand name. The use of an Instagrammer who is a professional in the field of beauty is expected to add trust and value to the SMEs’ offering. To the participants, it was reassuring to know that the Instagrammer was a professional in their field, which encouraged them to purchase based on product recommendations.
However, if the beauty influencer was a make-up artist or someone who was an expert I would definitely take what they say on their posts on board. It does especially that some of these influencers are make-up artist that have experience in the field of make-up. So, their opinion would have a bigger impact on my perception because I know that they are professionals.

4.5 SMEs Instagrammers Advertising Products

All of the participants mentioned advertising by influential Instagrammers, and the majority of them had held a negative view of this, of that advertising as it relates to the aspect of trust and honesty. Similarly, and consistent with what was mentioned in the previous theme, the participants seemed to find it hard to trust Instagrammers who advertise a specific person frequently.

Their post because sometimes they can be adverts for companies and they don’t really say however I can tell sometimes.

I had an experience where I followed a beauty influencer from the Middle East, but she lives in Los Angeles and the majority of her posts are not useful and her content contain lots of advert sponsorship not sure what you would call them. I immediately unfollowed her although she has millions of followers but that shows that for content and then personality is important.

If they have trustworthy reputation if they tend test out the products on camera. I have issue with beauty Instagrammer that advertise a lot because I feel like that trust goes away for me.

Another participant, A.H., felt ambivalent about advertising and trusting Instagram. She felt that some Instagrammers could be trustworthy, while others could not be trusted, depending on certain aspects of their Instagram accounts:

Trusting the beauty influencers, I feel is tricky because you want to believe she is saying is the true but on the other hand it may be an advert. Personally, I would say I trust around 70% are being truthful sometimes it’s obvious because they hype a product so much and you would see the product talked about all over Instagram anyways you since that it is an advert then you have influencers that are straightforward and say that it is an advert.
5. Discussion

This study aimed to explore the importance of Instagram e-WOM for SMEs in the cosmetics industry as a tool to gain competitiveness and resilience. At the same time, the authors investigated how Instagrammers influence young consumers’ purchasing intentions. The findings indicated that the participants are quite sceptical when receiving reviews or promotion from beauty influencers, as they do not always regard them as authentic. They need to do their own research too alongside. Moreover, participants seem to trust influential beauty Instagrammers more when they already had a previous positive experience with the influencer, or the influencers’ transparency in their communication with the audience. The most interesting finding was that trust, honesty, and authenticity were important to the impact of e-WOM’s impact.

To gain and build trust, participants mentioned that they used their personal experience with the beauty influencer. A relationship between trust and e-WOM has been reported in the literature. Liu et al. (2015) recognise that trust in e-WOM is important for consumers because it affects their purchasing decisions, especially if it comes from someone anonymous and not face-to-face. According to Al-Debei et al. (2015) consumers’ attitudes towards e-commerce is based on trust and the benefits they will receive. It has been shown that once an influencer gained the trust of the participants, the decision-making process was facilitated.

One of the criteria for a trusting relationship between influencers and the participants was whether the products the influencers recommended were good and reflective of their descriptions. If a beauty influencer recommended a product and if the review was reflective of the product the participants had purchased, then this built trust in the relationship. This supports Li and Miniard’s (2006) argument that consumers’ trust affects their perceptions and choices, and if it meets its expectations, it also affects their loyalty and assurance.

Furthermore, the majority of the participants were wary of the content they were presented to them on Instagram by beauty influencers. The findings showed that they were seeking signs to see if the beauty Instagram influencer was independent or being sponsored by a brand. According to Li and Miniard (2006), companies want consumers to trust and
believe their information, and in order for them to do that, they use trust advertising. These types of actions made the participants question the content they were presented with on Instagram.

What was one surprising finding was that nationality and culture did not play a big role in the findings. It did not affect the participants’ trust or perception of e-WOM, and it did not affect the type of individuals the participants followed on Instagram. In reviewing the literature, it was found the culture plays some role in e-WOM in certain countries. Fong and Burton (2008) argued that there is difference in e-WOM within different cultures, and that certain cultures have different expectations. A possible explanation for the discrepancy between results of this study and those in the literature is that the participants did not believe e-WOM had a role in e-WOM, trust, and social media.

SMEs can benefit greatly from e-WOM in their quest for competitiveness. Social media provides the opportunity for SMEs to be noticed by thousands or even millions of prospects only by following certain influencers. This is particularly important in the battle against well-known corporations with solid customer bases and highly recognized brands, as SMEs normally cannot afford to spend heavily on communication (Brink, 2015). On top of this, SMEs marketers have less control over what is being said about their brand online, which is why they should carefully work with beauty influencers in order to take back some control over their reputation (Wolney & Muller, 2013). Therefore, when a beauty influencer on Instagram advertises a product to SMEs’ followers, the audience takes notice of the brand, which in turn leads to an increased awareness and purchase intention. Sales figures are expected to benefit from this result, too (Ahrens, Coyle, & Strahilevitz et al., 2013). Therefore, SMEs have more weapons in their arsenal and are more likely to overcome any communication issues and bounce back with the use of more convincing promotional material. Finally, SMEs that integrate social media eWOM into their marketing mix will have a greater opportunity to become more competitive against large corporations, as they can directly influence consumers’ buying behaviour, given that social media users are consumers that are more likely to take action. In that sense, SMEs marketing managers should carefully manage positive reviews as these are found to be less effective when they do not include facts and relevant information (Sparks & Browning, 2011).
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Improving SMEs competitiveness with the use of Instagram Influencer Advertising and eWOM

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Improving SMEs competitiveness with the use of Instagram influencer advertising and eWOM

Abstract
Under Saudi Vision 2030, there will be a forthcoming increase in support to small or medium-sized enterprises (SMEs) from the current 20 percent of GDP to 35 percent. Thus, SMEs’ access to finance will become easier. At the same time, the cosmetics retail industry is expected to rapidly grow in the next few years because of the already mounting demand and availability of cosmetics through online channels. The purpose of this study is to explore the use of beauty Instagram influencers in advertising as a tool to increase competitiveness for SMEs. An exploratory research design was employed, and in-depth interviews conducted to gain a better understanding of female Saudi young adults’ perceptions of trust towards Instagram influencers, electronic word-of-mouth (eWOM), and advertising. Implications for SMEs managers are also discussed.
1. Introduction
Small or medium-sized enterprises (SMEs) play a pivotal role in the modern business world (Ozgulbas, Koyuncugil, & Yilmaz, 2006; Han, Xiang, & Yang, 2017). The importance of SMEs in the global economy is undoubtedly reflected in most countries’ economies, as more than 90 percent of all businesses fall into this category (Cull et al., 2006). Still, SMEs’ dominance in most economies is insufficient to prevent their vulnerability to existing competition from large corporations. In recent years, the introduction of new technologies and globalisation have increased opportunities but also fierce competition (Tajuddin, Hashim, & Zainol, 2017). The global economic slowdown has also presented a new challenge for SMEs, which had to demonstrate resilience in terms of sustainable business (Karaev et al. 2007; Rizomyliotis, Konstantoulaki, & Kostopoulos, 2017). In an increasingly unpredictable business landscape, SMEs have always had the advantages of flexibility and adaptability, mainly due to their small size. In that sense, it seems feasible and perhaps inevitable for SMEs to consider factors, such as changing technologies and emerging communication techniques, as pathways to achieve competition and sustainability (Gradzol, Gradzol, & Rippey, 2005).

Thus, ongoing communication with their customer base is a critical success factor for SMEs’ continued operational effectiveness in the future (Dulewicz & Higgs, 2003). SMEs must strengthen dialogue and communication with their customers to enhance their resilience and remain sustainable in the global market (Gończ, Skirke, Kleizen & Barber, 2007). According to Gunasekaran, Rai and Griffin (2011), ‘sustainability can become operational only if consensus and balance is found in its conflicting constraints by means of optimised, win–win solutions, suitable for the cultural characteristics. Local and global solutions should support each other, and the integration of new technology and academic research should be aligned with sustainability of SMEs’ (p. 5492).

Thus, this article offers a better understanding of the use of social media, Instagram advertising, and electronic word of mouth (eWOM) as key communication pathways for modern SMEs in their effort to achieve resilience and competitiveness. Resilience is a business’ ability to survive change through constant renewal of its operations (Mafabi, Munene, & Ahiauzu, 2015). Resilience for SMEs calls for successful information and knowledge management through strategic managerial thinking and technology (Egbru, Hari, & Renukappa, 2005). As such, the use of new technologies in various fields of SMEs
operations is essential to achieving competitiveness. One field where technology has been increasingly invasive is business and marketing communication with the inclusion of social media into SMEs’ marketing mix. While the research area of social media is gaining increasing attention, there has been relatively limited research on the implications for SMEs’ resilience and competitiveness, especially in the context of emerging economies (Fong & Burton, 2008; Tajuddin, Hashim, & Zainol, 2017).

Specifically, this article aims to explore the role of Instagram e-WOM as a potential determinant of the resilience and competitiveness of SMEs in the cosmetics industry. More specifically, the authors explore young adults’ perception of e-WOM and investigate how beauty Instagrammers influence their buying intentions. The study encompasses three research questions:

- How do consumers perceive SMEs’ influential Instagrammers in the cosmetics industry?
- How do SMEs’ influential beauty Instagrammers influence consumers purchase intentions in the cosmetics industry?
- What are the key elements that make SMEs’ beauty Instagrammers’ e-WOM more effective?

The paper is structured as follows. First, it reviews the relevant research background and then describes the methodology in section two. The third section explains the research findings, which are then discussed in further detail in the conclusions.

2. Research Background

The research setting of the Saudi Arabia economy was deemed ideal for the scope of this paper. Under Saudi Vision 2030, there is a forthcoming increase in support of SMEs from 20 percent of GDP currently to 35 percent by 2030 by facilitating their access to funding. In view of this favourable state, the cosmetics retail industry is expected to rapidly grow in the next decades. The demand is already mounting, partly due to the accessibility of cosmetics through online channels. This is a considerable challenge for local SMEs given that online is an affordable and effective way of doing business. On this basis, it appears that SMEs could take advantage of these opportunities and explore the prospects of online communication to reach the goal of businesses resilience and competitiveness.
In the last decade, the introduction of new technologies has contributed to the use of social media influencers to promote brands and improve business sales and performance (Yap, Soetarto, & Sweeney, 2013). For SMEs to survive and grow, they need a strong e-commerce strategy. Social media has opened a pathway for eWOM and the rise of social media influencers now have access to millions of followers, and in turn, potential customers. Specifically, influential Instagrammers are people with a large online presence that has an impact on followers using Instagram, a video- and photo-based social media application.

The cosmetics industry is also spreading across social media platforms. For example, luxury brands are using viral marketing content, such as sponsored videos, to attract new customers. Companies in the industry use public, commercial social media accounts to advertise their products (Wolny & Mueller, 2013). The growth of e-commerce is following the growth of social networking. Brands increase sales by connecting with users in an online environment and users, in turn, share their product experience. By sharing their views through posts, they lead new consumers to form opinions about products that ultimately affects their decision-making. Therefore, bloggers and social media influencers can thrive because they are regular people and occasionally not affiliated with a specific brand. Moreover, there is a defined need for the cosmetics industry to adapt to virtual consumers who participate in forums and blogs (Kulamala, Mesiranta, & Tuominen, 2013). In these online environments, consumers gain entertainment and social links and seek product information. Some consumers consider these types of online platforms as more reliable than corporations themselves.

Internet advertising combined with e-WOM has a positive effect on perceived value and risk, which has an immediate effect on the intention to buy (Lim, 2015). This can lead to a stronger and more competitive position in the market because of both increased sales and consumer satisfaction. Yet, beauty websites occasionally attempt to influence consumers’ purchase intention with the use of online advertising (Chen, 2014). This type of advertising steers consumers away because consumers are aware of the business’ intention to persuade by promoting the brand’s positive aspects, so the tactic is less and less effective. Among others, marketers seek ways to gain their consumers’ trust by instilling trust in advertising (Li & Miniard, 2006). It has been argued that consumers scepticism towards advertisements is less focused on advertisements, especially those that offer generic information and only highlight the brand (Obermiller, Spangenberg, & MacLachlan, 2005).
2.1 Word of Mouth and e-Word of Mouth

Word of mouth (WOM) is oral communication and the means of spreading information (Ismagilova, Dwivedi, Slade, & Williams, 2017). In the context of marketing and communications, WOM is defined as a process between people where the receiver obtains information that usually concerns a brand or their products or services (Ismagilova et al., 2017). Lim and Chung (2011) define WOM as casually communicating information with other consumers usually independent of marketers. WOM plays an important role in the market because it helps consumers to shape their attitudes and behaviours. When consumers ask their peers for help with decision making, WOM has a significant effect on what people know, feel, and do (Buttle, 1998). Therefore, companies heavily rely on WOM: When releasing a product into the market they point to the importance of WOM as one of the marketing communication strategies that can increase new product demand (Bruce, Foutz, & Kolsarici, 2012). Trusov, Bucklin and Pauwels (2009) used a vector autoregressive modelling approach to study the effect of WOM in online marketing versus traditional marketing. Their study found that online marketing has a greater impact than traditional marketing, produces more actions based on WOM, and a higher response rate.

In fact, advertisements become ineffective and easy to forget when they are voluminous, and thus advertising is less successful (Dinh & Mai, 2016). Therefore, unconventional and cost-effective marketing methods, like guerrilla marketing, have been employed to deal with this issue. Guerrilla marketing uses many tools, including eWOM (Weiss, Lurie, & MacInnis, 2008). Trusov, Bucklin, and Pauwels (2009) argue that WOM is known to be more effective than traditional advertising because it avoids consumer unwillingness to listen to advertisements, it is low cost, and has efficient delivery. Herr, Kardes, and Kim (1991) argue that because consumers do not have a specific agenda, they are perceived to be trustworthier than adverts. Customers can be influenced to buy a product through normative and informational influencing. Normative influencing occurs when consumers experience other peoples’ affirmations and informational influence occurs when they receive information about the product, which could be gained through previous experiences (Chu & Kim, 2011).

However, consumers seem to be affected less by WOM when they already have a prior experience with the brand (Herr, Kardes, & Kim, 1991). Basri, Ahmad, Anuar, and Ismail
(2016) found that WOM, and specifically independent variables like service quality, food quality, physical environment quality, and price, significantly affect consumers’ purchasing decision.

While afforded the task of connecting to several audiences, marketers have explored communication tools based on the development of technology, so e-WOM is often used instead of traditional WOM. Ahrens, Coyle, and Strahilevitz (2013) refer to this as e-referrals, a way for individuals to promote a brand, product, or service. This process can either be inbound or outbound and performed through different technological means, like blogs, e-mail, instant message, and social media sites.

Zhang, Abound Omran, and Cobanoglu (2016) argue that the technology literate usually have a more positive experience using technology-based services, which suggests that they are more likely to engage in positive e-WOM about the experience of using this service. Additionally, Liu et al. (2015) recognised that trust in e-WOM is important for consumers because it affects their purchasing decisions, especially if the e-WOM is anonymous and does not occur face-to-face.

When consumers trust influencers, they accept recommendations that could alter their purchasing decisions. For companies to establish a good relationship with their customer base, it is important they work with influencers who are trusted by most of the target audience. Sparks and Browning (2011) argue that consumers tend to trust negative information. However, when positive information is presented alongside facts, consumers’ interest is increased. In the context of hotel booking, for example, consumers seek for easy-to-process e-WOM when searching for hotels in the form of reviews. Al-Debei, Akroush, and Ashouri (2015) emphasise that consumers’ attitudes towards e-commerce is based on trust and the benefits they can receive. Therefore, if consumers trust e-commerce based on e-WOM, they are more likely to engage in shopping online.

By building trust in e-WOM advertising, companies give consumers the opportunity to believe in their information (Shaemi & Saneian, 2014). In Shaemi and Saneian’s study, it was shown that a consumer’s positive online experience encouraged positive WOM, which, in turn, increased trust in the company. Filieri, Alguezau, and McLeay (2015) state that trust is influential for consumers and may cause them to follow others’ advice. Yoon (2012)
argues that people with positive experiences with online shopping are more likely to participate in e-WOM by posting about their shopping experience, which could influence future consumers.

2.2 E-WOM in Social Media

Wolney and Muller (2013) argue that e-WOM includes non-textual communication, such as ‘liking’ or ‘re-tweeting’ as well as some form of comments. Wolney and Muller view e-WOM in a wider perspective and do not limit e-WOM to just the statements Ishida, Slevitch, and Siamionava (2007) mentioned. Jin and Phua (2014) indicate that social media is a main priority for companies’ growth. However, Kaplan and Haenlein (2010) show that there is a narrow understanding of the definition of social media among companies. Consumers use social media to discuss and review products they have purchased, which is another form of e-WOM. Similar to WOM, their definition of e-WOM refers to ‘any positive or negative statement made by potential, actual or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet’ (Jin & Phua, 2014, p. 1).

Social networking sites are the best platforms for e-WOM because as mentioned previously, they allow consumers to give positive or negative feedback on brands’ products and services. As Chu and Kim (2011) mention, social networking sites are growing tremendously. DEI Worldwide (2008) states that in the United States, the impact of social media on purchasing decisions is high. They assert that 70 percent of consumers use social media websites to get information on a company, brand, and product. Also ‘nearly half (49%) of these consumers made a purchase decision based on what they gathered’ (DEI Worldwide, 2008, p. 4). This statistic shows the magnitude of influence that social media has upon consumers. DEI Worldwide (2008) states that 6 out of 10 (60 percent) people are more likely to share information they receive online.

3. Research Methodology

This study used purposive sampling since it was necessary to understand the perceptions of Saudi young adults concerning e-WOM on Instagram. Therefore, the sample required a specific age group (Bryman, 2012). Young Saudi adults ages 18–25 years were recruited, and the study focussed on females who followed influential beauty Instagram. The following criteria were considered when selecting interview participants: manage an Instagram
account, follow influential people, and visit their Instagram accounts on a regular basis (i.e. four times per week). A qualitative method was chosen to address the research question and was deemed suitable for this study (Perner, 2017; Ritchie, Lewis, & Mcaughton Nicholls, 2014). As it was necessary to gain a deep understanding of participants’ perceptions, we conducted 12 in-depth interviews (Deakin & Wakefield, 2013) with female Saudi young adults who are highly active on social media platforms. The interview sessions lasted between 30 to 60 minutes, however, most interviews lasted 40 minutes.

This study followed the theoretical approach to carry out the thematic analysis. A thematic analysis involves a recursive process where the flexibility of the approach allows it to go back and forth in the data, and the analysis develops over a period of time (Braun and Clarke, 2006). In the first phase of a thematic analysis the authors became familiar with the data (Braun and Clarke, 2006). During this phase, the authors reviewed and transcribed the data that was produced from the interviews. Then, the authors found parts of the data that were in relation to the research questions. Codes are the most basic segment, or element, of the raw data or information (Boyatzis, 1998) and were assessed in a meaningful way regarding the phenomenon at hand. The authors, then, developed, named and defined the themes that related to the research question. The themes included sufficient evidence, and they are presented in a coherent and logical manner (Braun and Clarke, 2006). The thematic analysis included six stages, comparable with other qualitative studies (Braun & Clarke, 2006; Boyatzis, 1998). The outputs from the interviews and the participants’ answers are presented thematically. Each theme includes the participants’ quotes as well as the authors’ explanations.

4. Data Analysis – Findings

4.1 SMEs Instagram eWOM and Purchase Intention

This theme addresses the interpretation of the impact of e-WOM on participants. The participants held that e-WOM had a significant influence on their purchasing behaviour. Regardless of the source of eWOM (customer reviews or influential Instagrammers), the participants believed it helped them with selecting and purchasing goods. Two participants held that Instagram has become a great platform for people interested in beauty products, a great place to find products and brand recommendations and to watch tutorials. An important aspect for them is that the product reviews had to intrigue them in order for them to think about purchasing a beauty product.
I think what they present is great. Instagram has become a platform for people who are interested in beauty and gave them an outlet to demonstrate their talent in the field. For me in order to purchase a product/brand based on a recommendation it had to intrigue me or at least it has to be a product that I already need. [Y.S.]

I have purchased a product based on a beauty Instagrammer’s recommendation. Actually, for me to be convinced andintrigued at least more than three popular Instagrammer had to talk about the product/brand for me to go a decide that I might purchase. Obviously, that is after I do my own research. [Y.S.]

All participants stated that they prefer to do their own research, but they also expressed that Instagram posts on beauty products persuaded them to purchase certain products. B.B.1 commented:

*Beauty influential Instagrammers tended to have some impact on my perception towards beauty products, but it would not necessarily mean I would purchase it. But it does impact on how I feel towards a product or brand. [B.B.1]*

Yeah, it has an effect on me I think weather it is from Instagrammer or regular customers review it defiantly plays a big part. I would say a negative and positive comments has an effect on me. [B.B.1]

The statement from Y.S. shows that e-WOM had an impact, but it did not necessarily produce a purchase, thus some participants prefer to also undertake their own research. Sometimes influential Instagrammers provide information about a product and awareness, but it did not always translate into the participant purchasing the product. Two participants, B.B.1 and S.L., had a different outlook on this theme. B.B.1 discussed the social media application, its efficiency, and information provision:

*Instagram allows you to see more reviews and product recommendations and tutorials in a smaller amount of time. Which saves me time instead of having to watch a long video. I find it very efficient. [B.B.1]*

S.L, on the other hand, discussed if the recommendation was positive or negative and how it would impact her decision to purchase a beauty product. The participant was sceptical about
Instgrammers. She found their e-WOM impactful, but she was distrustful of what they were presenting. It was found that honesty and trust most affected her purchasing behaviour:

“Yes, I mean like I said it effected my perception. That is why I feel sometimes brands try and get the influencers on their side so that the product can be talked about positively. But sometimes you do get Instagrammer who talk about brands or products that turns out to be not as good. That makes me immediately hesitate when listening to what they have to say about a beauty product. [S.L]"

Y.S. truly relied on e-WOM; specifically, what influential beauty Instagrammers were presenting. She lacked the requisite knowledge of make-up, so she had to rely on other people’s opinion of products to help her determine if she should purchase the product.

e-WOM has a big influence on me weather it is beauty product or anything else I value the reviews on product is worth purchasing and if it is going to be good for me.

4.2 Trust and Honesty in e-WOM

This theme was a controversial topic in the context of Instagram. B.B.1 discussed deception and the ability for an influential beauty Instagrammer to provide false information by editing pictures without followers truly knowing the difference. She described the uncertainty of not knowing if the Instagrammer had tested the product before recommending it. Both Y.S. and A.H. had the same opinion as B.B.1:

“I would say probably a negative for both Instagram and YouTube is that there is always the ability for people producing content to either Photoshop or edit the content which is one of the reasons where it makes it hard to trust what they are saying.

Participants thought that Instagrammers should be genuine and authentic because they believed that when trust existed, the Instagrammer’s recommendation would have more of an impact. Some participants mentioned honesty in Instagrammers’ positive or negative opinions on products. Several participants believed that some influential beauty Instagrammers lacked honesty in their content and preferred customer reviews because customers do not benefit if they talk positively or negatively about a product:

“I think maybe because the customers don’t really have an agenda they’re just giving the experience they had with the product. Sometimes they mention that the post is an
advert which I think what they should all do because the audience has the right to know and decide based on that information. [B.B.] 

G.B. had a different outlook on e-WOM because she only trusts people who know her personally, and she values their opinion over influential beauty Instagrammers. The only exception for her is if the beauty Instagrammer was a professional make-up artist or a dermatologist who might recommend skin care products. She believed that it was easier to trust a professional make-up artist over a beauty guru or someone who uses their platform as a business or as a hobby:  

I would say that I trust the people around me for recommendation. My only exception is professionals on Instagram in make-up and skincare. [G.B.] 

4.3 Positive Vs. Negative e-WOM  

In the interviews, there was a distinction made between positive and negative e-WOM and the effect it had on the participants’ trust. It was found that most participants held that negative e-WOM made more of an impact on their purchasing decision because some participants found it too risky, especially if the negative e-WOM was about a specific product. One of the participants’ main concerns was if the product’s e-WOM concerned health issues. For the participants, it was important that the beauty products they used were good for their skin and would not harm them. J.H. mentioned that she usually avoids products that have been negatively reviewed across social media:  

When it comes to e-WOM I tend to generally avoid products that have been spoken about negatively more than once across social media. I personally feel that if these beauty Instagrammers are using make-up all the time and some of them are make-up artist. They must know which is a good product and what product is not as good. 

J.A. agreed, as she believed that she needed to be more cautious and avoid taking a risk with products relating to skincare.  

With skincare products, I take negative e-WOM into consideration more than with skincare products. Just because for me it is important to use good quality and highly recommended skincare products. With make-up on other hand I don’t really look into negative or positive e-WOM too much I prefer to test and try it for myself and then determine. [J.A.]
4.4 Characteristics of the SME Instagram Influencer

This theme concerns the nationalities of the influential beauty Instagrammers the participants were following. All participants were from Saudi Arabia: some followed Instagrammers who spoke Arabic and were from the Middle East, and a few followed people from different countries; however, most followed beauty influencers from the Middle East. A few participants perceived beauty products as something universal and not limited to a certain country or culture. L.A. held that beauty products and specifically make-up was a universal language that led many females who are from different countries and backgrounds to connect, relate, and discuss online.

*I personally feel that make-up is definantly universal because I can talk to someone online about make-up and they are from different country and different culture and we still can relate when it comes to make-up.* [L.A.]

Y.S. had a different outlook. She preferred to follow Instagrammers who spoke Arabic and were from the Middle East because she believed that when they recommended products, it would be suitable for her country. She mentioned aspects like the heat in Saudi Arabia or how people in Saudi Arabia prefer to use more intense make-up for special occasions. She believed that only people from the same region would understand these elements.

*In opinion, I prefer following beauty Instagrammers from the middle-east as I have mentioned before because their able to understand certain aspects about the country that not all beauty Instagrammer would understand. Like the weather because it can very hot and the type of make-up worn in special occasions.* [Y.S.]

Participants mentioned deception and mistrustfulness more than once during their interviews as they believed that it was important for Instagram influencers to be honest. One of the participants, G.B., mentioned that she was following a well-known Middle Eastern Instagrammer with whom she had no issues initially. But in time she started to think that most posts were formally promoting specific brands, which she did not enjoy and unfollowed. The participants were sceptical about the situation on Instagram, believing that there was deception regarding beauty products. The participants mentioned that for them to believe and trust Instagrammers, the advertisements had to be reasonable and aligned with their own perceptions.
Yes, a lot because the products are over hyped to the point where you either feel it is not true or genuine or where you feel like you want to buy it then turns out to be a very average product. Something not worth the money or the non-sense hype. [Y.S.]

Many participants believed that it was important for the influential Instagrammer to be an expert in the field of beauty, for instance, as a make-up artist, someone who runs a make-up brand, or even a dermatologist. This was deemed particularly important for SMEs as they usually do not assert benefits and prestige from their brand name. The use of an Instagrammer who is a professional in the field of beauty is expected to add trust and value to the SMEs’ offering. To the participants, it was reassuring to know that the Instagrammer was a professional, which encouraged them to purchase based on product recommendations.

However, if the beauty influencer was a make-up artist or someone who was an expert I would definitely take what they say on their posts on board. It does especially that some of these influencers are make-up artist that have experience in the field of make-up. So, their opinion would have a bigger impact on my perception because I know that they are professionals. [B.B.1]

4.5 SMEs Instagrammers Advertising Products

All the participants mentioned advertising by influential Instagrammers, and most held a negative view of that advertising as it relates to trust and honesty. Similarly, and consistent with the previous theme, the participants seemed to find it hard to trust Instagrammers who advertise a specific person frequently:

Their post because sometimes they can be adverts for companies and they don’t really say however I can tell sometimes. [Y.S.]

I had an experience where I followed a beauty influencer from the Middle East, but she lives in Los Angeles and the majority of her posts are not useful and her content contain lots of advert sponsorship not sure what you would call them. I immediately unfollowed her although she has millions of followers but that shows that for content and then personality is important. [B.B.1]

If they have trustworthy reputation if they tend test out the products on camera. I have issue with beauty Instagrammer that advertise a lot because I feel like that trust goes away for me. [G.B.]
Another participant, A.H., felt ambivalent about advertising and trusting Instagram. She felt that some Instagrammers could be trustworthy, while others could not be trusted, depending on certain aspects of their Instagram accounts:

*Trusting the beauty influencers, I feel is tricky because you want to believe she is saying is the true but on the other hand it may be an advert. Personally, I would say I trust around 70% are being truthful sometimes it’s obvious because they hype a product so much and you would see the product talked about all over Instagram anyways you since that it is an advert then you have influencers that are straightforward and say that it is an advert.* [A.H.]

5. Discussion

This study aimed to explore the importance of Instagram e-WOM for SMEs in the cosmetics industry as a tool to gain competitiveness and resilience. The authors investigated how Instagrammers influence young consumers’ purchasing intentions. The findings indicated that the participants are quite sceptical when receiving reviews or promotion from beauty influencers as they do not always regard them as authentic. And, they need to do their own research, too. Moreover, participants seem to trust influential beauty Instagrammers more when they already had a previous positive experience with the influencer. The most interesting finding is the importance of trust, honesty, and authenticity to an e-WOM’s impact.

To gain and build trust, participants mentioned that they used their personal experience with the beauty influencer. A relationship between trust and e-WOM has been reported in the literature. Liu et al. (2015) recognise that trust in e-WOM is important for consumers because it affects their purchasing decisions, especially if it comes from someone anonymous and not face-to-face. According to Al-Debei et al. (2015) consumers’ attitudes towards e-commerce is based on trust and the benefits they will receive. It has been shown that once an influencer gained the participants’ trust, the decision-making process was facilitated.

One of the criteria for a trusting relationship between influencers and the participants was whether the products the influencers recommended were good and reflective of their descriptions. If a beauty influencer recommended a product and if the review was reflective
of the product the participants had purchased, this built trust in the relationship. This supports Li and Miniard’s (2006) argument that consumers’ trust affects their perceptions and choices, and if it meets expectations, it also affects their loyalty and assurance.

Furthermore, most participants were wary of the content beauty influencers presented to them on Instagram. The findings showed that they were seeking signs to see if the beauty Instagram influencer was independent or sponsored by a brand. According to Li and Miniard (2006), companies want consumers to trust and believe their information, and for them to do that, they use trust advertising. These types of actions made the participants question the content they were presented with on Instagram.

One surprising finding was that nationality and culture did not play a big role in the findings. It did not affect the participants’ trust or perception of e-WOM, and it did not affect the type of individuals the participants followed on Instagram. In reviewing the literature, it was found the culture plays some role in e-WOM in certain countries. Fong and Burton (2008) argued that there is difference in e-WOM with different cultures, and that certain cultures have different expectations. A possible explanation for the discrepancy between results of this study and those in the literature is that the participants did not believe that Saudi culture played a role in e-WOM, trust, and social media.

SMEs can benefit greatly from e-WOM in their quest for competitiveness. Social media provides the opportunity for SMEs to be noticed by thousands or even millions of prospects only by following certain influencers. This is particularly important in the battle against well-known corporations with solid customer bases and highly recognized brands, as SMEs normally cannot afford to spend heavily on communication (Brink, 2015). Moreover, SMEs marketers have less control over what is said about their brand online, which is why they should carefully work with beauty influencers to take back some control over their reputation (Wolney & Muller, 2013). Therefore, when a beauty influencer on Instagram advertises a product for SMEs’ followers, the audience takes notice of the brand, which in turn leads to an increased awareness and purchase intention. Sales figures are expected to benefit from this result, too (Ahrens, Coyle, & Strahilevitz, 2013). Therefore, SMEs have more weapons in their arsenal and are more likely to overcome any communication issues and bounce back with the use of more convincing promotional material. Finally, SMEs that integrate social media eWOM into their marketing mix will
have a greater opportunity to become more competitive against large corporations as they can directly influence consumers’ buying behaviour given that social media users are consumers more likely to act. Thus, SMEs marketing managers should carefully manage positive reviews as these are found to be less effective when they do not include facts and relevant information (Sparks & Browning, 2011).

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