Towards a world of influencers: Exploring the relationship building dimensions of Influencer Marketing
Acknowledgements

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Abstract

Background: The emergence of the Internet, and in particular social network sites, has led to the appearance of new powerful actors, i.e. Social Media Influencers, with the power to persuade their audience. This introduced a middleman in the company-consumer relationship and a new stakeholder to build relationships with. Small and medium-sized enterprises’ (SMEs) marketing activities differ from traditional practices. SMEs need to be more creative when engaging in Influencer Marketing given their resource constraints. The presence of a relationship can help SMEs to increase and improve their brand image, support the launch of new products and most essentially avoid large investments of Influencer Marketing.

Purpose: The purpose of this study is to explore the methods Swedish SMEs use in their relationship building activities with influencers, as well as the underlying dimensions related to those methods.

Method: An inductive research approach is utilized, with the aim to extend the current knowledge available about relationship building with influencers. The use of a qualitative approach with semi-structured interviews allowed the exploration of how SMEs build relationships with influencers from a management perspective.

Conclusion: This thesis indicates that Swedish SMEs’ relationship building activities are influenced by certain underlying dimensions. These are adherence to brand values, timeline of the collaboration, nature of the product, paid and earned forms of collaborations and the types of relationships SMEs establish: formal and informal. The means used by SMEs when building relationship with influencers were identified as communication, events, feedback and gifts. Further, resource constraints did not appear to influence how SMEs build relationships with influencers but instead the type and number of influencers they work with.
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1. Introduction

In this chapter we start by providing a background to Influencer Marketing, leading to the identification of a gap in the literature concerning relationship building with influencers. Thereafter, the purpose, research question, method, intended contribution, and delimitations of the research are addressed. The introduction is concluded by providing definitions of key terms and abbreviations.

1.1 Background

The introduction of the Internet has given firms new tools with which they can reach and interact with new and potential customers. By utilizing Social Network Sites (SNS) such as Facebook, Twitter, Instagram and YouTube, it is possible for firms to interact with consumers, competitors, collaborators, decision-makers and more, in a direct fashion. Social media has introduced new marketing and communicational tools through which firms can increase awareness of their brand and products such as the marketing tool of Influencer Marketing (IM). IM is defined as “the art and science of engaging people who are influential online to share brand messaging with their audiences in the form of sponsored content” (Sammis et al., 2015, p. 7). These influential people, i.e. influencers, also known as third party endorsers or social media influencers (SMIs), have persuasive power over a large number of followers on social media platforms (Freberg, Graham, McCaughey & Freberg, 2011).

IM can take two forms: earned and paid (Sudha & Sheena, 2017). The former is characterized as using free or already established relationships with influencers, in order for firms to increase brand awareness and support influencers to grow professionally. Paid IM, however, is considered to involve commercial relationship with influencers. More specifically, influencers are paid for advertising which can take the forms of sponsorship and testimonial messaging (Sudha & Sheena, 2017). Sponsorship, also known as ambassadorship, is when a company employs a person whom customers admire and makes him or her an ambassador for the brand. Both the brand and influencer are committed to a continuous collaboration (Statens Offentliga Utredningar, 2018), usually stretching six months or longer (IAB, 2017).
As an academic field, IM can be argued to be both an old and a new field of study. Old in the sense that brands have a history of collaborating with celebrities and other influential people, so-called opinion leaders, to promote their products to the masses, using their influence to increase sales (Madumere, 2017). New in the sense that this collaboration has moved online and now include a greater diversity of people with a powerful online presence (Madumere, 2017). It is made clear that the concept is built upon previously known mechanisms within marketing but in a new context. Ferguson (2008) argued that by establishing IM programs, firms generally wish to build awareness and buzz of a company, brand or product by producing positive word-of-mouth (WOM). In relation, the term often used for the exchange of evaluations of products and services between different parties online (Wang, Yeh, Chen & Tsydypov, 2015), is electronic word-of-mouth (eWOM). Although IM has been studied from different perspectives, De Veirman, Cauberghe and Hudders (2017) noted that the phenomena of IM, still remains under-researched.

1.2 Problem Background

IM gives a brand the opportunity to connect its marketing activities, Public Relations (PR), sales and social media presence by communicating with an influential profile (IAB, 2017). Relationship building with key stakeholders is conducted by public relation practitioners as part of companies’ PR activities (PRSA, n.d.). The core function of PR is to create and maintain trustworthy relationships with their audience (Charest, Bouffard & Zajmovic, 2016). The emergence of SMIs introduced a middle-man in company-consumer relations, and as such, another party to build relations with (Lin, Bruning & Swarna, 2018).

Companies can through a variety of actions build relationships with influencers. They can, for example, invite influencers to events, reward them with products and other promotions, provide training programs and input support (Uzunoğlu & Misci Kip, 2014). Vernette (2004) found that influencers differ from one another and marketers need to engage with influencers with more focused activities, such as direct mail and seminars. Giving away free products or special discounts can also be considered as a focused activity (Nejad, Sherrell & Babakus, 2014). Apart from that, firms can build and strengthen their relationship with influencers by engaging them into their product
development process. By sending free samples to influencers and asking for feedback, brands can develop trustworthy relations with influencers (Nejad et al., 2014).

Establishing long-lasting relationships with influencers may be of a particular interest for firms with scarce resources to reap the benefits of IM. Organizations, irrespective of size, face several different resource constraints. Some of these constraints concern financial resources such as cash flow and inventory (George, 2005), others relate to hiring skilled and well-performing employees (Mishina, Pollock & Porac, 2004). These limitations affect the marketing activities of both large companies and small and medium-sized enterprises (SMEs) (Gilmore, Carson & Grant, 2001). Companies who employ fewer than 250 persons with an annual turnover not exceeding EUR 50 million are defined to be SMEs (European Commission, 2003). SMEs marketing activities tend to differ from conventional marketing practices (Fillis, 2002). Compared to large firms, SMEs emphasize direct relationship with specific customers, they are more informal and use fewer ways to measure market performance (Coviello, Brodie & Munro, 2000).

SMEs have a limited impact on the marketplace due to their relatively small amounts of orders, customers and employees (Gilmore et al., 2001). Their limited resources are not simply financial in nature, but also constitute a relative lack of marketing knowledge and time (Carson & Cromie, 1989). Sammis et al. (2015) argue that SMEs are more likely to enjoy IM implementation than big brands due to their nimble characteristics and ability to better adjust to new environments. However, the lack of resources can impact the length and size of influencer programs. Previous research has been mixed about what SMEs financial resource constraints can mean for their innovativeness; some have found that it can limit them, while others claim that it can foster the identification of “more diverse and creative opportunities” (Burg, Podoynitsyna, Beck & Lommelen, 2012, p. 1001).

Although, it has been pointed out that IM is an inexpensive form of marketing strategy (Sahelices-Pinto & Rodríguez-Santos, 2014), SMEs may experience barriers towards using some of the forms of IM that require substantial investments. Employing large SMIs who have access to the target audience continuously may be one of these barriers (Sammis et al., 2015). As a result, they may not have the possibility to engage in sponsorships, but
instead use other techniques such as paying influencers with valuable products, attention and provide insider information (Sammis et al., 2015).

1.3 Problem Discussion
Creating attractive and valuable campaigns is time-consuming and requires substantial resources (Sammis et al., 2015). Brands can avoid large investments by spending more time identifying influencers, those who are very interested in the products, and developing strong relationships with influencers (Sammis et al., 2015). Building relationships with influencers has been identified as a tool to help companies increase brand awareness, support product launches and improve the reputation of the brand (Uzunoğlu & Misci Kip, 2014).

Previous studies have pointed out events, training programs, input support, feedback, direct communication, free distribution of products and special discounts as relationship building methods with influencers (Uzunoğlu & Misci Kip, 2014; Vernette, 2004; Nejad et al., 2014). Whether these identified methods were applied by SMEs or not, have not been disclosed in previous research. Moreover, Nejad et al. (2014) stated that communication strategies that appeal to influencers need to be further researched. Especially for SMEs, because they need to be creative when implementing marketing activities in order to overcome their resource constraints (Fillis, 2002). Thus, certain dimensions of relationship building related to how SMEs build relationships with influencers is yet to be explored, specifically related to the methods used.

This study sets out to explore SMEs relationship building activities with influencers and the underlying dimensions of those activities from a management perspective. As SMEs marketing practices have been said to be “shaped by the peculiarities of small firms” (Carson & Cromie, 1989, p. 8), understanding how SMEs can attract and appeal to these influencers, given their resource constraints, is of great interest.

1.4 Purpose and Research Question
Although previous studies have identified several methods that companies have at their disposal when building relationship (Uzunoğlu & Misci Kip, 2014; Vernette, 2004; Nejad et al., 2014), the aim of this study is to explore the methods SMEs use to build relationships with influencers and the underlying dimensions related to those activities,
given their resource constraints. To fulfill the purpose of this paper, the research question which will guide this study is the following:

*How do Swedish SMEs build relationships with influencers?*

In order to answer the overarching research question, the following sub-questions will be addressed:

*What methods do Swedish SMEs utilize when building relationships with influencers?*

*What are the underlying dimensions related to the methods Swedish SMEs utilize to build relationships with influencers?*

### 1.5 Method

A qualitative approach with semi-structured interviews is utilized to further the understanding of how SMEs build relationships with influencers. The interviews have been conducted with marketing managers or others with insights into their firm’s marketing activities, at Swedish SMEs.

### 1.6 Intended Contribution

The intended contribution of this study is to provide an updated view of how Swedish SMEs build relationships with influencers, specifically the relationship building activities they engage in and the underlying dimensions related to those activities. The aim is to provide more practical insights for organizations and marketing practitioners at SMEs, as the findings from the empirical investigation is viewed in light of the already established theoretical knowledge concerning IM and the relationship building aspect.

The insights from this study can supply marketers with ideas of how to implement relationship building initiatives when planning new IM programs. Moreover, it will provide practitioners with information of certain dimensions that are essential to consider before implementing relationship building activities. By gaining a general understanding of relationship building within IM from a management point of view, marketers at SMEs will be able to improve their brand image, sales and make more efficient IM investments. Academia will also benefit from the updated knowledge as IM is increasingly used by marketers and thus require more in-depth understanding.
1.7 Delimitation
Due to the scope of this thesis and the later applicability of the results, some delimitations are required. Firstly, although SMEs in general share the predicament of limited resources, the study only seek to investigate SMEs in Sweden. The country is specified as this factor is suspected to influence how these firms build relationships with influencers. Due to time and limited resources, a multi-country comparison of relationship building strategies is not feasible.

Sweden was chosen due to two main reasons. Firstly, SMEs represent nearly 99% of the companies in Swedish market (Statistics Sweden, 2017), and as such can hopefully be useful to a large portion of the investigated country’s firms. Secondly, IM is a marketing tool known to be utilized within the country. In 2016, EUR 49 million was spent on IM in Sweden, and the industry is expected to continue to grow (Frick, 2017). Therefore, gaining additional insights may be especially useful for the Swedish market.

1.8 Definition of Key Terms and Abbreviations
Influencer Marketing (IM): When influential online personalities market sponsored content of a product, service or cause to their audience on social media.

Micro, Small and Medium-sized Enterprises (SMEs): According to the European Commission (2003) SMEs are defined as “enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million”.

Public Relations (PR): When an entity, such as a company, uses means to create and maintain trustworthy relationships with their audience (Charest et al., 2016).

Social Network Sites (SNS): SNS is defined as “web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system” (Boyd & Ellison, 2007, p. 211).

Social Media: Social media sites are internet-based Web 2.0 applications that stay relevant due to user-generated content. To sign up for a social media service, individuals
or organizations are required to create a profile. Social media services create a social network by connecting user-specific profiles to other profiles (Obar & Wildman, 2015). Social Media Influencer (SMI): SMI is another term referring to an online influencer, blogger, micro-influencer or online opinion leader which has influence over an online audience.
2. Frame of Reference

The chapter will cover the subject of Influencer Marketing, including underlying concepts such as word-of-mouth and electronic word-of-mouth. Further, it will address the field of relationship management and what is known about relationship building within Influencer Marketing.

2.1 Conceptualization of the term Influencer

Many scholars have been referring to individuals with the power to influence the perceptions of brands and products as influencers (Booth & Matic, 2011; Freberg et al., 2011; Sudha & Sheena, 2017). However, as many authors have been referring to such influencers differently, in particular to their characteristics and behaviors, the academic field diverged in explaining the phenomena of an influencer. The majority of authors have been referring to these influencers as opinion leaders, bloggers, SMIs and micro-celebrities (Sahelices-Pinto & Rodriguez-Santos, 2014; Uzunoğlu & Misci Kip, 2014; Freberg, Palenchar & Veil, 2013; Khamis, Ang & Welling, 2017; Marvick & Boyd, 2010; Djafarova & Trofimenko, 2018; Lin et al., 2018). In this study, the term influencer will be referred to online opinion leaders, bloggers, SMIs, and micro-influencers.

2.1.1 Opinion Leaders

A 1955 study by Katz and Lazarsfeld was one of the first that discovered the existence of opinion leaders. They are defined as individuals “who exert a disproportionately great influence on the vote intentions of their fellows” (Katz & Lazarsfeld, 2006, p. 32). The underlying principle as to why opinion leaders can exert influence over other people can be explained by the social learning theory. It explains that by observing a certain behavior of others, people tend to demonstrate and imitate a similar behavior. However, role models should possess interesting and pleasing characteristics in order for people to pay attention and follow that behavior (Bandura, 1977). Similarly, Sahelices-Pinto and Rodriguez-Santos (2014) indicated that not all individuals online have the same power of influence as opinion leaders. Before expressing opinions on social media platforms, ordinary people heavily rely on opinion leaders to initiate the post. Opinion leaders are treated as models of reference and a source of new information given their ability to
innovatively disseminate information (Nip & Fu, 2016), due to their well-respected and well-known position in their communities (Sahelices-Pinto & Rodríguez-Santos, 2014). Opinion leaders can also play a substantial role in providing innovative ideas during the product creation processes for companies (Sahelices-Pinto & Rodríguez-Santos, 2014). Therefore, opinion leaders can act as intermediaries during social interactions. Intermediaries have been claimed to be the most suitable actor to serve customers’ needs because they collect explicit knowledge about consumers which makes it possible to customize the offerings (Anderson & Anderson, 2002). The role of an intermediary is to provide value to consumers in order to generate profit for sellers. Managers are more inclined to employ influencers as intermediaries, to reach and interact with their target audience to be able to influence their buying behavior (Johnstone & Lindh, 2018; Charest et al., 2016). Given influencers’ powerful position as an intermediary, between a firm and its target audience, the relationship between the influencer and the firm appears to be important in order for a successful collaboration to persist.

2.1.2 Bloggers
Bloggers, also known as opinion leaders, are digital influencers which Uzunoğlu and Misci Kip (2014) define as individuals “who frequently share their brand experiences on a regular basis” (p. 592). By generating posts online on their blog, these influencers can have an impact on the interests of a particular community. Beside bloggers’ capabilities to influence decision making and transmit the message, their trustworthy relationships with their networks make them powerful in the brands’ eyes (Uzunoğlu & Misci Kip, 2014). Collaborating with bloggers does not only provide an opportunity for firms to shape consumers’ buying behavior in favor of their products but also build long-term relationships with their target audience (Vigar-Ellis, Pitt & Caruana, 2015; Uzunoğlu & Misci Kip, 2014). In order to generate positive buzz around products, Bao and Chang (2016) advised companies to select appropriate and relevant disseminators of information. In particular, consumers with a high level of opinion seeking behavior tend to turn to opinion leaders for valuable and credible information about products. In the digital environment where it is challenging to determine if information is correct or not, blogger’s power of trustworthiness can build value for both customers and brands (Uzunoğlu & Misci Kip, 2014).
2.1.3 Social Media Influencers

A SMI is an individual with their own brand who operate in online settings such as blogs and social networks. They have a strong and credible presence online and the ability to be very persuasive in their message when they communicate with their followers or readers (Freberg et al., 2013). SMIs have been described as a form of online micro-celebrity. Essentially, micro-celebrity refers to the notion that individuals can strategically maintain their audience by communicating and interacting, which in turn creates a strong brand (Khamis et al., 2017; Marvick & Boyd, 2010). To have an effective campaign, Djaifarova and Trofimenko (2018) suggested that micro-celebrities should have appealing and inspirational attitudes, competence about the products and be responsive to comments and posts. They state that rather than promoting ‘advertisements’ to the audience these influencers should give ‘recommendations’ instead.

2.1.4 Micro-Influencers

Digital influencers with a significantly smaller follower base are referred to as micro-influencers. They are, similarly to any other SMI, active on platforms such as YouTube, Facebook, Instagram and Twitter. The main distinction between a celebrity to that of a micro-influencer, is that the former experience a greater geographical or social distance to its followers. Meanwhile a micro-influencer, due to the small follower base and closeness to its followers, can interact more frequently with its followers. (Lin et al., 2018).

2.2 Influencer Marketing

Marketers look for ways to engage with customers in a rich meaningful dialogue (Hanna, Rohm & Crittenden, 2011). They invest significant resources and time to identify and target influencers who could act as intermediaries during social media interactions (Nejad et al., 2014). These influencers can facilitate the communication with consumers, and simultaneously collect information about the underserved needs of consumers in the marketplace (Sahelices-Pinto & Rodríguez-Santos, 2014).

IM has academically been treated similarly to the mechanism of celebrity endorsement. Endorsed advertisements, in which celebrities carried symbolic properties from their cultural world such as lifestyle and personality to consumers’ lives, have been considered
the most preferred marketing tools for a long period of time (McCracken, 1989; Hassan & Mohammed, 2016). Consumers initially tend to consider celebrities’ likeability and attractiveness more than their trustworthiness and expertise (Hassan & Mohammed, 2016). However, recent literature suggests that consumers are not convinced by traditional celebrities anymore and look for trustworthy individuals similar to themselves (Sudha & Sheena, 2017).

With the advance in technology to a more interactive version of the online sphere, referred to as Web 2.0 (Hanna et al., 2011), it became possible for consumers to find individuals who possess these characteristics. Web 2.0 is the foundation that gave rise to social media as a platform for online social interactions (Kaplan & Haenlein, 2010). Social media has provided access for anyone to take a position as an influencer (Sammis et al., 2015) by creating a powerful online presence (Castellano & Dutot, 2017). As a result, brands cooperate with a greater diversity of people (Sammis et al., 2015), and seek to identify influential individuals and create trustworthy relationships. The ‘nobodies’ of the past became the ‘somebodies’ of the present, requiring attention from marketers who search for ways to build closer relations with customers (Booth & Matic, 2011).

Marketers can adopt two distinct forms of IM, paid and earned. Paid IM involves paying influencer directly for their promotions while earned IM aims to earn the promotions through other means (Sudha & Sheena, 2017). Kasabov (2016) found that practitioners do not recommend using paid IM to convince social media users to carry out advertisements on behalf of the company. Instead, brands should invest resources in understanding the behavior and motivations of their audience. However, Picazo-Vela, Chou, Melcher and Pearson (2010) stated that economic incentives greatly encourage influencers to disseminate the brand’s message and motivate them to put even more effort in generating good recommendations, leaving aside ethical concerns. Liljander, Gummerus and Söderlund (2015) suggested that influencers, engaging in paid IM, should reveal sponsored posts to demonstrate good intentions. Consumers who find out that a word-of-mouth (WOM) message is in fact a sponsored-message that has not been disclosed change their attitude towards bloggers and lose trust (Magnini, 2011).
2.2.1 Word-of-mouth Marketing

Sudha and Sheena (2017) explained that IM is an extension of WOM marketing, but compared to WOM, IM is carried out in a professional way with a focus on building relationships with the target audience. WOM was deemed to be one of the most effective techniques among advertising approaches used by practitioners (Razi, Lajevardi, Orouei, Saedi & Khatami, 2017). With the effective use of WOM, companies can cut their marketing spending (Galeotti & Goyal, 2009). The academic field of WOM has been deliberated for many years. Arndt (1967) was one of the first scholars who defined word-of-mouth as an exchange in opinions in the form of oral communication between a receiver and communicator. Later on, the concept was complemented by other scholars, however, recent studies explain WOM as a strategy to cover a broad set of customers and engage the brand to consumers via social interactions (Li, Lai & Chen, 2011). The main characteristics of WOM are that it takes place outside of the company, is very informal and that recommendations can be both favorable and unfavorable (Sahelices-Pinto & Rodriguez-Santos, 2014).

Scholars reached the conclusion that WOM is able to shape and influence the behavior of individuals regarding the subject that they are interested in (Nagy, Kemeny, Szucs, Simon & Kiss, 2017; Bao & Chang, 2016; Fu, Ju & Hsu, 2015). Fu et al. (2015) suggested that WOM has been recognized as a successful method in changing the attitudes and behaviors of consumers. As a result, consumers who are exposed to positive WOM tend to amplify the desire for product purchase, whilst exposure to unfavorable WOM decrease the probability of a purchase (Arndt, 1967). Castellano and Dutot (2017) argued that WOM represents the main communication channel in which stakeholders can change the perception of the company and is a primary source for influencing e-reputation. WOM is not only a marketing tool but a channel in which stakeholders seek recommendations and inputs about products or brands.

2.2.2 Electronic Word-of-mouth Marketing

Evans, Phua, Lim and Jun (2017) pointed out that IM can act as a strong driver for eWOM. EWOM is defined as “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” (Hennig-Thurau, Gwinner, Walsh & Gremler, 2004, p.
EWOM enhances the interactivity among consumers and thrives mostly on SNS. Unlike traditional WOM, eWOM is more accessible and widespread without restrictions to close acquaintances. The communication can occur among strangers who are geographically dispersed and enables influence between weak ties (King, Racherla & Bush, 2014; Kasabov, 2016). The interactive experiences derived from eWOM, between firm-to-consumer and consumer-to-consumer, can provide marketers with useful information to enhance their customer engagement efforts. The access to such information is one of the motives for searching and driving eWOM (Kasabov, 2016).

Although, eWOM platforms are available to anyone and people can benefit at no expense, its anonymous nature exhibits some difficulties for firms. Firms often face complications with identifying the factors that are essential for consumers when they search for eWOM. In addition, it is difficult to discover new tools that would promote helpful reviews for consumers. There is also an under-reporting bias, which means that when brand search for information to know what customers say about their products, they confront scenarios where only extremely satisfied or unsatisfied customers decide to express their opinions (King et al., 2014). Nevertheless, eWOM is widely initiated by users and firms on social media, to build and strengthen relationships with their social networks. For this, however, Chu and Kim (2011) stated that understanding the structure of social connectivity or social relationships is essential during eWOM processes as it provides better insights into the structure of social relations. As influencers can be important actors in both WOM and eWOM, it appears to be necessary for companies to know how to work with them in a profitable manner. By having relationships with relevant influencers companies may better understand the needs and behaviors of their target audience.

2.3 Working with Online Opinion Leaders

Lin et al. (2018) presented a five-step planning process that firms could use when working with online opinion leaders. The process can be modified to the company’s size and its operations and as such is suggested for both large and small business-to-consumer companies that have a social media presence online. Before implementing this process, managers should examine their markets and the resources they have available. They have to consider which resources they need to invest in the collaborations with influencers in order to meet their goals. The process is illustrated below in figure 1.
Planning

The first stage of this process is planning, which refers to assigning the role of the opinion leader and determining the objectives of the marketing campaign. The set objectives for the campaign and collaborations are likely to influence the selection of the influencer, the nature and length of the collaboration, and the content of the campaign. Lin et al. (2018) explained that small and local firms are more inclined to target a specific audience where the focus is on using social media platforms that would provide the possibility to convey the message to their target audience. Larger firms, on the other hand, would consider opinion leaders with a large and diverse customer base to increase their exposure in the markets they plan to target.

Recognition

After the planning phase, companies select the influencer they intend to work with. At this stage, firms have to consider the resources that they have at their disposal to be able to support the partnership with influencers. As small and large firms differ in resource availability, it has an impact on the selection of influencers. Collaborating with several and/or prominent influencers might be possible for large firms while small firms might be limited to work with few or less prominent influencers. In addition, markets can be reached by different channels, and thus firms who desire to reach their target audience are advised to select suitable online opinion leaders within those channels. Therefore, the choice of digital influencer has an impact on the outcome of the partnership and managers should reflect on the benefits and feasibility of collaborating with several opinion leaders. (Lin et al., 2018).

Alignment

When the right influencer has been chosen, the next step is to connect the opinion leader and the platform with the product or service the company wants to promote. Firms engage in evaluating, ranking and selecting the opinion leader according to both the channel on
which the opinion leader operates and their personal attributes and functions. (Lin et al., 2018).

Motivation

In order to motivate opinion leaders to keep promoting the product or brand of the company, managers need to understand the personal drivers of the influencers. There are several reasons to why influencers would engage in marketing products or services, some of them are status, positive attention gained, interest in the product or service or because of monetary compensation. The challenge for marketers is that influencers’ lifestyles change and so does their motivations. Not only can their interest and personal values change but, over time, the monetary value of their services can also change. (Lin et al., 2018).

Orientation

Lastly, when working with digital influencers, companies have to evaluate the partnership over time by providing feedback to the influencer and discuss how they can improve the collaboration or campaign. It is also beneficial for companies to support the influencer in their work of promoting their product by providing supporting material about the product as it makes it easier for the influencer to be more efficient in their job. (Lin et al., 2018).

2.4 Relationship Management

Waters, Burnett, Lamm and Lucas (2009) stated that, “relationships are the foundation for social networking sites” (p. 1). By interacting with key stakeholders on social media platforms, companies can establish relationships with the public (Waters et al., 2009). Managing relationships with the public is the mutual understanding and benefit between organizations and the public. Relationship management has been argued to be a general theory of PR (Ledingham, 2003) and expressed as PR practitioners’ capability to influence influencers by representing organizations (Archer & Harrigan, 2016). Similarly, Hallahan, Holtzhausen, Van Ruler, Verčič and Sriramesh (2007) stated that managing relations with key stakeholders to produce mutually benefited outcomes is the main purpose of PR operations.
The changing media environment and the rise of social media has impacted the PR profession and its practices. The basics of social media relations are similar to public relations, but the emergence of social media as a new marketing channel has allowed practitioners to engage with influencers one on one (Booth & Matic, 2011). Social media has not only provided influencers with a powerful platform but also forced PR practitioners to differentiate their advertising and marketing communication strategies by acknowledging new media influencers (Solis & Breakenridge, 2009). Solis and Breakenridge (2009) explained that traditional PR has evolved to PR 2.0 which is about a different mindset and approach. PR 2.0 emphasizes short and long-term relationships but in order to build these relationships, PR practitioners need to participate in the conversations to learn more about the communities they target to influence.

In the process of relationship management, organizations identify, type and categorize the public. This practice is used in order to successfully create benefits for both parties by managing the relationship effectively around common interests and shared goals (Ledingham, 2003). Likewise, Solis and Breakenridge (2009) found that PR professionals should learn and engage directly with the consumers. Only then, after the identification of the target audience and their interest and goals, can practitioners create meaningful content. People who are attracted and satisfied with an organization, remain in the relationship, and as a result, organizations enjoy benefits such as retaining customers and community support (Coombs & Holladay, 2015).

2.4.1 Communication

Communication is an important factor to sustain the relationship between two parties (Ledingham, 2003). Hallahan et al. (2007) pointed out that one-way flow of communication, from the organization to the consumer, limits the public to provide feedback or initiate a conversation with the firm, which understates the important role of the receivers. To build mutual and beneficial relationships, Valentini (2015) found that it is important to foster two-way communication. In other words, an interactive form of communication is more desirable when fostering relationships with the public as it provides the exchange of meaning between the parties (Hallahan et al., 2007). To achieve two-way communication, organizations have to communicate with their target audience instead of marketing to the audience (Allagui & Breslow, 2016).
The importance of the influencers position as a middleman in the firm-customer relationship can be illustrated through the concept of two-step flow communication, introduced by Katz and Lazarsfeld. It refers to the impact opinion leaders have on the public’s buying behavior, as it was found that personal influence has a greater impact on public attitudes than mass media. The two-step flow communication starts with a message from media to opinion leaders who in turn translate and customize it to their social group (Katz & Lazarsfeld, 2006). After possibly strengthening or weakening the message, opinion leaders disseminate the information to their social group (Katz, 1957).

2.4.2 Relationship with Influencers

Although communication is important in the process of relationship building, it is not sufficient, but should be accompanied by actions and events from the company (Ledingham, 2003). Social media has turned out to be a prominent tool regarding relationship building as it facilitates the interaction with the target audience (Allagui & Breslow, 2016). However, simply posting content with the goal to enhance the conversation with the firm’s followers does not necessarily mean that the firm has a dialog or a relationship with their audience (Valentini, 2015). Therefore, collaborating with influencers provides an opportunity for firms to initiate a conversation between the brand and target audience.

To create future collaborations with influencers, organizations have to manage their relationships with influencers effectively (Pang, Yingzhi Tan, Song-Qi Lim, Yue-Ming Kwan & Bhardwaj Lakhanpal, 2016). The relationship between organizations and bloggers are based on a foundation of trust and mutual understanding (Uzunoğlu & Misici Kip, 2014). Managers, when developing new products, can heavily benefit from collaborating with bloggers (Droge, Stanko & Pollitte, 2010). Nejad et al. (2014) stated that firms can receive feedback by sending free samples to influencers and as a result create trustworthy relations with influencers. In addition, by distributing the products, influencers can increase awareness of the brand and reduce influencers’ uncertainties about the products through direct experience (Nejad et al., 2014). Firms need to understand the importance of establishing strong ties with these influential people (Droge et al., 2010), as they in the long run can help brands determine the right customer needs and market trends (Khan et al., 2017).
Archer and Harrigan (2016) found that bloggers are more concerned with receiving compensation for mentioning the brand or company than having a dialogue with the company’s PR practitioners. With this insight, PR practitioners used money to exert control over the collaboration or campaign in order to get positive coverage. Galeotti and Goyal (2009) stated that it is important to reward referrals of customers and incentivize influencers for communicating information. By rewarding influencers, a firm is likely to affect the way influencers disseminate information and increase motivation. However, organizations have a responsibility of not only using means such as inviting influencers to events or rewarding them by sending products but should consider them as partners instead of targets (Uzunoğlu & Misci Kip, 2014). Additionally, Vernette (2004) noted that firms should engage in focused activities as influencers differ from each other.

Companies need to have a greater insight into what digital influencers value in order to support a long-lasting relationship (Uzunoğlu & Misci Kip, 2014). For instance, they need to understand how to craft a suitable message instead of transferring this task to influencers. Otherwise, there is a risk that organizations underestimate the work of influencers (Pang et al., 2016). Moreover, it is important to consider certain factors that affect SMIs when building relationships with them. Firms need to provide relevant content and allow influencers to present a unique personality in order for them to engage with their followers. As not all SMIs agree to collaborate with firms in exchange for money, firms also need to understand the personal driving forces of each SMI (Pang et al., 2016).

Furthermore, for the collaboration to persist, companies should target SMIs with the right audience to create a balance between the objectives of the organization and the commitment and capabilities of the influencer (Pang et al., 2016). Influencers, when promoting a brand or product, are very careful as their online status may be adversely affected if they appear too unfamiliar with the product (Nejad et al., 2014). Similarly, Till (1998) noted that the greater the fit between the brand and celebrity is, the closer the link between the two is expected to be. In other words, if the celebrity fits with the associations of the brand, then it is easier to create a collaboration or link between these actors. Organizations follow-up with SMIs after a collaboration to generate more publicity, but in order to create a long-lasting relationship, organizations should engage with SMIs
outside of the professional field as well (Pang et al., 2016). Likewise, Cardwell, Williams
and Pyle (2017) emphasized that it is vital to know the audience on a personal level and
for them to acknowledge their needs and interests by meeting them in person.
3. Methodology

This chapter presents the overarching methodology of the study, including research philosophy, approach, purpose and strategy. Thereafter, the methods through which the study was conducted is explained, covering the data collection of both primary and secondary data. Lastly, the analysis and trustworthiness of the data is addressed.

3.1 Research Philosophy

Research philosophy is an important aspect of methodology as it addresses the fact that the authors are aware of their research assumptions and beliefs. The identification of the research philosophy serves as a foundation for formulating the research strategy. In other words, it presents the ways in which authors assume to analyze and collect the data (Saunders, Lewis & Thornhill, 2009). Braa and Vidgen (1999) have introduced a research framework which is based on three epistemological perspectives: positivism, interpretivism and intervention. They state that a positivistic approach intends to predict outcomes, an interpretive approach is about understanding a phenomenon, meanwhile an interventionary approach sees change as the intended outcome. When choosing between the approaches, it is essential to consider the research question and purpose of the study.

The current research is based on the interpretive paradigm which aims to understand the phenomenon or event from an individual’s viewpoint (Scotland, 2012). The interpretive approach claims that people formulate different interpretations for the same phenomena, thus reality is subjective. The ontological belief of the interpretivist perspective is relativism which refers to the assumption that “the reality is subjective and differs from person to person” (Scotland, 2012, p. 12). Meanwhile, the interpretive epistemology is based on real world phenomena which claims that the world does not exist separately from the knowledge (Scotland, 2012). The methods of the interpretivist approach include open-ended interviews, focus groups, questionnaires and in-depth investigations. In comparison to a positivist theory, which is directed towards quantitative approaches, this approach is directed to generate qualitative data (Saunders et al., 2009).

As the following study is directed towards exploring the relationship building process within IM from a firm’s perspective, the interpretive perspective with ontological belief was deemed to be the most relevant philosophy in relation to the purpose of this study.
The authors of this study acknowledge that responses from participants might differ and cannot be evaluated with the same criteria as for a positivist study. Interpretivist research aims to obtain information about people’s viewpoints and actions, the difficulties that they are confronted with and how to manage them (Scotland, 2012). Therefore, it will help in gaining insights of the relationship building dimensions within IM and at the same time discover what methods managers utilize when implementing IM.

3.2 Research Approach

The research approach can be explained by three concepts; deductive, inductive and abductive. Deductive research refers to a study that is based on theoretical findings which is then tested by empirical observation (Collis & Hussey, 2014). An inductive research approach is when the study uses its empirical observation to develop theory and general patterns (Collis & Hussey, 2014). The process starts with an observation or description and then moves to an explanation. An inductive approach has been found to be better suited in management research especially when interpreting qualitative data (Crowther & Lancaster, 2009). However, the use of the abductive research approach has increased as it seeks to address the weaknesses associated with the deductive and inductive approach (Bryman & Bell, 2015). Instead of going from one direction to the other i.e. from theory to data or vice versa, abduction moves back and forth between data and theory (Saunders, Lewis & Thornhill, 2012).

In this study, an inductive research approach will be implemented as it aims, by interviewing marketing representatives at SMEs, to explore how these companies build relationships with influencers. Currently, the literature available has touched upon relationship building as a part of the overall process of IM, however, information on how SMEs do relationship building has not been discussed in greater detail. Therefore, by utilizing the inductive approach this research intends to develop and add to existing theory about the phenomena of SMEs relationship building activities with influencers. Meaning that not only the methods currently used by influencers can be explored but also other relationship building dimensions that influence the choice of methods used.

3.3 Research Purpose

When conducting social research, there are several types of purposes which, in different ways, intend to enrich an area of knowledge. Babbie (2013) stated that the three most
commonly used purposes of social research are exploration, description or explanation. When studies are explorative in nature, they are primarily conducted when a researcher finds interest in a new topic (Babbie, 2013). In descriptive studies, however, events and situations are observed, after which detailed descriptions of what was observed is provided (Babbie, 2013), with the goal of providing extended descriptions of cultural behavior, artifacts, and knowledge (Boeije, 2010). Explanatory studies are interested in understanding the reasons as for why a phenomenon occurs, and the drivers which cause this phenomenon (Ritchie, Lewis, McNaughton Nicholls & Ormston, 2014).

This study is conducted with an explorative purpose as it seeks to investigate an area within IM which previous research has not addressed in greater detail. The aim is to extend the understanding of what is currently known about ‘how’ SME build relationships with influencers. Currently, the studies which exist on relationship building with influencers are few. Furthermore, the ones that do exist have generally not specified whether they have conducted their study with large companies or SMEs. Our study would therefore be able to extend the base of current information about relationship building initiatives within IM at SMEs and will hopefully open doors for further research within the area of relationship building with influencers.

3.4 Research Method

The method utilized when conducting research is key in deciding what type of findings the study will eventually entail (Boeije, 2010). There are two main research methods, quantitative and qualitative method. Both are used to describe, understand, and explain a social phenomenon, but how they utilize theory is generally what separates them. Quantitative research is usually done deductively, and theory is the basis for creating one, or several, hypotheses, which is then tested. Meanwhile, qualitative research method commonly utilizes inductive thinking, and thus “a social phenomenon is explored in order to find empirical patterns that can function as the beginning on a theory” (Boeije, 2010, p. 5). Qualitative research concerns gathering insights from significantly less individuals and have less standardized question which allows for the respondents to determine where the conversation flows, although still within the range of the topic which is being researched (Elliot, 2005). Some commonly used methods for gathering
qualitative data are participant observations, qualitative interviews, focus groups, and visual data (Boeije, 2010).

The approach chosen for this research is a qualitative research method. This is because the question under investigation in this paper wishes to gain a deeper understanding of ‘how’ SMEs, within their limitations, engage in the relationship building process with influencers. Therefore, the richness of the data produced with the qualitative research method is preferred. Furthermore, this type of research is generally utilized to “explore complex human issues” (Marshall, 1996, p. 524), which the aforementioned question adheres to due to the complexity of building relationships. The University of Surrey (n.d.) mentioned that qualitative interviews provide richer information and more in-depth insights which is beneficial to our study. The qualitative approach will allow for detailed descriptions of what methods SMEs use in order to build relationships with influencers, but also enable SMEs to expand upon topics they saw as important when it concerns IM in relation to relationship building. This made it possible to identify some underlying dimensions which they take into account when choosing how to build those relationships. This type of information would be difficult to gather through a quantitative lens, as participants would have provided short answers.

3.5 Data Collection

3.5.1 Literature Review

This section will focus on how data and articles were selected for the theoretical framework of this study. The authors started by gaining a broad understanding of IM and its techniques by reviewing materials that were extracted from online publications, internet articles, textbooks and governmental reports. Afterwards, peer-reviewed papers and articles from academic journals were found through several databases and then reviewed in order to gain an academic knowledge of IM and its perception from a management perspective. Additional papers and books relevant to the topic were found through the reference lists of the peer-reviewed papers. The intention was to investigate the established knowledge about IM and relationship building with influencers. Limitations of the searches were made to assure that only reliable and timely papers were taken into consideration. The repetition of articles that were used by several peer-reviewed journals was perceived as a good indicator for quality. Below, two tables are
presented to illustrate the literature search. Table 1 presents the search parameters used to gain the theoretical basis on which the theoretical framework is based, while table 2 demonstrates the exact search terms used to find the specific articles.

Table 1

*Search Parameters*

<table>
<thead>
<tr>
<th>Search Parameters</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Search words</td>
<td>Influencer Marketing, blogger engagement, digital influencers, opinion leaders, WOM, e-WOM, relationship building, relationship management, public relations, social media influencers, micro-influencer, relationship, communication</td>
</tr>
<tr>
<td>Literature types</td>
<td>Peer-reviewed papers, literature books</td>
</tr>
<tr>
<td>Languages of publication</td>
<td>English</td>
</tr>
</tbody>
</table>
Table 2
Selection of Articles

<table>
<thead>
<tr>
<th>Theoretical area</th>
<th>Search words</th>
<th>Database and Journals (Number of books and articles found)</th>
<th>Selected articles and books</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opinion leaders</td>
<td>“social media influencers”, “communication management”, “online opinion leaders”, “consumer buying behavior”, “influencer marketing”</td>
<td>Primo (27), ABI/Inform database (18)</td>
<td>4</td>
</tr>
<tr>
<td>Micro-influencers</td>
<td>“micro-influencers”</td>
<td>Google Scholar (96), Primo (4)</td>
<td>2</td>
</tr>
<tr>
<td>WOM</td>
<td>“WOM”, “e-WOM”, “communication management”</td>
<td>ABI/Inform database (25)</td>
<td>3</td>
</tr>
<tr>
<td>Bloggers</td>
<td>“blogger engagement”, “marketing”, “blogger”</td>
<td>Google Scholar (100), Primo (472), ABI/Inform database (7)</td>
<td>4</td>
</tr>
<tr>
<td>Relationship management</td>
<td>“relationship management” “communication” “public relations practices”</td>
<td>Google Scholar (735), Primo (9), ScienceDirect (37)</td>
<td>4</td>
</tr>
<tr>
<td>Relationship building</td>
<td>“relationship building” “influencers” “bloggers”</td>
<td>Google Scholar (581), Primo (5), ScienceDirect (10)</td>
<td>4</td>
</tr>
</tbody>
</table>

3.5.2 A Cross-sectional Approach

The study of a phenomenon at a particular time is called a cross-sectional study while a study for a given time period is referred to a longitudinal study (Saunders et al., 2012). More specifically, a longitudinal study is used to examine variables over a longer period of time (Collis & Hussey, 2014). Bryman and Bell (2015) explain cross-sectional studies as the collection of data on more than one case at a single point in time. Cross-sectional studies are often used in explorative and descriptive studies. In this study, the aim is to explore the status-quo concerning SMEs relationship building activities and as such, a cross-sectional study is deemed optimal.

3.5.3 Primary Data

The primary data for this study was gathered through face-to-face and online interviews, stretching thirty to sixty minutes in length, with six representatives for different SMEs in
Sweden which conduct IM. Face-to-face interviews were chosen as the primary data collection method, mainly due to the fact that, traditionally, this form of interviews have been claimed to give “a stronger basis for the establishment of a good rapport between the researcher and the participant” (Ritchie et al., 2014, p. 182). However, one third of the interviews were conducted via online platforms due to financial and time constraints. Although differences exist between the two modes, conducting interviews via online platforms has certain advantages. Ritchie et al. (2014) mention that it is especially useful when researchers are under budget and time constraints and when the sample under investigation is scattered, busy, or prefer online modes of communication.

To get the information needed to answer the overarching research question, “How do SMEs in Sweden build relationships with influencers?”, detailed descriptions of SMEs relationship building activities with influencers are required. Thus, the semi-structured interview approach was utilized in our study. By creating and following an interview guide for a semi-structured interview, the conversation could be kept on track but still provide enough freedom to shape the content to some extent. Additionally, it allows for probing into different areas of interest within the different interviews (Ritchie et al., 2014).

3.5.4 Interview Guide Creation

Before conducting the interviews, an appropriate interview guide had to be created. The purpose of our interview guide was to provide a basis for subjects to cover during the interview and help the interviewer direct the conversation towards topics of interest. In order to ease the interviewees into the topic of relationship building, the guide was created to start by inquiring about the interviewees’ position etc. within the company. Thereafter, questions about IM in general, how they conduct IM campaigns and collaborations, and their influencers were asked. This enabled us to get better insights into how each company worked with IM and influencers, which was expected to help in understanding why certain methods for building relationship were used, and why others were not.

When choosing questions for the interview guide, the material covered in the frame of reference was reviewed, and many questions based on the theories presented were developed. Furthermore, after having read extensively about IM and relationship building, the authors were tasked to think of questions that could provide further detail
on the firms’ relationship building initiatives, which previous research appeared not to have touched upon. Thereafter, all questions were screened, and the most relevant questions were selected. Later, they were sorted out according to topic and put in different categories to create an easy-to-follow structure from very broad knowledge about IM to very specific questions on relationship building methods utilized by SMEs (See Appendix 1). By using the semi-structured approach, it was also possible to engage with the interviewees and pose related follow-up questions, which made them reflect further on their answers.

3.5.5 Participant Criteria
To find a sample representative of the population which the study intends to investigate, certain requirements had to be met. First, the companies had to be registered in Sweden. Companies registered in Sweden but with head offices outside of Sweden, were disregarded as they deviated from the focus of this study. Then, as the study intends to focus on SMEs, the size of the companies was taken into account.

Two processes were used to identify Swedish SMEs. The first identification process started with choosing a platform on which influencers are actively doing IM. Instagram was chosen because it is widely used by companies engaging in IM and provided the possibility to search for influencers and follow hashtags. After selecting SMIs, their latest sponsored posts were reviewed and firms congruent with the selection criteria (Swedish SMEs) were identified.

The second process started by identifying an agency online engaging in IM. The agency posted cases on their website about companies which had successfully utilized IM. These cases were then reviewed and links to influencers’ Instagram accounts were disclosed which in return helped to discover companies that adhered to our selection criteria. Throughout the selection process, the webpage allabolag.se was utilized, where the number of employees, turnover and location were reviewed to be in accordance with the criteria of this study. Later on, a sample of this population were contacted through emails, in which a request for an interview with a person responsible and/or knowledgeable of their marketing activities was made. Below, table 3 presents a summary of the interviewed companies.
Table 3

Interviewees Information

<table>
<thead>
<tr>
<th>Company name</th>
<th>Turnover in 2016 (SEK)</th>
<th>Number of employees</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A*</td>
<td>155,936,000**</td>
<td>5</td>
<td>Education</td>
</tr>
<tr>
<td>Company B*</td>
<td>5,219,000</td>
<td>7</td>
<td>Fashion</td>
</tr>
<tr>
<td>Company C*</td>
<td>3,815,000</td>
<td>45</td>
<td>Watches</td>
</tr>
<tr>
<td>Company D*</td>
<td>69,092,000</td>
<td>17</td>
<td>Watches</td>
</tr>
<tr>
<td>Company E*</td>
<td>62,000</td>
<td>4</td>
<td>Watches</td>
</tr>
<tr>
<td>Company F*</td>
<td>45,055,000</td>
<td>17</td>
<td>Household goods</td>
</tr>
</tbody>
</table>

*All the names are pseudonyms

**Turnover of the corporate group, Company A represent one department.

3.6 Method for Analyzing Data

To appropriately derive the main meanings from the qualitative data collected during our interviews with representatives from SMEs, it is necessary to first properly analyze and understand the data. However, due to the diverse nature of qualitative data, there is no universal framework for analysis. Despite that, Saunders et al. (2009) still argue that it is possible to summarize, categorize and structure this kind of data. Therefore, the process proposed by them was used to understand the material gathered from the interviews on how the companies build relationships with influencers. The analyzing process starts from categorizing the responses, in order to identify the relationships between categories. Thomas (2006) refers to this as inductive analysis, which is carried out by reading and interpreting raw data.

The method of analysis starts by categorizing the raw data, which is later transformed into a model. However, before categorization, it is important to carefully read the text and understand the context and themes that have been covered. This is because the themes or issues identified in the findings can facilitate the organization and structure of the text. In our case, we started by transcribing the interviews which had been conducted. This enabled us to turn our raw data into a more manageable form. It furthermore made our
understanding of the text, themes and issues clearer as we got more familiar with the material.

The next step in the analyzing process is to derive categories. Thomas (2006) has identified two levels of categories, upper and lower level. The upper level, also called general categories, are developed from overall evaluation points, while low level categories are developed from themes or meanings from the specific text segments. In our categorization, this approach was followed, as four general categories were developed. These categories embraced the main takeaways related to the research question. Then, under these categories, lower level categories were formed to reflect specific themes found within those general categories. Quotes from the companies which highlighted what they said about a certain theme were translated from Swedish to English.

After this step, Thomas (2006) suggest that the researchers need to confirm if the core themes convey the message of each category by revising them several times. The author further stated that it is possible to combine or link the categories with similar meanings. Therefore, after the initial categorization, the material for our study was repeatedly revised and quotes were added and taken away as the main message of each section became clearer.

3.7 Research Trustworthiness

3.7.1 Validity

Validity refers to the extent of which the empirical data is perceived to reflect the real intention of the study purpose and objectives (Babbie, 2013). It is deemed to be more significant in interpretivist studies than in positivist studies because it produces qualitative data which is both rich and subjective. Among the factors that can weaken validity are faulty procedures, poor samples and inaccurate or misleading measurements (Collis & Hussey, 2014). To avoid these factors, the data collection, which has taken in the form of interviews, was planned in accordance to standards set by available literature concerning data collection within qualitative studies. The sample selection was conducted in adherence to criteria set for our SMEs to enable the selection of prominent representatives of the population, which could provide rich information concerning the research question.
3.7.2 Transferability

Transferability in qualitative research refers to the generalizability of findings. It provides readers with evidence that the research findings can be relevant to other circumstances and settings. Transferability issues may arise from the use of small and unrepresentative samples. For instance, if the research is based on a single study case then theory or findings cannot be generalized to the population (Saunders et. al., 2009). This study incorporates six SMEs which operate in several industries. In order to provide suggestions that could be generalized to other types of organizations, in-depth knowledge from the interviews was gained. Moreover, the detailed description of methods and strategies with which firms can build relationships with influencers are introduced in this study. It serves as a foundation on which a reader can make a judgement on transferability. Some companies who implement IM may recognize similarities in their own situation while others may make a judgement on whether they can utilize similar methods or not.
4. Empirical Findings and Analysis

This chapter displays this study’s empirical findings. By applying the qualitative analysis method, the following themes were identified from the in-depth interviews held with SMEs: underlying dimensions of relationship building, methods utilized for relationship building and resource constraints faced by SMEs. These themes are also, in each section, analyzed in regard to the literature and the research question.

Based on our interviews with SMEs operating in various industries, we explored the methods that SMEs utilize when wishing to build relationships with influencers. By asking questions about IM implementation in general and how collaborations between firms and influencers take place, it was possible to understand the underlying dimensions of how relationships are built with influencers. The first theme relates to the underlying dimensions companies consider before building relationships with influencers. The second theme elaborates on the methods firms utilize to build and strengthen their relationships with influencers. The third theme was generated in order to demonstrate SMEs perceptions of the limitations the literature suggests SMEs face.

4.1 Underlying Dimensions of Relationship Building

When building relationships with SMIs, the interviews made it apparent that several dimensions were considered before initiating a collaboration. To be able to start planning relationship building activities, it was identified that the companies needed to ensure that they selected influencers relevant to their brand values. Further, when planning what type of activities to utilize, the length of the collaboration was taken into consideration. Additionally, the monetary nature of the collaboration and the type of relationships that SMEs establish were addressed.

4.1.1 Adherence to Brand Values

Five out of six companies discussed the importance of selecting influencers that would adhere to the brand’s values. These companies appeared to agree that an influencer should be able to stand for their brand’s values and genuinely like their brand. For example, Company B highlighted that they,
“try to find those who are exactly like our brand. [...] It’s probably not always those who have a million followers, it’s a certain type of girl that we look for.”

– Company B

Company D, who was also concerned about genuine relationships, argued that they prefer to work with individuals who use the product in their daily life. Company F appeared to share a similar perspective, claiming that if an influencer does not genuinely stand for the brand, their followers will not perceive the collaboration to be genuine,

“you really have to check who recommends good products and those who only have the collaboration for the sake of a collaboration.”

– Company F

Company A emphasized more on factors they do not want to be associated with when working with influencers such as, “no alcohol, drugs or cigarettes” and pictures that demonstrate a lot of naked skin. In their opinion, influencers should “not encourage strange ideals, norms and such, that you might want to distance yourself from”. Similarly, Company C and F noted that they cannot have naked pictures or similar things on the account.

Analysis

Adherence to brand values connects to Till’s (1998) study, which argues that the greater fit between the brand and celebrity, the closer connection they are expected to have. In other words, it is expressed that if an influencer fits with similar associations and values as the brand, then it will be easier for the brand to create a collaboration. As was stated by Company C, if influencers genuinely like the brand’s values then it is easier to create trust among both parties.

It was further advised by Bao and Chang (2016) that companies should select suitable and appropriate transmitters of information. They claim that consumers tend to turn to influencers for valuable and credible recommendations. As it is challenging to determine which information is right and wrong, consumers look for trustworthy influencers (Uzunoğlu & Misci Kip, 2014). Company F preferred that influencers use their products for a while in order for them to gain general knowledge about the product which could make the collaboration more genuine. Thus, influencers should be able to properly
represent the brand and provide genuine recommendations. This appears to be in line with the majority of the companies’ view on selecting influencers who fit with the brand’s values.

Finding the right influencer to work with was observed to be a way for managers to preserve the brand image and connect their marketing objectives to the influencer’s interests. This dimension was perceived to be an important component in order for the companies to reach their target audience.

4.1.2 Paid and Earned Collaborations

The companies in this study were found to engage in collaborations that were either paid, earned or both. The interviews suggested that the use of non-monetary methods have changed over time and that before it was mainly about sending products to as many influencers as possible around the world. The majority of the companies agreed that most of the collaborations with influencers are nowadays paid. Company F argued that they answer to what the influencer demand before the collaboration is initiated, whether they go for paid, earned or if they even want to have a collaboration. Company D who mainly engage in paid collaborations expressed that,

“Almost all (influencers) in Sweden want to get paid. And if they only get a product and are not looking to get paid, you can’t really demand anything.”
– Company D

Company B, the sole company in the study who engaged in only earned collaborations, likewise expressed that because no money is involved, they cannot demand anything from the influencers, they simply have to trust that they have a good product,

“We haven’t paid a single Swedish crown for a collaboration and that means we cannot demand as much either [...]. They (influencers) oftentimes say that they want to get paid, but then we respond with ‘we can’t pay you and we can’t demand anything from you either. But if you want a (product), then we would be happy to send you one’, and in 9/10 cases we get a nice post on that.”
– Company B

It was easier for companies to set out their demands with a paid collaboration because it was perceived as more commercial and as a result easier to demand something from the
influencer. For example, Company E meant that if a collaboration was paid then they put forward their demands of how it should be designed and then if the influencer agreed, they would go on with the collaboration. Company C argued that a different strategy is implemented when engaging in a paid collaboration. It demanded more preparation and the selection criteria was heavily emphasized,

“It costs a lot of money and you have to consider ‘what do we think, how much reach and engagement can we get, can we expect to get any purchases out of this or is it only an awareness thing’. So, there we set a clear KPI as well.”
– Company C

Analysis
Lin et al. (2018) pointed out that influencers engage in collaborations for several reasons such as status, interest in the product, positive attention gained or monetary compensation. Pang et al. (2016) emphasized that firms should understand the driving forces of SMIs because not all SMIs collaborate with companies for the sake of money. Company B exemplified this, as they did not provide any monetary incentives and still saw good effect from their inputs. However, Archer and Harrigan (2016) found that influencers prioritize compensation more than building relationships with companies. As the influencer’s interest, motivational drivers and monetary value of their work change over time, marketers face challenges to accommodate these needs (Lin et al., 2018). From the interviews, it was noted that IM has changed and as was pointed out by Company D influencers look nowadays for monetary compensation. Picazo-Vela et al. (2010) brought up that monetary incentives encourage and motivate influencers to disseminate the brand’s message. This perspective was shared by Company C, as they saw a great effect when they engaged in paid collaboration. They noted that influencers did much more than what the contract demanded. Influencers were loyal to the brand and the product because they had built strong relationships with the influencers.

Most companies engaging in paid collaborations established business-oriented relationships with influencers. With paid collaborations, Archer and Harrigan (2016) suggested that it is easier for firms to exert control over influencers and the content they create, which is something that for example Company C and E did, when they gave clear guidelines about the collaboration. Conclusively, all companies, except for Company A,
were engaged in some form of relationship building activities regardless of whether they had paid or earned collaborations. The type of relationship that was established between the two parties did thus not appear to be influence whether the collaboration was paid or earned.

4.1.3 Long-term and Short-term Collaborations

All companies, except for Company A, revealed that they combine long-term and short-term initiatives. Company C noted that they have long-term collaborations with their ‘most loyal’ influencers, and that short-term initiatives are used more when they engage in paid collaborations. Company E instead revealed that they have shifted their focus from short-term to long-term initiatives and stated that the benefit of their focus on long-term collaborations is that, “we get conversion and it becomes more trustworthy in the long-run”. Meanwhile, Company D said that they usually have longer collaborations in Scandinavia, but in some foreign markets they instead have short-term collaborations because,

“It depends on what the goal is. If the goal is branding, then longer collaborations are good. If the goal is to sell, which is not our goal when using influencer collaborations, then shorter collaborations are preferable.”
– Company D

For Company F, their combined use of long-term and short-term collaborations was determined by the type of relationship the influencer wanted to have with the company. In addition, the length of their collaboration is oftentimes not beforehand determined but ends up stretching for years because the influencer returns, year after year. In contrast, Company A have thus far only done short-term collaborations, and as they view IM as an advertising platform for their product, they see no major reasons for trying to establish long-term relationships.

Analysis

The literature appears to emphasize that long-lasting relationships are desirable, as was for example visible when Uzunoğlu and Misci Kip (2014) noted that “having a strong long-term relationship would be a motivation factor for bloggers to work as collaborators” (p.599) and when Pang et al. (2016) mentioned that “SMIs seek long-term
collaborative relationships with organizations” (p.63). However, the length of collaborations Swedish SMEs utilized varied, as did their preferences. Most of the interviewed companies were found to engage in both long and short-term collaborations. Uzunoğlu and Misci Kip (2014) stated that firms need to increase their insights into what influencers value for them to gain long-lasting relationships. This perspective is adhered to by Company F as they indicated that they let the influencer decide the type of relationship they wish to establish with the company.

Lin et al. (2018) noted that for companies who have an objective for their marketing campaign, it is easier to determine the duration and content of the collaboration. Company D appeared to adhere to this argument, as the length of the collaboration depends on the goal of the marketing campaign. The benefits some of the interviewed companies mentioned with having long-term relations are better conversion, increased trustworthiness and brand exposure. In order to gain these benefits, the audience of the influencers should not perceive the influencer’s channel as another venue for advertising, but instead the product should be integrated with the influencer in a believable way.

4.1.4 Formal and Informal Relationships

Another identified dimension which relates to how SMEs build relationships was that the companies in this study engage in two types of relationships. Some companies only engaged in formal business relationships, while others thought it was important to go beyond having a formal relationship to a more informal friend-like relationship. Company E and F stated that building relationships with influencers is like building relationships with people in general. The relationship with influencers was built similarly to a regular friendship but developed to be more professional. Company F argued that the influencers’ interest in collaborating with the company determined the type of relationship that would be built,

“if we notice that influencers want a long-term collaboration then we go all-in. But if we notice that it was a one-time thing for them and that they only wanted a (product), then we won’t build the same type of relationship. So, it completely depends on the influencer and their interest in our company.”

– Company F
For Company D, the interest of the influencer was an important factor as they argued, “I feel as if many influencers don’t want a relationship. Many consider it simply a job...”. They emphasized that it was hard to build a relationship beyond a business one, as influencers,” …don’t feel like having a meeting when they might as well get a brief via email”. Company F acknowledged that their relationships with influencers are business centered and that “…there are only a few influencers that we get a close relationship with”. The relationships they have with influencers are very individual, stretching from strictly business to more personal relationships,

“With some (influencers), it’s perhaps enough that we email sometimes. With others it can be more personal and you can, for example, ask how their children are and send funny things and such. While for those who think that it’s just pure business, it’s very straightforward, about what we should and shouldn't do.”
– Company F

For Company B the interest of the influencer was not a deciding factor on what type of relationship that was established. They argued that most of the relationships they have with influencers are the same unless there is a certain objective with a collaboration, such as a design collaboration. Meaning that, because the influencer is more involved, it could develop into a more friend-like relationship.

Company A did not build any relationships directly with influencers but focused more on establishing a good relation to people at the IM agencies, stating that, “...you would want a contact person who is good; that can negotiate the price and knows what we want. That is more of a priority for us now”. Because of the close to non-existent relationship that prevails between influencers and Company A, the relationship is formal and business oriented. Company C used a different approach and built a community around influencers where, in contrast to Company A, a lot of time and energy is continuously devoted to building relationships with influencers. The influencers are considered a part of the company,

“we want to take them behind-the-scenes. We don’t only consider them as a channel through which we transmit content, they are a part of the (Company C) family.”
– Company C
They also pointed out that the performance of the influencer determines the relationship between the two parties, “...the influencers who perform the best, are the ones who we actually want to invest in a long-term”. The more involved and dedicated the influencers are, the deeper the relationship becomes.

**Analysis**

The influencer’s interest and involvement appeared to determine the type of relationship built between the firm and influencer. If an influencer gives the impression of not wishing to spend time on generating a mutual relationship, then the company would be wasting their time and efforts. This relates to Pang et al.’s (2016) statement that the personal driving forces of each SMI should be considered. They furthermore mention that firms should engage with SMIs outside of the professional field to build long-lasting relationships (Pang et al., 2016) which both Company C and F indicated. They engaged with influencers on Instagram both on behalf of the company but also as private people. However, as was expressed by Company D, not all influencers appear to be interested in building informal relationships.

Moreover, the IM environment in terms of competition, the power of influencers and the changing digital landscape was observed to influence whether firms decide to engage in purely formal business relationships or informal friendly oriented relationships.

**4.2 Relationship Building Methods**

During the interviews with the SMEs it was possible to recognize the methods companies use to build relationships with influencers. Communication was viewed as a main component for having a successful collaboration. The presence of conversations between firms and influencers was presumed to be a basis for possible relationships. Other methods such as gifts, events and feedback were additionally noted to be used by some SMEs.

**4.2.1 One-way and Two-way Communication**

By understanding the companies’ perceived importance of having communication with influencers, it was possible to identify whether the companies view the influencer as more of a partner, insinuating two-way communication, or if the terms of the collaboration are
one-way given from the company to the influencer. For example, Company F noted that through communication “you get to know everyone”. They also mentioned the importance of having communication between them and their influencers, stating, “there are a lot of things that are needed to make a collaboration work. Communication is everything”. They meant that the existence of a dialog between the company and the influencer is important but related it to the fact that their product requires customization.

Additionally, both Company C and F agreed that conversing with influencers is a way to make sure that they are both on the same page. Company C took it even further by having a policy to always skype before a collaboration is initiated. They also emphasized the need for feedback to be given in both directions. Company A, on the other hand, stated “we look at it more as if we pay for a spot in their channel, more like an ad space”, and argued that they do not view it as a collaboration. Meanwhile the rest of the companies noted that it was a collaboration, but generally appeared to state that the size of the collaboration correlated to the amount of communication they had.

**Analysis**

Valentini (2015) found that, to foster beneficial and mutual relationships, the firm should foster two-way communication. This appears to be related to what some firms in the study had to say about this topic. Establishing a personal rapport between the firm and the influencer was stated by Cardwell et al. (2017) as vital, which is in line with Company F’s statement that communication is needed to make the collaboration work. Both Company C and F’s sentiments that communication makes it possible to see if both parties are on the same page, appears important as it establishes a common base between the firm and the influencer. The rest of the companies appeared to establish beneficial mutual relationships to some extent, although they saw two-way communication as more necessary in larger collaborations. Company C regard their influencers as an important source of input, and as such had a fuller view on the usefulness of establishing two-way communication.

On the other hand, Company A viewed the use of influencers more as an advertising space with no intention to create a relationship, and as such saw no reason for anything more than one-way communication from their side. However, Hallahan et al. (2007) stated that
with one-way flow of communication, the receiver is underestimated and has a limited possibility to provide feedback or converse with the firm.

Communication is needed to have a relationship with influencers. However, the presence of two-way communication does not always appear to be necessary from the SME’s point of view. Having a dialog with influencers is important if a firm intends to have personal relationships with influencers, while one-way communication appears sufficient for a business relationship.

4.2.2 Means of Communication

When choosing how to interact with influencers or in some cases IM agencies, five of the six interviewed companies revealed email to be their primary communication method. Most companies added that in addition to email, they also communicate via Instagram by liking and commenting on influencers’ posts, while Company F stated that in “99% of the cases it's emails, sometimes it's phone contact but most often emails”.

Company D mentioned meetings as a way to communicate more personally if they are engaged in a bigger collaboration, something Company E appeared to agree with, stating that face-to-face communication and skype calls could be used when dealing with bigger influencers. Company B also stated that they occasionally write handwritten notes and send their products with a carrier, provided that the influencer was located in the same city. It was perceived to be easier for Company D to have a relationship with influencers who live in the same city because then it was possible to meet them in person. Company C had a different take on the importance of having personal communications, stating that in the beginning of a collaboration,

“We usually meet, if we can, or skype with the influencer, in order to tell them more about (Company C) as a company, and the whole vision, and the idea behind the product.”

– Company C

Both Company C and F stated that it was important to keep oneself up-to-date with the influencer’s life, for example by sending a greeting through email when something significant happened in their lives. Company F mentioned that the influencer’s perception of the relationship changed when such measures were taken,
“If you have that relationship then they notice that, ‘well, she likes me, she is updated, she doesn’t only want to buy an advertising space on my Instagram’. It becomes a relationship between the people and then it’s business after that.”
– Company F

Company A noted that because they use IM agencies they do not have any communication directly between the company and the influencer,

“It’s so nice to have those agencies. They take care of agreements, they take care of everything. You don’t need to nag them if they miss a deadline. It’s more comfortable to be a client [...] it would probably take double or triple the time to take care of this without the agencies.”
– Company A

Most of the companies noted that they would rather not deal with IM agencies when working with influencers in Sweden, and instead prefer to communicate directly with influencers. As exemplified by Company D,

“The distance becomes so great. And it feels a bit as if the information disappears. It shouldn’t be like that, as it’s in written form, in an email. But it, disappears a bit.”
– Company D

Company F argued that they prefer to work directly with influencers, and not through agencies, because the former enables them to make sure that they are both on the same track and have the same mindset. Similarly, Company C prefer direct contact because working through an agency takes away the personal relationship that they wish to build with the influencer.

Analysis
The medium used when interacting with people determined the richness of the communication between the influencers and the company. More granularity can be given and perceived in a face-to-face meeting than in an email. Furthermore, the establishment of trust can more easily be gained in personal interactions. Therefore, most companies use of more personal tools of interaction, although used seldomly by all except Company
C, is understandable as it opens for a closer relationship, something Cardwell et al. (2017) noted as important.

It was made apparent in the answers from the interviewed companies that IM agencies are generally not viewed that fondly. Pang et al. (2016) and Cardwell at al. (2017) noted that relationships can be improved when engaging more privately with influencers. This is exactly Company C’s reason for not wishing to communicate through agencies, as it reduces the interaction between them and influencers. Company A is an outlier in regard to this, which appears to correspond to their overall view that establishing relations directly with influencers is unnecessary. Communication was established by Ledingham (2003) as an important factor in establishing a relationship, but conversing through an intermediary diminishes that important factor, and as indicated by Company D, does increase the distance between the firm and the influencer.

4.2.3 Additional Relationship Building Methods

When it comes to different ways of building relationships with influencers, other than communication, the companies in the study identified some additional methods.

Gifts

One method identified when building relationships, although only used by one company, was to send gifts to influencers. A gift, in this context, is something given by a firm to an influencer, but which excludes the firm’s own product. Company F sent various things to influencers to show their appreciation. They argued that sending spontaneous things as a small gesture was a good way to build relationships,

“I almost think it’s more fun to have that kind of relationship with the influencers because it makes it feel authentic. I do it because I like them. And I think they’re fun and nice, so then they get the same image of me [...]. It has nothing to do with me wanting them to market us, I do it only because I like them. Because I want to show how much we appreciate them.”

– Company F

As Company F’s product requires customization, sending gifts was used as an activity to strengthen their relationships with influencers. This activity was also very individual as it depended upon the existing relationship they have to the influencer, what relationship
the influencer wanted to have with the company and the time the company had at their disposal. On the other hand, Company D did not think it worked to send things as influencers view it as very tiresome to be offered so many things from companies,

“the reason that we don’t do it is because they (influencers) get so much stuff all the time […] Maybe it’s not worth it, to spend that time. We have done that before and it didn’t result in anything.”

– Company D

Events

Arranging events was also used as a relationship building activity with influencers but for different purposes. Company B had a few events throughout the year but only for a selected number of influencers. While, Company F did not have events for their influencers but instead for their customers, although the influencers were invited to participate as well,

“I know that sometimes when we’ve had events it was mixed and the influencers thought that it was pretty nice to go on an event where they can be on the same level as other people, and not have their usual celebrity-status.”

– Company F

Company C used events to a greater extent and had several ones in different parts of the world to meet with their influencers. These events were proven to be a great way of receiving feedback on their product,

“We do these tours in Europe. We’ve had events in Madrid, Paris, Stockholm and Berlin last month. We’ve also been in New York. Then we invited everyone, in that city of course, to come for dinner or lunch and in return they provide feedback on the product and say what we can improve.”

– Company C

Arranging events were not used for relationship purposes by all the companies, for example Company D stated that when they occasionally have events with a profile, “it’s still more about getting better content, than to build relationships”. Company E who did not have a lot of events, argued that it is important that the influencer at the event is relevant for the company and that it is credible otherwise including an influencer who is
not very relevant for the company can, as they describe it "... sound very, very, paid". Meanwhile, Company A stated that they cannot have events at their current position because of their relative small size and lack of resources.

**Feedback**

Feedback was perceived to be an additional way to build relationships with influencers. Company C received a lot of feedback that they used to improve their product, and this was only possible by having a dialog with their influencers,

> "They give us a lot of feedback on things, and some (influencers) maybe use the product for the first time and come up with completely crazy stuff that they’d want to see and that is fun to talk about."

– Company C

Likewise, Company F appreciated the dialog they have with their influencers,

> "I think is very good because you get these contacts and relationships and it’s easier to get feedback like, ‘what did you think about the collaboration’ or ‘what did you think about the product, can we do something else later’."

– Company F

**Analysis**

Ledingham (2003) stated that building relationships with influencers requires communication but should be accompanied with actions and events from the company. As summarized previously, the companies in the study did build relationships with influencers by communicating with them, but they also invited influencers to events, provided the possibility to give feedback, and sent out gifts.

Understanding the importance of creating strong ties to influencers can benefit companies when developing new products (Droge et al., 2010). This was indicated by Company C who received feedback from their influencers which they forwarded to their product development department. Lin et al. (2018) also mentioned that feedback should be provided to the influencer on how the collaboration or campaign could be improved. Moreover, Uzunoğlu and Misci Kip (2014) argued that it is important to consider influencers as partners and not only invite influencers to events or reward them by sending products. Company C used events frequently to connect with their influencers and build
stronger ties. On the other hand, Company A did not appear to adhere to Uzunoğlu and Misci Kip’s (2014) finding. They neither consider influencers as partners nor had any other interactions with them.

4.3 Resource Limitations

The companies in this study reflected upon their resource availability and the extent to which they are able to implement IM initiatives. It was noted that some companies faced financial constraints while others did not perceive it to be a barrier when working with influencers. How company size, human and financial resource limitations influence SMEs relationship activities was chosen as a theme for this study.

4.3.1 Company Size

When asked if the size of the company influence the way relationship building activities are planned, Company B argued that they did not perceive their size as a concern because thus far, they have worked with all of their desired influencers. They explained that since none of the companies within their niche work in the same way as they do, they consider themselves as a unique company. Company D stated that, “large companies have money. And that makes the prices rise so much”. Yet, they feel that many influencers like to work with smaller companies, which adheres to Company E’s point of view. Company E noted that some influencers view it as exciting to work with a startup while others prefer the opposite. Company C pointed out that influencers favor their company because they are “new and fresh”. However, they also address that if they would have been a brand with a strong heritage and appealing place for influencers to work, then influencers would be more eager to collaborate with them,

“If we would have been Prada, everyone would have said ‘of course we choose you’. My job is also about making our influencer brand as attractive as possible, you should want to work with (Company C), you should choose us instead of everyone else.”
– Company C
Analysis

As it was discussed in the literature, firms differ in size and resource availability (Lin et al., 2018). The size of the company, in general, put restrictions when approaching different types of influencers. From the interviews, it was noted by Company C that, in relation to large firms, small firms may lack a strong brand or heritage that would make influencers want to collaborate with a company. However, as pointed out by several companies, being small can be perceived as good because some influencers find them more interesting and are therefore more willing to work with them.

4.3.2 Financial and Human Resource Constraints

Some companies expressed that IM requires a huge budget, while others argued that it is cheap in relation to its benefits. Company A was one of the respondents that were concerned about their budget. They argued that, given their small marketing budget, IM is quite an expensive marketing activity compared to other digital marketing tools. Similar to Company A, Company C mentioned that budget was a challenge. However, after experiencing the effectiveness of IM and the influencer’s work, both companies decided to continue engaging in IM activities. On the other hand, Company B argued that IM can be considered a cheap marketing activity,

“It has a lot to do with us working online and then this is what we wanted to work with [...] this gives us the most and is the cheapest.”

– Company B

Company E appeared to have no financial constraints when working with IM. They additionally argued that influencers, especially big ones, prefer to work with companies who would give the most money. Company D instead perceived IM to be just as expensive as any other marketing activity. They argued that,

“It is extremely expensive. However, I think that many people who view it as expensive think so because they compare it with how it was before, that it didn’t used to cost anything, but now you just have to let that go, because it costs money.”

– Company D
Company A noted that other than budget constraints, time is another limitation. They argued that,

“*We are on a start-up level so it is really just me and (colleague) who works with everything. So time and money are the biggest obstacles.*”
– Company A

Similarly, Company C stated that they are a start-up and did not have any established IM processes. Before fully recognizing IM, it was only two people who were actually interested in IM.

“No one has told me how I should work, me and my boss decided how we should do it and it has actually worked.”
– Company C

**Analysis**

According to Lin et al. (2018) managers are advised to check the availability of resources in order to know how much resources they need to allocate to the collaborations which may affect their selection of influencers. This was made apparent in Company A’s case, as they stated that they did not collaborate with big influencers, due to their price. However, the other companies appeared to not necessarily exclude large influencers due to financial reasons. Yet, Company D mentioned that influencers’ prices had risen, which not only made them scale down on which markets they were actively using IM in, but also reduced the number of influencers which they work with. As noted by Carson and Cromie (1989) in addition to financial constraints, companies may lack marketing knowledge and time. Time, as a constraint, was only mentioned by Company A, and related that to their reason for using agencies. Meanwhile, Company C noted the lack of established procedures for how to utilize IM, however, they also pointed out that it is not viewed as a limitation for them. Time and human resources did therefore not appear to affect their choice of influencers.
5. Discussion

This chapter will start by discussing the purpose of the study, and how it will be fulfilled through the empirical and analytic work conducted. Thereafter, the main findings will be presented and discussed, in an effort to clarify how SMEs build relationships with influencers.

The purpose of this study is to explore the methods SMEs use to build relationships with influencers and the underlying dimensions related to those activities. Fillis (2002) argued that SMEs marketing activities differ from conventional marketing practices and that creativity needs to be used to overcome their resource constraints. With our study we demonstrate that how SMEs build relationships is influenced by the selection of the influencer, the nature of the collaboration i.e. paid or earned and long or short-term, the nature of the product and whether the relationship is formal and/or informal. In addition, we identified that the methods SMEs utilize are communication, gifts, events and feedback. It was also found that resource limitations played less of a role than expected regarding SMEs relationship building activities.

Just like Till (1998) noted that the connection between a brand and an influencer is expected to be closer if they have an adherence over brand values, the companies in the study indicated that before initiating collaborations, they were specific about selecting influencers that adhered to the brand’s values. Most companies in the study engaged in paid collaborations which were pointed out to be a substantial investment. Therefore, by selecting the right influencer the SMEs could ensure that they shared similar interests and values about the collaboration. We observed that companies who engaged in mostly paid collaborations corresponded to Archer and Harrigan’s (2016) argument, that most influencers are more interested in receiving monetary compensation for their contribution than building relationships. However, our findings also indicated that some companies who do not compensate their influencers in monetary terms, still build relationships with influencers. No clear pattern was therefore discovered which connected paid and earned collaborations to how SMEs build relationships.

Our study adds to existing literature by demonstrating what the length of a collaboration means for SMEs relationship building initiatives with influencers. Companies were
generally more interested in creating and investing time into relationships when the collaboration intended to be long-term. With regards to short-term collaborations, the interactions between influencers and companies were more commercial, and did not necessarily require the relationship to be anything more than a business relationship. Thus, if the time spent working together was short, less time and effort was spent on building a relationship.

We further identified that the methods used when building relationships are adapted according to the type of relationship firms have with their influencers, i.e. whether it is formal or informal. For example, it was observed that certain methods such as gifts were not used by SMEs when engaging in formal relationships. Although Pang et al. (2016) suggest companies to build relationships with influencers outside of the professional sphere to create stronger relationships, only a few companies in our study were found to engage in informal relationships. Most of the companies in the study preferred to establish professional relationships with influencers to easily express their demands and because influencers were not interested in establishing informal relationships.

In regard to how SMEs build relationships with influencers, we identified four types of relationship building activities which were disclosed in the second theme. Previous studies identified the methods observed in our study, namely direct emails, inviting influencers to events, feedback and free distribution of products, e.g. gifts, as relationship building activities that companies could engage in (Uzunoğlu & Misci Kip, 2014; Vernette, 2004; Nejad et al., 2014). However, two methods mentioned by Uzunoğlu and Misci Kip (2014), training programs and input support, did not appear to be used by Swedish SMEs. Companies who engaged in more personal relationships with influencers used gift giving as a way to interact more personally with influencers but it was ignored by companies who only engaged in formal relationships. We also observed that events were organized mainly for three purposes; create better content, interact more closely with influencers and receive feedback. The feedback made it possible to exchange ideas about the product and improve the collaboration. Having this mutual conversation could also be used to improve relationship building activities they intend to use in the future.

Communication was highlighted as the main tool used by companies to interact with influencers and laid the foundation for future interaction. Ledingham (2003) pointed out
that communication is essential for managing relationships with stakeholders such as influencers. Our findings demonstrated that communication was found to be an effective tool as the frequency could be adjusted, resulting in the possibility to engage in both formal and informal relationships. Means such as emails, phone and video calls, meetings, commenting and liking influencers photos were used, and enabled the SMEs to establish a personal rapport with the influencer.

An additional underlying dimension observed but which the literature on relationship building did not address is the nature of a firm’s product. Our findings indicate that some characteristics of a product can influence the relationship building methods firms utilize. Generally, when the SMEs engaged in paid collaborations, it was also a form of earned collaborations, as the product was sent out to the influencers to market the product. However, firms with a non-physical product could not send their products to influencers and thus could not engage in earned collaborations. Similarly, products that required customization could not be sent out before the communication between the two parties had occurred. The observations made, highlights the importance of considering the price and lifespan of the product. The former appeared to be a determinant in firms’ willingness to send out samples, and the latter on how frequently firms could send out their products.

Figure 2 shows a visual representation of the five dimensions related to the methods SMEs utilize to build relationships with influencers and four methods of relationship building.

![Figure 2: Methods and Underlying Dimensions of Relationship Building with Influencers.](image)

Furthermore, resource constraints did not appear to have any major influence on SMEs relationship building activities with influencers. Some companies felt it necessary to have an appealing influencer brand because of their small size, and that lack of time was
perceived to be an obstacle. While previous studies have been mixed about the impact SMEs financial constraints have on their marketing activities (Burg et al., 2012; Sammis et al., 2015), our study indicate that SMEs engage in both earned and paid IM. Financial limitations appeared to determine their decision on the type and number of influencers they work with, and not on whether they choose to have paid or earned collaborations. This finding corresponds to what Sammis et al. (2015) discussed, that the lack of resources can impact the length and size of firms’ influencer programs.

Conclusively, our findings indicate that companies that engage in relationship building strive to create and maintain trustworthy relationships with important stakeholders such as influencers. This corresponds to the core function of PR which laid the foundation for relationship management. However, it was observed that the degree of importance SMEs put on building relationships with influencers varied as some companies heavily emphasized the benefits on having good relations while others did not appear to pay significant attention to relationship building with influencers.
6. Conclusion

In this chapter we provide an overall conclusion by reconnecting our findings, gathered from the analysis and discussion, to our research question. It also goes into the implications of the research, the limitations which exist and give suggestions for future research.

The world is moving online as more and more people adopt the use of online platforms, and in particular social media. The digital environment has resulted in the eruption of a new, important middleman in the firm-customer relationship, namely Influencers. This paper set out to understand how Swedish SMEs build relationships with these influencers. By utilizing a qualitative research method, with semi-structured interviews, this study explored the underlying dimensions and methods of relationship building from a management perspective.

Firstly, it was found that influencers’ adherence to a brand’s values and whether the collaboration is intended to be long-term or short-term are underlying dimensions which influence if relationship building is initiated. Further, SMEs’ methods used for relationship building were adjusted based on whether the relationship between the two parties is formal or informal. It was also observed that the nature of a product, for example if it is a physical or non-physical product, was a determinant for what relationship building methods SMEs can utilize. However, another potential underlying dimension, paid and earned forms of IM, was reviewed but no clear pattern was found which connected it to relationship building activities that SMEs implemented. Secondly, four main methods currently used by SMEs to build these relationships were explored; communication, gifts, events and feedback. The last main finding was that, even though the literature suggested that SMEs’ relative lack of resources would make them utilize marketing methods in more creative ways, it did not appear to influence the relationship building methods that they ultimately used. Financial limitations did however have an impact on some firms’ choice of influencers.

The main research question that guided this study was, ‘How do Swedish SMEs build relationships with influencers?’. By addressing the sub-questions of this study, it was possible to answer the overarching research question by exploring the methods and
underlying dimensions of relationship building that SMEs engage in with influencers. Additional information concerning SMEs resource constraints related to relationship building activities with influencers was provided. As such, the results of the study provide an extension to the existing theory and can be regarded as a basis for further studies.

6.1 Implications of the Study
The findings of the study hold several implications, both towards academia and practitioners engaging in IM. Academically, it was found that relationship building is an activity firms engage in, however, it did not appear to be a firm’s main focus when implementing IM initiatives. Our study presented that SMEs utilize some of the methods mentioned by previous scholars, but the purpose and the extent to which they used these methods appeared to be different. Additionally, this study’s identification of two types of relationships, formal and informal, can be a useful implication as academia currently does not appear to address the type of relationship that occurs between a firm and an influencer.

As for practical implications for professionals working with IM, our findings enable SMEs to understand how to effectively approach influencers and create a successful collaboration. Before entering a collaboration with influencers, our results revealed that practitioners are recommended to carefully examine if an influencer conveys similar values when promoting a brand, to make collaborations more genuine. Moreover, it is suggested to consider the timeline of the intended collaboration, when deciding on what methods to implement when building relationships with influencers. If the timeline of the collaboration is long, then it is worth investing more time and resources into creating strong ties with the influencers. Communication was additionally observed to be key for creating a relationship with influencers, as it provided the basis for further relationship building initiatives.

The study further revealed certain practices and methods that firms utilize when entering a collaboration with influencers. However, the nature of the product was observed to limit companies’ ability to utilize some of these identified methods, therefore a decision upon the applicability of the identified methods is needed. Lastly, as competition for
influencers increases, it may become essential for SMEs to create a strong influencer brand, in order to appeal and retain influencers.

6.2 Research Limitations

When reflecting over this study, some research limitations should be considered as they may affect the results gained. Firstly, an overall limitation concerns time and budget constraints. If more time had been available, the interviews could have been conducted more thoroughly, perhaps by having follow-up interviews. The existing budget constraints made it necessary to schedule several interviews on the same day and conduct some interviews over the Internet. This might have resulted in more rushed and shallow interviews. Additionally, the interviews improved over time as the authors gained experience with the qualitative research method. Moreover, since the same people were in charge of interviewing, analyzing and discussing the results, their inert biases may have had an impact.

Instagram was the only platform used for selecting companies that utilize IM. Other findings of how firms build relationships may have been observed if SMEs utilizing other platforms had been interviewed. In addition, three out of the six interviewed companies were representing the same industry, namely the watch industry. As IM has been extensively used within the watch industry, it was believed that they would provide a fuller view on relationship building with influencers. This overrepresentation of watch companies may make the findings more geared towards that specific industry.

6.3 Further Research

There are several different fields of possible future research on IM and its relationship building aspect. One area concerns the underlying dimensions which influence how companies build relationships with influencers. Future research could investigate if there are other underlying reasons for firms’ choices in regard to relationship building, and go more in detail about the factors identified, for example addressing how influencers regard these elements. Moreover, it would be interesting, from a quantitative point of view, to investigate if there is a correlation between the dimensions and methods identified when building relationships with influencers.
The study also identified four methods for building relationships; communication, gifts, events and feedback. Investigating these methods and how they are experienced from influencers’ point of view would be of interest, not least because one of the companies interviewed noted how influencers seem uninterested in building relationships and attending events. Gathering that perspective could provide further insights into how effective these measures are in establishing a rapport between the two parties. It could also be of interest to investigate influencers perception of informal and formal relationships; what they prefer, why they prefer that, etc. As some firms invest a lot of money, time and energy towards establishing more personal connections, it would be interesting to see if it is worth spending those resources. Investigating if having a personal connection increase the influencers’ interest in a firm or its products, is an example of an alluring topic.
7. Reference list


Appendix 1: Interview Guide in English

About the company:

1. Can you please introduce yourself and your role in the company?
   a. Position,
   b. Responsibilities,
   c. How long have your company worked with Influencer Marketing,
   d. Do you have any division that works with influencer marketing or is it integrated into the overall company’s operations? Why / Why not?

About Influencer marketing in general:

2. What made you want to start utilizing Influencer Marketing?
   a. Is it because of financial, time and knowledge limitations
3. How did you start working with influencer marketing?
   a. Has it changed throughout the time that you have been working with Influencer Marketing?
4. What do you think are the benefits / drawbacks of Influencer Marketing?

About campaigns/collaboration:

5. Can you tell us about a particularly successful Influencer Marketing campaign? Why did it succeed?
6. Do you have any limitations when designing Influencer Marketing campaigns? (financial, time, knowledge)
7. How do you plan Influencer Marketing projects? Is it a collaborative effort between two parties or solely planned by you?
   a. How do you make sure that you get the desired outcome from the collaboration?

About influencers:

8. How do you choose the influencers that you want to work with? Is it a strategic choice or based on your instincts?
   a. Are there any criteria you adhere to? Number of followers, reach, interests, niche, geographical location, gender, family status, age?
   Anything else?
9. How do you initially get in contact with influencers?
10. How do you communicate with the influencers you work with?
11. How do you make influencers promote your product/service or brand?
   a. Monetary/non-monetary incentives
   b. How do you motivate your influencers?
12. Do you engage in long-term or short-term collaborations with influencers? Why/Why not?
About relationship building:

13. How do you build relationships with influencers? (Methods, processes)
   a. When? (before / during / after / continuously)
   b. Where? (online / offline)
14. Does your relationship building activities differ depending on what type of influencers you work with?
   a. Number of followers, gender etc.
15. What methods do you use to improve your relationships with influencers? Why?
16. What do you think are important factors of relationship building with influencers?
   a. Trust, two-way communication, feedback, interests in product/service
17. How much effort do you put into building relationships with influencers?
   a. Is it a priority for you?
   b. Time
Appendix 2: Interview Guide in Swedish

Om företaget:

1. Kan du berätta om din roll här på företaget?
   a. Position
   b. Ansvarsområde
   c. Hur länge har ni arbetat med Influencer Marketing här på företaget
   d. Har ni en egen avdelning som arbetar med influencer marketing eller är det integrerat i företaget? Varför/Varför inte?

Om influencer marketing generellt:

2. Vad fick er att vilja börja jobba med influencer marketing?
   a. Är det på grund av finansiella, tids eller kunskaps begränsningar?
3. Hur började ni jobba med influencer marketing?
   a. Har det ändrats under tiden ni har jobbat med influencer marketing?
4. Vad är bra/mindre bra med influencer marketing?

Om Kampanjer/Samarbeten:

5. Kan ni berätta om en särskilt lyckad influencer marketing kampanj? Varför blev den lyckad?
6. Har ni några begränsningar när ni utformar en kampanj med influencers? (finansiella, tid, kunskap)
7. Hur utformar ni influencer marketing projekt? Utformar ni samarbeten som ett projekt mellan två parter eller är det endast en kampanj från er sida?
   a. Hur ser ni till att ni får ut det ni vill av samarbetet?

Om Influencers:

8. Hur väljer ni vilka influencers ni vill jobba med? Är det strategiskt eller går ni mer på känsla?
   a. Finns det några kriterier ni går efter? Antal följare, räckvidd, intressen/nisch, geografisk plats, kön, familjestatus, ålder? Något annat?
9. Hur kommer ni i kontakt med influencers ni vill börja jobba med?
10. Hur kommunicerar ni med de influencers som ni jobbar med?
11. Hur får ni influencers att marknadsföra er?
   a. Betald marknadsföring eller ej?
   b. Hur motiverar ni influencers?
12. Har ni långvariga eller kortvariga samarbeten med influencers? Varför/Varför inte?

Om Relationsbyggandet:

13. Hur bygger ni relationer med influencers? (metoder, processer)
   a. När? (före/under/efter/continuerligt)
b. Var? (online/offline)

14. Skiljer de relationsbyggande aktiviteterna ni använder er av sig åt, beroende på vilken influencer ni arbetar med?
   a. antal följare, kön etc.

15. Vilka metoder använder ni för att förbättra era relationer med influencers? Varför?

16. Vad tycker ni är viktigt när ni bygger relationer med influencers?
   a. Trovärdighet, two-way communication, feedback, intresse för produkt/tjänst

17. Hur mycket energi lägger ni på att bygga relationer med influencers?
   a. År den en prioritet för er?
   b. Tid?