

Faculty of Business Economics

Master of Management

Masterthesis

Influencer Marketing as an Innovative Tool to Increase Customer Acquisition for SMEs. Case of MENA region.

Hala Jamei

Thesis presented in fulfillment of the requirements for the degree of Master of Management, specialization International Marketing Strategy

SUPERVISOR:

Prof. dr. Wim VANHAVERBEKE





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Abbreviations

MENA: Middle East and North Africa region

SMEs: Small to Medium Enterprises

RESP: Respondent

CEO: Chief Executive Officer

ROI: Return on Investment

Abstract

Influencer marketing is a new form of marketing that has steadily been gaining popularity over the past couple of years. The emergence of influencer marketing has coincided with technology triggering the development of social media marketing. Influencer marketing focuses on using influential people to target a market rather than directly focusing on the target market. The idea is to identify people that are able to influence buyers through social media (based on the number of followers they have and their activities on social media), orient them to your products and develop marketing activities around those influencers. In the MENA (Middle East and North Africa region), influencer marketing has not yet been fully embraced. Most companies or organizations are still using more conventional methods of marketing.

Different managers and business leaders in SME's were asked about their opinion and use of influencer marketing in this dissertation. They have diverse opinions regarding the use of influencer marketing in their organizations. Given the changing consumer trends, it is important to note that acknowledge that social media are likely to be an effective mode of marketing. This is especially due to the fact that the internet has penetrated in nearly every part of the world and most people have access to social media sites. In other words, it is possible to reach a lot of people through the various sites. The present research was aimed at finding out the effectiveness of influencer marketing as an innovative tool to increase customer acquisition for SMEs by companies in MENA. Seven Marketing employees of five SMEs in the MENA region were interviewed. A qualitative method of data collecting was used in the study.

It was found out that despite the fact that influencer marketing is to be fully embraced in MENA, a good number (5) of our interviewees believe it can effectively be used to increase customer acquisition. However, about 2 of the interviewees either do not believe in influencer marketing or are not sure of its effectiveness. In general, an indirect effect on sales is believed to exist when influencer marketing is used by our respondents. Influencer marketing is seen as a complementary marketing tool, which should fit a complete marketing and communication strategy and be used in a targeted way. Influencer marketing moreover faces a number of barriers such as finding the right credible influencers and managing the process as an SME. Use of multiple

social media platforms is one way of improving the effectiveness. Help by agencies could be also be a solution to better select influencers, but this might be much too expensive for SME's.

This thesis was too limited to draw more conclusions on the type of influencer best suited to make influencer marketing more effective in SME's and to depict how its results could quantitatively be measured in dollar volume and return on investment and whether it is as expected a cheaper way of communicating with the target audience.

Chapter One: Introduction

1. Introduction

Since the emergence of the worldwide web and the ever-growing popularity of social networking sites, marketing strategies have been transformed drastically. The number of digital consumers, who encounter hundreds of commercial stimuli every day, has increased dramatically. Thus brands face the challenge to stand out much more than before.

With millions of active internet and social network users, the advertising industry has been compelled to realign brand awareness strategies with digital platforms to ensure economic success. One such strategy is influencer marketing. This practice has been around for a long time, but the process has evolved with the advancement of digital technology. Influencer marketing has fast become one of the most popular and effective marketing methods of reaching more consumers. Prior to the existence of an online world, influencer marketing was only aimed at target market customers who were influenced by people considered to be offline opinion leaders, such as journalists and film stars. Currently this practice focuses on online opinion leaders. These are individuals on social media sites with large volumes of followers.

Influencer marketing has become one of the trendiest and most efficient ways to reach more customers and targeted communities. Big brands use influencers to reach new customers to achieve higher brand awareness through various innovative tools and techniques. Influencer marketing plays a positive role in customer acquisition for SMEs.

The purpose of this study is to investigate the impact of influencer marketing on customer acquisition in SMEs. Influencer marketing is indeed not confined to usage by large corporations. SMEs may also use this approach to improve business relations and increase profits in a highly-competitive environment and they might benefit more because the technique is relatively cheap compared to the previously used opinion leader marketing.

1.1.Background

Biadet (2017, 11) defined influence as "the power to significantly affect an individual, thing, or a course of events". Influencer marketing uses this "influence" on a platform of social

media. Halim et al (2017, 184) described social media as "a global, advanced marketing platform" and a "popular choice for modern business promotion". Hajli (2014) describes social media influence as social interaction via social networking sites, online communities, and effective Web 2.0 technologies for information and knowledge sharing in a social context. Chae (2017, 246) defined social media influencers as "online celebrities who exhibit aspects of their personal lives to followers using social media". Freberg et al. (2010) describe a social media influencer as "a new form of independent, third-party endorsement in which the individual shapes the attitudes of the audience with tweets, blogs, and other social media implementations".

Ranga & Sharma (2014, 16) define social media influencer marketing as a modern form of marketing "which centers upon key individuals or types of key individuals as opposed to a focus upon the target market in its entirety". Dahnil et al (2014) found that social media marketing tools create new opportunities for SMEs and also drive positive changes in the nature and shape of the business through a global platform. The social media influencer represents the subliminal message that the consumer must subscribe to particular products and services in order to achieve a lifestyle that is comparative to that of the influencer (Chae, 2017; Li et al 2013). The persuasive power of the social media influencer is so intense that web technologies have been published to identify and track social media influencers who are relevant to a particular brand based upon daily blog hits, posts, and the number of followers (Freberg et al 2011).

The objective of social media marketing strategies is to create and cultivate business and consumer relationships. Biadet (2017, 11) defined influencer marketing as "an important approach to new age marketing" that is used as a guide "by professionals at the edge of significant purchasing decisions". Finally Ranga & Sharma (2014) argue that influencer marketing schemes must identify the individual with the most influence over the prospective buyer and build the firm's marketing activity around the individual.

1.2. Significance of the study

Social media influencers are becoming a strong players in marketing. The major reason is that companies have to care about their online reputation if they want to attract and keep consumers

and build a long-term relationship with them. Marketing through hiring these influencers is helping companies in persuading consumers to purchase their products and/or services.

The purpose of this study is to determine whether influencer marketing really has a positive impact on customer acquisition and the attraction of new customers, specifically for SME's. This leads to the following research questions.

The main research question is:

- Do influencer-marketing strategies have a positive effect on customer acquisition in SMEs?

In order to find the right ideas to answer this question, have addressed the following three sub questions:

- Why do SMEs choose social media influencers instead of other marketing tools?
- Which position does influencer marketing take in the overall marketing strategy of SMEs?
- What are the challenges associated with influencer marketing strategies in SME's?

Chapter Two: Literature Review

2. Introduction

This chapter will provide a literature review of influencer marketing. To fully understand the broad construct of influencer marketing and its benefits, I will discuss its importance, the various definitions associated with this approach, the different types of influencer marketing and the value using influencer marketing proposes to companies. Then I will indicate some challenges of using this as an innovative tool in SME's. Finally I will discuss the potential for increased customer acquisition through influencer marketing, and highlight the importance of social media influencers with respect to SMEs.

2.1 The importance of influencer marketing in content marketing perspective

An increasing population of consumers is now relying on online reviews before buying a product or a service. This increasing trend compels brand managers to use social media platforms to promote their products and interact with their audience either directly or through popular influencers on social media. These influencers are very useful because of their popularity and ability to quickly make an online brand message viral (Edwards, 2015).

Today, it is common to find companies using social media marketing as their marketing strategy. One of the ways to communicate online and have a big impact on potential customers is through audio-video messaging by influencers on social media. A consistent and integrated content marketing strategy is beneficial to the development of a strong relationship between a brand or company and its targeted audience.

Content marketing is often defined as "a marketing strategy where brands create interest, relevance and relationships with customers by producing, curating and sharing content that addresses specific customer needs and delivers visible value" (Gerard, 2015). Content creation on various social media platforms enables brands to promote visibility, audience interaction and brand reputation. Content creators are the promotors of brand advocacy messages as they guide their audience to develop opinions about these brands. "Companies that use the services of influential reviewers get access to instant feedback and recommendations from their audience, (Trimble, 2014)" and develop the most vital and effective form of content marketing.

2.2. Influencer marketing and word-of-mouth

Influencer marketing is a further development of what marketing theory calls word-of-mouth communication. Word of mouth has always been a powerful marketing tool as it is both inexpensive and yields great results. It is a phenomenon that stands in a league of its own when comparing marketing techniques (Ranga & Sharma, 2014, p. 16). This is because we tend to trust the recommendations of those closest to us and are more likely to act on these recommendations. Many people would rather trust the experiences of friends or family members than advertising (Marketing-Schools.org, 2017).

Influencer marketing in turn involves marketing products and services using the recommendation of people who have a sway over other people's opinions. "Their market influence typically comes from their popularity, reputation or expertise. It is similar to recommendations made by friends and peers through word of mouth marketing (Marketing-Schools.org, 2017)". Strong companies tend to hire agencies with influencers who have a good reputation to promote their own products to reach their markets. "These influencers originate in various places and forms and could be an influential group, person, celebrity, brand, or place (Marketing-schools.org, 2017)". Ultimately, an influencer is a good persuader and can encourage others to make a purchase, which is precisely what an organization wants to accomplish.

However, in the era of digital technology this has changed drastically. According to Ranga and Sharma (2014, p. 16), communication between consumers has shifted from taking place in person between close friends and peers to digital platforms that reach a much larger audience. Hence, the importance of using influencers on these platforms in marketing communication strategies.

Influencer marketing strategies have thus become an integral and prominent marketing tool for many businesses. The strategy has become a vital element of many marketing campaigns today. Influencers are not always called as such. They are also referred to as social media opinion leaders, mavens or sometimes even hubs (Watts and Dodds, 2007). We will stick in our dissertation to "influencers". Brown and Hayes state that "an 'influencer' can be defined as "a third party who

significantly shapes the customer's purchasing decision, but may never be accountable for it" (2008, p. 37). An influencer can thus be understood as an individual who has the ability and power to guide the buying choices of other customers and the public at large due to their position, expert knowledge or status. According to Biaudet (2017, p. 12), influencer marketing can be defined as "a marketing form that identifies and targets individuals with influence over potential buyers." However, Isosuo (2016, p. 13) stated that influence goes beyond having a lot of social media followers. Rather, it is about the relationship which exists between the influencer, his/her expert knowledge and his/her followers which allows this marketing tool to be a successful one. Thus a broader characterisation is needed. Goldenberg et al. (2011, p.2) indicate that influential people are thought to have three important traits: (1) they are convincing (maybe even charismatic); (2) they know a lot (i.e., are experts), and (3) they have large number of social ties, which means that they know a lot of people.

2.3. Influencer marketing communication tools

Influencer marketing uses a variety of communication tools such as blog and vlog posts, pictures and videos posted on social media sites. (Safko & Brake, 2009, p. 11). An influencer marketer mostly acts as a brand ambassador. Brown and Fiorella (2013, p. 37) highlighted that the term 'influencer' can often be confused with the term "advocate". However, they are not the same. Influencers are usually non-customers who are paid to recommend a product, while advocates are customers who have a strong liking for a product and recommend it voluntarily.

Influencer marketing uses a variety of communication tools such as blog posts, pictures and videos posted on social media sites. (Safko & Brake, 2009, p. 11). There are as many different tools as there are social media platforms that can be used to promote products and services. Instagram is one such platform where some members are regarded as influencers because they have a substantial number of followers. Because they are considered to be likeable, or popular, such individuals may be seen to be influential (De Veirman, Cauberghe and Hudders, 2017, p. 798). Instagram allows users to post photos, video recordings and live videos, as well as to communicate with other users through comments on posts and private messages. Facebook as well has rolled out new controls and capabilities to help marketers handle influencer marketing campaigns (Kirkpatrick, 2017). An increasing numbers of PR and marketing professionals also favor YouTube as a channel for their campaigns using social media influencers (James, 2016).

All these tools can be considered as innovative. Yet innovative is an elusive word. What do we understand by it? Innovation has always been an important research in a number of disciplines, and this is equally applicable to strategies encompassing influencer marketing. According to O'Sullivan and Dooley (2008, p. 4), the term is unfortunately only poorly understood. For this study, innovation is defined as "an idea or a process which results in a new product or service, which consumers will purchase". To be called an innovation, "an idea must be replicable at an economical cost and must satisfy a specific need" (BusinessDictionary.com, 2017). As Hana (2013, p. 83) describes innovation also means that new and creative ideas can be applied to existing products or processes to develop other products or services, frequently inspired by new technology. Since the tools used by influencer marketers offer the possibility to target audiences in a relatively personal way at an economical cost and for specific needs, they do have most characteristics of being considered as innovative according to the Business Directory definition of innovative.

Marketing has always been one of the fields able to harness and leverage new technologies in an innovative manner. This advantage has also come in the form of digital technologies and software, through which marketers have engaged in effective strategies to reach their target markets. As confirmed by Hana (2013) innovation and technology are typically linked and marketers who are experts in the field of digital marketing, create new strategies to enhance brands. Marketing strategies often incorporate technologically based virtual reality platforms to extend the reach and influence of their advertising initiatives. Influencer marketing is one of the forms this has taken.

2.4 Types of influencers

Within the marketing world, an 'influencer' is a broad term encompassing different groups of marketing influencers, based on both the role they play and the amount of people they can reach and their power of influence.

Neha (2015, p. 16-17) distinguishes between "innovator" and "follower" influencers. The former group of influencers mainly influences the speed of the adoption in a network while the latter group influences mainly the number of people that eventually adopt the innovation. The reason for the difference is consistent with the idea that innovative influencers adopt sooner and

turn on the adoption process, as classical product life cycle theory indicates. If they would adopt products and services later the entire process would be slower. However, "innovators" are not trusted by the majority of followers, so they have less influence on the market size. Follower influencers however are more reliable to the group of influenced followers and their adoption can influence people to consider adoption as well. Hence they have a small influence on the speed of growth but a strong one on the market size. The distinction is however quite difficult to measure, so we will not refer to it any more.

According to Ummenhofer (2014, p. 19) there are five main types of marketing influencers based on the amount of people they can influence. These are: macro-and micro-influencers, bad influencers, online-influencers and topical influencers. We explain each of these types underneath.

Macro-influencers and micro-influencers.

Macro- influencers are widely recognized and are able to draw brand awareness quickly as they have the largest following (Ummenhofer, 2014, p. 19). An example of a macro-influencer would be a celebrity. Due to their large fan base, macro-influencers are considered trendsetters, as they are able to reach a wide audience in a short space of time. However, according to Haapasalmi (2017, p. 16) macro-influencers are often only successful in influencing many individuals in impulse purchases as they lack a real personal connection with all their followers.

In contrast to this, micro-influencers have a significantly lower number of followers. They however maintain the same manner of communication as macro-influencers (Kohler, 2017, p. 9). Micro-influencers have a much narrower focus on topics and interests and therefore attract followers with the similar interests, thereby influencing them often more deeply than macro-influencers and creating a real brand audience (Ummenhofer, 2014, p. 19).

Both macro- and micro influencers play a significant role in influencer marketing and cannot be perceived or researched into as separate entities.

Online influencers.

Since the emergence of social media, the perception of influencers has changed. Given the numerous social media platforms which exist today, anyone can become an influential figure with a large enough following. There are various types of online influencers. Ummenhofer (2014, p. 22) highlights the most common categories of online influencers. These are: networkers, opinion leaders, trendsetters, reporters and customers.

Networkers are individuals whose primary concern is to connect with as many different people as possible through any channel available. Networkers do not limit themselves to a specific topic of interest but rather cover several categories to appeal to a wider audience (Lacanska, 2016, p. 24). Opinion leaders are contrary to networker's real specialists in their field of interest. These influencers have large amounts of followers but are constantly in demand, making it difficult for companies to recruit them (Lacanska, 2016, p. 24).

The third type of online influencers are trendsetters. According to Ummenhofer (2014, p. 22), these are influencers who are always eager to try new tools to attract more followers, with the most prominent and popular social media channels being blogs, Instagram and YouTube (Lucanska, 2016, p. 11).

Reporters are bloggers who specialize in certain fields. Many of them write their blog for earning a living. Kotler and Armstrong (2012, p. 511) state that blogs are "online journals where people post their thoughts, usually on a narrowly defined topic." Their articles provide a source of information to other influencers and followers alike and have gained massive following.

The last type of online influencers are the customers. Whilst this type of influencer doesn't hold much value to companies, they are considered micro-influencers as they still hold the trust of their circle of friends and peers (Kohler, 2017, p. 9).

Topical-influencers.

Topical-influencers refer to individuals who have large followings in social media, based on their credibility in a specific field of interest or the position they hold within that industry (Ummenhofer, 2014, p. 23). According to Gillian (2009, p. 5) these influencers play an integral

role as their impact can determine the success or failure of a brand. Topical-influencers are considered thought leaders within their area of expertise. Customers today prefer to read authentic information from writers who are experts in their chosen fields, rather than reading 'normal' information on websites (Gillian, 2009, p. 5).

Bad influencers.

Companies reach out to influencers to draw positive attention to their product or service, to increase sales. However, influencers can draw negative attention to the product as well and in some instances the company is not even aware of this. According to Haapasalmi (2017, p. 15) this can be seen in instances where influencers have a bad experience with a product or service and then share this negative experience with their followers.

This research study will focus on online-influencer marketing and focus on the third category of influencers indicated by Ummenhofer. According to Haapasalmi (2017, p. 8) online influencers provide remarkable added value to companies as they reach a wider target audience in an effective way. Online influencers can reach their followers in a personal and meaningful way, as they humanize and personalize the brand to their followers (Isosuo, 2016, p. 23). Influencer marketers provide consumers with insight into their private life, creating a unique 'behind the scenes' experience which enhances the relationship with consumers (Biaudet, 2017, p. 17). Gillin and Schwartzman (2011, p. 28) have explained the position of influencers because they publish content about products to be observed by the target audience and further highlighted the distinctive manner in which influencers can express this in a trustworthy manner. The major element is that although influencers are also paid, they are not seen to touch this money in the same way people know that celebrity endorsements are paid for. Thus they are considered as being more genuine and authentic in their recommendations.

2.5 Challenges of influencer marketing in SME's

There are significant differences between the marketing practices of large organizations and small firms (Hill, 2001, p. 174; Reijonen, 2010, p. 279). Marketing often takes a back seat as sales are the primary focus of SME's. Stokes (2000, p. 48) argued that in small firms, little attention is paid

to marketing strategies and long-term plans. Although marketing has become a prevalent issue for most small businesses, there is often a lack of funds to employ a full-time marketer to carry out marketing related activities. Thus a number of challenges exist in small and medium-sized enterprises for influencer marketing. They include difficulties in understanding the power of influencer marketing, lack of time to execute the strategy, lack of funds for covering the cost of influencer marketers and not knowing how to work with influencers (Stokes, 2000, p. 48).

2.6 Influencer Marketing and customer acquisition

2.6.1. Customer acquisition

According to Filip and Voinea (2012, p. 62) customer acquisition can be defined as the "the sales and marketing process of obtaining new customers and includes the process of converting existing prospects into new customers." The modern-day business environment is categorized by extreme competition, irrespective of the industry. As a result, businesses are forced to continuously work towards attracting new customers as customer migration is inevitable (Novikov, 2016, p. 14). Customer migration occurs for various reasons and therefore customer acquisition becomes a continuous process. Customer acquisition is important as it is the fastest way to grow a company's client base and reach short-term income goals (Filip & Voinea, 2012, p. 63).

It is very important for companies to acknowledge the process of acquiring high base of customers. Scholars defined four main steps for customer acquisition, adding to each step the proper practices. The figure below illustrates these steps:

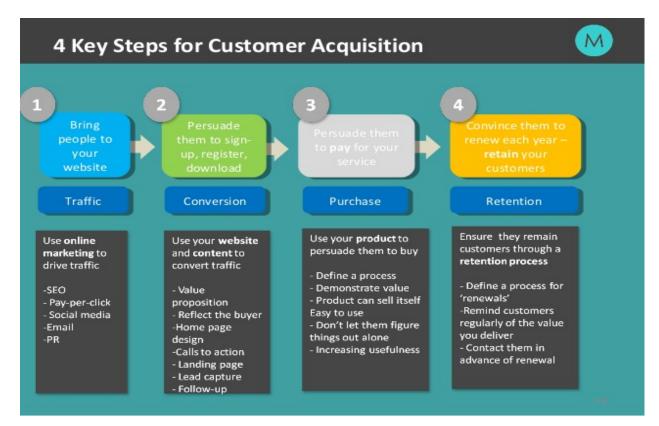


Figure 1: Key Steps for Customer Acquisition

1. Bringing people to the company website (Creating Traffic):

Many companies have a lot of potential customers that are not aware in the products or services they offer. These potential customers have to be first found and then contacted. Actual customers are very often the contact point by which companies are made aware of who those potentials are. When the data about potential customers are transferred to the company, marketers call them "leads". So in this stage, it is the first time that leads hear about the company or get in contact with it. This would make it the perfect place to raise their awareness and education about topics that matter the most to them or their businesses. It is the ideal time for the company to start building trust by responding to the customers inquires.

Great tools to drive this traffic are online marketing tools such as SEO, paid advertisements, social media, Emails, PR and many other ways. Online marketing is considered as a must nowadays for all industries.

2. Persuade them to signup, register and download (Conversion):

At this stage, leads have come into contact with the company, through one or more of the online marketing tools. The message has picked the customer's interest and made a great first impression.

The best way to take advantage of those increased attention spans is to get them to start asking themselves whether they're interested in what you have to offer. At this point they'll want to find out everything about your company and what you have to offer.

An effective way would be taking advantage of their attention span, so the customer can decide whether they are interested in what a company offers. The best usage of landing pages, follow-up services, homepage design, social media content, lead capture to engage them even further which can help them to realize the value proposition from buying the company product or service (GMIT, 2015).

3. Persuade them to buy services (Purchase):

Creating commitment from customers to make a purchase is often the most critical stage for any company. The way of convincing customers to buy the company products requires indeed a lot of work and trust. In fact, this step needs to provide more information that reassures customers to choose the company product among competitors. (GMIT, 2015)

More specification such as process defining, demonstrating value, increasing usefulness, clarifying the ease of use and guidance is all-important and should be took into account.

4. Convincing customers to renew each year (Retention):

Customer retention programs is one of the challenges that many companies deal with, the benefits that superior customer retention can offer a company. Increased growth, profits, etc. A well-known saying in the business industry is:

"Keeping a current customer is much easier (and cheaper) than attracting new ones."

So the overall cost of acquiring customers exceeds by several times the cost of serving existing customers. Therefore, the longer an SME can retain existing customers the more cost friendly this is for the company. A variety of strategies is available to business owners seeking to improve their customer retention rates. It can be achieved through regular reminders of the product value proposition, defining the renewal process, contacting them and many other tools according to (GMIT, 2015)

There is more than one way to approach customer acquisition however. Since different ways can lead to the same place, choosing the right tool might depend on the audience or on the customer acquisition funnel. In this thesis, we will spot the light on influencer marketing as an innovative tool to increase customer acquisition.

2.6.2. Influencer marketing and customer acquisition in SME's: status

Previous research points out that influencer marketing is a technique mainly employed by big brands with large budgets (Brown & Hayes, 2008, p. 37; Gillian, 2009, p. 89; Klaassen, 2016, p. 7). Small and medium-sized enterprises do not have the resources to adopt such techniques. An adequate supply of resources allows the firm to compete with other firms. Limited access to resources is a primary issue faced by SME's when attempting to increase their acquisition of customers.

According to Klaassen (2016, p. 8) micro-influencers (as indicated above) may be a viable solution to the problem of customer acquisition. Micro-influencers usually have a smaller following and their interests are a lot more focused than macro-influencers. Micro-influencers are thus a lot more affordable, also to SME's. This may be an important research finding for us as we want to provide empirical evidence of whether influencer marketing techniques can be employed by SME's to enhance customer acquisition.

When it comes to finding influencers for SMEs with limited budgets, the business should moreover be selective in appointing an influencer who specializes in small business branding. This person may be a local sportsman or woman, the local mayor, or a local hero, who can help to promote sales in a niche market because they are respected within a community. Approaching a small agency may prove beneficial in finding a micro influencer and appointing them to promote the SME.

It has become more difficult for SMEs to attract new customers because of constant changes in marketing channels, but customers can be reached through various platforms such as social media, word of mouth, personal selling and intermediaries. According to Cox (2012, p. 7), social media enables companies to network with customers to build relationships and achieve a better understanding of their needs, but most SMEs struggle to manage social media effectively to reach their markets. Having a marketing influencer could really help SMEs to grow their brands, especially on social media. Leaver (p. 8, 2017) states that bloggers and Vloggers (= video bloggers) gain followers through trust as these outlets have been seen to improve sales and increase brand awareness, which can lead to customer acquisition. Most social media platforms are free and influencers are often paid in free products and services, which makes micro influencers more accessible to small businesses which do not have large budgets. Once a relationship is cultivated with the right influencer, customer acquisition is bound to follow for the SME.

2.6.3. Social media influencers and SME's

Sledzik (2014) presented that the majority of SMEs typically invest in marketing strategies that have been researched, implemented, and proven; they are more open to local events (79%), emailing (72%), billboards (45%), and issuing coupons (83%) as marketing tools. A 2014 Brand muscle (An agency that helps brands in empowering their local business partners with marketing automation software and platforms) study on local marketing strategies showed that

28% of the local firms do not own a company website; 57% do not use Twitter, 37% do not use Facebook, and 40% do not use online advertising or keyword searches. However, the adoption rate for social media marketing strategies was high, at 72% (Sledzik, 2014).

Yet Klassen (2016) argues that the SME must attract new customers in order to realize sustainable growth. However, resource constraints drive SME marketing campaigns towards low cost approaches. Leaver (2016) conjected that SME as a consequence of their budget restraints can use social media influencers very well to reach out to millennials as an alternative to expensive, traditional marketing schemes. Becoming more involved in online communities can realize greater returns on investment and enable SME's to reach out to relevant consumers with a more authentic approach to storytelling about their brand. Cant & Wild (2015) support that the marketing strategy as a business tool must reflect an alignment with the firm's objectives, budget, organizational dynamic; and modes of collaboration and consequently also with its size.

Ranga & Sharma (2014) assert that the social media influencer may have a strong positive impact the enterprise performance and returns by 1) writing a blog or article; 2) information sharing through personal social media accounts; 3) submit guest posts on the firm's site; or a combination of the aforementioned strategies. Dahnil et al (2014) examined the limitations for SMEs in the context of new technology and social media marketing adoptions and acceptance as credible ventures. The outcomes of their research indicated that SMEs use technology as competitive tools. Adoption of new technology is influenced by a number of factors including government regulation.

2.7 Benefits of influencer marketing

As stated above, the rise of the internet, technology and social media has changed the way in which word-of-mouth works and has opened up a lot of potential. When used correctly, social influencer marketing can hold a lot of benefits for businesses. According to Cox (2012, p. 7) businesses want their messages to reach as many people as possible, and social media presents many different opportunities to do so in effective ways. The fantastic thing is that when a social

influencer is used effectively, it can bring in a lot of money without the company having to spend anything on marketing (Hamilton, 2017).

According to Hamilton there are five specific benefits of influencer marketing, which are discussed below (Hamilton, 2017):

- 1. **Credibility** With so many products out there, consumers are hesitant to trust start-ups. If a start-up is backed by the right person, who is credible and trusted by the public, the brand's integrity can increase and people will be more likely to give the new business a try.
- 2. **Awareness** People who are used as social influencers, like celebrities, normally already have a wide audience. A company can therefore reach audiences it never would have been able to without being directly involved in the promotion of a product.
- 3. **Recommendations** Influencers are generally people who inspire others. Other people want to be like them, and are thus likely to purchase the products that they use to make them who they are.
- 4. **Cost effective** Depending on how popular the influencer is, it can sometimes be very expensive to get them to endorse products. However, it is still more cost effective than traditional forms of advertising.
- 5. **Efficiency** It is easier to measure return on investment on social media analytics, and if the right company can partner with the right person, and get their energy behind their brand, influencers can be hugely successful.

2.8. Examples of popular social media influencers

Persuading the most popular celebrities to represent a company's brand is not necessarily a successful tool that guarantees success. It is important to match the right person with the right company and to ensure that the person is passionate about and believes in the product or service. This is good for smaller companies, as they can still use micro influencers, such as a local blogger or a person with a particularly wide knowledge of a niche market (Hall, 2017).

This research is specialized in SME's, but it's interesting to use examples of big companies and their successful experiences with influencer marketing campaigns.

Some examples include:

- Daniel Wellington This watch brand chose to use celebrities as well as lesser-known micro-influencers for its campaign. They would gift watches to these people, and in exchange the influencers would post pictures of the watch on social media with #danielwellington. At the time of print, the brand's main account had over 3.2 million followers (Gilliland, 2017)
- Lagavulin This scotch whisky brand decided to only use a single name to target their niche audience Parks and Recreation's, Nick Offerman. The company made a 45-minute video of Nick sitting at a fire, only moving occasionally and sipping whiskey. The aim of the video was to reposition the brand as appealing to a younger audience by using YouTube to reach a different demographic. The video was viewed two million times in just one week, and the company's YouTube channel subscription increased from 5,500 thousand viewers to a full 23,000 visitors (Gilliland, 2017).

In summary, influencer marketing has fast become one of the trendiest and effective means of reaching a wider audience and acquiring new customers. Although influencer marketing is not a new concept, the concept has evolved from previously using highly paid stars as opinion leaders to using people with a large following on social media who are often cheaper to be involved in marketing strategies and more trustworthy. Different categories of influencers exist with their own characteristics. The value of influencer marketing is undoubted, but it is difficult for SME's to capture it in order to have a better customer acquisition as their budgets are small and they do not always understand the importance and working of the different social media. It is thus a challenge for them to use influencer marketing effectively. We further discussed the value of and challenges associated with influencer marketing in general and for SMEs.

Chapter Three: Methodology and data

3. Introduction

In this chapter I will first describe the type of research we want to execute and how this is best done and the ethics involved. This covers the question of the research methodology I have selected. Then I will explain our research design and research sample. The interview guideline and the relationship of the questions with the research questions will be treated in the next chapter.

3.1 Research methodology

In this study w want to use case study research and the methodology employed is qualitative in nature. Yin (2015, 3) has described qualitative research as a method of "attendance to the contextual richness of real-world settings and how individuals perceive such settings under a diversity of circumstances". Yin's (2015) stepwise framework for the design of qualitative research has been followed meticulously. It entails an approach using interviews for the collection of field-based data, recording the data; analysis and interpretation of the collected non-numerical data and analysis of data by numerical coding, As I still indicate in the section on research design, rather than collecting data by interviews using on-site visits, our data collection was conducted using interviews via Skype.

For this study, the research methodology to be used is, as indicated above, qualitative. This choice is arguably the best method that can effectively be used for case study research (Yin, 2015). Case study research using a qualitative methodology has gained popularity over the years since Robert Yin, an American social scientist released a book explaining its best research design and focusing on its specific difficulties and aspects.

Yin has been involved in book and articles publishing since he was at graduate school. His first article was on face recognition as carried out an experiment on psychology and neuroscience. It is after this that he got interested in research and his preferences shifted to public policy. Yin was specifically interested in establishing how case study research can be used in the study of public policy. He founded the COSMOS Corporation in 1980, a research corporation with the

primary objective of developing research methods, conducting applied research and evaluate the validity of the techniques, as well as giving technical support and management advice based research data with the aim of improving public policy and the results of collaborative ventures as well as private enterprises. His organization (COSMOS Corporation) has successfully carried out research projects for federal, state and local agencies as well as private foundations across the country. Yin has also assisted many research groups whereby he offers training in regard to research designs and case study research. His work regarding the use of qualitative research methodology in case study research gained prominence and has become one of the most cited and used methodology in various researches over the years. Yin, who is also the president of the COSMOS Corporation located in the United States of America, has been cited for many years by scolars, studies and academicians using case study research. As a matter of fact, his work ranks top among the best methodological works.

3.1.1 Qualitative research methodology

This type of research methodology is applicable in a wide range of academic disciplines and particularly focuses in the social aspects of human beings as well as on natural sciences. Yin (2015, ix) presented that qualitative research methods stem from practical, adaptive and inductive perspectives. The practical approach provides for "explicit attention" to a diversity of methods for research fieldwork, data collection, and the presentation of the research outcomes. The adaptive approach provides for a "dissection of critical research designs and instruments" (Yin, 2015, ix). The inductive approach finally provides for various forms of information published in books and peer-reviewed journals. It is important to note that as a field of study, qualitative methodology incorporates concepts as well as methods acquired from a wide range of academic fields. In addition, the core objectives of the qualitative research study vary broadly based in the disciplinary backgrounds. For instance, in the event that the disciplinary background is psychology, the primary objective of the study would be the understanding of human behavior as well as the reasons and factors that influence the behavior.

In addition, it is also applicable in areas such as market research and business in general as they study human behavior as well. As such, it essential for our current research about "influencer marketing as an innovative tool to increase customer acquisition for SMEs in the MENA region".

Basically, the questions that the research aims at answering are *why* and *how* in cases of human behavior study. If the study is on marketing research, the questions that the methodology seeks to answer might also be *what*, *where*, *when* and/or *who*. Another type of research where this is true is in the field of sociology where the objective is usually to understand social behavior and/or government programs. It can also be used in political science as well as in marketing, education and social work.

Opdenakker (2006) presents that a qualitative interview may be conducted face-to-face utilizing synchronous communications of time and space, via telephone interviews utilizing synchronous communication of time and asynchronous communication of space, via messenger interviews utilizing synchronous communication of time and asynchronous communication of space or by electronic interviews through e-mail utilizing asynchronous communication of both time and space (Opedenakker, 2006). Alshenqueti (2014) conducted a critical review of qualitative research interviews as an approach to data collection in social science investigations and found the interview questions should be formulated in a manner that addresses the research questions best, which is quite logical indeed.

Researchers agree that site visit approaches to conduct interviews are the best method but can be time consuming (Yin, 2015). Jamshed (2014) presented that the optimization of time during qualitative research interviews can be achieved by the utilization of interview guides to explore a number of participants comprehensively and systematically. Moreover, a digital interview may provide more opportunities to interview high level professionals who may not be readily available for face-to-face interviews on site during the time line for the research.

Jamshed (2014) moreover pretends that qualitative research is "the most common approach to data collection" and that most qualitative interviews are in-depth, lightly structured, or semi-structured. Edwards & Holland (2013) conject that a structured interview generally becomes qualitative and kind of rigid; however, qualitative research with semi- or unstructured interviews enhances the flexibility of the interview. The analysis was based on Yin's preferred research methodology which is cross case analysis. This is a research method that is able to mobilize knowledge by comparison of data from several individual case studies.

3.1.2. Research Ethics in qualitative research

High ethical standards are required when interviewing the participants by network video applications (Alshenqeeti, 2014). Klaassen (2016) presented that semi-structured interviews with the participant should not be recorded due to the expectation that recording would place unnecessary pressure on the respondent and impede the relevance of the responses. However, since we needed to interview SME representatives in different countries, the use of digital and information communication technology to conduct the research was required. We solved the objections by Klaassen by asking the respondents the permission to skype and tape the interviews.

Moreover, the level of sensitivity and quality of the interview questions is also a critical aspect of conducting a rich and transparent qualitative study that is reliable, verifiable, relevant, and in support of future studies (Yin, 2015; Alshenqeeti, 2014). The interview questions for the qualitative analysis of this study were compiled from the main points we covered in the literature review in chapter 1 and went along with pre-fabricated research questions from similar studies. We also explained that to participants so that they knew we only wanted to be part of the current research stream in our field of research and were not interested in specific company secrets.

3.2. Research design

The research design that was applied in this case study research is based on Yin's qualitative research methodology and is generally known as cross case analysis. This is a research methodology that is effective in helping researchers mobilize knowledge by comparing the results from several individual studies.

A qualitative research approach was used to collect Skype interview responses from a sample of participants from SMEs in the MENA region. Klassen (2016) investigated the marketing budget dilemmas of start-ups and SMEs; and supported that the SME marketing approaches should be unique to those of large firms, as opposed to mirroring the marketing schemes of large firms and that most activities are only carried out by a few key people. The interviews of this research were as a consequence conducted with entry-level customer service representatives, sales managers, and some employees with more executive functions. The choice was based on

information about who was best placed in these SME's to be able to provide us with relevant information on the research questions.

All of the participants were asked the same closed, fixed response interview questions. The interviews were recorded and transcribed to form data that could be coded and evaluated using general statistics. In order to answer the research questions.

Creswell & Clark (2011, 8) support that the "understanding data extracted from qualitative research of a few individuals should include in-depth explorations of the individual perceptions" of the research phenomenon and is beneficial to the researcher. SME managers, marketing executives, social media influencers, and customer service representatives were solicited to participate in our interviews. A primary motivation for selecting the qualitative interview process is also visible here as it was necessary to have the capacity to generate data that might be used to compare SME employee point of views in the context of social media influencers as marketing tools; to mark and analyze any inconsistencies across responses; to integrate them with secondary data; and to develop viable metrics for online influencer marketing to be used in future studies.

3.3. Sample Population

Skype interviews were finally conducted with 7 employees from a total of 5 SME firms in the MENA region. The firms were selected from the International Finance Corporation (IFC) and World Economic Forum (2017) "100 Arab Startups Shaping the Fourth Industrial Revolution" list of entrepreneur-led firms across the MENA region. How did we come to this result? A total of 30 MENA SME employees and CEOs in the marketing department were invited to participate in the Skype interviews for the study. Of the 30 contacted people, 23 individuals responded. The final sample consisted of a mixed male and female respondents sample, from 5 selected firms in which 7 respondents who where employees from SME companies conducted the Skype interview.

The sample population consisted of a diversity of educational backgrounds and current positions within the MENA SME firms. The 5 MENA SMEs finally selected for this study were: Eda3ly,

Egypt; Skiplino; Bahrain; Floose, Lybia; Liwwa and Real cosmetics, Jordan. A profile of the selected SMEs is presented in Table 1.

SME Firms in MENA Sample				
SME	MENA	Established	Industry	
Real cosmetics	Amman, Jordan	2011	Beauty care market	
Edfa3ly	Egypt	2011	e-retailer; logistics; e-commerce niche	
Floose	Libya	2016	mobile wallet; online banking and fintech; F.E.R.S.T.	
Liwwa Murabaha	Amman,Jordan	2015	online banking and fintech	
Skiplino	Manama, Bahrain	2017	cloud-based queue management, artificial intelligence	

Table 1: SMEs Sample in MENA from the listed companies

3.4. Reliability and Validity

Reliability and validity of a study are used to test the instrumentation. They are very important for any research (Kuada, 2012). They show the consistency of the instrumentation, which will indicate how much the results can be trusted. The instrumentation used should be reliable and valid.

This research is to be carried out in such a manner that all the data collected were reliable and could be validated. Data are to be collected from reliable sources (CEOs of selected SMEs from MENA region) that have the right credentials. As a result, outcome of the research will be reliable with regards to the making of decisions on whether the use of influencers as a marketing tool by SMEs in the MENA region and on whether this is effective or not as a marketing tool and whether it should be embraced by other business organizations. Decisions regarding any possible improvements on the same may also be reliably made.

It is important to note that when making policies, the findings of researches similar to this have to be taken into consideration. In this case, the results or outcome can be used in making

decisions as well as in establishing policies that can enhance the use of influencers as a marketing tool. Taking this in mind, it can be noted that reliability and validity of a research is an essential factor that should not be ignored.

Chapter Four: Interview result and presentation of Data

4. Introduction

In this chapter we will present the questions used in the skype interviews and relate them to our research questions. Moreover, we will indicate the answers we received in a structured way. The end of the chapter summarizes the answers in a table format. Comparing the answers with what literature thought us will be done in the next chapter.

4.1. The questionnaire or survey

The social media influencer marketing survey was divided into 2 parts. The sample demographics were situated in section I and the survey questions in section II. The sample demographics provided for the personal profile information for each of the participants, while Section II was designed to obtain the participants' perspectives on social media influencer marketing strategies, and whether their firm benefits from these marketing strategies

.

The interviews consisted of 4 close-ended questions in the *Demographics section* and 9 close-ended questions in the second section for *SME's Employees Perspectives (Marketers)*. These 4 questions were followed by a list of open ended questions to probe the answers of the respondents more deeply. The responses of the interview were analyzed based on the cross case analysis which was developed by Yin in his qualitative methodology. The design is important since it will help to draw specialized knowledge from the case. The outcomes of the interviews are presented in the next sections of this chapter.

The questions in part II of the survey are related to the research questions proposed in section 1.2. Of the first chapter as follows. Whereas Questions 1 and 2 in part II are purely an informative probing the reflections of the employees on their company and the different media used in influencer marketing, the other questions are related to one or more of the relevant research questions. So are Questions 3, 4, 5 and 6 related to the first research question: "Do influencer-marketing strategies have a positive effect on customer acquisition in SMEs?"; Questions 3 and 9 are related to the second research question "Why do SMEs choose social media influencers instead

of other marketing tools? "; Questions 3 and 9 are related to the relationship between influencer marketing and the marketing strategy of the SME in general and how they relate to one another and thus to research question 3 "Which position does influencer marketing take in the overall marketing strategy of SMEs?". Questions 7 and 8 finally probe the difficulties and opportunities associated with influencer marketing in SME's in the MENA region and thus answer the last research question "What are the challenges associated with influencer marketing strategies in SME's?"

4.2. Description of the answers

I will first concentrate on the demographics from Part I of the survey and then on the questions with regards to influencer marketing figuring in Part II of the survey.

4.2.1.The demographics questions

The answers to the demographics questions can be situated in the following Table.

Respondent	Age	Gender	Educational Level	Position
1	50	Male	Bachelor	CEO
2	36	Male	Master	Marketing Consultant
3	37	Female	Bachelor	Marketing Executive
4	40	Male	Master	Marketing Executive
5	27	Female	Master	Customer Service Representative
6	38	Female	Bachelor	Marketing Manager
7	32	Male	Master	Entry level employee

Table 2: Demographics Description of Respondents

4.2.2. Employees Perspectives on influencer marketing for MENA SMEs

Section II of the survey solicited the participant perspectives of the social media influence strategies in the context of customer acquisition in the MENA states. We enumerate the answers in the order of the different questions, one by one. The analysis of the answers will be done in the next chapter.

Question 1: "How do you rate your company in the area of cost effectiveness, credibility, awareness and effectiveness in its current marketing strategies? (Excellent, Great, Good, poor, fair)"

Some of the respondents in the sample ranked the credibility of employer as "Fair"; while others ranked the credibility as "Great". The majority of the sample rated the awareness of their MENA SME employer as "Great", the lowest rating being "Fair". More than half of the sample ranked the approach to giving recommendations as "Good", while a few rated it as "Poor". Around half of the sample ranked the cost effectiveness as "Good", while a few rated the employer as "Poor". A less than half of the sample ranked the efficiency of their MENA SME employer as "Excellent"; while the others rated the employer as "Great". In general on all aspects apart from cost effectiveness and giving recommendations, the employers were considered as relatively good.

Question 2: "Which of the following online social media sites are utilized most by your company for the purposes of influencer marketing?" Twitter (Twelebs), Facebook (Lifestyles), Instagram (IG models), Youtube (Youtubers), Blogs (Lifestyles), or None of these?

The majority of the sample asserted that either Twitter (Twelebs) or Facebook (Lifestyles) was utilized most by their company. Regarding to *RESP1* "due to the widespread user base across our region. I mean nowadays almost everyone, no matter what age, has a Facebook account." Some asserted that Instagram was the only social media platform used by their Company. Others asserted that their company only used Youtube (Youtuber). None of the sample indicated Blogs (Lifestyles) as a key channel for marketing in their firm.

Question 3 "How do you perceive online social media influencer?" And had several potential answers:

Peer-reviews are more reliable than firm-controlled views;
 Social media influencers are in agreement with my best interests;
 Social media influencers do not endorse harmful products or services;
 And whether the social influencer is being paid to endorse or is truly an endorser of the product makes no difference.

The majority of the sample agreed that peer-reviews are more reliable than firm-controlled views with regards to marketing and firm appraisals. RESP2 stated "However, as we have experienced several times, lot of people still prefer peer-reviews as more reliable source when it comes to feedback of a certain product or brand." These individuals in our sample also agreed that social media influencers are generally in agreement with the best interests of the consumer. According to RESP1 "To be honest, social media influencers and our company are interests align with each other". They also agreed with the fact that social media influencers do not endorse harmful products or services. Approximately half of the sample (3) asserted that it made no difference to them whether the social influencer is being paid to endorse a product or service or is truly a personal endorser of the product.

At the other end of the scale, only RESP3 asserted that peer-reviews are not more reliable than firm-controlled views with regards to marketing and firm appraisals. None of the interviewees in our sample believed that the social media influencers are generally not in agreement with the best interests of the consumer. None of the participants believed that social media influencers endorse harmful products or services.

Questions 4 to 6 are intricately related. They consist of a group of several sub questions: "Do you believe influencer marketing will have any effect on the customer acquisition rates among the SMEs in MENA countries? Is it more effective than other tools add if yes? How much the effectiveness and the SME's have a small budget so how about the return is it high return of low return?"

The majority of the sample expressed that they believed online influencer marketing can and will have an indirect effect on the customer acquisition rates among the SMEs in the MENA countries .some of them totally agree with the impact of influencer marketing on the awareness and ROI .RESP 2 mentioned "social media platforms are growing rapidly which makes influencer marketing a very effective method for SMEs." However one respondent did not believe that online influencer marketing could have any effect on those customer acquisition rates. RESP3 stated "I do not believe this tool could be of any benefit to the company. The conventional marketing tools are more effective." One respondent indicated that they were not sure of or did not know how the potential of online influencer marketing will impact the customer acquisition rates.

Question 7: How effective is influencer marketing in customer acquisition rates among the SMEs in MENA countries?

Expansion of private sector customer bases, increased awareness of existing private sector customer bases and fostering of innovation and entrepreneurship as well as improved firm performance were indicated as influences of this marketing technique, however mainly in an indirect way, as the majority expressed that they believed influencer marketing would surely have such an indirect effect on customer acquisition rates. Some believed influencer marketing would also have a direct effect, according to RESP 1 "Yes, influencer marketing has a direct effect on customer acquisition, I can say absolutely direct regarding to our experience with many influencers, it was really effective especially in our field"

Finally others expressed that they believed influencer marketing would have no effect on the customer acquisition rates due to a fostering of innovation and. Others expressed that they believed influencer marketing will have an indirect effect on the customer acquisition rates among the SMEs in MENA countries due to improved firm performance.

Question 8 reads: "What are some of the problems you have faced when dealing with influencers and have you been able to find suitable influencers and how did you find them?"

The majority of the sample expressed the opinion that the main problem that the organization was likely to face when dealing with influencer marketers is the difficulty of finding a reliable and credible influencer. This is a great challenge due to the fact that without the influencers, it will be impossible to introduce an influencer marketing campaign. Also, choosing the wrong influencers might lead the company to incurring very serious losses .As RESP1 said "We are always afraid to get wrong influencers that's why we have conducted some research about a few influencers to decide who was more suitable for us as a company". Some said that it is difficult to measure the return on investment for an influencer marketing campaign.

It is however a challenge that is also experienced with other marketing channels as well. It therefore becomes difficult to ascertain the amount of money that should be allocated for influencer marketing. According to RESP3 "determining the amount to be allocated for each influencer is very difficult since the company cannot ascertain the amount of sales they generate." Others finally believed that it is a challenge to attract and engage influencers. In most cases, influencers are very busy and rarely available partially due to the size of their crowd and the complexity of their activities.

The last question: "Do you think it is sufficient to combine two marketing tools? Do you need to combine it with other tools to be effective or it is effective on its own to have customer acquisition? Is the tool complementary to other tools?"

The majority of our sample thinks that it will be more effective to combine two or more marketing tools. This will in their eyes enable the company to reach more customers and will also increase the level of marketing efficiency. A few think that influencer marketing will be effective on its own to acquire new customers. They believe that if the company gets the right influencer, the tool will deliver good results and will reduce marketing costs substantially. *RESP2 stated "with the right influencers, I believe the tool can be effective on its own."* Others believe that the tool is complementary to other tools. *RESP 1 said "I see this combination as a necessity"*.

Ideally, influencer marketing actually complements other tools of marketing as it might not be able to attain the desired results when fully relied upon as a stand-alone strategy. *According to RESP 6 "the tool can easily complement other marketing tools, its maybe better because for me I'm not sure it's enough.*" This is due to the fact that there are some potential customers who are not active on social media sites and therefore influencer marketing might not be able to be reached by influencer marketing.

4.2.3 Major finding in one blink of an eye.

In this section we present the major results in a table format. This is also a partial cross case analysis as the different respondents are if necessary indicated. Where possible the link with our several research questions is indicated:

	Credibility	4 of the employees or (RESP 2, RESP 3, RESP 5 and RESP 7) stated that the credibility was 'Fair.' The other 3 employees ranked credibility as 'Great.'	
Benefits of influencer	Awareness	Most of the respondents (5) rated awareness as 'Great' with RESP 3 and 6 rating it as 'Poor.'	
marketing (Research question 2)	Efficiency	Out of the participants, 4 rated the level of efficiency as good. However, 3 of them (RESP 1, RESP 5 and RESP 6) rated the efficiency as 'Excellent'	
	Effectiveness	Effectiveness on the other hand was ranked as 'Great' by the majority of the respondents (5 in total). A few of the respondents (RESP 3 and RESP 6) however ranked the level of effectiveness in the companies as 'Fair'	
	Twitter	From the respondents, Twitter is the most used social site for marketing. RESP 3,5, and 6. Said that their companies use Twitter for marketing purposes.	
Social Media Sites used	Facebook	Facebook is the second most used social media marketing tool. RESP 1 and RESP 4 said that their company mostly uses this site.	
	Instagram	Only a few of the companies use Instagram. Only RESP 2 said that his company mostly uses Instagram.	
	YouTube	YouTube is used by one company (RESP 7)	
	Bogs	Blogs are not mentioned as being used by the respondents.	
	Believe in influencer marketing	With regards to the perception of online social media influencers, most of the respondents (5 in total) agreed that influencer marketers are likely	

Influencer Marketing Effectiveness: Belief (Research question 1)		to have the best interests of the consumers in mind and all with that they do not endorse harmful products or services.
	Do not believe in influencer marketing	RESP 3 stated that social media influencers are not likely to make any difference in terms of sales.
	Not sure	One RESP (5) stated that he was not sure whether influencer marketing would have any effect on the sales or not.
Influencer Marketing Effectiveness: Effect	Indirect effect on customer acquisition	3 of the participants stated that they believe in online influencer marketing stating that it would have an indirect effect on the customer acquisition rates for the SMEs in MENA countries.
(Research question 1)	Direct effect on customer acquisition	Two RESP 1 and 4 indicated that they believe that influencer marketing can have a direct effect on customer acquisition.
	No effect on customer acquisition Not sure	RESP 3 that he did not believe in the effectiveness of influencer marketing. RESP 5 stated said he was not sure.
	Getting reliable and right influencer	Majority of the respondents (4) stated that the most challenging issue faced by companies in influence marketing is the ability to get a reliable influencer.
Problems faced in influencer marketing (Research question 4)	Challenge in determining ROI	RESP 3 said it would be challenging for the company to determine the ROI and hence it is difficult to decide the amount of budget to allocate.
	Attracting and engaging influencers	RESP 7 and RESP 5 stated that it will be difficult for the organization to attract and engage influencers due to the fact that they are usually very busy and hence it is hard to reach them.
Combining with other Marketing Tools in a	Will be more effective if combined Will be more effective	5 of the respondents believe that influencer marketing can be more effective if combined with other marketing tools. RESP 2 believe that influencer marketing can
Marketing Tools in a Marketing strategy (Research question 3)	on its own Not sure	RESP 2 believe that influencer marketing can be more effective on its own. RESP 6 said that he was not sure whether influencer marketing will be more effective

	when combined with other tools or when on its	
	own.	

Table 3: Cross Case Analysis

Chapter five: Discussion of the results

5. Discussion of the results

Influencer marketing is an emerging form of marketing whereby the business organization uses influential people to advertise its goods and services instead of focusing on the entire target market. The organization picks selected people who are perceived to have a significant level of influence over potential customers. It introduces them to its marketing activities which are from then partially centered on the influencers communicating with customers and potential customers via social media about the companies' products and services. This thesis wanted to look at the effectiveness of such a marketing approach and which benefits it offered to SMEs in the MENA region and which challenges it faces. In this chapter we want to discuss the results obtained from qualitative case research from the angle of the research questions put forward in the first chapter.

5.1. Can we expect good results from the sample?

Determining whether the sample can give a good response can amongst others be done by looking at the demographic composition of it. It is indeed important to note that the composition of the sample population plays an important role in determining the accuracy of the results.

First, our respondents were selected from a representative list of well recognized and performing SMEs in the Arab world. The age of most of our respondents is between 36 and 50 years. Only two were younger. This might indicate that their level of experience and thus ability to take decisions is high enough. According to the positions they executed at their companies. Most said they had been working at various other positions before taking their marketing responsibility. Men and women were about equally represented in the sample. We can assume they were all capable of taking the decisions they were asked about and were knowledgeable about how companies function given their diverse experience before assuming a marketing position.

All respondents also had a higher education degree, although mostly at Bachelor level only (only two had obtained a master's degree). This is in the MENA region quite normal for marketing

positions in SME's. It does not prove their absolute proficiency at marketing. However, a majority of the sample population stated that they held a marketing accreditation and some type of marketing or consultation position with the SME. This means that they had some level of knowledge and skills in matters of marketing and therefore a good understanding of marketing issues. The number of executives, entry level/customer service representative, and manager was also equally represented across the sample. One participant asserted that their position within the SME was outside the scope of the choices in the interview, but able to answer completely and with full understanding.

From these demographic data, it can be ascertained that this was probably the right sample population and hence a positive research outcome could be expected. The only negative element is that we only covered a sample of 7 respondents.

It is also important to note that our respondents mostly have a positive view of their employers as marketers. Three of them ranked their employer as "great" on credibility, while four ranked the credibility the employer as 'Fair'. On the awareness level, most of the participants rated their employers as 'Great' with only a few (2) giving them a 'Fair' rating. The approach to giving recommendations was ranked as good by five of the participants, while two rated these recommendations as 'Poor.' On the effectiveness level finally, four of the participants ranked their employers as 'Good' with three giving them an 'Excellent' rating. These rankings indicate that the current marketing strategies used by the SME's in our sample are not fully efficient. It also indicates the necessity to look at new avenues for better marketing, such as influencer marketing

5.2. Which social media were used by our SME's in their influencer marketing efforts?

The most commonly used social media site in our sample is Twitter. Four of the organizations indeed use Twitter as the main social media for their advertising. Facebook is used by two SME's only and only one of the sample companies uses Instagram for marketing purposes. Twitter marketing can in our eyes be utilized more intensely in SME's, but it would be more effective if the company extends its social media use to other social media sites. This might explain our results, though only obtained for a small sample.

Extension to other social media sites can also be done to Facebook. In spite of the high use of Facebook by people in general and in SME's in particular, it is underused for marketing purposes although it would enable companies to reach people who are not active on Twitter and thus would increase the efficiency of the marketing process. It is quite naturally more used for private social media contact. Given the recent privacy problems Facebook experienced, we do however believe that it is wise for companies to be extremely careful in using it as a marketing tool and certainly control privacy settings carefully.

5.3. Research question 1: Do influencer marketing strategies have a positive effects on customer acquisition in SME's?

The positive effect of influencer marketing on customer acquisition is a very specific aspect of the SME's marketing strategy. Actually looking at whether using influencer marketing would be an effective marketing tool in general should be a question that is previously addressed.

With regard to perception of online social media influencers, most (4) of the respondents agreed that influencers as marketers are likely to have the best interests of the consumers in mind and that they will not endorse harmful products or services. This means that it would be beneficial to the organization using them as communication agents. The fact that influencer marketers have the best interest of the organization in mind indeed means that they will work for the improved or increased sales of the company.

Nevertheless 2 of our respondents stated that social media influencers are in their eyes not likely to make any difference in terms of sales at all, making it imperative for management to carry out a good cost benefit analysis before making a decision on whether to engage on a social influencer marketing strategy or not. To engage. One participant acknowledged not to be sure of the effectiveness of influencer marketing. We believe this hesitation is mostly based on the major challenge influencer marketing faces before being adopted, namely finding the right influencers, who are credible and reliable. Once this problem is overcome belief in the effectiveness of influencer marketing grows within the SME's. We will come back to that aspect when discussing our results with respect to research question 4 (section 5.6.).

While two of our participants believed influencer marketing would have the ability to directly affect the acquisition of new customers, three of the participants stated they believe online influencer marketing to have only an indirect effect on the customer acquisition rates in SME's. Two respondents believe there is no effect at all or are unsure of it.

Given that influencer marketers are not considered to have negative interests and would not publicize anything that would put the organization in bad light, this is quite surprising. Influencers are indeed chosen because of their huge following on social media and thus their potential to influence new customers to try products and services they promote. Influencer marketing is also expected to have an effect on the expansion of the private sector customer base. Yet their influence apparently is supposed not to reach that far, although our respondents do think it is advantageous to use influencer marketing.

A possible explanation might be situated in the fact that SME managers think too much in terms of increased sales as the major effect of influencer marketing and even marketing in general, although we clearly asked about customer acquisition. Influencer marketing is only a communication tool. The followers of influencers are exposed to the messages of their influencers and might try the products out (acquisition) but not necessarily stay as customers; In that case the increase in sales would over a somewhat longer period (eventually over a year as the term in which managers mostly think) not increase at all or only slightly. This reasoning also explains why our respondents clearly opted for an indirect effect of influencer marketing as an answer to this research question. Moreover, this asks for an analysis of results in both the short, the medium and the long term.

5.4. Research question 2: Why do SMEs choose social media influencers instead of other marketing tools?

Literature indicates that the use of influencer marketing is often inspired by the fact that these "promoters" of products and services are a lot less expensive than real media stars, previously

used, the so called opinion leaders. Moreover, given the huge following social media influencers have, their effectiveness as "leaders" might be less in numbers but more in terms of results per dollar spent.

Given however that the influence of these social media leaders is mostly considered as indirect (see previous section), our research does not directly point at this type of effect. Furthermore, our research did not go deep enough to ask the participants about the several types of influencers as we presumed they would not necessarily know about this scientific subdivision presented in section 2.4. Thus we did not verify whether the use of micro-influencers as suggested by previous research could improve the perception of social media influencer marketing in SME's and increase its use as a marketing tool.

5.5. Research question 3: Which position does influencer marketing take in the overall marketing strategy of SMEs?

It could be deduced from our interviews that most of our respondents believe in influencer marketing as an effective marketing tool. Yet the belief is based on the way they perceive the role of influencer marketing in a complete marketing program for the products and services of the company. They clearly stated that a combination with other marketing tools and a combination of more than one influencer marketing tool would be more effective as it would be able to cover a wider range of customers. Five of our respondents believed that combining two or more tools would indeed be more effective. The two others felt that influencer marketing could eventually be effective on its own but are not sure. These results may not surprise us. After all, any communication effort in marketing is part of a vaster marketing mix and cannot on its own create the marketing results a full marketing plan is able to achieve.

Thus influencer marketing has to be seen as a complementary marketing tool within a broad marketing action plan. In that case its effectiveness is believed to increase exponentially. And as literature mentioned in chapter 2 indicates, in that case it would become more common in use as probably people who do not believe in influencer marketing otherwise would become convinced

as well. Then and only then, it would also increase the awareness of the existing private sector and foster innovation and entrepreneurship skills.

5.6. Research question 4: What are the challenges associated with influencer marketing strategies in SMEs?

According to most of the participants, the major challenge with regard to influencer marketing is finding a reliable and credible influencer. In order to find a reliable influencer therefore, the organization should carry out proper research before settling on a marketing influencer for their products or services. Four of the respondents felt that this is the most challenging issue associated with influencer marketing. Moreover, the fact that having a successful influencer marketing campaign is dependent on who the influencers are, means that this is a very significant and even critical challenge.

A solution might be to ask for help from marketing agencies that are experts in influencer marketing and normally have a base of good and reliable influencers to propose. These agencies could also guide the company in developing good influencer marketing programs in general using the most appropriate tools at the right moment. Looking at the credentials a number of influencers have in marketing campaigns for other SME's might be a way of doing it yourself. Using marketing agencies will also increase the cost. This is certainly a problem as our respondents also mentioned a second challenge to good influencer marketing.

Difficulty in measuring the return on investment is according to one of the respondents also an important challenge in influencer marketing. This makes it difficult for the organization to determine the amount of money to be allocated for the campaign. A suggestion would be that the organization determines the volume of sales before the use of influencer marketing and compares it with the volume of sales after an influencer marketer campaign has been employed. Two of our respondents believe that by attracting the right influencers this problem would also be partially solved, thus linking the two challenges mentioned in the interviews.

5.7. Corroboration of these results.

It is important to note here that we conducted two more interviews with the influencers, confronting them with these results. Most of the responses that were obtained from these interviews confirmed the information received from the interviews with the respondents in the SMEs. We will only indicate a few important points here as these interviews were extremely short.

In general we can conclude that our research indicated that influencer marketing can be effective and is relatively cheap as compared to conventional methods of marketing. However, there are some challenges that are experienced and which should be addressed in order to increase the efficiency of the marketing of which the selection of the right influencer, the use of several social media tools together and a more performant way of calculating the cost benefit are the most important ones.

Chapter Six: Conclusion and Recommendation

6.1.Conclusion

Marketing is one of the most important activities in an organization as it has a direct and indirect influence on the level of sales. Business organizations are continually looking for better ways of marketing that can attract more customers and consequently generate more revenue. With the advancing technology, different new ways of doing marketing have emerged that will aid in increasing its efficiency. One of these strategies in the marketing field is influencer marketing.

This involves a situation where a company uses an influential person to endorse their products or services. Influencer marketing is especially used by businesses that rely on social media sites for their marketing. We looked at the opportunities and challenges influencer marketing poses for SME's, more specifically in the MENA region. Although our sample was small, some important conclusions can be drawn.

First, this research confirmed that the use of influencer marketing as a marketing tool by SMEs helps to increase acquisition of customers, but only in combination with other marketing techniques as our respondents uttered doubts about the direct effect of influencer marketing on the acquisition of customers. The data indicated that most respondents feel that influencer marketing can only be more effective if employed in combination with other tools. They believe that despite the challenges, this strategy can complement other marketing strategies and in the end aid in increasing the level of efficiency and effectiveness of the marketing in the organization. Influencer marketing is a complementary marketing tool.

Second, it promises to be a less costly way of marketing taking into account that it is extremely difficult to ascertain its return on investment. A suggestion would be that the organization determines the volume of sales before the use of influencer marketing and compares it with the volume of sales after an influencer marketer campaign has been employed.

Third, finding a reliable and credible influencer is the major challenge SME's face when starting with influencer marketing. Using influencer marketing consultants in doing so is one solution, but a SME could also itself try to find some information regarding their past engagements and marketing activities and make the decision itself. This will determine how influential the influencer has been in the past and how they have increased the customer acquisition of the other products. In addition, finding out about how they have portrayed the products and organizations they represented in the past will also provide the SME with important information that can help in selecting the right influencer. Basically, choosing a good influencer is the starting point for the success of social influencer marketing and it can only be done by due diligence research on several influencers.

6.2. Recommendation for marketers in SMEs

Our research indicates a number of important factors that SME marketing managers have to take into account when engaging in influencer marketing, such as:

- 1. Use influencer marketing only as a complementary marketing tool within your marketing plans.
- 2. Try to use several social media platforms together.
- 3. Select the influencers carefully, either on the basis of references or previous marketing activities, or with the help of an agency.
- 4. Calculate the cost benefit carefully. Although influencer marketing is considered a cheaper and more modern format of marketing communication, one should try to figure out the difference in number of contacted customers or sales before and after the campaign. Since influencer marketing is a communication tool, the first one is in our eyes more correct: communication tools should be evaluated on communication results.

Calculate the acquisition of new customers as one of the major results.

6.3. Recommendation for further studies

This thesis was clearly small and qualitative in nature. Future research should try to find more accurate answers on a number of contradictory results we obtained and problems we observed. They are:

- 1. Are the results of influencer marketing in terms of acquisition of new customers different in the short run from the medium term or long term?
- 2. Can influencer marketing also be used in different stages of the buying process?
- 3. Is influencer marketing different for different types of products and services? Which are those differences?
- 4. How can SME's best determine who are reliable and credible influencers? Should they do it themselves or with the help of influencer consulting agencies?
- 5. Which type of influencer is best suited for SME's? Are it the mentioned micro-influencers or others?
- 6. Since influencer marketing is a complementary marketing technique, it is important to know with which other marketing techniques the best results in terms of synergy can be produced.
- 7. The same question can be asked about the types of social media that can be combined best in influencer marketing? Are they different for different types of products and services?
- 8. Is the MENA region different form other regions of the world with regards to influencer marketing?

Further research should in our eyes collect much more data from a lot of different case studies. Not all of these questions can be solved in one research venture. Several ones will be needed. We also suggest that next to marketing experts, also communication experts and social media experts should be involved in this research. It should become a multi-expertise team effort. In the end we also feel that more quantitative research will be needed to answer some of the above mentioned questions.

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Appendix:

The interview Ouestions:

Part I: Demographics

- 1. What is your age?
- 2. What is your gender?
- 3. What is your level of education?
- 4. What is your position at the company?

Part II: Marketers

- 1. How do you rate your company in the area of cost effectiveness, credibility, awareness and effectiveness in its current marketing strategies?
 - o Excellent
 - o Great
 - o Good
 - o Poor
 - o Fair
- 2. Which of the following online social media sites are utilized most by your company for the purposes of influencer marketing?
 - o Twitter (Twelebs)
 - Facebook (Lifestyles)
 - o Instagram (IG models)
 - Youtube (Youtubers)
 - o Blogs (Lifestyles)
- 3. How do you perceive online social media influenceras?
 - o Peer-reviews are more reliable than firm-controlled views
 - o Social media influencers are in agreement with my best interests
 - Social media influencers do not endorse harmful products or services
 - Whether the social influencer is being paid to endorse or is truly an endorser of the product makes no difference at all

- 4. Do you believe influencer marketing will have any effect on the customer acquisition rates among the SMEs in MENA countries?
- 5. Is it more effective than other tools?
 - o No
 - o Yes
- 6. If the answer on the previous question is yes,
 - o How good is the effectiveness?
 - Since SME's have a small budget so how about the return: is it expected to be high or low?
- 7. How effective is influencer marketing in customer acquisition rates among the SMEs in MENA countries?
- 8. What are some of the problems you have faced when dealing with influencers?
 - o Have you been able to find suitable influencers easily?
 - o How did you find them?
- 9. Do you need to combine influencer marketing with other marketing tools to be effective or it is effective on its own to have customer acquisition?
 - o Do you think it is sufficient to combine two marketing tools?
 - o Is it as a marketing tool complementary to other tools?

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Jaar: **2018**

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