

Entrepreneurship Theory – PhD Course

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ENTREPRENEURIAL-DRIVEN INFLUENCER MARKETING

INTRODUCTION

The development of the global internet and social media is revolutionizing new forms of entrepreneurship and marketing, as well as ways of consuming it for millions of people and around the world. At the same time, these new forms of entrepreneurship and the economy are destroying old markets and creating new ways to succeed (Schumpeter 1942). In the struggle for corporate survival, the losers are stuck in old marketing theories and practices, while the winners make sovereign use of social media tools and influencer marketing and related research. The new online culture and social media are changing the way companies do marketing. Influencer marketing is a new and impressive marketing tool for businesses in the online culture. Influencer marketing utilizes the relationship between the influencer and his or her audience in the sale of products and services. The importance of influencer marketing is growing in both national and international marketing, trade and business. It is therefore natural that science and research are also interested in influential marketing.

The subject of this study is Finnish SMEs that use influencer marketing in the marketing of products and services. The focus of the study is on those entrepreneurs who produce content for social media and have made themselves social media influencers through their own activities. The purpose of this entrepreneur-driven influencer marketing is to promote the sale of the entrepreneur's products and services. entrepreneurial-driven influencer marketing like this is a completely new research phenomenon. Influencer marketing research is expanding all the time, but there is little research on influencer marketing generated by the entrepreneur himself. We do not have scientifically researched data on how entrepreneurial influencer marketing is implemented in the sale of products and services. We also don't have a scientific

description and understanding of where on social media channels, what kind of content, and what kind of audience impact entrepreneur-driven influencer marketing is implemented.

The purpose of this study is to describe and understand entrepreneurial marketing in the context of influencer marketing. At a practical level, the study examines how entrepreneurs themselves implement influencer marketing. The study is a qualitative case study and the subject of the study is three Finnish small companies: PT Gym Oy, JJ's BBQ Oy and BackMedia Oy. The method of the case study is netnography. Main question of the study is: How entrepreneurial-driven influencer marketing is used in entrepreneurial marketing? The main question of the study is divided into the following sub-questions of the study: In which social media channels do companies engage in influencer marketing? What kind of influencer marketing content do companies produce on social media channels? What kind of online and offline communities are built through influencer marketing? What impact does influencer marketing content have on viewership views and comments?

The aim of the theoretical contribution of the research is to bring new perspectives on influencer marketing to the scientific discussion of entrepreneurial marketing and the needs for future research. The results of the study aim to awaken the scientific community to the important and growing role of influencer marketing in entrepreneurial marketing. The research results illuminate an area of social media and influencer marketing that is invisible to many inactive. Describing and understanding the implementation of influencer marketing provided by the research will allow for better management and planning of influencer marketing in entrepreneurial marketing. The research results will benefit small businesses that use influencer marketing. In addition, large companies can take advantage of research results as they seek to adapt and develop their operations in the new business reality created by social media and the Internet.

The research belongs to the field of entrepreneurial marketing research, which combines the aspects of entrepreneurship and marketing. Entrepreneurial marketing is important for all businesses, but especially for small businesses. The size of small businesses and their business and marketing, as well as the abilities and competencies of an entrepreneur, are key issues affecting entrepreneurship. (Jones & Rowley 2011, 26–27.) Morris et al. (2002, 5) have defined entrepreneurial marketing as ‘the proactive identification and exploitation of opportunities for

acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation'. The definition fits well with this study, as entrepreneurial marketing and entrepreneurial influencer marketing are carried out in the areas of the study in an innovative, resource-efficient, attention-grabbing and value-creating way. Companies typically use social media for advertising, networking, and presence in a web environment (Nakara et al. 2012, 398). However, entrepreneurial influencer marketing differs from this traditional use, where social media largely acts as a marketing intermediary and tool. When the entrepreneur himself is an influencer on social media, the marketing of the company is no longer carried out through social media but on the social media itself. The influencer marketing of entrepreneurial marketing thus arises within and through the attention and followers of social media. The following section introduces perspectives and theory related to influencer marketing. This individual paper proposal then proceeds to describe case study, netnography, and case selection.

CONCEPTUAL FRAMEWORK

Influencer marketing has become one of the most popular forms of online marketing. Influencer marketing is the practice where companies representing different brands collaborate with influencers. Influencer marketing provides brands with an effective way to get where customers are. As a large proportion of consumers increasingly switch to social media channels, so are the sales, advertising, and marketing of businesses and brands through technology and social media. Reaching different audiences with non-social media can already be difficult. The impact of print and television media on purchasing decisions, for example, in younger consumer groups is much weaker than that of social media.

Globally, the size of the influencer market has grown from 1.7 billion in 2016 to 14 billion US dollars in 2021. The size of influential marketing continues to grow, making its use increasingly profitable in collaboration between brands and content producers, as well as in international marketing. The most popular social media platforms for influencer marketing at the moment are Instagram, YouTube and Facebook. TikTok is a fast-growing platform, which will also be reflected in the strong growth of influencer marketing through the TikTok platform. 69 percent of consumers aged 16–37 and 51 percent of content producers are influential marketing brands. Influencer marketing therefore targets younger and consuming age groups. Of the product

categories in influencer marketing, beauty products, clothing and food are the largest. (Statista 2022.)

At the heart of the implementation of influencer marketing are social media influencers, whose denominator, depending on their situation, social media platform, and perspective, can be a content producer, influencer, instagrammer, youtuber, tiktokker, or blogger. Social media influencers can be categorized according to the number of followers into celebrity, mega, macro, micro and nano influencers. Celebrity influencers with more than a million followers are individuals who have risen to prominence through non-social media. They can be athletes, Actors or musicians who also gather numerous audiences on social media. Also, the mega-influencers of more than a million followers are international internet celebrities born through social media alone, who can generate revenue for millions of content. Macro-influencers are also successful and high-income content producers with between 100,000 and millions of followers. Micro-influencers with 10,000 to 100,000 followers can also be successful as full-time social media content producers. Nano-influencers with less than ten thousand followers are often at the beginning of an influencer marketing career, but their impact through a committed group of followers can still be great. (Campell & Farell 2020, 471–472.)

In addition to the content produced, the key determinant of the operation and effectiveness of influencer marketing is the quantity and quality of his or her audience. Social media publications produced by a content producer attract an interested and certain kind of audience. The audience of a content producer is the target group that advertisers and other businesses are interested in. The commercial collaboration between content entrepreneurs and advertisers leverages the influence of the content producer as an influencer in public purchasing decisions and branding.

METHODOLOGY

Case Study Research

This study is a qualitative case study that emphasizes the study of qualitative elements in the natural environment of a research phenomenon. A case study is a research strategy for studying a research phenomenon in its own natural environment. Because case studies are not a specific method but a strategy to conduct research, case studies can differ greatly based on, for example,

the cases and the data used. A case study is an empirical study that uses a variety of information retrieval methods to study an event in a particular environment (Yin 1983, 23). The case study collects diverse and intensive case-specific information from a variety of sources and places it in the context of the case. In case study, understanding the context is essential in describing and understanding cases and the research phenomenon.

In this study, the choice of qualitative case study research aims to provide a rich description of the research phenomenon that would have been difficult to achieve with quantitative research methods. Influencer marketing practices in entrepreneurial marketing are a recent and little-studied research phenomenon, so qualitative research and suitable research methods are justified choices. Like this study use netnography.

Netnography

Netnography is a qualitative research method for exploring social media content. Netnography applies ethnographic research methods in the context of social media. Ethnography is a qualitative research method that explores cultures and increases in-depth understanding of the daily practices and contents of cultures. Ethnography has evolved from anthropology, which has been a method for explorers to study the cultures of distant and primitive tribes. Central to ethnography is that the researcher seeks to increase understanding of culture by observing human interaction and the operating environment.

As technology and social media change the way people interact and create a new kind of culture, there was a need to update ethnography to reflect a new kind of digital world. Netnography is Internet or technically networked ethnography. Netnography is an ethnography adapted to the complexity of our modern, technologically mediated social world. Many of us live in a space connected by online and offline cultures, and research methods need to evolve to study these new phenomena. Netnography adapts ethnography to this complex combination of online and offline sociality, giving us ways to explore life in an age of technology-driven culture. (Kozinets 2010, 3–4).

Case Selection

The selection of cases and an understanding of what constitutes cases are central to the conduct of a case study. The cases of the study are PT Gym Oy, JJ's BBQ Oy and BackMedia Oy. The cases in the study best reflect the practices of influencer marketing in entrepreneurial-driven influencer marketing.

PT Gym Oy was founded in 2016. It is a limited liability company domiciled and its main business is gym operations. In 2020, PT Gym Oy's turnover was 752 thousand and the result for the financial year was 162 thousand. Compared to 2019, net sales increased by 40.3%. and the operating margin was 27.1%. (Finder 2022.) The business owner and entrepreneur is Joel Vatanen, a gym entrepreneur and award-winning social media influencer. On social media, he is known for his eye-catching content and openness to bring out issues related to entrepreneurship. Vatanen works as a social media influencer on YouTube, where he has 151,000 subscribers, and on Instagram, which has 117,000 followers.



Picture 1. Entrepreneur Joël Vatanen.

JJ's BBQ Oy was founded in 2020. It is a limited liability company domiciled in Salo. The official name of the company is Jj'S Bbq Oy. No financial information is available for the last five years. The owner and entrepreneur of the company is Jari-Jukka Kallunki. (Finder 2022.) The company specializes in producing and serving smoked meat delicacies in its own restaurant. In 2021, JJ's BBQ restaurant was chosen as the best lunch restaurant in Finland based on a spectator vote. The profit was influenced by the entrepreneur's active use of social media. The restaurant's popularity has been particularly influenced by the entrepreneur's TikTok

videos. At TikTok, JJ's BBQ channel has 67,200 followers and the short videos have received nearly two million likes from viewers.



Picture 2. Entrepreneur Jari-Jukka Kallunki.

BackMedia Oy was founded in 2016. The company is a limited liability company domiciled in Helsinki. The industry registered in the Trade Register is IT consulting and IT services. The company's owner and CEO is Roni Bäck. The company's turnover in 2020 was 278 thousand and the result for the financial year was 121 thousand. Net sales decreased by 17.5% compared to the previous year. The operating profit margin was 53.6%. The information is based on the company's most recent financial statements for 2020. (Finder 2022). Roni Bäck is a Finnish YouTube star who started producing content for YouTube in 2012. The social media influencer, born in 1993, has 564,000 subscribers on YouTube and 283,000 on Instagram.



Picture 3. Entrepreneur Roni Bäck.

Data Acquisition (No data acquisition)

The research data is visual manifestations and documents related to the content produced by entrepreneurs and influencer marketing on social media channels, as well as documents and statistical information.

Data Analysis (Data acquisition has not been performed, so analysis is not possible)

RESULTS (Results of the study possible only after empirical research)

DISCUSSION AND IMPLICATIONS

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