

## **LIKEtoKNOW.it: The Influencer Economy, An Exploratory Study**

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Social media has become a relevant part of consumers' everyday lives and is being used for a number of activities including communicating, discussing, and online shopping and is particularly popular amongst the young female demographic (Adi, Wihuda Adawiya, 2017; Dennis, Morgan, Wright, & Jayawardhena, 2010). A natural outcome of greater integration of social media in people's lives, influencer marketing is gaining traction and they have a wide reach through online markets and social media outlets and is set to reach \$10 billion by 2020 (Contestabile, 2018). The influencer marketing strategy has gained popularity with brands especially with the increasing use of mobile (Greco, 2017). LIKEtoKNOW.it is one such influencer app and gives consumers the opportunity to shop from their favorite influencer's Instagram posts by liking a photo then receiving an email with product links (Chaparro, 2017). This current study is exploratory and utilizes modified Technology Acceptance Model (TAM) model to investigate the use of Like2Know.it by consumers and the influence of the app on their purchase intent and shopping behavior.

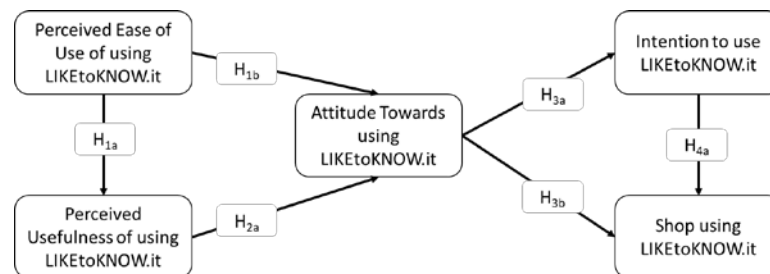
Rationale of the Study: According to CivicScience Study (n.d.), consumers who used social media daily, 34% of them, had been influenced to make a purchase on by an influencer on Instagram, Twitter, YouTube or Facebook. Additionally, it was reported in a study done by SocialPublic.com, 93% of the marketers are currently using influencer marketing and 84% believe that it is effective (2109 Influencer Marketing, n.d.). LIKEtoKNOW.it was the first of fashion app of its kind, and enabled both influencers and consumers to interact on popular social media applications such as Instagram and Snapchat (O'Connor, 2017). Previous studies have examined the use social media and the purchase intent of consumers (Haiji, 2014; Carah & Shaul, 2015; Permatasari & Kuswadi, 2017); the impact of consumer technological and fashion innovativeness on usage intention to use a fashion image search app as well as app satisfaction (Hur, Lee, & Choo, 2017; Trivedi, & Trivedi, 2018), but there is a paucity of research on consumers purchase behavior through social influencer based apps such as LIKEtoKNOW.it. Given that nearly half of all Millennials would prefer to shop on their smartphones and 41% of them rely primarily on fashion influencers and bloggers for fashion ideas and recommendations (Millennials Rely On, 2018; 2020:The Future, 2018), it is imperative to examined the use of influencer based fashion apps on purchase intention. This current exploratory study will examine: (1) impact of perceived ease of use (PEOU) and perceived usefulness (PU) of using LIKEtoKNOW.it app (2) the impact of attitude of using LIKEtoKNOW.it on intention to use the app as well as using the app to shop (see Figure 1).

Methodology: Data was collected via an online survey. The survey was shared with Audrey Stowe, who has 56k followers on her Instagram account. This sample was appropriate for this research because it shows a true population of LIKEtoKNOW.it users resulting in a sample size of 306. All the respondents were Millennial women, which fits the target market for influencer based apps. LIKEtoKNOW.it. Data was analyzed using descriptive statistics, factor analysis and Structural Equation Modeling (SEM). The model was tested using measurement and structural model in SEM. The fit indices of the overall structural model ( $\chi^2 = 245.19$ ,  $p = 0.00000$ , RMSEA: 0.08, CFI: 0.97, SRMR: 0.06) supported the model fit (Kline, 2015). Based on the parameter estimate t value which stated that a value greater than 2.00 is considered an indicator of statistical significance, all the hypotheses were supported except for influence of PEOU on attitude to use intention to use LIKEtoKNOW.it.

#### Conclusions and Implications:

1. PEOU of using LIKEtoKNOW.it positively influenced PU of LIKEtoKNOW.it, however it did not influence attitude towards using LIKEtoKNOW.it. The positive influence of PEOU on PU supports previous findings that indicate that consumers who find this app to be useful will also find it easy to use. Interesting the PU did not influence attitude towards using this influencer based app, this finding supports recent market intelligence which indicates that only 30% of Millennials value the opinion of bloggers with only 25% of Millennial women are inclined to purchase something based on influencer suggestions (Influencer Marketing, 2018; Millennial Women Have, 2018)
2. PU of using LIKEtoKNOW.it positively influenced attitude towards using this influencer based app. This finding provides further support for this relationship, indicating the impact of perceived usefulness of a technology on the attitude of using the technology.
3. Attitude to use LIKEtoKNOW.it app negatively influences intention to use this app while positively impacting using this app to shop. This finding is interesting as the negative impact of attitude on intention to use this app supports the growing trend in the industry which indicates that Millennials either don't like celebrity endorsements or are indifferent to them as they believe they lack authenticity (Sweeney, 2019). On the other hand, Millennials still use influencers first when determining the brands they shop with and the looks they buy (Crowdfire, 2018). This contradiction in consumer has led to the growth of "micro-influencers" as well as "nano-influencers". Micro-influencers generally have followers in the 1,000-10,000 range, whereas nano-influencers have less than 1000 followers (Ismail, 2018).
4. Intention to use LIKEtoKNOW.it app positively negatively influences intention to shop using this app. This is an important finding especially since 44% of the Millennials in United States would be happy to pay more for a product or service if the mobile shopping experience is better (World Pay, 2018). However, as stated earlier, Millennials want trustworthy influencers, hence, this could be the reason why respondents did not want to shop through this app.

Figure 1. Research Model



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