

# Advertising transparency in the social media influencers

## La transparencia publicitaria en los influencers de las redes sociales

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### Abstract

*Social media has contributed to a new marketing strategy where brands forge alliances with social media influencers to generate advertising content. This strategy is known as influencer marketing, finding itself growing and gaining substantial interest in the literature. However, the current understanding of the perception of social media influencers regarding the transparency of the content they advertise is still limited, where practically all studies focus on the perception of the follower and in developed countries where there is more regulation regarding advertising transparency. To address this issue, this research used the source credibility theory and the institutional theory with the aim of exploring the perceptions of social media influencers regarding the transparency of the content they advertise. Based on a qualitative study that incorporated semi-structured interviews with eight social media influencers from Chile. The results of this study show that social media influencers consider reliability, experience, online self-presentation and the normative aspects relevant in their credibility of advertising transparency. These findings contribute to the influencer marketing literature and have important practical implications for the broad and growing field of advertising, such as marketing professionals, brands and regulators responsible for protecting the consumer.*

### Resumen

Las redes sociales han contribuido a una nueva estrategia de marketing donde las marcas forjan alianzas con los influencers de las redes sociales para generar contenido publicitario. Esta estrategia conocida como marketing de influencer se encuentra en crecimiento y ganando un interés sustancial en la literatura. Sin embargo, la comprensión actual de la percepción de los influencers de las redes sociales frente a la transparencia del contenido que publicitan sigue siendo limitada, donde prácticamente todos los estudios se centran en la percepción del seguidor y en países desarrollados donde existe mayor regulación frente a la transparencia publicitaria. Para abordar esta problemática, la presente investigación utilizó la teoría de credibilidad de la fuente y la teoría institucional con el objetivo de explorar las percepciones de los influencers de las redes sociales frente a la transparencia del contenido que publicitan. Sobre la base de un estudio cualitativo que incorporó entrevistas semiestructuradas con ocho influencers de las redes sociales en Chile. Los resultados de este estudio muestran que los influencers de las redes sociales consideran relevante en su credibilidad de la transparencia publicitaria; la confiabilidad, la experiencia, la auto-presentación en línea y los aspectos normativos. Estos hallazgos contribuyen a la literatura de marketing de influencer y también tiene importantes implicancias prácticas para el amplio y creciente campo de la publicidad como son los profesionales de marketing, las marcas y los agentes reguladores encargados de proteger al consumidor.

### Keywords | palabras clave

*Self-presentation, trust, credibility, experience, influencer, advertising, follower, transparency.*

Auto-presentación, confianza, credibilidad, experiencia, influencer, publicidad, seguidor, transparencia.

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## 1. Introducción

The influence of social media influencers is believed to be quite powerful and is likely to continue to grow in the coming years (Forbes, 2019). Until now, literature realizes that this influence emerges as the influencer captivates followers by generating content on social networks where he/she shares his/her personality and experiences (CNBC, 2017; Lou & Yuan, 2019). Because of this influence, the influencer plays a vital role in attracting brands or companies and advertising professionals (Lou & Yuan, 2019). However, while social media influencers are known to share experiences related to product brands, the literature has not delved into the tension that arises in the social media influencer for being transparent (about the personal benefits of advertising a brand) and the credibility with followers. Ignoring the perception of social media influencers versus advertising transparency prevents a greater understanding of the credibility of this new marketing strategy.

To address this literature gap, we presented one of the first studies in Latin America to provide information from the perspective of social media influencers. Consequently, this study will try to answer the following research question: What is the perception of social media influencers versus the transparency of the content they advertise? The aim of the study is to know the dimensions that social media influencers take into account when deciding whether (or not) to transparent the advertising of their content on social networks to their followers.

To answer this research question, a qualitative methodology was used with eight semi-structured interviews with influencers of the social network "Instagram", conducted in May 2019.

We rely on the theory of «credibility of the source» (Hovland et al., 1953) that sustains the confidence, experience, attractiveness and online presentation (social networks) of the influencer and that affects their credibility with followers (Djafarova & Trofimenko, 2018; Ohanian, 1990), and the institutional theory (DiMaggio & Powell, 1983). We hope that the results of this study will be in line with studies that emphasize, for example, that trust and experience of the social media influencer are positively involved in the perception of followers against the sponsorship of a product or brand (e.g. Amos et al., 2008; Friedman et al., 1976). Also, if we consider that the behavior of social media influencers affects the beliefs, attitudes and behaviors of their consumers (Dholakia & Sternthal, 1977; Hovland et al., 1953; Hovland & Weiss, 1951; Ohanian, 1990), we hope that these will be dimensions that influencers value when it comes to making a transparent advertising in their content.

This study presents three contributions. First, we contribute to influencer's marketing literature. Considering that the above literature has focused on the perspective of followers, for example, the credibility of the influencer from the perspective of the follower (Djafarova & Trofimenko 2018), our study offers a look from the perspective of the influencer. Second, we expanded previous research by providing pioneering evidence on the dimensions that could affect credibility by considering advertising transparency. In addition, we focus on the influencer's perception of advertising transparency in a Latin American context. Finally, this research also has important practical implications for the broad and growing field of advertising, such as marketing professionals, brands and regulatory bodies responsible for formulating public consumer protection policies.

## **1.1. Influencers and advertising transparency**

Traditional communication mass channels, such as television, radio and print media, are no longer the dominant sources of information for consumers (Lou & Yuan, 2019). This has led consumers to no longer pay attention to traditional advertising (Carter, 2016), and increasingly use social media to gather information on which they base their decisions (Casaló et al., 2018). Thus, companies recognize the strategic resource of social networks to advertise their brands and build strong relationships with users (Shiau et al., 2018).

As digital and social media continues to grow in terms of use, influence and advertising expenses, the advertising industry continues to explore and develop innovative strategies to reach its target markets (Childers et al., 2018). One of these innovative strategies is influencer marketing.

### *1.1.1. Marketing influencer*

The administration of social networks is increasingly relevant in the business success (Cano, 2017), and with mobile applications these are a key ally for business management in communication and marketing (Aucay & Herrera, 2017), creating virtual communities of brands and allowing users to be informed and interact with the content (Gutiérrez et al., 2018).

Thus, influencer marketing emerged as an important relatively new marketing strategy, in which brands collaborate or forge alliances with influencers of social media to promote their products and brands (De Veirman et al., 2017; Evans et al., 2017).

A social media influencer:

Is primarily a content generator: someone who is experienced in a specific area, who has cultivated a considerable number of followers, with a marketing value to brands, by regularly producing valuable content through social media. (Lou & Yuan, 2019, p. 59)

Advertisers give some control to the social media influencer in the content creation, allowing to present a message that is considered more authentic than when directly presented by the brand (Childers et al., 2018). In turn, consumers are increasingly using social media to obtain product information (Stubb et al., 2019) and guide their purchasing decisions, rating and relying on the opinions of their peers on the internet (De Veirman & Hudders, 2019). Thus, social media influencers convey their opinion of brands in their posts, having the potential to intervene in audience behavior (Stubb & Colliander, 2019).

However, social media influencers may remain neutral about their business relationship with the sponsoring brand (De Veirman & Hudders, 2019). Therefore, influencer marketing can be classified as a form of native advertising by the nature of the paid relationship between the brand and the social media influencer, which may not be entirely clear to the audience (Evans et al., 2017). Native advertising is defined as “any paid advertising that takes the specific form and appearance of the publisher’s own editorial content” (Wojdyski & Evans, 2016). The problem with native advertising is that people have difficulty recognizing the persuasive attempt behind the message (Wojdyski & Evans, 2016).

Therefore, marketing has evolved into a growing marketing tactic, the problem with these commercial social media posts is that they look and mix with non-commercial posts and therefore followers often do not recognize them as advertising (Boerman et al., 2017; Evans et al., 2017).

Thus, social media influencers must be transparent in any business relationship (Boerman, 2020). It is necessary to include labels or transparencies that effectively convey the nature of the message to the consumer so that there are informed consumers, especially when the paid nature of the message is obfuscated (Evans et al., 2017). Transparencies that are more explicit have been shown to be more likely to increase ad recognition (Boerman, 2020; Boerman et al., 2015; Wojdyski & Evans, 2016). However, while recognizing the relevance of transparency in the relationship between the social media influencer and followers, influencer marketing literature has focused on the vision of followers. Specifically, regarding audience perception of sponsorship transparency in social media influencers' posts and recognition of ads in brand responses, such as brand attitudes and purchase intentions by followers (e.g. Boerman, 2020; De Jans et al., 2018; De Veirman & Hudders, 2019; Evans et al., 2017).

## ***1.2. Credibility of the source***

Credibility is defined as “the extent to which the source is perceived to have experience relevant to the subject of communication and can be relied upon to give an objective opinion on the subject” (Goldsmith et al., 2000, p. 43). The “source credibility” model suggests that a promotional message from a credible source, in this case a social media influencer, would affect consumer beliefs, attitudes and behaviors (Dholakia & Sternthal, 1977; Hovland et al., 1953; Hovland & Weiss, 1951; Ohanian, 1990). This theory allows to explain or predict the efficiency of the message (Hovland et al., 1953).

Previous studies analyze the credibility of the source in the context of social media influencers (e.g. Breves et al., 2019; De Jans et al., 2020; De Veirman & Hudders, 2019; Stubb & Colliander, 2019; Stubb et al., 2019; Wojdyski & Evans, 2016).

While the “source credibility” model suggests that the efficiency of the message communicated by a sponsor depends on consumers' perception of the experience, reliability and attractiveness of the product or brand sponsor (Amos et al., 2008; Friedman et al., 1976; Hovland & Weiss, 1951; Ohanian, 1990), Newell and Goldsmith's previous study (2001) considers reliability and experience as dimensions typical of the source's credibility model. Below is an overview of the dimensions of the ‘source credibility’ construct to be used.

### *1.2.1. Reliability*

The “perceived reliability” is defined as the attributes of dignity and honesty possessed by a source (Friedman et al., 1976). Trust in communication is the trust on the listener and the level of acceptance of the speaker and the message (Ohanian, 1990). Hovland et al. (1953) named it as listener's trust in a speaker “source of credibility” to a listener's trust in a speaker. When a consumer believes a source is reliable, it also assumes that the communicated message is highly believable (Hovland & Weiss, 1951). Ohanian (1990) indicated that the reliability of the communicator (e.g. a social media influencer) is an important construction in to investigate persuasion and attitude change.

### *1.2.2. Experience*

It is the second dimension of the “credibility of the source” defined by (Hovland et al., 1953). Research on source experience in persuasive communication indicates that perceived experience has a positive effect on changing attitudes (Ohanian, 1990). The level of experience also depends on audience perceptions (Hovland et al., 1953; Ohanian, 1990). If perceived as a source with valuable information and not necessarily as an expert in the product sold, the message will be more persuasive and generate

more favorable reactions to the product and greater purchasing intentions (Erdogan, 1999; Ohanian, 1990). In Djafarova and Trofimenko's social media influencer study (2018), respondents referred to "competition" rather than "experience".

### 1.2.3. *Online self-presentation*

This dimension was introduced by Djafarova and Trofimenko (2018). "Self-presentation" comes from social psychology and is the way a person wants to be perceived by others, there is pressure to self-present as an improved or desired self, depending on what the audience expects, and thus seem more believable (Goffman, 1959).

Social media has generated an interest in self-presentation (DeAndrea & Walther, 2011), as it helps to gain acceptance from others (Chiang & Suen, 2015). However, when people perceive self-presentations as misleading, then negative attitudes occur (Schlenker & Weigold, 1992). Therefore, there is a need to establish credibility through self-presentation (Ellison et al., 2006). In the case of social media influencers, their self-presentation on social media will influence the credibility perceived by the audience (Djafarova & Trofimenko, 2018).

## 1.3. *Institutional theory*

This theoretical perspective indicates that the institutional environment is composed of institutions that make pressure on the structures and practices of certain social actors (DiMaggio & Powell, 1983). Social actors can be businesses, consumers, business partners and governments that create institutional norms while responding to them. Therefore, social actors, in this case social media influencers, adjust and seek to meet institutional pressures to achieve and increase their legitimacy and their ability to survive (DiMaggio & Powell, 1983).

This theory proposes normative pressure (DiMaggio & Powell, 1983). Regulatory pressures relate to the formal or informal structure of the social actor, in this case the influencer of social media in the face of compliance with a standard (Nwabueze & Mileski, 2008), specifically on how things should be done legitimately when pursuing certain values (Scott, 1995).

## 2. **Materials and method**

Social media influencers are a very unexplored phenomenon; for this reason, the design of this study was qualitative by being an appropriate method that provides a lot of information and understanding of under-researched phenomena (Corbin & Strauss, 2015). This will allow us to answer our research question to know the perception of social media influencers regarding the advertising transparency of their content on social networks, specifically on the social network Instagram.

In order to collect the primary data source, semi-structured interviews were conducted. One advantage of using such interviews is the flexibility provided to the interviewer, being able to add questions that are considered relevant throughout the interview or delve into any point deemed essential to answer the research question and, in addition, the information is collected from the interviewee's perspective, which is very enriching and provides more detailed information (Corbin & Strauss, 2015; Creswell, 2013).

A snowball sampling was applied (Creswell, 2013), where the first interviewee provided information to contact the next study participants who were active influencers of the social network Instagram. The Instagram platform was used, because it is currently the most widely used in influencer marketing (WFA, 2018) and Chile was the country selected as an interesting context for conducting interviews, since 87.5% of households

have access to the Internet, which is a much higher percentage compared to other Latin American countries (OECD, 2019).

Participants who were recommended by the first interviewee were contacted by the same Social Network Instagram via text message, as it is an easy and direct way to communicate. The message explained the objective of the investigation and the procedures of the interview, eventually 8 social media influencers agreed to participate in the study of a total of 19 that were contacted. Social media influencers were interviewed regardless the products they advertise. Interviews were conducted in May 2019. Participant details are presented in Table 1.

Prior to data collection, two test interviews were conducted to verify the structure and understanding of the questions. These test interviews were conducted on two social media influencers, who were not considered within the final sample. The instrument was then modified with the observations identified and finally, the interview was reviewed and improved by a qualitative research expert.

Data collection was carried out through semi-structured face-to-face and telephone interviews, as detailed in Table 1. The interviews were conducted in person when participants were willing to meet, and were conducted in an environment chosen by the interviewees, which was mostly in their workplace for the convenience of the participants. They were made by telephone to those social media influencers who could not perform it in person because of their schedule and little availability of time. The interviews were conducted by one of the members of the research team, who was also part of the design of the interview guide.

Interviews were conducted in Spanish. At the beginning of the interviews, each interviewee was informed of the confidentiality of their identity and the authorization of the audio recording of the interview. The names of the participants were modified in this study to maintain the confidentiality of personal data. The interviews lasted an average of 15 minutes, were recorded in audio format and transcribed verbatim by the three researchers to facilitate the analysis of the data (Miles et al., 2019).

The interview structure contained a series of standardized open questions to guide the process. Initially, a brief introduction to the topic to be addressed and a general warm-up question was presented about the interviewee's relationship with social media. Preliminary questions were then asked about the participant's personal background. Subsequently, the interviewee was asked to indicate whether he/she is transparent with the advertising on the content he/she creates (if he/she uses "hashtag") and shares it on the Instagram account. This question was designed to identify if social media advertising is transparent or not (Miles et al., 2019). After having identified some factors that answered the research question, participants were asked to deepen on their response. On some occasions, the participant veered into other responses, and the interviewer directed him/her back to the main objective of the study, which is to get the participant to respond freely about his/her experience with advertising transparency.

Interviews ended in interview number eight, without obtaining additional information, which allowed to complete the data collection process (Silverman, 2000). For the interpretation and analysis of the data, the methodology suggested by Spiggle (1994) and Corbin and Strauss (2015) was carried out. First the researchers immersed themselves in the data by carefully reading each of the transcripts. Subsequently, a manual analysis was performed with the highlighted key phrases encoding the primary units. The categorization was then conducted, classifying each data group related to the reasons for making a transparent advertising in the content. Subsequently, at a higher stage of abstraction, the number of categories was reduced, grouping those that presented similarities. A comparison was then made, and it was decided which

categories were more relevant. Subsequently, to triangulate the data, secondary sources were reviewed such as relevant press articles and the content of Instagram profiles of social media influencers. Finally, at the integration stage, the researchers provided meaning to the data in the inferences, these were used to generate a connection with the research questions and the theoretical framework presented in the previous section (Spiggle, 1994). The findings of this research are described below.

**Table 1. Characterization of social media influencers interviewed**

	Gender	Age	Products advertised	No. of followers	Occupation	Indicates transparent behavior	Type of interview
A	Female	27	Beauty, fashion, travel and food.	170 000	Feminist model and communicator	Sí	Face-to-face
B	Male	30	Music, fashion, food.	129 000	Musician	No	Telephone
C	Male	26	Beauty, food and sport.	10 500	Model	No	Telephone
D	Female	28	Beauty, fashion, travel, food and sport.	197 000	Entrepreneur	No	Face-to-face
E	Female	30	Beauty, fashion, travel and food.	16 000	Model, doctor.	No	Face-to-face
F	Female	34	Beauty, fashion, travel and food.	976 000	Model, actress.	Sí	Telephone
G	Female	37	Food and sport.	11 700	Chef	Sí	Face-to-face
H	Female	34	Beauty, fashion, and food.	30 300	Web Designer	No	Face-to-face

Source: Own elaboration. Interviews conducted in May 2019.

### 3. Results

The data show that influencers interviewed of the social networks consider the advertising transparency relevant to their activity. First, the data identify the dimensions of the online source credibility model: reliability, experience (Amos et al, 2008; Friedman et al., 1976; Hovland & Weiss, 1951; Ohanian, 1990) and online self-presentation (Djafarova & Trofimenko, 2018), dimensions found in previous studies of the

credibility of social media influencers (e.g. Breves et al. 2019; De Jans et al., 2020; De Veirman & Hudders, 2019; Stubb & Colliander, 2019; Stubb et al., 2019; Wojdyski & Evans, 2016). Second, the data identify a specific aspect of the advertising transparency of social media influencers that corresponds to the normative character.

### ***3.1. Dimensions of the source credibility model***

#### *3.1.1. Reliability*

Trust in communication is the degree of trust of the listener and the level of acceptance of the speaker and the message (Ohanian, 1990). According to Breves et al. (2019), a social media influencer must be cautious and must incorporate high levels of authenticity on posts, even the influencer of social networks and the brand he/she advertises must even be shown. In this study, the social media influencer perceives that followers trust the content they post, mainly because they associate them with the brands they advertise. For example, interviewee E states:

I never planned to be an influencer and I think it happened because people trust what, I recommend, for that reason I work with brands that I really like and represent me. (Interviewed E)

Specifically, reliability refers to honesty, integrity and credibility of the endorser (Erdogan, 1999), as well as the morality of a source in the provision of objective and impartial information (Flanagin & Metzger, 2007). While there are followers like teenagers who are unaware that social media posting is advertising (De Jans et al., 2020). There are studies that indicate that an influencer who is paid to recommend a brand on social media may be less likely to express an honest opinion about the product and therefore be biased. As a result, consumers may feel deceived (Campbell & Kirmani, 2000). Despite this, when product recommendations arise from influential people, they are perceived as authentic and honest (De Veirman et al., 2017). In this study, social media influencers perceive that they are honest with the information they post by being intermediary actors of a brand that advertise and support through the “hashtag #” in their contents. For example, interviewee B states:

People also appreciate knowing that we are advertising something to them, you know, not like we are trying to lie to them, and people already realize that you are advertising something, so I do not know, uh... advantages, that we as influencers are being 100% honest with the people who see that product. (Interviewed B)

Even a social media influencer points out that using the “hashtag #” is being informative and authentic at the same time by not fooling followers. As stated:

In the end, you are not cheating on anyone, it is obviously advertising and you are getting paid for it. Besides, there is a lot of content that you do eh... to show another side (Interviewed F)

More importantly, previous empirical evidence points out that the justification of sponsorship generates more positive attitudes from consumers towards influencers, increasing the credibility of the source and message (Stubb et al., 2019). While Wojdyski et al. (2018) refer to sponsorship transparency as the extent to which sponsored communication notifies the viewer about the payment and the identity of the sponsor. It is known, at least in blogs, that readers appreciate transparency, and bloggers who accept sponsorship are perceived as highly credible, but if they do not

provide sponsorship information or use vague expressions it can raise suspicion among readers and thus reduce the credibility of the source (Carr & Hayes, 2014). The results indicate that social media influencers do not agree to transparent their contents. One of the participants points out that, although he/she is being paid for advertising products/services, through the social network Instagram, this does not mean that he/she should indicate that it is advertising. For the social media influencer, the products advertised are products that he/she normally uses. Participant D states:

I do not like it very much because uh... I do work with brands, brands pay me to advertise them, but these are brands that I have used all my life, that, whether they pay me or not, I am still going to use them, it is like... you have been using Mac all your life or you have drunk Coke all your life... and one-day Coke tells you... continue drinking Coke but from now on I want to pay you so you use my brand, what are you going to say? (Interviewed D)

### 3.1.2. *Experience*

Ohanian (1990) notes that experience is associated with a positive change in attitude. Experience refers to the knowledge, experience and skills of the endorser (Erdogan, 1999). The skills that influencers demonstrate on social media can be a persuasive and favorable source for the consumer purchasing intention (Djafarova & Trofimenko, 2018). In addition, previous studies indicate that product recommendations published by influencers are perceived as sincere if perceived as experts in the field (De Veirman et al., 2017).

Therefore, two types of experiences were observed when analyzing the data. First, the one related to the previous professional experience by becoming influencer of social networks, and second the experience of the influencers of social networks when advertising products. With regard to the first, some social media influencers perceive that their previous experience in the working context of communications has allowed them to see the transparency of the information more responsibly and, therefore, this has created some respect in followers and validity towards the information they provide on their networks. For example, social media influencer F states:

I feel that for professionals who come from television, radio, communications, this is not new, it is something that we do every day. (Interviewed F)

Regarding the latter, social media influencers indicate that they show in their advertising content the experiences they have had with products and services, and how that the “hashtag #” allows them to act with authenticity. Like influencer D that points out that it only advertises brands he/she uses.

So that is why I do not agree, because I at least inside my filters promote brands that I actually use and that I really like. (Interviewed D)

### 3.1.3. *Online self-presentation*

Djafarova and Trofimenko (2018) indicates that online self-presentation of the social media influencer will influence the credibility perceived by the audience. Some social media influencers interviewed point out that, by being on social media, influencers may present themselves in one way or another, i.e. they may experience role changes. As social media influencer E points out that they can be perceived as an opinion or as a seller, depending on the content they generate and the transparency perceived by their followers.

I have seen a lot of influencers that in the end you go into their Instagram and they only show publicity. Well, good for them, but they look like sellers instead of influencers, and I think they are abusing their power. The advantage is to make it transparent that one is working with a brand. Disadvantage, become a seller (Interviewed E)

Thus, there are influencers who demand to be authentic and to show themselves in their social media content as they are in their work and association with brands. As interviewee H points out, who requires demonstrating a behavior according to her scale of values, in order to demonstrate legitimacy to her followers.

I always have the chance to have a paid campaign, I explain this, that I always indicate when I am advertising or that it was a gift, anything in my stories, in the posts and on the blog. And there are several campaigns that have canceled me for that, that they say “no, but take it off” and I say “no, I can’t take it away”, “ah yes, if you don’t take it off then you get out of the campaign” and I get out of the campaign hahaha!!! So, that’s why I don’t have that much work because I always demand to tell the truth and a lot of people tell me like that no one’s going to realize legitimacy at work. (Interviewed H)

Even the same social media influencer points out that by having such a close relationship with her followers, she has been more engaged and has generated good intentions by behaving honestly with herself and her work.

But maybe I could earn more of it, but in the end I hold on to my values and stop doing this and I also explain to them that it’s not me, I don’t care if my followers know it’s advertising or not, because I have a super close relationship with them. But I care about me. Like me knowing I’m being honest with me and my job. (Interviewed H)

Because of the latter, social media influencers simply prefer to imitate others in their behaviors, without any interest, as indicated by participant G:

Although it seems to me that it is ok, I would do it as well and I think it does not affect the activity of influencers at all, it does not affect me or the others. (Interviewed C)

### ***3.2. Extension to the dimensions of the source’s credibility model using institutional theory***

Communication is associated with the level of acceptance of the speaker and the message (Ohanian, 1990), i.e. the degree of credibility that social media influencers perceive from their acting and the behavior of followers regarding the advertising and content presented. Therefore, the perception of credibility of the content presented by the social media influencer in the context of advertising transparency arises from pressures on the structures and practices of certain social actors (DiMaggio & Powell, 1983). Social media influencers perceive regulatory pressures on sponsoring brands and regulatory institutions to generate more transparent content.

#### *3.2.1. Regulatory character associated with sponsoring brands*

The social media influencers interviewed point out that demonstrating transparent behavior in their advertisements has consequences with the sponsoring brand, as social media influencer H points out, because she wanted to be transparent through honesty and she lost an advertising campaign.

I’m not doing it for others, I’m doing it for myself, it’s a thing of honesty that I know that it’s advertising. And they take me out of the campaigns so, in fact, I just lost one last week. (Interviewed H)

### 3.2.2. Regulatory character associated with regulatory institutions

A relevant aspect in the analysis of data is the regulations under which social media influencers are subjected to. Influencer B considers as a positive aspect that SERNAC (national consumer service in Chile) can obtain information about his work while governing the established rules of that institution. This institution and the consumer law allow to regulate and promote good practices in the transparency of markets in the Chilean context. Participant B mentions:

So the people of SERNAC can see the brands we're working with and what we're doing—deep down—is being declared. (Interviewed B)

In addition, the social media influencer associates the normative with other contexts, comparing the use of the hashtag # with other types of transparency. As interviewee G points out, social media influencers in the United States transparent their contents by saying “Sponsored by”.

I like it more the way it works in the United States for example, where there is the... the... below the person's name. It says sponsored by... (Interviewed G)

Figure 1 shows the conceptual framework proposed by our research, based on the credibility of the online source of Djafarova and Trofimenko (2018) and the institutional theory (DiMaggio & Powell, 1983).

**Figure 1. Conceptual framework of the perception of advertising transparency through the credibility of social media influencers**



Source: Own elaboration. Based on interviews conducted in May 2019 and on the credibility model of the online source of Djafarova and Trofimenko (2018) and the institutional theory (DiMaggio & Powell, 1983).

## 4. Discussion and conclusions

The contribution of this research was to identify the perceptions that social media influencers have regarding the transparency of advertising. As a first approach, we note in the results of the interviews that the perception of social media influencers about advertising transparency on their networks is not homogeneous. About 40% of respondents perceive that they are acting transparently when advertising the products in their contents by using the “hashtag #”. Conversely, more than 30% perceive that there is no need to transparent advertising and that there is nothing negative about omitting it. This first approach, once knowing the perception about the advertising transparency that social media influencers have in their content, allows us to mention that a lot more must be done on these issues.

Based on the credibility theory of the source, our results identify three of its dimensions. First, it was observed that the reliability dimension is linked to the honesty

that social media influencers have in the relationship with their followers. The perception of social media influencers about the reliability of advertising is associated with an attribute of honesty and transparency, which are valued by their followers (this agrees with Wojdyski et al., 2018; Carr & Hayes, 2014).

Second, in the area of experience, social media influencers perceive that their previous professional experience working with brands gives them persuasive skills in advertising transparency. In other words, when there is knowledge of the content being shared, followers would tend to have greater credibility in the social media influencer. In line with De Veirman et al. (2017), social media influencers believe that valuable information as an expert about a product is more relevant to followers than to indicate it is advertising.

Third, the dimension of online self-presentation relates to the image that wants to be projected to followers, bearing in mind how they expect the influencer of social networks to be. The participants of this research say that they are moved by their values and by what their followers expect, thus they do not consider it beneficial to omit when it comes to advertising a product in its generation of content, causing more commitment and the development of good practices towards their followers.

Moreover, in agreement with Newell and Goldsmith (2001), our research does not identify the appeal dimension in the credibility of the source in the advertising transparency of social media influencers.

Finally, the extension to the model dimensions of the credibility of the source corresponds to the normative character. Associated with this dimension, it is important to mention that social media influencers want to respond to established regulatory pressures on the obligation to transparent advertising. In this way, social media influencers show an image of respect for the rules that, even though are not cross-cutting for all countries, social media influencers mostly agree to abide. In this case, social media influencers perceive that regulatory aspects are associated with both sponsoring brands and regulatory institutions.

Having identified the dimensions, we can conclude that we confirm previous studies that analyze advertising transparency with the credibility of the source of social media influencers (e.g. Breves et al. 2019; De Jans et al., 2020; De Veirman & Hudders, 2019; Djafarova & Trofimenko, 2018; Stubb & Colliander, 2019; Stubb et al., 2019; Wojdyski & Evans, 2016) confirming experience, reliability and online self-presentation from the perspective of the social media influencer, extending the model with the incorporation of the normative character. These results were illustrated in Figure 1.

This study enriches the current literature on influencer marketing, seeking to know these perspectives regarding advertising transparency from the perspective of the influencer of social networks. In addition, we contribute to the credibility model of the source by connecting it with institutional theory to analyze the advertising transparency of the content of social media influencers.

While this approach could be current and very common in developed countries, this article represents one of the first studies in an emerging economy, such as Chile.

Our research has limitations on the sample, so the data cannot generalize. With regard to future research, we can point out that while this study provided early indications of the credibility of the social media influencer in advertising transparency, comparative studies could add additional ideas. For example, considering different contexts in Latin America, or analyzing the effect of advertising transparency on different sponsoring brands.

Finally, the practical implications for decision makers, such as marketing professionals, is to know the perception from the eye of the social media influencer, which

could consider the normative aspect by motivating these opinion bodies to explicitly and transparently indicate advertising to improve credibility. Thus, also in the case of regulatory actors, this study makes it possible to know that several social media influencers are governed mainly by the normative aspect, therefore stricter public rules or policies should be created to protect consumers from any deception or little transparency of advertising on social networks.

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