

# The Role of Nano Influencers Through Instagram as an Effective Digital Marketing Strategy

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## ABSTRACT

Digital marketing is one of the most preferred forms of marketing after the Covid 19 pandemic. The younger generations are using digital marketing extensively, and they are also using it by middle and older generations. Marketers are using digital marketing to market their products and services. Due to technological advancements, digital marketing, search engine marketing, and social media marketing are becoming more popular. Digital marketing requires a new understanding of customer behaviour. Digital marketing is a strategy that gives an individual or organization the ability to get in touch with clients by establishing innovative practices, combining technology with traditional marketing strategies. In order to be successful in digital marketing, an individual or organization needs to gain a new understanding of client behaviour. Digital marketing is a strategy that gives an individual or organization innovative ways to get in touch with customers by combining technology and traditional marketing practices. Nowadays, social media is more than just a place to share personal information; it is also a place where businesses get information. Social media is becoming a great tool for small businesses, mainly for digital marketing using some people called influencers who market products by using positive testimonials and offering the opportunity to purchase through social media. As a social media influencer, Instagram in particular has been a big part of society since its beginning. In market research, businesses and organizations are increasingly considering employing nano-influencers, which have the power to reach and influence hard-to-reach stakeholders such as groups seeking to promote a specific product or service. Nano-influencers form the first step in the development of influencers that have the highest engagement rates among all the categories of influencers. They are more open to unpaid partnerships to build their profile, and they often reach out to their own brands to foster partnerships. The research method used is literature review. The results of this study show that nano influencers have a positive impact on digital marketing strategies by using Instagram social media. It has a real impact on the economy, especially Indonesia. In the future, business people should follow technological advances to increase their business marketing.

**Keywords:** *Digital Marketing, Instagram, Nano Influencers, Social Media*

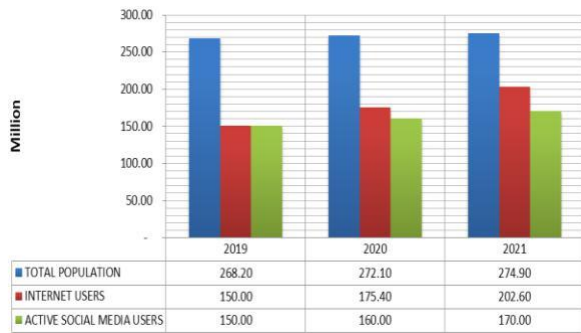
## 1. INTRODUCTION

Nowadays industry 4.0 is facilitated by technology. This era is a time when all aspects of life are required to prepare for cultural shifts that must go hand in hand with technological developments. Industry 4.0 is an industry that combines automation technology with cyber technology. One of them is social media which is part of industry 4.0 which is trending and used for

various things by people in the world, especially in Indonesia.

In Indonesia, rapid development has occurred on social media where the number of active users reached about 170 million people, with social media users around 61.8%. Based on this data, there is one effective medium that is social media. Social media is an effective platform for disseminating messages by

looking at the very high number of users. The ease of access to use this medium is an advantage for individuals and the company, especially to convey a message to a larger audience. Instagram is one of the largest social media platforms used in Indonesia after Youtube and Whatsapp. In Indonesia, the number of Instagram users ranges from 86.6% [1]. According to [2] that Instagram is a free application for sharing photos that allow its users to take photos and further share on social networking services.



**Figure 1** Data of internet users and social media

The rise of social media usage is no longer just a facility for personal existence needs. Nowadays, social media has turned into a business tool. One type of business that is growing in social media is digital marketing which is called influencers who market products by giving positive testimonials and solicitations of purchases in the form of images and videos through social media [3]. Since the beginning, the existence of influencers on social media, especially Instagram, has had a strong impact on society, so many businesses or organizations have encouraged the use of influencers, in particular, nano influencers because they are able to provide access and even influence difficult-to-reach stakeholders such as groups with certain interests.

A marketing strategy that is considered effective and efficient is Influencer Marketing. According to data from MediaKix, 35% of marketers say marketing uses influencers very effectively, and 45% say it is effective. 80% of marketers say that marketing by utilizing influencers is effective. Nano-influencers are the first stage as influencers who have the strongest engagement rate of all influencer categories because their smaller audience ranges up to 10,000 followers. They are more open to unpaid partnerships to build their profile, and they often reach out to their brands to foster partnerships [4]. The objective of this study is to identify the effectiveness of nano influencers as one of the digital marketing strategies by using Instagram social media against customer's engagement.

### 1.1. DIGITAL MARKETING

Marketing is the process of creating or exchanging products and values by a person or group in order to obtain a desire. Marketing strategy is a manifestation of marketing logic [5]. The company's position can be continuously improved or maintained by implementing appropriate marketing and innovation strategies and being good at taking advantage of opportunities. Basically a marketing strategy is a comprehensive plan in the field of marketing goods and services. Business units are expected to be able to touch their marketing targets. There are three procedures in the formulation of a marketing strategy: segmentation, target market and market position. These strategies will certainly be the key in marketing management [6]. Based on the views of experts, it can be concluded that marketing strategy is an activity that uses creative and innovative thinking patterns that are structured to achieve goals and deal with various situations that occur in the company. The development of information technology has entered the main market because technology allows connectivity and interactivity between individuals and groups. Digital marketing is a marketing practice that applies "digital distribution" channels to reach consumers in an effective, personal and cost-effective way [7]. Marketing activities are carried out intensively using computer media, both through product offerings, payments and delivery.

#### 1.1.1 SOCIAL MEDIA

Social media is internet-based media that can be used by the public or consumers to share various things, such as text, images, sound or audio, or video with others [8]. One of the social media that is experiencing growth in usage is Instagram. Many companies and business actors are placing advertisements as promotional media on Instagram to build consumer buying desires. From small to large business activities take advantage of this development to run their business. The number of competitors is a consideration for entrepreneurs to enter a very tight competition. Appropriate marketing and media strategies are used to be able to reach the target market so that sales volume always increases and profits. Instagram is a social media that makes it easy for people to tell stories and engage with readers through visual displays. Instagram is a relatively new form of communication where users can easily share their updates by taking photos and adjusting them using filters. The number of users and uploads has experienced rapid growth since its launch in October 2010 [9].

### 1.1.2 INFLUENCERS

In the world of social media, the term digital influencer is also the ability to influence, change opinions and behavior online, generally through social networking. In simple terms, digital influencers are those who have a great influence on social media. Influencers have a big role to influence or convince many people to be interested in the products they promote. Influencers are not required to fully understand the product being promoted. Influencers can also be categorized in terms of the number of followers [10] there are: (1) Mega-influencers are a category of social media influencers who have a very wide range of followers. They usually have a number of followers ranging from 1 million to unlimited on their social media accounts; (2) Macro-influencers are influencers who are one level below mega-influencers with their number of followers, usually ranging from 100,000 to one million followers; (3) Micro-influencers is someone who has between 1,000 and 100,000 followers; (4) Nano-influencers are a relatively new type of influencer. They tend to have fewer followers than micro influencers, which is less than 1,000 followers [10].

## 2. METHODS

The method used in current study is a systematic literature review covering the social media trend focusing on nano influencer publication. The author uses the keywords social media influencers and nano influencers in the conduct of this study. There are 10 publications that illustrate that social media influencers have changed the way brands interact and positively influence consumer intentions to buy a product or service.

## 3. RESULTS AND DISCUSSION

Based on research that has been done from several publications, there is a picture according to [11], influencers provide informative value in posts made and influencers who have credibility can give positive trust influence for their followers to the brand they post. This influence influences brand awareness and buying intentions by followers. Brand awareness and buying intent by social media users play an important role in their trust in the content created by influencers. Influencers who have content that is trusted by their followers become important for the brand. In particular, brands can estimate those beliefs by evaluating followers' perceptions of influencer trust, attractiveness, and/or similarity [11].

According to [12], results obtained through brand preferences where endorsements have a better success rate than paid-promote for nanoscale and micro-scale influencers and by choosing influencers with higher ER will result in higher ER campaigns.

Generally, influencers will determine what content they like or what content represents their personality on Instagram, for example, food influencers, fashion influencers, beauty influencers, and so on [12].

As supporting data, the author said that according to *businessstimes.co.sg*, in the implementation of the nano-micro campaign for Kellogg, that in conducting promotional activities on the same product the average ER obtained by nano influencers is 15%. This is greater than obtained from micro influencers by 10%. Engagement is seen in reference to interactions on Instagram (i.e., likes, comments, shares, and saves) [13].

According to [14], the communication conditions of brand crises within companies can be driven by the role of social media influencers where influencers can make contributions that make consumers willing to accept efforts that are motivated to encourage value from brands and influencers as partners. Such motives result in ingratiation that leads to increased competence, honesty, and benevolence through the reduction of manipulative intentions over brands within the company and forms a positive perception of the company's reputation. The use of these influencers builds the impact of positive communication on the company's brand crisis for consumers.

From research conducted by [15] the era change that occurred where before the age of consumer social media only through print media advertising, radio ads and television ads to see a product, but now with the existence of social media influencers have changed the way brands interact with consumers positively because these influencers can provide two-way interactive communication with consumers.

According to [16] in the implementation of marketing in the Business to Business (B2B) process, marketing strategies using nano influencers can educate companies by providing examples or concrete evidence of the involvement of nano influencers can help the company as a whole. Companies see the use of nano influencers as an attractive marketing strategy to promote their products online because it can build relationships with its potential customers.

Based on research listed in the journal [17] where social media influencers and brands carry out their digital campaign communication process with categories per project, per post and exclusive contracts in communicating product campaigns through brand experience in social media. With the interview method conducted by the author obtained by most Social Media Influencers and brands using campaigns with a budget per post, this is done because the brand sees the budget and the purpose of the campaign aimed. The role of social media influencers from the results of the author's analysis makes it a new strategy for brands /

agencies in reaching their targets and targets in social media because there is a change in the pattern of interaction between brands and audiences for developments in marketing perspectives with the concept of social media.

The concept of social media based on study by [17] that is run between social media influencers and brand / agency is social media endorsement. This explanation is based on the fact that is practically done by the Brand / Public Relations Agency that Social Media Influencer Influencers are related to the promotion of social media products and campaigns. One of them is Nano Influencer who is predicted as a trusted opinion shaper in conveying a message to the target audience of the niche with a more effective and budget-efficient balance. The practical implication is the emergence of Nano-Influencers who are considered able to increase the effectiveness of messages delivered through social media influencers. This is because influencers who are categorized as Nano-Influencers know better who their followers are and are more considered influential.

Furthermore, in the aviation industry in Indonesia, based on the results of research conducted by [18] which aims to analyze the influence of social media on brand attitudes towards buying intentions towards the use of airline services. In their analysis, the authors found that social media influencers have a significant relationship with brand attitude where social media influencers can provide trust, expertise and attractiveness in giving brand influence positively over the products they endorse. The high level of knowledge and skill of a social media influencer will form a positive opinion at brand and form a significant buyer's intention to buy the product endorsed by them. A good attitude from the brand will also have a positive effect on the consumer's intention to buy a product or service.

According to [19] in his research on an influencer, Yudha Refrizal in Instagram showed that if there is a change in endorsements it will be followed by changes in consumer behavior and endorsements made by Yudha Refrizal have a strong influence on consumer behavior and prove effective for the sale of a product. The authors said the study also supports previous research whose results have a strong influence between endorsements made by influencers and artists on Instagram on consumer behavior such as purchasing decisions and others.

Based on research conducted by [20], the results that can be conveyed that the high level of ad recognition among users, even without disclosure, confirms the idea that consumers have developed persuasion knowledge regarding influencer marketing on Instagram. Disclosure standards are an effective tool to increase transparency. Standard Instagram disclosure helps users to recognize influencer marketing. Disclosures that are made indirectly increase

brand recall and engage with posts and this does not damage social interactions with influencers. For brands and influencers, standard disclosure on Instagram also has a positive impact, because it makes consumers pay more attention to the brand, and more likely to engage with posts. The positive effect of disclosure on online behavioural intentions may indicate that sponsored influencer posts are not necessarily seen as a bad thing, but also as a way to tell users about a new product or brand.

According to [21], her research shows that nano influencers have a positive influence even though their marketing reach is not wider but has the advantage of having closeness with their followers and providing two-way interaction of recommendations made by nano influencers that influence their followers to buy products. Nano Influencers can play an important role in building relationships between their followers on social media to influence consumers' attitudes toward a product.

As supporting data, the author said that according to lemon.cm, nano influencers do tend to have a higher engagement rate than micro influencers, which is 5.6 percent. By having a higher engagement rate, nano influencers have the effectiveness of promotion or marketing against a brand with a better level of interaction and quality of posts on Instagram because nano influencers have authentic or "original" content and personality and can reach further into their market and help brands' businesses reach prospects more efficiently [22].

In the quote parapuan.com, marketing strategies through nano influencers for MSME businesses in the digital era is an application of smart ways and can be said to be effective because followers among family and close friends so that communication with their followers has a high intensity and active that results in the formation of high engagement [23].

#### **4. CONCLUSION AND RECOMMENDATIONS**

This research shows that the use of digital marketing strategies through nano influencers is quite effective and has a positive impact in building good relationships with other social media users. Although the marketing reach is not wider and lack of expertise in certain product areas than other influencer categories, Nano Influencer has an advantage for businesses that still have a small marketing area, and want to market their products in certain regions, they can use Nano Influencer as one of their marketing tools. Customers feel the closeness and two-way interaction of reviews or recommendations provided by these influencers can affect their buying interests. Nano Influencers can play an important role in building relationships between their followers on social media to influence consumers' attitudes toward a product.

At present, nano-influencer is widely popular as a tool to increase customer engagement and cost-effective for companies. Reward based nano-influencers by followers and likes is one of the most popular to recognize how effective and reason companies choose them as media to promote their product. This short article, we summarize current literature that shows the trends of nano-influencers. Now more and more scholars are becoming interested in this area. We believe that there will be a larger amount of topic research in the near future.

This study also has limitations. The keyword used to find some update literature but limited access. Future study ought to use more keywords, provide other journal sources or broader than Scopus. There are still many gaps that are possible for future research using mixed methods to enrich the topic research.

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