PEER INFLUENCE AMONG SOCIAL MEDIA INFLUENCERS:

A literature review

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Abstract

This literature review will go through the relatively new field of study of peer influence in social media. The neurological study of electronic peer influence can be used to explain why users engage in social media, why social media marketing is effective and why the so-called influencers emerge amongst the social media users. The communication amongst the peers, word-of-mouth, was also a factor in the study.

   The review was conducted by studying the few peer influence social media studies that currently exist, as well as supporting subjects of word-of-mouth communication, the tie strength research and the endorser/product fit, which are the theories that support the idea of the social media influencer effect.

Keywords Peer influence, social media influencer, electronic word-of-mouth, tie strength

1. Introduction

According to Statista (2017), over half of people spend at least 5 hours a day on their cell phones, and most of that time is spent on different social media platforms. Social media has become the main communication tool amongst people, as well as the main marketing communication tool between a company and its current and potential customers (e.g. Abdallah Alalwan et al. 2017).

A brand is considered to be a company's most valuable asset, and to build their image, they need to associate themselves with endorsers, who represent the same type of values the company does (Kowalczyk & Royne 2013; e.g. see Keller 1993). Historically, these endorsements have always happened among celebrity endorsers and Fortune 500 companies that can afford to pay them. Nowadays, a much more efficient way is to channel the advertising via a social media influencer, whose peers and followers overlap with the company's current and potential customers. This might still mean a celebrity endorsement, but with much more efficient results, because companies are able restrict their advertising from those, who are very unlikely to become even a potential customer in the future.

Consumers also view marketing communication coming from an influencer as word-of-mouth, which is statistically more likely to be perceived as truthful (e.g. Brown et al. 2007). Advertising through social media influencers is thus more efficient in every way than other advertising tools.

Peer influence is a theory of human behavioral and behavior adaption, and psychological development (Steinberg & Morris 2001). Also referred to as peer pressure, it is the fundamental field of research in opinion forming and can be modified to study any kind of human behavior. It is the effect of how humans allow their behavior to be affected by their peer. Generally used example of (negative) peer influence is smoking; people usually start smoking due to pressure by their peers in the teenage years. However, peer influence can affect behavior positively just as often, like academic achievements (Steinberg & Morris 2001).

Recently, neurological studies have started focusing on how adolescents argue and form their opinions off social media (e.g. Smith et al. 2005; Sherman et al. 2016; Lin & Lu 2011; Weeks et al. 2017). While peer influence has been studied extensively ever since scientific research has existed, social media has reinvented the human behavior study, because humans spend on average so much of their awake time on these platforms. Peer influence is a proven factor of the decision-making process, and social media is an excellent platform for this influence to happen.

The reason peer influence is so effective as a factor in the decision-making process is two-fold: 1. consumers want to make decisions in general that please their peers, and 2. Consumers look upon the so-called opinion leaders for guidance in the decision-making process. Consumers want to have limited options (preferably, three options is what the researchers agree on) and some kind of guidance in terms of rating those options over one another (Smith et al. 2005).

This review studies the two following two questions:

1. *"How peer influence can be used to explain why individuals use and engage in social media from marketing perspective?"*

In general, people have an urge to belong to a peer of people with similar characteristics than themselves, and by using social media, the receive the pleasure of feeling togetherness (Lin & Lu 2011). Social media platforms, like Instagram, are built with an algorithm that suggests new content based on the user's and the user's peers preferred content in the past. And obviously, this can be monetized for an effective marketing communication strategy, because ads can be directed straight at the users who are potential consumers of said product (e.g. Aral & Walker 2011).

In this review, peer influence is used to explain why and how users engage in social media, how users adopt opinions off so-called influencers of the social media and how peers affect the purchase decision process. Social influences are modulated by source variables (i.e. celebrity status or expertise) and in-group versus out-group status

(Cascio et al. 2015). Source variables can be further divided to source credibility and endorser/product fit theories, which will be discussed later in this study.

2. *Why social media influencers exist, and what is their role in the social media marketing?*

Among peers, the rise of leaders is a natural by-product. In social media, those leaders, influencers, are the most effective marketing communication tool. The Word-of-mouth and electronic word-of-mouth (WOM and eWOM) are the main forms of communication for every peer, and WOM is also the most effective and trustworthy way of marketing communication (e.g. Filieri 2014; Aral & Walker 2011). This trustworthiness is based on the influencer's credibility and attractiveness, which is also called the match-up hypothesis (Erdogan 1999), and the strength of this relationship between an influencer and a peer member is called the tie strength (Aral & Walker 2014).

Peer influence as an explanation for the social media usage is a fairly new field of academic research, but this thesis reviews those studies that have been made on the matter, as well as other supporting subjects, such as the word-of-mouth research, which is the communication tool that forms the peers. The thesis goes also shortly through some of the studies inside the field of word-of-mouth, such as the tie strength and the product/celebrity fit models, which should be used to explain the social media influencer phenomenon.

2.1 Why individuals engage in social media

Social media networks are platforms of user-generated content; without users, these networks are just empty platforms. The type of content varies dependent on the platform: Facebook allows its users fairly freely contribute any kind of content they feel like, while Instagram and Twitter as platforms regulate the content quite heavily. Instagram allows only pictures and video, while Twitter allows only links and tweet of certain amount of characters.

The human interaction is generally called engagement, and it can be measured with different types of metrics. Engaging in social media is not only content-creation, but more importantly, reactions; likes, comments, shares, dislikes, reactions and so forth. In understanding, why social media networks are the preferred platform of most modern marketing, it is paramount to first understand, why humans interact and engage in social media in the first place.

The main reason, according to essentially all empirical study on social media, why people use social networking sites, is enjoyment (Lin & Lu 2011; see Kang & Lee 2010; Lin & Bhattacherjee 2008; Sledgianowski & Kulyiwat 2009; van der Heijden 2004). The enjoyment can be divided into online socializing, opinion sharing, discussing and debating, and learning (Hennig-Thurau et al. 2004). Social media is the easiest way for its users to keep in touch with their peers. This is called positive network externality; as more of the user's peers adopt the system, they become more engaged, use it more frequently and get more enjoyment out of it (Aral & Walker 2011; Lin & Lu 2011).

Neurologically speaking, agreement with other reviewers activates the same neural circuitry as object rewards (Campbell-Meiklejohn et al. 2010). In social media, an agreement is usually represented by a like; liking also triggers the same activity in the brain: reward processing, social cognition, imitation and attention (Sherman et al. 2016; Chua & Chang 2015; Cascio et al. 2015). And from a marketing standpoint, the likes are the most valuable metric, specifically in Instagram, which is fairly limited in its operating model. The algorithm rates content based on the engagement metric, and counts received likes against views. This way the platform chooses quality content, and shares it with a user's peers, based on likes given and received (Abdallah Alalwan et al. 2017). Thus, likes are paramount for advertising companies to achieve visibility.

Receiving attention and approval in social media is also a metric of self-worth and valuation, very similarly as giving. Individuals associate themselves with users they want to be seen associate with and belong to the same peer; this peer comparison is driven by the desire to seek attention, validation and recognition (Chua & Chang 2015). Another study found that a mere presence of such a peer is associated with increased activity in the brain's hypothesized reward regions (Cascio et al. 2015).

For a peer recommendation to be effective as a decision-making aid, the consumer must trust the recommender; described as the willingness of a party to be vulnerable to the actions of another, and it is an important antecedent of human behavior (Smith et al. 2005; see Mayer et al. 1995). That trust is built on the credibility of the source, which in turn is affected by the tie strength (similar characteristics between two or more individuals), the trustworthiness of the source's communication and how attractive they are as an expert of the matter.

Some research also focuses solely on the peer influence as an effect of consumer behavior. However, research shows that peer influence positively affects consumption and materialistic values as well (Wang et al. 2012; see Churchill Jr. & Moschis 1979; Moschis & Churchill 1978). Thus, peer influence also increases our willingness to purchase overall. Purchasing the peer-recommended option is a way for individuals to concretely feel togetherness with the peer (Moretti 2010).

2.2 Homophily forms peers

Peers are groups of people, who share one or more similar traits and interests. This is called homophily: a contact between similar people occurs more often than among dissimilar people, and that cultural, behavioral, genetic, or material information that flows through networks will tend to be localized (McPherson et al. 2001). In social networks, homophily suggests that characteristics of an individual can be predicted via their peers, however, those who have more opportunity to influence one another may also be expected to respond to an ad in the same way even without its presence (Bakshy et al. 2012). Individuals also feel a desire to belong to a group, a peer; it is a way to seek approval. Usually this is associated with adolescents, but it is true for adults as well (Cascio et al. 2015). In social media, users show this by joining groups, and following certain users. For example, following a certain social media influencer might be a way to promote peer approval, and represent certain self-values.

Homophily is strongest in ascriptive and achieved characteristics, such as gender, ethnicity and education (Ruef et al. 2003; McPherson, et al. 2001; Bakshy et al. 2012). The two most studied effects of strength of social influence are embeddedness and tie

strength, which both fall under homophily; embeddedness represents the number of shared peers between individuals, while tie strength represents the tightness of those relationships, which will be discussed further later in the study (Aral & Walker 2014).

One of the key factors in influence-based study is to differentiate influencing and homophily-driven behavior; humans are influenced by their peers, but at the base level, similar type of people behave similarly, and according to 2009 research (Aral et al.), over half of the study's adoption of behavior can be attributed to homophily effects. Peer influence research employs several methods to distinguish these two, thus leading to more prominent peer influence effect results (Aral & Walker 2014; see Aral et al. 2009).

2.3 How peers influence purchase decisions in social media

In social media, peer influence is generally considered to be a social media influencer's ability to influence his or her peers, followers. According to van Eck et al. (2011) influencer can either be a friend, celebrity or just an expert of the issue at hand, as long as his or her opinion is valued. Most consumers adopt the peer recommended option, regardless of the recommender's profile; this suggests that the provision of a peer recommendation can serve as an invaluable resource for consumers (Smith et al. 2005; Moretti 2010). Social phycology explains this with compliance and maintaining group harmony (Cascio et al. 2015).

Commercially, peer influence affects purchasing decisions in social media in two ways; directly through conformity and indirectly by reinforcing product involvement (Wang et al. 2012; see Moschis and Churchill 1978). With practically limitless supply of options in an online environment, peer influence by recommendation positively influences the choice process (Smith et al. 2005). Fundamentally, consumers also like to reduce the possible choices to make the selection process simpler, by rating and ranking the choices, and humans have a natural tendency to reduce choices to a maximum of three, and it is also argued to be a norm of a society (Sheth & Parvatlyar 1995).

For example, in a clothing store the products are arranged a certain way, and the alternatives are limited, because too many options can confuse a consumer, and even

lead to a situation where the purchase decision is left undone due to difficulty of choosing (Smith et al. 2005). Online, most options are at disposal simultaneously, so consumers actively seek information, and are unconsciously aware of peer's presence and opinions (Smith et al. 2005; see Firat et al. 2000; Huang 2000; Kwak 2001). Particularly, when humans are making high-risk purchases, either financially (i.e. a house) or controversially (i.e. a pack of cigarettes), they tend to search for peer approval (Sheth & Parvatlyar; see Grewal et al. 1994). Thus, seeking approval from an influencer also means choosing a peer-approved option. In a platform like Instagram, users can easily see their peer-approved influencer by looking at the people their peers follow, and unconsciously users do this consistently.

Modern consumers have grown a certain tolerance for advertisements, and successful network-based marketing depends heavily on peers influencing one another, as well as how the peer influence unfolds over product life cycles (Aral 2011). Obvious campaigns can be filtered, and individuals prefer peer or editorial recommendations over sponsored ads by a strong margin; however, consumers who are not provided by recommendations conduct searches on their own, and can easily settle for any effortless option, including an advertised link (Smith et al. 2005).

Social media networks also enhance the peer influence by optimizing the content the users see. They generally match ads to consumers according to the user's peers and their affiliation with certain brands or products; through social media networks influence is always passive and automatically targeted (Bakshy et al. 2012; see Hill et al. 2006; Tucker 2012; Aral & Walker 2011). More importantly, they optimize the influencer content as well, thus making the indirect advertising more effective.

Social media entices its users to actively participate, because all content is user-created, and even a minimal act, like creating a connection with an entity makes an individual a source of peer influence. Social media network features that require user activity and allow can be personalized generate identifiable peer influence, economically as well as in growth of the quantity of the content; a randomized trial by Aral & Walker (2011) showed that products that have viral features are 400% more knowledgeable by consumers. Thus, not only should social network platforms allow consumers to exchange information about products and services but also actively join

the conversation and socialize, among the peers, which consist of both current and potential consumers (Cheung et al. 2014; Wang et al. 2012; see Mersey et al. 2010). In this context, social media influencers could be viewed as sort of chairmen of the conversation. They have a strong opinion on the topic, and a lot of influence on their peer's opinion forming. Essentially, this is why influencer marketing is so efficient, and why it is so valuable to companies.

2.4 Social multiplier effect

Econometrically, the study of the peer influence effect is usually referred to as either social multiplier effect, or the social learning. The old-school thought of an individual absorbing their closest friend's positive and negative habits can be backed by virtually all social multiplier studies (e.g. Banerjee 1992; Betts & Morell, 1999; Sacerdote 2001; Glaeser et al., 2003). For example, individuals generally avoid neighborhoods that are preoccupied by different peers than their own, according to race, ethnicity, economic situation, lifestyle, individuals' preferences, because the company of similar peers brings them pleasure and comfort (Katz et al., 2001). Or if a student's roommate joins a fraternity, the student is 8 percent more likely to do so himself (Sacerdote, 2001).

According to a study by Ellison & Fudenberg (1995), consumers are generally very affected by their peer's behavior, and they are willing to choose the peer-chosen alternative almost every single time, even in a hypothetical scenario of two identical products. The products still have the same features, but based on the word-of-mouth, consumers exaggerate the good features and belittle the bad ones; this can be explained by Moretti's (2010) findings that the more good reviews already exist, the easier it becomes for an individual to write one themselves. This social learning is also most efficient when the communication between the agents is fairly limited (Ellison & Fudenberg, 1995). When the communication happens in a viral environment, it is very controllable by the source. Like mentioned before, the quantity of the word-of-mouth is not a deciding factor in determining whether the influencer is a trustworthy leader. The quality is more important, and that it is channeled correctly.

In social media, social learning usually happens within the peer, from the influencer. The more popular (followed and liked) the source, the more likely it is that the peers

accept their opinions as trustworthy. This is also sometimes called the equilibrium decision rule: if individuals are put into a line to make choices between A and B, the first person will choose the recommended option, and people after the first person will most likely choose either according to their recommendation, or act accordingly to the people before them. Towards the end of the line, people will abandon their own recommendations, and follow the people before them (Banerjee, 1992; Glaeser et al. 2003). Thus, a person's actions are always dependent on the average action of the peer group (Glaeser et al. 2003; Glaeser et al. 2003).

The social multiplier grows with the level of aggregation, meaning that, while the individual preferences may wary, the bigger the peer, the more predictable and uniform its opinion will become (Sacerdote 2001; Glaeser et al. 2003; Moretti 2010). This inconclusively proves that more popular social media influencers are more valuable because their ability to mold opinions is more effective than the smaller ones. It is called positive spillover: aggregate coefficients are greater than individual coefficients; pooled opinions are more valuable than every voice individually (Glaeser et al. 2003; see Becker & Murhpy 2000).

3. Word-of-mouth as the peer's communication tool

Word-of-mouth (WOM) is one of the oldest forms of marketing. Older WOM studies have been built on the assumption that marketers can harness the credibility of consumer-to-consumer WOM; for a consumer, word-of-mouth is motivated by the desire to help others, warn about bad experiences and communicate status (Kozinets et al. 2010; see Arndt 1967; Engel et al. 1969; Gatignon & Robertson 1986). Consumers also desire social interaction, economic incentives and enhance their own self-worth, which leads to word-of-mouth communication (Hennig-Thurau et al. 2004).

WOM is a consumer-dominated channel of marketing communication where the sender is independent of the market; because the endorsement for products and services is unpaid, WOM is also the most effective form of advertising (Brown et al. 2007; Sen & Lerman 2007; see Henricks 1998). WOM has a strong impact on new customer acquisition, and its elasticity compared to normal marketing communication is 20 times higher (Trusov et al. 2009).

In the 21st century it has generated a new form of marketing, electronic word-of-mouth (eWOM). Electronic WOM is marketing communication that happens online, on websites and social media networks; any positive or negative statement made by potential, actual or former customer about a product or company online is eWOM (Hennig-Thurau et al. 2004; Chu & Kim 2011). EWOM is also measurable and controllable by the network provider, since comments on a product are written and available online (Park & Kim 2008). And because it is easily measurable, it is also easily financially valued (Trusov et al. 2009). Conceptually, it can be examined through opinion seeking, opinion giving and opinion passing (Chu & Kim 2011).

3.1 electronic word-of-mouth in social media

Compared to traditional WOM, eWOM is very efficient in message spread, especially in social media, where consumers can freely create and disseminate brand-related information for their peers (Chu & Kim 2011; see Vollmer & Precourt 2008). With the social multiplier effect and how social media platforms show content to its users, the

effective spread is potentially endless (Brown et al. 2007; see Lau & Ng 2001; Trusov et al. 2009). How effective the spread is in reality comes down to the message quality and the trustworthiness and credibility of the source. Through social media, this network is more complex, and reflects a higher degree of engagement with the firm (Okazaki et al. 2015).

Influencers should focus on creating quality content consistently in order to build a reputation of a trusted word-of-mouth source; for example, high-quality information from online reviews reflects positively on how a source is perceived (Filieri 2014). This is called the attribution theory; when consumers are presented with a message, they will make an effort to assess whether the message provides an accurate representation (Brown et al. 2007; see Buda 2003).

User-generated product reviews influence community members through a heuristic process in which community members focus more on the source characteristics than the message itself (Forman et al. 2008). Importantly, the type of the platform does not moderate the influence; how the influencer is perceived is the only defining factor (Senecal & Nantel 2004). Most user-generated content applications and online retailers include a rating system for the user, like TripAdvisor or eBay (Filieri 2014). This is to attempt to build trust and credibility for the recommendation agents (Smith et al. 2005). Otherwise, users rate the users heuristically; based on the content they provide, and how the user's peers react to the influencer (Sen & Lerman 2007; Forman et al. 2008). It is convenient to trust the word-of-mouth, and some sort of confirmation is better than none.

Firms should aspire to encourage eWOM behavior among their users, and most effecrtively this is done via influencers (Hennig-Thurau et al. 2004). Influencers are not only opinion leaders; they not only ignite the chain of eWOM but also actively participate in value co-creation with the firm (Okazaki et al. 2015). They are viewed as the middle men in the marketing communication channel, and while companies cannot truly affect their opinions, they can affect their preferred topics, and guide the word-of-mouth communication towards the preferable outcome within the peers they want to influence. When successful, this will lead to a cognitive fit between the influencer, the expert and the influenced, the novice (Park & Kim 2008).

3.2 Tie strength determines the effectiveness of word-of-mouth

Tie strength is the level of intensity of a social relationship between the person communicating the WOM and the receiver (Aral & Walker 2014). Developed by Granovetter (1973), strong tie is a combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services which characterize the tie. A weak tie is a loose connection between two or more individuals who may provide useful information or new perspectives for one another but often not emotional support (van Noort et al. 2012).

All WOM communication takes place within a social relationship that may be categorized according to the closeness of the relationship between information seeker and the source, represented by the construct tie strength (Brown et al. 2007; see Money et al. 1998; Duhan et al. 1997; Bristor 1990), and it also often identified as an important antecedent of WOM influence (de Bruyn & Lilien 2008; see Brown & Reinger 1987; Frenzen & Nakamoto 1993). Tie strength is also critical for the effect of advertising type on consumers' attitude towards the advertising message, in the way that it moderates the user's attitude towards it (Shen et al. 2015). Thus, tie strength is vital in creating meaningful influencer relationships as well.

A 2012 study (Bakshy et al.) that tested the tendencies of the subjects of sharing informational article links in Facebook found that depending on whether the link, that was previously shared by a Facebook friend, had been commented on, the subjects were almost 3 times more likely to share the article. Another study showed that the peer influence was over six times more effective, when the individuals lived currently in the same city, and 13 times more effective with people who attended the same college (Aral & Walker 2014). The engagement creates social capital, which in turn enhances the consumers' willingness to participate within the peer (Okazaki et al. 2015).

These figures show how strong peer influence is in our individual choices, but also that the tie strength might not always follow the most rational route. Van Noort et al. (2012) claim that the strength of tie heavily reduces the perceived persuasive intent of the advertising campaign, and that in order to be successful, social network communities

need to balance between advertising revenues and the network users' experience. This is why influencer marketing can be very effective in the sense that if done correctly, consumers might not take it as persuasive advertising, but rather as the trustworthy guidance of their valued opinion leader.

Furthermore, the higher the share of advertisements, the higher the risk that consumers ignore the advertisements because of fatigue (Shen et al. 2015). This is in line with the peer influence research on the reasons of why users engage in social media. Consumers feel confident in the source of the advertising message, when the source is a close friend, or a strong tie (Shen et al. 2015).

Tie strength can also be used to explain the effectiveness of peer influence. Peer behavior causes individual behavior through the social acceptance and cohesiveness (Bakshy et al. 2012; Sherman et al. 2016). Humans want to belong to a group and be socially accepted by their peers.

Peer communication on social media can be promoted by strengthening both individual-level tie strength with peers and group-level identification with a peer group (Wang, Yu & Wei 2012). Social media algorithms enhance peer communication; they are built specifically to show their users the type of content their peers enjoy when deciding the new content, they will show their users, which in turn will increase the odds that that content is enjoyable.

The social media platforms themselves act as social proxies for tie strength and homophily identification (Brown et al. 2007). Social media influencers should also aspire to reach a certain tie strength with their peers. By definition, a good influencer is an opinion leader with source credibility and at least a weak tie through similar interests as their peers.

4. Product and celebrity fit

Celebrity endorsements have always been a key part of big corporation marketing campaigns. For example, consumers associate Nike Golf apparel with Tiger Woods, and if consumers truly believe that the endorser might actually use the endorsed product, sales will increase substantially (Kowalczyk & Royne 2013; Creswell 2008). Consumers want to associate with these celebrities, and the way to do that is through their endorsed products, because those products represent a certain lifestyle for the consumer; advertisers take advantage of the loyalty from the consumer's allegiance to the brand via the endorser (Braunstein-Minkove et al. 2011). The literature of celebrity endorsements has generally employed one of two source models: the source-credibility model and the source-attractiveness model (Amos et al. 2015; Erdogan 1999).

For a successful brand extension, there must be a "fit" between the parent brand and the brand extension (Kowalczyk & Royne 2013; see Aaker & Keller 1990; Boush & Loken 1991; DelVecchio 2000). This is often called the match-up hypothesis, which suggests that endorsers are more effective when there is a "fit" between the endorser ad the endorsed product (Busler & Till 2000; see e.g. Kamins 1990). This fit is created, when the endorser and the endorsed product's manufacturer share similar brand values, and the endorser is able to communicate them for the consumers.

Virtually all research agrees that consumers' subjective evaluations of a product's intrinsic cues can be influenced by extrinsic cues (Clemente, et al. 2014; see e.g. Mandler 1982; Meyers-Levy & Tybout 1989; Peracchio & Tybout 1996). All celebrities should be considered social media influencers, considering most of the celebrity endorsing happens via social media nowadays. And while there is no exact definition of a celebrity, many social media influencers are considered celebrities as well, at least among their peers, which is, from a marketing perspective, all that matters.

Companies, who choose their endorsers correctly also boost their image via the influencer's image, and if this relationship is developed, both brand images can develop by absorbing each other's positive values (e.g. Kowalczyk & Royne 2013).

4.1 Source credibility and attractiveness define an influencer

The source-credibility consists of different components, like expertise, trustworthiness and the overall communication, while source-attractiveness consists of physical attractiveness as well as other characteristics that consumers might consider to be attractive (Amos et al. 2015; see Erdogan 1999). Source credibility is a model that helps understand the tie strength, and how the celebrity/product fit, the study of the fit between the product or service and the endorser or the influencer. Filieri (2014) found that, studying online sales, a recommendation or a review coming from a credible source had a significant effect on the purchase decision, and more importantly, the quantity of the information from the source is not a defining factor.

In terms of opinion leaders and influencers, source expertise and trustworthiness invariably contribute to source credibility, and they are more effective influencing opinions than being credible; they are also more valuable as a source if they have a unique position in their field of expertise (Amos et al. 2015; Brown et al. 2007; see Schiffman & Kanuk 1995). Busler et al. (2000) also found that expertise is possibly more important than physical attractiveness in terms of matching a brand with an appropriate endorser, and further, brand cognition plays a role in the process.

The message sender is evaluated by their knowledge and then possibly perceived as an expert (Brown et al 2007; see Gotlieb & Sarel 1991). However, it is not necessarily important whether the endorser is truly an expert; more important is that they are perceived as experts by the consumers (Amos et al 2015; see Hovland et al. 1953; Ohanian 1990; Erdogan 1999). The peer influence enhances this in social media; users generally see (new) content that their peers have found interesting and approved by liking or commenting. The social media algorithm can also predict the type of content users could enjoy. If the peers have approved a certain source as credible, then by definition, the user has a much easier time adopting them as well.

The source-attractiveness model is associated with celebrity endorsers (Basil 1996; see Kamins et al. 1989; Erdogan 1999). However, nowadays the definition of a celebrity is blurring; although popular actors, musicians and athletes still are

celebrities, also social media characters are considered celebrities. Thus, celebrities need to be considered social media influencers as well.

Consumers generally view celebrities as attractive; attractiveness encompasses physical attractiveness as well as other virtuous characteristics that might be perceived as attributes, like similarity, familiarity and likeability. (Erdogan 1999; Whong et al. 2014; see Triandis 1971; Amos et al. 2015). Consumers tend to rate a source credible, when they find that source attractive (e.g. Braunstein-Minkove et al. 2011). Thus, attractiveness is an important feature in an influencer. Consumers hardly ever meet the influencers or celebrities they rate as credible sources of information, so the imagery of the influencer delivered by their profile is an important attributor to their attractiveness (Whong et al. 2014). However, it is important to note that in the online environment, such evaluations must be made from the relatively impersonal text-based resource exchange provided by actors in the site network (Brown et al. 2007). Thus, consumers might not always receive enough data to evaluate the influencer.

4.3 Influencers are opinion leaders

Opinion leadership is a part of an old sociology model of a two-step flow of communication, in which information is first passed opinion leaders, and then, by them, passed to the general public (van Eck et al. 2011; see Katz & Lazarsfeld 1955). In social media, this is specifically noticeable, as a lot of the advertising, as well as other content from companies and media organizations, the so-called official sources, are often filtered. For example, in Twitter, most of the tweets by bigger corporations or organizations are seen by consumers only indirectly through opinion leaders (Weeks et al. 2017).

Generally, WOM is viewed as the most important influence in consumer's decision-making, because opinion leaders are viewed as independent from the mass media advertising (van Eck et al. 2011; see Silverman 1997). An influencer is always an opinion leader, and while influencer is someone who actively tries to influence their peers, an opinion leader is seen as a more generalized person of influential capabilities, regardless of their own interest in being influential.

Opinion leaders are more aware of the latest developments, and willing to consume media content, and the emergence of new digital technologies has affected how opinion leaders absorb information (Uzunoglu & Kip 2014; see Tomaszeski 2006). For example, those politically active influencers, who are highly engaged in social media and use the multiple tools available on these sites are significantly more likely to attempt to persuade other people to vote a certain way or try to change others' minds about political causes or political candidates (Weeks et al. 2017).

A blog is a good example of the opinion leadership model. The blogger writes about a new product or a service, and the readers, the peer, internalize it, based on whether they rate the influencer as a trustworthy and qualified opinion leader (Uzunoglu & Kip 2014; see Kavanaugh et al. 2006). The speed of the flow of the information is based heavily on the opinion leader's ability to rate a product or a service, and according to the van Eck et al. study (2011), maximum awareness of a new product is reached with 1,75 steps in the process with and 3,65 steps without opinion leaders. This study proves with quantitative evidence the existence of opinion leaders. Secondly, innovative behavior has a stronger effect when the quality of the information increases in the network (van Eck et al. 2011). This can be tied to the source credibility and peer influence models in the sense that, again, trustworthiness and the quality of the information are very valuable traits in an influencer.

Thus, companies can tap into the two-step flow of communication by choosing an influencer who shares similar values than the companies, and sponsor advertised content about their products. A study by van Eck et al. (2011) found that opinion leaders in fact possess generally more accurate knowledge about a product, and that it is an important factor in becoming an opinion leader.

As for the social media based opinion leadership, some researches have suggested a multistep-flow theory in favor of the two-step-flow theory (Uzunoglu & Kip 2014). The idea behind this theory is that every content receiver is also a potential sender in social media. Opinion leadership is always contextual, and while someone might be just a part of a peer in one aspect, they might be an influencer in another.

Another aspect of opinion leadership specifically in social media is that the popularity of an opinion leader can be valued quantifiably, which followers, like and comments. A research of opinion leaders in Instagram found that popularity perceived by the number of followers has a significant positive effect on opinion leadership, and that in turn has a significant positive effect on the likeability of the influencer (De Veirman & Cauberghe & Hudders 2017). However, the same research goes to claim that being popular does not automatically mean that you are an opinion leader, because that requires a certain level of expertise in the content. What is also contributing is the follower/followee ratio, which, if too low, can have a negative effect.

Thus, opinion leadership and the two-step flow of communication theory can be used to explain the effectiveness of influencer marketing. Companies should understand the significance of choosing a correct opinion leader to represent their brand.

5. Discussion

This research studied the effect of peer influence in the efficiency of influencer marketing. Peer influence is a natural effect of human behavior, where people feel the desire to be a part of a group, and how they shape their opinions based off this. We studied how peer influence can be explained, why users engage in social media, and why social media marketing de facto is so effective. Neurologically speaking, studies have shown that engagement in social media triggers the same neurological areas of the brain than social cognition, attention and feel of approval (Sherman et al. 2016). Users also are driven by pleasure, and that increases by the percentage of their peers attending the same social media sites (Lin & Lu 2011). And so, the more users engage, the more their peers engage, and the more their peers engage, the more they are influenced by the social media.

Econometrical analysis by the peer influence, the social multiplying study, inconclusively proves that peer influence affects our opinion forming process positively or negatively, dependent of the peer. It can be also noticed that the effect exponentially grows with the level of aggregation, thus making popular opinions even more popular (e.g. Sacerdote 2001; Katz et al. 2001; Moretti 2010). The more popular the influencer, the harder it is to say no, to the point where going against the masses can be practically impossible for an individual. This also means that, barring any incidents, popular influencers will get even more popular in the future, and thus make excellent marketing communication tools for companies, and the biggest challenge is to find the right influencer that shares the same values as the company's potential customers.

The flow of communication is usually divided into two steps, with information first passed to opinion leaders, and by them, to general public (van Eck et al 2011; see Katz & Kazarsfeld 1955). Thus, marketing communication by companies is at its most effective form, when opinion leaders accept it, and pass it to their peers. According to virtually all research, how the general public accepts the word-of-mouth communication from the influencers is based upon the trustworthiness, which is based upon the quality of the message, as well as certain qualities of the person messaging himself. This is split into source-credibility and source-attractiveness models, which combined define the quality of the influencer as a message spreader, which is also

called the product/celebrity (product/endorser) fit (Erdogan 1999). Thus, marketeers should attempt to find the most trustworthy and attractive influencer, but most importantly, understand their key audience, and what they value in an influencer. The biggest mistake of influencer marketing is not to understand what type of qualities make an opinion leader in the specific peer, or altogether not understand what type of qualities the peers represent.

Word-of-mouth, as well as electronic word-of-mouth (WOM/eWOM), are generally considered to be the most effective marketing communication tools, because it is independent of the market (e.g. Brown et al. 2007; Sen & Lerman 2007). It is also the communication tool among peers, including from the influencer to the rest of the peer. The effectiveness of the relationship between two participants is called tie strength and is measured by the number of similar characteristics. WOM is what creates the social multiplier effect, by creating growing cycles of communication; and while WOM has the limitation of pace the information can travel, eWOM does not have the same restriction. Its potential to reach new consumers is virtually endless. However, consumers don't generally view WOM as marketing communication, so companies should see it as a viable choice for their advertising strategies. It is both effective in terms of reaching generally only the potential customers via their peers, and because influencers are viewed as trustworthy. And because the social media platforms are generally built around the premise of peers, they provide the content for their users according to the peers they associate with.

Conclusively, peer influence can be used to explain why we use social media, how and why we engage in the conversation and why, by focusing the marketing through social media, it can be used to explain why social media marketing communication through influencers is as effective as it is. Marketeers are able to disregard those people, who are not potential consumers, judging by the peers they belong to, according to the influencers those users follow. However, it is paramount that marketeers are able to identify the key features that connect the peers, or the marketing strategy has no base. But, if they manage to identify the peers, and choose a trustworthy influencer, influencer marketing through social media will be the most effective marketing communication strategy. Further research will surely be made on this matter, considering how new this topic is.

6. Conclusion

This thesis discusses the fairly new topic of peer influence in social media, as well as the reasons of the social media influencer phenomenon. In the future, peer influence studies could be used to determine the best influencers to use for specific marketing campaigns. The area hasn't been studied enough yet for this thesis to make any significant connections on the matter. It is merely a review of a somewhat thin field of marketing study. However, it is not wrong to assume that the future of social media marketing research lies in the neurological research.

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