ARCADA

Authenticity and Transparency in Influencer Instagram Content in Indonesia

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Abstract:

The world as we know it today is characterized by the growth of digitalization. With marketing evolving from traditional to digital, more brands are adopting digital marketing strategies. Over the last few years, the use of influencer marketing, in particular, has been on the rise. Brands are taking on this approach as they are challenged by the difficulties in making their advertising messages reach their target audience effectively online due to the escalating usage of ad-blocking software by the audience, and due to the growth of the internet and social media that have created a more conscious audience.

This study has three objectives, which are (i) to investigate how the use of influencer marketing strategy is viewed by Indonesian Instagram users, (ii) to investigate the attitudes and behavior of the Indonesian Instagram users toward influencer content on Instagram, and (iii) to investigate whether authenticity and transparency in an influencer content on Instagram play an important role in creating credibility and trustworthiness for the influencer, and influencing the Indonesian Instagram users' purchase intentions toward the product(s) being advertised.

Limitations of this study that may hinder the ability to generalize the results are present. Firstly, the researcher sole focus is in the Indonesian context. Secondly, the researcher gathered the primary data from only six respondents. In addition, secondary sources that have been used are inclined more toward the Western context as there is a lack of literature relevant to the topics of authenticity and transparency in influencer marketing in Indonesia.

The researcher conducted a literature review using existing literature related primarily to authenticity and transparency in influencer marketing found on scholarly books written by distinguished authors such as Michael R. Solomon, Philip Kotler, and Mark Schaefer. Peer-reviewed journals and articles, as well as other sources found on the internet, were also reviewed. The primary data itself was collected through personal online, semi-structured interviews. Samples for the empirical research were gathered through two processes: purposive sampling and convenience sampling.

The results indicate that Instagram users in Indonesia are aware that the use of influencer marketing strategy in Indonesia and on Instagram is on the rise. With more exposure to influencer contents, these users are bombarded with sponsored contents and advertising messages shared by influencers the moment they open the application. As a result, influencers are perceived as marketers. It is also found that authenticity plays a bigger role compared to transparency. Users expect influencers to collaborate with brands that are aligned with the influencers' self-image and to create great contents; however, users do not feel that influencers need to be transparent about with whom the influencers are working with as the influencers themselves are seen as marketers. These results are generated through a qualitative study based on six personal interviews, and thus, should not be generalized.

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1 INTRODUCTION

1.1 Background

The world as we know it today is characterized by the growth of digitalization. As consumers are becoming more technology-dependent—attached to their smartphones, tablets, laptops, and the like—the lives of these individuals are correspondingly linked with the usage of the internet. This trend has immensely impact how businesses run today; marketing is evolving from traditional to digital, and brands have been conforming to this shift as well by adopting digital marketing strategies. Over the last few years, the use of influencer marketing in particular has been on the rise. Brands are taking on this approach as they are challenged by the difficulties in making their advertising messages reach their target consumers effectively online.

With the aforementioned devices and the internet together, the possibilities for consumers to access information about anything and anyone imaginable are extremely boundless. The advancement of the internet has helped intensify the connectivity between consumers and empower them to make informed, deliberate purchasing decisions (Hall 2017). As a result of these, consumers are naturally becoming connected to each other, and they are becoming more educated when it comes to, for example, deciding the best product to purchase or taking in marketing messages that come their way. Without a doubt, the internet has direct effects on consumers' everyday actions and decisions. Consumers are now able to choose what content they want to see online, from whom or where they want to seek the content or information from; they are in total control. In addition, with the help of ad-blocking software that can be easily installed onto a digital device, consumers can choose to block out any marketing messages that they deem disrupting or irrelevant to be seen in their day-to-day lives. By the end of 2016, the use of ad-blocking software to avoid digital advertisements rises by 30% with 615 million devices blocking ads worldwide, in which 62% of those devices are smartphones (O'Reilly 2017). Consequently, brands that spend a big amount of their budget or rely heavily on advertising online will inevitably get their revenue streams interrupted. Furthermore, the daily decision-making process of today's consumers are deeply influenced by trustworthy friends (Schaefer 2012) as opposed to traditional advertisement messages. Also, as

consumers are able to simply connect and communicate with other consumers online and the weight of social conformity is increasing widely, customers care more and more about the opinions of others, while at the same time they actively share their own opinions as well (Kotler *et al* 2017). Integrating influencer marketing into a brand's marketing strategy allows the brand to reach, and to advertise products or services directly to its target consumers through people—or in this case, influencers—that these target consumers already follow and trust.

Matters such as transparency and authenticity are significant in influencer marketing strategy. The audience of an influencer expects that the content shared by the influencer to be relevant, creative and based on true facts—or in other words, authentic. Transparency, on the other hand, means that influencers are honest about everything, including, whether they get paid to post a content or not. These two topics are essential to generate trust and credibility.

In this study, the researcher chose Instagram users in Indonesia as the subjects of the study. Indonesia has topped Asia Pacific's list of Instagram's biggest markets with 45 million active users per month (Yosephine 2017). Additionally, the use of ad-blocking digital tools in Indonesia has already reached roughly two-thirds of the internet population in 2016 (Scott 2017). At the same time, 93 percent of Indonesia's 88 million internet users access the internet from smartphones and it has been revealed that these users spend an average of 5.5 hours a day accessing an average of 46 apps and web domains with their mobile device each day (Sanjoyo, cited in Kim 2016).

1.2 Aims of the Study

This study has three objectives, which are (i) to investigate how the use of influencer marketing strategy on Instagram is viewed by users in Indonesia, (ii) to investigate the attitudes and behavior of Instagram users toward influencer content in Indonesia, and lastly, (iii) to investigate whether transparency and authenticity in an influencer content on Instagram play an important role in creating credibility and trustworthiness for the influencer, and influencing the audience's purchase intentions toward the product(s) being advertised in the Indonesian context.

1.3 Research Questions

In order to successfully achieve the aims of this study, the following questions need to be answered:

1. How does the use of influencer marketing strategy on Instagram is viewed by users in Indonesia?
2. How do Instagram users in Indonesia react toward an influencer content?
3. In the Indonesian context, do transparency and authenticity play an important role in generating credibility and trustworthiness for the influencer, and influencing the audience's purchase intentions toward the product(s) being advertised?

1.4 Limitations

There are limitations to this study that may decrease the generalizability of the findings. Firstly, this study explores the attitudes and behaviors of Indonesian Instagram users toward the issues of authenticity and transparency in influencer content on Instagram. Therefore, the findings are gathered only through samples that are of Indonesian nationality, which means the findings may not work well if generalized to different cultural contexts other than the Indonesian context. Additionally, secondary data reviewed and used by the researcher in this study may be more inclined toward the western context as there is a lack of materials that are focused on the Indonesian context.

1.5 Definitions

App: an application downloaded by a user to a mobile device (Oxford Dictionaries).

Facebook: the largest online social networking platform in the world (Britannica Academic 2018).

Follower: a person who subscribes to another user's social media account in order to receive updates (HubSpot Blog).

Influencer: a person or group that has the ability to influence the behavior or opinions of others (Cambridge Dictionary).

Influencer marketing: the action of promoting and selling products or services through people (influencers) who have the capacity to have an effect on the character of a brand (HuffPost 2017).

Instagram: an online photo-sharing mobile application and social network platform that allows users to edit and upload photos and short videos. (SearchCIO).

Instagram Stories: a feature that lets users share personal moments of their day in forms of photos and videos that are combined together in a slideshow format (Business Blog 2016).

Product endorsement: A written or public statement made by an influencer, a celebrity, a business or a professional praising the qualities of a product and recommending the use of the product to the public (Business Dictionary).

Purchase intention: the likelihood that a consumer intends to purchase a product or service (Dodd & Supa 2011).

Social media: websites and applications that enable users to create and share content or to participate in social networking (Oxford Dictionaries).

Transparency: the disclosure of agreements, dealings, practices, and transactions that are open to everyone for verification (Business Dictionary).

Twitter: a social networking platform that allows users to publish short messages containing 140 characters or less known as tweets (Business Dictionary).

Word of mouth: the act of consumers providing information to other consumers (Solomon *et al* 2008).

Word of mouth marketing: utilizing people to talk about a brand's product to consumers (Solomon *et al* 2008).

2 THEORETICAL FRAMEWORK

In this chapter, the researcher explores and reviews different theories and concepts that are relevant to the topic of influencer marketing, authenticity and transparency in order to reveal what has already been discovered from the literature, as well as to provide the theoretical argumentation for the researcher's topic. Later on, the researcher will use the information learned from this chapter to interpret the results of the data derived from the empirical research.

2.1 Social Media Today: An Overview

With the significant growth of the Internet and social media, consumers are exposed to a new communication model. The Internet was traditionally used by consumers to merely read and watch content, as well as to buy products and services; however, now consumers are increasingly utilizing social media platforms to create, modify, share, and discuss content on the Internet, which also has direct impacts on a business' reputation, sales, and possibly its survival too (Kietzmann *et al* 2011). Indeed, social media has shifted the way consumers and businesses communicate with each other. Through social media platforms, brands are able to converse and connect with consumers on a person-to-person level, unlike the traditional fashion of one-way communication where businesses use "push" marketing tactics to promote their brands (Schaefer 2012). Consumers are no longer the only ones on the receiving end of the marketing message; they can initiate the conversation about a brand online and make an impact through that conversation—negative or positive—whether the brand itself is present on any social media profiles or not (Schaefer 2012). This is a phenomenon that elucidates the importance of word-of-mouth marketing that is evolving in conformity with the progression of the Internet and social media.

The beginning of word-of-mouth marketing goes back to the moment products and marketplaces transpire; however, Dholakiya (2017) describes that in the past decade, the emergence of social media has brought new meaning to the concept of word-of-mouth, and thus, rewritten the rules. With social media, consumers are able to review and recommend products to their followers or list of friends online in a matter of seconds.

According to Prihandika & Rosameliana (2016), other than for communication and self-expression purposes, social media is also "a large market for business activities such as, selling, buying, and promoting products." In Indonesia, the demand for new various goods and services, and the users' purchasing power are increasing because of the rise of online shops and endorsements present on social media such as Instagram. Instagram is the top three social media driving e-commerce in Indonesia besides Facebook and Twitter. As 53% of Instagram users in Indonesia use Instagram to explore online shops accounts, business transactions over Instagram are very high. (eMarketer, cited in Prihandika & Rosameliana 2016). Brands' favorite methods to promote themselves, as well as their products, are by using hashtags on their posts, and through endorsement deals with influencers. The Directorate General of Taxes in Indonesia pays an enormous attention on endorsement since there is lack of appropriate legal framework on endorsement. The idea of endorsement as a mean of paid advertisement still has less monitor and control from the government, especially in matters related to taxation as many endorsers or influencers do not report their income resulting from endorsement deals between the influencer and the brand. On Instagram, anyone can easily become an influencer and provide endorsement services by utilizing his or her followers and get a high payment. Brands can be charged a fee starting from from Rp 50.000,00 to Rp 25.000.000,00 for each post shared by the influencer. 85% celebrities who have more than 10.000 followers endorse goods and services by posting sponsored contents twice every day. From these information, it can be concluded that the trend of influencer marketing on Instagram is on the rise in Indonesia. (Prihandika & Rosameliana 2016).

2.1.1 Instagram

Instagram, the first mobile native social network that was created (Miles 2014) and now owned by Facebook, Inc. (Lazzaro 2017), has successfully grown into more than just a

photo-sharing application. Today, the platform is seen as a powerful marketing tool both for businesses and private individuals (Green 2017). It has over 800 million active users each month (Business Blog 2017) with a performance that is 58 times better than Facebook and 120 times better than Twitter, which makes it a dominant social media tool to promote businesses, and to increase customer engagement and conversion (Green 2017). Due to its increasing user base and the fact that over 80% of its users follow a business on the platform (Business Blog 2017), many brands have a presence on Instagram: over 70% have Instagram accounts and over 90% of the top 100 brands in the world are active on the platform (Green 2017).

In November of 2017, the number of business profiles on Instagram has grown to 25 million, which increased from 15 million in July 2017 (Business Blog 2017). Instagram is an effective platform for businesses and creators as they are able to reach their communities to connect and build relationships with through captivating, relevant content. In the last two years, Instagram has come up with new features that focus bringing more transparency around branded content such as the Instagram Business Tools and the Branded Content Tools.

2.1.1.1 Instagram Business Tools

Instagram Business Tools are features in the Instagram mobile app that help businesses grow and understand their followers better. The tools allow businesses—big or small—being able to be recognized as business profiles, which means followers or audiences can see valuable information such as the address or contact information of a business in the profile. The tools also provide insights about followers and posts. The insights meticulously show a business which of its posts perform the best (through metrics such as likes, comments, reach, taps forward, taps backward, replies and exits), the best times and days of the week to post a content, and the demographic breakdown of followers. Lastly, the Instagram Business Tools give businesses the option to promote their posts, while integrating the posts with a Learn More button in order for the businesses to extend the number of customers within the target audience. (Business Blog 2017).

2.1.1.2 Branded Content Tools

In 2017, Instagram released its Branded Content Tools with the intention of bringing transparency and consistency around Branded Content to the Instagram community. The tools are comprised of a tag that helps creators disclose to the audience when a post is the result of a partnership between them and a business. When the tag is used in a post, the audience will see "Paid partnership with [business partner]" in the post's header (Instagram for Business). The tools also incorporate the same content policy as Facebook's policy that was announced on March 30th, 2017. The seventh policy in the list relates to transparency, which states that influencers must "comply with all applicable laws and regulations, including by ensuring that [the influencer] provide all necessary disclosures to people using Facebook or Instagram, such as any disclosures needed to indicate the commercial nature of content posted by [the influencer]" (Facebook).

2.2 Influencer Marketing

Influencer marketing is a marketing practice which advocates the idea that key individuals are effective sources to drive a brand's message and influence the consumers' or the audience's purchase intentions (Braatz 2017; Woods 2016). Influencers, as explained by Hall (2016), "speak to a niche audience that cares about their expert guidance on a specific subject." These audience identify the opinions of the influencers on topics relevant to a certain industry as informative and true, which "makes authentic influencer placements or collaborations so effective at eliciting peer-to-peer action." (Hall 2016).

Braatz (2017) describes that in influencer marketing, brands can either send their products to an online influencer for free in the hopes that he or she will like the product and recommend it to his or her followers on his or her social media accounts, or pay the online influencer to promote their product instead. The product recommendation from the influencer will then "lead to the search for, purchase and use of products by [his or her] connected network" (Flynn, Goldsmith, & Eastman, cited in Braatz 2017).

The widespread practice of using influencer marketing by brands has certainly escalated in the past few years. Though, the act of using people to talk about one's product or service—also referred to as word of mouth marketing—is not new at all, social media has redefined the concept. Celebrities, leaders, and other famous people used to be "the main influencers in their respective fields and brand would partner with these individuals to promote their service offering." Now, social media is able to give anyone with internet access the opportunity to share their voice and content. People who are fortunate enough to do it well that they are able to accumulate followers and engagement—sometimes more than brands do themselves—are considered social media influencers. (HuffPost 2017).

2.2.1 Authenticity in Influencer Marketing

In a world full of commercial messages, authentic products and experiences are seen as unique and exciting in the audiences' point of view. For brands, authenticity is a recipe for success as it "forms a unique brand identity" (Beverland, cited in Gundlach & Neville 2011), and "provides a strong, favorable association" (Keller, cited in Gundlach & Neville 2011). When the authenticity of the product or experience is significant with the audiences' brand values and personality, the audiences can profoundly become connected with it (Kates; Quester *et al*, cited in Gundlach & Neville 2011).

As brands seek to create engaging content with influencers, authenticity remains as the key factor behind a successful marketing campaign. Authenticity is the main attribute that distinguishes influencer marketing from other traditional marketing methods, and thus, is greatly valued. This applies to both brands that need to ensure choosing influencers that align with their brand, and influencers that need to ensure their credibility when endorsing a product. Consequently, the outcome of being authentic is the conception of trust and loyalty. (Medium 2017).

An authentic person is described as someone who "exhibits behavior which is primarily led by his or her personal identity," where his or her perception of "self" is associated to different self-defining attributes (Erikson, cited in Schallehn *et al* 2014). In the context of an individual living in a social world, however, as external forces and social pressures may affect an individual's personal identity, authenticity can be understood as
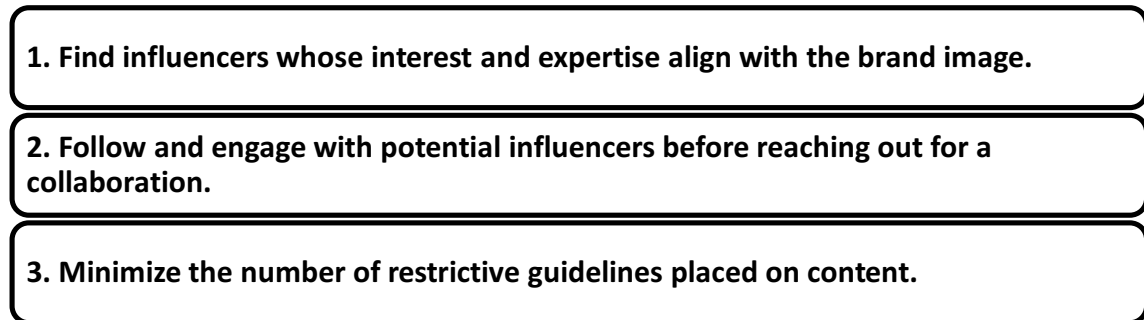
"the degree to which a person is true to his or her own identity in the face of corrupting external pressures" (Schallehn *et al* 2014).

Hall (2016) explains that many brands are collaborating with an influencer that does not fit in with their image or miss their intended target due to the fact that they choose an influencer by merely looking at the influencer's number of followers or site visits, which can be an oversight. Concentrating more on the audience of the influencer—how they interact with that influencer and how they relate to the brand's content—is beyond important. For this reason, when choosing an influencer whose expertise truly aligns with the brand's image, the probability of the audience trusting both the influencer and the brand is higher. The audience will see the influencer's opinions as fact and that he or she originally trusts the brand, which is why he or she promotes the brand as "a courtesy to their like-minded followers." This is equally important for the influencer as well. Working with brands that coordinate with their self-image and expertise means the influencer is building credibility within the relevant industry and creating a sense of trust with his or her audience. All of these allow influencer marketing "to be utilized as an effective communication tool." To juxtapose, when brands and influencers choose to collaborate with someone or a brand that does not align with their image instead, and the audience are aware of it, negative impacts that will affect both the brand and the influencer may arise. The impact may be worse than the audience only ignoring the message; the audience may get a negative lasting impression and perceive both parties as desperate for publicity. Firstly, audience may lose trust toward the brand as the promotion does not seem sincere and thus the brand is perceived as deceptive since "paid publicity guarantees a positive review instead of an honest one." Secondly, the audience may cease to trust and respect the influencer as they perceived the influencer to be a "sell out." Audiences are becoming much more attentive toward inauthentic content as the social media is becoming flooded with paid endorsements. To sum up, it is far more valuable to develop partnerships with influencers that yield genuine relationships with the audience than with influencers that seem attractive only because of their abundant number of followers. (Hall 2016).

2.2.1.1 Maintaining Authenticity in Influencer Marketing

In order to increase the effectiveness of a brand's marketing campaign through influencers, authenticity should be maintained by continuously sharing relevant, genuine and honest content. Figure 1 shows some guidelines that can help brands uphold authenticity.

> 1. **Find influencers whose interest and expertise align with the brand image.**

> 2. **Follow and engage with potential influencers before reaching out for a collaboration.**

> 3. **Minimize the number of restrictive guidelines placed on content.**

Figure 1 Adapted from Hall (2016)

Firstly, a brand must avoid choosing influencers based on the number of followers that they have. Instead, it is essential for the brand to seek influencers that align with the its image and core values, and those that would actually use the its product or service. This goes to the influencers as well. Secondly, it is significant for the brand to acquaint itself with potential influencers—follow and engage with them, and analyze their tones and the way they share their messages to their audience. Lastly, the brand need to assure that content posted by the influencers are honest and organic. To achieve that, restrictive guidelines or scripts placed on the content should be minimized. The influencers are the ones who know best on how to create content that will resonate with their audience. (Hall 2016).

2.2.1.2 One-sided Versus Two-sided Arguments

Messages that go hand in hand with an advertisement of a product predominantly point out supportive arguments that bring out the positive characteristics of the product or reasons to buy it to the audience. However, messages that present both positive and negative information—two-sided messages or refutational arguments—have been suggested by researchers that they can cultivate effective results. Using the two-sided approach can reduce bias, which as a result, increases source credibility. In addition, skep-

tic audience of the message "may be more receptive to a balanced argument instead of a 'whitewash.'" (Solomon 2009).

2.2.2 Transparency in Influencer Marketing

In influencer marketing, it is crucial for influencers to be transparent about the brands they are working with, as well as whether the content they post or share to their audiences are sponsored content. When a piece of sponsored content is not disclosed, the audience would not be able to see who is behind a piece of content, thus, they cannot make inferences about whether or not the content was sponsored (Bercovici 2012). Influencers are trusted initially due to their authenticity and their capability of sharing genuine opinions. Once influencers fail to appropriately disclose paid relationships they are opening themselves to the risk of losing trust from the followers that they have built (Rowntree 2017). Solomon *et al* (2008) elucidates that word of mouth marketing strategies such as stealth marketing, shilling, and falsification are unethical. Stealth marketing means that brands aim to deceive the audience regarding the involvement of influencers or marketers in a communication; shilling means that brands are paying influencers to promote their product without letting the audience know that those people are working with them; and falsification means brands or the influencers are knowingly distributing false information (Solomon *et al* 2008).

In the U.S., as well as countries such as the U.K. and Australia, rules or guidelines "declaring that influencers must reveal when they are receiving compensation or free merchandise related to something they are writing about have been introduced" (Schaefer 2012). Some obligations given by the United States' Federal Trade Commission (Federal Trade Commission) are:

> "Endorsements must reflect the honest opinions, findings, beliefs, or experience of the endorser." (§ 255.1).

> "The endorsement message need not be phrased in the exact words of the endorser, unless the advertisement affirmatively so represents." (§ 255.1).

"When the advertisement represents that the endorser uses the endorsed product, the endorser must have been a bona fide user of it at the time the endorsement was given." (§ 255.1).

"Advertisers are subject to liability for false or unsubstantiated statements made through endorsements, or for failing to disclose material connections between themselves and their endorsers." (§ 255.1).

"When there exists a connection between the endorser and the seller of the advertised product that might materially affect the weight or credibility of the endorsement (i.e., the connection is not reasonably expected by the audience), such connection must be fully disclosed." (§ 255.5).

United Kingdom's Competition and Markets Authority (Competition and Markets Authority, 2015) requires marketers, brands, and influencers to do the following:

"Publish all reviews, even negative ones, provided they are genuine and lawful, and explain the circumstances in which reviews might not be published or might be edited." (§ 1.15).

"Disclose any commercial relationships with businesses that appear on their site, and explain how this might affect businesses' ratings and/or rankings." (§ 1.15).

"Bloggers and online publications should ensure that any content published on their sites, for which payment has been received (whether financial or otherwise), is clearly identifiable to readers/viewers as paid-for content." (§ 1.16).

Some principles from the Australian Competition and Consumer Commission (Australian Competition and Consumer Commission 2013) are:

"It is recommended that industry players be open and transparent to consumers using review platforms about commercial relationships which impact on, or have the potential to impact on, consumer reviews."

"Reviews may mislead consumers where they are presented as impartial, but were in fact written by:

> • third persons paid to write a review when they have not used the product
>
> • someone who has used the good or service but who writes an inflated review because they have been provided with a financial or non-financial benefit of some kind.
>
> • etc."

"The selective removal or editing of reviews, particularly negative reviews, by review platforms for commercial or promotional reasons may be misleading."

3   RESEARCH METHODOLOGY

In this chapter, the researcher describes the research design that has been chosen for this study. Furthermore, how samples for gathering the primary data are chosen, how both primary and secondary data are collected, and how these data are analyzed afterwards are also explained.

3.1 Qualitative Research

This study is conducted using approaches, methods and techniques of a qualitative research. A qualitative research emphasizes words rather quantification in the collection and analysis of the data (Bryman & Bell 2015). In other words, a qualitative research is used to seek and understand the meanings and motivations behind attitudes and behavior, as well as to obtain an exhaustive explanation of behavioral facts and implications through the researcher's encounter with people's own actions, words and ideas. (Mariampolski 2001). The researcher chose to conduct a qualitative research as the researcher's intentions were to explore the views and attitudes of Indonesian consumers toward content that are advertised by influencers, transparency, and authenticity on Instagram.

3.2 Sampling

The researcher used the method of online personal interviews to gather the data. The samples for the online personal interviews were chosen using two sampling processes.

Purposive sampling, which means the researcher chooses participants based on their unique characteristics or their experiences, attitudes, or perception (Cooper & Schindler 2014), was used to select participants that specifically have a professional career in digital marketing and knowledge about the Indonesian market. On the other hand, convenience sampling process, where the researcher chooses any readily available individuals as participants (Cooper & Schindler 2014), was used to select the remaining participants.

3.3 Data Collection

3.3.1 Literature Review

Prior to gathering the primary data, the researcher conducted a literature review using existing literature related primarily to transparency and authenticity in influencer marketing. For the researcher, reviewing existing literature is important to find out what is already known about the researcher's area of interest and to develop an argument about the significance of the researcher's topic and where it might lead (Bryman & Bell 2015). As there is limited theoretical material or scholarly articles about the topic of influencer marketing, the researcher also used other materials found on the internet.

Scholarly books written by distinguished marketing authors such as Michael R. Solomon, Philip Kotler, Mark Schaefer, etc. were used. Peer-reviewed journals and articles were collected through an electronic database called ABI/INFORM. Instagram's own business blog, as well as Facebook's press site, Facebook Newsroom, were heavily utilized for information regarding the companies' updates on authenticity and transparency efforts. Other sources such as blog sites of advertising agencies and websites found through Google were utilized; however, only after the contents were carefully analyzed and concluded to be reliable.

3.3.2 Interview

In a qualitative research, an interview is the main technique to collect primary data (Cooper & Schindler 2014). Bryman and Bell (2015) describe that the approach of a

qualitative interview emphasizes the interviewees' point of view; what the interviewees see as "important in explaining and understanding events, patterns, and forms of behavior." To gain a deep understanding of how Instagram users in Indonesia view sponsored influencer marketing content, which will then help in answering the research questions, the researcher conducted online personal interviews with one person who has a hands-on experience in digital marketing and knowledge about the Indonesian market, as well as with five active Instagram users in Indonesia who use Instagram on a daily basis.

The personal interviews, which lasted for an average of approximately 40 to 50 minutes, were conducted on the third and fourth week of January 2018 through three different telecommunications application software: LINE, Skype, and FaceTime, depending on what software the interviewees have. The online personal interview is similar to a face-to-face interview due to the fact that the aforementioned software programs allow the interviewer and the interviewees to see each other, which lets the interviewer pick up any visual cues from the interviewees that may occur during the interview (Bryman & Bell 2015). Prior to interviewing the interviewees, the researcher explained to the interviewees what the study is about, as well as the objectives of the study. In addition, the researcher gave the interviewees the options to answer the interview questions either in English or in Indonesian, as not all interviewees are fluent in English. In the case where the interviewees choose to use the Indonesian language during the interview, the researcher translated the data to English. Furthermore, the researcher informed the interviewees that the interview will be audio-recorded for transcription afterward and that only their initials will be revealed in the thesis.

The interview was semi-structured in order for the researcher to be able to develop a somewhat natural dialog with all the interviewees. In a semi-structured interview, the researcher creates an interview guide consisting of questions about the topics that need to be covered. The questions may not be asked in chronological order or as exact as they have been outlined in the interview guide and the researcher may ask additional questions that are not included in the guide as the researcher discover more interesting things said by the interviewees (Bryman & Bell 2015).

There were two different personal interview categories that were executed. The first category was with five avid, Indonesian Instagram users. These users have been using

the app for a good amount of years and spend relatively long hours on the app daily. Information regarding the interviewees' profiles is presented in Table 1 below.

No.	Interviewee Number	Number of years the of using Instagram	Time spent on Instagram daily
1.	I:1	5 years	±12 hours
2.	I:2	4 years	±6 hours
3.	I:3	5 years	±6 hours
4.	I:4	4 years	±5 hours
5.	I:5	5 years	±8 hours

Table 1 Interviewees' profiles

In the interest of the interviewees' privacy, the researcher kept their personal information anonymous. Initially, the researcher addresses the interviewees with their initials in this thesis; however, the researcher decides to use a respective number for each interviewee instead as it is more confidential for the interviewees. A summary of the interview guide for this category is shown in Table 2 and the interview guide itself is attached in the appendix.

Part 1: Background	Background questions are asked to find out whether the interviewees use Instagram or have used Instagram in the past, how long they have been using Instagram, how long the interviewees approximately spend on Instagram daily.
Part 2: Influencer	The questions in this section assist the researcher to find out how much knowledge about the topic of influencer marketing itself the interviewees already know. The researcher finds out how interviewees

marketing	define an influencer, whether the interviewees follow an influencer(s) or are exposed to sponsored contents on a daily basis, the rise of influencers in Indonesia, and the influence that these influencers have over the interviewees.
Part 3: Authenticity	Interviewees are asked the reasons that make them follow or look up to an influencer and their views regarding what makes an influencer trustworthy or credible (and vice versa). Discussions about whether influencers should only work with brands that align with the influencers' image, the appropriate amount of collaborations an influencer should do with brands, and honesty in the case where the product or service being promoted does not meet the standards are explored.
Part 4: Transparency	Issues such as the ethics of influencer marketing, disclosure on sponsored contents, and disclosure languages are discussed.

Table 2 Interview Guide (Instagram Users)

On the other hand, the second category was with one marketer who are knowledgeable on the subject of influencer marketing, particularly in Indonesia. The interviewee, Cadika Rachmawan, is as a senior development executive manager for the sales and marketing department at AdAsia in Jakarta. AdAsia is a digital agency that offers "services such as programmatic influencer marketing, social media ads, as well as video production towards [their] clients." Rachmawan has been working in the marketing industry since 2012. He started out doing print advertising and switched to doing digital advertising in 2014 until today. This interviewee has permitted the researcher to publish his name and information in this thesis. A summary of the interview guide for this category is shown in Table 3 and the interview guide itself is attached in the appendix.

Part 1:	Background question are asked to find out what the interviewee does in marketing, whether the interviewee has any experience in doing

Background	influencer marketing, how long the interviewee has been working in the marketing industry, and about the company that the interviewee is currently working for.
Part 2: Influencer marketing	In this section, the researcher asks the interviewee about the trend of influencer marketing strategy in indonesia, the impact of influencer marketing strategy, the definition of an influencer, as well as the steps to build influencer campaigns.
Part 3: Authenticity	The interviewee is asked the reasons that make an influencer trustworthy or credible (and vice versa). Discussions about whether influencers should only work with brands that align with the influencers' image, the appropriate amount of collaborations an influencer should do with brands, and honesty in the case where the product or service being promoted does not meet the standards are explored.
Part 4: Transparency	Issues such as the ethics of influencer marketing, laws or guidelines concerning the use of influencers in advertising, disclosure on sponsored contents, and disclosure languages are discussed.

Table 3 Interview Guide (Marketer)

3.4 Data Analysis

In this stage, the researcher used the thematic analysis approach to analyze the data. The researcher followed the guidelines explained by Bryman and Bell (2015). According to Bryman and Bell (2015), in thematic analysis, the audio-recorded interviews are firstly transcribed. Then, each transcription is coded by breaking it down into component parts that are labeled afterwards. Recurrences of sequences of coded text and links between codes are examined. Consequently, key themes should be found and developed.

4 RESULTS, ANALYSIS AND DISCUSSION

This chapter presents key findings gained from the semi-structured, online personal interviews with one marketer and five Instagram users in Indonesia. The analysis and discussion of the findings are also presented under each research question.

4.1 Research Question 1

4.1.1 Results

The first research question "*How does the use of influencer marketing strategy on Instagram is viewed by users in Indonesia?*" was developed to find out the overall reactions of the Indonesian consumers or users toward the innovative strategy of influencer marketing.

After the transcriptions from the interview were analyzed, the researcher found three themes. The themes are presented below in Table 4, alongside supporting comments by the interviewees.

Themes	Supporting comments
Growth	• "…social media is becoming a very big influence for people to buy something; to prefer on something." (Rachmawan) • "Starting in 2016, it was the rise of the influencers. […] Brands and advertisers are now utilizing these influencers to become a small ambassador for them." (Rachmawan) • "[…] nowadays brands are utilizing influencers to promote their products." (I:1) • "[…] it has dramatically increased. But, the number is increasing due to the rise of online shops on Instagram as well." (I:2) • "[…] the ways that these influencers are promoting products or services have evolved as well." (I:3) • "Everybody can become an influencer on Instagram, on social

	media easily." (I:4) • "[…] in Indonesia, right now influencer marketing is the most used strategy." (I:5)
Benefits	• "60 % of consumers would prefer buying stuff because they see the influencers they look up to also using the same products." (Rachmawan) • "I would be more influenced by the influencer because I follow celebgrams and when they promote a product I automatically would see their posts more compared to the brand's posts." (I:1) • "In Indonesia, not a lot of people follow accounts of brands or online shops." (I:1) • "[…] sometimes people are not familiar with the brand, and through the influencer, the people get to know or learn about the brand." (I:2) • "Followers of the influencer may not know or follow the brand so it's natural for them to trust the influencer more." (I:3) • "[…] online shops are always showing only the good things about their products." (I:4) • "[…] I can trust that those products are really good because they have tried them first rather than the brands that would always exaggerate that their products are the best." (I:5)
Attitudes and beliefs	• "We consider a person who has above 10,000 followers as an influencer." (Rachmawan) • "If you have more than 30,000 followers, you could say that you are a celebgram." (I:1) • "In Indonesia, when an influencer works with a brand and the influencer is endorsed, there is no way that the influencer can be completely honest about a product." (I:1) • "[…] that's their job: to promote whatever product they choose." (I:2) • "Someone that has many followers." (I:3)

	• "[…] promoting products or services is their job or career." (I:3)
	• "[…] influencers nowadays are only interested in the money because every sponsorship they do, they get money." (I:4)
	• "Being an influencer can be a career because I don't think you need to work hard but you still get much money from, you know, endorsements." (I:4)
	• "[…] an influencer is a person that has so many knowledge, has so many relations, and experiences that I can trust him or her as my source of information." (I:5)
	• "[…] nowadays it's like that (a career)." (I:5)
	• "I personally see everything posted by an influencer is sponsored." (I:3)

Table 4 Result 1

4.1.2 Analysis and Discussion

The literature claims that social media is able to give anyone with internet access the opportunity to share their voice and content and to let these people accumulate followers and engagement (HuffPost 2017). It is believed that starting 2016, influencer marketing became very big in Indonesia and today the strategy is used widely across Indonesia, "Brands and advertisers are now utilizing these influencers to become a small ambassador for them" (Rachmawan). The responses from the interviewees support the literature; however, the simplicity of being able to be considered oneself as an influencer causes problems regarding credibility:

> "Right now, you get a lot of followers, then you become an influencer. So, this is actually quite a dilemma for us right now since it's easy to get followers, it's also easy for those people who are pretty, who have a lot of money to travel, to blog, to do photo shoots, and make pretty content. But actually, they are not professional." (Rachmawan)

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Views on influencers were discussed. The results show that number of followers is an indication whether an individual is considered an influencer or not:

> "We consider a person who has above 10,000 followers as an influencer." (Rachmawan)

> "If you have more than 30,000 followers, you could say that you are a celebgram." (I:1)

Furthermore, interviewees believe that being an influencer is a job or even a career. To them, promoting products or services is the job description of an influencer. I:2 thinks that influencers can choose and promote whatever product they want without having to consider if the product match their self-image because they are essentially a marketer. Moreover, I:4 believes being an influencer is considered a career because a person can make a lot of money from doing endorsement deals. I:4 also thinks that influencers in Indonesia nowadays only care about the money made off of paid promotions on their social media accounts, and not about creating and sharing content that are relevant to their followers.

I:1 explains that in Indonesia, without having to see a proper disclosure on a sponsored content, it is still easy to detect whether the content is sponsored or not. In addition, I:3 shares that everything posted by an influencer, the interviewee considers it as a sponsored content. These behaviors can be defended using Hall's (2016) reasoning, which states that with the social media becoming flooded with paid endorsements, audiences are becoming much more attentive toward inauthentic content.

It is interesting to discover how the interviewees' views toward influencer have a somewhat negative connotation, as it is a contrast from what is found in the literature. The literature (Hall 2016) suggests that an influencer's audience identify the opinions of that particular influencer to be informative and true. And as a result, it is easy for the influencer to effectively elicit peer-to-peer action with the audience as the intentions are deemed to be authentic them. I:5 agrees that influencers who "has so many knowledge,

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has so many relations, and experiences" are the ones who he can trust as sources of information.

Despite all these, using the strategy of influencer marketing is without a doubt on the rise in Indonesia. All the interviewees agree that seeing an influencer's sponsored post about a product on Instagram has a better impact and generates more trust compared to seeing the brand advertising its own product on the brand's own social media account. The reason behind this is due to the fact that most of the interviewees learn about new products through influencers:

> "I would be more influenced by the influencer because I follow celebgrams and when they promote a product I automatically would see their posts more compared to the brand's posts." (I:1)

> "In Indonesia, not a lot of people follow accounts of brands or online shops." (I:1)

> "[…] sometimes people are not familiar with the brand, and through the influencer, the people get to know or learn about the brand." (I:2)

> "Followers of the influencer may not know or follow the brand so it's natural for them to trust the influencer more." (I:3)

The above comments support the argument of Prihandika & Rosameliana (2016) that endorsement deals are one of brands' favorite method to promote themselves. I:5 and AS also feel that taking the words from someone who has already tried the product himself or herself is better than taking the brands' words as brands would always exaggerate that their products are the best and only show the good things about their products. To add on, Rachmawan states that "60 % of consumers would prefer buying stuff because they see the influencers they look up to also using the same products."

Additionally, the researcher also discovers factors that encourage users to follow an influencer on Instagram:

"If the influencer is pretty or handsome—has attractive physical appearance—or he or she has a lot of followers, and the influencer is being followed by most of my friends. Also, if the influencer's feed is interesting." (I:1)

"First, the attractive physical features that the influencers have. Second, their honest reviews about products. Third, their lifestyles; their image of who they are." (I:2)

"[…] the way the influencer does product reviews—if the reviews are detailed and clear enough, and the way the influencer presents himself or herself—basically, how good the content is." (I:3)

"[…] because I like him or her. Secondly, the influencer has good contents. And I like influencers that show their daily activities. […] And maybe influencers who can motivate me." (I:4)

"First, the credibility of spreading or sharing information. And the second thing, maybe the physical appearance of him or her. Thirdly, the followers." (I:5)

Attractive physical features such as one's beauty or good looks are being mentioned a lot. This support Rachmawan's statement that anyone who is pretty or handsome can gain many followers. Although, other factors such as the quality of the content, the influencers' honesty when promoting or reviewing a product, the lifestyle of the influencers, and the number of followers also play a huge part in influencing the users.

From the above findings, the researcher is able to answer research question 1: "*How does the use of influencer marketing strategy on Instagram is viewed by users in Indonesia?*" Firstly, Indonesian users do feel that the use of influencer marketing strategy is on trend at the moment. Many brands and online shops on Instagram are utilizing this strategy as it generates positive impacts for them. Indonesian users on Instagram rarely follow a brand's or an online shop's account; instead, they follow an influencer that they can relate to and from the influencer, they discover new information about products as well as brands. The researcher also learns that if asked whether it is better to trust marketing messages from an influencer or from the brand itself, users in Indonesia tend to trust the ones coming from an influencer for two reasons. Firstly, they view that any

marketing message said by the brand itself is biased; that they would only show the positive characteristics of their products. In contrast, influencers may be more honest than the brand, thus, less biased. Secondly, influencers are believed to have tried the products before promoting them, therefore, their words may be more credible. However, despite the fact that users choose to trust the messages of influencers more compared to the brand's, from the results, the researcher also discovers that Indonesian users cannot completely trust influencers; that users have a limit to how much they can trust an influencer. This is due to the fact that the users consider that being an influencer in Indonesia is a career with a main task of merely promoting products, which makes it hard for the users to completely trust the influencer's words or endorsements as there is a business relationship between the influencer and the brand, and compensations for the influencer exist. In other words, as users have a fixed perception that an influencer's job is to promote or advertise products rather than to genuinely "influence" his or her audience, they perceive anything posted by an influencer to be sponsored by a business and compensations for the influencer are involved. As the idea of influencing an audience equals to advertising to an audience, users believe that the influencers are only sharing content to earn money, that is their "salary." Moreover, interviewees detect if a person is an influencer based on the number of followers, which starts from 10,000 followers.

4.2 Research Question 2

The second research question: "*How do Instagram users in Indonesia react toward an influencer content?*" was developed to explore how the Indonesian consumers or users view sponsored contents and to see whether there are negative effects from being exposed to promotions coming from the influencers that they follow.

After the transcriptions from the interview were analyzed, the researcher found two themes. The themes are presented below in Table 5, alongside supporting comments by the interviewees.

4.2.1 Result

Themes	Supporting comments
Sponsored posts	• "[…] brands need to be very careful because influencers are taking a lot of endorsements from a lot of brands […]." (Rachmawan) • "[…] some influencers would post only one endorsement a day. Some have two or three […]." (Rachmawan) • "[…] now the audience are starting to know that what these influencers are doing is actually sponsored ads." (Rachmawan) • "I think even the audience doesn't care at all if a post is sponsored or not." (Rachmawan) • "In Indonesia, you can see the feed of celebrities or celebgrams and their posts are mostly sponsored contents." (I:1) • "It's really bad in Indonesia, sometimes an influencer updates every minute on his or her Instagram Stories, but it's all paid advertisements." (I:1) • "[…] every day, every hour, there are always sponsored posts that I see on Instagram." (I:3) • "If the content of the influencer is full of sponsored posts, then it's just about the money." (I:4) • "There are always persuasive sentences in a sponsored post." (I:4)
Loss of interest	• "[…] I usually would unfollow him or her, especially when the feed is filled with sponsored contents." (I:1) • "[…] I unfollowed so many because they posted so many sponsored contents and promoted things that I didn't like." (I:2) • "[…] every content she shared was sponsored." (I:4) • "[…] he started posting and promoting unrelated products […]" (I:5)

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Table 5 Result 2

4.2.2 Analysis and Discussion

The themes that emerged for this section reveal how the interviewees are bombarded with sponsored contents everyday on Instagram and how they negatively affect the be-haviors of these interviewees. Rachmawan explains that influencers in Indonesia are accepting many endorsement deals at once, which could potentially make both the in-fluencer and the brands working with that influencer look bad and unprofessional. Brands want to make sure that their target market sees the influencer as an advocate of their product and someone who is authentic. If the audience recognize one influencer promotes multiple products, the audience might feel that the recommendations might not be true or credible. It's challenging for an influencer to gain the trust from his or her audience if too many products are promoted. Promoting too many products—similar ones or different ones—can raise skeptic questions by the audience and as I:4 said, if an influencer's account contains too many sponsored contents, then that influencer only cares about money. An example from I:3:

> I also don't like it when an influencer is promoting brands that sell similar items. There are times when an influencer promotes multiple similar items in a day. For the audience who are potential customers, it could be very confusing. When the influencer acts that way, I wouldn't know which brand sells the best product be-cause the influencer is saying positive things to all the brands and products. There should be a strategy used by influencers to make their sponsored content more interesting and believable.

I:3 also says that there are always sponsored contents on her Instagram. In addition, I:1 shares how Indonesian influencers' and celebrities' Instagram accounts are mostly filled with sponsored contents. Rachmawan concerns that audience now are starting to realize "that what these influencers are doing is actually sponsored ads." Though he also claims that "the audience doesn't care at all if a post is sponsored or not." Hall (2016) proves Rachmawan's concern as the author mentions that audiences are becoming much more attentive toward inauthentic content.

The topic about the impact of too much exposure to sponsored contents was discussed. The interviewees shared that this problem has made them unfollowed some influencers' accounts on Instagram at some point:

"[…I usually would unfollow him or her, especially when the feed is filled with sponsored contents." (I:1)

"[…] I unfollowed so many because they posted so many sponsored contents and promoted things that I didn't like." (I:2)

"[…] every content she shared was sponsored." (I:4)

"[…] he started posting and promoting unrelated products." (I:5)

Having to see promotional posts at all times is no different than seeing traditional marketing messages in our daily lives; it defeats the purpose of influencer marketing that is supposed to be authentic and different than any other traditional marketing methods.

From the above findings, the researcher is able to answer research question: *How do Instagram users in Indonesia react toward an influencer content?*" As the trend of influencer marketing arise, the number of influencers that emerge and accept endorsement deals ascend as well. Indonesian users who are actively present on Instagram are exposed to numerous sponsored contents both from the influencers that they follow and from other influencers that they may stumbled upon on the app each day. The researcher discovers that too much exposure to sponsored contents cause negative impacts. Indonesian users tend to question the motives behind an influencer's post when he or she collaborate with a brand that does not align with his or her image or expertise. Furthermore, when the account of an influencer is filled with sponsored contents or paid advertisements, users wills most likely unfollow him or her.

4.3 Research Question 3

4.3.1 Result

The third research question: "*In the Indonesian context, do transparency and authenticity play an important role in generating credibility and trustworthiness for the influencer, and influencing the consumer's purchase intentions toward the product(s) being advertised?*" was developed to explore whether the elements of authenticity and transparency in influencer marketing are important matters in the eyes of the Instagram users in Indonesia or not.

After the transcriptions from the interview were analyzed, the researcher found six themes. The themes are presented below in Table 6, alongside supporting comments by the interviewees.

Themes	Supporting comments
Credibility/ Trust	"[…] use influencers that have more than 2% of their engagement rate." (Rachmawan) "The influencer is an expert in his or her field. He or she is able to convince or persuade the audience to purchase the product he or she is promoting." (I:1) "Knowing that the post is sponsored, I would not 100% believe the things the influencer says about the product. But, I would trust the influencer more because he or she is being honest that his or her content is being sponsored." (I:1) "The creativity in the content they post, how they market themselves and how persuasive they are, are important." (I:2) "Some influencers get a lot of hatred from the audience, and if they keep doing what they are doing despite all the hatred they get, that means they are being professional." (I:2) "The number of followers, and the influencer does great prod-

	uct reviews." (I:3) • "The way the influencer shares the product is through good, creative content." (I:4) • "[…] as long as I know the influencer is a true expert on a specific field, I would trust the post even though I know that it is a sponsored post; even though I know he or she is being paid to post the content." (I:5) • "I would only trust the influencer's product recommendations that are related to his or her image, but I would not trust the other unrelated recommendations." (I:5)
Brand alignment	• "We find out who the brand is targeting and we would sort out which influencer would be suitable for them." (Rachmawan) • "Brands or advertisers are looking at influencers who are aligned with their own products." (Rachmawan) • "[…] I wouldn't really believe if an influencer is promoting products that don't related to his or her expertise." (I:1) • "[…] I would still get influenced even if the influencer starts to promote other things that may not be related because from the first place my image is he or she is an influencer." (I:2) • "[…] if an influencer is promoting something that is unrelated to what he or she usually posts or is unrelated to his or her expertise, it's quite distracting." (I:3) • "If the influencer starts to promote unrelated products that don't relate to them, then the message that I am getting from it is that the influencer only cares about money." (I:3) • "It's important for the influencer to do that to gain followers, likes, and to get sponsorships." (I:4) • "[…] I expect that influencers would promote a product that is related to his or her image or background." (I:5)
Two-sided arguments	• "Yes. For the ones who are creative, they would definitely try to see the product benefits that they could actually tweak so the content could be more subtle to the audience." (Rachmawan)

	- "For me, it's really important for an influencer to be honest especially when there are some bad features about the product, but the reality in Indonesia is that it's not possible for an influencer to be 100% honest." (I:1) - "Yes, because not all products are perfect." (I:2) - "She always mentions the good things and the bad things about the product." (I:4) - "An effective recommendation or review is when the influencer is not only talking about the positive things, but also about the negative things if there are any." (I:5)

Disclosure placement	• "Using hashtags is mandatory and mentioning the brand is also mandatory. And sometimes the brands want the influencer to tag them." (Rachmawan) • "[…] with the new "Paid partnership with" tag, […] people or the audience who see the post with the tag would know that it's a sponsored content. (Rachmawan) • "[…] there is no law at all (regarding disclosure of sponsored content)." (Rachmawan) • "[…] when the person is actually sponsored, that person would tag or mention the brand or the store in the post." (I:1) • "Instagram came out with the Partnership tag […]." (I:2) • "[…] the content would seem less attractive when associated with the [disclosure languages]." (I:2) • "Usually the influencer tags the brand's Instagram handle on his or her post." (I:3) • "[…] influencers that I have seen never disclose, except if the brand they are working with is a big brand with high brand image." (I:4) • "Whether the influencer uses the #sponsored […], it's not really important for me as long as the product and the influencer relate with me." (I:4) • "[…] my opinions would still be the same as if the influencer does not properly disclose." (I:5) • "[…] the overall content of the post seems constructed." (I:5) • "[…] influencers often hide [disclosure languages] because the brands that are sponsoring the products don't want the audience to know that the influencers are being sponsored by them." (I:5) • "Using the sponsorship tag or disclosing makes the followers think that the influencers are only posting because they are getting paid and that would decrease trustworthiness of the influencers." (I:5)

Ethics	• "It is an ethical issue in some countries, but here, no." (Rachmawan)
	• "There is no need to tell people that they are getting paid to post a content. It's marketing." (I:2)
	• "[…] knowing the condition of influencers in Indonesia, how promoting products or services is their job or career, I don't really feel deceived anymore now and it's not that important to me too." (I:3)
	• "If I'm actually interested in the product and that product turns out to be a good product I don't really feel deceived."
	• "[Not being transparent] is unethical. But for me it is actually ethical because that's the job of marketers." (I:5)
Content guidelines/ scripts	• "[…] we would get further briefing from the advertiser or the brand regarding what the influencers are going to post, what are the do's and the don'ts, as well as the mandatory hashtags, and the message that they have to deliver." (Rachmawan)
	• "[…] clients want the message to be exactly as what's written or what's approved by the clients." (Rachmawan)
	• "[…] the more expensive the package is, the more the brand is able to have freedom in controlling what the influencer would do and say in the content." (I:3)

Table 6 Result 3

4.3.2 Analysis and Discussion

The interviewees share the reasons of what makes an influencer credible and trustworthy from their point of views. Expertise of the influencer and how persuasive the influencer is, are significant. The creativity of the content, honesty, the number of followers also play a part:

> "[…] as long as I know the influencer is a true expert on a specific field, I would trust the post even though I know that it is a sponsored post; even though I know he or she is being paid to post the content." (I:5)

"[…] I would trust the influencer more because he or she is being honest that his or her content is being sponsored." (I:1)

"The creativity in the content they post, how they market themselves and how persuasive they are, are important." (I:2)

"The number of followers, and the influencer does great product reviews." (I:3)

The literature states that the probability of the audience trusting both the brand and the influencer is higher when brands are selecting influencers whose expertise aligns with theirs (Hall 2016). The results from the interview are roughly consistent. The interviewees agree that it is very important for brands to look for influencers whose expertise align with their brand image and vice versa. These interviewees feel that it is distracting when an influencer promotes a product that don't relate to his or her expertise, and as a result they cannot believe the influencer. For example:

"For me, I follow a certain influencer in the first place because I am interested in the influencer's expertise. An example would be me following a beauty influencer because I would want to know more about beauty-related things from that influencer. If the influencer starts to promote unrelated products that don't relate to them, then the message that I am getting from it is that the influencer only cares about money." (I:3)

The statement above proves how undesirable impacts such as the audience having a negative lasting impression and the audience perceiving the influencer desperate for publicity may arise when influencers fail to collaborate with brands that share the same image (Hall 2016). In this case, the interviewee sees the influencer only promoting the product for the sake of receiving money and thus, sees that influencer as a "sellout."

All interviewees agree that honesty in reviewing products is important to them although they are aware of the fact that when an influencer is having a commercial relationship with the brand, there is always a chance for the influencer to be biased. They concur that being informed about all the characteristics or features of the product—good and bad— is more effective and trustworthy. As I:2 explains:

"I recently saw an influencer who did a sponsored post with a skincare brand. The influencer ended up having bad skin reactions from the product. Her face was breaking out. Despite the fact that she was sponsored, she still did an honest review about her experience. And that's where we, as her followers, believe and trust her. I think it's important for influencers to do that. With her review, people are able to know what to expect from the product now or to expect that the product may not be as good as the brand has advertised it to be."

The statement above supports the theory that two-sided message brings out effective results, reduces bias, and therefore, increases source credibility and trustworthiness compared to supportive arguments that only focus on bringing out positive characteristics of the product (Solomon 2009).

From the interview results, it is found that in Indonesia, when influencers disclose that their content is sponsored, they do it through using hashtags, mentioning the brand in the caption, as well as tagging them in the post. The new Instagram "Paid partnership with [business partner]" feature that lets people or the audience who see the post with the tag know that the post it's a sponsored content has started to be utilized by brands and influencers in Indonesia. Although, the interviewees claim that influencers tend to hide the fact that they are being sponsored and that it is rare for them to see influencers disclose:

"Using the sponsorship tag or disclosing makes the followers think that the influencers are only posting because they are getting paid and that would decrease trustworthiness of the influencers." (I:5)

Influencers and brands in Indonesia have the power to not disclose any commercial relationships that are taking place. Unlike in the U.S., U.K., and Australia, there is no law in Indonesia demanding brands and influencers to be transparent or to fully or properly disclose to the public. Rachmawan tells an example from a marketing campaign he worked on:

"We worked with more than twenty influencers and we told them not to use the 'paid partnership with' tag to be subtle. Because there is no law. I think even the audience doesn't care at all if a post is sponsored or not."

I:4 comments that it is true that having the influencer disclose about him or her being sponsored is not important as long as the influencer is posting or promoting products that are relevant to both the influencer and the interviewee as consumer. I:5 also states that a disclosure would not have an effect on the interviewee: "[…] my opinions would still be the same as if the influencer does not properly disclose." These support Rachmawan 's statement that the audience does not care whether a post is sponsored or not.

In the literature review, the researcher learns that word of mouth strategies such as stealth marketing, shilling, and falsification are unethical (Solomon *et al* 2008); however, the interviewees state that the issue of ethics in influencer marketing, like the issue of disclosure, is not something of importance. The main reason is that these interviewees see being an influencer as a career that fits the category of a marketer; that promoting products on social media is his or her job. They realize that at some point they feel that lack of transparency is indeed unethical, but overtime they become used to seeing non-transparent sponsored posts online to the point where they are used to it and become apathetic toward the issue:

"There is no need to tell people that they are getting paid to post a content. It's marketing." (I:2)

"[…] knowing the condition of influencers in Indonesia, how promoting products or services is their job or career, I don't really feel deceived anymore now and it's not that important to me too." (I:3)

"[Not being transparent] is unethical. But for me it is actually ethical because that's the job of marketers." (I:5)

The literature encourages that authenticity should be maintained by continuously sharing relevant, genuine and honest content in order to preserve the effectiveness of influ-

encer marketing. Hall (2016) states that one of the ways to maintain authenticity is for brands to avoid or minimize placing restrictive guidelines or scripts on the content created by the influencers since the influencers are the ones who know their audience and how to resonate with them. (Hall 2016). On the contrary, Rachmawan explains that in Indonesia, sometimes brands want the influencers they are working with to deliver the marketing message exactly as what has been written by the brands themselves or they would have to approve the message beforehand, and to post content according to what the brands have in mind:

> "When [the influencers] accept the endorsement, we would get further briefing from the advertiser or the brand regarding what the influencers are going to post, what are the do's and the don'ts, as well as the mandatory hashtags, and the message that they have to deliver. After that, the influencers would send us some alternative pictures for the advertiser or the brand to choose and then the influencers would just deliver or post (the content) based on the timeline." (Rachmawan)

I:3 also shares that to her knowledge, influencers in Indonesia are willing to let the brands they are working with control the content and message of the sponsored post as long as they get paid more by the brands:

> "I work at a cosmetics company, and when we want to work together with influencers and we reach out to them, these influencers have a rate card that they would give. For example, if you were an influencer and we wanted to work with you, you would give us different package options. And as far as my understanding, the more expensive the package is, the more the brand is able to have freedom in controlling what the influencer would do and say in the content."

From the above findings, the researcher is able to answer research question: "*In the Indonesian context, do transparency and authenticity play an important role in generating credibility and trustworthiness for the influencer, and influencing the audience's purchase intentions toward the product(s) being advertised?*" Based on the findings and analysis, in can be concluded that authenticity is viewed as important by Indonesian users or audience on Instagram, while transparency is less important. As previously dis-

cussed both in *Research Question 1* and *Research Question 2*, Instagram users in Indonesia are exposed to many sponsored contents each day and their interpretation of being an influencer is to advertise products to his or her audience. The findings suggest that since users are accustomed with influencers constantly advertising or endorsing products, they eventually don't feel concerned with it. Also, due to this, users are also not expecting the influencers to be completely honest to the users or audience because of commercial relationship the influencers have with brands. Nonetheless, users are still expecting authentic contents through consistent brand alignments between the influencer and the brands he or she is working with, creative and relevant contents, and honesty when promoting or reviewing products.

On the other hand, transparency such as the disclosure of letting the users know that an influencer is working on a sponsored content with a brand is considered insignificant. Instagram users in Indonesia are able to differentiate if a post is a sponsored one or not, thus, seeing proper disclosures are not necessary for the users. Additionally, they believe that since advertising or endorsing products are the task of an influencer, the influencer is not obligated to tell his or her audience because the audience is expected to know what they are seeing on the social media accounts of the influencer—advertisements. As a result, users do not feel that their opinions about both the influencer and product, as well as their intention to purchase the product are heavily affected by the presence of disclosure or no disclosure. In fact, to add on, disclosing that an influencer and a brand are working together may hinder opportunities for the two parties. But, with no laws about the disclosure of sponsored contents on social media present in Indonesia, both the influencers and business are free to say—or not say—anything to the users or audience.

5 CONCLUSION

The research questions established by the researcher at the start of the study have been answered through the findings collected in the primary and secondary research:

1. How does the use of influencer marketing strategy on Instagram is viewed by

users in Indonesia?

2. How do Instagram users in Indonesia react toward an influencer content?

3. In the Indonesian context, do transparency and authenticity play an important role in generating credibility and trustworthiness for the influencer, and influencing the audience's purchase intentions toward the product(s) being advertised?

In short, Instagram users in Indonesia notice the rise of influencer marketing on the app. With influencers dominating Instagram, users are exposed to sponsored contents every time they open the app. Overtime, influencers are seen as a profession and that their job description is to endorse or advertise products to their audiences. Consequently, with the users knowing that there are commercial ties between influencers and brands, they are aware that messages voiced by influencers cannot be completely honest and trustworthy. At the same time, having the perception that an influencer is equivalent to a marketer, users do not feel deceived if influencers are sharing sponsored contents as long the influencers are only working with brands that align with their image as an influencer. To conclude, the researcher finds that authenticity is more important compared to transparency. Users expect to see authentic contents from the influencers that they follow, but transparency does not affect the users' opinions toward the product being advertised, nor their purchase intentions.

5.1 Ethics, Reliability And Validity

Throughout this study, the researcher has remained to be objective and unbiased. In the primary research, the researcher made sure that interviewees were explained what the study is about and the aims of it. Personal information of the interviewees from the first personal interview category have been kept anonymous for the interviewees' privacies. Interviewee from the second personal interview category has given the researcher the permission to disclose his information in the study. All the interviews were recorded, and properly translated and transcribed. As for the secondary research, the researcher examined and chose sources that are credible and up-to-date.

5.2 Future Research

As the sample of this research was rather small and limited, a more in-depth research that involves more samples from different age groups and locations may be conducted. Exploring the topic of the laws regarding disclosure of sponsored contents on social media is also interesting as no such laws have been establsihed in Indonesia.

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APPENDIX A: INTERVIEW GUIDE (INSTAGRAM USERS)

Part 1: Background

1. Are you currently using Instagram? Or have you been using Instagram in the past?
2. How long have you been using Instagram?
3. How many hours do you usually spend on Instagram daily?

Part 2: Influencer Marketing

1. Are you familiar with influencer marketing?
2. Do you follow any influencers on Instagram?
3. Do you see many sponsored posts on your feed or on Instagram?
4. Do you think the strategy of influencer marketing being used in Indonesia has had a significant rise in the past few years?
5. Do you feel that you tend to be influenced more by a content about a product posted by the brand of the product itself or by the influencer that the brand is partnering up with?
6. In your opinion, what defines an influencer?

Part 3: Authenticity

1. What factors make you follow an influencer?
2. In your opinion, what makes an influencer credible? What makes you trust an influencer's message on a sponsored post?
3. Is it important for the influencer to be honest if there is some negative characteristics of the product/service he or she is promoting?
4. Have you ever unfollowed an influencer? If so, why?
5. Is it important for an influencer to promote a product or service that aligns with their interest or expertise?
6. What are your thoughts on an influencer who does many sponsored content on his/her Instagram?

Part 4: Transparency

1. Are you able to recognize if a post is being sponsored? How?
2. Do influencers in Indonesia disclose if a post has been sponsored?
3. Do you think it is deceiving if a sponsored post is not properly disclosed?
4. In your opinion, is it important for influencers to disclose when they have been paid to review a product?
5. What are your thoughts on disclosure languages such as #ad #paidad #sponsored? Do they have an effect on/change your views toward the influencer's opinions or the product/service being advertised?

APPENDIX B: INTERVIEW GUIDE (MARKETER)

Part 1: Background

1. Please describe what you do in the marketing.
2. Please describe the company that you are working for.
3. Do you have any background in doing influencer marketing?
4. How long have you been doing marketing/influencer marketing?

Part 2: Influencer Marketing

1. Please tell me about the trend/condition of the use of influencer marketing strategy in indonesia. Has been a significant rise the past few years?
2. Do you know if an influencer's content about a brand's product/service have a better impact than the content created by the brand itself?
3. In your opinion, what defines an influencer?
4. What are the steps to build influencer campaigns?

Part 3: Authenticity

1. What makes an influencer credible?
2. What makes audience trust an influencer's message on a sponsored post?
3. Is it important for an influencer to promote a product or service that aligns with their interest or expertise?
4. What are your thoughts on an influencer who does many sponsored content on his/her Instagram? Should there be a limit?
5. Is it important for the influencer to be honest if there is some negative characteristics of the product/service he or she is promoting?

Part 4: Transparency

1. Do influencers in Indonesia disclose if a post has been sponsored?
2. Is there any laws/guidelines in Indonesia that declare that influencers must reveal when they are receiving compensation or free merchandise related to something they are posting about?

3. Do you think it is deceiving if a sponsored post is not properly disclosed?

4. What are your thoughts on disclosure languages such as #ad #paidad #sponsored? Do they have an effect on/change the audience's views toward the influencer's opinions or the product/service being advertised?

5. When a content is not properly disclosed, would that still be considered ethical?