

Impact of the Type of a Post on the Engagement Rate of It

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Abstract. Within the last six years, influencer marketing market has grown by 700%, and within the last two years sales have doubled. Absolute majority of marketing professionals consider it effective. The main target audience of marketers using influencer marketing in Europe is youth, since 90% of them are actively using social networks. A steady growth can also be observed among those who use it as a news outlet and source to find out more about products and services. At the same time, not many digital content creators are honest with their audience, openly labelling collaboration. There are still the ones hiding it. The situation with influencers mainly followed by adolescents is especially dangerous, as the level of advertising literacy is not yet sufficiently advanced, and they are more easily impressed than adults. One of the possible reasons for hiding the fact that the content is actually an advertisement, is the fact that influencers are afraid that their engagement rate will decrease, which is detrimental, since the engagement rate is one of the criteria demonstrating the success of cooperation. The purpose of this study is to analyse whether advertorial posts really cause fewer reactions than regular posts. For this purpose, Latvian influencers who had more than 1500 followers and whose followers at the time of the performance of study were mostly adolescents (11–18 years old) from Latvia were selected. During 2021, the posts on the social media platform *Instagram* mentioning brands and/or having the relevant labelling regarding cooperation with the brand were selected. The engagement rate for 654 posts was compared with the engagement rate for regular posts. As a result, it was found that the difference varies from 1% to 2%. Since the difference is considered insignificant, we can conclude that there is no reason to hide paid collaboration from the audience.

Keywords: advertising literacy, artificial intelligence, children and adolescents, disinformation, social media, social media influencer

Introduction

During the recent years, influencer marketing has become an integral part of the communication for most European brands. More than 50% of European companies use it in their communication but in specific countries this part comprises almost 3/4 of all the companies. It is related to the fact that majority of European Union (EU) residents are using social media, while amongst people who are 16 to 24 years of age almost 90% are active users (Social Media Examiner 2021).

Since adolescents and young people are very active on social media, they have become the target audience for the marketing professionals involving digital content creators in their communication. At the same time, data show that not many users in EU possess a high level of media and advertising literacy and it is difficult for many to distinguish an advertisement from the regular post, in which influencer expresses his/her opinion, even with the precondition that relevant hashtags or even a direct indication of cooperation was used (European Commission 2018).

Some influencers consciously hide collaboration with brands. Experienced and critical users of social media can successfully distinguish an ad from the regular content, even without the respective paid promotion tag indicating cooperation, but adolescents and children frequently lack the experience and sufficient level of critical perception (Zarouali *et al.* 2019, 208), therefore, to hide this information is not only illegal and unethical but also dangerous for the end user of the content.

One of the possible reasons for the influencers to hide cooperation is the wish to avoid a risk of possible decrease in engagement, that is, a decrease in the number of likes and comments. The aim of this study is to find out whether the number of reactions is really decreasing in case of advertorial posts comparing to regular posts. The research question of the current paper is whether there is a need to hide paid collaboration to reach a better engagement rate of a promotional publication.

Methodology

In order to select relevant influencers followed by Latvian adolescents, a huge data massive should be analysed. Such data cannot be collected and analysed manually, and the *Instagram* app itself does not provide such information. However, there is a number of data analysis agencies around the world which work with *Instagram* and other social media and offer audience analysis, as well as auditing of content creators. In the framework of this study, an international agency that also operates on the Latvian market, *Hypeauditor*, was used to obtain data for audience analysis. *Hypeauditor* uses the following parameters:

- The age and gender of the audience is defined, using ‘computer vision’ technology, which analyses the audience recordings of the author of the content in question;
- The geographical location of the audience is determined by algorithms that analyse the content author’s audience entries on geotags, the language used in the entries’ descriptions and comments, and the corresponding subject headings;
- Comparison algorithms are used to overlay the audience.

Hypeauditor also measures the authenticity of the audience and their comments using machine learning, Natural Language Processing algorithms and other mechanisms powered by artificial intelligence. This algorithm is used to run a syntactic and semantic analysis to derive meaning from human languages, which helps to analyse comment authenticity. The algorithm also checks the accounts for suspicious patterns and behaviour that it has witnessed on bots (artificial followers) and other low-quality accounts. To detect a low-quality audience, *Hypeauditor* uses a specially trained ML-model, which is based on the ensemble of machine learning algorithms and uses more than 53 patterns to oust suspicious accounts. As a result, it detects 95.5% of all known fraud activity, with a mean error rate of 0.73%.

Based on this, *Hypeauditor* has developed the Audience Quality Score (AQS), which measures how authentic and engaged a given content author’s audience is with the content author’s recordings. *Hypeauditor*’s artificial intelligence analyses publicly available data. In general, the error rate is 3–5%.

The *Hypeauditor* services were used in order to:

1. Make a list of several social media content creators for *Instagram* that have the largest scope of adolescent subscribers from Latvia; it was crucial that the influencers themselves were also from Latvia.
2. Analyse in what percentage of publications the brand is mentioned, and what proportion thereof contains a mention of the cooperation. To make such analysis, hashtags defined by Consumer Rights Protection Centre were used: #reklāma #reklama #apmaksātāsadarbība #apmaksatasadarbiba #davana #dāvana #sadarbība #sadarbiba #paidpartnership #sponsorship #sponsorets #sponsorēts #ad.

The posts made in 2021 were taken for conducting the analysis. The aim was to selected social media content creators registered in Latvia, the majority of whose audience was from Latvia and who had the greatest share of adolescent followers (those who are 11–17 years old) and were themselves from Latvia. The total number of their followers was not less than 1500 persons, so they could be regarded as influencers/opinion leaders.

Results

1. Influencer marketing

International data show that within the last six years the market of influencer marketing has increased by 700%: from 1.7 billion USD in 2016 to 13.8 billion USD in 2021. Rapidly growing sales of the industry are closely connected to the financial results opinion leaders of the social media generate for the business (Statista 2021). A global study has revealed that 88% of the surveyed marketing professionals admit – their cooperation with the digital content creators has increased the popularity of their business, almost 80% emphasized the growing number of visitors to the site or app of their brand, whilst 69% reported an increase of the number of generated leads, meaning the increase in users' interest regarding the product or service with the potential to turn this interest into purchases (Social Media Examiner 2021).

More than 50% residents of EU are using social media but among people 16–24 years of age the part of active users is almost 90%. More than 50% European companies are using this in their communication but in certain countries this proportion comprises almost 3/4 of all the companies. As the data for 2022 are not yet available, the data for 2020 and 2021 have been explored, showing that an exponential growth of this marketing segment could be observed all around the world. The following trend in other EU countries was observed (Michaelsen *et al.* 2022, 2733):

- Finland: turnover of influencer marketing in 2020 in this country is estimated to amount to 27.9 million euro. More than half (58%) of advertisers in Finland in 2020 used influencer marketing, but in 2021 the growth in this category was 17%. Therefore, influencer marketing has become the most important field with the trends having a broad social and economic impact.
- Sweden: in 2021, Sweden had 17 multi-channel media agencies working with influencers, for a comparison – few years ago there were only 10–12 of these media agencies.
- Germany: in 2020, the market of influencer marketing in *DACH* (Germany, Austria and Switzerland) region was estimated in the amount of 990 million euro, it is almost two times more than in 2017. Report for November 2021 states that the total 'market value' of 25 leading German influencers was estimated in the amount of 80.7 million euro (from 10.9 million euro for an influencer with the highest rating up to 0.1 million euro for an influencer holding the 25th place). The data of the survey performed by the German Association for the Digital Economy in 2021 indicate that 45% surveyed companies have increased the annual budget allocated for the influencer marketing, but 23% – retained the budget within the level of the previous year. Only 4% replied that they will reduce the budget.

- Italy: in 2021, around 450,000 people were employed in the influencer marketing sphere. Amongst them, more than 350,000 were influencers and digital content creators, while others – intermediaries, for example, social media platforms, managers, talent agencies, marketing agencies or media centres. The value of the Italian influencer market reached 280 million euro in 2021, whilst the increase in comparison to previous year reached 15%. The most important segments are fashion and beauty care which take up almost one third of the entire market (31%), followed by travel, food and lifestyle (18%), that was significantly impacted by the pandemics, as well as fitness and healthy lifestyle (15%).

There is yet one trend to be observed – young people of the age from 18 to 24 mostly consume information in social media. For example, 39% of ‘digital natives’ – as the young people are described – use social media as their main news outlet, in comparison to 34% who read news on websites or in apps. Within the period of the last 7 years this proportion has grown by 10% (Reuters Institute 2022).

The social media landscape continues to evolve dramatically, with new social media like *TikTok* entering the field, as well as the existing platforms like *Instagram* and *Telegram* gaining markedly in popularity among young audiences. As social natives shift their attention away from *Facebook* or in many cases never really start using it, more visually focused platforms such as *Instagram*, *TikTok*, and *YouTube* have become increasingly popular as the news outlets among this group. Use of *TikTok* as the news outlet has increased fivefold among the 18–24-year-olds across all markets over just three years, from 3% in 2020 to 15% in 2022 (Reuters Institute 2022). It is noticed that users consume content not only from the official accounts of news portals but also, to a large extent, from the accounts of influencers.

Considering the immense popularity of influencers among young people, as well as the proven effectiveness of their involvement in advertising and PR campaigns, it is not a surprise that these data show that during the pandemics period the advertising content created by influencers increased by 72% (Michaelsen, Collini *et al.* 2022, 29).

Advertising content has to be labelled in a certain way; it is required not only on the EU level, but also on a national level, and there are clear instructions from the Latvian Consumer Rights Protection Centre as to what content should be labelled. Relevant hashtags (as a minimum requirement, if the description of the collaboration is not indicated in the text of the post or video) must be used if the collaboration includes financial payment, barter trade or the product or service is provided for testing (PTAC 2022). There are no regulations in Latvia governing the placement of hashtags and in many posts they are placed as the first comment, therefore they remain unnoticed, whereas in Germany

the paid promotion tag regarding the advertorial content has to be placed at the very beginning of the advertising text (Knitter, Sobottka 2020).

Studies show that advertising literacy amongst Europeans is not ideal, whilst the demand for the open and honest communication exists. If the advertising content is openly labelled, consumers can see it: the 2021 survey by *Telia Company* with the participation of children from 11 to 17 years of age indicated that 31% of Latvian respondents, when looking at the videos and posts published by the influencers and bloggers, verified the accuracy of information, whereas 45% Latvian respondents indicate that they used paid promotion tags seen in websites and platforms to identify whether the information came from a trusted source, and 83% considered this labelling useful (Telia Company 2021).

Nevertheless, the study of the communication of Latvian influencers popular amongst Latvian adolescents and youth showed that around 2/3 of advertorial posts had not been labelled in compliance with the laws and regulations and ethical requirements. We can assume that these influencers hide the ads, as they are afraid that in this case the engagement level would be lower than the engagement with regular posts.

Regarding the advertised product categories, the following products were promoted most frequently:

1. Fashion and cosmetics – 32% posts,
2. Services (23%) and technologies/devices (23%),
3. One of the ten advertising posts or 11% was devoted to food and drinks.

The least labelled category is fashion and cosmetics – only almost one fourth of advertorial posts (22%) are marked with paid promotion tags or described as an ad or barter. In the field of technologies/devices 25% of advertising posts were clearly labelled, but in food and drinks category 29% of posts were labelled (Vorkule 2022).

In order to understand whether it makes sense to hide advertising from youth by omitting indication of cooperation, this study analysed how the engagement rate of influencers changed when they were communicating about the products and services in comparison to the instances when they were posting the regular content. Engagement rate does not permit to establish whether the user has performed the desirable action, – purchased advertised product, but it is possible to infer whether the post has caused the willingness of the audience to engage with it, judging by the posted comments or the pressed ‘likes’.

2. Analysis of posts

In total, 654 posts in which a brand is tagged or mentioned were analysed. In 251 posts, cooperation was mentioned – either in the text or using an appropriate hashtag. To find out whether the engagement changes if it is an advertorial post,

the author analysed the average engagement rate of advertorial posts (the posts in which the brand or brands are mentioned), and regular posts.

The engagement rate is calculated according to this formula: the total number of reactions under the post, divided by the number of followers and multiplied by 100%. After the respective calculations, it is evident that the average level of engagement of the *Instagram* users in the advertorial post comprise 6%. A similar rate was observed with regular posts – 8%.

However, the arithmetical average does not constitute a perfect indicator, since it does not reflect extreme situations and the most common trend, meaning fashion. To understand the situation better, it was explored in what proportion of cases the engagement with the advertorial posts was higher or lower than the engagement with the regular posts. The study revealed that in 82% cases the engagement rate of advertorial posts was higher than that of the regular posts. In 9% it was lower and in another 9% – the same. Still, there is a simple explanation – participants of the contests are active, leaving many reactions and comments by the posts, in order to win a prize.

In case of the regular posts, the maximum engagement rate comprised 86%, while in case of advertorial posts – 31%. The minimum indicator of advertorial posts is higher than that of the regular posts – 1% versus 0.4% respectively.

Analysing the median values, the analysis of more than 650 posts showed a 6% engagement rate for the regular posts, and 5% – for advertorial posts. Fashion is equivalent to 4% of the regular posts and 1% of the advertorial posts.

Discussion and conclusions

An analysis of secondary data, including international studies, show that young people are spending more and more time in social networks, consuming content, which has been created not only by private users and official companies but also by the so-called influencers. Influencers are the users of social media who might not necessarily be famous outside these networks, but who nevertheless have a wide pool of followers and are opinion leaders for their audience, influencing their viewpoints, attitudes, as well as buyer behaviour of their followers. It is especially true for young people and adolescents, whose advertisement literacy skills are not as developed as that of the adults.

Since in recent years the share of young users for whom social media serve as a window to the world has increased, and they are the majority who use social media as the news outlet and source of the entertainment content, the brands are increasingly using them in their communication. There are European countries where more than a half of companies involve the digital content creators in their communication, and in general within the last 6 years the turnover of the influencer marketing has increased by 700%.

Unfortunately, not all influencers appropriately tag the advertising content, although the situation during the recent years has improved and the number of labelled posts in Latvia has grown by 107% (Vorkule 2021). Despite the efforts of the Latvian Consumer Rights Protection Centre, there are still problems with the content for which influencers receive an in-kind benefit – a barter trade or a product, or service to be tested, or a gift instead of the financial remuneration. Some are consciously hiding even the financially paid advertising. It is not only unethical; such practice also entails negative consequences, as this type of content has an unfavourable influence on the audience.

A survey of adolescents conducted by *Telia Company* demonstrated that the adolescents demanded clear labelling of advertising. Audience wants honesty from the influencers. One possible reason why influencers hide ads, risking the trust of their followers, is that they are afraid of the declining engagement rate for the paid content, since the engagement is one of the criteria how the brands assess the success of cooperation.

The analysis of 654 posts, created by Latvian influencers popular amongst the audience of 11–17-year-olds from Latvia, showed that the average engagement rate does not differ significantly between advertorial and regular posts – the difference is only 2%. Likewise, the medium value did not reveal significant differences, as the difference was less than 1%.

These results permit to conclude that regarding communication with adolescents, the presentation of information, attractiveness of the form are more important aspects than whether the content is of advertorial or regular character, because the engagement rate in the case of advertorial and regular posts differs only slightly.

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