Boston Hospitality Review

www.bu.edu/bhr

Published by the Boston University School of Hospitality Administration

Influencer Marketing: A Comparison of Traditional Celebrity, Social Media Influencer, and AI Influencer

By Lu Zhang, Ph.D., Associate Professor,
Michigan State University, and
Wei Wei, Ph.D., Associate Professor,
University of Central Florida

Consumer Behavior - October 2021

© Copyright 2021 by Boston University

About the Authors

Lu Zhang, Ph.D., is an Associate professor in the School of Hospitality Business at Michigan State University. Her research mainly focuses on information technology and consumer behavior. She has published in journals such as *Journal of Services Marketing*, *Journal of Travel Research*, *Tourism Management*, *International Journal of Hospitality Management*, and *Journal of Service Management*. Dr. Zhang serves on the Editorial Boards for journals such as *Cornell Hospitality Quarterly* and *Journal of Hospitality and Tourism Research*.

Wei Wei, Ph.D., is an Associate Professor at the Rosen College of Hospitality Management of University of Central Florida. Her research interests include consumer behavior, experience, and psychology with a focus on consumer-to-consumer interactions, consumer engagement behavior, and consumer experience with emerging technologies. Dr. Wei serves as an Associate Editor for the *Journal of Hospitality and Tourism Research* and also sits on the Editorial Boards for four reputable journals. **Linkedin**

Influencer Marketing: A Comparison of Traditional Celebrity, Social Media Influencer, and AI Influencer

By BublikHaus on Shutterstock

Introduction

Celebrity endorsement as an effective marketing tool has long been recognized by hotels, restaurants, and tourist destinations. It has a positive impact on brand image, consumer buying behavior, as well as firms' financial performance. Companies spend billions each year to have high profile celebrities endorse and promote their products, services, and brands. McDonald's is a classic example of attaching celebrities for name-value to attract consumers' attention. From Britney Spears to Ashley Olsen to Morgan Freeman, McDonald's has found celebrity endorsement a promising marketing tool and signed various celebrities for advertising campaigns (Stone, 2019). The ROI (return on investment) of celebrity endorsement is salient. On average, businesses see an increase of 4% in stock price and sales after they announce signing a celebrity endorser (Olenski, 2016). In addition, according to an influencer marketing study conducted by Tomoson (2015), firms are making $6.50 for every $1 spent on influencer marketing, rendering it one of the most cost-effective customer acquisition channels. However, not all celebrities are equally influential. While some are a perfect fit for certain brands, others might not perform well in attracting customers. Thus, finding the right endorser has become a critical issue faced by marketers and managers.

Traditionally, celebrity endorsers are movie stars, models, and athletes. With the increasing popularity of social media, nowadays “ordinary” people can also become famous and influential. This new type of celebrity is often called a “social media influencer” or “microcelebrity” (Zhang et al., 2019). Hospitality companies such as Marriott and Hilton have explored partnerships with social media influencers and seen positive results for their brands. Recently, even AI (artificial intelligence) characters such as Lil Miquela have begun to be recognized as influencers as well. Just like real celebrities and microcelebrities, AI influencers post photos on social media, are featured on magazine covers and with sponsor brands. They wield innovative influence in helping hospitality brands effectively reach and actively engage targeted audiences on various social media platforms.

In this article, we discuss each of the three types of influencers and their effectiveness in endorsing hospitality brands (see Table 1 for selective examples). We propose that the underlying psychological mechanisms behind these influencers are unique in their own right. We further suggest that it is essential for companies to understand the differences in order to identify a proper endorser that best matches the company’s needs and preferences.

Types and Influence Mechanisms

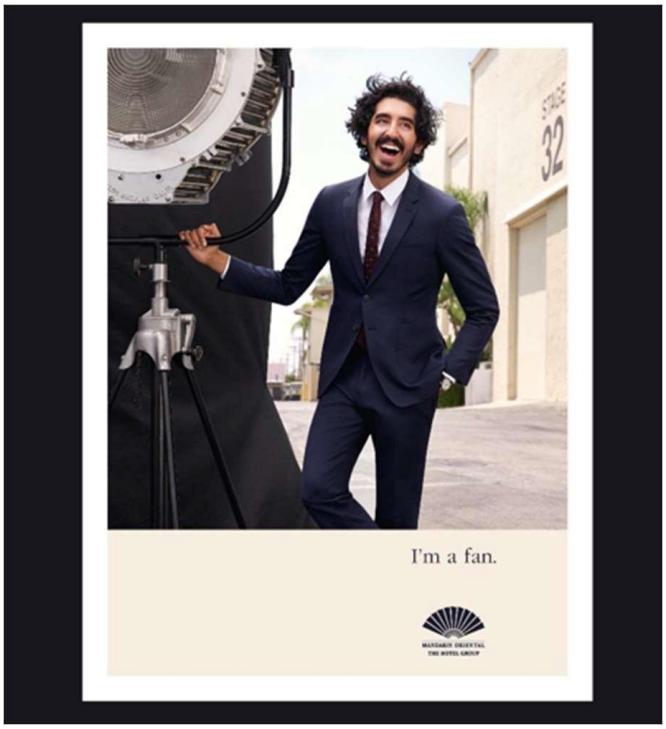
Traditional celebrities

Celebrity endorsers are often musicians, actors, chefs, and any other public figures (Guruge, 2018). They are known to enjoy fame and/or public visibility for their achievements in areas other than the product class. Research has shown that celebrity endorsement can attract consumer attention, elicit favorable consumer attitudes, and increase purchase intentions, compared to noncelebrity endorsement (Utami et al., 2020). Successful celebrity-entity partnership results in significant financial benefits for firms such as positive stock returns (e.g., Prentice & Zhang, 2017).

Celebrities’ principal persuasive power comes from them being popular, famous, recognizable, admired, trendy, and fashionable (Magnini et al., 2010). These attributes are prime reasons why celebrities have the power to influence others. A well-known and attractive celebrity is considered as possessing more “star power,” also called celebrity power, which has been proven to be effective in satisfying customers’ need for status. For instance, Chan et al. (2013) showed that consumers identified popularity as one of the most important factors for marketers to consider in selecting celebrity endorsers.

Newton et al. (2015) also found that individuals with a high need for power responded more positively to a spokesperson with high (vs. low) social status. The bottom line is that celebrities with worldwide popularity can help firms break through many roadblocks, such as time, space, and language in a global market (Erdogan, 1999).

Source: https://adassoc.org.uk/our-work/london-advertisings-iconic-fan-campaign-for-



mandarin-oriental/

Social media influencers

The concept of social media influencers (SMIs) has evolved with the increasing popularity of referencing social media content (e.g., peer reviews/comments) when making purchase decisions (Guruge, 2018). The burgeoning social media platforms enable “ordinary” people to create an online persona through the narration of their daily lives via social media (e.g., blog posts, photos, and videos), and leverage their authentic personal brands to cultivate attention and accumulate a significant base of followers (Dhanesh & Duthler, 2019). These social media influencers, also called microcelebrities, range from unknown high school girls, fitness trainers, and industry experts, to wealthy people who adore luxury brands (Zhang et al., 2019). Their high reach and authenticity render them with the same power as traditional celebrities in influencing consumers’ purchasing behaviors (Cheng et al., 2020).

Most academic investigations of the effectiveness of social media endorsers have been contextualized in the realm of source credibility (Goldsmith et al., 2000). Credibility

refers to “the extent to which the source is perceived as possessing expertise relevant to the communication topic and can be trusted to give an objective opinion on the subject” (Goldsmith et al., 2000, p. 43). SMIs are usually perceived as trustworthy, credible, and authentic because information shared by these influencers is considered as non-commercial conversation and relatively free from manipulation by companies (Uzunoğlu & Kip, 2014). Additionally, influencers are often considered as the aspirational reference group. Their postings are the “catalogs of what many young people dream of having and the lifestyle they dream of living” (Marwick, 2015, p. 155). They exhibit what followers do not have but wish to have (Chae, 2018). Lastly, influencers mediate the information flows from companies to consumers. They serve as the communication hub that alerts their peers to what matters among consumer choices (Zhang et al., 2019), which makes them an effective tool for businesses to communicate with shoppers.

Source: https://mediakix.com/blog/hilton-influencer-marketing-case-study-instagram/

AI influencers

AI influencers are computer-generated artificial characters with a strong social media presence/fame (Moustakas et al., 2020). They are usually similar to humans in their physical appearance and personality, and can think and perform tasks like humans through the use of software and algorithms (Kumar et al., 2019; Thomas & Fowler, 2021). The primary advantage for firms using AI influencers is greater branding and messaging control according to firm preference. AI influencers are more effective in engaging customers in that they have the capacity to conduct meaningful conversations with each consumer and learn from every conversation “as a result of AI assessment of behavior and reactions to a multitude of different variations” (Campbell et al., 2020, p.239). Firms also find AI influencers attractive because they are associated with less risk or likelihood that they will be involved in a scandal (Tomas & Fowel, 2021).

Research on the power of AI influencers in impacting consumer decisions is quite limited. In this research, we suggest that AI influencers are effective due to the perception of coolness. Coolness is a "socially constructed positive trait attributed to cultural objects (people, brands, products, trends, etc.) inferred to be appropriately autonomous" (Warren & Campbell, 2014, p. 544). There are two sets of factors that contribute to the coolness perception: positivity and autonomy (Warren et al., 2018). Positivity refers to characteristics that are valued, desired, and liked, whereas autonomy is associated with being willing and able to follow one's own path rather than conform to others' expectations (Warren et al., 2018). We argue that AI influencers are perceived as cool because they have characteristics that consumers consider desirable (e.g., aesthetically pleasing, fun, and interesting). Additionally, they are computer-generated characters who are not influenced by social norms, beliefs, and expectations. Thus, engaging with these influencers implies autonomy, which facilitates the process of establishing an identity of being different, original, and free. The positive outcomes of coolness are rather consistent, such as perceived hedonic value, brand attitude, satisfaction, willingness to pay for a brand, and likelihood of discussing a brand (Warren et al., 2019).

Source: https://medium.com/no-service-24-7/virtual-influencers-811b75d76606

Challenges

Each type of influencer is associated with some unique challenges that need to be considered by practitioners. For traditional celebrity endorsement, ineffectiveness occurs when there is too much celebrity overexposure that causes the tie between the celebrity and the endorsed entity no longer special (Mowen & Brown, 1981); when consumers are simply not a fan of the concept of celebrity endorsement (Prentice & Zhang, 2017); when celebrities are involved in scandals, crimes or other negative

behaviors that could create societal damage and amplify consumers' causal attributions of the endorsed product (Zhou & Whitla, 2013); or when traditional celebrity endorsement does not create an engaging relationship between the brand and consumers as social media influencers do today (Guruge, 2018). On the other hand, social media influencers, while popular and engaging, are not professionally trained and may not always communicate the ad's messaging in the best way and generate actual purchases (Müller et al., 2018).

For AI influencers, it is more difficult for consumers to understand the implications of sponsorship than with human influencers, especially for hospitality brands whose products and services are intangible in nature. Consumers often question whether an AI can actually experience a hotel or a restaurant. There are also potential issues regarding AI influencers' compatibility with data sources (Paschen et al., 2020), distribution of misinformation (Whitler & Farris, 2017), and consumer privacy concerns (Campbell et al., 2020). Further, similar to traditional celebrity endorsers and SMIs, when an AI influencer commits a transgression, whether related or unrelated to the endorsed brand, it may result in degradation of the brand's image, consumer trust, market confidence, and financial performance. (Tomas & Fowel, 2021). Finally, since AI algorithms are built by humans and trained with data, companies have complete control over the characters.They could take this power into an ethical gray area, which leads to unintended consequences that could harm society (Luthera, 2020). Thus, it is important for companies to develop AI algorithms responsibly.

Concluding Remarks

Overall, it is no secret that the influencer industry is rapidly growing as more and more brands take advantage of the unique power and high reach that influencers have in the social media sphere. Yet, brands are advised to partner with the right influencer long-term to ensure a positive, sustainable experience. As discussed in this article, marketers and managers must choose their entity endorsers carefully by taking into consideration the characteristics of each type of influencer, their respective influence mechanisms and challenges, as well as the company's targeted markets' potential responses to influencer activity. Consumer experience takes precedence at the end of the day.

Table 1. Selective examples

	Traditional celebrity	**Social media influencer**	**AI influencer**
Hotel	Tony Leung endorsed Galaxy Entertainment Group's first casino and hotel in Macao (2006). Hilton collaborated with several travel influencers such as lindaberlin to promote their list of top metropolitan destinations (2018).	Taryn Southern cooperated with Moxy Hotels brand to make YouTube videos (2015). Marriott collaborated with Casey Neistat to attract young travelers (2014).	Lil Miquela advertised for Ace Hotel New York on Instagram (2019). Noonoouri advertised for Hotel Café Royal in London on Instagram (2020).
Restaurant	LaBron James endorsed Blaze Pizza (2015). McDonald's partnered with Travis Scott to create his own meal deal (2020).	Influencer ny.foodie worked with restaurant Springbone to help promote their strawberry rhubarb ice-cream on Instagram (2016). Dunkin Donuts worked with Rié Victoria Aoki to reach consumers on Instagram (2018).	Thalasya Pov advertised for restaurants such as The den of Kalaha on Instagram (2018). KFC created a virtual Colonel Sanders who engages with other AI influencers on social media (2019).

Tourism destination & attraction	Chen Yao cooperated with Tourism New Zealand to influence Chinese travelers (2011). Bae Yong-joon was appointed PR ambassador to promote South Korean tourism (2009).	Kate McCulley promoted solo and independent travel for women by making travel blogs (2010). Scott Eddy, Justin Carmack, and JD Andrews advertised for travel brands like Kayak on social media platforms (2015).	Imma promotes tourism destinations in Japan on Instagram (2020). bee_nfluencer promotes tourism destinations in Paris on Instagram (2020).

Retail	Natalie Portman starred in the Miss Dior Fragrance Campaign (2019). Maisie Williams appeared in a super bowl ad for Audi (2020).	BMW partnered with social media influencers such as Falco Punch as part of a hashtag challenge on TikTok (2019). YouTuber Jeremiah Craig partnered with Yeehaw Cowboy, an online fashion retailer (2019).	Lil Miquela was featured in UGG's ad campaign (2018). Shudu Gram promoted Balmain (2018).

References

Chan, K., Ng, Y. L., & Luk, E. K. (2013). Impact of celebrity endorsement in advertising on brand image among Chinese adolescents. *Young Consumers*, *14*(2), 167-179.

Chae, J. (2018). Explaining females' envy toward social media influencers. *Media Psychology*, *21*(2), 246-262. https://doi.org/10.1080/15213269.2017.1328312

Cheng, Y., Wei, W., & Zhang, L. (2020). Seeing destinations through vlogs: implications for leveraging customer engagement behavior to increase travel intention. *International Journal of Contemporary Hospitality Management*, *32*(10), 3227-3248.

Campbell, C., Sands, S., Ferraro, C., Tsao, H. Y. J., & Mavrommatis, A. (2020). From data to action: How marketers can leverage AI. *Business Horizons*, *63*(2), 227-243. https://doi.org/10.1016/j.bushor.2019.12.002

Dhanesh, G. S., & Duthler, G. (2019). Relationship management through social media influencers: Effects of followers' awareness of paid endorsement. *Public Relations Review*, *45*(3), 1-13. https://doi.org/10.1016/j.pubrev.2019.03.002

Erdogan, B. Z. (1999). Celebrity endorsement: A literature review. *Journal of marketing management*, *15*(4), 291-314.

Goldsmith, R. E., Lafferty, B. A., & Newell, S. J. (2000). The impact of corporate credibility and celebrity credibility on consumer reaction to advertisements and brands. *Journal of Advertising*, *29*(3), 43-54.

Guruge, M. C. B. (2018). Comparison between Attributes related to Celebrity Endorsement and Social Media Influencer Marketing: A Conceptual Review. *Sri Lanka Journal of Marketing*, *4*(1), 17-37. http://192.248.24.204/dep/dmm/media/attachments/2020/09/29/m.c.b.-guruge---online-publish.pdf

Kumar, V., Rajan, B., Venkatesan, R., & Lecinski, J. (2019). Understanding the role of artificial intelligence in personalized engagement marketing. *California Management Review*, *61*(4), 135-155. https://doi.org/10.1177/0008125619859317

Luthera, N. (2020). The dark side of deepfake artificial intelligence and virtual influencers, https://www.forbes.com/sites/forbesbusinesscouncil/2020/01/16/the-dark-side-of-deepfake-artificial-intelligence-and-virtual-influencers/?sh=51d2b7c91cd9 (accessed on September 7, 2021).

Magnini, V. P., Garcia, C., & Honeycutt Jr, E. D. (2010). Identifying the attributes of an effective restaurant chain endorser. *Cornell hospitality quarterly*, *51*(2), 238-250.

Marwick, A. E. (2015). Instafame: Luxury selfies in the attention economy, *Public Culture, 27*(1), 137-160.

Moustakas, E., Lamba, N., Mahmoud, D., & Ranganathan, C. (2020, June). Blurring lines between fiction and reality: Perspectives of experts on marketing effectiveness of virtual influencers. In *2020 International Conference on Cyber Security and Protection of Digital Services (Cyber Security)* (pp. 1-6). IEEE. https://doi.org/10.1109/CyberSecurity49315.2020.9138861.

Mowen, J. C., & Brown, S. W. (1981). On explaining and predicting the effectiveness of celebrity endorsers. *ACR North American Advances*, 8, 437-441.

Müller, L., Mattke, J., & Maier, C. (2018). # Sponsored# ad: Exploring the effect of influencer marketing on purchase intention. *AISeLibrary.* https://aisel.aisnet.org/amcis2018/DataScience/Presentations/29/

Newton, J. D., Wong, J., & Newton, F. J. (2015). The social status of health message endorsers influences the health intentions of the powerless. *Journal of Advertising*, *44*(2), 151-160.

Olenski, S. (2016). How brands should use celebrities for endorsements, https://www.forbes.com/sites/steveolenski/2016/07/20/how-brands-should-use-celebrities-for-endorsements/?sh=9ae61d555936 (accessed on June 18, 2021).

Paschen, U., Pitt, C., & Kietzmann, J. (2020). Artificial intelligence: Building blocks and an innovation typology. *Business Horizons*, *63*(2), 147-155. https://doi.org/10.1016/j.bushor.2019.10.004

Prentice, C., & Zhang, L. (2017). Celebrity endorsement and stock market return. *Marketing Intelligence & Planning*, *35*(4), 529-543.

Stone, J. (2019) The lure of celebrity marketing for restaurants, Modern Restaurant Management, https://modernrestaurantmanagement.com/the-lure-of-celebrity-marketing-for-restaurants/ (accessed on June 1, 2021).

Thomas, V. L., & Fowler, K. (2021). Close encounters of the AI kind: Use of AI influencers as Brand endorsers. *Journal of Advertising*, *50*(1), 11-25. https://doi.org/10.1080/00913367.2020.1810595

Tomoson. (2015). Influencer marketing study, https://www.tomoson.com/blog/influencer-marketing-study/ (accessed on June 18, 2021).

Uzunoğlu, E., & Kip, S. M. (2014). Brand communication through digital influencers: Leveraging blogger engagement. *International Journal of Information Management*, *34*(5), 592-602.

Utami, S. P., Setyowati, N., & Mandasari, P. (2020). Celebrity Brand Ambassador and e-WOM as Determinants of Purchase Intention: A Survey of Indonesian Celebrity Cake. *E3S Web of Conferences, 142,* 1–9. https://doi.org/10.1051/e3sconf/202014205001

Warren, C., Batra, R., Loureiro, S. M. C., & Bagozzi, R. P. (2019). Brand coolness. *Journal of Marketing*, *83*(5), 36-56.

Warren, C., & Campbell, M. C. (2014). What makes things cool? How autonomy influences perceived coolness. *Journal of Consumer Research*, *41*(2), 543-563.

Warren, C., Pezzuti, T., & Koley, S. (2018). Is being emotionally inexpressive cool?. *Journal of Consumer Psychology*, *28*(4), 560-577.

Whitler, K. A., & Farris, P. W. (2017). The impact of cyber attacks on brand image: Why proactive marketing expertise is needed for managing data breaches. *Journal of Advertising Research*, *57*(1), 3-9. https://doi.org/10.2501/JAR-2017-005

Zhang, L., Kuo, P. J., & McCall, M. (2019). Microcelebrity: the impact of information source, hotel type, and misleading photos on consumers' responses. *Cornell Hospitality Quarterly*, *60*(4), 285-297.

Zhou, L., & Whitla, P. (2013). How negative celebrity publicity influences consumer attitudes: The mediating role of moral reputation. *Journal of Business Research*, *66*(8), 1013-1020 https://doi.org/10.1016/j.jbusres.2011.12.025