

Be Credible, Dear Idols! Stimulating More Consumption Potential by Building Trust in Opinion Leaders

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Abstract: *To cater to consumers' lifestyles and generate more demand, brand retailers often use idols to promote products. This paper empirically studies the trust mechanism of opinion leaders in word-of-mouth marketing. The result shows that based on previous trust, the internal and external trust can both influence the emotional and cognitive trust. Our study implies opinion leaders to build trust in emotional and cognitive.*

I. Introduction

Consumers are increasingly using social media to gather information on which to base their decisions, and this trend is expected to continue in the near future. According to a study (Stelzner, 2010), about 78% of customers from social network communities trust other people's recommendations for products and services. Therefore, opinion leaders have become the matter of recent studies. Opinion leaders have large groups of followers and serve as experts on social medias (Katz and Lazarsfeld, 1955; Archak, Ghose, & Ipeirotis, 2011; Casalo et al., 2020; Watts & Dodds, 2007). Besides, opinion leaders or online social influencers play an important role in the process of consumers purchasing decision-making behavior as they successfully attain trust from followers (Casalo, Flavian, & Ibanez-Sanchez, 2020; Hughes, Swaminathan, & Brooks, 2019; Lu, Jerath, & Singh, 2013). In practice, companies increasingly incorporate influencers in their strategy to endorse their brands and boost brand sales. In the case of webcast, many e-tailers use the KOLs online to do live sales. An English teaching and training company named *New Oriental* recently is popular in a short video platform. These opinion leaders are former English teachers who are gentle and knowledgeable. They create a trusting atmosphere for consumers, which makes their sales successful and widely praised by customers.

From the company of *Oriental Selection*, we can smell out the webcasters or the key opinion leaders can make a trust atmosphere to help sale products. In a word, our paper mainly focuses on trust power on key opinion leaders, and explore the trust mechanism on different dimensions.

II. 2. Conceptual Framework

2.1 Key Opinion Leaders (KOLs)

Key opinion leaders (KOLs) are individuals who exert a considerable amount of influence on the opinions of others by sharing their experiences (Iyengar et al. 2011; Lu et al. 2013; Casalo et al. 2018). Compared to traditional celebrities, followers consider KOLs as a more credible source of information and they identify with these online celebrities more (Jin, S. V., Muqaddam, A., & Ryu, E. (2019)). Therefore, increasingly companies use these KOLs in their marketing strategies to successfully spreading brand-related information and earn

profits. Besides, social media has allowed firms to quantify the effectiveness of KOLs' influence on social networks. Influencer marketing involves hiring KOLs and scheduling their posts (or ads) on a firm's behalf, thereby disseminating the contents of the ad to their existing followers on social media (Mallipeddi, Kumar, Sriskandarajah, & Zhu, 2021). So, it plays an important role of KOLs and social media in the context of consumer behavior and marketing.

2.2 Trust

Trust performances believing. Trust is the building block of an influencer-follower relationship. Influencers are more trusted by other figures since they are in many ways similar to their followers and are regarded as authentic and accessible (De et al., 2017). The positive relationship and the strength of trust established between KOLs and followers, and positive emotion attachment mechanism of the relationship between KOLs and followers is also proved. Lu et al. (2013) use a methodology model to present trust with high in-degree individuals will benefit relationship between opinion leaders and followers. Raquel and David(2021) find that emotional attachment to an influencer can lead followers to show positive purchase intentions for brands endorsed by the influencer. Consistent with the promise-trust theory of relationship marketing, some research believes that trust is a key intermediary variable for a stronger consumer-business relationship than long-term development, which affects brand reputation. Delgado-Ballester and Munuera-Alemn (2001) prove the key role of brand trust in influencing consumer commitment. The empirical research of Ramaseshan et al. (2013) shows that brand trust has a mediating role and there is a positive correlation between brand trust and customer equity. Kim et al(2021) shows that trust mediated the impact of influencers' expertise, authenticity, and homophiy on loyalty and marketing outcomes. However, there is no unanimous explanation for the trust mechanism of opinion leaders in word-of-mouth marketing.

2.2.1 Internal Trust and External Trust

Xiaofei Zhang (2020) uses the ELM model to construct the consumer purchase decision model with six variables of the internal and external dimensions of KOLs. Credibility, updating frequency and quality of output are the core indexes of the internal dimensions. The number of KOLs' fans, social valence and credit level are the core indicators of the external dimensions. Based on ELM model, which is a psychological model of consumer behavior that has recently been applied, it can be understood that trust can be established by two paths. One is the internal path, which pays attention to the intrinsic properties of other entities, by directly influence between individuals, leading to the object of attitude change, and finally form the decision. The other is the external path, which changes the attitude of the object through external transfer, factor inference and information processing, and then leads to the change of consumption decision. It is believed that both internal trust and external trust have positive relationship on KOLs marketing.

2.2.2 Cognitive Trust and Emotional Trust

McAllister (1995) divides trust into cognitive trust and emotional trust, and believes that different types of trust will affect cooperative behavior, because different trusts will cause different social decision-making heuristic models. Ng and Chua (2006) use McAllister's research results to study the effect of social contrast on trust based on dividing trust into cognitive trust and emotional trust. Cognitive trust depends on an assessment of someone's past performance and reliability. Emotional trust comes from social interaction with others, which

manifests as confidence in whether others can bring benefits to oneself. A strong positive affect from an object of trust, namely KOL, may motivate trust rather than by good rational reasoning. It is believed that both cognitive trust and emotional trust can influence the consumers purchasing decision. There are also some works in online retailing studying the influence of cognitive and emotional trust on customer responses. For instance, Plavini(2018) shows that cognitive trust and emotional trust are the mediating variables that positively affect customer satisfaction towards online retailers and help in building stronger customer loyalty intention. However, few studies have explored how opinion leaders influence consumers' purchase intentions through cognitive and emotional trust.

III. Research Questions

This paper proposes a theoretical mechanism to study the following questions.

Which dimension of consumers trust in opinion leaders is more effective?

How does consumers trust in opinion leaders affect their purchasing intentions?

For consumers with different previous trust levels, how to enhance their purchasing intention?

IV. Research Significance

Previous studies prove the important role of brand trust for consumers, and our paper focus on the theoretical mechanism of opinion leaders trust, which can optimize the theory of the trust mechanism on consumers purchasing decision-making behavior to stimulate more consumption potential. Besides, combined previous research on internal and external trust, our study introduces ORHRM's research on cognitive trust and emotional trust. In terms of trust mechanisms, we aim to make a theoretical contribution on the emerging opinion leaders marketing.

V. Study Design

5.1 Hypotheses

Lu et al. (2013) use a methodology model to present that followers' previous trust with high in-degree individuals, namely KOLs, will be beneficial to their purchase intention, and previous trust persists for a long time. It can be understood that before followers see the recommendation by KOLs, they already have potential purchase intention due to previous trust. Xiaofei Zhang (2020) constructs the consumer purchase decision model with both internal and external dimensions of KOLs trust and finds that internal trust has a greater impact to consumers' purchase intention than external trust. Combining with the two streams of trust studies, this paper proposes that previous trust moderates the effectiveness of internal and external trust on consumers' purchase intentions, and puts forward the following assumptions.

H1a: Internal trust and external trust in opinion leaders positively influence consumers' purchase intention.

H1b: When consumers' previous trust in opinion leaders is not high, for higher purchasing intentions, internal trust is more effective than external trust.

H1c: When consumers' previous trust in opinion leaders is high, for higher purchasing intentions, external trust is more effective than internal trust.

McAllister (1995) and Ng (2006) believes that cognitive trust and emotional trust can cause different social decision-making. Kim et al. (2013) base on three trust metrics (KC, MC, JC) to reflect the users' degree of trust. KC reflects the evaluation scores of opinion leaders and the strength of relationships with users. MC and JC are scores based on the coefficient of structural similarity and social similarity between opinion leaders and users. It is believed that opinion leaders with high external trust can significantly influence the scope of product diffusion and overall demand scale. So, it is proved that cognitive trust and emotional trust are beneficial to purchase intention. In this paper, we propose that cognitive trust and emotional trust play a mediate role. Formally, we

hypothesize this as follows:

H2a: When consumers' previous trust in opinion leaders is not high, cognitive trust mediates the influence on purchasing intentions.

H2b: When consumers' previous trust in opinion leaders is high, emotional trust mediates the influence on purchasing intentions.

The consumer purchasing decision sequence is described in Figure 1 and shown as follows.

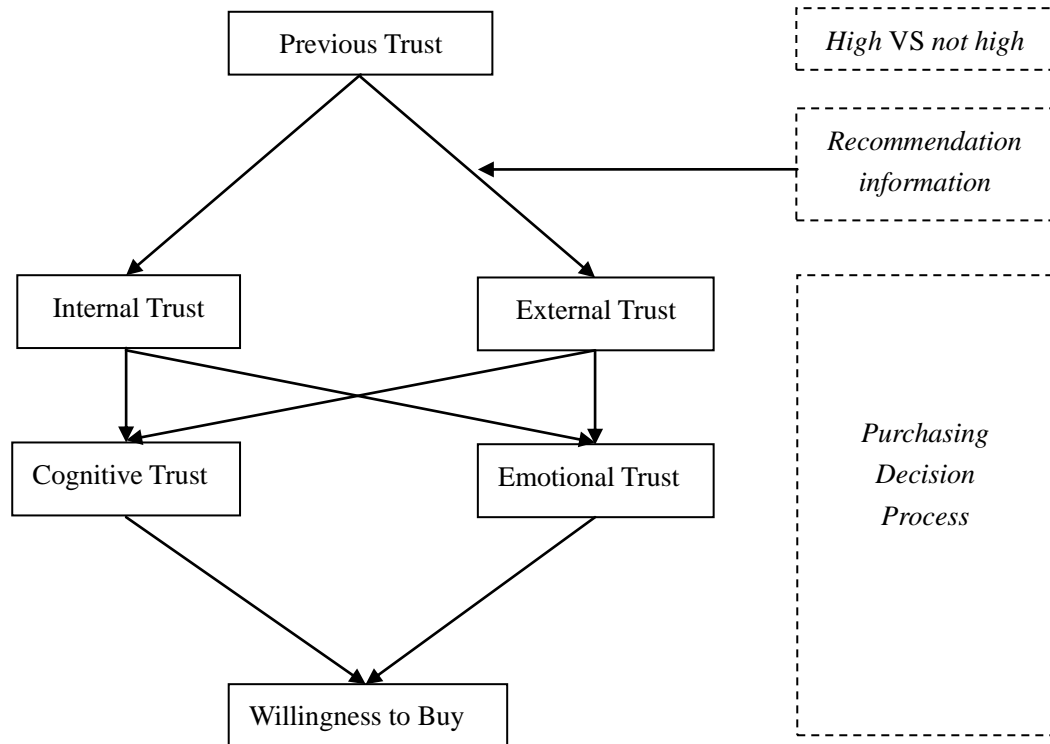


Figure 1: Purchasing Decision Sequence

5.2 Study 1

Exploring the difference between consumers' internal and external trust in opinion leaders

In the recommendation context of opinion leaders, study 1 is mainly to explore which dimension, internal trust or external trust, is more effective on consumers' purchase intentions under different previous trusts. i. e. the moderating effect of previous trust.

5.2.1 Methods and Procedures

The participants in this experiment are college students and graduated students from a certain university in Shanghai. 82 subjects (age range: 18 to 30, male 42%) completed the experiment. This study used the Likert Scale (1=strongly disagree, 7=completely agree) to measure the trust and purchase intention. The internal and external trust level refers to the specific design reference (Zhang Xiaofei, 2020) scale design. The purchase intention refers the Jaeki Song (2001) scale.

The study plan to be a 2 (previous trust: high vs. not high) × 2 (trust dimensions: internal trust vs. external trust) between-subjects design. Control variables are product types, online reviews, product quality, and price discounts, and mainly studies consumers' perception to the internal and external trust in opinion leaders. The dependent variable is the consumer's purchase intention of the product. Participants are randomly divided to four groups. Firstly, participants in No.1 and No.2 groups are asked their idols or the opinion leaders they believe

(previous trust is high), and then we define the real characters as opinion leaders. Secondly, we inform participants external trust value of the corresponding opinion leaders, and measure the participants' internal trust and external trust perception of opinion leaders. Thirdly, participants see the product recommendation and endorsement information when browsing the product, through videos, pictures and presentation. Differently, we tell participants in No.3 and No.4 groups that they are not the fan of opinion leaders or opponent (previous trust is not high), and inform them the corresponding external trust value. Then we alike measure the same variables with other groups after subjects seeing the product information. Finally, some demographic variables (gender, educational background, and monthly consumption amount) of the subjects were measured.

5.2.2 Manipulation Check

Experimental data shows that there are significant differences in consumers' internal and external trust.

5.2.3 Results

When the previous trust is high, consumers prefer external trust compared to internal trust. When the previous trust is low, consumers prefer internal trust more than external trust. It is expected that when the previous trust is high, external trust is more effective. And when the previous trust is not high, internal trust is more effective. As shown in the figure 2 below, these results are consistent with H1a and H1b.

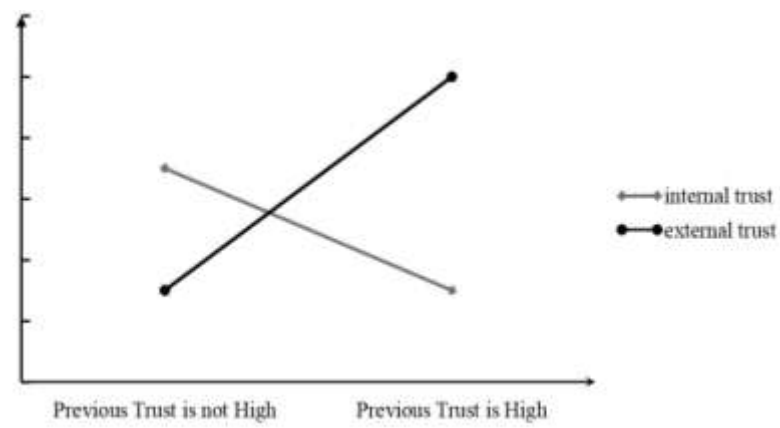


Figure 2: The difference between internal and external trust under different previous trust levels

5.3 Study 2

Explore consumers' psychological trust mechanism under different trust dimensions

To test the mediating role of cognitive trust and emotional trust, study 2 refer to the moderated mediation analysis model (Preacher, 2007; Hayes, 2013) to conduct Bootstrap mediation variables test. The sample size is 5000, under the 95% confidence interval.

5.3.1 Methods and Procedures

The methods and procedures are the same as study 1, but it adds the cognitive trust and emotional trust measurement of subjects in the decision-making process. Differently, we exchange the previous No.1/2 and No.3/4 groups of participants, which means No.3/4 are asked their idols (previous trust is high). It is worth mentioning that the study 2 plan to select virtual characters and manipulate them with corresponding character attributes.

Similarly, study 2 uses the Likert scale (1=strongly disagree, 7=completely agree) to measure internal trust,

external trust perception, purchase intention and mediating variables. Cognitive trust and emotional trust refer to Ng and Chua (2006) scale. In study 2, cognitive trust and emotional trust is regarded as the mediating variables.

5.3.2 Manipulation Check

Mediation effect test

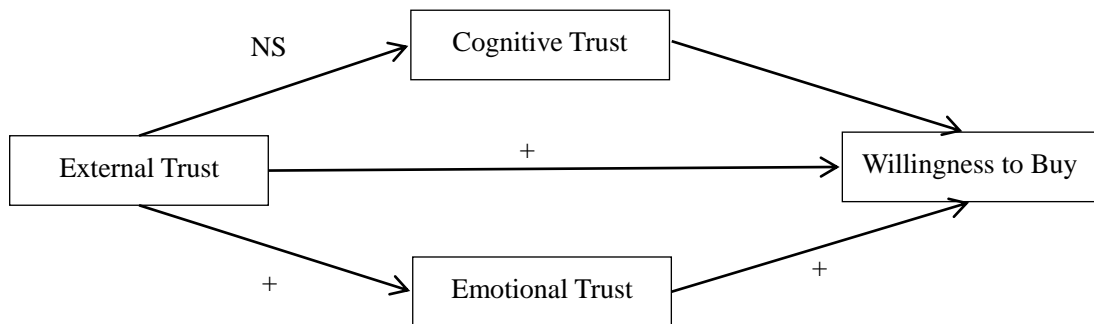
When consumers have high previous trust in opinion leaders, consumers generally rely on external trust perception to help them make decisions. At the same time, emotional trust mediates purchase intentions because consumers can have potential trust in opinion leaders and the products they recommend, thereby enhancing their willingness to purchase.

When consumers do not have high previous trust in opinion leaders, consumers generally rely on internal trust to help them make decisions. At the same time, cognitive trust mediates purchase intentions because consumers need to judge whether the products they recommend can meet their expected utility, thereby enhancing their willingness to purchase.

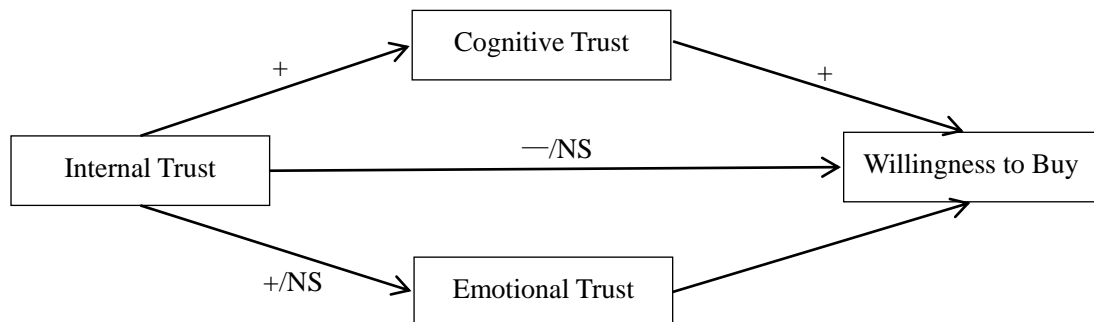
5.3.3 Results

The models are as follows (NS: not significant).

When the previous trust is high:



When the previous trust is not high:



The data results show that when the previous trust is high, the external trust perception will increase the emotional trust, so that consumers have stronger willingness to buy. When the previous trust is not high, internal trust will increase cognitive trust and make consumers more willing to buy.

Extension

H3: Purchase behavior established by higher external trust is more impulsive consumption.

H4: The purchase behavior established by higher internal trust is more purposeful consumption.

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