

The Ethics of Social Media Entrepreneurship:
Influencers Deceitfully Promote Sponsored Products, Services, and Ideas

Daria Smith

Georgia Southern University

Abstract

This paper questions the ethics of social media entrepreneurship. It looks specifically at how social media influencers deceitfully advocate for products, services, or ideas that they do not support in exchange for money. Social media evolved from the basics of Web 2.0 and was created so that content could be crafted by users for users. Companies and brands utilize influencer marketing as a method to augment the reach of their target audience by taking advantage of the minor celebrity status of influencers on social media. Five individuals (persons A-E) were interviewed regarding their views on the ethics of social media entrepreneurship and whether or not it is ethical for social media influencers to deceitfully promote sponsored products, services, or ideas. Social media is constantly changing and will continue to do so over time. Older methods of reach effectiveness on social media are no longer valid, such as the number of followers. Engagement, transparency, authenticity, and influence are key if influencers wish to maintain positive relationships with stakeholders.

Keywords: self-branding, micro-celebrity, social media, social media influencers

The Ethics of Social Media Entrepreneurship:

Influencers Deceitfully Promote Sponsored Products, Services, and Ideas

Social media is loosely defined as the “dynamic online tools that facilitate the gathering, communication, and collaboration among individuals and communities” (Tutelman, Dol, Tougas, & Chambers, 2018, p. 290). Social media evolved from the basics of Web 2.0 and was created so that content could be crafted by users for users (Kaplan & Haenlein, 2010). People use social media for social and professional networking, media distribution, and blogging (Tutelman, Dol, Tougas, & Chambers, 2018). Companies and brands utilize influencer marketing as a method to augment the reach of their target audience by taking advantage of the minor celebrity status of influencers on social media.

Social media entrepreneurs or influencers participate in self-branding. Self-branding is the idea that “everyone has the power to be their own brand and a person’s main job is to be their own marketer” (Liu & Suh, 2017). A new generation of work has emerged where social influencers make a profit off of their passion projects (Duffy & Wissinger, 2017). Social media entrepreneurship possesses themes of self-branding, authenticity, passion, production vs. consumption, self-discipline, and micro-celebrification. Without followers or “fan bases” looking up to social media entrepreneurs and supporting their content/brand/lives, the concept of “social media entrepreneurship” would be impossible. Influencers share personal statements about their lives, which makes them relatable and aspirational to their followers (Duffy & Hund, 2015).

In today’s culture, anyone can be an “influencer” on social media. Social media entrepreneurship has become a norm of the 21st century. The ethical dilemma occurring in society comes into play when one debates if influencers are genuinely authentic or fabricating passion. Authenticity is defined as “something real, something true, something moral, something

apart from the crass, commercial, social world” (Liu & Suh, 2017). Passion is the answer to why anyone works hard at what they do; their motivating force to pursue the things they love (their passions) and propels them through life. Production vs. consumption is the idea that the average consumer uses social media in the mode of consumption, and the social media entrepreneur uses social media as a means of production to generate income. If influencers are using social media as a means of production, then it is not ethical for influencers to deceive their audience with false advocacy when their followers utilize social media as a means of consumption. The ethical question is one of influencers deceitfully advocating for products, services, or ideas in exchange for money. This literature review will outline existing research on the deceitful advocacy on behalf of influencers and the implications of lying.

Review of Literature

Science of Social Media Entrepreneurship

Life becomes a “pitch” for influencers in today’s social media economy (Duffy & Wissinger, 2017). The influencer transforms his or her own person into a brand and valuable commodity, crafting his or her own personal aesthetic and editing every aspect of his or her being according to audience feedback. Self-branding is essential to success as a social media influencer; it determines how the market perceives the individual. As an entrepreneur in the self-branding process, a single individual does all of the work, constantly managing his or her own self. Consequently, social media influencers’ personal lives transude into their professional work. Social media platforms are a propagation of an individual human being.

Social media influencers have the ability to influence followers and interest businesses because self-branding orchestrates them into micro-celebrities. Since micro-celebrities govern themselves, followers believe them to be trustworthy and authentic. Micro-celebrities are

different from typical celebrities because the value of authenticity is present, and followers can relate to micro-celebrities since they originated as consumers in the social media industry.

Micro-celebrification begins when a fan base is not only interested in a social media entrepreneur's public life, but his or her private life as well. Social media permits marketers to tailor content to what the audience wants.

In order to achieve success as a social media entrepreneur, an individual must be authentic, and he or she cannot counterfeit passion as followers see right through acts of fabrication. When engaging in the creation of sponsored content, influencers must enable the brands they collaborate with to convey meaning through them, while remaining authentic. Since social media entrepreneurs originate as ordinary people, the idea that they are average humans who built up their following by branding their lives is very authentic. Authenticity individualizes brands because it's truthful, morally right, and relatable; it gives the brand credibility.

Self-branding promotes two opposing concepts: authenticity and business. Therefore, it can be hard to maintain authenticity in the process of self-branding. Influencers must be selective with the brands they collaborate with, making sure the selected product fits within their self-brand. As time goes on, people change and so does their brand. Social media entrepreneurs are dynamically developing every aspect of their digital selves throughout their careers. Along with every aspect of life, social media platforms will also change over time; this is why mastering a brand is paramount. Followers will become emotionally attached to the brand/person despite outside changes because they feel as if they know the influencer personally and have a relationship with the individual.

Factors of In-Authenticity

Despite the tedious and demanding work of self-branding, social media entrepreneurs must appear fun and carefree, or they risk harming their brand (Duffy & Wissinger, 2017). Society believes that the social media entrepreneur can “do it all” on their own. Every aspect of the brand and all credit is attributed back to the social media entrepreneur, the face of the brand. Authenticity also involves creators maintaining an intimate relationship and high interactivity with their followers. For a social media entrepreneur to maintain his or her brand aesthetics, he or she will often opt to allot professional pictures, similar to photography displayed in fashion magazines. In addition to the aesthetics, influencers must put a lot of thought into the time of day in which they share content. Social media entrepreneurs are still working, even if it is “fun.” Artfully arranged and aesthetically pleasing photographs of food, furniture, scenery, and clothing are simple ways for bloggers to integrate brand sponsorships.

Social media entrepreneurs must fare with unpredictable and aperiodic pay, transmuted numbers of followers, and the pressure to consistently constitute original content while billowing amidst their competition- all the while seeming to have their lives together. In order for a career as a social media entrepreneur to be worth it, despite the uncertainty of pay, never-ending hours, and constant learning of new skills, a content creator must demonstrate passion and a natural, self-motivated drive. However, it is no longer the same when money is added into the equation, and a hobby turns into a job. Zoella, social media influencer, explained in a YouTube video that she is stressed with the burden of creating content that her followers will appreciate, and she does not get to curate the kind of content that she enjoys (Jerslev, 2016). Influencers have to work on themselves to remain authentic and to possess the same passion that originally launched their passion project.

Micro-celebrities embark as average humans, whom decide to brand their lives as a commodity on social media. People can choose to brand their lives with the goal of achieving micro-celebrity status in today's society, made possible by social media. Commonly, bloggers stop responding to comments once they cultivate a larger following; thus, mimicking another celebrity trait.

While the average person uses social media for personal use as consumption, a social media entrepreneur uses social media for production to make money, as a business. An influencer must analyze how their audience responds to their content and exploit the feedback accordingly. Furthermore, an influencer risks losing his or her credibility as an opinion leader, which could damage the brand he or she worked so hard to construct. Social media entrepreneurs begin in the mode of consumption, and then migrate into the mode of production as their career takes off. Content creators are producing, but it's disguised to appear as a form of consumption to fit their brand, and the effortless, fun aesthetic of "having it all." Self-branding consists of two opposing concepts: production and consumption. While a blogger may be consuming through self-expression on social media, they are also producing and earning revenue through marketing other products/selling a brand.

Engagement, Transparency, Authenticity, & Influence

Engagement on social media is defined as "some action beyond exposure and implies an interaction between two or more parties...an action that typically occurs in response to content on an owned channel" (Conclave, 2013, p. 6). Since algorithms on various social media platforms have changed over time, companies do not care about the number of followers an influencer has, but they are focused on an influencer's engagement. Engagement includes digital dialogue and conversations with an organization's or brand's stakeholders. Without engagement,

influencers would be spewing information out of a megaphone and they would receive no feedback, similar to Twitter's model. Engagement allows influencers and brands to build and maintain relationships with their followers (McCorkindale & DiStaso, 2014). Many companies are placing social media at the focus of their strategic communication because of the need to foster relationships with stakeholders.

Transparency aims to disclose truthful information in a timely manner. Providing a statement of disclosure does not encompass transparency (McCorkindale & DiStaso, 2014). Stakeholders must actively participate in the process of transparency and an influencer must be held accountable. Transparency provides valuable information to stakeholders, so they can make knowledgeable judgements. To display transparency, an influencer must post correct information with a timely approach, reveal who manages the influencer's social media accounts, and display openness.

Authenticity is "real, original, genuine, sincere, and not fake" (McCorkindale & DiStaso, 2014, p. 7). Transparency and authenticity are similar, but authenticity has been proven to be more important among influencers. Strategical planning in the process of self-branding would not be considered authentic. Influencers must ensure that their brand has a human voice, which encourages constructive relationships and word-of-mouth conversation (McCorkindale & DiStaso, 2014). It is also important to note that trust is rooted in transparency and authenticity. If a consumer cannot trust an influencer, the influencer does not have authenticity or transparency.

Influencers have extended themselves as a new estate of media and advertisement. Influencers are "independent third-party endorser who shape audience attitudes through blogs, tweets, and the use of other social media" (Freberg, Graham, McGaughey, & Freberg, 2011, p. 90). Influencers possess credibility among companies' target audiences. There are no ethics

establish for social media. However, an individual “can use a social compass to help define strategies, initiatives and engagement” (McCorkindale & DiStaso, 2014, p. 9). A general rule of thumb or ethical agenda for traditional and social media includes being just and wise, avoiding dishonesty and concealment, and preserving self-worth and regard (Bowen, 2013).

Summary of Findings

Ethicality

Five individuals (persons A-E) were interviewed regarding their views on the ethics of social media entrepreneurship and whether or not it is ethical for social media influencers to deceitfully promote sponsored products, services, or ideas. All subjects interviewed have an in-depth knowledge of and fully comprehend the processes of social media entrepreneurship.

Persons A-E directly participate in a model of social media entrepreneurship through playing at least one of the following roles: a consumer, entrepreneur, or social media influencer.

Persons A, B, and E regard an influencer's actions as unethical if he or she deceitfully promotes a sponsored product, service, or idea. They believe it is wrong to lie in any situation, but especially if doing so allows an individual to earn money. Persons C and D, two entrepreneurs, regard an influencer's actions as ethical if he or she deceitfully promotes a sponsored product, service, or idea, with the caveat that an influencer discloses the post is sponsored. From Person C's perspective, the influencer and sponsored post have extended themselves to construct a new form of advertisement in which the influencer takes on the role of a spokesperson endorsing a certain product. "It kind of circumvents the question of ethicality" said Person C. "As long as there's a disclosure stating it's a paid-for promotion, the person who follows a particular influencer or watches said commercial has been tipped off to the fact that this is a paid promotion or advertisement."

Persons A, B, and E feel betrayed and annoyed when an influencer they trust deceitfully tries to sell them something because the influencer is taking advantage of his or her followers. Person D does not interact or consume influencers' posts when they curate deceitful content and clicks the unfollow button. Person C has experienced a situation in which an influencer, whom

he established a good relationship with, equivocated a competitor's product in a promotion as a replacement for one of his company's products. "They have not only devalued their own brand, but they've also devalued me and made my company look like a chump" said Person C. "I feel that is unethical when people are behaving in the same marketplace and product-sphere to then essentially bait-and-switch." All subjects interviewed stated that they become annoyed when influencers participate in deceitful sponsorships. Deceitful advocacy erodes the trust that an influencer has established with their audience, marginalizes brands they have worked with in the past, cheapens influencers' own brands, and heightens influencers' risk of losing followers.

Credibility

Personality, morals, transparency, disclosure of sponsored content, and consistency in creating content affect an influencer's perceived credibility. "If I can see myself being friends with someone, then I am going to watch their videos," said person A. "If I feel like we have different morals and values, then I won't follow their content." Person C does not place the issue of trust upon social media influencers, but rather the company behind the product, idea, or service, as he believes influencers are working in a marketplace. Person C bases his trust of companies on the effectiveness of their products and whether or not they chose trustworthy advertising methods. The likelihood of persons A, B, and E purchasing a product from an influencer's sponsored content depends on the degree of trust, loyalty, and admiration they have for the particular influencer. When numerous influencers have had good things to say about a product or they provide visual proof of the product's effects, person E is more likely to purchase it. However, person D has observed that consumers are tired of bloggers because every post appears to be items that they have received free of charge.

Persons A and E feel that some influencers are authentic and kind-hearted, but others not so much. “The part of me that sees the best in people wants to believe that influencers are being honest with me,” said person A. “I’ve been there so I want to believe everyone is honest in what they’re promoting, but I don’t think they always are.” Persons B and D believe that most influencer-created content today tends to be fake, rather than authentic because influencers are motivated by the desire to get free product or money. Influencers with larger followings are more likely to participate in dishonest sponsorships than influencers with smaller followings because minor influencers do not receive as many high-paying, sponsored opportunities. Person C believes that the paid marketplace leads to a clearer display of what is sincere and what is not because the consumer has more information available to them to make the judgement of whether or not an influencer is authentic. All subjects interviewed believe that an influencer mentioning a product in future content after the initial sponsored post is an evident determinant that an influencer genuinely enjoys a product or service in which he or she is promoting. However, person E did speculate that the influencer could have been paid by a brand for a long-term partnership.

None of the subjects interviewed were able to recall a specific situation in which an influencer claimed that a post wasn’t sponsored when it clearly was. However, a few subjects remarked that they had certainly questioned if a post was sponsored, despite the influencer’s failure to disclose the post as an advertisement. Person C stated that his company has always required that influencers disclose if the company gifted them a product or sponsored a post as an advertisement. Those who do not play the consumer role in social media entrepreneurship are likely to assume that any post from an influencer is a paid advertisement.

Sponsorships

All five subjects felt that influencers should receive monetary compensation in addition to free products because they are providing a service to businesses, serving as a new estate of media and advertisement. “The companies are free to pay Facebook or Instagram instead of influencers to try to reach the same audiences, but they want to leverage the perceived credibility of the influencer” said person C. “Spokespeople have prices as they have owned this with their own minor-celebrity status.” Person E added that influencers should be paid when working with larger corporations, but open to only being compensated with free product from smaller, local companies.

Persons A-E felt that influencers’ sponsored content is more susceptible to bias than their unsponsored content because of self-interest. Influencers are working to achieve their own goals of supporting themselves financially through social media entrepreneurship, which is done through getting paid to generate sponsored content. Social media is not a charity and most influencers are not in this business solely for the good of other humans.

The general consensus among interviewees concluded that influencers must maintain a balance between sponsored content and content influencers post simply because they want to. Person A stated that she tries to only do one or two sponsored posts per month. “I know there are people who rely on this as their full-time income and if they can integrate sponsorships into their videos, they’re going to do it,” said person A. “Every influencer needs to evaluate their own morals and mentally establish how many sponsorships they need to make a living in addition to the amount that they would be comfortable posting.” Influencers’ followers have a line of tolerance as to how much sponsored content they wish to see before they decide to unfollow.

Based on person C's view of the blueprint to become a social media influencer, he or she must do things that are unsought after or "authentic" to build credibility in the beginning. An influencer creates a style blog and people start following it because they like the way that individual puts things together. Thus, a blogger starts to generate a following and businesses start to notice. A company will reach out to an influencer when he or she has a lot of engagement, proposing that the influencer work with them as an extension of their brand, in exchange for monetary compensation through a sponsored post.

Consequently, there are fewer sponsored advertisements in the beginning of an influencer's career. Person E also noticed that influencers with a smaller following have a higher tendency to only post products they are passionate about. Once influencers achieve credibility with their audience, which is the goal they are trying to attain, there will be self-interest towards brands that pay them. "The more influencers post, the more they dilute their own brands," said person C. "Every single post must have maximum impact." Thus, if influencers are going to get the maximum amount for themselves, they are going to prefer sponsored content. The more influencers post, the more they dilute their brands, and the less they can charge for future sponsorships.

Every interviewee noticed a change in the realm of social media entrepreneurship since the concept emerged. Person C recalled a time when all influencers simply asked for some form of recognition or publicity, such as a retweet. The world of social media entrepreneurship didn't always revolve around wealth and numbers. Over time Facebook and Instagram modified their algorithms and transformed into paid platforms that sought to reach people naturally. Influencers began to realize that they could charge brands and companies a lot of money. Since the business

model changed, prices went up and influencers began individually working in an advertising construct.

Person D recalled when Facebook first came out and influencers were focused on their number of followers. “Influencers were focused on creating content that people would want to read, not on gaining free product” said person D.

“People just made a business out of it where they are mass-collecting users, so they can charge more money to promote a product. That to me just doesn’t seem authentic. When we first started, the biggest thing you could get was a Facebook like. You didn’t have to pay to promote your post and we could do giveaways. We could give away a cooler or \$1,000 worth of clothes and gain 10,000 Facebook followers. Then Facebook hid our followers to where they can’t read our posts unless we pay to promote them. Now, I don’t even want to get Facebook followers because I have to pay to reach them. I would rather just pay to advertise. Being an ex-attorney, Facebook likes are like property interest... Someone should sue them because we spent time and money acquiring these assets and Facebook friends. Now Facebook won’t let me post to my followers or friends without paying. So, Facebook has taken followers away.”

Person E reminisced on blogging when it first emerged, and the construct was nothing like it is now. Since influence on social media has become popular, a lot more people are trying to become famous on social media because of their desire for money and will take any paid sponsorship. Thus, the value of companies paying influencers to promote products has plummeted because influencer credibility has declined. Many individuals have begun to disregard the sponsored content they see from influencers and refuse to interact with such

content, which has led to companies focusing on influencers' engagement levels over their follower count.

When interviewees were asked what they would do if they were influencers on social media creating sponsored content, persons A-E stated they would only accept sponsorships from brands they genuinely liked. Persons A-E said they would disclose if a post was sponsored immediately and only give honest opinions. Interviewees concluded that it is best for influencers to remain honest and more good things will come their way. "If I were an influencer, I would try to give my followers as many benefits as possible, while creating authentic experiences" said person D. "As for the rest of it, the money will take care of itself."

Persons A-E could not recall any specific rules or laws that had been established for influencers and sponsored content on social media. The FTC and some social media platforms including Instagram have started requiring influencers to disclose if a post is sponsored, but it is an easy loop hole with no real enforcement. Limited research and guidelines exist regarding social media entrepreneurship because it is still a fairly new construct.

Discussion/Conclusion

It is unethical for social media influencers to not disclose that a post is a paid advertisement or sponsorship. Even if an influencer is gifted a product or service free of charge, he or she needs to make a disclosure statement regarding the free product or service. It is unethical for an influencer to deceitfully advocate for a product in which he or she does not support because it is no different than lying and he or she is taking advantage of his or her followers. Disclosure statements let consumers know that they are viewing paid advertisements. It is ethical for influencers to receive monetary compensation in addition to free product for the services they give to a company, as long as they disclose paid promotions.

An opposing perspective places the issue of trust on the company behind the product an influencer is being paid to promote and the company's ability to choose transparent advertising mechanisms. Deceitful advocacy will harm an influencer in the long run and better things will come his or her way if he or she is authentic, transparent, and open. Credibility is fueled by authenticity, which is correlated with trust and transparency. Each of these components must be present if influencers wish to possess credibility with their audience. Consumers despise deceitful advocacy and influencers' personal brands will be harmed if they continually do paid sponsorships. Followers will only put up with so many paid advertisements before they lose interest in an influencer. Entrepreneurs place the responsibility on the influencer, as they are harming their personal brand and devaluing it when he or she will work with any company for money.

Social media is constantly changing and will continue to do so over time. Older methods of reach effectiveness on social media are no longer valid, such as the number of followers. Engagement, transparency, authenticity, and influence are key if influencers wish to maintain positive relationships with stakeholders.

References

- Bowen, S. A. (2013). Using classic social media cases to distill ethical guidelines for digital engagement. *Journal of Mass Media Ethics: Exploring Questions of Media Morality*, 28(2), 119-133.
- The Conclave. (2013). Complete social media measurement standards June 2013. Retrieved from <http://www.smmstandards.com/wp-content/uploads/2013/06/Complete-standardsdocument4.pdf>
- Duffy, B. E., & Hund, E. (2015). "Having it all" on social media: entrepreneurial femininity and self-branding among fashion bloggers. *Social Media + Society*, 1(2), 1-11.
doi:10.1177/2056305115604337
- Duffy, B. E., & Wissinger, E. (2017). Mythologies of creative work in the social media age: fun, free, and "just being me." *International Journal of Communication* (19328036), 114652-4671.
- Freberg, K., Graham, K., McGaughey, K., & Freberg, L. (2011). Who are the social media influencers?: a study of public perceptions of personality. *Public Relations Review*, 37, 90-92.
- Jerslev, A. (2016). In the time of the microcelebrity: celebrification and the youtuber zoella. *International Journal of Communication* (19328036), 105233-5251.
- Kaplan, A. M. & Haenlein, M. (2010). Users of the world, unite! the challenges and opportunities of social media. *Business Horizons*, 52(1), 61.
doi:10.1016/j.bushor.2009.09.003
- Liu, R., & Suh, A. (2017). Self-branding on social media: an analysis of style bloggers on instagram. *Procedia Computer Science*, 124(4th Information Systems International

Conference 2017, ISICO 2017, 6-8 November 2017, Bali, Indonesia), 12-20.

doi:10.1016/j.procs.2017.12.124

- McCorkindale, T., & DiStaso, M. W. (2014). The state of social media research: where are we now, where we were and what it means for public relations. *Research Journal of the Institute for Public Relations*, 1(1), 1-17. Retrieved from <http://paineublishing.com/wp-content/uploads/2015/02/The-State-of-SM-Research-by-Tina-and-Marcia.pdf>
- Tutelman, P. R., Dol, J., Tougas, M. E., & Chambers, C. T. (2018). Navigating your social media presence: opportunities and challenges. *Clinical Practice In Pediatric Psychology*, 6(3), 289-298. doi:10.1037/cpp0000228