Journal of Economic, Administrative and Legal Sciences(JEALS) •Vol 8, Issue 15 (2024) • P: 114 - 100
https://journals.ajsrp.com/index.php/jeals
ISSN: 2522-3372 (Online) • ISSN: 2522-3372 (Print)

Assessing the impact of AI influencers on customer engagement for non-luxury brands in Egypt

Ms. Nesma Ibrahim Amir Abdelrazek*[1], Ms. Alaa Tarek Khalil[2]
[1] ESLSCA University | Egypt
[2] Faculty of Commerce | Cairo University | Egypt

Received: 09/06/2024
Revised: 24/06/2024
Accepted: 03/07/2024
Published: 30/12/2024

* Corresponding author: Nesma.Amir21bg@eslsca.edu.eg

Citation: Abdelrazek, N. I., & Khalil, A. T. (2024). Assessing the impact of AI influencers on customer engagement for non-luxury brands in Egypt. *Journal of Economic, Administrative and Legal Sciences, 8*(15), 100– 114. https://doi.org/10.26389/AJSRP.N120624

2024 © AISRP • Arab Institute of Sciences & Research Publishing (AISRP), Palestine, all rights reserved.

• **Open Access**

This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY-NC) license

Abstract: Purpose: In this study we will examine the impact of AI influencers on customer engagement for non-luxury brands in Egypt.

Objective: The main objective of this study is to assess the impact of AI influencers on the engagement of customers especially for non-luxury brands field and to study the impact of AI influencers on WOM, trust and following intentions.

Methodology/Design/Approach: Through literature review and a very limited exploratory study depending on personal interviews with a mix of experts and customers, the study disclosed that the impact of AI influencers on the engagement of customers with the luxury brands has a positive impact but a limited impact on customer engagement for non-luxury brands especially the Egyptians who do not consider AI influencers as a trust source of information.

Value: This study offers some perceptions into the impact of AI influencers on customer engagement especially for non-luxury brands which will update the existing literature review within the field of non-luxury brands.

This study's findings can provide marketers with some new insights for how to deal with the new marketing trends and to help them upgrade their job experiences on starting to deal with AI influencers and create their own one instead of social media influencers.

Keywords: Influencers, AI Influencers, Customer Engagement, Non-Luxury Brands, Brand Loyalty, WOM, Purchase Intention.

تقييم تأثير مؤثري الذكاء الاصطناعي على مشاركة العملاء مع العلامات التجارية غير الفاخرة في مصر

أ. نسمة إبراهيم أمير عبد الرازق*[1]، المدرسة / الاء طارق خليل[2]
[1] جامعة اسلسكا | مصر
[2] كلية التجارة | جامعة القاهرة | مصر

المستخلص: الغرض: في هذه الدراسة سوف نقوم بدراسة تأثير المؤثرين في مجال الذكاء الاصطناعي على مشاركة العملاء للعلامات التجارية غير الفاخرة في مصر.

الهدف: الهدف الرئيسي من هذه الدراسة هو تقييم تأثير مؤثري الذكاء الاصطناعي على مشاركة العملاء وخاصة في مجال العلامات التجارية غير الفاخرة ودراسة تأثير مؤثري الذكاء الاصطناعي على WOM والثقة والنيات التالية.

المنهجية / التصميم / النهج: من خلال مراجعة الأدبيات ودراسة استكشافية محدودة للغاية تعتمد على المقابلات الشخصية مع مزيج من الخبراء والعملاء، كشفت الدراسة أن تأثير المؤثرين في مجال الذكاء الاصطناعي على تفاعل العملاء مع العلامات التجارية الفاخرة له تأثير إيجابي، ولكن تأثير محدود على مشاركة العملاء للعلامات التجارية غير الفاخرة وخاصة المصريين الذين لا يعتبرون المؤثرين في مجال الذكاء الاصطناعي مصدرًا موثوقًا للمعلومات.

القيمة: تقدم هذه الدراسة بعض التصورات حول تأثير مؤثري الذكاء الاصطناعي على مشاركة العملاء خاصة بالنسبة للعلامات التجارية غير الفاخرة والتي ستعمل على تحديث مراجعة الأدبيات الحالية في مجال العلامات التجارية غير الفاخرة.

يمكن لنتائج هذه الدراسة أن تزود المسوقين ببعض الأفكار الجديدة حول كيفية التعامل مع اتجاهات التسويق الجديدة ومساعدتهم على ترقية خبراتهم الوظيفية عند البدء في التعامل مع المؤثرين في مجال الذكاء الاصطناعي وإنشاء مؤثرين خاصين بهم بدلاً من المؤثرين على وسائل التواصل الاجتماعي.

الكلمات المفتاحية: المؤثرون، المؤثرون في الذكاء الاصطناعي، تفاعل العملاء، العلامات التجارية غير الفاخرة، الولاء للعلامة التجارية، نية الشراء.

1.1 Introduction

Due to the growing role of artificial intelligence in today's modern digital marketing world, traditional social marketing influencer strategies are struggling because of the huge challenges in digital marketing dynamic world. Therefore, in this paper, the researcher using comprehensive literature review aims to assess the role and impact of artificial intelligence influencers (AI) on customers' engagement for a specific field which concentrates on the non-luxury brands. Because of the growing popularity in AI technologies, brands are making a great effort utilizing a huge experience to enhance customer engagement which has a great role in influencing customers trust which leads to brand loyalty and purchase intention.

It is still exactly unclear how much AI influencers impact customer engagement compared to social media influencers. However some previous studies assess the effect of influencer marketing, there is still a lack of studies on how AI influencers affect some of the important customer engagement indicators like WOM, purchase intention, and brand loyalty. Sean Sands furthermore mentioned in one of his papers that the social media influencers were portrayed as endorsing products in just exotic settings and dealing with top luxurious brands and fashion industry. So, in this paper, the researcher will look into influencers aspect through a different context which is non-luxury brands (Sands, 2022)

According to some latest statistics, artificial intelligence (AI) is playing a great role in reshaping the world of influencer marketing. Influencer Marketing Hub1 was conducted a survey which clarified that nearly 63% of marketing professionals are thinking of collaborating with AI influencers into their influencer campaigns. Moreover, nearly half of surveyed professionals think that AI will make a revolution in the field of influencer marketing. These statistics highlight the growing impact of AI in influencer marketing strategies to engaging with customers (Geyser, 2024).

This study is organized into four parts after the introduction followed by the references and appendices.

Chapter two provides the theoretical background of influencer marketing in the literature review, and also clarifies the two adapted conceptual models which examines other researchers' work on topics which is how far similar to this paper to help in the judgment and assessment of this study's results.

Chapter three starts with an introduction to the research methodology. It presents the research problem, research objectives, and research justifications (both theoretical and practical). The chapter advances the research conceptual model and its components of the variables that affect directly and indirectly the dependent variable in the research. It also describes the research population, along with the sample type and size. It also presents the limitations of the research.

The fourth chapter ends with the study with a discussion for the findings of the research, and empirical elaboration on the results. The chapter provides the research conclusions concerning the impact of AI influencers on the engagement of customers with providing new areas for future research work and requires more rigorous investigations in future studies along with managerial implications.

At the end of the paper, the reference list cited in the research is along with the experts and customers interview questions.

2. CHAPTER TWO: LITERATURE REVIEW

2.1 The Chapter Introduction

This chapter presents the theoretical background through the literature which is related to influencers in general and AI influencers in specific and their impact on the customer engagement.

The theoretical background of this research study is organized in two parts. The first part deals with social media influencers through literature and their role and limitations in digital marketing concept. While part two is dealing with cutting edge AI influencers and their role in engaging the social media customers.

Social media influencers have a major importance in literature. They change the way different brands from different categories promote their products using their relationships with followers. However, a new cutting-edge player entered the picture.

Artificial intelligence (AI) influencers offer brands a unique opportunity to personalize engagement efforts in an unimaginable way. The researcher will explore not only the theoretical frameworks that clarify the effect of AI influencers on customer engagement but also some applications for them.

The paper intends to examine the impact of this new trend AI Influencers in the concept of non-luxury brands.

The researcher used many essential filters to choose appropriate sources for the research. The selection of scholarly works came first in order to ensure the trustworthiness and reliability of information. Then databases like Google Scholar and EKB were explored quite widely with queries about AI influencers or social media influencers in customer engagement contexts versus non-luxury brands.

Second, we considered the time frame (last five years) in which the publications appeared in order to capture the most current developments in that field.

Last, articles that provided empirical data, theoretical insights, or case studies on the effectiveness of AI influencers and their impact on customer satisfaction were given priority.

2.2 The Social Media Influencers

In today's digital world, social media influencers have a great role in brand perception and consumer behavior. They engage their large number of followers on platforms like Instagram, YouTube, and TikTok through impacting the consumer preferences and purchasing decisions through their content.

2.2.1 The Definitions of Social Media Influencers

De Veirman et al., Kearney, Byrne and MacEvilly (2017) highlighted the importance of WOM in digital marketing, and the more increased control the marketers have using influencer marketing.

In another context, Lou (2019), Taillon (2020), and Martínez-López (2020) emphasize the influencer marketing's significance role in social media and digital marketing, and the transfer towards visual content in social media channels.

As we dig through all of these definitions, the author suggests that social media influencers are individuals who have engaged with their influencers on various social media platforms. These social media influencers have the power to impact purchasing decisions through the relatable content they create and share though their experiences, or interests for certain products.

2.2.2 The Roles of Social Media Influencers

The first and main role for social media influencers is creating the engagement content through social media channels which enhance the credibility and engagement of the brand which lead to brand loyalty and love (Veirman et al., Cauberghe, & Hudders, 2017).

The second role for them is that they work on reaching the right audience target for each social media platform which plays a great role on the outcome engagement level (Enke & Borchers, 2019).

Another role which is very important is that social media influencers have a moderator impact between customers and brands by increasing the customers engagement by likes, sharing or commenting on brands social media channels (Santiago & Castelo, 2020).

Therefore, social media Influencers change the customers buying decisions and enabled brands through the power of WOM to reach their target audience. (Santiago & Castelo, 2020).

2.2.3 The Limitations of Social Media Influencers

With all the positive roles an influencer can bring to a brand, there is a big issue which can affect the relationship between the audience and the influencer and the customers and the brand respectively. It is the topic of trust.

Knowing the truth of an influencer's review is hard. You have to be following the influencer for years to know whether his reviews are real or fake by knowing well his sense of taste and his behavior.

In a survey done by UM media agency, 4% of the recommendations coming from social media influencers, were thought to be trusted and true. Another study done in 2019 by Adweek, 33,5 percent of respondents thought that it is time for AI influencers such as @lilmiquela.

In conclusion, non-luxury brands work for long time with social media influencers to increase their customer engagement and purchase intention. But according to the huge change in marketing trends and because of some limitations as trust, it is necessary for these brands to start giving an eye on the new cutting-edge AI influencers.

2.3 The AI Influencers

After explaining the definitions and role of social media influencers and how they affect customer engagement, the researcher will focus on a new trend in digital marketing which is named AI influencers. Despite social media human influencers have been dominating the area of digital marketing for a long time, a new trend of non-human influencers is starting to dominate the market (Kuch, 2022).

AI tools are currently able to optimize marketing campaigns and reduce the risks of human errors (Hall, 2019).

Marketers start to explore the importance of AI influencers in their digital marketing strategies (Dwivedi et al., 2021; Whittaker et al., 2021) and to recognize the impact of AI on influencer marketing and the dynamics of customer engagement in the age of digital marketing.

2.3.1 The Definitions of AI Influencers

AI influencers have become well known on an international scale during the 2017s. Thus, AI influencers is a term which reshapes the digital landscape particularly on platforms like Instagram (Park et al., 2021). The concept of AI influencers has rapidly grown in importance for the last years (Thomas & Fowler, 2021).

The definition of AI influencers has undergone development and elaboration having a significant evolution in influencer marketing using advanced technologies such as AI and Machine Learning to enhance their abilities. Several theorists have pointed to the definition as a redefining of the boundaries of digital influence through interacting with followers without human involvement (Thomas & Fowler, 2021; Casarotto, 2021).

Some of the literature on AI influencers presents it as a new paradigm in the field of influencer marketing, where human-computer interaction plays an important role in shaping the dynamics between humans and AI influencers (Kanade, 2022).

The central idea behind artificial Intelligence technology is that it continues to develop rapidly, enabling brands to benefit from AI-driven techniques in digital marketing such as virtual shopping, chatbots, and personalized marketing (Team, 2022).

2.3.2 The Importance of AI Influencers:

AI influencers have gained much popularity last years on social media platforms and have successfully worked with some well-known brands for some reasons.

Several theorists have thought the reasons are because AI influencers can act and do the same things as human influencers and give more control to the brand over their control image as they are not affected by physical limitations which goes along with the brands beliefs and values (Jalan & Molenaar, 2022)

The social presence theory explained why AI influencers are successful as they are being controllable social actors acting as real social media influencers and impacting the customers thoughts and feelings (Lee & Nass, 2003; Biocca, 1997).

Another importance for AI influencers which is in literature is that they have consistency in posting their content having the ability to interact with their followers around the clock (De Veirman, Cauberghe, and Hudders, 2017). Although human influencers have a limited time and effort, AI influencers can publish large amount of content and campaigns across multiple social media platform (Moustakas & Appel, 2020).

And one of the most important aspects of AI influencers is that they do not age and can be associated with young customers ever.

2.3.3 The Types of AI Influencers

The researcher here will explain two of the categories of AI influencers through literature.

The first AI influencers category has the appearance of humans which sometimes is very difficult to distinguish from a first look. One of these types is Lil Miquela which is very famous and has millions of followers and works with well-known brands. One of her notable campaigns is when she had a collaboration with Prada and appeared on her Instagram account wearing their Fall/Winter 2018 collection (Yesiglou, S. & Costello, J. 2020); Miquela, 2023).

The second AI influencers category is very unique and does not like humans in appearance. It appears like an avatar but with some humanlike. One of the well-known AI influencers of this type is called noonoouri; she works with many brands like Dior and has millions following her on Instagram (noonoouri, 2023).

To conclude, the researcher above divided the influencer marketing into two types, social media influencers and AI influencers. For each category, the researcher defined each one and explained some of the applications and importance of each type. of influencers.

Later In this paper, the researcher will focus on the impact of AI Influencers in the customer engagement through theories and adopted conceptual models from literature.

2.4 The Customer Engagement

Customer engagement is one of the most pivotal concepts in marketing literature, especially in the field of social media marketing. It refers to the relationship between a customer and a brand. This research examines the impact of AI influencers on customer engagement.

In the social media field, the theorists defined engagement as the amount of emotional, rational, and physical existence on social media platforms (Cheung, Shen, Lee, & Chan, 2015).

Because of the huge development in the AI influencers field, the factors that affect customer engagement should be continuously examined which will lead to more brand loyalty (Helme-Guizon & Magnoni, 2019).

The researcher in the next few pages will present a number of theories which have stated the relation between the concept of customer engagement and the influencers marketing field and have been related to AI influencers.

2.4.1 The Online Engagement Theory

The theory indicates that engagement is like a contract between the customers and the brand; it includes the internal stakeholders in the managerial activities. A few theorists explained that it is very important for the customers to be involved with brand activities in order to generate benefits for the business as loyalty, satisfaction, and trust (Brodie, Ilic, Juric, and Hollebeek, 2013; Kumar & Pansari, 2015; Vivek, Beatty, and Morgan, 2012).

Moreover, other theorists discovered that customers are not just engaged with brands by actions only but also by using WOM as reviews of products in social media platforms or web blogs (Reinartz and Kumar, 2002; Sashi, 2012).

2.4.2 The Trust-Based Marketing Theory

Trust-based marketing theory was created by Dr. Glen Urban and is a theory in marketing about how to build a relation between the customers and the brands through trustworthy information (Urban, Glen L., March 2003).

In order to have a loyal customer based on the theory, the brand has to be honest and try to build customer trust through unbiased advice (Urban, Glen L., March 2003).

From the theory consideration, the brands have to respect their customers by giving them all the products options which will lead to customer trust. Through trust, brands will have customer loyalty which will in return achieve the profitability of each customer (Urban, Glen L., March 2003).

2.4.3 The Electronic Word of Mouth (eWOM)

Electronic word of mouth (eWOM) occurs when the customers have been engaged in online communication channels and have been shared opinions about products or brands via electronic devices (Thorsten et al, 2004). Consumer purchasing decisions are highly affected by the expansion of social media platforms; customers use Instagram to express their views and experiences, thereby influencing other people purchase decisions. The effectiveness of eWOM and online communication and their influence on purchasing decisions are closely linked to source credibility. This means that purchasing decisions are highly dependent on how credible the person recommending a product or company is perceived to be (Erkan & Evans, 2016).

Word of mouth has consistently been a highly valuable and crucial tool of marketing with a huge effect on customer purchasing behavior due to the trust of recommendations from people they know (Thorsten et al, 2004). As social media networks

have evolved and become more advanced, everyday interactions have shifted to online platforms, impowering users to share recommendations with their relatives and followers (Chu & Kim, 2011). Consumers actively engage with products or companies they prefer by interacting through like, share and comments aligning with their interests. This engagement encourages them to share their choices with their followers, influencing their decisions in the process of buying decisions (Chu & Kim, 2011).

The type of customers who exhibit opinion-seeking behavior are more likely to look for recommendations before buying a product (Flynn et al, 1996). On the other hand, opinion leader customers are the ones who tend to give their opinions on a product and are likely to share their experiences and recommendations influencing other people in purchasing behavior (Feick & Price, 1987).

2.4.4 The Adopted Models

2.4.4.1 Nguyen Thanh (2019) Model for The Relation between Online Trust and the Engagement of Customers

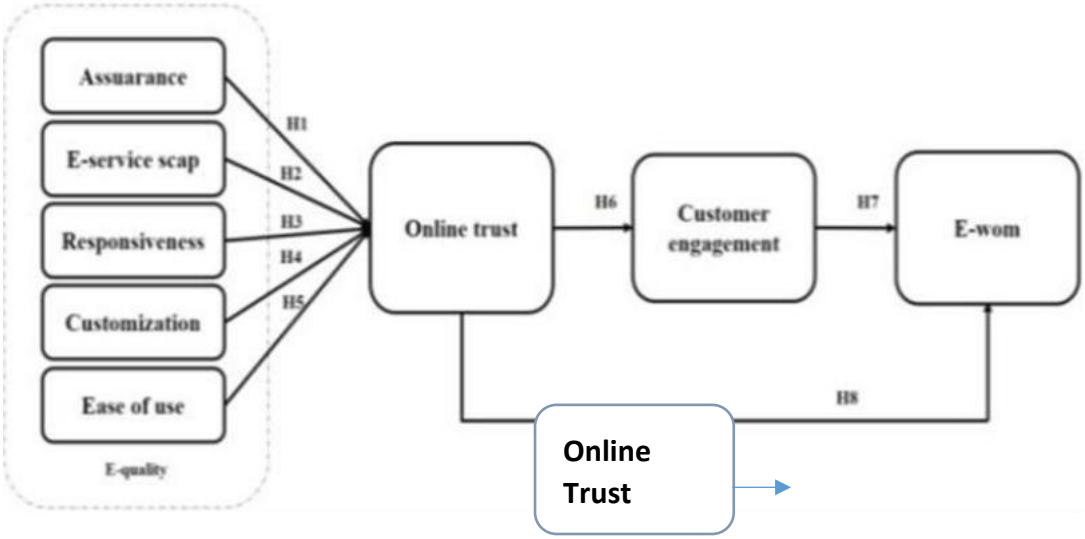

Figure 2.1: Nguyen Model for Customer Engagement (Source: Nguyen N. D. Thanh, Nguyen T. Binh.,2019)

This model is developed in 2019 by Nguyen N. D. which is used in describing the impact of online trust, customer engagement and eWOM which provides the marketers with valuable insights that occurs in online interactions within digital channels. Figure 2.1 shows the different dependent and independent variables for this model.

The theorists Pinho, Soares and Nobre (2012) explained that online trust has a great impact on engagement fostering and opinion sharing by users. When users trust a brand, they start to engage highly and start to spread positive eWOM which will determine credibility with digital channels.

The researcher will adopt this model but with some modifications which will be explained in the research methodology section.

2.4.4.2 Sands (2022) Model for AI Influencers

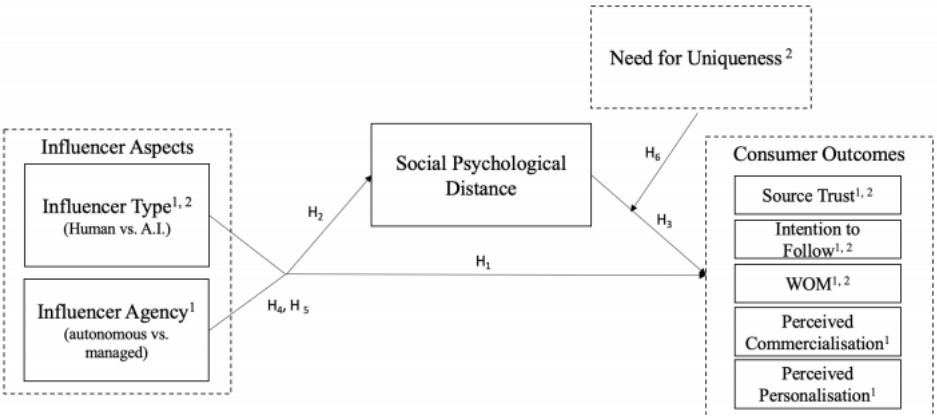

Figure 2.2: Sands Model for AI Influencers (Source: Sands, S., Campbell, C., Plangger, K., & Ferraro, C., 2022)

This model explains the AI influencers concept and how customers respond to AI influencers in comparison to social media traditional influencers through two studies (Sands, 2019).

The first study assesses the AI influencers impact on customer perception and shed light on the social psychological distance and the agency of influencer role.

The second study introduces the need for uniqueness role as a moderator variable and highlights the social distance as a mediating variable in shaping customer response to the type of influencers. Figure 2.2 shows the different dependent and independent variables for this model.

The researcher will adopt this model but with some modifications which will be explained in the research methodology section.

2.4.5 Customer Engagement within AI Influencers

According to some theorists through literature, non-human influencers have higher impact on customers engagement on social media channels. The indicates that the rate of user engagement of AI influencers is triple the rate of social media influencers (Baklanov, 2021).

Additionally, other theorists explained that AI influencers are becoming more popular on Instagram channel. Almost half of Americans in 2022, purchased a product through Instagram channel sponsored by AI influencer (Rozema, 2022).

Although this, there is still a notable gap in research about the impact of AI influencers on customer engagement. The previous studies focused on comparing the customer engagement for both social media influencers and AI influencers (Xie-Carson, Magor, Benckendorf & Hughes, 2023).

Existing studies also focused on the impact of AI influencers on luxury brands. There is a gap in their impact on non-luxury brands. This gap makes it necessary for further research in how AI influencers can impact non-luxury brands customer engagement.

2.4.6 Luxury Brands & Non-Luxury Brands

2.4.6.1 The Luxury Brands

According to a number of theorists, luxury brands could be defined as prestige, high quality products which charged for premium prices and combined with heritage and a luxury lifestyle sense (Kapferer & Bastien, 2009; Okonkwo, 2007).

These brands target customers with high luxury experiences and social status (Kapferer & Bastien, 2009; Vigneron & Johnson, 1999).

From the researcher's point of view, luxury brands are most of time associated with AI influencers, targeting customers who tend to be unique and want to differentiate themselves from others.

2.4.6.2 The Non-Luxury Brands

On the other hand, other theorists defined non-luxury brands as the type of products which are affordable and easily accessible to most customers. These brands provide money value rather than prestige (Kapferer & Bastien, 2009; Okonkwo, 2007).

From the researcher's point of view, AI influencers are not much familiar with non-luxury brands compared to luxury brands for many reasons. The most important reason is that non luxury brands lack resources and marketing knowledge to be able to use AI influencers.

2.5 The Exploratory Research Findings

Exploratory research has been conducted by the researcher helping to access the AI influencers impact on customer engagement and to enhance the research problem in the non-luxury brands context.

2.5.1 The Experts' Insights Summary about the Impact of AI Influencers on Customers Engagement for Non-Luxury Brands

The qualitative research is intended to give a reality glimpse and test the research idea's validity. The researcher believes that AI Influencers have great impact on the customer engagement but believes that the trust variable especially in Egypt for non-luxury brands could affect the customers engagement with AI Influencer suggestions for brands products.

The researcher conducted a few in-depth interviews with non-luxury retail brands marketing managers, to get their insights whether they believe that AI influencers impact the improvement of customers' engagement with the brand.

The researcher created questions that will direct the interview in the desired direction, and also to assist analysis. This can be summarized as the following:

Experts' interviewees were asked first if they have heard about the concept of AI influencers and after that they were asked to share any experiences they have while engaging with AI influencers and if there were any variables that may affect the AI influencers trust.

All the marketing managers for retail non-luxury brands responded that there is a great understanding of the dynamic trends about influencers and their impact on the engagement of customers and that the new trend AI influencers may offer brands an opportunity to increase the power of technology and to create content that helps customers increase their engagement with the brands.

What's disappointing while having the discussion with the experts was that they suggested that trust in AI influencers may vary depending on some factors with brand values. From one interviewees point of view a cultural play a role in this case and that Egyptians will not consider AI influencers as a trust source of information.

A second variable that was highlighted during the discussion with experts was the importance of the promoted product type. In this concern the researcher pointed out that successful campaigns by influencers should carefully match the influencer's audience interests and demographics with the product category and type. On the other side they all agreed AI influencers are more likely to promote Luxury products in particular.

The third variable that was highlighted during the interview was related to the role of uniqueness and its impact on the engagement with AI influencers. Many of the Experts agreed that some of the customers prefer brands that offers unique products and experiences, and AI influencers can effectively succeed this by their unique persona.

In terms of Promotion, when experts were asked if the WOM has an impact on the relation between customer engagement and AI influencers, all experts agreed that it is the most trusted source of information in the context of influencers which could lead to a loyal customer with the brand.

2.5.2 The Customers' Insights Summary about the Impact of AI Influencers on Customers Engagement for Non-Luxury Brands

To have a more complete view of the research problem, the researcher interviewed a number of non-luxury retail brands customers. The result of the customers' interviews answers can be summarized as the following:

Data from a number of customers of non-luxury retail brands who have been familiar with social media influencers and have been engaged with them was acquired through qualitative interviews.

Customers were asked whether they are familiar with the concept of influencers or not and if they have been following social media influencers. Almost all customers answered that they have been following on Instagram channel more than 10 social media influencers.

After that, they were asked whether they have heard about AI influencers concept and some of them answered that they have already been following a well-known AI influencer called Maquila and that they started to be familiar with them.

Then, the customers were asked about their favorite fashion retail brand that they used to buy from it to stand with their level and try to connect whether there is a relationship between following AI influencers and type of brands.

Building on the answers it seemed that the more the customers are from a high level, the more they followed luxury brands and the more they were being able to follow AI influencers.

Most of the customers interviewees who used to buy from luxury brands stated that luxury products have more credibility and that if a well-known brand promotes their products through AI influencers, they will trust this content.

Furthermore, the customers were asked about the trust variable. There was a notable agreement that Egyptians will not trust AI influencers in a large percent because of our habits and culture. Egyptians appreciate the WOM especially from the social media influencers who own a high credibility.

Accordingly, most of the customers stated that WOM recommendations from family members, close friends or customers reviews have a great impact on the customers purchase intention.

During the conversation with a few numbers of customers, a new variable started to appear. These interviewees stated that the feeling of uniqueness has an impact on their engagement with influencers. They completed that they prefer to follow the top niche

social media influencers that go along with their level of lifestyle and values and who promote unique products. So, they answered that they have no problem following AI influencers if they will give them something special and unique.

In general, there is a crisis of confidence in the Egyptians' customers thoughts towards AI influencers. Most customers especially from low or medium level of lifestyle may not trust the AI influencers at all. They indicated that they may follow the AI influencers just to be updated with new trend of influencers or with new products, and that it will be just engagement with them without having the intention to buy the products they promote.

2.5.3 The Implications of the Research of Exploratory

The exploratory research results caused some modifications in the two adopted models explained in the literature review section which can be summarized as the following:

In the part of the Nguyen N. D. (2019) model which explain the relation between customer engagement and online trust, the researcher decided to take the part of the model which focus on the relation between customer engagement and online trust and reorder the part of WOM to become before the customer engagement not after it. This part is important to understand the factors that impact online customer engagement.

The researcher decided to remove the part of e-quality aspects as it is not related to this paper.

In the part of Sands model (2022) which explain the AI influencers and based on the literature review and the interviews with experts and customers, the researcher decided to concentrate on the impact of AI influencers on customer engagement and purchase intention. Rather than highlighting the influencer agency and the social psychological distance role, the researcher focused on understanding how customers interact with the new trend AI influencers and how that can affect the non-luxury brand field.

2.6 The Chapter Conclusion

In this chapter, the researcher discussed the definition of AI influencers through the literature review and their applications. The researcher also presented the impact of AI influencers on non-luxury brands. At the end, the chapter ends with a presentation of the findings of the exploratory research.

3. CHAPTER THREE RESEARCH METHODOLOGY

3.1 The Chapter Introduction

In this chapter, the researcher focuses on the research methodology which was used in this study. This chapter also includes the research problem detailed description in addition to the objectives of the research which highlights the study's aims.

The researcher in this chapter also explains the conceptual framework with its all dependent, independent, and moderating variables. Based on the conceptual model, the researcher explains the eight hypotheses.

Finally, in this chapter, the researcher provides the research population and the sampling process description.

3.2 The Problem Statement

Due to a lack in the knowledge of AI influencers based on literature review, the marketers struggle to properly use the AI influencers in engaging their customers.

Evaluating the impact of AI influencers in the context of non-luxury brands rather than just luxury brands is very important to optimize the influencer driven campaign and to enhance the strategies of marketing (Sands, S., Campbell, C., Plangger, K., & Ferraro, C., 2022).

To close this gap, the researcher will conduct in this study an effectiveness comparative analysis of social media human influencers and AI influencers specifically for the non-luxury brands, finding some differences in their customer engagement affect.

This study seeks to provide marketers with practical insights by detecting disparities in how they influence customer engagement which is designed to be practically useful for marketers who want to understand how AI influences them outside luxury settings because it would steer stronger marketing strategies based on brand performance directing towards improved customer interaction and business performance.

3.3 The Research Objectives

The identified objectives of the research are listed as the following:

1- Assessing the AI influencers impact on customer engagement within non-luxury brands context.
2- Assessing the impact of AI influencers on customers online trust, WOM, and follow intentions.
3- Examining the type of brand mediating variable role in the relation between the AI influencers and the online trust and their impact on customer engagement.
4- Exploring the need for uniqueness moderating variable effect on the relation between the type of brand and the online trust and their impact on customer engagement.

3.4 The Research Importance

The importance of this study is divided into two types which are theoretical and practical significance.

3.4.1 The Theoretical Importance

The study is a valuable contribution to the literature academy on AI influencers. It develops the literature and extends it to the new non-luxury brands industry and helps decrease the gap between practice and theory, beside that it examines the relation between the customers trust of AI influencers and customer engagement. The research is important for understanding influencer marketing and consumer behavior in the digital age.

3.4.2 The Practical Importance

One of the important reasons for this research is that marketers can manage their marketing career more professionally and to provide the marketing managers with information about new trends in influencing marketing and how to benefit from it.

It also provides marketers with actionable processes to help them enhance their strategies in dealing with the concept of influencer marketing and optimize the engagement of customers. By understanding the impact of social media influencers in comparison with AI influencers, marketing managers can make the right decision whether to use the traditional influencing way or the new trend of it.

3.5 The Conceptual Model

Lots of papers in the literature presented the concept of customer engagement with all its details, but in this paper the researcher decided to choose and adapt two previous models from literature to concentrate on. These models are Nguyen (2019) and Sands (2022) models.

The researcher modified these two models and decided to use just three of the components of Nguyen model (eWOM, Online Trust, Engagement of Customers) added to another two components which has been chosen from the Sands model (Need for Uniqueness, Influencer Type).

In the Nguyen model, the researcher ignored the e-quality variables as it is not relevant to this paper.

In the Sands model, the researcher decided to choose just two components of the model and decided to ignore the influencer agency variable, social psychological variable and the consumer outcomes variables. The researcher decided to ignore them as these variables are not important in the context of non-luxury brands in Egypt. The researcher decided to expand the AI Influencers study in the context of non-luxury brands as all previous researches highlighted its importance for just luxury brands.

Figure 3.1 represents the proposed conceptual framework which is used in this study to assess the impact of AI influencers on the engagement of customers for non-luxury brands.

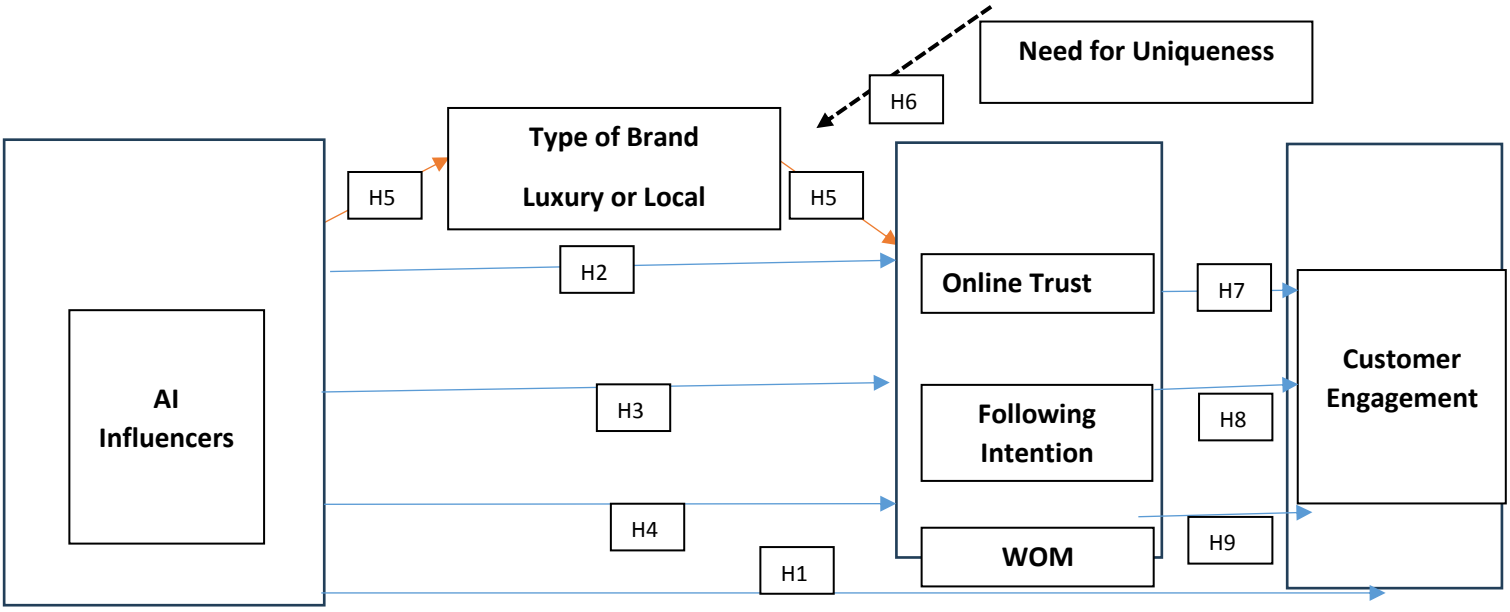

Figure 3.1: Conceptual Framework for AI Influencers Impact on Non-Luxury Brands Customer Engagement

3.6 The Research Hypotheses

According to all above, nine research hypotheses were developed to evaluate the conceptual model which was proposed as the following:

H1: There is a positive significant relation between AI influencers and customer engagement with brands.

H2: There is a negative relation between AI influencers and trust.

H3: There is a positive relation between AI influencers and the following intention.

H4: There is a positive relation between AI influencers and the WOM.

H5: Type of brand mediates the relation between the AI influencer and source trust.

H6: The need for uniqueness moderates the relation between type of brand and trust.

H7: There is a positive relation between Online trust and customer engagement.

H8: There is a positive relation between the following intention and customer engagement.

H9: There is a positive relation between WOM and customer engagement.

3.7 The Research Population & the Sample Unit

This part outlines the population of the research besides the sampling method applied in the research.

3.7.1 The Research Population

The research population is the highest number of individuals who are interested in the problem statement. The research population consists of generation Y and older Z Egyptian customers who own an Instagram account.

3.7.2 The Sampling Unit

The sample should be people between the age of 18 to 41 who own Instagram accounts and are following social media influencers.

3.8 The Research Limitations

- The Sector Limitation

The study is directed at the non-luxury brands sector. Therefore, findings generalizations to other industrial fields should be made with caution.

- The Financial & the Duration Limitation

In addition to the limited financial resources, the research duration was very limited as it took just 3 months. Thus, the sample size was very limited.

- The Methodological Limitations

This study was not dependent on empirical analysis.

- The Place Limitations

The study was taken place in Egypt which makes a place limitation. Generalizations should be considered.

4. CHAPTER FOUR: DISCUSSION, CONCLUSION, MANAGERIAL IMPLICATIONS & SUGGESTIONS for FUTURE RESEARCH

4.1 The Chapter Introduction

In this chapter, the researcher sums up the findings which were displayed in Chapter Three and makes it in comparison with the literature review studies that were discussed before.

Furthermore, in this chapter, marketers' recommendations and implications are included. Finally, a number of suggestions for researchers who could continue this work in the future are listed.

4.2 The Conclusion

This paper attempted to assess the impact of AI influencers on customer engagement for non-luxury brands and to close the gap which was presented in previous research that focused on the impact of AI influencers in the context of luxury brands only using two models. These models are Nguyen (2019) and Sands (2022) models (Sands, S., Campbell, C., Plangger, K., & Ferraro, C., 2022).

The researcher decided to use three of the variables of Nguyen model (eWOM, Online Trust, Engagement of Customers) added to one variable from the Sands model (Need for Uniqueness).

Based on the literature and the exploratory study, the researcher highlighted the impact of type of brand as mediator variable on the relation between AI influencer and online trust which was a gap in the literature. Furthermore, the researcher also highlighted the impact of need for uniqueness as a moderator variable on the relation between type of brand and online trust.

According to the literature and the exploratory study, the researcher suggested nine hypotheses which explain the relation between the engagement of customers and AI influencers.

The researcher claimed that there is a great positive impact of AI influencers on customer engagement but there is a difference compared to social media influencers in the trust issue. The relation between AI influencers and trust is negative as most of Egyptian customers the researcher interviewed answered that they will not trust the products the AI influencers promote at all.

Otherwise, the relation between the AI influencers and the WOM and intention to follow is positive as the same customers claimed that they will follow the AI influencers to know what is new in products and the new trends.

As mentioned before, the type of brand mediating variable affects the relation between the AI influencers and the online trust. This means that the more luxury the product is, the more trusted it is. As some of customers through the interviews claimed that the luxury brands are very trusted and that could affect their online trust in AI influencers as a result.

The researcher highlighted before the impact of need for uniqueness moderator variable on the relation between brand type and the online trust. This means that the more unique the customer wants to be, the more luxury products the customer will buy which will affect the relation between brand type and trust to be positive relation.

Finally, the researcher through the hypotheses claimed that trust, WOM and following intention have a great positive impact on the customer engagement with AI influencers.

At the end, the researcher recommends that there should be an empirical study for this research.

4.3 The Managerial Implications

The findings of this research have great implications for Egyptian marketers especially for non-luxury brands sector. The following recommendations are presented in result to the findings of the research:

- Investing in the new trends in influencing marketing has become very important nowadays for marketers as it is going to replace traditional influencers with time.
- Replacing social media influencers by AI influencers should be exercised with caution as AI influencers still have a trust issue with Egyptians customers.
- Non-luxury brands should invest in new trends and test the results to enhance their campaigns which depend on influencers especially for those campaigns whose objective is to spread WOM and increase followers.
- Creating offers by luxury and non-luxury brands which target customers who seek uniqueness should benefit from the advantages of AI influencers in this part as seeking uniqueness has a positive effect on the products trust.

4.4 The Future Research Suggestions

The following future research topics are recommended to be continued to discover the AI Influencers impact on Egyptians customer engagement.

- Replicating this study in other fields and industries that depend on engaging with customers is highly recommended.
- Conducting a case study on a specific non-luxury brand is highly recommended to compare the outcomes with the findings of this study.
- The findings of the two new variables product type and need for uniqueness that affects the relation between AI influencers and customer engagement could be extended to other variables by working on another research for the same topic. other mechanisms may be important to focus on as customers expertise level and the credibility of the AI influencer agency.

4.5 The Chapter Conclusion

The researcher in this chapter presents some managerial implications for marketers and a number of topics suggestions for future studies that could enhance this study hypotheses and findings.

REFERENCES

- Xie-Carson, L., Benckendorff, P., & Hughes, K. (2023). Not so different after all? A netnographic exploration of user engagement with non-human influencers on social media. Journal of Business Research, 167, 114149.
- Thanh, N. N. D., & Binh, N. T. (2019). The relationship between online trust, customer engagement and EWOM. HO CHI MINH CITY OPEN UNIVERSITY JOURNAL OF SCIENCE-ECONOMICS AND BUSINESS ADMINISTRATION, 9(1), 128-149.
- Sands, S., Campbell, C. L., Plangger, K., & Ferraro, C. (2022). Unreal influence: leveraging AI in influencer marketing. European Journal of Marketing, 56(6), 1721-1747.
- Wilke, B. (2023). Are you being influenced? The effect of human, virtual and AI influencers on purchase intention through Instagram (master's thesis, University of Twente).
- Xie-Carson, L., Benckendorff, P., & Hughes, K. (2023). Not so different after all? A netnographic exploration of user engagement with non-human influencers on social media. Journal of Business Research, 167, 114149.
- Belanche, D., Casaló, L. V., & Flavián, M. (2024). Human versus virtual influences, a comparative study. Journal of Business Research, 173, 114493.
- Yu, J., Dickinger, A., So, K. K. F., & Egger, R. (2024). Artificial intelligence-generated virtual influencer: Examining the effects of emotional display on user engagement. Journal of Retailing and Consumer Services, 76, 103560.
- Jadhav, G. G., Gaikwad, S. V., & Bapat, D. (2023). A systematic literature review: digital marketing and its impact on SMEs. Journal of Indian Business Research, 15(1), 76-91.
- Michaelidou, N., Siamagka, N. T., Hatzithomas, L., & Chaput, L. (2022). Femvertising practices on social media: a comparison of luxury and non-luxury brands. Journal of Product & Brand Management, 31(8), 1285-1300.
- Barari, M. (2023). Unveiling the dark side of influencer marketing: how social media influencers (human vs virtual) diminish followers' well-being. Marketing Intelligence & Planning, 41(8), 1162-1177.
- Kapoor, R., & Kapoor, K. (2021). The transition from traditional to digital marketing: a study of the evolution of e-marketing in the Indian hotel industry. Worldwide Hospitality and Tourism Themes, 13(2), 199-213.

- Liu, S., Aw, E. C. X., Tan, G. W. H., & Ooi, K. B. (2023). Virtual Influencers as the Next Generation of Influencer Marketing: Identifying Antecedents and Consequences. In Current and Future Trends on Intelligent Technology Adoption: Volume 1 (pp. 23-39). Cham: Springer Nature Switzerland.
- Böhndel, M., Jastorff, M., & Rudeloff, C. (2023). AI-driven influencer marketing: Comparing the effects of virtual and human influencers on consumer perceptions. Journal of AI, Robotics & Workplace Automation, 2(2), 165-174.
- Feng, Y., Chen, H., & Xie, Q. (2023). AI Influencers in Advertising: The Role of AI Influencer-Related Attributes in Shaping Consumer Attitudes, Consumer Trust, and Perceived Influencer–Product Fit. Journal of Interactive Advertising, 1-22.
- Ameen, N., Cheah, J. H., Ali, F., El-Manstrly, D., & Kulyciute, R. (2023). Risk, trust, and the roles of human versus virtual influencers. Journal of Travel Research, 00472875231190601.
- Nisandzic, M. (2020). Are you even real? Virtual influencers on Instagram and the role of authenticity in the virtual influencer consumer relationship (Doctoral dissertation, master's thesis, Leopold-Franzens-University Innsbruck).
- Zhang, L., & Wei, W. (2021). Influencer Marketing: a comparison of traditional celebrities, social media influencer, and AI influencer.
- Bansal, R., Pruthi, N., & Singh, R. (2022). Developing Customer Engagement Through Artificial Intelligence Tools: Roles and Challenges. In Developing Relationships, Personalization, and Data Herald in Marketing 5.0 (pp. 130-145). IGI Global.
- Xie-Carson, L., Benckendorff, P., & Hughes, K. (2021). Fake it to make it: Exploring Instagram users' engagement with virtual influencers in tourism.
- Jang, H. (2022). The impact of the humanness of AI influencers on the success of influencer marketing (Doctoral dissertation).
- Myyrä, T. (2020). Influencer Marketing in the Fashion Industry: The advantages and disadvantages of influencer marketing in fashion promotion.
- Bouvier, L., & Cho, E. (2022, December). How Do Virtual Social Media Influencers Affect Millennial and Gen Z Female Consumers' Purchase Intentions? A Comparison of Fast Fashion Versus Luxury Fashion Brands. In International Textile and Apparel Association Annual Conference Proceedings (Vol. 79, No. 1). Iowa State University Digital Press.
- Lou, C., Kiew, S. T. J., Chen, T., Lee, T. Y. M., Ong, J. E. C., & Phua, Z. (2023). Authentically fake? How consumers respond to the influence of virtual influencers. Journal of Advertising, 52(4), 540-557.
- Revilla, E., Saenz, M. J., Seifert, M., & Ma, Y. (2023). Human–Artificial Intelligence Collaboration in Prediction: A Field Experiment in the Retail Industry. Journal of Management Information Systems, 40(4), 1071-1098.
- Gerlich, M. (2023). The power of virtual influencers: Impact on consumer behavior and attitudes in the age of AI. Administrative Sciences, 13(8), 178.
- Yang, J., Chuenterawong, P., Lee, H., Tian, Y., & Chock, T. M. (2023). Human versus Virtual Influencer: The Effect of Humanness and Interactivity on Persuasive CSR Messaging. Journal of Interactive Advertising, 1-18.
- Feng, Y., Chen, H., & Xie, Q. (2023). AI Influencers in Advertising: The Role of AI Influencer-Related Attributes in Shaping Consumer Attitudes, Consumer Trust, and Perceived Influencer–Product Fit. Journal of Interactive Advertising, 1-22.
- 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.
- Sarathy, P. S., & Patro, S. (2023). Influencer Marketing: An Integrative Model. South Asian Journal of Management, 30(3).
- 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.
- de Brito Silva, M. J., de Oliveira Ramos Delfino, L., Alves Cerqueira, K., & de Oliveira Campos, P. (2022). Avatar marketing: a study on the engagement and authenticity of virtual influencers on Instagram. Social Network Analysis and Mining, 12(1), 130.
- Shaloka, L. M. (2021). A Study of Computer-Generated Imagery (CGI) in Social Media Influencer Marketing (Doctoral dissertation, Millersville University).
- Bungei, E. The Effect of Artificial Intelligence (AI) Influencers on Customer in the Saudi Arabia.
- Veleva, S. S., & Tsvetanova, A. I. (2020, September). Characteristics of the digital marketing advantages and disadvantages. In IOP Conference Series: Materials Science and Engineering (Vol. 940, No. 1, p. 012065). IOP Publishing.
- Saini, S., Ngah, A. H., Sahai, S., & Bansal, R. (2024). When AI Meets Influence: Exploring the Integration of ChatGPT and Influencer Marketing. In Leveraging ChatGPT and Artificial Intelligence for Effective Customer Engagement (pp. 272-284). IGI Global.
- Wortelboer, M. (2022). "Lil Miquela makes me feel uncomfortable, but I keep following her": An interview study on motivations to engage with virtual influencers on social networking sites (master's thesis, University of Twente).
- Mukherjee, A., & Nath, P. (2007). Role of electronic trust in online retailing: A re-examination of the commitment-trust theory. European journal of marketing, 41(9/10), 1173-1202

APPENDIX

APPENDIX: INTERVIEW

The Interview Subject: The Impact of AI Influencers on Customer Engagement for Non-Luxury Brands

Appendix A: Customers Interview Questions

1- Do you have an account on social media?
2- Do you have an account on Instagram?
3- Have you heard before about social media influencers?
4- How many Instagram influencers do you follow on average?
5- Which type of brands do you follow more, the local or the luxury brands?
6- What type of fashion brands category do you shop more from?
7- Have you ever recommended a product to your friends promoted by social media influencers?
8- Have you heard before about AI influencers?
9- Are you following any AI influencer?
10- Could you please share one of your experiences engaging with a brand which is promoted by AI influencer on Instagram?
11- Do you believe that AI influencers will be trusted social media influencers? Explain why?
12- Which type of influencers are you intending to follow on Instagram more, AI influencers or social media influencers?
13- Will the product type which is promoted by AI influencer affect your decision to buy this product or to engage with that brand?
14- Will you trust the AI influencer recommendation if it will be a luxury product compared to a local product?
15- How important is to be unique from others for you?
16- How important will be the uniqueness for you if the products are promoted by AI influencer? Will it influence your choice to engage with this brand?
17- How important is the online shopping trust for you? will it affect how you engage with online brands?
18- Have you ever bought a product based on friends WOM recommendations?

Appendix B: Experts Interview Questions

1- As an expert in marketing, define the influencers' role in impacting customers perceptions?
2- As a professional, what differs social media influencers from AI influencers in terms of their effect in endorsing products?
3- How do you assess the credibility and trust of social media influencers in comparison with AI influencers when it comes to promoting brands?
4- What aspects affect the influencer marketing campaigns to be successful?
5- What strategies would you recommend for brands to address the opportunities associated with merging AI influencers into their strategies for digital marketing?
6- How important uniqueness is in influencer marketing, especially for non-luxury brands?
7- What is the impact of trust in influencing customer engagement with brands promoted by social media influencers?
8- How do you expect the future of influencer marketing, particularly with the new trend of AI influencers?