

# Effectiveness of Influencer Marketing on Consumer Purchase Behaviour

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*Abstract- Influencer marketing is becoming more popular as a result of word-of-mouth marketing trends. Social media influencers are those who use images, videos, and other posts on social media platforms to affect consumers' opinions of a company or product. Organizations are becoming aware of the potential of influencers in influencing consumers' buying decisions as more consumers use social media platforms. Influencer marketing is a developing discipline in the marketing industry. This study uses a communication model to investigate how the sender (influencer), receiver (influencer's followers), and message (influencer's posts) all influence the success of influencer marketing. The results demonstrate that sponsor salience, follower size, and influencer originality all increase effectiveness. When businesses choose influencers and control content, a number of conflicts arise: Influencer activity, follower-brand fit, and post positivity all have inverted U-shaped moderating impacts on the effectiveness of influencer marketing, indicating that businesses can be more effective if they take a balanced approach along these dimensions. These findings from the research have significant ramifications for marketers creating influencer marketing strategies. The results demonstrate that followers' trust in influencers' branded posts is positively influenced by the informative value of influencer-generated content, the influencer's credibility, attractiveness, and similarity to the followers. This trust in turn influences brand awareness and purchase intentions. Finding the proper kind of influencer who would provide curated tips, stories, and recommendations to interest the audience is essential for effective influencer marketing.*

*Indexed Terms- Influencer Marketing, Influencer, Consumer Purchase Behaviour, Effectiveness of Influencer Marketing*

## I. INTRODUCTION

We are moving closer to the digital era every day. People nowadays day's scroll constantly either tapping away on their laptops or using their smartphones. Social media has become a daily necessity for many people and not a day passes by without them checking their social media habitually. It should not be a surprise that social media platforms have now surpassed traditional advertising channels in importance. The use of social networking sites by businesses has grown in popularity as a way to accomplish relationship marketing goals and raise brand value. In India, a number of social media sites are very well-liked, including Facebook, YouTube, Instagram, Twitter, Snapchat, etc.

The enormous popularity of social media in India can be well understood by the fact that there were 627 million social media users in India as of the year 2023, and it is predicted to rise to 1 billion users in the year 2025. With the increased use of social media, a new type of Digital Marketing has become popular, called Social Media Influencer Marketing. On the one hand, where it is quite common for brands to hire famous celebrities or public figures for endorsing their products and services through traditional advertising channels, social media influencers are common individuals who grow famous online for their knowledge and expertise on a specific topic such as food, fashion, technology, travel, education, reviews, music, movies, sports etc. "Social media influencers represent a new type of independent third party endorser who shape audience attitudes through blogs, tweets, and the use of other social media". They regularly create and post photos, videos and other updates related to their topic of expertise on their social media pages/profiles, and other users follow them for their content if they are interested in that particular topic.

Influencer marketing is becoming more popular nowadays as it is a modern type of celebrity endorsement which is also affordable. Also, by the time brands hire social media influencers, they have made a name for themselves in a particular domain, so when the influencers sponsor brands related to their field of expertise, then it is possible that consumers might readily believe and accept the opinion of influencers. Today, the social media is crowded with the presence of people having experience in diverse fields, and thus, using social media influencers for marketing communication has emerged as an efficient and valuable means for the brands. This type of marketing might prove to be very valuable in building a long-term relationship with the customers for the companies looking to grow their consumer base and convert them into lasting customers.

Objective –

- Examining the role of influencers in shaping consumer behavior
- Identifying the factors for effective influencer marketing
- Investigating the impact of influencer marketing on traditional advertising and media
- Exploring emerging trends and innovative approaches in influencer marketing
- Analyzing the role of influencer marketing in niche markets

## II. LITERATURE REVIEW

Shengnan Ren (2023), this research introduces a novel classification for social media influencers, namely informers and entertainers, and examines the impact of influencer type on engagement and online sales. Our findings suggest that endorsements by influencers who take on an entertainer role attract more engagement (number of views, likes, and comments) than endorsements by influencers who are informers. Furthermore, drawing on an influencer–brand congruency theory, the moderating effect of brand stereotypes is examined.

Min Xiao (2023), YouTube is a popular social marketing platform. Marketers or advertisers can collaborate with a YouTube influencer to present marketing messages. However, negative user-

generated comments may affect the effectiveness of message delivery. Thus, one pretest and two main studies were conducted to investigate the influence of negative comments on consumers and the strategy to combat the negativity. The first study examined the influence of comment valence on product attitude and perceived trustworthiness of influencer. The second study examined how the increased frequency of influencer–viewer interaction mitigated the damage inflicted by negative comments. The findings of the studies reveal that negative comments have a strong influence on consumers. However, if an influencer is actively replying to negative comments, the negative influence is likely to be mitigated. Theoretical and practical contributions of the studies were discussed.

Ahnaf Chowdhury, Jawad Bin, Md. Shah (2022), the study analyzes the impact of attitudes toward food influencers on consumer purchase intention. It also aims to identify factors affecting consumers' attitudes toward food influencers. The study finds that purchase intention is positively correlated and significantly impacted by the attitude towards influencer. The study further finds that attitude towards influencer is positively correlated and significantly impacted by source attractiveness, product match up, and source familiarity. However, source credibility is found to be an insignificant construct impacting attitude towards influencer. The study gives a guided solution to marketers and brand practitioners about the importance of influencer marketing in food industry and its effectiveness in generating purchase intention. The present paper bridges a gap pertaining to antecedents and factors that impact attitudes toward food influencers and consumer purchase intention. To the authors' knowledge, this study is the first of its kind to investigate the impact of attitudes toward influencers on purchase intention in the food industry.

Fine F. Leung, Flora F. Gu (2022), Influencer marketing initiatives require firms to select and incentivize online influencers to engage their followers on social media in an attempt to promote the firms' offerings. However, limited research considers the costs of influencer marketing when evaluating these campaigns' effectiveness, particularly from an engagement elasticity perspective. Moreover, it is unclear whether and how marketers could enhance influencer marketing effectiveness by strategically

selecting influencers, targeting their followers, or managing content. This study draws on a communication model to examine how factors related to the sender of a message (influencer), the receiver of the message (influencer's followers), and the message itself (influencer's posts) determine influencer marketing effectiveness. The findings show that influencer originality, follower size, and sponsor salience enhance effectiveness, and posts that announce new product launches diminish it. Several tensions arise when firms select influencers and manage content: Influencer activity, follower-brand fit, and post positivity all exert inverted U-shaped moderating effects on influencer marketing effectiveness, suggesting that firms that adopt a balanced approach along these dimensions can achieve greater effectiveness.

Dr. Priyanka Pawar (2022), Social media influencer marketing is a recent innovation in digital advertising. Social media influencers are those who use images, videos, and other posts on social media platforms to affect consumers' impressions of a company or product. Social media advertising is done extremely subtly, almost subconsciously, and has a long-lasting effect on the public. When executed well, it engages the user, is interactive, and creates a relationship with them rather than just appealing to their logical side. Influencer marketing is becoming more popular as a result of word-of-mouth marketing trends. Organisations are recognising the potential of influencers in influencing a purchasing choice as customers use social media platforms. The purpose of this paper is to provide a comprehensive overview of influencer marketing prospects and problems, as well as to determine the relative influence of influencer marketing on consumer purchasing behaviour. According to the study, peer influence had no impact on consumer behaviour, but attitudes toward influencers and a perception of behavioural control that permits an increase in domain knowledge did.

Misshka Gupta (2021), Social Media has turned from our regular photos and thought dumping platform to a marketing space mainly led by influencers. Influencers, the ones who influence, hold a firm grasp on people all over social media through their content, views, thoughts, and uniqueness that they have to offer. These influencers are known to impact people

especially the younger generations. We can mark them as a new form of marketing that works beyond traditional marketing and is not limited to just selling a product but broadens the horizon to building a brand identity and creating a trustful relation between the audience, the brand, and the influencer. As the number of people who use social media grow, so grows the number of influencers and so does the number of companies choosing to use influencer marketing. The scope is big, the audience is endless and the influencers are professionals at creating engaging marketing content that is a long-term investment for any company big or small. The aim of this paper is to bring to light the recent uproar of Influencer Marketing on social media during the pandemic and how it has had an impact on companies and on the audience's purchase behavior. The data for this paper has been taken through a small research survey that has also been done on a sample size of 50 consumers to study the impact of influencer marketing on their purchase behavior and decisions. All data used is particular to the pandemic and hence data post-2020 to now has been used.

Saimaa and Prof. M. Altaf Khan (2020), a new digital marketing tool that has emerged today is that of social media influencer marketing. Social media influencers are those individuals who shape consumers' perceptions regarding a brand or product through photos, videos and other updates on social media platforms. This research paper is an attempt to identify the effect of various attributes of social media influencers on their credibility and eventually on purchase intention of consumers in Delhi NCR, India. An online questionnaire was used to collect data through Google Forms and the size of the sample was 76. Quota sampling technique was used, and structural equation modelling through SmartPLS 3 was used for data analysis. The findings reveal that trustworthiness, information quality and entertainment value have significant direct effects on the credibility of influencers as well as significant indirect effects on the purchase intention of consumers. Also, the purchase intention of consumers is directly affected by an influencer's trustworthiness and credibility.

Susanna lee and Eunice Kim (2020), Despite the increasing interest in celebrity influencers as a marketing communication tool, much remains to be

explored to understand how influencer credibility combined with brand credibility affects consumers' perception toward the influencer promotional post. Moreover, there are growing concerns around whether sponsorship disclosure on influencer promotional posts encourages consumers to critically process the advertising message. Thus, this study examines the effects of disclosure types (explicit/implicit/no disclosure), influencer credibility (high/low), and brand credibility (high/low) on the effectiveness of Instagram influencer promotional posts. Findings reveal that highly credible brands featured in Instagram posts have a positive impact on message credibility, attitude toward the ad, purchase intention, and eWOM intention.

Young Anna Argyris, Zuhui Wang, Yongsuk Kim (2020), Influencers are non-celebrity individuals who gain popularity on social media by posting visually attractive content (e.g., photos and videos) and by interacting with other users (i.e., Followers) to create a sense of authenticity and friendship. Brands partner with Influencers to garner engagement from their target consumers in a new marketing strategy known as "Influencer marketing." Nonetheless, the theoretical underpinnings of such remains unknown. We suggest a new conceptual framework of "Visual-Congruence-induced Social Influence (VCSI)," which contextualizes the Similarity-Attraction Model in the Social Influence literature. Using VCSI, we delineate how Influencers use visual congruence as representations of shared interests in a specific area to build strong bonds with Followers. This intimate affiliation catalyzes (i.e., mediates) the positive effects of visual congruence on Followers' brand engagement. To test these hypotheses, we conducted in vivo observations of Influencer marketing on Instagram. We collected >45,000 images and social media usage behaviors over 26 months. We then applied deep-learning algorithms to automatically classify each image and used social media analytics to disclose hidden associations between visual elements and brand engagement. Our hypothesis testing results provide empirical support for VCSI, advancing theories into the rapidly growing fields of multimodal content and Influencer marketing.

Diederich Bakker (2018), Social media has become a prolific tool for companies to build their brands. An

effective way to interact with stakeholders on social media has been the relatively new discipline of 'influencer marketing'. Here, companies engage social media stars to use their large fan-base to promote products and services on their brand's behalf. While related to the promotional tactic of word-of-mouth marketing, influencer marketing lacks a theoretical foundation in the academic discourse. This paper aims to fill this gap by offering a conceptualisation to operationalize the new discipline in practice. The conceptualisation proposes brand owners a methodology to choose the right influencers for their brands and guides influencers to perform optimally with their fan base. Lastly, a consumer perspective is taken to the discussion to emphasize the relevance of influencer marketing in the consumer purchase decision-making process.

Francisco J. Martínez-López (2020), Influencer marketing actions are mostly carried out on social platforms, e.g., Facebook, Instagram and Twitter. However, despite its increasing use, studies on this subject are still scarce. In this research, we focus on four essential factors related to an influencer marketing programme, analyzed in two separate experimental studies for theoretical reasons and methodological operability: brand control over the shared message and its commercial orientation; and, the celebrity level of the influencer and his/her congruence with the product/service they comment on in the post. We are also interested in the effects of these factors on a set of key responses by the follower with regard to the elements that form part of an influencer marketing action: the influencer, the post, and the product/service.

Wärme, Erica, Olsson, Louise (2020), Social media is nowadays one of the best ways to reach new potential customers. Social media platforms allow influencers to promote brands and reach even more customers. These new platforms are relatively untested as regards its effectiveness. The purpose of this thesis was to investigate if influencers affected customers' attitudes and purchase intentions more than online adverts, regarding energy drinks. The thesis used an experiment in order to investigate this further. Combined with previous research in this area and the data from the study's questionnaire, a result for this thesis could be formulated. The study showed that

there was no statistical significant difference of effectiveness between using an influencer or an online advert when it comes to what affects consumer's attitudes and purchase intentions, regarding energy drinks.

Wendy Bandoni, Faina Danielian(2019), Influencer marketing for the past decade has proven to have a powerful voice for brands in the age of digital marketing. The role of influencer(s) continues to have the ability to motivate social attitudes and behavior within their online community towards the brand(s) endorsed by the influencer. The communities built by these social media influencers continue to gain social acceptance with their authentic voices and aspirational content. There has been much research on the effectiveness of social media influencers for brands the past decade, and in this research, we will look towards virtual influencers (VIs), which are not human but are digital recreations with levels of human likeness. In our study, we want to get a better understanding of whether VIs are capable of achieving comparable success to the traditional influencer, as well as the advantages and shortcomings of both types of influencers hold.

Yi Xuan Ong, Naoya Ito (2019), Social media and the power of word-of-mouth (WOM) have resulted in the rise of user-generated content (UGC) which thereby created prominent users who have congregated their own clout of followers as opinion leaders of the new digital century – social media influencers (SMIs). Becoming an integral player in the marketing industry in Singapore, Destinations Management/Marketing Organisations (DMOs) are recognising the influential power of SMIs, employing them as part of its integrated marketing strategy to increase inbound tourism. However, effectiveness of SMI marketing, even more so, social media campaign of a DMO has been minimally examined. Thus, to evaluate the effectiveness of the SMI marketing campaign executed by Hokkaido Tourism Organization, factor analysis and Structural Equation Modelling (SEM) is used. This study suggests that SMI marketing is effective in changing attitude among consumers, especially on destination image, which would consequently affect the consumers' travel intention and intention to do word-of-mouth.

Grafström, Johan, Jakobsson, Linnéa, Wiede, Philip (2018), Influencer marketing has evolved from traditional marketing strategies such as print ads, celebrity endorsement, and digital marketing. Influencer marketing is in comparison to the previously used strategies a new phenomenon that had its major increase during 2016. An influencer is regarded as a person who has built up a lot of followers on a social media platform such as Instagram, and companies are today widely using these people as a marketing tool to reach out to their target audience in an effective way. Because of this increase in popularity and usage, the authors have investigated how millennial attitudes are affected by these promotional messages, as they are an influential group present online. This to get a better understanding of what is needed to be taken into consideration before starting a collaboration between a business and an influencer. After its rise in 2016, a new marketing regulation was introduced to make consumers aware of the content on social media that is regarded as paid partnership, which has changed how people perceive influencer marketing.

Chen Lou (2018), In the past few years, expenditure on influencer marketing has grown exponentially. This study serves as a preliminary research to explain the mechanism(s) underlying the effectiveness of influencer marketing. It proposes an integrated model to explain the impact of influencer marketing messages on social media followers, using advertising value theory and source credibility. We administered an online survey (N = 538) among social media users who followed at least one influencer. Partial least squares (PLS) path modeling results show that the influencer-generated content's informative value, and the influencer's trustworthiness, attractiveness, and perceived similarity to the follower positively predict a follower's trust in influencer-generated branded posts. Moreover, influencer's expertise and attractiveness, as well as follower's trust in influencer-generated branded posts positively influences brand awareness. Put together: influencer-generated content's informative value, follower's trust in influencer branded posts, and follower's brand awareness jointly predict purchase intentions. This study also discusses the theoretical and practical implications of our findings.

Pärnhem, Elias, Rutberg, Johan (2018), This mixed method study set out to investigate how businesses in the fashion and apparel industry can optimize working with two types of influencers; micro-celebrities who rely on their personality to influence, and opinion leaders who rely on their expertise to influence. This was explored through three different research questions. The first research question was a quantitative look at influencers on Instagram, to see if there were any difference in effectiveness and spread between opinion leaders and micro-celebrities. The second and third research questions were a qualitative look through the eyes of influencer marketing experts with the goal of finding out how to maximize the effectiveness and spread of opinion leaders and micro-celebrities on Instagram. The quantitative results found no difference in effectiveness and spread between opinion leaders and micro-celebrities on Instagram. The qualitative results further found that industry experts do not make a distinction between influencers in the way proposed by the study.

Ewers, N.L. (2017), Influencer marketing on Instagram is a relatively new marketing strategy with which marketers try to reach out to their target group through so called influencers. Often these influencers do not disclose that they are being sponsored, which is why critics see influencer marketing as covert advertising. In order to find out how influencer marketing is perceived by consumers, an online experiment was conducted, employing a 2 (type of influencer: celebrity vs. micro-celebrity) x 2 (sponsorship disclosure: “#sponsored” vs. no disclosure) x 2 (product placement: product placement vs. no placement) between groups design. 240 German females, all registered for an Instagram account, took part in this study, which measured message credibility, brand attitude and purchase intention as consumer responses. A main effect, mediated by source credibility, of type of influencer on purchase intention could be found. No main effects for sponsorship disclosure and product placement were found. However, the interaction of type of influencer and sponsorship disclosure affected message credibility, whereas the interaction of all three independent variables affected brand attitude.

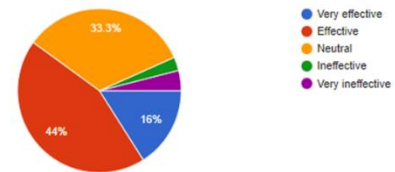
### III. RESEARCH METHODOLOGY

Exploratory research is considered as the first step in examining a theoretical or hypothesis, it lets the discovery of ideas and thoughts while keeping the focus on expanding our understanding of the given topic. This research aims to identify important dimensions and sub-dimensions of influencer marketing that influence consumer’s purchase behavior using a qualitative study. The nature of research design is qualitative as Influencer marketing being a contemporary idea is best suited for it.

#### Data Interpretation

How would you rate the overall effectiveness of influencer marketing on consumer purchase behavior?

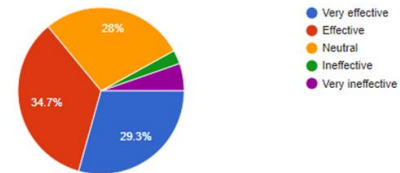
75 responses



About 44% of the respondents agreed that influencer marketing is effective on consumer purchase behavior, 16% said that influencer marketing is very effective.

How effective influencer marketing is in comparison with traditional marketing?

75 responses



Around 54% of the respondents say that influencer marketing are effective in comparison with traditional marketing.

#### Analysis:

So, it can be concluded that majority of the respondents find influencer marketing to be very effective on consumer purchase behavior as compared to traditional marketing.

Brands have come to realize the importance of influencer marketing and therefore optimizing it to the maximum in order to increase reach and engagement,

content creations, brand awareness and image, word-of-mouth publicity, targeted marketing etc.

#### IV. FINDINGS

All the respondents are active on various social media platforms. About 87.6% of them use social media multiple times in a day. In today's generation it has become very usual to be on social media sites and it has become a social need of people especially among youth.

The most used social media platform is Instagram followed by Youtube, Snapchat and Facebook. About 85.3% of the respondents use Instagram as this social media platform is very popular among youth between the ages of 16 to 30. Brands targeting these age group have their online active presence on Instagram in order to entice and engage them.

The most followed niches of influencers are travel, food, technology, and fashion as youth are all into these niches and are really driven by travelling to new places, visiting and trying new cafes, getting knowledge about the latest technology, also fashion and beauty. Respondents often engage with the influencer's content.

The factors that influences the respondent's decision into purchase anything suggested by influencers are Trust & Credibility, Brand image, Social proof, Expertise and Knowledge.

The advantages of influencer marketing are: Authenticity of recommendations, Access to exclusive discounts or promotions, Exposure to new products or brands and Entertainment value.

44% of the respondents agreed that influencer marketing is effective on consumer purchase behavior, 16% said that influencer marketing is very effective.

Around 54% of the respondents say that influencer marketing are effective in comparison with traditional marketing.

#### CONCLUSION

In conclusion, the research on the effectiveness of influencer marketing on consumer purchase behavior highlights its significant impact on brand promotion and consumer decision-making. The findings demonstrate that influencer marketing provides brands with a powerful tool to reach a wide audience, foster trust and credibility, target specific demographics, and create authentic and relatable connections with consumers. By leveraging the reach, influence, and content creation abilities of influencers, brands can enhance their marketing efforts and drive consumer engagement and purchasing behavior.

The research also emphasizes the importance of strategic selection of influencers based on their alignment with the brand's target audience, values, and identity. Transparency and authenticity are paramount, as consumers value genuine partnerships and recommendations. Therefore, brands should prioritize establishing meaningful collaborations with influencers, focusing on co-creation, product launches, giveaways, and other promotional activities. Overall, influencer marketing has emerged as a crucial strategy for brands to connect with consumers, influence their purchase behavior, and achieve long-term brand growth in an increasingly digital and socially-driven marketplace.

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