MARKETING

Influencer Marketing and Its Impact on Gen Z Purchase Decisions: A Case Study of Mamaearth in the Indian Beauty and Personal Care Market

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Abstract

The rapid development of digital technology and social media has significantly transformed the marketing environment. Businesses are increasingly moving beyond traditional promotional methods such as television, newspapers, magazines and radio towards digital marketing strategies that facilitate direct communication with consumers. Among these strategies, influencer marketing has emerged as an important promotional tool for developing brand awareness, building consumer relationships and influencing purchase decisions.

1 Introduction

The rapid development of digital technology and social media has significantly transformed the marketing environment. Businesses are increasingly moving beyond traditional promotional methods such as television, newspapers, magazines and radio towards digital marketing strategies that facilitate direct communication with consumers. Among these strategies, influencer marketing has emerged as an important promotional tool for developing brand awareness, building consumer relationships and influencing purchase decisions.

Influencer marketing involves collaborating with individuals who have established credibility, expertise or popularity among social media audiences. These individuals communicate product information through reviews, demonstrations, tutorials, recommendations and sponsored content on platforms such as Instagram and YouTube.

Generation Z, generally defined as individuals born between 1997 and 2012, represents an important market segment for contemporary marketers. These consumers have grown up in a digitally connected environment and frequently use social media to discover products, compare alternatives, obtain recommendations and evaluate brands. Their purchase decisions may be influenced by influencer credibility, product demonstrations, electronic word-of-mouth (e-WOM), online reviews and promotional offers.

Unlike traditional advertisements, which primarily communicate messages developed by companies, influencer marketing introduces a more interactive and experience-oriented form of communication. Consumers can watch product demonstrations, read comments, ask questions and compare the experiences of other users before purchasing a product.

In the Indian beauty and personal care industry, this transformation is particularly significant. Skincare, cosmetics, haircare and personal wellness brands increasingly use digital creators to

connect with younger consumers. Against this background, the present case examines Mamaearth and explores how influencer marketing influences Generation Z purchase decisions in comparison with traditional advertising.

2 Industry and company background

The Indian beauty and personal care industry has experienced significant changes due to increasing internet penetration, e-commerce development, changing lifestyles and growing consumer interest in skincare and personal wellness.

Consumers are increasingly using digital platforms to discover new brands, understand product ingredients, compare prices and evaluate product performance. Consequently, companies are adopting integrated marketing strategies combining traditional advertising, social media promotions, influencer collaborations and online retail channels.

Mamaearth is an Indian personal care brand associated with nature-inspired skincare, haircare, baby care and related products. The brand has developed a digital-first marketing presence and uses online communication to connect with consumers.

Its marketing context provides an opportunity to examine how product demonstrations, beauty-related content, influencer recommendations and social media engagement can shape brand perceptions and purchase intentions.

The central marketing challenge is to understand whether influencer recommendations generate actual purchases or primarily create online awareness and engagement.

3 Vital statistics of the Indian influencer marketing industry

Influencer marketing has developed from an occasional promotional activity into a significant component of the Indian advertising and marketing industry.

According to the India Influencer Marketing Report 2025, published by The Goat Agency (WPP Media) in collaboration with Kantar:

Table 1. Key statistics of the Indian influencer marketing industry, 2025.

SN	Industry indicator	Reported statistics
1	Estimated Indian influencer marketing industry size (2024)	₹3,600 crore
2	Projected growth for 2025	25%
3	Brands identifying trust and credibility as key reasons for influencer collaborations	70%
4	Brands preferring long-term influencer partnerships	72%
5	Brands prioritising content quality in manufacturing	85%
6	Indian consumers using influencers for product discovery	63%
7	Consumers using influencers for product information	69%
8	Consumers taking action through influencer influence	60%

These figures indicate that influencer marketing is increasingly being adopted as a strategic approach to consumer engagement, brand communication and purchase conversion.

4 Mamaearth: company background and marketing statistics

Mamaearth was established in 2016 by Varun Alagh and Ghazal Alagh and operates under its parent company, Honasa Consumer Limited. The brand initially developed its presence in baby care and subsequently expanded into skincare, haircare and other personal care categories. Honasa's Annual Report 2024–25 provides useful evidence of the company's marketing investment and influencer collaboration strategy.

Table 2. Marketing-related statistics reported by Honasa Consumer.

SN	Particulars	Reported figure
1	Influencer collaborations during FY 2024–25	Approximately 2,500 unique collaborations
2	Consolidated advertising and promotion spend across brands	36.0%
3	Influencer collaborations during FY 2023–24	More than 2,700
4	Consolidated advertising and promotion spend during FY 2023–24	34.4%

Source: Honasa Consumer Limited, Annual Reports 2023–24 and 2024–25.

The company has specifically highlighted the importance of credible influencer partnerships in building brand awareness and communicating with consumers. Its marketing strategy also includes data-driven targeting, customised content, regional communication and engagement across digital and traditional platforms.

An important managerial observation is that the company recognises the value of authentic, topic-oriented influencer engagement rather than relying exclusively on audience reach.

5 Gen Z consumer behaviour: published research statistics

A useful benchmark is PwC India's Voice of the Consumer Survey 2024, which surveyed 1,000 Indian consumers.

The report provides a separate comparison of consumer responses across generations.

Table 3. Social media and influencer influence on purchase decisions.

SN	Consumer behaviour	India	Gen Z
1	Discovering new brands through social media	77%	76%
2	Engaging with brand campaigns through social media	63%	60%
3	Purchasing products directly through social media	58%	53%
4	Being persuaded to purchase by an influencer or celebrity	57%	56%

Source: PwC, Voice of the Consumer Survey 2024, India perspective.

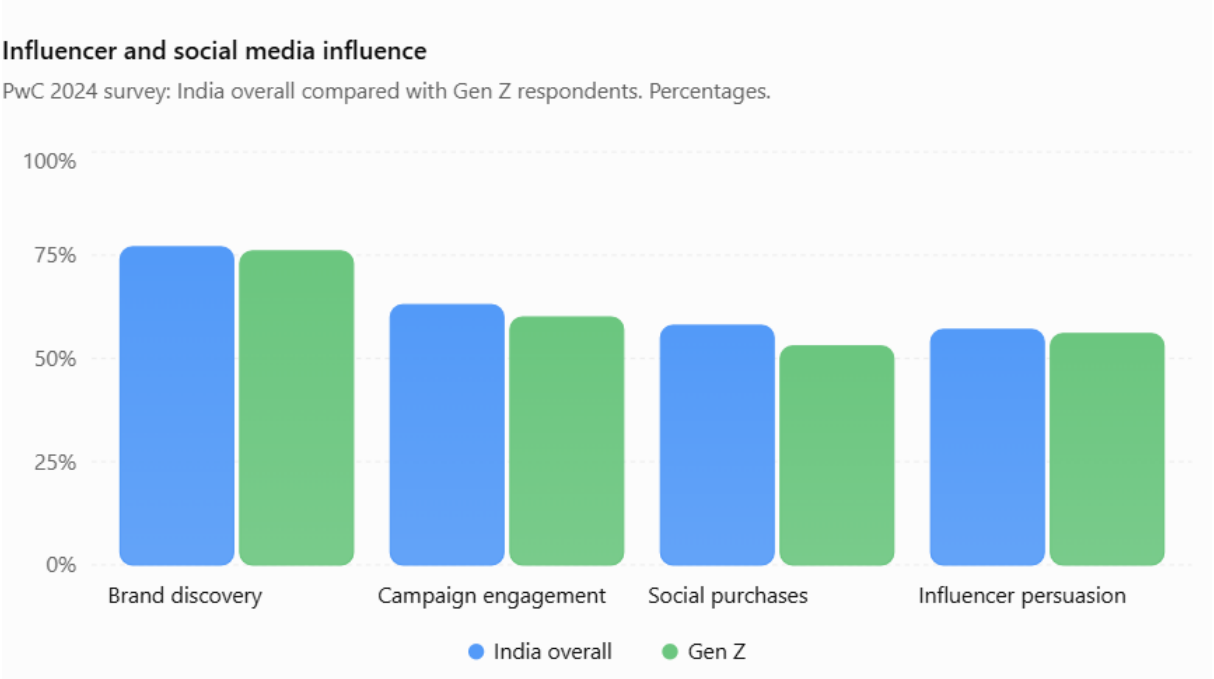


Figure 1. Influencer and social media influence: India overall compared with Gen Z respondents (PwC 2024 survey; percentages).

Interpretation: The statistics reveal three important observations:

1. Social media plays an important role in product discovery, with 76% of Gen Z respondents reporting that they discover new brands through these platforms.
2. More than half (56%) of Gen Z respondents reported being persuaded to purchase products or services because of an influencer or celebrity.
3. Social media discovery and influencer persuasion do not automatically result in purchases. Only 53% reported purchasing products directly through social media.

This difference highlights the importance of converting brand awareness and purchase intention into actual consumer transactions.

6 Influencer marketing strategies adopted by Mamaearth

Mamaearth's marketing environment illustrates the following influencer marketing approaches:

1. Celebrity Influencer Marketing: Celebrity endorsements help brands reach large audiences and establish brand recognition. Celebrity associations can communicate brand values and create emotional appeal among consumers.
2. Micro-Influencer Marketing: Micro-influencers generally operate within specific interest-based communities. Beauty and skincare creators can explain product usage, ingredients and personal experiences in greater detail.
3. Instagram and YouTube Marketing: Short-form videos, Instagram Reels, YouTube reviews, tutorials and skincare routines allow consumers to observe product demonstrations and understand product applications.
4. User-Generated Content: Customer reviews, testimonials, photographs and personal experiences provide additional sources of information and electronic word-of-mouth.

5. Affiliate and Promotional Marketing: Influencers can share promotional codes, affiliate links and special offers to encourage consumers to try products and enable campaign tracking.
6. Regional Influencer Marketing: Regional-language content and local creators can help brands connect with consumers in different geographical markets, including Tier-2 and Tier-3 cities.

These approaches provide opportunities to improve product awareness, engagement, consumer trust and purchase intention.

7 Comparison: influencer marketing versus traditional marketing

Both promotional approaches contribute to consumer purchase decisions, but their communication mechanisms differ.

Table 4. Comparison of influencer marketing and traditional marketing.

SN	*Factors*	*Influencer marketing*	*Traditional marketing*
1	Communication	Personal recommendations	Mass advertising
2	Brand awareness	Creator-led content	TV, radio and print advertisements
3	Consumer trust	Perceived authenticity and credibility	Brand reputation and advertising credibility
4	Product information	Demonstrations and reviews	Advertised product features
5	Consumer engagement	Interactive communication	Primarily one-way communication
6	Purchase motivation	Social proof and e-WOM	Brand image and promotional appeal
7	Consumer feedback	Immediate online responses	Often delayed or indirect
8	Target audience	Interest-based communities	Broad audience segments
9	Purchase measurement	Clicks, conversions and affiliate sales	Reach, recall and sales response
10	Post-purchase engagement	Online reviews and shared experiences	Customer service and conventional feedback

Marketing implication: Traditional advertising can create broad awareness, while influencer marketing can help consumers understand, evaluate and discuss products. An integrated approach can therefore be more effective than treating the two approaches as competing alternatives.

8 Influence on the five stages of customer purchase decisions

Influencer marketing can influence consumers throughout the purchase decision process.

Table 5. Role of influencer and traditional marketing at the five stages of the purchase decision.

SN	Purchase decision stage	Role of influencer marketing	Role of traditional marketing
1	Need recognition	Influencers introduce new skincare needs through lifestyle content	Advertisements create awareness of products
2	Information search	Consumers watch product reviews and demonstrations	Consumers obtain information from advertisements and company websites

SN	Purchase decision stage	Role of influencer marketing	Role of traditional marketing
3	Evaluation of alternatives	Consumers compare influencer recommendations, reviews and product experiences	Consumers compare advertised features, prices and brands
4	Purchase decision	Promotional codes, affiliate links and influencer recommendations encourage buying	Retail promotions, brand reputation and discounts encourage buying
5	Post-purchase behaviour	Consumers share reviews, ratings and experiences online	Consumers provide feedback through customer service and conventional word-of-mouth

The influence of social media is particularly relevant during information search and evaluation because consumers can access product demonstrations and feedback from other users.

9 Challenges in influencer marketing

Despite its advantages, Mamaearth and other beauty and personal care brands face several challenges:

1. Fake followers: Artificial followers and engagement can distort campaign performance.
2. Lack of authenticity: Excessive sponsored promotions may reduce influencer credibility.
3. Misleading product claims: Unverified skincare and beauty claims can damage consumer confidence.
4. Influencer selection: Follower count alone does not guarantee audience relevance or purchase conversion.
5. Competition: Competing beauty brands use similar influencers and social media platforms.
6. Return on investment: High engagement does not necessarily generate proportionate sales.
7. Consumer privacy: Targeted advertising and consumer data collection require transparency and responsible practices.
8. Influencer dependency: Excessive dependence on individual creators may expose brands to reputational risks.

10 Managerial dilemma: the marketing decision

Consider a hypothetical situation in which Mamaearth's marketing team plans to introduce a new skincare product targeting Gen Z consumers in Karnataka.

The company allocates an illustrative marketing budget of ₹25 lakh for an influencer marketing campaign involving celebrity influencers, beauty bloggers and micro-influencers on Instagram and YouTube.

After the campaign, the marketing team records the following hypothetical performance indicators.

Table 6. Illustrative influencer marketing campaign performance.

SN	Campaign performance indicator	Result
1	Total campaign expenditure	₹25,00,000

SN	Campaign performance indicator	Result
2	Social media reach	25,00,000 accounts
3	Total video views	40,00,000
4	Likes and comments	2,50,000
5	Website visits	50,000
6	Completed purchases attributed to campaign	2,500

Campaign performance analysis. The campaign data can be used to calculate the following marketing performance indicators.

Table 7. Campaign performance analysis.

SN	Performance indicator	Calculation	Result
1	Cost per website visit	₹25,00,000 ÷ 50,000	₹50
2	Cost per attributed purchase	₹25,00,000 ÷ 2,500	₹1,000
3	Website visit-to-purchase conversion	2,500 ÷ 50,000 × 100	5%
4	Reach-to-website visit rate	50,000 ÷ 25,00,000 × 100	2%
5	Interactions-to-video views ratio	2,50,000 ÷ 40,00,000 × 100	6.25%

The campaign generates considerable brand visibility and consumer engagement. However, only 5% of website visitors complete a purchase.

The marketing manager is concerned about the gap between online engagement and actual purchasing behaviour.

The management team faces the following decisions:

- Should the company continue investing in celebrity influencers?
- Should more funds be allocated to micro-influencers?
- Should the company focus on authentic product demonstrations and customer reviews?
- Should promotional codes and affiliate marketing be strengthened?
- Should traditional advertising be integrated with influencer campaigns?

The management must identify the most effective combination of marketing communication strategies to improve conversion rates, customer acquisition and long-term brand loyalty.

Note: The above calculations assume that all purchases are correctly attributed to the campaign. Revenue, contribution margin and incremental sales are not provided; therefore, actual ROI and return on advertising spend cannot yet be determined.

11 Strategic recommendations

Based on the industry statistics, company disclosures and illustrative managerial situation, the following strategies are recommended.

1. Prioritise influencer credibility: Select influencers based on expertise, authenticity, audience relevance and engagement quality rather than follower count alone.

2. Strengthen micro-influencer partnerships: Collaborate with beauty and skincare creators who have established relationships with specific consumer communities.
3. Integrate traditional and digital marketing: Combine television, outdoor and retail advertising with influencer-led digital campaigns to improve brand awareness and consumer engagement.
4. Encourage authentic product reviews: Focus on genuine customer experiences, product demonstrations and informative skincare content.
5. Improve campaign measurement: Track reach, engagement, website visits, conversion rates, customer acquisition costs and repeat purchases.
6. Develop regional influencer campaigns: Collaborate with Kannada-speaking content creators to improve communication and brand engagement among consumers in Karnataka.
7. Ensure promotional transparency: Clearly disclose paid partnerships and maintain responsible product claims.
8. Focus on long-term relationships: Build sustained consumer trust through consistent product quality, customer engagement and credible brand communication.
9. Strengthen customer retention: Use loyalty programmes, personalised offers and post-purchase communication to encourage repeat purchases.
10. Use data-driven marketing: Analyse consumer responses to different influencers, platforms and promotional approaches to improve marketing effectiveness.

12 Conclusion

Influencer marketing has emerged as an important component of contemporary marketing strategies, particularly in the Indian beauty and personal care industry. The increasing adoption of social media, online shopping and digital content has changed how Generation Z consumers discover, evaluate and purchase products.

The case of Mamaearth illustrates the growing importance of influencer collaborations, digital communication and consumer engagement. Honasa Consumer's annual reports demonstrate the scale of its influencer collaboration activities and its emphasis on credible content, data-driven targeting and integrated marketing communication.

The published PwC survey findings further indicate that social media plays an important role in brand discovery and that influencer recommendations can persuade Gen Z consumers to purchase products. However, the difference between product discovery, purchase intention and actual transactions highlights the importance of effective conversion strategies.

Traditional marketing continues to contribute to mass awareness, brand recognition and consistent brand communication, while influencer marketing offers opportunities for interactive engagement, product demonstrations and electronic word-of-mouth.

Therefore, the most effective contemporary marketing approach is to integrate traditional advertising with credible influencer partnerships, authentic content, measurable campaign performance and customer relationship management. Ultimately, the success of influencer marketing depends not simply on the number of followers or social media views but on its ability to develop consumer trust and convert engagement into actual purchases and long-term brand loyalty.

13 Discussion questions

Question 1: How can Mamaearth design an effective influencer marketing strategy by combining celebrity influencers and micro-influencers to increase purchase intention among Generation Z consumers?

Question 2 : Analyse the influence of influencer credibility, expertise, content attractiveness and electronic word-of-mouth (e-WOM) on Gen Z consumer purchase decisions.

Question 3: Evaluate the effectiveness of influencer marketing compared with traditional marketing in influencing Gen Z purchase decisions. What performance indicators should Mamaearth use to measure campaign effectiveness and return on investment?

Question 4: If Mamaearth has a marketing budget of ₹25 lakh, how would you distribute the budget among celebrity influencers, micro-influencers, social media advertisements and traditional advertising? Justify your allocation.

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