

Effect of Influencer Marketing on Consumer Buying Behavior: A Comprehensive Analysis

Naincy Prajapati

Assistant Professor, Department of Commerce, Jwala Devi Vidya Mandir P.G. College, Kanpur,
Chhatrapati shahu Ji Maharaj University, Kanpur

Abstract

In today's digital era, influencer marketing has emerged as a significant strategy for brands to connect with their target audiences. Influencer marketing is a modernized and innovative concept of advertising digitally which involves collaborating with individuals who have a significant and engaged online following, known as influencers, to promote products, services and brands. The main idea is to leverage the influencers credibility, authenticity and influence over their followers to create a positive impact on consumer behavior. The present paper is a comprehensive study which focuses on creating a deep insight on influencer marketing and its prevalence to see its true influence on the awareness of consumer and their perceptions. The study is descriptive and nature and the source of data used for the research is secondary in nature.

Keywords: Influencer Marketing, Social-Media, Followers, Consumer Buying Behavior, Consumer Engagement

Introduction

Few years earlier, social media was only the dumping zone or platform for the people to post their photos, thoughts and feelings but now it has arisen itself as the marketing space which is being escorted by the social media influencers. Influencers are the ones who hold a firm grasp on their followers to make certain impact on them through their creative content creation, views, opinions and offer them with some sort of unique entertainment. These influencers use new form of marketing strategies to develop a trustful relationship between the audience and influencer himself and the brands who want to increase the market share for their products. It is obviously very different from the traditional marketing strategies which only focused on just selling the product to the customer but with the concept of influencer marketing, it broadens to building the brand identity and drive their sales. Influencer marketing is a modernized and innovative concept of advertising digitally which involves collaborating with influencers who have a significant and engaged online following to promote products, services and brands. Influencers can range from celebrities and industry experts to micro- influencers with smaller but highly dedicated niche audiences. They have transformed the conventional theory of celebrity certification into a content driven marketing through their material, unique perspectives, thoughts and opinions.

The main idea behind influencer marketing is to leverage the influencer's credibility, authenticity and influence over their followers to create a positive impact on consumer behavior. Instead of directly

advertising a product, influencer marketing focuses on building a relationship between the influencer and their audience, which can lead to increased brand awareness, trust and ultimately consumer engagement.

Key Aspects of Influencer Marketing include:

- ♣ **Authenticity:** Influencers are often seen as trusted sources of information within their niche. Their authentic content and personal recommendations can resonate more strongly with their followers compared to traditional advertisements.
- ♣ **Engagement:** Influencers have dedicated and engaged followers who actively interact with their content. This engagement can lead to better visibility and impact for the brand's message.
- ♣ **Targeted Reach:** Influencers often have a specific demographic or niche audience that aligns with the brand's target market. This allows for precise targeting and a higher likelihood of reaching potential customers.
- ♣ **Content Creation:** Influencers create content that showcases the brand's products and services in an organic and relatable way. These contents can take the form of posts, videos, stories, reviews or other creative formats.
- ♣ **Variety of Platforms:** Influencer marketing can take place on various social media platforms such as Instagram, YouTube, TikTok and even blogs.
- ♣ **Metrics and Analytics:** Marketers can measure the success of influencer campaigns using metrics such as engagement rates, reach, clicks, conversions, and more, providing insights into the campaign's effectiveness.

Influencer marketing can be highly effective but it requires careful selection of influencers who align with the brand's values and goals. The relationship between the influencer and the brand should be authentic and both parties should ensure transparency and adherence to ethical guidelines including disclosing sponsored content. Overall, influencer marketing taps into the power of social influence and word-of-mouth recommendations in the digital age, creating a unique opportunity for brands to connect with consumers on a personal level and drive meaningful customer actions.

Prevalence of Influencer Marketing

Influencer marketing has become an incredibly widespread and rapidly growing phenomenon in the marketing landscape. There are some key points that reflect the prevalence of influencer marketing.

- ⇒ **Rapid Growth:** Influencer marketing has experienced exponential growth in the early 2010s and continued to expand throughout the decade. Brands across industries recognized its potential to reach and engage the target audiences.
- ⇒ **Social Media Dominance:** Social media platforms such as Instagram, YouTube, TikTok, Snapchat are the primary channels for the influencer marketing because of their visual and interactive nature.
- ⇒ **Budget Allocation:** Brands started allocating a significant portion of their marketing budgets to influencer collaborations indicating its importance in their overall marketing strategies.
- ⇒ **Diverse Industries:** Influencer marketing is not limited to just fashion and beauty but it has spread across various other and different industries like travel, fitness, technology, food, entertainment etc.

- ⇒ **Types of Influencers:** There are various types of influencers who have arisen in this market like celebrities, micro influencers, who have smaller but highly engaged followers, macro influencers, who have the larger followers and nano influencers, who have small but extremely niche following.
- ⇒ **Influencer Agencies and Platforms:** The rise of influencer marketing has led to the creation of agencies, platforms and tools that connect brands with suitable influencers and help manage influencer campaigns.
- ⇒ **Metrics and ROI:** Brands began to focus on measuring the ROI of influencer campaigns through metrics like engagement rates, click through rates, conversion rates and brand sentiment.
- ⇒ **Challenges and Ethical Concerns:** Although, influencer marketing has grown fast but it has faced challenges also like fake followers, there is lack of transparency and there are ethical issues associated with it related to authenticity and disclosure.
- ⇒ **Regulations and Guidelines:** Regulatory bodies and each platform has introduced various guidelines and there is requirement of proper and full disclosure of sponsored content to ensure the transparency for the consumers.
- ⇒ **Global Influence:** Influencer marketing is a global concept where the brands and influencers collaborate across borders to reach the diversified audience and increase their following.
- ⇒ **Evolution of Content:** Influencer began experimenting with different content formats including stories, live stories, interactive polls and many more like that to keep up with changing social media trends.

Theoretical Framework

There are several theoretical concepts that provides a framework for understanding the dynamics of how and why influencer marketing affects the consumer behavior. These concepts offer insights into the psychological and social processes that drives the success of influencer marketing. These are as follows:

- **Social Influence Theory:** This theory explains how individuals are influenced by the behavior, opinions and attitudes of others. In influencer marketing, influencers serve as social cues which guides their follower's behavior and choices based on their recommendations and endorsements.
- **Informational Social Influence:** This concept is the extension of the social influence theory which explains that individuals take the opinions or actions of those whom they believe provides more accurate information. In case of influencer marketing, influencers are seen as experts in their niches which make their followers trust their recommendations.
- **Normative Social Influence:** This concept relates to the people who are adaptive to the behavior which seeks opinions from others to gain social approval or to avoid the social rejection. Influencers often set the trends and establish norms within their communities to make their followers more likely to adopt the same preference/behavior.
- **Theory of Planned behavior:** This is a psychological theory which suggests that a person's behavior is mostly influenced by the subjective norms like there is always some social pressure to perform the behavior and perceived behavioral control. In influencer marketing, influencers try to impact these factors by guiding the intention of the followers to purchase a product or service.
- **Elaboration Livelihood Model:** This model justifies how individual process the convincing messages. In influencer marketing, the content of influencer can be processed in two ways i.e., centrally, which means followers consider the messages very carefully or peripherally, which means

followers are persuaded by influencer's popularity. The model helps to understand the different impact of influencer endorsements.

- **Uses and Gratification Theory:** This theory tells, why individual use media and how they derive satisfaction from it. When we talk about influencer marketing, followers get information they want, entertainment, interactions, identity reinforcement from the content which aligns with the gratification needs of individual.
- **Social Identity Theory:** This concept discovers how people classify themselves into social groups and develop self-esteem with that group. In this way, the community of the influencers often create a sense of belongingness and provoke their purchasing decisions based on their group association.
- **Scarcity Principle:** This principle asserts that people tend to value those things whom they perceive as scarce. With the help of this perception, influencers can create a logic of urgency, importance and exclusivity and making quick purchase decisions by followers.
- **Reciprocity Principle:** This principle states that people tend to recompensate to what they have received from others. It says that when influencers contribute with valuable content, recommendations, then their followers try to reciprocate by engage themselves with the sponsored content and make purchases in the sense of acknowledgment.

Review of Literature

Jarrar Yosra, Awobamise (2020), in their study 'Effectiveness of Influencer Marketing vs Social Media Sponsored Advertising' concluded that influencer marketing is effective in promoting immediate sales but the scope gets slim when it comes to post engagement of the consumers. Findings indicated that sponsored advertisements are more successful than the influencer marketing.

Misshka Guptaa (2021), in her article titled 'Impact of Influencer Marketing on Consumer Purchase Behavior during the Pandemic' found that influencer marketing has a significant impact and holds a deep-grounds on the buying decisions of the consumer. It was found helpful for the consumers to get aware of the brands, products and also discounts and offers associated with them. It made them learn about the trends of the market, available options and critical analysis of the product before buying it. The study concluded that influencer marketing showed major impact on consumer purchase behavior during the pandemic.

Rajath Venkatesh, Merin Meleet (2022), in their study 'Influencer Marketing in Recent Trends' established that influencer marketing has a broader reach to consumers that the conventional marketing techniques. The data demonstrated that the most effective tool for influencing marketing tactics is social media and through their contents, they make consumers attitude favorable towards the brand and product and it also results cost effective technique. Meanwhile, it is being advised to influencers to be cautious while choosing the brand to partner with or a product before recommending it to the audience. Their content must be authentic and upholds integrity.

Jana Gross, Florian von Wangenheim (2022), in their analysis 'Influencer Marketing on Instagram: Empirical Research on Social Media Engagement with Sponsored Posts' implied that the content and SMI's characteristics both explained the engagement of social media users with the sponsored posts. They suggested to execute different advertising appeals according to the SMIs and tested how promising the

influencer marketing strategies are and how content characteristics effect the social media engagement. This research adopted a field data approach focusing on sports, lifestyle and health and investigated 64,438 Instagram posts.

Anjali Chopra, Vrushali Avhad, Sonali Jaju (2020), in their article titled ‘Influencer Marketing: An Exploratory Study to Identify Antecedents of Consumer Behavior of Millennial’ adopted exploratory/qualitative research to understand the concept of influencer marketing by identifying the significant dimensions and sub-dimensions that influences the consumers purchase intentions. The study showed that influencers are used as helpers for building relationships, empathy and maintaining connections with the consumer. They also found that micro influencers and bloggers have wider social media presence.

Chen Lou, Hye Kyung Kim (2019), in their research article ‘Fancying the New Rich and famous? Explicating the Roles of Influencer Content, Credibility and Parental mediation in Adolescents’ Parasocial Relationship, Materialism, and Purchase Intentions’ concluded that Adolescents perceived PSR with influencers is positively related to their materialistic views which in turn correlates with their purchase intentions towards influencer promoted products by adopting a survey approach and disclosed significant correlations.

Research Objectives

- To understand the concept of influencer marketing and its prevalence.
- To elaborate the theoretical concepts related to influencer marketing.
- To examine how influencer’s recommendations affect consumer purchase intentions.
- To analyze the effect of various social media platforms on consumer engagement and purchasing behavior.
- To explore how the format of influencer content influences consumer actions.
- To identify the challenges related to transparency, authenticity and disclosure in influencer marketing.

Research Methodology

Present study is exploratory research and the source of data collected in this research is secondary in nature i.e., the data has been collected from various journals, research articles, websites etc.

Factors Affecting Consumer Purchase Intention

There are several factors that come into play explaining how consumers perceive and respond to the recommendations of the influencer.

- ♣ **Expertise and Credibility** of influencers can lead followers to believe that their endorsements are well informed and full of trust which allows them to consider the recommended product.
- ♣ Recommendations of influencer provides the follower a form of **Social Proof** in a sense that they believe, others have also tried the endorsed product because they tend to trust and admire the influencer which results in increased intention to purchase.
- ♣ When followers find themselves similar to influencer, they are more likely to identify with their preferences and choices. This **Perceived Similarity and Identification** promotes sense of connection and followers feel comfortable in adopting the influencer’s endorsements.

- ♣ **Positive Emotions** associated with an influencer's content can translate into positive feelings, increasing the purchase intentions.
- ♣ The **Engagement and Interaction** of influencer with their followers through comments, live sessions etc. fosters a sense of community and connection making them more receptive to the recommendations.
- ♣ **Authenticity of Content** resonates better with the followers.
- ♣ **Exclusivity and Scarcity** of the products like limited time offers, discounts and other exclusive deals provokes the followers to make quick purchase decisions.
- ♣ Influencers provide detailed information, reviews and demonstrations of the products. Through this **Informational Value**, followers feel confident and make more informed purchase intentions.

Social Media Platforms and Their Effect on Consumer Engagement & Purchasing Behavior

The effect of the social media platforms on consumer engagement and their purchasing behavior may vary according to the characteristics, demographics and behavior of users related with the platforms. Each social media platform offers unique prospects for brands to engage with users and influence their purchasing behavior. Though, choosing the right platform depends on the audience preference, type of product and goals of marketing. The present work tries to explore how these platforms impact the consumer purchasing behavior.

1. **Instagram:** It focuses on visual content which makes it possible to showcase products and lifestyles effectively. The photos and videos of Instagram leads to higher engagement rates and it is considered a hub for influencer collaborations which drives the purchasing decisions by the way of authentic endorsements.
2. **Facebook:** It has wider reach and diverse user base, targeting various demographics which provides social proof influencing the purchase decisions of the users.
3. **Twitter:** It offers real time engagement because of its quick updates and trending topics which enables the quicker engagements. It is basically used for customer service interactions, resolving issues and building trustworthy relationships by the brands. Every tweet can immediately go viral which leads to the increased visibility of the brands.
4. **YouTube:** It is a platform which allows the brands and influencers to demonstrate their products, share tutorials and story-telling specifically through the video contents. That is why, YouTube is a video-centric platform allowing longer engagement, in-depth exploration, affecting the viewer's purchase intentions and understanding of the products. **Example:** Product review related videos, unboxing videos etc.
5. **Pinterest:** It is a beautiful platform especially used for discovering, showcasing the products with plenty of readily available ideas relating to almost every area like stitching, weaving, lifestyle, home décor, food, clothing etc. and saving those visual contents. It offers the users with the inspirational content helping them with planning projects and finding products to purchase directly from the Pinterest's shopping feature, **Pins**.
6. **LinkedIn:** This platform is ideal for Business to Business (B2B) interactions and reaching the professionals in diverse industries. It impacts the perception of the decision makers by establishing the thought leadership through the valuable contents of the brands.

Formats of Influencer Content Influencing Consumer Actions

S.No.	Formats	Impact	Influence	Consumer Actions
1.	Visual Posts & Images	Attention-grabbing, quickly convey information.	Spark interest leading to clicks, website visits & purchases.	Drives traffic to product pages and increase product discovery.
2.	Video Content	Engage both sight & sound allowing storytelling & demonstrations.	Explains product features, benefits and usage effectively.	Longer engagement leading to increased sharing, commenting and influencing purchase decisions.
3.	Instagram Stories and Snapchat Snaps	Content is short-lived creating a sense of urgency & exclusivity.	Influences to take quick actions.	Drives interaction like swipe-ups, link clicks, engagement with polls & quizzes.
4.	Tutorials & How-to-Guides	Establishes influencer’s expertise providing valuable information.	Help consumers visualize benefits & demonstrate the product use.	Leading increased confidence in product knowledge, usage & purchases.
5.	User-Generated Content (UGC)	Leverages real customer experiences creating authenticity & trust.	Consumer reviews, testimonials and shared photos influence social proof.	Encourages others to share similar experiences promoting and driving purchases.
6.	Live Streaming	Creates real-time engagement & immediate connection.	Allows direct Q&A, demonstrations and influencer-audience conversations.	Encourages comments, questions and purchases in the moment.
7.	Carousel Posts	Allows multiple images/videos in a single post.	Brands showcase different product features, benefits in single post.	Leading exploration of products, more engagement impacting purchase decision.
8.	Interactive Content	Polls, Quizzes engage user & encourage participation.	Offers insight into preferences and gathering data.	Encourage followers for active participation.
9.	Long-Form Content (Blogs, Podcasts)	Provides in-depth information and discussions.	In-depth analysis & discussions affects consumer understanding about products.	Leads to more informed decisions, higher engagement and trust.

Challenges Related to Transparency, Authenticity and Disclosure in Influencer Marketing

1. **Lack of Clear Guidelines:** The rules and regulations in influencer marketing related to disclosure and transparency may vary in according to the nature of platform. The lack of uniformity makes it very challenging for the influencers as well as brands to find what comprises the proper disclosure.
2. **Ambiguous Disclosure Practices:** While promoting the products, some influencers may not disclose the relevant information which leads to confusion among the followers and on the other hand, vague and hidden information may compromise with the trust, loyalty of followers and its authenticity.
3. **Inconsistent labeling:** Use of disclosure labels like several hashtags (#) may create misunderstanding and can be overlooked by the followers.
4. **Disclosure Placements:** Placing the disclosure labels within the posts may be challenging for the influencer because if they are suppressed by hashtags and lengthy captions, they might not get observed by the followers.
5. **Influence on Authenticity:** If followers noticed that the content is exclusively determined by paid partnerships and it is being over commercialized by the influencer, it may erode the credibility of the influencer severely.
6. **Legal and Regulatory Compliance:** The laws and regulations regarding the influencer marketing can be multifaceted and full of dynamism. So, it is very necessary that influencer must ensure the compliance with the legal rules of advertising and disclosure requirements.
7. **Fake Engagements and Followers:** Brands and followers must be very cautious while choosing their influencer for marketing their products and making purchase decisions because some influencers artificially inflate the follower counts and they don't have that genuine audience.
8. **Misleading Visuals:** Visual contents can easily be manipulated with the objective of showcasing the product appear better than actually what it is and misleading the followers to make purchase based on unrealistic expectations.
9. **Consumer Skepticism:** If followers realizes that influencer's endorsements are not authentic and there is dishonesty in the content, followers become more skeptical eroding overall brand trust.
10. **Inadequate Monitoring:** It may become difficult for the brands to effectively monitor and enforce the appropriate disclosure practices.

Conclusion

Influencer marketing can be highly effective but it requires very in-depth investigation and careful selection of the influencers who bring into light the values and goals of the brands they are promoting. The relationship between the influencer and brand must be authentic and both the parties must ensure each other with the proper and desirable transparency and also adhere to the guidelines ethically and they must disclose the sponsored contents. In this digital era, Influencer marketing taps into the power of social influence and word-of-mouth endorsements of products creating very unique opportunity for brands to connect with the potential consumers on a very personal level and drive meaningful consumer actions. It has been found that influencer marketing is constantly evolving and the content of influencer directly affects the consumer engagements by satisfying their preferences, leveraging platform specific features and delivering information in ways that resonate. It is advised to strategically choose and tailor the content formats so that the brands and influencer collectively drive the actions and purchase decisions of the followers in the positive side. It is also very important to address the challenges from time to time and influencer and brands must focus on prioritizing to involve in the ethical practices and adherence to the local regulations. They must disclose their partnerships clearly to the audience and try to maintain open

as well as transparent communication with them. Through the implementation of the culture of transparency, authenticity, proper and true disclosure of relevant information, influencers and brands may last building the long-term relationships with their followers, audience and consumers.

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