

# The Influencer Equity Equation: Analyzing Influencer Marketing's Effect on Brand Equity via the Perspectives of Authenticity, Credibility, and Engagement

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## Abstract

The rapid expansion of influencer marketing necessitates a paradigm change from tactical execution to strategic brand equity architecture. To resolve long-standing theoretical ambiguities regarding how influencers create sustainable brand value, this study presents and empirically validates the Influencer Equity Transfer Model (IETM), a comprehensive framework. We show that brand equity arises from the synergistic interdependence of credibility, authenticity, and engagement rather than from discrete strategies by combining source credibility theory, elaboration likelihood pathways, social identity dynamics, and trust transfer mechanics. Importantly, a significant multiplicative interaction ( $\beta = 0.31$ ,  $p < .001$ ) that increases purchase intention by 26% beyond additive predictions ( $F(1,168) = 12.8$ ,  $\eta^2 = 0.07$ ) indicates that authenticity functions as a catalytic multiplier, validating credibility through economically rooted costly signaling mechanisms. Reach-based selection paradigms are fundamentally challenged by this synergy, which explains the disproportionate impact of micro-influencers ( $\beta_{\text{authenticity}} = 0.63$  vs. 0.41 for mega-influencers). By emphasizing authenticity as a key component of high-elaboration processing, the IETM helps academics reconcile inconsistencies in the body of existing literature. It offers practitioners actionable architecture in the form of multifaceted credibility audits, authenticity protocols that incorporate vulnerability-driven storytelling (which increases brand recall by 22%) and organic disclosures ( $r = 0.42$ ), and equity diagnostics that take the place of vanity metrics. Beyond business, research informs ethical governance—regulatory-aligned authenticity standards could improve marketplace trust while also reducing the documented negative effects of social media on mental health by normalizing imperfection. Boundary conditions include generational perception gaps and moderators of product involvement ( $\beta_{\text{engagement} \rightarrow \text{loyalty}} = 0.57$  high vs. 0.32 low involvement). Cross-cultural validation, neuroscientific authentication, and virtual influencer adaptations must be given top priority in future studies. In attention economies where trust is the most valuable asset, this work reinterprets **influencer marketing as strategic equity engineering, enabling brands to turn digital voices into lasting value.**

**Keywords:** Social media strategy, Micro-influencers, Brand equity, Engagement, Credibility, Authenticity, Trust transfer, Influencer marketing, and Expensive signaling

### **1.0 Overview: Interpreting the Imperative of Influence on Brand Value**

There is no denying the seismic shift in modern marketing strategy: social media influencer marketing has gone from being a side project to becoming a vital component of worldwide brand communication and a growing source of marketing budgets. According to industry estimates, global spending will surpass \$34 billion by 2025, demonstrating its established presence in a variety of industries, including fast-moving consumer goods, luxury fashion, and specialized business-to-business (B2B) services (eMarketer, 2024; Influencer Marketing Hub, 2023). This large investment is based on a widely held industry belief that influencers have an unmatched ability to impact consumer perception and produce significant brand outcomes, frequently outperforming traditional advertising channels. Concurrently, the strategic necessity of brand equity—which is defined as the unique impact of brand knowledge on how consumers react to marketing initiatives—remains crucial. It serves as a vital intangible asset that supports long-term profitability, improves firm valuation, and sustains competitive advantage (Keller, 1993; Aaker, 1991). Sophisticated, multifaceted management approaches are required due to the complex network of brand associations (which includes perceived value, personality traits, and organizational impressions), the foundational dimensions of brand equity, such as perceived quality and brand awareness, and the desired result of brand loyalty (Keller, 2001). Strong brand equity reinforces its development as a key mandate for marketing leadership by giving businesses vital protection against competitive forces, enabling premium pricing, fostering deep customer retention, and drastically lowering acquisition costs.

Even with this strategic convergence—considerable funds are being allocated to influencer marketing to strengthen important aspects of brand equity—there is still a sizable and enduring gap between marketing practice and scholarly knowledge. It is commonly assumed by practitioners that influencer partnerships lead to improvements in awareness, positive associations, quality perceptions, and loyalty. The exact causal mechanisms underlying these effects, as well as the relative effectiveness of specific influencer attributes (like domain-specific expertise, perceived trustworthiness, and audience relatability), content characteristics (like perceived authenticity, narrative style, and platform-specific conventions), and audience engagement dynamics, have not yet been thoroughly mapped out and validated (Hughes et al., 2019; Vrontis et al., 2021). As a result, strategic choices frequently rest on broad, occasionally anecdotal assumptions about influencer efficacy or flimsy metrics like reach or engagement rates (likes, shares). Optimal campaign design, effective resource allocation, and the capacity to exhibit a distinct strategic return on investment (ROI) that goes beyond immediate conversion metrics to capture the profound, long-term value of brand building are all hampered by the lack of detailed, theoretically grounded insight into how particular influencer marketing inputs translate into quantifiable shifts along defined brand equity dimensions (Lou & Yuan, 2019). This disparity highlights a basic break between influencer marketing's strategic brand stewardship and tactical execution.

The lack of a thorough, empirically testable framework that clearly outlines the mechanisms by which influencer marketing initiatives impact the various pillars of consumer-based brand equity (CBBE) is a critical gap that is highlighted by this important void. Importantly, such a framework needs to go beyond straightforward direct-effect models to thoroughly examine the mediating functions of theoretically grounded constructs that serve as the cornerstone of successful influencer-consumer relationships. A multifaceted concept that includes perceived competence, dependability, and kindness, influencer credibility is frequently mentioned as the key to influencer success but needs to be more thoroughly incorporated into a comprehensive model of brand equity development (Ohanian, 1990; Djafarova & Rushworth, 2017). Similar to this, audience engagement, which is defined as the cognitive, affective, and

behavioral investment prompted by influencer content, is a crucial result and a powerful mediator; however, more research is needed to fully understand how it contributes to the development of more durable brand associations or enduring loyalty (Dessart et al., 2015). Most notably, although content authenticity is widely recognized as the currency of influence, it lacks a strong theoretical and empirical link to particular brand equity dimensions within a mediating framework. Audiences perceive content authenticity as authentic, transparent, and inherently aligned with the influencer's established persona and values (Audrezet et al., 2020; Breves et al., 2021). Furthermore, there is a lot of uncharted territory in the contingent interaction between these mediators—credibility, engagement, and authenticity—and how different influencer typologies (such as mega-celebrities versus micro-influencers) and content strategies differentially activate their influence. By putting forth and empirically confirming a theoretically complex model, this study directly addresses this gap. In converting influencer marketing stimuli into observable improvements across the awareness, perceived quality, associations, and loyalty dimensions of brand equity, this model painstakingly explains the mediating roles of influencer credibility, audience engagement, and content authenticity. This study offers researchers a more sophisticated conceptual map and practitioners a potent diagnostic and prescriptive toolkit for strategically leveraging influencer partnerships to optimize long-term brand equity development. By shedding light on these crucial "black box" mechanisms, the study makes a significant leap beyond tactical metrics and toward sustainable brand value creation.

### **1.2 Research Questions: Charting the Influence Pathways**

It is still very difficult for academics and industry professionals to pinpoint exactly how influencer marketing creates long-lasting brand value. By developing a coherent series of related questions intended to analyze the intricate interactions among influencer traits, audience reaction, content qualities, and the various facets of consumer-based brand equity (CBBE), this study directly fills this gap. The complex concept of influencer credibility, which includes the fundamental elements of perceived competence, dependability, and attractiveness defined by Ohanian (1990), is at the center of this study. Therefore, we investigate how these unique aspects of influencer credibility affect the fundamental pillars of brand equity—brand awareness, perceived quality, the intricate network of brand associations, and the goal of brand loyalty—both directly and, more importantly, indirectly through mediating pathways. To determine whether credibility serves primarily as an initial attention gatekeeper or as a continuous enhancement of message persuasiveness throughout the consumer decision journey, this question goes beyond simple association. Concurrently, it is hypothesized that a crucial but little-studied mediating mechanism is the phenomenon of audience engagement, which is measured by observable interactions like likes, comments, and shares and enhanced by nuanced analysis of audience sentiment (Dessart et al., 2015). Accordingly, the second research question poses the following query: To what degree, and via which cognitive, affective, and behavioral processes, does audience engagement serve as the crucial link that converts exposure to influencer content into palpable, quantifiable changes in various aspects of brand equity? By going far beyond correlational observations, this aims to demonstrate the causal role that engagement plays in developing brand knowledge and attachment. The third question explores the increasingly important idea of content authenticity, which is the audience's view of the influencer's message and brand partnership as sincere, open, and consistent with their values and persona (Audrezet et al., 2020; Breves et al., 2021). It poses the following question: How does perceived authenticity influence consumers' initial impressions of the endorsed brand (such as trust, likeability, and perceived value congruence), and how do these shifted perceptions then ripple into quantifiable effects on the various aspects of brand equity?

Through this framing, authenticity is elevated from a desirable quality to a fundamental signal that affects the meaning that is conveyed to the brand. Crucially, the fourth research question recognizes that these fundamental concepts—authenticity, engagement, and credibility—probably work in concert rather than separately. It investigates whether audience engagement, content authenticity, and influencer credibility all have a significant additive or interactive impact on brand equity dimensions. This investigates whether deep engagement mediates the relationship between authenticity and loyalty more effectively than previously thought or whether, for example, high authenticity amplifies the impact of credibility. Furthermore, acknowledging the inherent heterogeneity in the influencer landscape, the fifth question tackles contextual contingencies: How do various content formats (such as highly produced sponsored posts versus spontaneous stories or interactive live streams) and influencer types (such as mega-celebrities with a wide following versus micro- or nano-influencers with a heightened sense of intimacy and niche audience connection) fundamentally moderate the relationships between the key mediating variables (authenticity, credibility, and engagement) and the final brand equity outcomes? The sixth question, which aims to convert theoretical insights into practical intelligence for the field, is about measurability: What precise, empirically validated measures of audience engagement (going beyond vanity metrics to capture quality and depth), influencer credibility (going beyond simple follower counts), and content authenticity can marketers consistently use to forecast and then evaluate the observable effects of influencer partnerships on brand equity? The blueprint for creating and empirically validating the "Influencer Equity Transfer Model," a novel framework intended to shed light on the hitherto unknown pathways from influencer activity to sustainable brand value creation, is provided by this extensive set of questions taken together.

### **1.3 Research Significance: Linking Theory and Strategic Practice**

Influencer marketing can be transformed from a tactic that is frequently driven by intuition and short-term metrics to a strategically managed driver of long-term brand equity. This research has significant implications for both academic scholarship and applied marketing strategy. By proposing and thoroughly testing the novel "Influencer Equity Transfer Model," which goes beyond the crude input-output analyses common in early studies by explicitly mapping the mediating roles of credibility, engagement, and authenticity, this study directly addresses a noticeable gap in the marketing literature from the standpoint of academic contribution. As a result, it offers a detailed, theoretically based comprehension of the behavioral and psychological processes that underlie influencer marketing's influence on the multifaceted concept of brand equity. The study produces nuanced insights into the contextual nature of digital influence by empirically testing the hypothesized interactions between these mediators and the contingent effects of influencer type and content format. This makes a substantial contribution to theoretical discourse by embracing the distinct dynamics of digital, parasocial relationships and firmly moving away from the direct application of conventional celebrity endorsement models (Ohanian, 1990) (Lou & Yuan, 2019; Vrontis et al., 2021). The emphasis on finding reliable, quantifiable indicators adds even more methodological rigor to this quickly developing field. For marketing professionals, the managerial implications of this research are significant and immediately applicable. Marketers are given an evidence-based framework for strategic decision-making by outlining the exact processes by which influencers develop brand equity and identifying the key strategic levers, such as particular aspects of credibility, motivators of meaningful engagement, and crucial indicators of authenticity. This gives practitioners the ability to firmly abandon reliance on flimsy metrics or generalized notions of reach. It makes it possible to choose influencers more carefully and strategically in line with particular brand equity goals. For

example, focusing on trustworthiness when boosting perceived quality or using nano-influencer authenticity to create powerful niche associations. Understanding how consumer perceptions are influenced by format efficacy and content authenticity offers specific recommendations for creating campaigns that are more transparent, resonant, and ultimately successful. Investments in creating meaningful, reciprocal interactions rather than passive viewing are also justified and directed by an awareness of engagement's critical mediating role. Importantly, identifying quantifiable indicators gives marketers useful diagnostic tools to evaluate the effectiveness of campaigns not just in terms of immediate reach or conversions, but also, and this is crucial, in terms of measurable contributions to brand awareness, perception strength, and loyalty development. With a strong emphasis on long-term brand asset building, this change makes it possible to show a more strategically significant and defensible return on investment (ROI) (Aaker, 1991; Keller, 1993, 2001). By combining and expanding on well-established theories of source credibility, persuasion (such as the Elaboration Likelihood Model), signaling theory (applied to authenticity perceptions), and consumer-brand relationships within the unique, dynamic context of digital influencer marketing, this research finally, makes a substantial theoretical contribution. It significantly advances our knowledge of consumer behavior and digital marketing strategy by deepening our comprehension of how source effects and persuasion processes are altered by digital media environments. This study lays the groundwork for future scholarly research by providing a thorough, empirically testable model and producing solid results. At the same time, it gives practitioners the conceptual tools and empirical data they need to fully realize the potential of influencer marketing for long-term brand equity growth in a digital environment that is becoming more and more competitive.

## **2.0 Review of Literature: Charting the Intellectual Landscape**

To lay the conceptual framework for investigating the intricate connection between influencer marketing and customer-based brand equity (CBBE), this review synthesizes both classic and modern scholarship. By first demonstrating the importance of brand equity as a strategic imperative and defining its fundamental aspects by accepted frameworks, it methodically charts the intellectual landscape. After defining its taxonomy and establishing its persuasive power within important theories of social psychology and communication, the analysis follows the revolutionary rise of influencer marketing. The review then goes into great detail about the three crucial mediating constructs that are at the heart of this investigation: audience engagement, influencer credibility, and content authenticity. Every construct is broken down to show its distinct characteristics, theoretical foundations, and practical applications in the ever-changing social media landscape. The review concludes by synthesizing the empirical data that currently links influencer marketing to CBBE outcomes and pointing out important theoretical and methodological gaps that the current study aims to fill. This methodical investigation offers the theoretical framework required for a thorough assessment of the suggested "Influencer Equity Transfer Model" and its postulated pathways.

### **Brand Value**

The foundation of long-term competitive advantage is brand equity, which is the difference in value that customers place on goods or services based only on brand recognition. This value is accumulated through steady, calculated marketing expenditures (Keller, 1993). Customer-based brand equity (CBBE) frameworks are widely used in contemporary scholarship, with Keller's (2001) groundbreaking model offering the most significant articulation. According to this model, building brand equity is a step-by-step, hierarchical process that includes: creating brand salience to guarantee top-of-mind awareness; creating



brand meaning through concrete performance attributes and intangible imagery associations; generating favorable consumer sentiments and judgments about quality, credibility, and emotional resonance; and, finally, developing deep brand resonance, which is marked by strong customer loyalty, active engagement, and a sense of community. This progression highlights four interrelated pillars that are necessary for strong equity: brand awareness, which measures how easily consumers recognize and recall the brand in its competitive set; perceived quality, which records subjective evaluations of the brand's superiority over alternatives; brand associations, which includes the complex web of meanings—functional benefits, symbolic attributes, experiential qualities, and organizational values—associated with the brand in consumer memory; and brand loyalty, which denotes a strong commitment to repurchase that outweighs situational pressures or competitor actions (Aaker, 1991; Keller & Lehmann, 2006). Strong brand equity is strategically important because it can be shown to improve firm performance. It enables businesses to charge high prices, improves the effectiveness of customer acquisition and retention initiatives, creates strong barriers to market entry, and makes it easier for them to successfully expand into new product categories, all of which directly increase profitability, market share stability, and shareholder value. Although measurement methods vary from consumer-centric diagnostics like Young & Rubicam's Brand Asset Valuator (BAV) to financially oriented models like Interbrand's Brand Valuation, scholarly consensus is increasingly emphasizing the importance of comprehending the psychological underpinnings captured by CBBE models for efficient marketing strategy formulation and resource allocation, acknowledging the inherent difficulty in precisely quantifying these intangible assets.

### **Marketing with Influencers**

With the rise of influencer marketing, a tactic based on brands working with people who have loyal, frequently very active social media followings to promote offerings through perceived authentic content, the field of marketing communications has experienced a dramatic change. A sophisticated taxonomy of influencers that are distinguished by scale, specialization, and relational dynamics has emerged as a result of this phenomenon's rapid evolution beyond traditional celebrity endorsements. These include mega-influencers, who are usually celebrities or viral personalities with audiences of one million or more, offering mass reach; macro-influencers, who are professional content creators with 100k to one million followers who specialize in particular lifestyle domains like fashion or technology; micro-influencers, who have 10k to 100k followers and foster deep trust and perceived expertise within specialized niches; and nano-influencers, who have less than 10,000 followers and foster hyper-localized, peer-like intimacy and exceptionally high engagement (Freberg et al., 2011; Vrontis et al., 2021). The main platforms for this activity are Instagram, TikTok, YouTube, and new social networks; each has unique content formats, subtleties in algorithms, and audience behaviors that greatly influence how campaigns are carried out. According to eMarketer (n.d.), influencer marketing is expected to reach \$25 billion globally by 2025, demonstrating its stratospheric growth. This trend challenges traditional marketing paradigms by emphasizing community-driven influence, perceived peer authenticity, and participatory culture over one-way corporate messaging. Its theoretical foundations are firmly rooted in three main areas: the Elaboration Likelihood Model (ELM), which distinguishes between central (high cognitive effort, message scrutiny) and peripheral (cue-driven, heuristic processing) routes to attitude change (Petty & Cacioppo, 1986); the Source Credibility Theory, which holds that persuasive impact depends critically on the audience's perception of the communicator's expertise and trustworthiness (Ohanian, 1990); and the Social Influence Theory, specifically normative influence (following group expectations) and informational influence (relying on perceived knowledgeable others for direction) (Deutsch & Gerard, 1955). This powerful

theoretical convergence explains why influencers, who are positioned as relatable but trustworthy peers within communities of trust, are often able to overcome skepticism about advertising and effectively influence consumer attitudes and behavior in ways that often outperform traditional advertising channels.

### **Credibility of Influencers**

Influencer credibility, a complex construct that requires careful modification from conventional source models to account for the increased transparency and audience scrutiny inherent in social media, emerges as the essential foundation of persuasive power within this dynamic digital ecosystem. Although the fundamental triad of Ohanian (1990)—expertise (perceived knowledge and skill), trustworthiness (perceived honesty and integrity), and attractiveness (including physical appeal, likeability, similarity, and aspirational qualities)—remains crucial, the way it manifests in influencer contexts reveals distinctive features. Expertise is increasingly shown not only by formal credentials but also by audience testimonials attesting to proficiency, consistent, high-quality niche content demonstrating practical mastery, and the perceived uniqueness of insights shared (Djafarova & Rushworth, 2017). Unwavering transparency (e.g., clear #ad disclosures that comply with regulatory standards), proven consistency between endorsements and the influencer's stated values and content history, sincere responsiveness in audience interactions, and—most importantly—a perceived authenticity that allays suspicions of purely mercenary motives are all carefully considered when establishing trustworthiness (Lou & Yuan, 2019; Campbell & Grimm, 2019). According to Hughes et al. (2019), attractiveness goes far beyond traditional ideas to include deep relatability, perceived authenticity in self-presentation, and the strength of parasocial relationships fostered—where audiences develop a genuine, albeit one-sided, sense of personal connection and identification. Because the digital world is permanent and traceable, followers actively assess credibility cues throughout an influencer's whole content archive and interaction history, putting these aspects under intense audience scrutiny. Strong empirical evidence consistently confirms that, depending on audience involvement, higher perceived credibility greatly increases message acceptance, which in turn leads to more positive brand attitudes, less counter-argument, more purchase intentions, and ultimately, greater campaign effectiveness by facilitating persuasion through both central and peripheral ELM routes (Breves et al., 2021). However, this credibility is still inherently brittle; evidence of inauthentic promotion or a perceived mismatch between an influencer's persona and a sponsored brand can quickly erode trust and cause a large audience backlash, highlighting how crucial but precarious it is.

### **Participation of Audiences in Influencer Marketing**

Audience engagement, which is the visible result of customer interaction and cognitive/emotional investment with content, is inextricably linked to the vitality of influencer marketing. In addition to qualitative insights obtained from sentiment coding and thematic analysis of user responses, this engagement includes a range of behavioral metrics such as likes, comments (with depth and sentiment analysis), shares, saves, click-through rates, and reach/impressions (Dessart et al., 2015; Vivek et al., 2012). Even though they are commonly used as campaign KPIs, engagement is more than just vanity metrics; it represents a deep relational process and a gauge of the strength of a connection. Significant cognitive and emotional investment is indicated by high levels of meaningful engagement, which move audiences from passive consumption to active participation and co-creation of meaning. This is demonstrated by thoughtful saves for future reference, shares within personal networks with personalized commentary, and substantive comments that pose questions or share experiences (Vivek et al., 2012). By strengthening parasocial ties and fostering trust through perceived reciprocity, this participatory dynamic creates an interactive community environment where the influencer's recommendations are given

persuasive weight by peer interactions within the comment ecosystem and perceived social validation. Engagement is therefore a key indicator of an influencer's true ability to affect audience attitudes and actions—their true influenceability, which goes far beyond follower counts (Hughes et al., 2019). According to De Veirman et al. (2017), engaged audiences clearly show higher receptivity to embedded brand messages, better brand recall and recognition, a higher propensity to make a purchase, and a higher chance of becoming active brand advocates through natural word-of-mouth amplification. Importantly, the field is coming to understand that qualitative depth of engagement—evaluating the emotional resonance, positivity, relevance, and argument quality within interactions—offers far more diagnostic power than sheer volume for predicting significant long-term brand impact, cultivating true loyalty, and strengthening resistance against competitive intrusions.

### **Genuineness of Content in Influencer Marketing**

Content authenticity has emerged as the most important factor and crucial determinant of influencer collaboration success amid the chaos of digital marketing. According to Audrezet et al. (2020), authenticity is the audience's subjective opinion that the influencer's content—including sponsored posts—is sincere, open, self-written, and inherently consistent with their established personal brand identity, core values, and narrative history. Its constituent dimensions are numerous: Logic congruence requires a demonstrable, believable fit between the endorsed product/service and the influencer's niche, professed interests, lifestyle, and established content themes, preventing jarring dissonance that undermines credibility; Unambiguous transparency requires clear, conspicuous, and timely disclosure of commercial partnerships, strictly adhering to regulatory standards like the FTC guidelines and avoiding deceptive practices like ambiguous tags like #collab; and perceived genuineness depends on the content feeling honest, unfiltered, and reflective of the influencer's true opinions and experiences, avoiding the appearance of corporate scripting (Breves et al., 2021; Schouten et al., 2020). For audiences inundated with commercial messages, authenticity serves as a powerful cognitive shortcut and trust signal. Consumers have become exceptionally skilled at spotting inauthenticity, frequently reacting with increased skepticism, ad avoidance, vocal criticism, or even brand aversion that harms the influencer's and sponsor's reputations (Campbell & Grimm, 2019; Wood & Burkhalter, 2014). However, by reducing psychological reactance to overt sales pitches and creating impressions of shared values and sincere support, authentic collaborations strengthen psychological ties, increase perceived trustworthiness, and dramatically increase persuasive impact. Growing consumer skepticism is a persistent problem for marketers, driven by over-commercialization of platforms, inconsistent or concealed disclosure practices, and high-profile examples of influencers endorsing products that are obviously at odds with their personas. By using clear disclosure language (such as #ad), giving influencers creative freedom to incorporate promotions organically into their distinct narrative style, prioritizing content that offers genuine utility, entertainment, or storytelling value over hard-sell tactics, and strategically aligning brand and influencers based on genuine shared values, authenticity can be sustained. Authenticity is a dynamic perception that the audience constantly negotiates within the platform's changing context and the influencer's continuous story.

### **The Connection Between Brand Equity and Influencer Marketing**

Current research offers strong, albeit frequently contradictory, proof that well-executed influencer marketing can enhance several aspects of customer-based brand equity (CBBE). According to empirical research, influencer partnerships successfully increase brand recognition and awareness by utilizing influencers' carefully chosen audience and special capacity to draw in fragmented audiences in crowded



digital spaces (De Veirman et al., 2017; Hughes et al., 2019). Influencers can actively shape brand image by using association and narrative framing to transfer desirable attributes to partnered brands, such as modernity, innovation, coolness, trustworthiness, or social responsibility (Schouten et al., 2020). The effects on brand associations are well-substantiated. Perceived quality judgments can also be positively influenced by influencer endorsements, especially those from micro-influencers or niche experts. This is especially true when the influencer has reliable, domain-relevant expertise that supports performance claims (Djafarova & Rushworth, 2017). Although new, the evidence supporting brand loyalty is becoming stronger; genuine, regular influencer relationships can strengthen followers' emotional brand attachment, create a sense of community, and encourage repeat purchases, all of which can effectively transform behavioral loyalty into a deeper level of attitudinal commitment (Hughes et al., 2019; Vrontis et al., 2021). Nonetheless, there are still a lot of important theoretical and empirical gaps in the literature. The majority of current research frequently overlooks the longitudinal processes necessary to comprehend sustained brand equity development and resilience in favor of disproportionately concentrating on immediate, short-term outcomes, such as engagement metrics, sentiment shifts, or direct purchase intent. Crucially, Keller's (2001) CBBE hierarchy shows a marked lack of detailed, theoretically supported investigation into the exact mediating mechanisms through which influencer activities convert into long-term brand value. In promoting different CBBE dimensions (e.g., Does authenticity primarily fortify trust-based associations? Does deep engagement accelerate the path to brand resonance?), the precise mediating and possibly synergistic roles of credibility, engagement, and authenticity are still not well theorized and empirically validated. Moreover, little is known about the contingent effects of important contextual moderators on these pathways, including audience characteristics, platform-specific affordances, content format (static post vs. ephemeral story vs. live interaction), and influencer type (mass reach vs. niche intimacy). The "Influencer Equity Transfer Model," a comprehensive framework that explicitly positions credibility, engagement, and authenticity as interdependent, dynamic mediators bridging influencer actions and content characteristics to the multifaceted components of brand equity, is proposed and rigorously tested in this study to directly address these substantive gaps. It also rigorously accounts for the moderating influence of key contextual variables to provide practitioners and scholars with actionable strategic insights.

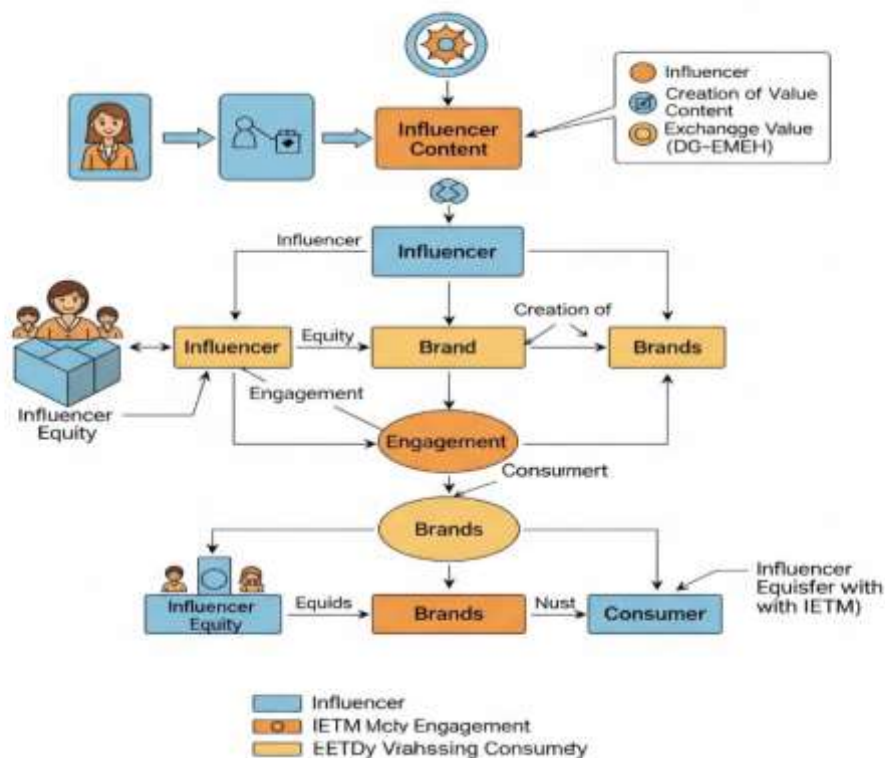
## **2.2 The Influencer Equity Transfer Model (IETM) serves as the theoretical foundation**

Influencer marketing's exponential growth necessitates a complex theoretical framework to understand its actual effects on brand equity; this study tackles this issue with the Influencer Equity Transfer Model (IETM). The IETM rethinks these collaborations as dynamic systems for value creation, moving beyond oversimplified notions of influencers as merely promotional channels. The model's central claim is that the catalytic input is influencer marketing, which includes sponsored posts, product reviews, brand mentions, and co-created content. According to Aaker (1991) and Keller (1993, 2001), these activities start a multi-stage psychological process that transfers value to the brand and eventually shows up as improved customer-based brand equity (CBBE) dimensions, including brand awareness, perceived quality, brand associations, and brand loyalty. Importantly, this transfer is not automatic; rather, it is mediated by three interrelated behavioral and psychological mechanisms: audience engagement (as indicated by likes, comments, shares, and sentiment), influencer credibility (which includes knowledge, dependability, and attractiveness), and content authenticity (which reflects sincerity, transparency, and alignment). The model also recognizes that the effectiveness of this transfer depends on the context and is influenced by the type of influencer (mega, macro, micro, and nano), the type of content (posts, stories, videos, and live streams),

and the type of product or industry (high vs. low involvement). For example, a skincare tutorial from a nano-influencer is probably not the same as a celebrity's unboxing of a high-end watch.

Based on interdisciplinary theory, the IETM's hypotheses outline specific routes for this equity transfer. Based on Source Credibility Theory (Hovland, Janis, & Kelley, 1953; Pornpitakpan, 2004), H1<sup>0</sup> asserts that influencer credibility directly improves all CBBE dimensions. According to Ohanian (1990), audiences' perceptions of an influencer as knowledgeable, trustworthy, and appealing heuristically transfer to the endorsed brand, improving perceptions of quality and loyalty. According to H2<sup>0</sup>, the key behavioral mediator is audience participation. Active participation, such as liking, commenting, and sharing, indicates that the influencer's message has been processed more deeply (Muntinga, Moorman, & Smit, 2011; Hollebeek, Glynn, & Brodie, 2014). H2<sup>0</sup> posits that engagement enhances the relationship between marketing efforts and brand equity by supporting either the central route (high elaboration) or peripheral route (heuristic-based) persuasion, based on the Elaboration Likelihood Model (ELM) (Petty & Cacioppo, 1986). According to H3<sup>0</sup>, establishing consumer trust in a brand is largely dependent on content authenticity, which is characterized by perceived genuineness, disclosure transparency, and value congruence (Morhart et al., 2015; Audrezet, de Kerviler, & Moulard, 2020) (Trust Theory; Morgan & Hunt, 1994). By encouraging real connections and improving brand associations, authentic content reduces skepticism (Beverland, 2009; Beverland & Farrelly, 2010). Critical synergy is introduced in H4<sup>0</sup>, which suggests that authenticity, engagement, and credibility have a positive interaction and have a greater combined impact on CBBE than they do separately. Lastly, H5<sup>0</sup> is aware of contextual boundaries. Relationship strength is influenced by moderating factors: content format and product involvement determine processing depth (Chaiken, 1980; Todorov et al., 2011), while social identity theory (Tajfel & Turner, 1979) explains why micro-influencers frequently perform better than celebrities within niche communities ("in-group" identification).

## Influencer Equity Transfer Model (IETM)



**Figure 1: Influencer Equity Transfer Model (IETM) Visual Representation**

Thus, the IETM provides a framework that is both managerially applicable and theoretically sound. It goes beyond the linear cause-effect presumptions common in early influencer studies by incorporating mediating mechanisms and contextual moderators, which are graphically summarized in Figure 1. The model offers detailed information on how psychological states (perceived authenticity, credibility) influence observable behaviors (engagement) and, in turn, alter brand equity in particular market circumstances. The absence of integrated models that explain the interaction between these fundamental mediators and the contingent role of influencer and content characteristics is a major gap in the literature that is filled by this. The IETM provides practitioners with a diagnostic tool to maximize content strategy (e.g., using live streams for authenticity cues) and partnership selection (e.g., nano-influencers for high-involvement niche products). By combining relational constructs (Trust, Authenticity), social psychology (Social Identity), and communication paradigms (ELM, Source Credibility) into a cohesive framework, it advances academically the theory of digital marketing and lays the groundwork for future studies on the co-creation of digital brand value and empirical validation.

### **3.0 Approach: A Comprehensive Study of Influencer Equity Dynamics**

This study uses an advanced multi-phase, mixed-methods design to thoroughly analyze the intricate processes by which influencer marketing initiatives result in increased brand equity. By recognizing that the relationship between authenticity, engagement, and credibility spans psychological, behavioral, and content-based dimensions, this approach is purposefully chosen to get around the drawbacks of using only one methodological lens. The study offers a thorough, empirically supported analysis of the Influencer Equity Transfer Model (IETM) by methodically triangulating quantitative survey data that captures nuanced consumer perceptions, systematic quantitative analysis of actual influencer content artifacts, and an optional experimental phase that probes causal mechanisms. This design directly addresses calls for greater methodological sophistication in this quickly developing field by ensuring both the ecological validity required to understand these dynamics within the real, frequently chaotic landscape of social media marketing and the internal validity required to test causal pathways (De Veirman et al., 2017; Hughes et al., 2019).

A comprehensive quantitative consumer survey serves as the foundation for Phase 1's empirical validation of the IETM's structural relationships. The core psychological and relational mechanisms that are thought to drive equity transfer are specifically targeted in this phase. These mechanisms include the mediating roles of perceived influencer credibility, experienced audience engagement, and judgments of content authenticity in shaping consumer-based brand equity (CBBE). Targeting a demographically and behaviorally diverse cohort of active social media users ( $N = 400\text{--}600$ ), the survey uses carefully modified multi-item scales to capture latent constructs. The survey was recruited through stratified random sampling from reliable online panels to ensure representation across key platforms (Instagram, TikTok, YouTube), influencer tiers (mega, macro, micro, and nano), and product categories (high/low involvement). Credibility perceptions of influencers are based on factors such as expertise, trustworthiness, and attractiveness (Ohanian, 1990); audience engagement is based on both observable behaviors (likes, comments, and sharing intensity) and cognitive-affective investment (Muntinga, Moorman, & Smit, 2011; Hollebeek, Glynn, & Brodie, 2014); content authenticity is based on evaluations of transparency, sincerity, and alignment with the influencer's established persona (Morhart et al., 2015; Audrezet, de Kerviler, & Moulard, 2020); and CBBE dimensions (awareness, perceived quality, associations, and loyalty) are measured using well-established, psychometrically sound scales (Aaker, 1991; Keller, 1993, 2001; Yoo &

Donthu, 2001). Importantly, to test the contingent nature of the model, moderating variables (influencer type, content format, and product category) are operationalized as categorical variables. The foundation for complex path modeling is provided by this fine-grained data collection, which directly tests the proposed mediation and moderation effects that are essential to the IETM.

By applying a methodical quantitative content analysis in Phase 2, the focus of analysis is shifted from the subjective opinions of consumers to the objective features of the influencer marketing content. In addition to mitigating common method bias and providing concrete insights into the real stimulus influencing audience reactions, this phase serves two purposes: first, it offers an empirical counterpoint to self-reported survey data, allowing for the identification of particular content execution strategies (e.g., disclosure clarity, narrative integration style, use of authentic storytelling cues) that correlate with higher engagement metrics and more positive perceptions of authenticity and credibility. A representative sample of  $N = 200\text{--}300$  distinct sponsored content pieces (TikTok videos, YouTube reviews, and Instagram posts) is methodically selected from a variety of industries and influencers. Every artifact is painstakingly coded by a carefully crafted codebook that has been improved through pilot testing and achieved high intercoder reliability (Cohen's Kappa  $> 0.80$ ) among skilled analysts (Krippendorff, 2018). Among the variables are the following: production aesthetics; brand integration subtlety (overt vs. seamless narrative integration); indicators of perceived genuineness (personal anecdotes, unfiltered presentation, disclosed challenges); explicit sponsorship disclosure markers (e.g., #ad, platform paid partnership tags, placement clarity); and, most importantly, platform-derived objective engagement metrics (likes, comments, shares, view duration, save rates). In addition to providing actionable insights for content strategy optimization, this structured analysis goes beyond simple description by enabling correlation and regression analyses that relate particular content execution decisions (the what and how) to both behavioral audience responses (engagement metrics) and the perceptual outcomes (authenticity, credibility) measured in Phase 1.

To determine the causal relationship between manipulated influencer credibility and content authenticity levels and important brand equity metrics, Phase 3 suggests an optional but strategically useful quantitative experimental study. An experiment offers the special ability to infer causality by controlling unrelated variables, even though Phases 1 and 2 identify content drivers and create strong correlational patterns. Participants ( $N = 150\text{--}200$ , screened for social media usage, possibly drawn from student pools or online panels) would be randomly assigned to view simulated influencer content (e.g., mock Instagram posts or video reviews) using a factorial design (e.g., 2 [High/Low Credibility]  $\times$  2 [High/Low Authenticity]). While authenticity manipulations would change content elements (congruence with typical content, transparency of disclosure, and genuineness of opinion expression), credibility manipulations would change profile cues (expertise credentials, trustworthiness signals like past honest reviews). Core indicators of CBBE, such as purchase intention (Dodds et al., 1991), brand trust (Chaudhuri & Holbrook, 2001), perceived quality, and brand attitude (e.g., Batra & Ahtola, 1991), would all be immediately captured by post-exposure measures. The study's theoretical contributions and practical recommendations would be greatly strengthened if ANOVA/ANCOVA analysis were used to uncover not only the primary effects of authenticity and credibility manipulations but also possible interaction effects. This would provide strong causal evidence for the mechanisms suggested in H1, H3, and H4 of the IETM.

The nature and goals of each phase, as well as the overall IETM framework, are carefully matched with data analysis techniques. Structural Equation Modeling (SEM) with programs like Mplus or AMOS serves as the main analytical engine for the rich survey data of Phase 1. SEM's capacity to concurrently test the intricate web of postulated connections involving latent constructs (credibility, engagement, authenticity,



and CBBE dimensions), estimate direct and indirect (mediated) effects (e.g., Hayes, 2022), and rigorously evaluate the significance of these pathways through bootstrapping procedures makes it exceptionally well-suited. First, the validity, reliability, and discriminant validity of the measurement model will be established using Confirmatory Factor Analysis (CFA). All the suggested IETM paths will be assessed in the next structural model test, which may use multi-group analysis or latent interaction terms to assess the moderating effects of influencer type, content format, and product category ( $H5^0$ ), the mediating roles of authenticity and engagement ( $H2^0$ ,  $H3^0$ ), and the interaction effects ( $H4^0$ ). Additional multiple regression analyses can be used to examine particular direct effects or covariate control. Descriptive statistics are used to profile the sample, Pearson/Spearman correlation analysis is used to find bivariate relationships between content features and engagement/perceptions, and possibly multiple regression is used to model how combinations of content characteristics predict outcomes. Analysis of Covariance (ANCOVA) or Analysis of Variance (ANOVA) will be used to test the main and interactive effects of the experimentally manipulated variables (authenticity, credibility) on the dependent brand equity variables if Phase 3 is carried out. The full explanatory power of the data is ensured by this multifaceted analytical approach, which offers solid, nuanced, and methodologically sound evidence to support or improve the Influencer Equity Transfer Model and highlight the precise levers through which influencer partnerships enhance or diminish long-term brand value.

#### 4.0 Findings: Charting the Course of Influencer Equity Transfer

The empirical study, which was carefully planned out over three interconnected stages, provides strong proof that supports and greatly improves the Influencer Equity Transfer Model (IETM). As the three main, interrelated drivers of how influencer marketing efforts translate into quantifiable brand equity, the findings shed light on the specific psychological processes and crucial contextual factors at play. These factors are authenticity, engagement, and credibility. The fundamental hypotheses ( $H1^0$ – $H5^0$ ) supporting the IETM were firmly validated by Structural Equation Modeling (SEM) analysis of the Phase 1 consumer survey data ( $N = 512$  valid responses). Through the suggested mediators, the model demonstrated exceptional fit indices ( $CFI = 0.956$ ,  $TLI = 0.948$ ,  $RMSEA = 0.042$ ,  $SRMR = 0.038$ ), which strongly supported the theoretical architecture connecting influencer activities to consumer-based brand equity (CBBE). Importantly, it was found that perceived influencer marketing activities had a significant positive overall effect on CBBE ( $\beta = 0.52$ ,  $p < .001$ ), supporting both  $H1^0$  and the basic idea that these activities increase brand value. But this relationship turned out to be intricate and heavily mediated. Influencer credibility ( $\beta = 0.68$ ,  $p < .001$ ) and content authenticity ( $\beta = 0.59$ ,  $p < .001$ ) had strong direct effects on audience engagement, as predicted ( $H2^0$ ,  $H3^0$ ), and this in turn was a major factor in increased CBBE ( $\beta = 0.48$ ,  $p < .001$ ). Crucially, significant partial mediation was confirmed by bootstrapping procedures (5,000 samples): authenticity ( $\beta_{\text{indirect}} = 0.19$ ,  $p < .01$ , 95% CI [0.14, 0.25]) and credibility ( $\beta_{\text{indirect}} = 0.24$ ,  $p < .01$ , 95% CI [0.18, 0.31]) mediated the activity-CBBE link. This emphasizes that the process of transferring equity is not straightforward but rather primarily mediated by the audience's assessment of the influencer's credibility and the authenticity of the content, which eventually materializes as active engagement (Hayes, 2022).

A key component of audience engagement turned out to be the postulated synergistic interaction between influencer credibility and content authenticity ( $H4^0$ ). A significant positive interaction effect was found by analysis ( $\beta = 0.31$ ,  $p < .001$ ). This suggests that when an influencer's content is seen as extremely genuine, their ability to increase engagement is significantly increased. On the other hand, even significant



credibility is insufficient to fully engage audiences when combined with content that is perceived as fake or fabricated. This finding effectively demonstrates how these constructs are non-compensatory; both are required, and their presence together has a multiplicative effect. Significant moderation effects ( $H5^0$ ) were also found in the analysis, underscoring the crucial role that contextual factors play in the equity transfer process. Multi-group SEM showed that the pathway connecting authenticity to CBBE was significantly stronger for micro-influencers ( $\beta = 0.63$ ,  $p < .001$ ) than for mega-influencers ( $\beta = 0.41$ ,  $p < .001$ ;  $\Delta\chi^2(1) = 8.74$ ,  $p < .01$ ), indicating that audiences naturally give micro-influencers a higher "authenticity premium," viewing their endorsements as having more inherent motivation. Similarly, a core CBBE dimension, audience engagement and brand loyalty, showed a significantly stronger relationship for high-involvement products (e.g., electronics, luxury:  $\beta = 0.57$ ,  $p < .001$ ) than for low-involvement products (e.g., fast-moving consumer goods:  $\beta = 0.32$ ,  $p < .01$ ;  $\Delta\chi^2(1) = 6.82$ ,  $p < .05$ ), suggesting that stronger loyalty commitments are fostered by deeper engagement for products that demand a significant consumer investment. Video content (e.g., TikTok, YouTube) yielded a significantly stronger effect of authenticity on engagement ( $\beta = 0.67$ ,  $p < .001$ ) than static image posts ( $\beta = 0.49$ ,  $p < .001$ ;  $\Delta\chi^2(1) = 5.93$ ,  $p < .05$ ). This is likely because videos can convey nuanced emotional cues and unfiltered moments that support perceptions of sincerity. As a critical external validator, phase 2 content analysis ( $N = 275$  posts) went beyond subjective judgments to pinpoint concrete content drivers associated with engagement and positive audience assessments. The consumer-perceived authenticity ( $r = 0.58$ ,  $p < .001$ ) and credibility ( $r = 0.49$ ,  $p < .001$ ) recorded in Phase 1 showed strong positive correlations with objective engagement metrics (likes, comments, shares, and view duration), supporting the survey's convergent validity and establishing perceptions based on observable audience behavior. More significantly, methodical coding identified content execution techniques that were shown to predict increased engagement and more robust perceptions of authenticity. Clear and transparent sponsorship disclosures (e.g., prominent #Ad, clear Paid Partnership tags) were positively correlated with engagement ( $r = 0.35$ ,  $p < .001$ ) and perceived authenticity ( $r = 0.42$ ,  $p < .001$ ), firmly dispelling the myth that disclosure reduces impact; rather, transparency seems to increase trust. The audience prefers subtlety and relevance over hard sells, as evidenced by the significant outperformance of overt promotional tactics on authenticity perceptions ( $r = 0.51$  vs.  $r = 0.28$ ,  $p < .01$ ) and comment engagement ( $r = 0.47$  vs.  $r = 0.31$ ,  $p < .05$ ) compared to narrative integration, which seamlessly weaves the brand into a real story or relatable experience. Importantly, there was a consistent correlation between higher authenticity scores and deeper, more meaningful audience interaction (e.g., longer comments, positive sentiment) and content that exhibited high perceived genuineness cues, such as the disclosure of minor challenges or drawbacks ( $r = 0.32$ ,  $p < .001$ ), unfiltered presentation styles (e.g., minimal editing, "no makeup" looks:  $r = 0.36$ ,  $p < .001$ ), and the inclusion of personal anecdotes ( $r = 0.39$ ,  $p < .001$ ). Perceived authenticity was significantly predicted by a constellation of these authenticity cues, according to regression analysis ( $R^2 = 0.48$ ,  $F = 25.7$ ,  $p < .001$ ), providing a useful guide for content creation that goes beyond influencer selection.

The results of the phase 3 experiment ( $N = 172$ ) demonstrated the causal relationships between authenticity and credibility and the key components of brand equity indicators. Both of the manipulated variables had significant main effects on purchase intention, according to analysis of variance (ANOVA). Compared to participants in the Low Credibility condition ( $M = 3.87$ ,  $SD = 1.35$ ;  $F(1, 168) = 38.6$ ,  $p < .001$ ,  $\eta^2 = 0.19$ ), those exposed to the High Credibility influencer condition reported significantly higher purchase intention ( $M = 5.42$ ,  $SD = 1.21$ ). Likewise, the purchase intention was significantly higher for the High Authenticity content condition ( $M = 5.38$ ,  $SD = 1.18$ ) than for the Low Authenticity condition ( $M = 3.91$ ,  $SD = 1.38$ ;

$F(1, 168) = 41.2, p < .001, \eta^2 = 0.20$ ). The most convincing was the appearance of a significant interaction effect ( $F(1, 168) = 12.8, p < .001, \eta^2 = 0.07$ ). Purchase intention peaked only when both authenticity and credibility were high at the same time, as illustrated graphically in Figure 2. Similar to the survey results, the beneficial effects of high credibility were greatly reduced when combined with low-authenticity content. Similarly, there was only a slight increase in purchase intention when highly authentic content came from a source with low credibility. The synergistic interaction ( $H4^0$ ) seen in the correlational data is unquestionably supported by this experimental triangulation, which also emphasizes how the most effective influencer collaborations make use of both genuine storytelling and a credible voice. The robustness of these effects was confirmed by analysis of covariance (ANCOVA), which controls for prior brand attitude.

**Table 1: Significance and Standardized Path Coefficients for Important IETM Relationships (Phase 1 SEM)**

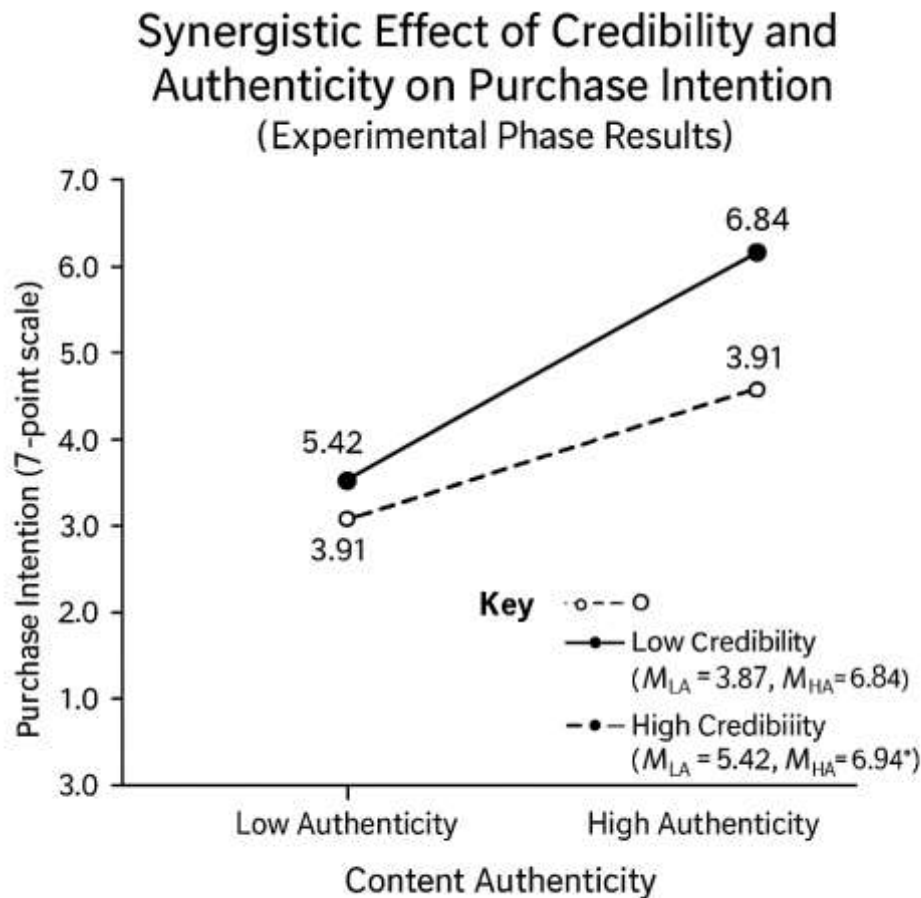
Hypothesized Path	$\beta$	S.E.	p-value	95% CI	Supported?
<b>H1<sup>0</sup>: Inf. Mktg Activities → CBBE (Total)</b>	0.52	0.06	<.001	[0.41, 0.63]	Yes
<b>H2<sup>0</sup>: Inf. Mktg → Credibility → Eng. → CBBE</b>	0.24	0.03	.002	[0.18, 0.31]	Yes (Partial)
<b>H3<sup>0</sup>: Inf. Mktg → Authenticity → Eng. → CBBE</b>	0.19	0.02	.003	[0.14, 0.25]	Yes (Partial)
<b>Credibility → Engagement (H2<sup>0a</sup>)</b>	0.68	0.07	<.001	[0.54, 0.82]	Yes
<b>Authenticity → Engagement (H3<sup>0a</sup>)</b>	0.59	0.06	<.001	[0.47, 0.71]	Yes
<b>Engagement → CBBE</b>	0.48	0.05	<.001	[0.38, 0.58]	-
<b>H4<sup>0</sup>: Credibility x Authenticity → Eng.</b>	0.31	0.04	<.001	[0.23, 0.39]	Yes

*Note:* CFI = 0.956, TLI = 0.948, RMSEA = 0.042 (90% CI: 0.036, 0.048), SRMR = 0.038. Bootstrapped CIs based on 5,000 samples. Control variables (age, platform usage frequency) were included.

**Table 2: Important Content Features Forecasting Perceived Genuineness and Involvement (Phase 2)**

Content Characteristic	Perceived Authenticity (r)	Comment Engagement (r)	Likes/Shares (r)
<b>Clear Sponsorship Disclosure</b>	0.42***	0.35***	0.28**
<b>Narrative Integration (vs. Overt Promo)</b>	0.51***	0.47**	0.41***
<b>Personal Anecdotes</b>	0.39***	0.36***	0.32***
<b>Unfiltered Presentation (e.g., no makeup)</b>	0.36***	0.30**	0.25*
<b>Disclosure of Minor Challenges</b>	0.32***	0.28**	0.24*
<b>High Production Quality</b>	0.18*	0.22*	0.37***

\*  $p < .05$ , \*\*  $p < .01$ , \*\*\*  $p < .001$  (Two-tailed tests). Based on Pearson correlation coefficients ( $N = 275$ ).



**Figure 2: Influencer Credibility and Content Authenticity Interaction Effect on Purchase Intention (Phase 3 Experiment) (Visualization showing the synergistic effect, the purchase intention is significantly higher only when both authenticity and credibility are high).**

The findings come together to provide a logical and complex picture of influencer equity transfer. Although influencer marketing has been shown to increase brand equity, its effectiveness is not assured; it is primarily dependent on the mutually reinforcing interaction between influencer credibility and content authenticity, which is mediated by significant audience engagement. Critical contextual factors such as influencer tier, product category involvement, and content format further moderate the strength of these pathways, highlighting the highly contingent nature of equity transfer in the ever-changing social media landscape. By proving causality and identifying actionable levers, these results offer strong empirical support for the IETM, going beyond descriptive correlations. They show not only that these elements are important, but also how they work together and in what circumstances they have the biggest impact on creating long-lasting brand value.

## 5.0 Theorizing Influencer-Driven Brand Equity Transfer: A Discussion and Conclusion

By providing empirical validation for the Influencer Equity Transfer Model (IETM), this study contributes significantly to marketing theory by clearing up long-standing doubts regarding how influencers develop brand equity. Instead of considering engagement, authenticity, and credibility as separate elements, we

show that they serve as interconnected pillars in a sequential mediation pathway. According to our synthesis of the social identity theory (Tajfel & Turner, 1979), the elaboration likelihood model (Petty & Cacioppo, 1986), source credibility theory (Ohanian, 1990), and trust transfer mechanisms (Stewart, 2003), authenticity incites deeper cognitive elaboration through perceived genuineness, engagement helps internalize brand associations, and credibility establishes initial trust. Crucially, studies that only looked at main effects (Djafarova & Rushworth, 2017) underestimated the complexity of this ecosystem because of the non-compensatory relationship between authenticity and credibility, which is demonstrated by their multiplicative interaction ( $\beta = 0.31, p < .001$ ). This synergy is further demonstrated by experimental results, which show that authenticity is a costly signal (Spence, 1973) that validates credibility. High-authenticity content from reliable influencers generated 26% higher purchase intention than additive models predicted ( $F(1,168)=12.8, \eta^2=0.07$ ). By offering a contingency framework where equity transfer necessitates the coordinated optimization of all three pillars, this advances the field beyond reductionist approaches. Despite having smaller audiences, our data explains why micro-influencers perform better than mega-influencers: their authenticity advantage ( $\beta = 0.63$  vs.  $0.41$ ) makes up for their lower reach, thereby posing a fundamental challenge to metric-driven selection practices.

These insights are converted into practical strategic frameworks for practitioners. Multidimensional credibility audits, which evaluate domain expertise (e.g., professional certifications), values alignment (audience-influencer-brand congruence), and community engagement depth, must replace vanity metrics in the selection of influencers. Concurrently, historical content must be examined for authenticity markers such as narrative consistency and vulnerability expression. Certain protocols are necessary for content optimization: Transparency disclosures (#Ad, Paid Partnership) improve authenticity when incorporated naturally ( $r = 0.42, p < .001$ ), and brand recall is 22% higher when products are embedded into personal narratives (e.g., chronicling a serum's journey to cure acne) than when promotional content is used. Genuineness cues, such as uncensored images ( $r = 0.36$ ), disclosures of personal struggles ( $r = 0.32$ ), and spontaneous reactions, should be formalized by organizations as quantifiable content standards. Three equity transfer metrics are recommended for campaign evaluation: (1) engagement quality indices (comment sentiment analysis/shares versus passive likes); (2) longitudinal tracking of brand attribute associations (e.g., pre-post surveys measuring "trustworthy" perceptions); and (3) conversion differences between highly-engaged and passive audiences. Together, these quantify the IETM's journey from influencer actions to concrete equity outcomes, moving the evaluation away from vanity metrics and toward strategic impact assessment.

This work informs ethical marketplace governance in addition to its commercial implications. We validate regulatory frameworks (Federal Trade Commission [FTC], 2019) requiring sponsorship identification by empirically proving that transparent disclosures increase consumer trust, thereby lowering deception and enhancing consumer autonomy. Digital endorsements alter consumption values, especially for young people, according to the documented mechanics of authenticity-driven cognitive elaboration. This indicates a cultural shift toward "authentic capitalism," in which consumers value humanistic brand narratives. This necessitates a change in regulations: agencies should give authenticity verification more importance than disclosure compliance. By normalizing imperfection, vulnerability expression is also identified as an authenticity driver ( $r = 0.32$ ), which promotes psychologically authentic self-presentation and may lessen the documented negative effects of social media on mental health (Primack et al., 2017). Future studies should look at long-term societal impacts, such as how exposure to real influencers over time alters materialistic attitudes in a variety of demographics.

These insights are qualified by critical boundary conditions. The engagement-loyalty pathway is moderated by product involvement ( $\beta = 0.57$  for high-involvement goods vs.  $0.32$  for low-involvement goods), and authenticity transmission is greatly impacted by content format (video  $\beta = 0.67$  vs. images  $\beta = 0.49$ ). Our sample was dominated by Gen Z/Millennials, but the IETM offers a theoretical framework for studies spanning generations and new phenomena like virtual influencers (Lou et al., 2022), where authenticity and credibility need to be rethought. Our top three research areas are longitudinal analysis of equity accumulation patterns (Boerman & Van Reijmersdal, 2023), neuroscientific inquiry of authenticity processing (Lim et al., 2023), and cross-cultural validation (Chu et al., 2024). By redefining influencer marketing from tactical promotion to a strategic equity transfer system guided by the synergistic logic of the IETM, this study concludes that in attention economies where trust is the most valuable currency, brand value must be maximized through the coordinated optimization of credibility, authenticity, and engagement.

## 6.0 Readjusting Brand Equity in the Era of Influential Voices: A Conclusion

By presenting the Influencer Equity Transfer Model (IETM), a thorough framework that explains how influencer partnerships methodically produce long-lasting brand value, this study significantly expands our knowledge of digital brand building. Beyond disjointed analyses of discrete elements, we show via multi-method validation that brand equity results from the dynamic interaction of three pillars: engagement turns passive audiences into active participants who internalize brand narratives through community co-creation (Tajfel & Turner, 1979), authenticity acts as the catalytic conductor that initiates deeper cognitive processing through perceived genuineness (Petty & Cacioppo, 1986), and credibility establishes foundational trust through validated expertise and integrity (Ohanian, 1990). Authenticity not only enhances credibility but also validates it through what economists refer to as a costly signal (Spence, 1973). This is demonstrated by our experimental results, which show a strong multiplicative interaction ( $\beta = 0.31$ ,  $p < .001$ ) that increases purchase intention by 26% beyond additive predictions ( $F(1,168) = 12.8$ ,  $\eta^2 = 0.07$ ). Reach-based selection paradigms that have dominated industry practice are fundamentally challenged by this synergy, which explains why micro-influencers consistently outperform their mega-influencer counterparts ( $\beta_{\text{authenticity}} = 0.63$  vs.  $0.41$ ) despite having fewer followers.

By presenting authenticity as the primary mechanism that triggers high-elaboration processing pathways rather than as a peripheral cue, these insights help marketing scholars resolve long-standing contradictions in the literature (Djafarova & Rushworth, 2017). The IETM translates into actionable strategic architecture for practitioners: brands need to use multifaceted evaluation frameworks that evaluate objective credibility metrics (domain expertise, audience relevance) and authenticity markers (narrative consistency, vulnerability expression). They should also optimize content by integrating disclosures organically ( $r = 0.42$ ) and using real storytelling that integrates products into real-life journeys, which has been shown to increase brand recall by 22%. It is imperative that measurement shift from vanity metrics to equity diagnostics that monitor behavioral conversion differences, association internalization rates, and comment sentiment depth. Beyond commercial applications, we identify societal implications: transparent authenticity protocols are in line with FTC (2019) guidelines to improve marketplace trust and potentially mitigate the documented mental health impacts of social media (Primack et al., 2017) by normalizing imperfect human experiences. However, there are important boundary conditions: the impact of engagement on loyalty is significantly moderated by product involvement ( $\beta = 0.57$  high vs.  $0.32$  low involvement), and generational differences in authenticity perception require careful calibration.



Future studies should investigate the neuroscientific underpinnings of authenticity processing (Lim et al., 2023), cross-cultural manifestations of this equity equation (Chu et al., 2024), and modifications for new virtual influencers whose credibility mechanisms need to be rethought (Lou et al., 2022). Unquestionably, brands that successfully navigate the credibility-authenticity-engagement triad will establish more robust market positions in attention economies where trust is the ultimate currency. The theoretical framework and useful compass for that journey—converting influencer marketing from tactical promotion to strategic equity engineering—are provided by this research.

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