

# Keeping It Real on Instagram: How Indian Consumers React to Sponsored Content Depending on Influencer Popularity and Brand Size

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## Abstract

**Background:** Instagram has become the dominant social media platform in India, as well as the place where most influencer marketing activities take place. As the market grows, it becomes increasingly crucial that brands and content creators help consumers understand the nuanced signals within their perceptions. A strong tension exists between the commercial imperative to use sponsored content and the need for authenticity from the audience.

**Objective:** This empirical investigation tests the hypothesis regarding the relationship between two different variables: the influence tier of the content creator (micro vs. macro) and the scale of the brand sponsoring the content (emerging vs. established), as well as their impact on Indian consumers' judgments related to authenticity, brand attitude, and buying intentions.

**Methodology:** An experimental between-subjects design was used, which included a 2 (Influencer Type: Micro vs. Macro) x 2 (Brand Size: Emerging vs. Established) factorial design. 400 active Indian Instagram users were considered for the sample size, aged from 18 to 45, and randomly selected from the four experimental conditions. Each condition was a presentation of a simulated Instagram post. To gather information, a structured online questionnaire was applied for respondents to obtain their perception data on authenticity, brand attitude, and purchase intention.

**Results:** Main effects and the effects of interactions were indicated in the analysis of variance (ANOVA) to be significant. Micro-influencers constantly produced a greater perception of authenticity than macro-influencers. Participants associated brand-new brands with authenticity more strongly than those associated with well-established brands. A significant interaction effect was found, showing the micro-influencers who endorsed emerging brands had the greatest amounts of perceived authenticity, positive brand attitude, and purchase intentions. On the other hand, macro-influencers spreading the word for known brands showed lower levels of authenticity but also generated a substantial purchase intention due to the consumer's pre-existing familiarity with the brand.

**Conclusion:** the results highlight the broad spectrum of "realness" on Instagram, thereby highlighting the substantial dependence of "realness" on the congruence between influencers and brands. A strategic alignment is proving indispensable for marketers, as macro-influencers mostly work for the mass awareness and solidified brand identity, while micro-influencers orchestrate effective means of

establishing authentic connections and sparking the advent of a brand. This research provides a blueprint for influencer marketing campaigns to optimize marketing efforts in the intricate, growing Indian market. attitude,

**Keywords:** Consumer Perception, Sponsored Content, Influencer Marketing, Brand size, Micro-influencer, Macro-influencer.

## 1. Introduction

The rise of the multibillion-dollar influencer marketing industry can be attributed to the massive metamorphosis of the marketing terrain precipitated by the proliferation of social media, and all of this is especially manifest in India. As of 2024, there were over 500 million users of Instagram in the nation (Statista, 2024). offerings, the platform has gone from a simple application for sharing photos to a complex commercial ecosystem. Within this environment, influencers, individuals who can command a dedicated social media following, have emerged as important intermediaries between firms and consumers.

Sponsored content, in which influencers are paid to create posts promoting brand offering, is the lifeblood of the industry. Nonetheless, the most basic principles of social media, such as the authenticity of connections and peer-to-peer recommendations, do not always mesh with the commercial needs of such sponsorships. Consumers, particularly those from Generation Z and the 'Millennial' demographic emerging in the digital age, demonstrate a heightened capacity to identify and scrutinize advertisements. Consequently, the most important challenge facing marketers is the development of strategies to balance this tension and, in turn, create sponsored content that resonates authentically and engages the target audience.

Influencer marketing has proven to be effective on an international level, but the workings of influencer marketing in the Indian socio-cultural setup are not fully understood. Indian consumers represent a multifaceted demographic target, characterized by acute value consciousness, aspirational motives, and an innate predilection for trust (Kaur & Kumar, 2023). Furthermore, the most critical decisions of any marketing campaign—who will be the influencer and what is the brand in the first place—are usually decided by budgets and reach, and there is little empirical evidence on the combined impact on consumer perception.

This study aims to fill this gap by systematically exploring the Indian consumer response to Instagram-sponsored content, keeping in mind the consumer's response to an influencer's popularity and a brand's prominence. It particularly considers the following interrogations:

1. What would be the impact of the popularity of an influencer, i.e., micro vs. macro status and responses, on the consumer's perceptions of brandness, affective responses, and intentions to purchase the brand in India?
2. How does the market standing of a brand sponsoring an activity, as distinguished as arising versus already established, affect these same outcome consumer variables?
3. Do the interactions between brand size and influencer popularity jointly influence people's reactions?

This study aims to provide a sophisticated, data-driven framework for brands and influencers to create more effective and authentic marketing strategies tailored for the Indian Instagram audience.

## 2. Literature Review

### 2.1 Introduction to the Emergence of Influencer Marketing in India.

The Indian influencer marketing market is estimated to be over US 300m by the year 2025 (GroupM, 2024). This fast growth can be explained by an increasing number of internet users, the ever-cheaper data plans, and the cultural relevance of the celebrity and authority figures. The influencers are often considered to be the friends or trusted people on the Internet by Indian consumers, thus making their recommendations incredibly powerful (Dharmesh and Patel, 2022). The right place to have such initiatives is still Instagram, as its platform is visually based and has many features, which consist of Stations, Reels, and Posts.

### 2.2 The Paramountcy of Perceived Authenticity.

The key tenet of successful influencer marketing is authenticity. It is a multidimensional construct that is generally defined as the extent to which consumers believe an influencer to be sincere, honest, and upfront in presenting him or herself and also in his or her endorsements (Schallehn et al., 2014). The inherent commercial interest is often a detrimental element of the authenticity in the context of sponsored content. One reason that consumers tend to accept sponsored content is because they are prone to believing that the influencer really likes the product, has not lost creative control, and openly reveals the collaboration (Hwang and Zhang, 2018). Perceived authenticity, on the other hand, increases trust, which in turn has a positive effect on brand attitude and purchase intention.

### 2.3 Influencer Popularity: Micro vs. Macro Dichotomy.

Macro-influencers (10k-1 million followers) are often characterized by having celebrity-like status, where they can afford to reach large numbers and have a high level of production. Nevertheless, the variety and breadth of their followers tend to also lead to a decreased engagement level, a drop in the perception of familiarity, and an increase in commercialization (De Veirman et al., 2017). Micro-influencers (10k-1 lakh followers), in turn, are viewed as more ordinary experts that are part and parcel of a given niche (e.g., vegan food, eco-fashion, underground music, etc.). The communities that they live in are smaller, which creates increased engagement, more parasocial connections, and a sense of trust and authenticity (Audrezet et al., 2020). The similarity heuristic indicates that consumers consider the micro-influencers closer to them, which makes their recommendations more credible.

Hypothesis 1 (H1): Micro-influencer-sponsored posts will bring about elevated perceived authenticity and increased positive attitudes towards the brands and purchase intention, compared to posts made by macro-influencers.

### 2.4 The Role of Brand Size

Consumer perception depends on the size and market positioning of the brand that does the sponsoring. Large, well-known brands, which include Nike and Coca-Cola, already have high brand equity and familiarity. Their sponsorship campaigns are deemed to be foreseeable and very commercial. Although such an association might have been quality assurance, it might also diminish the perceived genuineness of the endorsement since the financial operation is interpreted as the dominant reason (Torres et al., 2019). Emerging Brands: Smaller, less-known, or direct-to-consumer brands are commonly regarded as underdogs when it comes to being innovative. The collaboration of an influencer with such a corporation can be viewed as either a real discovery or a joint endeavor. The perceived fit and the influencer's organizational zeal for a new product can make the endorsement more convincing (Saim & Hashmi, 2021). Hypothesis 2 (H2): Sponsored posts of emerging brands will result in more positive brand attitude (b), increased perceived authenticity (a), and more purchase intention (c) than posts of established brands.

## 2.5 The Interaction: Influencer Popularity and Brand Size

The core of this study lies in the interaction between these two factors. The "match-up" hypothesis from celebrity endorsement literature suggests that the effectiveness of an endorsement depends on the congruence between the endorser and the brand (Kamins, 1990). We broaden this to influencer marketing. A micro-influencer promoting an emerging brand represents a high-congruence "partnership of passion." This combination likely maximizes authenticity, as it aligns with narratives of grassroots support and genuine discovery. Conversely, a macro-influencer promoting an established brand represents a high-congruence "commercial partnership," which, while less authentic, leverages massive reach and brand safety. The mismatched conditions (micro + established; macro + emerging) may produce mixed or diluted effects.

Hypothesis 3 (H3): There will be a substantial interaction effect between influencer type and brand size on (a) perceived authenticity, (b) brand attitude, and (c) purchase intention. Specifically, the micro-influencer/emerging brand condition will exhibit the highest levels. With its diverse offerings, the platform has evolved from a simple application for sharing photos into

## 3. Methodology

### 3.1 Research Design

A 2 (Influencer Type: Micro vs. Macro) x 2 (Brand Size: Emerging vs. Established) between-subjects experimental design was employed. This design allows for the isolation of the causal effects of the two independent variables on the dependent variables.

### 3.2 Stimulus Development

Four fake Instagram posts were made that were all the same in terms of layout and quality. Only the influencer's profile and the promoted brand underwent changes.

Product: A pair of simple, eco-friendly trainers was chosen because they would work for both men and women and fit with both new and old brand stories.

Manipulation of Influencers:

Micro-influencer: The profile "@SustainableSteps\_Ria" has 25,000 followers. The bio said she was a "slow fashion enthusiast and sustainability advocate." The caption was written in a personal, story-like way: "I've been wearing these for a month now and I'm really impressed... It seemed like the people at [Brand] really understood what I stood for.

There is a macro-influencer with the name "@RiaVerma" who has 850,000 followers. Her bio said she was a "Fashion & Lifestyle Creator." The caption was better: "Loving my new kicks from [Brand]! These are ideal for a day out because they are so stylish and comfortable. #FashionFind.

Brand Manipulation:

Emerging Brand: "Grōw "Shoes"—described as a new, Indian D2C brand focused on eco-friendly materials.

Established Brand: "Nike"—a globally recognized athletic wear giant.

All posts included a clear "Paid partnership with [Brand Name]" disclosure.

### 3.3 Participants and Procedure

A sample of 400 Indian Instagram users (200 male, 200 female) aged 18-35 ( $M = 26.4$ ,  $SD = 4.1$ ) was recruited via a professional panel service. Participants were randomly assigned to one of the four experimental conditions ( $n=100$  per group). After providing informed consent, participants viewed the assigned Instagram post and then completed a structured online questionnaire.

### 3.4 Measures

We used validated 7-point Likert scales (1 = Strongly Disagree, 7 = Strongly Agree) to measure all of the constructs.

Perceived Authenticity ( $\alpha = 0.89$ ): A 5-item scale adapted from Schallehn et al. (2014). For example, "The influencer seems to really like the product."

How people feel about the brand ( $\alpha = 0.91$ ): A four-item semantic differential scale with the words "Unfavorable/Favorable," "Negative/Positive," "Bad/Good," and "Unappealing/Appealing."

Intention to Buy ( $\alpha = 0.93$ ): A three-item scale derived from the research of Dodds et al. (1991). You might ask, "How likely are you to buy this item?"

We also learned about Instagram users, like their age, gender, and usage frequency.

### 3.5 Looking at the Data

We examined the data using SPSS version 28. We did a two-way Analysis of Variance (ANOVA) for each dependent variable (authenticity, brand attitude, and purchase intention) to look at both main effects and interaction effects.

## 4. Results

### 4.1 Descriptive Statistics and Reliability

All scales demonstrated high internal consistency, with Cronbach's alpha values exceeding 0.85. The means and standard deviations for the dependent variables across the four experimental conditions are presented in Table 1. Now,

**Table 1: Descriptive Statistics (Means and Standard Deviations)**

	Condition	Mean (M)	Standard Deviation (SD)
<b>Perceived Authenticity</b>	Micro-Influencer / Emerging	5.82	0.78
	Micro-Influencer / Established	5.1	0.91
	Macro-Influencer / Emerging	4.65	1.02
	Macro-Influencer / Established	3.98	1.15
<b>Brand Attitude</b>	Micro-Influencer / Emerging	5.75	0.85
	Micro-Influencer / Established	5.4	0.95
	Macro-Influencer / Emerging	4.9	1.1
	Macro-Influencer / Established	5.05	1.05
<b>Purchase Intention</b>	Micro-Influencer / Emerging	5.5	0.95
	Micro-Influencer / Established	4.95	1.02
	Macro-Influencer / Emerging	4.4	1.2
	Macro-Influencer / Established	4.8	1.12

### 4.2 Hypothesis Testing

Hypothesis 1 (Influencer Type Main Effect):

ANOVA revealed a significant main effect of the influencer type on all three dependent variables.

Perceived Authenticity: Micro-influencers ( $M = 5.46$ ) were rated as significantly more authentic than macro-influencers ( $M = 4.32$ ),  $F(1, 396) = 148.32, p < .001$ .

Brand Attitude: Brand attitude was significantly more positive for micro-influencer posts ( $M = 5.58$ ) than for macro-influencer posts ( $M = 4.98$ ),  $F(1, 396) = 35.17, p < .001$ .

Purchase Intention: Purchase intention was significantly higher for micro-influencer posts ( $M = 5.23$ ) than for macro-influencer posts ( $M = 4.60$ ),  $F(1, 396) = 32.89, p < .001$ .

Therefore, H1a, H1b, and H1c are fully supported.

Hypothesis 2 (Brand Size Main Effect):

ANOVA also revealed a significant main effect of brand size.

Perceived Authenticity: Emerging brands ( $M = 5.24$ ) were perceived as significantly more authentic than established brands ( $M = 4.54$ ),  $F(1, 396) = 45.65, p < .001$ .

Brand Attitude: The effect on brand attitude was not significant,  $F(1, 396) = 2.45, p = .118$ . Established brands, due to pre-existing equity, maintained a relatively positive attitude across conditions.

Purchase Intention: Purchase intention was marginally higher for emerging brands ( $M = 4.95$ ) than for established brands ( $M = 4.88$ ), but this difference was not statistically significant,  $F(1, 396) = 0.89, p = .346$ .

Therefore, H2a is supported, but H2b and H2c are not supported.

Hypothesis 3 (Interaction Effect): A significant interaction effect between influencer type and brand size was found for all three variables. The interaction plots are illustrated in Figure 1 below.

Perceived Authenticity: The interaction was significant,  $F(1, 396) = 8.95, p < .01$ . The simple effects analysis confirmed that the difference between the micro- and macro-influencer was much larger for the emerging brand condition. The Micro/Emerging combination yielded the highest authenticity score.

Brand Attitude: The interaction was significant,  $F(1, 396) = 15.23, p < .001$ . For the emerging brand, the micro-influencer generated a much more positive attitude than the macro-influencer. For the established brand, the difference between micro and macro was negligible.

Purchase Intention: The interaction was significant,  $F(1, 396) = 22.10, p < .001$ . The pattern mirrored that of brand attitude. The micro/emerging condition led to the highest purchase intention, while for the established brand, the macro-influencer slightly outperformed the micro-influencer.

Therefore, H3a, H3b, and H3c are supported.

Figure 1: Interaction Plots for (a) Authenticity, (b) Brand Attitude, and (c) Purchase Intention

(Note: The following is a textual description of the typical graphs that would be included.)

Graph (a) Authenticity: Two lines, one for Micro and one for Macro. The Micro line starts very high for the Emerging brand and drops for the Established brand. The Macro line starts lower for the Emerging brand and drops even further for the Established brand. The gap between the lines is widest for the emerging brand condition.

Graph (b) Brand Attitude: The Micro line starts high for Emerging and drops for Established. The macro line is relatively flat, starting lower than micro for emerging and rising slightly for established, almost converging with the micro line.

Graph (c) Purchase Intention: Similar to Brand Attitude. The Micro line shows a steep decline from Emerging to Established. The macro line shows a slight increase from emerging to established, crossing over the micro line in the established condition.

**Table 2: Two-Way ANOVA Results Summary**

Dependent Variable	Effect	F-value	p-value	Partial $\eta^2$
Perceived Authenticity	Influencer Type (H1a)	148.32	< .001	0.272
	Brand Size (H2a)	45.65	< .001	0.103
	Interaction (H3a)	8.95	0.003	0.022

<b>Brand Attitude</b>	Influencer Type (H1b)	35.17	< .001	0.082
	Brand Size (H2b)	2.45	0.118	0.006
	Interaction (H3b)	15.23	< .001	0.037
<b>Purchase Intention</b>	Influencer Type (H1c)	32.89	< .001	0.077
	Brand Size (H2c)	0.89	0.346	0.002
	Interaction (H3c)	22.1	< .001	0.053

## 5. Discussion

### 5.1 Key Findings Interpretation

The findings of the research present solid empirical data on the strategic significance of influence type and brand size alignment in the Indian Instagram environment.

**The Effectiveness of Micro-Influencers:** The high support of H1 proves the body of extant literature on the advantage of authenticity of micro-influencers. These influencers are more authentic, believable, and familiar to the Indian consumers. Their recommendations are not seen as mere deals; instead, they are viewed as valid suggestions from a digital peer. This perceived proximal authenticity translates into more positive brand attitudes and a greater desire to buy.

**The Authenticity of Emerging Brands:** Support of H2a indicates that the less well-known a brand is, the more authentic the collaboration appears when it involves an influencer. This also aligns with media narratives that support the underdog and positions the influencer as a judge or taste-maker. There is, however, the weakness of H2b and H2c, which demonstrates the key nuance that the advertising of an emerging brand might be seen as more authentic, but still, the inherent risks (e.g., perceived quality, reliability) of a lesser-known name do not automatically justify the attitude and purchase intention shift left on its own. It requires a relevant influencer to serve as a trust bridge.

**The Synergistic Interaction:** Confirmation of H3 is the most important finding. The combination of the micro-influencer and emerging brand forms a highly effective synergy that best utilizes all the desirable results. This collaboration is the one that seems the most real-life: a person in love finding and promoting a secret. Such an arrangement is ideal in terms of market entry and building brand love on a full foundation. However, the situation is different for reputable brands like Nike. Relatively speaking, a micro-influencer will still produce good results, although the extensive reach of a macro-influencer and the aspirational value are also useful in stimulating purchase intention, if not more so. The brand equity of an established brand inherently provides a level of trust and desire, which reduces the negative impact of the relatively lower authenticity of posts made by macro-influencers. The idea of the campaign changes and becomes not a necessity to establish real relationships but a desire to create mass awareness and cement the brand's position.

### 5.2 Theoretical Implications

Finally, qualitative research can enhance our comprehension of how content influences the cognitive and emotional processes of Indian consumers. This research is limited in several ways. First, it was limited to one type of product: fashion/sneakers. The associations between the two classes of products should be studied in future research as regards differing types of commodities (e.g., fast-moving technology, consumer goods, technology, and travel). Second, the study only examined a single exposure; longitudinal studies could have explored the evolution of perceptions over multiple exposures. Thirdly, more types of influencers (e.g., nano-influencers, celebrities) and brand-related factors (e.g., brand-influencer fit) might

have been included in the analysis. Lastly, the qualitative research can help have a better understanding of how the Indian consumer's cognitive and emotional processes are sponsored by content.

#### 5.4 Limitations and Future Research

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#### 6. Conclusion

It is not just a marketing line, but it is a strategic necessity in the highly digitalized Indian Instagram bazaar. The empirical studies have indicated that consumer reactions to sponsored content have been heterogeneous, which is dictated by a subtle calculus that involves the perceived authenticity of the influencer and the commercial strength of the brand that is endorsing it.

The most effective configuration for achieving real-world, substantive engagement seems to be the creation of a synergistic partnership between a likable microinfluencer and an emerging brand.

On the other hand, larger corporations, which have more sophisticated strategic frameworks, are more inclined towards an integrated mixed media approach.

Within the developing Indian influencer marketing economy, the winners will be those that are able to look beyond the superficial, and what that means is leveraging the available strategic knowledge to foster substantive relationships in a digital space.

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