

UNDERSTANDING THE DYNAMICS OF SOCIAL MEDIA INFLUENCER MARKETING ON CONSUMER BEHAVIOUR

Kavit Anjaria¹, Arindam Satpati²

¹Assistant Professor, ²Tech Consultant

B.K School of Professional and Management Studies (DPPG), Gujarat University, Ahmedabad, Gujarat (India)

Email: ¹anjariakavit@gmail.com, ²arindam25aru@gmail.com

ABSTRACT

The rise of social media platforms like Instagram, YouTube, and Facebook has led to the emergence of social media influencer marketing, which uses the reach of influencers to promote products and services. This study aims to explore the dynamics of social media influencer marketing and its impact on consumer behavior, understanding consumer perception, purchasing decisions, and the role of trust and authenticity. The research will use both quantitative and qualitative methods, including surveys, in-depth interviews, and focus groups. The findings can help marketers tailor their influencer marketing strategies to align with consumer preferences and behaviors, and help influencers enhance their content to foster trust and engagement. The study contributes to the academic literature on influencer marketing and consumer behavior by providing a deeper understanding of consumer behavior factors and the role of trust and authenticity. In conclusion, while social media influencer marketing is a powerful tool for brands to connect with consumers, more research is needed to understand its impact on consumer behavior.

Keywords: Social Media Influencer Marketing, Consumer Behaviour, Trust, Authenticity, Marketing Strategies

INTRODUCTION

Social media influencers, with their large followings and credibility, have become a crucial part of marketing strategies. They create engaging content, promote brands, and significantly impact consumer behavior. Their success is measured by their follower count, engagement rate, and audience impact. Despite criticisms and regulatory measures due to issues of transparency and authenticity, their influence is expected to grow.

Influencers come in various types, each with its own niche, audience, and effectiveness in promoting brands. They include celebrity influencers, macro influencers, micro influencers, nano influencers, thought leaders, activists, brand ambassadors, and affiliate influencers.

Influencers use various media platforms to reach their audience. They are most commonly found on social media platforms like Instagram, Twitter, Facebook, TikTok, and YouTube. They also use blogs, podcasts, and video content platforms. Traditional media such as newspapers, magazines, and television also host influencers. The gaming industry has its own influencers known as gamers or streamers. Influencers also attend events and conferences as speakers or guests, and use live streaming to interact with their followers in real-time.

Influencers promote their products and services on different platforms depending on their content and target audience. These platforms include Instagram, YouTube, blogs, podcasts, TikTok, Facebook, Twitter, and LinkedIn. Influencers also use affiliate marketing, earning a commission for promoting products through their unique affiliate links.

Current trends in influencer marketing include long-term partnerships with influencers, the rise of micro-influencers, and an increased emphasis on video content. Authenticity is key in influencer marketing, with brands looking for influencers who can create genuine content. There is a growing trend towards diversity and inclusion in influencer marketing. Live streaming is becoming popular as it allows influencers to interact with their audience in real-time. Influencers are now launching their own brands and products, allowing them to have greater control over their content.

Influencers can reach or get fit for a product or service in several ways. They may be directly contacted by brands or companies who believe their target audience matches the influencer's followers. Influencer marketplaces or

platforms also exist that bring brands and influencers together, allowing brands to search for influencers based on demographics and interests. Some brands have affiliate programs, which allow influencers to promote their products or services in exchange for a commission on sales made through their unique affiliate link.

The role of influencers on behalf of the provider can be multi-faceted and depends on the specific campaign and goals of the provider. Influencers can help to build brand awareness, promote new products or services, drive sales, create high-quality content, and provide valuable feedback to providers about their products or services.

People follow influencers for a variety of reasons. Trust is a major factor, as influencers have built a relationship with their followers over time, and their followers trust their opinions and recommendations. People also follow influencers for entertainment, as many influencers are talented content creators who produce engaging and entertaining content. Influencers can also be a source of inspiration, sharing their lives and experiences with their followers.

The influencer marketing industry has seen significant growth, with potential for influencer profits increasing as more brands utilize influencers for promotion. Influencer marketing is one of the fastest-growing industries, with companies projected to spend over \$15 billion on it by 2022. Influencers can earn money through various brand collaborations, including sponsored posts, affiliate marketing, and brand partnerships.

People's trust in influencers varies, depending on factors like the influencer's reputation, content type, and overall brand authenticity. Research shows that people do trust influencers to some extent. However, issues like influencer fraud and promotion of products not aligned with the influencer's brand or values can decrease trust. There is an increasing focus on micro-influencers, who offer a more authentic connection with their audience.

NEED OF THE STUDY

Social media influencer marketing, a popular strategy for brands to reach their target audiences, allows for promotion of products and services in a way traditional advertising cannot. However, understanding its impact on consumer behaviour is crucial. This study aims to explore these dynamics, investigating consumer perceptions, the factors influencing their purchasing decisions, and the role of trust and authenticity in influencer marketing. The findings can provide valuable insights for marketers to develop effective strategies, improve influencer content for increased consumer trust and engagement, and ultimately harness the power of influencer marketing to increase brand awareness and drive sales.

OBJECTIVES OF STUDY

1. Investigate the link between social media influencer recommendations and impact of paid content and sponsorships on consumer trust in influencers and brands.
2. Identify if the association of age category and quality in social media influencer can differ.
3. Analyze the relations between social media regulations, future of social media influencer and the brands approach for advertising and marketing.
4. Examine social media influencer marketing considering the benefits and drawbacks they can have.
5. Analyze the relationship of social media influencer with the followers and the customers purchase on recommendation of social media influencer.

RESEARCH METHODOLOGY

Research Design:

Descriptive research design has been carried out for this survey.

Sources:

The data was collected through an online survey questionnaire, which was distributed through social media platforms and online forums.

Sample Size:

The sample size in this survey is of 228 respondents.

Data Analysis:

The data collected was analyzed using qualitative and quantitative data analysis techniques. The data was analyzed using software such as SPSS.

Sample Area:

The sample area that is selected for this survey was from Gujarat.

Sampling Technique:

Structured questionnaire has been prepared and sent to the respondents with the use of google form. A stratified random sampling technique is used to select the sample. The sample will consist of social media users who follow at least one social media influencer on platforms such as Instagram, YouTube, or Facebook.

LITERATURE REVIEW

Kaur, N., & Sharma, V. (2021): The authors present a comprehensive literature review that highlights the increasing popularity of social media as a marketing tool and the concept of influencer marketing. The review also discusses the role of social media influencers in shaping consumer behaviour by creating trust and credibility among consumers and their ability to influence purchasing decisions. The authors conclude that influencer marketing can have a positive impact on consumer behaviour by increasing brand awareness, trust, and purchase intention. However, they caution that businesses need to be careful in selecting influencers and developing a clear strategy to ensure the effectiveness of influencer marketing.

Bhardwaj, R., & Sahni, S. (2020): This research explores the influence of social media influencers on the purchasing decisions of 300 Indian millennials. The study demonstrates that social media influencers have a significant impact on the buying decisions of Indian millennials. The study also highlights the importance of aligning influencers' product promotions with the interests and values of Indian millennials to increase engagement. The authors suggest that marketers and brands can benefit from the findings by collaborating with influencers who can effectively communicate and resonate with this demographic. The paper provides valuable insights into the role of social media influencers in shaping consumer behaviour among Indian millennials.

Singh, A., & Srivastava, R. K. (2019): The study assesses the effectiveness of influencer marketing in creating brand awareness and purchase intention among 35 Indian consumers. The authors conducted a survey of 307 Indian consumers and found that influencer marketing has a positive impact on brand awareness, brand attitude, and purchase intention. The study also revealed that the perceived credibility of the influencer and the alignment between the influencer and the product were crucial factors in determining the effectiveness of influencer marketing. The findings suggest that influencer marketing can be a valuable tool for marketers in the Indian context, helping brands connect with their target audience through social media.

Singh, N., & Kumar, N. (2019): Their research involved surveying 358 participants and found that social media influencer marketing has a positive effect on consumer behaviour, particularly in terms of purchase intention, attitude, and trust. The study also identified that the perceived credibility and attractiveness of the influencer play significant roles in determining the effectiveness of influencer marketing. The findings of the study have important implications for marketers in the Indian context, as they demonstrate the potential of influencer marketing to reach and influence younger consumers.

Ghosh, S., & Dhar, P. (2018): The study involved a survey of 400 respondents and found that social media influencer marketing has a positive impact on consumers' purchase intentions, attitudes, and behaviours. The study also found that trust in social media influencers, perceived similarity with influencers, and perceived expertise of influencers were significant factors affecting consumer behaviour. The authors suggest that businesses and marketers can benefit from social media influencer marketing by partnering with influencers who are credible, relatable, and 36 have expertise in the relevant area, as this can help build trust and increase the effectiveness of influencer marketing in India.

Kumar, S. & Gupta, S. (2017): The study used a sample of 300 respondents and found that social media influencer marketing has a significant impact on consumer behaviour in India, particularly in terms of building brand awareness and increasing purchase intention. The study also found that influencer credibility and trustworthiness are important factors that influence the effectiveness of influencer marketing. Overall, the study provides insights into the role of influencer marketing in the Indian market and highlights the importance of credibility and trustworthiness in building effective influencer campaigns.

Anand, M., & Mehta, V. (2017): Based on a survey of 250 respondents, the authors found that social media influencer marketing has a significant positive impact on 37 consumers' attitudes towards a brand and their purchase intentions. The study also found that perceived credibility and trustworthiness of the influencer, along with the relevance of the product and the influencer's image, were important factors that influenced consumers' responses to influencer marketing. The findings suggest that social media influencer marketing can be an effective tool for marketers in the Indian market, and highlight the importance of selecting the right influencers and designing campaigns that are relevant and credible to the target audience.

Thakur, V., & Singh, S. (2017): The study found that social media influencers have a significant impact on the

purchase decisions of Indian youth, particularly in the areas of fashion, beauty and lifestyle. The findings suggest that social media influencer marketing can be an effective strategy for brands to target and influence Indian youth consumers. However, the study also highlights the need for brands to carefully select the appropriate social media influencers who align with their brand image and values, as well as the need for transparency in influencer marketing. Overall, the paper contributes to the understanding of the role of social media influencers in shaping consumer behaviour among Indian youth.

Choudhary, S., & Paliwal, R. (2016): The authors conducted a survey of 300 respondents from different age groups and found that social media influencer marketing has a significant impact on Indian consumers' purchasing decisions, particularly for products related to fashion, beauty, and travel. The study also found that perceived credibility and trustworthiness of social media influencers play a significant role in influencing consumers' behaviour. The findings have important implications for marketers in India, suggesting that they should consider using social media influencers to reach out to target audiences and build trust with 38 potential customers. Overall, the study provides insights into the effectiveness of social media influencer marketing in India and highlights the importance of building credibility and trust with consumers.

Reddy, V. S. Y., & Reddy, M. S. (2021): The study indicates that social media influencers have a substantial positive impact on the purchasing intention of Indian consumers. The research underscores the importance of carefully selecting the appropriate influencers based on their expertise, credibility, and trustworthiness. The findings provide valuable insights into the role of social media influencers in the Indian market and offer marketers an effective approach to increase consumers' purchase intention. In summary, this study highlights the significance of social media influencers in shaping consumer behaviour in India and provides practical implications for marketers in utilizing this tool effectively.

ANALYSIS

Reliability Statistics:

Reliability Statistics	
Cronbach's Alpha	N of Items
0.738	5

Source: SPSS Output

The Cronbach's Alpha value is 0.738 which is greater than 0.7 that states our data are reliable.

Normality Test:

	Tests of Normality					
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	Df	Sig.
Age	0.457	228	0.000	0.531	228	0.000
a. Lilliefors Significance Correction						

Source: SPSS Output

The statistic value in Kolmogorov-Smirnov is less than 0.5. This means our data is non-parametric.

Correlation:

		Have you ever purchased a product or service based on a social media influencer's recommendation?	Was there a time when an influencer's sponsored content or paid partnership impacted your trust in the influencer or the brand they were promoting?
Have you ever purchased a product or service based on a social media influencer's recommendation?	Pearson Correlation	1	.248**
	Sig. (2-tailed)		0
	N	228	228
Was there a time when an	Pearson	.248**	1

influencer's sponsored content or paid partnership impacted your trust in the influencer or the brand they were promoting?	Correlation		
	Sig. (2-tailed)	0	
	N	228	228

** Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output

A Pearson's correlation was run to determine the relationship between the purchase that one do from social media influencer's recommendation and the impact of that on the consumers trust for that brand. There was a strong, positive correlation between the recommendation purchase and its impact on brands, which was statistically significant ($r_s = 0.248, p = 0.00$).

Chi-Square Test:

H01: There is no significance association between different age category with authenticity as a quality in social media influencer.

H11: There is significance association between different age category with authenticity as a quality in social media influencer.

H02: There is no significance association between different age category with relatability as a quality in social media influencer.

H12: There is significance association between different age category with relatability as a quality in social media influencer.

H03: There is no significance association between different age category with similar interests as a quality in social media influencer.

H13: There is significance association between different age category with similar interests as a quality in social media influencer.

H04: There is no significance association between different age category with quality of content as a quality in social media influencer.

H14: There is significance association between different age category with quality of content as a quality in social media influencer.

H05: There is no significance association between different age category with expertise in a particular area as a quality in social media influencer.

H15: There is significance association between different age category with expertise in a particular area as a quality in social media influencer.

Test Statistics						
	What are some qualities that you look for in an influencer before following them on social media? (Authenticity)	What are some qualities that you look for in an influencer before following them on social media? (Relatability)	What are some qualities that you look for in an influencer before following them on social media? (Similar interests)	What are some qualities that you look for in an influencer before following them on social media? (Quality of content)	What are some qualities that you look for in an influencer before following them on social media? (Expertise in a particular area)	Age
Chi-Square	170.070 ^a	84.246 ^b	137.307 ^a	100.526 ^b	116.605 ^a	663.421 ^c
df	4	3	4	3	4	5
Asymp. Sig.	0.000	0.000	0.000	0.000	0.000	0.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 45.6.

- b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 57.0.
c. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 38.0.

Source: SPSS Output

Here all the p-values are less than 0.05 that means H01, H02, H03, H04 and H05 is rejected. Thus, there is significance association between age category and any quality in social media influencer.

Chi-Square Test:

H0: There is no significance association between social media regulations, future of social media influencer and the brands approach for advertising and marketing.

H1: There is significance association between social media regulations, future of social media influencer and the brands approach for advertising and marketing.

Test Statistics			
	How do you think social media platforms should regulate influencer marketing and advertising?	How do you believe that social media influencer marketing will evolve in the next five to ten years?	How do you believe that social media influencer marketing has changed the way that brands approach marketing and advertising?
Chi-Square	100.667 ^a	71.518 ^b	85.114 ^b
df	3	4	4
Asymp. Sig.	0.000	0.000	0.000

- a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 57.0.
b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 45.6.

Source: SPSS Output

Here all the p-values are less than 0.05 that means H0 is rejected. Thus, there is significance association between social media regulations, future of social media influencer and the brands approach for advertising and marketing.

Benefits Of Social Media Influencer Marketing:

In your opinion, what is the biggest benefit of social media influencer marketing?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Increased brand awareness	102	44.7	44.7	44.7
	Higher engagement rates	48	21.1	21.1	65.8
	Greater potential for sales conversions	63	27.6	27.6	93.4
	Increased authenticity	11	4.8	4.8	98.2
	Other	4	1.8	1.8	100.0
Total		228	100.0	100.0	

Source: SPSS Output

From the above statistical frequency, it is seen that 44.7% respondents believes that increased brand awareness is biggest benefit of social media influencer marketing, 21.1% respondents believe high engagement rates to be benefit, 27.6% respondents believe greater potential for sales conversion is the benefit while increased authenticity is considered to the benefit as per 4.8% respondents.

Drawbacks Of Social Media Influencer Marketing:

In your opinion, what is the biggest drawback of social media influencer marketing?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Inauthenticity	37	16.2	16.2	16.2
	Over-commercialization of content	70	30.7	30.7	46.9
	Difficulty in identifying sponsored content	67	29.4	29.4	76.3
	Influence on younger demographics	48	21.1	21.1	97.4
	Other	6	2.6	2.6	100.0
Total		228	100.0	100.0	

Source: SPSS Output

From the above statistical frequency, it is seen that 16.2% respondents believes that Inauthenticity is biggest drawback of social media influencer marketing, 30.7% respondents believe over-commercialization of content to be drawback, 29.4 % respondents believe difficulty in identifying sponsored content is the drawback while influence on younger demographics is considered to the drawback as per 21.1% respondents.

Chi-Square Test:

H0: There is no significance association between the purchase from social media influencer’s recommendation and the relationship of social media influencers followers with their followers.

H1: There is significance association between the purchase from social media influencer’s recommendation and the relationship of social media influencers followers with their followers.

Test Statistics		
	Have you ever purchased a product or service based on a social media influencer's recommendation?	How do you perceive the relationship between social media influencers and their followers?
Chi-Square	74.237 ^a	24.711 ^a
df	2	2
Asymp. Sig.	0.000	0.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 76.0.

Source: SPSS Output

Here all the p-values are less than 0.05 that means H0 is rejected. Thus, there is significance association between the purchase from social media influencer’s recommendation and the relationship of social media influencers followers with their followers.

FINDINGS

After conducting a Pearson's correlation analysis, the study found a strong, positive relationship between purchase behaviour based on social media influencer recommendations and the impact on consumers' trust in the recommended brands.

The analysis also revealed that there is a significant association between social media regulations, the future of social media influencers, and the approach of brands towards advertising and marketing.

In terms of the benefits of social media influencer marketing, most of the respondents believed that increased brand awareness was the biggest advantage, followed by high engagement rates and greater potential for sales conversion. A smaller percentage of respondents considered increased authenticity to be a benefit.

On the other hand, the most significant drawback of social media influencer marketing, according to the respondents, was inauthenticity, followed by over-commercialization of content and difficulty in identifying sponsored content. A portion of the respondents also expressed concern over the influence of social media influencers on younger demographics.

Finally, the analysis found a significant association between purchase behaviour based on social media influencer recommendations and the relationship between social media influencers and their followers.

CONCLUSIONS

After conducting a thorough analysis, this project concludes that there is a strong and positive relationship between consumers' purchase behaviour based on social media influencer recommendations and the impact on their trust in the recommended brands. This finding highlights the importance of social media influencer marketing in establishing brand credibility and increasing consumer trust.

Additionally, the study found that social media regulations, the future of social media influencers, and the approach of brands towards advertising and marketing are significantly associated. This indicates that the future of social media influencer marketing is likely to be shaped by regulatory changes and the evolving landscape of social media platforms.

The project also reveals that social media influencer marketing has several benefits, including increased brand

awareness, high engagement rates, and greater potential for sales conversion. Brands can leverage these advantages to establish a strong presence on social media platforms and increase their customer base.

However, the study also identified some significant drawbacks of social media influencer marketing, such as inauthenticity, over-commercialization of content, and difficulty in identifying sponsored content.

Finally, the analysis indicates a significant association between consumers' purchase behaviour based on social media influencer recommendations and the relationship between social media influencers and their followers. This suggests that social media influencers play a critical role in building a loyal and engaged audience, which can have a significant impact on brand reputation and customer loyalty. Overall, this project underscores the importance of social media influencer marketing as a vital component of modern marketing strategies.

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