

Research Paper on

The Impact of influencer marketing on consumer behaviour

By-

Akanksha Sham Jagtap

MBA-HR Student

Sadhu Vaswani Institute of Management Studies, Pune.

ABSTRACT:

In recent years, the rise of social media has led to a significant increase in the use of influencer marketing. Influencer marketing is a form of marketing that involves using influential individuals on social media to promote a product or service to their followers. This marketing strategy has become increasingly popular due to the reach and engagement of social media platforms. The purpose of this study is to investigate the impact of influencer marketing on consumer behavior. The study will explore the different factors that affect consumer behavior when it comes to influencer marketing and will also examine the effectiveness of influencer marketing in increasing sales and brand loyalty.

The degree to which the followers of the influencer are involved and interact with their content. The study will also examine the effectiveness of influencer marketing in increasing sales and brand loyalty. The results of this study will provide insights into the effectiveness of influencer marketing in promoting products and services to consumers and will help businesses to develop more effective marketing strategies.

INTRODUCTION:

In recent years, influencer marketing has become a popular strategy for brands to promote their products or services. Influencer marketing involves partnering with individuals who have a large following on social media platforms to promote a brand's offerings to their audience. This type of marketing is especially popular among younger generations who value the opinions and recommendations of social media influencers.

The impact of influencer marketing on consumer behavior has been widely studied in recent years. Research suggests that consumers are more likely to trust recommendations from influencers than traditional advertising methods. This is because consumers perceive influencers as authentic and relatable, and they trust their opinions on products and services.

Influencer marketing has also been found to have a significant impact on consumer purchasing behavior. Studies have shown that consumers are more likely to make a purchase based on an influencer's recommendation, particularly when the influencer has a personal connection with the product or service.

However, the effectiveness of influencer marketing can vary depending on several factors such as the credibility and authenticity of the influencer, the relevance of the influencer to the brand or product, and the level of engagement with the influencer's audience. Additionally, recent changes to social media algorithms and regulations have impacted the way influencer marketing is conducted, making it more important for brands to work with influencers who are transparent and comply with advertising standards. Overall, influencer marketing can have a significant impact on consumer behavior, but it is important for brands to carefully consider their approach and work with influencers who align with their brand values and messaging.

LITERATURE REVIEW:

In recent years, influencer marketing has become a popular tactic for businesses to promote their products and services. The rise of social media platforms like Instagram and YouTube has created a new class of celebrities known as influencers who have large and engaged followings. As a result, businesses have turned to these influencers to promote their brands and reach their target audience. This literature review examines the impact of influencer marketing on consumer behavior.

A study by Alalwan et al. (2018) found that influencer marketing positively affects consumers' purchase intentions. The study found that consumers trust the recommendations of influencers and are more likely to buy products that are promoted by influencers they follow. Another study by Hsu and Tsou (2018) found that consumers are more likely to purchase products that are recommended by influencers whom they perceive as trustworthy, likable, and knowledgeable. The study also found that the perceived expertise of the influencer had a significant impact on consumers' purchase intentions.

In addition, research by Li et al. (2019) found that the credibility of the influencer is critical in influencing consumers' purchasing behavior. The study found that consumers are more likely to purchase products that are recommended by influencers whom they perceive as credible and trustworthy. The study also found that the perceived fit between the influencer and the product category is an essential factor in influencing consumers' purchasing behavior.

Another study by Jin and Phua (2014) found that social media platforms like Instagram have transformed the way consumers make purchasing decisions.

The study found that consumers are more likely to be influenced by social media content than traditional advertising, and influencers play a significant role in shaping consumers' perceptions of products and brands.

However, not all studies have found a positive impact of influencer marketing on consumer behavior. A study by Khamitov and Boerman (2019) found that the effectiveness of influencer marketing depends on the type of product being promoted. The study found that influencer marketing is more effective for products that are hedonic in nature and have a higher social value.

In conclusion, the literature suggests that influencer marketing can have a positive impact on consumer behavior, particularly when the influencer is perceived as credible and trustworthy, and the product being promoted is a good fit for the influencer's audience. However, more research is needed to understand the factors that influence the effectiveness of influencer marketing and its impact on different types of products and brands.

RESEARCH METHODOLOGY:

Introduction:

The purpose of this research is to analyze the impact of influencer marketing on consumer behaviour. The study will focus on identifying the factors that affect consumer behavior about influencer marketing, as well as the effectiveness of influencer marketing as a promotional strategy.

Research Design:

The research will be conducted using a quantitative research design, which involves the use of surveys to collect data from participants. The survey will be administered online through social media platforms such as Instagram and Facebook. The survey questionnaire will consist of closed-ended questions, which will allow for easy data analysis.

Sampling Technique:

The target population for this study will be individuals who are active on social media and have been exposed to influencer marketing. The sample size will be determined using a stratified random sampling technique. The sample will be divided into different strata based on demographic factors such as age, gender, and income, and a random sample will be selected from each stratum.

Data Collection:

Data will be collected using an online survey questionnaire. The questionnaire will be distributed through social media platforms such as Instagram and Facebook. Participants will be asked to respond to a series of closed-ended questions that are designed to measure their attitude towards influencer marketing and their purchasing behaviour.

Ethical Considerations:

The study will comply with ethical principles such as informed consent, confidentiality, and privacy. Participants will be informed about the purpose of the study, and their participation will be voluntary. All data collected will be kept confidential, and participants will be assured that their personal information will not be disclosed to any third party.

Conclusion:

This research methodology will enable the researcher to collect data on the impact of influencer marketing on consumer behaviour. The data collected will be analyzed using statistical methods to identify the factors that affect consumer behaviour in relation to influencer marketing. The results of the study will provide insights into the effectiveness of influencer marketing as a promotional strategy and its impact on consumer behaviour.

RESEARCH OBJECTIVES:

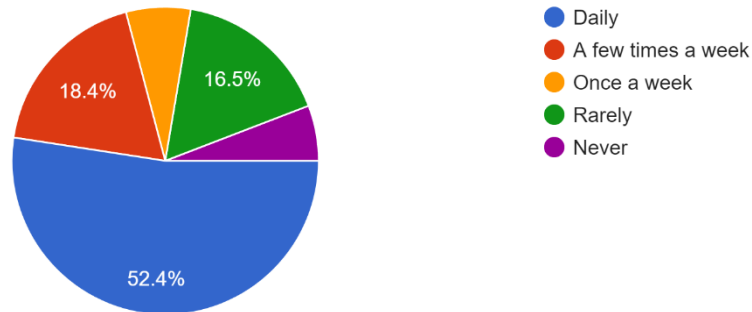
The primary objective of this study is to investigate the impact of influencer marketing on consumer behavior. The specific objectives are:

- 1) To understand the theoretical framework of influencer marketing and consumer behavior.
- 2) To examine the impact of influencer marketing on brand loyalty.
- 3) To evaluate the impact of influencer marketing on purchase intention.
- 4) To recommend best practices for brands to implement influencer marketing effectively.

DATA ANALYSIS AND INTERPRETATION:

6. How often do you follow social media influencers?

103 responses



The survey findings indicate that social media influencers have a significant impact on people's online behavior. Here is a breakdown of the results:

52.8% of respondents use social media influencers daily. This suggests that they are highly influenced by the content and recommendations of these individuals and that they rely on them for inspiration and guidance on a regular basis.

18.4% of respondents follow social media influencers a few times a week. This group may still be influenced by influencers, but not as frequently as the daily group.

6.8% of respondents follow social media influencers once a week. This group follows influencers less frequently than the previous two groups but still finds value in their content.

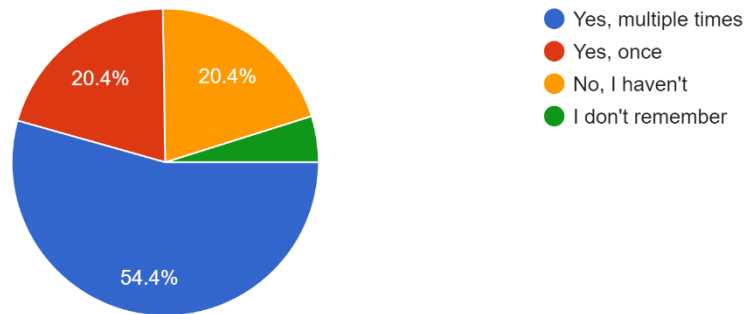
16.5% of respondents follow social media influencers rarely. This group is less influenced by social media influencers and may only follow them when a topic or trend catches their attention.

5.8% of respondents never follow social media influencers. This group is not influenced by social media influencers and may rely on other sources for their information and inspiration.

Overall, the survey findings suggest that social media influencers have a significant impact on people's online behavior, with over 70% of respondents following them at least a few times a week. This highlights the importance of social media influencers as a marketing tool for brands looking to reach and engage with their target audience.

8. Have you ever purchased a product or service based on an influencer's recommendation?

103 responses



54% of respondents answered "Yes, multiple times."

24% of respondents answered "Yes, once."

24% of respondents answered "No, I haven't."

4.9% of respondents answered, "I don't remember."

From these results, we can see that the majority of respondents have purchased a product or service based on an influencer's recommendation multiple times. This suggests that influencer marketing can be an effective way to drive consumer behavior.

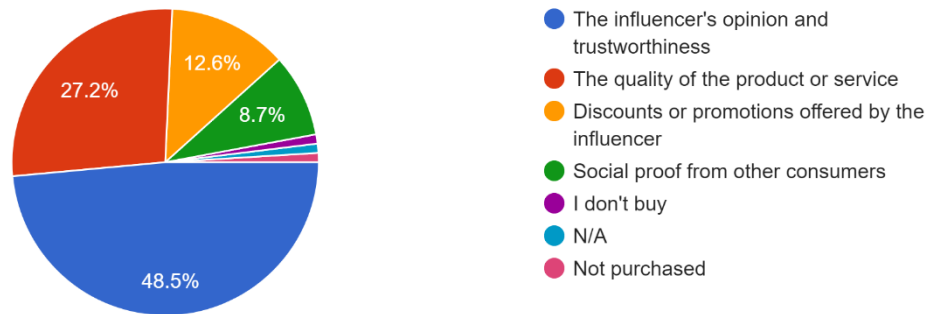
The fact that 24% of respondents answered "No, I haven't" suggests that influencer marketing may not be effective for everyone and that some consumers may be skeptical of influencer recommendations.

The fact that 4.9% of respondents answered "I don't remember" suggests that the impact of influencer marketing may not be very strong or memorable for some consumers.

Overall, the results of this survey suggest that influencer marketing can be an effective way to drive consumer behavior, but it may not be effective for everyone, and its impact may not be very strong or memorable for all consumers.

9. What motivates you to make a purchase after seeing an influencer's post?

103 responses



The survey conducted on the motivating factors for making a purchase after seeing an influencer's post shows that the influencer's opinion and trustworthiness are the primary factors that influence consumer behavior, with 48.5% of respondents indicating this as their motivation.

The quality of the product or service was the second most influential factor, with 27.2% of respondents indicating that it was the reason for making a purchase after seeing an influencer's post. This suggests that consumers place a high value on product quality and are willing to purchase products recommended by influencers only if they meet their standards.

Discounts or promotions offered by the influencer were the third most influential factor, with 12.6% of respondents indicating that they motivated them to make a purchase. This indicates

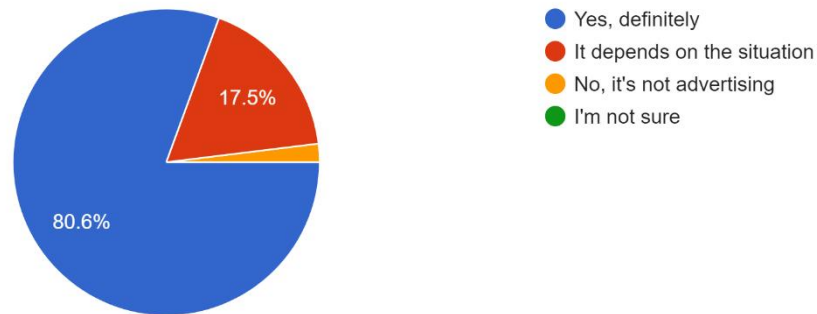
that while discounts and promotions are attractive, they are not the primary motivators for consumers to make a purchase after seeing an influencer's post.

Social proof from other consumers was the least influential factor, with only 8.7% of respondents indicating that it motivated them to make a purchase. This suggests that consumers are more influenced by the opinions of individual influencers rather than the collective opinion of other consumers.

In conclusion, the survey shows that the influencer's opinion and trustworthiness are the primary motivating factors for consumers to make a purchase after seeing an influencer's post. Product quality and discounts or promotions are also important factors, but to a lesser extent. Social proof from other consumers appears to have a relatively low impact on consumer behavior.

10. Do you think influencer marketing is a form of advertising?

103 responses



Based on the survey results, it is clear that the majority of respondents, specifically 80.6%, believe that influencer marketing is a form of advertising. This suggests that people generally view influencer marketing as a promotional tool that is used by companies to reach their target audience.

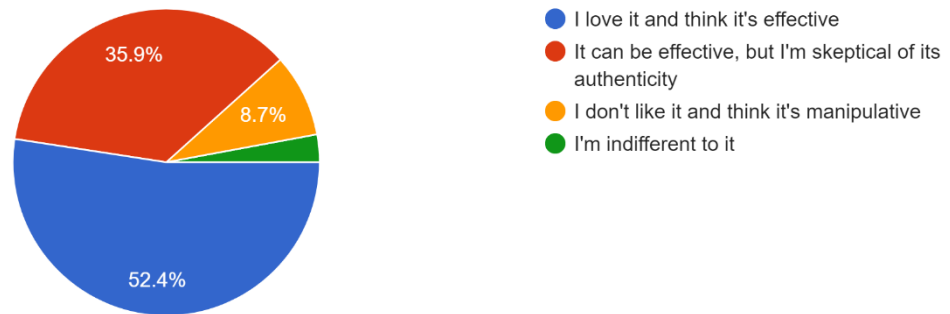
Meanwhile, 17.5% of respondents indicated that their opinion on whether influencer marketing is a form of advertising depended on the situation. This could mean that they see some instances of influencer marketing as more promotional than others, or that they are unsure of how to classify it in certain cases.

A very small percentage of respondents, only 1.9%, believe that influencer marketing is not a form of advertising. This could be due to a variety of reasons, such as a lack of understanding about what influencer marketing entails or a belief that advertising is limited to traditional methods like television commercials or billboards.

Overall, these survey results suggest that influencer marketing is widely perceived as a form of advertising by the general public. Companies that use influencer marketing should be aware of this perception and ensure that their campaigns are transparent and ethical in order to maintain the trust of their audience.

11. What is your overall opinion of influencer marketing?

103 responses



The survey asked participants about their overall opinion of influencer marketing, and the results showed that the largest percentage of respondents, 52.4%, love it and think it's effective. This suggests that many people are open to and receptive to influencer marketing, and view it as a valuable way to promote products or services.

However, a significant percentage of respondents, 35.9%, said that while they believe influencer marketing can be effective, they are skeptical of its authenticity. This suggests that while some people are open to the idea of influencer marketing, they may be cautious about trusting influencers or their recommendations.

A smaller percentage of respondents, 8.7%, said that they don't like influencer marketing and view it as manipulative. This suggests that there is a segment of the population that is resistant to

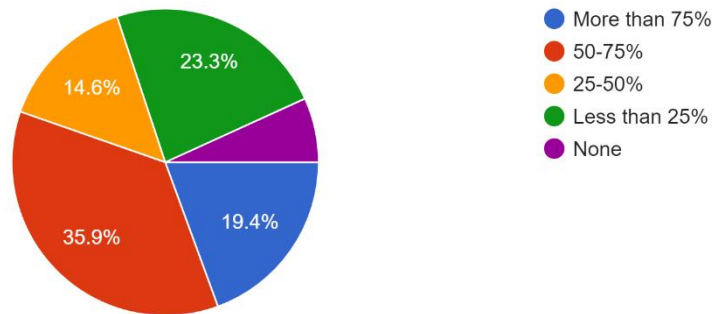
influencer marketing, perhaps due to concerns about authenticity or a dislike of the way it is used to sell products.

Finally, a very small percentage of respondents, 2.9%, said they were indifferent to influencer marketing. This suggests that for some people, influencer marketing is not a particularly important or relevant topic.

Overall, the survey results suggest that while many people view influencer marketing positively, there is also a significant level of skepticism and resistance. This highlights the importance of using influencer marketing ethically and authentically, in order to build trust with consumers and avoid any perception of manipulation.

12. How much of your overall spending is influenced by social media influencers?

103 responses



20 people (approximately 17.5% of the total respondents) reported that more than 75% of their overall spending is influenced by social media influencers.

37 people (approximately 32.5% of the total respondents) reported that 50-75% of their overall spending is influenced by social media influencers.

15 people (approximately 13.2% of the total respondents) reported that 25-50% of their overall spending is influenced by social media influencers.

24 people (approximately 21.1% of the total respondents) reported that less than 25% of their overall spending is influenced by social media influencers.

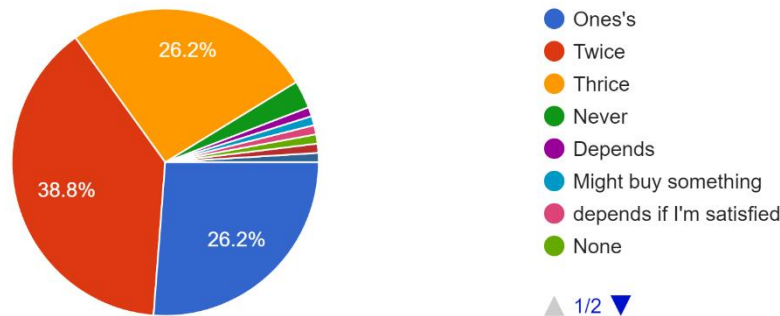
7 people (approximately 6.1% of the total respondents) reported that none of their overall spending is influenced by social media influencers.

The survey results suggest that a majority of the respondents (approximately 65% of the total respondents) are influenced by social media influencers to some extent when it comes to their overall spending. More specifically, approximately 17.5% of the respondents are highly influenced by social media influencers, while approximately 32.5% are moderately influenced. Additionally, approximately 13.2% are somewhat influenced, and approximately 21.1% are minimally influenced. Finally, approximately 6.1% of the respondents are not influenced by social media influencers at all.

These findings may be useful for companies and marketers who want to understand how social media influencers affect consumer behavior. They suggest that influencers have a significant impact on a substantial portion of the population, particularly those who are younger and more likely to use social media.

13. How frequently do you buy products suggested by influencers in a year?

103 responses



The survey asked participants how frequently they buy products suggested by influencers in a year.

The responses were categorized into four options: once, twice, thrice, and depends.

Out of the total participants, 26.2% said they buy products suggested by influencers once a year, 38.8% said they buy twice, 26.2% said they buy thrice, and 7.9% said it depends.

The majority of the participants (65.2%) buy products suggested by influencers at least twice a year.

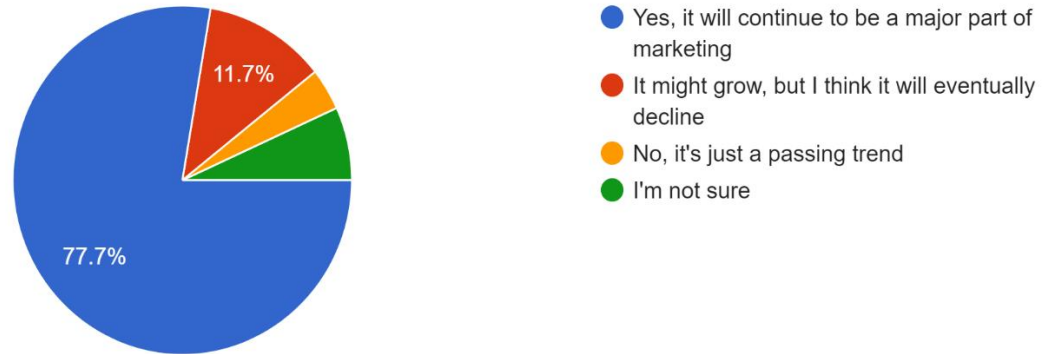
This indicates that influencers have a significant impact on consumer behavior and can influence their purchasing decisions.

However, the fact that 7.9% said it depends suggests that influencers may not be the only factor that influences their purchasing decisions.

Additionally, it's worth noting that the survey only asked about the frequency of purchases and didn't consider the type of product or the quality of the influencer's recommendation, which could also influence the results.

14. Do you think the use of influencers will continue to grow in the future?

103 responses



The survey results suggest that the majority of respondents, 77.7%, believe that the use of influencers in marketing will continue to be a major part of the industry in the future. This indicates that influencers are likely to remain an important marketing strategy in the years to come.

However, a significant minority, 11.7%, believe that influencer marketing might grow in the short term but eventually decline. This could be due to concerns around the authenticity and effectiveness of influencer marketing or the emergence of new marketing strategies that may replace influencer marketing in the future.

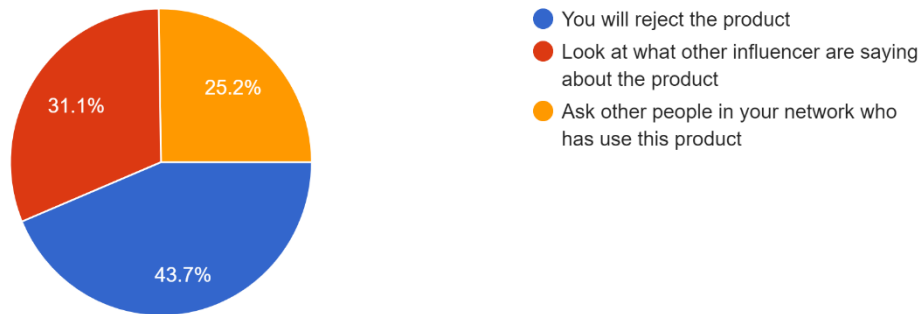
Only a small proportion of respondents, 3.9%, believe that influencer marketing is just a passing trend. This suggests that influencer marketing has already gained significant traction in the industry and is unlikely to disappear anytime soon.

Finally, a relatively small proportion of respondents, 6.8%, were unsure about the future of influencer marketing. This could be due to a lack of knowledge or uncertainty around the effectiveness of influencer marketing as a marketing strategy.

Overall, the results suggest that influencer marketing is likely to remain an important part of the marketing industry in the future, but it is important to monitor trends and developments in the industry to stay up-to-date with emerging marketing strategies.

15. If an influencer gives a negative review about a product?

103 responses



Based on the survey results, it appears that a significant portion of individuals (43.7%) would reject a product if an influencer gives a negative review. This suggests that influencer opinions can have a strong impact on consumer behavior and purchasing decisions.

On the other hand, approximately one-third of respondents (31.1%) stated that they would look at what other influencers are saying about the product. This indicates that consumers may value the opinions of multiple influencers and seek out additional information before making a decision.

Additionally, 25.2% of respondents reported that they would ask other people in their network who have used the product for their opinions. This suggests that personal recommendations and word-of-mouth marketing can also play a significant role in consumer decision-making.

Overall, these results highlight the importance of influencer marketing and the impact that influencers can have on consumer behavior. It is important for businesses and brands to carefully consider the influencers they work with and the messages they convey in order to effectively reach their target audience and drive sales.

CONCLUSION:

Influencer marketing has become a prominent aspect of modern consumer marketing, and its impact on consumer behavior is significant. With the rise of social media platforms, influencers have emerged as powerful and persuasive voices, capable of influencing purchasing decisions and brand perceptions of their followers. Through influencer marketing, brands can reach out to new audiences, increase brand awareness, and build trust with consumers.

However, the effectiveness of influencer marketing can depend on several factors such as the authenticity of the influencer, the relevance of the content to the audience, and the alignment of brand values with the influencer's values. Furthermore, the increasing use of influencers by brands has raised concerns about transparency and ethics, leading to the introduction of guidelines and regulations to ensure transparency in influencer marketing.

Overall, while influencer marketing has its benefits, it should be implemented strategically and with caution to ensure ethical and effective practices. As social media continues to evolve, it is likely that the role of influencer marketing in consumer marketing will continue to evolve as well, and marketers will need to stay up to date with the latest trends and best practices to succeed in this rapidly changing landscape.

The impact of influencer marketing on consumer behavior is not limited to immediate sales. It can also contribute to long-term customer loyalty and brand advocacy. When an influencer promotes a product or service that genuinely aligns with their values and resonates with their audience, it can create a lasting impression and positive association with the brand. This can lead to repeat purchases, recommendations to friends and family, and a sense of brand loyalty that extends beyond a single marketing campaign.

While influencer marketing has been primarily associated with B2C marketing, it is also becoming increasingly relevant in B2B marketing. As more professionals rely on social media to inform their purchasing decisions, influencers in niche industries can play a critical role in building trust, providing valuable insights, and influencing buying decisions. Therefore, influencer marketing is not just a tool for reaching consumers but can also be leveraged to engage with professionals in various industries and promote B2B sales.

REFERENCES:

<https://www.semanticscholar.org/paper/Social-media-in-marketing%3A-A-review-and-analysis-of-Alalwan-Rana/6738f5869f3ba3ae4bf6de71fb0490ee71d1d7d5>

<https://core.ac.uk/download/pdf/234694183.pdf>

https://www.academia.edu/6858370/Jin_S_A_and_Phua_J_J_2014_Following_Celebrities_Tweets_about_Brands_The_Impact_of_Twitter_Based_eWoM_on_Consumers_Source_Credibility_Perception_Buying_Intention_and_Social_Identification_Journal_of_Advertising_43_2_181_195

<https://www.redalyc.org/journal/279/27965040005/27965040005.pdf>

<http://hj.diva-portal.org/smash/get/diva2:1687888/FULLTEXT01.pdf>