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“The Trend of Recent Era: Influencer Marketing”

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ABSTRACT: Today's Influencers are believed to be an extension of word-of-mouth or reference marketing that existed from hundreds of years since the beginning marketers realised the importance of using influential people to transfer the message to the masses. Social media influencers are those who use images, videos, and other posts on social media platforms to affect consumers' impressions of a company or product. It is a new form of marketing that works beyond traditional marketing and it is not limited to just selling a product but broadens the horizon to building a brand identity and creating a trustful relation between the audience, the brand, and the influencer. As the number of people who use social media grow, so grows the number of influencers and so does the number of companies choosing to use influencer marketing. The scope is big, the audience is endless and the influencers. This paper is an attempt to understand the issues and challenges of Influencer Marketing and the relative influence of influencer marketing on consumer purchasing behaviour. To Conduct Survey, the Sample population has been Choose by convenience Sampling. Primary and secondary data both has been used; the primary data has been collected through structured questionnaire with responses of 100 respondents from various age groups of Social Media Users. Data has been tabulated & analyzed to understand the concept of Influencer Marketing. The study reveals that the credibility of influencers is significantly influenced directly by trustworthiness, information quality, and entertainment value, as well as significantly influenced indirectly by these factors and consumers' intention to make purchases.

Keywords- Influencer Marketing, Social Media, Advertising, Sales Promotion, Social Media Influencers.

INTRODUCTION

As social media platforms have grown, the digital world created a new phrase, “social media influencers,” who become famous through their digital content on social media, compared to traditional celebrities who become famous on TV show and films. Hence, social media users tend to feel connected with social media influencers by interacting with them in the virtual world and perceive social media influencers as more authentic in their fields, including fashion, health, or music, than celebrity endorsements in traditional advertisements Social media has significantly and permanently altered the advertising industry. Influencer marketing involves marketing products and services on social platforms through influential people on the platform, popularly known as Influencers. Influencers can be Nano, Micro, Macro, and Mega depending on the number of their followers and average engagement on their pages. The first "influencer" collaborations recorded dates back to as early as 1760, when a ceramicist by the name "Wedgwood" made a tea-set for Queen Victoria. This was hugely successful as the Queen was considered the biggest influencers of the time. Thus, we can state that even though influencer marketing is called a Morden day phenomenon its history dates back to many years in the past. In the recent year's influencer marketing is the most popular trend in marketing in fact social media influencer comes in top 5 most googled terms (In 2019). Influencer marketing has indeed brought about a quantum shift in the way marketing is done. It has shifted the focus from "The Voice of the Brand" to "The Voice of the Customer" Influencers can attract homogeneous mass audiences and easily shape and change fans' lifestyles and even perceptions and attitudes towards branding trends. Influencer marketing refers to promoting products and services to followers on social media through influencers to make consumers recognize the brand and encourage consumer interest and beneficial responses. There are five different types of social media influencers, depending on the number of followers they have :

- **Mega-influencers** (followers count: 1 million and above) Due of their large fan bases, they find it challenging to relate to their viewers personally. In addition, they have much lower engagement rates than the other influencers. A celebrity's Instagram engagement rate is only 0.04 percent on average.
- **Macro-influencers** (followers count: 100K to 1 million) Their engagement rates are considerably lower than those of nano- and micro-influencers, and because they have larger followings, they can have a harder time developing a personal connection with them. On Instagram, macro-influencer engagement rates hover at 5.3 percent on average.
- **Micro-influencers** (followers count: 10K to 100K) As a result of their smaller audiences, these influencers also frequently have high engagement rates and can relate to them on a more personal basis. The average engagement rate for micro-influencers on Instagram is 7.6%.
- **Nano-influencers:** (followers count: 1K to 10K) They frequently communicate with their fans on a more personal level and have strong engagement rates. In actuality, nano influencers on Instagram have an average engagement rate of 10.1%.

As a result, the influencers' ability to demand payment from businesses depends on how many followers they have. In addition, the influencers' follower counts are correlated with how good they are at reaching their target audience.

The recent spread of influencer marketing is also credited to the flawless compartmentalization of influencers based on their niche and area of interests. Companies pertaining to a particular niche now find it easier to get in touch with influencers who create content on the same niche. Hence it makes it easier for the companies to work closely with people who know their industry and can create content and promotional material with their own expertise in the field, and get in touch with the influencer's audience who are interested in their industry. If a beauty influencer promotes a beauty brand, it will reach more of the beauty brand's target audience as the influencer, known for beauty-related content, has most of their followers be either people interested in beauty or people who work in the beauty industry themselves. While this was a view of the company side, on the consumer side, as they interact more with an influencer they like and consume their content, they grow more trustful of them and hence if they see the influencer promoting a certain beauty brand, they will trust their judgment and all the positive things they have to say about the brand and soon enough turn into a consumer of the brand themselves.

REVIEW OF LITERATURE

Research by Berger and Keller Fay Group (2016) revealed that influencers were found to have more credibility and knowledge, with consumers stating that they were willing to follow recommendations of influencers. While influencers are being used for customer acquisition and brand engagement, identifying the right kind of influencer who would have the strongest impact on a particular target group by promoting the right brand message remains a challenge (Wong, 2014). Higher return on investment, content that is more trustworthy, better engagement with the relevant target audience, near real-time responses from consumers is resulting in the growing popularity of influencer marketing.

Influencer marketing involves a brand collaborating with an online influencer to market one of its products or services. Some influencer marketing collaborations are less tangible than that – brands simply work with influencers to improve brand recognition. (Influencer Marketing Hub, 2019) Influencer Marketing is a hybrid of old and new marketing tools. It takes the idea of celebrity endorsement and places it into a modern-day content-driven marketing campaign. The main difference in the case of influencer marketing is that the results of the campaign are collaborations between brands and influencers. (Influencer Marketing Hub, 2019).

Influencer marketing has been used more recently and a single academic definition has been lacking (Johansen & Guldvik, 2017), especially in the Indian context. From a meager 1,000 influencers across India at one point of time, Instagram now has over 6 million influencers on its platform; while around 44 million influencers exist worldwide (*Economic Times*, 24 May 2018). With the growing popularity of influencers in India and little academic research undertaken in the Indian context, the authors decided to study the influencer marketing landscape especially from the point of view of millennials (individuals born between 1982 and 2004—Howe & Strauss, 2000) of this emerging economy.

Marketing literature has only recently seen the rise of the term influencer. Until date, the word influencer lacks a single theoretical definition. According to Brown and Hayes (2008), influencer marketing is the act of an external person who influences the consumers buying choices. Influencer marketing focuses on influencers who command a mass following on digital media to reach the intended target audience to promote a brand's message (Smart Insights, 2017). Conick (2018) stated that influencers win consumer trust compared to other online sources. Consumers try their best to avoid advertisements by using ad blockers. In such a scenario influencer marketing is thought to be non-intrusive and more engaging than traditional online advertisements like pop-ups, banners, etc. In the digital space, influencers on online platforms have emerged as reliable and trusted sources (Freberg et al., 2011). Influencers were used to create two-way brand communication across online platforms like Facebook, YouTube, and Instagram, etc. to influence their online followers toward particular brands (Markethub, 2016). Marketers are also using influencers to engage with the consumer segment who normally skip or avoid advertisements (Conick, 2018).

OBJECTIVES OF THE STUDY

1. To study the concept of Influencer Marketing.
2. To study the various categories of social media influencer.
3. To analyze the impact of Influencer Marketing on consumers buying behavior.
4. To identify the Impact of Influencer marketing on company sales.

RESEARCH METHODOLOGY

The exploratory research is designed to allow an investigator to basically look around with respect to some phenomenon, with the aim to develop suggestive ideas (Reynolds, 1971). This Study is exploratory in nature and includes quantitative analysis. As a purpose of this study the primary and secondary data & information have been analyzed for preparing this paper extensively. A structured questionnaire is developed and distributed. The sample size is 100. The secondary data & information have been collected from different sources like e-books, article from various journals, periodicals, conference papers, working paper, company websites and newsletters which is available publically on the websites of the companies.

ANALYSIS AND INTERPRETATION OF DATA

For collecting and analyzing primary data a structured questionnaire was developed and distributed among the users of social media platforms belongs to various age groups and the profile of the social media platform users will be shown in the form of a table below.

Table 1: Profile of the Social Media Platform users

Particulars	Category	No. of Respondents	Percentage of Respondents
Gender	Male	68	68%
	Female	32	32%
	Total	100	100%
Age	Below 18 Years	19	19%
	19-30 Years	23	23%
	31-45 Years	36	36%
	Above 45 Years	22	22%
	Total	100	100%
Profession	Employees	44	44%
	Businessmen	22	22%
	House Wife	20	20%
	Students	14	14%
	Total	100	100%
Monthly Family Income (in Rs.)	Below 25000	16	16%
	25000-35000	29	29%
	35000-45000	35	35%
	45000 and above	20	20%
	Total	100	100%

Q1. What are the Social Media Platforms you prefer to Use?

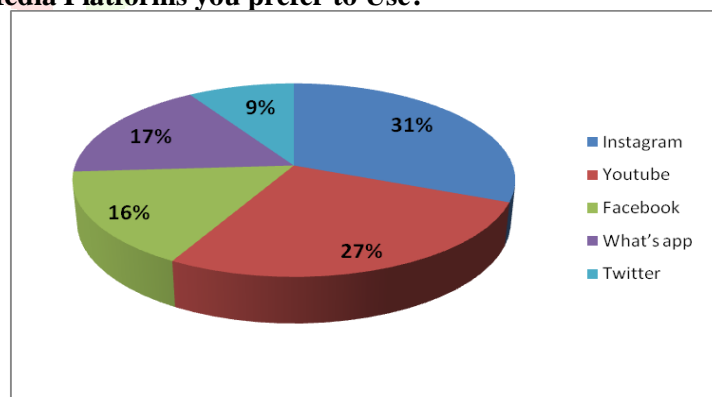


Fig 1: Social Media Platform Users

As per the responses maximum users prefer Instagram and Youtube as compared to facebook and What's app. Twitter is also one of the choice of social media users. This shows that maximum no. of influencer use Instagram profile to reach to their target audience.

Q2. What type of products the influencers promote?

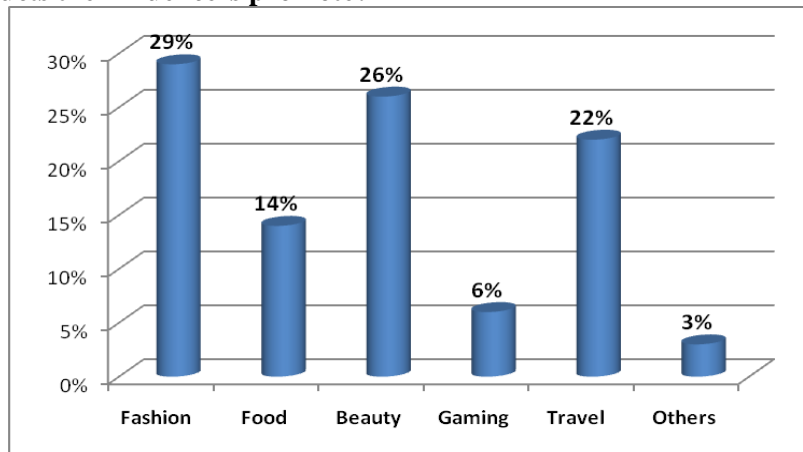


Fig 2: Types of Products Promoted by Influencers

29% influencer promote Fashion, 26% promote Beauty, 22% go for Travel, 14% talked about Food, 6% promote gaming industry and 3% influencer involved in promoting other items(small segment or promote the local products).

Q3. Do the influencers effect the buying decisions of the customers?

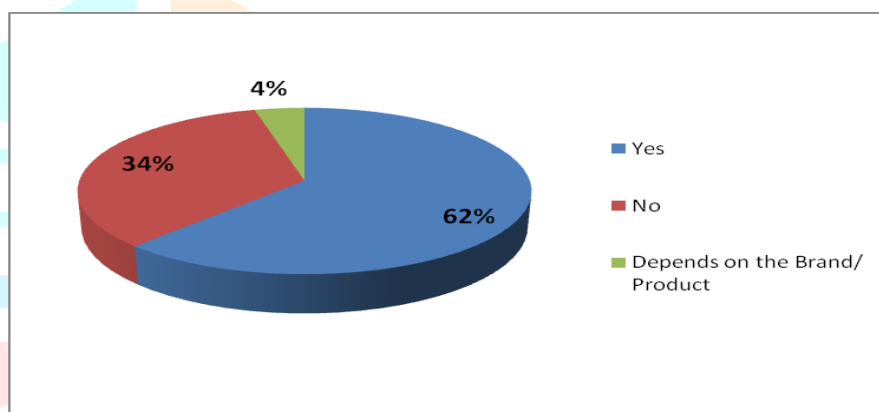


Fig 3: Effects of Influencers on Buying Decisions of Customers

As per the opinion of the respondents it is clearly visible that the influencer effects the buying decions of the customer because 62% says Yes, 34% says No and 4% says its depends upon the Product/ Brand.

Q4. Does the Influencer Marketing help the companies to promote sales?

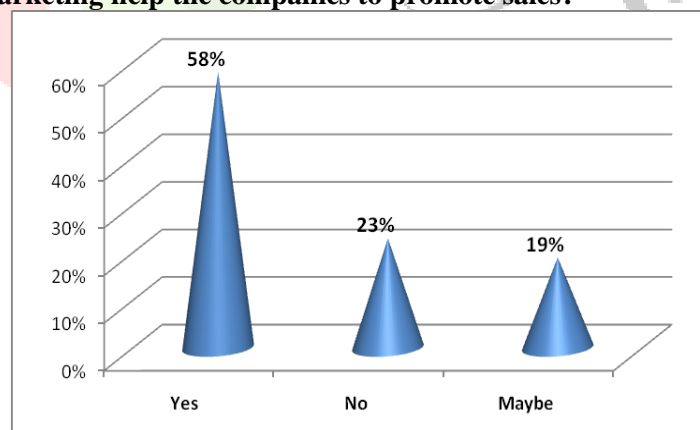


Fig 4: Promotion of Sales by the Influencer Marketing

In Today's time the Influencer Marketing become the most effective promotional technique for the companies due to the presence of the huge populaton involved on Social Media Platforms. By the help of influencer marketing the companies can create niche and increase the market share with minimum expenditure.

FINDINGS OF THE STUDY

1. Influencer marketing is considered an efficient method of marketing by 92% of respondents.
2. Most brands employ the same influencers throughout various campaigns.
3. Instead of paying influencers with money, brands still frequently offer free product samples or discounts on more expensive items.
4. The ROI from their influencer marketing is measured by 72% of our respondents.
5. By 2024, the influencer marketing market is projected to be worth about \$30 billion.
6. 2023 saw the launch of more than 430 new influencer marketing-focused companies and influencer platforms.
7. Conversions and sales are the most popular indicators of influencer marketing success.
8. Instagram is the most successful platform for Influencers backed by Youtube.

CONCLUSION

Internet trends have shown that during the pandemic, a lot of creators rose to garner fame and became influencers and then further became influencers who promote brands. It became the new trend on social media and it has benefited plenty of companies who needed a way to continue business during a rather dull period. There has been substantial growth in the number of users who consume influencer marketing content on a daily and the number of users who go through the four stages of the AIDA model as they approach a purchase/not purchase stage of decision making. Small businesses, big businesses, medium businesses, and homegrown businesses have all received much attention once they were promoted by a popular influencer and it has impacted their sales majorly because not only did they reach their target audience through a mediator, they did so through a popular one among a big group of people who will make purchases if recommended to them by said influencer. At the end we can say that influencer marketing holds deep grounds for consumers' purchase decisions and motivate a consumer to buy a product or consider buying one. It has helped consumers get aware of many brands, products, and options of products to buy from while also giving them incentives in the form of discounts and deals. It has helped many consumers learn about market trends and things to buy and from where helping them make a sound decision when they decide to put in their money and energy into making a purchase. For many, it has become an ultimate recommendation source that they trust immensely and cross-check with before making a purchase. And for many, it is idolization turned into a parallel expression of relativity with the influencer they take a product/brand recommendation from. Either way in recent times it has become a more concrete phenomenon and has shown major impacts on consumers, all ages and tastes, and their purchase decisions and behaviors. It is safe to conclude that influencer marketing holds an upper hand in the market when it comes to influencing their target groups effectively and turning it into a one-time or a regular purchase and engagement pattern.

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