

# Impact of Influencer Marketing on Consumer Purchase Behaviour

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## ABSTRACT

*Influencer marketing has emerged as a significant digital strategy influencing consumer purchase behaviour. This study examines how influencer endorsements impact buying decisions, brand awareness, and consumer perceptions. Using primary data collected through surveys and statistical tools such as ANOVA and hypothesis testing, the research identifies a strong relationship between social media usage and consumer engagement with influencers. The findings reveal that influencer recommendations, especially organic ones, significantly affect purchase intentions and brand recognition. Additionally, the COVID-19 pandemic accelerated the growth of influencer marketing. The study concludes that authenticity, credibility, and targeted communication are key drivers of successful influencer marketing campaigns.*

**Keywords:** *influencer marketing, consumer behaviour, brand awareness, social media, purchase decision*

## I. INTRODUCTION

The advent of the Social Web has had quite a significant impact on how an organization interacts with their customers, whether B2B or B2C. With evolution of marketing industry, there have been a plethora of innovative paid advertising strategies that take advantage of online connectivity to influence, engage, and eventually prompt people to buy a product. Due to its recent arrival in the literature, a dictionary definition of the word does not exist. It generally refers to harnessing the ability of a prominent individual to support an organization and break the message to their followers. It has proven to be a highly effective strategy for brands to engage with audiences on social media. This marketing strategy necessitates a partnership between an influencer and a brand. For decades, celebs, sportsmen, and other elites were the only influencers in their domains, whom brands would partner with to promote their business. Real-life influencers, ordinary persons who are enthusiastic about the items they recommend, having a significant following and a large number of purchasing engagements are more likely to attract customers. Influencer marketing is distinctive because of the manner in which social media has given everybody the ability to express their viewpoint, perspective, and thought. The term "Influence" has been defined as the ability to affect someone, something or an occurrence of events. (Brown & Hayes, 2008). We can say that influencer marketing, a relation developing technique, requires discovering and engaging influential individuals with a certain target demographic so as to assist a brand's campaign to boost their sales, widen their reach by catering to the previously unattainable audiences also and increase their engagement. The old Word of Mouth Marketing has evolved to this new way of marketing, in a more formal and professional sense.

These influencers are the latest breed freelance endorsers who make use of networking apps like Instagram and Tik Tok as a platform to impact a consumer's opinion through their reviews. The critical problem here is identification of the influencer which is best suitable for a brand or classification of any profile on social media as that of an influencers. To obtain to resolve this issue, brands heavily rely upon an individual's engagement rate i.e. the likes and comments on a post on social media or the shares, saved statistics of any blog or post by the influencer. Brands also make sure of the niche of followers an influencer caters to. (Fredberg, 3) This process is a direct and genuine way for a brand to connect with their customers on a regular basis. (Adweek) by making the product relatable to consumer. These influencers promote the products like they use it in their everyday lives resultant in making the consumers connect with themselves. They have great social power and reputation because of their candour and transparency with the consumers (Buyer, 2016).

## II. NATURE OF THE PROBLEM

Influencers play a major role in digital marketing but are still not backed with evidence. Despite the fact that influencer marketing has gained popularity there has been no conclusive research on how they affect their audience. This study examines factors that govern a consumer's perception- credibility, trustworthiness and experience to assess this form of marketing. The

research empirically examine an influencer's part in consumer's buying decisions and increasing their brand awareness. Due to increased digitalisation, brands have switched their marketing techniques. They have shifted from the traditional ways of advertising to the latest phenomenon of Influencer Marketing. The paper aims to discuss different types of influencers a brand has access to and the need for them to select an influencer who caters to their requirement in order to increase their brand reputation and target the appropriate range of consumers. A major misconception which has not yet been explored is the sway of sponsored content over non-promotional ones. There is no decisive evidence stating the change in consumer behaviour when the content created is sponsored or unpaid. This paper aims to analyse a consumer's opinion on the same. Influencer marketing though, has created major stir and has been talked about a lot recently, its impact on the consumers of different age groups have not been examined thoroughly, this paper aims to ponder upon the same. This paper further focusses on the rapid rise in influencer marketing during the COVID-19 pandemic. There have been plentiful discussions and researches on the rise of influencer marketing in the recent times. But, there has been very limited or negligible research on the effect of the pandemic accelerating the use of digital media resulting to a major boost in influencer marketing. This paper attempts to provide valuable information about influencer marketing, a new concept in the realm of digital marketing. The study uncovers elements that influence a customer's perception which are employed by different brands to achieve beneficial changes in customer purchase behaviour.

### **III. LITERATURE REVIEW**

The existing literature highlights the growing significance of influencer marketing in shaping consumer behaviour and brand perception. Early studies such as those by Sudha and Sheena (2017) emphasize that consumer purchase decisions, particularly in the fashion industry, are strongly influenced by influencers due to factors like accessibility, authenticity, and resonance. Similarly, Elli (2017) notes that while influencer marketing is highly effective, its impact can be both positive and negative, with micro-influencers often being more trusted and preferred by consumers.

Further, Glucksman (2017) and Neal (2017) underline the role of social media in fostering two-way communication between brands and consumers, while also indicating that organic, non-sponsored content tends to generate higher engagement and trust. Loader (2018) and other studies demonstrate the effectiveness of influencer campaigns in enhancing brand awareness and consumer attitudes, especially among millennials who value credibility and trend alignment.

Recent research by Trivedi and Sama (2020) and Hallett (2020) suggests that expert influencers are more persuasive than celebrities and that influencer marketing gained further importance during COVID-19 for maintaining consumer engagement. Konstantinovic (2021) further highlights the evolution of influencer marketing into a revenue-generating ecosystem supported by social media platforms. Overall, the literature establishes influencer marketing as a powerful, dynamic tool with both opportunities and challenges for modern marketers.

### **IV. OBJECTIVES OF THE STUDY**

- To examine purchase behaviour of consumers as an impact of endorsements made by influencers.
- To assess the impact of influencer marketing on brand awareness.
- To understand whether Covid-19 accelerated the growth of influencer marketing.
- To understand whether consumers differentiate between an influencer's opinion given for a sponsored and an unpaid collaboration.

### **V. RESEARCH METHODOLOGY**

This study adopts a combination of convenience and snowball sampling techniques to collect primary data from over 180 respondents across different states in India. Data is gathered mainly through structured questionnaires distributed via email and social media platforms, targeting diverse respondents irrespective of demographic factors. Secondary data is also used to support the exploratory aspect of the research. The analysis is conducted using statistical tools such as regression, standard deviation, and hypothesis testing, along with graphical methods. The questionnaire is systematically designed, beginning with demographic questions followed by behavioural aspects using MCQs, dichotomous, and Likert scale questions.

### **VI. ANALYSIS**

#### **Correlation between Daily Usage of Social Media and Interest towards Influencers and the Content Created by Them**

Null Hypothesis – There is no relation between an individual's daily usage of social media and their interest towards influencers and the content created by them.

Alternate Hypothesis - There is a relation between an individual's daily usage of social media and their interest towards influencers and the content created by them.

**Anova: Single Factor**

SUMMARY

Groups	Count	Sum	Average	Variance
Column 1	200	802	4.01	1.728543
Column 2	200	552	2.76	0.565226

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between groups	156.25	1	156.25	136.2387	2.84E-27	3.864929
Within groups	456.46	398	1.146884			
Total	612.71	399				

At a 5% level of significance, the calculated F-ratio (136.2387) is much higher than the expected value (3.8649), leading to acceptance of the alternative hypothesis. This indicates a significant relationship between individuals' daily social media usage and their interest in influencers and their content. Increased time spent on social media raises exposure to influencer content, thereby enhancing interest in influencers.

Further, to assess how influencer endorsements impact consumer purchase behaviour, three hypothesis

**Correlation between Product Information Received from Influencers and Purchase Behaviour of a Customer**

Null Hypothesis - Influencer marketing gives good information about a product/ service, affecting consumer purchase behaviour.  
 Alternate Hypothesis - Influencer marketing does not give good information about a product/ service, not affecting consumer purchase behaviour.

z-Test: Two Sample for Means

	Variable 1	Variable 2
Mean	1.89	3.69
Known Variance	0.098392	0.868241
Observations	200	200
Hypothesized Mean Difference	0	
z	25.89146915	
P(Z<=z) one-tail	0	
z Critical one-tai	1.644853627	
P(Z<=z) two-tail	0	
z Critical two-tail	1.959963985	

At a 5% level of significance, the correlation between product information from influencers and consumer purchase behaviour was tested using a two-tailed test. Since the calculated z-value falls within the acceptance range (-1.96 to 1.96), the null hypothesis is accepted. This indicates that influencer marketing provides useful product information that influences consumer behaviour and purchasing decisions.

Further, hypothesis testing on influencer reviews and purchase behaviour suggests that such reviews play a role in shaping consumers' buying decisions.

z-Test: Two Sample for Means

	Variable 1	Variable 2
Mean	1.89	3.535
Known Variance	0.098392	1.245
Observations	200	200
Hypothesized Mean Difference	0	
z	-20.0715	
P(Z<=z) one-tail	0	
z Critical one-tai	1.644854	
P(Z<=z) two-tail	0	
z Critical two-tail	1.959964	

At a 5% level of significance, the correlation between influencer product reviews and consumer purchase behaviour was tested using a two-tailed test. Since the calculated z-value lies within the acceptance region (-1.96 to 1.96), the null hypothesis is accepted. This indicates that influencer reviews significantly affect consumers' purchasing decisions, as customers tend to trust and act on these reviews.

Further, hypothesis testing is conducted to examine whether consumers purchase products recommended by influencers after verifying them through online searches.

z-Test: Two Sample for Means

	Variable 1	Variable 2
Mean	1.89	3.95
Known Variance	0.098392	0.861809
Observations	200	200
Hypothesized Mean Difference	0	
z	-29.7304	
P(Z<=z) one-tail	0	
z Critical one-tai	1.644854	
P(Z<=z) two-tail	0	
z Critical two-tail	1.959964	

At a 5% level of significance, the impact of googling influencer-recommended products on purchase behaviour was tested using a two-tailed test. Since the calculated z-value falls within the acceptance range (-1.96 to 1.96), the null hypothesis is accepted. This shows that consumers are likely to purchase products recommended by influencers after verifying them online, as such exposure creates interest.

Overall, the three tests indicate that consumers read, trust, and develop interest in influencer reviews, significantly affecting their purchasing decisions.

Further, ANOVA testing is conducted to examine the relationship between influencer marketing and brand awareness, as brands collaborate with content creators to enhance visibility and value.

Null Hypothesis – There is no impact of influencer marketing on brand awareness.

Alternate Hypothesis - There is an impact of influencer marketing on brand awareness.

**Anova: Single Factor**

SUMMARY

Groups	Count	Sum	Average	Variance
Column 1	200	670	3.35	1.424623
Column 2	200	822	4.11	0.711457

Source of Variation	SS	df	MS	F	P-value	F crit
Between groups	57.56	1	57.76	54.08036	1.11E-12	3.864929
Within groups	425.08	398	1.068040201			
Total	482.84	399				

At a 5% level of significance, the calculated F-ratio (54.08) exceeds the expected value (3.8649), leading to acceptance of the alternative hypothesis. This indicates a significant impact of influencer marketing on brand awareness.

The ANOVA results confirm a strong relationship between influencer marketing and brand awareness, suggesting that influencer recommendations increase consumer awareness and enhance brand equity.

### Correlation between Acceleration of Influencer Marketing and COVID-19

Null Hypothesis – Covid-19 did not accelerate the growth of influencer marketing.

Alternate Hypothesis - Covid-19 accelerated the growth of influencer marketing

#### Anova: Single Factor

#### SUMMARY

Groups	Count	Sum	Average	Variance
Column 1	200	820	4.1	1.447236
Column 2	200	897	4.485	0.582688

Source of Variation	SS	df	MS	F	P-value	F crit
Between groups	14.8225	1	14.8225	14.60399	0.000154	3.864929
Within groups	403.955	398	1.014962			
Total	418.7775	399				

At a 5% level of significance, the calculated F-ratio (14.60) is higher than the expected value (3.8649), leading to acceptance of the alternative hypothesis. This indicates that COVID-19 significantly accelerated the growth of influencer marketing.

ANOVA results show that increased social media usage during the pandemic boosted the influence of content creators, making influencer marketing a major revenue-generating industry.

Further, the study examines consumers' perceptions of influencer recommendations, particularly whether they differentiate between sponsored and unpaid collaborations.

Null Hypothesis – Consumers do not perceive opinions of influencers on sponsored and unpaid products/services differently.

Alternate Hypothesis - Consumers perceive opinions of influencers on sponsored and unpaid products/services differently.

#### Anova: Single Factor

#### SUMMARY

Groups	Count	Sum	Average	Variance
Column 1	200	328	1.64	0.231558
Column 2	200	422	2.11	0.339598

Source of Variation	SS	df	MS	F	P-value	F crit
Between groups	22.09	1	22.09	77.35193	4.38E-17	3.864929
Within groups	113.66	398	0.285578			
Total	135.75	399				

At a 5% level of significance, the calculated F-ratio (77.35) exceeds the expected value (3.8649), leading to acceptance of the alternative hypothesis. This indicates that consumers perceive sponsored and unpaid influencer recommendations differently.

The ANOVA results suggest that consumers tend to trust and prefer unpaid recommendations over sponsored ones.

## VII. FINDINGS AND OBSERVATIONS

**OBJECTIVE 1** - To examine purchase behavior of consumers as an impact of endorsements made by influencers.

Influencer marketing has emerged as a highly effective modern marketing strategy, significantly impacting consumer purchase decisions. Consumers trust and value influencers' opinions, making them powerful in shaping brand perception and buying behaviour. Influencers act as trendsetters, especially among millennials, creating awareness and interest in products and lifestyles. The approach is consumer-centric, helping bridge the gap between brands and customers. Compared to traditional advertising methods, influencer marketing is more engaging, relatable, and effective in influencing consumers.

**OBJECTIVE 2** - To assess the impact of influencer marketing on brand awareness.

Influencer marketing is rapidly growing, with brands actively collaborating with influencers to promote products and increase brand awareness. Influencers are increasingly replacing traditional celebrities due to higher engagement and stronger connection with audiences. Selecting the right influencer is crucial, as it helps brands effectively reach their target audience and avoid negative or irrelevant responses.

**OBJECTIVE 3** - To understand whether Covid-19 accelerated the growth of influencer marketing.

The survey shows that increased social media usage, especially during the pandemic, has boosted awareness of influencer marketing. Influencers gain trust by sharing relatable daily lives, creating a sense of connection with their audience. Their authentic recommendations often set trends, and maintaining honesty is crucial to preserving audience trust, contributing to the growth of influencer marketing.

**OBJECTIVE 4** - To understand whether consumers differentiate between an influencer's opinion given for a sponsored and an unpaid collaboration.

Influencer collaborations are either paid or unpaid. From the viewpoint of the consumers, they perceive only paid collaborations negatively. The results of the study show that consumers' buying decisions are affected by influencers but if the suggestion is for a paid collaboration they might be sceptical about the same. Thus, influencers should not just focus on the same to gain the trust of their audience.

### Recommendations

- Social media platforms should invest more in influencer marketing to encourage innovation and expand user engagement.
- Brands should collaborate with suitable influencers for product launches to effectively reach target audiences.
- Influencers must maintain authenticity and share genuine experiences to retain audience trust.

## VIII. CONCLUSION

Influencer marketing was a game-changer in the world of marketing since it linked an influencers' skill and reputation in their specialized fields. It helps marketers to reach out to their ideal customers and shape their decisions. It has its fair share of drawbacks as well, such as poor content creation, fake followers, etc. but the benefits outweigh the drawbacks. The main goal of this paper was to analyse the emergence of this breakthrough publicizing regime and its impact on the consuming behaviour of the buyers which was successfully achieved through the survey and its analysis.

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