"Identifying The Impact of Influencer Marketing on Consumer Purchase Decisions"

[1] Chandni Kotecha, [2] Dr. Riddhi Sanghvi, [3] Dr. Jay Talati, [3] Prof. Nensi Solanki

Noble University, Junagadh, Gujarat, India

[1] Email- chandni.kotecha@nobleuniversity.ac.in, riddhi.sanghvi@nobleuniversity.ac.in, drjaytalati@gmail.com, nensi.solanki@nobleuniversity.ac.in ,

Contact Number: +91 9904406632, +91 9428014163, +91 9427184429, +919265173244

Abstract

This whole research is done on identifying the impact of influencer marketing on consumer purchase behaviour. The consumer behaviour must be observed by each and every company and then analysed to frame the best possible marketing strategy and help to grow the business. The influencer marketing is the fastly growing so all the companies need to change their own strategies for marketing by considering it. The research has found that influencer marketing is going to be the most effective way of marketing in the upcoming years as the use of social media is increasing day by day. Majority of the indian consumers use social media so the influencer on different social networking applications are going to get majority of the audience, we need to understand the target audience of particular product and then we must identify the influencer who has the most relevant audience for our product and then collaborate with that influencer to market our product.

This is the research which figures out how to frame proper strategy for the particular influencer marketing to effectively impact the consumer purchase decision. The consumer purchase decision varies product to product and also it changes day by day. So we must cope up with all the changes that comes in the way of consumer decision and make it most favourable for our company. This study will help us to identify the impact of influencer marketing and how does consumer behaves when any influencer promotes any product.

Hence, this study is going to help understand the importance of marketing and analyse the image of influencer marketing in the mind of customers and also it is going to help frame the proper strategy for the advertisers.

Key Words: Influencer Marketing, Consumer Behavior, Social Media, Marketing Strategy, Target Audience, Advertising Strategy

1. INTRODUCTION:

Influencer marketing is rapidly becoming a key strategy for businesses looking to grow and boost sales through advertising. With the younger generation spending most of their time on social media, the use of traditional platforms like TV is declining quickly. As a result, marketers are shifting their advertising approaches to align with this trend.

To achieve the best results and maximize the return on investment (ROI) from advertisements, it is essential for companies to adopt current trends. Identifying the right influencer for a product or service can be challenging because of the large number of influencers on social media. To simplify this process, many influencer marketing agencies help businesses find the most suitable and effective influencers for their specific needs.
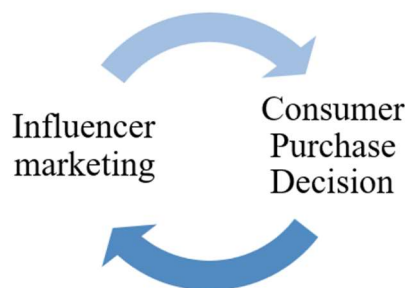
A consumer's purchase decision involves analyzing the steps they go through before buying a product or service. Understanding these steps is crucial, as it can significantly influence the success or failure of a product's sales efforts. The consumer purchase decision process typically includes five key stages: need recognition, information search, evaluating alternatives, making the purchase, and post-purchase behavior.

These stages outline the journey a consumer undertakes when selecting a product. Influencer marketing plays a significant role in shaping this journey and can impact each step in various ways. This research aims to explore how influencers influence the consumer purchase decision process.

How Influencer Marketing Impacts the Consumer Purchase Decision Process:
Step 1: Need Recognition

Consumers may not always be aware of how a product could benefit them. Influencers play a crucial role in helping potential customers recognize a need by demonstrating the value and significance of the product. By showcasing practical use cases, influencers can spark interest and create demand in the minds of consumers.

Step 2: Information Search

When consumers begin searching for solutions to their needs, they often turn to social media for recommendations and reviews. Influencer marketing can significantly influence this stage by positioning products in front of the target audience. With the help of AI-driven suggestions and targeted content, influencers make it easier for consumers to discover products that align with their preferences. Brands can leverage this opportunity by collaborating with influencers to highlight their products.

Step 3: Evaluating Alternatives

In a competitive market, consumers compare various options before making a decision. Influencers can give a competitive edge to a product by showcasing its unique features and advantages. For instance, if a consumer sees a reel or video promoting your product by a trusted influencer, it can leave a lasting impression and influence their choice.

Step 4: Purchase Decision

The endorsement of a highly popular influencer can significantly impact a consumer's final decision. Many consumers are inclined to trust the opinions of influencers they follow, leading them to purchase the product with confidence, often without hesitation.

Step 5: Post-Purchase Decision

Post-purchase behavior is critical for long-term customer loyalty. If a company highlights benefits like exclusive offers, rewards, or customer perks through influencer promotions, it can strengthen the consumer's satisfaction and encourage

repeat purchases. Influencers help reinforce the value of the product even after the purchase, ensuring a positive experience for the customer.

In conclusion, influencer marketing plays a vital role in every stage of the consumer purchase decision process. By strategically partnering with influencers, businesses can effectively boost brand visibility, establish trust, and drive sales, making it an indispensable tool in today's marketing landscape.

2. LITERATURE REVIEW:

Influencer marketing has evolved significantly over the past decade, becoming a critical strategy for digital marketers. Tanvar (2022) highlights its growth as a tool for engaging audiences through social media influencers (SMIs). The study systematically reviews literature from 2011 to 2019 using bibliometric and content analysis, offering insights into the key developments in this field.

Chaudhari, Shrivastava, and Tanvar (2020) provide a foundational analysis of influencer marketing's emergence. Their research, covering the years 2008 to 2019, categorizes literature into eight distinct themes, focusing on industries utilizing this strategy, platforms employed, and techniques adopted by influencers to connect with audiences and enhance brand communication.

In the context of consumer electronics, Trivedi (2020) examines the relative effectiveness of celebrity influencers versus expert influencers on consumer purchase intentions. The study further explores how brand admiration and attitude mediate this relationship and how message involvement moderates its impact.

Sunny and Kuldeep (2015) approach the subject from a theoretical perspective, employing Ajzen's Theory of Planned Behavior and Bandura's Social Learning Theory to understand the factors driving consumer behavior in influencer marketing. Their research underscores the role of influencers in shaping purchase decisions through trust and relatability.

The growing influence of social media platforms in shaping marketing strategies is discussed by Kumar and Yadav (2014). Their study assesses the perceptions and attitudes of Indian youth aged 18-25, revealing how influencers build credibility and foster brand awareness in this demographic.

Widyastuti and Noor (2013) delve into the relationship between content marketing, influencer strategies, and purchasing decisions. Using path analysis, they identify how consumer behavior mediates the impact of marketing efforts on buying decisions.

Attri and Bhagvat (2022) investigate the parameters of influencer marketing that affect brand knowledge and purchase intentions among Gen Z consumers. Their study uses the tri-component attitude model to analyze the influence of post content, influencer credibility, and brand congruence, focusing on the personal care industry.

In tourism marketing, Trivedi, Sama, and Arora (2013) compare the effectiveness of celebrity and expert influencers in shaping traveler behavior. Their experimental study examines the role of video advertisement duration in influencing attitudes and behavioral intentions toward destinations and hotels.

The challenges of selecting the right influencers for marketing campaigns are addressed by Doshi, Ramesh, and Rao (2023). They emphasize the importance of optimizing influencer selection to achieve high returns with minimal investment, particularly in campaigns leveraging the extensive reach of social media.

The dynamics of influencer credibility and audience engagement are explored by Suresh, Rajan, and Gupta (2015). Their study highlights how content quality and trust-building efforts by influencers impact follower behavior and brand relationships.

The use of influencer marketing in healthcare is discussed by Bajaj et al. (2020), with a particular focus on dentistry. Their research illustrates how influencers on platforms like Instagram effectively drive referrals and build trust among consumers, provided ethical practices are adhered to.

Pandey and Yadav (2019) explore the role of interactive content in driving consumer-brand engagement through social media influencers. They develop a conceptual framework connecting influencers' activities to their impact on consumer

behavior.

Sharma and Singh (2015) highlight the growing importance of influencer marketing for small and medium enterprises (SMEs) and start-ups. Their study underscores how identifying the right influencers can help businesses build trust and expand their reach with limited resources.

3. OBJECTIVES / AIMS :

- To identify the effectiveness of influencer marketing for promoting the product of the company
- To identify the consumer perspective towards the influencer marketing
- To know about the impact of the influencer marketing on the consumer purchase decision
- To help frame proper strategy for effective influencer marketing.

4. RESEARCH METHODOLOGY:

Research Methodology: Primary Research

Research design	Descriptive
Research Methodology	Survey method
Sources of data	Primary and secondary
Type of questionnaire and data collection instrument	Structured questionnaire
Sampling method	Non probability convenience sampling
Sample unit	Social media users
Sampling size	200 respondents
Sampling area	PAN India
Statistical test	Cronbach's alpha, Chi – square test, ANOVA

Hypothesis

1) **Reliability Statistic (Cronbach's Alpha):**
2)

Cronbach's alpha measures the internal consistency of a set of items, indicating how closely related they are as a group. It is used specifically for Likert scale-based questions.

- Cronbach's Alpha: 0.863
- Number of Items: 10

Question 7: Select the most appropriate option from the given Likert scale (10 questions).

Interpretation:

The alpha coefficient of 0.863 for the 10 items suggests a high level of internal consistency among the questions. As the reliability coefficient exceeds 0.70, it is considered acceptable and reliable, indicating an excellent level of consistency.

3) **Chi-Square Test:**

The chi-square test is a non-parametric statistical method used to determine the association between two variables:

an independent variable and a dependent variable. This test helps to analyze whether two attributes are significantly associated.

Hypotheses:

Variable 1: Independent Variable: Question 1 (Gender)

Variable 2: Dependent Variable: Question 14 (Which feature attracts you most towards buying a product?)

- H_0: There is no significant association between gender and the features that attract consumers most when buying a product.
- H_1: There is a significant association between gender and the features that attract consumers most when buying a product.

Variable 1: Independent Variable: Question 3 (Profession)

Variable 2: Dependent Variable: Question 5 (How much time do you spend on social media daily?)

- H_0: There is no significant association between profession and the time spent on social media.
- H_1: There is a significant association between profession and the time spent on social media.

Decision Rule:

- Significant Value < 0.05: Accept H_1
- Significant Value > 0.05: Accept H_0

Results:

Sr. No.	Particulars	Significant Value	Relation	Result
1	Feature that attracts most when buying a product	0.445	>	H_1 accepted
2	Time spent on social media	0.288	>	H_1 accepted

Interpretation:

- The feature that most attracts consumers when purchasing a product is associated with gender.
- The amount of time spent on social media is associated with the profession of the individual.

2) Anova (Analysis of Variance):

Variable 1: Independent Variable: Question 2 (Age)

Variable 2: Dependent Variable: Question 16 How many times a day do you spend on socialmedia?

Hypotheses:

- H_0: There is no relationship between age and the frequency of social media use.
- H_1: There is a relationship between age and the frequency of social media use.

Decision Rule:

- If Significance Value < 0.05, accept H_1 (there is a relationship).
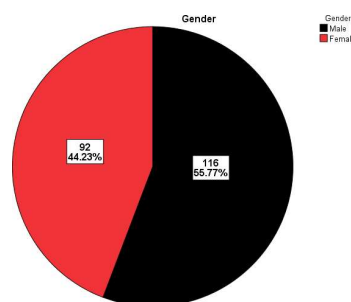- If Significance Value > 0.05, accept H_0 (no relationship).

Result:

| Sr. No.	Particulars	Significant Value	Result
1	Frequency of social media use (Age)	0.223	H_1 accepted

Interpretation:

There is a significant relationship between age and the frequency of social media use per day.

5. DATA ANALYSIS & INTERPRETATION:

Q-1 Gender: There are in total 55.77% of males participating in the study and 44.23% of females whoresponded to our survey and helped us to analyse the influencer marketing and its impact.
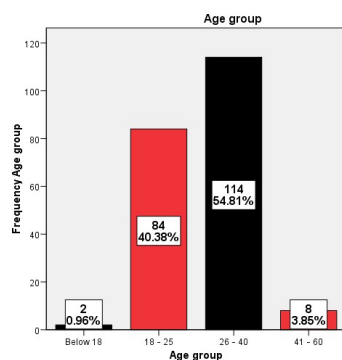

Q-2 Age group: 54.81% respondents are between the age group of 26-40. 40.38% of respondents are between 18-25 age group. 3.85% respondents are between 41-60 age group and only 0.96% of respondents are below 18.

Q-3 Profession: 22.12% respondents are students, 23.08% respondents are self-employed, 22.12% respondents are employee, 21.15% respondents are professionals, 6.73% respondents are housewives and 2.88% respondents are influencers.
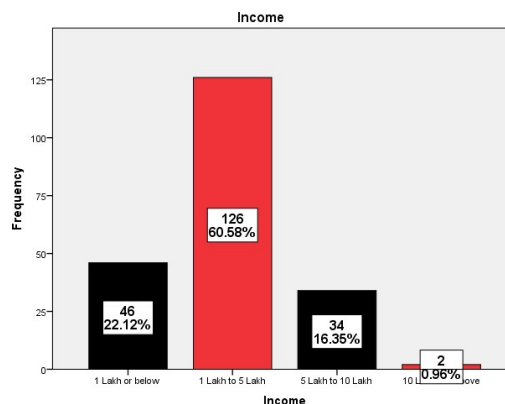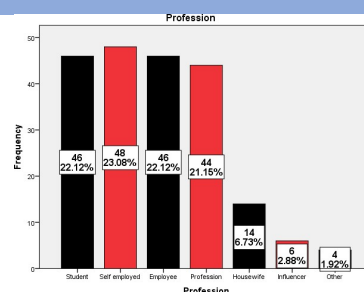
Q-4 Income: 60.58% of respondents are having income class of 1 lakh to 5 lakh, it states that the majority of te respondents falls into this income category. Only 0.96% respondents earns more than one lakh.
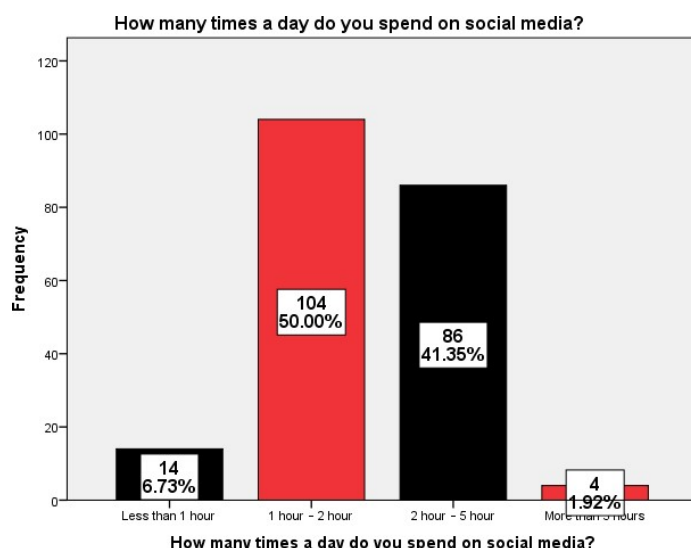

Q-5 How many times a day do you spend on social media? Majority of prople spends 1 hour to 2 hour on social media almost 50% respondents falls into this category. In other 50% different time spending people falls.

Q-6 Which social media platform do you use the most? Almost 44.23% of the respondents use Instagram the most i.e. majority of the respondents uses Instagram. Followed by whatsapp, 27.88% people uses whatsapp the most. Other three are in the rest percentage.

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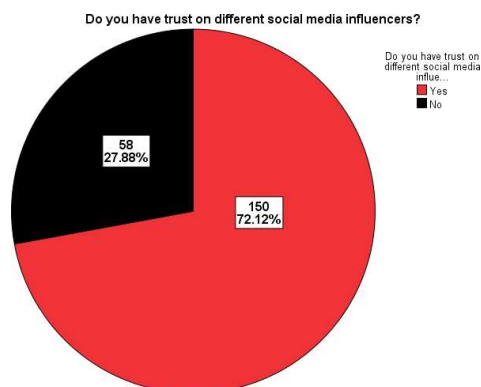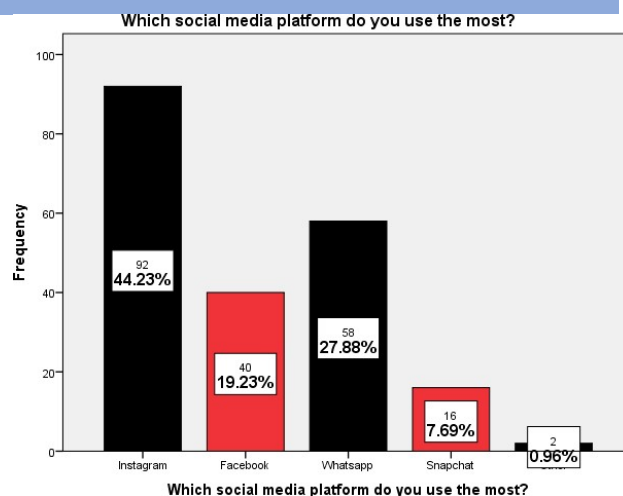
**Q-7 Do you have trust on different social media influencers?**

72.12% respondents said that they do trust social media influencers that means anybody can frame the social media marketing strategy cause majority of the people trusts the social media.
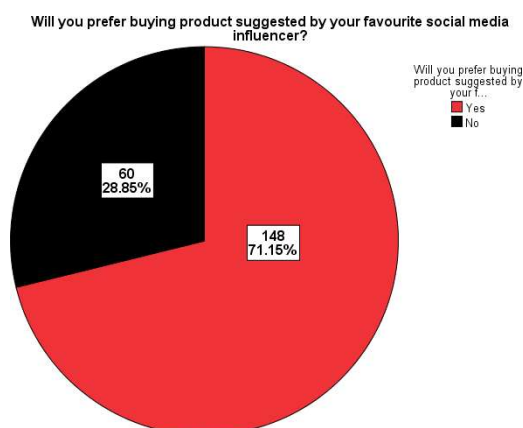
Q-8 Will you prefer buying product suggested by your favourite social media influencer? Running a social media campaign can be quite successful because almost 71.15% of people trust buying the product which is suggested by the social media influencer.
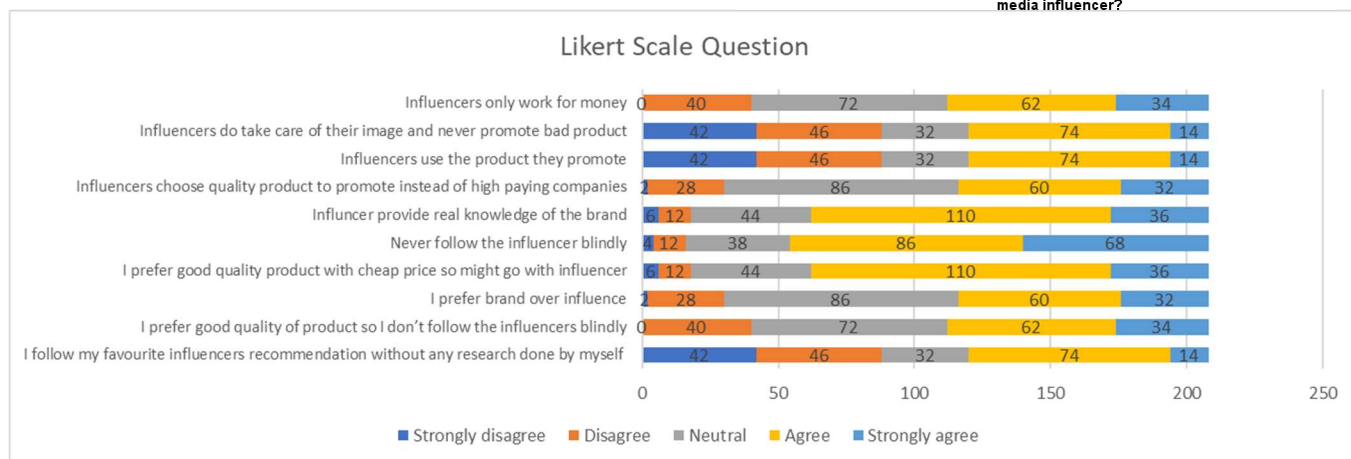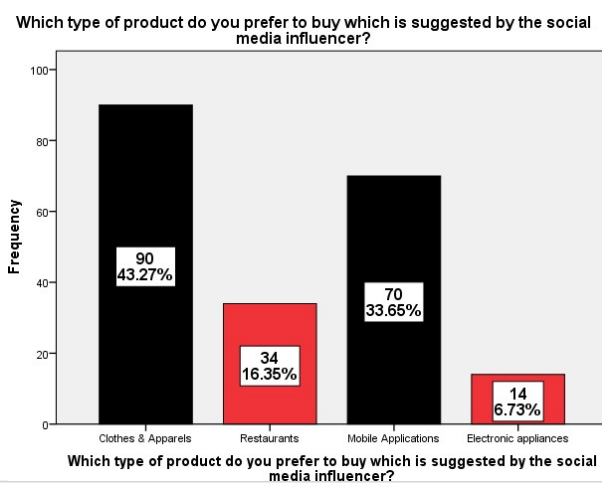
Q-9 Where do you look for suggestion before buying any products? 21.15% of the people takes suggestions from social media before buying any products but still majority of the people depends upon friends suggestions.
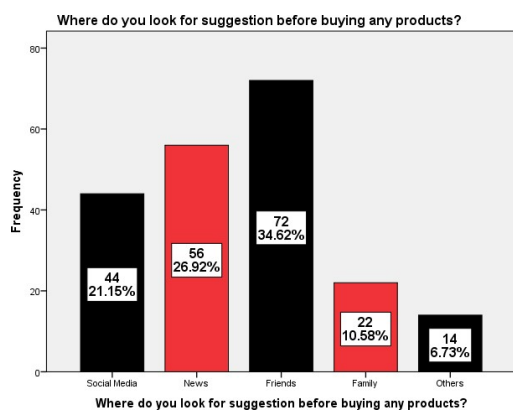

Q-10 Choose appropriate option from likert scale.

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I follow my favourite influencers recommendation without any research done by myself	42	46	32	74	14
I prefer good quality of product so I don't follow the influencers blindly	0	40	72	62	34
I prefer brand over influence	2	28	86	60	32
I prefer good quality product with cheap price so might go with influencer	6	12	44	110	36
Never follow the influencer blindly	4	12	38	86	68
Influncer provide real knowledge of the brand	6	12	44	110	36
Influencers choose quality product to promote instead of high paying companies	2	28	86	60	32
Influencers use the product they promote	42	46	32	74	14
Influencers do take care of their image and never promote bad product	42	46	32	74	14
Influencers only work for money	0	40	72	62	34

Which type of product do you prefer to buy which is suggested by the social media influencer?

Likert Scale Question

Q-11 Do you feel like buying the stuff immediately suggested by your favourite influencer? Majority of the people chooses to buy clothing and apparels items by the suggestion of social media influencers.

Q-12 Which type of product do you prefer to buy which is suggested by the social media influencer? 47.12% of the people buy products or attracted to buy products which is quality wise fit and perfect.
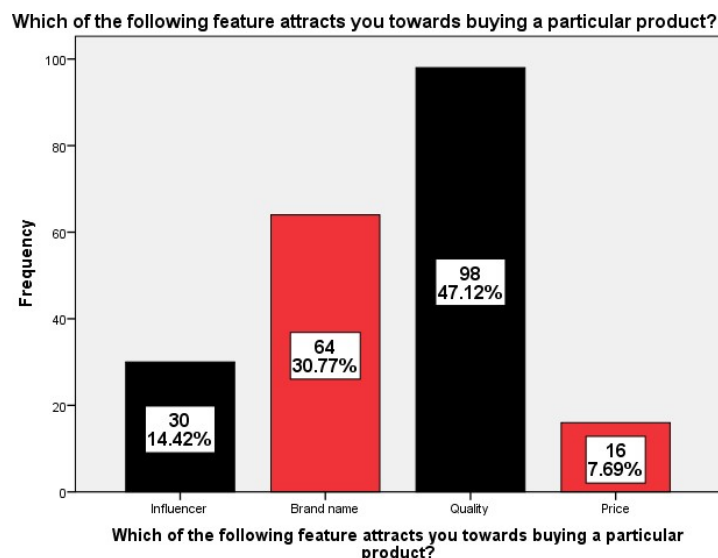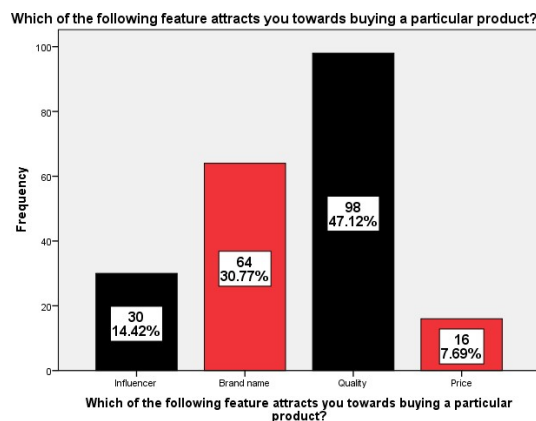

Q-13 Which of the following feature attracts you towards buying a particular product?
47.12% of the people buy products or attracted to buy products which is quality wise fit and perfect.

Q-14 Will you look for recommendation from your favourite influencer while buying any clothing or lifestyle product?
Majority of the respondents will look for influencers recommendation before buying any clothing and apparel products

Q-15 How often would you like to buy products which is newly launched by your favourite brand? Within 1 week of newly launched product the consumer is likely to buy that product in majoritymanner.

How often would you like to buy products which is newly launched by your favourite brand?
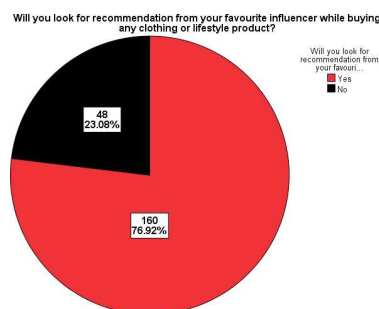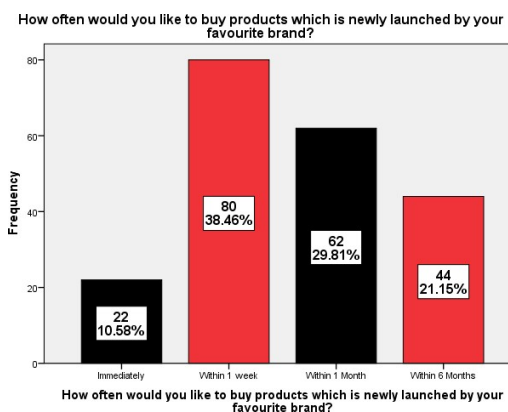
If your favourite influencer is promoting brand is which not so likeble by you, will you change your mind to buy that product?
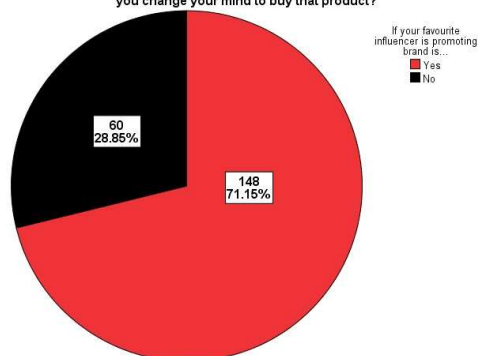
Q-16 If your favourite influencer is promoting brand which is not so likeble by you, will you change your mind to buy that product?

71% of respondents are ready to change their mind to buy the product which is from unlikable brand just because their favourite influencers promote it.

Q-17 If you do not get the same service as promised by influencer during the marketing campaign, would you unfollow that influencer?

71% of respondents are ready to unfollow the influencer if they would not get the same service as they have been promised by an influencer.

If you do not get the same service as promised by influencer during the marketing campaign, would you unfollow that influencer?
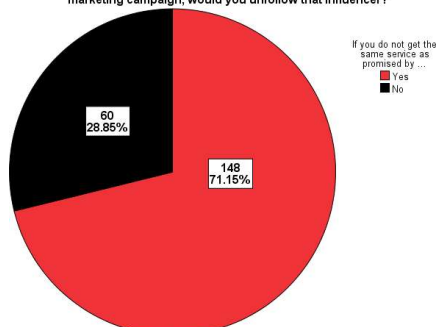
6. FINDINGS & DISCUSSIONS:

The survey received responses from 200 participants, collected through a Google Forms questionnaire. The questionnaire was divided into two sections: demographic details and survey-related questions.

From the demographic data, it was observed that 55.77% of the respondents were male and 44.23% were female. The majority of respondents (54.81%) belonged to the age group of 26-40, followed by 40.38% in the 18-25 age group. Only 3.85% were aged 41-60, and 0.96% were below 18 years.

Regarding professional backgrounds, 23.08% of respondents were self-employed, 22.12% each were students and employees, 21.15% were professionals, 6.73% were housewives, and 2.88% identified as influencers. Most respondents (60.58%) had an income between ₹1 lakh to ₹5 lakh annually, with only 0.96% earning more than ₹5 lakh.

Survey responses revealed that most participants spend 1-2 hours daily on social media, primarily using Instagram. A significant portion trusts social media influencers when making purchasing decisions and often buys products promoted by these influencers.

To ensure data reliability and accuracy, tests such as ANOVA, Chi-square, and reliability statistics were applied. These tests confirmed the significance and consistency of the survey data.

In conclusion, the findings indicate a strong correlation between influencer marketing and consumer purchase decisions, highlighting its growing importance in modern marketing strategies.

7. CONCLUSION / SUMMARY:

To conclude we would like to say that the project was really insightful to us and we figured out really important knowledge regarding the topic and now we will be able to implement this insights into practical implementations. If we talk about the research, the project has found that there is significant impact of the influencer marketing on consumer purchase decision. The consumer goes through various points before buying any product and at that time influencer marketing can be helpful one to make consumer attracted towards us.

Influencer marketing has its significant importance over other brands that which doesn't do influencer marketing. It also can be helpful to increase the brand image of the company and make the brand stand out from the competition. Consumer purchase behaviour is divided into 5 different stages and during all of these stages influencer marketing can be helpful one to drive customer towards us.

Consumer purchase decision help us in taking decision regarding all the marketing efforts performed by the company so we need to frame proper strategy to increase consumer attraction and retention by getting good advertising.

Hence, the study has been really insightful and we learnt a lot from the study. We would like to mention gratitude towards each individual sparing their precious time to help us in the whole survey.

8. LIMITATIONS:

- There's limitation of time period to conduct exhaustive study analysis.
- Sample size is restricted to solely 200 respondents, thus correct results could also be not found
- Geographic area is limited.
- Answer from respondents may be biased and typically they hesitate to disclose their personal information.
- People may not understand the question and make false selection of the option

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