

Impact of influencer marketing on buying behavior of consumer – special reference to Chennai

Mohammed Saif N, Maheshwari. G. S

Abstract

Electronic commerce (E-commerce) has revolutionized shopping strategies all over the world. The online market and industry have a lot of scope for growth where businesses and enterprises are well developed. Social Media has turned from our regular photo and thought dumping platform to a marketing space mainly led by influencers. Influencers, the ones who influence, hold a firm grasp on people all over social media through their content, views, thoughts, and uniqueness that they have to offer. These influencers are known to impact people, especially the younger generations. The research aims to understand the impact of influencer marketing on the buying behavior of consumers to meet their expectations towards the demographic factors of education, income, and occupation that have an impact on the considered determinants of perception. The findings of this study would contribute to a better understanding of influencer marketing with respect to different customer segments in India and would help them understand their differential needs.

Keywords: Influencer Marketing; Millennials; Online Purchase Intentions, Buying Behaviour, Social Media Influencers, Word of Mouth Marketing.

INTRODUCTION:

In today's world, online shopping has been made possible by the presence of the internet. Logistics is one of the sources e-retailers are turning to in order to extend personalized service, offering flexible order fulfillment and a variety of product delivery options. Online shopping has become a popular way for consumers to shop.

A good marketing or advertising consultant can knock on the organization's front door, but what happens next is critical to the success of the business. The geographical boundaries have been obliterated, as buyers on one continent can easily contact, interact with, and buy products from sellers on another continent.

In the era of Technology, the internet has become a necessity in many of the routine activities such as paying bills online, buying tickets for travel or entertainment, browsing for information for study purposes, purchasing, viewing, and sharing messages through the popular mobile application WhatsApp, and many others. Marketing and other service issues are disregarded in the attempt to make the organization part of the "NEW" economy.

As the pandemic hit the world like a wrecking ball, a lot of people took to social media to express themselves through various content on Facebook, Instagram, TikTok, YouTube, and more. As they gained traction and popularity among users, who now flock to the online spaces even more than usual, they also gained valuable brand collaborations that have now turned into a whole marketing prospect in the

marketing industry. More and more companies, irrespective of their size, have dropped all their other marketing plans to invest in Influencer marketing, which as of today is an industry worth billions of dollars.

LITERATURE REVIEW:

As people started realizing the importance of Influencers and their ability to impact consumer perspectives and buying behavior, Several studies were focused on understanding influencer marketing. (Odell 2015), (Cooley and Parks-Yancy 2019), (Lou and Yuan 2019), and (Fromm 2018) made groundbreaking attempts to comprehend the impact of influencer marketing on different aspects of consumer behavior (Lim et al. 2017), (Godey et al. 2016), and (Lou and Yuan 2019). In their respective papers, they have made an important contribution when it comes to solving the dilemma regarding selecting from among the subject matter specialist influencers' verses an attractive celebrity influencer (Hill 2018; Wolfson 2017). From an academic viewpoint, few studies have made crucial additions to the literature (Schouten, Janssen, and Verspaget 2019) and attempted to compare the efficiency of the two endorses.

Subsequently, there have been several papers published on how to select the right influencer (Breves, Priska & Liebers, Nicole & Abt, Marina & Kunze, Annika, 2019), exploring the importance and dynamics of the right influencer and brand fit (Schouten et al., 2019), and (De Veirman, Cauberghe, and Hudders, 2017) examined the effectiveness of influencer marketing by focusing on the role of source credibility, para-social interaction, and congruity (Booth, N., and Matic, J. A. A., 2011) in their paper titled "Mapping and leveraging influencers in social media to shape corporate brand perceptions" made an important contributiono the impact of influencers in shaping corporate brand perception. As Influencer marketing evolved over time, there were several papers published on the new development in influencer marketing (Nolan, H. 2018). The paper

titled "Brands Are Creating Virtual Influencers, Which Could Make the Kardashians a thing of the Past" is a very unique contribution that threw some light on the possible digitalization of influencers in the future. (Zdenka KDEKOV-Mária HOLIENINOV 2018) and (Rahmah, Sarah, & Ren, Dan. 2019) in their respective papers focus on investigating the appeal of influencers among specific groups (Millennials, Gen X, etc.) and the differential impact of influencer marketing on their buying behavior. This particular study is very essential in today's time, as marketers need to cater to the different needs of different segments. However, there is limited study done on this topic, especially in developing nations such as India, where we see a greater divide between generations.

SCOPE OF THE STUDY:

Electronic commerce is more than just buying and selling products online. It also includes the entire online process of developing, marketing, selling, delivering, servicing, and paying for products and services. This study comprises in-depth coverage of influential retailers. A little bit of E-commerce is also covered. Popular micro-influencers, like those found on Instagram and Snapchat, are known for their strong engagement rates among niche audiences, and a loyal following can be even more powerful on TikTok when influencers tap into their following and weave branded messaging into trending topics and challenges.

STATEMENT OF THE PROBLEM:

The e-commerce industry is highly fragmented with respect to varied product lines. There are lots of differences in strategy formulation between online shopping and traditional shopping. Today, there are rapid and fast developments in the information technology industry, and competition increases day by day due to the increased attention of consumers towards online shopping. The best retailer is based on their experience on the web. The impact will also be felt by the influencer marketing

agencies since TikTok has, over time, forged very strong partnerships with the marketing agencies that enabled brands across the country to put the pedal to the metal with TikTok influencer campaigns. TikTok's emergence was leading to a shift where brands were moving out of mega-influencers in the YouTube and Instagram space to micro-influencers on TikTok across chartered and uncharted territories.

OBJECTIVE OF THE STUDY:

- To analyse the present trends of Influence marketing in India.
- To find the perceptions of social shopping meet the expectations.
- To make out the length of supply chain.
- To describe the conceptual framework of Influence marketing in India.

RESEARCH METHODOLOGY:

Research methodology is the main foundation for a research project. Here, the sample size taken for the study is 135 respondents from the customer. Both primary and secondary data are used in this research. Various tools are used in this research, such as the chi-square test and percentage tools. Based on the research objectives, the study consists of two main parts: one part focuses on the expectations and perceptions of influencer shoppers, and the other involves studying the effect of demographic

factors on their perceptions of influencer buying behaviour.

Hypothesis of the study

- There is no significant relationship between age and purpose of using influence marketing.
- There is no significant relationship between age and satisfied by the influencer mode of purchasing.
- There is no significant relationship between age and things like to buy in online.
- There is no significant relationship between occupation and future of influencer marketing in India

LIMITATION OF THE STUDY:

- Primary and secondary sources of information have been used in the study, and efforts have been made to be realistic, but the same cannot be claimed to be ideal or perfect.
- An effort was made to explain the questionnaire, but there is a possibility that the respondents may not have interpreted it correctly.
- The sample size is restricted to 135

ANALYSIS AND INTERPRETATION:

TABLE 1: Table showing the demographic profile of the respondents

DEMOGRAPHIC VARIABLES	SUB CATEGORIZATION	NO.OF RESPONDENTS	PERCENTAGE
Age	18 years	11	8%
	18-25 years	115	85%
	26-35 years	9	7%
Occupation	Private employee	26	19%
	Government employee	13	10%
	Self employee	29	21%

	Students	67	50%
Monthly income	Below 10000	64	47%
	10000-20000	45	33%
	Above 30000	26	20%
Marital status	Married	18	13%
	Unmarried	117	87%

Source: primary data (survey data)

INTERPRETATION:

It is evident from the above table No.1 that out of 135 respondents. The above table shows that 8% of the Respondents age is 18 years.85% of the respondents age is 18-25, 7%of the respondents age is 26-30. Thus, the majority of the respondents age is 18-25.

The above table shows that 19% of the Respondents occupation is private employee,

10% of the respondent's occupation is government employee.21% of the Respondents occupation is self-employee and 50% of the Respondents

occupation is students. Thus, the majority of the Respondents occupation is students.

The above table shows that 47% of the Respondents income is below 10000, 33% of the Respondents income is Rs.10000-20000, 20% of the Respondents income is above 30000.Thus the majority of the Respondents income is below 10000. The above table shows that 13% of the Respondents marital status is married, 87% of the Respondents marital status is unmarried. Thus, the majority of the Respondents marital status is unmarried.

TABLE SHOWING SOCIO-ECONOMIC FACTORS

TABLE 2: For what purpose do you make use of Influence marketing

OPTION	NO .OF.RESPONDENTS	PERCENTAGE (%)
For personal use	48	36%
For business use	29	22%
For both personal and business Use	44	32%
None of these	14	10%
TOTAL	135	100%

Source: primary data

INTERPRETATION:

The above table shows that 36% of the Respondents are personal use, 22% of the respondents are for business use, 32% of the respondents

for both personal and business use and 10% of the respondents are none of these. Thus, the majority of the respondents make use of influence marketing for their personal usage only.

TABLE 3: For how many years you are availing Influencer marketing

YEARS	NO.OF.RESPONDENTS	PERCENTAGE (%)
0-2	64	47%
2-4	48	36%
4-6	19	14%
Above 6	4	3%
TOTAL	135	100%

Source: primary data

INTERPRETATION:

The above table shows that 47% of the respondents said that 0-2 years they are availing Influencer marketing, 36% of the respondents said that 2-4 years they are availing

Influencer marketing, 14% of the respondents said that 4-6 years they are availing Influencer marketing, 3% of the respondents said that above 6 years they are availing Influencer marketing. Thus, the majority of respondents said that 0-2 years availing Influencer marketing.

TABLE 4: How you came to know about our Influence marketing

ABOUT WEBSITE	NO.OF.RESPONDENTS	PERCENTAGE (%)
Television	17	13%
News paper	14	11%
Social media	71	52%
Recommendation from a Friend	26	19%
Others	7	5%
TOTAL	135	100%

Source: primary data

INTERPRETATION:

The above table shows that 13% of the respondents said that Television, 11% of the respondents said that newspaper, 52% of the respondents said that social media, 19% of the respondents said that

recommendation from a friend, 5% of the respondents said that others. Thus, the majority of the respondents said that through the social media only they came to know about influencer marketing.

TABLE 5: How satisfied are you with the quality of products

SATISFACTION LEVEL	NO.OF.RESPONDENTS	PERCENTAGE (%)
Highly satisfied	29	21%
Satisfied	79	59%
Highly dissatisfied	16	12%
Dissatisfied	11	8%
TOTAL	135	100%

Source: primary data

INTERPRETATION:

The above table shows that 21% of the recommendation said that highly satisfied, 59% of the respondents said that satisfied, 12% of the respondents said that

highly dissatisfied, 8% of the respondents said that dissatisfied towards the satisfaction level in quality of product. Thus the majority of the respondents said that satisfied in product.

CHI SQUARE TEST

TABLE SHOWING THE COMPARISION BETWEEN AGE AND PURPOSE OF USING INFLUENCE MARKETING

	Value	Df	Asymp.sig.(2-sided)
Pearson chi-square	240.265 ^a	24	.000
Likelihood ratio	43.669	24	.008
N of valid cases	136		

- a. 30 cells (85.7%) have expected count less than 5. The minimum expected count is .01.
- b. Table value at 5%: 37.7

INTERPRETATION:

From the above table it is discovered that level of significance of chosen variables are greater than chi - square value, chosen variables, age and purpose of using influence marketing are not significant and they do not have any relationship between each other, thus, null hypothesis is accepted here.

TABLE SHOWING THE COMPARISION BETWEEN AGE AND SATISFIED BY THE INFLUENCER MODE OF PURCHASING

	Value	Df	Asymp.sig.(2-sided)
Pearson chi-square	203.277 ^a 27.863	12	.000
Likelihood ratio	136	12	.006
N of valid cases			

- a. 16 cells (80.0%) have expected count less than 5. The minimum expected count is .01.
- b. Table value at 5%: 21.0

INTEPRETATION:

From the table it is discovered that level of significance of chosen variables are greater than the chi - square value, chosen variables, age and satisfied by

the influencer mode of purchasing are not significant and they do not have any relationship between each other, thus, null hypothesis is accepted here.

TABLE SHOWING THE COMPARISON BETWEEN AGE AND THINGS LIKE TO BUY IN ONLINE

	Value	df	Asymp.sig(2-sided)
Pearson chi-square	260.934 ^a	104	.000
Likelihood ratio	72.759	104	.991
N of valid cases	136		

a. 129 cells (95.6%) have expected count less than 5. The minimum expected count is .01.

b. Table value at 5%:128.8

INTERPRETATION:

From the above table it is discovered that level of significance of chosen variables are greater than the chi – square value, chosen variables, age and things like to

buy in online are not significant and they do not have any relationship between each other, thus, null hypothesis is accepted here.

TABLE SHOWING COMPARISON BETWEEN OCCUPATION AND FUTURE OF INFLUENCER MARKETING IN INDIA

	Value	df	Asymp.sig.(2-sided)
Pearson chi-square	210.139 ^a	20	.000
Likelihood ratio	34.149	20	.025
N of valid cases	136		

a. 25 cells (83.3%) have expected count less than 5. The minimum expected count is .01.

b. Table value at 5%: 31.4

INTERPRETATION:

From the above table it is discovered that level of significant of chosen variables are greater than the chi – square value, chosen variables, occupation and future of influencer marketing in India are not significant and they do not have any relationship between each other, thus, null hypothesis is accepted here.

FINDING:

Consumers agree that influencer marketing is more effective and impactful than traditional marketing. Especially citing the pandemic as a

booster for this form of marketing. These users believe that influencers become "friends" with their followers by posting titbits of their daily lives and effortlessly incorporating advertisements, making them seem more convincing.

Some other users mention that influencer marketing is more effective than traditional marketing because people are more likely to engage with products if they're coming from someone they've chosen to connect with whose values and judgments match their own. It is also a highly relatable source for them as compared to traditional marketing forms. Mainly because

consumers tend to follow influencers similar to their taste and body shape, getting a better idea of what may suit their lifestyle more, which traditional marketing eliminates.

There were also users who considered both marketing forms to be equally effective, as they both target and impact different people differently. Both have the same end goal but work differently, and while influencer marketing is effective for the young generation, traditional marketing is still much needed for the older ones, where it is still quite effective. And a few consumers simply refuse to believe that influencer marketing is more impactful than traditional marketing. They refer to influencer marketing as a temporary form of marketing that gained traction during the pandemic and will die down as the pandemic dies down. It is effective for a limited number of people but still poses gaps that are filled by traditional marketing strategies.

SUGGESTIONS:

Consumers also feel it is more impactful because it reaches a large audience, builds relations between fans, influencers, and brands, and feels more personal and specifically catered to than traditional forms. Moreover, it is deemed a turning marketing tactic for businesses as well, bringing in more success than traditional forms do. Some users held a middle-ground view about this, where they believe that target audience, product, brand, influencer, and their content are variables that determine influencer marketing's success, which can at times be less effective than traditional techniques and sometimes more effective. Its effectiveness depends on the situation, and as a marketing technique working only on social media, it is limited but impactful in its own ways.

Some users partially agree, as they have seen both successes and losses for small businesses. In

their opinion, small businesses that could afford an influencer gained this traction, while businesses without a big influencer budget were left out. It benefited some but overshadowed others. Either way, for users, influencer marketing did produce some productive results at times; hence, they partially credit it for helping some small businesses make it through the pandemic. A good number denied that influencer marketing helped small businesses during the pandemic, as none of the influencers they came across vouched for smaller brands. In fact, they believe that influencer marketing only benefits big companies that can afford it, whereas smaller ones find it harder to get an influencer to market them.

CONCLUSION:

A lot of consumers who are social media users agree to being exposed to influencer marketing content every day and hence being an indirect target of various advertisements all over social media. A lot of them have at some point checked out the brands and products mentioned in these influencer advertisements, which have either resulted in a purchase or a thought for a purchase in the future.

Internet trends have shown that during the pandemic, a lot of creators rose to garner fame, became influencers, and then further became influencers who promoted brands. It became the new trend on social media, and it has benefited plenty of companies that needed a way to continue business during a rather dull period. Most consumers agree that while they see influencer marketing content through influencers they follow, they also come across it from influencers they don't follow. Which still has an impact on their purchase decision as they check the brand or product out. This proves that even indirect influencer marketing has made consumers aware of brands and products, made them contemplate a purchase, or resulted in a real purchase.

REFERENCE:

1. Lou, C, and S. Yuan. 2019. Influencer marketing: How message value and credibility affect consumer trust of branded content on social media. *Journal of Interactive Advertising* 19 (1):58-73. doi:10.1080/15252019.2018.1533501
2. Cooley, D., and R. Parks-Yancy. 2019. The effect of social media on perceived information credibility and decision making. *Journal of Internet Commerce* :1-21. doi:10.1080/15332861.2019.1595362.
3. Odell, P . (2015). Special report on influencer marketing.<http://cdn.chiefmarketer.com/wpcontent/uploads/2015/11/26966-CM-10232015-Special-Report-PDFInfluencerMarketing1.pdf> (accessed March 2019).
4. Fromm, J. 2018. Under the Influence: How to engage younger consumers through social media. <https://www.forbes.com/sites/jefffromm/2018/06/26/under-the-influence-howtoengage-younger-consumers-through-social-media/#62dec63c2753> (accessed July 2018).
5. Godey, B., A. Manthiou, D. Pederzoli, J. Rokka, G. Aiello, R. Donvito, and R. Singh. 2016. Social media marketing efforts of luxury brands: Influence on brand equity and consumer behaviour *Journal of Business Research* 69 (12):5833-5841. doi: 10.1016/j.jbusres.2016.04.181
6. Lim, X. J., A. R. B. Mohd Radzol, J.-H. Cheah, and M. W. Wong. 2017. The impact of social media influencers on purchase intention and the mediation effect of customer attitude. *Asian Journal of Business Research* 7 (2):19. doi:10.14707/ajbr.170035.
7. Lou, C, and S. Yuan. 2019. Influencer marketing: How message value and credibility affect consumer trust of branded content on social media. *Journal of Interactive Advertising* 19 (1):58-73. doi:10.1080/15252019.2018.1533501.
8. Wolfson, C. 2017. Macro vs. micro influencers. <https://www.revolutiondigital.com/article/macro-vs-micro-influencers> (accessed March 2019)
9. Hill, A. 2018. Brand spokesperson smack down: Famous face vs. social media rockstar. <https://www.business.com/articles/brand-spokesperson-influencer-vs-celebrity/> (accessed March 2019)
10. Schouten, A. P., L. Janssen, and M. Verspaget. 2019. Celebrity vs. influencer endorsements in advertising: The role of identification, credibility, and product-endorser fit. *International Journal of Advertising* :1-24. doi:10.1080/02650487.2019.1634898
11. Breves, Priska & Liebers, Nicole & Abt, Marina & Kunze, Annika. (2019). The Perceived Fit between Instagram Influencers and the Endorsed Brand: How Influencer-Brand Fit Affects Source Credibility and Persuasive Effectiveness. *Journal of Advertising Research*. 59. 440-454. 10.2501/JAR-2019-030.
12. De Veirman, M., V. Cauberghe, and L. Hudders. 2017. Marketing through Instagram influencers: The impact of number of followers and product divergence on brand attitude. *International Journal of Advertising* 36 (5):798-828. doi:10.1080/02650487.2017.1348035.
13. Booth, Norman & Matic, Julie. (2011). Matic, J.A.: Mapping and Leveraging Influencers in Social Media to Shape Corporate Brand Perceptions. *Corporate Communications* 16, 184-191. *Corporate Communications: An International Journal*. 16. 184-191. 10.1108/13563281111156853.

14. NOLAN, H.: Brands Are Creating Virtual Influencers, Which Could Make the Kardashians a Thing of the Past: But Brands Could Face Legal Troubles Along the Way. Released on 11th May 2018. [online]. [2018- 07-19]. Available at:
15. Kadekova, Zdenka & Holienčinová, Mária. (2018). Influencer marketing as a modern phenomenon creating a new frontier of virtual opportunities. *Communication Today*. 9. 90-104.
16. Rahmah, Sarah & Ren, Dan. (2019). THE IMPACT OF MICRO-INFLUENCER MARKETING ON MILLENNIALS PURCHASING DECISION.DOI 10.13140/RG.2.2.26944.35841.
17. Kumar, H., M. K. Singh, and M. P. Gupta. 2018. Socio-influences of user generated content in emerging markets. *Marketing Intelligence and Planning* 36 (7):737–749. doi:10.1108/ MIP-12-2017-0347
18. Khare, A., and S. Rakesh. 2011. Antecedents of online shopping behavior in India: An examination. *Journal of Internet Commerce* 10 (4):227–244. doi:10.1080/15332861.2011. 622691
19. Adnan, A., A. Ahmad, and M. N. Khan. 2017. Examining the role of consumer lifestyles on ecological behaviour among young Indian consumers. *Young Consumers* 18 (4):348–377. doi:10.1108/YC-05-2017- 00699.
20. Trivedi, Jay & Sama, Ramzan. (2020). The Effect of Influencer Marketing on Consumers' Brand Admiration and Online Purchase Intentions: An Emerging Market Perspective. *Journal of Internet Commerce*. 19. 103-124. 10.1080/15332861.2019.1700741.