AN ANALYSIS OF INFLUENCER MARKETING IN THE ADVERTISING INDUSTRY

- **Prof. (Dr.) Pavitra Shrivastava[1]**
- **Rohit Kumar[2]**

Abstract:

Influencer marketing has emerged as a highly popular advertising method, particularly following the significant increase in internet users in India. Influencers, who are niche-focused personalities, concentrate on specific categories such as travel, fitness, technology, lifestyle, and more, garnering substantial followings on social media. This paper explores various aspects of influencer marketing, providing insights into its impact. The primary aim of the study is to understand the effect of influencer marketing on audiences, assess the influence of different social media platforms, and evaluate whether influencer marketing can replace traditional advertising methods. An online survey was conducted among 100 participants. The study reveals that influencer marketing is highly effective in creating brand awareness and enhancing brand credibility. Platforms like YouTube and Meta products (Facebook and Instagram) significantly influence purchasing decisions. While influencer marketing proves to be a powerful tool for branding and services, it is unlikely to completely replace traditional advertising methods.

Keywords: Influencer Marketing, Facebook, Instagram, Advertising

Introduction:

Influencer marketing is gradually replacing traditional marketing strategies as a result of the advent of the digital revolution, which has brought about significant changes in the advertising business(Sesar et al., 2022). These changes have been brought about since the beginning of the digital revolution. In the past, influencers were recognised as those who set trends and supply material on various social media platforms(Doshi et al., 2023). However, in recent years, they have evolved into crucial components of the advertising system. These specialists, who concentrate on specific fields such as fashion, beauty, travel, and fitness, make use of their authenticity and their capacity to connect with their followers in order to develop strong connections, in which their recommendations are highly trusted(Mandiri et al., 2022).

More and more modern companies are becoming aware of the potential benefits that can be gained from forming partnerships with influential individuals to expand their customer base and enhance the reputation of their company(Attri& Bhagwat, 2023). The power that these social media influencers possess is really crucial in this day and age, when customers place a higher value on genuine connections than they do on traditional advertisements(Jain & Pandey, 2023). Brands are aware of the significance of leveraging these influencers to communicate with consumers in a manner that is both authentic and influential.

Both small businesses and large enterprises can make use of influencer marketing because of its scalability, which is a significant advantage of this marketing strategy. During the Cricket World Cup 2023, which was held in India and organised by the International Cricket Council (ICC), more than five hundred influencers from different fields were invited to connect with players and develop promotional content. Influencers like RJ Pricy Parikh, who spoke with New Zealand's team captain Kane Williamson, demonstrated the efficiency of influencer marketing in raising event visibility and engagement. This helped to demonstrate the

[1] Professor & Head, Dept. of Advertising and Public Relations & Cinema Studies, MCNUJC, Bhopal

[2] Research Scholar, MCNUJC, BHOPAL

effectiveness of influencer marketing(Bonya et al., n.d.).The purpose of this comparison study is to investigate the complexities of influencer marketing, evaluate its effectiveness, and compare it to traditional advertising channels such as television, radio, and print media. By conducting this study, the researchers hope to acquire a comprehensive grasp of the ways in which influencer marketing is reshaping the advertising business. In comparison to more conventional methods of promoting, it will highlight the benefits of influencer marketing as well as the potential pitfalls of using such methods.

Review of Literature

Kumar & Singh (2022) in his study Impact of influencer marketing on consumer purchase behaviour in India, explore the impact that influencer marketing has on the purchasing behaviour of consumers. For analysing patterns of behaviour, liveliness, and the rate of increase in buying rise linked with influencer marketing on Instagram, the experimental study design was utilised. A substantial positive correlation was found between influencer marketing on Instagram and the purchase behaviour of customers, as determined by the research that utilised product-moment correlation analysis to demonstrate the relationship between the two. Regarding the effects of influencer marketing through Instagram professional posts, there were significant differences in mean and variance between the two groups. These discrepancies indicate that the effects of influencer marketing on consumer behaviour are different(Kumar & Singh, 2022).Zoubi (2022), in his study the growth of influencer marketing: a comparison of TikTok and Instagram revealsthat the use of social media has established itself as an indispensable component of everyday life, exerting an impact on a variety of domains including communication, education, and entertainment.

Organisations have begun to engage in influencer marketing on platforms such as TikTok and Instagram as a result of the rise of influencers, who are regarded as opinion leaders and can affect the decisions of their followers. Partnerships and sponsorships between businesses and influencers are examples of influencer marketing. These partnerships and sponsorships aim to promote products and services by capitalising on the influencers' enormous followings. This study compares TikTok and Instagram, two prominent platforms for influencer marketing, to provide businesses with insights that will assist them in selecting the best platform for their marketing efforts. The information needed for this study was gathered through the use of qualitative research methodologies, which included conducting interviews with businesses, social media influencers, and social media specialists(Al-Zoubi, 2022).Chhabra(2010), Comparative Advertising in India has discussed in this paper. Comparative advertising is a form of advertising that involves comparing one product or service to another or declaring compatibility between the two.

The Monopolies and Restrictive Trade Practices Act of 1984 and the Trade Marks Act of 1999 are two of the laws that are investigated from the perspective of the legal framework that governs comparative advertising in India. The use of judicial declarations allows for the determination of which advertisements fall under the category of comparison advertising in India. In addition to explaining the concept of illegal disparagement in advertising, the study investigates the constitutional legitimacy of comparative advertising. Additionally, it discusses the redressal method that is available to counteract advertisements that are disparaging and draws attention to flaws in the existing system that have been created as a result of recent revisions(chhabra, 2010).

Objectives of Study:

1.   To assess the impact of influencer marketing on audiences.
2.   To analyze the influence of different social media platforms on influencer marketing.
3.   To compare the effectiveness of traditional advertising methods with influencer marketing.

Hypotheses

H1: There is a significant relationship between the amount of time devoted to social media and the likelihood of following social media influencers.
H2: There is a significant difference in trust levels towards social media influencers based on the highest level of education.

Research Methodology:

To collect primary data, an online survey was conducted using a structured questionnaire. The questionnaire was designed to gather both quantitative and qualitative data to ensure a comprehensive analysis.

The survey was distributed among a diverse group of participants to capture a broad range of perspectives.A sample size of 100 participants was chosen for the survey. Participants were selected using a convenience sampling method, which involved selecting individuals who were easily accessible and willing to participate in the study. The sample included a mix of different age groups, genders, and educational backgrounds to ensure diversity. The questionnaire was divided into two sections-

1. **Demographic Information**
o   This section gathered basic demographic details such as age, gender, education level, and occupation. This information helped in understanding the background of the respondents and analyzing the data based on demographic variables.
2. **Opinions on Influencer Marketing**
o   This section included questions aimed at understanding the respondents' views on influencer marketing, their experiences with it, and its impact on their purchasing decisions. Thequestions were both multiple-choice and open-ended to capture detailed responses.

Data Analysis

The quantitative data was analyzed using statistical software to calculate frequencies, percentages, and mean scores. To test these hypotheses, data will be collected using the questionnaire. The responses have been analyzed to identify patterns and correlations between the variables. Statistical tests such as chi-square tests (for H1) and ANOVA (for H2) were employed to determine the significance of the relationships.

Interpretation of Age, Gender, Occupation, and Education

Graph No 01: Age of RespondentGraph No 02: Gender of Respondent
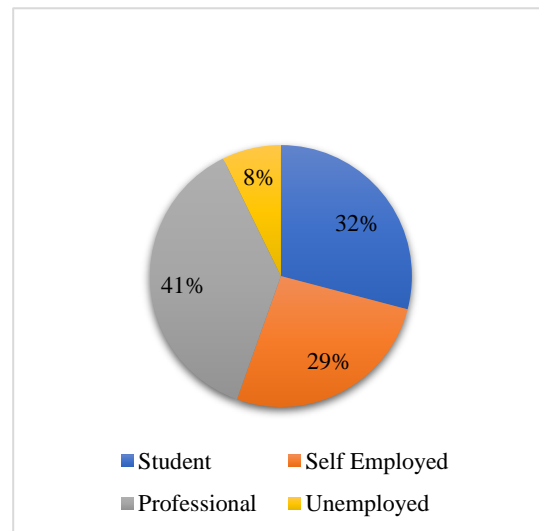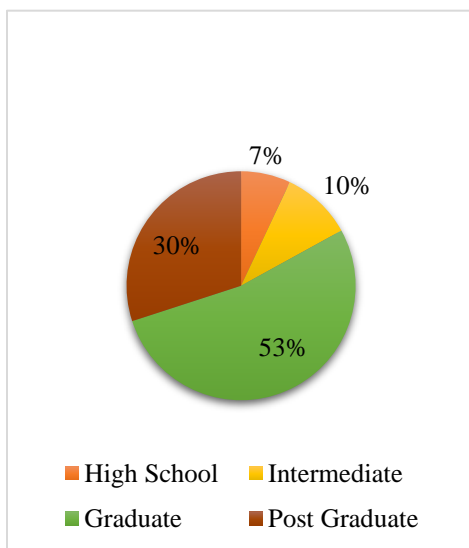
Graph No. 03: Education of RespondentGraph No. 04: Occupation of Respondent


(60)
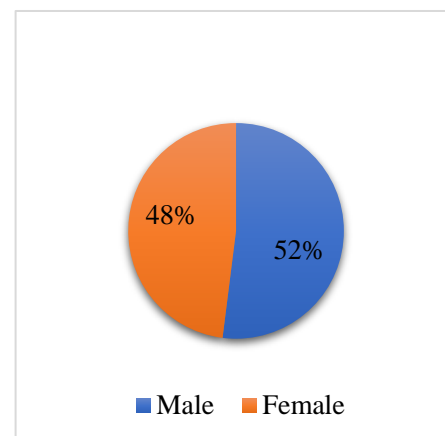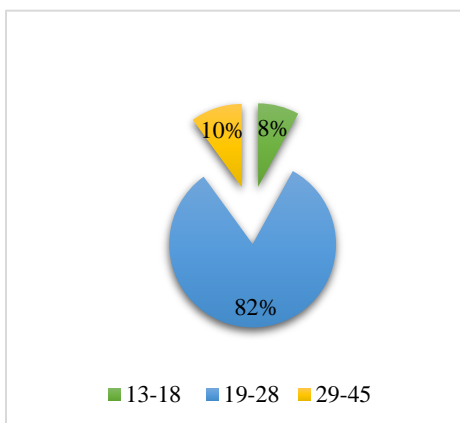
The distribution of participants by age provides insight into the demographics engaging with influencer marketing. The age group with the highest engagement consists of young adults, particularly those between 18-34 years old. This age group is more tech-savvy and more likely to spend time on social media platforms where influencer marketing is prevalent. The lower engagement from older age groups suggests a potential area for market growth or a need for different marketing strategies to target them.

Gender analysis reveals differences in the engagement and preferences in influencer marketing. Typically, females tend to engage more with influencer content, especially in niches like fashion, beauty, and lifestyle. Males, while also significant, might show higher engagement in areas such as technology, fitness, and gaming. This gender disparity in engagement can inform targeted marketing strategies to better cater to each demographic's interests.

Participants' occupations offer a perspective on how different professional backgrounds influence social media usage and interaction with influencers. Students and young professionals are the most active groups, likely due to their higher daily engagement with social media. In contrast, individuals in more traditional occupations or higher age brackets might engage less frequently. Understanding these patterns helps in crafting specific influencer campaigns that resonate with each occupational group.

Educational background impacts the type and nature of content consumed and trusted. Participants with higher educational qualifications might prefer detailed, informative, and credible content, aligning with influencers who provide expert knowledge in their fields. Those with less formal education might be more inclined towards entertainment and relatable lifestyle content. Tailoring influencer marketing strategies to align with the educational preferences of the audience can enhance effectiveness and trustworthiness.

Interpretation ofOpinions on Influencer Marketing:
*Graph 5: Social media platforms Used by most of the users*
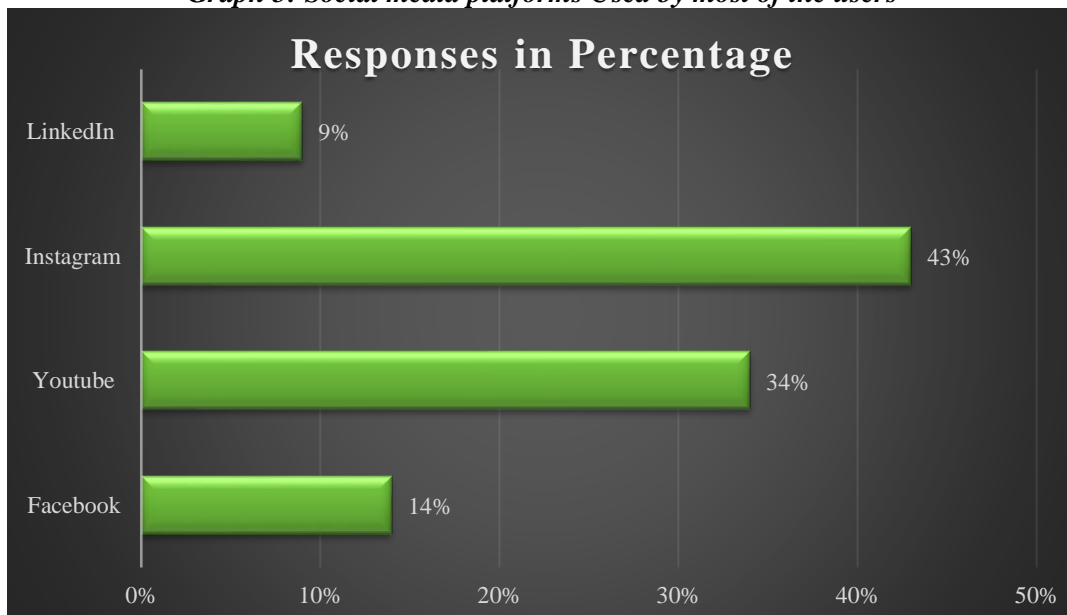
Interpretation –Before knowing about the insights of influencer marketing, it was important to know which social media platforms are the most popular among the users. Around 43% of users choose Instagram as their most used social media website, while YouTube is at 2nd place with 34%. Facebook and LinkedIn are in third and fourth place respectively with 14 & 9%. Today, we are living in an era where people love to watch shorter reels rather than watching a long videos. So, there is no wonder that Instagram is the most popular social media platform among the users**.**

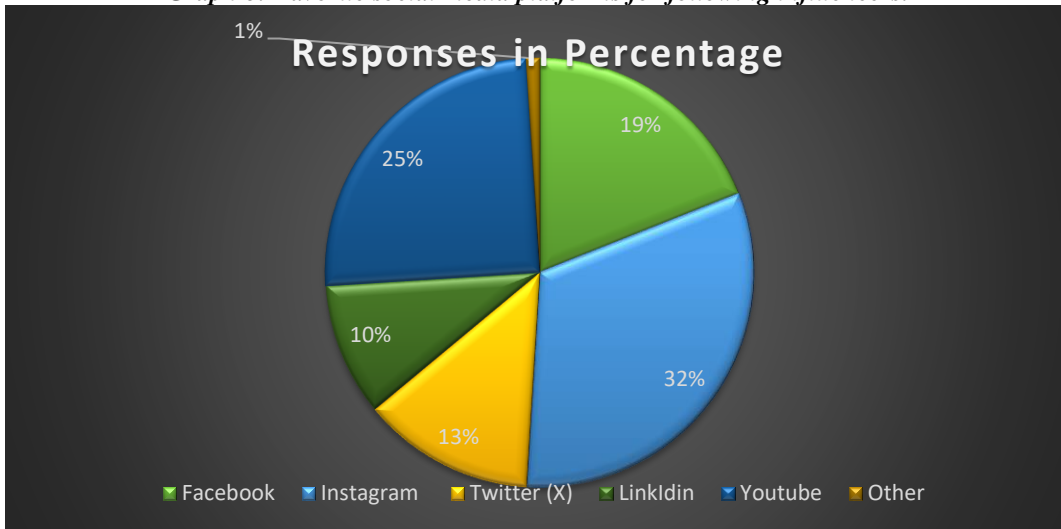*Graph 6: Number of users who follow social media influencers.*
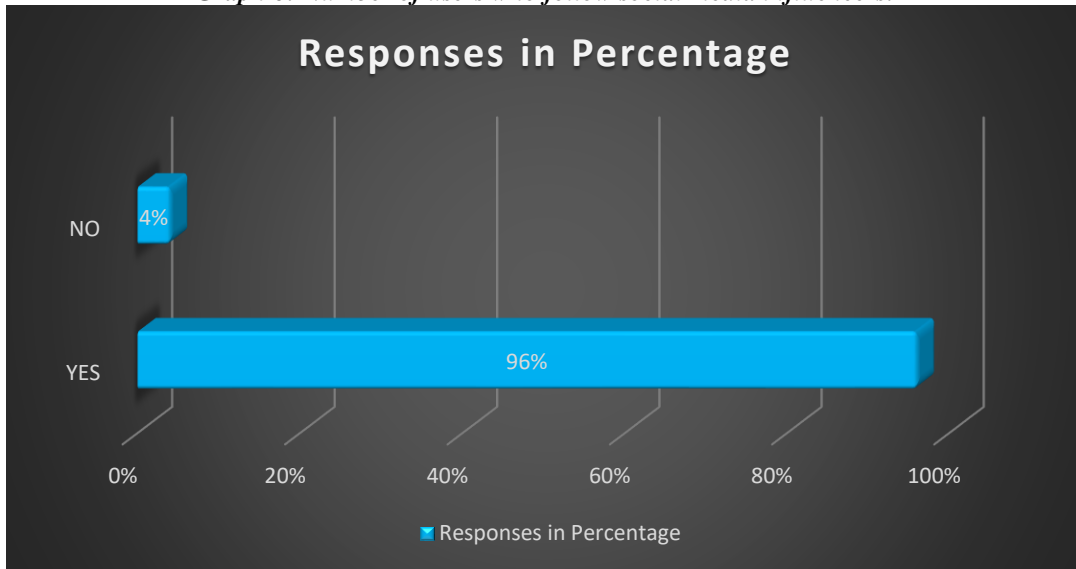
Interpretation –Social Media Influencers are the highly influential people on these platforms. They are followed and admired by millions of users. In my research, I found that 96% population of social media users are following an Influencer on social media while only 4% are not interested in these influencers. This data shows that today social media users have not restricted themselves by posting just their own pictures on social media platforms like Facebook & Instagram. But they also follow Influencers from various fields and yes the choice of influencers could be different from person to person because of their different likings, beliefs,& personality.

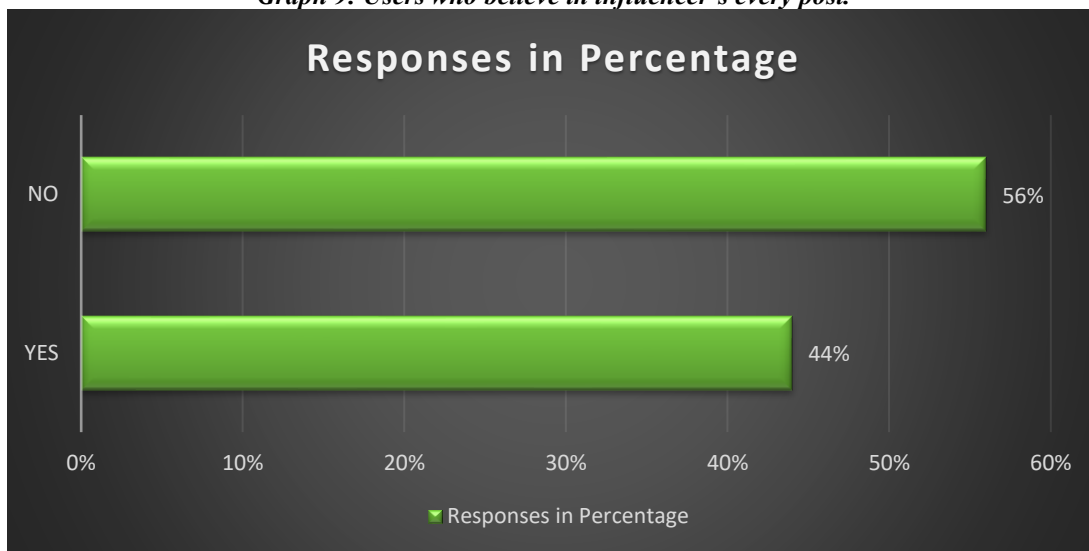*Graph 7: Number of users who follow the same influencers on different platforms.*
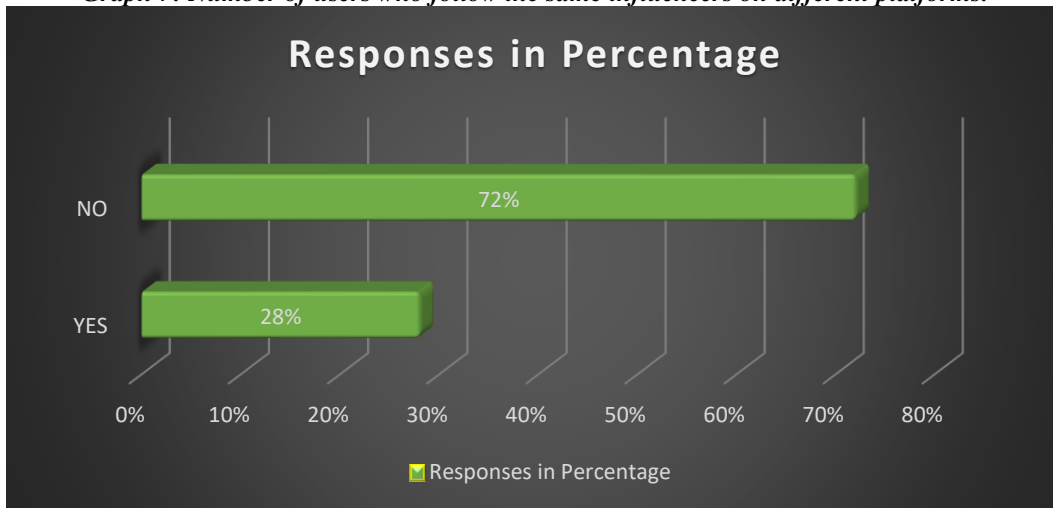
Interpretation – In today's era, where people have the choice to select from different social media platforms, I was eager to know the answer to this question. My assumption was that most users would choose different influencers on different social media platforms & it comes true, in my survey 72% users responded that they follow different influencers on different social media platforms. Only 28% of users responded yes to this question. This number clearly shows that people use different social channels for fulfilling their different needs, like LinkedIn is used for networking and jobs search by most of the users, while platform like YouTube is used for informational & entertainment purposes only. So, if they are using different social media platforms to fulfill their different needs, they will follow different influencers on each platform. 28% of users responded yes to this question because they may use only a few social media platforms like YouTube & Instagram and only follow their favourite influencers on both platforms.

Graph 8: Favorite social media platforms for following influencers.

Responses in Percentage

1%

19%

25%

10%

32%

13%

☑ Facebook ☑ Instagram ☑ Twitter (X) ☑ LinkIdin ☑ Youtube ☑ Other

Interpretation – We know that today social media users have the option to follow influencers on various social media platforms, as they are everywhere. So, it is very necessary to know which platforms are the most popular among users to follow the influencers. In our survey, 32% of users responded that they follow most influencers on Instagram, while with 25% YouTube is at the 2nd spot. Facebook is the choice of 19% users to follow most influencers. Twitter is at the 4th place with 13% and LinkedIn is at 5th spot with 10% users. Instagram is the most popular website to follow most influencers because the number of creators rising day be on the platform and the new edition of Instagram Reels is a revolution in social media. It gives a chance to even a person who has nothing to lose, anyone can be popular after just one viral reel. The number of Instagram users are also increasing. This could also be the reason for this answer.

Graph 9: Users who believe in influencer's every post.

Responses in Percentage

NO — 56%

YES — 44%

0%   10%   20%   30%   40%   50%   60%

☑ Responses in Percentage

Interpretation –Now, we have numbers that social media influencers are hugely popular among the users of these platforms. They post various kinds of posts through their social media accounts. Many a times they do not post a simple message, photo, or reels but they do paid advertisements. This advertisement could be for anything from a product, personality, or a brand. But do their followers believe on every content they post is a big question? So, I asked this question, and the results totally surprised me, as you can see that 44% of users accepted that they believe in their every content and it a is huge number. We can clearly see the impact of the influencers by this, while 56% of the population said No in the answer to this question. I expected that the number of people who believe in influencers may come much lesser, but it came totally opposite, I think this is because users who said yes may mostly watch educational, informational, or motivational content on these sites.

Technical Guruji, Sandeep Maheshwari, Vivek Bindra, they are also influencers but then most of the followers often believe in their content most of the time, so this could be the reason of this answer.

*Graph 10: Users who take purchase decisions after consuming the influencer's content*
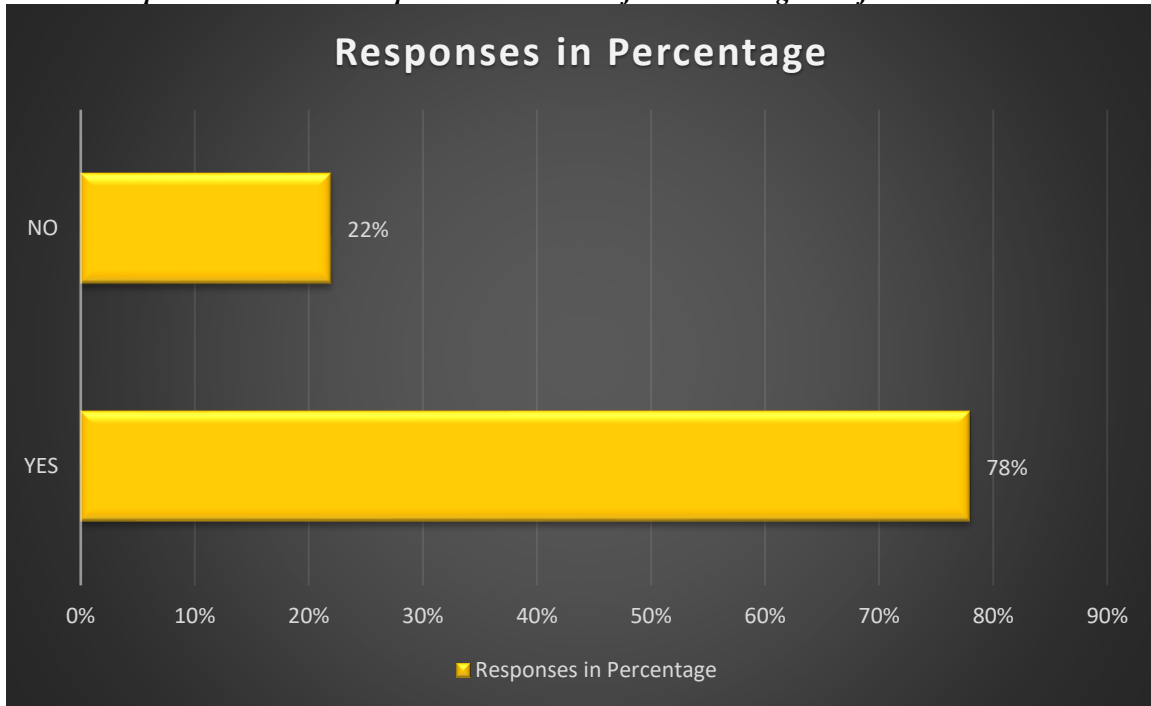
Interpretation –Following an influencer and liking his or her content is very common, but do the followers of these influencers really trust them because if they do so, then they can also make buying decisions under the influence of these social celebrities. The answers of the people who participated in the survey for this question really shocked me a lot. Yes, I have expected that many social media users can take buying decisions after watching the content of the influencers. But the number of users said yes in the survey is 78% which is more than the ¾th of population and it double what I assumed before the survey. This clearly shows the power of social media influencers. Only 22% of participants in the survey do not make buying decisions after watching the content of these influencers. From Finance to Fitness, From Technology to Travel, these influencers have great impact on the audiences, and this results in the sales. That's why from small brands like City Based Startups to big companies like Google, no one can take these influencers lightly as they can reach to the masses, and they are trusted by their followers.

Graph 11: Users who wish to have the same lifestyle as their favorite influencer.
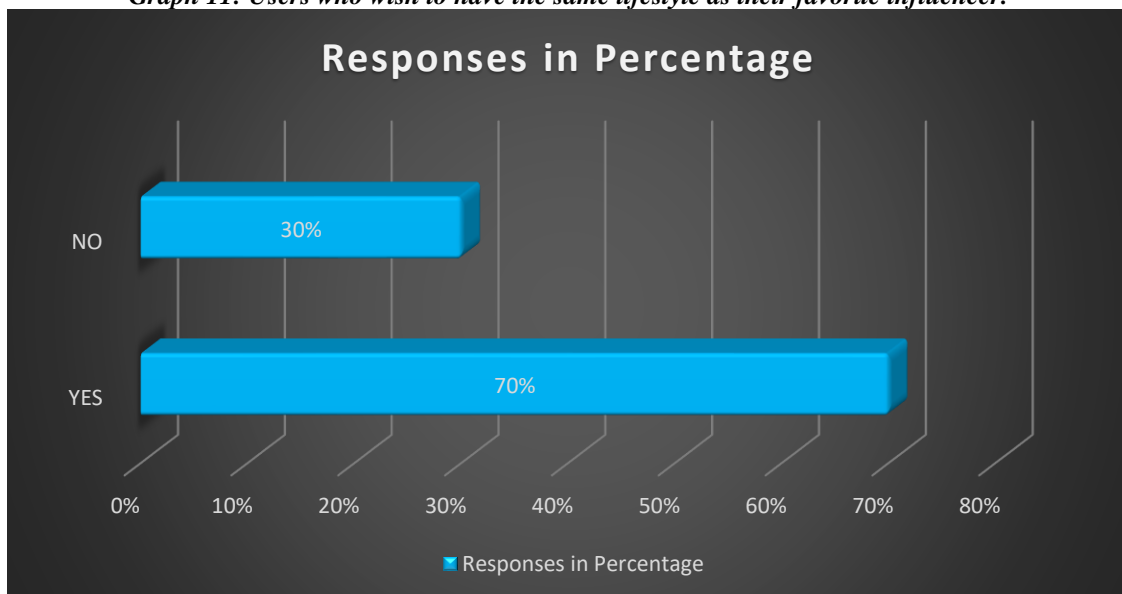
Interpretation –Who does not want to travel the world? Who does not dream of staying in a five-star hotel? Who does not think of buying a luxury car? Today Influencers are earning that much money that they can easily afford these things without any hassle. They often go on foreign trips, stay in a luxury hotel, or resort and have lots of fun. I asked this question to know the impact of influencers on their followers, and it is clearly visible here that 70% of the respondents said that they want the same lifestyle as their favorite influencers whereas only 30% responded No for this question. Today Influencers are invited by the Tourism Authorities of the different countries to promote their culture and heritage, and as they visit that place, they post photos and reels of that place and after watching their contents, many of their followers also starts thinking about visiting that place or country and many a times most of them visit the place. So why did this happen? Because their favorite influencer liked that place, the users also believed that this place is worth visiting and it same goes with the products they are using like clothes, accessories, cars, and everything.

Graph 12: Trust level of A) Bollywood Celeb B) Sports Star, C) Influencer among the users.
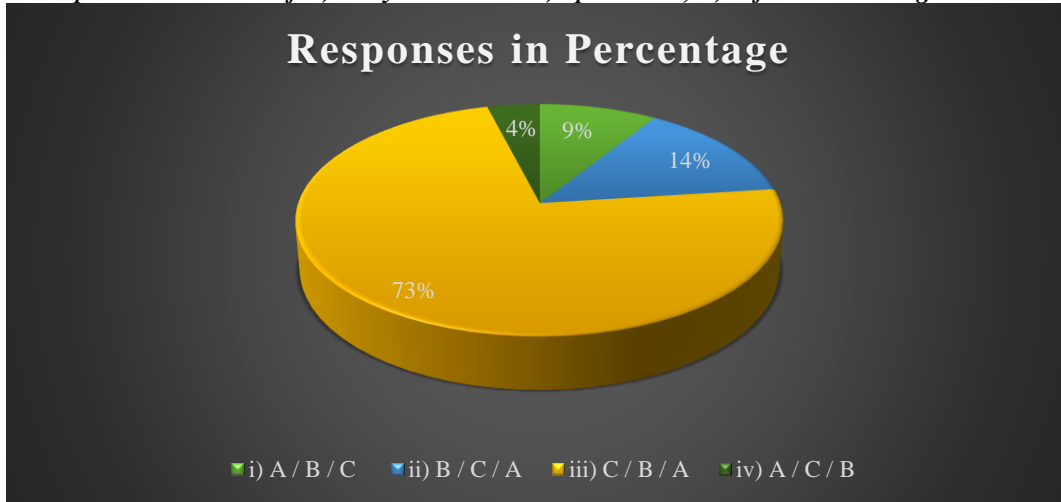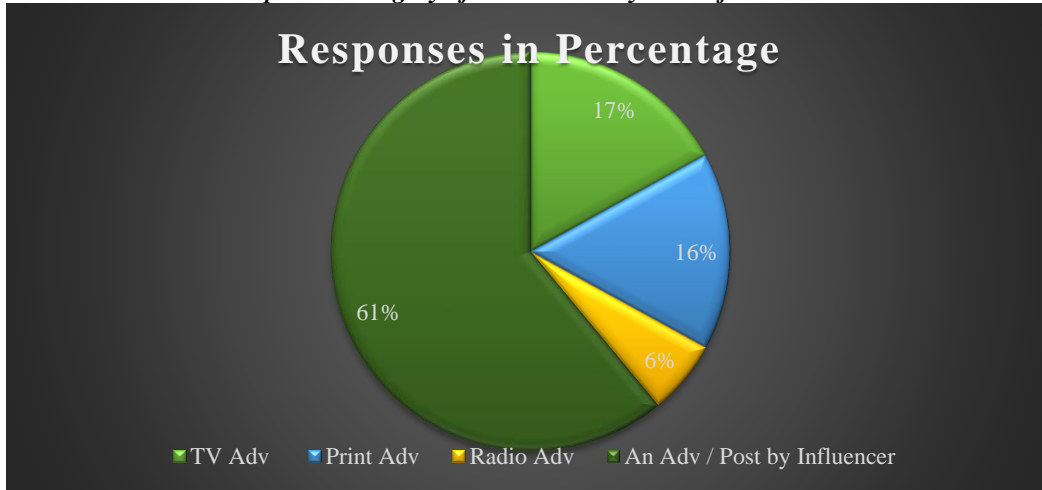

Interpretation – We often see Bollywood actors and sports stars in the traditional ways of advertising like TV & Print and this was a huge success. But today we are living in an internet era, where anyone with a smartphone and internet connection can be an influencer with the help of social media. I asked this question to understand which kinds of celebrities are trusted more by the audiences. In my survey,73% of the users ranked celebrities based on their trust levels and the 1st in the list is Niche Based Influencers of their Field and 2nd Sports Stars and last Bollywood celebrities. So, it is clearly visible that Niche Based Influencers are more trusted by the audiences, and this is because users believe that they are experts in their field, and they will provide the right information.

Graph 13: Different platforms Influencers who have helped most of the times in taking buying decisions.
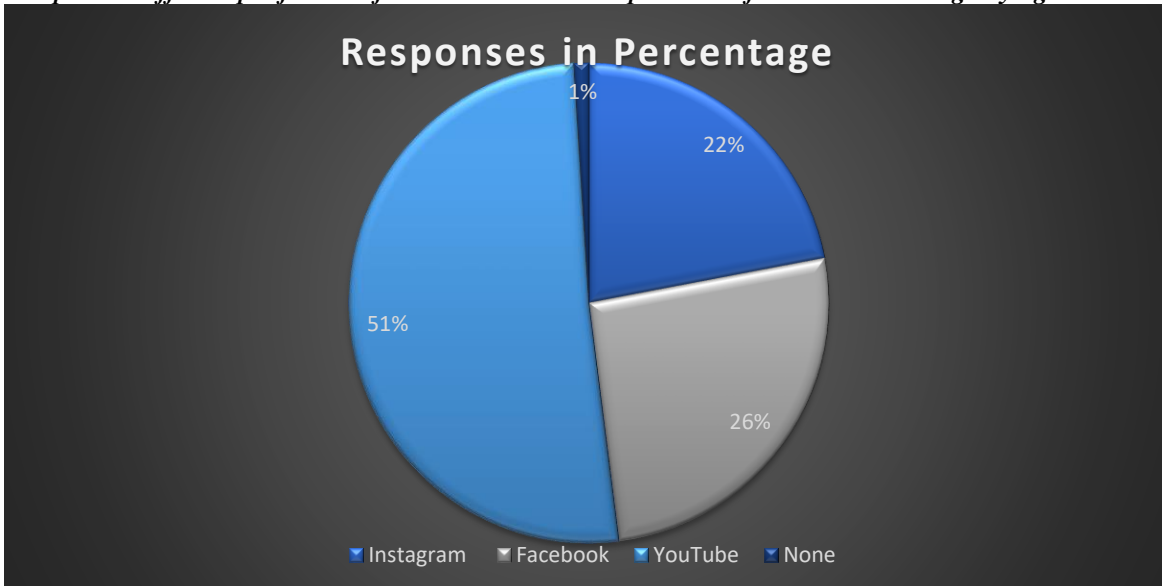
Interpretation –Influencers are on almost every social media platform like Facebook, Instagram & YouTube. But which of these platforms' influencers are helping or influencing the audiences most of the time in making a buying decision, this is big question because the answer to this question can help the advertisers to spend more marketing budget on that social media platform. In my survey, 51% of respondents said that Influencers on YouTube helped them most of the time in taking a buying decision. While Facebook is at the 2nd spot with 26% and Instagram is at the 3rd place with 22% votes. Instagram and Facebook is both the product of Meta, Instagram Reels are also visible on Facebook while Facebook stories can also be shared on Instagram, so we can say that Meta platforms together have 48% votes of people who say that these platforms helped them in taking a buying decision. On YouTube creators from different fields like Tech, Finance & Fitness are present and review different products, so there is no wonder that YouTube helps the audiences most of the time in taking buying decisions.

Graph 14: Category of Ads Trusted by most of the users

Responses in Percentage

17%

16%

6%

61%

TV Adv   Print Adv   Radio Adv   An Adv / Post by Influencer

Interpretation –Today, a marketer or an advertiser has various kinds of options to market and advertise their products. He can advertise their products through TV Advertisements, Print Ads, and Radio Advertising or through Influencer Marketing. Now, I asked this question to compare these platforms of advertising based on the level of trust the people. Surprisingly, the results came in favor of the comparatively newer form of advertising that is influencer marketing. Around 61% of the respondents in my survey said that they trust an Advertisement by influencer the most. While 17% voted in the favor of TV Ads and 16% in the favor of Print Ads, while only 6% said they trust Radio Advertising the most. So here influencer marketing is the clear winner, Today the trend has changed from small to big firms started investing in influencer marketing because they know the real worth of these influencers and the impact they can create in the people's mind.

Graph 15: Influencers are trusted by most of the users, why

Responses in Percentage

6%

10%

25%

59%

A   B   C   D

(66)
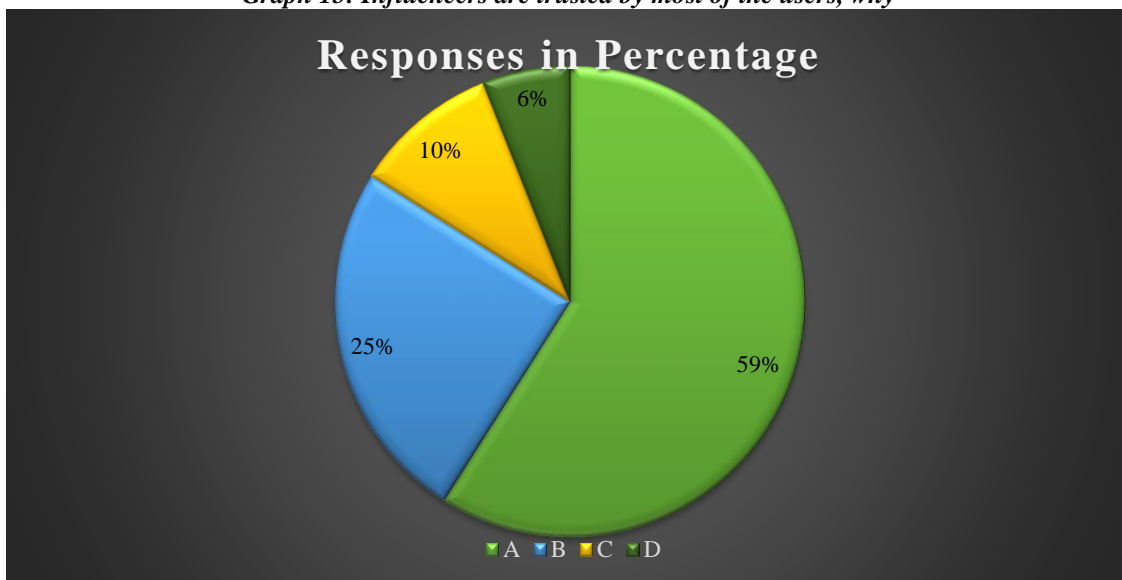
Interpretation –From the results of the above questions of the survey, we already came to know that Influencer marketing is more trusted among the others forms of advertising. So here questions arise: why public is trusting influencers more than celebrities? In my survey, 59% of respondents said that they trust influencers more than celebrities because they are experts in their fields. While 25% of audiences said that they trust influencers more because celebrities have stardom but no practical knowledge of the product. While only 10% respondents in my survey feel that Bollywood celebrities & cricketers have more credibility than influencer. Moreover, we can see that most people trust influencers because they have practical knowledge of their field and yes this statement seems very true. When we plan to purchase a phone we check for the reviews by tech influencers, when we plan to buy a beauty or fitness we take the suggestions of influencers, even today Finance Influencers also called as Influencer are also very popular, and people take their suggestions too. Overall, they are trusted because they know what they are taking about while it is in the case of celebrities.

Graph 16: Number of users who think traditional advertising can be replaced by influencers marketing
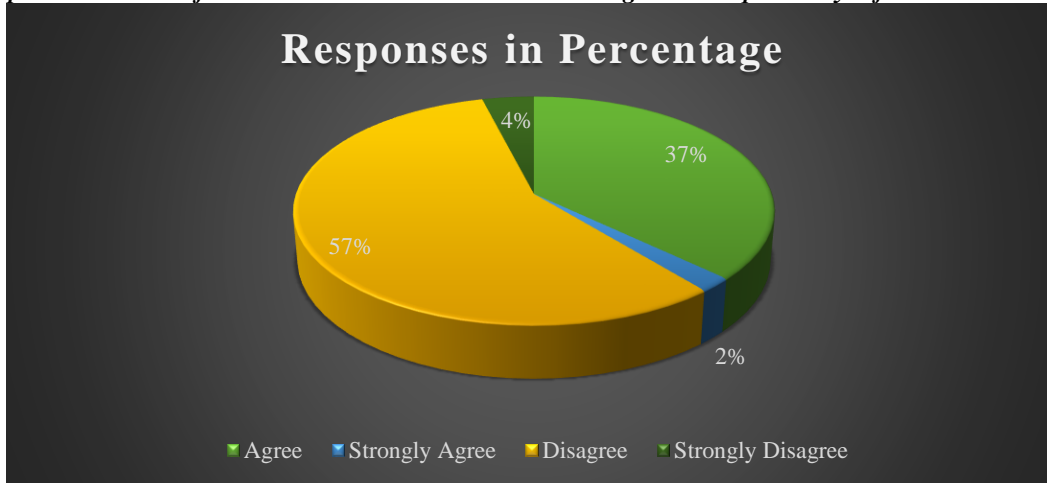
Interpretation – Influencer marketing is one of the newest forms of advertising that came after the arrival of internet and social media. But it is becoming popular day by day and gaining space in the world of advertising. Most of the brands today leverage his marketing platform to reach out to their target audience. One of the major questions of my research was that "is traditional advertising will be replaced by influencer marketing in future? In our survey around 61% of respondents replied with Disagree & Strongly Disagree in reply to this question. While around 39% of respondents think that influencer marketing can replace traditional advertising in future. This answer was also far ahead of my expectations, yes, I thought that few people would agree with this statement, but here people in good numbers feel that it can replace the traditional advertising. The answers we got in the survey clearly show that most of the people think that influencer marketing is a powerful tool, but it cannot fully replace traditional ways of advertising in the future.

Hypothesis Testing:

H1: Chi-Square

How much time you devote to social media? Do you follow any social media influencer?				
Count				
		2. Do you follow any social media influencer?		Total
		1	2	
How much time you devote to Social Media?	1	6	0	6
	2	50	2	52
	3	34	1	35
	4	6	1	7
Total		96	4	100

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	2.301[a]	3	.512
Likelihood Ratio	1.811	3	.613
Linear-by-Linear Association	.836	1	.360
N of Valid Cases	100		
a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is .24.			

H2: ONEWAY

Descriptive

5. Do you believe in every content they post on their account?

क्याआपसोशलमीडियाइनफ्लूएंसर्सकेसभीकंटेंट/पोस्टपरभरोसाकरतेहैं?

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1	7	1.57	.535	.202	1.08	2.07	1	2
2	10	1.50	.527	.167	1.12	1.88	1	2
3	53	1.58	.497	.068	1.45	1.72	1	2
4	30	1.53	.507	.093	1.34	1.72	1	2
Total	100	1.56	.499	.050	1.46	1.66	1	2

ANOVA

5. Do you believe in every content they post on their account?

क्याआपसोशलमीडियाइनफ्लूएंसर्सकेसभीकंटेंट/पोस्टपरभरोसाकरतेहैं?

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.091	3	.030	.119	.949
Within Groups	24.549	96	.256		
Total	24.640	99			

Interpretation of the Test Results

The Chi-Square test examines the relationship between time spent on social media and following social media influencers. Results show a Pearson Chi-Square value of 2.301 with a p-value of 0.512, indicating no significant relationship (p > 0.05). Thus, the likelihood of following influencers is independent of the time spent on social media.

The ANOVA test assesses trust in influencer content across different education levels. Descriptive statistics reveal similar mean trust levels among High School (1.57), Undergraduate (1.50), Postgraduate (1.58), and Doctorate (1.53) groups. The ANOVA results show a p-value of 0.949 (F=0.119), indicating no significant differences in trust levels based on education (p > 0.05).

In summary, neither the time devoted to social media nor the highest level of education significantly impacts following influencers or trusting their content, suggesting other factors may play a more substantial role in these behaviors.

Conclusion

Within the context of the modern advertising landscape, the conclusion of this research paper highlights the transformative impact that influencer marketing has had. Based on the findings of the study, it is evident that a sizeable majority of people who use social media platforms actively interact with influencers. This demonstrates the considerable power that these individuals possess over the behaviour of consumers. Influencers, particularly experts in specialised fields, have gained a significant amount of trust from viewers to the point where they have surpassed conventional superstars like Bollywood actors and sports stars. With

platforms such as Instagram and YouTube emerging as the main forums for such conversations, this trust translates into a significant influence on the decisions that consumers make regarding their consumer spending.

According to the findings of the demographic analysis, the most active participants in influencer marketing are young individuals, particularly those who are between the ages of 18 and 34. This technologically savvy population is more likely to be interested in social media platforms, which makes them excellent candidates for influencer-led campaigns. Furthermore, gender-based preferences underline the fact that women are more interested in content related to lifestyle and beauty, whereas men show a greater interest in content related to technology and fitness influencers. In addition, educational background plays a role, with people with higher levels of education looking for information that is both reputable and informative, in contrast to the preferences of individuals with less formal education seeking content that is more focused on amusement.

The study concludes that influencer marketing is not only a powerful weapon in the world of advertising that exists today, but it is also positioned to develop, potentially overshadowing traditional ways of advertising. Through the use of trustworthy influencers on preferred social media platforms, the insights that are supplied can assist brands in tailoring their marketing strategies to effectively reach and engage their target consumers.

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