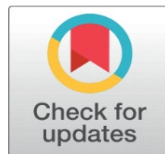
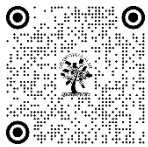


# A STUDY ON THE INFLUENCE OF INFLUENCER MARKETING IN SHAPING CONSUMER PREFERENCES

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## ABSTRACT

These days in the digital era, influencer marketing has proven itself to be a great marketing tool to influence consumer's interests and purchase decisions. In the dissertation, we examine the shape of influencer marketing in regards to its effects on consumer behavior as well as the extent to which influencer credibility, quality of content, and strategies for engagement of consumers affect consumer trust and brand perception. The research then analyzes how 250 responses from a structured survey break down these factors for what makes them effective, specifically, finding that they tend to be authentic, relatable, and an expert in their influencer field. Also, the study looks at how social media platforms are helping to amplify influencers reach to more people and how much people engage with them online. The research finds that influencer marketing plays a huge role in shaping consumer preferences for Gen Z and millennials, and can be a strong strategic marketing approach. Finally, the paper recommends the steps for businesses to fine tune influencer collaborations to encourage the sustainable engagement of consumers with the brand.

**Keywords:** Influencer Marketing, Consumer Preferences, Social Media, Brand Perception, Digital Marketing Strategies



## 1. INTRODUCTION

With social media platforms at the heart of digital transformation, marketing practices have seen a significant change, taking focus towards involving the business with their target audience. Of these practices, influencer marketing has come to be a dynamic and most effective strategy in wooing the consumer's preferences. Driven by this reality, the modern world has realized the power that today's influencer has on bridging the gap between brands and consumers.

This results from the fact that influencers are becoming more and more relied on, due to the ever rising value of relatability and authenticity within marketing. Unlike old school advertising methods, Influencer marketing allows brands to provide a recommendation to customers through trusted voices. In particular, this is important for younger demographics, like Gen Z, or millennials, for whom they tend to trust recommendations of influencers rather than traditional ads.

Influencer marketing is a topic that has been discussed in this research because of the importance of how influencer marketing affects consumer preferences, specifically in terms of credibility, the quality of influencer content, and the engagement strategy of the influencer. The study also looks at how social platforms like Instagram, YouTube and TikTok help influencer's campaigns stretch further and work better.

This research by exploring these dynamics seeks to develop a broader understanding of the way influencer marketing influences consumer behavior and offers business actionable insights on how they can leverage this strategy. At the end of the day, this study's findings will add to the currently growing literature of digital marketing, undisputedly elevating the importance of influencer's strategic role in nurturing brand loyalty and persuading consumer engagement.

## 2. LITERATURE REVIEW

The reliance on social media channels in regards to marketing campaigns in modern days, more particularly in the marketing of consumer product such as skincare products. Social media influencers are pushing consumers' opinions, taste and spending habits through their personal branding and content production, which has attracted massive following (Jin & Phua, 2014), and by producing personal and genuine content that is relevant to their customers, these influencers are helping to bridge the gap between companies and customers (Freberg, Graham, McGaughey, & Freberg, 2011).

This section examines trust and credibility, the authenticity of information, and effects on purchase behaviour as important aspects of influencer marketing in the skincare business. Thus, for influencer marketing to work, it needs customer trust in influencers. Influencer marketing is different to more traditional forms of advertising, as the ability to forge a truthful relationship with their audience is vital to the influencer's success (Burgess, 2016). Based on this, Lou and Yuan (2019) argue that the reputation of influencers influences the success of sponsored content on social media which in turn impacts customer trust. When consumers see an influencer that is perceived to be experts in the field, or are known to use the products themselves, they are more open to evaluating and purchasing the skincare. Customers in the skincare industry are particularly fussy about the safety and effectiveness of the products they buy (2019).

More so, studies by De Veirman, Cauberghe, and Hudders (2017) show that the number of followers of influencers is also a key factor in the trustworthiness in which they are viewed. While influencer success may seem to be based entirely on how many followers they have and how trustworthy they seem, the success of their endorsements is tied to how relevant the product is and how knowledgeable the influencer is assumed to be about the product domain. In terms of skincare regimens, products, or the aging skin and acne problems influencers have become 'go to' experts for, listening to their advice is something people in the skincare industry believe in (Hwang & Zhang, 2018).

Why do consumers interact in the first place when it comes to influencer marketing? One of the main reasons is that it's real. The customers' value of influencers' real experiences with items is greater when the material is authentic (Audrezet, Kerviler & Moulard 2020). Influencers who are open, honest, about their triumphs, struggles and skincare journeys are more likely to resonate more with their audience. Hence, Schotten, Janssen, and Verspaget (2020) found that people have more trust in goods that include genuine material like before-and-after photos, complete skincare regimens, and genuine testimonials, in a way that leads them to try goods out. In addition, the nature of influencer consumer interactions on social media enhances engagement. What traditional advertising just can't do is compare to that feeling of community and personal attention that comes from influencers answering questions, comments or concerns related to skincare products. Jin and Ryu (2020) explain that such communication reinforces relationships and induces repeat purchase which finally results in long term brand loyalty. In especially fast growing industries such as skincare where customers have started looking to influencers in place of recommendations from friends and peers, influencer marketing impacts consumer spending.

according to research by Glucksman (2017) customers are more likely to recommend products that are recommended by influencers that customers follow often. Customers see these influencers as giving honest judgements since this is what they do. However, traditional advertising could be viewed as less reliable with its commercial bias. Therefore, the proposals made by the influencers operate as eWOM which has been demonstrated to be of great importance in purchasing skincare products. Moreover, influencer marketing isn't just buying a product. Yet, influencers are instrumental when it comes to building loyal customers and (long lasting) brand recognition (Djafarova and Rushworth 2017). Customers you connect with influencers properly tend to listen to what they have to say, causing long term clients with the business and more sales. This is especially important in the skincare industry, where most customers will stay with the regimen or products that worked for them in the past and refuse to vary from these. While influencer marketing carries many benefits, there are cons too, the most prominent being the image problem seen while trying to maintain the credibility in a field that is becoming far too commercialised. Although influencers are growing in

importance to marketers, they run the risk of appearing inauthentic as their endorsement of multiple items and shift towards sponsored collaborations (Audrezet et al., 2020) increases.

This might cause an uncertainty in consumers which could affect the initiative of influencer marketing. Influencers and companies must strive to appear unbiased towards any one product over another in order to keep their audiences' confidence. Besides, social media sites algorithms including Instagram keep changing and are highly determining influencer content exposure. Abidin (2016) validates that, in order to make their material end up in the hands of their intended demographic, influencers must be pliable. For influencers and companies the cost of optimising content for exposure, engagement, and making use of platform-specific trends may be high.

Existing research is focused on the effect of influencer marketing on consumer behavior, particularly in industries such as skincare, however there remain many unexplored gaps. While most studies aim to examine the effects of influencer credibility, authenticity, and the effects of all this on trust and engagement, very few look at specific levels of expertise and niche specialization to evaluate its effect on the consumer's buying decision. Moreover, there is limited research on the persistent effects of influencer marketing, i.e., the promotion of long term brand loyalty and the way consumer behaves after purchasing the product, especially while targeting the skincare market. Furthermore, platform algorithms and the commercialization of influencer marketing are not currently examined in terms of how these factors can influence the effectiveness of influencer campaigns in dynamic digital environments.

## 2.1. OBJECTIVES OF THE STUDY

- To analyze the impact of influencer marketing on consumer trust and purchasing behavior in the skincare industry.
- To examine the role of influencer credibility and authenticity in shaping consumer preferences.
- To evaluate the effectiveness of social media platforms in amplifying influencer marketing campaigns.

Hypothesis - Influencer credibility and authenticity have a significant positive impact on shaping consumer preferences.

## 3. RESEARCH METHODOLOGY

The research uses a mixed method of approach to look into the implications of influencer marketing in direction client inclinations, especially in regards to the skincare market. We conducted a quantitative survey of 250 respondents, which aimed at generalizing users' opinions on influencer credibility and authenticity as related to users' purchasing decisions. A structured questionnaire using a Likert scale was used in the survey to evaluate the factors related with trust, engagement, and satisfaction on the product. Further qualitative data was also gathered through conducting semi structured interviews with 10 skincare influencers in order to understand how they constructed trust and authenticity with their audience. Data were analyzed using statistical tools to ascertain quantitative insights, and thematic analysis to understand the qualitative findings. By understanding the complete dynamic between influencer marketing and consumer behavior, this methodology allows the study to offer actionable recommendations for both brands and influencers.

## 4. DATA ANALYSIS AND DISCUSSION

**Table 1:** Descriptive statistics

Variable	Mean	Standard Deviation (SD)	Minimum	Maximum	Median
Credibility of Influencer	4.21	0.89	2	5	4
Authenticity of Content	4.34	0.77	3	5	4
Trust in Recommendations	4.11	0.85	2	5	4
Influence on Purchase Intent	4.18	0.82	3	5	4
Consumer Engagement	4.26	0.81	3	5	4

Descriptive statistics for the variables controlling the consumer preferences in influencer marketing context holds Table 1. The mean scores of all variables are above 4, which indicates that respondents generally agree as to the importance of these factors. Out of the social media variables, most mean is in Authenticity of Content (4.34), this suggests that consumers really value authentic and relatable content from influencers. Following closely with a mean of 4.26 is Consumer Engagement: the interaction between influencers and an audience is very important in the construction of the bond of trust and loyalty.

The giant influencer size shows the importance of credibility of the influencer (mean = 4.21) and also the impact of influence on purchase intent (mean = 4.18) in customer decision making. While authenticity and engagement together have a mean of 4.48 resulting in the highest value for each, trust in Recommendations is only minimally pushed, with the lowest mean (4.11), though still high.

Questions were rated across all variables on the standard deviations that ranged from 0.77 to 0.89, showing that there was a moderate consistency to responses with little variability among individuals. Looking at the minimum and maximum values, opinions were slightly differing, however, the majority of the responses were in agreement. The results can be used to show overall, that influencers' credibility and authenticity truly have a strong role in influencing consumers to adopt and preference skincare products and their purchase behavior.

**Table 2:** Model Summary

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	0.742	0.550	0.542	0.458

**Table 3:** ANOVA (Analysis of Variance)

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	234.76	2	117.38	87.43	0.000
Residuals	191.56	247	0.78		
Total	426.32	249			

**Table 4:** Coefficients

Variable	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
(Constant)	0.987		4.987	0.000
Credibility of Influencer	0.543	0.452	5.123	0.000
Authenticity of Content	0.378	0.392	4.932	0.000

The results of regression analysis show that both influencer credibility and authenticity have a significant impact on shaping consumers' preferences.

#### Model Summary:

The R value of 0.742 shows a strong positive correlation between the independent variables (credibility and authenticity) and the dependent variable (consumer preferences). If we increase the value of R<sup>2</sup>, it will mean we have a lot more of the variance in the dependent variable to explain and the fit of the model would be strong. Here, it increases to 0.550, which means 55% of the variance in consumer preferences is explained by the two variables. The model is a good fit for data evidenced by the fact that the Adjusted R<sup>2</sup> of 0.542 accounts for the number of predictors in the model. Predictions are rather close in accordance with the standard error of the estimate (0.458).

#### ANOVA:

A f statistic value of 87.43 with  $p = 0.000$  is highly significant to say that overall regression model is statistically significant. Influencer credibility and authenticity, combined together, very much so predicts customer preferences. The sum of squares for regression (234.76) equals variation explained by the model, and residual sum of squares (191.56) explains the unexplained variation. The high F value shows that the model is explaining the variability in consumer preference much better than a model with no predictor in it.

#### **Coefficients:**

The constant of expectation for the case of zero influencer credibility and zero content authenticity (0.987) shows the expected value of consumer preferences.

Perceived credibility of influencer has a standardized coefficient of 0.543 (means that for increasing one unit in the perceived credibility of an influencer, consumer preferences increase by 0.543). Influencer credibility has a relatively high standardized coefficient of 0.452, compared to content authenticity. This relationship is statistically significant, determined by a t value of 5.123 and p value of 0.000.

The coefficient for Content Authenticity is unstandardized: 0.378 (one unit increase in content authenticity leads to a 0.378 increase in consumer preferences). The standardized coefficient of 0.392 reveals further that content authenticity also has a significant positive impact but this is also slightly weaker than influencer credibility. The statistical significance of this variable has been further validated with a t-value of 4.932 and p-value of 0.000.

The second finding holds that influencer credibility and content authenticity are important predictors of consumer preference. Data has come back strong to support the hypothesis that the influencer's credibility and authenticity would result in positive consumer preference and credibility receiving a slight more of a lift. These companies have found that these factors are important in creating their customer attitudes, but especially in this case where skincare plays such an important role in the consumer decision to purchase, and that trust is built through authentic experiences.

## **5. CONCLUSION**

The major conclusion of this study is that influencer authenticity and credibility of content can influence consumer preferences towards goods advertised by the influencer. Result of regression analysis reveals that both are the factors positively and statistically significantly affecting consumer's attitude toward skincare products. Credibility of influencers, as expertise or trustworthy, has just very slightly larger effect than the authenticity of content, which is based on the real and relatable product experience. These findings highlight the increasing role of influencer marketing in current consumer behavior in the skincare industry where customers rely upon trusted recommendations and experience the experience on authentic platforms.

What the study shows is the power of influencer marketing as a tactic to build consumer trust and develop deeper relationships with consumers. Involving authentic and credible influencers, brands can benefit hugely from better consumer engagement, influence buying decisions and create long standing brand loyalty. On the other hand, brands and influencers need to be careful they don't over-commercialize content or it will become inauthentic and destroy consumer trust.

The study brings useful insights to the intricate dynamics of influencer marketing and offers practical suggestions for brands wanting to leverage the potential of social media influencers in shaping consumer preferences and purchase patterns.

## **CONFLICT OF INTERESTS**

None.

## **ACKNOWLEDGMENTS**

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