

Effect Of Social Media Influencers' Endorsement On Consumer Response Behaviour

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Abstract

The emergence of social media has provided fresh avenues for brands to directly and organically connect with customers. Consequently, companies are now compelled to reassess and adapt their marketing strategies, particularly concerning advertising on social platforms. Utilizing influencers for marketing purposes on social media is experiencing a significant surge and has become one of the predominant trends in marketing of 2017 (**Glucksman, 2017**). Numerous brands are actively seeking innovative methods to enhance consumer engagement via social media platforms. Leveraging various tools, such as influencer marketing on social networking sites, is a common strategy. The proliferation of digital technology has ensured widespread internet access across the globe. Among the platforms utilized for product marketing, Instagram stands out prominently. Instagram celebrities, possessing comparable visibility and popularity to traditional celebrities, are perceived as more relatable to consumers due to their offline lifestyles. Consequently, they serve as highly effective brand ambassadors. The researcher surveyed 211 social media users to assess the role of influencer in endorsement on Instagram and impact of Influencer endorsement on consumer behaviour and concludes that there is significant impact of Influencer endorsement on Instagram on consumer behaviour.

Keywords: Influencer, endorsement, social media, digital marketing

Introduction

As referencing social media content becomes increasingly influential in purchase decisions, the concept of social media influencers has also evolved. (**Guruge, 2018**). The rapid growth of social media platforms allows individuals to craft an online persona by sharing the narratives of their everyday lives through various mediums like blog posts, photos, and videos. Leveraging their authentic personal brands, they attract attention and amass substantial followings (**Dhanesh & Duthler, 2019**). These social media influencers, also known as microcelebrities, span a wide spectrum from ordinary individuals like high school students, fitness trainers, and industry experts to affluent individuals who embrace luxury brands. Their extensive reach and genuine appeal endow them with comparable influence to traditional celebrities in shaping consumers' purchasing decisions. Brands worldwide recognize the growing prevalence of social media engagement and are gradually leveraging platforms such as "Facebook, Twitter, and Instagram". Notably, influencer marketing has emerged as a vital tool in marketing communications, enabling engagement with large audiences in a short time frame at a lower cost compared to traditional advertising methods (**Evans et al., 2017**).

Celebrity endorsers typically cultivate their influence through conventional mediums like “television, radio, and magazines, encompassing writers, television personalities, film stars, and sporting icons”. On the other hand, non-traditional celebrities comprise renowned bloggers, vloggers, and individuals who have risen to fame via social media platforms. The rising prevalence of influencer marketing on social networking sites, coupled with public concerns regarding consumer protection, has heightened the responsibility of brands to disclose advertising practices. Such disclosures should be prominently displayed, strategically positioned, and clearly communicated to consumers.

The emergence of influencers promoting products on social media represents a novel phenomenon in the industry. In today's rapidly evolving market, businesses must grasp the swift transformations occurring in social media landscapes. This entails actively contributing content and staying abreast of consumer sentiments towards marketing efforts on these platforms. Entrepreneurs and influencers alike stand to leverage social media's vast potential for online marketing, tapping into the considerable purchasing power of online audiences. The ongoing digital advancements, characterized by easier internet access and cost-effectiveness, further propel this trend (**Tiago & Veríssimo, 2014**). The ever-evolving internet landscape has catalyzed significant shifts in marketers' approaches and the adoption of marketing strategies. Past studies have indicated that traditional marketing methods, such as television, magazines, and radio, aimed at boosting sales, are deemed precarious. This traditional approach is now viewed as outdated due to the transformative influence of the internet on the market, rendering it less effective in reaching modern consumers (**Opreana & Vinerean, 2015**).

Incorporating influencers and celebrities into branding has become a pivotal aspect of social media marketing campaigns in today's landscape (**De Veirman et al., 2017**). Influencers differ from celebrities in that they originated on social networking sites, building their reputations among followers through the actions and content they shared on these platforms (**Schouten et al., 2019; Gupta & Mittal, 2012**). In contrast, celebrities often gain their fame from endeavors beyond social networking sites, such as television, music, or sports. Previous research suggests that influencers, in comparison to celebrities, can establish deeper connections with their audiences. Their actions are often perceived as more relatable and valuable by their followers. Influencers have the ability to inspire and encourage their audience to explore new brands or products, potentially leading to purchases or recommendations (**Djafarova and Rushworth, 2017**). On visually captivating platforms like Instagram and YouTube, the work of influencers is prominently showcased. Their role often involves endorsing or reviewing products from various brands across different sectors. Influencers span numerous categories such as fitness, fashion, beauty, literature, DIY, and more, and they maintain a presence on almost all social media platforms. Despite their contributions, influencers sometimes go unnoticed for their efforts. However, with the increasing professionalization of influencers driven by the surge in social media usage, companies are recognizing their potential. Brands actively engage with influencers, collaborating with them to endorse their products or services. Not only the brand and product but service quality also matters (Paul, Mittal & Srivastav, 2016). Technological advancements have reshaped the role of consumers, making them more active and participatory not only in purchasing decisions but also in brand-promoted activities. By fostering consumer involvement, brands can forge emotional connections and relationships with their customers.

Companies must understand how to enhance interactions with their online communities and discern the factors influencing online consumer engagement.

Literature Review

Leveraging social media celebrities as communication channels has become a strategic norm for numerous organizations. The research delves into the impact of celebrity endorsement and authenticity on followers' attitudes towards content and purchase intentions, particularly in sponsored content scenarios. Both the perceived authenticity and allure of the celebrity positively correlate with attitudes towards photos, but only authenticity influences purchase intentions. Photos featuring social media influencers, individuals who rose to fame via social platforms, tend to elevate purchase intentions more than those of mainstream celebrities. While the concept of using celebrities to amplify promotional messages is not new, the current influencer communication practice challenges traditional celebrity endorsement models. Social media celebrities hail from a diverse array of backgrounds, contrasting with the typical celebrities chosen for endorsement campaigns. Additionally, many highly influential social media celebrities are known by only a small fraction of people in a given region, unlike mainstream celebrities who enjoy broader recognition.

In their **2018** study, **Nandagiri and Philip** examined the influence of popular social media influencers on their followers, focusing on platforms like YouTube and Instagram. They sought to determine whether an influencer's endorsement or review of a product positively affects their followers. The research concluded that influencers indeed wield a positive impact, as followers perceive them as credible sources and are consequently more inclined to try out the products they endorse or review. Additionally, influencers reported receiving positive feedback from both the brands they endorse and their followers.

As the internet has become the most ubiquitous media, individuals are leveraging online channels and social networking sites (SNSs) to disseminate their content to larger audiences. Similarly, businesses are harnessing the Internet to enhance their influence on consumers, often collaborating with social media opinion leaders, also known as digital influencers, to promote their products and services (**Kudeshia & Mittal, 2016**). Luxury brands are increasingly integrating digital media into their communication strategies to enhance their online presence. Unlike ordinary commodities, luxury brands possess unique attributes of rarity and exclusivity. Prestige brands utilize videos to engage with their online followers, facilitating the cultivation of relationships with consumers through social networking platforms (**Lee & Watkins, 2016**).

Marques, Casais & Camilleri (2020) revealed that the celebrity's post garnered a larger following, while the micro-influencer's post drove more traffic to the brand's Instagram page. Notably, the micro-influencer's publication generated a greater increase in comments and likes compared to the celebrity's. Overall, this observation underscores the effectiveness of both types of online influencers in enhancing consumer engagement with brands. However, different influencer types can yield diverse interactions and levels/types of engagement (**Kudeshia & Mittal, 2016**).

Hughes, Swaminathan, and Brooks (2019) found in their study that social media-based influencer marketing has evolved into a pivotal element of digital marketing strategies and the most urgent research areas in social media marketing revolves around the endorsement practices of influencers as they promote brands to their followers through visually engaging posts. These endorsement posts have the potential to “raise awareness, stimulate interest, and cultivate positive attitudes” towards the endorsed brand among followers. Consequently, this can lead to heightened engagement with the endorsed brand.

Jin, Muqaddam & Ryu (2019) indicate that the influence of Instagram celebrities' brand posts on consumers is significant, as it fosters trust, positive brand attitudes, heightened social presence, and envy compared to posts from traditional celebrities. Particularly during the COVID-19 pandemic, social media influencers have gained considerable traction, impacting consumer purchase intentions significantly. Credibility plays a pivotal role in linking these factors, thus enhancing our understanding of consumer behaviour.

Zhang, Lin & Goh (2018) says that in recent years, companies have been heavily investing in online influencer endorsements, yet the effectiveness of these endorsements and strategies to develop them remain unclear. Research has uncovered positive impacts of online influencer endorsements on sales, particularly noting that endorsements by influencers with larger followings tend to have a stronger effect. However, the study also indicates that frequent product endorsements by influencers can be counterproductive. Once Instagram users perceive a post as useful, entertaining, and credible, the value of the advertisement increases, leading to more positive attitudes towards the ad and subsequently influencing purchase intentions. Interestingly, in the realm of social media, users don't typically find advertising posts irritating; instead, they view them as a natural part of digital communication and engagement. These findings contribute valuable insights to both the literature and practice of celebrity endorsements.

Pöyry et al. (2019) highlight in their study that strategic planning for influencer relationships should take into consideration both the type of celebrity and the alignment between the celebrity's profile and the content they produce. Emphasizing authenticity in the celebrity's profile is paramount, surpassing mere attractiveness. Users follow influencers for various motivations and needs, with the benefits of following Instagram influencers often outweighing the perceived costs of exposure to their endorsement posts. Additionally, our research reveals that sponsored photos are generally perceived less favourably than non-sponsored ones. Hence, it's essential to recognize that celebrity endorsements and influencer collaborations are not quick fixes for effective communication. Instead, meticulous strategic planning is crucial when engaging with social media celebrities.

Social media influencers are individuals active on social media platforms who attract a substantial following by sharing aspects of their lives through relevant content. Through their posts, they create an illusion of familiarity, fostering admiration and para-social interaction among followers. This phenomenon, defined as the relationships individuals form with media

figures based on perceived similarity, a sense of “belonging, intimacy, and psychological closeness”, greatly influences user trust in influencers. Given their wide-reaching audiences and popularity, companies and brands often enlist influencers to promote their products or services (Ye et al., 2021).

The influence of peers has somewhat diminished, while celebrities, especially on specific social media channels, are gaining prominence. Many organizations now strategically utilize social media celebrities as communication channels. Research suggests that both the perceived genuineness and appeal of celebrities positively correlate with attitudes towards photos, but only authenticity influences purchase intentions. Notably, photos featuring social media influencers—individuals who rose to fame through social platforms—tend to generate higher purchase intentions compared to those featuring general celebrities.

Aim

1. To know the role of influencer in endorsement on Instagram.
2. To know the impact of Influencer endorsement on consumer behaviour.

Methodology

Study survey was conducted with the help of a structured questionnaire on 211 social media users to know role of influencer in endorsement on Instagram and impact of Influencer endorsement on consumer behaviour. “Random sampling method”, “mean and t-test” are used for data analysis

Demographic table shows that 38.4% are male and 61.6% are female. 45.5% of them are below 33 years of age, 34.1% fall in the category of 33-41 age group and 20.4% are above 41 years of age. 32.7% of the respondents follow mega influencers, 24.2% follow macro influencers, 33.2% follow micro and rest 9.6% respondents follow nano influencers.

Table 1 Demographics

“Variable”	“Respondent”	“Percentage”
Gender		
Male	81	38.4
Female	130	61.6
Total	211	100
Age (years)		
Below 32	96	45.5
33-41	72	34.1
Above 41	43	20.4
Total	211	100
Influencer Type		
Mega Influencer	69	32.7
Macro Influencer	51	24.2
Micro Influencer	70	33.2

Nano Influencer	21	9.6
Total	211	100

Table 2 Influencer endorsement on Instagram

“S. No.”	“Statements”	“Mean Value”	“t value”	“Sig.”
1.	Influencer endorsements is an effective way for brands to reach their target audience by authentic and engaging content	3.13	1.922	0.028
2.	Followers are inclined to place more trust in recommendations from influencers they follow	3.20	2.975	0.002
3.	Influencer endorsements often come across as genuine recommendations or personal experiences	3.19	2.871	0.002
4.	Influencer endorsements drive higher levels of engagement on social media platforms like Instagram	3.14	2.073	0.020
5.	Viral content significantly amplifies the reach and impact of a brand's message	3.12	1.806	0.036
6.	Influencer marketing on Instagram offers measurable results	3.17	2.515	0.006
7.	Influencer endorsements help brands to track key performance indicators	3.18	2.689	0.004
8.	Influencer endorsements provide brands with valuable insights into consumer preferences, trends, and feedback	3.21	3.151	0.001
9.	Influencer endorsements creates a sense of engagement and involvement with the brand	3.15	2.223	0.014
10.	Enhances the brand's reputation and credibility in the eyes of consumers	3.16	2.413	0.008

Table 2 showing different role and impact of Influencer endorsement on Instagram. The respondent says that Influencer endorsements provide brands with valuable insights into consumer preferences, trends, and feedback with mean value 3.21, Followers are inclined to place more trust in recommendations from influencers they follow with mean value 3.20, Influencer endorsements often come across as genuine recommendations or personal experiences with mean value 3.19 and Influencer endorsements help brands to track key performance indicators with mean value 3.18. Influencer marketing on Instagram offers measurable results with mean value 3.17, Enhances the brand's reputation and credibility in the eyes of consumers with mean value 3.16 and Influencer endorsements creates a sense of engagement and involvement with the brand (3.15). The respondent also says that Influencer endorsements drive higher levels of engagement on social media platforms like Instagram (3.14), Influencer endorsements is an effective way for brands to reach their target audience by authentic and engaging content with mean value 3.13 and Viral content significantly amplifies

the reach and impact of a brand's message with (3.12). The value under significant column for all the statements related to Influencer endorsement on Instagram is significant.

Conclusion

Online influencer endorsements have significant difference from traditional celebrity endorsements in many ways. Firstly, online endorsements are generally easier to execute, involving the simple sharing of online posts with followers on social media platforms. This difference from traditional endorsements that entails long-process of “producing and broadcasting” advertisements. Additionally, endorsements by online influencers frequently involve the casual sharing of personal experiences, which tends to be perceived as less biased, more subtle, and thus, more persuasive. In contrast, celebrity endorsement relies on the fame and image of public figures like artists or movie stars to promote products, representing a well-established marketing communication technique. Research consistently indicates positive effects of celebrity endorsements on “brand recall, attitudes, purchase decisions, product sales, and stock value”. However, excessive product endorsements by celebrities in traditional media can lead to reduced credibility and less favourable attitudes toward the endorsements. This study carries hands-on suggestions for firms investing in online influencer endorsements by offering guidance on influencer selection. While it may be more cost-effective to engage influencers with less followers, companies must consider the incremental impact on sales with each additional follower an influencer possesses.

The study aims to know role of influencer in an endorsement on Instagram and impact of Influencer endorsement on consumer behaviour and found that Influencer endorsements provide brands with valuable insights into consumer preferences, trends, and feedback, Followers are inclined to place more trust in recommendations from influencers they follow, Influencer endorsements often come across as genuine recommendations or personal experiences, Influencer endorsements help brands to track key performance indicators and Influencer marketing on Instagram offers measurable results. The study concludes that there is significant impact of Influencer endorsement on Instagram on consumer behaviour.

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