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A conceptual study on impact of social media on Influencer Marketing

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ABSTRACT:

Influencer marketing is a combination of traditional and new marketing methods. It takes the concept of celebrity endorsement and applies it to a modern content-based marketing campaign. A key distinguishing feature of influencer marketing is that the results of the campaign are collaborations between brands and influencers. Sales and marketing concepts have evolved significantly over time from bazaars to modern online marketplaces. This is the “Age of Relationships”, where businesses prioritize customer engagement and retention through loyalty programs and personalized social media content. With the rapid adoption of social media platforms like Meta, Instagram, YouTube and X, India’s marketing landscape has transformed, with marketers shifting from traditional marketing and advertising methods to digital ones. Influencer marketing is a popular strategy that has spread across the country. The recent statistics shows the growth of influencer marketing. Thus this paper attempts to explain the importance of influencer marketing and the future growth of influencer marketing in India. Secondary sources of information is the source of data analysis.

KEY WORDS:

Influencer Marketing, Social Media Platforms, Brands, Advertising, Customer Engagement.

INTRODUCTION:

Influencer marketing is a collaboration between popular social-media users and brand to promote brands’ products or services. The individuals known as influencers, leverage their credibility, expertise and authenticity within a specific niche or industry to endorse and recommend products to their followers. Brands partner with influencers to collaborate on various types of content, including sponsored posts, product reviews, tutorials, giveaways and

more. These collaborations are designed to authentically integrate the brand's products or services into the influencer's content in a way that feels natural and genuine to their audience.

These partnerships have been perishing informally from the dawn of social media. By 2009, they were sufficiently common place for the US Federal Trade Commission to step in and regulate them. Subsequently, the market has grown astonishingly quickly: since 2019, it has more than doubled on the strength of platforms such as Instagram and YouTube (in Western countries). In 2023, the influencer marketing economy was valued at \$21.1 billion. The increasing prevalence of influencer marketing is driven by a shift in consumer behaviour, where people increasingly rely on recommendations and guidance from online since the dawn of social media.

In today's digital era, traditional marketing methods are being challenged by the emergence of influencer marketing. This approach capitalizes on the credibility and reach of individuals personalities they trust. Consequently, brands are allocating significant resources to collaborate with influencers, aiming to tap into their engaged audiences.

OBJECTIVES:

- Exploring the role of different social media platforms in influencer marketing practices.
- Understanding the role of age and gender in shaping consumer attitudes and purchase intentions in response to influencer endorsements.
- Examining the progression of influencer marketing over the forthcoming years in contrast to both past and present periods.

REVIEW OF LITERATURE:

According to research conducted in 2016 by the Keller Fay Group and Berger, customers were likely to heed the advice of influencers since they were perceived as having greater knowledge and trustworthiness. Influencer marketing is becoming more and more popular, but it can be difficult to pinpoint the exact type of influencer that can best effect a given target audience by pushing a particular brand message (Wong, 2014). The increasing popularity of influencer marketing can be attributed to several factors, including a higher return on investment, more reliable content, improved engagement with the target audience, and almost instantaneous consumer replies. Influencer marketing is the practice of a brand promoting one of its goods or services by working with an online influencer.

Influencer marketing is a blend between traditional and modern marketing techniques, claims Influencer Marketing Hub (2019). It transforms the concept of celebrity endorsement into a content-driven marketing campaign for the modern era. Influencer marketing is different primarily because influencers and companies work together to produce campaign outcomes. Influencer marketing is a very new concept, and there hasn't been a single scholarly definition of it (Johansen & Guldvik, 2017), particularly when it comes to India.

Instagram has over 6 million influencers on its platform presently, compared to just 1,000 influencers in India at one point in time (Economic Times, May 24, 2018). Worldwide, there are an estimated 44 million influencers. The authors chose to examine the influencer marketing scene from the perspective of millennials (those born between 1982 and 2004—Howe & Strauss, 2000), an emerging economic group, in light of the growing prominence of influencers in India and the paucity of scholarly research conducted in this context.

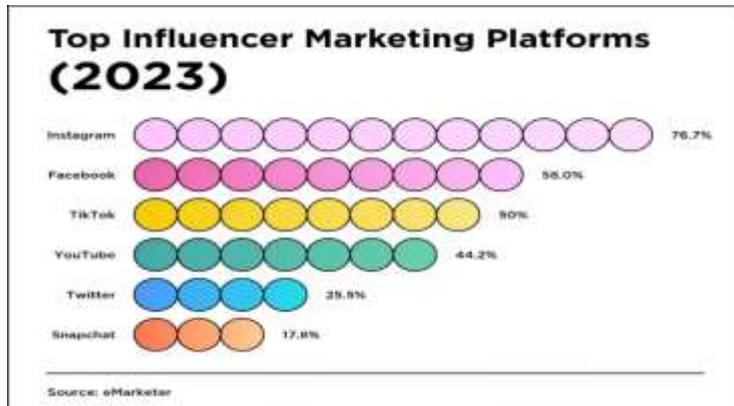
The word "influencer" has just recently become popular in marketing literature. As of now, there isn't a single theoretical meaning for the term influencer. According to Brown and Hayes (2008), influencer marketing occurs when a third party influences a consumer's purchase decision. Influencers with a large following on digital media are the main focus of influencer marketing, which aims to reach the target audience and spread the word about a company.

According to Conick (2018) and Smart Insights (2017), influencers gain the trust of customers more than other internet sources. Using ad blockers, consumers make every effort to avoid adverts. Influencer marketing is regarded as more engaging and nonintrusive in this situation than standard web ads like pop-ups and banners. Influencers on digital platforms have become trustworthy and dependable sources (Freberg et al., 2011). In order to sway the opinions of their online followers toward specific businesses, influencers were employed to establish two-way brand communication on websites like Facebook, YouTube, Instagram, and so forth (Market hub, 2016). Influencers are another tool used by marketers to interact with a part of the consumer base that typically ignores or skips commercials. Conick (2018).

STATISTICS:

Figure-1

Gaining insight into the leading Influencer Marketing platforms:



Credits: eMarketer

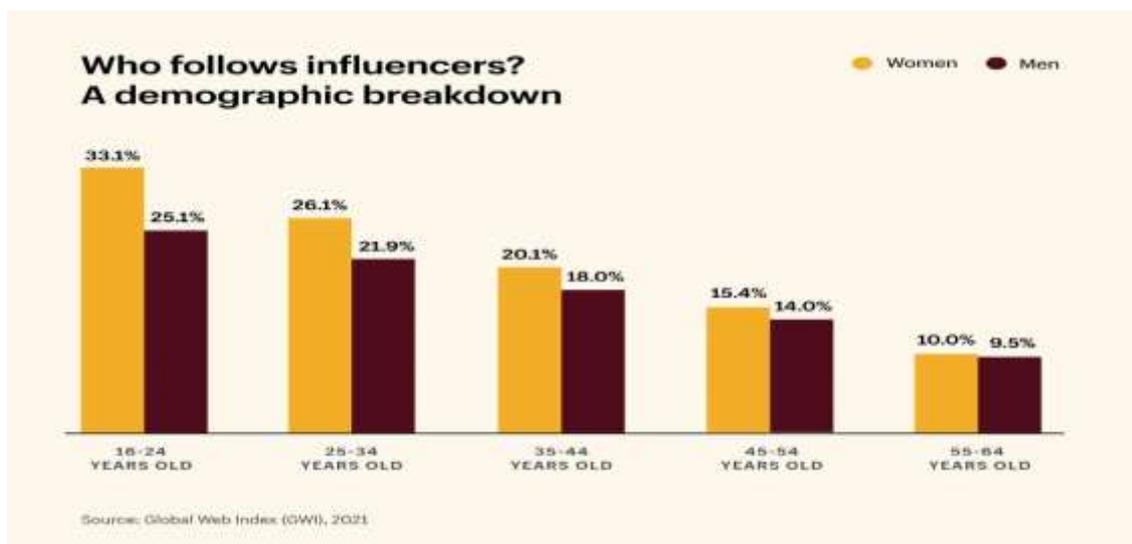
Link: <https://images.app.goo.gl/TgCXJbEh6Cyp3bgh9>

Observation:

Influencer marketing continues to be a significant aspect of digital marketing strategies, with platforms like Instagram, Facebook, YouTube, TikTok, and Twitter remaining popular for connecting brands with influencers.

Figure-2

Insights into the age and gender demographics most influenced by influencer marketing:



Credits: Global Web Index

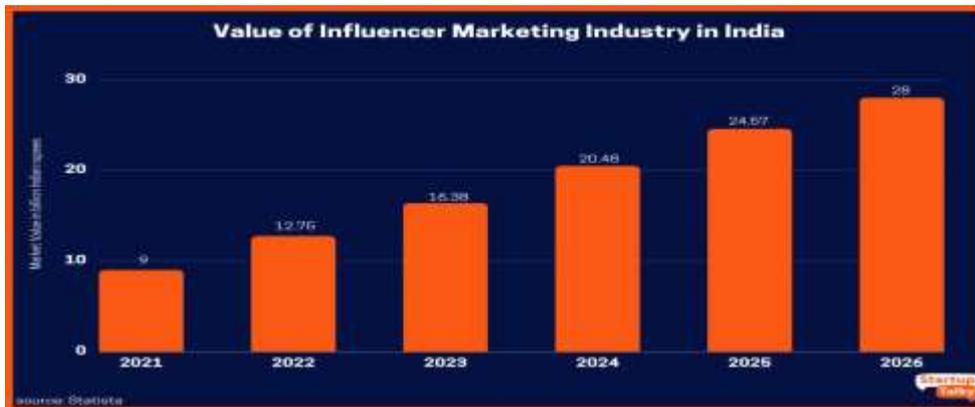
Link: <https://images.app.goo.gl/cvutdgdrUPDez4hQ9>

Observation:

Analysing the breakdown of social media users influenced by age group and gender provides valuable insights into demographic preferences and engagement patterns within various target demographics.

Figure-3

Understanding the significance of Influencer Marketing in India:



Credits: Statista

Link: <https://images.app.goo.gl/5iJyqFvXJyD57kf6>

Observation:

Analysing the growth of Influencer Marketing Industry in India and the market value in Indian rupees (Billion) from the immediate-past to impending years.

Findings:

1. In 2023, the leading influencer marketing platforms were Instagram with 76.7%, followed by Facebook with 58% and snapchat ranked as final with 17.8%.
2. The graph illustrates that individuals aged 16- 24, particularly women with a percentage of 33.1%, are predominantly engaging with influencers in a professional context whereas men of the same age group engagement is 25.1%. As the age is increasing, there is a decline trend in the percentage of individuals following influencers, although the proportion of women consistently remains high.

3. Expectations point towards a notable uptick in the value of influencer marketing industry in the forthcoming years when contrasted with past trends. The market value has shown a notable upward trajectory from 2021 to 2024, with further anticipated growth projected for 2026 in India.

CONCLUSION:

In conclusion, influencer marketing continues to be a dynamic and influential force in the realm of digital advertising. Its ability to leverage authentic connections between influencers and their audience offers brands unique opportunities to engage with consumers in meaningful ways. The future outlook for influencer marketing in India remains optimistic, with continued innovation, collaboration and adaptation expected to fuel further growth and success in the years ahead as brands and influencers continue to collaborate and innovate, the future of influencer marketing in India appears promising, with boundless potential for further expansion and impact across various sectors.

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