
Role of Social Media Influencer's Credibility in Consumer's Purchase Decisions

Suman Devi¹, S. N. Mahapatra²

Abstract:

The use of social media influencers by the companies to promote their products is constantly on the rise since the last decades. Influencers on social media have replaced the celebrities from cinema or sports and now they are the flagbearer of influence. Social media influencers are someone who give character to the consumer's judgments and shape their attitude regarding a brand or product through their posts in the form of photos, videos and other updates on social media platforms. The present study was conducted to identify the role of social media influencer's (SMI) credibility in consumer purchase decisions. A structured questionnaire was used to collect the data of 123 respondents from Delhi/NCR. Multiple Regression analysis in SPSS was used to analyze the results. The findings revealed that the attributes of credibility i.e. information value and entertainment value of the branded content shared by SMIs have significant effects on followers.

Keywords: Social Media, Social Media Influencers, Purchase Decisions, Credibility, Brand posts

1. Introduction:

Brands have cooperated with social media influencers across channels to raise awareness and impact customer behavior over the last decade, and social media influencer marketing has grown from a \$5-10 billion dollar industry to an ancillary marketing approach. More than 3.4 billion individuals, or 45 percent of the world's population, utilize social media. Influencer marketing is more accessible and measurable than it has ever been, and more marketers are reporting that it is helping them achieve their objectives. When businesses collaborate with influencers to raise brand awareness or conversions among a certain target group, this is known as influencer marketing. Despite this, many small businesses are unsure whether or not to invest in influencer marketing as a channel. Influencing on social media is merely a continuation of what businesses

¹Assistant Professor, Sushant University, Gurugram, Haryana. Email: sumangahlawat@gmail.com

²Professor, Department of Management Studies, DeenbandhuChhotu Ram University of Science and Technology, Sonipat, Haryana. Email: snmahapatra@gmail.com

have been doing for a long time. The only thing that has changed is the tools. Marketers use this by financing an influencer's online material in order to promote their brand, product, or service and, in certain cases, drive sales.

The degree of influence, of course, can and does vary tremendously. Some influencers have a few hundred followers, while others have millions. An influencer is someone who has a privileged position in the eyes of a large number of people online, regardless of the quantity of their "impact." They have the ability to influence the purchasing behavior, thinking, and even beliefs of their followers. This means that an influencer can persuade individuals to purchase unneeded items, embrace unfavorable ideals, and become overly materialistic. They can also assist them in an ethical and service-oriented manner. Individuals having the ability to influence large groups of people, on the other hand, are far from new. Even Nevertheless, this generation's manifestation of this age-old phenomenon through the introduction of digital and social technology is distinct and exclusive. It has changed the way corporations, non-profits, government agencies, and even religions reach out to their constituents and connect with them, whether to sell a product or support an ideology. Major corporations have realized the significance of enlisting the help of social media influencers to broaden their marketing reach. According to one official from Estée Lauder, social media influencers receive 30 to 50 percent of the company's social/digital spend. Overall, the number of social media influencer platforms has increased from 190 to 740 since 2015, with a market value of \$6.5 billion. However, one of the most significant differences in today's social media influencer marketing is the seeming genuineness and familiarity that may be communicated to buyers. Rather than viewing an ad featuring an NBA player with a clean shave (thanks of Gillette), potential buyers can now follow the star on Instagram and see him using the product in his daily life. However, even the most popular social media influencer (with a large following) is not always the most effective influencer.

2. Literature Review

There are various topics linked to influencer marketing that need to be studied in order to improve and have a thorough overview of this research, and this article specifically discusses them. It's based on research into the growing influence of celebrity endorsements on consumer purchasing decisions. Because marketing is such a dynamic field, it's critical to stay on top of new trends and ways to reach out to potential clients. Influencer marketing is one of these methods in today's environment. The introduction of the Internet has accelerated the growth of the worldwide communication network, with one of the results being an increase in social media marketing. E-marketing has paved the way for a slew of new ways to reach out to customers. Companies can target smaller target segments using e-marketing because it allows for personalized marketing (Jalees and Kazmi, 2014). Blogging, microblogging, influencer marketing, and other forms of social media interaction are among them. The focus of this study is on influencer marketing in particular. This form of marketing strategy entails influencing people's perceptions by using secondary associations (Goldsmith, 2000). Another key notion is the impact of influencers' sponsored and unsponsored material on consumer inferences and responses to these postings based on the influencers' prior knowledge and credibility. This paper is a magnificent piece of work because it discusses various influencer motives and their

responses in detail for a full understanding. Money motives, image motives, love motives, sharing motives, and helping motives are among the several motives mentioned. In the second phase, variables such as influencer credibility, product category, disclosure, and consumer resistance are investigated. Several social media ideas, such as types of influencers, eWOM, and disclosure, are discussed in depth in this study. Before we can assess a consumer's reaction, we must first comprehend the consumer's cognitive process. The author explains how sponsored disclosure might strengthen resistance using psychological reaction theory (Granjon, V., & Benedic, R., 2017). The third study involved confirming the findings of the previous one. When the findings of multiple research are combined, they show that influencer motives are multifaceted and must be studied in order for efficient advertising to have a good impact on consumers. Social media Influencers are often used by businesses to help them communicate with their target market in novel ways. This study also outlines the Gen Y and Z generations and emphasises the numerous channels and media forms influencers utilise to gain new followers. The study's various assumptions included determining the preferences of different age groups for social networks, the differences between different age groups and the platforms and influencers they choose, and the relationship between age and consumer behaviour in regard to influencer marketing. This paper discusses how corporations generate virtual influencers, or their own influencers, such as NYX cosmetics, and emphasises numerous key facts that highlight the relevance of influencer marketing. The author concludes by presenting the findings and conclusions of the poll, which reveal that Gen Y and Gen Z have quite distinct preferences for platforms and types of influencers, for example, Gen Y prefers Facebook while Gen Z prefers Instagram. (Diwedi and colleagues, 2019). This article focuses on a specific industry in order to better understand the fashion industry's decision-making process in terms of influencer recommendations. Fashion blogging is a very popular trend that offers a direct connection with customers for a very low cost. Opinions, experiences, and other information are shared. This article also covers the impact of blogs on women's purchasing behaviour, as well as the benefits that blogging can provide. With the above-mentioned goal in mind, this study employs Philip Kotler's consumer decision-making model. According to the report, this form of marketing is one of the most powerful decision-making factors for today's youth. While brand influence is the most important factor, celebrity and blogging are not far behind. This article also provides clear information as to which platform and form of media are the most popular. (Bagozzi and colleagues, 2016) Influencer marketing is a new type of celebrity endorsement that is centred on stronger, more intimate, and mutually advantageous connections. This article discusses how to connect your marketing channels to improve your brand's image and ROI. Influencer marketing should be tailored to the target market, product, budget, and goals of the organisation. When choosing among a multiplicity of influencers, extreme caution is required. This article discusses numerous criteria to consider when choosing these influencers, as well as statistics that back up this field of marketing, such as the fact that 90% of consumers accept peer recommendations. It also emphasises the process of integrating this marketing field. 2017 (Madumere) The implications of self influencer congruence, parasocial identity, and perceive endorser motive are all discussed in this report in relation to social media endorsements by influencers. All three have been briefly explained in this review. The writers begin by discussing the high level of social media influence in the country. According to their research, social media influencers are

regarded as more trustworthy than celebrities. This research also discusses how Chinese influencers might be classified based on a few distinct traits. The three notions are validated using hypothesised brand content, perceived motives, and other factors. 513 people were polled for information (primary source). The findings of the articles support the above-mentioned ideas. (2019, Yan Shan) The purpose of this essay is to investigate the impact of paid content on consumer engagement in the fitness industry. When influencers are linked with certain brands, the source credibility hypothesis is utilised to understand followers' perceptions. This article discusses three categories of influencers: social influencers, celebrity influencers, and peer influencers, as well as their characteristics and specific niches. Physical traits, expertise level, sponsorship, source attractiveness model, self-image identification, and the relationship between product and influencers field are among the elements investigated in this study. Content analysis and interviews were employed as the methodology (Chekima, 2016). Organic postings were found to have more favourable connotations than sponsored posts, therefore they were classified as non-monitoring reasons.

3. Research Methodology:

Objective of the study was to find out the role of social media influencers in influencing the consumers purchase decisions. SMIs 2 credibility attributes (information value and entertainment value) were taken from the literature (Ohanian, 1990). Hypothesis was formulated as follows:

H0: Credibility of SMIs negatively influences the consumer's purchase decisions.

H1: Credibility of SMIs negatively influences the consumer's purchase decisions.

To prove the hypothesis, a quantitative study was conducted in Dehli/NCR on 123 respondents. Purposive sampling techniques was used as there was a condition that one respondent need to follow at least one influencer. One unit of the study is individual who is having social media presence and following brand communities. For the purpose of analyzing the results a demographic profile of respondents was made using SPSS. Followed by the regression analysis technique to test the hypothesis. Technique which was applied on the 2 identified variables a) Information Value b) Entertainment Value. These variables were explained by 8 items/statements each which were identified from the standardized scales from the literature.

4. Data Analysis and Interpretation

SPSS version 21 was used to analyze the data collected from the structured questionnaire.

4.1 Demographic Profiles of the respondents:

Table 4a data shows that respondents were more in the age category of 26 to 35 years. There were 69 females and 54 male respondents. Graduate respondents dominated the study with 63 being postgraduate qualified followed by graduates. Out of 123 respondents, all were using social media. Most favorite social media platforms among the respondents were Facebook and Instagram as 75 selected this option followed by the Facebook, Instagram and Twitter option. Most respondents (63) spend 1 to 4 hours daily on social media platforms followed by those who spend more than 4 hours (34). Most respondents follow 10 or more influencers on social media (51).

Age of Respondent		
<i>Items</i>	<i>Frequency</i>	<i>Percent</i>
18 years to 25 years	47	38.2
26 years to 35 years	60	48.8
above 36 years	16	13.0
Total	123	100.0
Gender		
<i>Items</i>	<i>Frequency</i>	<i>Percent</i>
Female	69	56.1
Male	54	43.9
Total	123	100.0
Qualification		
<i>Items</i>	<i>Frequency</i>	<i>Percent</i>
Undergraduate	60	48.8
Postgraduate	63	51.2
Total	123	100.0
Social Media Users		
<i>Items</i>	<i>Frequency</i>	<i>Percent</i>
Yes	123	100.0
No	0	0
Total	123	100.0
Presence on Social Media Platforms		
<i>Items</i>	<i>Frequency</i>	<i>Percent</i>
Facebook	5	4.1
Instagram	8	6.5
Twitter	14	11.4
Facebook +Instagram	75	61.0
Facebook + Instagram + Twitter	21	17.1
Total	123	100.0
Time Spent on Social Media		
<i>Items</i>	<i>Frequency</i>	<i>Percent</i>
Less than 1 hour daily	26	21.1
1 hour to 4 hours daily	63	51.2
More than 4 hours daily	34	27.6
Total	123	100.0
Number of Influencers following on Social Media		

<i>Items</i>	<i>Frequency</i>	<i>Percent</i>
Less than 10	42	34.1
10 to 50	51	41.5
More than 50	30	24.4
Total	123	100.0

4.2.Results of Multiple Regression Analysis:

Descriptive Statistics			
<i>Items</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>N</i>
PI1	3.32	1.289	123
IV1	3.67	1.136	123
IV2	3.53	1.196	123
IV3	3.53	1.196	123
IV4	3.45	1.294	123
IV5	3.77	.930	123
IV6	3.72	.988	123
IV7	3.72	1.043	123
IV8	3.69	1.017	123
EV1	3.31	1.117	123
EV2	3.40	.964	123
EV3	3.31	1.294	123
EV4	3.28	1.256	123
EV5	3.20	1.221	123
EV6	3.22	1.021	123
EV7	3.29	1.092	123
EV8	3.28	1.098	123

Model Summary^c					
Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	Durbin-Watson
1	.904 ^a	.818	.816	.553	
2	.907 ^b	.823	.820	.546	1.284
a. Predictors: (Constant), EV3					
b. Predictors: (Constant), EV3, EV5					
c. Dependent Variable: PI1					

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	165.662	1	165.662	542.159	.000 ^b
	Residual	36.973	121	.306		
	Total	202.634	122			
2	Regression	166.839	2	83.420	279.661	.000 ^c
	Residual	35.795	120	.298		
	Total	202.634	122			
a. Dependent Variable: PI1						
b. Predictors: (Constant), EV3						
c. Predictors: (Constant), EV3, EV5						

5. Findings and Conclusion:

In this research, the SMI's posts information and entertainment value were significant in affecting the influencer's credibility, so in future research, the field of the expertise of influencer and the kinds of products endorsed by them might be considered to examine if the findings are different. Also, future studies can make use of longitudinal research design to examine social media influencer marketing's long-term effect on the purchase intention of consumers, as such a study might possibly be affected by the innovations in technology and change in social media platforms. Future studies can also use qualitative methods to identify other influencer's attributes which affect consumers' purchase intention, or investigate the effect of social media influencer marketing on other aspects like brand awareness, brand admiration, consumer engagement and brand image.

Social media influencer marketing is a relatively new marketing strategy in the current times and is being used by many companies to positively shape the consumers' perception towards their brands. This study evaluated the effect of influencer's attributes in affecting the purchase intention of consumers through the mediation of credibility in the context of India. The success of influencers as endorsers of a brand can be ascertained by the positive relationship of different influencer's characteristics with the consumers' purchase intentions. Some of the characteristics included in the study were significant in shaping consumers' purchase intention, while some others were not. The influencer's credibility had the most significant on purchase intention followed by informative value of the SMIs brand posts. In affecting social media influencer's credibility, information value of the brand posts was most significant followed by entertainment value. Thus, it is important for a brand to select a trustworthy influencer who can create good quality content while also being entertaining, to positively affect the credibility, and eventually purchase intention of consumers. Interestingly, expertise and likability of influencer were found to be insignificant in affecting credibility and consumers' purchase intention directly or indirectly.

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