



The Impact of Influencer Marketing on Gen Z Consumers

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ABSTRACT

In the world of digital marketing, influencer marketing has become a powerful force, especially among Gen Z (Gen Z) customers. Gen Z, who were born between 1997 and 2012, are particularly sensitive to social media and influencer-driven content since they are the first generation to have grown up completely in the digital era. This study looks at how influencers affect customer behaviour, brand perceptions, and purchase decisions in order to determine how influencer marketing affects Gen Z consumers. Influencer marketing's long-term effects on firms aiming to reach this market are also covered in the study, along with its ethical issues and difficulties.

With this study we come to a gather knowledge regarding the perceptions of the Gen Z consumers in relation to their influencer preferences.

INTRODUCTION

Influencer marketing had become of the major changes that has occurred in the recent era, it has become the cornerstone of modern advertising where brands connect with the social media influencers in order to promote and connect with target audience.

Unlike the traditional marketing where there are direct promotions, influencer marketing depends on the connections they have with their audience.

This has led to a shift in consumer behaviour, where traditional banking techniques have deteriorated in the recent years and the rise of influencer led promotions have risen.

While so many changes in the age of digital media have led to a lot of evolution in influencer marketing, it has now become one of the strongest tools with which companies market their products to consumers, especially Gen Z. Generation Z refers to those born between the late 1990s and the early 2010s, who have grown up in an age dominated by social media, and where it is mainstream influencers that shape opinions, trends, and purchasing habits. Unlike conventional marketing models that depend on broadcast television, radio, and newspapers, marketing through influencers reflects on social media platforms such as Instagram, TikTok, YouTube, or Snapchat to create authentic content for younger generations concerning their purchases.

Gen Z consumers are digital natives. They know very well the technology and are sceptical about conventional advertising as they purchase according to their authenticities. Research indicates that many Gen Z consumers trust influencers rather than traditional celebrities or brand advertisements because influencers seem to be relatable, open, and credible. This change in the form of trust has made tremendous dependence on influencers, and most of the younger generation can be seen buying products solely based on influencer reviews, endorsement, and sponsorship. Although it is known much of influencer marketing effectiveness, an ambiguity still reigns concerning the actual impact of influencer marketing, its determinants in building consumer trust, and the process Gen Z uses to categorize endorsements.

This research provides insight into the effects of influencers on Gen Z consumers regarding trust, anxiety toward paid endorsements, engagement, and authentic marketing affecting purchase decisions. The research will also assess how Gen Z differentiates between organic recommendations and sponsored content, the relative effectiveness of influencer marketing relative to traditional marketing, and whether awareness mediates buying behaviour.

The paradigm of influencers is much more than knowledge; it is a fundamental shift that translates the brands' marketing strategies towards a new digital-first-minded generation called Gen Z. This research will create a meaningful account in understanding how Gen Z straddles the line of interaction with influencers, concentrating on critical success factors behind effective marketing campaigns, and providing empirical proof from such a novel means in loyalty behaviour mapping.

REVIEW OF LITERATURE

1. Influencer marketing and Gen Z consumer behaviour show the rising dependence of young digital natives on social media influencers while taking any purchasing decisions. Being born from the very late 1990s till the early 2010s, Generation Z is marked by high digital literacy with simultaneous

interaction with social media for an average time of 4.4 hours per day on platforms like Instagram, YouTube, and TikTok. This cohort's bent toward authentic and relatable marketing has rendered influencer endorsements way more successful than traditional ads. Influencer marketing refers to the process by which social media personalities encourage brands in a way their followers can relate to. Many studies have shown that trust and authenticity are the two main ingredients behind consumer behaviour in this field. Source Credibility Theory argues that an influencer's trustworthiness, expertise, and attractiveness are the elements that endorse the persuasion, which stimulates the influencer's power to persuade the consumer in favour of their purchase intentions. The Social Influence Theory goes on to explain that social interaction, and peer endorsement trigger that process even more when asking Gen Z about purchase decisions. Research conducted in the Indian context shows that trust is a significant factor in determining whether an influencer recommendation will be followed by Gen Z consumers. The significant relationship established between trust and purchase frequency suggests that the more credible the consumer views the influencer, the more probable they are to buy. Although important, authenticity can act as a secondary driver in building trust rather than working as a direct purchasing motivator

2. The evolution of social media influencers as a key player in modern marketing practice. Influencer marketing has become an eco-friendly substitute for traditional advertising methods, reaching out to the influencers' credibility, trust, and engagement levels, which altogether shape buying behaviour. The literature suggests that authenticity and transparency are two cornerstones that may build consumer trust in any influencer. They trust influencers with their purchases. Social media, therefore, are preferences of consumers, be it Instagram, YouTube, or TikTok, where they find out the recommendations and views of influencers whom they consider friends on such platforms. More importantly, the research has shown how powerfully micro-influencers act in their favour as they establish greater affinity and engagement, even if their followership is less than macro-influencers or celebrity endorsements.

Overall, the studies show that influencer marketing does impact consumer behaviour but much more so with the selection of the correct influencers, the retention of credibility, and the adaptation of content strategies to fulfil different audience segments.

3. This growing body of literature, describing social commerce as the agent of substantial change in online retailing, is established by the kind of platforms of social media such as Instagram, Facebook, and TikTok. The consumers are lured with the shoppable posts, influencer marketing, and specific advertising campaigns. To speak about this area in particular, influencer marketing appears as one form of social commerce in which celebrities will recommend products to their followers by creating trust, authenticity, and engagement. Recent studies confirm that young people, especially Gen Z and millennials, are more prone to purchasing via social media. While the firms obviously gain through increased visibility, personalized marketing, and data-driven insights, they also face challenges on data privacy and brand safety. According to the review, some of the effective modern social commerce practices include influencer marketing, interactive content, and seamless shopping experiences. As social commerce accelerates into the future, businesses must adapt and adopt these new changes and consumer expectations to remain relevant in the evolving digital marketplace

4. India has experienced very rapid expansion in influencer marketing, completely redefining the advertising atmosphere. It has integrated social media figures into pages and brands in a more genuine and exciting manner. Such presence is tied with trust and credibility, as those who would tend to develop real results with genuine audiences tend to have higher engagement and loyalty. Content types can be varied: video, blog, live audience participation, and many other forms that bring audiences together. It makes the process of using influencer marketing much more flexible. Additionally, micro-influencers with a few followers but robust engagement are proving to be the most effective for focused promotions. For maximum impact, brands need to partner with influencers who share their values, thus ensuring consistency and integrity in their messages. Not least, to engage users and allow them to buy more, utilization of the platform's features would be Instagram's shoppable posts and YouTube's product tag. Data-driven decision-making-including assessment on engagement rates and audience demographics-is key for influencer selection and assessing campaign results. Long-time engagements are likely to bolster brand integration and nurture trust in the audience. In using all these strategies, companies will be able to smoothly sail through the changing environment of influencer marketing in India and engage their chosen consumers deeply.

5. Influencer marketing strategies have become the primary means to reach a digitally-born Generation Z, based on the amount of time it devotes to consuming social media content. Contrary to any previous generation, Gen Z has had YouTube blaring into its mind for much of its life. Google claims that at least 95% of the audience engages in this form of streaming, thus making video the content of their choice. It lays the groundwork for effective influencer marketing, where big-as-part-well micro-influencers can engage with their target audiences on an intimate basis, leading to brand awareness and purchase decisions. Influencer partnerships are therefore becoming a major element of new marketing strategies. The more original content brands create in collaboration with influencers on those personalized things Gen Z would love, the more likely they are to resonate with this audience

STATEMENT OF PROBLEM

Since the significant dominance of social media in the recent years, the emergence of influencer marketing has been an important tool for brands to engage with the Generation Z consumers. Unlike the traditional marketing, which is often considered intrusive, the marketing by influencers relies heavily on social media personalities who create content that is deemed relatable and engaging.

Despite the limited research on how influencer marketing truly impacts the purchasing power of Gen Z consumers and their decision making.

OBJECTIVES

This study aims to address the following key concerns:

1. What is the extent to which influencers influence the purchasing behaviour of Gen Z?
2. What are the factors that contribute to trust the influencer recommendations?
3. Comparison of the effectiveness between influencer and traditional marketing.

RESEARCH MEHODOLOGY

The impact of influencer marketing on gen z consumers is examined this study using descriptive research design. This study was employed using a structured questionnaire that consisted of 10 questions ranging from demographics to social media engagement. The questions included multiple choice questions that included questions based on their preferences and satisfaction.

Sample population

The study targeted Gen z consumers ranging from ages 16 to 27 and a total of 60 respondents were surveyed.

Data collection and analysis

The data was collected via an online questionnaire distributed through social media platforms and the analysis of data is done using statistical tool SPSS to identify the trends and evaluate their purchasing behaviour.

Data analysis techniques:

- Influencers influence the purchasing behaviour of Gen Z: Descriptive statistics
- Factors that contribute to trust the influencer recommendations: Factor analysis and Chi square.
- Comparison of the effectiveness between influencer and traditional marketing: Paired sampled T test

ANALYSIS AND INTERPRETATION

1. Influence of Influencers on Purchasing Behaviour

Descriptive Statistics

Have you ever purchased a product or service because of an influencer's recommendation?

N	Valid	60
	Missing	0
Mean		1.97
Mode		1

Have you ever purchased a product or service because of an influencer's recommendation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	25	41.7	41.7	41.7
	2	12	20.0	20.0	61.7
	3	23	38.3	38.3	100.0
	Total	60	100.0	100.0	

Correlations

	How often do you engage with influencer content (likes, comments, shares, etc.)?	Have you ever purchased a product or service because of an influencer's recommendation?
How often do you engage with influencer content (likes, comments, shares, etc.)?	Pearson Correlation	1
	Sig. (2-tailed)	.265*
		.041

N	60	60
Have you ever purchased a product or service because of an influencer's recommendation?	Pearson Correlation	.265*
	Sig. (2-tailed)	.041
N	60	60

Interpretation

As per the data, it has been observed that the recommendation from an influencer affects an average user's influencer's purchasing behaviour significantly. The average score of 1.97 indicates that a lot of respondents have endorsed by influencers. The score of 1 indicates that the most popular answer given was Yes, which shows how much of an impact influencer have on buying decisions. Besides that, 41.7 percent answers cases which shows that social media celebrities tend to wield a big influence over people's consuming behaviour. Also, it would be interesting to note what brand value do they assign to the purchases that they make due to them following an influencer.

In addition, the Pearson correlation coefficient relating engagement with purchase behaviour revealed a weak but positive relationship of 0.265. While the correlation is weak it still matters for reasoning as evidenced by the p-value of 0.041 ($p < 0.05$). This means a significantly low value p tells us that it is quite likely that when one engages with an influencer's content, they tend to purchase more. As a whole, these results show that influencer marketing is becoming more and more relevant among the younger mercados of Generation Z, while they are still subjected to other forces that shape their buying behaviour.

2. Factors Contributing to Trust in Influencers

Component Matrix^a

	Component		
	1	2	3
What factors make you trust an influencer's recommendation? (Select all that apply)	.750	-.185	.452
Do you research a product before purchasing it after seeing an influencer promote it?	-.075	.670	.679
How do you feel about sponsored posts and paid partnerships by influencers?	-.351	-.749	.322
Have you ever purchased a product or service because of an influencer's recommendation?	-.782	.238	-.158
What type of influencer marketing content influences you the most?	.602	.188	-.494

Rotated Component Matrix^a

	Component		
	1	2	3
What factors make you trust an influencer's recommendation? (Select all that apply)	.886	.000	.120
Do you research a product before purchasing it after seeing an influencer promote it?	.013	-.026	.956
How do you feel about sponsored posts and paid partnerships by influencers?	.057	.851	-.246
Have you ever purchased a product or service because of an influencer's recommendation?	-.809	.145	.132

What type of influencer marketing content influences you the most?	.257	-.701	-.290
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Interpretation

The study brings to light key factors that affect Gen Z's purchasing decisions in relation to influencer marketing. The sense of trust towards influencers comes with a high loading of 0.886, which illustrates that the claimed content and the influencer's image pay a vital role in whether the audience accepts the influencer's recommendations. This suggests that influencers who maintain openness and authenticity are more likely to use their audience.

Also, scepticism towards sponsorships – which came with a loading of 0.851 – shows that Gen Z consumers appear to be guarded towards such engagement. This leads to the conclusion that these kinds of influencers who adequately disclose sponsorships and honestly market products are more likely to be trusted by consumers.

In addition, research-oriented consumers have the highest factor loading of 0.956 which shows that a major part of Gen Z intentionally looks up information on products before purchasing them. This points out the need for influencer marketing to support claims with precise and reliable data. In conclusion, the results of the study show that there is some level of influence by the endorsers but it is dependent on the degree of openness and trust, as well as the research done by the consumers themselves.

3. Chi-Square Test: Trust vs. Age Group

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	45.625 ^a	39	.216
Likelihood Ratio	48.781	39	.136
Linear-by-Linear Association	.815	1	.367
N of Valid Cases	60		

Interpretation

The differences observed in the various age groups and their level of trust have no significant difference as seen from the chi square results above. A chi square value of 45.625 with 39 df calculated a p value of 0.216, and this is over the significance value of 0.05. Therefore, it can be concluded that variations in trust across different age groups is a matter of chance rather than statistically significant change.

Trust in social media influencers and influencers in particular, as to their authenticity, content clarity, and offered services seem to be agnostic in nature which leads to the conclusion that these trust factors are not confined to only a portion of the Gen Z age cohort. This supports the idea that influencer marketing needs to focus more on elements that create trust and not try to customize so rigidly around age.

4. Comparison Between Influencer and Traditional Marketing (Paired T-Test)

Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 Have you ever purchased a product or service because of an influencer's recommendation?	1.97	60	.901	.116
Do you think influencer marketing has a bigger impact than traditional advertising (TV, print, etc.)?	1.57	60	.647	.084

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Have you ever purchased a product or service because of an influencer's recommendation? & Do you think influencer marketing has a bigger impact than traditional advertising (TV, print, etc.)?	60	-.083	.527

Interpretation

From the findings, it is clear that Influencer Marketing scores higher than traditional marketing on average (1.97 vs. 1.57), however, the p-value of 0.527 suggests that this change is not significant enough to be validated. Due to the fact that the p-value is greater than 0.05, the data does not support the idea that influencer marketing is more effective than traditional marketing. Throughout the text, there appears to be an overarching implication that influencer marketing appears to sell more positively when compared to the participants but the difference is slight to the point where it could have happened by coincidence. Marketers seem to need to understand the fact that there is a clear difference in the utility of influencers and traditional marketing agencies, and that using both at the same time might be the correct answer to the search for satisfying Gen Z consumers.

CONCLUSION

This study confirms that the influencer marketing is significantly impacts the gen z consumers purchasing decisions the authenticity expertise and reliability are one of the major key drivers of trust in influencers. Comparatively to the traditional marketing the influencer marketing is much more engaging and persuasive for this digitally driven era since the consumers prefer more visually appealing and better content driven marketing.

There is no denying the growing popularity of influencer marketing in the contemporary and digital world. It has caused a paradigm shift in the marketing approaches used to win over the Gen Z consumers. They are more inclined to view social media as not just a means of entertainment but also an important source of information, recommendations, and purchasing decisions. This is especially since Gen Z are online natives and grew up with social media. To them, while traditional marketing seems impersonal and commercial, influencer marketing with its emphasis on authenticity, relatability, and trust is understood as an effective means of nailing the attention and buy-in of Gen Zs far better.

Another major characteristic of Gen Z is the expectation of genuine conversation and transparent communication in any engagement. They are unforgiving toward all forms of advertising, whether they be TV commercials or traditional print ads. Rather, Gen Z consumers are more inclined to interpreting endorsement messages of products on social media from real experiences shared by the creative influencers themselves than from direct messaging of the brands. This change in buying behaviour has urged brands to join hands with influencers who really are a reflection of what the brands are about, and so the talk has become that of organic, engaging campaigns rather than the artificiality and transaction-type personas of years gone by. Especially with micro-influencers, it is all about creating that bridge between brands and consumers with a more personal and interactive approach.

Nonetheless, alongside its triumph, the fame of influencer marketing may have its own setbacks and ethical controversies. Deceptive endorsements, insufficiency of clarity in sponsorships, and data privacy concerns would have all to be addressed for the sake of reinforcing trust among their consumers. Brands ought to emphasize long-term partnerships with credible influencers where mutual trusts are developed for: -the sake. Regulations and guidelines related to the revelation of paid partnerships are now being recognized as increasingly necessary to protect ethical practice regarding influencer marketing. Looking into the future, new trends like AI-assisted influencer analytics, virtual influencers, and hyper-personalized marketing strategies will help shape the future of influencer marketing among Gen Z consumers. Since Gen Z will keep dictating consumer trends and digital engagements, brands that will merge authentic storytelling with community-driven marketing and ethical partnerships will be poised for long-term success.

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