



# Rise of Social Media Influencer Marketing: An Analysis in Indian Perspective

**Dr. Pawan Kumar Maurya <sup>a</sup>, Rachana Singh <sup>b</sup>**

<sup>a</sup> Professor, Department of Commerce, Pt. DDU Govt. P.G. College Rajajipuram, Lucknow, Uttar Pradesh, India

<sup>b</sup> Research Scholar, Department of Commerce, University of Lucknow, Lucknow, Uttar Pradesh, India

## ABSTRACT

Social media and Social networking sites (SNSs) have significantly impacted how people receive information and news. Marketers are now focusing on consumer-oriented marketing strategies like product placement, affiliate advertising, content marketing, and influencer marketing to influence consumers and make maximum profit. Influencer marketing, which leverages key people's support, is an effective method for brands to build and engage with audiences on social media. Many global and Indian brands are using influencers for promotional purposes. By 2027, the industry's market value was projected to reach over 107 billion Indian rupees. The purpose of this research is to analyze the growth of influencer marketing in India and to explore different characteristics of social media influencers that impact consumer purchase decisions. The research is based on secondary sources, many researches from reputed journals have been analyzed to understand the concept of current research. According to the findings, social media users in India are increasing day by day which is positively affecting the growth of the Indian influencer marketing industry. There are many types of influencers but brands are mostly partnering with micro and nano influencers. The young population, cost-effectiveness, high return on investment, pandemic, internet accessibility, etc are contributing to the growth of influencer marketing.

Keywords: Influencer Marketing, Digital Marketing, India, Growth, Social Media, Consumer Purchase Decision

## 1. Introduction

Marketers adopt different marketing techniques to influence consumers, Influencer marketing is one of them. Today's consumers actively participate in the purchasing process, they do research about products before making purchase decisions. Digital platforms help them engage with brands and here they can check user generated content and reviews about particular products. The rise of digital marketing strategies, including content marketing, video marketing, social- media marketing have changed conventional consumer purchase patterns.

Influencer marketing is a strategy where brands work with selected influencers and these influencers create and promote branded content to the targeted audience. The content created by influencers is more relatable, authentic, real and direct than brand advertising. Influencer marketing is not a new concept, it is a new version of celebrity endorsement where marketers use celebrities for promotional purposes. Due to the high cost of celebrity endorsement, most brands were not able to employ them. Now companies are more focusing on those social media influencers who have a particular audience and who are not associated with any sports or film industry.

The influencer marketing industry is growing all over the world, developed as well as developing economies are benefitting from this. Some factors like growing social media importance, consumer engagement, and brands genuine engagement with audiences are responsible for influencers' popularity. According to Statista, with rise of niche communities branding strategies are changed and now these are more impactful, engaging and trustworthy (Statista). According to estimates, the global influencer marketing industry will grow to 33 billion US dollars in 2025. Instagram is the leading platform in terms of popularity and the market of Instagram is expected to reach over 22 billion US dollars in 2025 (Statista, 2025).

Many Indian brands are using influencer marketing as marketing strategy, including companies like Nykaa, Mamaearth, Zomato, Myntra, Swiggy, Airtel, Flipkart and Forest Essentials, etc. Some popular influencer marketing campaigns include, Pepsi's "#SalaamNamasteKaroSwagSe," Allen Solly's "#ShootForSolly," and Baggit's "#PlayTheLifeGame" (Google).

## 2. Literature Review

Angraini (2023) in his research explored the importance of influencer marketing. The study points out that it helps in spreading brand awareness and increase brand value. Brands can use this promotional strategy for attracting new customers and building trustful relationship. Mainly there are three types of influencers- micro, macro and mega influencers, brands can choose them according to their need. According to the findings celebrity influencers are more impactful than any other influencers.

**Vyas (2023)** highlighted the scope of influencer marketing, according to the research there are many industries which are utilizing influencers for marketing their brands. After COVID-19 people are spending more time on digital platforms which has led to the growth of social media.

Fashion industry is the top industry which is using influencer marketing and generating sales. Technology, Health, Lifestyle, Travel and Food industry are also using this marketing style successfully. This strategy offers a greater return on investment compared to traditional advertising. Influencer marketing provides some other benefits also including high engagement rate, cost-effective, large audience reach, etc.

**Rathod (2022)**, discussed the concept of influencer marketing in the research. The study was descriptive and based on secondary data. In influencer marketing, marketers use influencers to reach targeted audience through word of mouth. Restaurants, fashion brands, smartphone brands, etc use influencers. Influencers help marketers in finding potential customers and build buzz about brands. it also helpful in e-commerce business, promote Business to Business services and Business to Customer services by making branded content.

**Nidamarthy et al., (2020)** the research is focused on the impact of influencer marketing, trust, product review, opinion, and likely purchase factors were used for the study. As per the study different age groups have shown positive research however young graduates are mostly influenced by these above mentioned factors. Along with driving sales and revenue through influencer marketing, marketers need to focus on reaching customers with large purchasing power and shaping their buying behaviours.

**Wielki, J. (2020)** explored the importance of digital influencers and their influence on promotional system. The increasing use of digital media and increasing expenditure on online promotional activities has led to a decrease in the effectiveness of these activities. As a result, organizations are exploring alternative methods of influencing consumers, such as influencer marketing. A literature analysis and questionnaire survey revealed potential for effective information transmission, increased brand awareness, and increased sales. The study also identified threats to influencer marketing's future development.

**Siddiqui et al. (2021)** explored the credibility of e-WOM in his research article, in this digital world electronic word of mouth is an effective communication style. It depends mainly on four factors which include trust, content quality, engagement rate, and recommendations. The most crucial factor in consumer purchase decisions is recommendation, with high involvement on social networking sites influencing trust. Brand image and e-WOM credibility are highly correlated, and engaging content increases involvement and recommendation.

**Dimitrieska and Efremova (2021)** studied the effectiveness of social media influencer marketing, influencer marketing generates higher return on investment compared to any other digital marketing technique. Influencer marketing industry is projected to reach \$13.8 billion by 2021, and consumers believe in influencers and buy products and services they promote and advertise. Micro-influencers having a greater impact on buying decision specifically for Generation Z audiences. Finding suggests that marketers will invest in long-term relationships with influencers, as they increase credibility for the product or service they are marketing.

**Vidani (2019)** explored the concept of influencer marketing, according to the study consumers are using digital platforms for buying products and services and it is important for marketers to use effective marketing techniques to influence the customers. Influencer marketing is a new approach that focuses on influencing people rather than the target market, building trust between influencers and readers. Social media platforms like Facebook, Twitter, and YouTube allow consumers to share reviews about products and companies, leading to the need for companies to generate positive customer experiences. Influencer marketing can increase online purchases through ecommerce sites, company websites, and social media platforms.

**Adnan et al. (2018)** analyzed the relationship between celebrity endorsement and consumer purchase intention. According to the findings Celebrities significantly influence society's consumption and lifestyle, making them crucial for brand advertisers. They enhance brand recall and equity due to their positive impact on consumer mindset. Brands can use them in various forms of advertising like- T.V., social media, print media, etc. There is a positive association between celebrity endorsement and consumer purchase intention and their buying intention heavily influenced by celebrities' recommendations.

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### 3. Objectives of the study

Research is based on following objectives-

- To understand the influence of Social media influencers on Consumer purchase decisions
- To analyze the growth of influencer marketing in India
- To study the factors responsible for the growth of influencer marketing

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### 4. Methodology of the study

The descriptive research approach has been used to conduct the study. The study is done by using secondary data. The information is gathered from various sources like- books, websites, internet, research papers, articles, blogs, statistical data and reports. Search items including "influencer marketing", "digital marketing", "social media", "India", "marketing", "internet" were used to find the relevant researches. The current study aims to explore and analyze the growth and relevance of influencer marketing in Indian context.

## 5. Analysis and Discussion

### 5.1 Social Media Influencers and Consumer Purchase Decisions

A consumer goes through different stages while making purchase decisions, these stages include need recognition, information search, appraisal of alternatives, buying decisions and post purchase behaviour (Kotler & Armstrong, 2010). Consumers search both internal (past experiences, preferences) and external sources (reviews, social networks, and expert opinions) for information, and their opinions often evolve based on the specific consumer and purchase circumstances. Social networks, opinion leaders, internet reviews, blogs, and family and friends all impact purchase decisions. Here digital marketing techniques like Search Engine Optimization, Content marketing, Influencer marketing, etc. play are crucial. On the basis of number of followers, social media can categorized into three types- micro, macro and mega influencers, they create content for their followers and make money from them. Consumers are more interested in the life of celebrities so if marketers use celebrity influencers than it will more impactful. Influencers are affordable, relatable, increase brand revenue and enhance the effectiveness of electronic word-of-mouth (Angraini, 2023).

Influencer marketing is like the act of an external person influencing consumers' buying choices through digital media. Influencers have a huge of following and they are considered reliable and trusted sources among their followers. They create two-way brand communication across platforms like Facebook, YouTube, and Instagram, influencing followers towards specific brands. Marketers use influencers to engage with consumers who usually skip or avoid advertisements (Chopra et al., 2020).

Various industries- Fashion, Travel, Food and Beverages, Lifestyle, Electronics, etc. are using the power of social media influencers in targeting the potential customers (Vyas, 2023). Siddiqui et al. in their research identified four characteristics that create a positive brand image and influence consumer purchase intention, these characteristics are- high involvement, trust, recommendation, and content (Siddiqui et al., 2021). Influencers can help build relationships between brands and customers. Selecting the right influencer for the right product is very necessary. Consumers are impacted by influencers' material on four levels: preference, subject matter expertise, brand awareness, and brand favoritism (Chopra et al., 2020)

Social media influencers are opinion leaders and their views impact consumer attitude and purchase decisions. Content quality plays a big role in influencing consumers. Lou and Yuan pointed out that some factors like similarity, trust, attractiveness, and source credibility help in developing brand recognition (Lou and Yuan, 2019). Social presence plays a major role in influencers' credibility, it helps in increasing perception of trustworthiness and positive attitude of followers. This is attributed to the perceived authenticity and relatability of influencers, who engage audiences through interactive and personal content. There is a significant impact of micro-celebrities in shaping consumer behaviour (Jin et al., 2019).

On the basis of above mentioned researches, it can be said that consumer's purchase decisions are influenced by social media influencers. Some major factors like source credibility, trust, content quality, authenticity, similarity, high involvement plays vital role in shaping consumer choice and attitude and impact their purchasing decisions.

### 5.2 Growth of Influencer Marketing in India

Traditional forms of communication have undergone a fundamental transformation due to the rapid growth of online social networks. Consumer needs and behaviour have evolved and businesses are required to adopt new marketing strategies to remain relevant and competitive. Influencer marketing is one of the most popular digital marketing techniques across the world. In India, many brands are using social media influencers for marketing purposes. According to Influencer Marketing Hub, around 91% of marketers consider influencer marketing as an effective media of marketing and 89% reported that it provides a better return on investment (Influencer Marketing Hub, 2021)

The growth of the internet and social media users is directly linked to the popularity of social media influencer marketing. Around 1120 million mobile connections are active in India which means 76.6% population has mobile accessibility. 806 million people in India use the internet out of that 491 million people are regular users of social media which represents 33.7% of the country's total population. Social media's increasing power highlights the necessity for companies to match their marketing plans, especially influencer marketing, with channels that encourage peer interaction and content sharing. (Digital in India — DataReportal – Global Digital Insights, 2025)

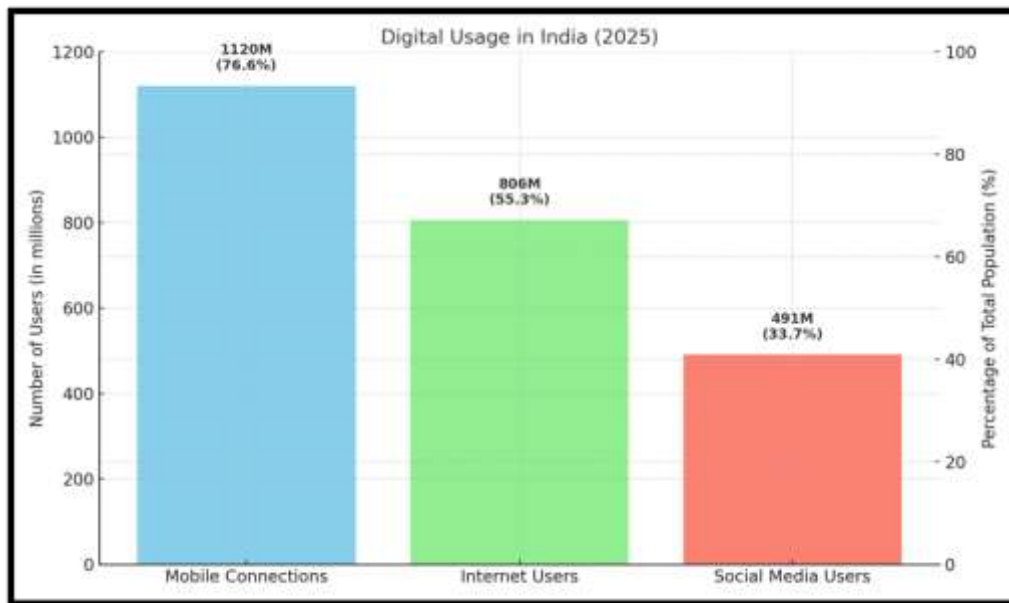


FIGURE 1: Digital Usage in India (2025) , SOURCE: [www.datareportal.com](http://www.datareportal.com)

Affordable smart-phones, high rate of internet penetration, excessive use of social media platforms, etc influence the customers' interaction with brands. Many brands are using influencer marketing to influence purchase decisions, according to a survey around 59% of respondents were more likely to try a product suggested by their favorite influencers. Subsequently, 52% of respondents admitted that they bought products based on influencers' recommendations (Statista). Influencers use different social media platforms for promoting brands, in 2024 Instagram was the most popular platform followed by YouTube.

In India, the influencer marketing industry is growing at a fast pace, in 2024 the estimated value was 55 billion Indian rupees. The market was predicted to develop at a compound annual growth rate of 25 percent until 2026, representing a 20 percent rise over the previous year. By 2027, the industry's market value was projected to reach over 107 billion Indian rupees (Statista).

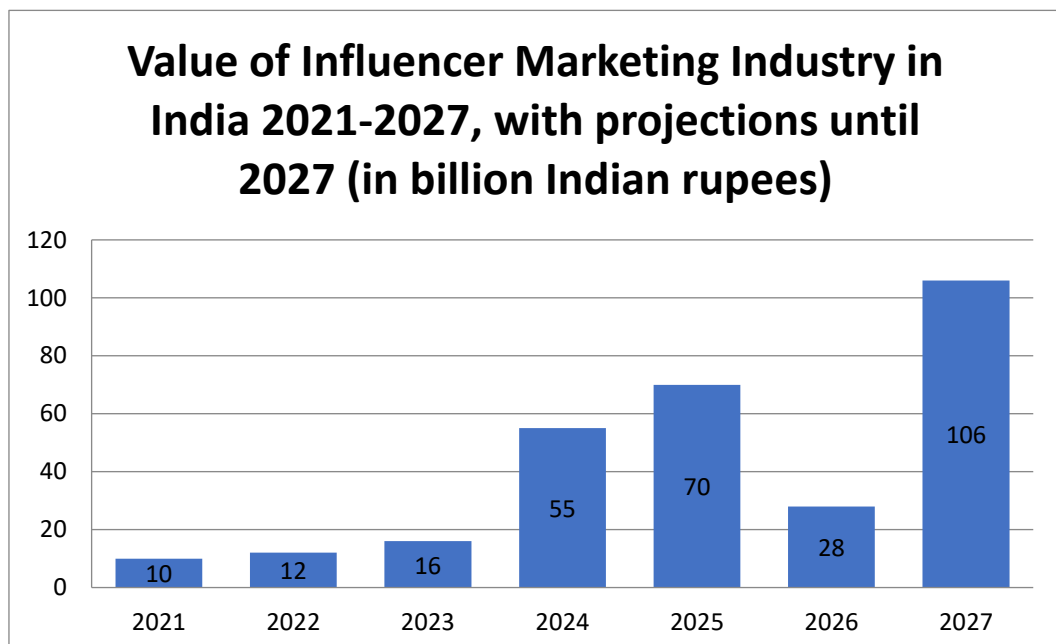


FIGURE 2: Value of Influencer Marketing Industry in India 2021-2027, with projections until 2027 (in billion Indian rupees), SOURCE: [www.statista.com](http://www.statista.com)

### 5.3 Factor Responsible for Growth of Influencer Marketing in India

In India, a large portion of the population is youthful, tech-savvy, and active on social media, which makes them an ideal target market for influencer marketing. Influencer marketing has revolutionized digital marketing and reshaped the word-of-mouth marketing strategies. It is beneficial for both brands and influencers and helps in increasing brand awareness and consumer trust. A strong influencer marketing approach is essential for brands seeking to boost their online presence. Factors responsible for the growth of influencer marketing are as follows

- **Growth of Social Media-** Influencers use social media platforms to reach the targeted audience. People search everything on social media before making any decisions whether it is about brands, advice, travel places, education, jobs, etc. Basically, they are always available on social media so brands can easily interact with them. In India, there are many social media platforms are running currently like- Facebook, Instagram, YouTube, Pinterest, Snapchat, etc. and brands can select them according to their goals and budget.
- **Youthful population-** The Indian market is influenced by its demographics, cultural nuances, and social media ecosystem. With a youthful population, 65% of the population is below the age of 35, India's digital platforms make it a key audience for influencer marketing. Culturally, India's diverse traditions and values resonate deeply with consumers. Brands must consider local cultural nuances when selecting influencers. Social media has transformed Indian consumers' purchasing behaviors, emphasizing authenticity and relatability.
- **Limited Reach of Traditional Marketing-** Traditional marketing uses conventional methods of advertising including billboards, ads in newspapers, television, radio, handouts, etc. These are basically one-way communication and there is a lack of engagement so it is difficult to target specific segments. Due to the low impact and limited reach of traditional marketing marketers are employing digital marketing techniques.
- **High-engagement rate-** Influencer marketing is a strategic tool for brands to boost brand awareness and engagement. Influencers build authentic connections with their followers, enhancing credibility and effectiveness. By partnering with influencers aligned with brand values and demographics, brands can extend their reach beyond traditional advertising channels. Brands may engage with specialised audiences, spread messages, and increase sales, trust, and awareness by utilising influencers' impact.
- **Rise of Micro and Nano Influencers-** Micro (10k-50k followers) and Nano (1k-10k followers) are more effective than Mega influencers. Nowadays many successful brands work with these influencers, they are cost effective and they have a targeted audience. The engagement rate is higher than Mega and Celebrity influencers.
- **Growth of E-Commerce-** Influencers are a key driver of sales for Direct-to-Consumer (D2C) brands in India through strategies like affiliate marketing, product reviews, and brand collaborations. They also build trust and credibility by sharing personal experiences, and influencing purchasing decisions. Instagram Shopping allows influencers to tag products directly in posts, streamlining the shopping experience. YouTube Shorts provides a platform for influencers to create engaging short-form content, capturing consumer attention and driving sales.
- **Impact of Pandemic-** The COVID-19 pandemic has significantly accelerated the growth of influencer marketing in India, transforming it into a vital channel for brands and content creators. The surge in digital consumption, the emergence of new influencers, and the shift in brand marketing strategies were all influenced by the pandemic. Consumers turned to digital platforms for entertainment, information, and shopping, leading to increased screen time and online engagement. Influencer marketing emerged as a cost-effective and impactful alternative, allowing brands to maintain visibility and authentically connect with consumers.

## 6. Conclusion

The rise of social media in India is reshaping digital communication and marketing, highlighting the importance of influencer marketing on social media platforms that drive peer engagement and content sharing. Continuous digital transformation has changed the interaction between consumer brand and their purchase behaviour. On the basis of relevant researches, social media influencers significantly impact consumer purchase decisions. Source credibility, similarity, content quality, authenticity, attractiveness, etc play a crucial role in forming consumer attitudes and behaviour. The influencer marketing industry is in a growing stage in India, its growth is directly related to increased social media users and internet usage. Overall in the future, more and more Indian marketers will adopt this marketing style for communicating brand messages and attracting new customers.

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