A STUDY ON IMPACT OF SOCIAL MEDIA INFLUENCERS’ ENDORSEMENTS ON THE BUYING BEHAVIOUR OF GEN Z, FOR LIFESTYLE AND ELECTRONICS PRODUCT CATEGORY WITH SPECIAL REFERENCE TO PUNE CITY

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ABSTRACT

Today most businesses are consumer centric in their approach and prefer digital marketing and social media marketing. Advertising on social media is done in a very subtle manner, almost at a subconscious level and influencers are a good example of that. This type of advertising has along lasting impact on the public. If done right, it is interactive, engaging and forms a connection rather than only appealing to the rational side of the consumer. Pune city has one of the largest youth populations in India with 2nd highest density of universities, being an IT hub, and other factors. Lifestyle and electronic industries play a massive role in the buying behaviour of this youth. Lifestyle is good at creating visuals with the help of influencers for food, fitness, organic, products, etc. and is the latest trend. Electronics appeal to the tech-oriented youth and are commonly advertised by almost all influencers on various platforms.

This research paper aims to connect all these factors together with the help of primary and secondary data. The objective is to analyze the link between the average consumer’s trust in influencers and the resulting consumer behaviour of the youth of Pune in the age group of 15-25. Primary data will be collected through a structured questionnaire. The observations will be studied and presented in the form of findings.

Keywords: Social media, Youth, Consumer behaviour, Lifestyle, Electronics, Influencers.
Introduction

Social media has changed the advertising game forever and in a big way. The growth of social media users is rapid— in 2020, 3.6 billion people were using social media worldwide in 2020. Of these, India contributes a significant number. With 25-30 million users increasing per year, there are approximately 400 million social media users in India as of January 2021. These figures can be viewed in different ways, but make one thing clear— there is tremendous potential for social media marketing in India. The youth of today is very well versed with technology, have less of an attention span and don’t want to be force fed advertisements. Companies want a win-win situation for them and the consumer. Today most businesses are also consumer centric in their approach, and most advertising has been changed from ‘in your face’ advertisements to more discreet ones. Influencers are range of third parties who have capacity to shape the minds of consumers but never take the responsibility of the decision. Their expertise, knowledge, popularity are few of the antecedents of their success. They are always considered as expertise in their Niche and they have their special social medial following. They are organic as well as sponsored. People believe in influencers more than traditional advertise from company. Influencers create their own content and they always provide guidance to followers about the usage of product

The research aims to study the role of influencers in the consumer behaviour of gen z in an urban setting like Pune city. It will evaluate the depth of the connection between influencers and the general audience and has the objective of analyzing the conversion rate possible through this marketing method.

We selected Pune city for study. Pune has undergone massive changes, from being known as the Pensioner’s city, to becoming one of the fastest growing cities in India. It has also ranked as one of the most livable cities in India. All of this plays a major role in the demographics of the city. It has one of the largest youth populations in the country.

Lifestyle and electronic industries play a massive role in the buying behaviour of the youth. These are the two industries most youth spend their money on. Lifestyle is good at creating visuals with the help of influencers for food, fitness, organic products, etc. Electronics are commonly advertised by almost all influencers on various platforms

Literature review

The research consists of the concepts of consumer buying Behaviour and influence of social media influencers. In literature review the researcher will try to focus and analyse both aspects. Consumer buying Behaviour speaks about the study of Behaviour of consumer regarding what they buy, how they buy, when and where
they buy- hence both quantitative and qualitative decisions behind a purchase. This study is extremely important for understanding respective consumer base and selling the product/service to them. It is the foundation of any marketing strategy. Consumer buying Behaviour is a process which involves steps like need recognition, information search, and evaluation of alternatives, selection, pre-purchase planning, purchase, and post-purchase Behaviour. Factors such as personal, social, cultural, and psychological have the capacity to influence the process at any stage of the aforementioned process. Duangruthai Voramontri in his research mentioned that Social media can intervene in buying decisions at the phases of the information search, alternative evaluation, and purchase decision from the classic model. His research focuses on the extent up to decisions are altered by the use of social media. Investigation interprets that social media habits impact satisfaction of consumer in the information search and evaluation of alternatives phase, with satisfaction getting better as the consumer moves along the course towards the final purchase decision and post-purchase evaluation.

Social media can be divided into major types like social networking sites, social news, media sharing, blogs, and micro blogging. Social Media marketing is a term that can be described as the utilization of social media platforms as marketing tools. Over the years, social media has grown to an interconnected grid with content being transferrable across multiple platforms. With this there has been a growth in the types of utility and ease in marketing too.

According to studies by McKinsey & Company in India, the power of digital influencers can be truly significant. According to their results, 80% of consumers will consider a new brand based on the recommendation of a key influencer. There are crores of products that are being advertised daily, with just as many influencers behind each product. They work continuously to build a relationship with their followers with multiple levels of engagement in mind: trust – building, awareness on their respective category, and advertising.

Hide A and et al has mentioned that a fit between the engagement dimensions of a platform and its embedded advertising is more likely to translate into advertising that caters to consumers’ needs when experiencing a certain platform, at least if an ad is not ignored or avoided. For example, Instagram creates a creative visual outlet for users; hence the advertising must be visually appealing and engaging for it to create an impression. On the other hand, Twitter is meant to be more of an informative platform.

Janusz Wielki (2020) in their research on Gen Z mentions that in terms of the factor determining the effectiveness of digital influencers’ actions, the most important aspect turned out to be trust in a particular person as an authority,
the credibility of the message communicated and the link between the message and a specific person. McKinsey mentioned in their research that Gen Z value on-line communities because they allow people of different economic circumstances to connect and mobilize around causes and interests. This can be interpreted as even with Gen Z being diverse in terms of ethnicity, gender, and purchasing power, they are unified in the sense of following an influencer based on reliability and the quality of connection formed. Influencer marketing can hence be applied to a wide demographic.

Lifestyle industry is rapidly growing in India, with a growing awareness of making better choices towards improving the quality of life. The electronics industry is one of the fastest growing across the world, set to reach US$ 7.3 trillion by 2025. The Indian market is expected to be second only to China’s [Manik Abbott, 2020].

Research Methodology

The research is a descriptive research as it analyses the existing facts. In this research, consumer Behaviour is a dependent variable and impact of social media influencers is the independent variable.

Influences is measured in forms of intent to buy, buying decisions, frequency of buying, trust towards influencers and.

The research conducted is quantitative and descriptive. Both primary and secondary data has been used by the researcher. Secondary data has been collected from magazines, white books of marketing, websites and other research papers. Primary data has been collected through a structured questionnaire, the sampling is done from youth aged 14-25 from Pune city. Sample size of the data is 156. Convenience sampling method is used for collecting samples.

The collected data is edited and coded in MS-Excel. Differential statistic is used for understanding the data. Data analysis is done to prove the hypothesis with the help of Chi-Square test as a test of independence. Observations are presented as findings.

Objectives

1. To understand the impact of Social Media Influencers and their endorsements on the consumer’s intention to buy.
2. To understand the level of trust gen Z of different gender has on social media influencers.
3. To study which category of social media influencers have the maximum audience.

Analysis

Overall data is collected from 157 samples was coded and edited in MS Excel. The data was tabulated in to frequency tables. Descriptive statistics is used to understand the different dimensions of the data. Inferential
statistics like Chi2 Test is performed for testing hypothesis.

The total sample size is of 157 out of which 69 were males while 88 are females. The sample size consists of youth between the age of 15-25 which is again categorized in to three age groups. Close to 90% the respondents are between the age of 18-25. The majority of respondents are students. Among the sample size of 157, only two respondents said that they don’t use social media. It itself talks about the immense reach that social media has into the lives of youth at current time.

The data shows the popularity that Youtube, WhatsApp and Instagram have in youth. This also supports the fact that most of the social media influencers are often active over Instagram and Youtube as it provides them better reach. Nearly 3/4th of respondents follow celebrities or social media influencers on social media. From data it is clear that average number of influencers followed is 5. Nearly 20 % samples follow more than 10 influencers.

![Diagram 1: Most used social media platforms.](image1)

![Diagram 2: Most followed category of social media influencers.](image2)
The data collected from the survey suggests that most of the youth follows fitness related social media influencers. With the growing awareness about organic products and organic living, the influencers in these segments also enjoy a large follower base. Close to 50% people also agree to checking out technology related social media influencers as and when the need arises.

Majority of the respondents agreed that they come across product advertisements by influencers in their use of social media. It shows the amount of advertisements and endorsements that are currently done and the penetration of social media advertisement along with mainstream media. Small and new emerging brands have been concentrating on social media influencers’ brand to gain new customers. But while the occurrence of advertisements and endorsements is more, people actually considering or buying the products still stays very low. The following diagram shows the percentage of people who actually check out the product or the service.

Diagram 3: Occurrence of advertisements or endorsements by social media influencers

Diagram 4: Percentage of respondents who actually check out the product/service promoted by the social media influencer

The diagram suggests that less than half of the total respondents do actually check the product or service out. The percentage of people who actually buy the products or service is even lesser which stands at less than 40% of the total sample size. Only
11% respondent buy the products most of the times.

While measuring the trust over the influencers promoting the product, majority of sample was selective and would trust the product only if it was promoted by an influencer of the same field. Almost 3/4th of the sample size accepted the fact that they would verify the prices, reviews and some other aspects before buying any product recommended or promoted by social media influencers.

Diagram 5: Consideration of a brand which is promoted by a social media influencer but is relatively new or smaller.

While considering the newer or smaller brands, majority of the sample size believed that they would consider buying the product even if it was from a newer brand or a smaller company. It can support the fact of mesmerising growth of some newer brands like Boat, Mamaearth, Groww or Mivi who have made a mark in their respective industries only by using social media influencers’ for marketing.

Along with promotions and endorsements, there are many social media reviewers in a particular field who review and give their opinions about the products or the services that are in the market. Such social media reviewers get to enjoy more trust than the ones promoting the products for sponsorship purposes. With close to eighty percent people trusting reviews more than endorsements or promotions.

Diagram 6: Trust over reviews which are not sponsored.
Hypothesis
1. Impact of Social Media Influencer on consumer's intent to purchase is dependent on gender.
2. Impact of Social Media Influencer on consumer buying behaviour is dependent on gender.

Hypothesis testing
To test the hypothesis, Chi2 test of independence is used. Expected observation is calculated from the actual observation.

For calculation of chi value,
Chi Value = Σ(Actual Observation-Expected Observation)2

Testing of Hypothesis 1:
H0 = Impact of Social Media Influencer on consumer's intent to purchase is independent on gender.
H1 = Impact of Social Media Influencer on consumer's intent to purchase is dependent on gender.

Actual Observations

<table>
<thead>
<tr>
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<th>Males</th>
<th>Females</th>
<th>Total</th>
<th>Percentage</th>
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<tbody>
<tr>
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<td>22</td>
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<tr>
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<td>29</td>
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<td>32.48</td>
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<td>44</td>
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Total 69 88 157 100

Expected Observation

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<tbody>
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<td>12.33121019</td>
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<tr>
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<tr>
<td>Never</td>
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X2 Statistics (P Value) = 0.409
As the significance value is greater than 0.05 we accept the null hypothesis and reject the alternate hypothesis. It indicates that impact of influencers on consumer's intent to purchase is independent of gender. Null hypothesis does hold good which means two attributes are not associated and the association is just because of a chance.

Testing of Hypothesis 2
H0 = Impact of Social Media Influencer on consumer buying behaviour is independent on gender.
H1 = Impact of Social Media Influencer on consumer buying behavior is dependent on gender.

Actual observations

<table>
<thead>
<tr>
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<th>Males</th>
<th>Females</th>
<th>Total</th>
<th>Percentage</th>
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<td>69</td>
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Total 69 88 157 100

Expected Observation

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X2 Statistics (P Value) = 0.17565909
As the significance value is greater than 0.05 we accept the null hypothesis and reject the alternate hypothesis. It indicates that impact
of influencers on consumer buying behaviour is independent of gender. Null hypothesis does hold good which means two attributes are not associated and the association is just because of a chance.

Findings

The penetration of usage of social media influencers and their brand image for promotion of products and services is deep and almost all types of influencers tend to promote some brand or another in their interaction with audience, which may be in form of a video or a post or anything of that kind. Though the appearance of social media marketing is growing, the actual amount of people considering or buying the promoted products stays low. The sample tends to trust reviews conducted by reviewers which are not sponsored over the endorsements and promotions of social media influencers.

Limitations and future Scope

Study was conducted on samples from Pune only so cannot be generalized. Most of the respondents are students. Buying capacity may also work as a mediator in this process which cannot be studied in this research. As impact of social media and influencer strategies is increasing the study can be extended in terms of few more product categories. Also the study of relationship between antecedents of influencer and the impact can be studied in detail.

Conclusion

Social media is becoming most influencing tools for the marketing strategies for companies. Data shows that influencer marketing gives better reach than traditional marketing tools. Most of the Gen Z customers follow social media and they also follow the different influencers. Both the hypothesis verified says that influencers are impactful in male as well as female to shape their minds to buy the products. Influencer’s endorsement makes positive attitude towards brand which will lead towards purchase intention of consumer. Knowledge, popularity and fan following are few of the indicators which decides the impact of Influencer. Research concludes that for reaching to Gen Z influencers can be utilized effectively. This is the cost effective opportunity for the marketers for effective results.
References


