

ACCEPTANCE OF ARTIFICIAL INTELLIGENCE INFLUENCER  
IN CONSUMER PURCHASE INTENTION

by

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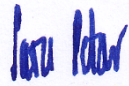
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## **Dedication**

I sincerely dedicate this dissertation to my grandparents for showering their blessings on me and guiding me in every step of my life.

## **Acknowledgements**

I sincerely acknowledge and give my warmest thanks to my Supervisor **Dr. Kishore Kunal** for his continuous guidance and support during the period of my researchwork. His guidance and advice through all the research helped me accomplish this researchwork. Without his valuable and timely help with critical observations in my research, thisresearch work would probably have not been completed in the present form.

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**(Arun Prasad Rathnakaran)**

## ABSTRACT

### ACCEPTANCE OF ARTIFICIAL INTELLIGENCE INFLUENCER IN CONSUMER PURCHASE INTENTION

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2023

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Influence is something that is as old as humans. We are always under the influence of something or someone. In the same lines, the concept of influencer marketing has been on the rise among the consumers in the recent past. Marketing has seen a new phase of growth with influencers posting content in social media. These influencers are followed by thousands to a million followers and even more at times. These make the brands consider these influencers to be potential advocates of their brands. Today, with the rise of Artificial Intelligence across the globe, the combination of Artificial Intelligence and Influencer Marketing has led to “Artificial Intelligence Influencer” creating disruptions in the industry.

AI Influencers are the order of the day for marketers with the rapid growth of technology. This has come as a game changer in the influencer industry. AI Influencers prove to be more effective than the human counterparts. They have been able to generate content, provide personalized posts to consumers, create positive experiences and

customer engagement across various social media platforms. The AI Influencers have been on the limelight since their introduction. They play a very critical role in bringing the brands and consumers together. This gives us the required space and motivation to study how these AI Influencers are being perceived by the consumers. It also explores the impact of these AI influencers towards customers' purchase intention.

On reviewing related literatures, it is understood that there is scope for research in the AI Influencer space. This research attempts to empirically identify the factors that persuade Indian consumers towards AI Influencers in their purchase intention. It uses judgmental sampling and descriptive research in the study. The complete model was validated using Structural Equation Model. This research exhibits the theoretical and managerial implications and acceptance of AI Influencers towards customer purchase intentions. The study reveals there are no differences in how personalization is seen indicating that both human & AI influencers are equally capable of tailoring content.

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## **CHAPTER I:**

### **INTRODUCTION**

#### **1.1 RESEARCH BACKGROUND**

Marketing is not just an activity to reach prospective customers through an advertisement to promote any product or service or idea or experience at a specific location and price. It has expanded beyond imaginable boundaries. Between the 1970s and 1990s, generating buzz and conversation among individuals required using print media, such as newspapers or brochures, as opposed to electronic media, such as radio or television. Social media platforms entered the digital or virtual era today with the development and increased usage of the internet.

The role of marketing has always been to "influence" the audience in order to accomplish its objectives, which may be to raise awareness, generate leads, boost sales, or remind its target audience to promote or support the specific brand. The lifestyle of today's generation has impacted the way marketing is done. Consumers today are highly influenced by the online culture. The COVID-19 effect has had a long-lasting impact on how customers prioritize their decision making.

Online has gained considerable traction among consumers across the globe post pandemic. Moreover, this gives customers the comfort of shopping from home, convenience of time with no restrictions on working hours, choice of a wide variety of products etc., Technology has become so user friendly that, we are now considering them as fellow humans in the form of Artificial Intelligence. Online shopping portals make use of chatbots in their websites to address queries of consumers today. The browsing history of every consumer is used by the marketers to remind or recommend or suggest products and services on their re-visit to the websites again.

The amount of time spent online by consumers today are considerably high. This forces marketers to keep customers interested every time they interact with them online, whether they are surfing, looking for information, using social media, or using any other platform, etc. Consumers today have observed the transition from traditional word-of-mouth to technology word-of-mouth. They search for ratings and reviews online before they make a purchase decision. This has undergone a paradigm shift as a result of technological advancement. Previously, conventional word of mouth occurred among family members, friends, and coworkers who we knew and trusted. Later, this gradually shifted to sharing reviews about products and services and rating them which is made available publicly. Customers usually consider these as feedback in the current scenario. Further, this also included celebrities endorsing products as brand ambassadors. With the increase in the internet access and awareness of mobile applications, customers started making videos on platforms like YouTube and Instagram to sell and seek opinions from fellow customers who may be considered as smaller celebrities in their location who were famous and have a decent number of followers for their content delivery. Online influencers and social media influencers became more popular as a result.

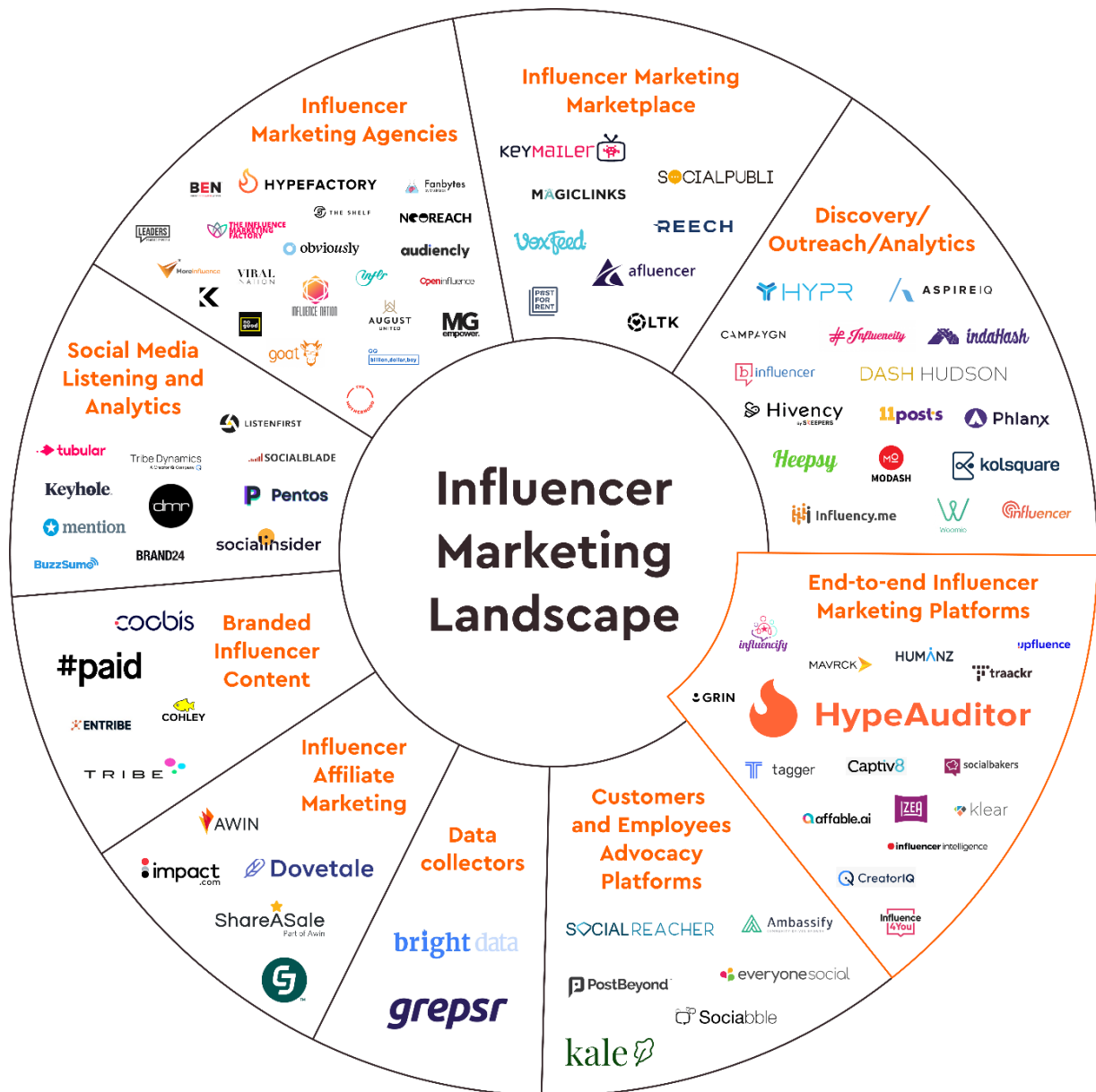
### **1.1.1 INFLUENCER MARKETING – AN OVERVIEW**

The American Marketing Association defines influencer marketing as a type of advertising that centres on leveraging people who can sway potential clients and planning events around them in order to communicate a brand's message to a larger audience. A brand's products or services are promoted by an influencer on a range of social media platforms, such as Facebook, Instagram, YouTube, and LinkedIn. Influencer marketing, in contrast to celebrity endorsements, entails more than just collaborating with a well-known celebrity to advocate a product. Influencers must be dependable, well-liked members of a certain group with a significant fan base. They frequently possess more expertise in or

experience with the product they are advocating. By doing this, a business encourages or pays such influencers—who could be famous people, creators of content, advocates of its patrons, or even employees—to spread the word about it.

Influencers work on their own content and gather inputs from the company's available content as well. Influencers can promote a brand's message in a way that suits the brand's preferences and that is distinctively their own. They also make sure that the message is easily comprehended. This encourages authenticity while also assisting in connecting and reaching to respective target audience. The extent of an influencer's popularity, in addition to the platform they use, along with the follower base are usually used to determine their compensation. Scheduled television commercials were the only kind of mass media that people could access before technological advances, and they were one of the primary methods that advertisers spread the word about their brands to the general public. Thanks to the expansion of internet access and the widespread use of social media platforms like Instagram, Facebook, and YouTube, customers have unlimited access to information nowadays. Brands are consequently in a pickle. The fact that their target audience is spread over so many platforms and media is making it harder to contact them.

The Influencer Marketing space also has a dark side wherein it is found that there are instances of fraudulent influencer marketing that is costing the brands a huge sum of money. The University of Baltimore professor Roberto Cavazos and cybersecurity firm Cheq estimate that false followers cost brands \$1.3 billion annually.



**Fig. 1.1 Influencer Marketing Landscape**

Influencer marketing is something we are continually exposed to as a result of digitalization, whether we are aware of it or not. Influencer marketing is an intriguing phenomenon that has the potential to be an extremely powerful marketing tool (Perrey et al., 2013). Many businesses now employ influencer marketing to stand out from the sea of competing commercials because it is getting harder for them to do so (Newman, 2015). Businesses have to select and pay online influencers to promote their products on social media. Influencer marketing is the term used for this. As influencer marketing becomes increasingly popular, a

company's ability to manage its finances effectively by selecting the right influencers and crafting each post to maximise engagement elasticity that might determine its competitive advantages. Since there are now 1300 commercial stimuli available to us, compared to 170 in 1980, advertisers are contending for customers' limited attention. Traditional media is losing influence, while digital media is gaining ground. As a result of digitization, consumers are becoming more informed media consumers and wary of marketing messages (Perrey et al., 2013).

Influencer marketing can be carried out in a variety of ways and across a wide range of media. Bloggers in particular have grown to be important influencers because they are trusted and have committed audiences. When a blogger or other influential person recommends a product, it seems more reliable than when conventional promotion is utilised. (2012) ([www.marketing-schools.org](http://www.marketing-schools.org)). According to Fashionista.com editor Brannigan, you no longer need a blog to be a successful influencer; instead, all you need is a substantial Instagram following.

Influencers produce and publish ad-supported content on their own accounts, avoiding ad blockers and possibly appearing in thousands of social media feeds, whether they are celebrities or teenagers. There is no ad blocker for influencers like there is for traditional commercials, however followers can unfollow or ban certain influencers. Influencers are seen by marketers as more than just a way to get around ad blockers. Since customers have always had the option to ignore, skip, or completely avoid marketing, they see influencers as a method to connect with a new generation of consumers.

From the perspective of a marketer, blogs are no longer as essential for bloggers as they once were. The need for a blog is superfluous; having a creative, skillfully managed Instagram presence is more important. 2016 (Brannigan). According to Technorati Media's



2013 Digital Influence report, influencer-based marketing is used by 65% of organizations, and hiring bloggers for this reason is a well-liked and effective tactic. According to the same report, 86% of influencers are bloggers. 2013 (Technorati).

According to Brown and Hayes, an influencer is a third person that "significantly alters the buyer's purchase choice but cannot be held responsible for it." Page 50 of the 2008 book by Brown & Hayes. The definition of "influencers" on BusinessDictionary.com states that those who have the power to affect other people's purchasing decisions are referred to as "influencers." Influencer marketing is the most important advancement in marketing in the last ten years, according to those authorities at the forefront of consumer decision-making. The term "influence" has a broad definition that includes the capacity to affect something, someone, or the course of events. Brown & Hayes (2008).

Regular individuals who have an impact on how consumers make purchasing decisions are known as social influencers. Through social media, anyone can influence another person's brand preferences and purchasing habits (Singh et al., 2012). According to Singh et al., social influence marketing is used to accomplish an organization's marketing and business goals, "a technique that uses social media (content created by regular people using highly accessible and scalable technologies such as blogs, message boards, podcasts, microblogs, bookmarks, social networks, communities, wikis, and vlogs) and social influencers (regular people who have an outsized influence on their peers by virtue of how much content they share online) (Singh et. al, 2012. P.19).

Influencers are those who write blogs, publish opinions on YouTube, Snapchat, Instagram, or other social media platforms, according to the Finnish influencer marketing firm "PING Helsinki". They can be, among other things, athletes or artists, but the key is that they have their own social media community and are prepared to create sponsored and

professionally created material for their fans. (pinghelsinki.fi). Influencer marketing can appear as blog posts, videos, or images on the influencer's social media accounts, which signifies content collaboration. It can also appear as material for a company's marketing campaign using the influencer's name or image, which signifies delivering content.

Additionally, it may involve acting as a brand ambassador, holding contests for customers, collaborating on company social media accounts like Instagram, Snapchat, or Twitter, or including customers in the process of developing and testing new products. Influencer marketing can also include widgets, display advertising, workshops, excursions, and events. (pinghelsinki.fi, 2017).

Occasionally, the terms influencer and advocate are used interchangeably, but they may not necessarily mean the same thing. Advocates are current consumers who freely endorse the brand or the product, as opposed to influencers, who are often noncustomers who are paid to promote the brand or the product (Brown & Fiorella, 2013).

**Influencer** - Typically a noncustomer or business incentivized to recommend/create content about a business brand or product (Brown & Fiorella, 2013. p. 195).

**Macro-Influencer** - Individuals with a large active social following comprised of people with whom they have a loosely defined or unknown relationship (Brown & Fiorella, 2013. p. 122).

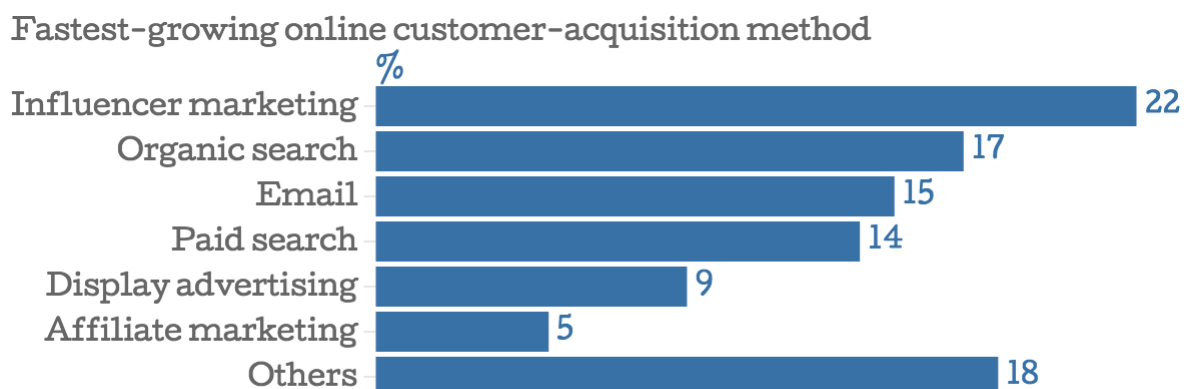
**Micro-Influencer** - Individuals within a consumer's social graph who has a direct impact on the behavior of the consumer, based on the personal nature of their relationship and communications (Brown & Fiorella, 2013. p. 122).

Consumers are more inclined to believe recommendations from a third party (such as a blogger or Instagrammer) than recommendations from a business itself, according to Matthews' essay "The definite guide to influencer targeting" (2016). An ally who connects a

brand with its target audience is an influencer. Along with their own followers, the influencer also brings their network of followers. When an influencer has devoted following, they can promote a brand on social media, increase website traffic, and sell products by recommending them or sharing personal experiences with their offerings (Matthews, 2016). Companies are turning to earned media for themes like cybercrime and ad blocking because they want non-blockable targeting choices and are confident they can reach the correct audience. External influencers are constantly being developed, influencer content cannot be banned, and partnering with a respected brand is the greatest approach to win over customers' confidence. It is practically impossible for a brand to develop the degree of customer trust that exists between an influencer and reader alone (Hall, 2016).

Customers trust recommendations from their personal networks 90% of the time, and 81% of the time, those recommendations come from online sources, according to research by the businesses TapInfluence and Influitive. 92% of people (TapInfluence, Influitive) said they place the highest level of trust in recommendations from individuals they know.

Influencer marketing was identified as the customer online channel with the quickest growth. Email came in second with 15%, followed by organic search with 17%.



Data: Tomoson

**Fig. 1.2 Fastest Growing Online customer-acquisition method**

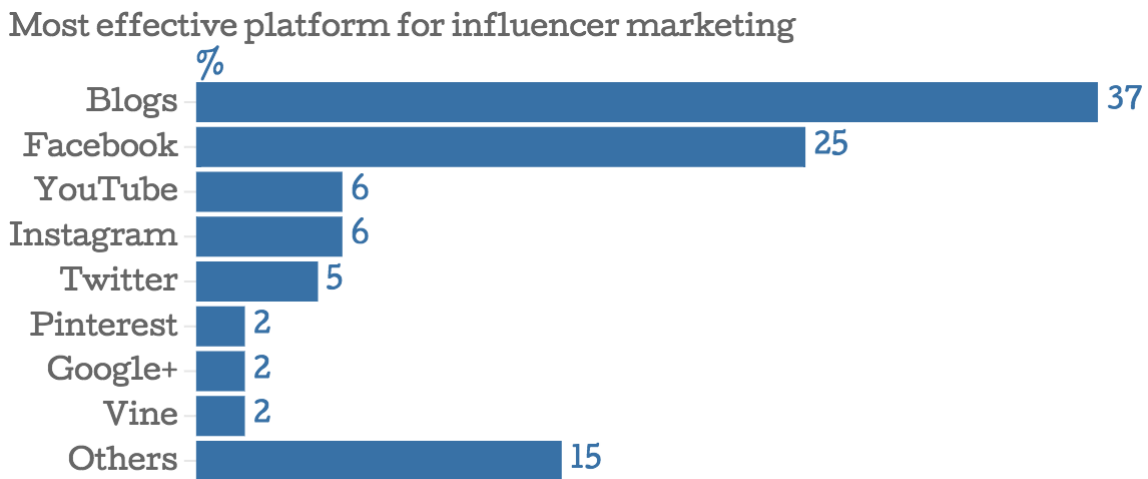
When asked to rate the average quality of customers obtained through the channel, 51% of marketers said they believed they acquired better customers through influencer marketing. "Social media users tend to spend more money and are more likely to spread the word to friends and family," said Jeff Foster, CEO of Tomoson.

On exploring about which online customer acquisition channel was most cost-effective, marketers tied for first place with email and influencer marketing, narrowly defeating organic search. Again, affiliate marketing fared the poorest; only 2% of marketers identified it as the most cost-effective channel.



**Fig. 1.3 Most Cost-Effective Online Customer Acquisition Method**

37% of respondents who were asked which platform they thought was best for influencer marketing selected blogs. Following with 25%, Facebook became the most well-known social network. Each of YouTube, Instagram, and Twitter received 5-6%, but they were unable to match Facebook's influence as a whole.



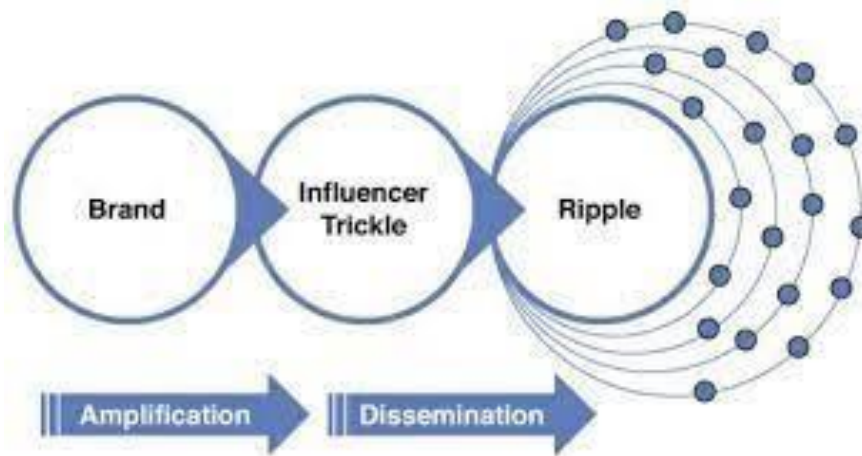
Data: Tomoson

**Fig. 1.4 Most Effective Platform for Influencer Marketing**

The four M's of influencer marketing should be mastered, according to Brown and Fiorella, who explain how to create, manage, and measure brand influencers in social media marketing. Make, Manage, Monitor, and Measure are the four Ms. Influencer marketing requires focus, objectives, and analytics just like any other area of business practice. These are referred to as the Four M's in the influencer marketing idea.

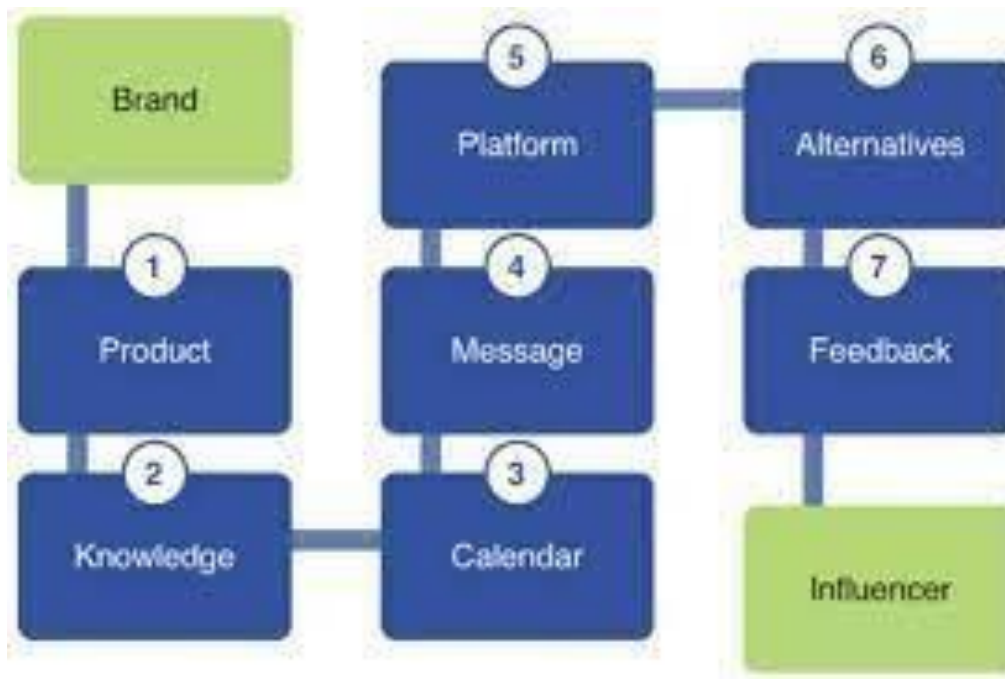
The client should be at the focus of your influence marketing activities from the word make, so that businesses may create profiles based on where they are currently in the purchase lifecycle. They might be in the awareness stage, where they may need confirmation from others they know, or they might be in the purchase stage, when they are prepared to make a purchase. Because each stage necessitates a different approach and level of outreach, the business must determine where it is along the route in order to create connections with key players and "make" influencers who will advance the client to the next stage of the purchasing process. By doing this, you can reach the customer directly and at the ideal moment through an influencer.

The four Ms' "make" portion can be divided into two parts: "identifying" and "activating." The persona's journey should be mentioned in the Identifying section. The Trickle and Ripple Phases are the two fundamental phases of every influencer campaign, according to Brown and Fiorella (2013).



**Fig 1.5 Amplification and Dissemination**

A business must go to the management stage once it has identified the new influencer for its target clientele. Influencer marketing requires management from before the campaign begins to after the campaign concludes, and beyond, in order to fully thrive. Relationships with the influencers may endure for upcoming outreach efforts and advertising campaigns. Maintaining a relationship with the influencers has advantages including built-in trust, mutual understanding, a ready client base, and the chance to convert the influencer to brand advocate. It can assist in converting influencers into brand champions by developing the relationship with them. All brands should adhere to these seven measures when managing their connections with influencers:



**Fig. 1.6 Brand - Influencer**

The brand now moves on to the stage where it is monitoring influencer campaigns. Because it allows for a much more defined framework to complete goals and meet targets, the business needs to focus on results while reviewing the efforts of an influencer marketing campaign rather than efforts. Companies can reach out to rivals, hone their strategy, and succeed in their outreach by using real-time industry intelligence. Marketers can start to understand who and what is providing the greatest ROI, where they need to adapt the brand message, and which influencer is influencing customers and their decision-making at any given time with the aid of search analytics, listening tools, dedicated messaging, landing pages, and more. Brands should base their strategy on three key objectives and evaluate the success of each campaign in relation to these objectives. The first is awareness, then comes reaction, and last comes action.

The measure stage, which completes the four M's model's equation, is the last stage of the four M's. The brand must assess the causes and contributors of a campaign's

success in order to duplicate it in subsequent initiatives. - (Brown & Fiorella, 2013, p. 170)

"Measurement is everything, and everything is measurement" With the use of social media, we are able to develop campaigns that are incredibly targeted. These campaigns can be integrated with a variety of platforms that track which networks and content generate the highest returns on investment.

As a result, marketers came to the conclusion that influencer marketing would be a good substitute. It can be used by brands to interact with, engage, and market to their target demographic. Building trust is essential since consumers are growing more skeptical of brands and their marketing tactics. Influencer marketing enables companies to advertise through an influencer who has a greater following and a more engaged, loyal audience. Customers don't question a social media or broadcast advertisement because they think that if their favorite influencer likes the product, they will too. Influencer marketing has changed over the previous several years from being unclear to being a type of marketing in which even well-known firms are considering investing.

### **1.1.2 MARKETING IN VIRTUAL ERA**

The world of marketing is advancing at the speed of light today. Marketers have embraced digital transformation much more recently than they did in the past as they've adapted to the dynamic virtual and hybrid company landscapes. The world experienced a shift towards internet traffic and virtual involvement after the COVID-19 epidemic. It's essential to keep ahead of your audience if you want to succeed in the competitive world of marketing and keep your audience feeling relevant.

The following trends for 2022 are listed below based on a poll that HubSpot did with more than 1000 global marketing experts from both B2C and B2B brands: Influencer marketing will progress from a fad to a widely used marketing strategy. HubSpot asked



respondents if they intended to spend money on influencer marketing. 57% of marketers who use influencer marketing claim that it is successful. Businesses who can't afford to employ a famous person with a large following have expressed interest in working with micro-influencers. Micro-influencers are social media marketers that often have a smaller audience—between tens of thousands and thousands of followers. Despite having fewer followers, they frequently share more powerful content since there is greater participation. Their viewers are actually more likely to trust them because they are still regarded as "everyday" people (unlike difficult-to-reach celebs).

Consumers are stepping into Augmented Reality (AR) and Virtual Reality (VR) experiences. There has been a steady increase in the marketer's leveraging AR or VR in their strategies. Many more have expressed their interest to try these sooner. Viewing a realistic, computer-generated scene is virtual reality. Viewing the real environment while experiencing additional visual, haptic, olfactory, or visual elements is known as augmented reality. Although VR and AR offer distinct experiences, both are now making waves in the marketing industry. To complement and enhance customer experiences online and at events, VR and AR are both used. In reality, this is a trend that marketers have been sluggish to adopt because the expensive and cumbersome headsets. But today, more people can afford VR headsets and AR applications. Businesses should prepare to use this technology into their marketing plans.

Other trends include that video marketers will keep content brief, that mobile optimization will be more crucial, that businesses will prioritize social responsibility, that experiential marketing may make a comeback, that businesses will use SEO to benefit from search traffic, that consumers will prefer more audio-video content, and that inbound marketing will continue to be a best practice for expanding brands and Account Based Marketing may align more sales and marketing teams.

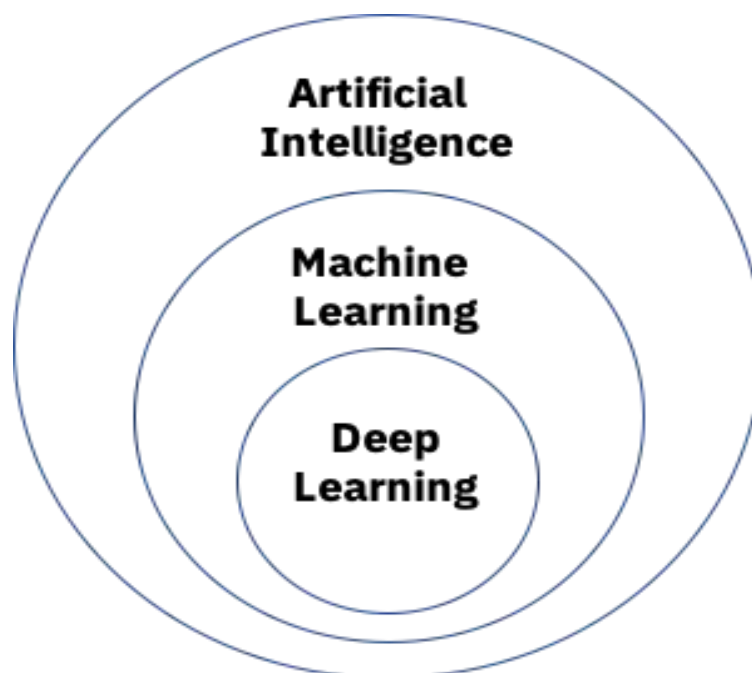
In their article titled "Exploring the Impact of Digital Influencers' Marketing Messages on Consumers' Buy Intention across Social Media Channels," Fowler et al. (2019) found that the blog account is less effective than the Instagram and YouTube accounts. Consumers viewed digital influencers as trustworthy sources, which gives empirical support for the methodology used in earlier study (Kapitan & Silvera, 2016). Moreover, visual content from digital influencers would have stronger selling potential than text-based messages. This study demonstrates that influencer marketing, where visual material outperforms written information, should be a priority for business owners.

We understand that the future of marketing will be more online, digital, virtual with technologies like Artificial Intelligence and trends like Influencer Marketing taking the limelight. Marketers are constantly looking forward to trends and patterns. We understand that the virtual world is for real today. There is constant rise in the smart devices we use. One such example is our very own smartphone. Surprisingly, this one smart gadget has replaced watch, alarm clock, camera, calculator, calendar and many more such devices we used in our daily routine. This era is enabled with Artificial Intelligence driven assistants instead of humans, IoT devices, and real time updates.

### **1.1.3 ARTIFICIAL INTELLIGENCE – AN OVERVIEW**

Over the past few decades, various definitions of artificial intelligence (AI) have appeared. John McCarthy provides the following definition: "Making clever devices, particularly intelligent computer programs, is a science and engineering endeavor. Although it is related to the job of utilizing computers to comprehend human intelligence, AI should not be limited to techniques that can be observed physiologically." In 1996, Stuart Russell and Peter Norvig examined four potential goals for artificial intelligence, contrasting the logic and reasoning vs acting of computer systems. In order to facilitate problem-solving, artificial intelligence is a field that blends computer science and substantial datasets.

Moreover, it includes the branches of artificial intelligence known as deep learning and machine learning, which are commonly addressed together. These fields use AI algorithms to build expert systems that make predictions or categorise information based on incoming data. The differences between deep learning and machine learning must be understood because they are often used interchangeably. In addition to being subfields of artificial intelligence, deep learning is also a subfield of machine learning, as was already mentioned. Please refer to the picture below, which provides a visual explanation of the terminology.



**Fig. 1.7 Artificial Intelligence**

There are many real-world uses for AI systems nowadays. Some of them are illustrated below:

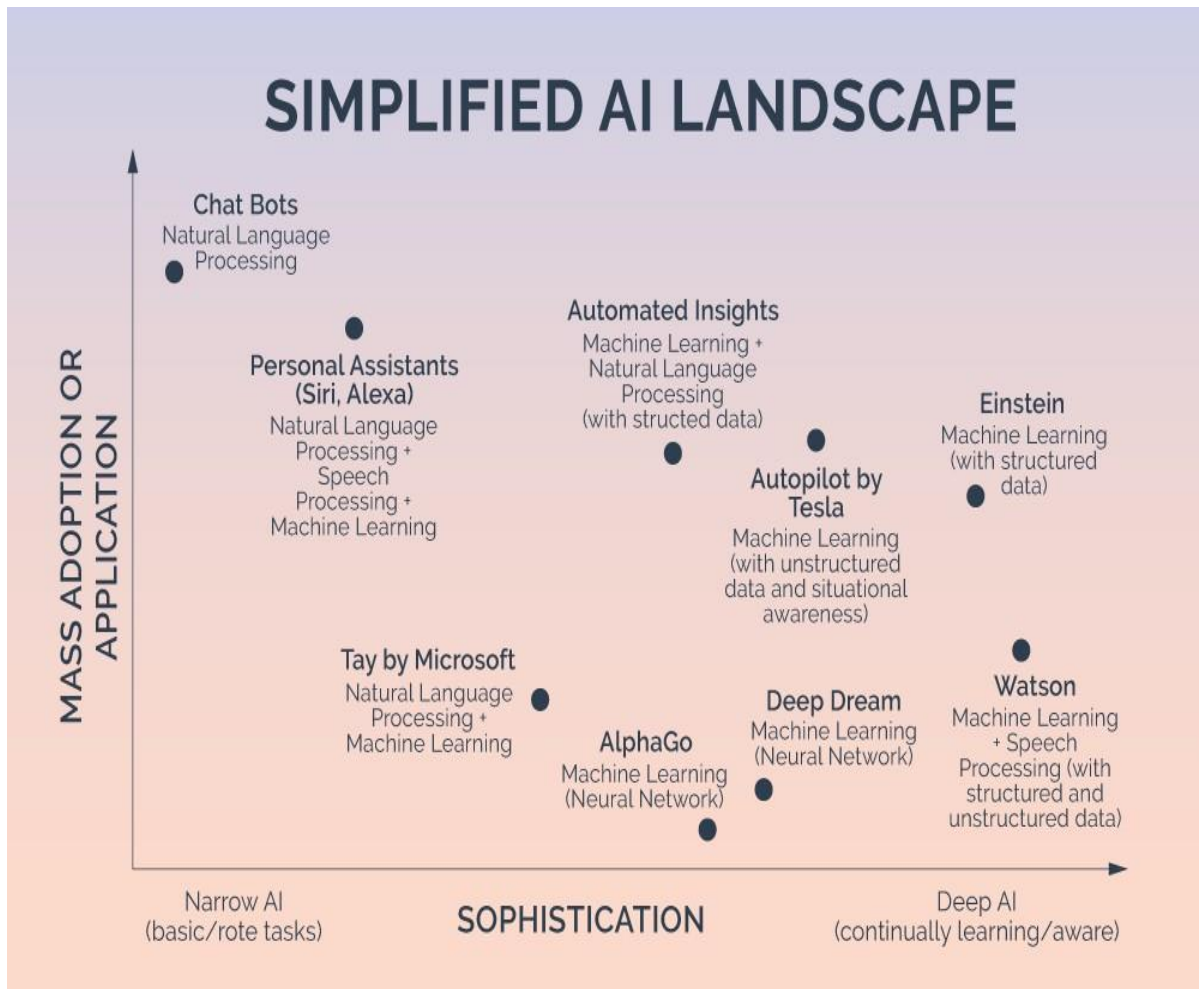
**Speech recognition:** It is a capability that employs natural language processing (NLP) to convert spoken words into written ones. It is also known as automatic speech recognition (ASR), computer speech recognition, or speech-to-text. For example, many mobile devices have voice search capabilities built into their systems. Speech recognition is a feature offered by Siri.

**Customer service:** Along the client journey, online virtual agents are replacing human agents. They provide individualized advice, respond to frequently asked questions (FAQs) regarding subjects like shipping, or cross-sell products or make size recommendations to users, altering the way we view user interaction on websites and social media. Examples include virtual agent-equipped messaging bots on e-commerce websites, chat programs like Slack and Facebook Messenger, and jobs often carried out by virtual assistants and voice assistants.

**Computer vision:** With the aid of artificial intelligence (AI), computers and other systems are now capable of extracting useful information from digital photos, movies, and other visual inputs and acting accordingly. It differs from picture recognition jobs in that it can make recommendations. Computer vision, which uses convolutional neural networks, is used for self-driving cars in the automotive sector, radiological imaging in healthcare, and photo tagging in social media.

**Recommendation engines:** AI algorithms can assist in finding data trends that can be leveraged to create more effective cross-selling strategies by using historical consumption behavior data. Online shops utilize this to suggest pertinent add-ons to customers during the checkout process.

**Automated stock trading:** AI-driven high-frequency trading platforms execute hundreds or even millions of deals every day without the need for human participation in order to optimize stock portfolios.



**Fig. 1.8 Simplified AI Landscape**

From the above diagram, it is evident that AI is being used in number of forms in various industries like automobile, medicine, entertainment, information processing, online games etc., The two major value adds of AI to organizations today are to provide comprehensive understanding of abundant data available and relying on predictions to automate mundane tasks. Consider activities like observing, learning, interacting with others, conversing, thinking, or solving problems. These activities are regarded as AI when they are carried out by computers. Artificial intelligence (AI) is used when services like Spotify suggest songs, Facebook recognizes and tags people, or you use Siri to write to a buddy. It is not intended to take the role of people, but rather to solve issues, engage audiences, and gather and analyze data to aid in decision-making. Companies have embraced this technology

in various fields and one of the most utilized is marketing where it takes the form of chatbots, virtual assistants, helping content creation, content curation, predicting leads, predictive marketing etc., In conclusion, AI has been thoroughly incorporated into our daily jobs and lifestyles.

#### **1.1.4 THE ROLE OF ARTIFICIAL INTELLIGENCE IN MARKETING**

In the current digital era, artificial intelligence marketing is one of the most popular and rapidly developing themes. In 2018, a McKinsey review of more than 400 advanced use cases revealed that marketing will benefit from AI the most. According to a 2019 poll by the American Marketing Association, the use of AI has increased 27% in the prior year and a half. In addition, three of the top AI goals were marketing-related, according to a 2020 Deloitte global survey of early AI adopters: boosting current products and services, developing new products and services, and improving customer connections. AI in today's marketing scenario is capable of performing narrow tasks like programmatic buying to broad tasks like sales forecasts. Every stage of the customer journey includes the use of AI. It targets ads during the search phase. It helps suggest suitable products which are most likely to be purchased by the prospect based on the browsing history. By creating highly tailored product or service offers utilizing incredibly specific data on individuals, including real-time geolocation data, it helps to simplify the sales process. At the later stages of the customer experience, AI helps with cross-selling and upselling. After the transaction, AI-enabled service agents communicate with consumers around-the-clock to prioritize their demands and are better equipped to handle varying amounts of service requests than human agents. They can handle straightforward questions about delivery times or appointment scheduling and can refer more complicated problems to a human representative.

AI is frequently employed in marketing because, speed is crucial and can increase the marketing return on investment. The United States Patent and Trademark Office lists a

number of technologies that are part of the AI landscape, including natural language processing, evolutionary computation, machine learning, knowledge processing, AI hardware, speech recognition, and computer vision. AI marketing is a technique for utilizing intelligence technology to gather information, understand customers, predict customers' next moves, and make automated decisions that have an impact on marketing activities. These four paradigms—thinking humanely, thinking logically, acting humanely, and acting rationally—have all been investigated in the performance of AI.

Artificial intelligence has a significant impact on digital marketing. Customers want businesses to comprehend their needs and expectations in about 76% of cases. With the use of artificial intelligence (AI), marketers can analyse vast amounts of marketing data from social media, emails, and the Web reasonably quickly. Moreover, AI is capable of creating and optimising user-friendly, pertinent content for a variety of email forms. Additionally, it is employed in social media automation, where businesses use it to improve content and customer interaction exactly like they do with email marketing. It can reduce the possibility of human error. A content manager can utilise AI to create email subject lines automatically, do thousands of A/B tests on creative ad text variations, and speed up the process while outperforming people and reducing expenses significantly.

Marketers may thoroughly understand their clients' behaviour and be aware of their cues thanks to AI. As a result, they can quickly and effectively tailor the appropriate plan to the appropriate person. A simple illustration of the application of AI in marketing is found in Gmail and Google Documents, which employ AI in Smart Compose to read what you are typing, comprehend it, and offer suggestions for what to type next. It can gather and monitor tactical data in real-time, enabling marketers to make choices now rather than waiting for campaigns to finish. Similar to that, it can offer the consumer services that are highly personalized. Based on what they've seen or specifically what they want to hear from a

company, each individual customer will receive their own personalized push notifications with the customized content. Sales forecasting, AI-powered customer insights, hyper-personalized customer experiences, content generation, chatbots, speech recognition, dynamic pricing, automated email content curation, image recognition, data quality, privacy, and other uses are just a few of the numerous uses and applications of AI in marketing. In conclusion, marketing has likely benefited from artificial intelligence the most out of all firm roles.

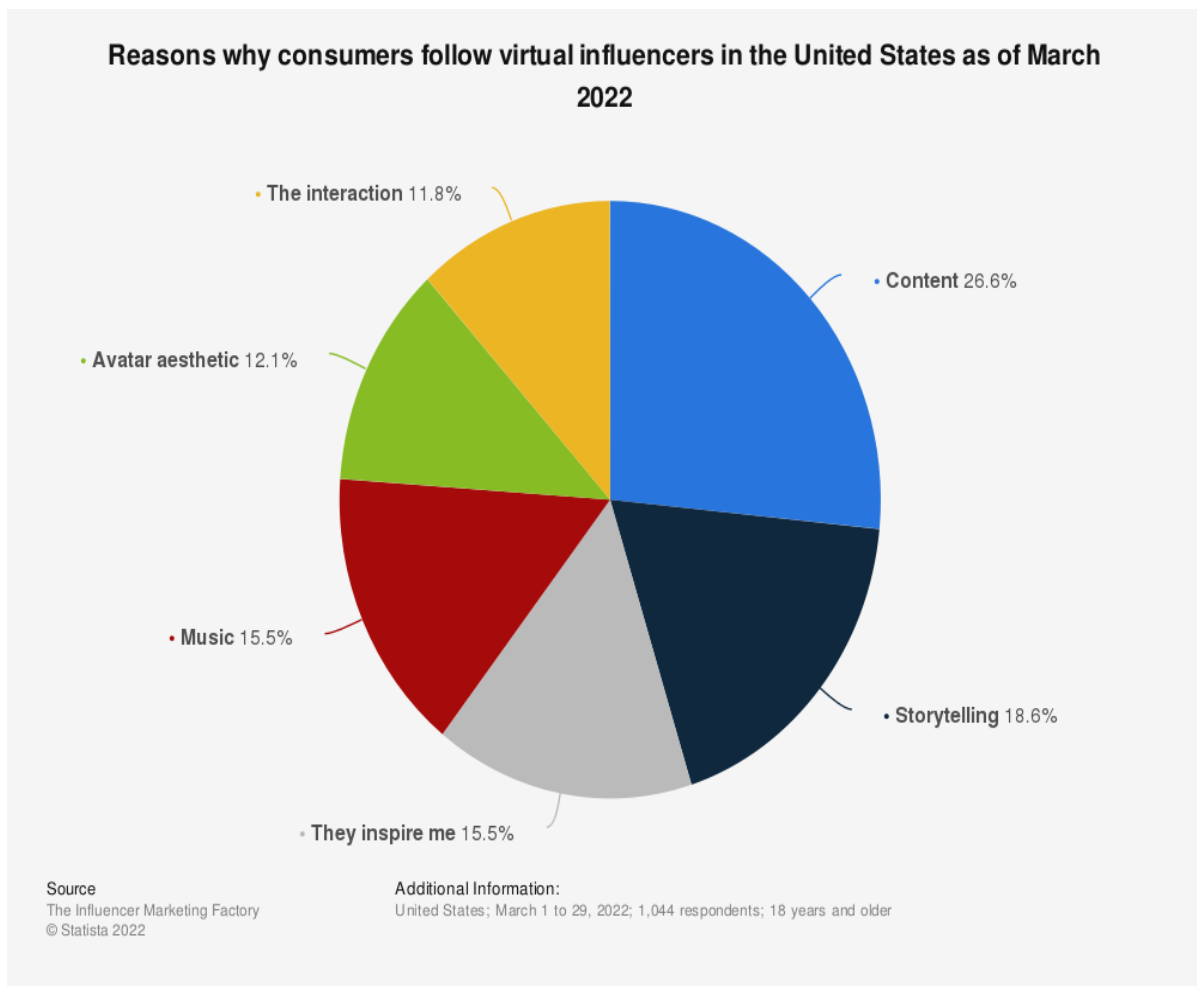
### **1.1.5 THE RISE OF ARTIFICIAL INTELLIGENCE INFLUENCER**

Artificial intelligence (AI) influencers are virtual people who are controlled by companies or media companies and are produced using computer graphics and machine learning algorithms. The world of influencer marketing has completely shifted as a result of the development of AI influencers. Artificial intelligence influencers are virtual people made with computer graphics and machine learning algorithms and are controlled by media companies or brands. Influencer marketing is being transformed by artificial intelligence (AI), machine learning (ML), and natural language processing (NLP). Big corporations in IT, fashion, food, travel, and other industries are approaching influencers using artificial intelligence to market their goods and services.

According to PING Helsinki, there are specific criteria that influencers should possess when selecting the best ones for a brand. These include being knowledgeable about the product or service and genuinely interested in it, being an authority figure and expert in their field, having the right target market for their business, understanding marketing and being interested in commercial cooperation, producing appropriate content, such as stories, videos, pictures, and social media posts, having a sufficient number of devoted followers in the relevant social media channels, having good cooperation skills and understanding.



(pinghelsinki.fi, 2017).

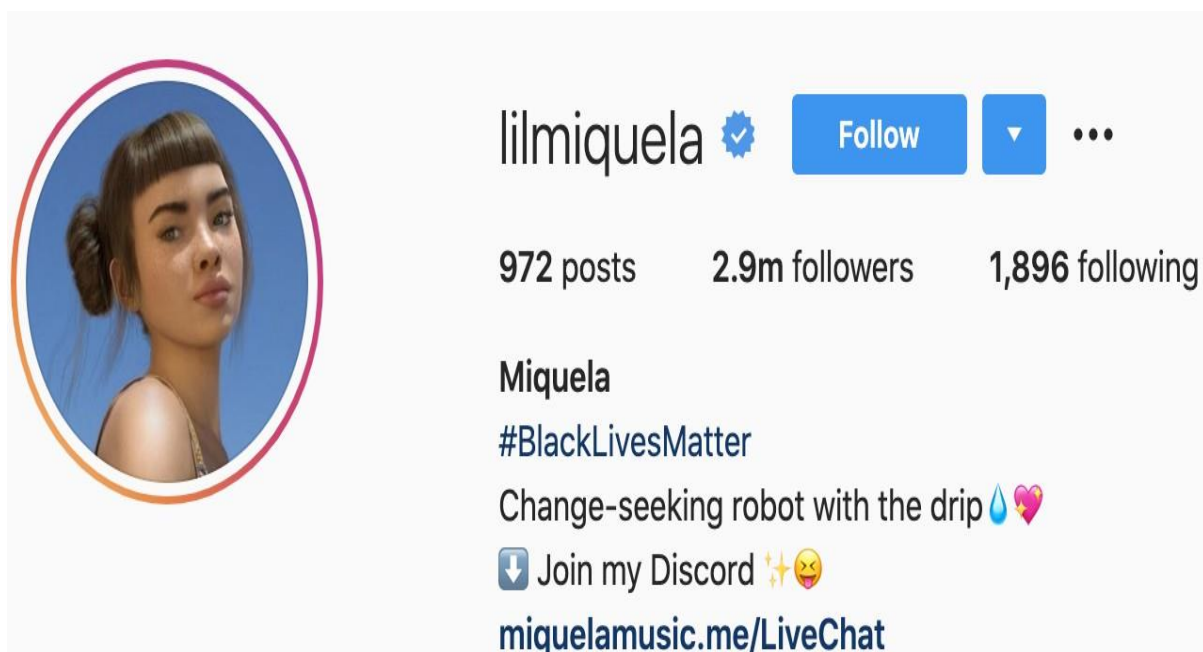


**Fig. 1.9 Reasons Consumers Follow Virtual Influencers**

In a study of American consumers conducted in March 2022, 26.6 percent of those who indicated they followed at least one virtual influencer—a digital persona created to mimic human characteristics and affect people's decisions—said they did so because of the content of the influencer. 18.6 percent of respondents mentioned virtual influencer storytelling, and 15.5 percent of respondents stated they considered virtual influencers to be encouraging (Statista, 2022).

Although they are still relatively new on social media, artificial intelligence influencers will soon take the lead. This concept's underlying premise first surfaced in 2016 and gained popularity in 2018. AI-powered influencers, like Lil Miquela, are well-known for

paid partnerships and promotions and are currently popular across all social media platforms. By developing their own AI influencers to market their products, several companies are successfully capitalizing on this trend. This is the age of influencers. They boast of huge followers, viewers and subscribers. The influence of influencers is on the rise. The influencers blend with their audience by conversing in the same language, connect and relate well with their audience. Because of this, it is practically required for businesses to find the appropriate influencers and work with them in order to communicate with their target market. To make sure that reach and influence result in the desired customer action, marketers must be astute.



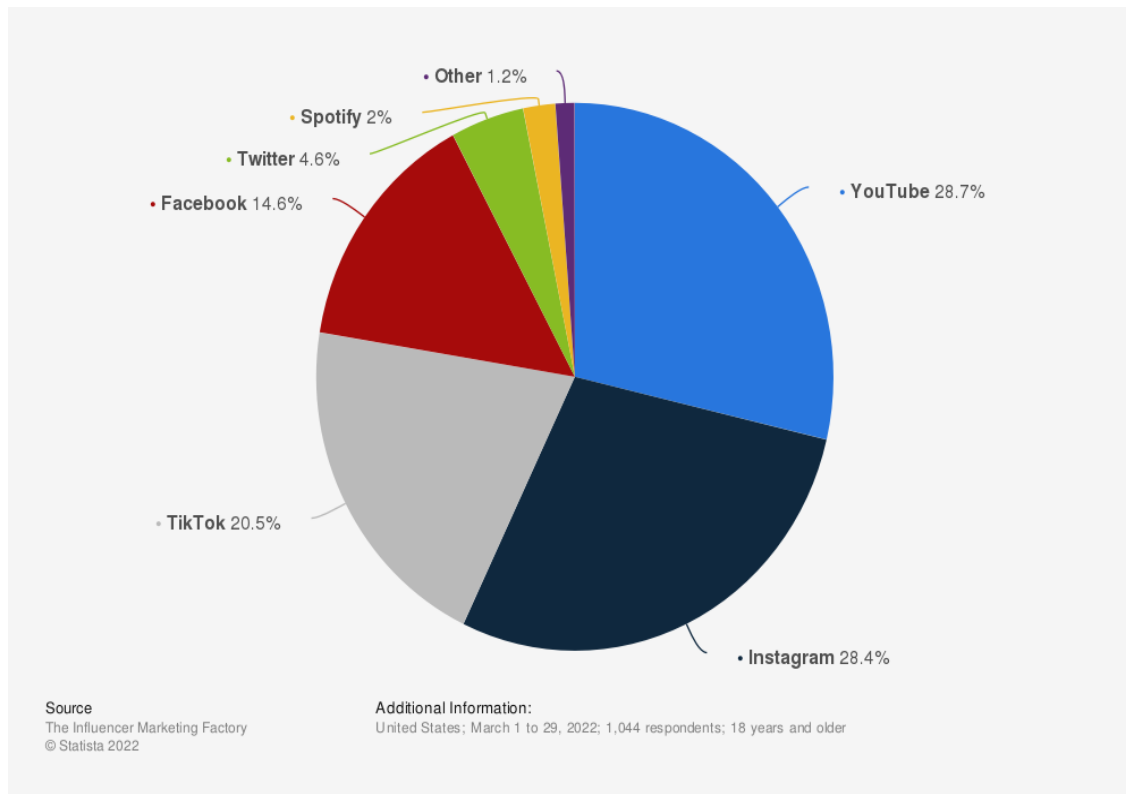
**Fig. 1.10 Lilmiquela**

Virtual humans are grabbing attention in the social media. They are amassing millions of young followers. These are artificial intelligence machines with a human-like level of autonomy that follow a set of rules. They are developing personalities that resemble humans but are not made of flesh. There are currently just over 150 online influencers who are continuously growing in popularity. Some individuals have even attained one million followers or more. With more than 55 million followers on social media, Lu do Magalu—

who began as a virtual sales associate for a Brazilian magazine—now leads the sector.

Artificially intelligent influencers are no longer considered futuristic. They already have following on social media. Despite not being real individuals, they frequently generate more engagement than influencers who are. Interestingly, although not actually existing, they have the ability to gain followers, cultivate a devoted following, and even shape the actions of real people. Investments on influencer marketing across the globe is on the rise and brands also need to safeguard themselves from the human errors. The five criteria of "humanization," "attractiveness," "authenticity," "scalability," and "controllability" can help with managerial decisions as well as future research. (Da Silva Oliveira et al., 2021).

(Veronica and Kendra 2020) in their study the non-human alternatives to traditional celebrity endorsers. AI influencers are capable of generating favorable brand impacts comparable to those generated by real-life celebrity endorsers. Because customers are less likely to see them as distinct individuals, they are more likely to interpret an offence committed by an AI influencer as conduct that applies to all AI influencers. Consumer perceptions of human and AI influencers are comparable and different, according to a different study by Sean Sands. In terms of personalization or propensity to follow, the researchers discover no difference. This shows that consumers are as willing to follow an influencer who uses artificial intelligence or a human being, and they view the level of personalization offered by both influencer types as comparable. Furthermore, despite often being viewed as having a lesser level of source trust, AI influencers are more likely to encourage word-of-mouth intents. Consumers who have a high need for uniqueness may be more impacted by AI influencers (Sands et al., 2022). These findings help us understand that the AI influencers are predominantly capturing the influencer role done by humans so far.



**Fig. 1.11 Leading Platforms Where Consumers Follow Virtual Influencers**

Consumers in the US were asked to participate in a study in March 2022, and of those who indicated they followed at least one virtual influencer, 28.7% said they did so on YouTube and 28.4% said they did so on Instagram. Twenty-five percent of respondents (20.5%) said they followed virtual influencers on TikTok, which rounded out the top three. (Statista, 2022).

Virtual influencers are a new class of online influencer as a result. These influences were created by computers and have realistic traits and qualities that mirror human personalities. They have developed into a fascinating trend in social media product promotion. Since humans might be irrational or biased, adopting virtual or artificial influencers instead of real ones on social media is more appealing because they are more reliable and predictable. (Moustakas et al., 2020). They also provide brands complete authority over the sponsored material. As a result, online influencers could be less expensive

than influencers on social media. Consequently, a viable substitute for social media influencers could be virtual influencers. To learn how consumers feel about this new influencer type and what virtual influencer type should be used in place of social media influencers, more study is still required. Although there is a lot of empirical study on sponsorship disclosure and social media influencers (Boerman, Van Reijmersdal, & Neijens, 2014), little is known about artificial intelligence influencers. There is also a significant study gap on the impact of virtual influencers because influencer marketing studies are typically based on human influencers (Moustakas et al., 2020). Particularly in light of the rising usage of virtual influencers in influencer marketing (Yap, 2018) and the growing consumer adoption of augmented reality marketing technologies (Rese, Baier, Geyer-Schulz, & Schreiber, 2017).

LINQIA, an influencer marketing platform has announced integration with Google Vision AI. Vision AI is Google's platform that can analyze thousands of images and that too in milli-seconds. This would help increase the accuracy while matching influencers with respective campaigns. This is a milestone moment in the Influencer Marketing industry according to Nader Alizadeh, the CEO of LINQIA. This capability of the Artificial Intelligence can match brands to influencers who can fit into their campaigns in shortest time span. The characteristics of influencers can also be matched more accurately as per the needs of the brand promotion. This can be further extended to more than just brands and influencers. It can include effectiveness of the influencer, his track record in a particular product category, identification of target audience, the content, the social media platform to be selected and much more. This has made LINQIA a tech enabled full-service platform that can handle influencer selection, content matching, metrics driven optimization of campaign.

The new kid on the block that has been disrupting the whole world today is the ChatGPT. It is an Artificial Intelligence Model created by OpenAI that is primarily used to solve queries

through a conversational style. GPT is abbreviated to Generative Pre-trained Transformer and hence, the name ChatGPT. This is a chatbot developed to answer questions asked to it through an Artificial Intelligence platform. This has set expectations across the globe to be a competitor for Google but, this has been able to respond to all queries as early as 2021 and it also has the option to link directly with the Microsoft Search Engine, Bing as a plug-in and perform real time searches to provide latest and current updates. It is unimaginably powerful in the performance compared to its previous versions of Artificial Intelligence. Some of the amazing features of ChatGPT include responding to questions, composing text, solving math problems, translation between languages, debugging and fixing code languages, explanation of actions, classifications, text summarizations, recommendations, keyword detection etc., All this is available for everyone at absolutely no cost. However, it is to be taken into account that, it cannot always be accurate in its response, and it has limited knowledge.

The space that has been ruled by Google for almost 2 decades in the search engine sector has been shaken by this new AI enabled chat GPT. It has already version 3.5 that is free and version 4 is paid. The ChatGPT version 5 is already in the making which is posing threats to replace almost a huge set of jobs that are now done by humans. There are some concerns in this space which include a major threat to search ads due to its simple and clear information output. There could also be possible bias in the output and some even toxic language. In fact, Microsoft's Tay and Meta had to remove their chatbots from the internet for similar issues.

The AI powered chatbots can be super useful as well. It can serve customers round the clock, resolve customer queries and issues real time, answer frequently asked questions effectively, to analyze customer data, predict future consumer behavior, data-driven marketing, critical business strategies and many more. If we observe closely, we can identify that the Artificial Intelligence technology has been a game changer in the influencer industry as we can evidently see its progress. The Artificial Intelligence Influencers like Lilmiquela,

Linqia, Chat GPT and other chatbots have become most sought after by the customers and businesses.

## **1.2 RESEARCH PROBLEM**

Numerous studies have been done on influencer types and comparisons of various influencer types (Schouten et al., 2020; Kay et al., 2020). The study of AI Influencer is relatively less and to best of researcher knowledge, AI Influencer has never been explored or addressed in Asian countries in general or in India in particular. The fact that virtual influencers are a relatively new phenomenon may be the cause. This study provides fresh perspective on the phenomenon of AI influencers, which is becoming more and more prevalent. In particular, it makes the first move towards better understanding how consumers react to AI influencers. The research has attempted to empirically identify the factors that persuade Indian consumers towards the AI Influencers. Further this research also enlightens on how Indian people values' AI Influencers to purchase decision process.

## **1.3 PURPOSE OF RESEARCH**

The purpose of this study is to look into how customer perceptions of AI influencers in social media affect consumers' behavioral purchasing intentions. Therefore, descriptive research was chosen to add new knowledge on AI influencers in social media. When examining the consumer purchase intention in social media, it is significant to focus on AI Influencers and attitude towards acceptance of AI influencers in social media followers.

## **1.4 SIGNIFICANCE OF THE STUDY**

Influencer Marketing has been an upcoming and trending study in the industry today for every marketer. Research related to Influencer Marketing has a wide scope in this area. Furthermore, this being the era of artificial intelligence, it has much more significance as it

combines both the advanced technology of artificial intelligence and an upcoming field of study i.e. Influencer Marketing. These two upcoming fields make this a very niche and special focus area to conduct research.

### **1.5 RESEARCH PURPOSE AND QUESTIONS**

To get the pertinent data needed to achieve the goals, research questions are posed. The following are the suggested key questions that will be addressed in this study.

- i. How does the demographic profiles of the users contribute towards determining the intention of Indian consumers to accept the virtual or Artificial Intelligence Influencers?
- ii. What are the factors that persuade the Indian consumers attitude towards AI Influencers?
- iii. Does consumer attitude towards AI Influencer impact the Indian consumers' purchase intention?



## **CHAPTER II:**

### **REVIEW OF LITERATURE**

#### **2.1 INFLUENCER MARKETING INDUSTRY**

According to Keller and Berry (2003) definition of influencers, those with a huge following and a wide audience are "well-connected" and "have a significantly larger number of groups than the average (American)," respectively. According to Uzunoglu and Misci Kip (2014), bloggers have evolved into digital influencers that are adept at interacting with consumers on social media networks. Social media influencers and bloggers that use their blogs as a publishing platform have large online followings and traffic. Once they've built up a following there, they can quickly transfer that following to other social media sites, including Instagram, which is the primary medium used by brands to distribute influencer marketing. Influencers are viewed and used by marketers as an additional ad channel. Influencers are frequently paid a budget in addition to receiving detailed briefings about the campaign's goals, the hashtags to utilize, and the recommended number of posts. The influencer formerly just received the product for free and had complete control over how and when to publish a picture of it on Instagram, but the industry is becoming more and more professional (Griffith, 2011). While corporations want to control every image from the visual language, timing of the post, and exact text, influencers hire photographers and make-up artists.

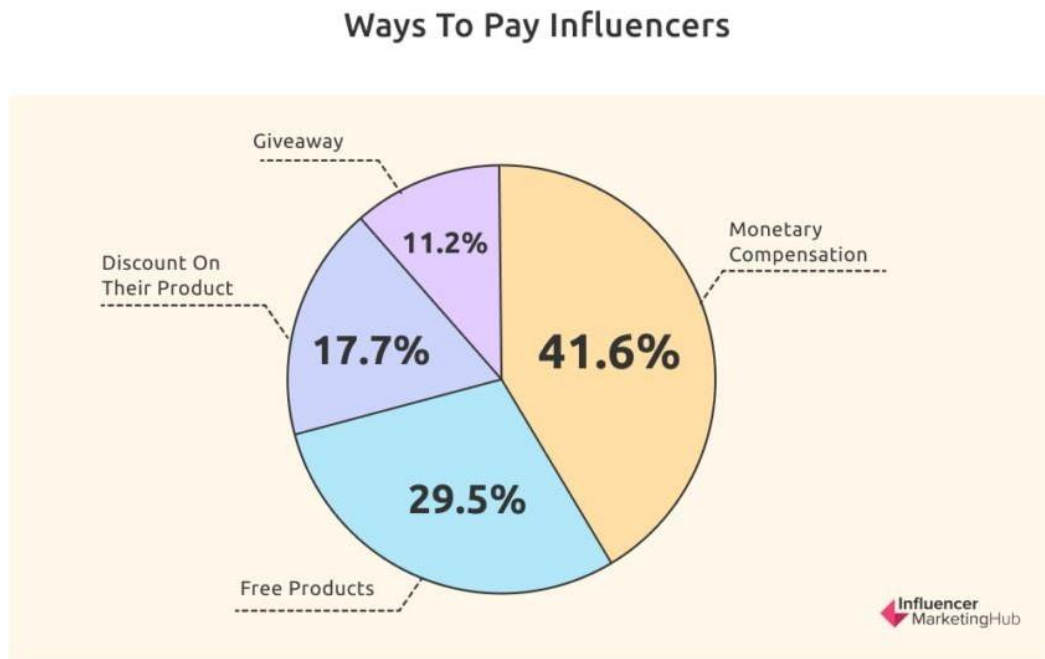
Haenlein et al. (2020) study claimed that influencer marketing will be a \$10 billion sector in 2020 and that it would be relevant for many businesses, particularly those engaged in business-to-consumer marketing. Comparing their familiarity with more conventional media channels to their comprehension of sites like Instagram and Tik-Tok, many marketing managers appear to have a subpar understanding of these networks. Therefore, it becomes

challenging to choose wisely in this chaotic environment. The most important platforms for influencer marketing are introduced in this article, along with suggestions for businesses on how to choose the best partners. Appel et al. (2020) says that social media is used by billions of people worldwide. This social media has a wide range of effects on both people and companies. As of March 31, 2019, Facebook, for instance, reported having 2.38 billion monthly active users and 1.56 billion daily active users. According to estimates from eMarketer 2018, there will be 3.29 billion social media users worldwide in 2022, or 42.3% of the world's population. The writers have highlighted 9 themes that they think will significantly influence the direction of social media in the future. This is arranged according to how soon (immediate, close, and far) it will happen.

According to Statista, the influencer marketing industry increased from \$6.5 billion in 2019 to \$13.5 billion in 2021. Social Networking sites like SoundCloud, Twitter, YouTube, LinkedIn, and Instagram have transformed the way customers are being targeted, acquired and retained. Brands can make use of likes, reposts, private messages or follow options which actually require no budget. This might be the simplest type of influencer marketing. Lanz et al. (2019) found that network users do not generally benefit from inviting unpaid endorsements from macro-influencers with huge followings because they are orders of magnitude less responsive than micro-influencers. (Kapitan and Silvera, 2016) note that posts by online influencers on a product may affect consumers' decision to buy. The study found that social media influencers have traits in common with celebrity endorsers that have an impact on how consumers perceive and behave towards the things they are promoting.

In 2023, it is projected that the influencer marketing sector would increase at a rate of \$21.1 billion. More than 83% still feel that influencer marketing will be more effective. The amount of content developed and circulated has gone up and as a result, the budget allocated for the influencer marketing is also being hiked by the companies. In comparison to pricey

macro-influencers (19%) and famous people (12%), working with little (nano - 39% and micro - 30%) influencers is strongly preferred. Influencers are now rewarded as a proportion of the sales that they generate, as opposed to only receiving free product samples in the past.



**Fig. 2.1 Ways to Pay Influencers**

Although there are numerous possible objectives for a campaign including influencers, it is clear that the majority of businesses today use influencer marketing to increase and drive sales. The three most common methods for employing influencer marketing to increase sales are referral links, promo codes, and email addresses. Apart from these, firms use influencer marketing to create awareness of the brand, its products, attract new customers, or retain existing ones. The success of an influencer is assessed through the likes, reach, impressions, engagement, or conversion.

The industry today focuses on content production by partnering with influencers more than marketing campaigns, or sales or awareness creation. However, audience relationship is still being considered important and valued. Brands restrict their influencers to less number than work with many across different geographies. Firms prefer to run influencer campaigns

in house than depend on any external agencies. But the most challenging task is finding the influencers.

The trends in Influencer Marketing for the year 2023 according to social insider website is that both Instagram and Tik-Tok remain the top platforms for Influencer Marketing. Brands and Influencers have started to partner for long term business association and mutual benefits. Employees have started to wear influencer hats themselves and brands have started to make use of micro influencers to target macro results. Merger of Influencer and affiliate marketing has been on the rise for better sales outputs. The user generated content will continue to stay however, content will remain the king.

### **2.1.1 INFLUENCER MARKETING CHARACTERISTICS**

Tafheem et al. (2022) According to the author, the study found that the user-influencer's personality was a significant predictor of consumer brand engagement and para-social relationships. Another clue is the fact that the type of social media platform has no bearing on the connection between congruity, para-social relationships, and consumer brand engagement. The survey is special because its target audience included female consumers who care about their appearance and beauty influencers. Hudders et al. (2022) In order to study response tactics to unfavorable follower remarks, the writers experiment real influencers' followers. Both a defensive and an accommodating approach are possible. The findings show that defensive responses damage influencer credibility, which further reduces perceived product quality and resulting in fewer favorable brand attitudes.

(Bu et al, 2022) investigates how homophily among audiences and influencers affects the behaviour of customers who co-create products, increasing purchase intent and brand value. The findings suggest favourably that the association between consumer involvement homophily and para-social relationships is moderated. The degree of homophily between

people who interact based on belief, education, and social standing is described as the resemblance of entities in binary interactions (Eyal and Rubin, 2003).

Lee and Johnson (2022) Two factors are used in this study to explain why influencer marketing is effective. The first is message sidedness, and the second is influencer transparency. The findings demonstrated that when compared to Instagram product evaluations with one-sided messages, two-sided messages produced superior influencer authenticity, influencer credibility, ad attitudes, and electronic Word of Mouth (eWOM) intentions. Additionally, effects on brand attitude, ad attitudes, eWOM intention, and purchase intention were mediated by the perceived trustworthiness and authenticity of influencers with dual messages. Disclosures had little influence and little consequence.

Sweeney et. al, (2022) The purpose of the study is to investigate the moral advertising literacy of teenagers, including their assessments of the appropriateness of influencer marketing and fairness. The results show that while the participants' dispositional advertising literacy indicated that they were skeptical and critical of the practice of influencer marketing, they had a favorable attitude towards particular commercial content coming from particular influencers, or situational literacy.

The influencer marketing disclosures are highlighted by (Karagur et al, 2022). The study indicates that the disclosure is a double-edged sword. When initiated through platform, it exerts strongly on perception of the advertising, customer engagement and negatively on influencer trustworthiness. The disclosure type also affects the products previously endorsed and also the number of followers. This provides an informed choice to public policy makers, influencers, and brand managers.

To comprehend the mechanism by which influencer marketing affects consumers via social media, the study incorporates preliminary research. The findings indicate that followers' trust in influencers' branded postings is favorably influenced by the informational

value of influencer-generated material, the influencer's reliability, attractiveness, and likeness to the followers. This in turn influences brand awareness and purchase intentions. Burton et al. (2020) This study aims to raise awareness and improve frontline customer service interactions related to higher education recruiting, linguistic content, and online post context by brand ambassadors and potential students in a brand community. It looked nearly 20,000 online communications to identify prospects' needs and communication preferences. The findings showed that disparities in exchange efficiency existed between brand ambassadors and potential students in both private and public settings due to linguistic difficulties. The brand ambassadors may have more say in public settings than in private ones. Force to be reckoned with promoting depends on three fundamental elements of web-based entertainment stages. In the first place, social media empowers influencers to speak with their adherents without a go-between straightforwardly. Second, online entertainment stages work with message proliferation, which assumes a crucial part in the progress of influencers advertising. Specifically, a promotion posted by the force to be reckoned with can contact a crowd of people that incorporates direct adherents of the force to be reckoned with via web-based entertainment and aberrant supporters (i.e., devotees of adherents) of the force to be reckoned with by righteousness of message engendering. Third, web-based entertainment permits firms to really gauge the worth (e.g., the advantage or reach) of its influencers promoting effort.

Pick (2020) This study examines the influencer's evaluation impact on consumer behavior are scare. The impact of consumers' perceived influencer credibility (IC) is first examined by the research utilizing the source credibility model in accordance with purchase intention and attitude towards product and advertising. The impact of psychological ownership (PO) on customer behavior is discussed next. PO has a notable positive impact on consumers' attitudes towards products and their propensity to make purchases. Lastly, to comprehend the perceived link between the customer and the influencer. The findings

demonstrated that perceived influencer credibility was a critical factor in predicting purchase intent, attitude towards advertising, and product perception. It also served as a vehicle for conveying persuasive messages, strengthening the audience's sense of psychological ownership and connection to the influencer. thereby having a favorable impact on customer behavior.

(Renchen, 2020) The study assesses the influencer marketing's effects on consumers in particular, as well as the influencers' influence over consumer behavior such as buy intent and brand awareness. The findings showed that brand awareness of the product is increased by the degree of influencer network engagement, authenticity of communication style, intrinsic motivation of influencers, and real-life nature of influencer posts. (Martínez-López et. al, 2020) The four key components of an influencer marketing programme are the following, which were examined in two separate experimental studies for theoretical and methodological operability: brand control over the shared message and its commercial orientation; celebrity status of the influencer; and consistency between the influencer and the product or service they discuss in the post. The study also examines how these variables affect crucial responses from followers in relation to the influencer, the post, and the good or service that make up an influencer marketing action.

(Davies and Hobbs, 2020) This study examines the worldviews, tactics, and practices of top public relations practitioners at several firms in Sydney, Australia, in order to better understand the tension between legitimate uses and potential abuses of social media influencers. This paper makes the case that the opportunities made possible by the rise of social media influencers are predisposing practitioners to covert actions and persuading methods that lack transparency and are incompatible with the moral standards of what constitutes appropriate practice for organizational public relations.

(Chetioui et. al, 2020) This study looks at how customer purchase intentions and brand perceptions are affected by attitudes towards fashion influencers. tries to pinpoint elements influencing how customers feel about fashion influencers. According to this study, customer purchase intentions and brand attitudes are positively impacted by attitudes towards fashion influencers. The authors also show how attitudes towards fashion influencers are positively influenced by perceptions of behavioral control, subjective norms, legitimacy, expertise, trust, and congruence.

(Ki et. al, 2020) By concentrating on their attachment growth mechanism and its incidental elements and impacts, this study reframes the conversation about the relationship between Social Media Influencers (SMI) and their followers. The other study offered empirical evidence about how followers' perceptions of social media influencers as human brands that satisfy their needs for ideality, relatedness, and competence were influenced by the social media influencers' personas, which included inspiration, enjoyability, and similarity. One study concentrated on SMI persona- and content-driven attributes that make followers feel attached to social media influencers. (Campbell and Farrell, 2020) This article discusses the history of influencer marketing as well as the various influencer categories that are now in use. The audience, the endorser, and the social media manager are the three functional parts of influencers that we have identified. The study draws on pertinent academic research to provide guidance on how to strategically utilize each of these components based on each of these types of value influencers may provide marketers.

(Lee and Eastin, 2020) This study investigates how consumers' perceptions of an influencer's authenticity and consumer envy affect their opinions of the influencer and brand endorsements for a variety of product kinds. The results showed that people report having a more positive attitude towards high-sincerity influencers, and that jealousy was a key moderator that improved people's attitudes towards low-sincerity influencers. For a symbolic



product, brand attitude was unaffected by the sincerity of the influencers; however, while advocating a utilitarian product, the sincere influencer was more successful in influencing participants' favorable brand attitudes. (Saima and Khan, 2020) A new digital marketing tool is social media influencer marketing. This study aims to determine how different social media influencer characteristics affect their reputation and, ultimately, consumers' purchase intentions. According to the research, credibility of influencers is significantly impacted directly by trustworthiness, entertainment value, and information quality, as well as significantly impacted indirectly by both on customers' propensity to buy. Consumers' propensity to buy is directly influenced by an influencer's credibility and dependability. (Wiedmann and von Mettenheim, 2020) This study investigates the applicability of the criteria of influencers' attractiveness, reliability, and skill for online influencer campaigns. This experiment focuses on a luxury apparel brand with an entry-level price point. The findings indicate that reliability is the most crucial criteria, followed by beauty. Surprisingly, the value of expertise is almost nonexistent. (Seçilmiş et. al, 2021) In order to comprehend how the travel influencers effect, visit intention in the COVID scenario, the study was carried out in Turkey. The study found that fear of COVID moderated but that confidence in vaccines did not link trust and intention to visit. By using cognitive reaction and trust as mediators, it was possible to estimate the attractiveness and expertise of the indirect effect of content on visit intention. Different aspects of travel influencers have an impact on cognitive reaction and trust, which in turn affect visit intention.

(Su et. al, 2021) This study investigates how male influencers' display of a strong physique can affect the efficacy of influencer marketing. Evolutionary theory and signaling theory served as the foundation for the study. It was discovered through two trials that while displaying muscles is attractive, it decreases women's perception of one's ability to be trusted, which results in a decrease in their desire to buy a gender-neutral product. Female consumers

showed reduced trust in male influencers who flaunted their muscles. The findings are directly applicable to brands looking to increase the influence of influencer appearance in product advertising. (Ayuaspharalinda et. al, 2021) This study looks at how customer brand perceptions and repurchase intentions can be influenced by attitudes towards beauty influencers. The investigation was carried out in Jakarta, Indonesia. Understanding the elements impacting customer attitudes, brand attitudes, and repurchase intention is beneficial for marketers and advertising in the beauty business.

(Gerrath and Usrey, 2021) By showing that influencer type, namely reviews and lifestyle, influences followers' perceptions of influencer sentiments of betrayal, authenticity, word of mouth, and revisit intention in response to paid reviews, this research was an extension of the prior study. The results demonstrate that reviews with incentives are adversely related to motivations. It also demonstrated that, regardless of the perceived prevalence of paid reviews, lifestyle influencer followers are motivated by expressed incentivization acceptance motives. (Farivar et. al, 2021) Empirical results of 409 online followers of two Instagram accounts confirmed that complementary effects of opinion leadership and para-social relationship in influencer marketing and revealed that more dominant role of para-social relationship over opinion leadership in affecting followers' purchase intention. Storytelling posts intensified both the effects. Correspondent inference improved the effect of para-social relationship, but not that of opinion leadership. (Weismayer et. al, 2021) All those influencers who favor Instagram to advertise their goods and services should find this study useful. The research was conducted at 54 locations in Vienna analysing about 627,632 Instagram posts from 30th October 2011 to 7th February 2018. According to the findings, becoming a more critical poster over time appears to be caused by growing expectations, increasing self-confidence, and expertise in Instagram posting.

(Pornsrimate and Khamwon, 2021) The goal of the study is to conceptualise and explore how Millennial customers might develop relationships with brands through social media micro-influencers. A three-stage construction process was introduced. The influencer was chosen in the first stage, deep emotional responses to the brand were built in the second, and brand evangelism was achieved in the third. According to the findings of structural equation modelling, four fundamental traits of social media micro-influencers—authenticity, influencer meaning, specific content, and secret sharing—were significant precursors to brand engagement and brand love, which, in turn, mediated the pathway to brand evangelism.

(Zhang, 2021) This study looked at how network positions and network density affect opinion leaders' response to social influence in the spread of new products. Network positions and network density play important moderating roles in the link between individual influence, also known as opinion leadership, and social influence susceptibility. Opinion leaders are often less vulnerable to social influence than non-leaders, but this study reveals that under specific circumstances, that vulnerability can alter.

(Srivastava, 2021) The study identifies that the influencer marketing domain is found to lack a comprehensive and bibliometric analysis. By mapping the influence of influencer marketing to comprehend the intellectual structure, it makes an attempt to close this important gap. Future study in this area should focus on six groups identified by the findings, including mechanisms, effect measurement, persuasive signals, likeability aspects of influencers, authenticity of influencers, and understanding followers.

(Magrinos et. al, 2021) The Theory of Planned Behavior is used in the study to examine the variables influencing consumers' purchase intentions for influencers' own businesses. In the context of influencers' own brands, the moderator function of self-identity in the link between price and purchase intention revealed that followers' 'fan' status made them more tolerant to price rises.

(Hu and Yao, 2021) This study aims to investigate how social cues

present in social media may affect users' behavioral intentions and attitudes towards influencer messaging. Findings demonstrated that consumers' attitudes towards the endorsed products were more positively influenced by positive than by negative YouTube video page ratings.

(Zhou et. al, 2021) This research focuses on the narrative strategies that act as high-quality e-word of mouth content which is critical to maintain influencer marketing effectiveness using S-O-R (Stimulus-Organism-Response) Framework. (Gupta and Nair, 2021) The conceptual model presented in this paper connects various aspects of promotion on digital platforms, such as influencer marketing, sensory brand experiences produced by digital technologies, hedonic benefits of promotion, and utilitarian benefits of promotion, to critical impact variables like consumer engagement, brand equity, brand attitude, and purchase intention. The results suggest that strategies for advertising on digital platforms should take consumer utility and hedonic rewards into account. Additionally, it must incorporate the best digital tools and social media marketing techniques, i.e., the proper selection of social media channels, influencer marketing, etc.

(Cocker et. al, 2021) The study aims to clarify situations in which celebrity endorsements made by social media influencers involved in online communities of consumers are viewed as offensive by those same community members. The research identifies five repeated celebrity endorsement offences, each of which transgresses a community-established moral obligation. (Han and Lee, 2021) The study tests two independent variables: the message's perceived commercial intent and the influencer's reported level of competence. The findings showed that a favorable behavioral intention and attitude towards the message were produced by the product message when the influencer's perceived expertise was high. In contrast, it was discovered that the perceived commerciality had little impact on the persuading effect.

(Vrontis et. al, 2021) According to the survey, social media influencers' prominence has been increasing rapidly over time. The current status of research on influencer marketing in social media environments is summarized in this study. In more detail, a review of the pertinent literature that takes into account antecedents, mediators, moderators of prospective outcomes, and contextual factors that affect consumer behavior is offered. (Chopra et. al, 2021) The influencers are a continuation of word-of-mouth marketing operations, according to trends. The main elements of influencer marketing that have an impact on consumer behavior are identified in this study based on the Theory of Planned Behavior and Social Learning Theory. According to the study, peer influence had no impact on consumer behavior, but attitudes towards influencers and a perception of behavioral control that permits the acquisition of more subject knowledge did. Personal significance, motivation, and trust were additional constructs that had a favorable influence on behavior while perceived risk had no impact. Consumers are impacted at four levels, including increased brand awareness, subject matter expertise, brand preference, and preference, based on the postings shared by influencers.

(Hudders et. al, 2021) The study was divided into three research features using the Stern's Revised Communication Model for Advertising as a theoretical framework: source, message, and audience. The first research stream concentrated on the viewpoints of communication experts and influentials. The second stream was focused on influencers' content strategies for their sponsored posts. The attraction of influencers and the effectiveness of their sponsored recommendations were the topics of the third study stream. The study ends with a research agenda for the future, recommendations for public policy, and consequences for marketing practice.

(Feng et.al, 2021) The authors contend that any influencer post that includes both textual and visual material is an example of a narrative with a main character(s) and a plot based on

narrative persuasion literature. The top ten young adult beauty and fashion social media influencers were taken into consideration for the study, which combined the use of machine learning-based topic analysis and deep learning-based image analysis to examine the content of captions and photos contained in Instagram influencer posts. The findings offered empirical data on how persuasive tales are used by influencers.

(De Cicco et. al, 2021) As it relates to ad recognition, sponsorship transparency, and influencer-related outcomes, this study explores a conceptual model in which the match between influencer and product congruence and the function of a more prominent disclosure are examined. The results demonstrate a favorable impact of influencer product fit on attitude, trustworthiness, and long-term intention to follow the influencer. (Masuda et. al, 2022) The study highlights that the attributes of influencers determine the purchase intention of customers. The “Para-social Relationship” has a stronger characterization than expertise or trustworthiness of the influencer as per the study. Additionally, it was discovered that para-social relationships considerably enhance purchasing intention. Through a qualitative approach, this study investigates narrative strategies to address possible influencer marketing challenges in China's luxury industry.

(Rothe and Wicke, 2018) A content-influencer-fit model is suggested in this study to increase the efficiency of influencer management and identification. This study initially suggests an attribute structure for marketer-generated content based on a thorough analysis of the literature, interviews, and usage data from an influencer-marketing platform. This framework incorporates the discussion on influencer and content attributes into a predictive content-influencer-fit model. The model can also identify influencers based on their propensity to find marketer-generated material useful, which forms the foundation of content-based recommendation.

(Petrescu et. al, 2018) The motivations behind consumer evaluations that are generated through influencer marketing initiatives and are incentivized are examined in this article. The key finding of this study is that incentive-based marketing campaigns can support a steady rise in the number of reviews and may boost the likelihood that consumers would make a purchase. This study also shows that rewarded electronic word-of-mouth in the form of customer evaluations increases consumer interest and drives them to search for more information about the product. The results also demonstrate how the application of exchange theory may be expanded to include more complex interactions between businesses, influencers, and consumers via a newly developed, niche word-of-mouth strategy.

(Torres et. al, 2019) By analyzing the impact of customer attitudes and purchase intents on the attractiveness of digital influencers and the congruence between a digital influencer and a brand, this study fills a research vacuum. The findings demonstrate that the attractiveness of the digital influencer, which encompasses both likeability and familiarity, as well as the congruence between the digital influencer and the brand, have an impact on both brand perceptions and purchase intentions.

(Dhanesh and Duthler, 2019) This study aims to investigate how followers' cognitive persuasion knowledge through ad recognition, attitudinal persuasion knowledge with the influencer, and behavioral intentions, specifically electronic word of mouth intention and purchase intention, are affected by awareness of paid endorsements by social media influencers. According to the study, ad recognition and purchase and electronic Word of Mouth (eWOM) intents are related to awareness of paid promotion. Additionally, it discovered a connection between influencer-follower relationships, which are linked to purchase and eWOM intentions, and awareness of paid endorsement.

(Halvorsen, 2019) The main focus of this study is on how changes in social media usage and technological advancements have altered the blogosphere and boosted bloggers' power on consumers and their insightful and priceless views. It also examines other elements that

contributed to its popularity, such as its distinctive focus and examination of the subject from the viewpoints of the reader, the fashion bloggers, and the firm.

(Ki et.al, 2019) In the influence mechanism, the study examines the mediating function played by consumers' desire to imitate social media influencers. The study's five factors for influencing postings have a good and significant impact on customers' attitudes, which in turn encourages them to imitate social media influencers, according to the results.

(Lou and Yuan, 2019) To comprehend the mechanism by which influencer marketing affects consumers via social media, the study incorporates preliminary research. The findings indicate that followers' trust in influencers' branded postings is favorably influenced by the informational value of influencer-generated material, the influencer's reliability, attractiveness, and likeness to the followers. This in turn influences brand awareness and purchase intentions.

(Lim et. al, 2017) This study examines the efficacy of social media influencers with an emphasis on source attractiveness, source legitimacy, and source product match-up. The social media influencers are creating buzz today in the younger markets with coverage in businesses. Consumer attitude is mediating between both endogenous and exogenous relationships.

### **2.1.2 IMPACT OF INFLUENCER MARKETING**

(Darmawan and Huh, 2022) The study looked at how consumers' perceptions of the advertisement and their behavioural intentions, which are based on the Persuasion Knowledge Model, were affected by the message type and sponsorship disclosure of prescription medicine influencer marketing. The findings demonstrated that messages that were unbranded and those that lacked disclosure led to decreased persuasion knowledge



activation, which in turn led to stronger attitudes towards the advertisement and behavioural intentions.

(Leung et. al, 2022) focuses on the cost of influencer marketing while assessing the effectiveness of campaigns specifically from an engagement elasticity perspective. Also, about how the influencers are selected, followers are targeted, or content is being managed. The effectiveness of influencer marketing is investigated using a communication model that takes into account the influencer's message, how followers receive it, and the message itself. The results demonstrate that businesses who followed a balanced strategy of the aforementioned dimensions outperformed their competitors and increased their effectiveness. (Han et. al, 2020) This study looks at how customers understand an influencer's true recommendation intent and the implications for their purchase intentions when there is explicit advertising disclosure. The results show that customers are less likely to buy products when influencers make clear advertising disclosures as opposed to when they make subtle advertising disclosures. Consumers' assumptions about influencers' earnest purpose to advocate products while sharing material may be the root of these unfavorable consequences of advertising transparency. Additionally, the detrimental effect is more pronounced when an influencer has a sizable (as opposed to a small) number of followers.

The role of social media influencers has received some attention due to the recent developments in the field of marketing. Influencer marketing places a strong emphasis on spending money on influencers who can inspire firms to promote to a specific target audience (Smart Insights 2017). Social media influencers have arisen as additional endorsers with a substantial impact over people's decisions as a result of the extensive use of information technology and the internet (Alshurideh et al., 2019; Freberg et al., 2011). The influencer on social media is regularly employed to advertise and disseminate information about goods and

services. It has grown dramatically across a range of social media sites, such as TikTok, which allows users to watch millions of personalized short films online.

(Asan, 2022) In the context of bicycle touring as a sustainable special interest tourism type, the study seeks to explain the effect of travel influencers on their followers. The "Travel Influencers' Impacts Scale" was created as a consequence of the investigation. According to the research, there are four areas in which travel influencers' effects on their followers can be divided: "informative effects, motivating effects, effects as a role model, and communal effects." (Martínez-López et. al, 2020) This study offers a theoretical framework to explain how consumer trust in influencers is impacted by perceived brand control over an influencer's post and the perceived commercial orientation of such a post. Results indicate that perceived brand control of the influencer's post has a greater negative impact on consumer perception of the influencer's credibility than perceived commercial orientation. Despite the fact that perceived brand control also discourages further research. The findings also indicate that the influencer's credibility is important in predicting post credibility, which in turn predicts interest and readiness to look up more details. The contact their followers on a frequent basis to provide them with the most recent information. In terms of a company's good reputation and ambitions, endorsements play a big part in the marketing industry (Alshurideh, 2022; Alwan & Alshurideh, 2022). Comparing social media influencers to traditional marketing approaches recently, they have established themselves as trustworthy advocates and are seen as a more cost-effective marketing strategy (Harrison, 2017).

(Linn-Birgit Kampen Kristensen, 2021) This study sheds light on how influencers are actively used to market a service during its launch phase while receiving less attention outside of what the provider has designated as that time. Storytel has created ties with numerous influencers and opinion leaders by using briefing notes to the bloggers that are straightforward and easy to understand. Additionally, the service has created and developed

knowledge about its capabilities in various contexts of use. The introduction of Storytel's diffusion process was more vertically than horizontally oriented thanks to the use of eWOM; as a result, acceptance was quick at first and Storytel's focus could shift from acquisition to retention more quickly than with traditional marketing.

The social media influencers can also provide evidence of their ability to influence media attention and customer purchasing decisions. However, there hasn't been much research done on social media influencers. (Godey et al. 2016).

According to the principles of influencer marketing, businesses today frequently ask prominent social media influencers, such as bloggers with millions of followers on their own social media accounts, to act as brand ambassadors (Tapinfluence 2017). The majority of followers who customers said they are more inclined to follow the advice of their favourite influences have shown that the messages that social media influencers can spread are typically seen as trustworthy by the consumers (Talaverna 2015). However, when compared to contemporary promotion strategies, other marketing promotion strategies encourage businesses to assess the outcomes of working with social media influencers because they are perceived as more knowledgeable and trustworthy sources because it is simpler for them to form relationships with important clients (Ki & Kim, 2019), especially for businesses that cater to younger generations.

(Sciarrino et. al, 2020) This study employs the social media performance model to assess both digital advertising and a peer-to-peer influencer strategy as part of an integrated brand campaign. For both non-profit and for-profit business-to-consumer (B2C) and business-to-business (B2B) brands, this model has identified significant relationships between organic social media variables, paid social (Facebook, Twitter, Instagram), e-mail spend, and Google AdWords spend that have resulted in a scientific measurement outcome. The model provides data-driven strategies that may be utilized to influence key performance metrics attained

through a wide range of digital and non-digital marketing initiatives when new linkages are identified as a result of the findings presented here.

(Jacobson and Harrison, 2022) The analysis of social media usage and monetization methods in the fashion industry through the employment of influencers as a marketing strategy. The study focuses on social media influencers who promote sustainable fashion and how they adjust their material to take ethics and desire for payment into account. It also emphasizes the difficulties that influencers and advertisers will have in the future as they attempt to integrate sustainability and entrepreneurship in influencer marketing. According to social media marketing, 80% of online marketers think social media influencers are reliable supporters who aid their businesses in expanding. (Dhanesh & Duthler, 2019). According to the research, social media influencers can affect consumers' buying intentions. Marketing studies show that 50% of companies use social media influencers to market their brands (Forbes, 2017). To interact with customers directly, however, businesses also maintain the blogosphere and launch their own blogs. Recent studies that concentrate on vloggers' motivation and function in enterprises primarily put the vloggers (video bloggers) through their actions and effects (Wang & Chuan, 2011). The research supports the ability of social media influencers to influence consumers' intentions to make purchases.

(Ye et. al, 2021) This hypothesis states that despite the fact that many companies have begun to use social media influencers to market their goods and services to their target customers, influencer marketing is still primarily a trial-and-error process with little understanding of how to strategically use digital influencer marketers in the social media space as a unique marketing tool to gain a competitive advantage. (Balaji et. al, 2021) The goal of the study is to determine how well consumers can be persuaded by nanoinfluencers on social media. It adds to the body of knowledge on influencer marketing by showing how buyers might be persuaded by nanoinfluencers by giving their message more legitimacy.

High construal message lacks credibility compared to low construal message. Intentions towards the influencer and service provider are influenced by the message's veracity. The usage of social media influencers in digital marketing initiatives has expanded. The investigation of popularity metric has revealed that less followers seem to increase the perceived trust of “greenfluencers” or green influencers. This also highlights that the customers are willing to donate more to green influencers with less following (Pittman and Abell, 2021).

(Lee and Eastin, 2021) The perception of a social media influencer's genuineness is a critical factor in determining how persuasive they are as brand advocates. The study created and then validated a scale for measuring how authentic social media influencers are perceived to be. The results suggested that perceived authenticity of Social Media Influencer is a multi-dimensional construct which comprises of uniqueness, truthful endorsements, sincerity, visibility and expertise. These components have varying effects on willingness to follow, evaluation and intention to purchase the recommendations of social media influencer.

(Tanwar et. al, 2022) The authors conducted a content analysis of academic literature on influencer marketing between 2008 – 2019. The study found that the major areas that used social media influencers predominantly were lifestyle, fashion and beauty. The issues included self-presentation, para-social interactions or relationships and credibility of the influencer.

(Leite and Baptista, 2022) Through accessing customer perspectives, this study develops and tests a scale to assess social media influencers' intimate self-disclosure. Further evaluation fosters consumer's self- brand connections via social media influencer's para-social relationships. The results says that social media influencer's honest self-disclosure enhances the consumer brand connections. (Dutta et. al, 2021) This study investigates if client decision-making about the purchase of travel and tourist services is influenced by

online or digital advocacy. The types of influencers that encourage purchases for travel and tourism are also identified in this article. To evaluate consumer behavior towards a brand that has been advocated for, both influencer marketing and user-generated web reviews are examined. Consumers are more likely to believe reviews that include reviewer information, have a significant number of pertinent reviews over time, and include both objectively favorable and negative comments about the establishment's prices and performance.

The network's qualities affect the results, but it might be difficult for businesses to pinpoint the best influencers to encourage the dissemination of user-generated reviews and stories. Finding the right influencer can be challenging because so many various factors might have an impact on these results (Brorsson & Plotnikova, 2017). Furthermore, Schwartz et al. (2013) pointed out that due to the characteristics of the many influencers, people receive the messages posted by various users on social media in substantially different ways. Age, gender, and exterior traits are only a few examples of such attributes. This study seeks to give a full understanding of evaluating social media influencers by using five constructs: source communication, source relatability, source trustworthiness, source respect, and source attractiveness.

(Ahuja and Loura, 2020) This study investigates how influencer marketing became popular as a marketing tactic in the Indian business environment. a qualitative investigation that included in-depth interviews with three separate groups of people: academicians researching consumer socialization, advertising and public relations professionals from SMEs, and macro and micro influencers like bloggers. The results highlight the significance of influencer selection, expectations, brand fit, and strategy. They also highlight the intricacies of this method when paired with theories of consumer socialization and electronic word-of-mouth. (Nadanyiova et. al, 2020) The goal of this study is to outline the theoretical underpinnings of how influencer marketing affects consumer lifestyle. The findings

demonstrate that influencer marketing significantly affects Slovak consumer habits, particularly those of consumers under the age of 35. With their moderating position, vloggers can shed light on consumers' intentions and attitudes, potentially offering marketers and practitioners new, useful insights that will help them create effective promotional strategies and influence how customers choose to use products and services. As a result, the source respect is a social evaluation of the information about something that has a bigger influence on consumers' purchasing decisions and, as a result, their attitudes towards a brand. It is therefore reasonable to assume that respect for an information source, particularly in the context of social media, has generally become more self-relevant and has a bigger impact on a person's self-esteem than information from unreliable sources. (Hautz et al., 2014).

Social media influencers may be perceived as in-group members or out-group members depending on the context and the time. Although the literature emphasizes the validity of self-categorization, it also makes the prediction that people who are viewed as social influencers can benefit from the respect factor in marketing and that their influence may extend beyond simply enhancing a person's perception of themselves (Kong et al., 2016). According to Zainal, Harun, and Lily (2017), respect from an outsider source may seem insignificant to an individual's self-perceptions or it may present a threat because it might be seen as undermining the individual's current sense of group identification and views.

(Gajanova et. al, 2020) This essay tries to investigate how influencers affect consumers' decisions to buy a particular brand of product. The study found that there is a fair amount of mistrust of Slovak consumers when it comes to influencer marketing. The conclusions ought to be useful for boosting competition and enhancing the allure of marketing communication. (Audrezet et. al, 2020) This study focuses on collaborations between Social Media Influencers (SMI) and Brands that can have problems with

authenticity. This study used a qualitative methodology based on observations of SMI-brand partnerships and SMI interviews, and it compared these data sources to produce two authenticity management methodologies. Authenticity that is transparent and driven. This is a strategy social media influencer can use to control their own authenticity and ease the tensions brought on by brand intrusion into their material.

(Trivedi & Sama, 2020) It examines how brand adoration and brand attitude affect online purchase intentions by acting as a mediating factor between influencer marketing and those intentions. The findings suggest that when arranging the marketing communications for consumer electronics products, there is a clear advantage in selecting an expert influencer over an appealing celebrity influencer. Empirically, it is clear that brand attitude and brand appreciation mediate consumer behaviour. (Singh et.al, 2020) Based on the persuasion knowledge theory, the study investigates the effect of influencers on consumers' perceptions of corporate brands' responses to crises. The results suggest that corporate brands should respond to crises by strengthening their already strong corporate reputations without involving influencers. By explaining the values-based motivations behind the brand-influencer partnership, brands should make an effort to protect themselves from being the target of misleading inferences when harnessing influencers' support.

As opposed to celebrities who are well-known for their prior endeavours (such as in music, sport, or television; Schoouten, Janssen, and Verspaget, 2020), influencers have their roots in social networks, which means they have directly acquired their notoriety and reputation as opinion leaders through these platforms. Influencers, as opposed to superstars, usually develop closer relationships with their admirers, who eventually come to think of them as friends. (Belanche et al., 2021). According to Djafarova and Rushworth (2017), this is one of the reasons why followers view influencers as more trustworthy and sincere, which enables them to build effective online communities (Sokolova and Kefi 2019). Their



followers acquire better attitudes and behaviours towards the products they support when they work with businesses (Jin and Muqaddam 2019; Lou and Yuan 2019). As a result, brand managers are beginning to see influencer marketing as a feasible option for sponsorship (Schomer 2019).

(Dwidienawati et. al, 2020) The purpose of this study is to examine the relationship between purchase intention and customer and influencer reviews, as well as the mediating function that trust plays in that relationship. Two groups were asked to rate their own opinions on trust, purchasing intent, influencer and customer reviews. The findings demonstrated that influencer reviews have a favorable effect on consumers' propensity to buy. Customer reviews, on the other hand, did not demonstrate the moderating impact of trust on the connection between influencer endorsement and purchase intention. This study did not support the moderating role of trust. (Ketrin & Szilard, 2020) When it comes to influencer marketing, even while followers are aware that they are seeing advertisements, they nevertheless utilise the knowledge gathered to shape their decisions. In fact, even a tone that is especially pushing and activating might persuade followers to make a purchase. Thus, authenticity is important for both sides, and it is important how the product and the influencer are represented in the promoted content because of this. (Backaler, 2019) The five main elements that have contributed to the growth of influencers and influencer marketing globally are outlined in this essay. It presents a system for categorizing influencers according to their perceived levels of authority and areas of expertise. The article also discusses how businesses should organize their marketing departments to maximize the influencers' positive effects on their worldwide business. It concludes by highlighting why influencers are more important in international marketing strategies.

(Hughes et. al, 2019) The focus of the study is on the elements that influence online brand engagement at various points in the customer purchase funnel. According to the

findings, the qualities of the bloggers and the substance of the blog posts, which are further mediated by the type of social media platform and the goal of the campaign advertising, influence sponsored blogging's effects on online engagement like leaving comments or like a company in different ways. Campaign incentives can enhance or decrease engagement on blogs, for example Facebook, depending on the sort of platform used. Real in-market customer reaction data and data from an experiment are used as additional supporting evidence for these findings. When taken as a whole, the data show how important it is to consider the interaction between platform type, campaign intent, source, campaign incentives, and content when determining engagement.

As consumers become less trusting of conventional forms of advertising, influencer marketing on social media platforms like Instagram is increasing popularity (Hsu 2019, growing from a supplemental tactic to a market worth more than \$16 billion in 2022). In 2022 (Statista). In influencer marketing, advertisers pay influencers for mentioning a specific product in their material, usually with some creative control. Influencers are expected to create content that motivates their audience to engage on social media.

Aiming to increase engagement, which is often gauged by the volume of interactions (likes, comments, etc.), are advertisers and influencers. (Leung, Gu, and Palmatier, 2022). Influencer marketing is growing in popularity, however it appears that some businesses are employing it without fully understanding its advantages.

(Lou et. al, 2019) This study explains and makes recommendations on how two identical and equivalent sets of advertisements, influencer- versus brand-promoted commercials, can have differing effects on consumer engagement, consumer sentiment, and comment themes. According to the findings, influencer-promoted Instagram advertising for clothing businesses receive noticeably more likes and comments from users than brand-

promoted ads. (Alampi, 2019) Influencers are in high demand because of how well they work to help brands improve their return on investment. Micro-influencers, also referred to as "micros," are a new breed of influencers. These online tastemakers have small fan bases, are frequently representative of their audience, and exude the trust, authenticity, and authority that are widely regarded as the essential ingredients for effective influence. This study demonstrates how a micro-influencer campaign was employed to inform Americans about family detention and separation.

(De Vierman et. al, 2019) This study focuses on the reasons for and mechanisms underlying social media influencers' ability to persuade their youthful audience. It explains how the social media became one of the latest sources of advertising. A systematic literature review on influencer marketing among children aged below 12 years to formulate societal and policy implications. These children are vulnerable age group when it comes to persuasion. Marketing tactic to target these children could be highly influential and affecting their preferences greatly. This has reference to famous child vlogger Ryan having more than 19 million followers.

Academic studies on influencer marketing are becoming more and more prevalent. The majority of this research, however, takes the stance of a sponsoring brand and advises companies on how to collaborate with influencers most productively to advance their brands. Research is required to help influencers develop their own product management plans because they are also brands. As a result, we investigate influencer advocacy initiatives while looking at influencers as businesses. According to the findings of three studies, consumers' sentiments towards influencers are improved by activism, and expectations for more activism are also raised. Additionally, ongoing help is necessary for changing customer views. Failure to live up to activism expectations is associated with lower assessments of

authenticity and attitudes, suggesting that activism as a means of assisting the influencer is only helpful if it is ongoing.

(Trivedi, 2018) By comparing the relative efficacy of different factors, this study aims to resolve this conundrum. On digital media sites, the respondents followed celebrities and fashion authorities. The findings showed that beautiful celebrity influencers had a greater influence on Gen Y than did knowledgeable influencers. (Kolo and Haumer, 2018) In this study, content analysis of influencers' YouTube uploads, a representative audience survey, and observational data from followers of influencers are combined. The findings demonstrate that influencers' communication is no longer limited to specific demographics and that their fans consume social media content in a manner that is remarkably similar to how they consume content from conventional media. The study also demonstrates that, under specific circumstances, followers can cognitively anticipate and accept advertising despite its ubiquitous presence.

(Kadekova and Holienčinova, 2018) The goal of the study is to provide a thorough analysis of influencer marketing prospects and ascertain how influencers affect the buying habits of Generations Y and Z. The goal of the study is to identify distinctions between the various consumer generations as well as determine whether influencers who advocate products can draw in customers and persuade them to make a purchase. In terms of how influencers affect customer behaviour, the research results indicated that there are considerable variances between the aforementioned consumer generations. This creates a variety of marketing options. YouTube, TikTok, and Instagram are among the web-based entertainment platforms that are increasingly used. TikTok, a video-sharing app with 1.7 million users in the Netherlands, saw a 149% increase in usage starting around 2020 (Newcom 2021). With 5.9 million users aged 15 and older just in the Netherlands, the social media platform for sharing photos and videos, Instagram, is also still growing (Newcom

2021). Given the popularity of these social media platforms, it is no longer business as usual that influential young people have emerged as brand ambassadors for a variety of goods and services and a significant source of consumer product data.

(Lin, Bruning, and Swarna 2018). Reflecting the increase of influencers supports via virtual entertainment, a developing number of scholastic examinations has shown the effect is positive of these supports on promoting results. For instance, Lee and Watkins (2016) showed that Design vloggers that promote luxury brands on their YouTube channels have a significant impact on consumers' perceived value and purchase intentions. Additionally, a focus interview by Djafarova and Rushworth (2017) revealed that Instagram users frequently bought or recommended goods recommended by "Instafamous" figures. The progress of virtual entertainment forces to be reckoned with as item endorsers is likewise proven by more certain assessments of force to be reckoned with supports when contrasted with organization supported advancements and 'customary' big name supports. For instance, compared to organization-supported online magazine articles, blog entries about design brands resulted in greater brand attitudes and increased buy goal, according to a study by Colliander and Dahlén (2011). Ongoing examinations contrasting influencers supports to customary superstar supports showed that influencers are more powerful endorsers than customary big names, (for example, design models and expert competitors), bringing about more sure brand perspectives and buy expectations (Schouten, Janssen, and Verspaget 2020; Trivedi and Sama 2020). Influencers in this manner appear to be a compelling publicizing instrument, and examination has begun to distinguish the variables that add to their prosperity. In particular, the enticing force of influencers appears to start from their extraordinary situating as credible, interesting, and available 'superpeers'. Besides the fact that customers effectively look for out influencers content (when contrasted with customary promoting correspondence which is frequently thought to be nosy), however forces to be reckoned with are likewise seen as

tenable and engaging endorsers (Chapple and Cownie 2017; Djafarova and Rushworth 2017). However, most purchasers know that influencers benefit from their supports, this doesn't appear to adversely influence believability insights (Chapple and Cownie 2017; Dhanesh and Duthler 2019). When contrasted with customary VIP endorsers, influencers are seen as more dependable, buyers feel more like them, furthermore, are bound to seek to be like them. These cycles, thus, emphatically influence publicizing results (Lou and Yuan 2019; Schouten, Janssen, and Verspaget 2020). Overall, it appears that ID with the influencers—comprising both seen similitude and impractical distinguishing proof—and observed endorser believability—which includes the subcomponents reliability and aptitude—are both key drivers of the effects of influencers' underwriting.

(Sudha & Sheena, 2017) The authors state that fashion plays a very important role in lifestyle. People spend proportionately to the changes in fashion from time to time which is firmly anchored to social media in keeping them updated. This article examines the role of influencers in the fashion industry's consumer decision-making process at various phases. The values for brands, celebrities, and bloggers are generated based on Reach, Relevance, and Resonance. The findings of the study suggested that blogs might have a big influence on how young women act after reading a favorable review of a product. Depending on the reach, this could have both beneficial and harmful effects.

(Zietek, 2016) Influencer marketing has become a legitimate marketing channel to target clients due to the rise in mobile device usage and customer time spent on social networks. The study intended to provide fashion firms with guidelines regarding the attributes and elements of influencer marketing. The study gathered information on how fashion influences affected participants' everyday tasks, requirements, difficulties, and other factors. As a result, the four fundamental elements of influencer marketing were developed: co-creation, authenticity, long-term relationships, and micro-influencers. Brand fit,

exclusivity, visual language, passion, trust, pricing, creative freedom, and frequent communication were the sub-components that fell under these basic elements. Working with micro influencers is a crucial element of influencer marketing, according to the study's major finding. These influencers frequently exhibit a high level of authenticity, are authorities in a certain field, and lack financial incentives.

Regarding the actual results and return on investment, influencer marketing is still a somewhat uncharted territory for many fashion firms and marketers. Reaching the brand's target audience requires finding the proper influencer. Most marketers believe that the more followers an influencer has, the better because there is no accurate access to the influencer's audience data. Most people make the notion that a person's number of followers shows that they serve as an opinion leader and draw the correct kind of audience. (Utz, 2010, pp 314-335). It means that this opinion leader will be able to garner more likes and interaction since they are more credible and appealing to their audience (Graham, 2014, pp. 358–372). Who are these followers, though? Finding out whether influencers have a follower base that is increasing naturally and which influencers may have purchased followers is difficult in the face of false followers. Reviewing an influencer's reach and engagement as well as their number of followers is a frequent way to gauge their quality. For brands, the engagement rate is a crucial KPI for gauging the effectiveness of their influencer marketing programmes. The better, the more engagement that influencer has. One must tally up all the likes and comments to get the engagement rate, then divide it by the number of followers. Because it shows that the influencer's followers, who are ideally the brand's target market, are actively participating and really view the posts, the more engagement an influencer's posts receive, the more significant they are for brands.

### 2.1.3 SOCIAL NETWORKING SITES

(Kim, 2022) This study will look at influencer marketing's level of social presence and the role para-social interaction plays as a mediator. The findings indicated that social presence and para-social contact are important determinants of effective influencer marketing, but they can be problematic since they may prevent consumers from gaining accurate persuasion knowledge. (Boerman and Muller, 2022) This study aims to comprehend the level of influencer marketing expertise on Instagram. Here, the emphasis is primarily on the errors made by influencers in the feeds, as well as on brand presence, disclosures, and influencer types. The lines between commercial and non-commercial content still appear to be hazy in the findings.

(Hudders and De Jans, 2022) The study aims to investigate how an influencer's gender influences the persuasiveness of content they have been compensated to promote. The idea that same-gender promotion might increase persuasiveness is tested. The findings indicated that female customers identified more positively with female influencers than with male influencers, which resulted in a stronger para-social bond and good brand attitude. Contrarily, men did not differentiate between a male and a female influencer when it came to brand attitude. (Sokolova and Perez, 2021) The study looks into why people watch fitness videos on YouTube and how para-social interaction and fitness-related viewing intentions relate to exercise-related viewing intentions. Users who don't exercise are drawn to YouTube by the amusement and a para-social connection with an influencer, which has no bearing on their intents to work out.

(Taffesse and Wood, 2021) The study investigates the relationship between followers' engagement behavior on Instagram both individually and interactively and measurements of influencers' content and engagement strategy, such as follower count, followee count, content volume, and domains of interest. According to the research, follower engagement is



favorably correlated with followee count whereas follower volume and follower count are adversely correlated with follower engagement. (Acikgoz and Burnaz, 2021) This study, which is based on the Advertising Value Model, tries to identify three variables that could influence the perceived value of sponsored content and attitudes towards YouTube influencers. The research showed that opinions towards YouTube influencers are mostly influenced by the informativeness and entertainment value of sponsored material. In the past few years, the showcasing and publicizing industry has given force to be reckoned with advertising a lot of attention; without a doubt, 84% of advertisers see influencer marketing as a potent showcasing strategy, and 87% of consumers have made purchases prompted by influencers' positive image endorsements.

The way people find news and information has been significantly impacted by social media platforms. The majority of Americans primarily rely on social media for news, and that figure has been rising over the past several years, according to a Pew Research Centre survey. People now view thousands of advertisements daily as a result of these new informational resources, the bulk of which come from social networking websites. (Ganguly, 2015). Several age groups have developed a habit of using social media, particularly the millennial and younger generations (Gottfried & Shearer, 2016).

Marketing people and companies use the force to be reckoned with advertising strategy to promote their brand messages and products by collaborating with specific internet entertainment clients. These individuals are also renowned for being forces to be feared, and they range from more diminutive deemed proficient or non-proficient "peers". According to writing on source credibility (Katz and Lazarsfeld 1955; McGuire 1985), it is nothing new that a layperson would convey a more credible powerful effect as a source with their likability to the audience. However, the influencer effects of force to be reckoned with showcasing are far more spectacular than the typical notion of a lay source like family.

Consumers are advised to identify with influencers and consider them as more intriguing people than traditional great names by the social components of influencer marketing (Shan et. al, 2020). Because of this perceived resemblance, para-social connections with strong forces are strengthened, which eventually affects how customers navigate. Furthermore, the substance explicit points of view of force to be reckoned with promoting suggests that many consumers actually place more trust in an online survey created by an item user or a free outsider than the item manufacturer (Dou et al. 2012), as the message is based on individual buyers' own perspectives, which fosters compassion and lowers customer protection from the message.

According to a recent evaluation by Lou, Tan, and Chen (2019), force to be confronted with advanced material really receives more notable engagement (such as likes, offers, and remarks) than brand-advanced postings. In addition to elaborating on these fundamental motivating factors for force to be reckoned with showcasing success, the current study focuses on ways to understand how forces to be regarding social media presence on Instagram enhances client brand commitment and impact information. More specifically, the current study explores what participation means for the buy expectation of a brand featured in an influential person to reckon with posts as significant content or as endorsed posts that are intertwined into the influencers' daily diaries, for instance, regular sincere postings via virtual platforms.

This form of evolution, a more covert structuring of advertising, is actually possible due to the brands' unobtrusive and subtle exposure as a scene in a television show or as a person's statements via internet entertainment to limit publicizing interruption. According to Boerman, Van Reijmersdal, and Neijens (2012), supported content includes things like item position, supported web-based entertainment posts, and supported news content. Despite its marketing efficacy, covert advertising is believed to potentially mislead consumers by

diminishing influence information since this organization deliberately reduces people's capacity for meticulous and effective data handling, rendering them resistant to sponsors' influence attempts. (Wojdyski and Evans 2020).

Researchers have since offered recommendations for how to adequately disclose sponsorship with regard to its location, language, and show (Evans et al. 2017; Krouwer, Poels, and Paulussen 2017; Wojdyski and Evans 2016; Wojdyski et al. 2017). Numerous studies have shown that one of the indicators that activates influence information is the disclosure of sponsorship. In actuality, De Veirman and Hudders (2020) found that sponsorship reveal has a detrimental impact on brand viewpoints and influencer credibility, and more crucially, that it worsens the skepticism-fostering environment. In any case, it is still unknown what else, aside from sponsorship disclosure, might have an impact on the data when influencers explicitly advocate brands and items through their own correspondence channels.

There are four reasons for the "phenomenon by which consumers deliberately choose to remain away from or reject a brand" (Lee et al., 2009; p. 2): Promises that are (1) functionally insufficient (deficit value avoidance), (2) symbolically unattractive (identity avoidance), (3) morally wrong (social damage avoidance), and (4) unsatisfactory (experiential harm avoidance). A marketing campaign accomplishes two goals through influencer marketing and advertising. Consumers are first made aware of the product, and then they are given useful information. Influencers enable social learning, which is a network effect akin to word of mouth that marketers can use (Galeotti et al. 2013, Campbell 2013). The influencer is promoting interactions among the follower base by curating content and by utilizing the social media platform's content feed algorithm to increase exposure, in contrast to word of mouth where marketers can encourage consumers to speak to each other, for

example, through exclusivity or referral rewards (Campbell et al. 2017, Kamada and Ory 2020, Carroni et al. 2020). (Berman and Katona 2020).

Over the past ten years, social media advertising has undergone a significant transition, with a focus on influencer marketing (Vrontis et al., 2021). According to Statista, the influencer marketing market had a value of \$9.7 billion in 2020 and is projected to grow to \$15 billion by 2023. The market has increased by more than 50% annually despite only being valued \$500,000 in 2015 (Statista, 2022). During the COVID19 epidemic, more individuals resorted to online platforms for news, support, and amusement, which led to an increase in the use of influencer marketing (Seçilmiş et al., 2022; Taylor, 2020). As a result, influencer marketing has emerged as a key element of digital marketing strategy.

When businesses first started using the internet for communication, they wanted to distinguish between the channels they could fully control, like their own website, and the communication outings they had to pay for in order to share their message on another platform (banner ads, search-engine advertisements). The first of these owned networks was referred to as "owned media," and the second as "purchased media." With the advent of social media, a third category—"earned media"—was created (Visser & Sikkenga, 2017). Organizations have significant power over the message's substance when using bought and owned media, but with earned media, favorable attention must be "earned." Essentially, in order to garner earned media attention, you must take extraordinary and noteworthy to respond by giving lots of free attention.

When choosing between an influencer campaign and an advertising campaign, there are many important considerations to take into account, including the ex-ante incertitude concerning the quality of the product, evaluating the facts gathering friction innate to the campaign, and deciding whether or not the advertising initiative ought to concentrate on raising recognition or on informing consumers. Influencers are seen by Generation Z as peers

who share their genuine ideas, making them the antithesis of hegemonic corporations, which Generation Z views as being opportunistic. (Reinikainen et al., 2020). When the younger generation feels that they are being manipulated controlled by businesses, they view this as an act of ethical rebellion by bloggers (Cocker et al., 2021). To be more specific, Gen Z perceives the information provided by influential individuals as being of commercial intent and, as a result, deceitful when they think the influencers have submitted to the control of corporations and have acted at their command. They may then blame the influencers for breaking the connection, which could lead to animosity towards the influencers (Cocker et al., 2021). In other words, according to Gen Z (Cocker et al., 2021; Han et. al., 2020), such transgressive actions by influencers are ethically wrong and should be held accountable. This then results in morally dubious behavior (Lee et al., 2009). Accordingly, to fill the holes in the ongoing writing of force to be reckoned with advertising and to better comprehend how influence information functions in influencers promoting, the current review characterizes influencers to look at how social presence with regards to a wellness influencer's Instagram posts and para-social connection actuates influence information to influence buy goal toward the brand highlighted in the posts in a type of item position. In expansion, to develop how we might interpret endorser impacts in influencers promoting, this study explores whether influencers could act as good examples and spur customers, taking into account that individuals view forces to be reckoned with as somebody they try to imitate (Chae 2018). According to the current review, the para-social connections with influencers and the social presence of forces to be reckoned with in the posts may function as additional determinants that enact influence information, giving the marked post the appearance of being less time-limited. In light of the discoveries, this study plans to add to the influence information model writing by investigating what different variables - aside from sponsorship revelation - work with/ block influence information in force to be reckoned with advertising. Influencer's social presence as day-to-day diary postings and looks for (Piehler et. al, 2022). This study

examines the impact of social media influencers' sources of popularity on users of social media using the ideas of likeness and wishful identification. The results demonstrated that non-original social media influencers influenced social media users' buying intentions more favourably than original social media influencers do when the consumers have low self-esteem. However, compared to non-original social media influencers, original social media influencers have a higher positive effect on the purchase intentions of social media users who have high self-esteem. (Muda and Hamzah, 2021) Based on the social identity theory, this study investigates how consumers' perceptions of the source legitimacy of user-generated content (UGC) in YouTube videos affect their attitudes and behavioral intentions. The results showed that attitudes towards user-generated material have an indirect impact on electronic word of mouth and purchase intention via perceived source legitimacy. The impact of perceived source homophily on attitudes towards user-generated content is also mediated by perceived source credibility.

In 2021, Le and Hancer The study aims to assess the impacts of perceived expertise, attractiveness, and dependability of YouTube travel vloggers on audiences' desired identification and behavioural intention based on the theory of social learning and trustworthy source model applications. The study also seeks to determine how the gender of vloggers influences viewers' opinions of them and potential desire to emulate them. In 2021, Naderer et al. In the study, the consequences of brand disclosure and depiction on the social network with and without supported collaborations are contrasted. Results suggest that disclosures may help people recognise advertisements. Additionally, disclosures may boost an influencer's credibility when there is a larger follower-influencer resemblance. Regarding future plans to follow the person of influence and intent to shop for the advertised brand, reliability has a significant impact.

(Grave and Bartsch, 2021) In the study, macro influencers' and celebrities' efficacy are compared. The distinctions are in the endorser's appeal, credibility, knowledge, and familiarity. The findings also imply that for influencer endorsements on social media to be successful, they should be subdued. Contrarily, intrusive advertisements are more effective than those featuring celebrities. (Chan, 2021) The author conducted a qualitative study with kids to determine how they react to and perceive YouTube videos that promote products and brands. The findings showed that there was a wide range in how people understood the message's selling and persuasion intentions. Due of their limited perspective, some people may not see these as ads.

(Norris et. al, 2021) A new phenomenon called “Rogue Marketing” has been introduced by the author. This happened during 2019 for hard seltzers, a new product category. It happens when an unconnected person uploads and creates a casual message on social media about a brand that becomes viral and may provide favorable or negative attention for the brand. The research was conducted among 210 hospitality students and gauged both quantitative and qualitative data. The results found that rogue marketing message was more compelling than company promoted advertisements. (Duh and Thabethe, 2021) The power of a social media influencer’s power can lead to \$1.2 million for a single post, especially on Instagram. This study quantitatively collected data from 330 South African millennials to examine the Instagram influencer’s attributes impacting millennial’s brand engagement. The result highlighted that likability, familiarity, similarity, and influencer’s trustworthiness were key drivers of brand engagement. But the impact of likability was negative. Brand engagement was not significantly affected by attractiveness and expertise. To acquire understanding in the fundamental cycles of the impacts of item influencers fit and number of adherents on both publicizing results and force to be reckoned with affability, we will examine the intervening job of seen influencers validity and

recognizable proof. The degree to which consumers believe the influencers as a trustworthy authority with regard to a product or service is force to be considered legitimacy. Recently, the two subcomponents of source credibility—dependability and aptitude—have been assessed (Sternthal, Phillips, and Dholakia 1978; Schoouten, Janssen, and Verspaget 2020). Even more explicitly, dependability involves impression of uprightness, genuineness, and trustworthiness of an endorser and skill alludes to the applicable abilities, experience or information an endorser is remembered for.

However, in recent years, it has been possible to estimate the degree to which one relates to a force to be reckoned with using the subcomponents of saw likeness, or the extent to which people perceive to share things generally with the endorser, as well as starry-eyed distinguishing proof, which involves the desire to resemble the other individual (Hoffner and Buchanan 2005). Traditional VIP endorsers are often seen as more credible when they support products that meet their areas of expertise (Dwivedi and Johnson 2013; Lee and Koo 2015). In the influencers space, De Cicco, Iacobucci, and Pagliaro (2021), as of late illustrated that influencers underwriting items that fit well with their picture (for example a food force to be reckoned with advancing a stand blender) are likewise seen as more reliable and as having more ability than forces to be reckoned with supporting sick fitting items (for example a food force to be reckoned with advancing a watch). In spite of the fact that Schouten, Janssen, and Verspaget (2020) didn't track down fit consequences for ID, interviewee reactions in Djafarova and Rushworth (2017) propose that individuals are used to recognize themselves with influencers who are not simply elevating anything (which could be gathered from sick fitting supports), however tell the truth and legitimate people who cautiously select their image associations (which could be surmised from great fitting supports). Thus, believability and distinguishing proof are supposed to bring about additional uplifting outlooks toward both the endorser and the support. Validity has for quite some time



been a significant figure making sense of underwriting viability (Djafarova et al. 2017). Additionally, according to (Uzunolu and Kip 2014), people seem to be further absorbed in the contented that influencers post with whom they can identify. A recent study on the marketing effects of influencers found a need for research into how consumers respond to various (Vrontis et al. 2021) of forces to be reckoned with, which are (Campbell and Farrell 2020) typically identified by the number of 'super influencers' they have in the Netherlands (north of 1 million adherents), 'full scale forces to be reckoned with (100,000 million devotees), 'meso forces to be reckoned with (50,000-100,000 adherents), 'miniature influencers' (5000-50,000 devotees), and 'nano forces to be reckoned with (100-5000 adherents; Haverkamp 2018; Joosten 2021). Despite the fact that there is motivation to accept that force to be reckoned with support impacts, also, explicitly the effect of item influencers fit, rely upon the quantity of devotees (De Veirman et al. 2017), as per the information available, their exchange is yet to be examined. It would be crucial to understand whether handling particular types of forces to be reckoned with involves a superior arrangement of endorsement and item qualities than working with others for academics as well as for professionals. We will examine how item influencers' fit, and number of followers together affect underwriting adequacy in order to advance the hypothetical understanding of influencers' underwriting impacts and provide brands, forces to be reckoned with, and influencers' promoting organizations with useful advice that can be applied in future mission improvement. We'll examine these outcomes in relation to Instagram, one of the most well-known platforms for influencer marketing (Mediaki 2017). To gauge promoting results, the current examination expands after existing (influencers) showcasing writing by evaluating customers' mentality toward the promotion, demeanor toward the item, and aim to buy the supported item (Schouten, Janssen, and Verspaget 2020). Likewise, influencers promoting effort moreover influences the picture of influencers, who need to deal with their own marking and keep up with credibility within their fans (Audrezet et.al. 2020), to evaluate influencers amiability

discernments (De Veirman et al. 2017). Additionally, we study the functions of ID using endorser credibility and endorser influencers as two potential assessors of the effects of fit and the number of supporters in order to gain insight into the fundamental cycles. Lee and Koo (2015); Schouten, Janssen, and Verspaget (2000) among others, demonstrate that when an endorser promotes products that are in line with their expertise, their credibility is increased and their followers are more inclined to identify with them. Additionally, the number of supporters also appears to fundamentally influence both believability and ID. Thus, both validity and recognizable proof have been displayed to influence underwriting results, for further expanding the pertinence of exploring the possibly interceding jobs.

Marketing professionals typically refer to social networking influencers as the "new brand" due to their substantial impact on customer behaviour. (Pick, 2020). The use of artificial intelligence (AI) to control the internet has given rise to a new category of online celebrities (Sands et al., 2022). The World Health Organization's use of AI influencer Knox Frost during the worst of the SARS and COVID-19 pandemics is proof of their growing importance. For the purpose of promoting PSAs on lockdown procedures and the value of personal hygiene, Frost, who has more than a million Instagram followers, was hired (Farivar and Wang, 2022). In 2018, the Kardashians were replaced by three AIs, Margot, Shudu and Xhi by the French luxury brand Balmain. According to a press statement from Balmain, these individuals best represent a brand's dedication to tolerance and diversity (Barta et al., 2021). KFC, Samsung, Netflix, Mini, and Nike, are some of the few well-known businesses that have partnered with AI influencers (Agag, 2019; Koay et al., 2022).

(Rohde and Mau, 2021) The social influence heuristics framework is found to be capable of capturing social media influencer marketing for influencer-owned companies and products in long-form YouTube videos. The study demonstrates how each of the seven criteria, including generosity, proof of value, reliability, limited availability, liking, authority,

and unity, is connected to self-promotional influencer marketing in long-form video content. high levels of detail, creativity, and knowledge. (Kristensen, 2021) Norwegian Business School did this study to explain the effects of introducing a new service solely through the use of bloggers. It looked at three theories: communication theory depending on the Two-Step Flow Hypotheses, marketing theory based on electronic referrals, and diffusion theory of inventions. Two study topics were the focus of a qualitative interview with marketing managers; the first one concerned the considerations made while establishing a brand link between a product or service and a blogger. How do bloggers engage with their audience when launching a new good or service? was the second study question. Influencers frequently interact with fans, promote their work, and employ self-presentation tactics they devised since they possess an assortment of widely recognised identities and symbolic meanings generated through public appearances. Their regular activities are used to captivate viewers and foster intimacy. Influencers portray a more genuine and relatable persona than the ridiculously wealthy personalities folks watch on TV because they post tweets about their typical daily activities. The way of life of influencers are actually admired by consumers, who see them as personable personalities (Ki and Kim 2019). According to recent surveys, consumers have a strong connection to influencers and see them as more reliable and current than traditional celebrities. This helps create favorable brand views of advertisers.

Long-term collaborations between companies and influencers are expanding in the current, fiercely competitive social media scene as a result of the quick growth of influencer marketing (Agag et al., 2022; Kim and Kim, 2021; Martnez-López et al., 2020a, 2020b). Influencer marketing, which incorporates relationships between influencers and brands, clients, and businesses, can be seen as a more sophisticated kind of relationship marketing. Marketers have discovered the advantage of gradually incorporating their marketing

messages into the narratives of influencers in order to increase the engagement of followers (Acikgoz and Burnaz, 2021; Farivar et al., 2021; Leung et al., 2022).

(Belanche et. al, 2021) This study sheds light on the relationship between an influencer's promotional activities and their followers' attitudes and behaviors towards them. The study's findings showed that perceived credibility and attitude both lead to favorable behavioral responses towards the influencer, and that the influencers must improve these in order to maintain their ability to influence. Paid promotional activities of the influencers harm their credibility. (Grover et.al, 2021) This study focuses on how political leaders can influence sustainable development goals through a social networking site like twitter. The findings indicated that the sustainable developmental goals for partnership, peace, justice are discussed on the platform and other goals have not been focused on. As a result, both consumers and advertisers tend to be drawn to the native quality of influencers' content, which is produced by peers in authentic settings.

Current study on influencer marketing is concentrated on content tactics and source effects. According to certain studies (Lou, Tan, and Chen 2019; Muqaddam, and Ryu 2019; Ki and Kim 2019, Schouten, Janssen, and Verspaget 2020; Jin,), customers build trust with influencers through para-social contact, which then helps to improve brand attitudes and purchase decisions. These investigations drew upon the literature on para-social interaction and source credibility, which examines the peer-to-peer similarity and attractiveness of influencers as potential celebrities.

(De Cicco et al. 2020) Through the lens of the match-up effect, another body of study in source effects explores the way compatibility between celebrities and the good or service as well as match between celebrities and customers' The concept of self- help influence consumers' decision-making. We can comprehend the consequences of influencer marketing and its relational perspective through this line of research. To be more precise, influencers

promote a business by using the rapport and authority they have already established with their audience. Since trust is the foundation of any effective leader-follower relationship, it is crucial that these connections be founded on it (Leite and Baptista, 2022; Trivedi and Sama, 2020). A study that found 92% of social media users believed in influencers more than conventional advertising methods (Jin et al., 2019) brought attention to the significance of influencer marketing trust. Ipsos' 2019 global consumer survey found that 63% of respondents were more inclined than 46% to seek advice on social media. This covers publications like magazines, TV, and radio.

While 63% are fewer inclined to pay credence to corporate marketing and more likely to follow the advise of internet influencers (Zhou et al., 2021). Social media marketers must develop fresh advertising skills and knowledge to flourish in this new environment, particularly in relation to the development and upholding of credibility between virtual experts and their followers on the internet.

Because people place a high value on a trustee's physical appearance when establishing a bond of trust, it is anticipated that the nature of the embodiment will play a significant role in the development of relationships of trust between humans and AI influencers (Chong et al., 2022).

Another research literature on influencer marketing that focuses on the content strategies of influencer marketing provides an illustration of how influencers employ narratives and visual information in their postings. In their explanation of the narrative-based influence in influencers' postings, (Feng et al. 2020), while Kim (2020) explored the uses and gratifications theory via the lens of consumers' content consumption motivations.

(Day, 2020) This study focuses on the still somewhat mysterious effective and precise tracking of Influencer Marketing's genuine value. This research tries to demonstrate the

power of the 'untrackable majority' in influencer marketing by looking at the campaign for the mobile release of Old School RuneScape and some groundbreaking research done in collaboration with Google. (Barbe et al. 2020) The purpose of this study is to examine the factors that motivate Instagram users to follow accounts linked to travel, as well as how these factors differ between users who follow travellers as influencers and Destinations Management Organisations (DMOs). According to a quantitative study, consumers prefer to adhere to DMO accounts for rewards and information, whereas they are more inspired to follow travel-related profiles on Instagram for their usefulness, enjoyment, and fun. by the theory of transportation. Additionally, Lou, Tan, and Chen (2019) demonstrated how different influencer- and marketing-promoted content has an impact on engagement with the brand.

One of the most significant shifts, according to Van Dolen (2013), has to do with consumer behaviour, which is brought on by social media. First, he contends that users have transitioned into content producers. They express their ideas or opinions using text or pictures. In this case, there is now a significantly smaller gap between intention and action. Individuals frequently express their ideas in a flash. Co-creation also occurs. in which customers participate in the creation of a company's product, service, or marketing campaign.

Influencer marketing is a type of advertising where brands are promoted to target consumers by collaborating with (social media) influencers to reach their followers (Yodel, 2017). Also, compared to brand-generated marketing, influencer-generated material is viewed as being more natural, genuine, and in direct contact with customers (Talavera, 2015). Social media influencers are successful online. Their views significantly influence individuals, particularly the younger generation. Holieninová and Kadekova (2018). They can be categorized as a contemporary phenomenon that has experienced a significant uptick in marketing agency partnerships in recent years and is attracting more and more adherents. As

a result, numerous brands frequently turn to these influencers for mentions, ratings, and recommendations.

The influencers act as role models for customers by utilizing the social cognitive theory to improved comprehend the effects of endorsements in influencer advertising. The current study examines how people's understanding of persuasion is influenced by influencers' social presence, which includes Instagram photographs of their daily routine, according to with the meaning transfer mode (McCracken 1989). This is because how influencers are portrayed in these posts can help to shape their personas as brand ambassadors and, consequently, the symbolic value they bring to the brand. Despite being a novel strategy, it seems to be a good option for advertisers who are prepared to deviate from conventional marketing strategies while building relationships with customers.

(Peres, 2020) In this essay, Amino Apps discusses their strategy for collaborating with independent video producers on compensated YouTube collaborations. It explains the effectiveness of YouTube as a marketing and community platform and emphasizes the advantages of relying on creator endorsements as opposed to conventional, scripted advertising. Finally, it presents Amino's six recommended best practices for producing successful influencer-driven video campaigns. These best practices can assist companies of all sizes in achieving a variety of marketing goals, including boosting brand recognition and sales as well as user acquisition and retention.

Regular people who have gained online notoriety via the creation and sharing of material on social media frequently identify as social media influencers. Often, they have knowledge or enthusiasm in particular fields like travel, dining, fitness, lifestyle, or fashion. According to a Twitter poll, people may have the identical amount of confidence in social networking celebrities as they regard their friends. (Swant, 2016).

Successful influencers typically have a big social media following, which can range from a few thousand to millions. They make images and films of their stuff to share with their followers. A consumer's thoughts and behaviour can be altered by an influencer, or in this case, their followers (Forbes, 2017). The use of influencers in marketing has become more widespread as a result of their significant effect on social media platforms. These influencers are used by brands today to sell their goods and services in an effort to reach their target audience.

(Jiang et. al, 2020) This study makes an effort to comprehend the workings of influencer marketing in the mobile gaming sector. The research model suggests that direct triggering and indirect amplification are the two main mechanisms by which influencer marketing influences purchase intention. The concept is empirically tested in the paper utilizing YouTube influencer campaigns for mobile games. The findings imply that influencer marketing initially has significant and timely benefits on the revenue of game companies, but those impacts quickly fade. Influencer marketing in the world of gaming applications not only influences viewers' purchase intentions directly but also indirectly increases non-viewers' buy intentions through brand visibility and brand awareness.

Social media influencers regularly utilize Instagram as one of the channels to interact with their target audience. The three degrees of these Instagram influencers are mega, macro, and micro influencers (Steele, 2017). If you find the appropriate fit, each of these tiers of influencer can aid in brand promotion.

Mega influencers are typically relatively well-known and have a following of more than one million. These major influencers frequently demand extremely high monetary rewards in exchange for producing content. Although this is the case, a social media post from a major influencer raises brand awareness among the general public and can give a company a more upscale reputation (Influicity, 2018).



This group includes actors and actresses, musicians, famous models, and social media personalities. Even if they have a lot of followers, there isn't a lot of interaction between the influencer and the followers. That is anywhere between 2% and 5%, roughly. This is because it is challenging to provide material that appeals to everyone (Steele, 2017).

(Reinikainen et. al, 2020) This study investigates how audience feedback influences influencer marketing. A social media influencer's YouTube vlog post recommending a business inspired the creation of an experimental design with two criteria relating to audience responses. The findings showed that an influencer's perceived credibility is increased by having a para-social contact with them. Brand trust and purchase intention are positively impacted by the influencer's credibility.

(De Veirman and Hudders, 2020) This study tests two forms of message sidedness and various kinds of material links between the brand and influencer. It looks on how customer reactions to sponsored Instagram posts are affected by the disclosure of sponsorship. Results show that better ad awareness activates brand attitude, which increases ad scepticism and, as a result, lowers the influencer's trustworthiness. The results also show a considerable moderated mediation effect on the source's dependability. Only when the influencer employed a one-sided message as opposed to a two-sided message did brand attitude suffer.

Influencers who gave genuine product recommendations eventually had no affiliation with the business. Despite the prevalence of and clear value of social media influencers for marketers, little is understood about the sociopsychological elements that motivate consumers to follow these individuals. Along with looking into how different consumer motives for following digital celebrities on Instagram relate to key consumer behavior outcomes, materialism was also explored (like trust for the brand-related tweets of SMIs and frequency of buying their recommended products). According to survey results, there are four reasons

for which individuals follow influencers on Instagram: honesty, purchasing, inspiration for creativity, and jealousy. These factors have different effects on trust and purchasing frequency. The four motives had strong relationships with materialism, a highly significant difference variable, and some of these relationships served as major mediators for materialism's influence on purchase behavior.

The recommenders act as Key Opinion Leaders (KOLs), and the word-of-mouth effect can be used to describe the influencers' actions. With this procedure, people are more likely to see the content favourably, which could improve business chances for selling. Whitley (2014) reports that recommendations from friends and family are preferred by 92% of consumers completed all other procedures of marketing, and that internet influencers are equally reliable when it comes to making product recommendations. 49% of users claimed they depend on influencers in a combined survey by Twitter and the marketing analytics firm Annalect (Swant, 2016). Due to the fact that such a partnership typically results in customers' good perceptions of the business, trustworthy information sources for consumers, and increased brand awareness, working with online influencers is becoming more and more popular, according to Campbell and Grimm (2019).

The existent marketplace, and more especially Wanghong Economy in China<sup>1</sup>, a new form of online retail centred on influencer marketing on social media, are even created by this retailing channel (Qian, 2016). The "Lipstick King," Li Jiaqi, is credited with "selling 15,000 lipsticks in 15 minutes," as stated by Global Times (2018). During a 5.5-hour livestream presentation on March 8, 2018, he completed 23,000 trades worth a combined 3.53 million yuan (508,668 USD). The traditional channels (including traditional e-commerce and offline trade) share some similarities. Yet, it eliminates many of those channels' drawbacks and gives both viewers and customers a better buying experience (Wongkitrungrueng et al., 2020). In the meanwhile, it offers more direct face-to-face engagement with the seller than traditional

e-commerce does. Second, real-time explanation and display let consumers evaluate products more accurately. Despite the fact that customers cannot yet physically experience the comparison to the e-commerce channel, the real-time presentation offers far more comprehensive information about scent, texture, etc. Finally, the merchants are visible and can engage with numerous buyers at once, much like the offline channel (Wongkitrungrueng et al., 2020).

Using a social influencer to increase brand recognition and communicate your message is seen to be a potent strategy. When a business wants to promote a product on social media, they frequently merely pay a social media influencer to either mention the product in their content or to post a recommendation for it. A business can so access a vastly expanded network in very specialized niches. The fact that it is much less intrusive than traditional advertising is one of the main advantages. Some fans might even fail to recognize that what they are seeing is only advertising.

People sincerely think the influencer is endorsing the goods shown in the image (Matthew, 2016). Even better than offline commerce, viewing the interactions provides ample product knowledge. Consequently, live commerce via livestreaming has rapidly grown in popularity in the retail sector. For instance, some livestreams show potential marketable harvests (trial harvests at the time of livestreaming) in an effort to gather claim statistics prior to the start of production. Nonetheless, other industries still adhere to the status quo and concentrate mostly on product selection for a smaller range. lower supply chain costs as a result (Um et al., 2017). Despite having fewer followers than the other two categories of influencers, they enjoy a high level of trust from their audience. This is due to the fact that they frequently receive very little or no compensation for endorsing a certain item or brand (Influicity, 2018) and genuinely believe in the ones they do.

It's common for macro influencers to have between 10,000 and 1,000,000 followers. These influencers are expert social media figures who frequently target a certain demographic. Between 5% and 25% of followers of macro influencers are frequently more involved. This is because they have a similar interest to the influencer. Not only are these influencers simpler to contact, but the quality and originality of their content is also fairly high. Due to the greater level of commitment, they also frequently see an increase in brand revenue. Micro influencers typically engage with their followers at a rate of greater than 25% and have a maximum of 10,000 followers (Steele, 2017).

For instance, clothing companies release a lot of styles each year yet focus heavily on a select few. Yet, the increase in supply chain flexibility is driven by the desire for high customization. Factories need to have the ability to manufacture swiftly, frequently in a matter of partial for fresh samples and even in a matter of days for thousands of new designs (News Efu, 2020). Such a retailing strategy uses Zhang Dayi as an influencer as an example, who also makes a sizable profit in the virtual internet marketplace.

Although influencers use a diversity of internet sites, Instagram appears to be the greatest widely used one. There are more than 1 billion active users on this network, which is used by both businesses and consumers (Statista, 2018) Instagram is the most successful channel for marketers to share their content, according to a Quintly survey from 2017. This is due to the fact that visual storytelling is the primary mode of communication on Instagram, a network where 23 images and videos are published daily. Demand Gen conducted another study in 2015 that revealed 91% of users preferred visual content. Instagram has the highest levels of brand and consumer engagement.

According to Liu et al. (2022), smart technology encourages smart supply chain innovation behaviors, which in turn encourage the effectiveness of such behaviors (e.g., flexibility). Be aware that despite the use of smart technologies, the overall supply chain cost

for flexible manufacturing and logistics continues to rise. These elements include small-batch customisation, higher manufacturing costs as a result of being near to the marketplace, etc., which are unique from but constructed around the flexibility of the logistics environment.

There hasn't been much discussion on how businesses should modify their supply manacles, valuing strategies, influencer assortment, and mandate response to the new environment despite the livestreaming industry's explosive growth. As influencer-based marketing has become more popular, new businesses, online platforms, and other services are beginning to focus on influencer marketing. There were 160, according to Angels (2016). Companies that attempted to meet the demand for locating the ideal influencer for your brand in 2016 were unsuccessful.

According to Schlesinger Associates (2015), after the proper influencer has been identified, the majority of marketers use them for content production or promotion. Companies are able to keep a lot stronger relationship with their target audience while also being able to reach a much wider audience by using influencer marketing. Although this type of advertising is still relatively new and has not yet been extensively studied scientifically, various marketing groups have conducted research, and their findings have largely been in favour of influencer marketing. Word-of-mouth marketing initiatives and other forms of paid advertising also greatly profit from it. In the United States, one out of every four brand-related interactions include a mention of advertising (Keller, E., & Fay, B, 2016). The millennial demographic can be reached most effectively by using these social media influencers. This generation is recognized for a number of characteristics and habits that may affect their purchase decisions. The millennial generation is known for having a strong affinity for technology, which is a very significant characteristic.

(Keller, E., & Fay, B, 2016). Advertising plays an even bigger part in spreading word of mouth among influencers. A 2014 "Return on word of mouth" research by the Marketing

Association lends credence to this assertion. They found that word of mouth accounts for one-third of word of mouth's sales impact, amplifying the effect of sponsored promotion. One of the biggest challenges when using influencer marketing is choosing the right influencer. Even though this is a relatively new form of advertising, influencer firms' vast array of options may be too much for some businesses to handle. There are numerous influencers to choose from, each with a unique set of interests, following, and other attributes (Swant, 2016). The difficult choice that many managers must make is selecting the most appropriate and powerful influencer (Chahal, 2016).

In 2020, Fink et al. This study investigates the longstanding effects of internet based celebrity endorsement on acquisition purpose among 234 members of a Facebook fan group using structural equation modelling and a two-wave longitudinal methodology. It is asserted that this connection is moderated by brand uniqueness and mediated by a sponsor's brand image. This study examines the long-term consequences of entrepreneurial marketing on social media with a focus on Facebook.

(Lee and Kim, 2020) The impact of promotional Instagram posts from Instagram influencers is examined in this study in relation to several disclosure types, such as explicit, implicit, and no disclosure, as well as influencer and brand credibility, which may be high or low. It has been discovered that highly reputable companies included in Instagram postings have a positive impact on the message's trustworthiness, attitude towards the advertisement, purchase intention, and e-Word of Mouth intention. Businesses may now more carefully monitor and evaluate their clients' wants and needs through digital marketing initiatives, and using the data they get, they can create a targeted marketing strategy (Kannan & Li, 2016). Digital marketing encompasses all traditional marketing media, including radio, newspapers, television, and others. It benefits from interactive platforms like smartphones and the internet that support and advertise the business or product in addition to the tools. Digital advertising,

which also covers digital marketing, comprises the internet, searches, social media, email, and media buying.

According to Sweetwood (2016) and Alij (2016), The terms interactive marketing, online marketing, and web marketing can all be used to describe what is known as "digital marketing." A case study of Mizuno, a Japanese manufacturer of running shoes, shows the effectiveness of word-of-mouth marketing in generating interest in their products among American runners and ultimately increasing sales. They conducted a trial by letting prospective buyers run in the shoes to test them out. They accomplished this in three stages, starting with letting bloggers and other influencers run in test pairs of shoes, then moving on to online advertisements, and lastly finishing with partnerships that maintained interest in the brand. In the end, their campaign was very successful and produced the brand's best sales year. The effectiveness of word of mouth can be credited for a large portion of this accomplishment. (2016) Keller, E., and Fay, B.

(Djafarova & Rushworth, 2017) A mismatch between a brand and a social media influencer may not be too harmful, according to some advertisers who believe that influencers are more honest and reputable than ordinary endorsers. Social media has altered how news and information are received and consumed by people. In the US, a large majority of adults heavily rely on social media for news, and this number is gradually increasing.

Osman & Singapore (2013) Trust can be defined as the willingness to put one's faith in someone's ability to keep their word and to live up to or surpass their own expectations. A reputable influencer will stand out against rivals who haven't attained the same level of trust. based on Lau & Lee (1999). A party's trust in another will result in favorable behavioral intentions towards that party, claim Lau & Lee (1999). Consumers' loyalty to a particular business, brand, or service is strongly influenced by their level of trust, according to a 2008 study by Loureiro and Gonzalez.

(Alan, Kabaday, Erişke, 2018) The use of social media for advertising, product promotion, and brand recognition is referred to as social media marketing. Websites like Social media networks are just a few examples. Although internet marketing is a pull tactic, it also gives consumers a way to get in touch with brands or products they're interested in. For this type of communication, bilateral communication, blogs, social networks, and social networks can all be employed.

An intention can be thought of as a deliberate decision to conduct oneself in a particular way going forward (Ramayah, Lee and Mohamad, 2010). It is an illustration of behavior-influencing motivational elements (Vasse, 2016). According to Howard and Seth (1969), purchase intentions make up consumer behavior towards a brand. This means that the possibility that a buyer would acquire a certain good or service can be used to determine purchase intention (Dodds, Monroe & Grewal, 1991). In addition, Vasse claims that "the recipients' level of motivation and willingness to finally acquire the brand discussed in the word-of-mouth episode" can be utilized to describe purchase intents in word-of-mouth communication. It is a solid indicator of consumers' actual purchasing patterns, and it is crucial that businesses comprehend these patterns.

People use social media to share material including news, videos, photos, and images, wikis, and other websites. A few examples include Wikipedia (information, reference), and the social media platforms Facebook and Myspace. (Barutçu and Tomas, 2013).

Numerous incentives, options for action, and decision-making intermediaries are just a few of the elements that can affect a consumer's decision to buy a specific brand (March & Simon, 1958). Motives are unique to a certain product class and reveal the buyers' fundamental demands. Alternatives are different brands that could be able to suit the customer's needs, while decision mediators are the criteria the buyer use to match motives and alternatives.



(Howard & Seth, 1969) The intermediaries are created through a process in which the customer learns about the purchasing environment and is influenced by their past brand consumption and purchase decisions as well as information from their environment.

Examining the user rates in the study Turkey issued, it is found that 54 million Turks, or 64% of the population, utilize social media. Comparatively, or 49% of the biosphere's population, use internet. (Ylmaz, 2021). According to the pertinent facts, which can be understood, businesses actively use these platforms because social media has such a large audience. Companies can reach customers much more quickly,

Although celebrity endorsement is a popular tactic, the emergence of influencers has created a market for influencer marketing, a different kind of endorsement strategy. Social media has improved access to information provided by the internet, making it an indispensable part of daily life for consumers (Pentina et al., 2018). Prior to the development of social media platforms, brands used celebrities' notoriety and social standing to promote their brands. Nevertheless, influencers are now more widely recognized (Xu & Pratt, 2018). The food business has significantly increased its use of influencer marketing in recent years to advertise its goods. Usage of influencers is a strategy for promoting products by utilizing well-known individuals in advertisements.

The undercurrents of interactions between consumer attributes, Instagram user-generated content (UGC) related to brands, social media-based brand interactions with prominent individuals on Instagram (including para-social interaction [PSI] and jealousy), and (such as a propensity for social comparison, a propensity for compulsive buying, and a tendency for materialistic envy) are examined in this study. The findings showed that the influence of the Instagram celebrities' gender and the sort of photos they post on customers' perceptions of source trustworthiness and their likelihood to purchase the items they are wearing is controlled. The consequences of consumers' predisposition for compulsive

shopping and their desire to compare their appearance to others are also moderated by the sorts of branded content and content creators. The purchase habits of consumers are frequently influenced by celebrity endorsement (Arai et al., 2014).

According to studies (Goldsmith et al., 2000; Mathur et al., 1997), influencer or endorser engagement is connected with a consumer's purchase intention. The purpose mentions to the possibility or probability of making a purchase (Burton et al., 1998) and describes the frequency and likelihood that a person will make a purchase (Phelps & Hoy, 1996). Word-of-mouth is related to purchase intent. Using their social media profiles, businesses can engage with customers much more quickly, efficiently, and personally. This reduces the need for intermediaries between customers and businesses, eliminates the need for intermediaries, and enhances customer loyalty to the brand.

(Shrestha, 2019) Social networking, interactive sharing, online advertising, etc. are all used by businesses generally. Additionally, it makes use of multiple social media platforms to establish identity. Social media is also preferred because it makes it possible to spread news and social agendas without having to spend a lot of money on advertising and continuing promotional efforts using social media users who may set the topic and creating adverts for the clientele of the company in internet accounts for likes. Examples of low-cost marketing tactics include running promotions for the company's social media followers in exchange for likes and other interactions, as well as upholding profile-raising operations through internet users who can set the schema. The creation of a strategic marketing strategy and cooperation with professionals from the sector are required for the right use of such an effective promotional tool. Social media influencer marketing campaigns are another popular digital marketing strategy today. With influencer marketing, which has gained popularity recently, we live in today. To promote their products or businesses through influencer marketing,

Companies choose influencers and pay them to engage with their social media followers (Leung et al. 2022).

This study aims to determine whether and how these two distinct disclaimers affect children's perceptions of influencers and sponsored content. However, children's media literacy—that is, their comprehension of social media marketing and suspicion regarding the advertisement—was less triggered when the influencer clearly emphasised that there had been no commercial meddling from the company. The findings demonstrate that both kinds of disclosures enhanced kids' capacity to identify vlog advertising.

(Jin and Muqaddam, 2019) The study examined how brand attitudes and perceptions of legitimacy were impacted by source categories and product placement on Instagram. Regardless of the sorts of product-placements, consumers exposed to brands as a result of circumstances didn't show any changes in corporate integrity and brand attitude. Purchasers who were exposed to situations where an Instagram influencer was the source, as opposed to those where a product was the main factor, showed increased corporate credibility and a more favorable attitude towards brand posts.

Many people frequently fail to recognize the distinction between a celebrity and an influencer. Yet there is a distinction, particularly in the digital age. Influencers are primarily netizens, those who have become well-known online and are active there by promoting their own original material (Kotler et al., 2016). Due to the increased effectiveness of buzz-marketing in the internet age and the fact that they have been shown to be a somewhat less expensive option as a marketing technique for businesses (Harrison, 2017). Viewers' reactions to product placement on such accounts varied depending on whether Instagram influencers were present. Consumers reacted negatively to influencers when they did not feature the products they promoted in their posts.

(Jin et. al 2019) This study investigates the effects of two categories of celebrities on online visibility, attitude towards brands, source dependability, and envy. The theoretical model takes into account social standing as a moderator, discrepancy between as a moderator, and personality type as a variable that is independent. Both traditional celebrities and Instagram celebrities were included in the comparison. According to the study, buyers exposed to the social network celebrity brand posts felt envied of the source and perceived the source as more reliable than those exposed to conventional celebrity brand posts. They also exhibited a more favourable mindset towards the endorsed brand and felt a greater sense of social presence. (Xiao et al.) 2018 This study looks at how informational cues affect judgements about the reliability of the data provided by YouTube influencers. The findings show that elements influencing consumers' perceptions of information credibility on YouTube include social impact, trustworthiness, argument quality, and information participation. A strong and positive connotation between brand or video attitudes and apparent trustworthiness is also indicated by the analytical findings.

(De Veirman et al, 2014) This study shows that Instagram influencers with huge followings are perceived to be more popular, which contributes to their perceived better likeability. Importantly, estimates of influencer popularity based on their fan base rarely result in an increase in their perceived capacity to sway public opinion. However, it could have a bad effect on how delightful they are if the influencer merely follows a few accounts themselves. Additionally, collaborating with celebrities that have sizable followings may not be the best marketing strategy for promoting a range of goods because it reduces the brand's considered distinctiveness and, as a consequence, decreases brand attitude.

(Bokunewicz and Shulman, 2017) In order to determine which groups of influencers have the broadest reach, this article will perform a network analysis of fourteen destination marketing organizations. Each parameter took into account determined the influence of the

media, promotional accounts, and those of specific people. Hotels and restaurants are examples of stakeholders that hold low-importance positions in the networks and typically do not take advantage of opportunities presented by the Destination Marketing Organizations (DMOs).

#### **2.1.4 ARTIFICIAL INTELLIGENCE INFLUENCERS**

Technology has come into Influencer Marketing as well. Organizations are already exploring avenues to make use of Machine Learning (ML) or Artificial Intelligence (AI) in the field of Influencer Marketing. To be specific, in 2023, as per the influencer marketing hub Benchmark Report 2023, the use of AI or ML is expected in identifying influencers or creating effective campaigns duly helped by social media analytics. Also, 60.4% admitted having used virtual influencers. A virtual influencer or AI Influencer is a digital character or person created artificially using softwares. It is given a personality and acts according to it as an influencer. It may be either male or female character. One of the most popular artificial intelligence influencers in 2022 was Lu Do Magalu. It has more than 1.3 million tik-tok and twitter followers, more than 2.6 million YouTube subscribers, 6 million Instagram followers, and an astounding 16 million Facebook fans.

The equivalents of social media influencers created by a machine or computer are known as virtual influencers. These impacts can be made in any quantity, form, or character (Lewczyk, 2021). Although teams of humans labour behind the scenes to choose what to publish and how to interact with their followers, artificial intelligence (AI) technology is frequently employed to produce these virtual influencers (Casarotto, 2021). In actuality, these firms have the option to let their digital influencers know they are artificially created persons out in the open or to keep this information a secret (Adtraction, 2020). However, these online influencers are just as accomplished of credible the prides and way of life of their followers as are the influencers on social media. These virtual influencers, as opposed to the traditional

social media influencers, can provide businesses or organisations with an entirely new, unique, and innovative way to engage with their audience. These virtual influencers, as opposed to the traditional social media influencers, can provide businesses or organisations with an entirely new, innovative, and fresh approach to interact with their audience. Businesses have complete control over these virtual influencers because they are easily customised to fit any situation. (Lewczyk, 2021).

It's interesting to note that these virtual influencers are never too tired to submit fresh material because they are not physically constrained by time or geography (Ewe, 2021). Additionally, since their contracts might be longer, virtual influencers can create material or narratives that develop slowly over time (Matthews, 2021). Virtual influencers can engage in whatever activity they choose that matches their interests as well (Lewczyk, 2021). In comparison to humans, they are consequently less expensive to work with over time (Matthews, 2021). Unless firms specifically want them to, virtual influencers won't get involved in any crises (Willemsen et al., 2019). As a result, they can serve as brand envoys far more safely than people (Adtraction, 2020). However, the cost of developing such virtual influencers is very high, and it's possible that their perceived lack of authenticity will act as a major deterrent (Adtraction, 2020). The question is whether these virtual influencers will totally replace social media influencers, despite the fact that they could provide marketers with a number of these chances (Willemsen, 2019). By contrasting social media influencers and virtual influencers, this study determines whether the future of influencer marketing is virtual. Additionally, it investigated whether virtual influencers are regarded as equally credible as actual social media influencers, in addition to how they influence purchase intention, brand trust, and customer engagement.

Additionally, it has been shown that social media influencers have a positive impact on consumers' perceptions of sponsored content and their ability to change their purchase

intentions (Jiménez-Castillo & Sánchez-Fernández, 2019). Surprisingly, Hirschmann (2021) discovered that "real" internet influencers had a bigger influence on respondents' buying decisions than deceptive influencers, with 60% of respondents from Singapore demonstrating that they were unaffected by virtual influencers in their decision to buy.

The majority of research on AI advocates up to this point has concentrated on the factors that affect how frequently and effectively they are employed in the everyday activities of most people. The TAM components were explored by Moriuchi (2019), who also showed how voice technology affects user engagement and loyalty. Guzman (2019) looked at the main reasons for integrating AI into service offerings using Cognitive Appraisal Theory. Last but not least, Chong et al. (2022) examined how the general population feels about AI's effects. Few studies have examined how customers' faith in artificial intelligence (AI) influencers is established; those that have tended to support either an information systems strategy (Nasirian et al., 2020) or a social response approach are those that do so. Sadly, there is still a need to gain a full understanding of the crucial factors affecting users' confidence in AI influencers.

However, studies that have previously looked at consumers' trust in AI influencers are based on theories about how people accept new technology. Using the Technological Acceptance Model (TAM), Sundar et al. (2016) conducted a study on the topic of people's acceptance of AI robots. They did it by utilizing the Unified Theory of Adoption and Use of Technology (UTAUT). Fritz et al. (2016) in their investigation into the chance that senior citizens will accept AI-powered home monitoring gadgets. While AI influencers have artificial intelligence that is capable of making intelligent decisions, traditional technology acceptance models (Agag et al. 2017; Lee et al. 2018) were created to study the banquet of self-service technologies and other dumb technologies. Nevertheless, these models may be able to explain in part how employers propose to use AI campaigns. The ease-of-use

construct, a cornerstone of all technology acceptance models, is meaningless to the research's examination of consumers' readiness to endorse using the services of AI influencers during a service transaction because these devices don't require users to learn how to use them (Lu et al., 2019). Despite the increased interest, it is still not clear enough how people feel about AI to avoid making poor choices over whether to accept or reject its influences.

However, (Gratch et al., 2007) found that virtual influencers and artificial intelligence have the capacity to be viewed as real social beings and are skilled at forging relationships with customers (Park et al., 2021). Additionally, attractive virtual influencers in particular were able to elicit social reactions and change in behavior (Khan & Sutcliffe, 2014). Giving us sufficient justification to think that online influencers can impact consumers' purchase intentions.

### **2.1.5 THE EFFECT OF ARTIFICIAL INTELLIGENCE INFLUENCERS**

In 2019, Influencer marketing is expected to have a market worth of up to \$15 billion in 2022 due to its quick growth (Santora, 2022). As a result, influencer marketing has proven to be a successful marketing strategy and is no longer just a trendy trend. Virtual and online influencers are just two examples of the various types of influencers that exist today. A common individual with an extensive following on social media networks could be considered a social media influencer (Park et al., 2021). Since they are regarded as credible and current, they have the power to inform, amuse, and affect the opinions, attitudes, and actions of their followers (Shan, Chen, & Lin, 2020).

Influencers created by artificial intelligence are fake, computer-generated versions of social media stars. These inspirations might come in any shape, size, or personality, as well as any style. Notwithstanding having the advantage that the groups behind them manage what they broadcast and how they engage with followers, virtual influencers are frequently



developed utilising AI technology (Casarotto, 2021). Furthermore, these teams decide either the virtual influencer exposes or conceals the fact that they are a CGI (Adtraction, 2020). However, because they are regarded and trusted, they can have the same kind of effect over the actions and way of life of their followers as do social media influencers. These influences can have any personality, come in any size, shape, or style (Lewczyk, 2021). AI technology is frequently used to create virtual influencers, even though the organisations behind them manage what they broadcast and how they engage with users (Casarotto, 2021).

Because they are viewed as more trustworthy than other endorsers, influencers may have an impact on consumers, according to prior research (Mudambi & Schuff, 2010). Social media is a crucial platform for increasing brand loyalty among consumers. Additionally, brands must collaborate with influencers in order to increase brand trust through influencer marketing (Jun & Yi, 2020).

Trust in a brand and influencers, however, are not always the same thing. Stewart (2003) discovered that trusts can be transferred, though. As a result, when influencers support a company, their dependability alongside their additional personality traits may help to build confidence in the brand (Laroche et al., 2012). However, this trust was transferred from an influential person to a corporation depends on how the general public views the influencer. Meaning that an influencer can only affect people's confidence in a brand if they believe the influencer to be trustworthy (Grewal et al., 1993).

The emotive dimension measures how emotionally invested consumers are in a topic, such as a brand or influencer (Hollebeek, 2011). According to (Brodie et al., 2013), the cognitive component reveals consumers' readiness to engage with or comprehend a subject or skill. Additionally, it makes sure that clients' ideas on the subject of their engagement are constant and continuing (Hollebeek et al. 2014). The quantity of the time, energy, and effort that consumers invest in interacting with the object of their participation is known as the

behavioural aspect of consumer engagement. Comments, likes, shares, and clicks can all be used to monitor this connection (Gavilanes, Flatten, & Brettel, 2018).

Popular social media personalities created by computers are known as virtual influencers, sometimes known as computer-generated influencers (Moustakas et al., 2020). According to Thomas and Fowler (2020), the bulk of virtual influencers remain partially managed by humans and are not entirely beyond the control of AI. To take advantage of their massive fan bases, brands engage social media influencers in their advertising initiatives. Virtual influencers may not be "real" (Moustakas et al., 2020), but (Kádeková et al., 2018) disputed whether they are authentic and sufficiently trustworthy to be acknowledged as ambassadors for brands in the same manner as social media influencers. Robinson (2020) demonstrated that despite the absence of virtual influences in "real life," customers nevertheless perceive them as genuine. Due to their ability to affect users' brand preferences and purchasing decisions, social media accounts are "real" online. However, Moustakas et al. (2020) pointed out that the drive for financial gain among virtual influencers may influence how sincere they are regarded as being.

The most sincere influencers are those that are upfront about their online personas and goals, although according to Robinson (2020), this does not distinguish between virtual and social media influencers. The majority of internet marketers who lie about their traits and possessions are identical to simulated influencers who are deceitful about their virtual persona. It is fair to assume that both online and social media influencers are real persons (Robinson, 2020). The fact that internet influencers can increase company revenues by persuading their followers and clients should therefore come as no surprise (Thomas & Fowler, 2020). Influencers on the internet have three times more engagement than those on social media.

In adding, (Khan et al. 2014) exposed that gorgeous representations of anthropomorphic computer-generated influencers had the power to cause social reactions and behavioral change in people. This demonstrates that when people feel as though they are in the company of something social, like a person being, they are more at ease dealing with virtual influencers. Social presence can be used to gauge this perceived humanity (Men & Tsai, 2015). According to Gunawardena “social presence” is “the extent to which a person is perceived as a “real person” in mediated communication.” However, if virtual influencers start to resemble humans too much, they risk losing people's trust, as the weird resemblance to persons can be unsettling (Li, 2015).

Most virtual influencers are thought of as being similar to individuals in terms of their physical characteristics, personalities, and behaviours (Moustakas et al. 2020). Shin and Lee (2020) also found that emotional expressions or links to other virtual influencers were associated with higher engagement rates in social media postings made by virtual influencers. Therefore, when acting like actual individuals rather than when they do not, virtual influencers may have a higher impact. The portrayal of virtual influencers has an effect on consumers' opinions, attitudes, behaviours, and evaluations, according to Seymour, Yuan, Dennis, and Riemer (2020). Because it affects how a source is assessed, anthropomorphizing—adding a level of perceived humanity to something—was most effective when used by a virtual influencer (Nowak, Hamilton, & Hammond, 2009).

Because they are viewed as more trustworthy than other endorsers, influencers may have an impact on consumers, according to prior research (Mudambi & Schuff, 2010). According to certain studies, more anthropomorphic representations are more believable, interesting, and likeable than less anthropomorphic ones (Seymour et al., 2020; Wexelblat, 1997). Additionally, Webster (1968) found that enhanced human-like virtual avatars affect people's decision-making process and perception of (Riedl et al., 2014) Interpersonal trust. A

less anthropomorphic representation was deemed to be more trustworthy and lovable than a more naturalistic one, as reported by Nowak et al. (2009). Researchers were also unable to determine whether portrayal was more alluring to consumers when comparing animated and redefined virtual influencers (Moustakas et al., 2020). According to the weird valley theory, which asserts that individuals experience a greater likeness to more anthropomorphic characters up until a character gets too anthropomorphic, people may prefer fewer humanoid representations in virtual characters.

Yet, Seymour et al. (2020) discovered that when contrasted to a cartoon character, a more anthropomorphic character was seen as more dependable and similar. Therefore, virtual influencers will have a greater level of social presence if they most closely resemble humans (Schroeder et al., 2016) and will be more likeable by people (Duffy, 2003). Sponsored content, as described by (De Veirman et al, 2017), is paid advertising that influencers spread. Only when sponsorship is acknowledged does paid advertising stand out from other material (Amazeen & Wojdyski, 2018). Paid advertisements look similar to the original content created by influencers (Wojdyski & Evans, 2015). Therefore, it is important to understand what kind of sponsorship disclosure gets the best response from consumers. Discovering that stated sponsorship has a detrimental impact on people's impressions of brands, purchase intentions, and engagement intentions, Boerman and Van Reijmersdal (2016).

As a result, acknowledging sponsorships activates people's persuasive skills (Eisend et al., 2020), making people more cautious when trying to persuade others (Woodroof et al., 2020), and increasing their awareness of advertising (Boerman et al., 2018). Both the company and influencers endure as a result (van Reijmersdal et al., 2016). Consumer opinions and responses to sponsored content, for instance, are negatively impacted (Boerman et al., 2014; Uzunolu & Kip, 2014). Interestingly, it was discovered that revealing sponsorship has a favourable impact on people's impressions of brands, engagement

outcomes, and purchase goals (Kay et al., 2020). Hwang and Jeong (2016) examined sponsorships that were disclosed and those that were not, finding that the latter earned better reviews. Therefore, disclosing sponsorship results in a worsening of the brand reduces engagement (Boerman, 2020), attitudes, and purchasing intentions (van Reijmersdal et al., 2016). So it stands to reason that revealed sponsorships will undermine consumer confidence in a brand. In addition, it may be anticipated that disclosed sponsorship will result in users' taking an additional undesirable boldness and reactions (Boerman et al., 2014; Uzunolu & Kip, 2014), which will have a negative behavioral intention towards influencers. Therefore, it is anticipated in the current investigation that people are less likely to act in a disrespectful manner concerning influencers when endorsements are concealed.

They are also not restricted by time or space physically; for illustration, they are on no occasion too weary to publish fresh content (Willemsen et al., 2019). Additionally, because computer-generated influencers are immortal (Matthews, 2021), they can develop ongoing plotlines. As a result, their contracts might be renewed (Sekhose, 2021). Additionally, computer-generated influencers can engage in their passions deprived of incurring real-world expenses (Lewczyk, 2021). Long-term labour costs are also lower for them than for humans (Matthews, 2021). Finally, virtual influencers won't get engaged in a crisis unless firms specifically need them to (Willemsen et al., 2019). As a result, they could work as harmless brand promoters (Adtraction, 2020).

## **2.2 THEORETICAL FRAMEWORK**

The figure below (Figure 2.2) depicts the conceptual framework for the consumer attitude towards AI Influencer and consumer purchase intention. The scales used to measure the advertising impact caused by AI influencers are numerous, but they do not adequately capture the continuously changing intricate nature of the social networking ecosystem. There hasn't been much research done on the features that distinguish social media celebrities and

diverse platforms as regards of marketing efficiency. We use the concept of appeal within the context of AI influencers on social media to fill in the deficiencies in the literature. Here, using the fundamental ideas discovered in prior research, we present the specific outlines of the theory as it has been adjusted for the purpose of the investigation of social media influencers. Then, with relevant hypotheses, we suggest an empirical research model.

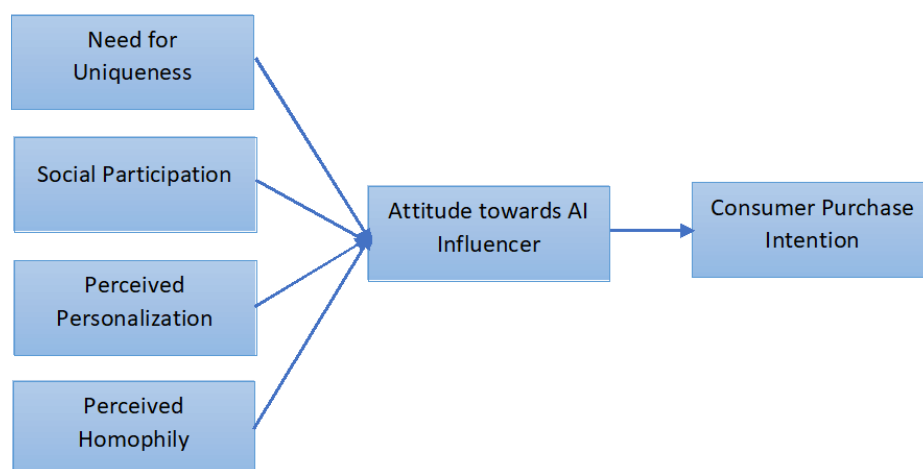
### **2.2.1 Theory of Persuasion**

One method for influencing someone's viewpoint or behaviour is the theory of persuasion. According to the Elaboration likely Model (ELM), a particular version of persuasion theory, which was developed by Petty and Cacioppo in 1986, persuasion can be divided into two separate paths: central, which has a greater elaboration likely, and periphery, which has a lower elaboration likelihood. In the centre path, a person evaluates the information presented in accordance with how well it adheres to their values; in the periphery route, an individual assesses the attractiveness of the communication source without giving it much consideration. According to this ELM route hypothesis, the peripheral route is more suited for communication that doesn't personal value systems to be carefully examined (Petty and Cacioppo, 1986). This diversion aims to encourage greater heuristic-based persuasion, which involves arguments (Dotson and Hyatt, 2000) for the reliability of the information sources in order to persuade people's attitudes or views. Studies (Bacev-Giles and Haji, 2017) show that people develop positive impressions about social media targets based on a small number of cues. The following are some illustrations of how the theory of persuasion can be used to influence AI on social media: The influencer's impressions of the followers (such as the need for uniqueness) have an impact on consumer purchase intentions. Customers spend more when followers think an influencer is homophobic. The graphic depicts the research agenda that was used in this study. We put out the hypothesis that followers' opinions of artificial intelligence influencers on social media are influenced by their individual traits. Following the activation of the supporter's peripheral channels by these characterizations,

attitude and behavioral intentions are produced. We looked at the important variables that prior social media studies had suggested were influencing followers' purchasing intentions using this research methodology.

### **Fig. 2.2 Adapted Theory of Persuasion Framework**

Our literature review identified Need for uniqueness, social participation, Perceived personalization and perceived homophily are important in explaining the attitude towards AI Influencer and Consumer followers' intentions to buy of AI influencers in social media.



### **Fig. 2.3 Conceptual Framework**

The following hypotheses were framed based on the conceptual model as follows.

- H1      Need for Uniqueness positively influences consumer attitude towards AI Influencers
- H2      Social Participation positively influences consumer attitude towards AI Influencers

H3 Perceived Personalization positively influences consumer attitude towards AI Influencers

H4 Perceived Homophily positively influences consumer attitude towards AI Influencers

H5 Attitude towards AI influencers positively influences consumer purchase Intention.

## **2.3 SUMMARY**

This chapter is a collection of all possible literature collected regarding the research title chronologically. The chapter begins with an overview of Influencer Marketing Industry. The review of literature is sub-categorized into influencer marketing characteristics, the impact of the influencer marketing, social networking sites, artificial intelligence influencers and the effect of artificial intelligence influencers. The theoretical framework is also explained based on the theory of persuasion which is the base theory for this research study. From the review of literature, it is found that most studies have focused on the characteristics of influencers, their impact measurement through relevant metrics for assessing the effectiveness of the influencer. Studies also highlighted the platforms being used by the influencers like Facebook, Twitter, Instagram. It is found that studies have been comparatively less when it comes to Artificial Intelligence Influencers which was identified to be the research gap for this research study. All efforts have been taken to ensure maximum coverage of literature and also as recent as possible.



## **CHAPTER III:**

### **RESEARCH METHODOLOGY**

#### **3.1 INTRODUCTION**

The segment on research technique offers a discussion of the strategy used and the methodologies used to achieve the study goals outlined in the preceding chapter. The overall study's framework is provided by the research process flow diagram. A description of the data gathering techniques demonstrates how and where the data were gathered. Following information about the method for data analysis and concerns about the study's validity and reliability, the population and sampling technique describe the criteria used in consumer surveys.

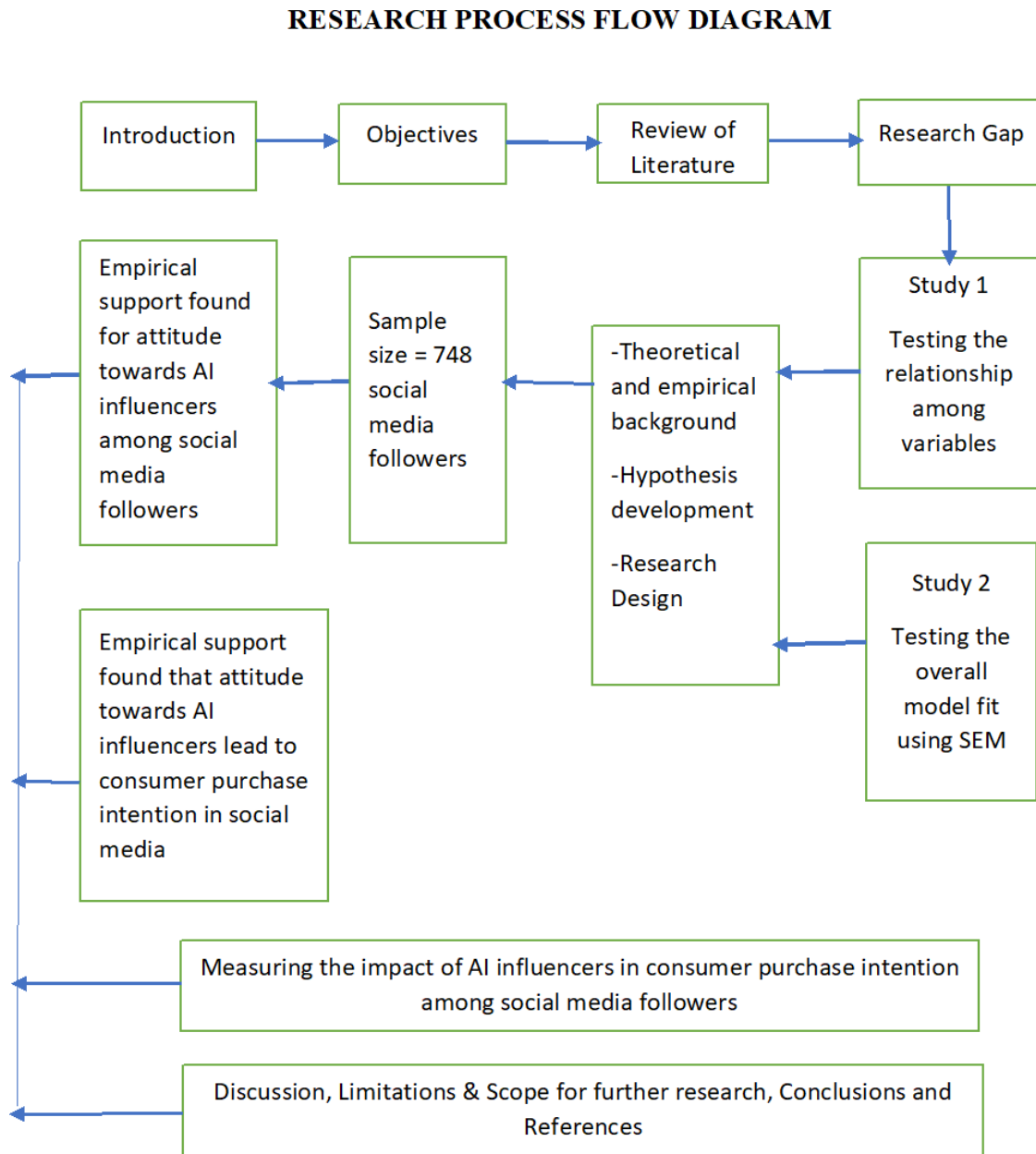
#### **3.2 OVERVIEW OF THE RESEARCH PROBLEM**

It is evident from literature that the study of AI Influencer is relatively less and to best of researcher knowledge, AI Influencer has never been explored or addressed in Asian countries in general or in India in particular. This research provides fresh perspective on the phenomenon of AI influencers, which is becoming more and more prevalent. In particular, it makes the first moves towards better understanding how consumers react to AI influencers. The research has attempted to empirically identify the factors that persuade Indian consumers towards the AI Influencers. Further this research also enlightens on how Indian people values' AI Influencers to purchase decision process.

The goal of this study is to review customer perceptions of and attitudes towards social media AI influencers and how those perceptions affect consumers' behavioral buy intentions. Therefore, descriptive research was chosen to add new knowledge on AI influencers in social media. When examining the consumer purchase intention in social

media, it is significant to focus on AI Influencers and attitude towards acceptance of AI influencers in social media followers.

### 3.3 RESEARCH PROCESS FLOW DIAGRAM



**Fig 3.1 Research Process Flow Diagram**

### **3.4 OPERATIONALIZATION OF THEORETICAL CONSTRUCTS**

The survey instrument measures were evaluated using a “five-point Likert scale, with ‘strongly disagree’ being the lowest (1) and ‘strongly agree’ being the highest (5)”. All of the things were created using literary leads, with a few minor adjustments made to reflect the AI Influencer's unique content-specific characteristics. The construct measures and operational definitions are discussed in the section that follows. On the basis of a survey of the pertinent literature, as mentioned in the preceding chapter, research gaps in the area of study of choice were found.

The outcome variable customer purchase intention influenced by attitude towards AI Influencer and the direct antecedents of AI influencer would be Need for uniqueness, social participation, Perceived personalization, Perceived homophily.

#### **Need for Uniqueness**

To stand out from the crowd, people with a demand for originality (Lynn et al., 1997) will search for unique goods or encounters (Simonson and Nowlis, 2000). Strongly distinctive features and designs, or characteristics that can set individuals apart from others in a reference group, are typically preferred by people with strong demands for uniqueness (Bloch, 1995; Snyder and Fromkin, 1980). These customers work more to acquire cutting-edge products and are more likely to select a conventional option (Lynn, 1992; Snyder, 1992) (Worchel et al., 1975). It is logical to believe that interactions with AI influencers would allow people to express their personalities and make them feel distinct, similar to the experience of using a product.

#### **Social Participation**

The advent of a new media culture is a consequence of advances in digital technology. Van Dijk (2006) asserts that new media is distinguished by transmitter and receiver interaction,

convergence, and the usage of digital codes. Customers may now access the brand's social media page and distribute brand-related information instantly thanks to the development of mobile devices. As a result, the importance of customer interaction has received widespread recognition, but no standard definition has been established. "Customer citizenship behaviour, which is an extra-role behaviour, and customer participation, which is an in-role behaviour (necessary action of customers at the moment of service contact), are the two categories into which customer participation is subdivided in the vast body of existing literature (Groth, 2005; Rodie & Kleine, 2000; Yi & Gong, 2012). Applying the idea of customer engagement to social media, which takes place offline, is challenging. Because it is interactive, the concept of customer engagement in an online environment needs to be more inclusive. The term "interactivity" is used by Lombard and Snyder-Duch (2001) to refer to all kinds of interactions a person has with a thing that exists. Interactivity and interaction research has accelerated with the rise of the Internet and new media. Different interaction theory constructs apply depending on the interaction's subject. In a study that was released in 2004, Chen and Yen separated user, firm/brand, and media/system perceptions of interaction into three categories. Based on a thorough review of the literature, this study defines customer social participation as an effort to accomplish co-creation of values through mandated but interactive customer engagement in social media and delivery process in AI influencers". Based on the topic of social media interaction about AI influencers, this study divides the categories into customer-brand, customer-customer, and customer-media.

### **Perceived Personalization**

According to its proponents, "who naturally relate to human choice and expression, theories on mind perception believe that both human and non-human entities can be perceived (i.e., the capacity to think, plan, and act). Robots are typically regarded to have a low level of agency, in contrast to humans, who are frequently seen as having a high level of

agency (Grey et al., 2007; Grey and Wegner, 2012). The concept of agency in non-humans has been studied in relation to artificial intelligence". The ability to humanise service robots is made possible, it has been shown, by the way that anthropomorphism motivates people to grant them activity (Yam et al., 2020). Though completely autonomous AI influencers are still very rare, AI influencers do have approximately background human input (Thomas and Fowler, 2021). However, it is projected (Appel et al., 2020) that completely autonomous AI influencers would gain more acceptance on social media platforms.

For instance, by compiling information from user-shared videos or comments on social media, an autonomous (Kietzmann et al., 2018) AI influencer might employ AI technologies like speech recognition or machine learning to recovering and comprehending customer wants. Such an artificial intelligence influencer might be in a good position to be perceptive of the traits of their followers and then use this knowledge to provide more individualized interactions with them. customer perceptions of commercialization may rise while customer views of personalization may decline if agency was taken away, as would happen if the AI were run for profit (Kim and Kim, 2021). To do this, we contend that the consumer's impression of personalization in regard to AI influencers on social networking sites has a significant bearing on the consumer's choice to make a purchase.

### **Perceived Homophily**

According to the theory, interaction between similar persons happens more frequently than contact between different people, perceived homophily is based on resemblance (McPherson et al., 2001). People who share comparable insolences frequently converse with one another (Rogers and Bhowmik, 1970). Effective endorsement outcomes emerge from a high level of congruence between a consumer's ideal self-image and the social media image of AI influencers (Shan et al., 2020). Although one study (McCormick, 2021)

implies that marketers in addition (Sokolova and Kefi, 2020) make the case that influencers who are acquainted with their target demography are more successful, and that perceived homophily could likewise boost the popularity of AI influential individuals on social media. Based to research on word-of-mouth (WOM) behaviour, attitude homophily is an effective indicator of credibility and can result in electronic word-of-mouth activity (Li and Du, 2011). According to earlier research (Gonzales et al., 1983; Byrne, 1961), the resemblance between influencers and followers raises the social attractiveness of influencers. Similar research on decision-makers has found a significant relationship between perceived homophily and degree of trustworthiness. According to Sokolova and Kefi (2020), homophily affects how people feel about AI social media influencers. Consumer perception of AI Influencers improves when they appear to be homophilic with their followers.

### **Attitude towards AI Influencer**

Understanding consumer attitudes is necessary for developing an effective marketing strategy, and marketing academics are interested in this topic (Solomon et al. 2010). “Similar relationships between attitude and purchase intention have been found in consumer surveys (Ting and de Run 2015; Tarkiainen and Sundqvist 2005). In contrast, Chen (2007) asserted that consumers' positive views towards a particular product might considerably predict their intentions to make a purchase”. Similar to this, a buyer is more likely to make a purchase if they have a favourable opinion of a product that has been recommended by AI influencers on social media.

According to Hsu, Lin, and Chiang (2013), consumers research products on social media before making decisions. According to Djafarova and Rushworth (2017) and Park, Xiang, Josiam, and Kim (2014), “social media influencers have a greater impact on purchase intention than celebrities because of their perceived dependability and consumer-like

qualities”. Because of this, using them increased consumers' purchase intentions (Jiménez et., 2019).

According to research findings (Phelps and Hoy, 1996), consumer attitudes are linked to both positive and negative perceptions of AI influencers on social media. Laroche et al. in 1996 made note of the power of endorsers to alter consumer choices and inevitably increase a feeling of ready to buy. Credible sources are reported to have enhanced consumer sentiments, which is thought to have increased product purchase intentions (Harmon and Coney 1982). Chan et al. (2013) found “a definite positive correlation between attitude and trustworthy AI influencers as well as purchase intention. Customers are more likely to make a purchase if they have a positive opinion of the artificial intelligence-powered social media influencers”.

### **3.5 RESEARCH PURPOSE AND QUESTIONS**

Research questions are given to obtain the relevant data required to accomplish the goals. The following are some important issues that this study is expected to address.

- i. How does demographic profiles of the users contribute towards determining the intention of Indian consumers to accept the virtual or Artificial Intelligence Influencers?
- ii. What are the factors that persuade the Indian consumers attitude towards AI Influencers?
- iii. Does consumer attitude towards AI Influencer impact the Indian consumers' purchase intention?

### **3.6 RESEARCH DESIGN**

The descriptive study is appropriate to learn about the relationships between the variables that persist in the accepted theories in a particular context. Descriptive study is therefore the most appropriate method for obtaining an antecedent that inherits the link between customer attitude towards AI Influencers and consumer purchase intention. So, in this study, descriptive research was used.

#### **3.6.1 Research Philosophy**

Research philosophy is centered on the growth and makeup of knowledge, claim (Saunders et al. 2009). A study paradigm serves as the cornerstone of every social science research project's research plan. A research paradigm, as defined by Scotland (2012), is a collection of conclusions scientists have reached about how people should approach and comprehend research difficulties. According to Terre Blanche Durrheim & Painter (2006), ontology, epistemology, and technique can each be used to characterize a research paradigm. Ontology, epistemology, and methodology are all defined by Hay (2007) as "what there is to know," "what we can know about it," and "how to go about acquiring that knowledge."

Positivism is a term used to define a research methodology based on the notion that truths may be established through data collection through observation, measurement, and analysis (Somekh & Lewin, 2005). Studies that take a positivist stance make use of standardised instrumentation and assume stable relationships amongst aspects that have been shown to exist a priori. According to Baroudi and Orlikowski (1991), the main purpose of these investigations is to put theory to the test in an effort to improve predictive understanding of phenomena. Also suggested was the use of positivism to test theories in an effort to improve our ability to predict phenomena, in this case, whether AI influencers on social media followers have an impact on consumer purchase intentions. This research is



thought to be positivist because of the assumptions and conceptual framework stated in chapter two and the goal to test them in terms of AI influencers.

### **3.6.2 Research Approaches**

This research creates knowledge based on behavior studies and information systems obtained from previous studies and theories depending on the targets' and objectives' descriptions. The purpose of this project is to utilize the influencer phenomenon in AI adoption to all social media users. The work here employs a deductive methodology. In order to achieve the research's goal, a deductive strategy entails creating a theory and verifying it (Saunders et al. 2009). The deductive technique "comprises the development of an idea, or hypothesis, from prevailing theory that can then be tested through the gathering of data," according to Gratton & Jones, (2010). Deductive reasoning is frequently employed when a phenomenon may be presented, clarified, and predicted by laws. Deductive methods can be used to clarify the relationships between variables in quantitative data with high sample sizes. Positive and quantitative research are frequently associated with the deductive research approach. The deductive method is most appropriate for this study given its positivistic and quantitative nature.

### **3.6.3 Research Strategies**

A research plan suggests an entire course of action for the study, together with a procedure for how it should be carried out and supported so that researchers can logically carry it out (Remenyi, 1998). Researchers can use the methods as a broad plan to accomplish their goals and find the answers to their research questions (Saunders et al. 2009). Research objectives, research questions, prevalent knowledge, and other qualities, along with the chosen research philosophy, are factors that aid researchers in selecting an effective research plan. A research instrument known as a questionnaire uses statements to gather data, whereas

a survey is a research technique. Surveys assist in determining the 'who, what, where, how much, and how many' of a situation. Because it is cost-effective to collect vast amounts of data, surveys are frequently used (Saunders et al. 2009).

Data gathering for a survey involves employing questionnaires (Chen & Hirschheim, 2004). It is similar to the deductive technique and is also a mutual policy in professional and management studies. Both vivid and illative statistics can be used to analyse the information gathered by a survey approach. Survey data can therefore be used to build models that emphasise connections between variables, allowing researchers additional switch over the investigate procedure (Saunders et al., 2009). A form is a list of questions that have been carefully written, are pertinent to the research topic of interest, and are distributed uniformly to a group of people in order to gather data (Jupp, 2006). A questionnaire typically offers a simple, efficient method for gathering data in a controllable and structured manner. The questionnaire was chosen as the research tool for this study. A self-administered questionnaire is employed in this study.

### **3.6.4 Quantitative and Qualitative Data**

To comprehend the properties of the study data, the phrases quantitative and qualitative data are utilised. According to Saunders et al. (2009:151), the term "quantitative data" is "primarily used as a synonym for any data collection technique, such as a questionnaire, or data analysis procedures, such as graphs or statistics that generate or use numerical data." As a result, quantitative data is knowledge of the data expressed as numbers (Punch, 2013). Subsequently, researchers turn data into numerical representations that can be quantified and examined (Punch, 2009). As opposed to quantitative data, "qualitative data is used predominantly as a synonym for any data collection technique such as an interview or data analysis procedure such as categorizing data that generates or uses non-quantitative data.

Quantitative data was deemed appropriate for this research because it was gathered through surveys and turned into figures for the researcher's examination of AI influencers in social media. Due to the fact that the data were gathered in numerical format, this study utilized a quantitative technique". Second, the approach and research philosophies chosen were consistent with the study's objectives. Like earlier studies in this area (Alalwan, 2020; Kapoor & Vij, 2018; Roh & Park, 2019), understanding consumer awareness of and acceptance of AI influencers in social media calls for quantitative data.

### **3.6.5 Primary and Secondary Data**

Primary data is a material that has been specifically gathered for a research project (Saunders et al. 2009). Surveys and observational (Zikmund et al. 2009) techniques can be used to gather primary data. "Secondary data include information that has already been gathered for other cases and by other researchers. Secondary data is unprocessed data that is published in the form of, for instance, research papers, white papers, census data, yearly reports, etc. (Saunders et al. 2009). Compared to primary data, secondary data can be gathered more quickly and at a lower cost (Cooper & Schindler, 2013). The purpose and open-ended research objectives of this study necessitated the collection of primary data. However, in order to gain a foundational understanding and create the conceptual framework, secondary data such as literature reviews were also necessary". In this research, secondary information from articles in journals, conference documents, white papers, websites, and articles from newspapers were employed in the problem outline, review of literature, conceptual creation, formulation of methods, and the discussion phases. The phases of problem description and evaluation were also developed with the aid of statistical papers and secondary quantitative data sets.

### **3.7 POPULATION AND SAMPLE SELECTION**

According to Cooper and Schindler (2013), the process of selecting individuals from a group to represent the entire population, is known as sampling. Lower expenses compared to a census and quick data collecting are two benefits of sampling. The sampling process utilized in this study, in accordance with Cooper and Schindler (2013), included “identifying a relevant population, choosing a sample type, choosing a sampling strategy, categorising and grading sampling frames of reference, and taking samples”. The part that follows talks about the sample. The sampling frame refers “to the elements of the population from which the sample is drawn (Cooper & Schindler, 2013). The list includes detailed details like the employees' names of each organization (Saunders et al. 2009)”. Despite this, it was unable to get the complete list of AI admirers across all social media sites for this research since performing so might have infringed people's privacy. So, in this investigation, non-probability sampling was employed. Using a sample approach known as non-probability sampling, it is impossible to calculate the likelihood that any member will be selected for a sample. The cost- and time-effectiveness of the non-random sampling method are its key advantages. There are numerous non-probability sampling techniques. In this study, a qualitative methodology was used. Statistics from the desired population were gathered cross-sectionally using a survey-based methodology. Data from the sample respondents were gathered using the purposive sampling technique. To find the pertinent respondents and to expand the number of respondents, this study used judgmental or purposive sampling, as described in earlier studies (Gilboa et al. 2019, Ahmad and Thyagaraj, 2017).

### **3.8 PARTICIPANT SELECTION**

The purposive sampling method was used to choose the participants as mentioned above. The participants were those set of respondents who were active social media users

who had knowledge of Virtual or Artificial Intelligence Influencers. An additional pilot test was conducted to validate the findings. A pilot test, according to Cooper and Schindler (2013), “is a trial data collection used to spot issues with the design, instrumentation, and provision of proxies for the sample selection. Pilot studies may also be used to assess a question's validity and reliability (Saunders et al. 2009). A pilot study enables a researcher to assess the questionnaire that will be delivered, as well as the framework and analysis methods” (Bell, 2005). Pre-test was performed to select the stimuli for this study. Initially, social media users were selected and scrutinized with the initial questions on whether they were aware of AI Influencers in social media platforms and followed them. The study concentrated on people who use social media and are aware of AI influencers. About 50 social media users specifically from Instagram who were aware of the AI influencers, the pilot study was conducted using the distributed questionnaire method. For each construct's items, the pre-test results were analyzed using Cronbach's alpha, and the results revealed a respectable level of internal consistency.

### **3.9 RESEARCH INSTRUMENT AND DEVELOPMENT**

The survey questionnaire measures were evaluated using a “five-point Likert scale, with ‘strongly disagree’ being the lowest (1) and ‘strongly agree’ being the highest (5)”. All the things were created using literary leads, with a few minor adjustments made to reflect the content-specific features of AI Influencers. The construct measures and operational definitions are discussed in the section that follows.

Quantitative questionnaire was employed to collect the primary data using standard research instruments. The research instrument comprises of three sections. The researcher's biography and details about the study's purpose are both found in the first section. Also disclaimed is the confidentiality of the respondent's personal information.

Another section describes the demographic details of the respondents and includes social media accounts, usage, awareness about influencers and AI influencers. The third section comprises of persuading factors predicting consumer attitude towards AI Influencers and consumer purchase intention are measured.

### **3.10 DATA COLLECTION PROCEDURE**

Based on the examination of pertinent literature supporting the testing of the research model, a broad survey instrument was constructed for this study. Considering India as the context of conducting empirical part of the current study was because users of social media platforms are growing rapidly in India compared to its neighboring countries. The report claims that India embraced the internet and has had a sharp increase in its digital population over the past ten years, reaching 900 million active users (Statista, 2022). This research chose respondents who are aware about AI influencers in social media. In initial stage of study, filters the respondents who aware about the influencers and the AI influencers. The appendix lists the survey instrument used for this research. To achieve the purpose of this study, the purposive or judgmental sampling method has been adopted. The respondents were the ones who aware of influencers and AI Influencer in social media. The data was obtained through google form as survey questionnaire between the periods of January – June 2022. The questionnaire was circulated to 1000 respondents. Out of 1000 respondents, only 753 respondents sent the completed questionnaires. Following data collection, excluding outliers, and coding, a final sample size of 748 was determined, translating to a response rate of 74.8 percent.

#### **3.10.1 SOFTWARE TOOLS**

Statistical Package for Social Science (SPSS) Version 21 and Analysis of a Moment Structure (AMOS Version 21) were used to analyse the survey data. The factors'

discriminant and convergent validity were evaluated using the confirmatory factor analysis test. Each construct p-value was less than 0.05 and all of the constructs were tested using the estimated t-value. Examining the reliability of each construct, it was found that the values were all noticeably over 0.8. The complete model was validated using structural equation modelling (SEM), which also offered a precise prediction of the theory.

### **3.11 DATA ANALYSIS**

The analysis that was needed once the information had been collected depends on the research's goals and queries. In this instance, the conceptual model was tested using non-parametric data. The test for properly distributed (or bell-shaped) data is the normality test. Only regularly distributed data can be used for parametric tests in statistical analysis, according to Jupp (2006). In this study, non-parametric tests were utilised in its place, negating the need for the normality test.

Analysis of a Moment Structure (AMOS), an additional SPSS module, and SPSS 24 (Statistical Product and Service Solutions) were used for the analysis. The goals of the current study were achieved by using the proper statistical approaches based depending on the data format and measurement precision. To further understand the profile of AI influencers on social media sites, a percentage analysis was carried out. For the variables influencing AI influencers' attitude towards customer purchase intention, it was calculated to get the average as well as the standard deviation. An additional confirmatory factor analysis was carried out as well to ensure that the study's factor requirements were met and to examine the connections connecting the variables that were measured and the latent variables. To determine how the variables relate to one another influencing how AI influencers perceive consumer purchase intent, a correlation analysis was conducted.

### 3.11.1 TECHNIQUES FOR VALIDATING THE RESEARCH FINDINGS

The questionnaire was validated after questions were chosen and created from earlier research investigations. Validity, a representation of measurement, involves evaluating the scope of what an investigator desires to measure and the variations discovered by a measurement tool. According to Cooper and Schindler (2013), these divert the real changes occurring among participants who were selected from a population. For researchers, validating their instruments is a vital step in ensuring the production of knowledge that is supported by science. The questionnaire was printed for this purpose, and guided interviews were conducted to get feedback from an expert panel. The opinions and ideas from the expert panel were then integrated into the content validation process. The supervisor's clearance was required before delivering the content validity questionnaire to responders. A few improvements were made to the questionnaire after validation. After completing a statistical analysis, it is crucial to validate the researcher's findings to make sure the conclusions drawn from the analysis were accurate and reliable. Validity is a metric used to assess the reliability of the tools and data gathered. "The researcher has made sure that the data are both internally and externally valid. Cronbach's alpha was used to examine the reliability of the questionnaire's various components", and the findings are shown in Table 3.1.

**Table 3.1 Cronbach's Alpha Measures**

| <b>Constructs</b>    | <b>No. of Items</b> | <b>Cronbach's Alpha</b> |
|----------------------|---------------------|-------------------------|
| Need for Uniqueness  | 4                   | 0.757                   |
| Social Participation | 3                   | 0.812                   |



|                             |   |       |
|-----------------------------|---|-------|
| Perceived Personalization   | 4 | 0.824 |
| Perceived Homophily         | 4 | 0.801 |
| Attitude                    | 4 | 0.838 |
| Customer Purchase Intention | 3 | 0.760 |

The validation of the findings was taken into account to ensure the research questions are valid for the outcome and the methodology chosen for the study is appropriate. Therefore, the reliability test was run to make sure the constructs' internal consistency. The study's overall concept was put to the test using structural equation modelling (SEM).

### **3.12 RESEARCH DESIGN LIMITATIONS**

Several limitations should be noted in this research despite its uniqueness towards the study on the AI influencers persuades consumer purchase intention. This study took data from the consumers who aware of AI Influencers. In future the study can be enhanced by studying the product line enhanced by the AI Influencers. Although the current study is cross-sectional, researchers can use predictive analytics in the future to analyze customer information mined from the data warehouse. It can consider constructs such as the AI Influencer's page perception, content sharing, perceived benefits, Impact of purchase decision of the consumers and other demographic variables in the study. The study looks at how people generally react to AI followers in a particular setting like Instagram, but future research may analyse how people respond to posts advocating specific products across a variety of category contexts and on different social media platforms. This study applies to the

Indian context; in the future, it can be elaborated to study the cultural aspects of different continents.

### **3.13 PROPOSED CHAPTERIZATION**

The tentative chapter plan to be followed is given below:

**Chapter 1** is the **Introduction** chapter explains about “Influencers, digital marketing, AI Influencer, significance of the study, research purpose and research questions”.

**Chapter 2** is the **Review of Literature** chapter that reviews several works in Influencer Marketing, Influencer characteristics, metrics, platforms used and related recent research. The work of AI Influencers and finally explains the factors leads to attitude and consumer purchase intention.

**Chapter 3** is the **Research Methodology** that provides information about the data gathering method and research tool employed in this study.

**Chapter 4** is the **Results and Analysis** chapter explains the results obtained through primary data collections.

**Chapter 5** is **Discussions** which explains the results and discussions of every research questions.

**Chapter 6 Summary, Implications and Recommendations** chapter that associates the empirical verdicts with the existing literature and provides the contribution of the present study. It also explains the answers to research questions and the recommendations for future study to the researchers and also to enhance consumer awareness and acceptance of AI Influencers. In addition to that, the thesis will have a **References** section that will list all the

secondary sources referred to in conducting the research and an **Appendix** section with details of the research instrument engaged in collecting primary data for this research.

### **3.14 CONCLUSION**

This chapter outlines the conceptual model employed in the present study. This model was created to comprehend customer acceptability of AI influencers on social media platforms, consumer purchase intent, and consumer awareness of these influencers. Additionally, the methodology and research method were described. It is clear from this chapter that the researcher used a dispersed questionnaire survey design, along with a deductive and quantitative approach. Additionally, the chapter included information on the sample size, sampling method, and sampling type. SPSS and Structured Equation Modelling were employed for the analysis, and their selection was justified.

## **CHAPTER IV**

### **RESULTS**

#### **4.1 INTRODUCTION**

The stages of evaluation and interpretation are essential to research. The purpose of the investigation is to arrange, classify, and synthesize the collected data in order to make them easier to understand and study in order to address the questions that drove the research. In the interpretation phase, deeper significance of the results is sought. Analysis cannot be accomplished without interpretation, and interpretation cannot advance without analysis. Therefore, both are interdependent.

According to the above stated aims, a thorough examination of the data acquired has been attempted in this chapter. Based on the study's findings, hypotheses were put to the test, and interpretations and conclusions were made. Descriptive analysis, inferential statistics, and other statistical techniques are used in this chapter to analyse the data acquired for the contemporary study.

The following sections of the chapter provide the results of the examination of the data in light of the objectives of the study.

**4.2** Descriptive Analysis on Sample

**4.3** Confirmatory Factor Analysis

**4.4** Inferential Analysis on Sample

**4.5** Correlation analysis

**4.6** Multiple Regression Analysis

#### 4.7 Structural Equation Modelling (SEM): Model fit assessment on Customer Purchase Intention

#### 4.2 DESCRIPTIVE ANALYSIS ON SAMPLE

Percentage analysis is a statistical technique employed for analyzing the features that define a sample or group as a whole. By using percentage analysis to calculate measures for the research's chosen variables, the reader can quickly understand the findings.

**Table 4.1 Frequency Distribution of Demographic Profiles of respondents**

| <b>Demographic Profiles</b>  | <b>Categorical Variables</b> | <b>Frequency</b> | <b>Percentage</b> |
|--|------------------------------|------------------|-------------------|
| <b>Age group in Years</b>  | Below 20 years               | 166              | 22.2              |
|  | 20 - 29 years                | 232              | 31.0              |
|  | 30 - 39 years                | 194              | 25.9              |
|  | 40 - 49 years                | 102              | 13.6              |
|  | Above 50 years               | 54               | 7.2               |
|  | Total                        | 748              | 100.0             |
| <b>Gender</b>  | Male                         | 392              | 52.4              |
|  | Female                       | 356              | 47.6              |
|  | Total                        | 748              | 100.0             |
| <b>How much do you spend monthly on online shopping (Per month)?</b> | Less than Rs.1,000/pm        | 215              | 28.7              |
|  | Rs.1,001 – Rs.5,000          | 307              | 41.0              |
|  | Rs.5,001 – Rs.10,000         | 140              | 18.7              |
|  | Rs. 10,001 & above           | 86               | 11.5              |
|  | Total                        | 748              | 100.0             |

|   |                     |     |       |
|---|---------------------|-----|-------|
| <b>Social Media Usage</b>   | Frequently          | 20  | 2.7   |
|   | Few times a week    | 30  | 4.0   |
|   | Daily once          | 346 | 46.3  |
|   | Several times a day | 352 | 47.1  |
|   | Total               | 748 | 100.0 |
| <b>Which of the following Social Media Sites do you frequently use?</b> | Instagram           | 216 | 28.9  |
|   | Twitter             | 60  | 8.0   |
|   | Facebook            | 117 | 15.6  |
|   | LinkedIn            | 41  | 5.5   |
|   | Youtube/Google      | 235 | 31.4  |
|   | Pinterest           | 12  | 1.6   |
|   | Snapchat            | 67  | 9.0   |
|   | Total               | 748 | 100.0 |

According to the aforementioned data from the table, 31 percent of respondents aged 20 to 29 are aware of AI Influencers, followed by 25.9 percent of respondents aged 30 to 39, 22.2 percent of respondents aged under 20, 13.6 percent of respondents aged 40 to 49, and 7.2 percent of respondents aged 50 and over. Respondents between the ages of 20 and 29 have the greatest amount of awareness, followed by those between 30 and 39.

According to the aforementioned statistics, male participants make up 52.4% of the sample while female respondents make up 47.6%. The results show that there aren't many awareness-related distinctions between men and women.

From the above table, 41 percent are spending between Rs. 1001 – Rs.5,000 per month, 28.7 percent between less than Rs.1,000/pm, 18.7 percent between Rs.5,001 –

Rs.10,000 per month, and 11.5 percent are spending Rs. 10,001 & above. It is inferred that most respondents seem to spend between Rs.1001 – Rs.5000 per month on online shopping.

From the above table, 47.1 percent are using social media several times a day. 46.3 percent are using social media daily once, only 4 percent of respondents are using few times a week and 2.7 percent of respondents are using frequently in a month. Majority of the respondents use social media several times a day followed by at least once a day.

According to the table mentioned above, 31.4 percent of respondents use YouTube/Google frequently, 28.9 percent frequently use Instagram, 15.6 percent frequently use Facebook, 9 percent frequently use SnapChat, 8 percent frequently use Twitter, 5.5 percent frequently use LinkedIn, and 1.6 percent frequently use Pinterest. Most respondents said they use YouTube or Google, then Instagram and Facebook, in that order.

**Table 4.2 Mean and SD of Need for Uniqueness**

| <b>Need for Uniqueness</b>  | <b>Mean</b> | <b>Std. Deviation</b> |
|---|-------------|-----------------------|
| “I actively seek to develop my personal uniqueness by buying special products or brands”                          | 3.93        | 0.964                 |
| “I often look for one-of-a-kind products or brands so that I create a style that is all on my own”                | 3.98        | 0.758                 |
| “The more common place a product or brand is among the general population, the less interested I am in buying it” | 4.10        | 0.844                 |
| “When a product I own becomes popular among the general population, I begin using it less”                        | 3.72        | 0.846                 |

According to the mean score, I would be less inclined to buy a product or brand that is more well-liked by the general public (4.10). My ongoing search for distinctive brands or things to use in creating my own particular look comes next (3.98), and my active pursuit of enhancing my individuality by purchasing special products or brands (3.93). The least important aspect is When a thing I possess gets widely used by the public, I start utilizing it less (3.72).

**Table 4.3 Mean and SD of Social Participation**

| <b>Social Participation</b>                                      | <b>Mean</b> | <b>Std. Deviation</b> |
|--|-------------|-----------------------|
| “I use social networking sites regularly”                        | 3.17        | 1.115                 |
| “Using social networking sites is a part of my daily activities” | 3.11        | 1.187                 |
| “I like using social networking sites”                           | 3.18        | 1.035                 |

According to the mean score, I like utilizing social networking sites (3.18), which is followed by I routinely use social networking sites (3.17), is the most significant influencer on attitude towards AI. Utilizing social networking sites as part of my daily activities is the least important factor (3.11).

**Table 4.4 Mean and SD of Perceived Personalization**

| <b>Perceived Personalisation</b>  | <b>Mean</b> | <b>Std. Deviation</b> |
|---|-------------|-----------------------|
| “AI influencer would be able to make recommendations that match my needs” | 3.99        | 0.975                 |



|  |      |       |
|--|------|-------|
| “I think that AI influencer would enable me to order products that are tailor-made for me” | 3.86 | 0.919 |
| “Overall, this influencer would post content tailored to my needs”                         | 3.93 | 0.899 |
| “AI influencer would make me feel that I am a unique follower”                             | 3.80 | 0.928 |

According to the mean score, “the most important aspect of attitude towards AI influencer is that this influencer would be able to make recommendations that meet my needs (3.99), followed by the fact that this influencer would typically post content tailored to meet my needs (3.93), and my conviction that AI influencer would enable me to order goods that are especially made for me (3.86). AI influencer (3.80) is the least influential and would make me feel special as a follower”.

**Table 4.5 Mean and SD of Perceived Homophily**

| <b>Perceived Homophily</b>                 | <b>Mean</b> | <b>Std. Deviation</b> |
|--|-------------|-----------------------|
| “AI Influencer and I have a lot in common” | 3.72        | 0.939                 |
| “AI Influencer and I are lot alike”        | 3.73        | 1.001                 |
| “AI Influencer thinks like me”             | 3.82        | 0.908                 |
| “AI Influencer shares my values”           | 3.71        | 0.913                 |

According to the mean score, the most significant factor in determining how I feel about AI influencers is whether or not they share my values (3.71), followed by whether or not we are very similar (3.73), and whether or not we have a lot in common (3.72).

**Table 4.6 Mean and SD of Consumer Attitude**

| <b>Attitude Towards AI Influencer Post, Blogs, Vlogs</b>                                   | <b>Mean</b> | <b>Std. Deviation</b> |
|--|-------------|-----------------------|
| Sponsored post, blogs and vlogs - tell the truth   | 3.73        | 0.908                 |
| I agree with AI Influencer's assertions in sponsored articles, videos, and postings.       | 3.89        | 0.870                 |
| Blogs, videos, and sponsored posts provide me with accurate information about the product. | 3.83        | 1.043                 |
| After viewing a sponsored post, blogs, and vlogs, I felt well-informed                     | 3.92        | 0.870                 |

Sponsored posts, blogs, and vlogs provide me with accurate information about the product (3.83), I trust what AI Influencer says (3.89), and Sponsored post, blogs, and vlogs - tell the truth (3.73), according to the mean score, are the next three most significant factors in determining the attitude towards AI influencer.

**Table 4.7 Mean and SD of Consumer Purchase Intention**

| <b>Customer Purchase Intention</b>                                    | <b>Mean</b> | <b>Std. Deviation</b> |
|---|-------------|-----------------------|
| I might think about purchasing things recommended by an AI influencer | 3.67        | 0.978                 |
| I intend on buying products endorsed by AI influencer                 | 3.82        | 0.885                 |

|  |      |       |
|--|------|-------|
| It is possible that I buy products endorsed by AI influencer         | 3.70 | 0.949 |
| I will purchase things recommended by an AI influencer if I have to. | 3.66 | 0.834 |

The most significant aspect in deciding the attitude towards an AI influencer is whether or not I intend to purchase things that the influencer has recommended (3.82), which is followed by the least essential element is that I will purchase things recommended by an AI influencer if I have to (3.66). I might also consider buying products that have been recommended by AI influencers (3.67).

## CONFIRMATORY FACTOR ANALYSIS

### 4.3 CONFIRMATORY FACTOR ANALYSIS

Confirmatory factor analysis was used “to examine the original model fit. Fit indices included normed-fit index (NFI), normed-chi-square (CMIN/DF), comparative fit index (CFI), and root mean square error of approximation (RMSEA)”.

**Table 4. 8 Confirmatory Factor Analysis**

| <b>Indices</b>          | <b>Factors Persuading Attitude towards AI Influencer</b> | <b>Barrier</b> | <b>Suggested value</b>        |
|-------------------------|--|----------------|-------------------------------|
| <b>Chi-square value</b> | 1250.234   |                |                               |
| <b>Chi-square/DF</b>    | 2.446  |                | < 5.00 (Hair et al. 1998)     |
| <b>GFI</b>              | 0.928  |                | > 0.90 (Hu and Bentler, 1999) |
| <b>AGFI</b>             | 0.903  |                | > 0.90 (Hair et al. 2006)     |
| <b>NFI</b>              | 0.934  |                | > 0.90 (Hu and Bentler, 1999) |
| <b>CFI</b>              | 0.956  |                | > 0.90 (Daire et al. 2008)    |

|              |       |  |                           |
|--------------|-------|--|---------------------------|
| <b>RMR</b>   | 0.051 |  | < 0.08 (Hair et al. 2006) |
| <b>RMSEA</b> | 0.065 |  | < 0.08 (Hair et al. 2006) |

Confirmatory Factor Analysis (CFA) results for independent factors showed “a chi-square score of 2.446, which denotes a very strong fit. Both the Comparative Fit Index and the Goodness of Fit Index are 0.956. The GFI and CFI values show a perfect match as well. Both the Standardised Root Mean Residual (RMR), which measures fit, and the Root Mean Square Error of Approximation (RMSEA), which measures fit, are outstanding at 0.051 and 0.06”, respectively.

#### **4.3.1 Convergent and Discriminant validity for Factors persuading AI Influencers**

Additionally, the Customer Purchase Intention was assessed using the following criteria: “Square Intercorrelation of the constructs (SIC), Average Variance Extracted (AVE), and Composite Reliability (CR)”. The following table shows the outcomes.

**Table 4.9 Construct Reliability (CR), Average Variance Extracted (AVE) of Factors Persuading AI Influencers**

| <b>Factors</b>                 | <b>CR</b> | <b>AVE</b> |
|--------------------------------|-----------|------------|
| Need for Uniqueness            | 0.838     | 0.572      |
| Social Participation           | 0.787     | 0.553      |
| Perceived Personalisation      | 0.815     | 0.595      |
| Perceived Homophily            | 0.811     | 0.529      |
| Attitude towards AI Influencer | 0.820     | 0.554      |
| Customer Purchase Intention    | 0.815     | 0.595      |

**Table 4.10 Discriminant Validity of Factors persuading Customer Attitude towards AI Influencer**

| <b>Factors</b> | <b>Squared Inter Correlation (SIC)</b> |           |           |           |            |            |
|----------------|--|-----------|-----------|-----------|------------|------------|
|                | <b>NQ</b>                              | <b>SP</b> | <b>PP</b> | <b>PH</b> | <b>ATT</b> | <b>INT</b> |
| <b>NQ</b>      | -                                      | 0.044     | 0.053     | 0.059     | 0.003      | 0.110      |
| <b>SP</b>      | 0.044                                  | -         | 0.306     | 0.257     | 0.094      | 0.190      |
| <b>PP</b>      | 0.053                                  | 0.306     | -         | 0.316     | 0.095      | 0.370      |
| <b>PH</b>      | 0.059                                  | 0.247     | 0.316     | -         | 0.066      | 0.170      |
| <b>ATT</b>     | 0.003                                  | 0.094     | 0.095     | 0.066     | -          | 0.320      |
| <b>INT</b>     | 0.110                                  | 0.190     | 0.370     | 0.170     | 0.320      | -          |

The findings reveal that average variance extracted is greater than the minimal value of 0.50 and composite reliability for components of consumer attitude is higher than the cut-off value of 0.70, confirming convergent validity for factors influencing consumer purchase intention.

Average variance extracted (AVE) approximations in the above table have higher values than the corresponding squared construct correlation (SIC) estimates. This shows that the connected construct and the indicators are more comparable to one other than to other structures. As a result, the confirmatory factor analysis model displays discriminant validity.

#### **4.4 INFERENTIAL ANALYSIS ON SAMPLE**

Making inferences about the performance of a system includes objectively and quantitatively summarizing the data, identifying which data patterns are important, and

drawing conclusions from those patterns. The key values have all been determined using correlation analysis, multiple regression analysis, and structural equation modelling (SEM).

#### 4.5 Correlation Analysis on Persuading Factors of AI Influencers towards Consumer Attitude and Purchase Intention

**Table 4.11 Pearson Correlation Coefficient between factors of AI Influencers towards Consumer Attitude and Purchase Intention**

| <b>Factors</b>         | <b>Need for</b>   | <b>Customer</b>      | <b>Perceived</b>       | <b>Perceived</b> |                 | <b>Customer</b>  |
|------------------------|-------------------|----------------------|------------------------|------------------|-----------------|------------------|
| <b>Persuading AI</b>   | <b>Uniqueness</b> | <b>Social</b>        | <b>Personalisation</b> | <b>Homophily</b> | <b>Attitude</b> | <b>Purchase</b>  |
| <b>Influencers</b>     |                   | <b>Participation</b> |                        |                  |                 | <b>Intention</b> |
| <b>Need for</b>        | 1                 | 0.381**              | .676**                 | .692**           | .706**          | .652**           |
| <b>Uniqueness</b>      |                   | .000                 | .000                   | .000             | .000            | .000             |
| <b>Social</b>          |                   | 1                    | .295**                 | .279**           | .497**          | .412**           |
| <b>Participation</b>   |                   |                      | .000                   | .000             | .000            | .000             |
| <b>Perceived</b>       |                   |                      | 1                      | .818**           | .738**          | .722**           |
| <b>Personalisation</b> |                   |                      |                        | .000             | .000            | .000             |
| <b>Perceived</b>       |                   |                      |                        | 1                | .738**          | .711**           |
| <b>Homophily</b>       |                   |                      |                        |                  | .000            | .000             |
| <b>Attitude</b>        |                   |                      |                        |                  | 1               | .808**           |
| <b>Purchase</b>        |                   |                      |                        |                  |                 | .000             |
|                        |                   |                      |                        |                  |                 | 1                |

Note: \*\* Denotes significant at 1% level

The correlation coefficient between the demand for individuality and attitude is 0.706, indicating a substantial positive association between the two factors at the level of one percent ( $0.7062 = 0.4984$ ).

The need for uniqueness and perceived homophily has a 0.692 correlation coefficient, which is significant at the 1% level and shows a 47.88 percent positive link between the two. The correlation coefficient between the need for originality and perceived personalization is 0.676, signifying a 45.69 percent positive association between the two and being significant at the 1% level. Positive correlations exist between the other factors and one another.

#### **4.6 MULTIPLE REGRESSION ANALYSIS OF FACTORS PERSUADING ATTITUDE TOWARDS AI INFLUENCERS**

The exploration of the statistical association among more than one variable is known as regression. Two variables are utilized in simple regression. A dependent variable's behavior is caused by an independent variable. Multiple correlations is the study of a relationship where there are more than two independent variables, and a multiple regression equation is the equation that captures such a relationship.

The metrics of a variable that is dependent reliant on a variable that is independent must be determined, a proper mathematical expression must be developed. Thus, “it is intended to investigate how a variable Y interacts with a group of other variables X1, X2, X3, etc. The most typical linear equation in  $Y = b_1 X_1 + b_2 X_2 + \dots + b_n X_n + b_0$  is  $X_n$ . Y is the dependent variable in this case and needs to be located”. The known variables used to make predictions are X1, X2, ..., and Xn, and the coefficients of the variables are b1, b2, ..., bn.

In this research, “the dependent variable is **Attitude**. Independent variables are **Need for Uniqueness, Customer Social Participation, Perceived Personalization, Perceived Homophily**” are discussed as follows:

Dependent variable : **Attitude (Y)**

Independent variables : 1. **Need for Uniqueness (X<sub>1</sub>)**

2. **Customer Social Participation (X<sub>2</sub>)**

**3. Perceived Personalization (X<sub>3</sub>)**

**4. Perceived Homophily (X<sub>4</sub>)**

Multiple R value : 0.836

R Square value : 0.699

F value : 214.050

P value : <0.001\*\*

**Table 4.12 Variables in the Multiple Regression Analysis**

| <b>Variables</b> | <b>Unstandardized<br/>co-efficient</b> | <b>SE of B</b> | <b>Standardized<br/>co-efficient</b> | <b>t value</b> | <b>P value</b> |
|------------------|--|----------------|--------------------------------------|----------------|----------------|
| Constant         | 7.009                                  | 0.437          | -                                    | 16.03          | <0.001**       |
| X <sub>1</sub>   | 0.213                                  | 0.040          | 0.226                                | 5.32           | <0.001**       |
| X <sub>2</sub>   | 0.229                                  | 0.028          | 0.249                                | 8.04           | <0.001**       |
| X <sub>3</sub>   | 0.222                                  | 0.041          | 0.280                                | 5.43           | <0.001**       |
| X <sub>4</sub>   | 0.237                                  | 0.044          | 0.284                                | 5.39           | <0.001**       |

Note: \*\* Denotes significant at 1% level

The multiple correlation coefficient, which is at 0.836, indicates how closely the Attitude's actual values and its projected values are related. The linear combination of the Need for Uniqueness (X<sub>1</sub>), Customer Social Participation (X<sub>2</sub>), Perceived Personalization (X<sub>3</sub>), and Perceived Homophily (X<sub>4</sub>) predicted values yields a coefficient value of 0.836, representative a strong and constructive relationship between Attitude and the four independent variables. “The determination coefficient in terms of the percentage of variation in the dependent variables that is explained by the fitted sample regression equation, R-square



quantifies the goodness-of-fit of the estimated Sample Regression Plane (SRP). Therefore, the R square value of 0.836 simply indicates that the estimated SRP using the independent variables Need for Uniqueness, Customer Social Participation, Perceived Personalization, and Perceived Homophily accounts for about 83.6% of the variation in Attitude. The R square value is significant at the 1% level.

The multiple regression equation is

$$Y = 7.009 + 0.213X_1 + 0.229X_2 + 0.222X_3 + 0.237X_4$$

Keeping the other variables constant, the coefficient of X1 in this case is 0.731, which shows the partial impact of the need for uniqueness on attitude. According to the anticipated positive sign, attitude would improve by 0.731 points for every rise of one unit in need for uniqueness, and this coefficient value is significant at the 1% level. Holding the other variables constant, the coefficient of X2 is 0.488, which shows the partial effect of customer social participation on attitude. According to the anticipated positive sign, customer social participation would grow by one unit for every one unit increase in attitude, and this coefficient value is not significant at the 5% level.

Based on standardized coefficient, **Perceived Homophily** (0.284) is the most important factors to extract **Attitude**, followed by **Perceived Personalization** (0.280), **Customer Social Participation** (0.249), **Need for Uniqueness** (0.226)”. It is observed that respondents who have similar perception with that of the influencer are more effective and highest according to the study. This followed by the perception of personalization offered by the influencer to the follower follows as the next highest factor as per the respondents.

# REGRESSION ANALYSIS OF ATTITUDE TOWARDS AI INFLUENCERS AND CUSTOMER PURCHASE INTENTION

## 4.7 Regression Analysis of Attitude Towards AI Influencers and Customer Purchase Intention

Examining a statistical relationship among two or more variables is known as regression analysis. Two variables are utilized in simple regression. A dependent variable is affected by an independent variable's conduct. Multiple correlations is the study of a relationship where there are more than two independent variables, and a multiple regression equation is the equation that captures such a relationship.

In order to calculate the dependent factor's values based on the independent variable, a proper mathematical expression must be developed. Thus, “it is intended to investigate how a variable Y interacts with a group of other variables X1, X2, X3, etc. The most typical linear equation in  $Y = b_1 X_1 + b_2 X_2 + \dots + b_n X_n + b_0$  is  $X_n$ . Y is the dependent variable in this case and needs to be located”. The known variables used to make predictions are X1, X2, ..., and Xn, and the coefficients of the variables are b1, b2, ..., bn.

In this research, the dependent variable is **Customer Intention to use**, independent variable is **Attitude** are discussed as follows:

Dependent variable : **Customer Purchase Intention(Y)**

Independent variables : **Attitude (X<sub>1</sub>)**

Multiple R value : 0.808

R Square value : 0.652

F value : 1398.553

P value : <0.001\*\*

**Table 4.13 Variables in the Multiple Regression Analysis**

| <b>Variables</b> | <b>Unstandardized<br/>co-efficient</b> | <b>SE of B</b> | <b>Standardized<br/>co-efficient</b> | <b>t value</b> | <b>P value</b> |
|------------------|--|----------------|--------------------------------------|----------------|----------------|
| Constant         | 1.441                                  | 0.338          | -                                    | 4.266          | <0.001**       |
| X <sub>1</sub>   | 0.651                                  | 0.017          | 0.808                                | 37.397         | <0.001**       |

Note: \*\* Denotes significant at 1% level

The multiple correlation coefficient, with a value of 0.808, measures how closely the actual values and projected values of the customer's purchase intention are correlated. Given that the projected values are created as a linear mixture of Attitude (X<sub>1</sub>), the coefficient value of 0.836 demonstrates that the link between Customer intention to buy and the factor that is independent is remarkably substantial and favorable.

The determination coefficient, “In terms of the percentage of variation in the dependent variables that is explained by the fitted sample regression equation, R-square quantifies the goodness-of-fit of the estimated Sample Regression Plane (SRP). Thus, the R square value of 0.836 simply indicates that the estimated SRP, which employs attitude as the independent variable, accounts for around 80% of the variation in customer purchase intention, and that the R square value is significant at the 1% level.

The multiple regression equation is

$$Y = 1.441 + 0.651X_1$$

When the other variables are held constant, the coefficient of X<sub>1</sub> in this case is 0.651, which shows the partial impact of attitude on customer purchase intention. According to the anticipated positive sign, there would be a 0.651 increase in customer purchase intention for

every unit increase in attitude towards AI influencers, and this coefficient value is substantial at the 1% level”.

## **4.8 STRUCTURAL EQUATION MODEL (SEM) ON CUSTOMER PURCHASE INTENTION**

The model of structural equations is a statistical method for assessing and estimating causal relationships that combines statistical data with qualitative causal ideas. Structural equation modelling is used to investigate the structural relationship between variables that can be measured and latent entities. In a single study, structural equation modelling evaluates the various and connected dependency.

**The variables used in the structural equation model are**

### **I. Observed, endogenous variables**

1. Attitude towards AI Influencer
2. Customer Purchase Intention

### **II. Observed, exogenous variables**

1. Need for Uniqueness
2. Customer Social Participation
3. Perceived Personalization
4. Perceived Homophily

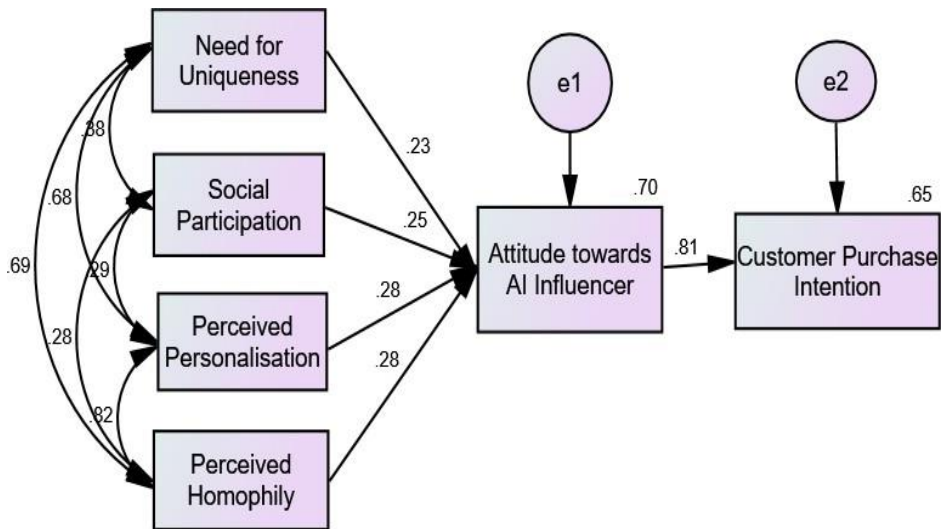
### **III. Unobserved, exogenous variables**

1. e1: Error term for Attitude
2. e2: Error term for Customer Purchase Intention

**Hence number of variables in the SEM is**

Number of variables in model : 8

|                                |   |   |
|--------------------------------|---|---|
| Number of observed variables   | : | 6 |
| Number of unobserved variables | : | 2 |
| Number of exogenous variables  | : | 6 |
| Number of endogenous variables | : | 2 |



**Fig. 4.1 Structural Equation Model (SEM) based on Standardized Coefficient on Customer Purchase Intention**

**Table 4.14 Variables in the Structural Equation Model Analysis**

| Variables                      |      |                                | Unstandardised coefficient (B) | S.E of B | Standardised coefficient (Beta) | t value | P value  |
|--------------------------------|------|--------------------------------|--------------------------------|----------|---------------------------------|---------|----------|
| Attitude towards AI Influencer | <--- | Need for Uniqueness            | 0.213                          | 0.28     | 0.226                           | 3.764   | <0.001** |
| Attitude towards AI Influencer | <--- | Social Participation           | 0.229                          | 0.20     | 0.249                           | 3.274   | <0.001** |
| Attitude towards AI Influencer | <--- | Perceived Personalization      | 0.222                          | 0.29     | 0.280                           | 4.156   | <0.001** |
| Attitude towards AI Influencer | <--- | Perceived Homophily            | 0.237                          | 0.31     | 0.284                           | 4.565   | <0.001** |
| Customer Purchase Intention    | <--- | Attitude towards AI Influencer | 0.651                          | 0.17     | 0.808                           | 4.249   | <0.001** |

Note: \*\* denotes significant at 1% level

Given that the other path factors are held constant, the unstandardized coefficient of Need for Uniqueness on Attitude towards AI Influencer is 0.210, which shows the partial effect of Need for Uniqueness on Attitude towards AI Influencer. According to the projected positive sign, “the effect is positive and would result in an increase in Attitude Towards AI Influencer of 0.210 for every unit increase in Need for Uniqueness. This coefficient value is significant at the 1% level.

The unstandardized coefficient of social participation on attitude towards AI influencer is 0.230, which shows the partial effect of social participation on attitude towards AI influencer while holding the other route factors constant. According to the anticipated positive sign, there would be a positive correlation between social involvement and attitude towards AI influencers, with the latter increasing by 0.230 for every unit increase. This coefficient value is significant at the 1% level.

Keeping the other route factors constant, the unstandardized coefficient of perceived personalization on attitude towards AI influencer is 0.220, which shows the partial effect of perceived personalization on attitude towards AI influencer. According to the anticipated positive sign, there would be a positive correlation between perceived personalization and attitude towards AI influencers, with the coefficient value being significant at the 1% level.

Holding the other path factors constant, the unstandardized coefficient of Attitude towards AI Influencer on Customer Purchase Intention is 0.65, which shows the partial effect of Attitude towards AI Influencer on Customer Purchase Intention. According to the anticipated positive sign, there would be a 0.106 rise in customer purchase intent for every unit increase in attitudes towards AI influencers, and this coefficient value is substantial at the 1% level”.

In this SEM model, “social participation (0.25), the need for uniqueness (0.23), and perceived homophily and perceived personalisation (0.280) are the most significant influencing factors on attitudes towards AI influencers, respectively.

Both the null hypothesis and alternative hypothesis are framed to test the model's fit.

## HYPOTHESIS

Null hypothesis : The hypothesized model has a good fit.

Alternate hypothesis : The hypothesized model does not have a good fit.



**Table 4.15 Model fit summary of Structural Equation Model**

| <b>Indices</b>      | <b>Value</b> | <b>Suggested value</b>        |
|---------------------|--------------|-------------------------------|
| Chi-square value    | 7.687        | -                             |
| DF                  | 4            | -                             |
| P value             | 0.107        | > 0.05 (Hair et al., 1998)    |
| Chi-square value/DF | 1.084        | < 5.00 (Hair et al., 1998)    |
| GFI                 | 0.981        | > 0.90 (Hu and Bentler, 1999) |
| AGFI                | 0.925        | > 0.90 (Hair et al. 2006)     |
| NFI                 | 0.969        | > 0.90 (Hu and Bentler, 1999) |
| CFI                 | 0.965        | > 0.90 (Daire et al., 2008)   |
| RMR                 | 0.234        | < 0.08 (Hair et al. 2006)     |
| RMSEA               | 0.179        | < 0.08 (Hair et al. 2006)     |

The computed P value is 0.107, which is larger than 0.05 and indicates perfect fit, according to the above table. Here, the GFI (Goodness of Fit Index) score (0.981) and the AGFI (Adjusted Goodness of Fit Index) value (0.925) are both more than 0.9, indicating an excellent fit. The calculated Root Mean Square Residuals (RMR) and Root Mean Square Error of Approximation (RMSEA) value is 0.179, which is less than 0.08 and indicates that it is a perfectly fit. The calculated Normed Fit Index (NFI) value (0.969) and Comparative Fit Index (CFI) value (0.965) also indicate that it is a perfectly fit”.

#### **4.9 SUMMARY OF FINDINGS**

The results of the thorough investigation show that the need for uniqueness, customer social interaction, perceived personalization, and perceived homophily are significantly correlated. Consumer attitudes and purchasing intentions towards AI influencers have been discovered to be connected. The numerous hypotheses' sustenance was also covered in this chapter, along with their ramifications. The variations in these predictors' propensity to foretell the future point to useful strategies and actions that can improve social media user purchasing intent.

#### **4.10 CONCLUSION**

Through descriptive and inferential analysis, the framed hypothesis was examined in this chapter. The inferential statistics revealed a clear and significant link between consumer attitudes and purchase intentions. This chapter includes implied the outcomes of the software applications employed, namely SPSS and AMOS, to determine the relationship between the numerous virtual influencers' persuasive factors and the customer perception of blogs, posts, etc. It is possible to identify and deduce the general model fit. The discussion of the findings, consequences, and future directions will be addressed in the chapter that follows.

## **CHAPTER V:**

### **SUMMARY, FINDINGS AND CONCLUSIONS**

#### **5.1 INTRODUCTION**

The discussion of recent research on the use of AI influencers in social media is presented in this chapter. The conclusions are outlined, and the research topics are discussed. Closing the significant gaps found in the existing literature review chapter is the current study's main objective.

#### **5.2 DISCUSSION OF RESULTS**

This study sought to ascertain how AI influencers were received. The results of this study demonstrated that consumer purchasing intentions are directly impacted by attitudes regarding AI influencers. However, there are some things that can affect how people feel about virtual influencers, such as the need for individuality, social interaction, perceived personalization, and perceived homophily. It's interesting to note that, when mediated by customer attitude, perceived homophily and perceived personalization have a direct impact on this dependent variable, i.e., consumer purchase intention. These results add to the body of knowledge because they reveal additional details about the role of real-world and virtual influencers on perceptions of homophily. Further, it provides useful insight, conveying readers to concentrate on consumer personalization when selecting a virtual influencer for their influencer marketing. The main findings and the corresponding research issues will be explored in the section that follows.

#### **5.3 REFLECTING ON THE RESEARCH QUESTIONS**

The responses to the hypotheses that guided the study's design are given in this part.

**5.3.1 RESEARCH QUESTION 1:** How does the demographic profiles of the users contribute towards determining intention of Indian consumers to accept the Virtual or Artificial Intelligence Influencers?

Silver surfers (individuals over 50 years of age and prolific internet users) appear to be less interested in awareness and acceptance of AI Influencers, which indicates their reluctance to adapt to innovations. Middle-aged people are excited to accept the AI Influencers. Both the men and women are fascinated to accept AI Influencers and they are interested in virtual influencers as like human influencer. The sample respondents are spending minimum thousand rupees above monthly for online shopping. The maximum spending amount could increase up to 10,000 & above. The maximum respondents are using social media several times in a day. Most of the respondents are using at least once in a day. The usage of social media is increased in past few years. The most frequently used social media is YouTube/Google. Followed by the Instagram, Facebook, Snapchat, Twitter, LinkedIn, and Pinterest.

**5.3.2 RESEARCH QUESTION 2:** What are the factors that persuade the Indian consumers attitude towards AI Influencers?

Based on earlier investigations, a conceptual framework has been created to address this subject. Need for uniqueness, consumer social interaction, perceived personalization, and perceived homophily are the variables put forth. The results of the primary data were analysed using SPSS and AMOS software. Perceived homophily and personalization are the most significant determinants of consumer intention, according to the regression study. These findings line up with SEM findings.

By including these variables, it was possible to treat perceived personalization as one of the most useful indicators of consumer intent. The personalization of social media users is

seen to be crucial for understanding client demands and preferences. The personalization of the users is more important in order to increase the acceptance of virtual influencers.

It has been demonstrated that the customer perception of homophily had a significant impact on how they felt about AI influencers. When they experience homophily, the respondents judge the level of knowledge to be higher. Consumer attitudes are substantially impacted by internal and external similarities, which in turn have a considerable impact on their communal trade performances (Fu et al., 2019).

It has been demonstrated that the notion of customer social engagement is crucial in affecting the attitude of the consumer. In the modern world of online marketing, customer involvement is crucial. The majority of related writing on consumer engagement up until this point has focused on down service scenarios. Nevertheless, the development of community broadcasting has made it easier for customers to participate, making encouraging voluntary customer participation both a challenge for the service industries and a key to their success.

The Need for uniqueness is also considered as the most important factor in determining the consumer attitude towards virtual influencers. How a consumer reacts to AI influencers depends on their amount of need for distinctiveness. The study demonstrates that the benefits of an AI influencer grow along with consumers' need for uniqueness. Therefore, brands who are producing products, offerings, or experiences for clients who are attempting to stand out can find success with an AI influencer. For example, businesses creating products for young adults or other different subcultures that wish to make an impact out could benefit from influencer marketing using AI.

**5.3.3 RESEARCH QUESTION 3:** Does consumer attitude towards AI Influencer impact the Indian consumers' purchase Intention.

It has been discovered from the regression analysis that there is a connection between attitude and customer intention. Indian clients are more prospective to be intention to accept the virtual influencers and the related benefits are perceived to be higher, which influences their decision in the accepting of AI Influencers.

Further from the SEM analysis, it was ascertained that attitude and consumer intention have a strong relationship towards virtual influencers.

#### **5.4 CONCLUSION**

The results and the analysis would be helpful for future study to expand on these results and look at different causes and behavioral outcomes. The buyer, not the influencer, is the one who ultimately decides what to buy. The consumer is the centre of the universe for business companies, their marketing messages, and the influencers competing for his attention. The primary attention has been on elements that concentrate on how influencers might increase their consumers' intention towards AI Influencer, should be on how these mechanisms and outcomes could be a method for marketers to inform consumers about their products.

## **CHAPTER VI:**

### **SUMMARY, IMPLICATIONS & RECOMMENDATIONS**

#### **6.1 SUMMARY**

It gives an overview of the findings and discusses the ramifications, limitations, and potential areas for further research. The main contributions are compiled in this thesis's conclusion.

Constraints and prospective directions, as well as theoretical and practical repercussions for future research, will be covered in the section that follows.

#### **6.2 IMPLICATIONS AND CONTRIBUTIONS**

This research has implications in two categories – theoretical and managerial implications.

##### **6.2.1 THEORETICAL IMPLICATIONS**

The role of AI influencers is included to the researcher's expanded definition of influencer marketing. The researcher makes several contributions to theory. The primary benefit of this research is that it helps us understand how consumers respond to marketers using AI. Researchers discover that consumers express stronger the objectives of an AI influencer. The study similarly reveals that there are no differences in how personalization is seen, indicating that both human and AI influencers are thought to be capable of tailoring material or recommendations.

Together, the findings offer a new area of influencer marketing research and advance the study of influencers. This study's key finding is that it reveals how customers react to AI influencers can be explained using current theory and knowledge. This research initially, “demonstrates that customers that place a high value on originality are more open to AI influencers. Given that AI influencers are so specialized, it is likely that these customers seek

out interactions with AI influencers to feel distinctive (Fisher and Price, 1992) and support the expression of their identity (Berger and Heath, 2007; Tian et al., 2001)”.

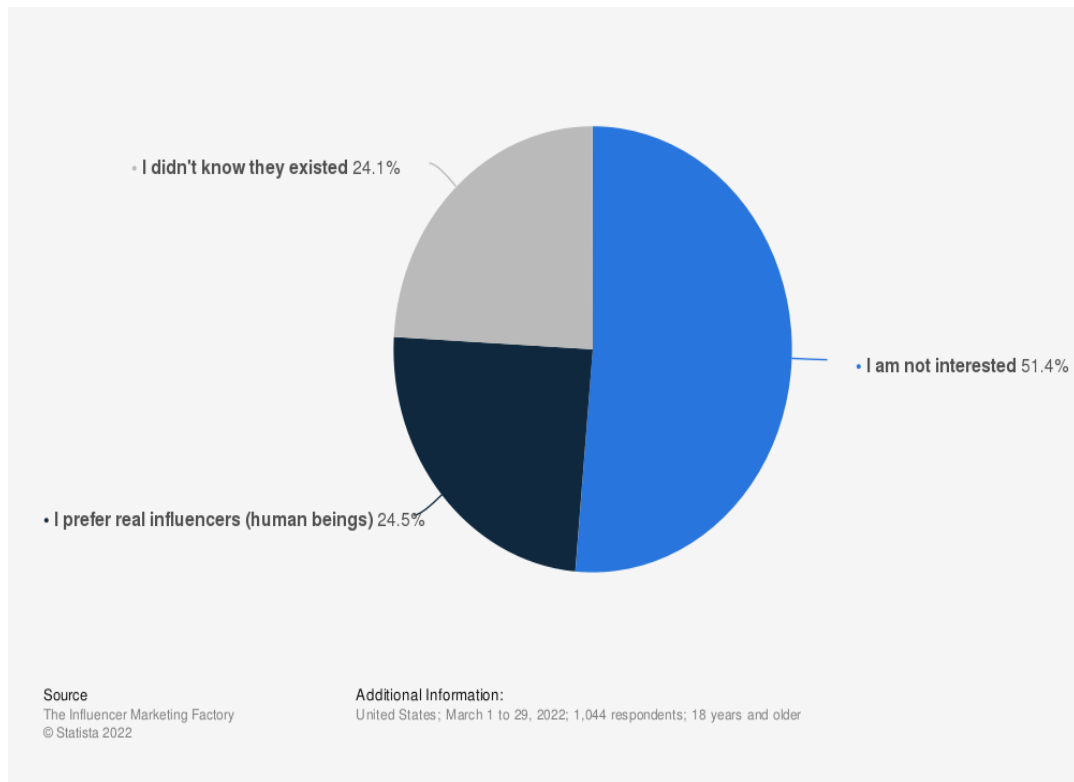
### **6.2.2 MANAGERIAL IMPLICATIONS**

For marketing and advertising practices, this study has various consequences. Managers are first given information about the effectiveness of AI influencers. This study shows that artificial intelligence (AI) influencers can be as potent as human influencers while also having the potential to grow in some areas. However, the results give brands the green light to experiment and add artificial intelligence (AI) influencers as brand ambassadors to their already-existing influencer marketing programs. This could be especially helpful for efforts with the goal of generating favorable word-of-mouth.

The results imply that it is possible to take advantage of AI influencers' capacity to quickly capitalize on social media trends. According to the study, working with human creatives takes time, there is no doubt about that; employing an AI influencer will work well for scheduling mutual availability, developing, editing, and being distinctive.

Influencer marketing has been more commonplace recently (de Veirman et al., 2017), and marketers' desire to use AI has increased as well (Campbell et al., 2020). Virtual AI influencers provide new insight into the increasingly common phenomena of the AI influencer as they sit at the nexus of influencer marketing and the usage of AI in marketing.





**Fig. 6.1 Reasons why consumers do not follow virtual influencers**

In a poll of American customers conducted in March 2022, 51.4 percent of participants said they did not follow any virtual influencers. They claimed they did so out of lack of interest and characterized a virtual influencer as a computer figure created to mimic human characteristics and affect people's decision-making. A little over 24.5% of those polled favored genuine influencers, whereas 24.1% denied knowledge of virtual influencers (Statista, 2022).

Although they are widespread and obviously useful to marketers, sociopsychological factors that influence people to follow social media influencers are not well understood. The current study analysed the various consumer motivations for following social media influencers on Instagram, looked at how this behaviour relates to materialism, and identified important consumer behaviour outcomes (like trust for social media influencers' tweets about brands and frequency of purchasing their recommended products). According to survey findings, consumers follow influencers on Instagram for the following four reasons: sincerity,

consumerism, inspiration for creativity, and jealousy. On trust and purchasing frequency, these factors have varying effects. The four motives had strong correlations with materialism, a highly significant difference variable, and some of them served as major mediators for materialism's influence on consumer behavior.

With the help of this research, significant initial steps may be taken towards educating social media managers, marketers, businesses, and advertisers on the potential impact of AI influencers. The AI influencers can function fundamentally in a comparable capacity to human influencers. In reality, they can be more effective when consumers are protected from the drawbacks of being externally managed and have high perceived homophily, personalization, and need for uniqueness. In order to build understanding for AI influencers, the researcher outlines limits and future research directions in the sections that follow.

### **6.3 RECOMMENDATIONS FOR FUTURE DIRECTIONS**

Since there is a dearth of literature, future studies should continue to focus on virtual influencers. Intentions-focused outcome variables were the subject of the investigation. The demand for uniqueness and its consequences driven by social distance has both been stated, but there may possibly be additional mechanisms at play. Future study should pay particular attention to the consumer's level of expertise and the influencer's perceived sincerity.

Understanding actual behavioral patterns connected to brands is crucial when it comes to outcomes. Extending these conclusions and looking into additional processes and behavioral outcomes would be helpful for future research. These processes and results need to be examined in greater detail with an eye on how marketers may utilize AI influencers to spread information about their goods to customers. Future study should pay particular attention to the consumer's level of expertise and the influencer's perceived sincerity. Understanding actual behavioral patterns connected to brands is crucial when it comes to outcomes.

## 6.4 CONCLUSION

The study advances our understanding of influencer marketing and confirms our understanding of perceived personalization and the desire for uniqueness. Furthermore, it brings new viewpoints to the topic of virtual influencers, which hasn't received much scholarly attention. Both the theoretical knowledge of social media marketing and the practical use of followers in marketing initiatives are advanced by this study.

Reach, frequency, relevancy, engagement, and authenticity are the five characteristics to aspect for in potential brand influencers, according to Hamann. Relevance, or how closely an influencer's message aligns with yours, ought to be taken into account first. To get a sense of the influencers' consumer base and the things they find enjoyable as a brand Check through their postings to find influencers. The second element to take into account is engagement, which gauges how invested readers are in a post's content through comments, shares, and reactions. Based on reader behaviour and frequency of site visits, you can assess the value of reader-publisher interactions. The takeaway is that visitors and followers are only significant if the influencer can develop a relationship with the target market, and that marketers shouldn't succumb to the urge to just assess unique visitors when analysing reach. The fourth factor to consider when evaluating potential influencers is frequency because there is a direct link between a particular influencer's updating frequently and her visibility and quantity of frequent visitors. In order to get visitors to go to a website for a certain brand, it typically takes more than one exposure. Readers are more likely to return to a magazine that consistently produces high-quality material than they are to an influencer who seldom posts. Authenticity is the last consideration, in Hamann's opinion. An influencer is often regarded to be more reliable and authentic when their website has less sponsored articles. When an influencer offers their own tale regarding an organization, service, or good, rather than just using product reviews, consumer trust is raised. A lengthy list of prosperous and active

virtual influencers has evolved in response to customer demand. In a March 2022 survey of American consumers, it was found that 58% of respondents were now following a virtual influencer. These avatars were most frequently utilized among the adult Gen Z population, of which 75% claimed to following virtual influencers. There is interest, without a question, and as should be expected, it is far more noticeable among younger consumers. The same survey asked consumers if they bought products recommended by virtual influencers, but the results revealed that these transactions are less popular, despite the fact that contemporary viewers are more willing to do so. Customers' decisions to follow virtual influencers during the time in the U.S. were mostly driven by substance and storytelling, as opposed to lack of interest. It's noteworthy to note that 24% of respondents stated they were unaware of the existence of such a thing. Early in 2022, Facebook, TikTok, and YouTube were the most popular social media platforms for users to follow virtual influencers (Statista, 2022).

Working with virtual influencers is still expensive since it requires complex expertise and tools to create and manage an avatar. Additionally, virtual influencer marketing directly contradicts the atmosphere in which consumers are looking for more authenticity. For instance, when asked whether authenticity and relatability of influencers were important, 67 percent of British consumers of fashion and cosmetics agreed, while 60 percent disagreed. Strict disclosure regulations will be necessary to ensure that consumers can distinguish between legitimate and phoney products.

A universe of digital characters and artificially intelligent influencers has been created as a consequence of the convergence of social media and augmented reality. The obsession with virtual animals has steadily permeated the influencer marketing industry. Therefore, when businesses work with virtual influencers, there are fewer risks related to personal values and opinions that could be harmful to a brand's reputation or image. In fact, global studies show that, on average, just under half of Instagram influencers engaged in fraud. Therefore,

working with a virtual influencer would eliminate the possibility of being associated with false and potentially harmful content. There are no physical limitations for virtual personalities.

Virtual influencers were characterised as a recent occurrence in the study. This influencer type seems to be utilised in influencer marketing more frequently. However, there is a significant gap in scientific study on AI influencers and their impact on consumers. To enhance the discipline of influencer marketing, new insights on the impacts of simulated influencers on intent to purchase were sought through this study.

The researcher expects that by the time this thesis is finished, it will have provided many stakeholders with relevant knowledge regarding the acceptance, usage, and dissemination of AI Influencers. To secure the success of their company in a highly competitive market, marketers must implement the factors highlighted in this work.

## APPENDIX A

### ACCEPTANCE OF ARTIFICIAL INTELLIGENCE INFLUENCER IN CONSUMER PURCHASE INTENTION

I am R. Arun Prasad, Research Scholar at Swiss School of Business and Management, Geneva pursuing my Global Doctor of Business Administration. This questionnaire below is for the purpose of Academic Research and the information collected shall be kept confidential.

#### QUESTIONNAIRE

##### Demographic Profile of the Respondents

##### 1. Gender:

- a) Male
- b) Female

##### 2. Age:

- a) Below 20 years
- b) 20 – 29 years
- c) 30 – 39 years
- d) 40 – 49 years
- e) Above 50 years

##### 3. Education Details

- a) SSL/HSL
- b) Undergraduate
- c) Postgraduate & above

##### 4. How much do you spend monthly on online shopping (Per month)?

- a) Less than Rs.1,000/pm
- b) Rs.1,001 – Rs.5,000
- c) Rs.5,001 –Rs.10,000
- d) Rs. 10,001 & above

##### 5. Which of the following social media sites, do you have an account?

- a) Instagram
- b) Facebook
- c) Twitter
- d) LinkedIn

- e) YouTube
- f) Pinterest
- g) Snapchat

**6. Social Media Usage:**

- a) Several times a day
- b) Daily once
- c) Few times a week
- e) Infrequently

**(Influencer is a user on social media who has established credibility in a specific industry)**

**7. Have you heard of Influencer Marketing?**

- a) Yes – I have heard of Influencers
- b) No – I have not heard of Influencers

**(AI influencers are virtual personalities managed by brands or media agencies and created with computer graphics technology)**

**8. Have you heard of AI influencer?**

- a) Yes – I have heard of AI Influencers
- b) No – I have not heard of AI Influencers

| S.NO | CONSTRUCTS   | SA | AGREE | NEUTRAL | DISAGREE | SDA |
|------|--|----|-------|---------|----------|-----|
|      | <b>NEED FOR UNIQUENESS</b>   |    |       |         |          |     |
|      | To what extent do you agree or disagree with the following statements about yourself?                            |    |       |         |          |     |
| 1    | I actively seek to develop my personal uniqueness by buying special products or brands.                          |    |       |         |          |     |
| 2    | I often look for one-of-a-kind products or brands so that I create a style that is all on my own.                |    |       |         |          |     |
| 3    | The more common place a product or brand is among the general population, the less interested I am in buying it. |    |       |         |          |     |

|  |   |  |  |  |  |  |
|--|---|--|--|--|--|--|
| 4  | When a product I own becomes popular among the general population, I begin using it less. |  |  |  |  |  |
| <b>CUSTOMER SOCIAL PARTICIPATION</b>                       |   |  |  |  |  |  |
| 5  | I use social networking sites regularly.  |  |  |  |  |  |
| 6  | Using social networking sites is a part of my daily activities.                           |  |  |  |  |  |
| 7  | I like using social networking sites.   |  |  |  |  |  |
| <b>PERCEIVED PERSONALIZATION</b>                           |   |  |  |  |  |  |
| 8  | AI influencer would be able to make recommendations that match my needs.                  |  |  |  |  |  |
| 9  | I think that AI influencer would enable me to order products that are tailor-made for me. |  |  |  |  |  |
| 10   | Overall, this influencer would post content tailored to my needs.                         |  |  |  |  |  |
| 11   | AI influencer would make me feel that I am a unique follower.                             |  |  |  |  |  |
| <b>PERCEIVED HOMOPHILY</b>                                 |   |  |  |  |  |  |
| To what extent do you agree with the following statements? |   |  |  |  |  |  |
| 12   | AI Influencer and I have a lot in common.   |  |  |  |  |  |
| 13   | AI Influencer and I are lot alike.  |  |  |  |  |  |
| 14   | AI Influencer thinks like me.   |  |  |  |  |  |
| 15   | AI Influencer shares my values.   |  |  |  |  |  |
|  |   |  |  |  |  |  |



| <b>ATTITUDE TOWARDS AI INFLUENCER POST, BLOGS, VLOGS</b> |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
| 16   | Sponsored post, blogs and vlogs - tell the truth                             |  |  |  |  |  |
| 17   | I believe what AI Influencer says on sponsored posts, blogs and vlogs.       |  |  |  |  |  |
| 18   | Sponsored posts, blogs and vlogs give me real information about the product. |  |  |  |  |  |
| 19   | I was well informed after watching a sponsored post, blogs and vlogs.        |  |  |  |  |  |
| <b>CONSUMER PURCHASE INTENTION</b>                       |  |  |  |  |  |  |
| 20   | I Would consider buying products endorsed by AI influencer.                  |  |  |  |  |  |
| 21   | I intend on buying products endorsed by AI influencer.                       |  |  |  |  |  |
| 22   | It is possible that I buy products endorsed by AI influencer.                |  |  |  |  |  |
| 23   | If I need to, I will buy products, endorsed by AI influencer.                |  |  |  |  |  |

\*\*\*\*\*

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