

The Impact of Influencer Marketing on Consumer Purchase Intention Among Gen Z: A Study in the Indian Digital Retail Sector

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Abstract

Influence marketing is used by business to sell their products or services to Generation Z, people born between 1997 and 2012 in India. The paper will discuss how influence marketing helps Generation Z make purchasing decisions for products they buy online. We collected information from 150 people who're between 18 and 26 years old by giving them questionnaires to fill out. We looked at some things like how much people trust influencers how real the content is, how involved people are, with the platform and how well the brand and influencer fit together. When we looked at the numbers, we find out that people are more likely to buy something if they trust the influencer and think the content is real. The fact that the social media is getting so popular fast has completely changed the way companies market their products especially when it comes to selling things online. Influencer marketing is still a part of this because it helps companies reach people in Generation Z.

Keywords: Marketing, Generation Z, Influencers, Digital Retail, India, Social Media Marketing, Consumer Behaviour.

1. Introduction

The digital revolution has made about a shift in the manner in which customers find, consider, and buy products. For instance, in India, which boasts 900 million internet users and the largest Gen Z population, there have been tremendous advancements made in online shopping. As per estimates by IBEF (2024), the Indian online shopping market is expected to hit USD 350 billion in revenue by 2030.

Influencer marketing is a way of promoting products or services. It uses people with followers on social media to market things. These people are often used by businesses to promote their product or services. Influencer marketing used to be rare and now it's very popular. Many businesses in India like those that sell items, clothes, electronics and beauty products are spending a lot of money on influencer marketing. They use media platforms like Instagram, YouTube and Moj to do this. The Indian influencer market was worth INR 2,344 crores in 2023. It is expected to grow by 18% every year until 2027. This information comes from a report by Statista in 2024. Influencer marketing is a deal in India with many businesses investing in it. The

market is growing fast. We can expect to see more of it in the future. Influencers on media are key, to this growth. They help businesses reach people and sell more products or services.

The generation Z, which consists of distinct characteristics including the digital native culture, being skeptical about traditional marketing tools like advertisements, and being attracted to authentic content shared through peer-to-peer networks, is a vital consumer segment. In that regard, while the consumers belonging to generation Z are not interested in famous people but rather those who can relate to them, an understanding of the impact of influencer marketing can be quite strategic indeed.

Although much research has been conducted on influencer marketing, there is a dearth of empirical evidence focusing on the Gen Z population from India. The current research tries to fill that gap by studying the impact of credibility, authenticity of content, social media engagement, and brand–influencer fit on purchase intention.

1.1 Research Objectives

The study aims to achieve the following objectives:

1. To investigate the effect of the influencer's credibility on purchase intention in Gen Z consumers in Indian digital retail.
2. To investigate the effect of content authenticity on purchase intention.
3. To investigate the effect of platform engagement on purchase intention.
4. To find out how brand-influencer congruence affects purchase intention in Gen Z.
5. To find out which factor is the most important predictor for purchase intention.

1.2 Research Questions

- Does influencer credibility significantly predict purchase intention among Gen Z consumers?
- How does content authenticity affect the purchase decision-making process?
- What is the relationship between platform engagement and purchase intention?
- Does brand–influencer fit moderate the effect of influencer marketing on purchase intention?

2. Literature Review

2.1 Influencer Marketing: Concept and Evolution

In general terms, influencer marketing can be defined as a form of social media marketing in which the endorsement and positioning of the product occur through individuals who have the ability to influence the decisions of other individuals because of their influence, credibility, authority, or relationship with their followers (Brown & Hayes, 2008). The concept of influencer marketing has evolved from celebrity endorsements and now encompasses many different categories of influencers like mega, macro, micro, and nano influencers.

Brown and Fiorella (2013) state in their book that changes in how people produce content have transferred marketing power away from brands and towards consumers and content creators, hence the rise of

'influencer marketing', where the influencer integrates the brand message into authentic/purposeful content. In India specifically, Instagram Reels, YouTube Shorts and Moj have become major platforms for 'influencer marketing'.

2.2 Consumer Purchase Intention

Purchase intention indicates the probability that a customer will participate in an exchange for an offering (Spears & Singh, 2004). Purchase intention is commonly considered one of the most reliable indicators of real purchasing actions. The Theory of Planned Behavior by Ajzen (1991) and the Technology Acceptance Model by Davis (1989) offer theoretical perspectives on the formation of behavioral intentions by customers in digital platforms.

For e-commerce through social media platforms, there is evidence that there is an association between consumers' exposure to influencer content and higher intention to purchase (Ki & Kim, 2019; Lou & Yuan, 2019). Parasocial interaction theory also describes how the relationship that consumers build with influencers through virtual social interactions increases their sensitivity to suggestions (Horton & Wohl, 1956).

2.3 Gen Z Consumer Behaviour

Generation Z consists of individuals born from 1997 through 2012 (Dimock 2019). Consequently, they are the first generation to have been raised in an entirely digital environment since the moment they were born. In India, Generation Z accounts for approximately 27% of the overall population and is, therefore, an important segment of the country's consumer economy. Generation Z is often characterized by a preference for images over words, short attention spans, familiarity with technology, active engagement with others, and a sense of social responsibility (Francis & Hoefel 2018).

Individuals from Generation Z tend to have a lower level of faith in content developed by businesses compared with earlier generations and, therefore, trust recommendations from their connections more than they do from brand recommendations (Knoll et al. 2022). As such, it could be reasonable to use influencer marketing in pursuing this generation as likely to yield successful results.

2.4 Key Variables in Influencer Marketing Effectiveness

Petty and Cacioppo's (1986) Elaboration Likelihood Model (ELM) is an important starting point for comprehending the phenomenon of persuasion in marketing. In the central route of the ELM, customers consider the logic behind messages (e.g., product quality, facts), whereas in the peripheral route, people depend on cues such as influencers' beauty and popularity.

In a number of research works, influencer credibility (which includes expertise and trustworthiness) is regarded as one of the most important factors in influencer marketing effectiveness (Ohanian, 1990; Dhanesh & Duthler, 2019). Content authenticity, defined as a perception of the genuineness of influencer-made content, plays a very important role in increasing consumers' trust and their desire to make a purchase (Audrezet et al., 2020). Social proof can be represented by platform engagement, which can be calculated on

the basis of the number of likes, comments, and shares. Lastly, the fit of influencers with the brands they represent plays an important role as well (Kamins, 1990).

2.5 Research Gap

There is no doubt that there have been numerous studies conducted on the efficiency of influencer marketing worldwide; however, empirical studies targeting the effectiveness of such campaigns with respect to Gen Z customers in the digital retail marketplace of India are few in number. This study addresses this dearth by providing new empirical evidence.

3. Research Methodology

3.1 Research Design

The research design that was applied in this particular study is described by the use of the descriptive and causative approach. The type of analysis that the researcher decided to apply in order to determine the relationship between the dependent variable and independent variables is the quantitative one.

3.2 Hypothesis

Based on the literature review, the following hypothesis are formulated:

- H1: Influencer credibility has a significant positive impact on purchase intention among Gen Z consumers.
- H2: Content authenticity has a significant positive impact on purchase intention among Gen Z consumers.
- H3: Platform engagement has a significant positive impact on purchase intention among Gen Z consumers.
- H4: Brand–influencer fit has a significant positive impact on purchase intention among Gen Z consumers.

3.3 Data Collection

Data collection for primary data was done through questionnaires that were sent to selected participants in Google Forms. The population of the study included Gen Z people aged between 18 and 26 who had purchased any goods because of social media content within the last six months. In total, 150 usable responses were obtained from respondents, which is an adequate number for regression analysis according to Hair et al., 2014.

3.4 Measurement Instrument

The questionnaire comprised two sections: (a) demographic profile of respondents, and (b) measurement scales for all constructs. All items were measured on a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). Construct items were adapted from validated scales in prior research:

- Influencer Credibility (4 variables) – adopted from Ohanian (1990)

- Authenticity of Content (4 variables) – adopted from Audrezet et al. (2020)
- Engagement with Platform (3 variables) – adopted from Keib et al. (2018)
- Brand-Influencer Congruence (3 variables) – adopted from Kamins (1990)
- Purchase Intent (4 variables) – adopted from Spears & Singh (2004)

Pilot testing with 20 participants was done to ensure the instrument's reliability(Cronbach's Alpha > 0.70

3.5 Demographic Profile of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	78	51%
	Female	68	45.2%
	Others/Prefer not to say	4	2.6%
Age Group	18–21 years	65	43.3%
	22–24 years	60	40%
	25–26 years	25	16.7%
Education Level	Undergraduate	55	36.7%
	Postgraduate (MBA)	80	53.3%
	Others	15	10%
Platform Used	Instagram	95	63.4%
	YouTube	35	23.2%
	Moj/ShareChat	12	8%
	Others	8	5.4%

Table 1: Demographic Profile of Respondents (n=150)

4. Data Analysis and Findings

4.1 Reliability Analysis

Cronbach's Alpha was computed to assess internal consistency. All constructs exceeded the acceptable threshold of 0.70, confirming reliability.

Construct	No. of Items	Cronbach's Alpha	Interpretation
Influencer Credibility	4	0.842	Good
Content Authenticity	4	0.822	Good
Platform Engagement	3	0.797	Acceptable
Brand–Influencer Fit	3	0.811	Good
Purchase Intention	4	0.858	Good

Table 2: Reliability Analysis — Cronbach's Alpha

4.2 Descriptive Statistics

To understand how respondents feel, the researchers calculated the average of all variables. Among these, the variable that respondents rated as trusting and likable toward Gen Z Indian consumers is Influencer Credibility (M=4.14) and Authenticity of Content (M=4.06) was rated closely behind.

Variable	Mean (M)	Std. Deviation (SD)	Interpretation
Influencer Credibility	4.14	0.632	High Agreement
Content Authenticity	4.06	0.712	High Agreement
Platform Engagement	3.85	0.747	Moderate–High Agreement
Brand–Influencer Fit	3.78	0.804	Moderate Agreement
Purchase Intention	3.92	0.688	High Agreement

Table 3: Descriptive Statistics (n=150)

4.3 Correlation Analysis

In this study, Pearson correlation was performed to examine the correlation of independent variables with purchase intention. The results suggest that all independent variables were positively correlated with purchase intention at statistically significant levels ($p < 0.01$). Of all independent variables, influencer credibility had the strongest correlation ($r = 0.745$). The second strongest relationship was found with content authenticity ($r = 0.717$).

Variable	Purchase Intention (r)	p-value	Significance
Influencer Credibility	0.745	0.000	***
Content Authenticity	0.717	0.000	***
Platform Engagement	0.634	0.000	***
Brand–Influencer Fit	0.589	0.000	***

Table 4: Pearson Correlation Analysis — Correlation with Purchase Intention * $p < 0.01$ (two-tailed)**

4.4 Multiple Regression Analysis

Various multiple regression analysis has been completed in an attempt to find predictors for the purchasing tendencies this group may show. The results from the multiple regression analyses demonstrated that the overall analyses were statistically significant ($F = 47.312$; $p < 0.001$) and accounted for 68.3% ($R^2 = 0.684$; Adjusted $R^2 = 0.673$) of the variance in purchasing intention.

Predictor Variable	Beta (β)	t-value	p-value	Hypothesis
Influencer Credibility	0.381	6.233	0.000	H1 Supported
Content Authenticity	0.344	5.818	0.000	H2 Supported
Platform Engagement	0.215	3.492	0.001	H3 Supported
Brand–Influencer Fit	0.179	2.917	0.004	H4 Supported

Table 5: Multiple Regression Results — Dependent Variable: Purchase Intention $R^2 = 0.683$ / Adjusted $R^2 = 0.674$ / $F = 47.312$ / $p < 0.001$

The study results show all four of the dependent variables significantly influence the degree to which one intends to make a purchase. Of these four, influencer credibility has the largest impact on purchase intention ($\beta = 0.381$) followed by content authenticity ($\beta = 0.344$), platform engagement ($\beta = 0.215$) and brand–influencer fit ($\beta = 0.179$).

5. Discussion

The outcomes of the current study present strong empirical support for the impact of influencer marketing on purchase intentions among Gen Z customers in the digital retail industry of India. These outcomes are largely congruent with the predicted theory under the framework of the ELM.

Influencee's perception of credibility in an influencer takes precedence in line with the source credibility theory formulated by Ohanian (1990). The importance of source credibility can be attributed to the emphasis on credible recommendations among Indians in the Gen Z generation, similar to word-of-mouth practices in Indian consumer culture. Authenticity in content was the second most important factor identified in this study, supported by the research conducted by Audrezet et al. (2020), given that Gen Z prefers authentic communication.

Engagement on the platform ($\beta = 0.214$) acts as the social proof measure, where higher engagement implies the peer's approval, thus appealing significantly to Gen Z, whose decision-making is influenced by the collective mindset in India. Nonetheless, its relatively lower beta indicates that engagement metrics, without authenticity and credibility, cannot be enough to influence purchase intent.

While brand-influencer fit had considerable influence ($\beta = 0.178$), it was the least impactful predictor. This could be attributed to Gen Z's preference to emphasize the influencer rather than the brand compatibility, which supports the argument that the younger generation in India finds the connection more compelling than the category's appropriateness.

This implies that the model is able to explain 68.3% of the variance associated with the buying intent. The rest of the variance could be due to reasons such as price, product quality, peer views, and even reviews after

purchase.

6. Conclusion and Managerial Implications

6.1 Conclusion

The current research provides empirical proof that influencer marketing has a strong and positive effect on the purchasing intentions of Gen Z customers in the digital retail market of India. Credibility and authenticity of influencers have been found to be the strongest factors. This finding proves that an authenticity first approach is critical for the effective targeting of this customer base. All four hypotheses of the current research have been supported.

6.2 Managerial Implications

The following implications are recommended for marketing practitioners and digital retailers:

1. Focus on the credibility of influencers: Influencers' credentials, credibility, and genuine audiences (engagement rate vs. follower count) need to be carefully considered when choosing influencers for collaborations.
2. Encourage creation of authentic content: Instead of supplying a pre-written brief to an influencer, give them freedom to incorporate your product organically within their content narrative.
3. Choose micro-influencers: With Generation Z's craving for authenticity, collaboration with micro- and nano-influencers with engaged audiences can prove more fruitful than collaborating with celebrity macro-influencers.
4. Consider platform-specific strategies: Instagram Reels and YouTube Shorts emerge as the two platforms with the best engagement results when it comes to engaging Generation Z.
5. Pay attention to qualitative measures of engagement: Apart from quantifiable reach measures, brands should consider measuring other forms of qualitative engagement such as comments, saves, and shares.

6.3 Limitations and Future Research

The research has various limitations. To begin with, the participants were drawn from Gen Z members living in urban and semi-urban areas, which means that they may not be representative of rural communities. Secondly, it is not possible to establish causality from a cross-sectional design. Thirdly, it may be difficult for a participant's stated intention to align with their actions in reality. It is recommended that future studies adopt longitudinal designs and use actual purchase information.

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