

Social Media Influencers: Present Scenario and the Road Ahead

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Abstract

Social media influencers use to come under the domain of digital content creators and the same is being counted for online following of celebrities and internet personalities. This system is totally commercial i.e. corporates are paying to celebrities for promoting their products and services. To earn this income people are involving their followers on social platforms, obviously this exercise is conducted in the form of advice, inspiration or may be information. Looking at the global spread of this dimension of promotion the researcher has tried to present the current scenario of social media influencers and the road ahead. Study is based on primary data and the researcher has used SPSS Ver. 22.0 as analytical platform; also Focus Group Interviews and ANOVA (One Way) is used to analyze the collected data. The respective sample size of the study was 200 respondents.

Keywords: Social Media Influencers, Internet, Influencer Market, Promotion.

Introduction

Recently a social media influencer company of China, named 'Veeya' was penalized with USD 2.1 cr., this company use to promote a number of known brands on its social media platform and is one of most influential company in this regard. This huge amount of penalty was imposed because the company did not declared its real income on the platform. Now this huge amount of penalty shows the stature of social media influencers in international market. As per the reports of a consultancy firm **Ben (2022)** the total market of social media influencers may reach to the value of INS one lakh twenty two thousand crores by the end of 2022 and the same report states that by 2025, 70% of the total global billing will be inspired by social media influencers. As a matter of fact the social media influencers are not promoting just any given product on their platforms, in most of the cases consumer products like personal care products, consumables, apparels, edibles, etc. here the maximum share is taken by personal care products i.e. 25% and edibles share is around 15%. Then on the other hand 10% share is being held by electronics and related items. The above given four categories hold around 1/3rd of the total market.

There are many popular brands that use to promote their products over social media and consider the same as major source of marketing and the people or the platforms that promote them are called as influencers. Such people and group that are having channels, blogs, vlogs, etc. at all the dimensions of social media like Facebook, Twitter, Youtube and many other; they are able to promote a given product or a service on their platform. In the present times internet is having its reach in every corner of the world and its reach is becoming impeccable, in such a scenario corporates had started to begin tie-ups with the influencers on social media, according to a report if a company is promoting its product with the help of social media influencer then the respective cost is about 25% of the promotion done on regular platforms.

Categories of Social Media Influencers

Mega Influencers

Mega influencers are those who are having more than 1 million followers on the respective platforms, generally these are the people from areas like movies, music, entertainment and even sports. The celebrity status of these people the followers are very active on their platforms. In such a scenario it becomes easy for them to promote a given product. As a matter of fact many of the celebrities are getting a large amount of their income from social marketing.

Macro Influencers

If any of the social media influencer is having the number of followers between 0.5 to 1 million then he or she is called macro influencer. Some of these macro influencers are from the field of sports and other are from entertainment, also some of them are only popular on social media itself. They are known for the interesting posts, comments, videos, etc. and even become popular for the same. The corporates are using such popular people in great numbers as they are able to promote the products and that too at a very low cost.

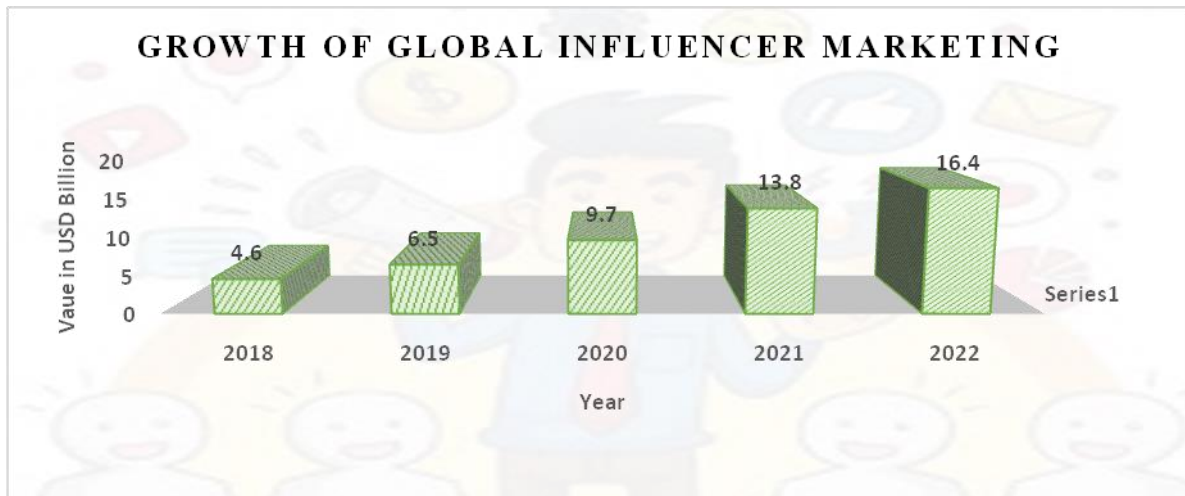
Micro Influencers

Then there are micro influencers who are having the number of followers between 10,000 to 0.5 million, most of them are youtubers and are interesting in promoting small brands, as it is easier for them to promote a small brand. In most of the cases such youtubers are promoting books and related material over their social media platforms.

SMI in India

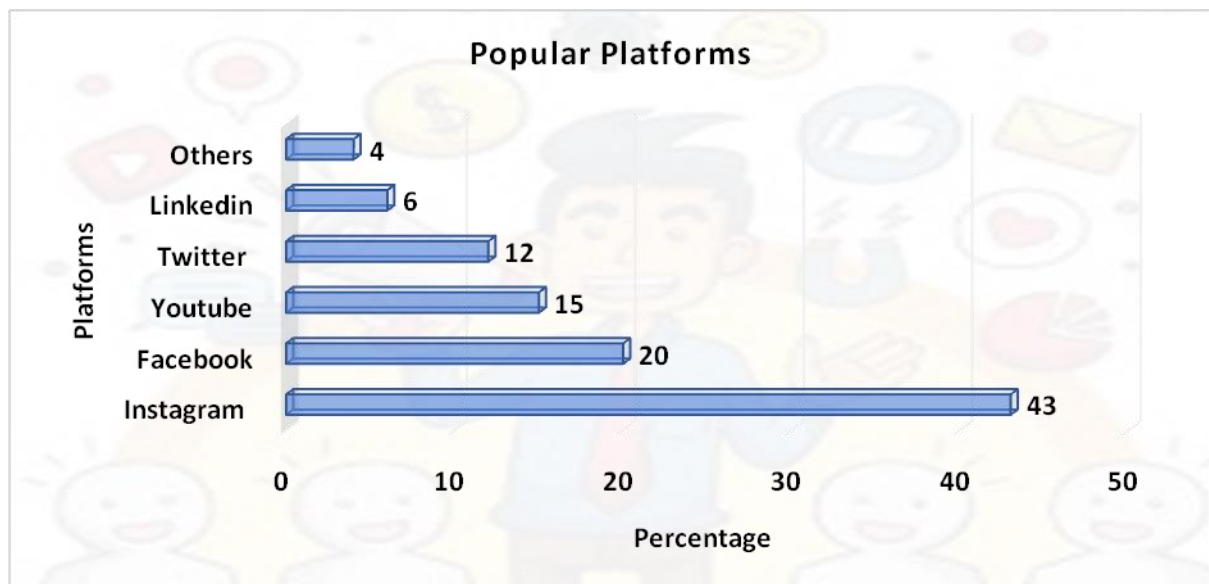
As per the report of **Statista (2019)** the number of social media users will reach to the level of 75 Crores and this is a great number and on these grounds only China is ahead of India. But then again India is way behind in the field of influencer marketing. Then another report on influencer marketing given by **Grupam (2020)** the influencer marketing in India will reach to around Rs. 900 crores. **INCA India Influencer (2021)** states that by the year 2025, Indian influencer may reach to the level of Rs. 2200 crores. The report given by **Grupam** also states that in India celebrities are not contributing much in the field of influencer marketing i.e. only

27% of the celebrities are involved in the business and on the other hand 73% of the market is captured by the influencers of non-celebrity status.



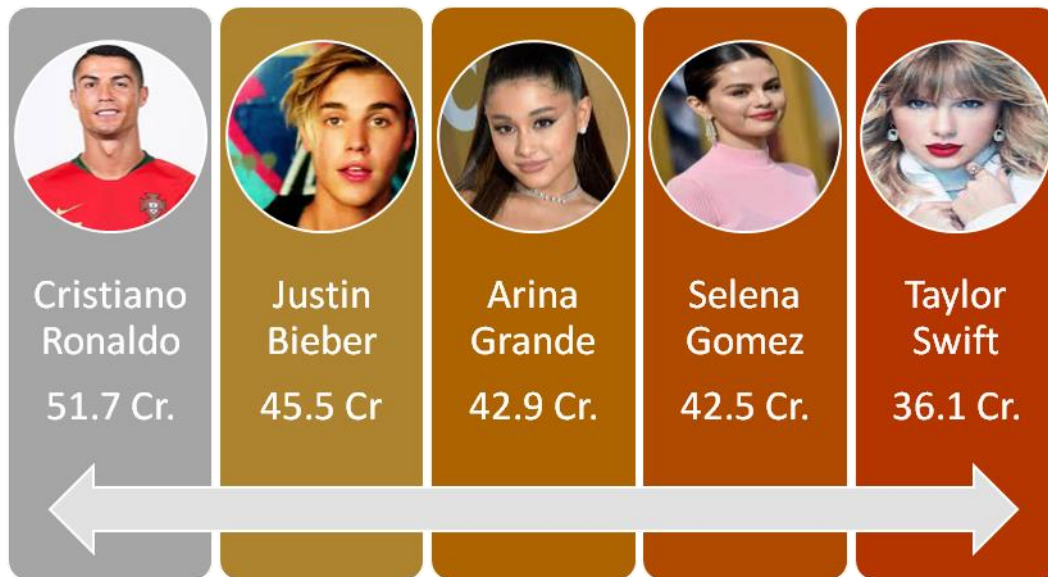
Source: Influencer Marketing Hub (2022)

As can be seen from the above given chart, in 2018 the influencer market was of USD 4.6 billion that reached to the level of USD 16.4 Billion in 2022 and the same is expected to grow in multifold in coming three to five years. It can also be observed that the maximum growth is observed in the year 2019 and 2021. The values furnished above are for global influencer market.



Source: B2C Report, 2021

As can be seen from the above given chart that the most popular platform among the corporate is Instagram, as far as influencer marketing is concerned (43%) and next comes the Facebook (20%). The third popular platform is Youtube (15%). LinkedIn and other are coming under the head of 10%.



Global Celebrities and Their Followers on Social Media (Till December, 2021)

As per the report of **Special Public Influencer Marketing Report, 2021** more than 90% of the big corporates are willing to promote their major brands over social media using influencer marketing process also more than 80% of the marketers believe that they are getting extended benefits from influencer marketing and they want to continue the same in near future. By the end of 2022 the global SMI market is supposed to reach Rs. 122013 Crores and Indian SMI market is supposed to reach Rs. 900 Crores.

This present study will evaluate the process of influencer marketing in Indian scenario and also try to present the future scope of the same.

Literature Review

Bishop (2017) Stated that in the present times the influencer marketing is taking a more formal shape on global fronts, the corporates are hiring specialized people from the field of Fashion, beauty, electronics and even parenting to develop the content for their specific products and on the other hand celebrities from the field of sports, comedy, technology and even gaming are being contacted on multi-level basis to promote their products on respective social media platforms. To a certain extent experts from the field of culture and heritage are being contacted to get the online content right.

Duffy et al (2018) stated that the social media influencers are coming up by the virtue of increasing digitalization and reach of internet in all corners of the globe but then again they are using the earliest forms of marketing the products i.e. word of mouth publicity, of course the platform is different. In the early years of 20th century people use to promote the edibles and beauty products in open air theatres and mostly women were used as models. The sense of trustworthiness is same but the platform is new.

Abidin (2016) stated that on the social media platforms the celebrities or the presenters are being followed by a number of people, at times the number reached to millions, and they become trustworthy for their followers. In such a scenario it becomes easier for them to

promote the products and services of different companies and earn money from such sources. Basic requirements are the cultural appeal, authenticity, right attitude, etc. major emphasis is on the dimension of reliability.

Weiss (2017) conducted a study on the popular Youtubers of Europe and stated that at present there are a number of Youtubers who had considered this hobby as a fulltime career and also they are earning a great amount of money from respective sources. Findings also state that as and when they promote a genuine product or service on their platform, there is a gradual increase in the number of followers and they become more popular on these grounds. Finding also stated that in most of the cases these influencers are young i.e. mostly 25 years to 35 years but their followers are coming from all age groups and across genders.

Objectives

The main objective of this present study is to evaluate the effect and credibility of social media influencers as perceived by the perceived by the customers and followers.

Hypothesis

H₀: There is a significant relationship between the popularity of a social media influencer and openness of the respective sponsorship.

H₁: There is no significant relationship between the popularity of a social media influencer and openness of the respective sponsorship.

Research Methodology

In this present study the researcher has considered both the primary and secondary data but the quotient of primary data is high. Secondary data is used to frame the research question, objectives and even hypothesis. For this the researcher had gone through a trail of secondary data and tried to frame this study in continuation with the previous studies done in the field of social media influencers.

Research Design

The researcher has used a qualitative approach in the form of 'Focus Group' interviews and the main aim of this approach was to create a dialogue with the participants and get better insight on the respective topic and also to get their own perceptions and expectations in this regard. Researcher himself played the role of moderator and controlled the process. 7-10 participants were allowed at a time and this was taken care of that all the participants are having proper knowledge influencer marketing. The schedule of the interview include the following components:

- Details of social media influencers
- Credibility status of the influencers
- Influencing factors
- sponsorship status
- Others

The researcher has conducted two such interviews and each interview lasted for about 2 hours.

Sampling

The researcher has used structured system of sampling and Judgmental/purposive sampling process is being used for the same.

Sample Size

The researcher has approached the above said areas on a pro-rata basis and selection of the same was done on the above said basis. The total number of respondents contacted was 200.

Data Collection

As this study was based on primary data hence the researcher has constructed a structured questionnaire and contacted the respondents on one to one basis. Most of the questions were based on 1 to 5 scales, where '1' states the highest degree of agreement with the point in question and '5' states the lowest degree of the same.

Statistical Tools Used

As the responses are collected under various categories hence ANOVA (One way) is used to analyse the data.

Software Used

SPSS Ver. 22.0

Data Analysis and Interpretation

Results of ANOVA (One Way) Test

On the basis of Age	F	Sign
Believe in following celebrities on social media	.265	.805
You trust on your favourite social media celebrity	1.205	2.084
Following the sponsorship of your favourite celebrity	.661	2.381
Consult with your reference groups after watching online	.062	1.073
Following various celebrities over social media	1.773	2.683
Mostly the products and services and authentic as promoted by the celebrity	1.608	2.650
You also follow your instinct before going for purchase or use	1.082	3.451
Your celebrity taste changes overtime	.098	2.963
On the basis of gender		
Believe in following celebrities on social media	1.193	2.117
You trust on your favourite social media celebrity	1.023	1.542
Following the sponsorship of your favourite celebrity	1.820	2.628

Consult with your reference groups after watching online	1.982	3.719
Following various celebrities over social media	1.761	3.069
Mostly the products and services are authentic as promoted by the celebrity	.802	1.992
You also follow your instinct before going for purchase or use	1.043	2.607
Your celebrity taste changes overtime	1.052	2.518
On the Basis of Income Group		
Believe in following celebrities on social media	2.051	3.572
You trust on your favourite social media celebrity	1.052	2.562
Following the sponsorship of your favourite celebrity	1.062	3.462
Consult with your reference groups after watching online	1.553	2.014
Following various celebrities over social media	.312	2.352
Mostly the products and services and authentic as promoted by the celebrity	1.016	3.671
You also follow your instinct before going for purchase or use	1.537	2.812
Your celebrity taste changes overtime	2.652	4.752
On the Basis of Education		
Believe in following celebrities on social media	1.603	2.620
You trust on your favourite social media celebrity	1.612	2.212
Following the sponsorship of your favourite celebrity	1.603	2.014
Consult with your reference groups after watching online	1.412	2.402
Following various celebrities over social media	1.0401	2.509
Mostly the products and services and authentic as promoted by the celebrity	.802	1.952
You also follow your instinct before going for purchase or use	.072	1.173
Your celebrity taste changes overtime	1.573	2.583

Interpretation

The researcher has evaluated the collected data using ANOVA (One way), the decision criteria for the acceptance and rejection of the hypothesis are as follows:

- If the 'F' (Ratio) value is less than the stipulated significance value then the hypothesis is accepted and vice versa.

Given variable are tested on the basis of:

- Age

- Gender
- Income group, and
- Education

As per the age of the respondents, it was found that most of the respondents were religiously following their favorite celebrity on social media platforms and they also trust their sponsorships and engagements with certain products and services, here the 'F' value (0.265) is less than Sign. (0.805) value. Then on the other hand some of the respondents also stated that they use to get inspire by the respective influencers but then again consult their reference groups for the effectiveness of the same, here the 'F' (0.062) value 'Sign.' (1.073). some of the respondents are following more than one celebrity over social media, also some of the respondents use to change their celebrity.

This is a well-known truth that males and females both are having different taste in various aspects of life and the same follows in case of celebrities as well. Rather in this present study many of the respondents accepted that their celebrity taste changes from time to time and these changes are based on the popularity status of the same. Also many of the female respondents stated that they generally consult the reference groups before going for actual purchase. Here in most of the cases the difference between the 'F' and 'Sign' value is not significant, hence it is difficult to state the acceptance or rejection status of the statements.

On the basis of income it was found that all the people from various income groups use to follow the celebrities and in many of the cases they are following the same celebrity, irrespective of the income group. Then on the other hand it was also found that the people with high income group generally get influenced for the products and services related to health, fitness, sports gear, electronics, etc. and the respondents of low income group usually follow the celebrities for products and services related to entertainment, apparels, etc. hence it can be stated that on the basis of income group people use to differentiate in sponsorships.

Then comes the education, education makes a person more rational i.e. a person becomes more capable in deciding between right and wrong. The same follows in case of products and services i.e. they either know the basic components of the same or they can ration the same on the basis of their own knowledge. As far as celebrity following is concerned, the respondents use to follow the celebrities to a certain extent and also follow their sponsorships but then they also become rational while following the sponsorship of their favorite celebrity.

Result

In most of the above given cases respondents were positive for their respective celebrity they are following, also the respondents are following social media personalities apart from their celebrity status. Then on the other hand they also accept the sponsorships of their favourite celebrity but generally are rational in their approach, hence the null hypothesis, 'There is a significant relationship between the popularity of a social media influencer and openness of the respective sponsorship' is accepted and the alternate hypothesis is rejected.

Conclusion

Present time is the time of information technology and social media, today people use to follow their favorite celebrity over social media platforms rather than following them on roads and events. Corporates had identified this domain on priority and started to identify the celebrities and even the internet personalities to promote their products and services. This is a new domain of promoting products and services; with an advantage that the respective cost of advertising is as low as 25% as compared to the regular mode. ‘Engagement’, ‘Impact’ are the new words associated to the influencing capability of the respective celebrities and internet personalities as they are required to promote the products and services of corporates; also they are supposed to get fees against these promotions, in many of the cases celebrities use to get 10% of their total income from this source. From the various sources it is being propounded that the influencers market is going to reach its height in coming few years and may be new dimension of the same occur in the respective frontiers.

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