

IMPACT OF

INFLUENCER MARKETING

IN INDIA



MAY 2023

RECOGN | dentsu | Boomlet





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Foreword

Influencer marketing has experienced a remarkable evolution over the years, positioning itself as a formidable force in the industry. Its tremendous potential has revolutionized the way brands and businesses engage with their target audiences - granting them the power to influence individuals and forge connections with influential figures across diverse communities and online platforms. This influential marketing strategy has proven to be a game-changer, empowering companies to effectively expand their reach and drive meaningful impact in the digital landscape.

Influencer marketing has transcended its role as a mere marketing tactic; it has become a cultural movement that has reshaped the entire marketing landscape. It represents a significant paradigm shift—a departure from the traditional one-way communication approach to nurturing interactive dialogues that consistently engage consumers. This strategic approach empowers brands to harness the immense power of authenticity and reliability, fostering deep and personal connections with

their audience. By cultivating partnerships with influencers whose values align with our clients, we unlock a gateway to genuine and meaningful engagement—a critical ingredient for achieving success in today's highly competitive digital environment. Influencer marketing allows brands to collaboratively co-create compelling narratives that resonate powerfully across various digital platforms, enabling them to make a lasting impact in the digital realm.

The future of influencer marketing holds tremendous potential for continuous evolution and adaptation to the dynamic digital landscape. As we look ahead, we anticipate several key trends that will shape the industry. Firstly, we foresee a heightened focus on micro-influencers who have a smaller yet incredibly engaged audience. These influencers offer an unparalleled level of authenticity and reliability in brand collaborations, facilitating strong and intimate connections with their dedicated followers. This shift emphasizes the value of quality engagement over sheer reach, ensuring more meaningful interactions with target audiences.

Furthermore, as technology advances, we envision the seamless integration of cutting-edge platforms and formats such as augmented reality, virtual reality, and live streaming. These innovations will create captivating and immersive experiences, elevating the influencer-consumer relationship to new heights. With the maturation of influencer marketing, we anticipate the establishment of more stringent regulations and guidelines, ensuring utmost transparency and ethical practices across the industry. Collaboration and data-driven strategies will remain paramount - empowering brands and influencers to harness valuable insights and metrics for driving impactful outcomes. Ultimately, the future of influencer marketing rests in the hands of innovative brands, agile influencers, and engaged consumers who will continue to push boundaries, redefine storytelling, and unlock fresh opportunities in the digital era.

Social media platforms serve as pivotal catalysts in propelling brands forward, effortlessly providing them with the essential boost they need. Prominent social media influencers, with their substantial viewership and loyal followers, consistently uphold a high level of engagement by delivering trendy and relevant content. This comprehensive report empowers brands and industries to chart strategic pathways by conducting in-depth analyses of influencer marketing performance across various platforms, categories, formats, and target audiences.

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The days and methods of message amplification are undergoing a massive makeover as we find our customers more inclined to taking advice from influencers than any other media we have employed in the past. The increased proliferation of social media platforms has completely revamped the way people communicate and engage with others, especially brands. These platforms connect brands with customers. Influencers have become an integral part of the social media environment. They influence purchase decisions, form views, and promote products on these social media platforms. In the last decade, there has been increasing emphasis on influencer marketing by businesses. Social media influencers have an equal effect on customers these days as celebrities from cinema, sports, and other sectors. Influencers give character to the customer's judgement and shape their attitude regarding the product or service through their presence on social media platforms, such as Instagram, YouTube, Snapchat, etc.

Additionally, virtual influencers are also being used in industries such as gaming, entertainment, and education, among others. The use of virtual influencers continues to evolve, and as technology advances, their applications are expected to expand in the future.

Virtual influencers are depicted in anime-style or photorealistic 3D avatars that can be programmed to interact with users, post content, and even participate in live streams. They are designed to appeal to specific target audiences, like the younger generations, and offer several benefits to brands, marketers, and customers.

Influencer marketing places an emphasis on the interconnectedness of different niches on social media. Brands are focusing on micro-influencers as they maintain a personal bond with their followers. Micro-influencers would have a significant role to play when it comes to building a positive outlook for a brand considering awareness, perception, and collaborations and it is the future of influencer marketing. As customers engage with social media influencers, the platform gives the former control of whom they choose to follow, and this perceived agency of choice further drives the trust in messages by influencers. The core concept of influencer marketing is the element of trust that is built, established, and perpetuated virtually. Furthermore, the digital space involves a sense of positive obscurity, which is essential to influencer marketing. These followers, who could also be prospective customers, engage with the visible slice of public spectacle normalized as a regular lifestyle choice, statement, or identity.

A woman with dark hair styled in a bun, adorned with a large gold floral hair accessory and a peacock feather. She is wearing a teal-colored sari with gold embroidery and multiple layers of gold jewelry, including necklaces, earrings, and bangles. She is looking off to the side with a serene expression. The background is dark with some bokeh light effects.

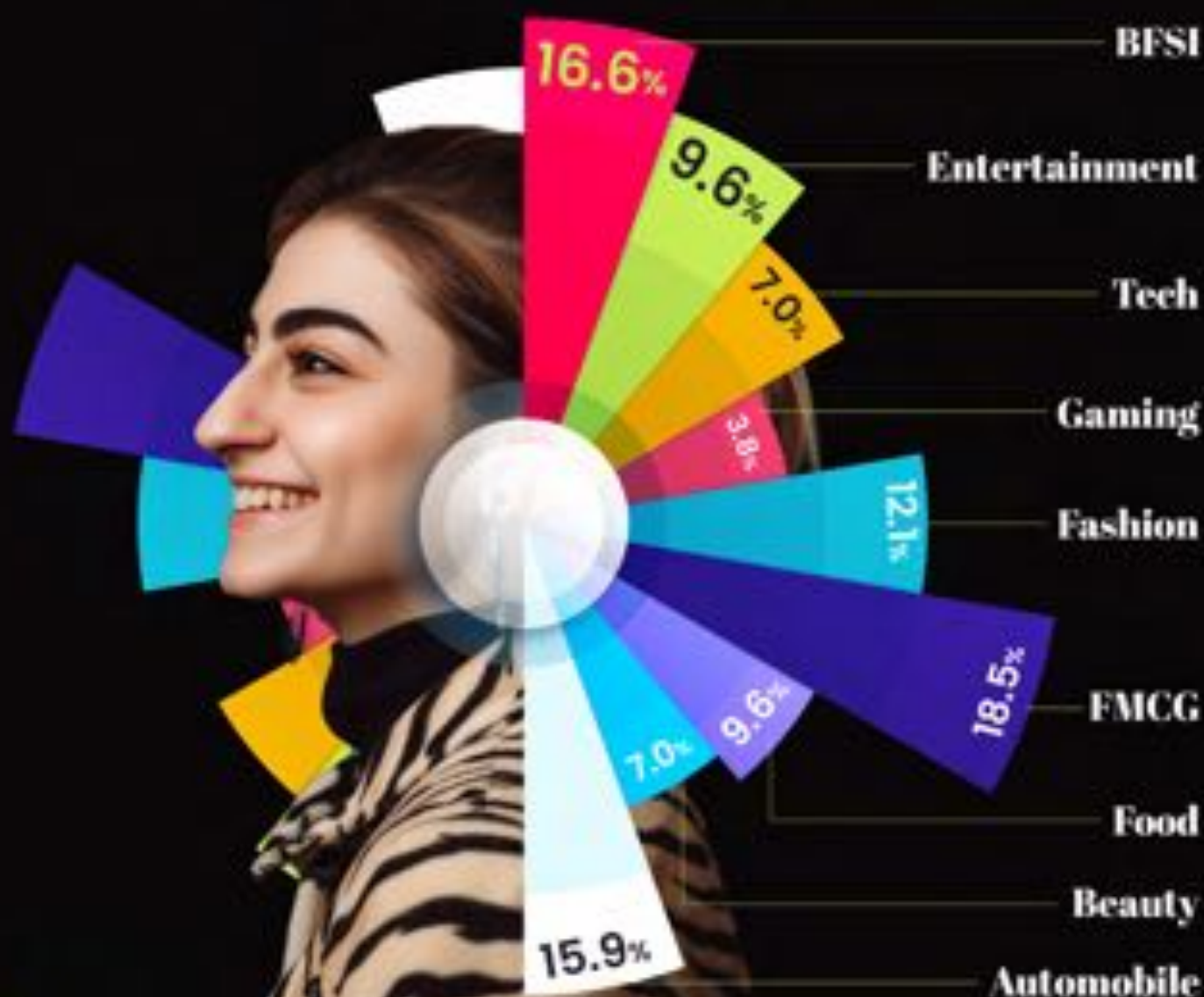
Adoption of *Influencer Marketing*

Brands from various industries are looking for influencers to talk about their products and services as influencer marketing becomes an integral part of brand marketing.

The top industries catering to influencer marketing are associated with brands in the FMCG sector, which stands at 18.5%, followed by BFSI at 16.6% and automobiles at 15.9%. Each of these industries has various products and services to always offer. Additionally, influencer marketing along with other forms of marketing, helps them reach their target audience effectively.

The fashion industry ranks fourth in line at 12.1%. The fashion industry has delved into the influencer marketing space, and this is only expected to grow exponentially in the next few years. Independent brands will soon be at par with e-commerce giants.

Adoption of Influence Marketing across Industries



Categories of Influencers

Large Base Influencer

More than
500,000
followers

Medium Base Influencer

200,000
to
500,000
followers

Small Base Influencer

50,000
to
200,000
followers

Influencer categories can be distinguished into three groups namely - large (more than 500,000 followers), medium (200,000 to 500,000 followers), and small (50,000 to 200,000 followers) base influencers. Influencers can have different categories of follower bases depending on their niche, style, and content.

There are three categories of followers who follow influencers on social media. The first category is 'niche-specific' followers who are interested in a particular subject or field such as beauty, fashion, or travel. These followers look up to influencers who are experts in their niche and trust their recommendations. The second category is 'lifestyle' followers who follow influencers for their overall lifestyle and personality. They enjoy following their day-to-day activities and gaining insights into their lives. The third category is 'brand' followers who follow influencers because they endorse or promote a particular brand. These followers are usually interested in the products or services offered and look to the

influencer's recommendations for guidance. Understanding the categories of an influencer's follower base is crucial for brands and businesses looking to collaborate with them to effectively reach their target audience.

Reels remain a popular deliverable among all these genres. Influencers from the entertainment, gaming, travel, and automobile genres procure the highest engagement rates. Lifestyle, fashion and beauty genres are relatively cost-effective to collaborate with and spread the word to larger audiences compared to niche genres. Brands generally prefer collaborating via carousel and story formats.

A photograph of three individuals, likely influencers, standing in front of a dark background with green foliage. On the left, a man with a beard and sunglasses wears a teal blazer over an orange shirt. In the center, a woman wears a teal shawl over a beige traditional dress with intricate jewelry. On the right, a man wears an orange jacket. The image is decorated with white geometric patterns of overlapping circles in the top-left and bottom-right corners.

*Influencer
categories*
Across Industries

Large Base

250K+
Reach

300K+
Views

Engagement
Rate

3%
to
3.5%

Content Type:

Carousel, Reel

RECOGN dentsu Bodmlet



Beauty

Medium Base

80K to 150K
Reach

200K to 300K
Views

Engagement
Rate

2%

3%

Content Type: **Static, Reel**

Small Base

50K to 100K
Reach

50K to 150K
Views

Engagement
Rate

1%

1.5%

Content Type: **Static, Reel**

Large Base

300K+
Reach

350K+
Views

Engagement
Rate

3%
to
6%

Content Type:

Carousel, Reel

Automobile

Medium Base

80K to 150K
Reach

150K to 250K
Views

Engagement
Rate

2%

3%

Content Type: **Reel, Story**

Small Base

20K to 100K
Reach

30K to 100K
Views

Engagement
Rate

1%

2%

Content Type: **Carousel, Story**

Entertainment

Large Base

300K+

Reach

400K+

Views

Engagement
Rate

3%

to

6%

Content Type:

Reel

Medium Base

100K to 200K

Reach

200K to 400K

Views

Content Type: **Reel**

Engagement
Rate

2%

to

4%

Small Base

50K to 100K

Reach

100K to 150K

Views

Content Type: **Reel**

Engagement
Rate

2%

to

2.5%

Fashion

Large Base

300K+

Reach

350K+

Views

Engagement
Rate

3%

to

3.5%

Content Type:

Carousel, Reel

Medium Base

80K to 150K

Reach

200K to 400K

Views

Content Type: **Carousel, Reel**

Engagement
Rate

2%

to

3%

Small Base

50K to 100K

Reach

100K to 150K

Views

Content Type: **Static, Reel**

Engagement
Rate

1%

to

1.5%

Gaming

RECOGN dentsu Bodmlet



Large Base

300K+

Reach

400K+

Views

Engagement
Rate

3%

to

6%

Content Type: **Reel**

Medium Base

100K to 150K

Reach

150K to 300K

Views

Engagement
Rate

2%

to

3%

Content Type: **Reel**

Small Base

25K to 80K

Reach

30K to 150K

Views

Engagement
Rate

1%

to

2%

Content Type: **Reel**

Large Base

300K+

Reach

400K+

Views

Engagement
Rate

2%

to

5%

Content Type:
Story, Reel

Tech

Medium Base

100K to 150K

Reach

200K to 300K

Views

Engagement
Rate

2%

to

3%

Content Type: **Story, Reel**

Small Base

25K to 80K

Reach

30K to 120K

Views

Engagement
Rate

1%

to

1.5%

Content Type: **Story, Reel**

Lifestyle

Large Base

200K+
Reach

350K+
Views

Engagement
Rate

2%
to
6%

Content Type:

Reel, Carousel

Medium Base

80K to 150K
Reach

90K to 300K
Views

Engagement
Rate

2%
to
3%

Content Type: **Reel, Story**

Small Base

15K to 20K
Reach

20K to 90K
Views

Engagement
Rate

1%
to
2%

Content Type: **Reel, Carousel**

Large Base

300K+
Reach

400K+
Views

Engagement
Rate

3%
to
6%

Content Type:

Story, Reel

Travel

Medium Base

100K to 200K
Reach

200K to 300K
Views

Engagement
Rate

2%
to
4%

Content Type: **Story, Reel**

Small Base

20K to 100K
Reach

30K to 150K
Views

Engagement
Rate

1.5%
to
2.5%

Content Type: **Story, Reel**

Instagram was the most preferred platform for brands at 73.6%, following that was YouTube at 17%. These two platforms are generally preferred by brands because they have a larger user base and engagement percentages as compared to other platforms.

LinkedIn and Twitter matched equally at 3.8%. These two platforms, however, are gaining slow recognition for influencer marketing.

Due to lack of audience interaction and reach, blog posts are the least preferred platform for influencer marketing at 2%.

Popular Social Media Platforms for Influencers



Instagram
73%

Youtube
17%



Twitter
4%

LinkedIn
4%



Blogs
2%



Winter Campaign

M&S DC

Solution

Use OTT and young-age influencers in addition to a Pan India celebrity to drive buzz for the collection in front a relevant audience

Problem

Create consideration for the M&S winter collection in the 24-35 TG

Insight

OTT influencers have good engagement and hold over their audiences. A lot of the up-and-coming stars present inexpensive options with great long-term dividends (eg. Gagan). For the identified target audience the stickiness is also high as witnessed by the comments.

Results

1.6Mn

Total Views

132K

Total Likes

945

Total Comments

30%

Total Engagement



Video Plays
39.3K

Likes
5734

Shares
104

Reach
36,180

Comments
62

Following
198K

Saves
285

Costing
1.5L

Engagement
Rate
3%

Kriti Vij

Gagan Arora

Video Plays
169,801

Likes
35,728

Shares
339

Reach
142,909

Comments
199

Following
542K

Saves
456

Costing
3L

Engagement
Rate
6%





Video Plays
67,853

Likes
11,351

Shares
158

Reach
60,419

Comments
59

Following
1.3Mn

Saves
500

Costing
6.5L

Engagement
Rate
3%

Parul Gulati

Sahil Anand

Video Plays
117,576

Likes
11,572

Shares
29

Reach
58,003

Comments
51

Following
927K

Saves
18

Costing
2L

Engagement
Rate
1.5%





Customer
**perception
and
behaviour**

Customer behaviour towards Influencers

Marketers use influencer marketing on social media platforms to build positive brand evaluations. These influencers often have high viewership and a large following of people who pay close attention to their content. 60% of the respondents are aware of the influencers on social media platforms. Half of them do not follow them, while the other half consider their suggestions and recommendations when making a purchase decision.

Most females belonging to the next five metros are aware of the influencers but do not follow them. Male audiences are also aware of the influencers on social media platforms and would consider their recommendations and suggestions.

Following and awareness of influencers



32%

I follow some of these influencers

30%

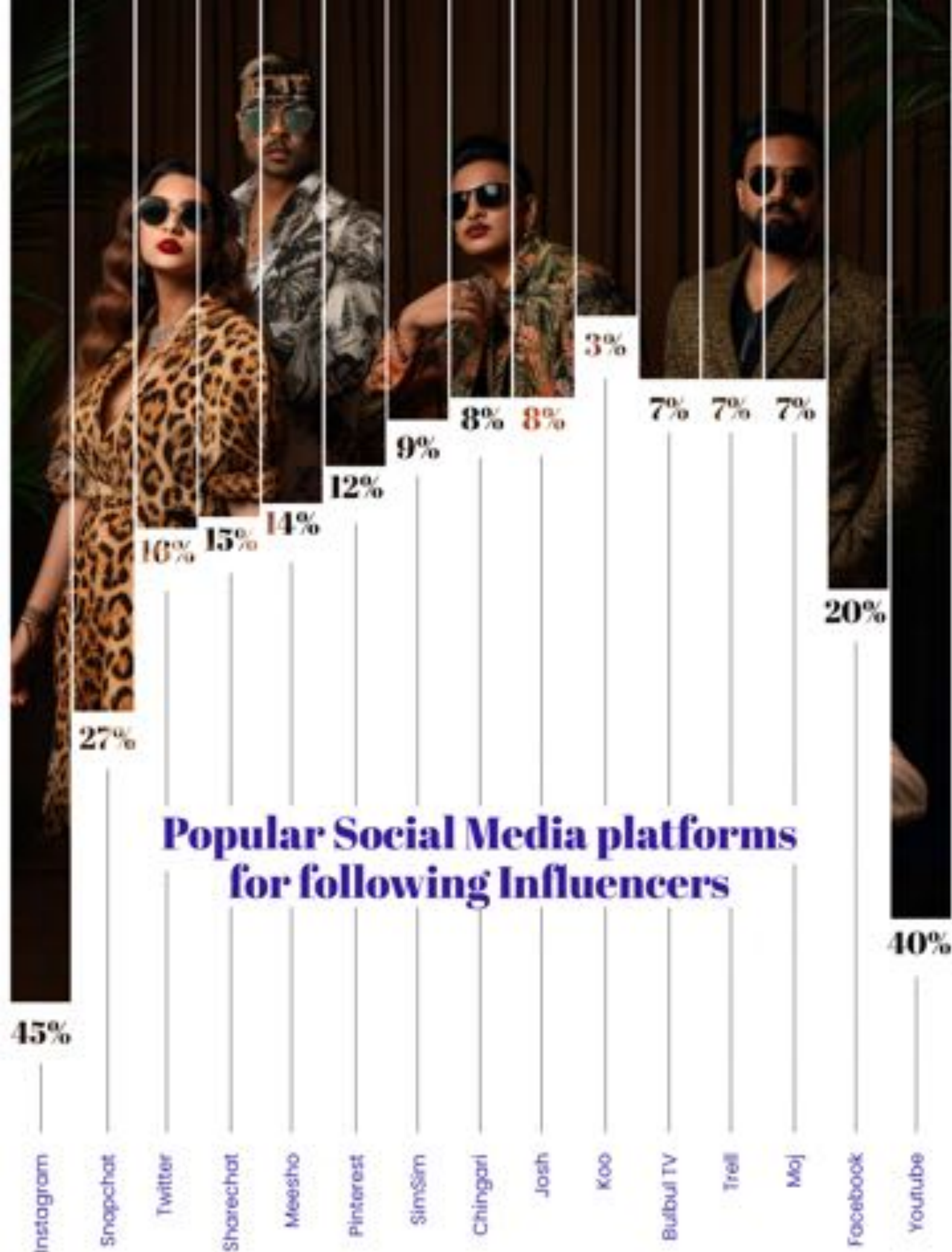
I am aware of these influencers and consider their recommendations

30%

I am aware of these influencers but I do not follow them,

8%

I am not aware of the influencers and I do not follow them on social media



The increased social media usage in rural India, especially among housewives and kids, serves as an important development of empowerment and is a growing channel to enhance brand awareness or even social equity.

Due to the high penetration of social media, influencers have become crucial for promoting brands and selling products. They are a vital aspect of an effective marketing strategy. The content produced by influencers has a significant impact on customer behavior. Therefore, it is important that their content aligns with the brand's niche and values.

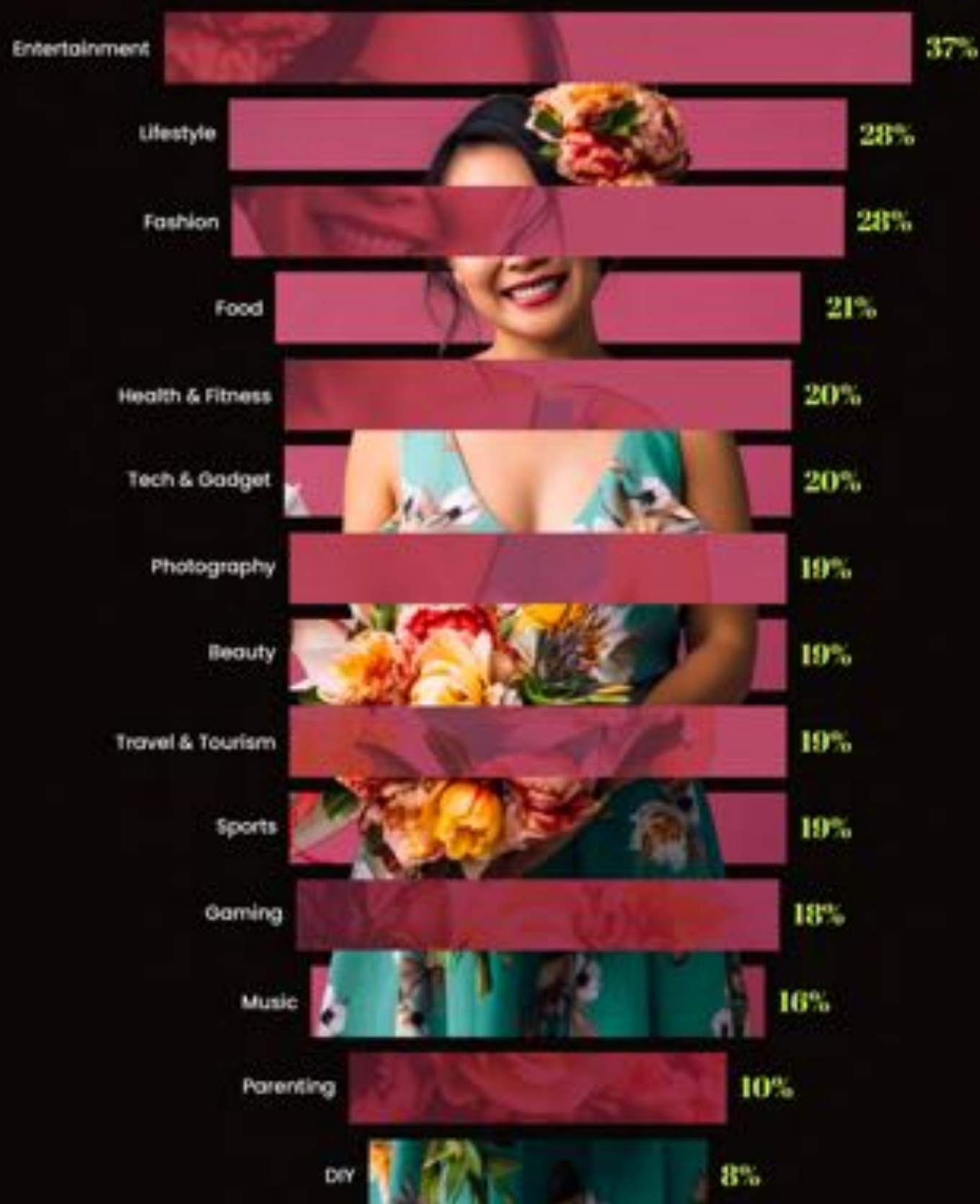
These influencers have a presence across various social media platforms. A majority of their followers follow them on Instagram (45%), YouTube (40%), and Snapchat (27%). This is followed by Facebook (20%), Twitter (16%), Sharechat (15%), and Meesho (14%).

Most of the people belonging to the age group of 18 years to 24 years and residing in the five metros follow social media influencers on Instagram. Respondents within the age group of 25 years to 35 years belonging to the small metros follow influencers on YouTube.



Influencers on YouTube may often inspire, attract, and persuade their viewers to engage with different interesting topics including niche ones like moto-vlogging, but that engagement may or may not correlate directly with influencing direct commercial consumption of products or services. However, there is a possibility of passive influence into adapting certain kinds of services, products, and packages, such as choosing a kind of travel itinerary underlying and promoting specific, intended consumption.

Influencers followed in different content categories



The differentiating factor between influencers is the type of content they create. They can also be grouped by the niche in which they operate. People like to follow influencers whose content falls in the following categories: entertainment (37%), lifestyle (28%), fashion (28%) and food (21%). This is followed by health and fitness (20%), technology and gadgets (20%), photography (19%), and beauty (19%).

Influencer content in the categories of entertainment, lifestyle, fashion, and food are most likely to drive consumer purchases.

A majority of female content customers follow social media influencers who create content that belongs to the entertainment, fashion, and beauty category. Male audiences follow entertainment, lifestyle, and technology & gadgets influencers. Youngsters below 18 years of age follow influencers in the content categories of entertainment and fashion.

The influencers space is aspirational as the idea of engagement thrives on the sense of disguised familiarity and a negotiable relatedness of certain aspects, be it some product, service, or other kind of consumption.



While the main reason for influencer marketing has always been brand awareness (62%), its growth in the industry has led brands to start looking for more reasons than one to increase their customer-to-customer ratio. The top reason for brands to do influencer marketing is to raise brand awareness. Increasing brand engagement and acquiring new customers come next at 49% each. Followed by this, we have the purpose of gaining new followers and growing sales at 33% and 31%, respectively. Brands have also started influencer marketing to maintain brand reputation, increase Web traffic and improve customer satisfaction at 28%, 25%, and 11%, respectively.

Influencer Marketing Purposes





Reasons to follow influencers

More than one-fourth of the people following social media influencers follow them because they find their content entertaining and the audience gets to know about new products that a brand launches. They also get information about products and services that the influencers promote. People find the influencers' personality inspiring and trustworthy.

The younger respondents below 18 years of age follow social media influencers as they find their content entertaining and help in discovering new products that brands launch. The older respondents belonging to the age group of 36 years and above follow these influencers to get information about products and services.

The influencer marketing industry has experienced significant growth since the onset of the pandemic. This marketing strategy enables businesses to easily communicate their messages to a broader audience using influencers. Generation Z's consumption patterns of content differ significantly from those of previous generations. Their engagement with influencers' content depends on various factors such as quality, content type, and expertise.

Most people find content formats like videos (34%) and video stories/reels/shorts (33%) more appealing. This is followed by vlogs (30%), images (21%), and collaborative content with other influencers (21%). Most females below the age of 18 years find video stories/reels/shorts and vlogs more appealing when content is uploaded by influencers.

Entertainment, being one of the chief aspects of influencer marketing, results in repetition, thereby creating a sense of endured conditioning towards a positive experiential association with products/services, etc.

Influencer marketing strategies are often powerful concoctions of information and entertainment. While entertainment is more visible and overtly present as a spectacle, specific information often performs as a nudge, inducing an inclement towards a particular action, in this case, influencing certain kinds of consumption.



Appealing content uploaded by influencers

**Effectiveness
of Influencer
Marketing
among
*Customers***

Effectiveness of Influencer Marketing among customers



Influencer marketing has become one of the most effective ways to reach potential customers and increase brand awareness. With the rise of social media platforms, influencers have amassed large followings of engaged and loyal audiences. By partnering with influencers, brands can tap into their followers' trust, build credibility, and promote their products or services in a more authentic and organic way. Influencers can provide valuable insights into their followers' preferences and behavior. These insights can inform a brand's marketing strategy, resulting in higher engagement rates, increased conversions, and improved brand sentiment. Ultimately, influencer marketing has proven to be a highly effective way for brands to connect with their target audience and drive business growth.

At least 70% of our respondents said that influencer marketing does influence them to know about a new brand or purchase a product. While 15% said that they are neutral when they see influencer content, nobody said that it is highly ineffective.

As we examine the statistics, it becomes evident that influencer marketing has a greater impact on Gen Z and millennials than traditional brand marketing. These two groups are more digitally inclined and tend to be more interested in trying out trendy products.

On the other hand, Gen X and Boomers tend to be more receptive to brand marketing, as they find it more authentic when the message comes directly from the brand. Furthermore, they may not be as comfortable with digital media as their younger counterparts, so traditional marketing methods are more effective in converting them into customers. This highlights the fact that the influence of influencers on Gen Z and millennials is on par with the impact of traditional marketing methods used by brands.





28
Influencers

2k+
UGC
generations

233K+
Engagement

1.4Mn+
Plays

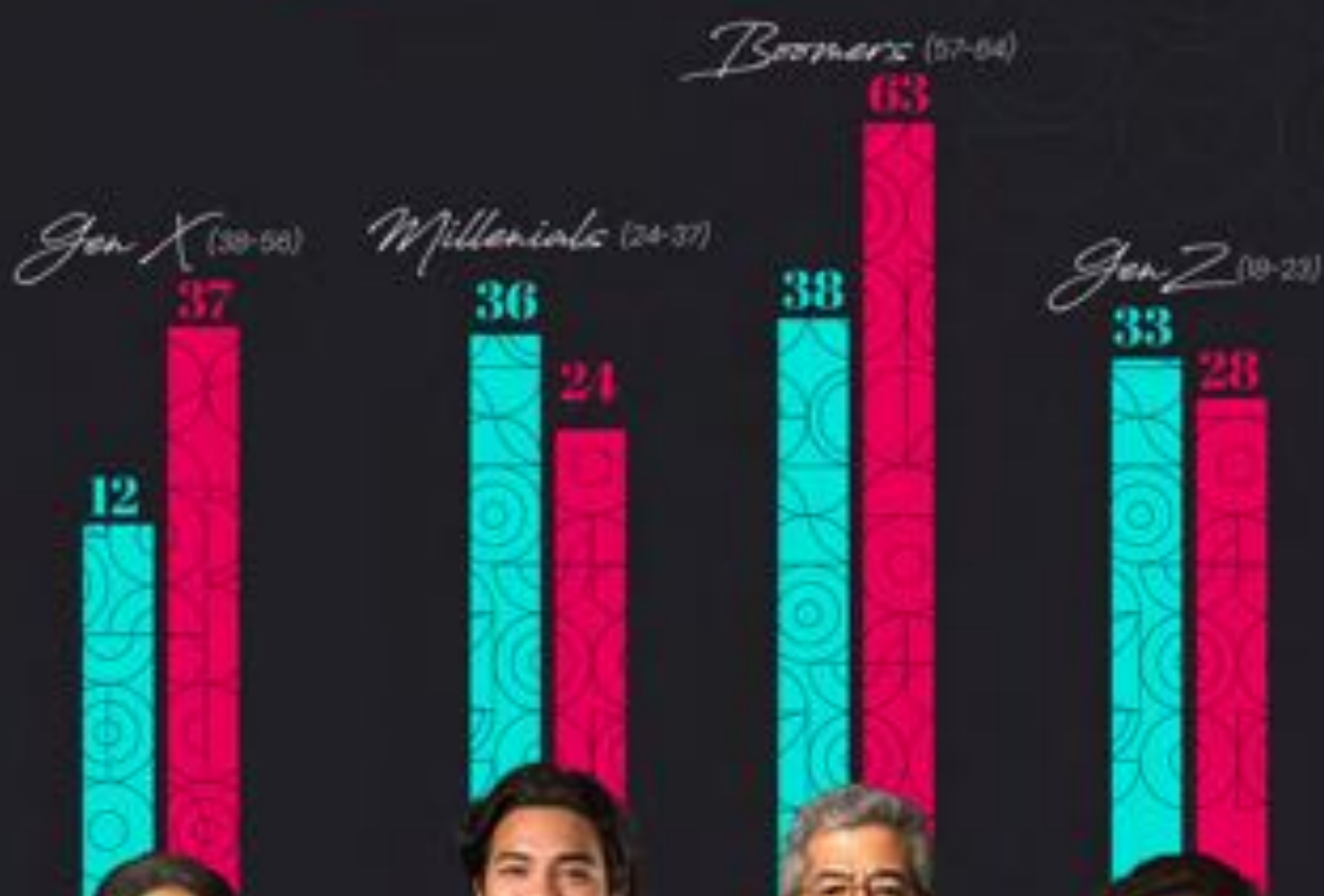
10Mn+
Reach

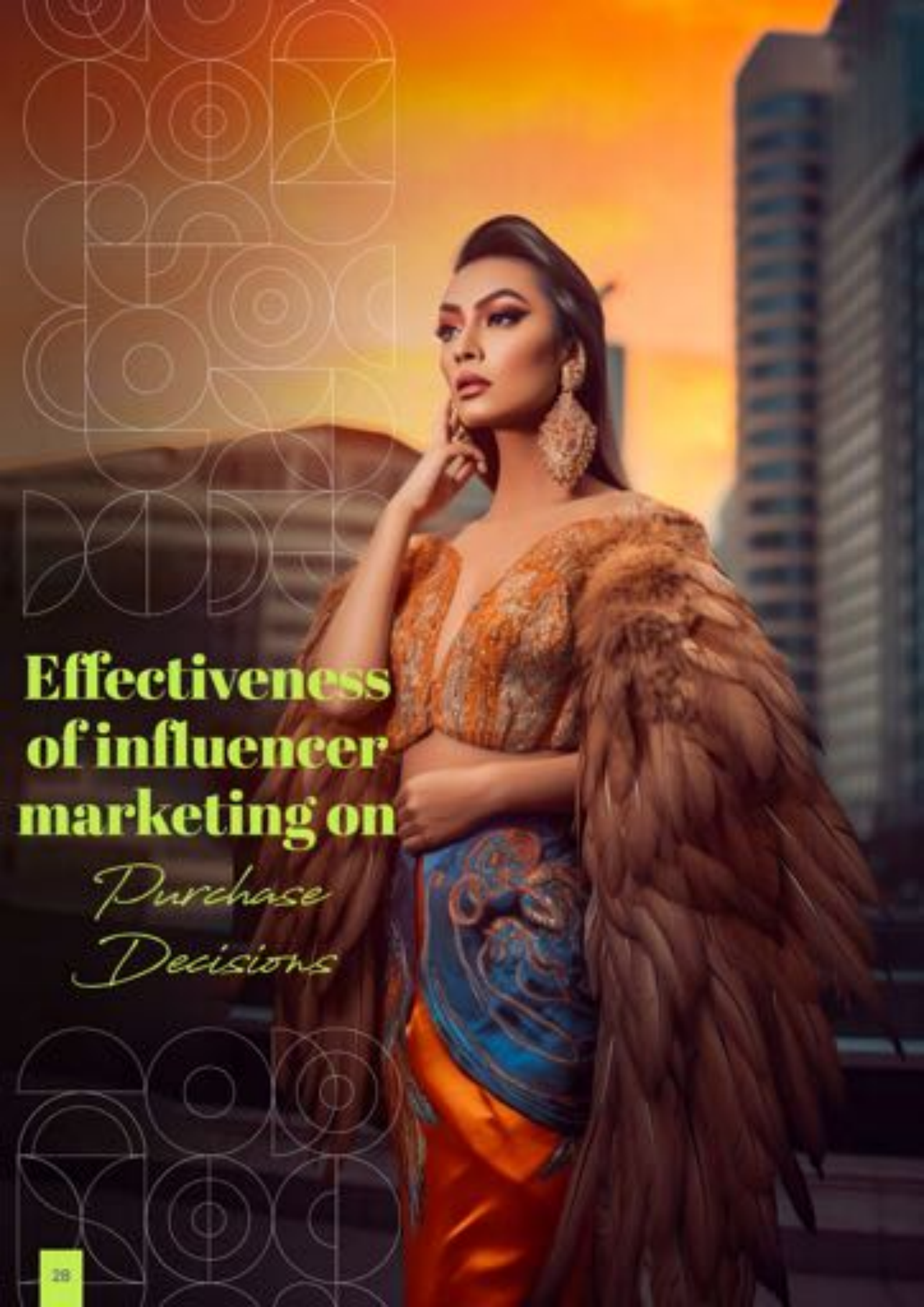
FMCG brand Boomlet

- A sugar brand wanted to hold an influencer marketing campaign with an objective to generate brand awareness and UGC content
- The brand collaborated with celebrity, mom and food influencers to achieve their objective
- **Deliverables:** Reel, Static Post, Story
- **Platform:** Instagram

Effectiveness of influencer marketing on each generation

Influencer Marketing Marketing brands



A woman with dark hair and large, ornate earrings is the central figure. She wears a brown feathered cape over a blue and orange traditional garment. She is posed against a city skyline at sunset, with a warm orange glow in the background. The image is framed by a pattern of overlapping circles and squares in the corners.

Effectiveness of influencer marketing on

*Purchase
Decisions*

Likelihood to purchase products/ services promoted by influencers



Extremely likely

Very likely

Somewhat likely

Unlikely

Extremely unlikely

I am not sure

People follow influencers because they value and share their opinions and perspectives, and brands consider the influencer's opinions toward the brand in most cases. When the pandemic hit the world, many people took to social media platforms and gained traction. More people flocked to online spaces than usual. Influencers during and after the pandemic have gained valuable brand collaborations and have turned into a whole market prospect in the marketing industry.

An increasing number of businesses are recognising the importance of investing in influencer marketing, which is worth billions of dollars. More than half of the respondents say that they would be more likely to avail of products and services promoted by influencers. Male respondents belonging to the age group of 36 years and above say they would consider the purchase of products/services if they are promoted by influencers.

Content by influencers on Instagram are by far the most likely drivers of consumer purchases. This is followed by influencer content on YouTube, Meesha, Sharechat and Facebook

31% of respondents say they would actively seek reviews before making purchase decisions. They would also consider making a purchase decision based on the influencer's reviews and recommendations. 23% of them say they would be willing to try out a new product from a brand based on the influencer's recommendations.

Younger audience below age group of 18 years would seek out reviews given by the influencers before making any purchase decisions. Whereas older audiences belonging to the age group of 36 years and above would like to see influencers try out products/services and would make purchase decision based on the recommendations and suggestions.

Short and quick influencer content formats like video stories, reels, and shorts are most likely to drive consumer purchases. This is followed by video content and vlogs.

Customer purchase attitude

31%

I actively seek out reviews before making purchase decisions

25%

I make purchase based on influencer's reviews and recommendations

23%

I would try out a new product from a brand based on influencer's recommendations

23%

When seeing any influencer wear/use a product/service I become more inclined towards purchase

22%

I like to make purchase based on specific offers and discounts the influencers shares

15%

I like to interact with influencers quite frequently



Median = 23%



Indexed scores of most important attribute affecting purchase decision.
Score of 5 denotes the most important driver and score of 1 denotes the least important driver

Influencer attributes that affect purchase decision

While making a purchase decision, the factor of trust comes up over and over these days. People are becoming aware of the fact that brands use tactics such as commercials and other marketing activities to promote their products and services, influencers have developed a loyal following based on their passion for specific topics, and they promote products and services that they have thoroughly vetted to avoid losing credibility and their followers' trust. Trust building becomes an important factor for the influencer's social media growth as well.

Passion for content is by far the most important influencer attribute that influences customer purchase decision. It is prominent for people to trust the influencer's recommendations and suggestions before making a purchase decision. They also feel that the influencer's content and personality are relatable, and people look for their expert opinion as they demonstrate knowledge about the subject.

The other aspect of influencer marketing that essentially evolves is access to information without spending too much time in the pursuit/endeavour and instead relying on the information and experiential narrative of the influencer to anticipate a similar experiential gain.

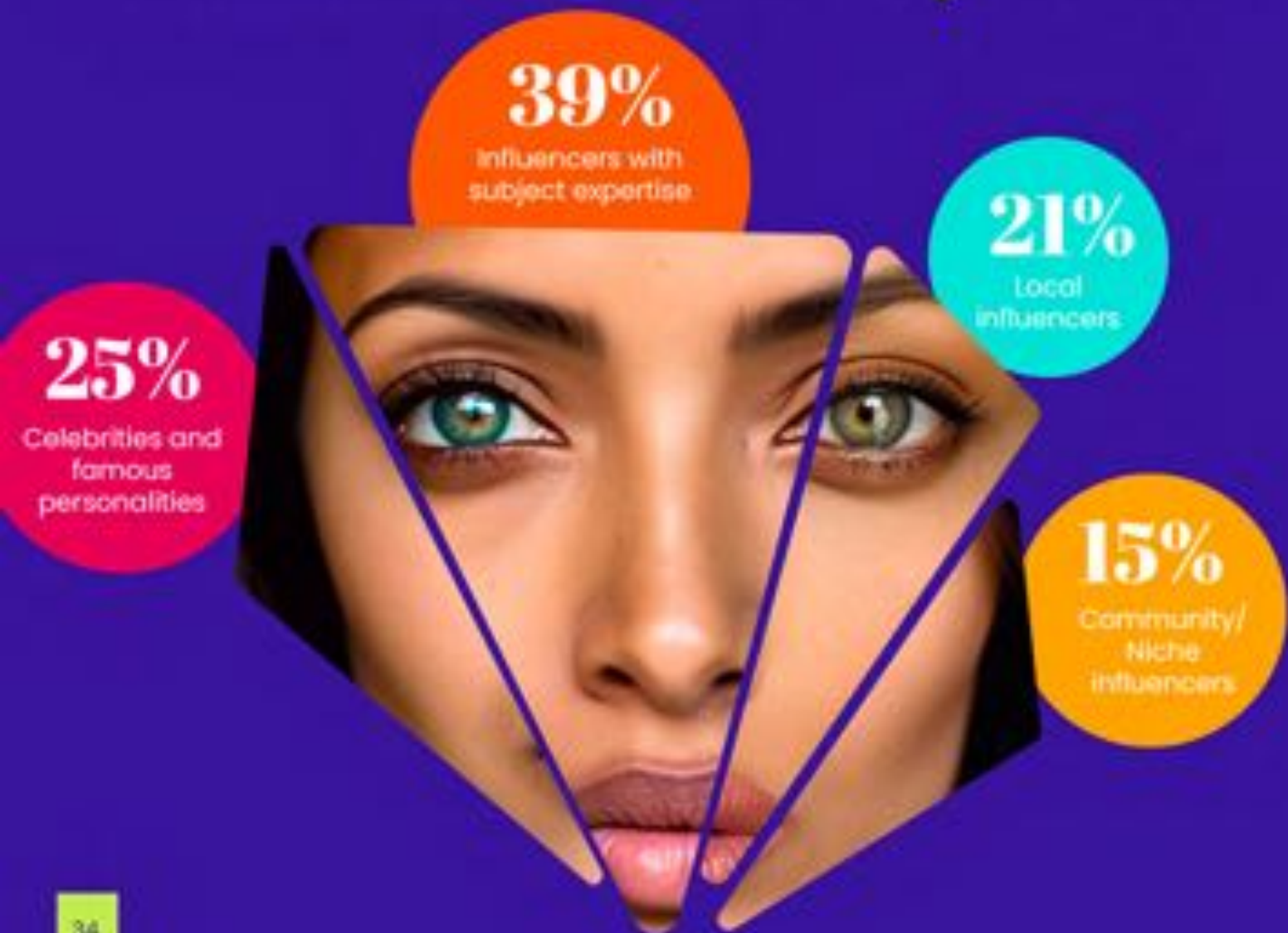


Social media influencers and online communities have changed the way customers form their opinions. These influencers have a broad reach and influence, resulting in a new breed of celebrity. They have shaped a particular perception and attitude in the minds of their followers. People rely on their thoughts and beliefs, which form their perceptions of companies and enterprises.

More than one-third of people trust influencers who have subject expertise, while 25% would trust the recommendations of celebrities and famous personalities before making a purchase decision. Among females aged 25 to 35 years, the majority would trust influencers who have subject expertise the most when making up their minds before making a purchase.

The element of engagement that the influencer creates is more of a connection that is perceived to be based on similar association and likeness of the probability that it would work the same way for the consumer as well as it has worked for the influencer.

Trust in type of influencers recommendations before purchase



Customer opinions on influencers

33%

The partnership of influencers and brand should be genuine and not feel sponsored/forced

25%

The number of followers that a social media influencer has impact how much I trust their opinions

24%

I trust social media influencers because I feel like I can relate to them

23%

I buy products that I believe will make me look/feel more like the social media influencer that advertised them

19%

I trust social media influencers instead of brand advertisements

14%

I don't trust the opinions of social media influencers

10%

I stop trusting social media influencers when they get too big

Customer outlook on social media influencers

Social media influencers can be divided into two categories: micro-influencers and macro-influencers. These groups differ in terms of their characteristics, attributes, and number of followers. As a result, brands collaborate with different types of influencers. The effectiveness of influencer marketing depends on whether it leads to a more positive brand attitude and corporate reputation.

"As most of the influencers I follow share the same view to look at the world and issues I am concerned about, it definitely increases my trust in the product/service"

- Male, 23 years

Influencers can affect the perception of people through reviews, testimonials, user-generated content, etc. Marketers use influencer marketing to generate positive word-of-mouth.

One out of three people have stated that the partnership between influencers and the brand should be genuine and not feel sponsored or forced. People do consider the number of followers that a social media influencer has and accordingly trust their opinions and views. People say that they would trust social media influencers as they feel that they can relate to them.



Influencer marketing thrives on the concepts of 'belief', 'dream', and 'trust' rather than scrutinising or critically evaluating factual details and challenges. Hence, it is a key element towards creating brand empathy where customers are more inclined to continue with the same experiential narrative despite other available options for involvement/perception.



6.8L+
Reach

22k+
Engagement

6.9L+
Plays

5
Influencers

Beauty brand Boomlet

- A beauty brand wanted to execute a campaign to promote their different product launches for three months
- **Platform:** Instagram
- Collaborated with beauty, skincare and lifestyle influencers
- **Deliverable:** Reel

A man with a beard and short dark hair is looking directly at the camera. He is wearing a light-colored patterned scarf and a brown and gold patterned coat. His hands are clasped in front of him. The background is dark and textured. On the left side of the image, there is a vertical strip with a repeating geometric pattern of overlapping circles and squares.

**Future
roadmap of**
*Influencer
Marketing*



Industry driven

- Data Analytics and ROI Measurement
- Long-term Partnerships
- Regulations and Transparency

Creativity and content creation driven

- Storytelling and brand purpose
- Personalized content
- Impact of virtual influencers

Technology driven

- AI
- Blockchain
- AR, VR and XR

Technology

Technology has played a significant role in shaping the landscape of influencer marketing. With the rise of social media platforms and the increasing popularity of influencers, technology has provided marketers with tools to better understand their audience, measure their campaign's success, and connect with these influencers. Advanced analytics and data-driven insights have allowed marketers to identify the most effective influencers and tailor their campaigns to specific target audiences. Additionally, influencer platforms and marketplaces have emerged - making it easier for brands to find and collaborate with relevant influencers. As technology continues to advance, it is likely that we will see further innovation in influencer marketing such as the use of virtual and augmented reality experiences.

The effectiveness of the influencer marketing campaigns using technology

The increased use of AI and machine learning for influencer selection, content optimisation, and audience targeting can lead to more effective and efficient influencer campaigns. By leveraging data and analytics, brands can identify the influencers best suited for their campaigns and personalise their messaging to resonate with target audiences.

Immersive brand experience

The integration of augmented reality (AR) and virtual reality (VR) in influencer campaigns can provide an immersive brand experience for audiences. By leveraging AR and VR technology, brands can create interactive campaigns that engage audiences and leave a lasting impression.

Accountability and transparency

The use of blockchain technology for transparent and secure influencer payment and tracking can provide greater accountability and transparency in influencer partnerships. By leveraging blockchain technology, brands can ensure that influencers are compensated fairly and that their campaigns are executed ethically.

Virtual influencers and CGI-generated content

The rise of virtual influencers and CGI-generated content can offer brands a new way to engage with audiences. These influencers are not restricted by human limitations and can be customised to align with a brand's image and values.

Creative evolution of Influencer content

Impact of virtual influencers

These technologies are not only shaping the virtual influencer landscape but are also providing new and innovative ways for brands and marketers to engage with their target audience. Virtual influencers are being utilised in various ways across different industries. Some of the key ways in which they are being used include:

Social Media Marketing

Virtual influencers are often used to create brand awareness, drive engagement, and reach new audiences. They can be seen promoting products and services through sponsored posts, influencer marketing campaigns, and social media takeovers.

E-commerce

Virtual influencers are increasingly being used to boost e-commerce sales. Brands can leverage virtual influencers to showcase their products, provide detailed information and create a sense of trust with potential customers. Additionally, virtual try-on technologies – which allow customers to virtually try on clothing and accessories, are also becoming increasingly popular in the e-commerce space.

Brand Building

Virtual influencers are also being utilised for brand building purposes – providing a unique and engaging way for companies to create an emotional connection with their target audience. By incorporating virtual influencers into their marketing strategies, companies can build a more recognisable and relatable brand identity.



One of the key benefits of virtual influencers is that they can be created to embody specific physical and personality traits that appeal to a target audience. This enables brands to tailor their marketing messages to a specific demographic, increasing the chances of engagement and conversion. Moreover, virtual influencers are not constrained by physical appearance, which means they can be designed to look and act in any way the creator desires. This allows brands to create virtual influencers that are unique, attention-grabbing, and appealing to their target audience.

Virtual influencers offer the added benefit of flexibility and convenience. They can be used in a variety of different marketing campaigns and applications. Virtual influencers are being used in social media marketing, e-commerce, brand building, and even live events. By leveraging the popularity and reach of virtual influencers, brands can create marketing campaigns that are engaging, effective, and efficient.

Although virtual influencers offer many benefits, there are also concerns regarding the ethical implications of using computer-generated characters to promote products and services. For instance, questions arise about transparency and accountability since it can be challenging to determine who is behind the character and what their motivations are. Moreover, virtual influencers can raise privacy concerns because personal information and data about users may be collected and used for marketing purposes.

The virtual influencer market is expected to grow rapidly in the coming years as more and more brands and marketers recognize the potential benefits of using virtual influencers in their marketing campaigns. Additionally, new technologies and trends such as artificial intelligence and virtual reality, are likely to further enhance the capabilities and potential of virtual influencers.



Focus on storytelling and brand purpose

The shift towards a greater focus on storytelling and brand purpose, rather than product promotion, can create a more meaningful and authentic brand experience for audiences. By telling compelling stories that align with their values and beliefs, brands can establish deeper connections with their audiences.

Integration of UGC and influencer content

The integration of user-generated content (UGC) and influencer content can create a more authentic brand experience for audiences. By leveraging UGC, brands can demonstrate social proof and build trust with their audiences, while influencer content can provide a more personalized touch.

Evolution of influencer marketing industry

Regulations and Transparency

The push for greater regulation and transparency, including clearer disclosure of guidelines for sponsored content, can provide greater accountability and transparency in influencer partnerships. By adhering to industry guidelines, brands can demonstrate their commitment to ethical influencer partnerships and build trust with audiences.

Long term Partnerships

The shift towards long-term partnerships and collaborations, as opposed to one-off campaigns, can provide brands with a more sustainable and effective influencer strategy. By establishing long-term relationships with influencers, brands can build trust and rapport, and leverage their influence over time.

Data Analytics and ROI Measurement

To ensure the success of influencer campaigns, brands should emphasize data analytics and measure ROI. By tracking and analyzing campaign data, brands can identify what works and what doesn't, and optimize their strategies accordingly. This data-driven approach can help brands demonstrate the value of influencer marketing to stakeholders and justify their investment in these campaigns.

Cost effective strategy

The rise of micro-influencers and nano-influencers, driven by their higher engagement rates and lower costs, can provide brands with a more targeted and cost-effective influencer strategy. These influencers often have highly engaged audiences within specific niches and can provide a more authentic and relatable brand experience.



Conclusion



The pandemic has catalysed the growth of influencer marketing among the huge base of social media users in India. Social media influencers have a stronger effect on brand awareness and attitude. Businesses have focused their efforts on partnerships with influencers who have developed loyal followings. People follow social media influencers because they find their content entertaining, and they get to discover new products/services launched by the brand. Effective and successful influencer marketing is mainly based on factors like trust, relatability, authority, authenticity, and more.

The future of influencer marketing is expected to grow even more, thanks to emerging technologies such as Virtual Reality (VR), Augmented Reality (AR), and Mixed Reality (MR). These technologies are poised to revolutionize influencer marketing and gain acceptance among millennials and Generation Z, who follow social media influencers. Brands and marketers are likely to leverage the increasing popularity of AR and VR to focus on technology-driven influencer marketing.

In conclusion, influencer marketing has become a vital aspect of digital marketing strategies for businesses of all sizes. By collaborating with influencers, brands can reach new audiences, increase brand awareness, and drive sales. However, it is essential to choose the right influencers, develop a clear strategy, and measure the effectiveness of your campaigns to ensure success. With the rise of social media and the continued growth of influencer marketing, this marketing technique will remain an integral part of the marketing mix for years to come.

**DENTSU CREATIVE**

Branded Content and Partnerships

The goal of Dentsu Creative's Branded Content and Partnerships team is to increase brand visibility through innovative content strategy. This is accomplished through data-driven insights, in-depth media knowledge, and creative sensibilities. Growth prospects for the BC&P team come from content strategy and consultation, which are followed by the ideation and creation of new properties that are brand-safe, enhance brand vision, and add value. The team eventually concentrates on creating end-to-end experiences that will assist in achieving brand objectives through content. Our experience can be used to a variety of media, including podcasts, partnerships with OTT shows and web series, influencer and creator collaborations, and more.

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Client testimonials



Dentsu Creative has done exceptional work for the influencer strategy and activation of various campaigns of MG Motor. I have had the pleasure of collaborating with Dentsu Creative on several projects, and I am consistently impressed by their professionalism, creativity, and ability to deliver outstanding results. Dentsu Creative possesses an in-depth understanding of the influencer landscape and has a proven track record of developing successful influencer strategies for a diverse range of brands and industries. Their team of experts demonstrates a keen eye for identifying relevant influencers who align perfectly with the brand's values and target audience. Their approach is both data-driven and strategic, ensuring that the chosen influencers have the necessary reach, engagement, and authenticity to effectively amplify a brand's message. I look forward to working with them on future projects and driving incremental growth to the success of the brand.

Pahal Nopany, MG Motors



It has been a great experience while working with Dentsu Creative. They have been able to convert our brief into amazing content ideas by their profound understanding of content production and how it should be distributed to maximize the impact. Some of the content pieces which we did with Isobar has not only been amazing in terms of the content quality but has also resulted in great ROI. Specially their client relationship management - they have been able to accommodate our flexible requirement and been able to convey our thoughts/feedback to creators. Looking forward to working with them in upcoming quarters as they keep coming back with kickass ideas.

Anshuman Agrahari, upGrad

Research
Methodology

A quantitative survey was conducted among a sample size of 311 respondents across age groups, gender, and cities using stratified random sampling to gather the required data. In addition, qualitative interviews were conducted with consumers across demography and geography.

Boomlet conducted survey with a sample size of 100 influencers and 40 clients.

Research period: January 2023

This research report is a collaborative effort by the teams from Recogn at dentsu India, Boomlet, and Digital Behaviour Initiative at IIT Delhi and Payel C. Mukherjee at IIT-Delhi.

Design Synopsis

The design concept for this report stems from the idea of using animal traits minimally to create unique, striking yet familiar visuals that showcase the vivid world of influencer marketing. By incorporating Generative AI tools such as MidJourney, we were able to explore a wide gamut of interesting possibilities.

For the visual representation of data, we strove to create and lead with aesthetics that are both pleasing and functionally effective. This allows readers to engage with the data in a more meaningful and creative way.

Research Methodology



Team for the report

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About Recogn

Recogn, the research-based consulting division of dentsu India, has complemented the agency's knowledge of digital media over a period of 10 years with the understanding of digital audiences. Recogn provides marketers with deeper insights into the minds of consumers and helps create more focused marketing strategies. Recogn provides end-to-end research services, including customized primary research into the domains of marketing strategy, brand strategy, and product and communication strategies, among others.

About Dentsu International

Part of Dentsu Group, Dentsu International is a network designed for what's next, helping clients predict and plan for disruptive future opportunities and create new paths to growth in the sustainable economy. Dentsu delivers people-focused solutions and services to drive better business and societal outcomes. This is delivered through five global leadership brands - Carat, Dentsu Creative, dentsu X, iProspect, and Merkle, each with deep specialisms. Dentsu International's radically collaborative team of diverse creators unifies people, clients, and capabilities through horizontal creativity to help clients create culture, change society, and invent the future. Powered by 100% renewable energy, Dentsu International operates in over 145 markets worldwide with more than 48,000 dedicated specialists. The network partners with 91 of the top 100 global advertisers.

www.dentsu.com

Boomlet

Influencer Marketing has picked up in recent times and has proven to be a strengthened media tool in order to connect Brands with their audiences. We at Boomlet Media, work towards re-defining the approach under which conceptualize, ideate & achieve the brand's desirable goal on the basis of the ideal strategy that serves relevance to help resonate with both the Brand and its varied target audience.

We provide end to end solution, data analysis with unique strategy. Influencers can influence the decision of hundreds and thousands of people around the globe but choosing the right influencer to your brand is where Boomlet Media stands the best. Our tools and analysis reports helps the brand to exactly understand their valuable investment and their fruitful achievements.

www.boomlet.co

Digital Behaviour Initiative at IIT Delhi

Digital Behavior Initiative at IIT Delhi aims to work as a non-partisan, academic research-based information tank in India that engages and informs the public about key aspects of human behavior or cognition in the digital world. The initiative and this report were made in collaboration with Dr. Sumitava Mukherjee at IIT Delhi and Dr. Payel C Mukherjee at IIT- Delhi.

www.digitalbehavior.iitd.ac.in



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