The Impact of Social Media Influencers on Consumer Behavior and Strategic Business Applications

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Abstract: Nowadays, social media influencers not only have a more prevalent presence on social media platforms but also have become one of the most significant marketing tools for businesses to promote their products and services, raise brand awareness, and build brand loyalty. This article aims to investigate the mechanisms behind social media influencers' potential and understand how they can impact consumer behavior based on existing academic research. The article reviews several factors of social media influencers and their association with consumer behavior, including influencers' utterances, the precision of reached consumers, and the personalities and credibility of influencers. It synthesizes existing research to analyze how influencers drive sales and enhance brand awareness, loyalty, and product engagement by encouraging audience interaction. By examining each factor and its impact, this article offers strategic insights for businesses aiming to leverage influencer marketing, emphasizing the importance of authenticity and the alignment between influencers' images and the products they promote.

Keywords: Influencer marketing, consumer behavior, purchasing intent, product engagement, source credibility

1. Introduction

In this era of Internet flourishing, social media is changing dramatically each day. Not merely as a platform to share posts and contact friends, social media has also become a significant and efficient marketing tool for businesses and firms to advertise their products, targeting and attracting customers. Social media is powerful, as it can assist marketers in quickly and effectively finding and matching their target customers, displaying advertisements, and bringing attention to their products. In using social media for marketing and advertising, influencers play a crucial role in reaching a wide range of potential customers and have a catalytic effect on product promotion. Social media influencers may not be well-known celebrities, but most of them have formed close relationships with their audiences, who are passionate and devoted supporters of the influencers [1]. According to the statistics, one of China's top social media influencers has reached an alarming figure of more than 7 billion sales in a single night during last year's Double 11 event (Chinese e-commerce promotion day) on his live stream channel. It can be seen that there is a vast potential for influencers' demagogical capacity -- they have "a favorable effect on consumer behavior, increasing engagement rates and purchase decisions" [2].

Existing research indicates that influencers play a crucial role in shaping consumers' buying choices, increasing their possibility of purchasing a product recommended by influencers. Lim, Radzol, Cheah, and Wong investigate that advertisement outcomes will be significantly strengthened if social media influencers and the product are a perfect match, and these influencers have the power to change consumer attitudes, preferences, and, ultimately, their desire to buy [3]. Another research states that people are greatly influenced by the opinions and experiences of other people when purchasing online, which might trigger impulse purchases [2]. Consumers' preferences for influencers also have an impact on purchase intent. Lim, Radzol, Cheah, and Wong indicated that participants who had a favorable opinion of social media influencers typically planned to buy the products that the influencers recommended [3]. Many scholars analyze consumer behavior based on the Stimulus – Organism – Response (SOR) Model, explaining the effects of influencers on consumers from the theory of environmental stimuli and customers' perceived value [4]. Social media influencers have impacted consumer behavior in multiple ways, particularly having a strong connection with consumers' purchasing intentions. By understanding and utilizing the mechanisms of such associations, social media and influencers can become necessary means for businesses to market their products.

This study aims to investigate and summarize the existing research on how social media influencers affect consumer behavior. By integrating and analyzing these research findings, some particular patterns among influencers with robust marketing prowess can be identified, hence providing some influencer marketing strategies for businesses and companies to enhance their product promotion.

2. Theoretical Background and Influencers Marketing

2.1. Influencers Marketing

Influencers are individuals with significant online followings who utilize their platform to advocate for enterprises' products and services, and influencer marketing involves companies collaborating with famous figures on social media to advertise their products or services [2]. Many companies now would be willing to invest a large portion of capital in social media marketing and using influencers to promote products. Such a trend of the prevalence of using influencers to advertise occurs not only because influences could bring instant great sales but also because they can keep attracting more users to explore, interact, and engage with the brand, attaining more potential customers.

Influencer marketing can take various forms, each tailored to different goals, audiences, and platforms. In China, where the express delivery industry is highly developed, one of the most popular means of social media marketing among businesses is cooperating with influencers and bringing their products to their live stream channel on social media or online shopping platforms like Chinese TikTok and Taobao. For other social platforms like Instagram and Facebook, forms of influencer marketing include content creation, such as product unpacking video and product placement, providing a unique discount code for consumers who are fans of the influencer, and collaborating with influencers to create a product or collection. Businesses and firms can leverage influencers' existing follower bases as their target customers through these various methods. Another advantage of using influencer marketing on social media platforms is that it allows companies to target audiences precisely based on their preferences and settings. For example, social media platforms know some essential demographic information of users, which assists companies in selecting and collaborating with the most matching influencers whose followers align with their target customers.

2.2. The S-O-R Theory and the Influencer Marketing

The stimulus-organism-response (SOR) model describes how a person's environment affects their perception and actions. Environmental factors are seen as stimuli (S) that influence people's emotions, or the organisms (O), which leads to the behavioral response (R) [5]. Many scholars have found a link between the SOR theory, social media influencers, and consumer behavior. For instance, Park and Lin investigated that influencers' attractiveness, which served as one of the external stimuli, can boost the endorsement impact for both traditional marketing and social media commerce [6]. Le, Wu, Liao, and Phung suggest that intrinsic motivation, such as a pleasant shopping experience, significantly impacts customers' hedonic value while shopping online [7].

The SOR model plays a crucial role in analyzing influencer marketing by examining how consumers' cognitive and emotional states (O) can be affected by external stimuli (S) generated by influencers, thereby leading to specific responses (R), such as purchasing decisions or brand engagement. In the context of influencer marketing, the external stimulus could be the engaging content produced by influencers or the brand interactivity [8]. It could also be the source attractiveness of the influencers, such as their appearances, personalities, and talents [6]. The organism could be the influence on consumer engagement, and the response could be behaviors like purchasing, being interested in a brand, or interacting with the content [8]. This model can assist marketers in understanding how influencer marketing affects psychological processes and how those processes influence consumer behavior.

3. The Impact of Social Media Influencer on Consumer Behavior

According to the previous studies, influencers generally have a positive effect on consumer behavior, increasing the probability of purchasing the goods and services they collaborated with the company [2]. Influencers' reviews and comments on a product often serve as external stimuli that directly encourage audiences to purchase. The reviews and comments can appear in formats of words, pictures, or videos posted by the influencers. One of the studies reveals that potential buyers often actively read information about the product on the Internet, including reviews and feedback from other customers or influencers and influencers' recommendations, as they seek additional insights from individuals who have purchased and used the products they are considering [9]. Since potential customers do not have personal experiences with the product, the usage experiences of others have become one of their essential criteria for making purchase decisions. This is significant because customers tend to believe reviews and comments are more trustworthy than other forms of advertising due to their authenticity and uniqueness. Influencers' reviews and comments also contribute to raising brand awareness since many individuals pay close attention to influencers' opinions, which can aid a brand in establishing connections with potential customers [9]. In this way, customers become more likely to recall or recognize brands in different situations, hence accumulating more potential customers and promoting sales. Influencers' comments and reviews act as external stimuli, which affect consumers' cognitive states, causing them to perceive the products as more valuable and of good quality, thus triggering a response of purchasing intent. Users' engagement with influencers' positive reviews and comments of the products they are considering purchasing stimulates their purchasing intent and deepens their impression of a brand.

Influencers also help customers build brand loyalty and product engagement as they communicate to a niche segment [3]. This specificity enables influencers to create content that generates profound resonance with a particular audience, constructing a sense of trustworthiness with a brand. Unlike celebrities who might attract a broad range of audiences interested in various topics, influencers often have a group of followers with well-defined and shared interests and values. This focused approach means that when influencers recommend a product or service, their followers tend to perceive it as a

personalized and credible suggestion. Influencers' posts facilitate interaction through comments and shares and dynamic content like live streams, making their recommendations feel akin to advice from a trusted friend rather than a standard advertisement. This interactive approach enhances the personal connection between influencers and their audience, and such personalized interaction helps customers build a robust and loyal relationship with the brand, encouraging continuing engagement with the product and purchasing intent.

Other studies show that consumers often see influencers as a credible source of information compared to traditional advertisements but a less reliable source than Key Opinion Leaders (KOLs). Consumers trust influencers more than brands because they engage with their audience directly [10]. Influencers often share their personal stories, experiences, and thoughts about the products or services they promote. This direct way of communication makes the audience feel more genuine compared to the well-designed and crafted traditional advertisements. Influencers typically use social media platforms to present how they use the products in their daily life, providing potential customers with a real-world context that may be more compelling and persuasive. Despite the authenticity of personal recommendations, some consumers are skeptical about the depth of influencers' knowledge regarding the products they promote. In a study by Lim, Radzol, Cheah, and Wong, the hypothesis that the source's credibility positively affects the intention to purchase has been rejected, and the main reason is the lack of expertise and knowledge about the product they promote [3]. Unlike KOLs, who are often recognized for their expertise in their domain field, influencers may be perceived as general salespersons who lack specialized understanding. This skepticism may originate from the belief that influencers might prioritize their own interests and product promotion, just like traditional advertisements, instead of expert product analysis because customers understand that the recommendation of products and services by influencers are hidden advertisements [9]. While it is true that some influencers may not project a professional image, a significant number of consumers still find their content credible, mainly when it includes genuine feedback on product experiences. This authenticity enhances customer trust, affirming that influencer marketing remains a potent strategy.

Furthermore, numerous studies support the idea that endorsements by favored influencers can significantly drive sales. In other words, consumers' preferences toward influencers significantly impact their purchasing decisions. One research finds that consumer attitude is an essential factor in determining the fit between a product, a celebrity, and the buying intent for an advertised product [3]. When consumers possess a favorable attitude toward the celebrity, their trust in the endorsement increases, therefore enhancing their intent to purchase the advertised product. This phenomenon can be explained by consumers' trust and admiration for their favored figures, making their recommendations highly impactful. Essentially, if consumers have a positive attitude toward a particular celebrity, they are more likely to be persuaded to buy products or services they promote. Like celebrities, influencers are often seen as aspirational figures by a particular group of followers. When these people recommend a product, the followers consider it not only a purchasing suggestion but also an opportunity to get closer or align with the quality of life of those they admire. This psychological connection can make influencers' product promotion incredibly powerful.

Besides, influencer marketing can help a new business grow and expand its popularity because influencers' posts and videos increase its exposure to the public. Research finds that social media users tend to discover a new brand through influencers' recommendations [2]. Users also periodically search for the products promoted by influencers actively on the Internet [11]. This general pattern found in social media users can increase the number of page views of the product as well as the brand, which is beneficial to the popularization of the business. Thousands of users can share, like, and comment on a single post or video, expanding a new brand's reach even far beyond the influencer's original audience. This exponential spread of content helps new businesses gain visibility and

credibility at an accelerated rate, contributing to their growth and popularity in a competitive marketplace.

4.   Influencers Marketing Suggestion

As shown in the previous section, influencer marketing can bring significant benefits to product promotion, brand awareness, brand loyalty, and customer engagement. Through synthesizing current research on influencers' effects on consumer behavior, consistent traits of influential influencers can be identified. The analysis suggests that selecting influencers with high credibility is paramount. Their trustworthiness and expertise significantly sway consumer purchasing choices. Marketers should evaluate an influencer's credibility based on their domain knowledge, authenticity of past content, and public perception of their behavior. Such a rigorous selection process ensures that an influencer's endorsement will effectively resonate with and influence the target audience's buying behavior, leveraging their authority to enhance brand trust and consumer engagement. Businesses can improve the perceived credibility of influencers by equipping them with detailed product knowledge and encouraging them to incorporate this information into their promotional content, helping them project an image of authority.

Selecting influencers whose personal brand aligns with the product or brand image is crucial for enhancing advertising effectiveness. The study by Lim, Radzol, Cheah, and Wong underscores the importance of this alignment, showing that a strong match between influencers and the product can significantly boost advertising results. For instance, a cosmetic company aiming to promote an organic lipstick line would benefit from partnering with influencers who advocate for environmental care and skincare health. This strategic alignment ensures that the influencer's endorsement is authentic and resonates with their audience, making the promotion more persuasive and compelling. This approach not only enhances the credibility of the promotional message but also taps into the influencer's existing audience, who are likely more receptive to products that reflect their values and interests.

Notably, micro-influencers (influencers with fewer followers) can reach a more specific audience than macro-influencers. This precision in targeting stems from micro-influencers capacity to engage with focused, niche segments closely aligned with their expertise and followers' interests. Micro-influencers typically foster a closer relationship with their audience, leading to higher engagement rates in terms of likes, comments, and shares. Meanwhile, audiences often perceive micro-influencers as more credible and trustworthy since influencers are seen as peers rather than distant celebrities. Thus, for firms aiming to maximize targeting accuracy and efficiency, prioritizing influencers with a smaller, more engaged follower base is advisable.

5.   Conclusion

In conclusion, the impact of social media influencers on consumer behavior is significant as it effectively increases consumers' purchasing intent. This article synthesizes and analyzes the existing research about how influencers shape customers' purchasing decisions through their credible, interactive content. Comments and reviews made by influencers directly drive consumers to purchase because they are personal experiences perceived as trustworthy by users, and they also help raise brand awareness. Influencers foster brand loyalty and engagement by targeting niche audiences and offering recommendations that feel like personalized advice from a trusted friend, thus encouraging continued interaction and purchase intent. Other studies show consumers view influencers as more credible than traditional ads but less so than Key Opinion Leaders (KOLs). Besides, consumers' perception and preference toward the influencer primarily impact their purchasing attitude, with a

positive attitude towards the influencer boosting trust in their recommendations and enhancing the intent to purchase.

Furthermore, users tend to actively discover a brand through influencers' recommendations, which help businesses expand their popularity. Influencers directly promote sales and help raise brand awareness, brand loyalty, and product engagement by making users comment, share, and actively discover the brand. The study has highlighted micro-influencers effectiveness in reaching niche markets and generating high engagement rates, often surpassing the influence of macro-influencers and traditional advertising. Businesses looking to leverage influencer marketing must carefully consider the match between the influencer's image and the product, ensuring authenticity and credibility in promotion. The insights gathered here provide a roadmap for companies to harness the power of influencer marketing, suggesting a more personalized way to captivate the target audience, ultimately driving sales and fostering brand loyalty. While this study offers an in-depth analysis of the impact of social media influencer marketing, its objective limitations include a restricted sample selection and research scope. The sample size of the existing studies on which this paper is based is small. Future research could expand the scope of the investigation, collect data from a larger sample, and conduct long-term studies of the evolution of consumer psychological dynamics to enrich the understanding of this area.

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