Influencer Marketing: Assessing Effectiveness and Exploring Potential Drawbacks in Advertising Strategies

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Abstract. This paper delves into the realm of influencer marketing, exploring its multifaceted impact on consumer behavior and its implications for brand strategies. The study elucidates the distinctive role of influencers in modern advertising, where relatability and authenticity create parasocial relationships, transforming influencers into trusted sources of information akin to friends. Through an in-depth analysis of challenges and benefits, the paper highlights the ethical concern of transparency in endorsements, underscoring the erosion of trust and credibility when sponsored content lacks clear disclosure. On a positive note, the study reveals how influencer marketing leverages relatability to enhance brand awareness, foster emotional connections, and drive consumer loyalty. The research offers strategic recommendations to enhance the effectiveness of influencer marketing, urging brands to align with influencer personas, prioritize long-term collaborations, and promote ethical advertising practices. The paper also underscores the significance of this research in guiding responsible and effective influencer marketing practices, bridging the gap between industry stakeholders and academic insights.

Keywords: Influencer Marketing, Transparency, Authenticity, Consumer Behavior, Brand Strategy.

1. Introduction

In recent years, social media’s prevalence has transformed how consumers interact with brands and make purchase decisions. Social media platforms have become essential channels for advertising and brand promotion, with businesses striving to engage their target audiences effectively. In this context, social media influencers have emerged as influential figures with the ability to impact consumer behavior significantly. According to The Influencer Marketing Benchmark Report 2023, the utilization of social media influencers in advertising has experienced remarkable growth, witnessing a surge in brand partnerships and influencer campaigns. Starting at a modest $1.7 billion in 2016, influencer marketing expanded exponentially to a staggering estimated market size of $16.4 billion in 2022. The industry is projected to further soar by 29%, reaching an estimated $21.1 billion in 2023 [1]. Brands across various industries allocate substantial budgets collaborating with influencers, recognizing the potential benefits of reaching niche and engaged audiences [2].

The surge in influencer marketing adoption raises several crucial questions regarding its effectiveness and potential drawbacks. Understanding the impact of influencer marketing is vital for businesses and marketers who want to optimize their advertising strategies [3]. Moreover, as influencer marketing plays an increasingly significant role in shaping consumer decisions, evaluating its commercial and societal implications is imperative. This research topic holds both commercial and social value. From a commercial standpoint, businesses invest substantial resources in influencer marketing campaigns to generate brand awareness, boost sales, and strengthen brand loyalty. Examining the effectiveness of these campaigns allows companies to make informed decisions about their marketing investments and tailor their approaches to achieve better outcomes. From a societal perspective, influencer marketing raises ethical concerns and issues related to consumer trust [4]. Consumers may be vulnerable to manipulation, especially when influencers do not disclose their partnerships or engage in deceptive practices. Investigating potential drawbacks helps identify areas where regulation and ethical guidelines can be established to protect consumers and maintain the integrity of advertising practices. Overall, this research topic is significant due to the rapid growth of influencer marketing and its profound impact on consumer behavior, brand perception, and the
advertising landscape. By delving into the effectiveness and potential drawbacks, this study aims to provide valuable insights for businesses, marketers, policymakers, and consumers, contributing to the responsible and ethical evolution of influencer marketing practices in the modern digital era.

2. Literature Review

Several studies have shed light on its effectiveness and potential implications in influencer marketing. One study by Jin et al. delved into the effectiveness of Instagram influencer-based branding as a marketing strategy for luxury brands [5]. The principal outcome of this study underscored that Instagram influencer marketing emerges as a potent strategy for branding, especially within the luxury domain. The research spotlights the effectiveness of harnessing Instagram influencers within branding initiatives and emphasizes the substantial role of social media as a wellspring of information and motivation for marketing strategizing. Another scholarly inquiry by Lou and Yuan concentrated on the trust consumers place in the effectiveness of influencer marketing [6]. Their investigation divulged persuasive insights, revealing that the instructive quality of influencer-generated posts and specific aspects of influencer credibility exert a positive influence on followers’ reliance on influencer-produced branded content. As a consequence, this reliance assumes a central position in shaping brand recognition and purchase inclinations. These findings accentuate the significance of corporations meticulously selecting influencers whose content resonates profoundly with their audience. Huddersa and Lou delved into the potential disadvantages of influencer marketing [7]. Ethical apprehensions arise within influencer marketing, including the promotion of unhealthy foods to children and the portrayal of idealized body ideals by fitness influencers. Furthermore, the absence of transparency and adequate declaration of sponsored content remains a noteworthy concern, giving rise to doubt among followers and potential impairment to influencers’ credibility and assessments of their brand associations.

While existing literature has extensively investigated the positive impacts of influencer marketing on brand awareness, engagement, and consumer behavior, there remains a critical research gap concerning its potential drawbacks and ethical considerations. The scarcity of research in this area underscores the need for a comprehensive understanding of the potential negative consequences of influencer marketing. The study aims to bridge the research gap by conducting a comprehensive investigation into both the effectiveness and potential drawbacks of influencer marketing. Drawing insights from existing literature, this endeavor offers valuable guidance for marketers, businesses, and policymakers in navigating influencer marketing responsibly and ethically. Addressing the positive and negative aspects of this advertising strategy can foster a more well-rounded and informed understanding of influencer marketing’s impact on consumers and brands. This study aims to assess the effectiveness of influencer marketing and explore its potential drawbacks in advertising strategies. To achieve this, the research will follow a logical progression. Firstly, the effectiveness of influencer marketing will be examined by analyzing existing literature and empirical studies that highlight its positive impacts on brand awareness, engagement, and consumer behavior. Secondly, the focus will shift to potential drawbacks and ethical concerns related to influencer marketing, drawing insights from relevant studies like Huddersa and Lou. Through a thorough analysis of both favorable and unfavorable facets, this study provides a holistic comprehension of the overarching influence of influencer marketing on both consumers and brands.

3. Method

This research will employ a literature research and analysis method to examine the effectiveness of influencer marketing and explore potential drawbacks in advertising strategies. Secondary materials, including academic journals, theses, industrial reports, and reputable websites, will be utilized to gather relevant information. A systematic approach will be employed to identify and review studies that address both the positive impacts and potential drawbacks of influencer marketing.
The research will comprehensively analyze empirical evidence, findings, and insights presented in these sources. This approach aims to provide a well-rounded perspective by synthesizing information from a diverse range of secondary materials. The use of secondary materials ensures the incorporation of well-established research, allowing for a rigorous examination of the research questions and formulating well-informed conclusions.

4. Result

4.1. Effectiveness of Influencer Marketing

4.1.1 Measuring Brand Awareness and Reach

As an innovative promotional approach, influencer marketing capitalizes on social media personalities’ established online presence and influence. Through strategic partnerships with influencers, brands can tap into their extensive follower base, effectively extending their reach to a wider and often more targeted audience. This phenomenon is particularly evident in the seamless integration of brands within influencers’ content, where products and services organically find their place within the influencer’s lifestyle, experiences, or narratives. An illustrative instance took place in 2019 when Gucci, the well-known Italian fashion label, utilized influencer marketing to enhance the launch of their latest perfume line, Gucci Bloom. Gucci collaborated with 23 influencers on Instagram to craft imaginative materials that artistically encapsulated the floral nature linked with the fragrance. This effort resulted in noteworthy recognition, producing 135 unique content items that, as a whole, reached nearly 750,000 followers. Furthermore, specific content pieces were integrated into Gucci’s official website and Facebook channel [8].

The effectiveness of influencer marketing in significantly elevating brand awareness and expanding reach among consumers rests upon 3 key factors: targeted audiences, platform, content diversification, and the potential for virality and shareability. Firstly, influencers have the ability to reach specific niches and demographics, allowing brands to reach precisely the audience they intend to target. Marketers can ensure their message resonates with the right people by selecting influencers whose follower base aligns with the brand’s ideal customer profile [9]. For example, a fitness brand could partner with fitness influencers for workout content, beauty influencers for skincare tips, and food influencers for healthy recipes. This targeted approach minimizes the wastage of resources and maximizes the impact of the marketing campaign. As a result, brand messages are more likely to be relevant and generate engagement from an interested and receptive audience. By harnessing the synergy between influencers and their target audiences, influencer marketing creates a powerful symbiotic relationship that enables brands to penetrate new audience segments, drive brand awareness, and maximize their reach in a way that resonates effectively. Secondly, diversifying content and platforms within influencer marketing is a strategic approach to enhance brand awareness and extend reach significantly. This multifaceted approach taps into audiences’ varied preferences and habits across different platforms, maximizing the impact of influencer collaboration [8]. For instance, audiences may turn to Instagram for visual inspiration, YouTube for in-depth tutorials, and Twitter for real-time updates. By tailoring content to fit user behavior patterns, brands can seamlessly integrate their message into users’ daily routines, enhancing the likelihood of exposure and engagement. Finally, influencer-generated content often has a higher potential to go viral and be shared across social media platforms. Influencers have built loyal communities likely to engage with, comment on, and share their posts. A captivating campaign endorsed by influencers can quickly gain traction as followers share the content with their networks. This organic sharing increases the content’s reach beyond the influencer’s immediate followers, leading to exponential exposure. The viral nature of influencer marketing extends the brand’s visibility to audiences that might not have been reached through traditional marketing channels. Additionally, the shareable content contributes to user-generated buzz and discussions, further enhancing brand awareness.
4.1.2 Assessing Impact on Consumer Behavior and Purchasing Decisions

Influencer marketing notably influences consumer behavior and purchasing decisions through 2 key mechanisms. Firstly, followers often perceive influencers as relatable and trustworthy figures. According to the survey by Matter findings, 69% of consumers trust recommendations from family members, friends, or influencers online, while only 31% trust recommendations directly from brands. This preference can be attributed to consumers increasingly perceiving influencers as valuable educational resources, offering various content such as recipes, tutorials, engaging narratives, and image-based posts accompanied by informative captions [10]. Consequently, influencers seamlessly assume the role of “friends” who furnish customers with valuable insights, transcending mere brand promoters. As consumers habitually turn to influencers for guidance prior to making decisions, it inevitably leads to the incorporation of influencer-presented advertisements. Moreover, influencer-generated content often provides an immersive and personalized experience for consumers. Influencers integrate products into their daily lives, showcasing them in authentic and relatable contexts. This narrative-driven approach enables consumers to envision themselves using the product, thus fostering a stronger emotional connection and desire to own it. Such content can create a parasocial relationship where consumers develop a sense of connection and identification with the influencer, further influencing their purchasing behavior [11]. By displaying attributes such as expertise, trustworthiness, attractiveness, and similarity to their audience, influencers tend to exert a positive impact on consumer perceptions and purchase intentions [12]. This highlights the significant role played by influencer genuineness and relatability in molding consumer decisions. Furthermore, the portrayal of an influencer's lifestyle, values, and affiliations with brands serves as a link connecting influencer traits with the desire to make a purchase [12]. This accentuates the intermediary function of character depictions in bridging influencer attributes and the intention to buy. This suggests that how influencers present themselves and align with specific brands or products can further enhance their persuasive power and drive consumers toward purchasing. Secondly, influencer marketing leverages the power of social proof. When consumers observe their favorite influencers using and endorsing a particular product or service, it creates a perception of popularity and acceptance. This can trigger a psychological phenomenon known as the “bandwagon effect,” where individuals are inclined to follow trends and align themselves with what seems to be the prevailing choice. Social cues presented by influencers, such as the number of followers, likes, comments, and shares, can trigger the bandwagon effect among consumers [13]. People perceive a product as superior or more reliable because a renowned influencer endorses it. As a result, they tend to go along with the crowd and make purchases due to the influencer’s fame. When social cues indicate a substantial following and interaction with the influencer, it contributes to creating the bandwagon effect, influencing consumer behavior and purchasing decision.

4.2. Potential Drawbacks of Influencer Marketing

4.2.1 Lack of Transparency and Authenticity

Influencers occupy a distinctive role in marketing endeavors, setting them apart from traditional advertisements that are overtly presented to consumers. Influencers assume the role of “friends” to consumers, seamlessly integrating endorsements into tutorials, captivating stories, and other engaging formats. This strategic approach aims to cultivate an authentic and emotionally resonant connection with consumers, similar to interpersonal relationships. Such connections are established through accumulating memories, emotions, personal narratives, and expectations, all anchored in the audience’s perception of the influencer’s genuine identity [14]. However, this expanded role of influencers beyond mere product promoters raises ethical concerns regarding potential conflicts of interest arising from their affiliations with brands. For instance, the absence of transparent disclosure raises a significant concern. Consumers might unknowingly interpret these endorsements as authentic recommendations, undermining the credibility of the influencer and the brand they endorse. While it is the influencer’s responsibility to disclose when they are promoting a certain product, sponsored content achieves greater success and persuasion when audiences do not view it as an advertisement.
[14]. Consequently, a critical issue arises due to the lack of transparency surrounding sponsorships and promotional associations. This discrepancy places influencers in a delicate position, torn between satisfying advertisers’ expectations and maintaining their commitment to their audience’s interests [7]. Many influencers neglect to adequately reveal their affiliations with brands, leaving their audiences unaware of the underlying promotional nature of the content they engage with. Inauthentic endorsements pose a significant challenge to consumers’ trust in influencer recommendations. When influencers promote products solely for financial gain without a genuine affinity for the offerings, their endorsements appear disingenuous and insincere. Such inauthenticity not only diminishes followers’ trust in the influencer but can cast a shadow of doubt over the endorsed brand. Consumers are becoming increasingly discerning and can easily detect when an influencer’s enthusiasm for a product is forced. Brands risk alienating their target audience and tarnishing their brand reputation when embarking on partnerships with influencers that lack authenticity.

4.2.2 Negative Effects on Consumer Behavior

Within this section, the exploration delves into the adverse repercussions on consumer behavior from two distinct angles. Firstly, an examination of the psychological ramifications of FoMO (Fear of Missing Out) within influencer marketing will be examined, exploring its potential to stimulate impulse buying tendencies and encourage excessive spending among customers. Secondly, an analysis will be performed on the plausible adverse consequences arising from influencer content, particularly concerning vulnerable audiences like children and teenagers.

The psychological phenomenon of FoMO, or Fear of Missing Out, plays a pivotal role in influencer marketing’s negative effects on consumer behavior. FoMO is essentially characterized by two primary components: first, the apprehension that others are engaging in enjoyable experiences from which one is absent, and second, the persistent desire to maintain connections with individuals in one’s social network [15]. The emergence of FoMO is closely linked to the intricate relationship between this phenomenon and individuals’ fundamental psychological needs, particularly those related to a sense of belonging, competence, and autonomy. When these innate needs remain unfulfilled, individuals are often propelled to seek fulfillment through interactions on social media platforms [16]. In influencer marketing, FoMO is strategically exploited to drive engagement, brand awareness, and purchasing decisions. Influencers often curate content that portrays their lifestyles as exciting and desirable, making followers feel that they are missing out on something valuable if they don’t engage with the promoted products or services. The study done by Dinh and Lee shows a strong correlation between FoMO and consumers’ buying intentions for products endorsed by social media influencers [17]. The allure of being part of the influencer’s lifestyle, coupled with the fear of being left out, leads consumers to perceive these endorsed products as a means of gaining access to the latest trends and experiences. In addition, consumers often perceive the endorsed products as a way to enhance their self-image, boost their social status, and align themselves with the influencer’s perceived lifestyle. This desire for self-enhancement becomes a driving force behind their buying intentions, as they believe that owning the endorsed products will contribute to their sense of identity and belonging [17]. This sense of missing out triggers emotional responses and compels individuals to take action to avoid being left behind. By showcasing exclusive experiences, limited-time offers, or products touted as “must-haves,” influencers create a sense of urgency that compels consumers to act quickly. This psychological pressure can result in impulse buying, overspending, and dissatisfaction if expectations fail to meet reality. For instance, brands and influencers must grapple with the ethical implications of capitalizing on FoMO, especially when it has adverse financial and emotional consequences for consumers.

Influencer marketing’s impact extends beyond consumer behavior, reaching vulnerable audiences such as children and teenagers. A survey conducted by Common Sense in 2021 revealed that 38% of tweens (aged 8 to 12) and 84% of teens (aged 13 to 18) reported using social media [18]. The surge in young users has led to a significant increase in the exposure of these demographics to influencer marketing. Influencers portray an idealized and aspirational lifestyle, which can strongly influence younger individuals who may not possess well-developed advertising literacy [7]. Despite being
perceived as friends or peers, the covert nature of influencer marketing makes it challenging for children to recognize it as advertising, thus reducing their ability to resist its persuasive tactics. The emulation of influencers’ preferences, behaviors, and consumption patterns among these demographics can lead to overspending, body image issues, and an unrealistic perception of reality. A study conducted by Choate and Hardman focusing on influencer marketing’s impact on children’s food intake revealed that influencer marketing of unhealthy foods significantly increased children’s food consumption, while exposure to influencers featuring healthy foods had a minimal impact on intake [19]. This finding underscores the potential adverse effects of influencer content, especially when promoting unhealthy food products to young audiences. Vulnerable groups like children and teenagers are more susceptible to the persuasive tactics employed by influencers, which can shape their dietary choices and consumption behaviors. Consequently, it underscores the importance of responsible and ethical influencer marketing practices, particularly when targeting younger audiences. There is a need for regulations and guidelines to ensure that influencer content does not harm or exploit vulnerable groups and that influencers and brands are held accountable for the messages and products they endorse. The ethical obligation of brands and influencers to ensure that their content does not have detrimental effects on these susceptible audiences is a crucial consideration within the influencer marketing landscape.

5. Discussion and Findings

As influencer marketing continues to gain prominence as a cutting-edge promotional strategy, its unique characteristics set it apart from traditional advertising methods. One of its standout features is the ability to establish a parasocial relationship with customers, transforming influencers into relatable friends and peers who provide recommendations rather than mere advertisements. This distinctive aspect exerts a significant influence on the effectiveness of marketing, encompassing both positive and negative dimensions. On the positive side, this approach has the potential to greatly enhance brand awareness, stimulate engagement, and cultivate a profound emotional bond with customers. Influencer marketing can drive consumer loyalty and elevate a brand’s visibility within its target audience by fostering a sense of familiarity and trust. However, this intimate connection between influencers and customers can also give rise to challenges, particularly in terms of transparency. The issue of insufficiently disclosed endorsements can lead to concerns about credibility and authenticity. In this context, maintaining the integrity of influencer-brand partnerships becomes crucial. Both influencers and brands are responsible for ensuring their collaborations are transparent and ethically sound. The authenticity and credibility of influencer endorsements play a pivotal role in shaping consumer perceptions and decisions. By actively addressing these challenges and upholding transparent practices, influencer marketing can harness its positive attributes while mitigating potential drawbacks, ultimately contributing to a more effective and responsible marketing landscape.

Furthermore, influencer marketing wields considerable sway over consumer behaviors and purchasing choices, encompassing both positive and negative aspects. From a positive standpoint, influencers, often trendsetters themselves, become aspirational figures to whom customers eagerly look for lifestyle inspiration, values, and affiliations. This dynamic can wield considerable influence, effectively swaying consumer decisions and augmenting the efficacy of advertising endeavors. Nonetheless, ethical dilemmas arise due to the contagious allure generated by influencers, potentially leading to impulsive purchases, body image concerns, and repercussions for younger demographics. These social quandaries impact customers and tarnish the reputation of associated brands if left unchecked. Consequently, meticulous attention must be devoted to these aspects while embracing influencer marketing. In conclusion, influencer marketing is dualistic, harboring both advantageous and adverse facets. At present, it is challenging to ascertain the prominence of one aspect over the other. The prudent course of action entails a strategic embrace of influencer marketing that mitigates
potential drawbacks. By adopting a balanced approach, businesses can harness the positive attributes of influencer marketing while proactively addressing its associated challenges.

6. Recommendations

6.1. Strategies to Enhance the Effectiveness of Influencer Marketing

To optimize the impact of influencer marketing, brands, and marketers should consider several strategic approaches. First and foremost, a thorough understanding of the target audience is crucial. Marketers can ensure that their message resonates with the right people by selecting influencers whose follower base aligns with the brand’s ideal customer profile. Collaborating with influencers who share similar values and aesthetics enhances the authenticity of the partnership and strengthens the emotional connection with the audience. Furthermore, diversification of content and platforms can amplify reach and engagement. Tailoring content to fit user behavior patterns across different platforms, such as visual inspiration on Instagram, in-depth YouTube tutorials, and real-time Twitter updates, maximizes exposure and engagement. Moreover, fostering long-term partnerships with influencers can yield sustained benefits, as ongoing collaborations build familiarity and trust among followers. Marketers should also embrace data analytics to measure the effectiveness of influencer campaigns, enabling continuous refinement of strategies based on real-time insights.

6.2. Guidelines for Ethical and Responsible Influencer Advertising

To ensure ethical and responsible influencer advertising, transparent disclosure practices should be a top priority. Clear and conspicuous labeling of sponsored content is essential to prevent confusion among consumers and uphold the credibility of both influencers and brands. Regulatory bodies and industry associations should collaborate to establish standardized disclosure guidelines that are easily understood by influencers and their followers. Additionally, influencers should prioritize their commitment to their audience’s interests over satisfying advertisers’ expectations. Authenticity and relatability are key to maintaining trust, and influencers should only promote products they genuinely support and believe in. Brands should exercise due diligence when selecting influencers, considering their reach and alignment with the brand’s values and target audience. Furthermore, campaigns targeting vulnerable demographics, such as children and teenagers, should be subject to heightened scrutiny and adhered to strict ethical standards to avoid harm or exploitation. Overall, influencer advertising should be underpinned by transparency, authenticity, and a genuine focus on providing value to consumers.

7. Conclusion

In conclusion, this study has shed light on several key findings that illuminate the intricate landscape of influencer marketing and its impact on consumer behavior. Through a comprehensive analysis of the challenges and benefits presented by influencer marketing, this research provides valuable insights for marketers, businesses, and policymakers seeking to navigate this dynamic terrain responsibly and effectively. The analysis of the problems associated with influencer marketing, particularly the lack of transparency and the potential negative effects on consumer behavior, underscores the need for ethical and responsible practices within the industry. The findings emphasize the importance of transparent disclosure of sponsored content and the ethical obligation of influencers and brands to prioritize the interests of consumers over commercial gains. The influence of influencer marketing on consumer behavior, both positive and negative, calls for a strategic and thoughtful approach to harnessing its potential while safeguarding against unintended consequences. The suggestions provided in this study aim to enhance the effectiveness of influencer marketing strategies. By aligning influencer partnerships with brand values and target audiences, fostering long-term collaborations, and embracing data-driven decision-making, businesses can leverage the relatability and authenticity inherent in influencer marketing to establish deeper connections with consumers.
Moreover, the emphasis on responsible advertising practices through transparent disclosure and ethical considerations serves as a guide for maintaining trust and credibility in influencer-brand relationships. The significance of this research extends beyond its academic implications, carrying substantial business value. The insights gained from this study can inform strategic decisions within the marketing industry, enabling businesses to navigate the evolving landscape of consumer engagement more effectively. By adopting the recommendations presented, companies can optimize their influencer marketing efforts, enhance brand-consumer relationships, and contribute to the growth and development of the industry as a whole. While this study has made valued contributions to understanding influencer marketing, it is important to acknowledge its limitations. The reliance on secondary data sources presents a potential constraint on the depth and scope of the analysis. Future studies could explore the use of primary data through surveys and interviews to provide a more comprehensive understanding of consumer perceptions, behaviors, and the nuanced dynamics between influencers and their audiences. In conclusion, this study serves as a stepping stone towards responsible and effective influencer marketing practices, offering a balanced perspective on its potential benefits and challenges. By embracing transparency, authenticity, and consumer-centric strategies, businesses can harness the power of influencer marketing to forge meaningful connections with consumers while mitigating the potential pitfalls. As the influencer marketing landscape continues to evolve, the insights from this research can guide industry stakeholders toward more informed and impactful decision-making.

References


