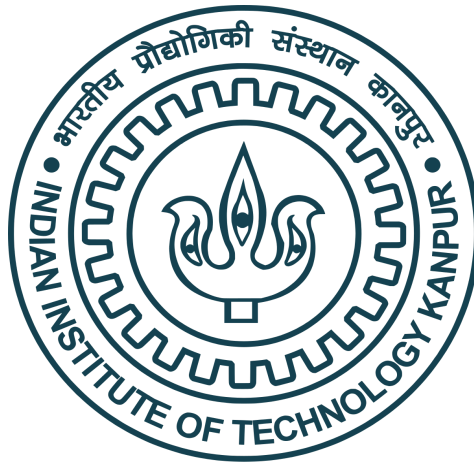# MBA633: Marketing Research

Group 10

Impact of Influencer Marketing on Personal Care Product Segment in India

Project Report

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1. Problem Definition

1.1 Background to the problem

Influencer marketing is taking up all across the globe, and there is a significant boom in India as well. It has become a significant strategy in the personal care product category in India, driven by rising digital penetration, evolving consumer behavior, and rising reliance on influencer endorsements. Influencer marketing in India reached **$153 million** in **2022** and was projected to rise to **$336 million** by **2026**, based on a **25% CAGR**, as per **Statista**. Personal care, comprising skincare, haircare, and cosmetics, is a large contributor, and most of it is moving online through Instagram, YouTube, and other upcoming short video platforms.

Consumers, particularly Gen Z and Millennials, trust influencers more than traditional advertising. As per a survey conducted by **Influencer Marketing Hub**, **67%** of Indian consumers rely on influencer recommendations prior to purchasing a personal care product. Furthermore, the growing demand for clean-label and organic customized skincare products has pushed brands to collaborate with influencers in order to gain credibility and engagement.

1.2 Statement of the problem

The aim of the project is to assess the impact of influencer marketing on the personal care product segment in India. This segment appears very pervasive, with influencers sharing their views on such products by 'trying them out.' The analysis of this segment is fascinating in seeing how the trust factor for a brand can be built or broken. Considering the rapid change that this landscape has undergone, our study will analyze the role of influencer marketing in molding consumer behavior, perception of brands, and their buying decisions pertaining to the personal care product segment in India.

2. Approach to the problem

Based on the marketing research problem identified above, the following research questions and respective hypotheses were developed:

RQ1: What type of influencers (micro, macro, celebrity) have the highest conversion rates for personal care brands in India?

H_{10}: Micro influencers are as effective as celebrity endorsement.

H_{11}: Celebrity endorsements outperform micro influencers.

Information needed: Data on repeat purchase behaviour for different categories of influencers

Analytical model to be used: Chi-Square Test

RQ2: How do different social media platforms (Instagram, YouTube, etc.) vary in their effectiveness for personal care influencer marketing?

H_{20}: All platforms are used equally for influencer marketing.

H_{21}: One platform is used more than others for influencer marketing.

Information needed: Engagement with influencer marketing on various social media platforms

Analytical model to be used: Chi-Square Test

RQ3: Is there a relationship between demographic characteristics and consumers' dependence on influencer endorsements for purchase decisions?

H_{30}: Demographic factors have no significant effect on the reliance on influencer recommendations for making a purchase.

H_{31}: Demographic factors have a significant effect on the reliance on influencer recommendations for making a purchase.

Information needed: Demographics and purchase behaviour data

Analytical model to be used: Regression

RQ4: What role does authenticity (e.g., sponsored vs. organic content) play in the effectiveness of influencer marketing for personal care products?

H_{40}: User perception for authentic as well as paid content is the same.

H_{41}: User perception for authentic and paid content is different.

Information needed: How do users perceive authentic vs paid content?

Analytical model to be used: Frequency

RQ5: Which factors influence consumer trust and brand perception in the personal care segment?

Information needed: Data for factors such as Product quality, Price, Peer recommendations, Brand reputation, Customer service

Analytical model to be used: Principal Component Analysis

RQ6: What are the key factors influencing consumer purchase decisions when exposed to influencer-promoted personal care products?

Information needed: Credibility of the influencer, Authenticity of the content, Product reviews and ratings, Personal relevance of the product, Peer recommendations

Analytical model to be used: Factor Analysis

3. Research Design

We began with exploratory research via ZMET and netnography. Based on the results obtained in the exploratory research, we then went ahead with the conclusive research, where we conducted a survey with a single cross-sectional design.

3.1 Exploratory Research

■ Secondary Data
■ Primary Data
- Netnography: Our primary source for netnography was Reddit. We surfed through various subreddits discussing influencer marketing and its impact on consumers and businesses from various perspectives. We found multiple subreddits that discussed our research questions in depth. The results have been included below.
- ZMET: We conducted a ZMET study with 3 respondents (Anjali, 27, Female; Shubham Aryan, 23, Male; Anshika, 22, Female) to explore perceptions of influencer marketing in India's personal care segment. Each participant collected relevant images over a week, which they then discussed in a roughly two-hour, one-on-one interview.
  The interviews followed the ZMET protocol:
    - Storytelling (explaining each image's relevance),
    - Missed Images (describing feelings or ideas not captured visually),
    - Construct Elicitation (exploring similarities/differences between images),
    - Laddering (probing functional and emotional benefits),
    - Sensory Images (associating impressions with senses),
    - Vignette (imagining a short movie about their experience), and
    - Summary Image (creating a composite image to represent their overall view).

This approach allowed us to uncover both conscious and unconscious attitudes using participant-driven metaphors, stories, and imagery, providing deep insights into how influencer marketing shapes trust, purchase decisions, and brand perceptions in the

personal care space.

3.2 Descriptive Research

- Questionnaire development and pre-testing

  We did the survey via Google Forms. Most of the questions were kept compulsory to answer.

  - The google form was shared via WhatsApp individually and through various college groups. It was shared with approximately 150 people, and 80 responded.

  - Mix of structured (MCQs, Dichotomous questions) and unstructured questions

  - Avoided Leading or Biasing Questions and Implicit Alternatives

  - Opening questions were asked to screen the respondents, a Funneling approach was used to lead them to specific questions from generalized questions.

- Sampling techniques

  We used convenience (non-probability) sampling technique based on ease of availability of respondents for both the survey and Z-MET analysis. The result of the sampling was such that about 87% of the respondents were students on the IIT Kanpur campus.

4. Data Analysis

4.1 Data Preparation

The data analysis process began with thorough data preparation to ensure quality and consistency. This involved removing duplicate entries, handling missing values using appropriate imputation techniques, correcting inconsistent records, and standardizing categorical variables such as customer demographics, shopping frequency, and product preferences.

4.2 Methodology

Following data preparation, a systematic plan of analysis was implemented to extract actionable insights. Descriptive statistics were used to understand overall patterns and customer behavior, followed by hypothesis testing techniques.

5. Results

- RQ1: What type of influencers (micro, macro, celebrity) have the highest conversion rates for personal care brands in India?

    H_{10}: Micro-influencers are as effective as celebrity endorsement

    H_{11}: Celebrity endorsements outperform micro influencers

    Quantitative Result: We fail to reject the Null hypothesis meaning micro influencers have rapidly become as relevant as celebrity marketing.

Q3_1_Recode * 1. After a positive influencer endorsement, how likely are you to repurchase the same personal care product? Crosstabulation

Count

		1. After a positive influencer endorsement, how likely are you to repurchase the same personal care product?					Total
		1	2	3	4	5	
Q3_1_Recode	1.00	2	8	18	7	4	39
	2.00	2	3	2	1	1	9
Total		4	11	20	8	5	48

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.304[a]	4	.366
Likelihood Ratio	3.856	4	.426
Linear-by-Linear Association	1.699	1	.192
N of Valid Cases	48		

a. 7 cells (70.0%) have expected count less than 5. The minimum expected count is .75.

Qualitative Result:

1. Netnography: Some argue that micro-influencers can be more effective than macro-influencers and celebrities, as these well-known people are known to not really use the products that they are promoting. Hence, there is more trust within the close-knit community of micro-influencers. However, a counterpoint that emerged in the discussion said that micro-influencers are only helpful to promote content on the brand's page itself, as the community these influencers have is mostly just other micro-influencers. Some also talked about

how the algorithm on these platforms is probably shifting towards showing content that would interest the user, rather than 'who' is in it. This then says that influencers from either of these categories could have an equal impact simply depending on the type of content they are making.

2. Z-MET: Micro-influencers and authentic experts drive the highest conversion rates. Respondents trust relatable, honest, and unfiltered voices over celebrities or macro-influencers, who are seen as hype-driven and less credible.

○ RQ2: How do different social media platforms (Instagram, YouTube, etc.) vary in their effectiveness for personal care influencer marketing?

H_{20}: All platforms are used equally for influencer marketing.

H_{21}: At least one platform is used more than others for influencer marketing.

Quantitative Result: We fail to reject the Null hypothesis, meaning alongwith Instagram, other platforms are equally important, according to common notions.

Q1_2_Recode * Q3_Recode Crosstabulation

Count

		Q3_Recode					Total
		1.00	2.00	3.00	4.00	5.00	
Q1_2_Recode	1.00	0	2	5	5	2	14
	3.00	4	6	6	11	10	37
Total		4	8	11	16	12	51

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.145[a]	4	.387
Likelihood Ratio	5.101	4	.277
Linear-by-Linear Association	.011	1	.917
N of Valid Cases	51		

a. 6 cells (60.0%) have expected count less than 5. The minimum expected count is 1.10.

Qualitative Result:

1. Netnography: The central argument across discussions seemed to be about the difference between the major audience for each of these platforms. While Instagram has a younger audience, Facebook is usually associated with the older generation. Therefore, the choice of platform for brands could ideally depend on what their target audience is. However, considering how most influencers in the current times are also from the younger generation, the relatability can make Instagram a better suited platform for the younger audience.

2. Z-MET: Instagram is best for creating excitement and impulse buys, but YouTube is more effective for building trust and supporting informed purchase decisions through detailed, honest reviews.

○ RQ3: Is there a relationship between demographic characteristics and consumers' dependence on influencer endorsements for purchase decisions?

H_{30}: Demographic factors have no significant effect on the reliance on influencer recommendations for making a purchase.

H_{31}: Demographic factors have a significant effect on the reliance on influencer recommendations for making a purchase.

Quantitative Result: All the dependent variables are significant with special emphasis on Income and Gender.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.547	.424		6.010	.000
	Age	.711	.278	.492	2.561	.015
	Gender	-.339	.267	-.201	-1.268	.213
	Location	-.537	.223	-.445	-2.412	.021
	Income	-.073	.116	-.099	-.630	.533

a. Dependent Variable: Q2_3

Qualitative Result:

1. Netnography: Various communities pointed out that GenZ are more prone to influence from content on social media. They are amongst the more active users on social media, and hence consume a very significant amount of content on social media. Moreover, similarities with the influencers, in terms of age, income etc can make the product they are marketing more lucrative leading to a higher dependence on influencer generated content.

2. Z-MET: Based on our ZMET interviews, we can draw relationships between demographic factors especially age, gender and consumers purchase decisions. Younger respondents and females were more drawn to emotional, lifestyle-driven influencer content and impulse purchases, while males and slightly older respondents valued honest, practical reviews and showed more skepticism. Thus, demographics do have a significant effect on consumers' dependence on influencer endorsements for purchase decisions.

○ RQ4: What role does authenticity (e.g., sponsored vs. organic content) play in the effectiveness of influencer marketing for personal care products?

H_{40}: User perception for organic and paid content is the same.

H_{41}: User perception for organic content and paid content is not same.

Quantitative Result: We reject the Null hypothesis and accept the Alternate hypothesis, based on the percentage and say organic content delivery helps build stronger user perceptions.

2. How do you perceive sponsored content versus organic (non-sponsored) content?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I trust organic content significantly more.	34	42.5	42.5	42.5
	I trust organic content slightly more.	26	32.5	32.5	75.0
	I trust sponsored content slightly more.	4	5.0	5.0	80.0
	I view them equally.	16	20.0	20.0	100.0
	Total	80	100.0	100.0	

Qualitative Result:

1. Netnography: Some argue that anyone on social media platforms with any amount of following can ideally be an influencer, but the difference lies in the kind of content they post. Some say that content that looks more raw and authentic can have a higher impact, when compared to polished looking content that is simply selling to their audience. From the point of view of brands looking to invest in influencer marketing, one argument that appears is that organic content can be slow to catch eyeballs, whereas attention is guaranteed with sponsored or paid content. Organic content may end up taking a long time, which can be loss making for brands and high risk without adequate results.

2. Z-MET: Authenticity is crucial. Respondents are more influenced by genuine, transparent content than by overtly sponsored posts. Honest, balanced reviews build trust and drive effectiveness.

○ RQ5: Which factors influence consumer trust and brand perception in the personal care segment?

Quantitative Result: The two-factor model reveals that consumer trust and brand perception are influenced by two major dimensions: tangible brand attributes like quality, service, and pricing, and interpersonal influence, primarily through peer recommendations. This highlights the dual importance of brand performance and word-of-mouth credibility in shaping consumer attitudes in the personal care space

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.943	38.857	38.857	1.943	38.857	38.857
2	1.077	21.534	60.391	1.077	21.534	60.391
3	.951	19.015	79.406			
4	.557	11.146	90.553			
5	.472	9.447	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component	
	1	2
Q5_3_1	.736	-.185
Q5_3_2	.671	.323
Q5_3_3	-.113	.957
Q5_3_4	.655	-.091
Q5_3_5	.714	.122

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

Qualitative Result:

1. Netnography: Majority of the community members were of the opinion that influencers can have a greater impact on consumer trust and brand perception, both positive and negative. Some argued that when compared to content from brand pages, content from influencer accounts can garner more 'trust'. Moreover, influencers can also ideally put out negative comments at times, which can harm a brand, and create an even more 'trustworthy' image for influencers.

2. Z-MET: Key factors are influencer credibility, transparency about sponsorship, relatability, consistency between claims and results, and genuine storytelling.

○ RQ6: What are the key factors influencing consumer purchase decisions when exposed to influencer-promoted personal care products?

Quantitative Result: The two-factor model effectively groups the variables into meaningful latent constructs. The first factor appears to reflect professional credibility versus commitment to brand, while the second centers around transparent and authentic communication. This suggests that audiences may distinguish between influencers based on how genuine and skilled they appear versus how loyal they are to brands.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.361	34.027	34.027	1.361	34.027	34.027
2	1.046	26.147	60.174	1.046	26.147	60.174
3	.994	24.861	85.036			
4	.599	14.964	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component	
	1	2
Q2_2_1	.107	.637
Q2_2_2	.561	.607
Q2_2_3	.593	-.505
Q2_2_4	-.827	.132

Extraction Method: Principal Component Analysis.
a. 2 components extracted.

Qualitative Result:
1. Netnography: These factors can potentially include trust on influencers and the content that they are making. Along with this, it is also observed that there is a higher appeal of

influencers among GenZs, which can also be a result of emotional appeal, and the idea of fitting in, etc.

2. Z-MET: Decisions are shaped by influencer authenticity, emotional appeal (FOMO, aspiration), expertise, visual demonstration, platform context, and the sense of peer advice or community.

Some Additional Findings from ZMET Interviews:

Factor	Respondent Insights	Supporting Research (*online sources)
Authenticity	Honest reviews > polished ads (Shubham)	70% of Indians trust influencers they perceive as genuine.
Expertise	Doctor reviews "felt logical" (Anjali)	Credibility boosts purchase intent by 54%.
Emotional Appeal	Skincare as bonding time (Anshika)	Emotional connection increases sales by 30%.
FOMO	Repetition makes products feel essential (Anjali)	21% of Indians buy due to FOMO.

6. Limitations

1. Our data set is biased in terms of demographics as the sample set consists of IITK students which can not accurately represent the entire target population, leading to skewed insights that may not generalize well.

2. Our sample size is small (~80 respondents), which can limit the ability to detect significant patterns or differences.

3. Results of Netnography are based on the few online forums and those of ZMET on 4 respondents, which may not accurately represent the broader target audience.

4. Insights derived from social-media content in Netnography or metaphor analysis in ZMET are highly interpretive.

5. Netnography can raise ethical issues related to analyzing public content without informed consent, while ZMET involves handling sensitive personal imagery and thoughts.

7. Conclusion and Recommendations

The findings of this study indicate that in the Indian personal care segment, micro-influencers and authentic experts may drive higher conversion rates, as their relatable and honest voices foster greater trust compared to macro-influencers and celebrities, who are often perceived as less credible and more hype-driven. However, what is more important is the type of content that an influencer is making irrespective of the category. Platform choice significantly affects campaign effectiveness, with Instagram excelling at generating excitement and impulse purchases among younger audiences, while YouTube is more effective for building trust and supporting informed decisions through detailed reviews. While influencer marketing is effective in prompting product trials, its ability to create lasting brand loyalty and repeat purchases is limited unless the influencer's recommendations are perceived as authentic and the product delivers genuine satisfaction; inauthentic or overhyped promotions can erode trust and loyalty. Authenticity emerges as a critical factor—consumers respond more positively to genuine, transparent content than to overtly sponsored posts, with honest and balanced reviews significantly enhancing trust and effectiveness. Consumer trust and brand perception are strongly influenced by influencer credibility, transparency about sponsorship, relatability, consistency between claims and results, and genuine storytelling, with influencer-generated content often being seen as more trustworthy than brand-originated content. Key drivers of purchase decisions include perceived authenticity, emotional appeal (such as FOMO and aspiration), influencer expertise, visual demonstrations, and the context of the platform, with Gen Z consumers showing especially high responsiveness due to emotional and peer-related factors. Overall, the impact of influencer marketing in this segment hinges on the authenticity of the influencer, the alignment of platform and audience, and the credibility and transparency of the message, underscoring the need for brands to prioritize genuine, expert-led, and emotionally resonant campaigns to maximize both immediate conversions and long-term brand equity.

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