

## INFLUENCER MARKETING AND CUSTOMER ENGAGEMENT: THE CRITICAL ROLE OF CREDIBILITY IN BUILDING BRAND CONNECTIONS

\*Tanya Tyagi    \*\* Dr. Poonam Painuly

\*Research Scholar, Department of Management Studies, Gurukula Kangri (Deemed to be University) Haridwar

\*\*Senior Assistant Professor, Department of Management Studies,  
Gurukula Kangri (Deemed to be University) Haridwar

### Abstract

Due to the technological advancements, brands are leveraging the importance of bellwethers, having a mass accompany in the internet community in a various genres like beauty, fashion and many more. With the help of influencers, brands are enhancing their engagement with their consumers, which ultimately results in loyalty to a brand and increase their sales revenue. Influencers must possess qualities like credibility, trustworthiness and authenticity to create a genuine connection with their audiences otherwise it creates a gap between them. Brands should carefully engage in influencer marketing strategies to reap the benefits of these techniques. The objective of the paper is to analyze the influence of influencer marketing on customer engagement by taking influencer credibility as a moderating variable in the state of Uttar Pradesh. To achieve the objective of the study, the paper employed the quantitative method and online structured questionnaire was distributed to the consumers as per the convenience. Total 100 responses were collected and analyzed. PLS-SEM 4.0, a smart partial least square structural equation modelling technique, was used for data analyses. A structural model has also been created to test the hypotheses, as well as a measurement model to assess the instrument's reliability & validity. The results support the instrument reliability and validity and all the hypotheses was validated by the structural model. The findings concluded that influencer marketing is strongly correlated with customer engagement which is mediated by influencer credibility. The study accomplishes that influencers who are seeming as trustworthy and legitimate are more inclined to boost customer engagement by building their bond with their audiences and increase the brand consciousness. Forthcoming studies could also discover the impact of evolving technologies like Artificial Intelligence, Augmented Reality (AR), on influencer marketing and customer engagement.

**Keywords:** [Brand awareness, Customer Engagement, Influencer Credibility, Influencer Marketing, Influencer Trustworthiness]

### INTRODUCTION

The digital revolution has impacted every chunk of our survives, from ordering daily necessities online to consuming news and updates. Consumers can now get anything with just a button click. As more consumers turn to social media platforms, influencers/experts with large followings on social media, in niches and genres like beauty, fashion, and lifestyle—are emerging. These individuals can interact with their audiences and act as a word-of-mouth marketing tool. In the current context, users have complete control over what they want to see and hear. Customers anticipate more individualized interactions enhanced by original, creative content. This is encouraging businesses in a specific niche to employ influencer marketing to reach customers in more creative ways. An influencer's passion has led him to amass an empire of followers, which in turn has led businesses to hire influencers to produce content and promotional materials that enhance brand recognition, mould perception, pique curiosity, and establish

trust—all of which are necessary for sustained business growth. Influencers who have gained the audience's trust by being dependable and knowledgeable are reliable sources for their followers. This gives influencers the ability to shape the thoughts and attitudes of their ardent followers by virtue of their expertise, involvement, standing, or rapport with the audience. To make well-informed decisions, people value the opinions of other people more than those of marketers. Customers have faith in influencers who are genuine and show respect for their audience. As a result, they only endorse carefully vetted products, fearing that they will eventually lose their fan base. This belief has contributed to the rise in popularity of influencer marketing (Daiya & Maheshwari, 2023).

Effective communication and involvement are essential for any kind of business, regardless of size. It used to be very difficult to find a personal way to communicate with customers. But in recent years, technological developments have made this much simpler, allowing

companies to establish a rapport with clients. The term "social media influencer" refers to a user who has built up notoriety in a specific business. Social media influencers have the ability to convince others and have exposure to a broad audience due to their reach and genuineness. Social media influencers, or social content creators, with specialized audiences in today's digital world can frequently provide brands of goods and services with greater value. In internet community, these people have devoted and active followings. An effective influencer can connect with their target market, foster trust, and increase interaction. They produce interesting, unique content (Anjum & Yasmeen, 2021).

An influential person who, akin to an opinion leader, emphasizes the process of internalizing influence. They suggest that the influence is being used by a reliable influencer who embodies traits like sincerity, originality, competence, credibility, and reliability. Furthermore, it is favourable for an opinion leader in terms of influence when the client is in a low-stress setting and has time for a higher level of engagement (Jain, 2021).

Influencers ought to only endorse a goods or services if they truly believe in it or if they are well-versed in that market. Since credibility and trust are crucial components of successful influencer marketing, they must continue to do their research if they hope to maintain their influence. If done correctly, influencer marketing has the potential to be a reliable form of word-of-mouth promotion. Influencers have the ability to produce captivating content that appeals to their followers, and working together will increase brand recognition by expanding the audience and possibly increasing sales. An influencer marketing campaign will perform better if it collaborates with influencers who produce informative material that empowers users to make informed decisions (Prakash & et.al).

Influencers possess innate qualities that are crucial in drawing brands and pushers to closely follow them. One advantage is that brands can pick influencers who are more level-headedly priced as opposed to signing one or

more well-known celebrity endorsers costs enormous sums of money (Hall 2015). Furthermore, bellwethers who specialize in particular fields typically have a strong online presence already. This suggests that consumers are more likely to accept or believe influencers' opinions when they collaborate with businesses that closely match their own fields of expertise (Hall 2016).

Social media influencers are usually "grassroots" individuals who have created likable online personas and achieved high visibility among their followers through social media viral content, in contrast to traditional endorsers, who are usually public figures or celebrities who have gained notoriety through traditional media. (Garcia 2017).

One of the keys to a business's success is client interaction, which is included in its relationship marketing strategy. Customer engagement, according to Islam et al. (2020), is the exchange of information between external stakeholders, like consumers and manufacturers or businesses, through a variety of channels. During the marketing process, offline customer engagement can occur through interactions with producers or through connecting with them on online platforms. One sign that a customer interaction strategy is effective is an increase in the demand for and consumption of a good or service. (Islam et al., 2020).

Specifically, the biggest influence on consumer behavior is the influencers' credibility. The experts' authority provides consumers with valuable information, boosting the businesses' marketing efficacy. It is crucial to emphasize that businesses can use the reputation of celebrities to surpass the expectations of their clientele. Because the celebrity is credible, consumers give the marketing positive reviews. Practitioners are advised to use social media platforms to engage customers and generate purchase intentions because consumers are very active on these platforms and follow digital influencers (Ao & et al, 2023).

Numerous studies have been directed to investigate the power of influencer promotion on the customer

engagement but so far not a single study has been empirically tested to analyse the impact of influencer credibility as a mediator between an influencer marketing and customer engagement. Thorough analysis of literature review has highlighted that the credibility is an important characteristic of an influencers' which impact the effectiveness and success of the influencer marketing. So, the aim of this study is to analyse the impact of influencer credibility as a mediating factor between the relationship of influencer marketing and customer engagement. This will add new and novel approach to the existing body of the knowledge and also help the brands and marketing professionals to adopt a new technique while engaging with their target audience.

#### **THEORETICAL BACKGROUNDS AND DEVELOPMENT OF HYPOTHESES**

##### **Influencer Marketing and Customer Engagement**

A range of consumer interactions with brands, such as likes, comments, shares, and interviews, are considered to be part of customer engagement. According to a study by Perez-Lopez et al. (2018), influencer marketing outperformed traditional advertising in terms of increasing consumer engagement. Influencers foster community and conversation around their brand by producing interesting content. Khamis et al (2017) found that Influencer marketing is a strategy whereby companies employ social media influencers to attract new customers, promote brand engagement, and establish credibility. By using their content and building a sincere and enduring relationship with the audience on social media, influencer marketing benefits brands. Influencer marketing prioritizes emotional support and brand recognition over straightforward purchases.

Xu (2023) concluded that Influencer participation can speed up the development and dissemination of brand values. It raises brand recognition, improves the brand's reputation, and raises the possibility that customers would interact with and buy from the brand. Leung et al (2022) revealed that increasing the budget of influencer

marketing by the brands had positive impact on customer engagement. Influencer marketing has the potential to greatly enhance the brand recognition and engagement among the customers (Rahman,2023).

Accordingly, the research's first hypothesis is described as follows:

**H1: "Influencer Marketing positively influence the Customer Engagement"**

##### **Influencer Marketing and Influencer Credibility**

In a market that is becoming more and more digital and social media-driven, influencer marketing has turn out to be a vital tool for brands to engage with customers, shape their purchasing decisions, and achieve long-term brand growth. Katendra & Sahoo (2023) demonstrate how influencer marketing provides businesses with a powerful tool to engage with a wide audience, target specific groups, establish credibility and trust, and create genuine and relatable relationships with clients. The most potent factor affecting consumer behavior is the influencers' trustworthiness. According to the report, consumers plan to heed the counsel of an influencer who has a high trust rating. One of the main factors influencing consumer behavior seems to be the influencer's credibility (Ao & et al,2023). According to Daiya & Maheshwari (2023), the characteristics that have been shown to be important for cultivating a positive attitude in influencers are passion, domain expertise, credibility, trust, and concern for followers. According to Chu and Kamal (2008), two characteristics that make an influencer's online persona an effective brand promoter are their credibility and their followers' perceived trustworthiness. Credibility is one of the most crucial persuasive factors, especially when a customer is buying something online and cannot physically touch or feel it. For influencers, credibility is crucial because it boosts their effectiveness and fortifies their brand. In order to learn more about how influencers and celebrities impact purchasing decisions, Djafarova and

Rushworth (2017) conducted in-depth interviews with young female Instagram users. They maintained that among young girls, influencers were more potent, reliable, and relevant than traditional celebrities.

Accordingly, the research's second hypothesis is labelled as follows:

**H2: “Influencer Marketing positively influence the Influencer Credibility”.**

### **Influencer Credibility and Customer Engagement**

Likes, comments, shares, interviews, and other consumer interactions with brands are all part of customer engagement. Confidence and credibility go hand in hand. Consumer behavior can be significantly influenced by influential individuals who are acknowledged experts in their industry or who have a track record of delivering trustworthy information. Influencers who are likable, trustworthy, and credible improve brand perception and promote recognition and copying. Successful integration of these components into influencer marketing campaigns results in a closer relationship with customers, which raises brand awareness, loyalty, and even conversion rates (Laxmi & Shyam, 2023). Ao & et al (2023) demonstrated that influencers' credibility has moderate correlation with customer engagement. Customers usually look at the content that social media influencers share before making a purchase since they are considered information sources (Jamil et al., 2023). Consumers can make judgments with the aid of information from reputable and trustworthy sources. The audience's perception of influencer endorsements and brands is influenced by how well-liked and acquainted the influencers are with them. Eventually, this impression increases the audience's faith in the brand and turns them into current or potential buyers (Jiang et al.). As a result, influencer marketing trusts on consistently upholding ties with the subsequent groups. It has been

observed that customer reviews greatly boost the website's credibility and increase sales. Reviews enhance the allure of a customer's visit and extend their stay on the website. They also increase the trust that customers have in the product.

Accordingly, the research's third hypothesis is described as follows:

**H3: “Influencer Credibility positively influence the Customer Engagement”.**

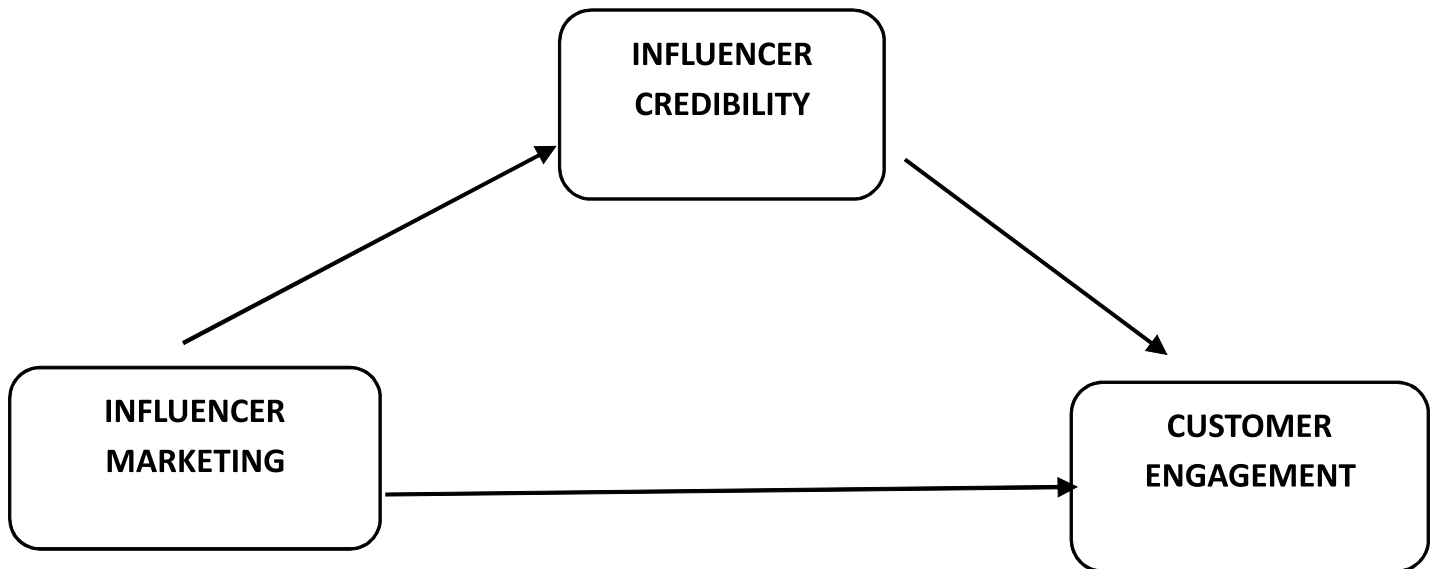
### **Influencers' Credibility, Influencer Marketing and Customer Engagement**

Influencers' ability to build credibility with their audiences has made influencer marketing a potent tool for brands. Credibility, which includes knowledge, authenticity, and dependability, is a major factor in how consumers view influencers and, in turn, the brands that they recommend. According to Djafarova and Rushworth (2017), influencers' recommendations have a significant effect on customer performance, including purchase decisions and brand engagement, when they are regarded as credible. Because influencer content is often intimate and real, brands are depending more and more on influencers to help them build deeper relationships with their target audiences and increase consumer engagement (Laxmi & Shyam, 2023). Beyond just being aware of the product, this interaction fosters enduring bonds and brand loyalty between customers and companies. Investigating influencer credibility as a mediating factor between influencer marketing and customer engagement, however, is where the literature appears to be lacking. The idea that influencers' credibility could serve as a bridge to advance the usefulness of influencer marketing tactics in promoting deeper consumer engagement with brands has not been fully explored in any particular study.

Accordingly, the research's fourth hypothesis is described as follows:

**H4: “Influencers' Credibility mediate the relationship between the Influencer Marketing and Customer Engagement”.**

**RESEARCH FRAMEWORK**



**Figure 1- Analytical Framework**

**RESEARCH METHODOLOGY**

This research hired a convenience sample design and a descriptive research methodology. The study's statistical population consisted of consumers from the states of Uttar Pradesh. A well-structured electronic questionnaire was distributed to 150 customers, and 100 answers were collected. The "Likert scale", which arrays from one strongly disagree to five strongly agree, was used to rate each item in this study. According to the research conceptual model, there is one dependent variable associated with customer engagement, one independent

variable associated with influencer marketing, and a mediating variable associated with influencer credibility. Six items related to influencer marketing adapted from (Ankur Rani,2023), five items related to influencer credibility adapted from (Kamatchi ,2021), seven items related to customer engagement adapted from (Savita,2023). With the aid of SPSS 23.1 and Smart PLS 4.0, the data was examined. According to the (Anderson and Gerbing,1988) the SEM procedure included two stages: the structural and measurement model. Smart PLS-SEM was used to assess both data levels.

**Table 1: Samples Characteristics**

Classification	Frequency	Composition Ratio (%)
<b>Gender</b>		
Male	58	58%
Female	42	42%
<b>Age</b>		
Less than 20 years	32	32%
20-30 years	30	30%
30-40 years	26	26%
Above 40 years	12	12%
<b>Marital Status</b>		
Married	44	44%
Single	56	56%
<b>Occupation</b>		
Students	48	48%
Self-Employed	12	12%
Government Employee	15	15%
Private Employee	25	25%
<b>Educational Qualification</b>		
Senior Secondary	32	32%
Graduate	36	36%
Post-Graduate	22	22%
Doctorate	10	10%

## RESULTS

### Fitting measurement models

The PLS-SEM method's model analysis approach has been used to fit measurement models using convergent validity, divergent validity and reliability.

### Reliability Analysis

Hair et al. (2020) establishes a threshold of 0.60 for acceptable outer loadings, and a careful inspection of these loadings revealed that a few items fell below this level. Therefore, these items were eliminated, which included 2 factors of influencer marketing (IM 2= 0.447,

IM 3=0.465) and one factor of influencer credibility (IC 1=0.598). After removal of these items, the composite reliability is above 0.70, which met the recommendation level made by (Hair et al.,2020).

### Convergent Validity

The outer loadings, AVE, & Composite Reliability were calculated using the Smart PLS method to assess the convergent validity. The AVE values above 0.50 met the requirement for convergent validity with factor loadings > 0.60, and CR > 0.70 (Hair et al., 2020). Table 2 displays the test's outcomes.

**Table 2: “Outer loadings, Reliability analysis and AVE”**

Variable	Items	Factor loadings	Cronbach alpha	Composite reliability	AVE
Influencer Marketing	IM1	0.614	0.690	0.813	0.525
	IM4	0.644			
	IM5	0.834			
	IM6	0.784			
Influencer Credibility	IC2	0.791	0.811	0.875	0.637
	IC3	0.780			
	IC4	0.786			
	IC5	0.835			
Customer Engagement	CE1	0.799	0.921	0.936	0.679
	CE2	0.744			
	CE3	0.793			
	CE4	0.871			
	CE5	0.844			
	CE6	0.869			

**Validity**

The investigation used the Fornell-Larcker criterion (FLC) test. It said that each latent variable's square root

of AVE should be greater than the other latent variable correlation values (Fornell et al.,1981). Table 3 displays the tests' outcome.

**Table 3: “Discriminant Validity Test (FLC test)**

	CE	IC	IM
CE	0.824		
IC	0.563	0.798	
IM	0.528	0.685	0.725

**FITTING STRUCTURAL RESEARCH MODEL**

The research's hypotheses will be tested when the measurement models are fitted, which involves fitting the study's structural model (conceptual model). T-values, R square, and Q square, multicollinearity, F square was used to make sure that the conceptual model for the investigation suited the data well.

**R square**

To evaluate the feasibility of a study conceptual model, this criterion is essential. According to Cohen's suggestion that an acceptable R2 should be above 0.26 (26%) for explained variance. Table 4 displays the outcomes of this test.

**Table 4: R Square Results**

	R square
CE	0.355
IC	0.470

**F-Square (Effect size)**

The significance of the observed effect was evaluated using F2, a metric for how much variation in the dependent variable can be attributed to a specific

independent variable. “Effect sizes were classified as small, medium, and big based on values between 0.00 and 0.15, 0.15 and 0.35, and over 0.35, respectively, according to (Hair et al., 2020)”.

**Table 5: F2 Results (Effect size)**

F2	Effect	Size
IC->CE	0.118	Medium
IM->CE	0.059	Small
IM->IC	0.886	Large

**Multicollinearity (Inner VIF)**

According to (Hair et al., 2020), there is no multicollinearity problem if the VIF is less than 5. Therefore,

multicollinearity was not a problem for our investigation

**Table 6: Multicollinearity (Inner VIF)**

	VIF
IC->CE	1.886
IM->CE	1.886
IM->IC	1.000

**HYPOTHESIS RESULTS**

At this point, the study hypotheses are tested grounded on the “t-Values & p-Values” calculated by the partial least squares algorithm used to analyse research data.

Each path's significance coefficient is considered to be statistically significant at the 95% level if its value is more than 1.96.

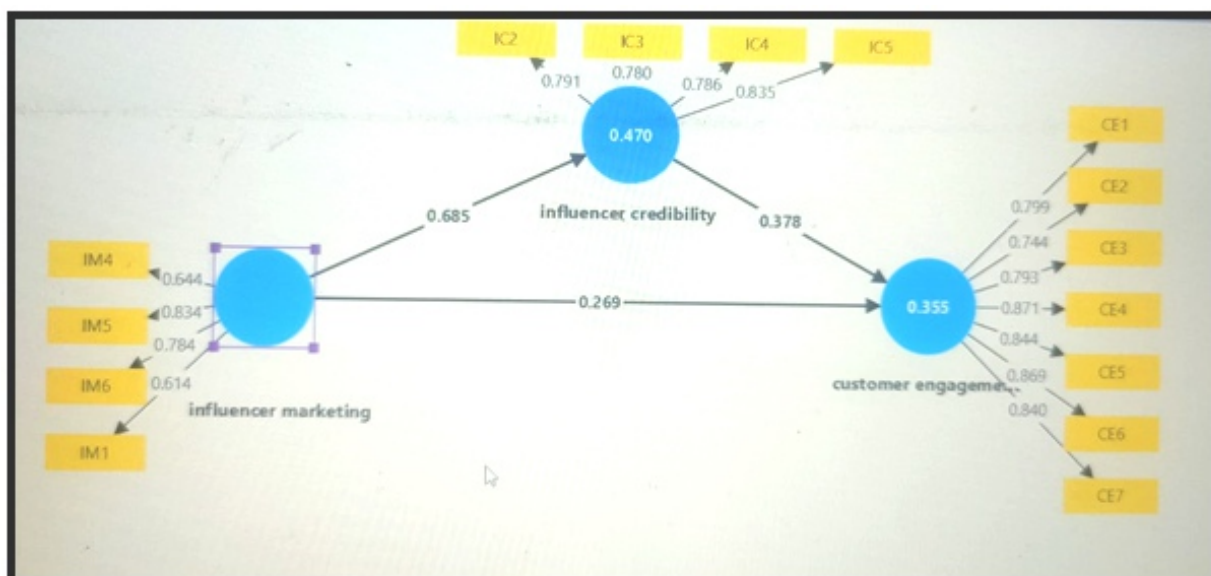


Table 7: Hypothesis Results

Hypothesis	T-values	P-values	Results
IM→CE	2.032	0.042	Supported
IM→IC	10.366	0.000	Supported
IC→CE	3.308	0.001	Supported
IM→IC→CE	2.908	0.004	Supported

## DISCUSSIONS

Influencer Marketing, which enhances the customer engagement by analysing the mediating role of influencer credibility. The research results explain 35.5% of discrepancy in the dependent variable within the customers of Uttar Pradesh. The outcomes revealed that the influencer marketing significantly improved the customer engagement with the  $p$ -value = 0.042, meaning that businesses can employ influencer marketing techniques to enhance their customer engagement. The findings were in line with the study by (Khamis et al 2017 and Leung et al 2022). In accordance with the second hypothesis, influencer marketing is significantly correlated with the influencer credibility with  $p$ -value=0.000. This means that influencer credibility in the concept of trust and authenticity, both of which are crucial for the effectiveness of marketing campaigns. Influencers with high credibility can bridge the gap between consumers and brands, providing personal endorsements that are perceived as more genuine and trustworthy. The results are consistent with the previous research conducted by (Katendra & Sahoo, 2023). The third hypothesis discovered that influencer credibility helped the businesses to engage more customers by enhancing their sales. This means that credibility of the influencers is an essential component to be looked up before collaborating with them, so that it will positively impact the revenue of the businesses. The consequences are in line with the previous findings done by (Ao et al, 2023). The final hypothesis concluded that influencer credibility significantly improved the connection between influencer marketing and customer engagement. This advocates that influencer marketing was a powerful tool for the brands seeking to enhance customer engagement by leveraging the credibility of trusted personalities.

## CONCLUSIONS

The study concludes that influencers who are perceived as reliable and authentic are more expected to enhance customer engagement by building their rapport with their audiences and increase the brand awareness. The trust, the influencers developed within their audiences are useful for the brands to engage with their products. Thus, influencer credibility significantly improves the effectiveness of the influencer marketing campaigns, contributing to the sustained customer engagement and this will subsequently benefit the brands by fostering the sustainable loyalty and developed the positive image of the brands in the eyes of the customers. So, choosing the right influencers at the right time by the brands is essential to utilise the effectiveness of the influencer marketing campaigns.

## LIMITATIONS AND IMMINENT SCOPE

Here are the certain restrictions in the study, that must be resolved. Firstly, the sample size is inadequate in comparison to the population of the state and hence, additional sample needed to support the study. Moreover, the study is limited to the Uttar Pradesh, so there is an issue of generalizability in the study. Since, there is self-reported data through questionnaire, responses influenced by personal biases. The study employed single attribute of influencers i.e. credibility, which restricts the scope of the influencer marketing techniques.

However, future studies could examine the other attributes of the influencers like expertise, content quality, entertainment value and many more, to expand the scope of influencer marketing for the brands. Future studies could also explore the impact of emerging technologies like Artificial Intelligence, Augmented Reality (AR), on influencer marketing and customer engagement.

## REFERENCES

- Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach, *Psychological bulletin*, 103(3), 411.
- Ao, L., Bansal, R., Pruthi, N., & Khaskheli, M. B. (2023). Impact of social media influencers on customer engagement and purchase intention: A meta-analysis, *Sustainability*, 15(3), 2744.
- Chu, S.C. & Kamal, S. (2008). The effect of perceived blogger credibility and argument quality on message elaboration and brand attitudes: An exploratory study, *Journal of Interactive Advertising*, 8(2), 26-37.
- Daiya, M., & Maheshwari, B. (2023). Influencer marketing: A study to identify extent of effectiveness in promoting products and services, *International Journal of Creative Research Thoughts*, 11(6). ISSN: 2320-2882.
- Djafarova, E., & Rushworth, C. (2017). Exploring the credibility of online celebrities' Instagram profiles in influencing the purchase decisions of young female users, *Computers in Human Behavior*, 68, 1-7.
- Fornell C, Larcker DF. Evaluating structural equation models with unobservable variables and measurement error, *J Market Res.* 1981, 18(1), pp. 39.
- Garcia, D. (2017). *Social Media Mavens Wield 'Influence,' and Rake in Big Dollars*, CNBC, August 12.
- Hair Jr, J. F., Howard, M. C., & Nitzl, C. (2020). Assessing measurement model quality in PLS-SEM using confirmatory composite analysis, *Journal of Business Research*, 109, 101-110.
- Hall, John (2015). *Build Authentic Audience Experiences through Influencer Marketing*, Forbes, December 17.
- Hall, K. (2016), *The Importance of Authenticity in Influencer Marketing*, Sprout Content, September 30.
- Islam, J. U., Shahid, S., Rasool, A., Rahman, Z., Khan, I., & Rather, R. A. (2020). Impact of website attributes on customer engagement in banking: a solicitation of stimulus-organism response theory, *International Journal of Bank Marketing*, 38(6), 1279-1303. <https://doi.org/10.1108/IJBM-12-2019-0460>
- Jain, V. (2021). An overview on social media influencer marketing, *South Asian Journal of Marketing & Management Research*, 11(11), 76-81.
- Jamil, S., Shah, F., Khan, S., & Imran, I. (2023). The Influence of Potential Outcome on Entrepreneurs' Decisions to Participate in Crowdfunding in Pakistan (Karachi), *International Journal of Social Science & Entrepreneurship*, 3, 1-24
- Katendra, R., & Sahoo, D. M. K. (2023). Effectiveness of Influencer Marketing on Consumer Purchase Behaviour, Research available at [www.irejournals.com](http://www.irejournals.com), 6(12).
- Khamis, S., L. Ang, and R. (2017). Welling, Self-branding, 'micro-celebrity' and the rise of Social Media Influencers, *Celebrity Studies*, 8(2), 191-208.
- Laxmi, P., & Shyam, D. (2023). The impact of influencer marketing in consumer brand engagement, *International Journal of Research Publication and Reviews*, 4(9), 3035-3040.
- Leung, F. F., Gu, F. F., Li, Y., Zhang, J. Z., & Palmatier, R. W. (2022). Influencer marketing effectiveness. *Journal of marketing*, 86(6), 93-115.
- Rahman, I. U. (2023). A research insight on the impact of influencer marketing on consumer behavior, *International Journal of Research Publication and Reviews*, 4(4), 852-855.
- Xu, X. (2023). Influencer Marketing with Social Platforms: Increasing Brand Awareness and User Engagement, *Journal of Education, Humanities and Social Sciences*, 19, 228-234.
- Savita. (2023). *Impact of influencers marketing on consumer buying behavior* [Master's thesis, Institution Name]. Institution Repository Name or URL (if available). <http://hdl.handle.net/10603/561748>. Department of Management, Maharshi Dayanand University Created and maintained by INFLIBNET Centre
- Kamatchi, A., Preethi V. (2021). *A Study on Influencer Marketing and Consumers Purchase Intention 2021*, VIT University Created and maintained by INFLIBNET Centre, <http://hdl.handle.net/10603/351810>
- Rani, A. (2023). *Impact of influencer marketing on consumers purchase intention of fashion products*, Baba Mastnath University, Created and maintained by INFLIBNET Centre, <http://hdl.handle.net/10603/561873>