

Impact of Influencer Marketing on Millennials and Generation Z Purchase Decisions

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Abstract

This study examines the impact of influencer marketing on the purchase decisions of Millennials and Generation Z in India. The research evaluates how key influencer attributes—credibility, authenticity, and parasocial interaction—shape consumer perceptions and purchase intention. A structured questionnaire was administered to 147 respondents, comprising 61% Gen Z and 39% Millennials. Statistical techniques, including descriptive analysis, reliability analysis, chi-square tests, and regression, were employed. Results indicate that influencer credibility (expertise, trustworthiness) is the strongest predictor of purchase intention, while authenticity, although highly valued, does not exhibit a significant direct effect on immediate purchase behaviour. Instagram and YouTube emerge as the most influential platforms, and product reviews/unboxing content drives the highest persuasion. The study contributes to the literature by providing India-specific, cohort-based evidence and offers actionable implications for marketers to prioritize credibility, transparency, and platform-specific strategies.

Keywords: Influencer marketing; Purchase intention; Generation Z; Millennials; Credibility; Authenticity; Social media

I. Introduction

Influencer marketing has become a dominant strategy within the contemporary digital marketing ecosystem. As consumers increasingly rely on social media for information and entertainment, the role of influencers—individuals with the capacity to affect audience attitudes and behaviours—has expanded substantially. Unlike traditional advertising,

influencer marketing relies on peer-like communication, perceived authenticity, and continuous interaction between creators and audiences.

In India, rapid smartphone penetration and affordable internet access have accelerated social media adoption, especially among Millennials (26–41 years) and Generation Z (16–25 years). These cohorts spend considerable time on platforms such as Instagram and YouTube and frequently rely on influencers for product discovery, evaluation, and post-purchase validation. Consequently, influencer marketing has shifted from a supplementary tactic to a central component of brand strategy.

Despite its widespread use, uncertainty remains regarding which influencer attributes most effectively drive purchase intention. Marketers often prioritise reach and engagement metrics without a clear understanding of underlying psychological drivers. This study addresses this gap by analysing how credibility, authenticity, and parasocial interaction influence purchase decisions among Indian Millennials and Gen Z, and whether platform choice moderates these effects.

II. Literature Review

The effectiveness of influencer marketing can be explained through several theoretical frameworks. Source Credibility Theory posits that message persuasiveness is determined by the communicator's expertise and trustworthiness. In digital contexts, influencers who demonstrate domain knowledge and transparent

communication are more likely to be perceived as credible, thereby increasing persuasion (Hovland & Weiss, 1951; Ohanian, 1990).

Parasocial Interaction Theory suggests that audiences develop one-sided emotional relationships with media personalities (Horton & Wohl, 1956). Social media intensifies these bonds through frequent, informal interactions, enhancing perceived intimacy and trust. Such relationships can amplify the influence of recommendations on consumer attitudes and behaviours.

Empirical studies consistently identify credibility as a primary driver of purchase intention (Sokolova & Kefi, 2020; De Veirman, Cauberghe, & Hudders, 2017). Authenticity—defined as perceived genuineness and non-commercial tone—also contributes to engagement, particularly among Gen Z, who value relatability and transparency (Audrezet, de Kerviler, & Moulard, 2020). However, evidence on its direct effect on purchase behaviour remains mixed.

Cohort-based differences are well documented. Millennials tend to rely on informational value and credibility cues, whereas Gen Z exhibits stronger responsiveness to relatability, visual storytelling, and peer validation (Ong & Kwok, 2024). Platform characteristics further shape persuasion; visual and video-rich environments such as Instagram and YouTube facilitate experiential content formats like reviews and tutorials, which enhance diagnosticity.

Despite extensive research, gaps persist in the Indian context, particularly comparative analyses between Millennials and Gen Z using consistent constructs and inferential methods. This study addresses these gaps by integrating credibility, authenticity, and parasocial interaction within a single analytical framework and testing their effects on purchase intention.

III. Research Methodology

This study adopts a descriptive and causal research design using a quantitative survey approach. The descriptive component captures demographic characteristics and social media usage patterns, while the causal component examines relationships between influencer attributes and purchase intention.

Primary data were collected through a structured questionnaire administered online to Indian social media users who follow at least one influencer. A non-probability purposive sampling technique was employed to ensure that respondents met the study criteria. The final sample comprised 147 valid responses, including 61% Gen Z and 39% Millennials.

The questionnaire measured key constructs—credibility (expertise, trustworthiness, attractiveness), authenticity, parasocial interaction, and purchase intention—using Likert-scale items adapted from validated literature. A pilot study with approximately 10% of the sample was conducted to refine clarity and reliability. Cronbach's alpha values exceeded 0.70 for all constructs, indicating acceptable internal consistency.

Data analysis was conducted using descriptive statistics, correlation, regression analysis, chi-square tests, and t-tests/ANOVA for cohort comparison. The primary hypotheses tested were: H1—Influencer credibility positively affects purchase intention; H2—Content authenticity positively affects purchase intention.

IV. Results and Analysis

The sample consisted predominantly of Gen Z respondents (61%), with a balanced gender distribution (56% male, 44% female). Students represented 58% of the sample, followed by working professionals (35%). Instagram (61%) and YouTube (27%) were identified as the primary platforms for influencer engagement, confirming their dominance in the Indian market.

A significant majority (90%) of respondents reported following influencers, indicating the widespread penetration of influencer culture. In terms of influencer type, mega (45%) and macro (30%) influencers were most followed;

however, micro-influencers (20%) also demonstrated meaningful relevance due to perceived relatability and niche expertise.

Content format analysis revealed that product reviews and unboxing videos (34%) exert the strongest influence on purchase decisions, followed by lifestyle vlogs (28%) and tutorials (18%). These formats provide experiential and diagnostic information, enhancing consumer confidence.

Attribute evaluation showed that trustworthiness (85.1% important/very important) and expertise (82.3%) are the most critical determinants of influencer credibility. Authenticity was also highly valued (85.1% important/very important), while attractiveness exhibited comparatively lower influence, suggesting that aesthetic appeal alone is insufficient to drive persuasion.

Regression results support H1, indicating a significant positive effect of credibility on purchase intention. In contrast, H2 is not supported, as authenticity does not demonstrate a statistically significant direct effect on purchase intention in this sample. Platform preference is significantly associated with purchasing behaviour, with Instagram and YouTube showing the strongest relationships.

Behavioural outcomes indicate that approximately 60% of respondents have made at least one purchase based on influencer recommendations. However, a high level of post-purchase dissatisfaction (around 85%) was observed, suggesting a discrepancy between influencer claims and actual product performance.

V. Discussion

The findings highlight the centrality of credibility in influencer marketing effectiveness. Expertise and trustworthiness function as primary heuristics that reduce perceived risk and facilitate decision-making, aligning with Source Credibility Theory. While authenticity enhances engagement and emotional connection, it does not independently translate into immediate purchase behaviour within the present dataset.

Cohort analysis indicates nuanced differences: Gen Z exhibits higher sensitivity to relatability and visual content, whereas Millennials place greater emphasis on informational value and reliability. Nonetheless, both cohorts converge on credibility as a decisive factor for conversion.

The prominence of Instagram and YouTube underscores the importance of platform-specific strategies. Visual storytelling and long-form video enable richer product demonstrations, thereby increasing perceived usefulness. The high incidence of post-purchase dissatisfaction suggests that exaggerated or overly promotional content may erode trust over time, reinforcing the need for transparent communication.

VI. Conclusion

This study concludes that influencer marketing significantly influences consumer behaviour among Indian Millennials and Gen Z. Credibility emerges as the most powerful predictor of purchase intention, while authenticity plays a supportive but not decisive role in immediate conversion. Platform choice and content format further moderate the effectiveness of influencer campaigns.

For practitioners, the implications are clear: prioritise credible influencers, emphasise informative and experience-based content, and adopt platform-specific strategies. By aligning influencer selection and content design with these insights, brands can enhance campaign effectiveness and consumer trust.

VII. Managerial Implications

- Select influencers based on expertise and trustworthiness rather than follower count alone.
- Leverage Instagram and YouTube for maximum reach and engagement through visual and video content.
- Promote transparent, review-based campaigns to reduce post-purchase dissatisfaction.

- Adopt cohort-specific strategies: informational content for Millennials and experiential, relatable narratives for Gen Z.
- Consider micro-influencers for niche segments where trust and engagement are critical.

VIII. Limitations and Future Research

The study is subject to certain limitations. The use of non-probability sampling restricts generalisability, and the cross-sectional design captures perceptions at a single point in time. Self-reported data may also introduce response bias. Additionally, variables such as disclosure and social proof were not empirically tested.

Future research may employ larger and more diverse samples, longitudinal designs, and experimental methods to establish causality. Further studies can also explore the impact of AI-driven influencers and conduct industry-specific analyses to enhance contextual relevance.

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