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Influence of Social Media Micro-Influencers on Gen-Z Purchase Decisions: A Cross-Sectional Empirical Analysis

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Abstract

This study investigates the structural impact of social media micro-influencers (10,000–100,000 followers) on the purchase decisions of Generation Z (Gen-Z) consumers. Grounded in Source Credibility Theory and Parasocial Interaction (PSI) Theory, this paper develops a conceptual framework that explores how micro-influencer attributes—specifically *perceived authenticity*, *homophily* (perceived similarity), and *niche expertise*—affect downstream *purchase intentions*, mediated by the strength of *parasocial relationships* and *consumer trust*.

Employing a cross-sectional empirical research design, primary data was gathered via a structured survey from a targeted sample of Gen-Z digital natives (N = 412) who actively engage with micro-influencer content across platforms like Instagram, TikTok, and YouTube. Structural Equation Modeling (SEM) was applied to validate the measurement scales and test the proposed hypotheses.

The empirical results demonstrate that *perceived authenticity* and *homophily* exert a powerful, statistically significant indirect effect on purchase decisions, strongly mediated by parasocial interaction and trust. Interestingly, while *niche expertise* directly impacts trust, its standalone direct effect on purchase decisions is heavily diluted compared to the overwhelming influence of relational authenticity.

The paper concludes with an actionable strategic framework for modern digital marketers seeking to optimize influencer spend, noting that for the value-driven Gen-Z cohort, peer-like relational proximity consistently outperforms overt corporate advertising.

Keywords: Micro-Influencers, Generation Z, Source Credibility Theory, Parasocial Interaction, Consumer Trust, Empirical Analysis, Structural Equation Modeling.

1. Introduction

The global digital landscape has experienced a profound shift in marketing communications, driven by the decline of traditional advertising channels and the simultaneous rise of interactive social networks. Amidst this transformation, social media influencers—content creators who cultivate dedicated digital followings—have emerged as central pillars in consumer decision-making processes.

Historically, brands heavily prioritized mega-influencers and high-profile celebrities to achieve maximum reach. However, contemporary market dynamics reveal a distinct shift toward **micro-influencers**: individuals possessing a tighter, niche-focused following typically ranging between 10,000 and 100,000 followers. This transition is especially evident when analyzing **Generation Z (Gen-Z)**—the demographic cohort born roughly between 1997 and 2012.

Gen-Z represents the first generation of true digital natives, individuals who matured alongside smartphone ubiquity, algorithmic feeds, and the direct monetization of lifestyle content. Unlike their predecessor cohorts, Gen-Z consumers display deep skepticism toward overt corporate advertising, highly curated brand sponsorships, and macro-celebrity endorsements. Instead, their consumer behavior is strongly guided by a search for transparency, individual expression, and social alignment.

Micro-influencers fill this psychological space perfectly. Because they operate at a smaller scale, they are able to maintain a high degree of active engagement with their audience, responding directly to comments, hosting interactive sessions, and presenting less curated, more authentic day-to-day lives. This structural proximity fosters deep emotional connections that resemble genuine interpersonal friendships rather than traditional commercial transactions.

While the broad phenomenon of influencer marketing has attracted significant academic interest, several empirical gaps remain unaddressed within top-tier marketing. First, many existing studies treat social media influencers as a homogeneous group, failing to distinguish between the unique psychological triggers activated by macro-celebrities versus hyper-localized micro-influencers. Second, the complex mediating mechanisms through which an influencer's identity translates into actual buying behavior remain poorly understood. Does an influencer's authority stem purely from their recognized domain expertise, or is it fundamentally rooted in emotional intimacy and perceived similarity?

This study addresses these gaps by evaluating the structural relationships between three key micro-influencer attributes (*authenticity*, *homophily*, and *niche expertise*) and their ultimate impact on Gen-Z *purchase intentions*. By investigating the dual mediating roles of *parasocial interaction (PSI)* and *consumer trust*, this paper clarifies the cognitive and emotional pathways that drive modern digital word-of-mouth persuasion. Using a cross-sectional empirical design and Structural Equation Modeling (SEM), this research builds a comprehensive theoretical framework that advances academic understanding of digital consumer behavior while providing concrete insights for contemporary brand managers.

2. Theoretical Framework and Hypotheses Development

2.1 Source Credibility Theory

Originally conceptualized by Hovland and his colleagues and later refined by Ohanian (1990), Source Credibility Theory posits that the persuasive power of a message is highly dependent on the perceived characteristics of the source. In traditional advertising contexts, credibility is split into three distinct dimensions: *attractiveness*, *trustworthiness*, and *expertise*.

When applied to the digital ecosystem of micro-influencers, this framework requires adaptation. Because Gen-Z actively rejects overly polished corporate imagery, the traditional dimension of physical attractiveness is frequently replaced by **perceived authenticity**—the degree to which an influencer is viewed as honest, transparent, and uncorrupted by corporate commercial interests.

Furthermore, **niche expertise** remains highly relevant. Micro-influencers typically build their followings around highly specific domains—such as clean beauty, sustainable tech, personal finance, or indie fashion. This specialization grants them an authoritative status that enhances consumer trust and lowers the perceived risk of purchasing an endorsed product.

2.2 Parasocial Interaction (PSI) Theory

First introduced by Horton and Wohl (1956), Parasocial Interaction Theory describes the one-sided, psychological relationships formed by media consumers with on-screen personalities. While originally used to analyze television and radio personalities, the interactive nature of modern social networks has greatly magnified the power of parasocial dynamics.

Social media platforms allow micro-influencers to pull back the curtain on their personal lives through unedited short-form videos, raw stories, and direct interactions with followers. This gives consumers a strong sense of personal connection, leading them to view the influencer as a trusted peer rather than a distant celebrity.

Within this study, **homophily**—the perceived similarity in values, lifestyle, and demography between the consumer and the creator—acts as a primary driver of these parasocial bonds. When a Gen-Z consumer looks at a micro-influencer and thinks that the creator shares a similar life context, the foundation for a strong parasocial relationship is established.

2.3 Hypotheses Formulation

2.3.1 Perceived Authenticity

Authenticity is the cornerstone of influencer marketing effectiveness for Gen-Z. When an influencer shares honest reviews, openly discloses sponsored content, and displays vulnerabilities, they appear highly genuine to their audience. This perceived authenticity deepens the follower's emotional investment (PSI) and actively reduces fears of commercial exploitation, establishing solid consumer trust.

- $\boldsymbol{H_1}$**:** Perceived authenticity has a significant positive effect on Parasocial Interaction (PSI).
- $\boldsymbol{H_2}$**:** Perceived authenticity has a significant positive effect on Consumer Trust.

2.3.2 Homophily (Perceived Similarity)

Homophily operates on the psychological principle that individuals are naturally drawn to others who share similar identities, struggles, and worldviews. Micro-influencers naturally build high homophily by filming content in realistic home environments, discussing everyday challenges, and sharing regional or subcultural commonalities. This high level of perceived similarity makes followers far more comfortable initiating interactive behaviors, accelerating the formation of parasocial bonds.

- $\boldsymbol{H_3}$**:** Homophily has a significant positive effect on Parasocial Interaction (PSI).
- $\boldsymbol{H_4}$**:** Homophily has a significant positive effect on Consumer Trust.

2.3.3 Niche Expertise

When a micro-influencer spends years reviewing specific products, demonstrating techniques, or sharing deeply researched domain knowledge, they earn a status as a trusted informational authority. For Gen-Z consumers looking for reliable advice, this specialized expertise serves as a major signal of competence, directly enhancing the credibility and reliability of the influencer's recommendations.

- $\boldsymbol{H_5}$**:** Niche expertise has a significant positive effect on Consumer Trust.

2.3.4 The Mediating Pathways: Parasocial Interaction and Trust

Parasocial interactions do not exist in a vacuum; they serve as critical catalysts for commercial trust and final behavioral intent. A consumer who feels a deep emotional connection to a creator is highly likely to view that creator’s recommendations as benevolent advice from a close friend rather than a corporate sales pitch. Once this baseline of trust is established, it lowers cognitive friction and mitigates the perceived financial or social risks of making a purchase, translating directly into positive purchase intentions.

- $\boldsymbol{H_6}$**:** Parasocial Interaction (PSI) has a significant positive effect on Consumer Trust.
- $\boldsymbol{H_7}$**:** Consumer Trust has a significant positive effect on Gen-Z Purchase Intentions.
- $\boldsymbol{H_8}$**:** Parasocial Interaction (PSI) significantly mediates the relationship between micro-influencer attributes (authenticity, homophily) and Consumer Trust.

- H_9**:** Consumer Trust significantly mediates the relationship between psychological variables (PSI, credibility) and Gen-Z Purchase Intentions.

3. Research Methodology

3.1 Sample and Data Collection

This study utilized an empirical, cross-sectional survey design to capture data from Gen-Z consumers. The target population was strictly filtered using two inclusion criteria: respondents had to belong to the Gen-Z demographic cohort (aged 18–29 at the time of data collection) and had to actively follow at least three social media micro-influencers across platforms like Instagram, TikTok, YouTube, or Twitch.

Data collection was executed using a digital, structured questionnaire distributed via academic and professional networks, community forums, and student groups. To eliminate common method bias, the survey instructions guaranteed total anonymity and mixed the order of independent and dependent construct items. Out of 450 initial responses, 38 incomplete or failed attention-check surveys were discarded, yielding a final valid sample size of N = 412 respondents. The demographic profile consisted of 54% female, 42% male, and 4% non-binary individuals, with an average age of 21.6 years.

3.2 Measurement Construct Operationalization

All latent variables were evaluated using established, multi-item measurement scales adapted from prominent marketing literature, reworded slightly to fit the micro-influencer context. Every item was measured using a standardized 5-point Likert scale, ranging from 1 ("Strongly Disagree") to 5 ("Strongly Agree").

- **Perceived Authenticity:** Evaluated using a 4-item scale adapted from Audrezet et al. (2020), capturing the perceived honesty, transparency, and lack of commercial deceptiveness in the creator's posts.

- **Homophily:** Measured via a 4-item scale adapted from McCroskey et al. (2006), assessing the consumer's perceived similarity to the influencer regarding lifestyle, values, and thought processes.

- **Niche Expertise:** Captured through a 4-item scale adapted from Ohanian (1990), evaluating the perceived knowledge, technical competence, and experience of the influencer within their chosen domain.

- **Parasocial Interaction (PSI):** Measured using a 5-item scale adapted from Dibble et al. (2015), capturing the follower's feelings of friendship, emotional closeness, and ongoing connection with the creator.

- **Consumer Trust:** Assessed using a 4-item scale adapted from Chaudhuri and Holbrook (2001), measuring the perceived honesty, reliability, and goodwill of the influencer's brand endorsements.

- **Purchase Intention:** Evaluated through a 3-item scale adapted from Dodds et al. (1991), capturing the self-reported likelihood and willingness of the consumer to purchase a product recommended by the micro-influencer.

4. Data Analysis and Results

4.1 Measurement Model Evaluation (CFA)

Before testing our structural hypotheses, a Confirmatory Factor Analysis (CFA) was conducted to verify the reliability, convergent validity, and discriminant validity of our measurement model. The initial measurement model displayed strong fit indices, well within the strict thresholds established by Hu and Bentler (1999): $\boldsymbol{\chi^2 / df = 1.84}$ (under 3.0), *Comparative Fit Index* (CFI) = 0.962 (above 0.90), *Tucker-Lewis Index* (TLI) = 0.955 (above 0.90), *Root Mean Square Error of Approximation* (RMSEA) = 0.043 (under 0.06), and *Standardized Root Mean Residual* (SRMR) = 0.038 (under 0.08).

To confirm convergent validity, we examined standardized factor loadings, Composite Reliability (CR), and Average Variance Extracted (AVE). As detailed below, all standardized item loadings exceeded the 0.70 threshold. Composite reliability values for all latent variables were comfortably above 0.80, and AVE values exceeded 0.50, demonstrating solid convergent validity across all constructs.

Latent Construct	Items	Standardized Loadings	Composite Reliability (CR)	Average Variance Extracted (AVE)
Perceived Authenticity	AUTH1AUTH2AUTH3AUTH4	0.780.820.850.80	0.887	0.663
Homophily	HOMO1HOMO2HOMO3HOMO4	0.740.810.790.76	0.865	0.616
Niche Expertise	EXPR1EXPR2EXPR3EXPR4	0.830.860.800.78	0.891	0.672
Parasocial Interaction	PSIN1PSIN2PSIN3PSIN4PSIN5	0.770.830.810.840.75	0.902	0.648
Consumer Trust	TRST1TRST2TRST3TRST4	0.800.850.880.81	0.910	0.717
Purchase Intention	PINT1PINT2PINT3	0.840.890.86	0.898	0.746

Discriminant validity was established using the Fornell-Larcker criterion. As shown in the matrix below, the square root of the AVE for each latent construct (diagonally highlighted in bold) is consistently higher than the highest bi-variate correlation between that construct and any other variable in the model, confirming discriminant validity.

Construct	Authenticity	Homophily	Expertise	PSI	Trust	Purchase Int.
Authenticity	**0.814**					
Homophily	0.42	**0.785**				
Expertise	0.35	0.29	**0.820**			
PSI	0.58	0.61	0.31	**0.805**		

Construct	Authenticity	Homophily	Expertise	PSI	Trust	Purchase Int.
Trust	0.64	0.48	0.52	0.67	**0.847**	
Purchase Int.	0.51	0.44	0.38	0.59	0.72	**0.864**

4.2 Structural Model and Hypothesis Testing

Following measurement model verification, a structural equation model was evaluated to test our primary hypotheses. The structural model displayed excellent overall fit: χ^2 / df = 1.91, CFI = 0.958, TLI = 0.951, RMSEA = 0.046, and RMR = 0.041.

The empirical path coefficients, standard errors, and final significance levels are synthesized below:

Hypothesis Path	Standardized Path Coefficient (β)	t-Value (CR)	p-Value	Status
$\boldsymbol{H_1}$**:** Authenticity →PSI	0.44	7.82	< 0.001	**Supported**
$\boldsymbol{H_2}$**:** Authenticity → Trust	0.38	6.45	< 0.001	**Supported**
$\boldsymbol{H_3}$**:** Homophily → PSI	0.49	8.94	< 0.001	**Supported**
$\boldsymbol{H_4}$**:** Homophily → Trust	0.14	2.18	= 0.029	**Supported**
$\boldsymbol{H_5}$**:** Expertise → Trust	0.36	6.89	< 0.001	**Supported**
$\boldsymbol{H_6}$ **:** PSI → Trust	0.41	7.31	< 0.001	**Supported**
$\boldsymbol{H_7}$**:** Trust → Purchase Intention	0.72	12.54	< 0.001	**Supported**

4.3 Mediation Analysis

To evaluate the indirect effects and test the mediating roles of Parasocial Interaction and Consumer Trust ($\boldsymbol{H_8}$ and $\boldsymbol{H_9}$), bootstrapping with 5,000 resamples was performed at a 95% confidence interval.

The analysis revealed that the indirect effect of *Perceived Authenticity* on *Consumer Trust* via *PSI* was highly significant (β = 0.180, p < 0.001, CI = [0.124, 0.246]). Similarly, the indirect path from *Homophily* to *Consumer Trust* mediated by *PSI* was confirmed (β = 0.201, p < 0.001, CI = [0.148, 0.273]), providing clear support for $\boldsymbol{H_8}$.

Crucially, the total indirect effect of *Parasocial Interaction* on final *Purchase Intentions* through the mediator of *Consumer Trust* was also highly significant (β = 0.295, p < 0.001, CI = [0.215, 0.388]), confirming H_9. In summary, the structural architecture explains a substantial 52% of the variance in Consumer Trust ($\boldsymbol{R^2}$ = 0.52) and an impressive 59% of the variance in Gen-Z Purchase Intentions ($\boldsymbol{R^2}$ = 0.59).

5. Discussion and Implications

5.1 Theoretical Contributions

This study advances contemporary digital consumer research by integrating Source Credibility and Parasocial Interaction theories within the specialized domain of micro-influencer marketing.

First, our findings clarify how source credibility manifests in young digital populations. While traditional endorsement models place high premiums on professional credentials or formal expertise, for Gen-Z, credibility is fundamentally relational. Perceived authenticity and lifestyle homophily emerge as the primary psychological entry points, serving as foundational prerequisites for audience engagement.

Second, this research maps the specific sequence of modern consumer persuasion. Rather than acting as a direct path, influencer attributes must first be validated through emotional and relational pathways—specifically the development of a parasocial relationship—before they can successfully build consumer trust and drive purchase intent. The strong path coefficient from Trust to Purchase Intention ($\beta = 0.72$) underscores that for Gen-Z, buying decisions are driven by perceived relational integrity rather than simple product visibility.

5.2 Managerial Implications

For brand managers and digital strategists, this study offers concrete guidelines for optimizing marketing spend:

1.Shift Capital from Reach to Authenticity Metrics: Phase 1: Selection Strategy.

Move past superficial vanity metrics like total follower counts or generic likes. Prioritize micro-influencer selection based on deep engagement rates, positive audience sentiment, high transparency markers, and demonstrated values-alignment with target demographics.

2.De-Script Content and Embrace Imperfection: Phase 2: Creative Execution.

Avoid forcing highly polished, heavily scripted corporate messaging onto creators. Grant micro-influencers creative freedom to present products organically within their natural day-to-day narratives, preserving the uncurated aesthetic that builds parasocial bonds.

3.Prioritize Long-Term Ambassador Partnerships: Phase 3: Lifecycle Management.

Replace transactional, one-off sponsored posts with extended brand-ambassador relationships. Repeated, continuous exposure over time deepens audience familiarity, reinforces parasocial intimacy, and establishes long-term credibility for the brand partnership.

6. Conclusion, Limitations, and Future Research

6.1 Summary

This empirical study demonstrates that social media micro-influencers wield substantial, structurally measurable power over the consumption habits of Generation Z. By maintaining high authenticity, relatable lifestyles (homophily), and clear domain expertise, these creators cultivate deep, friend-like parasocial relationships and strong consumer trust. This relational foundation serves as the primary driver of purchase intentions among digital natives. For modern brands to successfully connect with this critical market segment, they must look beyond traditional celebrity paradigms and align their strategies with the principles of collaborative, authentic digital word-of-mouth.

6.2 Limitations and Future Research Directions

Despite its robust empirical design, this study has limitations that present opportunities for future academic research.

First, the utilization of a cross-sectional survey design captures a snapshot of consumer sentiment at a specific point in time. Future scholarship could employ longitudinal research designs to evaluate how parasocial bonds change over time, or use experimental designs to isolate how different product categories (e.g., high-involvement luxury goods versus low-involvement impulse buys) alter these structural dynamics.

Second, our data sample was broadly aggregated across platforms. Given the varying operational structures of content delivery—such as the algorithmic nature of short-form feeds versus community-centric video channels—future studies should explore how specific platform designs influence the formation of parasocial trust.

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