Examining How Endorsements By Social Media Influencers Affect Gen Z Buying Behavior In Lifestyle And Electronics Products: A Case Study Of Patiala City

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Abstract :In today's business landscape, companies often focus on a consumer-centric approach, leveraging digital and social media marketing. Advertising on social media tends to be subtle, operating at a subconscious level, with influencers serving as a prime example. When executed effectively, this type of marketing is interactive, engaging, and fosters a connection with consumers, rather than merely appealing to their rational side. The lifestyle and electronics sectors are particularly influential in shaping the buying behavior of youth in Patiala. Lifestyle brands excel in creating compelling visuals through influencers for products related to food, fitness, and organic goods, reflecting the latest trends. Electronics, meanwhile, attract tech-savvy youth and are frequently promoted by influencers across various platforms.

This research paper aims to integrate these factors by utilizing both primary and secondary data. Its objective is to examine the relationship between the trust that average consumers place in influencers and the subsequent consumer behavior of Patiala's youth aged 15-25. Primary data will be gathered through a structured questionnaire, and the findings will be analyzed and presented based on these observations.

Keywords: Social media, Youth, Consumer behavior, Lifestyle, Electronics, Influencers

I. INTRODUCTION

Social media has revolutionized advertising in profound ways. The number of social media users has been expanding rapidly—by 2020, there were 3.6 billion users globally, with India accounting for a significant portion. As of January 2021, India had approximately 400 million social media users, growing by 25-30 million annually. These statistics highlight the vast potential for social media marketing in India. Today's youth, adept with technology, tend to have shorter attention spans and are less receptive to overt advertisements. Businesses are responding by shifting from direct advertising to more subtle approaches. Influencers, who have the ability to shape consumer opinions without taking direct responsibility for purchasing decisions, are a key component of this shift. Their success is driven by their expertise, popularity, and niche knowledge, and they have dedicated social media followings. Influencers, whether through organic content or sponsored posts, are often trusted more than traditional company advertisements and offer personalized guidance on product use.

The research seeks to investigate how influencers impact the consumer behavior of Generation Z in Patiala. It will assess the strength of the relationship between influencers and their audience, aiming to analyze the potential conversion rates achieved through this marketing approach.

Patiala has been chosen for this study due to its transformation from a city known for its pensioner population to one of the fastest-growing urban centers in India. It has also been recognized as one of the most livable cities in the country, factors that significantly influence its demographics. Patiala boasts one of the largest youth populations in India. Both the lifestyle and electronics industries play a crucial role in shaping the spending habits of this demographic. The lifestyle sector effectively uses influencers to create appealing visuals for food, fitness, and organic products, while the electronics industry is widely promoted by influencers across various platforms.

II.   LITERATURE REVIEW

This research examines consumer buying behavior and the influence of social media influencers. The literature review will analyze both aspects in detail. Consumer buying behavior involves understanding what, how, when, and where consumers make their purchases, encompassing both quantitative and qualitative decisions. This understanding is vital for developing effective marketing strategies. The process includes stages such as need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior, with various factors—personal, social, cultural, and psychological—impacting each stage. Duangruthai Voramontri's research indicates that social media can influence buying decisions during the information search, alternative evaluation, and purchase stages. The study suggests that social media habits affect consumer satisfaction, improving as the consumer progresses toward the final purchase and post-purchase evaluation.

Social media is categorized into types such as social networking sites, social news, media sharing, blogs, and microblogging. Social media marketing refers to using these platforms as marketing tools. Over time, social media has evolved into an interconnected network, facilitating easier and more diverse marketing strategies.

McKinsey & Company's research in India highlights the significant impact of digital influencers, noting that 80% of consumers are likely to consider new brands based on influencer recommendations. With numerous products being advertised daily by various influencers, these influencers strive to build relationships with their followers through trust, awareness, and advertising.

Hide A and colleagues found that effective advertising on social media depends on aligning the platform's engagement features with the advertising content. For instance, Instagram's visual-centric nature requires advertisements to be visually appealing, while Twitter, which is more informational, demands content suited to its format.

Janusz Wielki's research on Generation Z emphasizes that the credibility of influencers and the authenticity of their messages are crucial factors in their effectiveness. McKinsey also notes that Gen Z values online communities for their ability to connect individuals of varying economic backgrounds around common interests and causes. Despite their diverse characteristics, Gen Z is unified in their preference for influencers who offer reliability and meaningful connections. Consequently, influencer marketing can effectively reach a broad demographic.

In India, the lifestyle industry is expanding rapidly, driven by increasing awareness of healthier lifestyle choices. Meanwhile, the global electronics industry is expected to reach $7.3 trillion by 2025, with India projected to be the second-largest market after China [Manik Abbott, 2020].

III.   RESEARCH METHODOLOGY

This research adopts a descriptive approach, analyzing existing data to understand the relationship between consumer behavior and the impact of social media influencers. In this study, consumer behavior is the dependent variable, while the impact of social media influencers is the independent variable. The influence of social media is assessed through metrics such as purchase intent, buying decisions, purchasing frequency, and trust in influencers.

The study is both quantitative and descriptive, utilizing both primary and secondary data sources. Secondary data is gathered from marketing magazines, industry white papers, websites, and other research documents. Primary data is collected via a structured questionnaire, targeting youth aged 14-25 in Patiala city, with a sample size of 156. Convenience sampling is employed for data collection.

Data is processed and coded using MS Excel. Descriptive statistics help in understanding the data, and the Chi-Square test is applied for hypothesis testing to determine statistical significance. The findings are presented based on this analysis.

IV. OBJECTIVES

1. To assess how social media influencers and their endorsements affect consumers' purchase intentions.
2. To evaluate the level of trust that Generation Z, across different genders, places in social media influencers.
3. To identify which category of social media influencers attracts the largest audience.

V. ANALYSIS

The research gathered data from 157 respondents, which was coded and organized into frequency tables using MS Excel. Descriptive statistics were used to explore various aspects of the data, while inferential statistics, specifically the Chi-Square test, were used to test hypotheses.

Of the 157 participants, 69 were male and 88 were female, all within the 15-25 age range, with nearly 90% being between 18-25 years old. Most respondents are students, and only two indicated they do not use social media, highlighting the extensive reach and influence of social media platforms.

The data reveals that YouTube, WhatsApp, and Instagram are highly popular among youth. This trend underscores why many social media influencers are particularly active on Instagram and YouTube, as these platforms offer them a broader reach.

Approximately three-fourths of the respondents follow celebrities or social media influencers. On average, each respondent follows about five influencers, while nearly 20% of the sample follows more than ten.
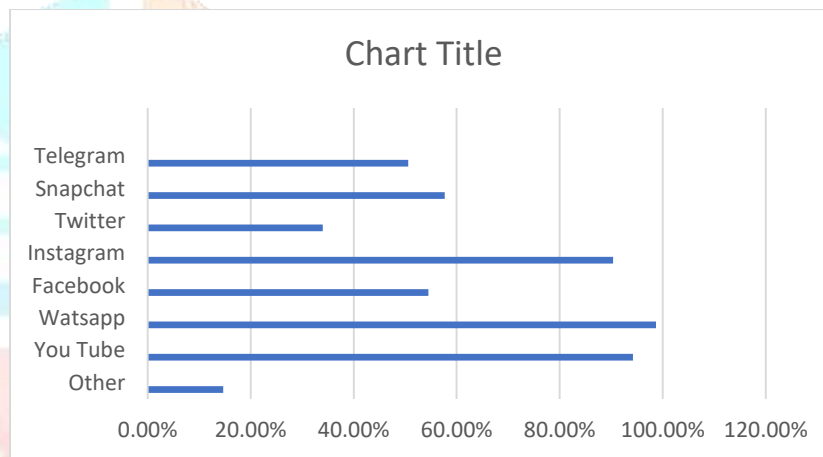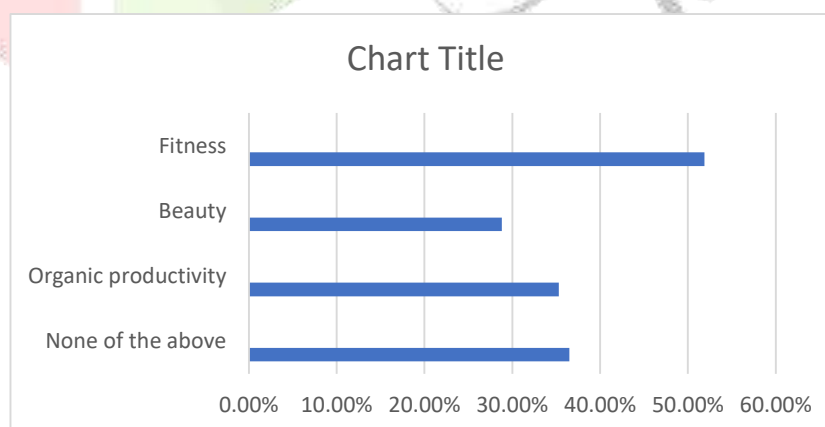

Diagram 1: Most used social media platforms.

Diagram 2: Most followed category of social media influencers.

` The survey data indicates that many young people follow fitness-focused social media influencers. As interest in organic products and lifestyles grows, influencers in these areas also attract large audiences. Additionally, about 50% of respondents turn to technology influencers as needed, showing that they seek out specific content based on their current interests or requirements.
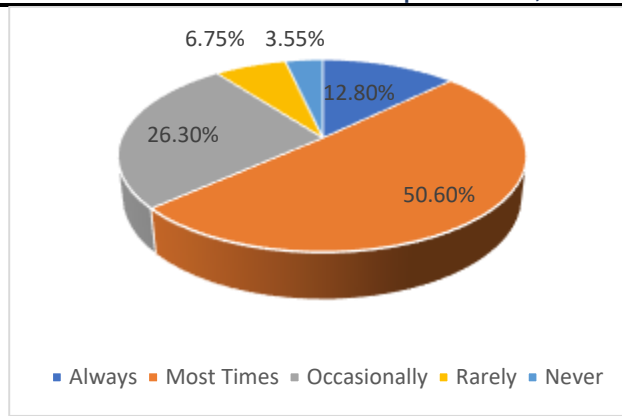
Diagram 3: Occurrence of advertisements or endorsements by social media influencers

Most respondents reported encountering product advertisements from influencers during their social media use. This highlights the extensive use of social media for advertising and endorsements, alongside traditional media. Emerging and smaller brands are particularly focused on leveraging social media influencers to attract new customers. However, despite the high frequency of advertisements and endorsements, the actual rate of people considering or purchasing these products remains quite low. The accompanying diagram illustrates the percentage of individuals who actively explore or buy the promoted products or services.
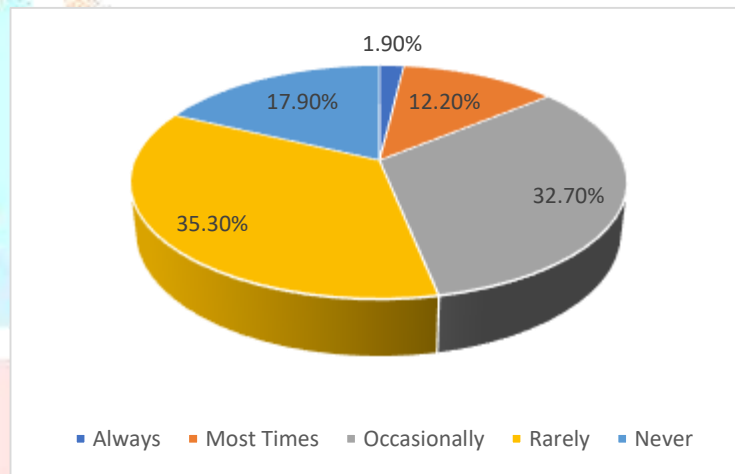

Diagram 4: Percentage of respondents who actually check out the product/service promoted by the social media influencer

The diagram shows that fewer than half of the respondents actually look into the products or services they see promoted. Even fewer, less than 40%, end up purchasing these items, with only 11% frequently buying products endorsed by influencers. When it comes to trust in influencers, most respondents are selective and only trust recommendations from influencers within the same field as the product. Nearly 75% of the sample admitted they would check prices, reviews, and other factors before making a purchase based on a social media influencer's recommendation.
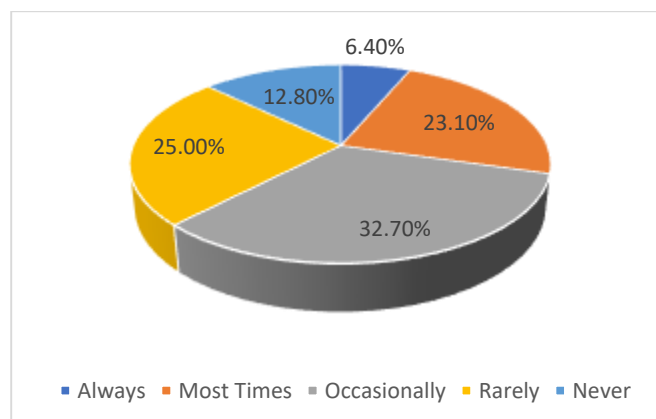

Diagram 5: Consideration of a brand which is promoted by a social media influencer but is relatively new or smaller.

When it comes to newer or smaller brands, the majority of respondents indicated that they would still consider buying their products. This trend supports the rapid growth of brands like Boat, Mamaearth, Groww, and Mivi, which have made significant impacts in their industries largely through social media influencer marketing. Additionally, social media reviewers who provide independent opinions and reviews of products tend to be more trusted than those who promote products for sponsorships. Nearly 80% of people place more trust in reviews than in endorsements or promotions.
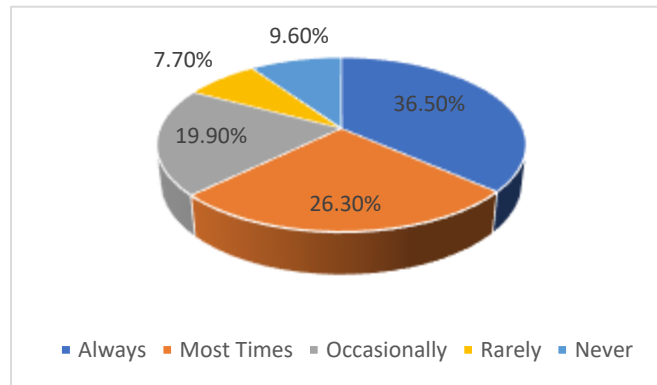

Diagram 6: Trust over reviews which are not sponsored.

Hypotheses:
1. The effect of social media influencers on consumers' purchase intent varies by gender.
2. The influence of social media influencers on consumer buying behavior varies by gender.

Hypothesis Testing:
To test these hypotheses, the Chi-square test of independence will be employed. This involves comparing the actual observations to the expected observations.

For calculating the Chi-square value:

Chi-square value = Σ(Actual Observation - Expected Observation)^2

Testing Hypothesis 1:
- **Null Hypothesis (H0):** The effect of social media influencers on consumers' purchase intent is independent of gender.
- **Alternative Hypothesis (H1):** The effect of social media influencers on consumers' purchase intent is dependent on gender.

Actual Observations

	Males	Females	Total	Percentage
Always	7	15	22	14.02
Neutral	22	29	51	32.48
Never	40	44	84	53.50
Total	69	88	157	100

Expected observations

	Males	Females
Always	9.668789809	12.33121019
Neutral	22.41401274	28.58598726
Never	36.91719745	47.08280255

Chi-square Statistic (P Value) = 0.409

Since the significance value is greater than 0.05, we accept the null hypothesis and reject the alternative hypothesis. This suggests that the impact of social media influencers on consumers' purchase intent is independent of gender. The null hypothesis is supported, indicating that there is no significant association between the two attributes and any observed relationship is likely due to chance.

Testing Hypothesis 2:
- **Null Hypothesis (H0):** The effect of social media influencers on consumer buying behavior is independent of gender.
- **Alternative Hypothesis (H1):** The effect of social media influencers on consumer buying behavior is dependent on gender.

Actual observations

	Males	Females	Total	Percentage
Always	9	8	17	10.83
Neutral	15	11	26	16.56
Never	45	69	114	72.61
Total	69	88	157	100

Expected Observation

	Males	Females
Always	7.47133758	9.52866242
Neutral	11.42675159	14.57324841
Never	50.10191083	63.89808917

Chi-square Statistic (P Value) = 0.17565909

Since the significance value exceeds 0.05, we accept the null hypothesis and reject the alternative hypothesis. This suggests that the effect of social media influencers on consumer buying behavior is independent of gender. The null hypothesis is supported, indicating that there is no significant association between these attributes and any observed correlation is likely due to chance.

Findings

Social media influencers and their brand endorsements have a significant presence, with nearly all types of influencers promoting various brands through videos, posts, and other content. Despite the growing prevalence of social media marketing, the actual rate at which people consider or purchase the promoted products remains low. Consumers tend to place more trust in unbiased reviews from independent reviewers rather than in endorsements or promotions from social media influencers.

Limitations and Future Scope

This study was limited to respondents from Patiala, making it difficult to generalize the findings. The majority of participants are students, and their purchasing power might influence the results, a factor not examined in this research. As the impact of social media and influencer marketing continues to grow, future studies could expand to include more product categories and explore the relationship between influencer attributes and their impact in greater detail.

Conclusion

Social media has become a major tool for marketing strategies, with influencer marketing providing a wider reach compared to traditional methods. Gen Z consumers, who actively follow social media and influencers, are particularly responsive to these strategies. The study confirms that influencers can effectively impact both male and female consumers' purchase intentions, with endorsements fostering a positive attitude towards brands. Key factors such as knowledge, popularity, and fan following determine an influencer's effectiveness. Overall, leveraging influencers can be a cost-effective strategy for marketers aiming to reach Gen Z and achieve better results.

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