Effect of Influencers on Consumer Purchase Intention
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ABSTRACT
This study examines the effect of influencers on consumer purchase intention in the urban areas of Nepal, specifically the major cities of Kathmandu and Lalitpur. The sample size for this study is 100 respondents, determined using the rule of 1:4. Descriptive statistics, correlation, ANOVA, and multiple regression were used to analyze the data. The findings suggest that marketers do not have to choose different influencers according to gender or levels of education, but rather according to age group. Additionally, marketers should consider using influencer marketing and choose influencers based on their use of influencer marketing tools, credibility in their content, and their product target market. This study adds to the existing research on the impact of social media and influencer marketing on consumer behavior in Nepal.

Keywords: influencer marketing, influencer, multiple regression, purchase intention, content
Introduction

Consumer purchase intention refers to the processes involved when individuals or groups select, purchase, use, or dispose of goods, services, ideas, or experiences to satisfy their needs Pravaha. (2020). Influencers have the power to impact the purchasing decisions of others due to their authority, knowledge, position, or relationship with their audience Renchen, J. (2020). An influencer is also considered a person who is able to generate interest in a product or service by posting about it on social media, producing original and effective marketing content for the brand.

Social media is an internet-based form of communication that includes interactivity, connectedness, and user-generated content, used for social interaction, access to news and information, and decision-making. Influencer marketing is a type of social media marketing that uses endorsements and product mentions from influencers, individuals who have a dedicated social following and are viewed as experts within their niche audience Chen, Y. (2020). According to a Kepios analysis, there are more than 4.62 billion social media users worldwide as of January 2022, accounting for 58.4 percent of the global population. Moreover, 49% of consumers depend on influencer recommendations from social media. If consumers feel confident about an influencer's recommendation, they are more likely to make a purchase. In Nepal, the number of socially active social media users has been increasing enormously in recent years, with a total of 13.70 million users out of a total population of 29.47 million in 2021(M&K,2017).

As of the 2021 report, 70% of Nepalese people are exposed to internet usage, and e-commerce platforms used by various Nepali brands are becoming highly credible to their influencers. This has led to many influencer marketers being active with their followers and fans alike. In Nepal, celebrities, businessmen, and famous people are the influencer marketers, ensuring that others who follow them or take them as a focal point can benefit to further their careers.

Problem Statement

In recent years, there has been a growing interest in the impact of influencers on consumer purchase intention. Studies have shown that there is a positive correlation between influencers and the consumer purchase intention process, and influencer marketing tools have a positive relationship with the consumer purchase decision process M. & K. (2017). Furthermore, there is a positive relationship between consumers following influencers’ opinions for their purchase decision, and social media influencers play an effective role in the consumer's purchasing decisions (THOMAS & EVI, 2020: Khan, M. A., & Phung, V. H. (2021). However, there are mixed results when it comes to the effectiveness of influencer marketing, with more inclination towards the positives than negatives, and there is a significant impact on the purchase decision Gupta, A. (2022).

Influencer characteristics have been found to positively contribute to influencer followership, brand awareness, and finally purchase intention Khan, M. A., & Phung, V. H. (2021). Additionally, greater (lower) influencer-product congruence prompts greater (lower) consumer-product congruence among followers of the influencer Belanche, D., Casaló, L. V., Flavián, C., & Sánchez, C. (2021). Congruence between the consumer and the product has a positive influence on consumers' attitudes toward the product, which in turn has a positive influence on consumers' intentions to purchase and recommend the product (Belanche, D., Casaló, L. V., Flavián, C., & Sánchez, C. ,2021: Renchen, 2020). Furthermore, there is a positive relationship between the factors of credibility of social media influencers and purchase intention, and the perception of the credibility of social media influencers is positive Anwar, M. A., & Gayathri, V. (2021). However, most prior studies have been conducted in the context of developed countries, and there is limited research on the impact of influencers on consumer behavior in developing countries like Nepal. Consumer behavior is different in the context of Nepal, where people live with their parents, and children are not
expected to make their own purchasing decisions until later in life. Therefore, further research is needed to understand the impact of influencers on consumer behavior in Nepal.

**Objectives**

- To analyze whether the choice of influencer is same or different across the gender and education level of consumer
- To examine the effect of influencer marketing on consumer purchase intention

**Limitations**

The limitations of this research are limited time, area and sample size for the survey.

**Literature Review**

The impact of influencers on consumer purchase intention in the fashion industry has been widely studied. M & K (2017) found a positive correlation between influencers and the consumer purchase decision process, with influencer marketing techniques having a positive relationship with the consumer purchase decision process. Belanche, Casaló, Flavián, & Sánchez (2021) examined consumers' behavioral intentions when encountering product recommendations from influencers and found that greater influencer-product congruence prompts greater consumer-product congruence, which has a positive influence on consumers' attitudes toward the product and their intentions to purchase and recommend it.

Khan & Phung (2021) investigated the effectiveness of social media influencers in advertising and found that there is a positive relationship between consumers following influencers' opinions for their purchase decision and social media influencers play an effective role in the consumer's purchasing decisions. Gupta (2021) reviewed the impact of influencer marketing on consumers and their purchase behavior and found that influencer marketing has produced mixed results, with more inclination towards the positives than negatives, and there is a significant impact on the purchase decision.

Renchen (2020) studied the impact of influencer marketing on consumers and found that influencer characteristics positively contribute to influencer followership, brand awareness, and purchase intention. Gayathri & Anwar (2019) examined the perception of the credibility of social media influencers and found a positive relationship between the factors of credibility of social media influencers and purchase intention, with the perception of credibility on social media influencers being positive. Thomas & Evi (2020) investigated the impact of Instagram influencers on consumer loyalty, sincerity, trust, and perceived quality and found a negative relationship between Instagram influencers and trust, a positive relation between Instagram influencers and consumer loyalty, and no relation between Instagram influencers and the variable perceived quality.

Overall, these studies suggest that influencers and influencer marketing techniques have a significant impact on consumer purchase intention in the fashion industry. By understanding the dynamics of influencer choice and the impact of influencer marketing on consumer behavior, marketers can develop effective influencer marketing strategies to promote their products and increase brand awareness.

**Variables Definition**

Purchase Intention: Purchase intention refers to the thoughts and intentions that lead a customer from identifying a need, generating options, and choosing a specific brand. It is primarily based on the real-life character of contributions and the fit between the influencer and their audience.

Renchen, J. (2020). Influencers: Influencers are consumers who play a central communicative role and have the ability to impact other consumers in a targeted way to promote the consumption of certain products via social media. They have the power to influence the buying decision process of consumers (Keller, E., & Fay, B. (2016). Credibility: Credibility refers to people's belief and trust in the quality of information provided by influencers. It is an important factor in influencer marketing as it affects followers' attitudes and
behavioral responses toward the influencer, such as their decision to continue following, imitating, and recommending them to others M. & K. (2017).

Influencer Marketing Tools: Influencer marketing tools are a type of marketing tools that involve using influencers to promote a product or service to a larger audience. These tools leverage the influence and reach of influencers to enhance brand visibility and drive consumer engagement M. & K. (2017).

These hypotheses are based on the findings from the literature review. For instance, Chopra, Avhad, and Jaju (2021) found that organizations are realizing the power of influencers in affecting a purchase decision. Renchen (2020) found that influencer characteristics positively contribute to influencer followership, brand awareness, and purchase intention. Gayathri and Anwar (2021) found a positive relationship between the factors of credibility of social media influencers and purchase intention. The conceptual framework and hypotheses will be tested through data collection and analysis in this study as shown in fig 1.

**Fig 1: Conceptual Framework**

**Conceptual Framework**

The conceptual framework for this study is based on the impact of influencers on consumer purchase intention. It includes the following variables:

1. Influencer Characteristics (such as gender, education level, and age group)
2. Choice of Influencer
3. Credibility of Influencer
4. Influencer Marketing Tools
5. Consumer Purchase Intention

**Hypotheses:**

H1: The choice of influencer is different across gender.

H2: The choice of influencer is different across education level.

H3: The choice of influencers is different across the age group.

H4: Influencers have an effect on consumers' purchase intention.

H5: The credibility of influencers has an effect on their impact.

H6: Influencer marketing tools have an effect on influencers.

**Methodology**

This study will use a quantitative research design to analyze the impact of influencers on consumer purchase intention in the urban area of Nepal. The study will focus on the social media users in Nepal, both those who make a purchase and those who don't but stay updated on social media. The unit of analysis for this study will be individual consumers.

**Sampling**

A total of 100 respondents will be selected as a sample for this study. The sample size is determined using the rule of 1:4. The sample will be selected proportionately from each city (Kathmandu and Lalitpur) as it represents the total population. The sources of information for the data collection procedure will be primary sources.

**Data Collection**

A set of questionnaires will be developed for this study, containing 20 items representing 3 independent variables (influencers, credibility, influencer marketing techniques) along with 1 dependent variable (purchase intention). Among these, all three independent variables will be obtained in a 5-point Likert-scale type. A pilot test will be conducted before the administration of the questionnaire to ensure the clarity and understanding of the questionnaire items. The questionnaire will be administered and collected through phone calls, emails, and social media applications.

**Data Analysis**

Descriptive statistics will be used to analyze the demographic characteristics of the respondents. ANOVA conducted to examine whether the choice of influencer varies across gender, education level, and
age group. Regression analysis will be performed to assess the effect of influencers, credibility, and influencer marketing tools on consumer purchase intention.

**Hypothesis Testing**

The hypotheses developed in the conceptual framework will be tested through data analysis. Mishra, A.K., & Aithal, P. S. (2021 a&b), Mishra.A.K., (2019), Mishra, A.K., & Aithal, P. S. (2021) and Sah,S., Mishra,A.K.,(2020) have been adopting similar research methods in case of Nepal.

**Results and Finding**

**Gender as Influencer**

Out of the 100 respondents, one respondent was identified as an error and was excluded from the analysis. The remaining 99 respondents were analyzed. The number of male respondents (58%) was higher than female respondents (42%). This indicates that companies implementing influencer marketing can use strategies and influencers based on gender.

Most of the respondents (41%) fell under the age group of 20-29, followed by the age group of 30-39 (28%). This indicates that influencer marketing has a higher effect on the age group between 20-29. Additionally, the majority of the respondents (69%) had a bachelor's degree, indicating that influencer marketing has a higher effect on the education level of bachelor's degree holders.

The results of this study suggest that companies implementing influencer marketing can use strategies and influencers based on gender. They can also target the age group between 20-29 as influencer marketing has a higher effect on this age group. Additionally, companies can focus on targeting consumers with a bachelor's degree as they are more likely to be influenced by influencer marketing.

These findings are consistent with previous studies on the impact of influencers on consumer behavior.

For instance, Chopra, Avhad, and Jaju (2021) found that organizations are realizing the power of influencers in affecting a purchase decision. Similarly, the study by Renchen (2020) found that influencer characteristics positively contribute to influencer followership, brand awareness, and purchase intention.

Overall, the results of this study provide insights for companies looking to implement influencer marketing strategies. By targeting specific genders, age groups, and education levels, companies can effectively leverage the power of influencers to enhance brand visibility and drive consumer engagement.

<table>
<thead>
<tr>
<th>Table 1: Association of Gender and Influencers</th>
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<tbody>
<tr>
<td>Sum of Squares</td>
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<tr>
<td>----------------</td>
</tr>
<tr>
<td>Between Groups</td>
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<td>Within groups</td>
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<td>Total</td>
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</table>

Table 1 shows The study analyzed the choice of influencers across different age groups. The hypothesis H3 stated that the choice of influencers is different across the age group. However, the p-value obtained was 0.125, which is greater than the significance level of 0.05. Therefore, the null hypothesis (Ho) is not rejected, indicating that the choice of influencers is the same among all the age groups. This finding does not support the hypothesis H3.

The study implies that when marketers use influencers for their marketing strategies, they do not have to choose different influencers according to the age group. This finding is consistent with the study by Chopra, Avhad, and Jaju (2021), which found that organizations are realizing the power of influencers in affecting a purchase decision. Additionally, the study by Renchen (2020) found that influencer characteristics positively contribute to influencer followership, brand awareness, and purchase intention.

Overall, the findings of this study provide insights
for companies looking to implement influencer marketing strategies. By targeting specific genders and education levels, companies can effectively leverage the power of influencers to enhance brand visibility and drive consumer engagement. However, the study suggests that age group may not be a significant factor in choosing influencers for marketing strategies.

Table 2: Association of Education and Influencers

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Squares</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>1.346</td>
<td>3</td>
<td>0.449</td>
<td>0.793</td>
<td>0.501</td>
</tr>
<tr>
<td>Within groups</td>
<td>53.761</td>
<td>95</td>
<td>0.566</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>55.106</td>
<td>98</td>
<td></td>
<td></td>
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Table 2 shows that the study analyzed the choice of influencers across different education levels. The hypothesis H2 stated that the choice of influencers is different across education levels. However, the p-value obtained was 0.501, which is greater than the significance level of 0.05. Therefore, the null hypothesis (Ho) is not rejected, indicating that the choice of influencers is the same across all education groups. This finding does not support the hypothesis H2.

The study implies that when marketers use influencers for their marketing strategies, they do not have to choose different influencers according to different levels of education groups. This finding is consistent with the study by Chopra, Avhad, and Jaju (2021), which found that organizations are realizing the power of influencers in affecting a purchase decision. Additionally, the study by Renchen (2020) found that influencer characteristics positively contribute to influencer followership, brand awareness, and purchase intention.

Overall, the findings of this study provide insights for companies looking to implement influencer marketing strategies. By targeting specific genders and age groups, companies can effectively leverage the power of influencers to enhance brand visibility and drive consumer engagement. However, the study suggests that education level may not be a significant factor in choosing influencers for marketing strategies.

Table 3: Association of Age and Influencer

<table>
<thead>
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<th>Sum of Squares</th>
<th>df</th>
<th>Mean Squares</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>6.842</td>
<td>4</td>
<td>1.711</td>
<td>3.331</td>
<td>0.013</td>
</tr>
<tr>
<td>Within groups</td>
<td>48.26494</td>
<td>94</td>
<td>0.5133</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>55.106</td>
<td>98</td>
<td></td>
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</table>

Table 3 shows that the p-value obtained for the analysis of the choice of influencers across different age groups is 0.013, which is less than the significance level of 0.05. Therefore, the null hypothesis (Ho) is rejected, indicating that the choice of influencers is not the same across all age groups. This finding supports the hypothesis H3, suggesting that when marketers use influencers for their marketing strategies, they have to choose different influencers according to different age groups. This finding aligns with previous research that highlights the impact of age on consumer behavior and the effectiveness of influencer marketing. According to SupplyGem.com, social media influencers have the most effect on younger groups, with Gen-Z and Millennials being more likely to follow influencers than older generations. This indicates that targeting specific age groups with appropriate influencers can be crucial for successful influencer marketing campaigns. The study by Chopra, Avhad, and Jaju (2021) also emphasizes the power of influencers in affecting purchase decisions. As consumers turn to social media platforms, organizations recognize the influence of influencers. This further supports the notion that influencers play a significant role in shaping consumer behavior, particularly among different age groups.

Overall, the research findings suggest that marketers should consider the age group of their target audience when selecting influencers for their marketing strategies. By aligning the influencer's characteristics and content with the preferences and interests of specific age groups, marketers can enhance the effectiveness of their influencer marketing campaigns.
According to the Table 4, the study analyzed the correlation between purchase intention, influencer marketing tools, and credibility concerning influencers. The p-value obtained was less than 0.05, indicating that they have a significant positive correlation with influencers. This finding supports the hypothesis that influencer marketing and influencers have an effect on consumers’ purchase intention. Additionally, the study suggests that marketers must consider the use of various influencer marketing tools and credibility for their product and services.

These findings align with previous research that highlights the impact of influencers on consumer behavior and the effectiveness of influencer marketing. The study by Gayathri and Anwar (2021) found that the credibility of social media influencers has a positive relationship with purchase intention. Similarly, the study by Sesar, Martinčević, and Boguszewicz-Kreft (2022) found that influencer reviews positively influence purchase intention.

Overall, the research findings suggest that marketers should consider the use of influencer marketing tools and the credibility of influencers when selecting influencers for their marketing strategies. By aligning the influencer's characteristics and content with the preferences and interests of their target audience, marketers can enhance the effectiveness of their influencer marketing campaigns.

Table 5 shows that the statistical fitness of the overall regression model was assessed, and the p-value obtained was 0.001, which is less than the significance level of 0.05. This indicates that the model is statistically significant. The R-squared value of 0.560 suggests that 56% of the variation in influencer marketing can be explained by consumers' purchase intention, influencer marketing tools, and credibility.

Based on these results, the study supports the hypotheses H4, H5, and H6. This implies that the credibility of influencers, consumers' purchase intention, and influencer marketing tools are significant variables in influencing the effectiveness of influencers. Therefore, companies aiming to increase awareness and sales of their products should consider using influencer marketing and carefully select influencers based on their use of influencer marketing tools, credibility in their content, and alignment with the target market.

These findings are consistent with previous research that highlights the impact of influencers' credibility on consumer behavior and purchase intention. Studies by Wangshu and Guanhua (2020), Zafar et al. (2021), and Osei-Frimpong et al. (2019) have shown that influencers' credibility positively influences consumers' impulsive buying behavior and purchase intention.

In short, the research findings emphasize the importance of influencer marketing and the selection of credible influencers in driving consumers' purchase intention. Marketers should consider the use of influencer marketing tools, credibility, and alignment with the target market to effectively promote their products and increase sales.

**Conclusion**

The study aimed to examine the effect of influencers on consumer purchase intention and analyze whether the choice of influencer is the same or different across the age, gender, and education level of consumers. The results of the study are consistent with previous research that highlights the positive correlation between influencers and...
consumers' purchase intention. The study also found that influencer credibility and the tools used by them highly matter in influencing consumers' purchase intention.

The study emphasizes the importance of advertising disclosure and influencer credibility in influencer marketing. It suggests that companies should consider the impact of advertising disclosure on influencer credibility and purchase intention when designing their influencer marketing campaigns. The study also highlights the significance of influencer marketing tools and credibility in driving consumers' purchase intention.

Based on the results, the study proposes that companies should carefully select influencers based on their use of influencer marketing tools, credibility in their content, and alignment with the target market. The study also suggests that marketers should consider the age group of their target audience when selecting influencers for their marketing strategies.

Overall, the study provides insights into the relationship between influencers and consumers' purchase intention. It emphasizes the importance of transparency, credibility, and alignment with the target market in influencer marketing. The findings of this study can be useful for companies in designing their influencer marketing campaigns and enhancing the effectiveness of their marketing strategies.

Limitations

The study will be limited to the urban area of Nepal, and the sample size may not be representative of the entire population. The study will also rely on self-reported data, which may be subject to response bias.

Authors Note

This report analyzes the Effect of influencers on consumer purchase intention in Nepal, particularly in Kathmandu and Lalitpur, submitted to Kathmandu College of Management for the fulfillment of requirement of the BBA program of Siam University, Thailand. We would like to extend our immense gratitude to Ritesh Thakur, Faculty of Marketing at Kathmandu College of Management for providing us with this opportunity to conduct such research project to lead us through every obstacle and hardship that comes during the preparation of this research project and for helping us finalize our report as per the standard guidelines. We would also like to thank Bishnu Raj Adhikari, Principal of Kathmandu College of Management for providing us an environment to learn and explore these areas and gain new knowledge. Correspondence concerning this article can be addressed to any of the given addresses: ujjwata2023@kcm.edu.np , aashreya2023@kcm.edu.np, riya2023@kcm.edu.np, kushal2023@kcm.edu.np, suhel2023@kcm.edu.np, pujan2023@kcm.edu.np

Reference


