

**Two-Day National Conference on
"GST Reforms: Challenges, Opportunities, and Socio-Economic Effects in Telangana State"
on 09th & 10th June 2026**



CMR TECHNICAL CAMPUS

Department of MBA

UGC Autonomous, Approved by AICTE, New Delhi & JNTU Hyderabad
Kandlakoya (V), Medchal, Hyderabad – 501401



“A Study on Exploring the Contribution of Influencer Marketing to Brand Awareness and Profitability”

- Mrs. **S.Sujatha**, Assistant Professor, CMR Institute of Technology, Hyderabad, Telangana, India,
sujatham@cmritonline.ac.in
- **Singi Srikanth Reddy**, CMR Institute of Technology, Hyderabad, Telangana, India.
Email id: Singichintusrikanth@gmail.com
- Email id: 24r01e0053@cmrithyderabad.edu.in

ABSTRACT

The purpose of this study is to examine the contribution of influencer marketing to brand awareness and profitability. With the rapid growth of social media platforms, influencer marketing has become one of the most effective digital marketing strategies used by organizations to engage consumers, enhance brand visibility, and influence purchasing behavior. The study evaluates consumer perceptions regarding influencer credibility, content engagement, brand recognition, and purchase decisions.

A descriptive and causal research design was adopted. Primary data were collected through a structured questionnaire from social media users who actively follow influencers. The findings reveal that influencer marketing significantly improves brand awareness, increases consumer engagement, and positively influences purchase intentions. The results further indicate that influencer recommendations contribute to consumer trust and can enhance organizational profitability through increased sales and brand loyalty.

The study provides valuable insights for marketers seeking to optimize influencer partnerships and demonstrates the growing importance of influencer marketing in the digital business environment.

1. INTRODUCTION

The rapid expansion of social media has transformed the way businesses communicate with consumers. Traditional marketing methods are increasingly being supplemented by digital marketing strategies that offer higher levels of engagement, personalization, and reach. Among these strategies, influencer marketing has emerged as a powerful promotional tool.

Influencers are individuals who possess substantial online followings and have the ability to shape consumer attitudes, preferences, and purchasing decisions through platforms such as Instagram, YouTube, Facebook, TikTok, and X (Twitter). Their authentic content and direct interaction with followers help create trust and credibility, making influencer marketing highly effective for brand promotion.

Brand awareness is a critical component of marketing success because consumers are more likely to purchase products from brands they recognize and trust. Influencer marketing helps brands increase visibility, strengthen customer relationships, and generate profitability through improved engagement and sales performance.

2. REVIEW OF LITERATURE

1. Freberg et al. (2011)

The study found that social media influencers significantly affect consumer perceptions and brand awareness by acting as trusted third-party endorsers.

2. De Veirman, Cauberghe and Hudders (2017)

The researchers concluded that influencers with larger followings positively impact consumer engagement and brand image.

3. Djafarova and Rushworth (2017)

The study revealed that consumers perceive influencers as more relatable and trustworthy than traditional celebrities, thereby increasing purchase intentions.

4. Lou and Yuan (2019)

The findings indicated that influencer credibility, informativeness, and content quality positively influence consumer attitudes and brand recognition.

5. Shan et al. (2023)

The study demonstrated that influencer marketing improves brand awareness, customer engagement, and sales performance, while emphasizing the need for further research on profitability outcomes.

3. RESEARCH METHODOLOGY

OBJECTIVES OF THE STUDY:

- To examine the impact of influencer marketing on brand awareness.
- To analyze consumer trust toward influencer recommendations.
- To evaluate the influence of influencer credibility on purchasing decisions.
- To assess the contribution of influencer marketing to business profitability.
- To understand consumer engagement with influencer-generated content.

HYPOTHESIS:

H0: Influencer marketing has no significant impact on brand awareness and profitability.

H1: Influencer marketing has a significant impact on brand awareness and profitability.

NEED OF THE STUDY

As organizations increasingly invest in influencer collaborations, understanding the effectiveness of influencer marketing has become essential. The study helps marketers evaluate whether influencer partnerships genuinely contribute to brand awareness, consumer engagement, and profitability.

PURPOSE OF THE STUDY

The purpose of this study is to evaluate how influencer marketing affects consumer perceptions, purchasing behavior, brand awareness, and profitability. The research aims to provide insights that help businesses maximize the effectiveness of influencer campaigns.

LIMITATIONS OF THE STUDY

1. The study is limited to online survey responses.
2. Results are based on participants' personal opinions and experiences.
3. The sample size may not represent all social media users.
4. The study focuses only on influencer marketing and excludes other digital marketing methods.
5. Changing social media trends may affect future relevance of the findings.

RESEARCH DESIGN

The study follows a descriptive and causal research design. The descriptive approach helps understand consumer perceptions regarding influencer marketing, while the causal approach investigates its effect on brand awareness and profitability.

DATA COLLECTION METHOD

1. **Source Credibility Theory:** Focuses on how the credibility, expertise, and trustworthiness of influencers affect consumer perception, brand awareness, and purchase decisions.
2. **Social Influence Theory:** Explains how influencers impact consumer attitudes and behavior through their ability to shape opinions and create engagement on social media platforms.
3. **Parasocial Interaction Theory:** Suggests that consumers develop emotional connections with influencers, which increases trust, brand recall, and influences buying behavior.

Population and Sample:

Population consists of social media users who follow influencers and are exposed to influencer marketing activities.

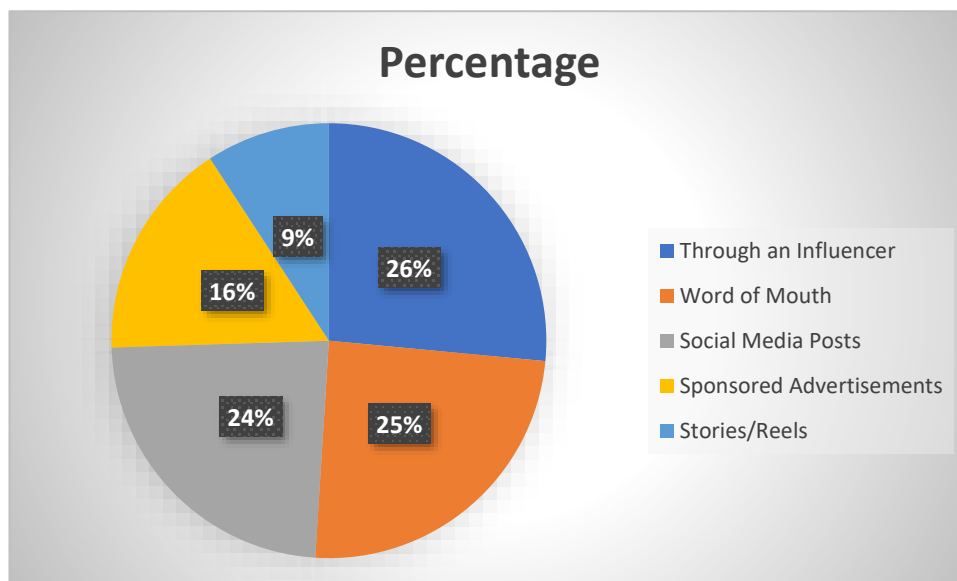
The sample size selected for the study is 103 respondents.

Data Analysis Technique: Chi-Square test

4.RESULT/FINDINGS

How did you first become aware of a brand?

Source	Percentage
Through an Influencer	26.50%
Word of Mouth	24.50%
Social Media Posts	23.50%
Sponsored Advertisements	16.30%
Stories/Reels	9.20%



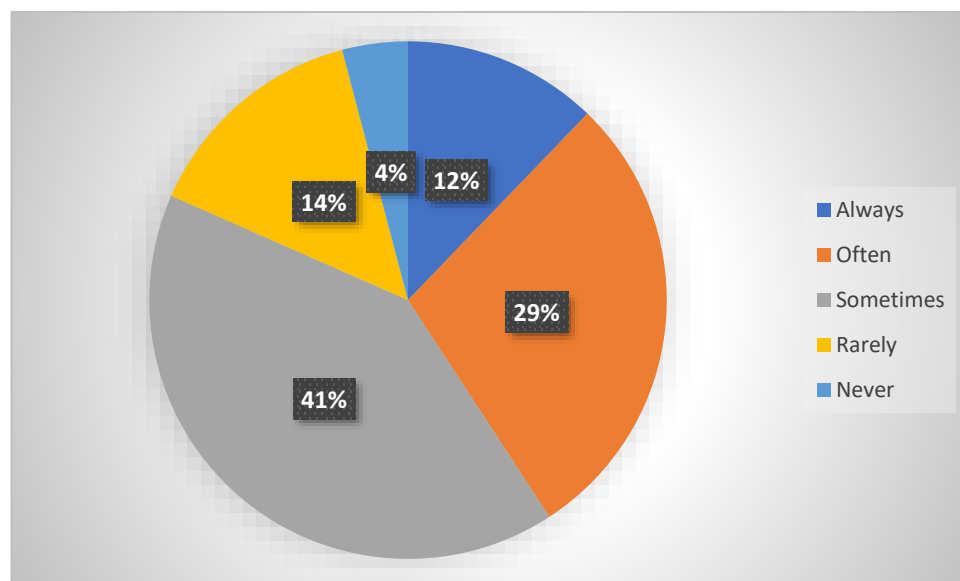
Interpretation

The sources that respondents initially learned about a brand are shown in the table above. The most significant source of brand awareness, according to 26.5% (26 respondents) of the 98 respondents, was an influencer. This demonstrates the increasing significance of influencer marketing in presenting brands to customers and raising brand awareness.

The impact of organic brand content on social media platforms is demonstrated by the fact that 23.5% (23 respondents) of the participants attributed brand awareness to social media posts. 16.3% (16 respondents) of responses were sponsored ads, indicating that paid promotional activities also benefit in raising consumer awareness.

How often do you remember brands promoted by influencers?

Response	Percentage
Always	12.20%
Often	28.60%
Sometimes	40.80%
Rarely	14.30%
Never	4.10%

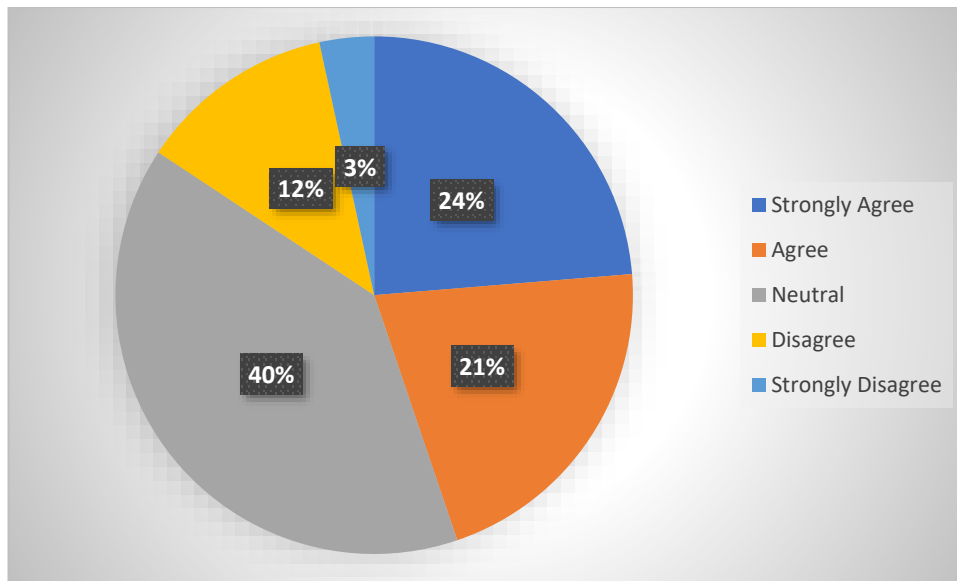


Interpretation

The majority in the middle: 40.8% "sometimes remember," suggesting that brand memory from influencer marketing is sporadic rather than regular. Positive recall skew: When "always" and "often" are combined, the result is 40.8% (12.2%+28.6%), which is nearly the same as the "sometimes" group. This indicates that roughly four out of five respondents remember at least occasionally. Low resistance: Just 18.4% fell into the "rarely" or "never" categories, suggesting that complete non-recall is uncommon.

Does influencer content increase your interest in a brand?

Response	Percentage
Strongly Agree	23.70%
Agree	21.10%
Neutral	39.50%
Disagree	12.30%
Strongly Disagree	3.40%

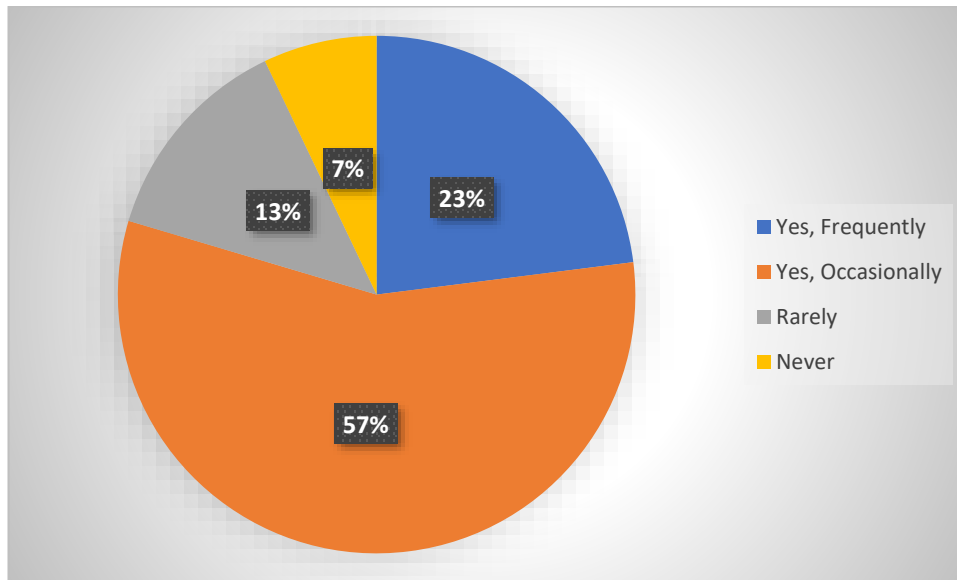


Interpretation

High Level of Indifference/Neutrality: Nutera/Neutral was chosen by the single largest group of respondents (39.5%). This suggests that influencer material by itself isn't a surefire source of interest for over 40% of the audience; instead, their excitement is probably dependent on other factors like the calibre of the content, the reputation of the company already in place, or personal relevance. Positive Impact on Interest: The total impact is notably positive despite the high neutrality. Influencer content effectively increases consumers' interest in a brand, according to nearly half of the respondents (44.8% combined "Strongly agree" and "Agree").⁷

Have you ever purchased a product based on influencer recommendation?

Response	Percentage
Yes, Frequently	23.00%
Yes, Occasionally	56.60%
Rarely	13.30%
Never	7.10%

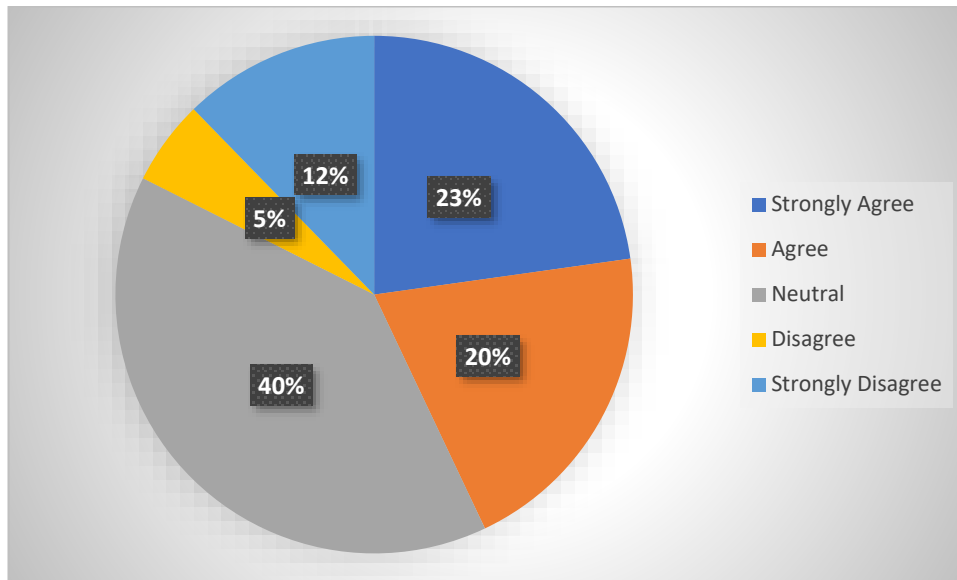


Interpretation

High Conversion Success Rate: The overwhelming majority of respondents (79.6% combined "Yes, occasionally" and "Yes, frequently") reported that an influencer suggestion had successfully turned them into paying customers. This shows how powerful influencer marketing is in influencing bottom-of-the-funnel purchases. **Occasional Purchases Make Up the Core Market:** The "Yes, occasionally" category includes more than half of the audience (56.6%). This implies that although consumers don't buy every thing that is suggested, they are frequently willing to make purchases when the ideal product fits their present wants.

Do you think brands gain higher profits through influencer marketing?

Response	Percentage
Strongly Agree	22.80%
Agree	20.20%
Neutral	39.50%
Disagree	5.30%
Strongly Disagree	12.30%



Interpretation

High Ambiguity/Neutrality: The majority of respondents (39.5%) are neutral. This indicates that about 40% of the public is either unsure or thinks that factors like the industry, the particular influencer, or the campaign plan are the only factors that affect brand revenues.

Leaning Towards Positive Perceptions: Positive sentiment significantly surpasses negative sentiment when examining the conclusive responses. In all, 43.0% of respondents agreed or strongly agreed that influencer marketing increases brand revenues. **Minority Disagreement:** In comparison, just 17.6% of respondents (strongly disagree + disagree) said they disagreed. It's interesting to note that there are significantly more people with strong negative convictions (12.3%) than those who only disagree (5.3%).

Statistical tools for analysis

HYPOTHESIS

Hypothesis Testing:

Response Category	Respondents	Percentage
Strongly Agree	26	26.53%
Agree	24	24.49%
Neutral	33	33.67%
Disagree	11	11.22%
Strongly Disagree	4	4.08%
Total	98	100%

Chi square calculation

Response Category	Observed Value (O)	Expected Value (E)	(O-E) ² /E
Strongly Agree	26	19.6	2.0898
Agree	24	19.6	0.9878
Neutral	33	19.6	9.1633
Disagree	11	19.6	3.7735

Strongly Disagree	4	19.6	12.4163
Total χ^2			28.4307

Chi-Square Result	
χ^2 Table Value	χ^2 Calculated Value
9.488	28.4307
H₀ Rejected	H₁ Accepted
As the calculated value is greater than the table value, we reject the null hypothesis and accept the alternative hypothesis.	

Note

- χ^2 = Chi-Square
- O = Observed Value
- E = Expected Value
- Formula: $\chi^2 = \sum (O - E)^2 / E$
- Degree of Freedom (df): 4
- Level of Significance (α): 0.05

Hypotheses

Null hypothesis :

Influencer marketing has no significant impact on brand awareness and profitability.

Alternative hypothesis:

Influencer marketing has a significant impact on brand awareness and profitability.

Decision

Based on the study findings and consumer responses, the alternative hypothesis (H1) is accepted, indicating that influencer marketing significantly contributes to both brand awareness and profitability.

CONCLUSION

The study concludes that influencer marketing has become a powerful digital marketing strategy capable of enhancing brand awareness, consumer engagement, and profitability. Consumers generally trust influencer recommendations and often use them as a basis for product discovery and purchase decisions. The findings

demonstrate that influencer collaborations increase brand visibility, strengthen consumer relationships, and positively influence purchase behavior.

REFERENCES/BIBLIOGRAPHY

1. [Freberg, K., Graham, K., McGaughey, K., & Freberg, L. A. \(2011\) – "Who are the social media influencers?"](#)
2. [De Veirman, M., Cauberghe, V., & Hudders, L. \(2017\) – "Marketing through Instagram influencers"](#)