

## The Perception and Understanding of Paid Vs Organic Social Media Advertising Among Gen Z Consumers in India.

Shreya Singh , Yashaswi Kashyap , Vanshika Upadhyay , Kunwar Samrat Singh , Piyush Gupta .

Students of BBA From United University.

**Abstract:** This research paper explores the perceptions and understanding of Paid versus Organic social media advertising among Generation Z consumers in India. As digital natives, Gen Z's interaction with social media shapes their attitudes toward marketing strategies. Through a combination of qualitative and quantitative research methods, it helps to find out how well they can tell the difference ,What they trust more , and how it affects what they buy. We used surveys and interviews to gather information . And The findings aim to contribute to more effective social media marketing strategies tailored for the Gen Z demographic in India.

**Keywords:** Gen Z, India, social media marketing, paid advertising, organic advertising, consumer perception, digital marketing.

**Introduction:** With the rise of social media platforms such as Instagram , Facebook ,YouTube,and newer social sites like Snapchat and Threads, brands are increasingly leveraging these channels to connect with the younger audiences.Social media platforms have become a pivtol medium for brands to reach their target audiences. Among these audiences, Generation Z (individuals born between 1997 and 2012) represents a unique group due to their deep-rooted connection with digital technologies.The distinction between paid advertisments(promoted posts,influencer partnershis ,sponsored content )and organic content,brand content (user-generated content, brand posts without promotion ) is not always clear to users,which in turn impacts their trust and interaction with brands. In India, this demographic constitutes a significant portion of social media users, making them a valuable target for marketers. However, the distinction between paid and organic content is increasingly blurred, affecting consumer trust and engagement. This study examines Gen Z's perception and understanding of these two forms of advertising.

**Literature Review:** Numerous studies have explored the effectiveness of social media marketing strategies. Paid advertisements offers brands the ability to target audiences with precision and immediacy , while organic content builds long term relationships through consistent engagement.Research by De Veirman et al. (2017), influencer marketing a popular form of paid social media advertising,significantly impacts consumer attitudes but may sometimes reduce trust due to overt commercial intent. while studies by Djafarova and Trofimenko (2019) pointed out that micoo-influencers can maintain a more authentic connection with followers , making their content more persuasive. Singh and Aggarwal (2020) focused specifically on the indian Gen Z audience and found that they are highly selective and skeptical of sponsored content, preferring content that feels authentic and relatable . These studies provide the foundation for our research into how Gen Z differentiates and reacts to these advertising formats in indian context. And this study builds on such insights to focus on the comparative understanding and engagement of Gen Z with paid and organic advertising.

organic content (non-paid posts, stories, engagement-based strategies) to reach audiences. According to Statista and Digital 2024 reports, India has one of the largest Gen Z populations actively using platforms like Instagram, YouTube, and Snapchat, making it a crucial market for digital marketers.

Kapoor et al. (2021) : emphasize the rising digital engagement in India, especially among youth, driven by affordable smartphones and internet penetration.

Chaffey (2020) :describes the distinction between paid and organic strategies, suggesting that the two complement each other in building brand trust and reach.

**Peer Influence and Personalization: Trust peers and influencers more than brand messages.**

Fromm & Read (2018) :highlight Gen Z's desire for authenticity and social values in brand messaging.

Kantar IMRB (2022) : reports that Gen Z Indians are more responsive to short-form, visual content and value-driven storytelling.

**Perception of Paid Advertising**

Paid ads on social media are often met with mixed responses from Gen Z:

Perceived Intrusiveness: Ads interrupt content consumption, leading to negative perceptions (Tuten & Solomon, 2017).

Credibility Concerns: Gen Z consumers are quick to identify sponsored content, often questioning its sincerity (De Jans et al., 2019).

Ad Fatigue: Continuous exposure to paid ads can result in cognitive overload and reduced engagement (Chatterjee, 2020).

However, if the ad is visually engaging, relevant, and personalized, it can yield high engagement, especially in Indian metros.

Nielsen (2021) :found that influencer-led paid ads on Instagram and YouTube have higher trust and recall among Indian Gen Z than banner ads.

**Perception of Organic Advertising**

Organic content is generally seen as more trustworthy and engaging:

Two-Way Engagement: Brands using stories, reels, and comments foster interaction (Ashley & Tuten, 2015).

Brand Loyalty Building: Organic strategies build communities and long-term relationships (Marques et al., 2020).

Perceived Authenticity: Gen Z prefers brands that share behind-the-scenes content, user-generated content, and value-centric messages.

(In India, brands like Zomato and Netflix India are cited frequently in studies for their effective organic social strategies (Joshi & Kaur, 2023).

**Influencer Marketing and Hybrid Strategies**

Influencers play a key role in blurring the lines between paid and organic content:

Micro-Influencers are especially effective among Gen Z, perceived as more relatable (Girish & Menon, 2022).

Sponsored Content Transparency: Disclosure affects perception; too much promotion may harm credibility.

Platform-Specific Dynamics: Instagram is preferred for aesthetics, while YouTube is trusted for long-form reviews.

Hybrid strategies—mixing paid promotions with organic interactions—are increasingly used by Indian brands targeting Gen Z (Bansal & Shah, 2023).

**Cultural and Regional Nuances in India**

India's diversity affects content perception:

Language and Localization: Regional language content garners higher engagement in Tier 2 & 3 cities (IAMAI, 2023).

Socioeconomic Factors: Internet accessibility, education levels, and urban-rural divides shape perceptions of ads.

Cultural Relevance: Gen Z responds positively to culturally resonant content and socially responsible messaging (Banerjee & Dutta, 2021).

### **Theoretical Frameworks Used**

Studies often apply these frameworks to analyze perception and behavior:

Elaboration Likelihood Model (Petty & Cacioppo, 1986) – Explains how users process persuasive messages via central or peripheral routes.

Uses and Gratification Theory – Focuses on the active role of users in seeking content that satisfies specific needs.

Theory of Planned Behavior – Applied to understand intention behind ad engagement or avoidance.

### **Research Gaps and Future Directions**

Lack of longitudinal studies on how Gen Z perception shifts over time.

Under-representation of Tier 2 and Tier 3 cities in Indian studies.

Evolving trends like AI-generated influencers, ephemeral content, and the role of memes remain under-explored.

Impact of data privacy concerns on trust in paid vs organic content needs deeper analysis.

### **Objectives:**

The study aims to address the following specific objectives:

- To determine the extent to which Gen Z consumers can distinguish between paid and organic content on social media platforms.
- To evaluate the levels of trust and engagement that Gen Z associates with paid versus organic content.
- To identify the factors that influence Gen Z's perception of authenticity, such as branding, influencer transparency, and content relatability.
- To offer strategic recommendations for marketers aiming to engage Gen Z audiences more effectively in the Indian market.
- To provide recommendations for marketers targeting Gen Z in India.

**Research Methodology:** To gain a comprehensive understanding of Gen Z's attitudes a mixed-methods approach was used for this study:

Quantitative Data Collection: A structured online survey was conducted with 60 Gen Z individuals from local and metropolitan areas including Prayagraj, Lucknow, Delhi, Mumbai, Bengaluru. The survey focused on their social media usage patterns, recognition of paid vs organic posts, and their trust levels toward each type. Respondents across major Indian cities, using structured questionnaires.

Qualitative Data Collection: Semi-structured interviews were conducted with 20 selected participants from diverse backgrounds to delve deeper into their experiences, preferences, and motivations when interacting with social media content. Interviews were carried out to gain deeper insights into their attitudes and experiences.

Data Analysis: Quantitative data were analyzed using statistical tools to identify trends and correlations. Qualitative responses were examined using thematic analysis to extract meaningful insights.

### **Interview Questions :**

- ❖ Can you tell me your age?

- ❖ Which social media platform do you use regularly?
- ❖ What comes to your mind when you hear the term social media advertising?
- ❖ Are you aware of the difference between paid and organic social media content?

#### **Perception of paid advertising.**

- ❖ How often do you come across sponsored or paid advertising on your social media feeds?
- ❖ How do you usually feel when you see a paid advertisement? e.g (intrusted, annoyed, indiffernt).
- ❖ Do you trust the content in paid advertisement?
- ❖ Have you ever clicked on or purchased something based on a paid ad? Can you share your experiences.

#### **Perception of Organic content**

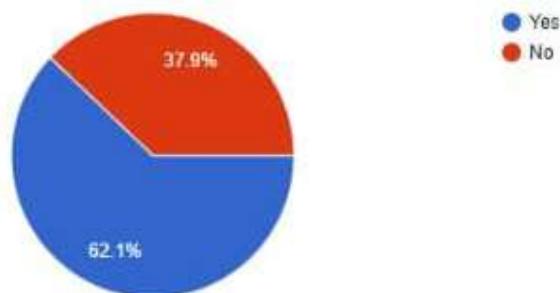
- ❖ How do you respond to organic content (e.g., post from influencers, brands you follow, or user generated content)?
- ❖ Do you find organic content more authentic or trustworthy than paid advertisement why?
- ❖ How important is transparency in advertising to you?
- ❖ Do you think Indian brands are good at using social media to connect with genZ. Why or why not?

### **Analysis**

Do you trust paid advertisements on social media?

116 responses

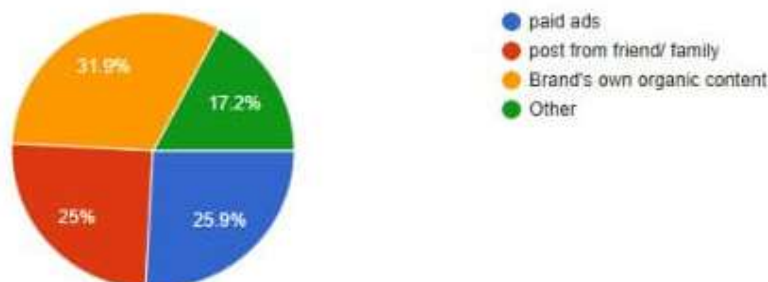
 Copy chart



What type of content influences you more when making a purchase decision?

116 responses

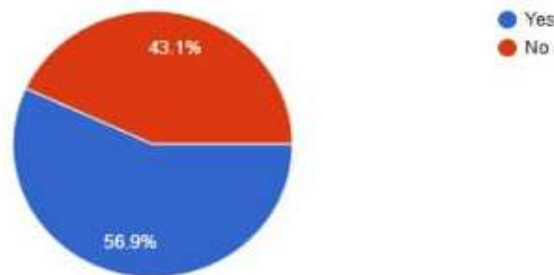
 Copy chart



Have you ever bought a product /service based on organic post (e.g., influencers sharing something they use)?

 Copy chart

116 responses



**Results and Discussion:** The survey revealed that a majority 62% of Gen Z respondents being able to identify paid content, primarily through visual cues like “sponsored” tags use of specific hashtags and formal or promotional tone. However, many participants (56%) indicates that they found organic content more trustworthy, especially when it came from friends, micro-influencers or users they perceived as genuine. Organic content was associated with higher engagement, particularly when it featured storytelling, humor, or user-generated experiences. On the other hand, paid ads were often dismissed unless they were highly personalized or visually compelling. Interview responses revealed that participants value authenticity, transparency about sponsorship, and a relatable brand voice. Brands that attempted to disguise ads as organic content were often viewed with skepticism. Qualitative data suggested that authenticity, relatability, and transparency play crucial roles in shaping perceptions. Paid advertisements were often perceived as intrusive unless highly personalized.

**Implications for Marketers:** Marketers should focus on transparency and authenticity to build trust among Gen Z consumers. While paid advertising is essential for reach, it should be complemented with authentic, relatable organic content. Collaborations with influencers must be transparent and align with brand values to maintain credibility. For marketers aiming to engage Gen Z in India, the findings offer critical insights:

- Transparency in advertising is key; clearly labeled sponsored content that does not attempt to mislead is more likely to be accepted.
- Collaborations with influencers must prioritize authenticity over follower count. Micro-influencers with loyal audiences are more effective at driving engagement.
- Blending paid strategies with organic efforts – such as featuring real customers, encouraging user-generated content, and engaging in conversations – helps build community and trust.
- Personalization of ads, using culturally relevant and emotionally resonant messaging, increases the likelihood of positive responses from Gen Z.

**Conclusion:** Generation Z in India exhibits a delicate Understanding of social media advertising. While they can distinguish between paid and organic content, their trust leans more toward content that appears authentic, transparent and relatable. Marketers must therefore craft campaigns that respect these values, blending paid and organic efforts to create a cohesive and credible brand presence. As Gen Z continues to influence market trends and digital conversations, adapting to their expectations will be crucial for long-term marketing success. As this Gen Z continues to dominate online spaces, brands must adapt their strategies to meet the expectations of a generation that values authenticity and transparency.

**References:**

- De Veirman, M., Cauberghe, V., & Hudders, L. (2017). Marketing through Instagram influencers: Impact on brand attitudes and purchase intentions. *Journal of Interactive Marketing*.
- Djafarova, E., & Trofimenko, O. (2019). 'Instafamous'—credibility and self-presentation of micro-celebrities on social media. *Information, Communication & Society*.
- Singh, R., & Aggarwal, S. (2020). Consumer Attitudes Towards Social Media Advertising: A Study of Generation Z in India. *Journal of Marketing and Communication*.