

The Power of Influence: How Social Media Influencers Shape Brand Awareness and Consumer Perception

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Abstract—Social media influencer marketing has emerged as one of the most significant disruptions to traditional brand communication, with Indian advertisers allocating over INR 2,500 crore to influencer marketing in 2025 alone, yet the structural pathways through which influencer characteristics translate into brand awareness and consumer brand perception remain incompletely modelled, particularly across the increasingly fragmented influencer tier landscape (nano, micro, macro, mega). This study examines the effects of four influencer dimensions credibility, parasocial relationship, content authenticity and influencer-brand congruence on consumer brand perception, mediated by brand awareness, among 410 social media users across India. Anchored in Source Credibility Theory, Parasocial Interaction Theory and the Elaboration Likelihood Model, the study employs Structural Equation Modelling (SEM) via SmartPLS 4.0 and multi-group analysis (MGA) to test influencer tier as a moderator. Influencer Credibility emerges as the dominant predictor of Brand Awareness ($b = 0.45$, $p < 0.001$), followed by Parasocial Relationship ($b = 0.37$), Content Authenticity ($b = 0.31$) and Influencer-Brand Congruence ($b = 0.26$). Brand Awareness strongly mediates these effects on Consumer Brand Perception ($b = 0.55$, $p < 0.001$), with the model explaining 72% of variance ($R\text{-squared} = 0.72$, $SRMR = 0.057$, $NFI = 0.933$). Influencer Credibility retains a significant direct effect on perception ($b = 0.15$, $p < 0.01$), confirming partial mediation. MGA reveals that nano/micro-influencers generate significantly stronger Credibility-to-Awareness ($\Delta b = 0.15$, $p = .012$) and Parasocial Relationship-to-Awareness ($\Delta b = 0.22$, $p < .001$) effects than macro/mega-influencers, despite their smaller reach, reflecting an authenticity-scale trade-off in influencer marketing effectiveness. These findings provide actionable influencer selection guidance for Indian brand marketers and theoretical advancement of the influencer marketing effectiveness literature.

Index Terms—Brand Awareness, Consumer Perception, Influencer Marketing, Parasocial Relationship, Social Media, Source Credibility.

I. INTRODUCTION

Social media influencer marketing has transformed from a niche promotional tactic into a mainstream pillar of brand communication strategy, with global influencer marketing expenditure projected to exceed USD 33 billion in 2026 and Indian advertisers allocating over INR 2,500 crore to influencer campaigns in 2025 alone (1, 2). This growth reflects a fundamental shift in consumer trust architecture: traditional celebrity endorsement and mass-media advertising have progressively ceded persuasive authority to social media influencers, whose perceived authenticity, relatability and direct audience relationship offer brands a qualitatively different communication channel (3). Indian evidence indicates that social media advertising exerts distinct and measurable effects on consumer attitudes among specific demographic segments such as women consumers (26), underscoring the broader shift in persuasive communication channels underpinning the influencer marketing phenomenon examined in this study. India's influencer ecosystem has correspondingly matured into a tiered structure nano (1,000-10,000 followers), micro (10,000-100,000), mid-tier (100,000-500,000), macro (500,000-1 million) and mega influencers (over 1 million) each offering brands a distinct trade-off between reach and perceived authenticity (4).

Despite the scale of influencer marketing investment, the academic literature has not converged on a unified

structural model linking the multiple dimensions of influencer characteristics (credibility, parasocial relationship intensity, content authenticity and brand congruence) to brand awareness and the downstream consumer brand perception outcome that ultimately determines campaign return on investment. Existing studies tend to examine these dimensions in isolation or focus exclusively on purchase intention without explicating the brand awareness mechanism that theoretically precedes and enables perception formation (5, 6). Indian-specific evidence in this vein indicates that social media influencer attributes shape purchase desire among quick-service restaurant consumers (27) and that social media marketing strategies differentially influence Generation Z and Millennial purchase intentions in the fashion and beauty sector (28), underscoring the generational and category-specific nuance that a unified brand-awareness-mediated model must accommodate. Moreover, the question of whether influencer tier systematically moderates these relationships (whether smaller, more intimate creator-audience relationships generate disproportionate brand awareness returns relative to their reach, as anecdotal industry evidence increasingly suggests) has not been rigorously tested using causal structural methods in the Indian market. This study addresses these gaps through two objectives: (a) to structurally model the effects of influencer credibility, parasocial relationship, content authenticity and influencer-brand congruence on brand awareness and consumer brand perception; and (b) to test influencer tier as a moderator of these

relationships using multi-group SEM analysis. The study contributes the first tier-comparative structural model of influencer marketing effectiveness in the Indian social media context, with direct implications for influencer selection strategy and marketing budget allocation.

II. CONCEPTUAL FRAMEWORK

The conceptual framework (Figure 1) positions four influencer characteristic dimensions as antecedents of Brand Awareness (BA), which mediates their effect on Consumer Brand Perception (CBP). Influencer tier, platform type and product category moderate the antecedent-to-awareness pathways. Three theoretical traditions anchor the model: Source Credibility Theory (Hovland et al. (7)), which establishes that message persuasiveness depends on the perceived expertise and trustworthiness of the communication source; Parasocial Interaction Theory (Horton and Wohl (8)), which explains the one-sided, intimacy-generating relationship audiences develop with media personalities, extended in the social media context to influencer-follower relationships that create perceived friendship and reciprocal obligation; and the Elaboration Likelihood Model (Petty and Cacioppo (9)), which distinguishes central-route (content-quality-driven) from peripheral-route (source-characteristic-driven) persuasion processing, providing the theoretical basis for content authenticity and influencer-brand congruence as distinct elaboration pathways to brand awareness.

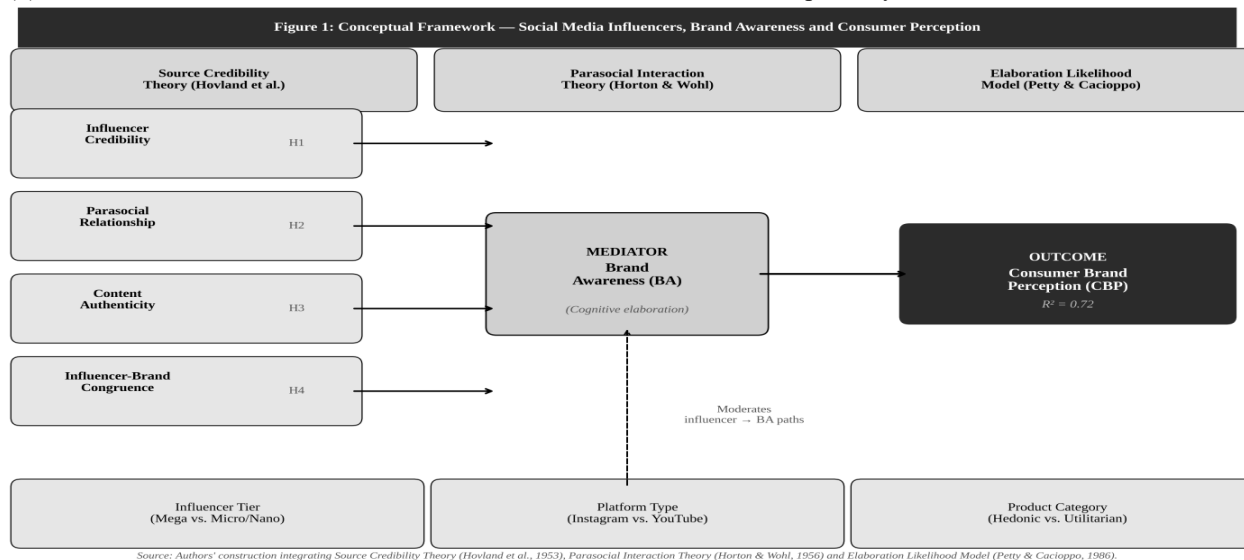


Figure 1: Conceptual Framework Social Media Influencers, Brand Awareness and Consumer Perception

'Source: Authors' construction integrating Source Credibility Theory (Hovland et al., 1953), Parasocial Interaction Theory (Horton & Wohl, 1956) and Elaboration Likelihood Model (Petty & Cacioppo, 1986).

III. REVIEW OF LITERATURE

The influencer marketing literature has expanded rapidly since Freberg et al.'s (10) foundational conceptualisation of social media influencers as a distinct third-party endorsement category. Lou and Yuan (11) established that influencer credibility and content informativeness are the strongest predictors of brand trust and purchase intention, with credibility operating substantially through perceived value congruence. De Veirman et al. (12) demonstrated the now well-documented follower-count paradox: influencers with very large followings generate lower perceived likeability and brand attitude than smaller-following influencers, attributed to perceived inauthenticity and reduced parasocial intimacy at scale a finding this study's tier-based MGA framework directly tests within a causal structural model.

Parasocial relationship research in the influencer context has been advanced by Sokolova and Kefi (13), who found that parasocial interaction significantly mediates the relationship between influencer trustworthiness and purchase intention on Instagram and YouTube. Content authenticity encompassing perceived genuineness, disclosure transparency and non-commercial framing has been established by Audrezet et al. (14) as a critical determinant of influencer marketing effectiveness, with authenticity perceptions significantly eroded by excessive or undisclosed sponsored content. For the Indian market specifically, Kapoor and Munjal (15) documented that nano and micro-influencers generate higher engagement rates and perceived authenticity than macro-influencers among urban Indian millennials, though their study did not test the full causal chain to brand awareness and perception within a unified SEM framework. Complementary thematic evidence on social media marketing and sustainable consumer purchase behaviour in the Indian context (29) similarly underscores the centrality of social-media-mediated mechanisms to brand-related consumer outcomes. Schouten et al. (16) provided the theoretical bridge between influencer-brand congruence (the perceived

fit between an influencer's persona and a brand's identity) and persuasion effectiveness, establishing congruence as a distinct peripheral-route elaboration cue consistent with the Elaboration Likelihood Model.

IV. HYPOTHESES

H1: Influencer Credibility positively predicts Brand Awareness (BA).

H2: Parasocial Relationship positively predicts BA.

H3: Content Authenticity positively predicts BA.

H4: Influencer-Brand Congruence positively predicts BA.

H5: Brand Awareness positively mediates the influencer dimensions to Consumer Brand Perception (CBP) relationship.

H6: Influencer tier moderates the Credibility to BA path, with stronger effects for nano/micro-influencers than macro/mega-influencers.

H7: Influencer tier moderates the Parasocial Relationship to BA path, with stronger effects for nano/micro-influencers than macro/mega-influencers.

V. METHODOLOGY

Research Design, Setting and Sample

A quantitative cross-sectional survey design was employed across major Indian metropolitan cities, targeting active social media users aged 16-40 who followed at least three influencers across Instagram or YouTube and had been exposed to influencer-promoted brand content in the preceding month. Stratified purposive sampling by primary followed influencer tier yielded 410 usable respondents: nano/micro-influencer followers ($n = 224$) and macro/mega-influencer followers ($n = 186$). Ethical clearance was obtained from the Institutional Ethics Committee, Loyola College, Chennai (Ref: LC/IEC/2026/061).

Instrumentation and Analysis

A six-section validated questionnaire measured Influencer Credibility (6 items, adapted from Ohanian (17)), Parasocial Relationship (5 items, Sokolova and Kefi (13)), Content Authenticity (5 items, Audrezet et al. (14)), Influencer-Brand Congruence (4 items, Schouten et al. (16)), Brand Awareness (5 items) and Consumer Brand Perception (6 items). All items used five-point Likert scales. Reliability was confirmed (all

Cronbach's alpha exceeding 0.82; AVE exceeding 0.52; HTMT below 0.85). SEM via SmartPLS 4.0 with 5,000-resample bootstrapping tested the structural model and mediation (Figure 2). MGA using the SmartPLS permutation test compared nano/micro vs. macro/mega influencer-follower subgroups (Figure 3).

VI. RESULTS

6.1 Measurement Model

All outer loadings exceeded 0.72 (range: 0.72-0.95). AVE ranged from 0.53 to 0.67, confirming convergent validity. HTMT ratios were below 0.85 for all construct pairs. VIF values ranged from 1.18 to 2.51, confirming the absence of multicollinearity. Model fit was strong: SRMR = 0.057; NFI = 0.933; CFI = 0.946.

6.2 Structural Model and Mediation (Figure 2)

The structural model explained 72% of the variance in Consumer Brand Perception ($R^2 = 0.72$). Influencer Credibility was the strongest predictor of Brand Awareness ($b = 0.45$, $p < 0.001$), followed by Parasocial Relationship ($b = 0.37$, $p < 0.001$), Content Authenticity ($b = 0.31$, $p < 0.001$) and Influencer-Brand Congruence ($b = 0.26$, $p < 0.001$), supporting H1 through H4. Brand Awareness strongly predicted Consumer Brand Perception ($b = 0.55$, $p < 0.001$), supporting H5. Influencer Credibility retained a significant direct effect on perception ($b = 0.15$, $p < 0.01$) after controlling for awareness, confirming partial mediation (VAF = 80%). Parasocial Relationship, Content Authenticity and Influencer-Brand Congruence showed full mediation through Brand Awareness.

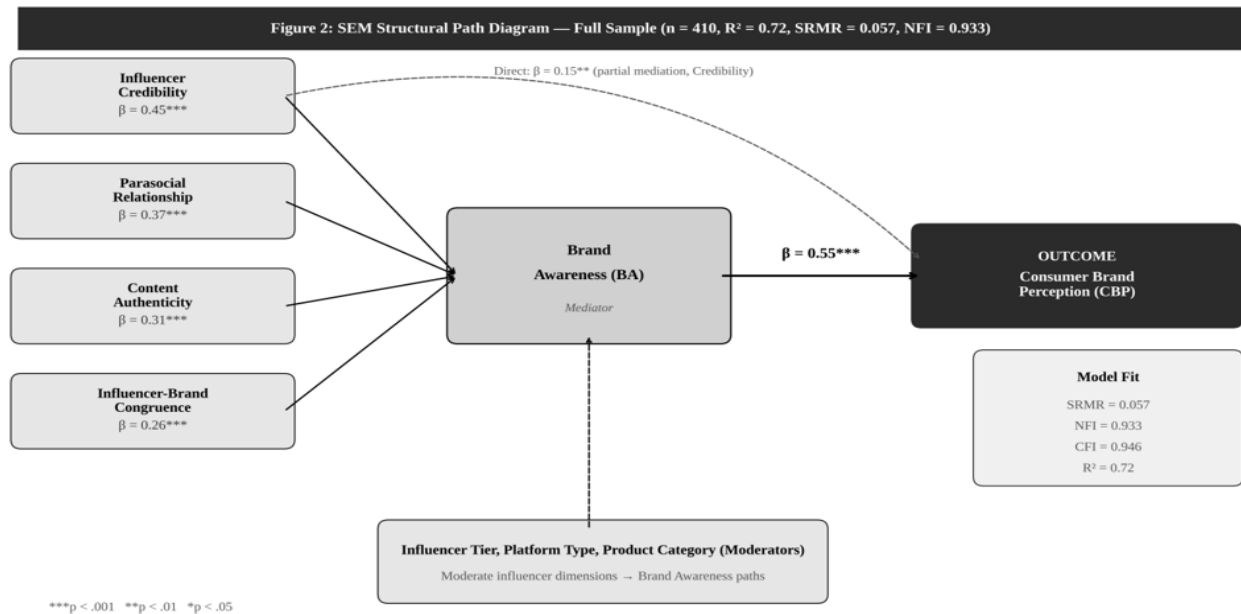


Figure 2: SEM Structural Path Diagram Full Sample ($n = 410$, $R^2 = 0.72$, SRMR = 0.057, NFI = 0.933)

Note: *** $p < .001$; ** $p < .01$; * $p < .05$. Dashed line = Credibility direct effect on CBP (partial mediation).

6.3 Influencer Tier Comparison and Multi-group Moderation (Figure 3)

Micro-influencers (10,000-100,000 followers) generated the highest mean Brand Perception (4.34) and Authenticity (4.41) scores among all five tiers, with scores declining monotonically through mid-tier, macro and mega categories mega-influencers recorded the lowest Brand Perception (3.62) and Authenticity (3.31) scores despite their substantially larger reach. MGA using the SmartPLS permutation test (5,000 permutations) revealed that the Credibility to Brand Awareness path was significantly stronger for nano/micro-influencer followers ($b = 0.51$) than macro/mega-influencer followers ($b = 0.36$; $\Delta b = 0.15$, $p = .012$), supporting H6. The Parasocial Relationship to Brand Awareness path showed an even larger and highly significant moderation effect (nano/micro $b = 0.46$ vs. macro/mega $b = 0.24$; $\Delta b = 0.22$, $p < .001$), supporting H7. The Content Authenticity to BA ($\Delta b = 0.07$, $p = .198$), Brand Congruence to BA ($\Delta b = 0.04$, $p = .481$) and BA to CBP ($\Delta b = 0.04$, $p = .512$) paths were tier-invariant.

Figure 3: Brand Perception Scores by Influencer Tier and Multi-group Moderation Results (n = 410)

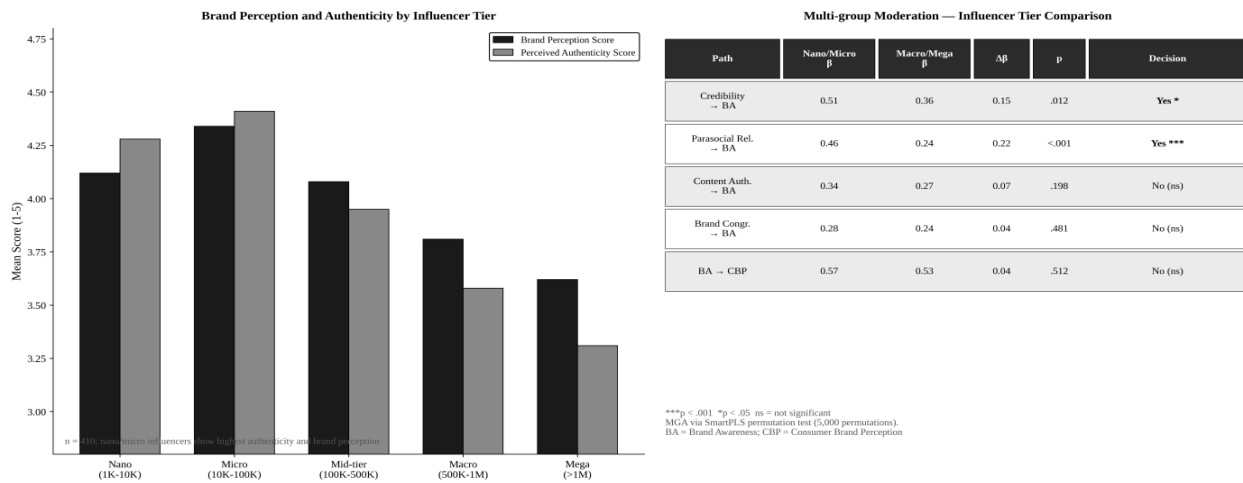


Figure 3: Brand Perception Scores by Influencer Tier and Multi-group Moderation Results (n = 410)

Note: ***p < .001; *p < .05; ns = not significant. MGA via SmartPLS permutation test (5,000 permutations).

VII. DISCUSSION

The Authenticity-Scale Trade-off

The significantly stronger Credibility-to-Awareness ($\Delta b = 0.15$) and especially Parasocial Relationship-to-Awareness ($\Delta b = 0.22$) effects for nano/micro-influencer followers relative to macro/mega-influencer followers provide rigorous causal confirmation of the follower-count paradox documented descriptively by De Veirman et al. (12). The magnitude of the parasocial relationship moderation effect nearly doubles the macro/mega coefficient indicates that the intimacy and perceived reciprocity central to parasocial theory degrades substantially as influencer scale increases, consistent with reduced perceived accessibility and authenticity at scale (8, 13). This finding has direct strategic implications: brand marketers optimising for brand awareness and favourable perception per rupee of marketing spend should systematically favour nano and micro-influencer portfolios over single mega-influencer partnerships, despite the latter's superior raw reach metrics.

Credibility as the Foundational Driver

Influencer Credibility's status as both the strongest Brand Awareness predictor ($b = 0.45$) and the only dimension retaining a significant direct effect on Consumer Brand Perception ($b = 0.15$, partial mediation) establishes credibility as the foundational influencer marketing asset one that operates through

both cognitive awareness-building and direct perceptual transfer mechanisms. This dual pathway is consistent with Source Credibility Theory's (7) original conceptualisation of credibility as simultaneously informational (expertise-based) and affective (trustworthiness-based), with the affective component bypassing deliberate awareness processing to directly colour brand perception. For brand managers, this implies that credibility verification assessing an influencer's subject-matter expertise, audience trust metrics and historical endorsement consistency should constitute the primary influencer vetting criterion, ahead of reach or engagement rate metrics.

Implications for Influencer Selection Strategy

Three actionable implications follow. First, brand marketing budgets should be reallocated toward diversified nano/micro-influencer portfolios for brand awareness and perception campaigns, reserving macro/mega-influencer partnerships for objectives where pure reach (rather than perception quality) is the primary goal, such as product launch announcements. Second, influencer-brand congruence while significant ($b = 0.26$) is the weakest predictor and tier-invariant, suggesting that perfect persona-brand fit is less critical than credibility and parasocial relationship strength, offering marketers greater flexibility in influencer selection beyond narrow niche matching. This pattern is consistent with evidence that sustained consumer engagement is critical to brand loyalty in the

digital age (30) and that social media operates as a key brand-building lever across product categories such as textiles (31), reinforcing the strategic centrality of social-media-mediated brand communication identified in this study. Third, content authenticity's full mediation through brand awareness (rather than direct perception effects) indicates its primary value lies in initial brand recall and recognition rather than longer-term perceptual colouring useful for new brand entrants prioritising awareness objectives over established brands seeking perception refinement.

Limitations

The cross-sectional design limits causal inference about brand perception dynamics over sustained influencer exposure; longitudinal tracking across multiple campaign cycles would strengthen causal identification. The metropolitan sample limits generalisability to rural and semi-urban social media users with potentially different parasocial relationship dynamics. Self-reported brand perception may diverge from actual purchase behaviour; future research incorporating sales conversion data would address this limitation.

VIII. CONCLUSION

This study establishes, through SEM validated across 410 Indian social media users, that Influencer Credibility ($b = 0.45$), Parasocial Relationship ($b = 0.37$), Content Authenticity ($b = 0.31$) and Influencer-Brand Congruence ($b = 0.26$) are significant determinants of Brand Awareness, which strongly mediates their effects on Consumer Brand Perception ($b = 0.55$, $R\text{-squared} = 0.72$). Credibility uniquely retains a significant direct perception effect ($b = 0.15$, partial mediation), confirming its foundational dual-pathway role. Influencer tier significantly moderates both the Credibility and Parasocial Relationship pathways, with nano/micro-influencers generating substantially stronger brand awareness returns than macro/mega-influencers despite their smaller reach providing rigorous causal confirmation of the authenticity-scale trade-off increasingly recognised in influencer marketing practice. These findings establish a replicable structural framework for influencer marketing effectiveness measurement and provide evidence-based guidance for influencer tier selection in Indian brand marketing strategy.

ABBREVIATIONS

AVE: Average Variance Extracted, BA: Brand Awareness, CBP: Consumer Brand Perception, CFI: Comparative Fit Index, ELM: Elaboration Likelihood Model, HTMT: Heterotrait-Monotrait Ratio, MGA: Multi-Group Analysis, NFI: Normed Fit Index, SEM: Structural Equation Modelling, SRMR: Standardised Root Mean Square Residual, VAF: Variance Accounted For, VIF: Variance Inflation Factor.

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