

A Study on Impact of Influencer Marketing & Online Customer Review on Purchase of Generation Z

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Abstract: This study finds out how influencer marketing and online customer reviews influence Generation Z consumers' buying behaviour in Hyderabad, India. Being digital natives, Gen Z (people born from 1997 to 2012) strongly depend on social media and peer comments for purchasing decisions. The study finds that influencer credibility, authenticity, and content reliability greatly influence Gen Z's trust and buying intentions. Similarly, review volume, tone, and regency powerfully drive their product perceptions. With a quantitative approach utilizing standardized questionnaires, the study examines the effect of these digital tools using regression and correlation analysis. The results are intended to inform marketers on how to develop effective digital initiatives for involving Gen Z in urban India.

Keywords: Influencing market, Digital market, Customer online Reviews, Hyderabad

I. INTRODUCTION

Gen Z, as digital natives; have been exposed to an interconnected world since they were young. Their daily lives involve smart phones, social media, and online environments (Deloitte, 2020). Their natural ease with technology marks a difference from earlier generations. This positions them as a distinct and powerful consumer segment. They possess significant purchasing power and can also determine family buying decisions. It is very important for companies to know their habits of shopping and what motivates them to remain relevant and competitive today.

Out of the numerous digital forces, two have emerged to dominate the behaviour of Gen Z in purchasing: influencer marketing and customer online reviews. Influencer marketing takes partnerships between brands and online individuals who have loyal followers. Influencer marketing employs perceived reliability and authenticity to market products and services (Lou & Yuan, 2019). In contrast to other forms of advertising that Gen Z tends to distrust, content from influencers comes across as more authentic advice from a friend, which aids in credibility and bond formation. This movement towards peer endorsement aligns with Gen Z's need for transparency and honesty in communication.

Meanwhile, customer reviews online are now an integral part of the purchasing process for today's consumers, particularly Gen Z. Such consumer-generated opinions, comprising ratings, testimonials, and detailed comments, are critical social proofs. They confirm product assertions and guide purchasing. For Gen Z, accustomed to having masses of information at their fingertips, reading online reviews before they buy has become second nature. Collective observations from those reviews assist in easing perceived risks and establishing trust in a product or service.

Hyderabad is the focus of this research, a fast-paced Indian city with its own example of fast urbanization and internet adoption. A cosmopolitan population in a city full of young, tech-oriented people makes it a perfect location to study the impact of digital marketing on consumer behaviour. Gen Z's purchasing behavior in this context is especially fascinating, with the combination of indigenous cultural values and incoming Western forces, all mediated by digital media. By concentrating on Hyderabad, this study hopes to provide targeted information that will enable businesses to develop focused marketing strategies for this significant population.

Given Gen Z's distinct character and their significant dependence on online channels for finding and authenticating products, their influencer marketing, online review, and their consumption behavior need to be comprehended. This study aims to fill a void in the existing body of literature by presenting evidence drawn from a particular Indian urban context. It will provide more insight into the impact of these powerful digital tools on the shopping choices of the upcoming generation of consumers. The research will examine factors such as credibility, authenticity, as well as relevance of content of influencers, along with perceived authenticity and usefulness of online reviews. For businesses

and for marketers selling to Generation Z, the findings here should provide value perceptions. The outcomes should identify good plans as well; these are methods of utilizing influencer agreements and operating review sites so sales increase and brand affection in this important Hyderabad customer base is constructed.

II. REVIEW OF LITERATURE

Senecal, S., & Nantel, J. (2004) the influence of online product recommendations on consumers choices this research found online product recommendations (from other users or websites) had a substantial effect on consumer choice, particularly when consumers were in doubt. It discovered users were more likely to take the advice when they didn't have product knowledge.

Raju Rathipelli. & Dr. I. J. Raghavendra (2019) The changes in human life are running behind technology. Present scenario of leading life of human being has become very busy with internet. When we get up from the bed and till we go to the bed we are all using internet extremely even it is not in required. Everybody is passionate about using internet services in various ways to satisfy their behavioral needs. In this regard it is not possible our life without internet and it has become of the important needs in human life. Eventually we are addicted to internet and service providers endow with many facilities to everyone even a layman can use internet without any proper knowledge. So, if a day is spent without using net that we cannot imagine and do not move our steps forward to finish a day.

Goldsmith, R. E., & Horowitz, D. (2006) Measuring motivations for online opinion seeking. This research found major reasons why consumers go online to read opinions prior to buying—chiefly for risk reduction and knowledgeable decision-making, which are now the central principles of Gen Z behaviour.

Brown, J., Broderick, A. J., & Lee, N. (2007) "Word of mouth communication within online communities: Conceptualizing the online social network. This article considered how consumers affect each other within online communities. It highlighted how familiarity and credibility in online communities made peer recommendations more influential.

Lee, J., Park, D. H., & Han, I. (2008) "The effect of negative online consumer reviews on product attitude: An information processing view. Negative reviews were more influential than positive reviews in the formation of product attitudes, according to this study, highlighting the importance of companies handling review sites in a planned manner.

Mangold & Faulds (2009) early studies recognised that social media had begun to supplant conventional means of marketing. Sites such as Face book and YouTube were becoming influential sources in consumer choice.

Senecal & Nantel (2010) their study discovered that recommendations online had an impact on more than 70% of buying decisions. The younger users, in special, rely upon reviews when they are inexperienced with a product or service.

Chu & Kamal (2011) examined the influence of peer communication and influencer endorsements on youth behaviour. Findings indicated that online opinions greatly influence the buying decisions of younger groups.

Cheung & Thadani (2012) this research pointed out the significance of online reviews in forming opinions about product quality and reliability. Reviews serve as social proof for Gen Z when purchasing.

Erkan & Evans (2018) did some research on electronic word-of-mouth and discovered that customer reviews online had a great effect on consumer behaviour, particularly when buying online.

Djafarova & Trofimenko (2019) discovered that Generation Z is more swayed by relatable micro-influencers than celebrities. Niche content and personal connection drive higher purchase intent among young consumers.

Sokolova & Kefi (2020) influencer credibility and authenticity have an important impact on Gen Z's buying behaviour. Relatable content generates more consumer trust and intention. Instagram and YouTube are the leading platforms for this influence.

Sirajuddin, M., & Jagannadharao, P. (2020). This study employs a conceptual and intellectual network analysis to evaluate the current body of knowledge on AI in marketing. It begins by introducing the concept of AI in the marketing domain, followed by an exploration of how marketers leverage AI technologies, including an overview of various types and levels of AI. The paper aims to equip readers with a well-rounded understanding of contemporary AI applications in marketing and its evolving potential in the years ahead.

Uzunoglu & Kip (2021) examined how influencers maintain relationships with followers. The study found that consistency and authenticity in content were key drivers of Gen Z buying behaviour on social media.

Hwang & Zhang (2022) educational and affective reviews shape Gen They place more faith in user-generated content than brand commercials. Review tone plays a considerable role in their choices.

Singh & Srivastava (2023) Gen Z in India trusts influencer and peer opinions. Fashion and personal care products have maximum influence. Effectiveness in marketing is defined by trust and relevance.

RESEARCH GAP:

Although most of the research is conducted either domestically or abroad, little is known about Hyderabad's Gen Z population. The majority of research target Millennials, however Gen Z behaves differently when it comes to internet marketing and shopping. Influencer marketing and word-of-mouth reviews are usually researched independently. There is too little research about how these two variables combined affect Gen Z's buying habits. Social media and e-commerce

have evolved vastly from 2020 to 2024, yet many studies are outdated and do not reflect these changes. Few studies examine how Gen Z purchases specific products like fashion, electronics, or food, particularly in cities like Hyderabad.

III. OBJECTIVE OF THE STUDY

- To assess the level of exposure of Genz to influencer marketing on online purchase decision.
- To analyze the factors influencing Genz trust and engagement with influencer marketing.
- To Evaluate the Impact of influencer marketing & online customer review on Genz purchasing decision.

IV. HYPOTHESIS OF THE STUDY

1. Ho = Influencer marketing & online customer review have no Impact on purchasing decision of Genz
2. H1= Influencer marketing & online customer review have Impact on purchasing decision of Genz

SCOPE OF THE STUDY

This research will consider Generation Z (Gen Z) customers, who are those born between 1997 and 2012, residing within Hyderabad City, Telangana, India. We will analyse how two significant digital marketing tactics—influencer marketing, where factors such as influencer credibility and content authenticity come in, and customer reviews from the internet, taking into account their quantity, sentiment, and regency—influence Gen Z's consumption behaviour. This includes their purchasing intentions, their actual purchasing behaviours, and brand commitment.

Our methodology will be quantitative, incorporating a standardized questionnaire to collect data. We will use statistical tests such as correlation and regression to quantify the relationships between these online influences and Gen Z's consumer behaviour. We will not consider other marketing media, underlying deep psychological drivers beyond survey answers, or the opinions of companies or influencers.

V. RESEARCH METHODOLOGY

This discussion highlights the core principles that are the building blocks of the research process and serve a pivotal purpose in directing the general advancement of the study. It gives readers valuable information on the tools and methods used by the researcher for gathering and analysing data. Through the use of these techniques, the study guarantees that its findings are accurate and dependable, leading ultimately to informed and useful conclusions.

Research model:

SAMPLE SIZE & SAMPLE TECHNIQUE

The sample size chosen for this research is 100 respondents. To help each member of the population stand an equal chance of being picked, the simple random sampling method was used. This technique reduces bias and increases the representativeness of the sample, making it more reliable and generalizable, the research findings

- **Sample size:** 100 Respondents
- **Sample technique:** simple random sampling

SOURCES OF DATA COLLECTION

Both primary and secondary sources of data form the basis of this study.

Primary Data:

Primary data was gathered using a well-structured questionnaire that was taken by people belonging to different social groups, workplaces, and residential areas in Hyderabad. This direct collection of data facilitated relevance and accuracy in the gathering of the respondents' views.

Secondary Data:

Secondary data was collected from research articles, academic journals, books, and other reliable websites. These have been utilized in building the theoretical framework and offering contextual evidence for the analysis.

The combination of both sources of data has facilitated a well-rounded, balanced, and credible grasp of the research issue.

PERIOD OF THE STUDY

The main data for this research were gathered within a period of 45 days through a structured questionnaire. The data gathering was conducted within the study area from a well-chosen sample of interviewees.

STATISTICAL TOOLS

Regression Analysis – Utilized to assess the correlation between influencer marketing, customer reviews online, and Generation Z purchase decisions.

Factor Analysis – Used to spot and consolidate underlying factors influencing consumer behaviour through responses from the questionnaire.

LIMITATIONS OF THE STUDY

1. Limited Reach of Influencers: It concentrates on influencer marketing and online reviews alone, excluding other significant influences.
2. Sampling Bias Threat: There is a threat of a non-representative sample due to the data collection procedures.
3. Dynamic Digital Environment: There can be fast changes in consumer habits and social media that can instantly influence the applicability of these results.

VI. DATA ANALYSIS & INTERPRETATION

Demographic Profiles:

1. Age Distribution

Table 1: Classification of the respondents based on age

Age Group	Frequency	Percentage	Valid %	Cumulative %
18–20	1	0.98%	0.98%	0.98%
21–23	48	47.06%	47.06%	48.04%
24–26	48	47.06%	47.06%	95.10%
27–30	5	4.90%	4.90%	100.00%

Source: Primary data

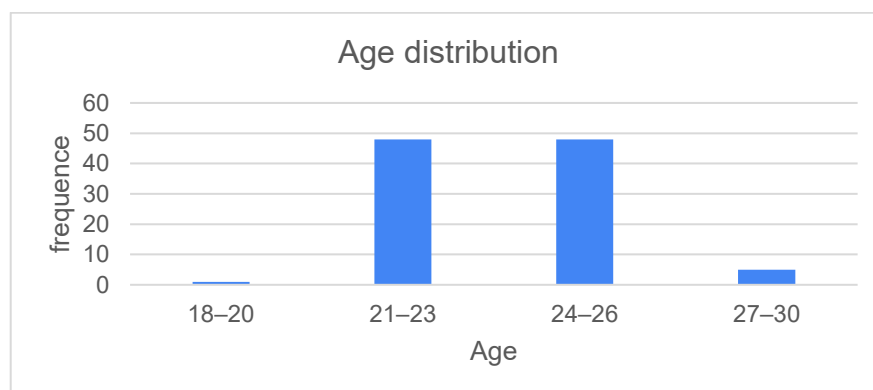


Figure 1: Classification of the respondents based on age

Source: Primary data

Most of the sample is people aged 21-26 years, accounting for 94.12% of the respondents in the study. This means that the study was largely conducted on people in their early twenties and mid-twenties. The few respondents in the 18-20 age group and the few respondents in the 27-30 age group will make the findings of the study largely relevant to the online activity and purchasing behaviour of people aged between 21 and 26 years.

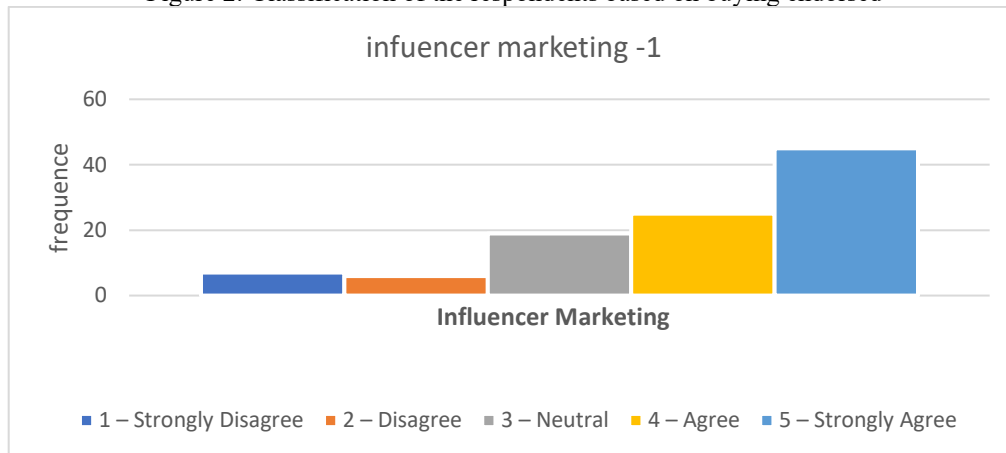
Influencer Marketing

TABLE 2: Classification of the respondents based on buying endorsed

Response	Frequency	Percentage	Cumulative %
Strongly Disagree	7	6.86%	6.86%
Disagree	6	5.88%	12.75%
Neutral	19	18.63%	31.37%
Agree	25	24.51%	55.88%
Strongly Agree	45	44.12%	100.00%

Source: Primary data

Figure 2. Classification of the respondents based on buying endorsed



Source: Primary data

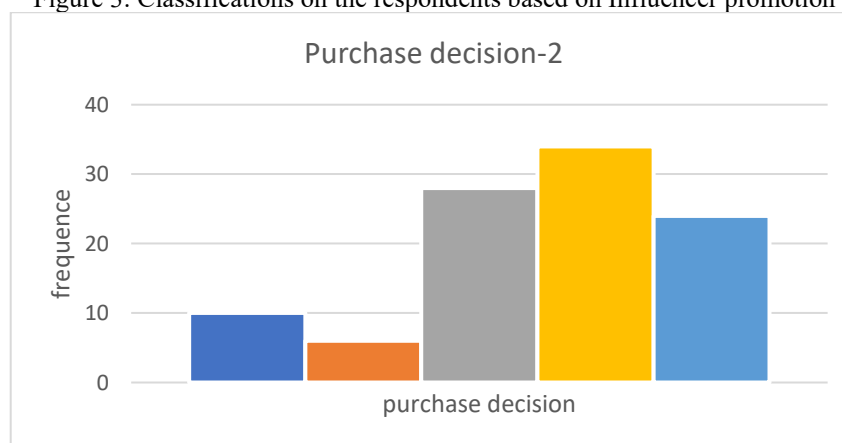
The tone of response to the question or statement is one of strong and clear positive from the participants. A large majority, i.e., 68.63% of the respondents, replied in the affirmative, out of which 44.12% strongly agreed and 24.51% agreed. Only a very small minority of 12.74% replied in the negative, which included 6.86% who strongly disagreed and 5.88% who disagreed. The rest of 18.63% fell in the neutral category. This strong positive skew, particularly due to the high "Strongly Agree" category, indicates a general affirmation of the underlying statement.

Table 3: Classifications on the respondents based on Influencer promotion

Response	Frequency	Percentage	Cumulative %
1 – Strongly Disagree	10	9.80%	9.80%
2 – Disagree	6	5.88%	15.69%
3 – Neutral	28	27.45%	43.14%
4 – Agree	34	33.33%	76.47%
5 – Strongly Agree	24	23.53%	100.00%

Source: Primary data

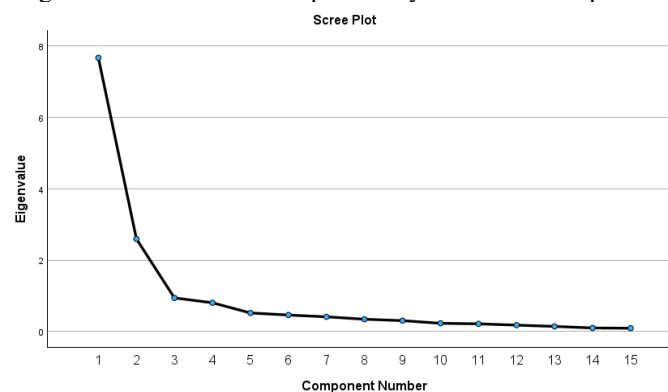
Figure 3: Classifications on the respondents based on Influencer promotion



Source: Primary data

The information provided reflects a positive, but not so overwhelmingly positive, attitude towards the statement or question. Combined, 56.86% of the respondents provided a positive answer, of which 33.33% agreed and 23.53% strongly agreed. An extremely large number, 27.45%, provided a neutral answer, more than in the previous instances. 15.68% of the respondents disagreed, of which 9.80% strongly disagreed and 5.88% disagreed. The trend would reflect a positive attitude from the majority, but with an extremely large number being neutral.

Figure 4: Total Variance Explained by Extracted Components



Source: Compiled data

VII. FINDINGS OF THE STUDY

1. **Age Groups:** The questionnaire mostly involved young adults, with the 21-26 age group dominating the majority of the sample size at over 94% of the participants. Of this, the 21-23 and 24-26 age groups each distinctively made up a full 47.06% of the participants. This high focus makes the results extremely applicable to young Gen Z buyers' purchase behaviour.
2. **Distribution by Gender:** The sample revealed a strong gender imbalance, with males dominating the sample at 77.23% of the respondents. Female participants, on the other hand, were a much lower proportion at only 22.77%. The imbalance has the implication that the study findings are skewed in favour of male opinions towards digital impact and buying decisions.
3. **Educational Achievement:** The sample showed high educational achievements, with two-thirds (66.67%) having postgraduate qualifications. A further 25.49% were undergraduates, and together these positions more than 92% of the sample in higher education groupings. This highly educated background speaks of a cohort that would be digitally literate and critical consumers.
4. **General Positive Sentiment:** On several Likert scale statements, there was a consistent and overall strong positive sentiment reported by the respondents. A clear majority of the respondents agreed or strongly agreed with statements about digital influences on their buying. This general positive sentiment signals a positive inclination toward the effect of online marketing factors.
5. **Influencer Following:** A large percentage of Hyderabad Gen Z follows social media influencers on a regular basis. In particular, 68.63% of those surveyed agreed or strongly agreed with the statement regarding following influencers on a regular basis. This high rate of following indicates the omnipresent nature of influencers in their daily online lives.
6. **Product Rating Influence:** Strong product ratings visibly influence Gen Z's buying behaviours. 61.76% of respondents strongly agreed or agreed that high ratings affect their decision-making. It underscores the immense importance of aggregate consumer views in their procurement process.
7. **Positive Reviews Drive Purchase:** Good word-of-mouth is a powerful driver of completion of purchase by Gen Z. A significant 67.65% of them said positive reviews prompt them to go through with a purchase. This indicates the essential role of peer endorsement in their end stages of buying.
8. **Review Credibility vs. Ads:** Gen Z has far greater trust in online reviews than in advertisements. A whopping 71.57% of respondents agreed or strongly agreed that they trust reviews rather than ads. This indicates a paradigm shift in what they believe are credible sources of information.
9. **Perceived Authenticity of Influencer Promotions:** Although positive in general, the belief in the authenticity of influencer promotions was qualified. 56.86% were in agreement or strongly agreed that influencer promotions appear more authentic than standard adverts, yet a significant 27.45% were neutral. This indicates that while most believe in the authenticity of influencers, a substantial portion has a critical perspective.
10. **Purchase Decision as a Function of Influencer Marketing (Regression Significance):** Influencer Marketing was established to be a statistically significant predictor of Purchase Decision. The F-statistic of 14.650 and the p-value of less than 0.001 clearly prove this connection. This asserts that influencer marketing actually has something to do with explaining purchase variation.

VIII. SUGGESTION OF THE STUDY

1. Measure Influence of Other Digital Touch points: In addition to reviews and influencers, study the specific measurable influence of brand apps/websites, direct brand contact (e.g., email, Whats App), and online forums (e.g., Reddit, Discord) on Gen Z buying behaviour.
2. Examine Non-Digital Factors Affecting Gen Z: Explore the ongoing significance and comparative effect of offline, classic factors such as in-store shopping, offline word-of-mouth from family/friends, and even offline advertising (print, TV) on Gen Z's buying path.
3. Study of Influencer Tiers Comparison: Examine the varying efficacy and credibility of macro-influencers, micro-influencers, and nano-influencers on Gen Z's buying intention and choices.
4. Influence of Short-Form Video Content: Investigate the effect of influencer content presented through short-form video platforms (e.g., TikTok, Instagram Reels, YouTube Shorts) on Gen Z's engagement and purchasing behaviour.
5. Perceived Authenticity Factors for Influencers: Use qualitative or mixed-methods research to identify the precise cues or behaviour that increase or decrease Gen Z's authenticity perception of influencer promotions.
6. Gender-Specific Digital Influence: Conduct a new study with increased gender balance to determine and compare the ways digital influences (influencer marketing included) specifically affect Gen Z men and women's purchase decisions differently.
7. Online reviews or critical influencer posts, and how these responses influence their trust and purchasing behaviour.
8. Role of User-Generated Content (Other Than Reviews): Conduct study of the role played by other user-generated content like product demonstrations created by customers, unboxing videos or personal testimonials on social media on the consumption behaviour of Gen Z.

IX. CONCLUSION OF THE STUDY

This study indicates strong evidence of the immense power of the digital environment, especially social media influencers and internet reviews, in shaping Gen Z buyers' purchasing decisions in Hyderabad. The results exhibit a generation thoroughly embedded in digital media, with a very high overall positive attitude towards online influences on their purchasing behaviour.

One of the key takeaways is the widespread influence of social media influencers, with the vast majority of Gen Z following them on a regular basis. Perhaps more importantly, influencer marketing was proven to be a statistically significant predictor of purchase decisions, illustrating the tangible effect on consumer behaviour. That being said, it's important to clarify that influencer marketing accounts for a relatively modest 13% of purchase decision variance, highlighting the fact that it is just one of many influential variables and not an isolated determinant.

The research also draws attention to Gen Z's critical attitude towards online information. They put much more credence in online reviews compared to conventional commercials, and positive reviews serve as an efficacious driver for purchase conversion. Although influencers tend to be seen as genuine, there is a significant group that has a healthy dose of scepticism when it comes to sponsored material.

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