Original Researcher Article

Impact of Paid collaboration and Genuine Recommendation on Influencer's Credibility: A study on Gen Z of Delhi NCR.

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ABSTRACT

Influencers are these days the new opinion makers among youth. Paid collaboration refers to recommendation of product given by an influencer that has been sponsored by the brand or a company. Genuine recommendation means review of the product by an influencer after personal use, which is originally consumed by influencer. Influencer's credibility is the ability of influencer to build their followers trust on them. The Objective of this research is to analyze if paid promotion/collaboration and genuine recommendation provided by influencers have different impact on Influencer's credibility. This research is based on inferential statistics and hence sample of 317 (N=317) young adults (Gen Z) is collected through Purposive & convenient sampling from the colleges of Delhi NCR with the help of questionnaires (online google forms). The software used for data analysis is SPSS(IBM). Correlation and Regression is used to analyze data. Results shows that there is negative impact of paid collaboration/Promotion on Influencers credibility whereas Genuine review / recommendation has positive impact on influencers credibility. This research help Academicians, Businesses, Influencers and society to understand the impact of collaborations and genuine review.

Keywords: Influencer marketing, Paid collaboration, Social media marketing, Marketing, Influencer Credibility
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1. INTRODUCTION:

Social media marketing is the new marketing tool to attract large number of audience at one go. This research paper is a deep insight about how Instagram Influencer's reviews and recommendations affect their own credibility on the platform. Brands are being excessively endorsed through social media platforms and influencers are the most common medium to do so. Businesses contact influencers who have huge following for their brand promotions and marketing of the product. Influencers provide shoutout to their products and advertise these products through reviews and recommendations. Business in return has to either pay the influencers or provide them with the products. This is essentially called Paid collaboration/ Promotion.

Due to high activity on Instagram, these influencers are rigorously reviewing product without even realizing its impact on their followers and their own credibility on Instagram. This creates a need to understand which product should be reviewed and what actually the followers want to see. This paper is going to throw light on how paid collaboration is affecting influencers credibility on Instagram and how important it is to provide genuine reviews of the products after personal use. This study is going to provide clarity about how and why it is important for the influencers to understand what they should choose to promote and how they should do it.

2. LITERATURE REVIEW:

Influencer marketing is a plan that generates social clout of influencers who influence consumers perception about products and Brands (Altaf 2020). Influencers or Social media celebrities recommend products through their high engaging profile with their followers and offer better and attractive approach of advertisement and marketing((De Veirman Marijke 2017).

Influencer marketing is expected to grow up-to USD 84.89 billion by 2028(Globe Newswire 2021). Paid Collaborations or paid partnerships are procedural collaborations where influencers are provided with either financial rewards or products in exchange of promotion or advertisement done by them (Alex Marland 2021). Recently Paid collaboration or paid brand promotion has significantly grown. Influencer's participation in paid collaboration and promotions has tend to positively increase consumer's perception towards the brand or the product being endorsed (Alley 2020)

Although these collaborations are done for positive influence, they have possibility of diminishing Influencer's image and Credibility on social media platforms as paid collaborations are considered driven by

influencer's personal gain (Kwon 2020). There are very limited empirical evidences to justify that paid collaboration has negative impact on influencer's credibility or reputation (Cheng 2024)

Research objectives:

- To recognize the importance of Influencers review.
- To analyze the impact of Paid collaboration on Influencer's Credibility on Instagram.
- To understand the effect of Genuine recommendation on Influencer's Credibility.

Research gaps / need:

Very limited literature is available on impact of Paid Collaboration/sponsorship on influencer's credibility and that too in India. Influencer industry is Giant and the reviews done by influencers are also enormous. They are recommending products continuously without knowing the actual impact of reviews on their profile. Also there is a strong need to understand if the consumer actually wants to view the sponsored product.

Variables:

Paid Collaboration: Paid collaboration or collaboration is a strategy of businesses and brands to promote their products through influencers. In paid collaboration, Influencers motivate their followers to purchase the product and in return the influencers are provided with compensation or products from the Businesses. Paid collaboration is an independent variable in this research and its impact is being studied on Influencer's credibility.

Genuine Recommendation: It is a process of reviewing and recommendation of a product by an influencer after being used personally by the influencer. Influencers personally use the products and promotes the products through their profile. They are not being paid for this recommendation from brands and businesses. This is often considered much better strategy than to imply paid sponsorship. This is the other independent variable, of which the impact is studied on Influencer's credibility.
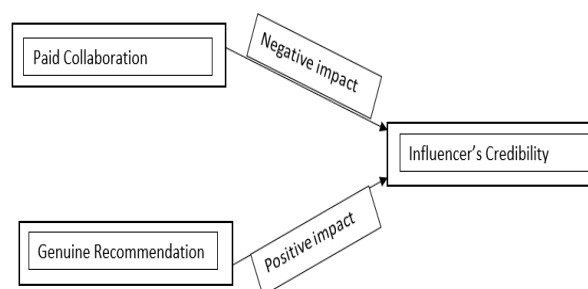
Influencers Credibility: It can be defined as the ability of the influencer to influence their followers. It is also a check towards how authentic, real and relatable a influencer is. Influencer's credibility is directly affected through the level of trust followers have on the influencer. Influencer credibility is important for both, businesses and influencer to sustain presence on platform. It is the dependent variable of this study. The impact of Paid collaboration (IDV) and genuine recommendation (IDV) is being studied on Influencer's credibility (DV).

Hypothesis & Proposed Model:

H1: Paid collaboration has negative impact on Influencer's Credibility.

H2: Genuine Recommendation has positive impact on Influencer's Credibility.

Proposed Model:

Methodology:

Sample and Data Collection:

A sample of 317 individuals is collected from the Gen Z of Delhi NCR. Most of the data is collected from the colleges from Delhi NCR. Purposive & Convenient sampling method is used to collect data. 400 online questionnaires were circulated for data collection and out of these, only 317 reverted correctly. Following are the return rate of responses elaborated in Table :1

Return rate of questionnaires: Table 1

No. of Questionnaires sent for sample collection	400
No. of Questionnaires fully answered	317
No. of Questionnaires partially answered	19
No. of Questionnaires not answered	64

Goodness of measure:

Questionnaire contained total three sections that enquired about Demographics and two other Independent Variables. The questionnaire has five-point Likert scale ranging from 5 (Strongly Agree) to 1(Strongly Disagree).

Face validity was used to analyze the validity of questionnaire. 5 academic professionals were taken in consideration while making the questionnaire and for Reliability, Cronbach Alpha Reliability was used due to its high acceptability and accuracy. Reliability of all the variables were taken in consideration. All the variables showed results greater than 0.70 which is significant to prove the consistency of items listed in the questionnaire.

Following are the Reliability statistics of both the IDVs represented in Table : 2

Results of the reliability: Table 2

S. No	Variables	Cronbach's Alpha	No. of Items
1.	Paid Collaboration	.843	9
2.	Genuine Recommendation	.868	8

Statistical Analysis:

Correlation and Linear Regression technique is adopted separately for both the variables to understand the impact of both the variables on Influencers credibility. Value according to Pearson's Correlation of Paid collaboration and Influencer's Credibility is -.509 which states that there is a significant negative relationship between two variables. This can also be interpreted as when paid collaboration increases, Influencer's Credibility eventually decreases. The Unstandardized Beta value in regression analysis is -.629 and unstandardized Beta is -.509, which also explains that due to Independent Variable Paid Collaboration, there is fall in Dependent variable. This significantly proves that the hypothesis that is H1, is accepted and there is Inverse Relationship Between Paid Collaboration and Influencer's Credibility.

For Genuine Recommendation & Influencer's credibility, the value of Pearson's Correlation is .735 which establishes a positive relationship between both the variables. This also interpret that there is a significant relationship between both. When Genuine Recommendation increases, influencer's Credibility simultaneously increases. The unstandardized Beta value of Regression for Genuine Recommendation is .701 and standardized Beta is .735 which is positive and significant to interpret that there is rise in Influencer's Credibility (Dependent Variable) due to Genuine Recommendation (Independent Variable). Following Figures ((Figure 1 of correlation between Paid Collaboration (pc) and Influencer's Credibility(IC_PC) (Figure 2 of correlation between Genuine Recommendation (GR)and influencer's credibility(IC_GR)) shows the results of correlations:

Figure: 1   Figure: 2

Correlations

		IC_PC	PC
Pearson Correlation	IC_PC	1.000	-.509
	PC	-.509	1.000
Sig. (1-tailed)	IC_PC	.	<.001
	PC	.000	.
N	IC_PC	317	317
	PC	317	317

Correlations

		GR	IC_GR
Pearson Correlation	GR	1.000	.735
	IC_GR	.735	1.000
Sig. (1-tailed)	GR	.	<.001
	IC_GR	.000	.
N	GR	317	317
	IC_GR	317	317

Correlation between Paid collaboration. Correlation between Genuine Reco.

(PC) & Influencer's Credibility (IC_PC)   (GR) & Influencer's Credibility (IC_GR)

Findings and Discussion:

The statistical results significantly approve the hypothesis formed with reference to Paid collaboration and Genuine recommendation. Values of correlation between Independent variables and dependent variable shown in Figure: 1 & Figure: 2 provide evidence for the

The study comprises of data provided by both males (50.5%) and females (49.5%) approximately equally. 74.4 % of data was collected through students of Post-graduation, 24.3% from the students of graduation and 1.3% from other.

Influencers are the new opinion makers these days and the new generation that is instantly influenced by theses Instagram influencers are effects by do's and don'ts of their influencers. Huge popularity among youth is also one of the major reason of influencers being on faces of advertising agencies and brand endorsements these days.

The analysis depicts that if influencers solely review products based on personal gain and financial prospects, it will eventually reduce their credibility on the Instagram. Instagram has a huge audience which provide viable environment for the influencers to flourish and gain publicity. Influencers gain popularity and usually start paid collaboration without looking truly into the durability and feasibility of the products. Influencers these days are recommending products left and right. Every new day has a new product review on their profile, which is usually a paid promotion or collaboration. Influencers also provide personal Vouchers or discount codes below their posts to avail offer on those products through their recommendation. Most of these products are usually unnecessary and are being promoted through influencer's Instagram account. This hampers the influencer's credibility to retain their audience trust in their profile. Thus, this creates a negative or inverse relationship between paid collaborations/ promotions and influencer's credibility.

When a influencer provides genuine review about a product by using it personally for some time, it creates a lot of positive impact both in the mind of follower and influencer's credibility. The follower is more likely to trust the influencer who is not pushing the product because it has been sponsored. The reach of these products and influencers is much more than that of the paid ones. Reviewing products after personal review creates a positive relationship between the followers and influencer's credibility.

3. CONCLUSION:

Instagram is a huge platform to promote products and services these days due to its excessive feasibility and relatability. Influencers has massive following on Instagram because of high activity and instant sharing.

Influencers however must keep in mind that the post they share and the endorsements or reviews they provide have solid impact on their followers. Influencers must keep in mind an important fact that whatever they share is going to affect their credibility on Instagram. They should focus on building more trust on their followers through genuine recommendations and they can also selectively choose brands paid collaborations too that are actually good. Influencers should personally use products and provide the review afterwards.

Limitations & Directions for future research:

The sample size can be substantially increased in order to have more generalized and acceptable results. More sample will ensure more adequacy and implication of proposed theory. Specific industry can also be further chosen in order to produce more accurate and relatable results. Different industries can often generate different results. Future Research can also be done from influencer's perspective to bring more fitness and add to the theory.

Implications:

This study will provide the academicians with greater insights into the literature about influencers and their impact on their followers. In addition to this, it throws light on how paid collaborations, brand endorsements and Genuine recommendations adds to Influencer's credibility. It will additionally help the influencers and brands to know about the impact of paid collaborations and sponsorships of the followers..

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