From Likes to Purchases: Analyzing the Impact of Instagram Marketing on Online Shoppers

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ABSTRACT

Objective – This study examines how social media users feel about influencers and sponsored material based on factors including credibility, entertaining postings, and informativeness. Then, consider how these factors relate to users’ intentions to buy in the context of Instagram marketing.

Methodology – This research paper collected data from 418 respondents through an online questionnaire. The questionnaire requires the respondents who are social media user, especially Instagram, millennials and Gen Z who is currently a university student who lived in Jakarta, and those who are following influencer on Instagram at least 3 influencers and who have purchased product and or services online. Statistical analyses are performed in this study.

Findings – The result shows that the activity of influencers on Instagram has an impact on consumer behavior. Therefore, marketers in any kind of industries should consider the long-term impact that marketing influencer can give to their company.

Novelty – This study offers fresh perspectives on the efficacy of influencer marketing for millennials and Generation Z on Instagram in Jakarta, Indonesia. It highlights the need of carefully choosing influencers according to their unique approaches and comprehending the requirements of the target market, providing helpful advice to digital marketers hoping to increase the influence of influencer activities on consumer behavior and purchase decisions.

Keywords: influencer marketing, Instagram marketing, digital marketing

JEL Classification: M31, L81, D12, O33

I. INTRODUCTION

Social media marketing on Instagram has become increasingly popular among businesses of all sizes. This approach has proven to be effective in attracting and engaging customers (Cheung et al., 2020). Instagram marketing is a cost marketing method that allows businesses to reach a wide audience while remaining engaging and interesting. Compared to marketing, which can be expensive and less efficient, Instagram marketing serves as an alternative, for small businesses aiming to enhance their performance and compete effectively against their competitors (Park & Namkung, 2022).

An individual who uses social media to build a sizable and active following is considered an influencer (Ao et al., 2023). For social media influencers to build trust with their audience, they must be credible (Ooi et al., 2023). Stronger relationships with followers and more successful promotion of goods, concepts, or causes are made possible by a credible influencer’s greater likelihood of being trusted, respected, and influential (Belanche et al., 2021). Building and maintaining trust in the ever-changing world of social
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media influence requires upholding honesty, openness, and a track record of dependable material (Dubois et al., 2020; Ghazinejad et al., 2018; Haudi et al., 2022).

To build a relationship with their followers, influencers use entertainment to draw in and hold the attention of audiences (Zhang & Choi, 2022). Online posts play a vital role in the communication process between influencers and their audience because they facilitate real-time connection, brand promotion, and the ability to sway opinions and actions (Fan et al., 2023; Shahbaznezhad et al., 2021; Tafesse & Wien, 2017; Burbach et al., 2020). Online material spreads quickly and widely, giving influencers the ability to set trends, disseminate knowledge, and foster a vibrant community within it (Chung et al., 2023).

Social media buyer-seller relationships present a contradiction where buyers are simultaneously empowered and vulnerable. Interaction features encourage openness and direct communication, but they also expose users to persuasive marketing and influencer endorsements. This highlights the need for research to understand the impact on decision-making and inform the creation of responsible advertising standards and consumer protection laws for an informed and equitable marketplace in the digital age.

The study aims to assess the correlations between an influencer’s credibility, entertaining posts, informativeness, attitude toward the influencer, attitude toward sponsored post, and buy intention. The study’s history, its conceptual framework, and the development of its hypotheses are highlighted in the sections that follow. Next, we report the results and the approach that was taken. The study’s limitations, theoretical and managerial implications, and suggestions for further research are covered in our last section.

II. LITERATURE REVIEW

Influencer’s Credibility

Influencer credibility refers to the degree of attractiveness, trustworthiness, knowledge, and resemblance that followers acknowledge in influencers, all of which have the power to convince or affect their opinions (Pambudi et al., 2023). Studies pertaining to the credibility of social media influencers have concentrated on diverse aspects impacting the opinions of their followers (Coutinho et al., 2023; Belanche et al., 2021). Academics frequently emphasize the value of perceived authenticity, stressing that influencers must appear sincere in their work to gain and keep credibility (Balaban & Szambolics, 2022). Confidence is a key element; research indicates that influencers who openly reveal sponsored content and interact meaningfully with their followers are more likely to be trusted (Gross & Von Wangenheim, 2022).

Influencer’s Entertaining Posts

With their amusing posts being a major part of their online presence, social media influencers have a significant impact on the development of modern digital culture (Wielki, 2020). The research emphasizes the adaptability of influencer content and how it can captivate and engage a diverse spectrum of users (Lim et al., 2017). Influencers use relatability, comedy, and inventiveness to create engaging postings that go beyond traditional advertising (Yuliati & Huda, 2022). Along with being entertaining, this kind of material helps influencers, and their followers interact, building a virtual community. The reason these posts are so successful is because they successfully combine honesty with well-chosen aesthetics to create a distinctive and captivating corporate identity (Roggeveen et al., 2021). Understanding the dynamics of influencer content is crucial to understanding the complex interactions between advertising, entertainment, and online community building as social media continues to change.

Influencer’s Informativeness

Previous research indicates that influencers have significant effect over the dissemination of knowledge on a wide range of topics, from technology and health to lifestyle and beauty (Hermenda et al., 2019; Cheung et al., 2022; Poyry et al., 2022; Pangaribuan et al., 2019). Research indicates that the perceived
proficiency and reliability of influencers augment the informative value of their posts, generating a distinct kind of digital knowledge that connects with viewers (Lin et al., 2021). The perceived value of influencers’ informative content is further enhanced when they are aligned with certain specialized markets. Scholars advise a critical assessment of the harmony between information and amusement, but they also issue a warning about potential dangers like false information and biased endorsements. Since social media influencers are still informational sources, it is critical to assess the subtleties of their informativeness when assessing how they affect digital communication and consumer behavior (Alvarez-Moncillo, 2022).

Attitude toward the Influencer and Sponsored Post

Despite the importance of attitudes toward purchase intention being demonstrated by the research, the concept of attitude toward the influencer is not fully defined (Taillon et al., 2020). Many factors influence attitudes, such as relatability, perceived sincerity, and the perceived social or aspirational position of influencers (Al Kurdi et al., 2022; Zafira et al., 2022; Morgenroth et al., 2015). Research shows that followers who believe that influencers are sincere, reliable, and have the power to sway purchases tend to have positive attitudes (Belanche et al., 2021; Rahayu & Sudarmiatin, 2022; Clemente-Ricolfe & Atienza-Sancho, 2019). On the other hand, worries about the possibility of influencer fatigue and cynicism have been expressed, casting doubt on the legitimacy of sponsored content and the blurring of boundaries between personal and promotional content. Influencers are becoming more and more important in advertising and brand collaborations, so it is important for social media platforms and marketers to understand how consumers feel about them. This is because the world of digital influence is always changing.

Influencers and corporations work together to promote goods and services through sponsored posts, which have become a popular marketing tactic (Jarrar et al., 2020). In these posts, scholars stress the importance of striking a careful balance between commercialization and authenticity (Audrezet et al., 2018; van Driel & Dumitrica, 2021). An influencer’s personal story skillfully incorporates the brand, building audience trust and a sense of connection. This is what makes sponsored content successful.

Influencer’s Credibility and Attitude toward Sponsored Post and Influencers

Viewers are more likely to feel favorably about sponsored content that is displayed on the channel when they believe that the streamer is reliable, real, and sincerely interested in their content (Xu et al., 2020). Establishing credibility fosters trust, as viewers are more likely to accept the streamer’s sincere endorsement of the sponsored good or service (Xu et al., 2022). Conversely, if a streamer lacks credibility, viewers could be skeptical of sponsored posts, doubting the sincerity of the endorsement and possibly adopting a disapproving or unfavorable attitude toward the sponsored content. In the end, how credible the streamer is affects how the audience views sponsored posts and how eager they are to interact with the offerings that are being advertised (Giuffredi-Kähr et al., 2022; Kaabachi et al., 2021; Xiao, 2020).

Authenticity, perceived trustworthiness, and compatibility of ideals with the audience are the main factors that viewers consider when forming impressions about influencers (Dalangin et al., 2021; Lefina & Hidayat, 2022; Belanche et al., 2021). Viewers are more likely to see influencers favorably and take their advice seriously if they can continuously provide material that is honest and transparent and retain a high degree of trustworthiness. To put it simply, the audience’s impression of influencers is shaped in large part by the streamer’s reputation, which in turn affects how audiences interact with and react to material that is produced by influencers. Based on the discussion, the hypotheses are:

H1: Online influencer’s credibility affect attitude toward sponsored post.
H2: Online influencer’s credibility affect attitude toward influencers.
Influencer’s Entertaining Post and Attitude toward Sponsored Post and Influencers

Viewers are more willing to accept sponsored posts that are tastefully woven into the main content when influencers produce interesting and entertaining content that speaks to their audience (Ingrassia et al., 2022). The amusing quality of the influencer’s posts keeps viewers interested and allays any suspicions they might have about paid content (Barta et al., 2023; Chang & Wu, 2024). Viewers are more likely to accept a sponsored post as genuine and may even find the endorsement amusing if it fits the influencer’s style and appears to be a natural extension of their usual content (Shuqair et al., 2024).

Not only does engaging content draw in viewers, but it also helps them build a favorable impression of the influencer’s character and brand (Pinto & Paramita, 2021). Viewers are more inclined to have a positive mindset and see influencers as approachable, genuine, and fun to follow when they often produce interesting and entertaining material (Ao et al., 2023). The influencer’s engaging posts play a vital role in establishing a rapport with their followers, cultivating allegiance and confidence. Based on the discussion, the hypotheses are:

H3: Online influencer’s entertaining post affects attitude toward sponsored post.
H4: Online influencer’s entertaining post affects attitude toward influencers.

Influencer’s Informativeness and Attitude toward Sponsored Post and Influencers

Creating a trustworthy endorsement becomes more effective when the influencer skillfully communicates the features, benefits and personal experiences related to the sponsored post (Dhanesh & Duthler, 2019). Sponsored content holds significance when it provides value, which leads to increased audience engagement and relevance (Cheung et al., 2020).

Viewers are inclined to consider influencers as competent and reliable when they offer insightful and valuable content, be it product evaluations, educational content, or expert thoughts (Koay et al., 2021). This raises the influencer’s legitimacy and encourages the audience to think positively (Özbölük & Akdoğan, 2022). Influencers that provide insightful commentary, advice, or recommendations are valued by viewers, and their educational material can establish authority and respect (Li & Feng, 2022). The influencer’s capacity to strike a balance between entertaining and educational content not only positions them as a trustworthy information source but also favorably affects how viewers react to their advice, partnerships, and ideas (Haenlein et al., 2020). Based on the discussion, the hypotheses are:

H5: Online influencer’s informativeness affects attitude toward sponsored post.
H6: Online influencer’s informativeness affects attitude toward influencers.

Attitude toward Sponsored Post and Influencers and Purchase Intention

An optimistic outlook lends credibility and trust to the influencer, which increases viewers’ openness to the recommendations (Kapitan et al., 2022). On the other hand, a pessimistic or doubtful outlook could turn off prospective customers by making them doubt the legitimacy of the sponsored content and the caliber of the products being advertised. Viewers are more likely to see recommended products favorably and may be inspired to make a purchase when they sense a genuine connection with the influencer and value their ideas (Mostafa & Kasamani, 2021). Based on the discussion, the hypotheses are:

H7: Attitude toward sponsored post affects purchase intention.
H8: Attitude toward influencer affects purchase intention.

III. METHODOLOGY

Under the quantitative method, this study focuses on the influencer marketing activity on Instagram and its impact on customer behavior in people’s purchasing decisions in Jakarta, Indonesia. The influencer in this study is broader than one industry since the main discussion is about the impact on the customer. This
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Research started from the beginning of February 2021 until the beginning of July 2021. The data collection was held from the end of April 2021 until the beginning of June 2021 in Jakarta, Indonesia. This study involved millennials and Gen Z who are currently university students, following influencers on Instagram, and have noticed them in doing an advertising activity.

This research creates model research to illustrate the relation between the dependent variable, which is the impact of influencer marketing on Instagram users, and the independent variable, influencer marketing on Instagram. The model framework is displayed in Figure 1.

The population of this study are millennials and Gen Z, who use Instagram in their daily life and live in Jakarta, Indonesia. Millennials and Gen Z become the focus population of this study because they are the generation that has experienced the growth of technology. This study has collected data from 418 respondents, where 100% of the respondents fulfilled the criteria of the questionnaire. As a result, analysis can continue since the minimum sample size has been accomplished.

The questionnaire in this study consists of 30 items about respondents’ general backgrounds and influencer marketing on Instagram to determine the characteristics of the respondents. The characteristics of respondents in this study cover three aspects, including demographic profile, influencer marketing on Instagram, and the impact of influencer marketing on Instagram towards social media users. Seven survey items were provided to analyze respondent’s demography, including gender, age, domicile, and activity on Instagram. Another 14 survey items provided to understand the characteristics of the respondents’ attitudes about influencer marketing include influencer marketing credibility, attitude towards the influencer, entertainment of sponsored posts by an influencer, informativeness of sponsored posts by an influencer, and credibility of sponsored posts. At the end of this section, optional questions are provided. Respondents are expected to share a screenshot of a sponsored post from an influencer. The purpose of this optional question is to validate whether the respondents understand the concept of sponsored posts or not. Besides, more data is needed to collect important information about the impact of influencer marketing on Instagram itself. There are seven survey items provided about this variable.

With the existence of a questionnaire in this study, the researcher hopes to collect and understand some important aspects from the respondents. Those aspects are behavior, attitudes, and opinions towards the current phenomenon of influencer marketing. Therefore, choosing the precise question in this questionnaire is crucial to reach the purpose of this study. The purpose of this study is to understand and analyze the impact of influencer marketing on Instagram on customer behavior. Considering the initial purpose, this study used close-ended questions. The reason is that the survey is more suitable for this type of question, and it is easier to statistically compare the answers between respondents. For the demographics part, multiple-choice and short-answer questions will be offered. Finally, the survey in this research will require
the respondents to upload the marketing influencer activity on Instagram. This part is required as proof so that the researcher is sure that the respondents are familiar with the phenomenon in the research.

Before using the result of the questionnaire as the primary data, it should be tested in terms of validity and reliability. The pre-test will require some respondents from the total sample. The number of people who take part in these pre-tests is usually 10% of the required sample size, and they should be distinct from those who take part in the actual study. There will be at least 10% of the total sample, 40 respondents. In order to meet the criteria of respondents in the validity and reliability test, the 40 respondents should: (1) Respondents are currently using Instagram application in everyday life, (2) Respondents are coming from millennials and Generation Z or were born between 1980 and 1995, and 1996 and 2005; (3) Respondents are living in DKI Jakarta, Indonesia, (4) Respondents are currently following at least three influencers on Instagram, and (5) Respondents are at least three times have purchased product or service online. The criteria are set because the study focuses on the impact of influencers on Instagram. It is also used by millennials and Gen Z in Jakarta because they are more related to the marketing influencer phenomenon. By choosing specific respondents who have had experience in following influencers and purchasing any product or service online, this study aims to get the correct and valid data.

IV. RESULTS AND DISCUSSION

This survey gathered data from respondents whose ages were between 17 years old until 33 years old. This way is used with the purpose of knowing the exact age of the respondents. From the total of 418 respondents, 0.24% respondents are 17 years old, 15.07% are 18 years old, 32.30% are 19 years old, 33.49% are 20 years old, 12.44% are 21 years old, 3.35% are 22 years old, 1.43% are 23 years old, 0.48% are 24 years old, 0.96% are 25 years old, and 0.24% are 33 years old. In conclusion, 418 respondents who participated in this study applied to the criteria. This study classifies into 2 categories which are male and female: 28% of respondents are male and 72% of respondents are female. From the data we can conclude that the majority of the respondents are female. This study classifies domicile respondents into 7 categories which are Central Jakarta, North Jakarta, South Jakarta, West Jakarta, East Jakarta, Kepulauan Seribu and others (11.69% of the total respondents are residing in Central Jakarta, 6.46% are residing in North Jakarta, 45.45% are residing in South Jakarta, 18.42% are residing in West Jakarta, and 17.70% are residing in East Jakarta). All of the respondents’ areas apply to this study criteria. And we can conclude that the respondents of this study are mostly living in south Jakarta. There are 3 tables which shows the 3 models of multiple regression. The result of multiple linear regression for the first model shows the value of R is 0.513, which indicates that both variables have a strong and positive relationship. Besides, the $R^2$ is used to measures the variance proportion in the dependent variable. The result of simple linear regression shows the value of $R^2$ is 0.263, which indicates that 26.30% of the dependent variable can be explained by the independent variable. The result of multiple linear regression for the second model shows the value of $R$ is 0.635, which indicates that both variables have a strong and positive relationship. The result of simple linear regression shows the value of $R^2$ is 0.457, which indicates that 45.70% of the dependent variable can be explained by the independent variable. The result of multiple linear regression for the third model shows the value of $R$ is 0.676, which indicates that both variables have a strong and positive relationship. The result of simple linear regression shows the value of $R^2$ is 0.404, which indicates that 40.40% of the dependent variable can be explained by the independent variable.

Table 1 shows the $t$ test value and $p$-value (Sig.). The value is the result from test conducted from the model study. There are 3 tables which shows the 3 models of multiple regression. Based on the result of the test (Table 1), the $t$ test value of the first table of the test are 9.621 and 3.466. Then the first way is used to perform the $t$ test which is by comparing with the $t$ statistic in the $t$ table. The degree of freedom is the result of the number of collected data (n) subtracted by the number of the dependent variable (k) and then
The degree of freedom of this model is 416. The value is the result of subtracting 418 by 1 and subtracting the result by 1. From the information above, it can be found that the value of $t$ statistic from the $t$ table is 2.626. Since the value of $t$ test are 9.621 and 3.466, which is higher than the value of $t$ statistic, it can be concluded that the study should reject $H_0$. The conclusion is also supported by performing the second way. The value of $p$ value (Sig.) of 0.000, which is smaller than the significance value of 0.01.

Table 1. $t$ test Value and $p$ Value (Model 1)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>$t$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>6.26</td>
<td>.234</td>
<td>2.672</td>
<td>.006</td>
</tr>
<tr>
<td>1</td>
<td>Attitude_SP</td>
<td>6.49</td>
<td>.067</td>
<td>.473</td>
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<tr>
<td>1</td>
<td>Attitude_INF</td>
<td>6.89</td>
<td>.080</td>
<td>.072</td>
</tr>
</tbody>
</table>

a. Dependent Variable: purchase_intention

The $t$ test values from Table 2 are 2.995, 11.539 and 7.708. Then the first way is used to perform the $t$ test which is by comparing with the $t$ statistic in the $t$ table. The degree of freedom is the result of the number of collected data (n) subtracted by the number of the dependent variable (k) and then subtracted by 1. The degree of freedom of this model is 416. The value is the result of subtracting 418 by 1 and subtracting the result by 1. From the information above, it can be found that the value of $t$ statistic from the $t$ table is 2.626. Since the values of the $t$ test are 2.995, 11.539 and 7.708, which is higher than the value of $t$ statistic, it can be concluded that the study should reject $H_0$. The conclusion is also supported by performing the second way. The value of $p$ value (Sig.) of 0.000, which is smaller than the significance value of 0.01.

Table 2. $t$ test Value and $p$ Value (Model 2)

<table>
<thead>
<tr>
<th>Model</th>
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<th>Standardized Coefficients</th>
<th>$t$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
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<td>8.483</td>
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<td>INF_cred</td>
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<td>.026</td>
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<td>2</td>
<td>INF_inform</td>
<td>.288</td>
<td>.037</td>
<td>.312</td>
</tr>
</tbody>
</table>

a. Dependent Variable: attitude_SP

The $t$ test values in Table 3 of the test are 11.039, 5.873 and 3.087. Then the first way is used to perform the $t$ test which is by comparing with the $t$ statistic in the $t$ table. The degree of freedom is the result of the number of collected data (n) subtracted by the number of the dependent variable (k) and then subtracted by 1. The degree of freedom of this model is 416. The value is the result of subtracting 418 by 1 and subtracting the result by 1. From the information above, it can be found that the value of $t$ statistic from the $t$ table is 2.626. Since the value of $t$ test are 11.039, 5.873 and 3.087, which is higher than the value of $t$ statistic, it can be concluded that the study should reject $H_0$. The conclusion is also supported by performing the second way. The value of $p$ value (Sig.) of 0.000, which is smaller than the significance value of 0.01.
Based on the findings from the study, it is suggesting that the influencer’s activity on Instagram is a significant factor on the impact of customer behavior of Instagram users for millennials and Gen Z in Jakarta, or the study should reject the null hypothesis. Therefore, the digital marketer should pay more attention to using the influencer marketing as their method in influencing the customer, especially millennials and Gen Z in Jakarta, Indonesia.

V. CONCLUSION

The main objective of this research is to analyze the impact of influencer marketing on the customer behavior case of people in Jakarta, Indonesia. Based on the result of the statistical analysis of this study, influencers on Instagram is a positive significant factor in giving an impact to customer behavior for millennials and Gen Z in Jakarta. In conclusion, the activity of influencers on Instagram should be highly considered by digital marketers. With this result, millennials and Gen Z are expected to contribute more to current marketing methods on social media. By contributing more to the activity, marketing/advertising methods will grow rapidly in a few years. By the fact that, innovation and idea will follow the habit of the audience.

Based on the result of this study influencer marketing on Instagram has a significant impact towards the customer behavior for millennials and Gen Z in Jakarta. Influencer marketing is not a new method to maximize social media marketing, especially Instagram marketing. Its growth, pros, and contra made the researcher questioning about the impact of influencer marketing on Instagram. The method seems to be effective and ineffective. Influencers has their own way of promoting products and services on Instagram. In fact, not all of their ways are quite effective. This statement is based on the fact and data, that some of the respondents of this study do not agree with some statement about influencer marketing on Instagram in the survey. As the test results shows that there is a significant relation between both variables, people should consider influencer marketing method. Influencer marketing could be a choice for digital marketers, companies, or individuals to promote their product of services. To maximize this method so that it delivered information directly and successfully, marketers should understand the criteria of their target market and find the right influencer to represent their brands. By using this method, groups or individuals who have a brand most probably will sustain and can compete with their competitors. They most probably will increase the awareness of people that can lead to higher sales.

The improvement of the influencer activity on Instagram is one of the actions to improve the impact given towards the customer behavior on purchase decision. It can be carried out by the digital marketer from a company, organization or individuals in order to increase people awareness about their brands, as a
result is a higher sale. It includes how marketers choose the right influencer as their representative to deliver the information.

**Limitation and Future Studies**

This research aims to analyze the impact of influencer marketing on Instagram toward customer behavior among millennials and Gen Z in Jakarta. It would be interesting for the future research to analyze the influencer activity on Instagram in another city in Indonesia. It is because people have different backgrounds, culture and so on in using social media. People from other areas in Indonesia might be not familiar with social media or have different perception. It would also be interesting if future research analyzes its impact on people with more universal ages. So that researcher will find how influencer marketing will work for them. As in fact social media users are not only used by millennials and Gen Z, but also a younger age and older age people.

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