

# IMPACT OF VIRTUAL INFLUENCERS IN MARKETING

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## ABSTRACT

Virtual influencers are computer generated human avatars with a huge following on social media platform. In the past decade influencer marketing has proven to have a powerful voice for brands in the era of digital marketing.

The role of influencers still has the ability to motivate social attitudes and behaviour among their online community towards the brand that are endorsed by the influencers. The communities that were built by these influencers continue to gain social acceptance due to their authentic voices as well as aspiring content.

In this research we will focus on virtual influencers that are not humans but are digital creations with levels of human likeness. In our study we want to get a greater understanding of whether VI's are capable of achieving more success than the traditional influencers as well as the Pro's and Con's of both virtual and traditional Influencers. The importance of this research is to find the phenomenon and data literature on lifestyle interaction patterns.

## INTRODUCTION

They are more diverse and changeable than ever before Virtual Influencers are virtual persona or virtual model which can be used for a variety of marketing related purposes but most often used for social media marketing. Virtual influencers are fictional characters with social media account and are run by content creating team to collaborate with brands. These digital creations are exclusively created and consumed in digital mediums.

In the past decade influencer marketing has proven to have a powerful voice for brands in the era of digital marketing. The role of influencers still has the ability to motivate social attitudes and behaviour among their online community towards the brand that are endorsed by the influencers. The communities that were built by these influencers continue to gain social acceptance because of their authentic voices as well as aspiring content. There has been a lot of research regarding the effectiveness of social media influences for the brands in the past decade. Virtual influencers have gone live on social media platforms, integrating human networks and interacting with users.

Virtual influencers are created with the help of software. Leveraging media platforms is needed for a virtual influencer to promote brands. Social media platforms for virtual influencer distribution include Instagram, TikTok, YouTube, Twitter, and Spotify, with Instagram being the most common platform for a virtual influencer.

In our study we want to get a greater understanding of whether VI is capable of achieving more success than the traditional influencers as well as the Pros and Cons of both virtual and traditional Influencers.

The importance of this research is to find the phenomenon and data literature on lifestyle interaction patterns.

**Definition:**

Virtual influencers are computer generated virtual model created through artificial intelligence (AI) or computer-generated imagery (CGI). They have huge followers on social media, because of their varied identities, lifestyles, and mind sets. Virtual influencers maintain para-social relationships with internet users, which implies intimate relationships between audiences and celebrities through virtual media

**Influence factors:**

Savage believes that customer brand engagement in social media is affected by intrinsic as well as extrinsic motivations. The inner needs of audiences are intrinsic motivations. The use and gratification theory proposes that individuals use media to satisfy their diverse needs. As a motivational theory in psychology, Maslow's expanded hierarchy of needs, which is often seen as a hierarchy in a pyramid, divides human needs into five levels. From bottom to top, these five levels are physiological needs, safety needs, belongingness needs, esteem needs, self-actualization needs. The extrinsic motivations are social network recommendations. According to social learning theory, the majority of human behaviour is acquired through modelling observations. By watching others, individuals develop an idea of how a novel behaviour is executed, and in later cases, this encoded information becomes guidance for action. Therefore, social media brand engagement behaviours can be learned and motivated by peers.

**Objective of the study**

- To understand the role of virtual influencers in marketing.
- To see which among virtual and real influencers has a better impact on customers.
- To understand the role of virtual influencers in post pandemic period.

**METHODOLOGY**

Since Virtual Influencer marketing is an emerging field that lack qualitative research, this research used a qualitative research strategy based on grounded theory to ensure the depth of the investigation and to support future systematic research. To facilitate data collection, we relied upon primary sources of data as well as secondary source of data. The primary sources include distribution of online forms and secondary sources include various websites and journals. This research adopted generic purposive sampling and to accurately and efficiently select 100 respondents of various age groups.

The research question is based on the mechanism of virtual influencers' endorsement on customer brand engagement in digital world. Furthermore, sub-question one is to see whether Virtual Influencers will take over the real ones in the future. Sub-question two is the influence degree of these Digital avatars.

**How virtual influencers help brands**

- They outperform real-world influencers in terms of engagement rates.
- It offers cost saving opportunities in the field of content creation and administration.
- It excels at reaching younger consumer audiences.

- It can offer unique product or brand-influencer fit.
- They can limit risk exposure by expanding the brands control.
- It can be readily incorporated into brands meta verse strategies.

**Tools used for Analysis**

Chi Square Test

The Formula for Chi Square Is

$$\chi^2_c = \sum \frac{(O_i - E_i)^2}{E_i}$$

where:

*c* = degrees of freedom

*O* = observed value(s)

*E* = expected value(s)

**RESEARCH HYPOTHESIS**

**Hypothesis 1**

H0= There is no association between awareness and gender

H1= There is Association between awareness and gender

**Hypothesis 2**

H0= There is no association between age and following/non following of influencers

H1= There is Association between age and following/non following of influencers

Variable	Male	Female	Total
Aware Of Virtual Influencers	28	59	87
Not Aware Of Virtual Influencers	4	9	13
Total	32	68	100

H0= There is no association between awareness and gender

H1= There is Association between awareness and gender

Computation of Expected Frequency

= Corresponding row Total × Column Total/N

E(28)= 87×32/100=27.84

E(59)= 87×68/100=59.16

$$E(4)=13 \times 32 / 100 = 4.16$$

$$E(9)=13 \times 68 / 100 = 8.84$$

O	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E=0.010391
28	27.84	0.16	0.0256	0.000919
59	59.16	-0.16	0.0256	0.000432
4	4.16	-0.16	0.0256	0.00615
9	8.84	0.16	0.0256	0.00289

Level Of Significance = 5%

$$Ndf = (C-1) \times (R-1) = (2-1) \times (2-1) = 1$$

Table Value=3.84

Conclusion

As the calculated value is more than the tabulated value we accept H1 and reject H0 and conclude that There is Association between age & following/non following of influencers

As the calculated value is less than the tabulated value we accept H0 and reject

H1 and conclude that There is no association between awareness and gender

Variable (Age)	18-25	26-41	42-57	58-67	68+	Total
Follow Virtual Influencers	60	7	19	1	0	87
Do Not Follow Virtual Influencers	9	1	2	0	1	13
Total	69	8	21	1	1	100

H0= There is no association between age and following/non following of influencers

H1= There is Association between age and following/non following of influencers

Computation of Expected Frequency

= Corresponding row Total × Column Total/N

$E(60) = 87 \times 69 / 100 = 60.03$   $E(9) = 69 \times 13 / 100 = 8.97$

$E(7) = 87 \times 8 / 100 = 6.96$   $E(1) = 8 \times 13 / 100 = 1.04$

$E(19) = 87 \times 21 / 100 = 18.27$   $E(2) = 21 \times 13 / 100 = 2.73$

$E(9) = 87 \times 1 / 100 = 8.7$   $E(0) = 1 \times 13 / 100 = 0.13$

$E(0) = 87 \times 1 / 100 = 8.7$   $E(1) = 1 \times 13 / 100 = 0.13$

O	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E=30.42
60	60.03	-0.03	0.0009	1.499
7	6.96	0.04	0.0016	2.298
19	18.27	0.73	0.5329	0.0291
9	8.7	-0.03	0.0009	1.034
0	8.7	-8.7	75.69	8.7
9	8.97	0.03	0.0009	1.003
1	1.04	-0.04	0.0016	0.0153
2	2.73	-0.73	0.5329	0.191
0	0.13	-0.13	0.0169	0.13
1	0.13	0.87	0.7569	5.82

Level Of Significance =5%

$Ndf = (5 \times 1) - (2 \times 1) = 3$

7.81

As the calculated value is more than the tabulated value we accept

H1 and reject H0 and conclude that There is

Association between age & following/non following of influencers

Reason	No of People in total (X)	No of Males(Y)	X <sup>2</sup>	Y <sup>2</sup>	XY
Content	41	12	1681	144	492
Inspiring	15	5	225	25	75
Music	21	6	441	36	126
Interaction	12	3	144	9	36
Aesthetics	5	3	25	9	15
Don't Follow	6	3	36	9	18
Total	100	32	2552	232	762

$$R = \frac{6(762) - (100)(32)}{\sqrt{6 \times 2552 - (100)^2 \times 6 \times 232 - (32)^2}}$$

$$= \frac{4572 - 3200}{\sqrt{15312 - 10000 \times 1392 - 1024}}$$

$$= \frac{1372}{\sqrt{5312 \times 368}}$$

$$= \frac{1372}{1398}$$

$$= 0.981$$

Media	No of People in total (X)	No of Females(Y)	X <sup>2</sup>	Y <sup>2</sup>	XY
Instagram	53	40	2809	1600	2120
YouTube	18	10	324	100	180
Twitter	1	0	1	0	0
Facebook	5	2	25	4	10
Movies	1	0	1	0	0
No	22	16	484	256	352

Total	100	68	3644	1960	2662
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$$R = \frac{6(2662) - 100 \times 68}{\sqrt{6 \times 3644 - (100)^2 \times 6 \times 1960 - (68)^2}}$$

$$= \frac{15972 - 6800}{21864 - 10000 \times 11760 - 4624}$$

$$= \frac{9172}{11864 \times 7136}$$

$$= \frac{9172}{9201}$$

$$= 0.996$$

### FINDINGS:

Majority of the respondents were from the age group 18-25 followed by 42-57 and 26-41. So, it was clearly seen that people below the age 60 had some awareness. Nearly 67% of the respondents were female and the rest are male. 87% of the respondents were aware of virtual influencers and 13% were not aware of it. This shows that most of them were aware about the latest trends. 62% of the respondents follow virtual influencers and 38% of them don't.

Almost 59% of the respondents follow a virtual influencer for their content. And it shows that people these days give a lot of importance to good content. Nearly 68% of the respondents follow virtual influencer on Instagram followed by YouTube and Facebook. Nearly 69% of the respondents stated that they won't always trust the product advertised by virtual influencers. This shows that virtual influencers have still not gained the trust of people and they should work a lot towards it. 64% of the respondents think that virtual influencers might be relatable. 62% of the respondents stated that they might buy a product advertised by virtual influencer, this shows that virtual influencer have not been an influence on consumers yet. 63% of the respondents responded that they bought a product because of a virtual influencer and 37% haven't. 69% of the respondents felt that after the pandemic people may trust the virtual influencer more than the real one.

### Conclusion

As virtual influencers have human like appearance and lifelike activities consumers response is better. Although, consumers also perceive their appearance and behaviour as unpleasant and unrealistic when being too close to reality. Their perceived manhood affected the degree of attractiveness, similarity and trustworthiness. As such, these are the factors that affect the amount of source credibility and thus facilitate PSI with the virtual influencers in concurrence with the three factors in source credibility: trustworthiness, attractiveness and similarity.

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