



State of influencer marketing in India

Impact of influencers on brands

Survey findings: India 2023

A COLLECTIVE ARTISTS NETWORK INITIATIVE

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Building a better
working world



**Tanmay
Bhat**

Entrepreneur,
Comedian and
Youtuber

Foreword

Elevating brands with genuine influence

As I reflect on the journey through India's ever-evolving creator economy, it is remarkable to witness the incredible growth and impact it has made on both creators and brands. This report offers a compelling insight into this thriving landscape, reflecting the immense potential and opportunities that lie ahead.

The creator economy in India has emerged as a dynamic force, not only fueling the burgeoning influencer marketing domain but also provided a launchpad for startups and direct-to-consumer brands, especially in sectors like beauty, fashion, health and lifestyle.

The advent of transactional, live video commerce and short video has presented novel avenues for brands to connect with their audiences, simplifying the purchasing process. This surge, driven by content in Hindi and regional languages, particularly in entertainment and comedy, exemplifies the expanding horizons within the creator economy. Challenges persist in ensuring authentic content aligns with brand values and measuring campaign ROI comprehensively.

As a creator who has witnessed the evolution of this space, I see immense promise and potential. India, a key player in the global creator economy, holds the promise of an exhilarating future shaped by creativity, collaboration and innovation.



**Vijay
Subramaniam**

Group CEO &
Founder,
Collective
Artists Network



Anurag Iyer

CEO,
BigBang.Social

Foreword

Igniting India's influencer marketing revolution

In the dynamic world of the creator economy, India stands as a beacon of immense potential and opportunity. The creator economy in India is expected to grow at a remarkable CAGR, a testament to the innovation, creativity and entrepreneurial spirit of our nation.

Over the past few years, India has experienced a notable upswing in influencer marketing leading to a transformation in advertising and consumer interaction dynamics. The rise of short video platforms, with 65% of users from non-metro areas, has added a new dimension to content consumption. The popularity of these platforms, predominantly driven by a younger, male audience, has opened doors for a multitude of creators.

It is heartening to see that brands are recognizing the potential of the creator economy and are increasingly investing in influencer marketing, with sectors like FMCG, automobiles and consumer durables leading the way.

May this report serve as an invaluable resource for brands seeking to harness the power of influencer marketing to connect with their audience, drive engagement and achieve sustainable growth in the dynamic and competitive landscape of the Indian market.



**Amiya
Swarup**

Partner,
Marketing Advisory
EY India

Foreword

Aspirations, realized

India is often described as a young and aspirational country, and as one of the fastest growing major economies in the world.

Indians are seeing massive changes in their daily lives, across society, career, finance and culture. It is a complex time to be an Indian, and this is the gap that influencers are filling in so admirably. Using primarily digital as a medium to guide, reassure, advice, recommend and help people, influencers are becoming the new “heroes” of India, being more accessible, more varied, more knowledgeable and more impactful than ever before.

As we look at the educational and social transformation popularly called “influencer marketing”, we cannot but be awed by its potential to help bring about change, and to understand this phenomenon better, we tied up with BigBang.Social to conduct thousands of interviews across creators, brands and audiences. This is one of the first such studies in India, and I am sure you will find it insightful.



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Executive summary

India's influencer marketing industry is estimated to reach INR3,375 crore by 2026, at a CAGR of 18%

As 50% of the time spent on mobile phones is on social media platforms, marketers need consider influencer marketing as part of their overall communication strategy.



Instagram and YouTube were the most preferred platforms to consume content from influencers, although many other platforms were used for specific purposes

Upcoming platforms are gaining momentum and offering innovative ways to engage with new cohorts of consumers.

Influencer marketing was part of three in four brand strategies

Engagement rate and quality of target audience were the top criteria for brands to select influencers.

It is imperative that the criteria used to select influencers are aligned to campaign objectives.

Lifestyle, fashion and beauty will drive growth of influencer marketing

Categories with a deep personal connection benefit the most from influencer marketing.

Marketers are using both large/ macro and micro/ nano influencers equally

Brand ambassadors and influencers play an extremely important role in purchase decisions.

It is critical for marketers to strike a strategic balance between mega/macro influencers to drive awareness and brand loyalty, while also tapping into the power of micro/nano influencers to drive engagement.

Agencies currently play a critical role in implementing influencer marketing strategies

77% brands believe that their agencies are fairly equipped to drive influencer marketing campaigns.

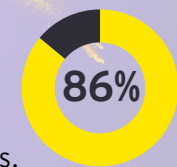
Marketers need to partner with agencies which drive authentic data driven influencer strategy and provide real time monitoring and insights, while ensuring brand safety.

Certain challenges need to be addressed

Marketers and influencers need to forge long-term relationships with common goals to improve ROI.

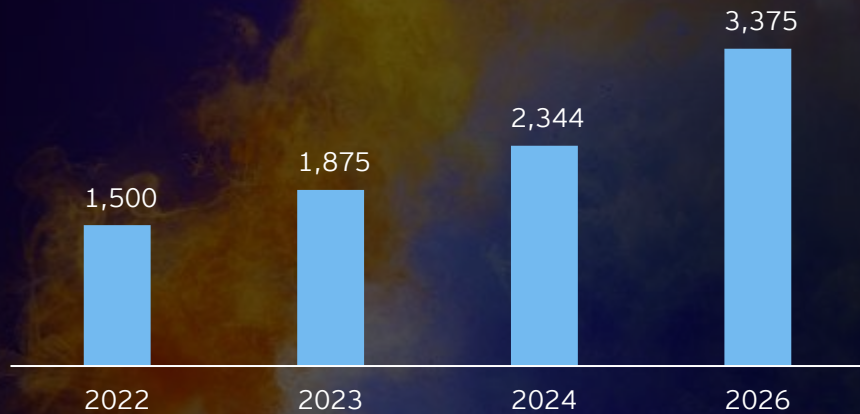
It is a good time to be an influencer in India

86% of influencers expected over 10% increase in their income over the next two years.



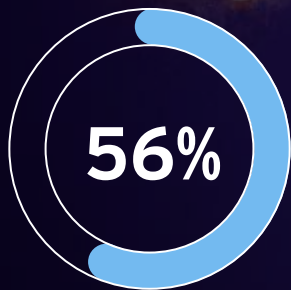
India's influencer market size is expected to reach **INR3,375 crore** by 2026, growing at 18% CAGR

Indian influencer marketing size



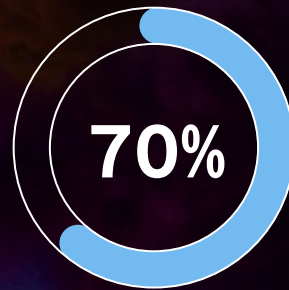
EY estimates

Influencer marketing is expected to grow by **25%** in 2024, reaching **INR2,344 crore** and to **INR3,375 crore** by 2026



EY survey of marketers

56% of the brands invested more than **2%** on influencer marketing



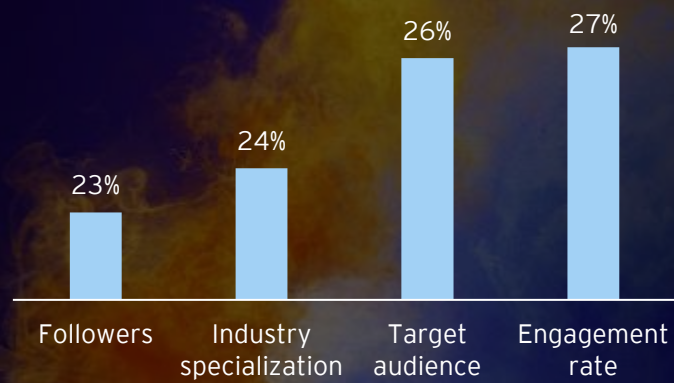
EY survey of marketers

70% of brands plan to keep their influencer marketing budget the same or increase it in 2024, with half planning to increase it by up to **10%**

As 50% of the time spent on mobile phones is on social media platforms, marketers need to consider influencer marketing as part of their overall communication strategy

Influencer marketing was part of three out of four brand strategies

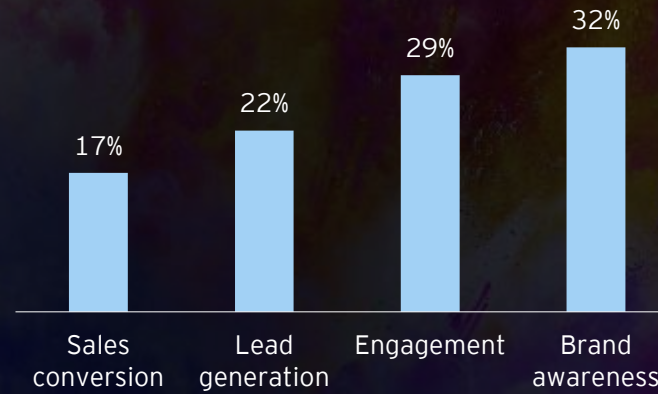
Influencer selection criteria



EY survey of marketers

Engagement rate and the **quality of target audience** were the top criteria for brands to select influencers

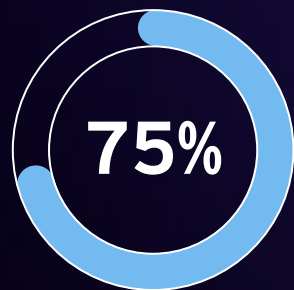
Campaign objectives



EY survey of marketers

61% of the brands focus on driving awareness and engagement through influencers

It is imperative that the criteria used to select influencers are aligned to campaign objectives



75% brands consider influencer marketing as part of their marketing strategy

EY survey of marketers

Marketers are using both large and nano influencers equally

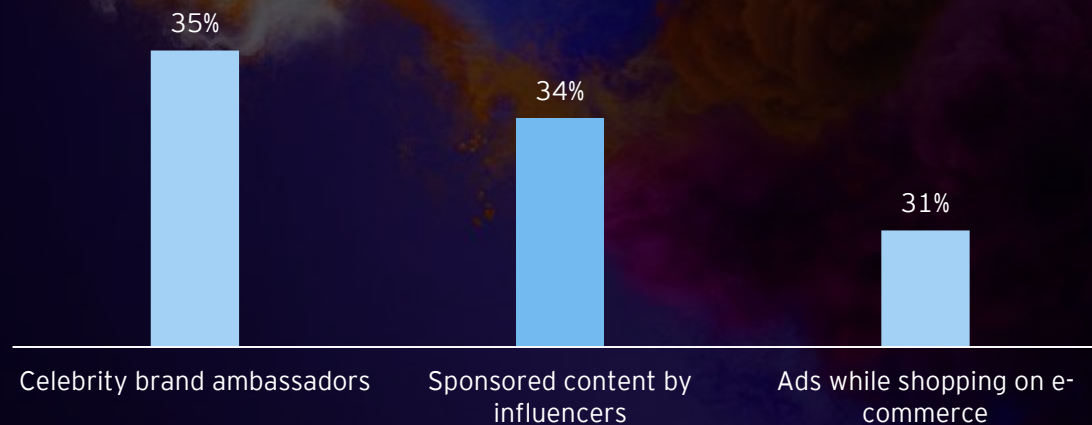
Type of influencer	Number of followers	Number of influencers	Engagement rate
Mega	1m+	7K+	~2%
Macro	100,000 - 1m	92K+	~1.5%
Micro	10,000-100,000	331K+	~2.5%
Nano	100 - 10,000	500k+	~4%

Brand Equity, BW, 2023

47% of brands preferred driving influencer campaigns with micro and nano influencers due to lower cost per reach

Nano influencers had the highest engagement rate compared to other influencer categories

Effectiveness of mediums in driving purchase decisions

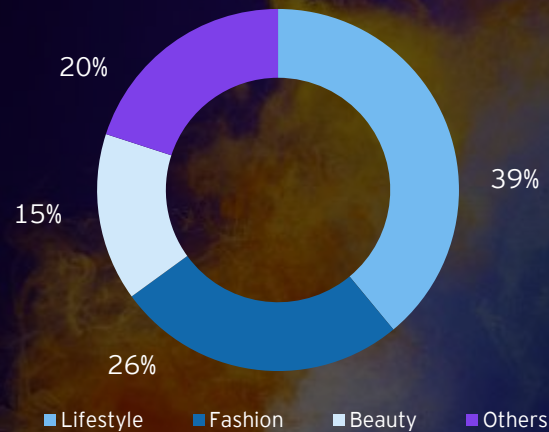


EY survey of marketers

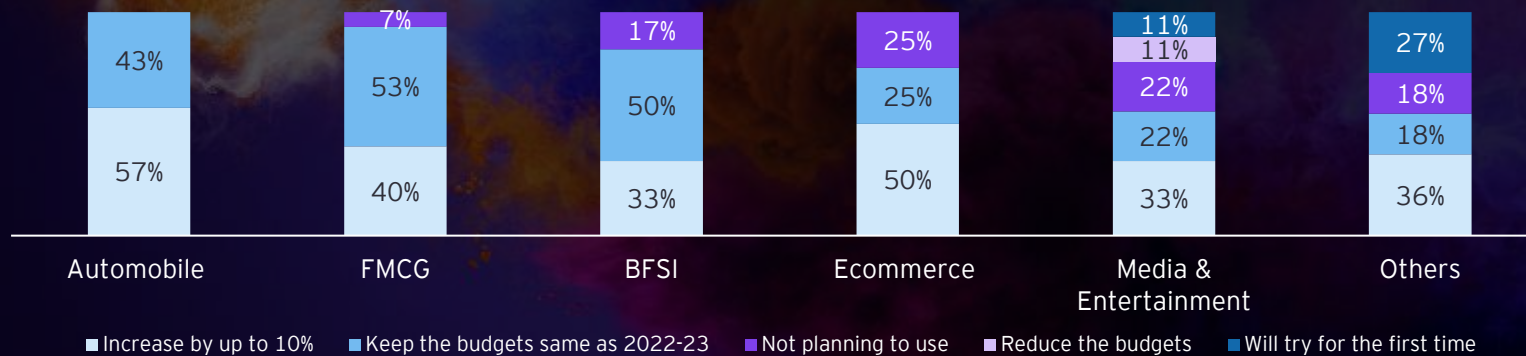
Brand ambassadors and influencers play an extremely important role in purchase decisions

It is critical for marketers to strike a strategic balance between mega/macro influencers to drive awareness and brand loyalty, while also tapping into the power of micro/nano influencers to drive engagement

Lifestyle, fashion and beauty will drive the growth of influencer marketing



EY survey of creators | % of respondents who chose the above options



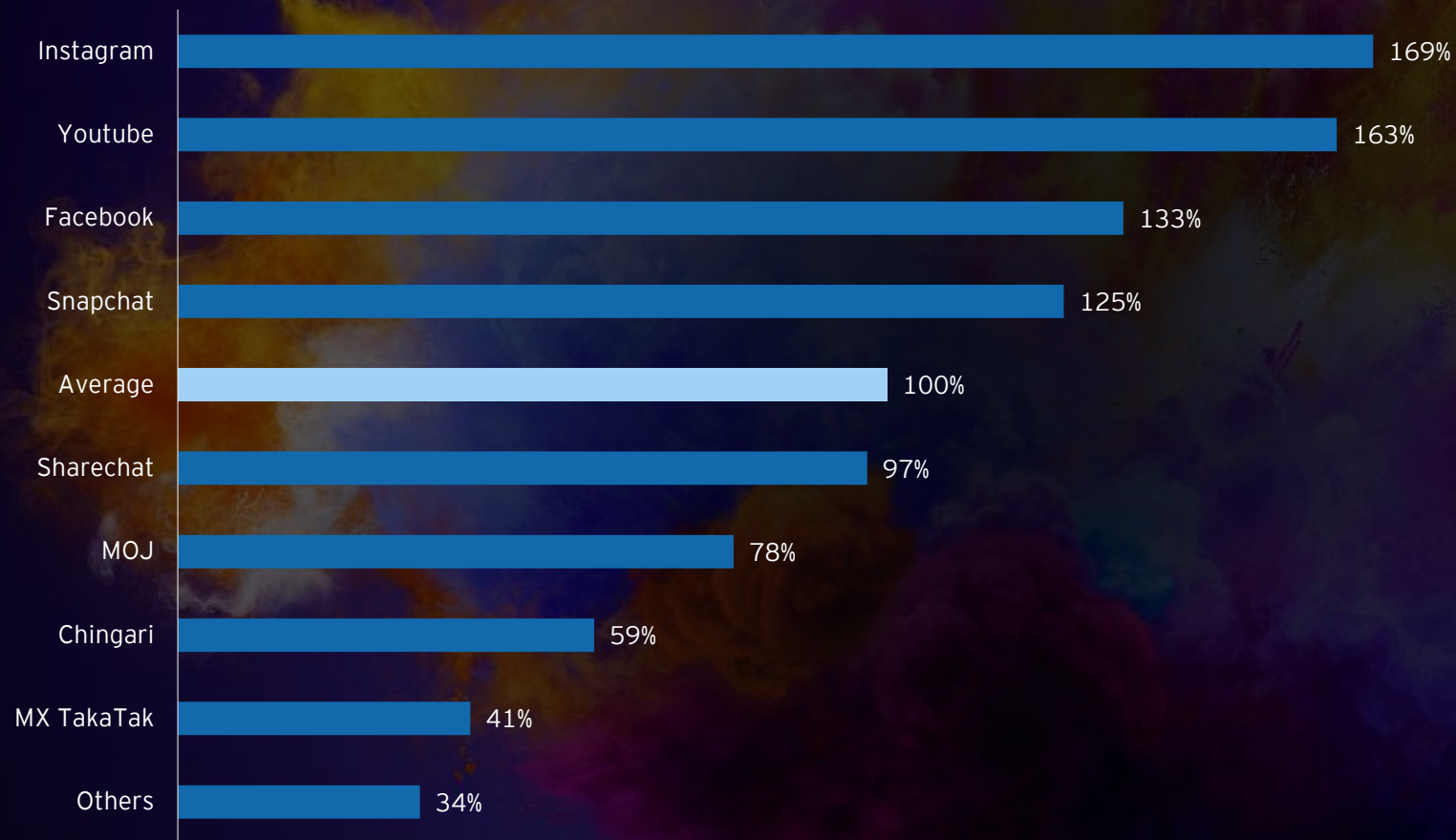
EY survey of marketers

Automobile, E-commerce and FMCG are expected to increase spending on influencer marketing the most

Categories with a deep personal connection benefit the most from influencer marketing

Instagram and YouTube

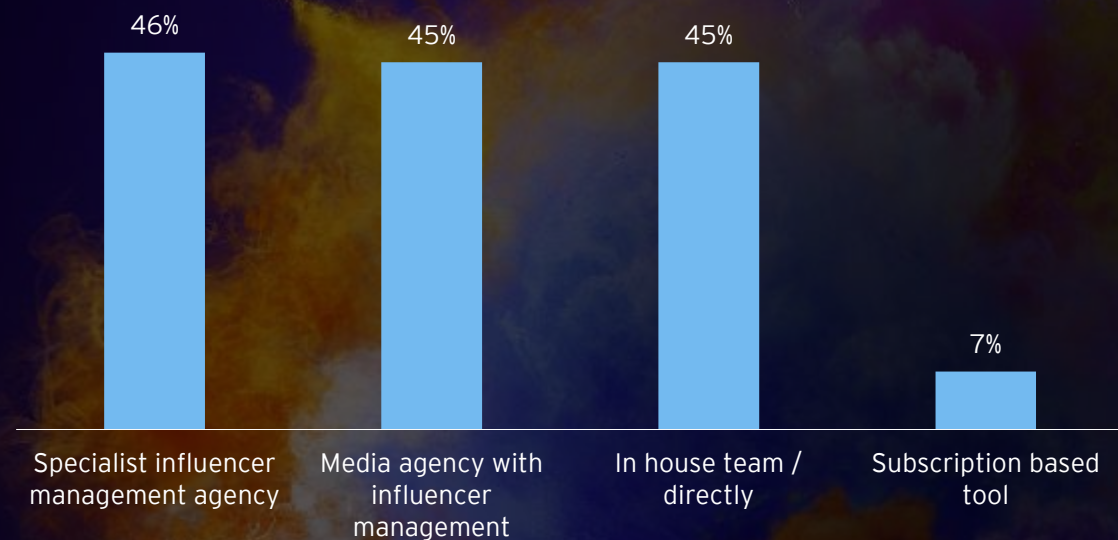
were the most preferred platforms to consume content from influencers, although many other platforms were used for specific purposes



EY survey of users | Indexed preferences

Upcoming platforms are gaining momentum and offering innovative ways to engage with new cohorts of consumers

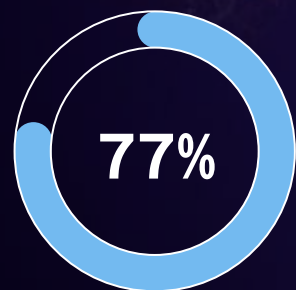
Agencies currently play a critical role in implementing influencer marketing strategies



EY survey of marketers | Respondents chose all options that applied

Brands are evolving their in-house teams to drive influencer marketing, while simultaneously engaging with the agencies

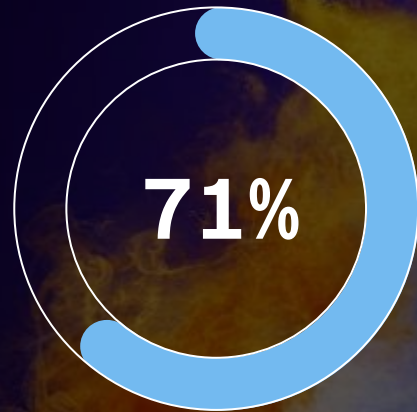
Marketers need to partner with agencies that drive authentic, data-driven influencer strategy and provide real-time monitoring and insights, while ensuring brand safety



77% brands believe that their agencies are fairly equipped to drive influencer marketing campaigns

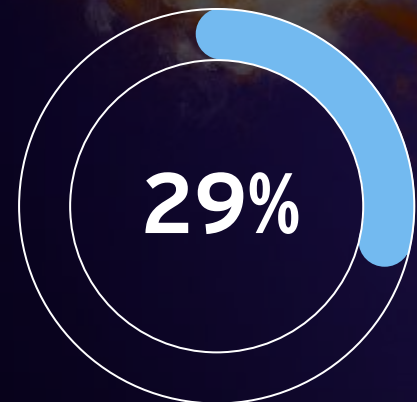
EY survey of marketers

Compensation mechanism is evolving



EY survey of marketers

71% of brands engage with influencers on a fixed fee model

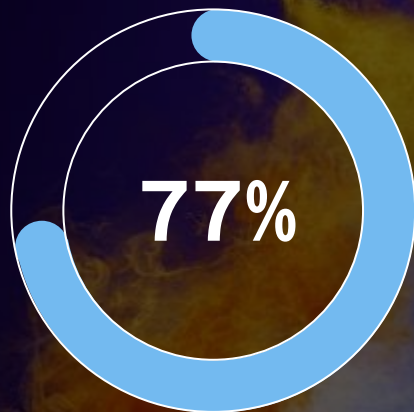


EY survey of marketers

29% are exploring performance linked models to drive influencer accountability

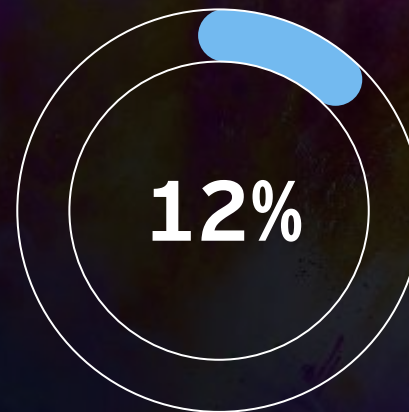
Depending on campaign objectives, marketers must be clear about using the right metrics to balance performance and accountability

It is a good time to be an influencer in India



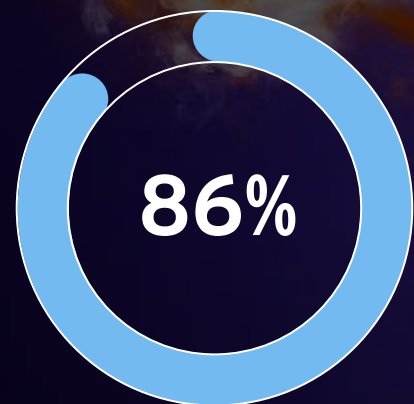
77% of influencers reported income growth in the past two years

EY survey of marketers



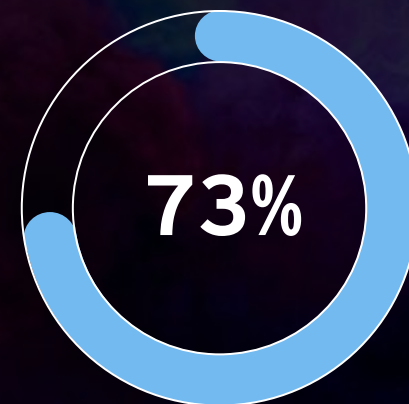
12% of influencers earn between INR1 and 10 lakhs

EY survey of marketers



86% of influencers expected over 10% increase in their income over the next two years

EY survey of marketers

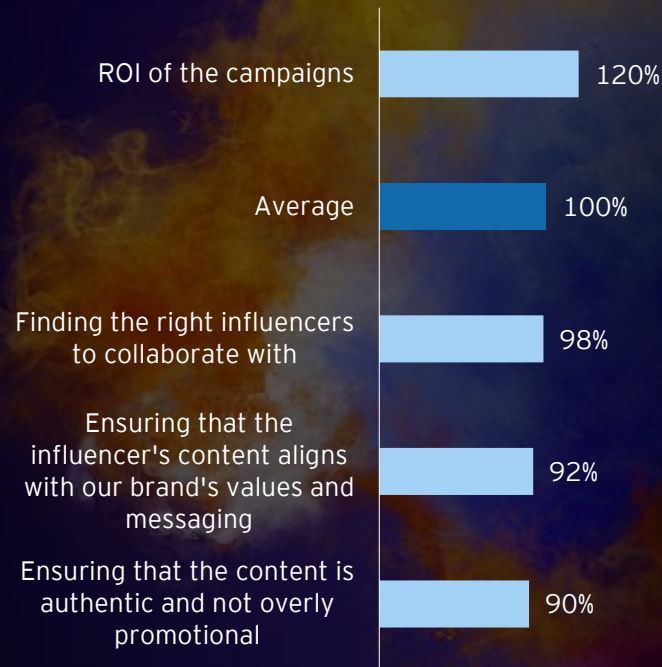


73% of influencers work for less than 10 hours a week, compared to up to 39 hours abroad

EY survey of creators, 2022 State of the creator economy report

Certain challenges need to be addressed

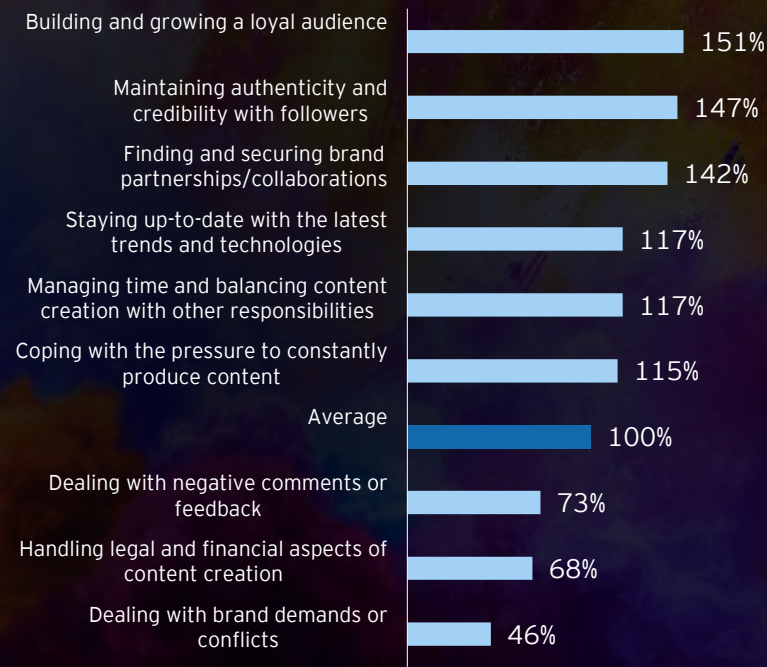
Challenges faced by brands working with influencers



EY survey of marketers | Indexed challenges

The biggest challenge for marketers was determining the ROI of their influencer marketing campaigns

Key challenges faced by the influencers



EY survey of creators | Indexed challenges

Building a loyal audience and maintaining credibility were the top two challenges which influencers had to face

Marketers and influencers need to forge long-term relationships with common goals to improve ROI

Methodology

This report reflects the findings from our survey of CMOs, creators, agencies and individuals. The results of the survey, including sectoral analysis, will therefore be impacted by the type and nature of respondents and their level of maturity. Responses received from survey respondents have not been verified. They were collated and aggregated (or averaged where required) to provide analysis. Responses of “don’t know” were removed to determine percentages. Responses were grouped based on the sector selected by respondents. The survey was administered from September to October 2023.

Key assumptions

Sizing has been arrived at using various sources of data, primary research and proprietary EY research. Data around monetization is not available, and hence estimates have been used and assumptions made. There are several statements in this report which refer to certain primary interviews. Where sources for these statements have not been specifically mentioned, these statements have been sourced from news articles available in the public domain.

Forward estimates have been provided on the best effort basis and are subject to change to reflect the ground realities and unforeseen events.



Key assumptions

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Glossary

BFSI - Banking, financial services and insurance

CAGR - Compounded annual growth rate

CMO - Chief Marketing Officer

FMCG - Fast moving consumer goods

GDP - Gross domestic product

KPI - Key performance indicator

ROI - Return on investment

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