Social Media Influencer Marketing: Evolution, Sales Impact, and Trust-Based Challenges

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Abstract:

This paper examines the evolution of social-media influencer marketing and addresses two questions: the current state of online influencer marketing (OIM) and its impact on sales performance. Within eight years global expenditure rose from USD 1.7 billion to USD 16.4 billion, confirming the channel's shift from peripheral experiment to mainstream platform. Influencers enhance sales through three levers—demand activation, four-dimensional efficiency (cost, speed, targeting, conversion) and person-to-person trust—yet simultaneously expose firms to four challenges: integrity gaps between online and offline messages, privacy leakage across platforms, absence of face-to-face emotional reassurance, and over-concentration of sales on single SKUs. The live-stream controversy involving Li Jiaqi and Huaxizi eyebrow pencils demonstrates that sales can plummet as rapidly as they rise, proving that advantages and risks amplify at the same speed. The existing evidence base is skewed toward young and middle-aged consumers, while behavioural patterns of older and cross-cultural populations remain under-explored. Future studies should broaden age and cultural coverage, integrate survey instruments with platform-side log data, and employ longitudinal designs to test whether the documented benefits and drawbacks apply universally, thereby closing the current knowledge gap and providing a robust foundation for scholars and practitioners in the expanding field of influencer-driven marketing.

Keywords: Online marketing; online influencer marketing; social media influencers.

1. Introduction

1.1 Background

In 2014, the number of internet users worldwide is 2750 million [1]. This number increased to 5500 million in 2024, more than double in the past ten years [1]. The high increase rate is one of the important elements that boosted the growth of online sales. With the raise of internet, more people now shop online. Among a bunch of online selling methods, a lot of people buying products due to celebrity or influencer ads, and influencer marketing achieved remarkable effectiveness. Indeed, in the current digital era, electronic word of mouth (eWOM) communication effects consumers to judge products. At the same time, global marketing market size has grown from 1.7 billion U.S. dollars in 2015 to 32.55 billion U.S. dollars in 2025 [2]. Along with this comes the number of influencer marketing companies worldwide increasing rapidly. Due to the attraction to high revenue and high demand, the number of influencer marketing companies worldwide has risen to 6939, up from 190 in 2015 [3]. Thus, companies must emphasize online marketing. For example, annual expenditure on influencer marketing on YouTube is 28 billion Japanese yen in Japen in 2024 [4]. And 4 percentage marketers worldwide shared more than 80 percentage of marketing budgets allocated [5]. That situation raised people's curiosity as to what are the reasons for influencers deserving that high payment. And what are their special impacts that traditional market ways do not have.

1.2 Research Objectives and Questions

Although the current landscape of digital marketing is experiencing robust growth and dynamic expansion, it is facing many problems that have not yet been solved at the theoretical level. To offer deeper explanations of online marketing and online influencer marketing (OIM), this essay will focus on two research questions: first, the current state of OIM, and second, its impact on sales. By answering these questions, the essay may provide some guidance and enlightenment for practitioners and scholars alike.

2. Online Marketing

2.1 The Definition of Influencers

In the marketing process, one common and useful method to influence or promote consumers making decision is using opinion leaders [6]. Online marketing is essentially following the two-step-flow theory mentioned by Katz on the mass media. The two-step flow model describes how mass media works because it does not reach audiences directly, but through opinion leaders who go on to affect the behavior of more passive population segments [7]. Opinion leaders refer to the people who are influential and actively engaged media users. Some of them also can be considered as experts in a specific field, join more various social activities and social organizations, have higher levels of interest in relevant issues, have access to media resources. Thereby, they are the people who collect, interpret and disseminate the meanings of the messages to less active media users. According to this definition, the group of influencers is an important sort of opinion leaders for marketing. This essay focuses on the role of these influencers—Social Media Influencers (SMIs)—in driving that effectiveness. In the world of eWOM, the level of influencer is often broken down into four tiers based on the number of followers that the influencer has [8]. Nano-influencers have between 1,000 and 10,000 followers; micro-influencers typically 10,000–100,000 followers; macro-influencers have between 100,000 and 1,000,000; mega-influencers or celebrity influencers typically have over 1,000,000 followers [8]. Therefore, as persuasive digital personalities with distinct personal brands, influencers utilize current technological tools to bridge the gap between products and consumers in a seamless way [8].

2.2 Influencer-Brand Collaboration Process

Over the past several decades, enlisting celebrities—such as movie stars and Hollywood figures—as a tool to boost marketing communications has become a well-entrenched marketing strategy [9]. However, due to the popularity of social media, the accessibility and appeal of influencer endorsements have been tremendously increased. In recent years, numerous manufactures prefer to pay for influencers and hire them for recommend products. The first step to start this business is seeking out influencers who accord with these brands or products positioning, whether their fans group they are satisfied with, or the influencers are on an appropriate position lies within their field. Then, the manufactures communicate with influencers or their groups, after deciding brokerage, they enter into a contract. The next step is mainly for influencers, they need to give some plans for introducing products. Based on the influencer characteristics of popularity and attractiveness, they will achieve three main goals, which are A more pronounced perception of brand authenticity, greater brand engagement, and positive stances on influencer posts [10].

3. The Main Role of Influencers in Online Sales:

3.1 Advantages of Influencer Marketing

Compared with selling after searching, influencers can make demand and provide one solving way for their followers by recommending that product. One traditional online sales method is search-engine marketing: advertisements appear only when consumers type specific keywords. Another common tactic is static display on

shopping apps, which also presumes that demand already exists. Influencers, by contrast, activate latent needs and deliver solutions in a single piece of content.

This capability rests on four characteristics identified in the literature: follower networks, personal positioning, communication content and follower trust [11]. Because of these assets, influencer campaigns outperform conventional search or display ads across four dimensions of sales efficiency—marketing cost-effectiveness, speed of advertising dissemination, targeting accuracy and audience purchase rate [9].

Global spending data underline the shift: the market grew from USD 1.7 billion in 2016 to USD 16.4 billion in 2022, with Generation Z and Millennials accounting for the largest share of disposable income [9]. Within this demographic, surveys cited above indicate that 63 % of young consumers trust influencers more than brands, turning social media personalities into gatekeepers of purchase decisions [9].

Cosmetics brands, for example, partner with beauty bloggers whose homogeneous followers already seek cosmetic advice, raising communication efficiency because the video is purposely designed for viewers who share the same need. Traditional keyword or banner placements, in contrast, scatter messages beyond the visual focal point and thus achieve lower relevance.

The same mechanism accelerates sales. Influencer posts deliver two-way communication in real time; questions in the comment section receive immediate and often expert answers, shortening the consumer decision cycle. On cost, payments to mid-tier influencers remain lower than celebrity endorsements while generating higher return on investment [11].

However, the trust that drives these advantages is person-bound rather than brand-bound. Li Jiaqi's live-stream gaffe on Huaxizi pencils instantly eroded both his and the brand's credibility, illustrating how influencer-bound trust can collapse overnight and purchase intention dropped. The episode illustrates that once an influencer loses popularity, the product may lose credibility at the same speed—an embedded risk that companies must manage even while benefiting from the influencer's original persuasive power.

One traditional online sales method is searching engine marketing, this is a meaningful exploration for online marketing. Before the rise of short video, most of the people got information on websites. Based on this trend, a bunch of manufactures invested on search engine marketing, but only consumers search certain relevant keywords, the advertisement can display on the screen. Another common way is selling on apps but still in the form of web page and texts. And need consumers searching by themselves. The premise of this kind of selling is that the demand has already existed. Compared with selling after searching, influencers can make demand and provide one solving way for their followers by recommending that product. SMIs

rely on influencers' four special characters, which are follower networks, personal positioning, communication content, and follower trust [11].

3.2 Challenges of Online Marketing

Compared to traditional market ways, online market displays a lot of advance points. However, as an innovated method in the market field, the development period is short. The trend of it is prosperous but still faces many challenges.

Bostanshirin identifies four persistent challenges: integrity gaps, absence of face-to-face contact, security and privacy concerns, and declining trust [12]. As time progresses, lots of online marketing companies and influencers attempt to improve and overcome these problems and make the market more effective. Simultaneously, several new issues have arisen.

3.2.1 Integrity-related obstacles to integrated online marketing

(1) The problem of integrity:

Although companies using several marketing forms for marketing, both on online and offline, they do not have a well-rounded and integrated marketing framework [12]. These ways, not only include traditional marketing methods, but have digital marketing methods. Although companies and brands using ample kinds of marketing, they are isolated and lack of organization. Thus, their functions are isolated and cannot realize the combined value [12]. It also means the content of these different advertisements have been wasted even have inconsistent information. Recently, for the issue of creating waste, some companies and brands attempt to reuse the influencers' videos they hunted. Because a lot of influencers prefer to add products recommendation to drama-related videos, these plots can raise audiences' curiosity and interests, thereby increasing the view volume of advertising videos. Based on that characteristic, some companies and brands cut that videos till recommend session and plus their professional advertising videos and sent on their brand-owned channels. That action not only economize creation cost, but also recommend their products more deeply and professionally.

However, the rough editing often disrupts narrative continuity, leaving viewers confused. A part of audiences does not know there is no continuation of the plot after the advertisement ends. That potentially trigger people's negative emotions, even escalating to a resistance towards the product and the brand.

(2) Lack of Face-to-Face contact:

Lack of offline interaction is an important defect [12]. One of online marketing's advantages is save cost for opening physical store and hunting stuffs, but at the same time, this kind of marketing way causes the alienation between consumers and store personnel. Consumers prefer to talk to salesperson face to face rather than communicating with them by typing on online platforms [12]. That situation is

relevant to culture, people's relationship is an important element for deciding deals succeed or not [13]. The essence of lack of face-to-face contact is lack of emotional communication. For solving this problem, many influencers try to use second person to address audiences and treat their communication as friends chats. Through that way, marketing is more like one good product sharing between friends and can create a closer sense of proximity.

However, Given the current text-based interaction, the lack of offline contact can only be mitigated, not fully eliminated. Because the distance problem is objective existence, no longer how remarkable communication skills influencers and companies use. Unless social media platforms or other selling platforms create and use some more advance technology in the future, such as VR, provide a consultation session close to real face-to-face contact for buyers and sellers.

(3) Security and privacy:

In the internet era, information leakage becomes a serious issue for consumers. buyers' personal data, such as username, can be easily shared between companies. Many consumers have experienced accepting phone calls from 4S stores after researching related cars' information on websites. They may feel confused and scared, how can these salespeople know. The only possible is internet betrayed their information. Moreover, big data is another general online marketing tools, but a lot of consumers thought that invaded their personal privacy. During the delivering process, consumers' personal data can be easily leaked to others and be selected. Besides, hackers is an important threat, some of them steal users' passwords and other secret information, then these data be sold for companies. After analyzing by professional companies, these outcomes can assist brands for online marketing. That is not a secret for public, so a bunch of consumers facing the privacy anxiety crisis in online sales. They afraid their data being selected and resisting online shopping. That hinders the progress of online marketing. Apart from external theft, consumers also face privacy risks from legitimate data collection. To address the latter, many platforms offer cookie opt-out mechanisms; yet these controls do not neutralise the threat of stolen data sold on the black market, so the overall privacy challenge persists. For solving consumers' resentment and uneasy emotion, many platforms put out cookies, if users do not allow them to select their information, they will close the function. And many delivery companies provide privacy protection service. Before sending the passages, they will encode parts of personal information and create virtual information to avoid being exploited by criminals.

Theses approach could relax consumers in some degree but still need promoted. Because some of their cookies are compulsory, if the users do not accept them, that apps will not open for them. In the future, companies and platforms could explore the balances.

(4) Lack of trust:

Along with the crisis of security and privacy comes the problem of online marketing gradually showing a trend of lacking trust. Beside the information security and privacy problem, the security of paying online is another issue that has attracted widespread attention. In addition, telecom fraud has been rampant recently, that extremely effected and declined people's trust of online marketing [12]. Thereby, making people trust trading online is as same as make deals offline become an important assignment. For the purpose of establishing trust between consumers and companies, companies hiring influencers to illustrate products and obtained positive results [14]. In that approach, influencers play a crucial role. Based on their followers' fondness and faith in them, their recommends are easier to be trusted and accepted. One famous makeup influencer 'Cheng Shian', who has more than twenty million on Douyin, her recommend always be trusted by her fans. Even made a splash with her great reputation on sharing beauty products and makeup tips. The most common method she recommends is put the introduce into her makeup progress. While making up, she will explain which products she used and display how it works and what is the different point compared to other similar things. It not only lets viewers of her tutorial videos get a direct sense of the cosmetic's appeal, but also disarms the audience through this highly interactive way of talking. Her extremely approachable way of communicating makes her feel like a friend to consumers. Thus, the relationship can be established, and the trust could emerge.

3.2.2 Persistent and emerging challenge

One unresolved aspect is that influencer-based trust seldom transfers to the corporate brand, indicating that the challenge of trust persistence remains. Consumers can buy the products due to the marketing by certain influencers they trust, but studies have indicated that this kind of trust is hard to transform into the trust in the companies and brands behind the products [11]. So that lead to a fairly widespread phenomenon on sales volume, which is the selling of one certain product is much more than others in the same brand. The common reason is influencer marketing. Which product was recommended by influencers effectiveness, which product could obtain a brilliant sales volume. And this situation will be more obvious when the powerful influencer marketing in the live stream. Because the influencers will use seductive statements and collaborate with other stuffs in the live stream. In that phenomenon, consumers will be more likely to make impulsive purchases. Another challenge is virtual influencer. As a new form distinguishes from traditional real-life influencers, it still need further exploration [15].

4. Conclusion

As shown above, OIM has moved from peripheral experiment to mainstream channel while simultaneously

amplifying both sales upside and reputational risk. The discussion demonstrates that influencer campaigns have shifted from peripheral experiments to a mainstream channel whose global spend reached USD 16.4 billion in 2022, a nearly ten-fold increase within eight years. Such growth is fuelled by three inter-locking mechanisms: influencers first activate latent demand through drama-based or tutorial content; second, they deliver superior sales efficiency across four dimensions—lower cost, faster dissemination, sharper targeting and higher purchase conversion; third, they leverage person-to-person trust so that 63 % of young consumers now believe influencers more than brands. Together, these drivers create a self-reinforcing cycle that accelerates adoption and spending.

However, the same trust-based model also exposes companies to four persistent challenges. Integrity gaps arise when online and offline messages are poorly integrated; privacy anxieties emerge as personal data leak across platforms; the absence of face-to-face contact limits emotional reassurance; and sales become concentrated on single SKUs, making brands vulnerable when an influencer loses credibility. The live-stream incident involving Li Jiaqi and the Huaxizi eyebrow pencil vividly illustrates this vulnerability: once the influencer's reputation dipped, product sales dropped immediately, demonstrating that the very mechanisms driving sales growth can invert just as rapidly. Consequently, managers must monitor influencer equity as closely as they monitor brand equity.

These findings are subject to an important limitation: most existing evidence concentrates on young and middle-aged shoppers, whereas behavioural patterns of older consumers remain under-explored. Future research should therefore broaden the age spectrum, include cross-cultural samples and combine survey instruments with platform-side logs to test whether the observed benefits and drawbacks apply universally. Such efforts will close the current knowledge gap and provide a more robust foundation for both scholars and practitioners in the rapidly expanding domain of influencer-driven marketing.

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