

The Illusion of Influence: What's broken in Influencer Marketing and How to Fix It

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Introduction:

The Marketing world is currently obsessed with Influencer Marketing, which was projected to grow 36% in 2025. This increase in spend comes at a time, when overall media budgets are growing only +6% - which means Brands are reducing spend on other media formats, to fund Influencer spends.

For a space that is growing so quickly, there is a clear lack of measurement to quantify the actual impact of Influencer Marketing on sales and evaluate the return on investment (RoI) objectively. If anything, Influencer marketing looks akin to the gold rush in the Wild West — with widely exaggerated claims, qualitative narratives supported by opaque metrics, and brands rushing in driven more by a scramble for quick wins, than the discipline needed to separate the hype from genuine value creation.

In an over-arching analysis, we bring together a consumer perspective on the role Influencers play in their brand and product choice, along with the latest industry reports on Influencer Marketing performance. The result is a data-backed, objective set of guidelines for Brands to adopt to maximize the impact from influencer marketing.

The call to action here, is not whether Brands should or should not do Influencer Marketing — rather when, where and how they do Influencer Marketing, so as to set it up for success.

Influencer marketing works similar to all other brand advertising formats, and a lot of the best practices will apply. The key ask from Brand teams is to be intentional in their approach to Influencer Marketing — making clear choices on campaigns where influencers can add value and ensuring that campaigns leverage both Brand and Influencer content, as two different and complimentary routes to brand building.

The evolution of Influence

For as long as there has been Marketing, there have been ways in which Brands sought to leverage “influence”, which refers to - the power and impact of individuals, who can sway opinions, behaviours, and ultimately brand purchasing decisions.

The 20th century was defined by Celebrity Influence, where brands partnered with movie stars and sportspersons to drive aspiration - an approach that was expensive and also over time lost its authenticity, when celebrities were seen endorsing any and all products just for the money.

With the growing adoption of the internet in the early 21st century, we saw the rise of a new type of influence — that of bloggers/vloggers, primarily on YouTube. The testimonial narrative style, combined with an authentic, unbiased take on products/services, was seen as more credible and very quickly such videos, called User-Generated-Content (UGC), became a source of information for anyone who wanted to know more about brands and products.

This gave rise to Influencer Marketing — which McKinsey defines as “a collaboration between popular social media users and brands to promote the brands’ products and services”. Essentially a formalised relationship, where the Brands pay Influencers to create content around their products. This trend accelerated between 2012 to 2018 with Instagram and post 2018 with the advent of TikTok, the age of the Influencer is well and truly here to stay.

The age of the Influencer

Influencer marketing is big business and also growing fast – the latest IPA 2025 report estimates Influencer Marketing to reach US\$32 Billion by end of 2025, with a forecasted growth rate of 36% versus 2024. When overall media spend growth projected to be only +6%, this means Brands are reducing spends on other media, to fund Influencer Marketing. Statista reports that nearly half the Marketers they surveyed, expect Influencer Marketing to account for greater than 30% of their total marketing budget.

Early measurement results released by the IPA, is evidence of the fact that not everyone is striking it rich with Influencer marketing.

The Illusion of Influence

The IPA released a report on Influencer Marketing findings in Nov 2025, and this is one of the very first reports in the industry that looks at Return on Investment (RoI) of Influencer spends. The report calls out several caveats, which reveal the limitations that still exist in getting to a comprehensive view of the impact generated by Influencer marketing. We should expect this to improve in the coming months, when technology will better allow for capture of influencer spends over time and inclusion into econometric models. Despite the limitations, the shared results provide a clear view on the strengths and weaknesses of Influencer marketing currently.

The report highlights 3 key findings –

1. In the short-term, as measured by sales impact in the coming 3-6 months, Influencer RoI is just about comparable to the average RoI of all media.
2. In the long-term, as measured by sales impact in 18-24months, Influencer RoI is significantly better - even out-performing Paid Social.
3. When comparing to legacy media spends like Linear TV, across campaigns Influencer Marketing registers a wide variation in RoI – with more outliers present on the low and high side.

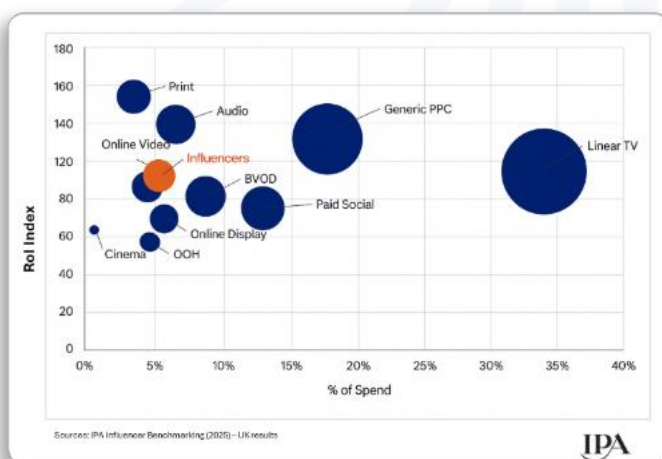


Figure 1. Influencer RoI index = 99 (Size of bubble represents % to sales contribution)

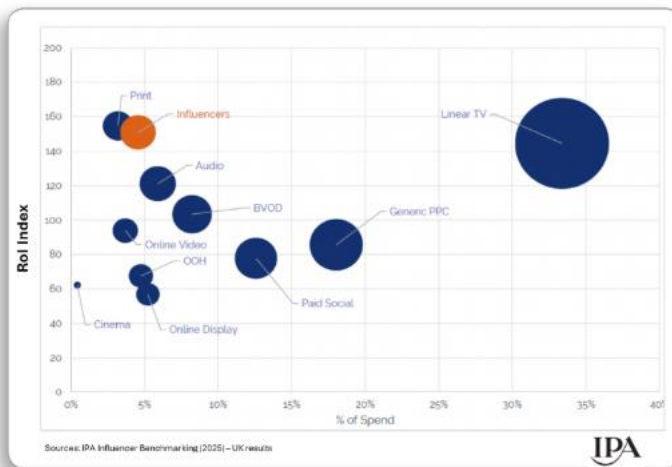


Figure 2. Influencer Rol index = 151 (Size of bubble represents % to sales contribution)

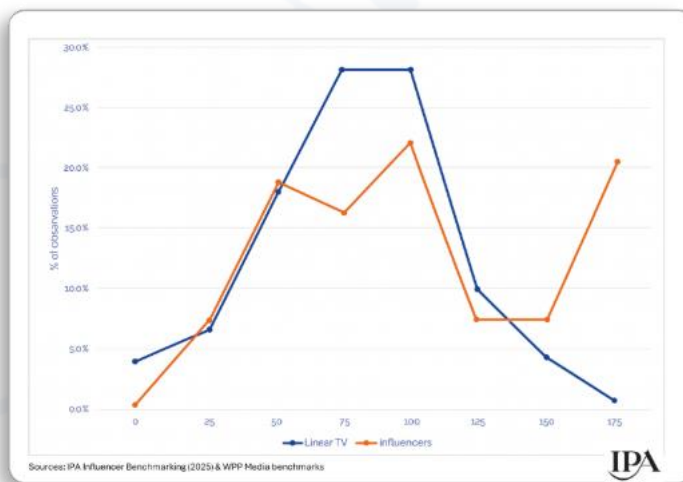


Figure 3

There is not much else in the IPA report, other than calling out the many considerations of – influencer selection, content and creative, campaign objectives, platforms, audience, budget allocation and more – all of which can impact the effectiveness of influencer marketing spends.

What we can conclude is that – “When done well, Influencer content can deliver out-sized levels of effectiveness”.

Clearly defining what is meant by “when done well”, is the objective of this paper.

What we set-out to do

We set-out to triangulate all existing data on Influencer marketing with new research, to arrive at a comprehensive set of guidelines.

To truly understand current performance and derive best practice guidelines, we need to consider -

1. Industry learnings published by TikTok, on guidance to how brands should approach influencer marketing.
2. Consumers perception of Influencer content – what works and what does not - derived from primary qualitative research.
3. The inherent content consumption behavior of people on the social media platforms and what are the current creative best practices recommended?
4. The evolution of the platform algorithms, from Social Media to Interest Media and what this means for how content is discovered by consumers, including Influencer content.

1. Industry learnings from TikTok

In Jan2026, TikTok released a report called The Art and Science of Authenticity, drawing on learnings about Influencer content in APAC. The findings are -

- Deliver authentic content to capture market share, through your true brand voice and by featuring insider voices and creators across all tiers.
- Leverage both functional and emotive content formats. Tailor to market nuances by leaning into what audiences resonate with most readily.
- Leverage systems that size your consideration audience through signals, achieving full-funnel visibility that tracks audiences across stages
- Turn data into direction with connected insights across content, consumers, creators and categories.
- Make more, the smarter way. Recut, remix and reimagine across User Generated Content (UGC), Professional Generated Content (PGC) and AI Generated Content (AIGC).
- Use AI as creative multiplier.

For a report that is the latest findings on Influencer marketing, the recommendations are quite generic and topline. The above learnings read more like best practices that apply to any content on TikTok and does not clearly call out the nuances relating to Influencer content.

Essentially, all it is saying is – “create more content and spend more money”.

So, there is a need to better understand the role Influencer content plays in people’s experience with brands and products, and how they get exposed to such content in the platform feeds.

2. Consumer perception of Influencer content

Our choice of category for exploration was Beauty products – which as category over-index in the use of influencers for brand marketing. For this category, we focused on 2 diverse markets – Japan and Indonesia.

Beauty categories are profoundly shaped by the interplay of cultural norms, economic development, and demographic structure. In more mature, aging economies such as Japan, demand skews toward more premium, anti-aging skincare products, that are scientifically proven to deliver benefits. In younger, fast-growing markets like Indonesia, beauty product choices are driven more by accessibility, adoption of the latest trends and price-value sensitivity. In APAC, Japan and Korea, also serve as the aspirational beauty benchmarks that consumers in other markets aspire to. The Beauty category in Japan and Korea is particularly innovation intensive, with many new products launching every year, and beauty trends originate in these markets and travel to other countries.

Beauty categories are particularly conducive to influencer marketing because they are visual, experiential, and there is a high cost on credibility, given the personal nature of the products. Unlike other functional household products, beauty is emotional, and social media platforms like Instagram and TikTok are the perfect showcases for brands to create visually captivating experiences. Influencers with their first-person engagement format of storytelling and narratives that rely on personal experience, are thus the perfect conduit for Beauty brands to translate product claims into lived proof - making benefits tangible, aspirational, relatable and credible. Global estimates are that 20-40% of all media spend for Beauty Brands is on Influencer marketing – the highest across all categories.

In Japan and Indonesia, we leveraged BoltChatAI, the platform for AI automated qualitative research at scale, to connect with consumers and understand their perceptions, engagement and personal stories relating to beauty influencers. In this approach, an AI Moderator that is trained with research expertise creates the interview questions, moderates the interviews with consumers at scale, and analyses the insights.

As people are increasingly turning to AI for social connection, they are more open to share their stories with an AI Moderator. The familiarity of a mobile screen that allows for multi-modal interaction — video, voice, and text conversation — lowers cognitive friction, making engagement feel intuitive, personal, and seamlessly integrated into everyday behavior.

The intent was to understand how audiences engage with influencers across the purchase journey — from discovery and trust-building to consideration and purchase. The aim was to explore how credibility is formed, how they perceive sponsored influencer content and what differentiates effective content that piques interest and relevance, from content that feels inauthentic.

2a. What we found?

In both markets, Japan and Indonesia, influencer content is deeply woven into the experience of beauty categories, serving primarily as reference points for product discovery, education, and purchase consideration. Influencers are seen as indispensable guides and teachers, helping people navigate a fairly complex category, with 000s of products and more launching every day. Consumers describe influencer content as both aspirational and accessible, with many expressing admiration for the influencers' beauty, style, and perceived expertise.

Across both markets, and all consumer segments, there are a few universal similarities –

- **Authenticity and transparency are the primary trust filters**

Consumers value high degree of transparency and possess a deep scepticism of exaggerated product claims. Transparent and honest product reviews have become the most valuable currency for building and maintaining trust among beauty consumers in Japan and Indonesia. Influencers who provide balanced assessments - acknowledging both strengths and limitations of products - generate significantly higher credibility than those perceived as delivering uniformly positive endorsements.

- **Education is fast becoming the core value proposition of influencer content**

Beauty influencers across Japan and Southeast Asia increasingly derive their authority and credibility from educational content rather than mere product promotion. This shift toward detailed demonstrations, ingredient analysis, and technique education represents a strategic adaptation to sponsorship scepticism, with consumers valuing influencers primarily as information sources rather than recommendation vehicles.

- **Awareness of sponsored posts by Influencers, makes consumers more discerning**

Consumer trust in beauty influencers across Japan and Southeast Asia is undergoing a profound transformation as sponsored content becomes ubiquitous. Rather than resulting in an erosion of trust, we're witnessing a sophisticated recalibration where consumers have developed nuanced frameworks for evaluating authenticity within commercial partnerships. Consumers become more discerning with sponsored posts. So, the threshold to build trust and authenticity is even higher.

- **Consumers look beyond Influencer popularity / follower size and focus on the content.**

The default approach in the industry has been to segment the type of Influencers based on their follower count - Nano (<10k), Micro (10k-100k), Macro (100k-1Mn) and Mega (>1Mn). While consumers can recognize and differentiate between popular and more smaller Influencers, they both have a role to play. Macro Influencers are seen as reliable and early to trends, while Micro/Nano Influencers feel more intimate and direct as they interact more with their followers.

- **Influencers deliver consideration, but confidence is still sort with other sources.**

The influencer format of storytelling enables people to better understand usage, benefits, claims. But before final purchase, people still rely on other sources of information. Beauty consumers in Japan and Southeast Asia have developed sophisticated triangulation systems to verify influencer claims through multiple sources before making purchase decisions. This trust ecosystem incorporates peer reviews, expert opinions, and cross-platform verification, creating a comprehensive validation network that reflects consumers' evolved response to influencer commercialization.

Given the different cultural and aspirational needs of the two markets, we do see different expressions and expectations around the core themes.

Influencer related themes		Japan Nuance	Indonesia Nuance
Authenticity over hype	Balanced, real-use reviews over scripted, salesy content	Strong focus on detecting scripts; months-long use valued	Paid labels/ads trigger sharper scrutiny; hard-selling skipped
Relatability / personal fit	Trust rises when creator mirrors the viewer	Life-stage/age and concern alignment highlighted	Skin tone/type and lifestyle fit; tilt toward smaller/niche creators
Functional / educational content	Ingredients, demos, comparisons, and time-based proof	Before / after and concrete outcomes tied to purchases	Ingredient education + multi-week evidence emphasized
Verification behavior	Influencers prompt discovery; audiences still verify	Checks brand sites / details; less explicit about multi-source	Active triangulation: multiple reviews, comments, pros/cons
Affordability/usability	Everyday realism and accessible price cues build trust	“Used every day” framing preferred	Explicit premium vs. mass-market risk-benefit calculus

We had 50+ in-depth interviews in each market capturing consumer’s relationship and perception of Influencers. This free-form text was analysed to identify similarities and differences in opinions – allowing us to create personas. We do not suggest representativeness of these personas to the broader population. We are simply translating the patterns seen in the attitudes, perceptions and behaviours into vivid human-centred archetypes. This enables us to showcase the significant differences in perceptions people have towards Influencers in the 2 markets – thereby clearly demonstrating the need for Influencer Marketing to be developed specific to country and category reality.

Indonesian Consumer personas

1. The Pragmatic Pursuer

A highly discerning, yet skeptical consumer who use influencers as a starting point for discovery but validate claims through multiple sources before purchasing. They prioritize transparency, balanced reviews, scientific credibility, and real-life proof over hype or influencer fame. For them, an influencer's value lies in education and practical relevance — providing honest pros and cons, tailored advice, and demonstrable effectiveness rather than aspirational promotion.

2. The Trend & Trust Follower

Aspirational consumers who turn to well-known, highly polished influencers for inspiration, trend discovery, and exposure to new or premium products. They are drawn to strong visual appeal and professional production, valuing influencers who consistently deliver engaging, on-trend content. While aware of sponsorships, they are more accepting of paid partnerships from trusted, established creators, viewing them as credible sources for staying current and imagining future beauty aspirations.

3. The Relatable Reality Seeker

Consumers who seek highly relatable, niche influencers that mirror their own skin types, concerns, or lifestyles. They value authenticity, conversational engagement, and direct interaction, often preferring smaller creators who feel more personal and less commercial. Trust is built through sincerity, shared experience, and practical advice, while overtly sales-driven or inauthentic content quickly leads to disengagement.

Japanese Consumer Personas

1. Proof-first detectives

Pragmatic, evidence-driven consumers who respond to clear product demonstrations — texture, application, controlled before-and-after comparisons — and practical, affordable recommendations over polished brand storytelling. They are wary of hype and scripted promotion, placing trust in creators who disclose sponsorships, acknowledge drawbacks, show long-term use, and explain ingredient logic and user fit. For them, influencers drive discovery and learning, but word of mouth often seals the final purchase decision.

2. Relatable Trend Chaser

Trend-oriented, socially driven consumers who engage with short, visually dynamic content such as vlogs and transformation reels, often saving looks to recreate and responding well to clear purchase cues like links or coupons. They accept sponsorships when they feel natural and not overly frequent, but quickly disengage from scripted, repetitive, or hype-driven content. Trust is built through real-time demonstrations, responsive interaction, and visible relevance to specific needs, with follower count serving as an initial credibility cue. Influencers spark trend discovery and inspiration, while word of mouth provides reassurance before purchase — particularly for every day, mass-market products.

3. Realist Upgrader

Mature, technique-focused consumers who prefer calm, concise demonstrations with clear step-by-step guidance tailored to their age and lifestyle. They trust approachable experts who show bare skin, discuss pros and cons honestly, and provide follow-ups over time, but disengage when content feels repetitive, overly promotional, or misaligned with personal values. Credibility comes from practical, age-appropriate advice and consistency rather than fame, with influencers serving as trusted beauty companions who reduce uncertainty — while word of mouth ultimately carries the greatest weight in final purchase decisions.

In summary, while the role that Influencers play in the media ecosystem is broadly the same across markets, there is a need for brands to execute differently by market. This will mean everything from the choice of the right influencer to the format of product stories they showcase and to the product claims and evidence they present – all must consider local market and consumer nuance. This requires careful thought and intentional strategic choices to be made.

The other main finding is the element of education, that people look for from Influencers – education that is underpinned with clear demonstrable expertise gains trust, irrespective of the popularity of the Influencer. Rather than just rely on testimonials, people are expecting to see testaments.

[Testament = Testimonial backed with expertise]

3. Content consumption behavior

We know that all Marketing is probabilistic, not deterministic. Designing for effectiveness means we consider patterns of behavior and identify aspects that can improve the likelihood of success. This also means we have to be mindful of the latest learnings about consumer behavior in the different content platforms.

The crisis of attention has been well documented, and we see it play out in the split-second decisions people make in deciding to continue watching a piece of content or scroll past. Majority of content is not viewed for more than a few seconds and has a viewing profile similar to the below figure. Very few pieces of content are viewed for anywhere close to or more than 10 seconds.

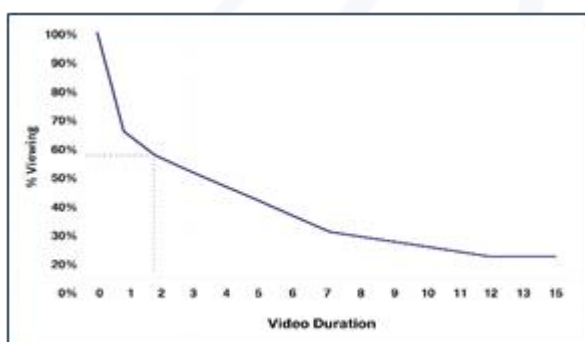


Fig 4. A typical view-pattern for scrolling social media videos.

There are a few published data-points on the consumption patterns relating to Influencer content. These are -

1. Only 14% of Influencer content impressions are viewed for at least 3 seconds. This means 86% of impressions are viewed for less than 3 seconds. A low view duration is not a crisis of attention; it is a missed opportunity to communicate relevance. People have a high threshold for content that they deem relevant, and only then in a few instances are they willing to watch for longer. But there is still an important consideration for what people get to see, in the duration they view the content for.

2. In less than half of Influencer content, does the brand / product appear within 3 seconds. Brands need to consider this viewing behaviour in developing content, and ensure they work within these constraints. When majority of Influencer content does not feature the brand/product early in the video, and when the default behaviour is low view-thru rates - it means no one gets to see the brand. And this is seen in the consumer lack of brand recall, after viewing most Influencer content.

3. Only in less than one-third of Influencer content, could consumers recall the Brand. This is potentially one explanation for the variation in Influencer media RoI, discussed earlier.

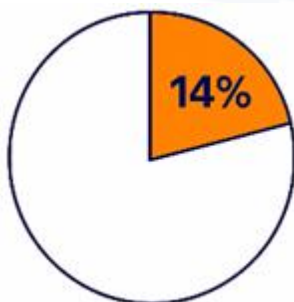


Figure 5. Source : CreativeX (industry presentation at Cannes 2025)

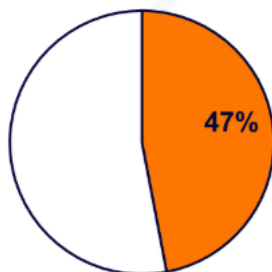


Figure 6. Source : CreativeX (industry presentation at Cannes 2025)

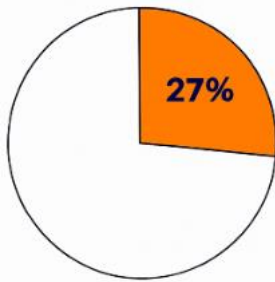


Figure 7. Source : WARC Creative Impact unpacked (KANTAR)

To be effective, all content needs to be designed, considering the core creative tenets -

- Catch attention
- Have a clear role for the brand
- Drive an emotional response
- Be easy to process information

Elevating the quality of content is not a guarantee for success, but it meaningfully increases the likelihood that the brand will be noticed, and people will be left with an impression about what the brand offers, product benefits etc.

If people remember the Influencer, but not the Brand, it is wasted effort. Academic studies have shown that primacy is a key factor in building memory.

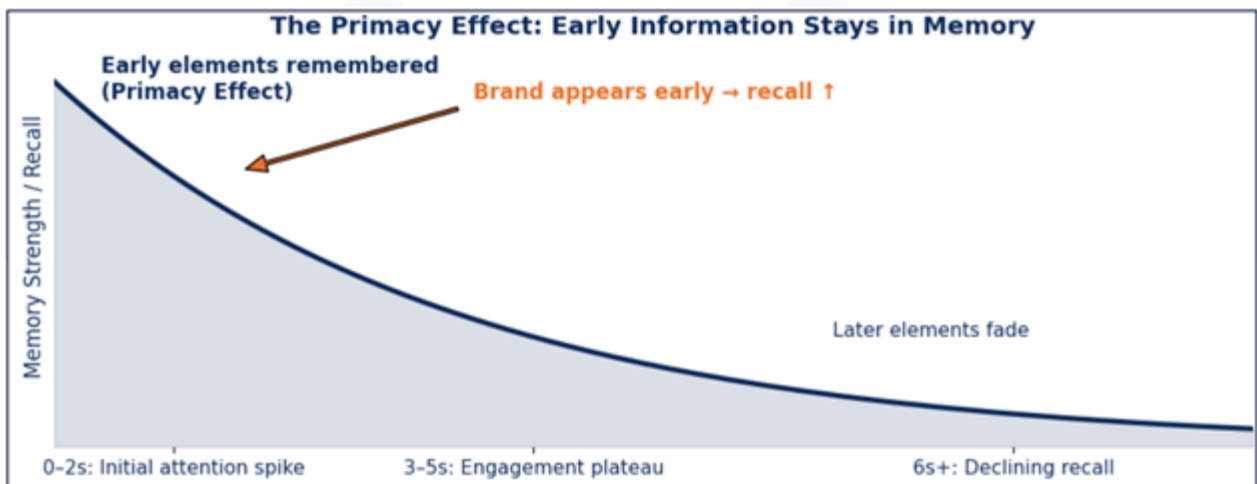


Figure 8. Classic serial position research (Ebbinghaus, 1885; Murdock, 1962)

This means early, consistent branding helps the audience connect emotion to source, ensuring they remember who the story came from – which should be the Brand.

The hero in the narrative, should be the Brand – not the Influencer.

4. Evolution of Social Media to Interest Media

The term social media was coined to capture the various media platforms that enable people to interact/connect, create and share content with others. Platforms like Facebook, Instagram, YouTube and more recently TikTok exemplify this social aspect of media. In the initial years, all social media was based on people we knew/connected with (friends and family) and/or people we followed – with our content feed populated by what was shared by our network. With the exponential increase in the amount of content being shared, the algorithms have since moved to populating our feeds with content that is predicted to resonate with us, irrespective of who it originated from.

The TikTok For-You page is the best example of this – an algorithmically curated content feed, from the vast reaches of the internet from people we do not know, but content that we are likely to find relevant. And the success of this approach has led the other platforms, like Instagram Reels and YouTube Shorts, to follow suit.

This change, which is being called as a move away from ‘who you know’ to ‘who you are’, has implications for Influencer marketing.

In the era of Interest media, it is no longer about the number of followers an Influencer has, rather the quality of content he/she creates, and the predicted relevance of that content to people on the platform. While follower count remains a key metric for the Influencer themselves (and a key driver of their ad revenue), in the new world of algorithmic models, where content discovery is led by interest and relevance, this is no longer a key metric for brands to consider.

And as we have seen from the primary research, consumers are very receptive to content from small/niche Influencers, even those they do not know, as long as the content is relevant to them. This is a big unlock for brands to now work with smaller influencers and forge a partnership that is mutually beneficial. Smaller Influencers are cost effective – so brands can work with a greater number of them – which enables a higher order of creative diversity. This is increasingly valued by the platform algorithms – more pieces of content, that allows the algorithm to optimize towards the stated business goal.

Summary

There are many strengths of Influencer marketing, that when done well, can deliver strong consumer and business outcomes. The primary role for Influencer partnerships should be to build Brand consideration among new audiences. In tangible and measurable terms, this means driving positive associations around mid-funnel attributes like Brand for me, Brand Favourability, Message Association etc.

Brand teams have to review their marketing goals and campaign plans for the coming 12-18 months and should make choices on which campaigns are best suited to leverage Influencer content, given the bigger business and marketing objectives.

With more brands tapping into Influencers, there will be a further proliferation of sponsored posts, leading to further evolution of the trust paradigm. While influencers will remain critical for brand and product discovery, they need to evolve in the type of content they create for Brands. Influencer effectiveness will depend on providing educational value – which has to be underpinned by demonstrable expertise.

We will improve the overall chances of our Influencer campaigns, when we take a holistic view, to everything we know about how advertising works - the constraints of limited attention, media channel specific behaviour, ad placement formats, awareness and memory – all of which are the same for brand advertising and influencer marketing.

Influencer content serves only one part of the decision-making framework for consumers. Brands must ensure that campaigns leverage both Brand and Influencer content, as separate, yet complimentary routes to delivering overall campaign impact. This requires cohesiveness of campaign messaging across the different formats – and further requires that Influencers are given a clear brief on what the campaign expectations are.

Content needs to build relevance to the viewer with an early introduction of what the video is about, and the creative drama has to centre around the product. We need to ensure creative quality of influencer content in adhering to the media platform creative best practices. This is the recommended narrative flow -

Time	Brain Processing	What Works Here
0-1s	Scroll decision	Something human / emotional / relatable grabs attention (influencer/creator strength), motion
1-3s	Engagement phase	Emotional cue or motion maintains interest - Keep attention (expressive storytelling)
3-5s	Meaning-making	Brand must appear latest here or memory is lost
5s+	Memory encoding	Clarity + fluency determines recall and persuasion (brand strength) - From here on, only the convinced stay, memory encoding is taking place from here

Figure 9

Finally, all content must be boosted with paid media – with the proliferation of content, with no media support, organic content reaches a very small percentage of even the influencer’s own followers – much less anyone else.

Unseen is unconsidered and thereby unchosen.