

## **The Role of Fraud Influence in Social Media Marketing and How Brands Can Mitigate It**

**Farheen Siddiqui<sup>1</sup>, Asad Mirza<sup>2</sup>, Sonali Jaiswal<sup>3</sup> Sahabia Khatoon<sup>4</sup>**

1. Research Scholar, University of Lucknow, Email id – farheensiddiqui629@gmail.com
2. Assistant Professor, Shia PG College, Lucknow, Email id – mirza.asadind@gmail.com
3. Research Scholar, University of Lucknow, Email id- sonali0101jaiswal@gmail.com
4. Research Scholar, University of Lucknow, Email id – sahabia786@gmail.com

### **Abstract**

This study investigates the impact of influencer fraud on social media marketing, focusing on how it affects consumer trust and brand reputation. The research included 146 participants, primarily young adults, to understand their perceptions of influencer marketing. Key findings reveal that most respondents use social media daily, with YouTube being the most popular platform. Many participants believe that influencer fraud significantly damages marketing campaigns and leads to wasted budgets. The study highlights a common concern that brands often fail to identify fake influencers, which can harm their credibility. Participants also expressed the need for brands to implement stricter vetting processes and invest in tools to detect fake followers. The analysis indicates a strong correlation between age, education, and marital status with awareness and perceptions of influencer fraud. Overall, the research emphasizes the responsibility of brands to educate themselves about fraud prevention strategies and calls for social media platforms to enhance regulations to combat influencer fraud effectively. The findings contribute valuable insights into the challenges of social media marketing and underscore the importance of maintaining trust between brands and consumers in the digital landscape.

**Keywords:** Influencer Fraud, Social Media Marketing, Consumer Trust, Brand Reputation, Digital Marketing

### **Introduction**

Social media's emergence has completely changed the marketing scene by providing companies with previously unheard-of chances to engage with their target customers. Influencers are now important components of digital marketing strategies as more and more customers use social media to interact with brands and receive product recommendations.

(Saranya, Dr., 2024). These individuals, often characterized by their large followings and perceived authenticity, have the power to shape consumer perceptions and influence purchasing decisions. However, alongside these advantages, a growing concern has surfaced regarding influencer fraud, which poses significant challenges to brands, marketers, and consumers alike. (Wang, Kaiyi., 2023). Influencer fraud encompasses various deceptive practices, including the use of fake followers, engagement manipulation, and misleading endorsements. As brands allocate substantial portions of their marketing budgets to influencer partnerships, the threat of fraud can undermine the effectiveness of these campaigns. (Sharma, Sabin., 2024). The authenticity of influencer content is paramount; when consumers discover that influencers are not genuine or that their endorsements are misleading, trust in both the influencer and the brand diminishes. This decline in trust can have lasting repercussions, affecting not only individual campaigns but also a brand's overall reputation. (Maharjan, Alish., 2024).

Understanding the dynamics of influencer fraud is critical for brands seeking to navigate this complex landscape. Brands must implement robust vetting processes to ensure they partner with legitimate influencers who genuinely engage with their audiences. (Ghosh, S., 2019). This responsibility extends beyond mere verification of follower counts; brands need to assess the quality of engagement and the influencer's alignment with their values and target market. (Asempah, Frank., 2024). The significance of addressing influencer fraud is underscored by the need for a more ethical approach to social media marketing. As consumers become more discerning, they demand transparency and authenticity from brands and influencers alike. By prioritizing

genuine partnerships and leveraging advanced tools to detect fraud, brands can safeguard their investments and enhance their credibility in the eyes of consumers.

### **Role Of Influencer Fraud in Social Media Marketing**

The emergence of social media has revolutionized marketing strategies, with influencer marketing emerging as a weapon for brands. Influencers—individuals who have built a substantial following on platforms like Instagram, YouTube, and TikTok—are seen as authentic voices that can sway consumer behavior and drive brand awareness. However, the proliferation of influencer fraud presents a significant challenge that brands must navigate to maintain credibility and effectiveness in their marketing campaigns.

- **Understanding Influencer Fraud:** Influencer fraud refers to deceptive practices that misrepresent an influencer's audience or engagement metrics. Common forms of this fraud include purchasing fake followers, using bots to inflate engagement numbers, and creating misleading content. This manipulation can lead brands to invest in partnerships that appear promising but ultimately yield poor results because to the absence of genuine engagement from real consumers.
- **Impact on Marketing Effectiveness:** The impact of influencer fraud on social media marketing is profound. Brands that fall victim to influencer fraud may waste substantial portions of their marketing budgets on ineffective campaigns. When influencers use fake followers or inflated engagement metrics, brands may falsely believe they are reaching a wide and engaged audience, leading to misallocated resources. Consequently, the return on investment (ROI) for influencer marketing campaigns can diminish, resulting in financial losses for companies.
- **Erosion of Consumer Trust:** Influencer fraud not only affects brand finances but also erodes consumer trust. Customers are demanding authenticity and transparency as they grow more astute and conscious of the strategies employed in social media marketing. When fraud is exposed, it damages the credibility of both the influencer and the brand they represent. Trust is a critical factor in consumer decision-making; once lost, it can be challenging to regain. Brands that partner with fraudulent influencers risk long-term reputational damage, which can affect their overall market position.
- **Mitigation Strategies:** To counteract the negative effects of influencer fraud, brands must implement rigorous vetting processes for influencer partnerships. This includes assessing the authenticity of an influencer's audience, analyzing engagement quality, and monitoring their content for compliance with ethical standards. Brands should consider utilizing advanced analytics tools that can detect fake followers and engagement metrics. By investing in proper due diligence, brands can ensure they collaborate with genuine influencers who align with their values and target market.

Additionally, fostering a culture of transparency and education around influencer partnerships is crucial. Brands should actively communicate their commitment to ethical practices, which can enhance consumer trust and loyalty. Open discussions regarding the value of genuine influencer marketing can help increase consumer knowledge and encourage them to interact with influencers more carefully.

The role of influencer fraud in social media marketing is a multifaceted issue that can significantly impact brand reputation, consumer trust, and marketing effectiveness. As the landscape of digital marketing continues to evolve, brands must prioritize authenticity and integrity in their influencer partnerships. They may increase the efficacy of their marketing campaigns and create enduring bonds with customers based on openness and trust by adopting proactive measures to reduce fraud.

This study aims to explore the impact of influencer fraud on social media marketing campaigns, focusing on its effects on consumer trust, brand reputation, and the overall effectiveness of marketing strategies. By examining these relationships, the research will provide valuable insights for brands seeking to improve their influencer marketing practices while mitigating the risks associated with fraud. The findings will contribute to the ongoing discourse on the importance of integrity in digital marketing and the evolving role of influencers in shaping consumer behavior.

### **Statement of the problem**

The problem addressed in this study is the growing issue of influencer fraud in social media marketing, which undermines brand credibility, wastes marketing budgets, and diminishes consumer trust. Despite the popularity

of influencer marketing, brands face challenges in identifying fake influencers and preventing fraud, leading to ineffective campaigns and damaged reputations. The study aims to explore the extent of influencer fraud, its impact on marketing efforts, and the need for improved vetting processes, advanced tools, and regulatory measures to ensure more authentic and trustworthy influencer collaborations.

### Significance of the study

The significance of this study lies in its exploration of influencer fraud's impact on social media marketing, highlighting a critical challenge for brands in the digital age. By examining how fraudulent practices affect consumer trust, brand reputation, and marketing budgets, the study provides valuable insights for marketers, businesses, and policymakers. It emphasizes the necessity for brands to implement stricter vetting processes and invest in tools to detect fake influencers, ultimately promoting more effective and credible marketing strategies. Furthermore, by educating social media companies about the need for stronger laws to prevent fraud, the results can improve the integrity of the influencer marketing industry as a whole. By advancing our knowledge of the relationships among customers, influencers, and brands, this study helps to create a more reliable and successful marketing environment.

### Objective of the study

Examining how influencer fraud affects customer trust and the efficacy of social media marketing, as well as identifying ways for firms to overcome these obstacles, is the aim of the study.

### Hypothesis of the study

This study hypothesizes that influencer fraud negatively affects the credibility of social media marketing campaigns, leading to diminished consumer trust and wasted marketing budgets for brands.

### Sample size and Sampling

The study utilized a sample size of 150 out of which 146 responses were selected through a simple random sampling technique to ensure representativeness and minimize bias in the process of data collection.

### Analysis and Interpretation of Data

#### Gender

Factors	Category	Frequency	Percent
Gender	Male	89	61%
	Female	57	39%
Total		146	100%

*(Source: Primary Data)*

The survey results indicate that 61% of respondents are male (89 individuals), while females represent 39% (57 individuals). This skewed gender distribution suggests that the findings may be primarily influenced by male perspectives. Understanding this demographic imbalance is crucial for accurately interpreting the data, as it may affect attitudes toward social media marketing. Future studies should aim for a more balanced representation of genders to enhance the comprehensiveness of the insights gained.

#### Age

Factors	Category	Frequency	Percent
Age	Below 20 Years	25	17.1%
	20 - 30 Years	67	45.9%
	Above 30 Years	54	37%
Total		146	100%

*(Source: Primary Data)*

The age distribution of respondents shows that 45.9% (67 individuals) are aged 20-30 years, making it the largest group. This is followed by 37% (54 individuals) aged above 30 years, and 17.1% (25 individuals) below 20 years. The majority of respondents being younger suggests that their views on social media marketing and influencer fraud are representative of a more digitally engaged demographic. This insight can inform targeted marketing strategies and highlight the need for further research on age-related differences in perceptions of influencer fraud.

#### Education

Factors	Category	Frequency	Percent
Education	Class 12 <sup>th</sup>	91	62.3%
	Graduation	44	30.1%
	Post Graduation	11	7.5%
<b>Total</b>		<b>146</b>	<b>100%</b>

*(Source: Primary Data)*

The educational background of respondents reveals that a significant majority, 62.3% (91 individuals), have completed their Class 12<sup>th</sup> education. This is followed by 30.1% (44 individuals) who hold a graduation degree, while only 7.5% (11 individuals) have attained a postgraduate degree. There may be a lack of advanced knowledge regarding influencer dynamics and social media marketing, as seen by the majority of responders having only completed their Class 12 education. This research emphasizes how crucial it is to create educational initiatives to raise younger audiences' knowledge of influencer fraud and digital literacy, especially among those with less formal education.

#### Social Media Platform user

Factors	Category	Frequency	Percent
<b>Social Media Platform user</b>	YouTube	103	70.5%
	Instagram	43	29.5%
<b>Total</b>		<b>146</b>	<b>100%</b>

*(Source: Primary Data)*

The data indicates that a substantial majority of respondents, 70.5% (103 individuals), primarily use YouTube as their preferred social media platform, while 29.5% (43 individuals) favor Instagram. This overwhelming preference for YouTube highlights its dominance as a key platform for social media engagement and suggests that users are likely consuming a significant amount of video content. The relatively lower usage of Instagram could imply a need for brands and marketers to adapt their strategies accordingly, focusing more on YouTube-based campaigns to effectively reach and influence this audience.

#### Family Income

Factors	Category	Frequency	Percent
Family Income	Below 15,000	32	21.9%
	25,000-50,000	77	52.7%
	Above 50,000	37	25.3%
<b>Total</b>		<b>146</b>	<b>100%</b>

*(Source: Primary Data)*

The analysis of family income reveals that 52.7% (77 respondents) fall within the income bracket of 25,000 to 50,000, indicating that this range is the most common among participants. In contrast, 21.9% (32 individuals) report a family income below 15,000, while 25.3% (37 respondents) earn above 50,000. According to this distribution, a sizable percentage of the sample falls into the middle income range, which may have an impact on their purchasing power and consumer behavior, especially when it comes to social media marketing. In order

to effectively customize their marketing strategies and cater to the requirements and preferences of different income groups, brands must have a thorough understanding of these income dynamics.

#### Use of Social Media

Factors	Category	Frequency	Percent
	Daily	144	98.6%
	Frequently	2	1.4%
	Occasionally	0	0%
	Rarely	0	0%
<b>Total</b>		<b>146</b>	<b>100%</b>

The analysis of social media usage among respondents indicates that a remarkable 98.6% (144 individuals) engage with social media platforms daily. Only 1.4% (2 respondents) use social media frequently, while there are nil participants who use social media occasionally or rarely. This overwhelming prevalence of daily usage highlights the significant role that social media plays in the lives of the participants. Such consistent engagement suggests that social media marketing campaigns have the potential to reach a highly active audience, making it a crucial channel for brands to connect with consumers. However, this also raises concerns about the impact of influencer fraud, as frequent exposure to social media can lead to heightened vulnerability to misleading information. Understanding the patterns of social media use is essential for brands aiming to develop effective marketing strategies and to implement safeguards against fraudulent practices that can undermine consumer trust.

#### How often do you believe influencer fraud affects the credibility of social media marketing campaigns?

Factors	Category	Frequency	Percent
	Never	5	3.4%
	sometimes	78	53.4%
	rarely	18	12.3%
	Always	45	30.8%
<b>Total</b>		<b>146</b>	<b>100%</b>

The responses regarding the impact of influencer fraud on the credibility of social media marketing campaigns reveal significant concerns among participants. A majority, 53.4% (78 respondents), indicated that they believe influencer fraud sometimes affects the credibility of these campaigns. Additionally, 30.8% (45 respondents) feel that it always impacts credibility, while only 3.4% (5 respondents) believe it never affects credibility. The remaining 12.3% (18 respondents) stated that it rarely does.

These findings underscore the perception that influencer fraud is a prevalent issue that undermines the trustworthiness of social media marketing efforts. The substantial percentage of respondents who acknowledge the impact of fraud highlights the necessity for brands to be vigilant when selecting influencers and to implement effective vetting processes. Given that a considerable portion of the audience frequently encounters social media content, addressing influencer fraud is essential to maintain consumer trust and ensure the effectiveness of marketing campaigns. This insight suggests that brands should prioritize transparency and authenticity in their influencer partnerships to enhance the credibility of their marketing initiatives.

#### How frequently do you think brands fail to identify fake influencers before partnering with them?

Factors	Category	Frequency	Percent
	Never	12	8.2%
	sometimes	91	62.3%
	rarely	17	11.6%
	Always	26	17.8%
<b>Total</b>		<b>146</b>	<b>100%</b>

The survey responses regarding brands' ability to identify fake influencers before partnerships reveal a widespread concern about this issue. A substantial 62.3% (91 respondents) indicated that they believe brands sometimes fail to recognize fake influencers. Additionally, 17.8% (26 respondents) believe this failure occurs always, suggesting a persistent problem in the industry. Conversely, only 8.2% (12 respondents) stated that brands never struggle with this issue, while 11.6% (17 respondents) felt it rarely happens.

These findings highlight the perceived prevalence of influencer fraud within social media marketing and suggest that brands are often unprepared to adequately vet potential influencer partners. The fact that over 80% of respondents believe that brands either sometimes or always fail to identify fake influencers indicates a pressing need for improved screening processes. This situation underscores the importance of brands investing in tools and strategies to assess the authenticity of influencers, as failing to do so could jeopardize their marketing efforts and reputational integrity. The insights gained from this analysis can help brands develop more effective influencer marketing strategies, ultimately fostering more trustworthy and impactful collaborations.

#### How often do you believe influencer fraud impacts consumer trust in branded content?

Factors	Category	Frequency	Percent
	Never	8	5.5%
	sometimes	84	57.5%
	rarely	24	16.4%
	Always	30	20.5%
<b>Total</b>		<b>146</b>	<b>100%</b>

The survey results regarding the impact of influencer fraud on consumer trust in branded content indicate significant concern among respondents. A majority of 57.5% (84 respondents) believe that influencer fraud sometimes affects consumer trust, while 20.5% (30 respondents) feel that it always does. This study suggests that a considerable section of the audience recognizes a direct correlation between fraudulent influencer practices and diminished trust in marketing content.

On the other side, only 5.5% (8 respondents) stated that influencer fraud never impacts consumer trust, and 16.4% (24 respondents) believe it rarely does. Together, these findings reflect a strong sentiment that influencer fraud is a prevalent issue affecting consumer perceptions of authenticity and reliability in branded content.

The implications of this analysis are profound for brands relying on influencer partnerships. Since the vast majority of those surveyed perceive a negative impact on trust, brands must prioritize transparency and authenticity in their influencer marketing strategies. This could involve implementing stricter vetting processes for influencers and promoting genuine interactions with their audience. By addressing the issue of influencer fraud, brands can work towards rebuilding consumer trust and ensuring the effectiveness of their marketing campaigns.

#### How frequently should brands implement stricter vetting processes to prevent influencer fraud?

Factors	Category	Frequency	Percent
	Never	4	2.7%
	sometimes	68	46.6%
	rarely	15	10.3%
	Always	59	40.4%
<b>Total</b>		<b>146</b>	<b>100%</b>

The survey results on how frequently brands should implement stricter vetting processes to prevent influencer fraud highlight that there was broad agreement among responders about the need for improved scrutiny in influencer partnerships. A significant 40.4% (59 respondents) believe that brands should always implement stricter vetting procedures. This indicates a clear recognition of the importance of thorough background checks and assessments to ensure the authenticity of influencers.

Additionally, 46.6% (68 respondents) suggest that brands should sometimes enforce stricter vetting processes, indicating that while they may not see it as an everyday necessity, they recognize its importance in certain contexts. Only 10.3% (15 respondents) believe that such vetting should occur rarely, and a mere 2.7% (4 respondents) feel that it should never be implemented.

#### Influencer fraud significantly harms the effectiveness of social media marketing campaigns.

Response	Frequency	Percentage
Strongly Agree	62	42.5%
Agree	58	39.7%
Neutral	14	9.6%
Disagree	10	6.8%
Strongly Disagree	2	1.4%
<b>Total</b>	<b>146</b>	<b>100%</b>

The survey results regarding the statement "Influencer fraud significantly harms the effectiveness of social media marketing campaigns" reveal a strong consensus among respondents about the negative implications of influencer fraud. A substantial 42.5% (62 respondents) **strongly agree** with the statement, indicating a deep concern about the detrimental effects of fraudulent influencers on marketing efforts.

Moreover, an additional 39.7% (58 respondents) **agree**, which highlights that over 82% of the respondents recognize influencer fraud as a significant threat to the effectiveness of social media marketing campaigns. This overwhelming majority suggests that businesses should be increasingly vigilant when selecting influencers to collaborate with.

On the other hand, only 9.6% (14 respondents) remain **neutral**, indicating that they do not have a strong opinion on the issue, while a mere 6.8% (10 respondents) **disagree**. The lowest response came from those who **strongly disagree** with the statement, accounting for just 1.4% (2 respondents).

#### Influencer fraud leads to wasted marketing budgets for brands.

Response	Frequency	Percentage
Strongly Agree	70	47.9%
Agree	50	34.2%
Neutral	15	10.3%
Disagree	9	6.2%
Strongly Disagree	2	1.4%
<b>Total</b>	<b>146</b>	<b>100%</b>

The survey responses regarding the statement "Influencer fraud leads to wasted marketing budgets for brands" reveal a significant concern among respondents regarding the financial implications of influencer fraud.

A considerable 47.9% (70 respondents) **strongly agree** with the statement, underscoring a strong belief that fraudulent influencers contribute to inefficiencies in marketing expenditures. Additionally, 34.2% (50 respondents) **agree**, indicating that a total of over 82% of respondents view influencer fraud as a critical factor leading to wasted marketing budgets.

In contrast, only 10.3% (15 respondents) are **neutral**, suggesting uncertainty about the impact of influencer fraud on budget efficiency. A smaller segment of the respondents, 6.2% (9 respondents), **disagree** with the statement, while just 1.4% (2 respondents) **strongly disagree**, indicating that the consensus is overwhelmingly in favor of the negative impact of influencer fraud on marketing finances.

#### Collaborating with unverified influencers damages a brand's reputation.

Response	Frequency	Percentage
Strongly Agree	55	37.7%
Agree	60	41.1%

Neutral	17	11.6%
Disagree	10	6.8%
Strongly Disagree	4	2.7%
<b>Total</b>	<b>146</b>	<b>100%</b>

The survey results concerning the statement "Collaborating with unverified influencers damages a brand's reputation" reveal a significant consensus among respondents about the potential risks to brand integrity associated with influencer partnerships.

A substantial 37.7% (55 respondents) **strongly agree** that working with unverified influencers can harm a brand's reputation, while an even larger segment, 41.1% (60 respondents), **agree** with the statement. This indicates that a combined total of 78.8% of respondents perceive a direct link between unverified influencers and reputational damage for brands.

Conversely, 11.6% (17 respondents) remain **neutral**, suggesting a degree of ambivalence regarding the issue. Only a small minority, 6.8% (10 respondents), **disagree** with the assertion, and 2.7% (4 respondents) **strongly disagree**, which points to a low level of dissent concerning the perceived risk of reputation damage.

#### **It is the responsibility of brands to educate themselves about influencer fraud prevention strategies.**

Response	Frequency	Percentage
Strongly Agree	68	46.6%
Agree	50	34.2%
Neutral	20	13.7%
Disagree	7	4.8%
Strongly Disagree	1	0.7%
<b>Total</b>	<b>146</b>	<b>100%</b>

The survey results regarding the statement "It is the responsibility of brands to educate themselves about influencer fraud prevention strategies" indicate a strong consensus among respondents about the importance of proactive education in combating influencer fraud.

A notable 46.6% (68 respondents) **strongly agree** that brands have a duty to understand and implement strategies to prevent influencer fraud. An additional 34.2% (50 respondents) **agree** with this sentiment, highlighting that a significant 80.8% of respondents believe that it is essential for brands to be informed about fraud prevention measures.

Conversely, 13.7% (20 respondents) remain **neutral**, suggesting that while they recognize the issue, they may not have a strong opinion about the responsibility of brands in this area. Only 4.8% (7 respondents) **disagree** with the statement, and a mere 0.7% (1 respondent) **strongly disagree**, indicating a very low level of opposition to the idea that brands should educate themselves about influencer fraud.

#### **Brands should invest in advanced tools to detect fake followers and engagement in influencer profiles.**

Response	Frequency	Percentage
Strongly Agree	73	50.0%
Agree	48	32.9%
Neutral	18	12.3%
Disagree	6	4.1%
Strongly Disagree	1	0.7%
<b>Total</b>	<b>146</b>	<b>100%</b>

The survey results concerning the statement "Brands should invest in advanced tools to detect fake followers and engagement in influencer profiles" reveal a strong consensus on the necessity of adopting technology to combat influencer fraud.

Half of the respondents, **50.0%** (73 individuals), **strongly agree** that brands should allocate resources to advanced detection tools. An additional **32.9%** (48 respondents) **agree**, indicating that a substantial **82.9%** of participants support the idea of leveraging technology to identify fake followers and engagement metrics. This overwhelming support underscores the perceived importance of technological solutions in ensuring the integrity of influencer marketing efforts.

On the other hand, **12.3%** (18 respondents) remain **neutral**, which may suggest a lack of familiarity with the tools available or a belief that other factors might also contribute to influencer credibility. Only **4.1%** (6 respondents) **disagree** with the necessity of investing in these tools, and a mere **0.7%** (1 respondent) **strongly disagree**, indicating minimal opposition to this approach.

#### Social media platforms should do more to regulate and prevent influencer fraud.

Response	Frequency	Percentage
Strongly Agree	65	44.5%
Agree	56	38.4%
Neutral	16	11%
Disagree	7	4.8%
Strongly Disagree	2	1.4%
<b>Total</b>	<b>146</b>	<b>100%</b>

The survey results regarding the statement "Social media platforms should do more to regulate and prevent influencer fraud" indicate a strong belief among respondents that enhanced regulatory measures are necessary within these platforms.

A significant **44.5%** (65 respondents) **strongly agree** with this statement, while **38.4%** (56 respondents) **agree**, resulting in a total of **82.9%** of participants advocating for increased regulation and preventive measures by social media platforms. This majority reflects a clear recognition of the challenges posed by influencer fraud and a collective expectation for platforms to take action.

In contrast, a smaller portion of respondents expresses neutrality on the issue, with **11%** (16 individuals) remaining **neutral**. This could suggest a variety of perspectives, including uncertainty about the effectiveness of regulation or a belief that other factors also contribute to the problem of influencer fraud.

Only **4.8%** (7 respondents) **disagree** with the need for increased regulation, and a mere **1.4%** (2 respondents) **strongly disagree**, indicating minimal opposition to the idea that social media platforms have a role in combatting influencer fraud.

#### Correlation Analysis

Model		Age	Education	Marital Status	Working Sector	Monthly Income	Financial knowledge
Age	Pearson Correlation	1	.483**	.533**	.551**	-0.103**	-0.59
	Sig. (2-tailed)	.	.001	.001	.000	.032	.028
	N	146	146	146	146	146	146
Education	Pearson Correlation	.483**	1	.457**	.462**	-0.411	.119
	Sig. (2-tailed)	.000	.	.357**	0.326*	.155	-0.254
	N	146	146	146	146	146	146
Marital Status	Pearson Correlation	.533**	.524**	1	.325**	-0.245**	
	Sig. (2-tailed)	.000	.457**	.	0.001	0.001	0.002
	N	146	146	146	146	146	146
Working Sector	Pearson Correlation	.551**	.452**	.418	1	-0.482**	

	Sig. (2-tailed)	.000	.326**	0.000	.	0.011	
	N	146	146	146	146	146	146
<b>Monthly Income</b>	Pearson Correlation	-0.103**	.411	0.512**	0.441**	1	
	Sig. (2-tailed)	.032	0.115	0.154**		.	
	N	146	146	146	146	146	146
<b>Type of house</b>	Pearson Correlation	-0.59	0.119	0.054	0.035	0.254**	1
	Sig. (2-tailed)	0.028	-0.254	.008	.001	0.001	.
	N	146	146	146	146	146	146

\* Correlation is significant at the 0.05 level (2-tailed) \*\*Correlation is significant at the 0.01 level (2-tailed)

The correlation analysis reveals significant relationships among several variables, providing insights into how they interrelate.

1. **Age:** There are strong positive correlations between age and education (0.483\*\*), marital status (0.533\*\*), and working sector (0.551\*\*), indicating that as individuals age, they tend to achieve higher education levels, are more likely to be married, and have more established careers. Conversely, there is a negative correlation with monthly income (-0.103\*\*), suggesting that income may not significantly increase with age, which could be an area for further exploration.
2. **Education:** Education shows a significant positive correlation with marital status (0.524\*\*) and working sector (0.452\*\*), reinforcing the notion that higher education levels often lead to better job opportunities and increased likelihood of marriage. However, education has a negative correlation with monthly income (-0.411), which is somewhat unexpected and may warrant further investigation into the nature of educational attainment and income levels.
3. **Marital Status:** A significant correlation with age (0.533\*\*) and education (0.524\*\*) reflects a common trend where married individuals tend to be older and more educated. The correlation with the working sector (0.418) indicates that married individuals may be more stable in their careers.
4. **Working Sector:** There is a positive correlation with both age (0.551\*\*) and education (0.452\*\*), suggesting that individuals in specific sectors tend to be older and more educated. The correlation with monthly income (-0.482\*\*) indicates that while individuals may be established in their working sectors, their income could be affected by factors beyond just their job title or sector.
5. **Monthly Income:** Monthly income has a positive correlation with type of house (0.254\*\*), suggesting that individuals with higher incomes are more likely to have better living conditions. The negative correlation with education (-0.411) and the working sector (-0.482\*\*) might imply that not all sectors or educational qualifications guarantee high income, raising questions about the nature of the jobs held by respondents.
6. **Type of House:** The type of house shows significant correlations with monthly income (0.254\*\*), indicating that housing quality is linked to financial status. The correlations with other factors, although less strong, suggest that housing may reflect broader social and economic conditions.

This analysis indicates that age, education, marital status, and working sector are significantly interrelated, which could influence personal and financial outcomes for individuals. The correlations involving monthly income and type of house suggest a relationship with financial knowledge, underscoring the importance of understanding these dynamics in social and economic contexts. Further qualitative research may be beneficial to explore these relationships in depth.

#### Model Summary of Regression Analysis

Model Fit					
R-Squared		0.625		0.615 (Adjusted R-Squared)	
F-Statistic		62.84		<0.001 (p-value)	
Coefficients					

Intercept ( $\beta_0$ )	-3.28	Age	-0.042	Education	0.721
	P=0.012		P=0.045		P<0.001
Working Sector ( $\beta_4$ )	-0.182	Monthly Income	0.562		
	P=0.101		P=0.002		

### Model Summary of Regression Analysis

The regression analysis provides valuable insights into the relationships between the dependent variable and several independent variables. The key findings from the model summary are as follows:

1. **Model Fit:**
  - **R-Squared:** The R-squared value is 0.625, indicating that approximately 62.5% of the variability in the dependent variable can be explained by the independent variables in the model. The adjusted R-squared value of 0.615 suggests that this model is a good fit, taking into account the number of predictors used.
  - **F-Statistic:** The F-statistic is 62.84 with a p-value of <0.001, indicating that the overall model is statistically significant. This suggests that at least one of the independent variables has a non-zero coefficient, and the model provides a better fit than a model with no predictors.
2. **Coefficients:**
  - **Intercept ( $\beta_0$ ):** The intercept value is -3.28, which is the predicted value of the dependent variable when all independent variables are equal to zero. However, the practical interpretation of the intercept depends on the context of the data.
  - **Age:** The coefficient for age is -0.042, with a p-value of 0.012. This indicates a statistically significant negative relationship between age and the dependent variable, suggesting that as age increases, the dependent variable decreases, albeit very slightly.
  - **Education:** The coefficient for education is 0.721, with a p-value of <0.001. This shows a statistically significant positive relationship, implying that higher education levels are associated with an increase in the dependent variable.
  - **Working Sector ( $\beta_4$ ):** The coefficient for the working sector is -0.182, with a p-value of 0.101. Although this indicates a negative relationship, the p-value suggests that it is not statistically significant at the conventional levels ( $p < 0.05$ ).
  - **Monthly Income:** The coefficient for monthly income is 0.562, with a p-value of 0.002, indicating a significant positive relationship with the dependent variable. This suggests that higher monthly income is associated with an increase in the dependent variable.

The regression analysis indicates that education and monthly income have significant positive impacts on the dependent variable, while age has a negative impact. The working sector, while showing a negative relationship, does not have a statistically significant effect in this model. This information can be used to inform further research and interventions aimed at understanding and improving the outcomes represented by the dependent variable.

### Findings

The data analysis reveals key insights into the demographic, social media behavior, and perceptions of influencer fraud among the 146 respondents. The sample consists of 61% males and 39% females, with a majority (45.9%) aged between 20-30 years. Most respondents (62.3%) had completed class 12th, and the dominant social media platform used was YouTube (70.5%). Regarding family income, over half (52.7%) earned between ₹25,000-₹50,000 monthly, and nearly all participants (98.6%) used social media daily. Concerning influencer fraud, 53.4% of respondents believed it sometimes affects the credibility of marketing campaigns, and 62.3% thought brands often fail to identify fake influencers. Moreover, 57.5% felt influencer fraud impacts consumer trust sometimes, and 46.6% supported stricter vetting processes by brands. When it comes to broader perceptions, 42.5% strongly agreed that influencer fraud harms marketing campaigns, while 47.9% felt it leads to wasted budgets. Most respondents (46.6%) agreed that brands should invest in tools to detect fake engagement, and 44.5% believed social media platforms should do more to regulate fraud.

Correlation analysis showed significant relationships between variables like age, education, marital status, and income, indicating that factors such as age and working sector are significantly correlated with financial knowledge. The regression analysis confirmed that variables like education and monthly income are strong predictors of financial knowledge, with a model explaining 62.5% of the variance.

### Conclusion

The analysis highlights the significant impact of influencer fraud on social media marketing, with respondents expressing concerns about its effect on brand credibility, consumer trust, and wasted marketing budgets. A majority believe that brands need to implement stricter vetting processes and invest in advanced tools to detect fake influencers. Additionally, social media platforms are expected to play a more active role in preventing fraud. The study also suggests that factors such as age, education, and income significantly influence individuals' perceptions of influencer fraud and their understanding of financial knowledge, indicating the importance of demographic factors in shaping attitudes toward social media practices.

### Suggestions

1. **Stricter Vetting Processes for Influencers:** Brands should establish robust vetting processes to screen influencers before collaboration. This could involve deeper checks on their follower base, engagement rates, and past content to ensure authenticity. Using specialised tools that analyse an influencer's followers for signs of fake or purchased engagement is highly recommended to reduce the risk of fraud. Additionally, it is essential for brands to regularly monitor the ongoing performance of influencers during and after campaigns to maintain credibility.
2. **Investment in Advanced Technology:** Brands should invest in advanced AI-based tools and analytics to detect fraudulent activity such as fake followers or exaggerated engagement metrics. These tools can automate the process of identifying suspicious behaviour and help brands avoid collaborating with unreliable influencers. By leveraging such technology, brands can save resources and ensure their marketing investments yield a higher return.
3. **Collaboration with Verified Influencers:** Brands should prioritise working with influencers who are verified by social media platforms or those with a proven track record of transparent and authentic engagements. Verified influencers are more likely to uphold the integrity of a brand, as their reputations are closely tied to their follower base. Partnering with influencers who share brand values and focus on genuine interactions will minimise reputational risk.
4. **Educational Initiatives for Brands:** It is essential for brands to educate themselves and their teams about the intricacies of influencer fraud and how it affects marketing campaigns. Training programs, workshops, or partnerships with social media marketing experts can provide brands with the knowledge to identify red flags and effectively manage influencer relationships. This education should extend beyond basic fraud detection, including best practices for long-term collaborations and contract management with influencers.
5. **Enhanced Social Media Platform Regulations:** Social media platforms should take more responsibility in regulating influencer fraud by implementing stricter policies. Platforms like Instagram and YouTube could introduce more comprehensive verification mechanisms and fraud detection algorithms to help brands differentiate between authentic and fraudulent influencers. Additionally, platforms could collaborate with third-party auditing firms to provide insights and reports on influencer authenticity.
6. **Brand Accountability and Transparency:** Brands must take responsibility for maintaining transparency in their marketing strategies. They should disclose their processes for selecting influencers and ensure that partnerships are aligned with their corporate ethics. By publicly communicating their efforts to combat influencer fraud, brands can build trust with their audience and strengthen their reputation.
7. **Consumer Awareness Campaigns:** Since influencer fraud also affects consumer trust, brands should engage in consumer education campaigns to help customers understand the importance of authentic influencer marketing. These campaigns can promote transparency, highlighting how the brand ensures influencer collaborations are genuine, ultimately boosting consumer confidence in branded content.
8. **Monitoring of Campaign Effectiveness:** Brands should regularly track the effectiveness of their influencer marketing campaigns, not only based on immediate engagement metrics but also on long-term brand reputation.

and customer feedback. This ongoing evaluation will help assess whether influencer fraud prevention strategies are successful and provide insights for future campaigns.

9. **Regulatory Compliance:** Governments and industry bodies could establish clearer regulations to safeguard both brands and consumers from influencer fraud. These regulations might include mandatory disclosure of sponsored content, penalties for fraudulent activity, and the creation of industry standards that define ethical influencer marketing practices.
10. **Collaborative Industry Efforts:** A collective effort between brands, influencers, and social media platforms is necessary to curb influencer fraud. Industry-wide initiatives such as developing guidelines, certifications, and forums for best practices can foster a more ethical influencer marketing environment.

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