



# State of influencer marketing in India

Impact of influencers on brands

Survey findings: India 2023

A COLLECTIVE ARTISTS NETWORK INITIATIVE

**BigBang**  
SOCIAL



**EY**

Building a better  
working world



**Tanmay  
Bhat**

Entrepreneur,  
Comedian and  
Youtuber

# Foreword

## Elevating brands with genuine influence

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

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

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

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



**Vijay  
Subramaniam**

Group CEO &  
Founder,  
Collective  
Artists Network



**Anurag Iyer**

CEO,  
BigBang.Social

# Foreword

## Igniting India's influencer marketing revolution

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

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

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

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



**Amiya  
Swarup**

Partner,  
Marketing Advisory  
EY India

# Foreword

## Aspirations, realized

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

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

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



# Contents

<i>Executive summary</i> .....	06
<i>Key observations:</i> .....	07
1. State of India's influencer marketing economy	
2. Influencer marketing strategy	
3. The role of large and nano influencers in influencer strategy	
4. Sectors driving the growth of influencer marketing	
5. Platforms driving influencer engagement	
6. Agency, brand and influencer collaboration	
7. Evolving influencers' compensation mechanism	
8. It is a good time to be an influencer in India	
9. Certain challenges need to be addressed	
<i>Methodology</i> .....	16
<i>Key assumptions</i> .....	17
<i>Glossary and acknowledgements</i> .....	19

# Executive summary

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

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

CAGR of  
**18%**



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

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

**Influencer marketing was part of three in four brand strategies**

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

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

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

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

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

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

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

**Agencies currently play a critical role in implementing influencer marketing strategies**

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

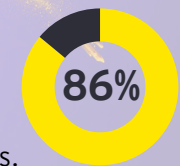
Marketers need to partner with agencies which drive authentic data driven influencer strategy and provide real time monitoring and insights, while ensuring brand safety.

**Certain challenges need to be addressed**

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

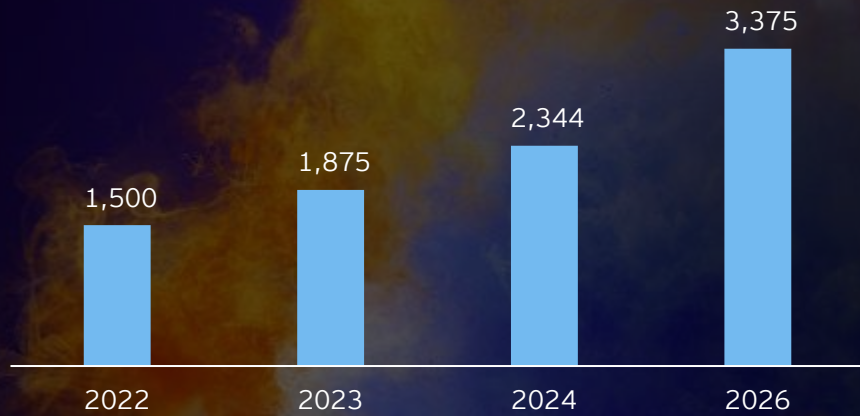
**It is a good time to be an influencer in India**

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



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

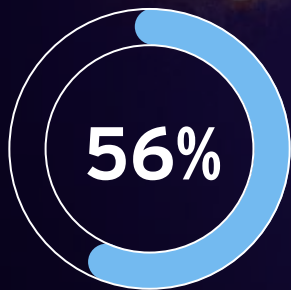
## Indian influencer marketing size



EY estimates

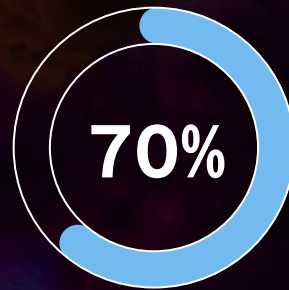
Influencer marketing is expected to grow by **25%** in 2024, reaching **INR2,344 crore** and to **INR3,375 crore** by 2026

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



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

EY survey of marketers

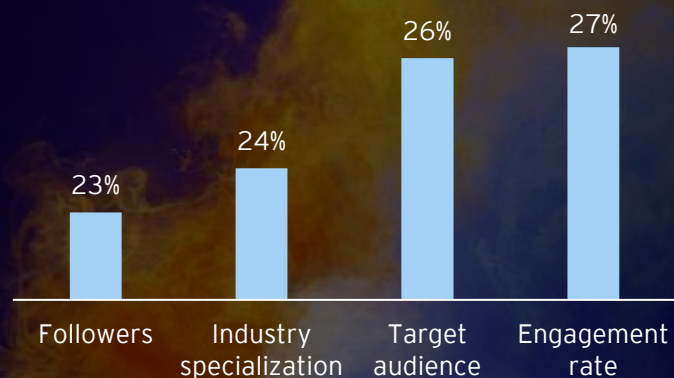


**70%** of brands plan to keep their influencer marketing budget the same or increase it in 2024, with half planning to increase it by up to **10%**

EY survey of marketers

# Influencer marketing was part of three out of four brand strategies

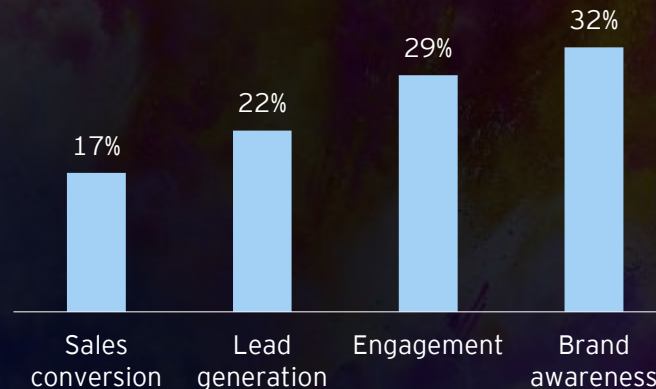
## Influencer selection criteria



EY survey of marketers | Weighted average of ranks

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

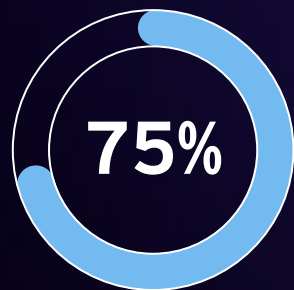
## Campaign objectives



EY survey of marketers | Weighted average of ranks

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

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



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

EY survey of marketers



# Marketers are using both large and nano influencers equally

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

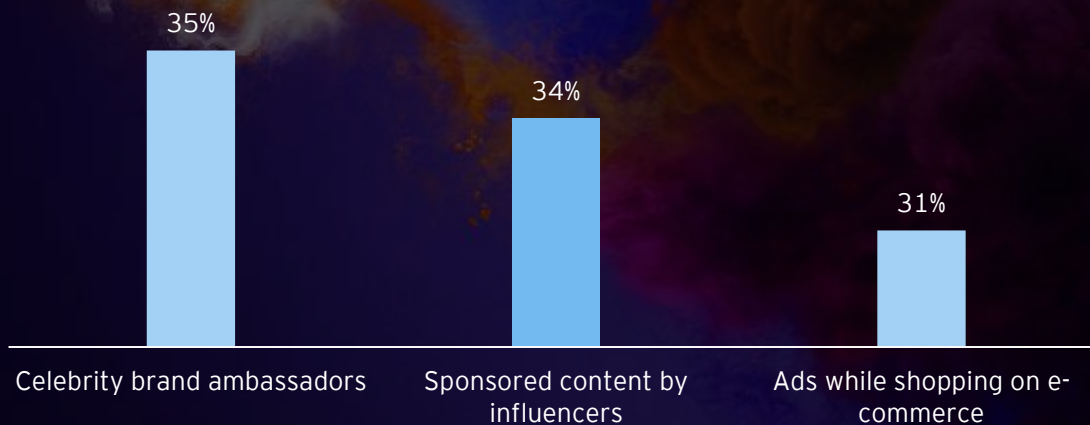
Brand Equity, BW, 2023

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

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

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

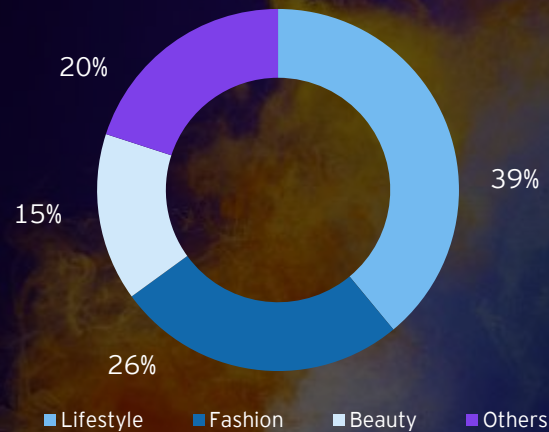
## Effectiveness of mediums in driving purchase decisions



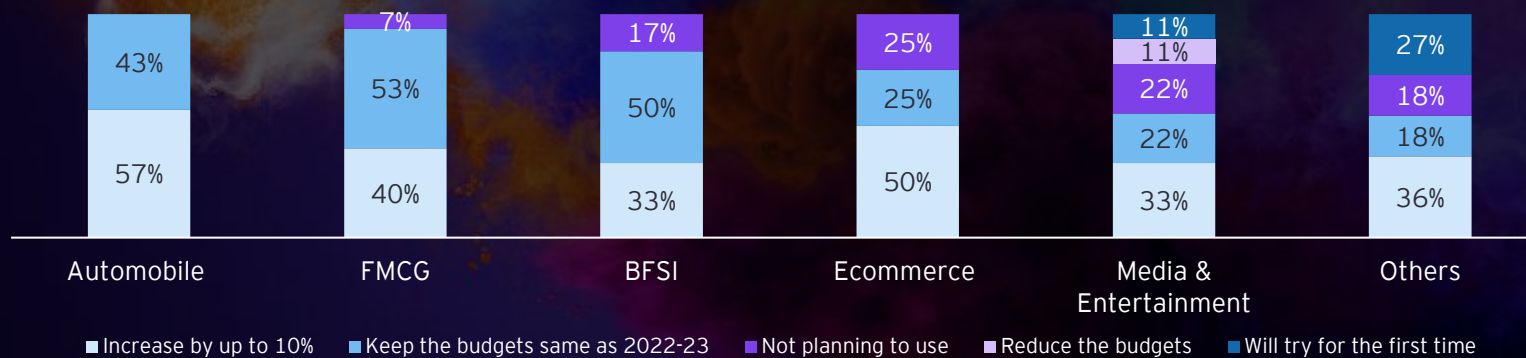
EY survey of marketers

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

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



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



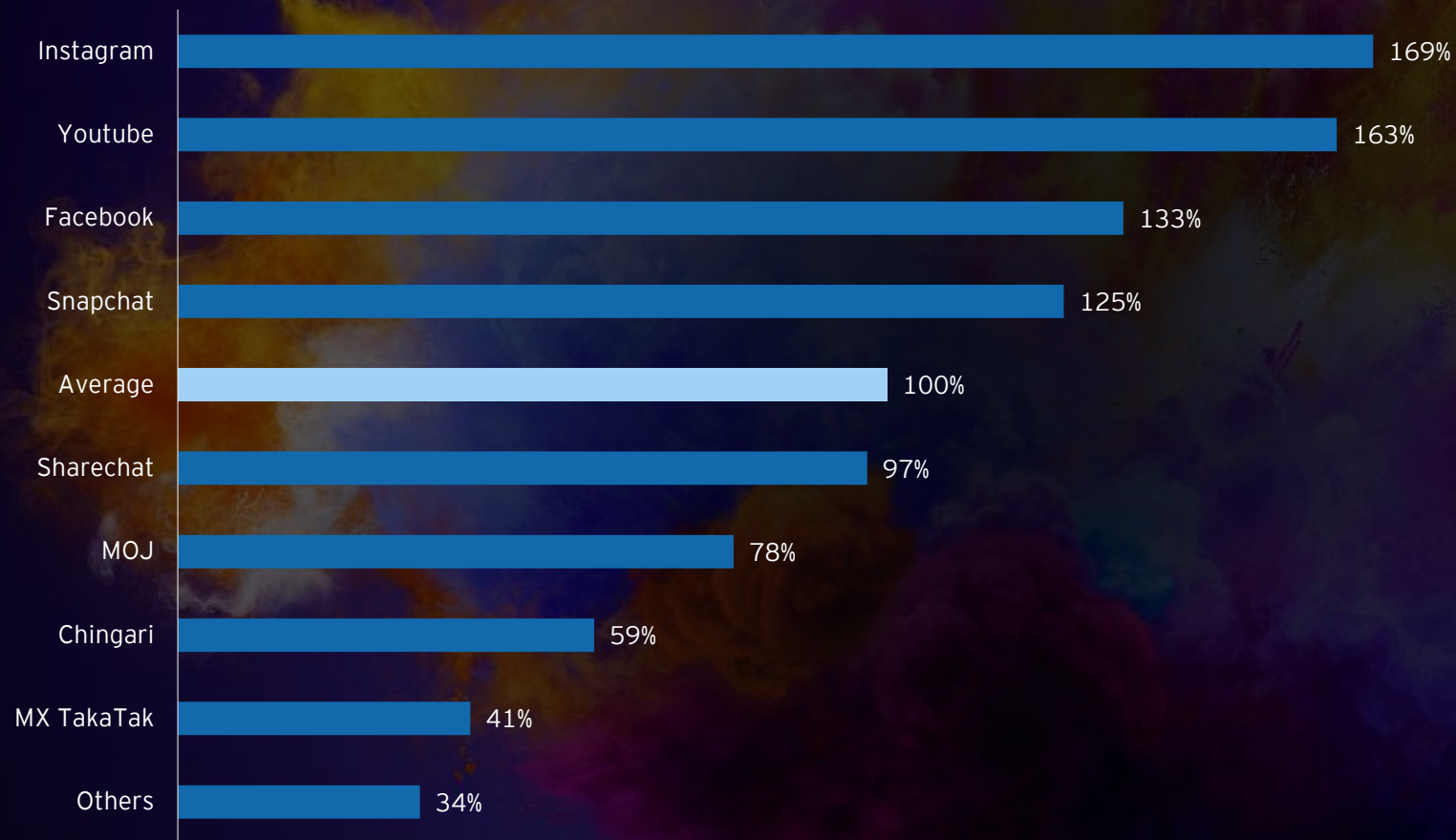
EY survey of marketers

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

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

# Instagram and YouTube

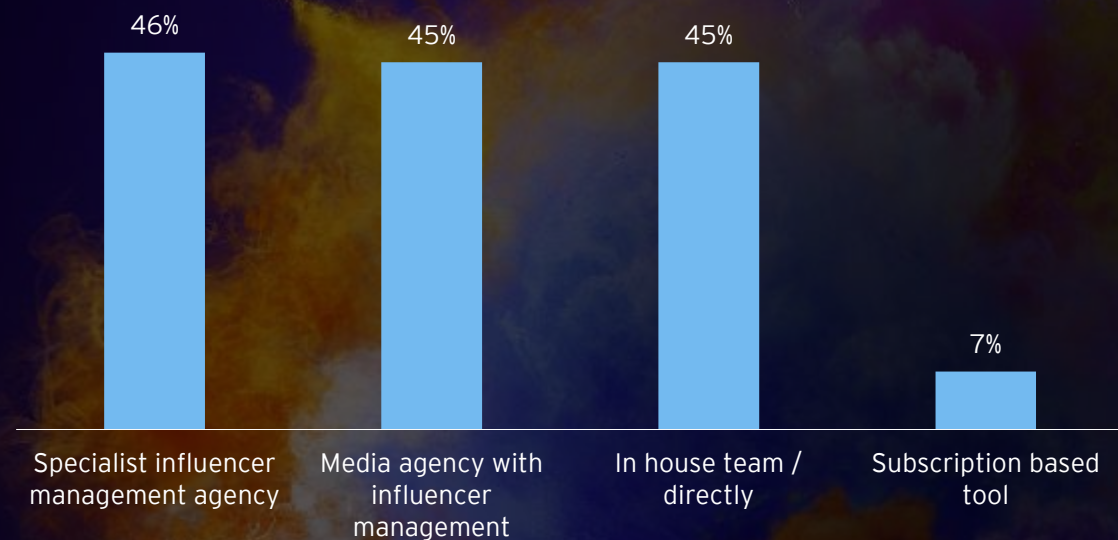
were the most preferred platforms to consume content from influencers, although many other platforms were used for specific purposes



EY survey of users | Indexed preferences

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

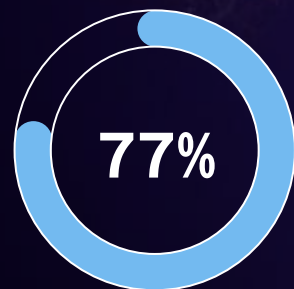
## Agencies currently play a critical role in implementing influencer marketing strategies



EY survey of marketers | Respondents chose all options that applied

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

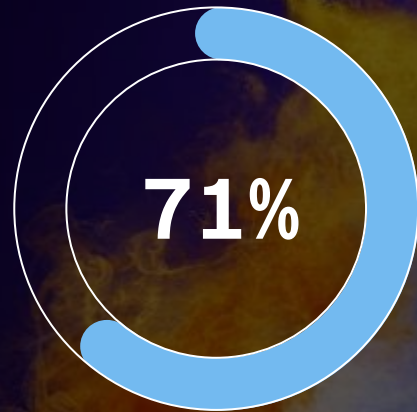
Marketers need to partner with agencies that drive authentic, data-driven influencer strategy and provide real-time monitoring and insights, while ensuring brand safety



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

EY survey of marketers

## Compensation mechanism is evolving



EY survey of marketers

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

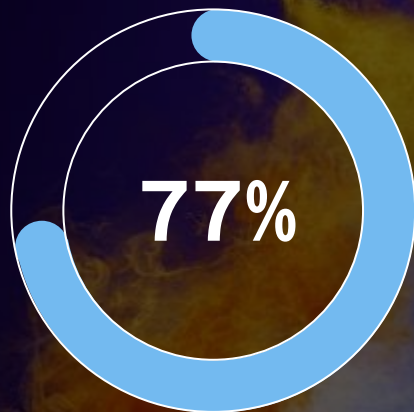


EY survey of marketers

29% are exploring performance linked models to drive influencer accountability

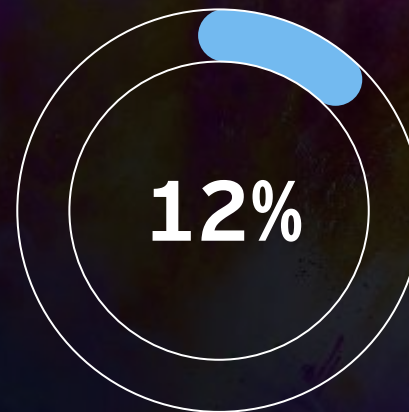
Depending on campaign objectives, marketers must be clear about using the right metrics to balance performance and accountability

# It is a good time to be an influencer in India



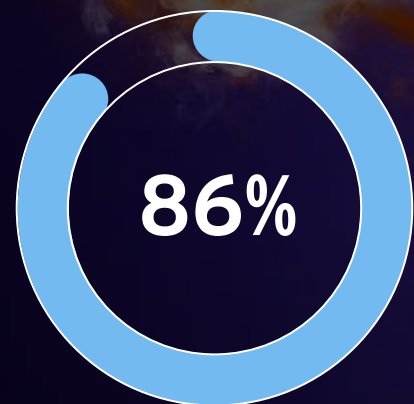
77% of influencers reported income growth in the past two years

EY survey of marketers



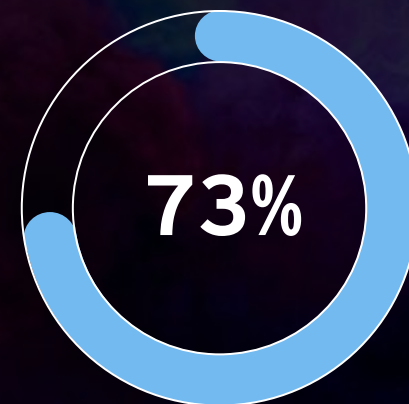
12% of influencers earn between INR1 and 10 lakhs

EY survey of marketers



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

EY survey of marketers

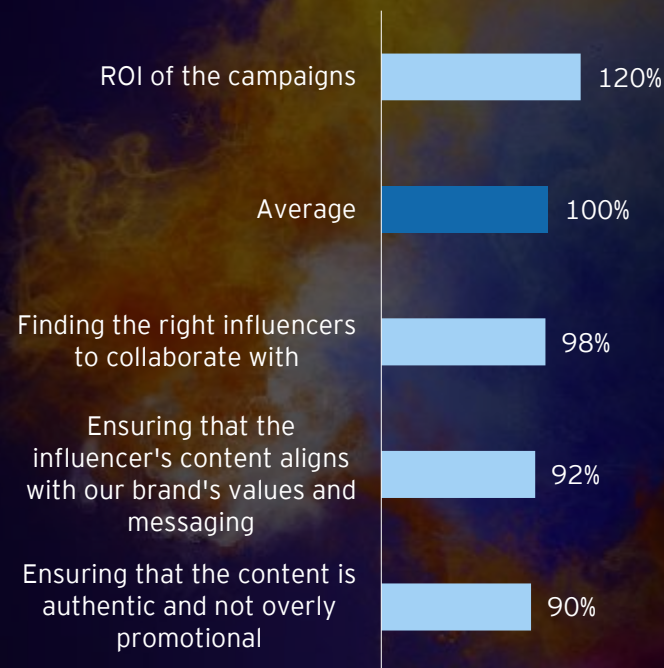


73% of influencers work for less than 10 hours a week, compared to up to 39 hours abroad

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

# Certain challenges need to be addressed

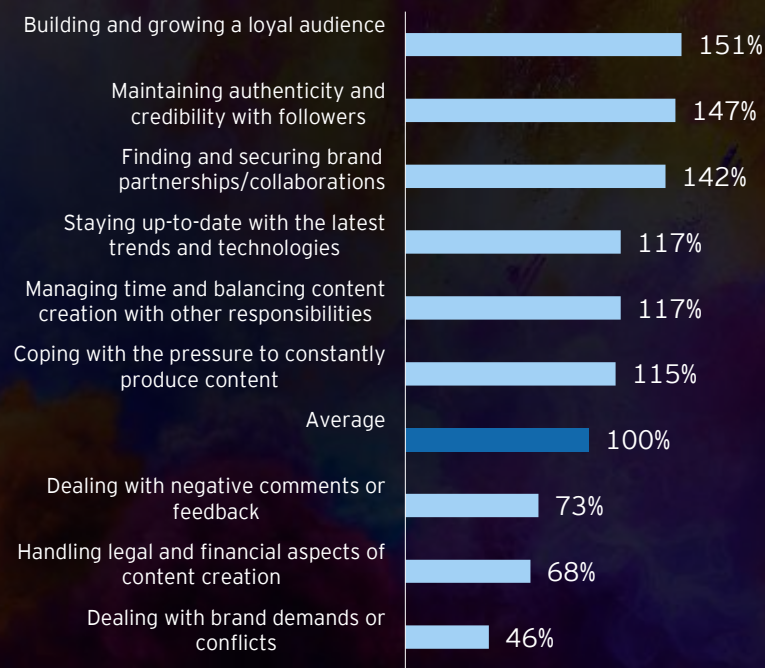
## Challenges faced by brands working with influencers



EY survey of marketers | Indexed challenges

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

## Key challenges faced by the influencers



EY survey of creators | Indexed challenges

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

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

# Methodology

---

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

---



# Key assumptions

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

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



# Key assumptions

There can be no guarantee that the information in this report is correct as of the date it is received or that it will continue to be correct in the future. EY does not take any responsibility for the veracity of the underlying data. Use of this report is at the discretion of the reader, and neither BigBang. Social nor EY take any responsibility for the same in any manner. Please obtain professional guidance prior to using the information provided in this report for any decision making. There is no tax, operating, regulatory or other business advice or opinion provided in this report. By reading this report, the reader shall be deemed to have accepted the terms and conditions of use mentioned in this paragraph. Despite our best efforts, errors do creep into this report, which we correct when brought to our notice. Please do use the latest updated version from our website.



## Glossary

BFSI - Banking, financial services and insurance

CAGR - Compounded annual growth rate

CMO - Chief Marketing Officer

FMCG - Fast moving consumer goods

GDP - Gross domestic product

KPI - Key performance indicator

ROI - Return on investment

## Acknowledgements

### EY



Ashish Pherwani  
Media and Entertainment

### BigBang.Social



Anna D'Souza  
Lead Communications,  
Collective Artists Network

### Data collation and analysis



Mihir Date  
Tanu Goyal  
Chirag Jain  
Shruti Sinha  
Shubham Maindola

### Quality and editorial



Shobhana Iyer  
Vikram Choudhury  
Nishtha Sharma

### Design



Jasmeet Joshi

### Contact us



E: [Kabiir.Khattar@in.ey.com](mailto:Kabiir.Khattar@in.ey.com)

## Ernst & Young LLP

**EY** | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EYG member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com).

Ernst & Young LLP is one of the Indian client serving member firms of EYGM Limited. For more information about our organization, please visit [www.ey.com/en\\_in](https://www.ey.com/en_in).

Ernst & Young LLP is a Limited Liability Partnership, registered under the Limited Liability Partnership Act, 2008 in India, having its registered office at Ground Floor, Plot No. 67, Institutional Area, Sector - 44, Gurugram, Haryana - 122 003, India.

© 2024 Ernst & Young LLP. Published in India.  
All Rights Reserved.

EYIN2403-015  
ED None

This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither EYGM Limited nor any other member of the global Ernst & Young organization can accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.

JJ

[ey.com/en\\_in](https://ey.com/en_in)



@EY\_India



EY



YouTube EY India



EY Careers India



@ey\_indiacareers