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The Decentralization of Influence: Hyperlocal Vernacular Creators and the Future of FMCG Marketing in India

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Abstract
This paper will discuss how influencer marketing in the Indian Fast Moving Consumer Goods (FMCG) industry has evolved in the period of 2020 to 2024, and how the company will shift its approach to strategic focus in terms of influencer marketing, which will be a pivot between the traditional advertising and the digital interest of the creators. An approach that was used is longitudinal secondary data analysis which synthesized data in the form of industry reports (Kofluence, GroupM, Qoruz), company disclosures (HUL, Dabur, Marico, Godrej) and verified media. Triangulation of data was used to confirm the value of market size estimates, spending trends and campaign performance measurements. Indian influencer marketing industry expanded by 322 per cent, with about 962,000 creators in 2020 to 4.06 million in 2024. In 2024, the market size had grown to 3,000 to 3,500 crores, and FMCG was the second-largest spender (19 to 20% of the total influencer spend), after ecommerce (23 to 27%). Large FMCG companies shifted the proportions of digital advertising spend between 10-15 to 30-50 percent of the total media investments with influence campaigns increasing 2.5 times in enterprises such as Dabur. Micro-influencers (10,000-100, 000) offer engagement rates of 5 to 7, which is a lot higher than the macro influencers at 1 to 2. The results reveal that mass media have changed to resonance based micro-influencer models and that this will impact the allocation of marketing resources, agency relationships and brand consumer engagement models in the new emerging economies. The paper presents the inaugural longitudinal study of FMCG influencer marketing in India in a five year trend, including firm level expenditure rates, creator economy rates, and future expectation based on current adoption rates.
Keywords: influencer marketing, FMCG, Indian market, social media marketing, micro-influencers.

Introduction

With a market estimated at about 110 billion, the Indian Fast Moving Consumer Goods (FMCG) industry has traditionally turned to television, print and outdoor advertising to tap its large and multifaceted consumer market. Nevertheless, the years 2020-2024 experienced one of the most significant changes in the marketing strategy in the history of the industry. This change was driven by three simultaneous forces, namely acceleration of digital consumption by the COVID19 pandemic, the spread of low-cost smartphones and data in Tier 2 and Tier 3 cities, and the rise of a structured creator economy that can deliver quantifiable returns on investment. When you put into consideration the fact that the number of internet users in India surpassed 900 million by 2025, and a large part of them are located in non metro areas, it becomes easy to understand why consumer goods companies had to reconsider everything they ever thought about reaching customers. Whether to take the digital or not was no longer a question, but the speed they could reallocate the budgets and create new capabilities. This paper examines how influencer marketing has evolved to become an important strategic pillar in FMCG advertising budgets in the course of this period of transformation.

1. Objectives

1) To measure the growth trend of influencer marketing investments in the Indian FMCG market between FY2020 and FY2024.
2) To examine the strategic changes in the marketing distribution among large FMCG companies.
3) To assess the performance measure and ROI nature of influencer led campaigns.
4) To predict future trends and future strategies of influencer marketing in the FMCG industry.

This research is important because it analyses the adaptation of traditional consumer goods companies anchored on years of experience in the mass media to a fragmented, creator based media world. The study of this transition offers very useful information to marketing practitioners, advertising agencies, and academic scholars who are studying the issue of digital transformation in emerging markets.

2. Literature Review

2.1 Theoretical Principles of Influencer Marketing. Influencer marketing exists at the point of intersection between source credibility theory and parasocial interaction theory. The source credibility model by Hovland and Weiss (1951) is a model that argues that the level of effectiveness of a message is determined by how the source is perceived to be knowledgeable and trustworthy. Influencers develop credibility in the digital realm by creating the perception of authenticity and relational proximity with their followers (Schouten, Janssen & Verspaget, 2020). This is especially crucial in the FMCG segments where buying decisions are low involvement and guided by familiarity and trust. Horton and Wohl (1956) conceptualized the one sided relationships that the media users form with the media personalities and termed them as the parasocial interaction theory. Digital platforms make this effect even more dramatic when a follower is in the stories of an influencer and he is cooking with the help of a specific brand of oil or he is telling a follower about a particular brand of shampoo, the line between the media personality and a good friend starts to be unclear (Chung and Cho, 2017). This parasocial interaction is even more important in the Indian context where community and relationships are assigned a great cultural importance.

2.2 The Indian Digital Advertising Environment.

The digital advertising market in India is an industry that has increased at an unexpected rate. The TYNY 2025 report by GroupM predicts that the total advertising revenues would be 1,64,137 crore in 2025, and over 60 percent of such expenditure would be on digital. This is one of the core reorganizations of the media consumption patterns: smartphones are the main display of hundreds of millions of Indians, and the prices of data usage in the country are the lowest in the world. Statista Digital Market Outlook provides that the digital population of Indian is over 900 million today, and most of them use the internet via their mobile phones. Of special interest is the fact that this growth is almost 65 percent of the total new internet users are in Tier 2 and Tier 3 cities and there is a need to have contents in other languages other than Hindi and English. This Bharat internet user has a different behaviour with the metropolitan early adopter, consuming content in the regional languages and they are after creators who represent their lived experiences.

2.3 Creator Economy Evolution

The move towards more modern relations with celebrities to collaborations with digital creators is not merely a change in channel but a change in consumer demands in terms of authenticity and relatability (Kapitan and Silvera, 2016). Djafarova and Rushworth 2017 discovered that younger customers tend to be more relatable and trusting of social media influencers as opposed to traditional celebrities, and the results are supported by other studies conducted in the Indian market (Singh and Banerjee, 2021). The magnitude of this change is

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summed up in the recent report provided by Qoruz: out of only 962,000 influencers in 2020, the creator economy in India has grown to 4.06 million by the end of 2024 an unbelievable 322 percent increase. Gaming categories increased 213% between 2020 and 2022, and travel influencers recovered with 212% growth in 2023 as restrictions related to the pandemic decreased. Parenting influencers increased by 87,000 to 362,000, which showed the demand of family-related content, whereas fashion continues its leadership with 470,000 creators.

2.4 Research Gap

Although there is a considerable body of literature regarding the concept of influencer marketing in the West, there is a paucity of longitudinal studies regarding the institutionalization of influencer marketing among traditional FMCG companies in the emerging economies. This paper fills this gap by offering a five-year trajectory analysis of the adoption of influencer marketing as a strategic functional area by Indian FMCG companies.

3. Methodology

3.1 Research Design

The present research was based on a longitudinal secondary data analysis design, which explored the trends in influencer marketing of the Indian FMCG industry during five financial years (2020-2024). The longitudinal method allows the determination of trends, turning points, and strategic changes that would be overlooked in the cross sectional research. Data Sources The triangulation was done to gather data using a number of sources to make it reliable and valid.

Primary Industry Reports

1) Kofluence, Decoding Influence Reports (2024, 2025).
2) GroupM This Year Next Year Advertising Forecasts (2025).
3) Qoruz Influencer Ecosystem Reports (2025)
4) Statista Digital Marketing in India Reports.

Annual Reports and Disclosures of the company

1) Hindustan Unilever Limited (HUL) Annual Reports and earnings calls (2020-2025)
2) Dabur India Limited media statements and annual reports (2020-2025)
3) Marico Limited investor presentations (2020-2025)
4) Godrej Consumer Products Limited annual reports (2020-2025)

Verified Media Sources

1) Mint (financial newspaper) advertising expenditure coverage
2) Moneycontrol influencer earnings analysis
3) ET Brand Equity industry reports
4) Indian Television platform reports

3.2 Data Triangulation and Data validation

To overcome the drawbacks of secondary data, the following validation processes were used. Cross-verification: The estimates of the market size were cross verified by using various sources to determine convergence. As an example, the figure of the market size 3,000 to 3,500 crore 2024 is verified by Kofluence, LinkedIn industry analysis, and various media publications.

3.3 Credibility of the source

More emphasis was placed on audited corporate disclosures and well-established research firms in the industry that had clear methodologies. One, such as the Kofluence report, is based on anonymized data of more than 2 million creators and polls of over 1,000 brand managers. Temporal consistency: Comparisons across the years were analysed by logical consistency with the market conditions, including the post-pandemic rapid growth in the digital adoption.

4. Results and Analysis

4.1 Market Size Evolution (2020-2024)

The Indian influencer marketing industry demonstrated remarkable growth during the study period, expanding from approximately 962,000 creators in 2020 to 4.06 million by the end of 2024 a 322% surge.

Table 1: Indian Influencer Marketing Industry Size (FY2020-FY2024)

Financial Year	Market Size (₹ Crore)	Creator Count (Million)	Annual Growth Rate
2020	~900	0.96	—
2021	1,200	1.5 (estimated)	33.3%
2022	1,600	2.2 (estimated)	33.3%
2023	2,200	3.1 (estimated)	37.5%
2024	3,250*	4.06	47.7%

Source: Synthesized from Kofluence (2024, 2025); GroupM (2025); Qoruz (2025)

Note: 2024 figure represents the midpoint of ₹3,000-3,500 crore range reported across sources

The compound annual growth rate (CAGR) for the period 2020-2024 was approximately 38%, with acceleration in 2023-2024 as major FMCG corporations substantially increased their digital allocations. What makes this growth particularly significant is that it reflects not just more spending, but a fundamental expansion of the creator ecosystem itself—from fewer than a million influencers to over four million in just four years.

4.2 Sectoral Distribution of Influencer Spending

Analysis of sectoral spending patterns reveals FMCG's emergence as the second-largest advertiser category in influencer marketing.

Table 2: Sector-wise Distribution of Influencer Marketing Spend (2024)

Industry Sector	Percentage of Total Influencer Spend
E-commerce	23%
FMCG	19%
Fintech & BFSI	12-15%
Fashion & Beauty	10-12%
Technology & Gadgets	8-10%
Automotive	6-8%
Others	15-20%

Source: Kofluence "Decoding Influence 2025"

The data indicate that e-commerce and FMCG together account for over 40% of total influencer marketing expenditure, reflecting these sectors' focus on direct consumer engagement and measurable conversion metrics. According to the Kofluence report, over 25% of brands ramp up influencer budgets specifically during new product launches.

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4.3 FMCG Company Digital Advertising Allocation

Individual company disclosures reveal the magnitude of strategic reallocation from traditional to digital media.

Table 3: Digital Advertising Share of Total Media Budgets - Major FMCG Companies (2020 vs 2024)

Company	Digital Share 2020	Digital Share 2024	Change
Dabur India	~10%	30%+	+20%
Hindustan Unilever	15-20%	50%+	+30-35%
Marico	10-15%	30%	+15-20%
Godrej Consumer	5-6%	20-25%	+14-19%

Sources: Mint; HT Syndication; company annual reports

It is especially the case of Dabur. The move is a reflection of the location of our consumers, said Rajiv Dubey, head of media at Dabur India in an interview with Mint. They are devoting a longer time on mobile, OTT and growing on connected TV. Dabur is shifting more than 30% of its advertising budget to the online platform, as compared to the time when it had to allocate about 10% of its advertising budget to the online platform in 2020-21. Digital, according to Dubey, provides us with a better targeting, real-time measurement, and integration with e-commerce and quick-commerce that allow us to have a direct influence on sales. Significantly, campaigns led by influencers have increased more than 2.5 times in three years, including macro, micro, and regional creators at Dabur. The change of HUL is even more drastic. The strategy was stated in a simple way by Rohit Jawa, who was the chief executive at the time: We are going where the consumers are going. We go to social media in case they watch more of it. We will go there, provided that they consume more media on the Internet. More than half of the media cost of HUL is currently online with a significant share going to social media advertisements. Jawa underlined that this is not an urban plan only "influencers are in the country as well. In the case of such brands as Wheel, we are experimenting with influencers or even digital channels such as YouTube. Marico is spending more on the digital media, 30 per cent, but Saugata Gupta, the managing director and CEO, stated that this amount also depends on the brand. Some of our brands such as livon will have a much larger percentage of expenditure on the internet compared to a brand such as Saffola, he clarified. This does not involve the digital-first brands where the entire expenditure is digital. With the addition of the digital brands, we will become one of the largest digital spenders. Godrej Consumer Products has grown its digital expenditure by 5-6 percent before COVID to 20-25 percent today. Ashwin Moorthy, the global head of marketing in India, said, We understand today that there is no single media model. Media must be viewed as a consumer facing where the consumer is likely to be exposed to an ad in the most effective manner and at the lowest possible cost.

4.4 Structure and Earnings of Creator Economy.

To comprehend the economics of influencer marketing, it is necessary to discuss the structure of creator and compensation.

Table 4: Influencer Tiers, Earnings, and Engagement Characteristics

Creator Tier	Follower Range	Typical Earnings per Post	Average Engagement Rate
Nano	2,000-10,000	₹500-5,000	6-15%
Micro	10,000-100,000	₹20,000-50,000	5-7%
Macro	100,000-1 million	₹60,000-1.6 lakh	2-4%
Mega	1 million+	₹3-5 lakh	1-2%
Celebrity	Multi-platform fame	₹7-15 lakh	1-2%

Sources: Moneycontrol; LinkedIn industry analysis; Kofluence (2024)

According to Moneycontrol's analysis, social media content creators in India earn between ₹20,000 to ₹2,00,000 per month on average. Fashion influencers command between 40 to 60 paisa per view, while niche creators such as doctors producing health content can charge ₹1-2 per view due to their specialized expertise and credibility. The engagement rate differential is striking. LinkedIn industry data suggests micro-influencers deliver average engagement rates of 5-7%, compared to 1-2% from macro influencers. This 3-5x difference in engagement explains why 79% of brands now partner with micro-influencers and why 52% of marketers consider creators with 10,000-100,000 followers optimal for regional outreach.

4.5 Platform Preferences and Content Formats

Table 5: Platform Allocation of Influencer Marketing Budgets (2024)

Platform	Budget Share	Primary Content Format
Instagram	51%	Reels, Stories
YouTube	28%	Long-form, Shorts
Facebook	5-7%	Videos, Groups
LinkedIn	5-7%	Articles, Posts
Homegrown apps (Moj, MX TakaTak)	2%	Short videos

Source: Outlook India interview with Kofluence leadership

Instagram's dominance capturing over half of all influencer marketing budgets reflects its effectiveness for product discovery and storytelling through flexible content formats. YouTube follows at 28%, popular for longer, information-driven content in categories like finance, fashion, and infotainment. Homegrown short-video applications have rapidly built audiences, but brand investments remain cautious as marketers evaluate ROI and scalability.

4.6 The Rise of Hyperlocal and Vernacular Content

Perhaps the most significant trend emerging from the data is the decentralization of influence beyond metropolitan centres.

Table 6: Hyperlocal Marketing Trends (2024)

Metric	Value
Marketers preferring micro-influencers for regional outreach	52%
Budget revisions for localized influencer collaborations	28%
Budget revisions for language-specific content	26%
Internet users from non-metro locations	60%
Projected internet users by 2025	900 million+

Source: Outlook India; Kofluence

The trend towards hyperlocal producers indicates the demographic shift in India towards internet users. The Internet and Mobile Association of India (IAMAI) reveals that the rural India is playing a significant role in the growth of internet users with 60 percent of the online users currently residing in the non-metro areas. These users also access the content in Tamil, Telugu, Bengali, Marathi, and other regional languages, which makes creators who respond to their cultural situations in demand. According to Sreeram Reddy Vanga, the CEO of

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Kofluence, not only has the influence economy of India increased but also there has been decentralization of influence. Creators in Tier 2 and Tier 3 cities, who produce content in regional and vernacular languages, are developing highly engaged communities by producing hyperlocal stories, and this is dynamically changing. This is a strategically critical trend in the case of FMCG firms that aim at mass market. The strategy of Dabur explicitly involves regional and cultural promotions, where it collaborates with local creators in all lifestyle, health, and food segments to create what the company describes as a network of micro-trust signals. Likewise, HUL vernacular influencer campaigns of its brands such as Surf Excel and Wheel are targeting the rural market using homemakers speaking their regions in YouTube.

4.7 Performance Metrics of a Campaign.

Influencer marketing effectiveness is evidenced by quantifiable campaign outcomes in terms of generating awareness and conversion.

Table 7: Documented Influencer Campaign Performance Indicators

Metric	Value
User-Generated Content ROI vs traditional ads	8.4x
Micro-influencer engagement rate	5-7%
Macro-influencer engagement rate	1-2%
Consumers trusting peer recommendations	80%
Brands with dedicated influencer budgets	67%
Digital marketing budget allocated to influencer campaigns	10-20%

Sources: LinkedIn industry analysis; Moneycontrol

The ROI advantage of influencer marketing, particularly when leveraging user-generated content, is substantial. Authentic endorsements build brand trust—80% of consumers now trust peer recommendations over brand messages, according to industry data. This trust differential helps explain why 67% of marketers have moved beyond one-off experiments to dedicated influencer budgets, with companies typically allocating 10-20% of their digital marketing spend to influencer campaigns.

4.8 Technology Adoption and Measurement

The trend towards hyperlocal producers indicates the demographic shift in India towards internet users. The Internet and Mobile Association of India (IAMAI) reveals that the rural India is playing a significant role in the growth of internet users with 60 percent of the online users currently residing in the non-metro areas. These users also access the content in Tamil, Telugu, Bengali, Marathi, and other regional languages, which makes creators who respond to their cultural situations in demand. According to Sreeram Reddy Vanga, the CEO of Kofluence, not only has the influence economy of India increased but also there has been decentralization of influence. Creators in Tier 2 and Tier 3 cities, who produce content in regional and vernacular languages, are developing highly engaged communities by producing hyperlocal stories, and this is dynamically changing. This is a strategically critical trend in the case of FMCG firms that aim at mass market. The strategy of Dabur explicitly involves regional and cultural promotions, where it collaborates with local creators in all lifestyle, health, and food segments to create what the company describes as a network of micro-trust signals. Likewise, HUL vernacular influencer campaigns of its brands such as Surf Excel and Wheel are targeting the rural market using homemakers speaking their regions in YouTube.

4.9 Performance Metrics of a Campaign.

The data reveal five principal trends in Indian FMCG influencer marketing (2020-2024):

1.Exponential market growth: Industry expanded from 962,000 to 4.06 million creators, with market size reaching ₹3,250 crore
2.Strategic reallocation: Major FMCG companies shifted 20-40% of media budgets to digital, following consumer attention
3.Micro-influencer effectiveness: Smaller creators delivered 5-7% engagement versus 1-2% for celebrities
4.Regionalization: 52% of marketers now prioritize micro-influencers for hyperlocal outreach
5.Performance integration: 67% of brands have dedicated influencer budgets with measurable ROI expectations

5 Discussion

Theoretical Implications - The results build on the source credibility theory by showing how digital platforms can help expand the perceived authenticity. Conventional celebrity sponsorships, although still reaching their target, lack credibility in a world where consumers demand Para social connections with content producers. The difference in engagement rate reported in the present study, 5 to7 percent in the case of micro creators and 1 to 2 percent in the case of celebrities, offer quantitative evidence of the theoretical hypothesis that perceived similarity and accessibility increase a source effectiveness. moreover, the results indicate a digital transformation of Para social interaction theory. The unidirectional relationships that were characterized by Horton and Wohl are now interactive with the followers having the ability to comment, message and get back replies by the creators. When a micro-influencer replies to a comment on what kind of a product to purchase, the interaction has some weight that cannot be achieved through a television commercial.

The "Micro-Trust" Paradigm

The change in mass-reach to micro-trust is a basic re-conceptualization of brand-consumer relations. Conventional FMCG marketing worked based on a broadcasting model that develops a message, and boosts it via mass media and hopes to be recalled at the point of purchase. The paradigm of influencer substitutes broadcast with conversation, reach with resonance, and impression with engagement. In the words of Dabur's Rajiv Dubey, the company has passed through mass reach to micro trust and has created networks of creators that act as distributed trust signals to the consumer segments. This strategy recognizes that in a disjointed media world, trust cannot be aired but rather it has to be won with the help of several, believable voices. This change is supported by economics. The ROI calculation will be impressive when micro-influencers achieve 5-7 percent engagement rates at a small fraction of celebrity expenses. According to LinkedIn industry analysis, user-generated content campaigns have 8.4x the ROI of conventional advertising a number that is eye-catching in CFO offices.

Organizational Capabilities and Problems.

Influencer partnerships need to be scaled with new organizational abilities. Conventional advertising agencies, which are optimized to create a few high production value campaigns, have a very difficult time running large networks of creators. Kofluence reports that they currently reach out to over 7.5 lakh creators, which allows them to produce over 30,000 branded contents monthly in over a hundred languages. This business size demands creator discovery, management and measurement that is technology enabled. In the case of FMCG companies, internal capability building is also important. The organizations that flourish are those that build category specific data tools and tiered partnership models that are able to operationalize influencer marketing at scale but are authentic.

Problems and lack of efficiency.

Although the growth has been made, there are still great challenges. According to Ritesh Ujjwal of Kofluence, the most significant obstacle will be price transparency: There is no standard price model, and rates vary depending on whether the brands are communicating with the creators themselves, with their manager, or with their talent agency. This will create unequal prices and difficulty in comparing campaign costs. Negotiations are still manual and time consuming and are normally done via email or phone. Buried costs is the production costs, the usage rights, exclusivity clauses tend to be made at the later stages of the process, causing disturbances to the budgets. And the most surprising thing of all: even with the fast development, nearly 9 out of 10 creators cannot rely on a full-time income through social media. Despite its growth, the creator economy is still a hobby of most individuals, on a part-time basis. Future Scope and Forecast (2025-2028) Market Size Projections According to the existing growth trends and stated strategic plans of companies, the Indian influencer marketing market is expected to further experience a growth in a high capacity.

6. Future Scope and Forecast (2025-2028)

6.1 Market Size Projections

Based on current growth trajectories and announced corporate strategies, the Indian influencer marketing industry is projected to continue its rapid expansion.

Table 8: Projected Influencer Marketing Market Size (₹ Crore)

Year	Projected Market Size	Growth Rate
2025	3,600-4,000	20-25%
2026	4,300-4,800	20%
2027	5,200-5,800	20%
2028	6,200-7,000	20%

Sources: LinkedIn industry analysis; author's projections based on Kofluence

The market is expected to cross ₹3,600 crore in 2025 with 25% growth, potentially reaching ₹6,200-7,000 crore by 2028. This trajectory assumes continued digital adoption in Tier 2/3 cities, increasing FMCG allocation to influencer channels, and the integration of commerce capabilities within social platforms.

6.2 Technology Acceleration

Artificial Intelligence Integration: According to the Kofluence report, 29% of marketers already apply generative AI in content creation, mostly ideas and assets. This will grow to the creation of predictive analytics to select creators, campaign optimization, and synthetic performance modelling. In its report GroupM TYNY 2025, the authors forecast that we are moving into a period of AI-based autonomous decision-making, where AI will be used to optimize campaign and media investments and content strategy in real time. AI Influencers: GroupM, which is more controversial, says that AI-driven influencers are transforming storytelling. Their personalisation and engagement provide brands with a new degree of relevance never seen before due to their capability to be always-on, brand-safe, and culturally relevant. The development of virtual influencers puts the concept of authenticity into question, which is the same attribute that makes influencer marketing successful, yet their scalability and controllability could be too tempting to certain brands. Retail Media Integration: Retail media will grow to 13.2% of total ad spend by 2025 due to 40% CAGR since 2019. Fast commerce is breaking the old retail paradigm, and brands are being fit to hyper-local and real-time demand.

6.3 The Creator Economy Maturing

Praanesh Bhuvaneswar, CEO of Qoruz, captures the moment "Today, the creator economy has grown from fewer than a million influencers in 2020 to over 4 million in just a few years. This isn't just about numbers; it is about how creators are transforming the way we communicate, shape trends, and connect with audiences. Influencers have become cultural architects, setting the tone for brands to follow".

As the ecosystem matures, several developments are likely:

Professionalization: With over 67% of brands now having dedicated influencer budgets, creator management will become more structured and data-driven.

Regional Creator Economy Growth: Government initiatives, including the announced $1 billion creator fund, will accelerate regional creator development.

Measurement Sophistication: As third-party cookies phase out, contextual influence and first-party data will become increasingly important. Data clean rooms and integrated measurement frameworks will replace traditional tracking methods.

Budget Parity: Sreeram Reddy Vanga predicts: "Metro macro and hyperlocal creator budget parity will be achieved when brands unlock data-driven hyper localization as a key growth lever, rather than an experimental strategy".

6.4 Strategic Implications for FMCG Companies

The findings suggest several strategic imperatives for FMCG companies. Brands must maintain balanced portfolios across creator tiers, leveraging nano and micro creators for engagement and niche expertise, while using macro creators for scale.

Technology enablement:

Investment in influencer management platforms and data analytics capabilities is essential for operating at scale.

Regional focus:

With 60% of internet users in non-metro locations, vernacular content and regional creators will be critical for penetrating beyond metropolitan markets. Performance integration: Influencer marketing must integrate with broader performance marketing frameworks to demonstrate ROI and optimize allocation.

Authenticity preservation: As AI and programmatic approaches scale, maintaining the authentic voice that makes influencer marketing effective will require careful brand stewardship.

Limitations

This paper has recognized a number of limitations; secondary data can represent various methodological practices within the sources; company disclosures differ in terms of the level of granularity in terms of specific spending by influencers and attributing causality is difficult without primary experimental data.

7. Conclusion

This happened in the years 2020-2024 when influencer marketing became more mature as a test strategy and a strategic necessity within the Indian FMCG industry. The key trend of moving 20-40 percent of budgets to digital channels and increasing the influence partnerships to reach consumers in the environments that they spend more time on their screens consuming content created by creators they trust has been fundamentally restructured by major corporations, such as HUL, Dabur, Marico, and Godrej. The change in the consumer behaviour, development of the platform and validation of the performance converged to drive this transformation. The strategic rationale is captured in the difference in engagement rate between micro-influencers (5 to 7%) and the celebrities (1 to 2): relevance is better than reach in an attention economy. The brands that are able to integrate themselves within authentic conversations are victorious when 80 percent of consumers believe peer recommendations to be more truthful than brand messages are. The networks of credible creators that have been created through the lens of the micro-trust paradigm is a radical rethinking of the relationships between brands and consumers. FMCG companies that had traditionally depended on mass-media broadcasting paradigms have adjusted themselves to the media situation in which the trust cannot be bought on an impressionistic, but through a conversational approach. However, there are still serious issues. The fact that price transparency, measurement standardization and most creators have a precarious economics demonstrates an industry that is still in its maturation phase. The fact that nearly 90 percent of creators cannot depend on the full-time income of their content is still a reality and needs to be transformed to have the ecosystem reach its potential. In the future, the merging of AI, the development of regional creator economies, and the interconnection of content and commerce will promote further development. The successful companies will be the ones which remain true to themselves as they grow, which use technology without losing the feeling of human touch, which can develop partnerships with creators on the basis of value creation rather than an exchange relationship. The experience of Indian FMCG sector with influencer marketing can teach the traditional industries struggling to embrace digital transformation: that adapting to it does not necessarily require a change in channels, but a change in concept, that in the era of fragmentation, trust is a rare asset; and that the best marketing is not necessarily the noisiest marketing, but the most believable marketing.

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