



## The de-influencing trend To buy or not to buy



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# The growth of de-influencer marketing

During 2024–2028, the influencer market is expected to reach **US\$ 35.09 billion in 2024**<sup>1</sup> and **US\$ 52.05 billion by 2028** at a CAGR of 10.36 percent.

Influencer marketing is a form of social media marketing in which companies pay popular figures on social media platforms to creatively promote their content. Followers of influencers drive eyeballs and sales for brands. The growth of influencer marketing can be attributed to brands' willingness to pay content creators to promote their products. According to the **Hype Auditor's 'State of Influencer Marketing 2021' report**<sup>2</sup>, 62 percent of marketers reported a rise in sales when they collaborated with social media influencers for an online advertising campaign. This is because an influencer's recommendation of a good product or service is taken seriously. This has frequently resulted in consumers spending more money on things they do not need. To counter this concept of overspending, many on the internet are taking the de-influencing route, which is the opposite of influencer marketing.

***De-influencing is a trend in which social media creators influence their audience's purchasing decisions by suggesting them what not to buy or recommending low-cost alternatives to expensive products.***

Influencer marketing is at an all-time high. Consumers are now increasingly sceptical of the authenticity and trustworthiness of influencers, as many have been exposed for promoting products they have not used. According to the **Hype Auditor's internal research**<sup>3</sup>, only 55 percent of Instagram followers are real people. The remaining 45 percent consists of bots or inactive accounts with mass followers. Many influencers buy followers, likes, comments, and views on their posts. As a result, consumers are turning away from traditional influencers and seeking out more genuine and authentic sources of information, such as honest reviews and testimonials from social media communities or micro-influencers – influencers having a smaller and more engaging follower base.

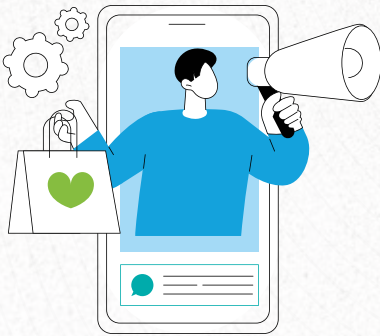


<sup>1</sup> Influencer Advertising - Worldwide (statista.com)

<sup>2</sup> State of Influencer Marketing (hypeauditor.com)

<sup>3</sup> State of Influencer Marketing (hypeauditor.com)

# Reasons for the de-influencing trend



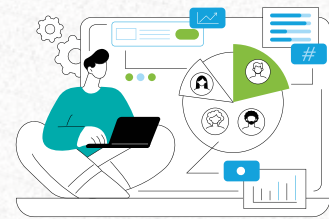
## Increase in consumer awareness:

The de-influencing trend stems from consumers' increasing knowledge that many influencers and celebrities endorse products and services merely for financial gain. For instance, a popular music festival in 2017, which was heavily promoted by top influencers with massive followings, turned out to be a disaster, leaving attendees stranded on an island with little food or water and security and accommodation issues. In another incident, a rising social media star received backlash from online viewers who accused her of wearing false lashes during a mascara review in a sponsored video. These incidents highlight the potential risks of influencer marketing and the importance of authenticity.

The trend is also gaining traction in India. A famous Bollywood celebrity recently stated that she does not consume sugar as it not beneficial for her health, but she promotes a mango drink that contains large sugar quantities. This incident resulted in significant outrage for both the celebrity and the brand.

## Value for money:

High inflation and economic uncertainty have prompted customers to exercise caution while spending. Consumers now make purchasing decisions after carefully reading reviews and testimonials, rather than blindly investing in products endorsed by celebrities and influencers. Negative reviews from influencers also help consumers to ensure the value of their products.



## Build trust with audience:

De-influencing is slowly gaining popularity as influencers look to build long-term relationships and trust with their audience. **A survey by the Advertising Standards Council of India (ASCI)**<sup>4</sup> revealed that consumers stay away from influencers when they sense a lack of transparency (43 percent) and repetitive content (42 percent), and when they feel like the influencer is over-promoting (41 percent). To build trust with their audience, influencers are now sharing honest feedback, reviews, and testimonials about products they do not like.

## Better decision-making for consumers:

When there are multiple similar products available, it becomes difficult for consumers to select the product that best matches their needs. De-influencing has made it easier for them to make better decisions by providing them with honest feedback on products and suggesting cheaper alternatives to expensive products.



<sup>4</sup>Influencers lose follower's trust due to non-transparency : ASCI (afaqs.com)

# Industries affected by de-influencing trend

The de-influencing trend has affected a wide range of industries. It reflects a broader shift in consumer attitude towards marketing and brand authenticity. Some of the industries include the following:



**Technology:** De-influencing has affected brands selling electronics and technology products, as these items are usually priced on the higher side. Whenever new tech products, such as headphones, mobile phones, and microphones are launched, gamers and tech gurus provide their reviews, declaring whether or not they are worth the money. Recently, a popular technology product review on a social media platform delivered critical commentary on a newly announced smartphone, which gained significant views and a lot of engagement in the comments section, indicating that the video must have influenced potential consumers' purchasing decisions.



**Fashion, beauty, and wellness:** These businesses have been hit the hardest due to the de-influencer trend, as all of them rely heavily on influencer marketing. However, there is now a greater demand for more real and diverse representation in cosmetics. Consumers are increasingly turning to influencers and user-generated content to find brands that advertise well-researched items with claimed benefits.



**Food and beverage:** Consumers have started recognising the benefits of eating healthy and the negative impact that junk food can have on their bodies. Recently, a brand that advertises chocolate powder that is mixed with milk faced so much backlash after a de-influencer stated that the product has a very high quantity of sugar and is not suitable, especially for kids (who are the target market). The de-influencer was forced to take down the video after being served a legal notice by the brand. However, it affected the brand image as the video had already gained a lot of traction. The National Commission for Protection of Child Rights (NCPCR) has requested the brand to remove all misleading advertisements and re-look at its product ingredients and packaging.



**Travel and hospitality:** Many travel bloggers on YouTube and Instagram actively review hotels and homestays and share their experiences with their audiences. Negative reviews frequently result in reputational damage for the hotel and a loss in revenue.

Any brand with a digital presence knows that criticism and negative comments are the norm rather than the exception. Negative evaluations from influencers are unavoidable, with thousands of potential buyers connected to social media accounts. The upcoming generation's increased presence on social media has a significant impact on their purchasing habits. According to a **Marketing Dive report**,<sup>5</sup> 44 percent of Gen Z purchases are based on recommendations from influencers. Another survey by the **iCubesWire**<sup>6</sup> states that 34 percent of Indians choose brands based on social media influencers' suggestions, proving that influencers play a major role in a customer's purchase decision.

The de-influencing trend can lead to a loss of revenue for the brand, undermine business reputation, drive customers away, and even result in low search engine ranking.

<sup>5</sup> Gen Z relies on influencers for purchase decisions, Kantar says (marketingdive.com)

<sup>6</sup> 34% Indians choose brands based on social media influencers' suggestions: iCubesWire Survey (afaqs.com)

# Crisis management: Dealing with negative reviews

If a brand experiences a crisis related to influencer outrage, they can implement the following framework to manage the crisis:



## Identify the risk:

The first step is to identify the potential risks associated with influencer outrage, such as reputational damage, loss of sales, or legal repercussions. This can help the brand determine the level of risk and develop a strategy to control it.

## Develop a crisis management plan:

The brand should develop a crisis management plan that outlines the steps to be taken in the event of influencer outrage. The plan should include a public communication strategy, a timeline of actions, and the roles and responsibilities of the crisis management team.

## Activate the crisis management plan:

Once the crisis management plan is developed, the brand should activate it as soon as possible. This can help mitigate the risk of the crisis escalating and causing further damage to the brand's reputation.

## Control the situation:

The brand should take immediate steps to control the situation and limit the damage caused by the influencer outrage. This can include issuing a public statement, investigating, and taking appropriate legal action, if necessary. The duration of the crisis management process related to influencer outrage can vary. However, the brand must act quickly and implement effective risk management and control measures.

## Communicate effectively:

Effective communication is crucial during a crisis. The brand should communicate with all stakeholders, including customers, employees, and investors, to keep them informed of the situation and the steps being taken to control the crisis. If the information is correct, brands should not shy away from accepting their fault. Vulnerability by a brand brings them closer to their customers, as it portrays the brand as human, raw, and real. This can help control the risk of reputational damage and the loss of customer loyalty.

## Learn from the crisis:

The brand should conduct a post-crisis analysis to identify the root cause of the crisis and learn from it. This can help it develop better risk management strategies and control measures for future crises.

Overall, effective crisis management involves identifying the risks associated with influencer outrage, developing a crisis management plan, controlling the situation, communicating effectively, and learning from the crisis to improve risk management strategies in the future.

# Advancing collectively

If brands want to grow together with their influencers, minimise risk, and maintain control, they need to follow the following steps:



## Establish clear goals and expectations:

The brand should establish clear goals and expectations from the collaboration, outline the objectives and deliverables, and define the risks involved. This can help ensure that both parties are on the same page and have a mutual understanding of the partnership's objectives.



## Create a well-drafted agreement:

The brands should create a well-drafted agreement that outlines the terms of compensation, timelines, and expectations, incorporating clauses for risk management and contingencies. Clarity is crucial to prevent misunderstandings between the brand and the influencer. Regular updates should align the agreement with evolving expectations, objectives, and the brand's risk management policies for a successful collaboration.



## Provide necessary brand materials and avoid micromanaging:

To minimise risks and control the quality of the influencer's content, the brand should provide the necessary support, including product samples and relevant marketing materials. They should avoid micromanaging the influencer's activities and allow the influencer the freedom to create content that aligns with their style and values. Brands should strike a balance between empowering influencers while safeguarding brand integrity and minimising potential risks.



## Communicate regularly and monitor performance:

The brand should maintain regular communication with the influencer to monitor the progress of the collaboration, address any concerns, and provide feedback on their performance. This can help identify and control any emerging risks and ensure the partnership remains on track.



## Offer incentives and build strong relationships:

To mitigate risks associated with subpar content or a lack of commitment, brands could consider offering incentives and bonuses based on performance and milestones achieved. This approach encourages a commitment to quality and fosters a long-lasting partnership. Emphasising mutual respect and trust is crucial in building a strong influencer-brand relationship with a keen awareness of potential challenges.



# Key recommendations for brands

It is difficult to eliminate de-influencing, with free speech and an easier means to reach the masses through social media, but brands can attempt to avoid it by doing the following:

## **Strong research base:**

Brands need to conduct thorough research and analysis to support the claims they make about their product or services to ensure credibility and build trust with their customers.

## **Keep improving their product and service:**

Brands should consider genuine feedback from their customers and constantly work to improve their product or service in terms of features, quality, price, etc., keeping it up-to-date and relevant to their target audience's needs.

## **Publish client testimonials:**

The customer is king. Publishing positive product and service testimonials on a brand's website or social media platforms is a powerful way to establish trust with potential customers, as it provides social proof of the brand's credibility and quality.



# Conclusion

As society becomes more self-conscious and looks at reducing overconsumption, the de-influencing trend has become even more important. It is here to stay, primarily because it works twofold: it helps promote brands and build their bottom line, and influencers gain more followers because they stand out of the crowd.

However, without efficient synergy between brands and influencers, there can be a myriad of concerns that can crop up, affecting both the brand's reputation and the influencer's credibility.



# Connect with us

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