

# Effectiveness of Influencer Marketing on Customer Retention : A Study At Hedge Finance Ltd,Kochi

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**Abstract-** The exponential growth of digital media has tremendously reshaped marketing dynamics across sectors, including financial services. Among the new trends, influencer marketing has attracted significant attention as a strategy to foster trust in brands and propel customer interaction. Though widely used in customer-oriented sectors like fashion and cosmetics, its application in customer retention in financial institutions is not well researched. This research work entitled "Effectiveness of influencer marketing on customer retention: a study at hedge finance ltd, Kochi seeks to fill that gap by assessing the effectiveness of influencer marketing strategies in retaining current customers at a financial company.

It relies on the Relationship Marketing Theory and the Customer Retention Model that underlie trust, interactions and targeted communication as strong drivers of customer's loyalty in the long run. It relies on a quantitative research design wherein a standardized questionnaire is used primarily as a collection instrument for the data. Customer of Hedge Finance Ltd, a well-established NBFC based in Kochi that has lately started using influencer marketing to boost its online presence, were surveyed. The questionnaire included essential variables like credibility of influencer, perceived value of content, emotional engagement, and customer satisfaction. Research findings indicate a positive relationship between influencer marketing and customer retention, especially when influencers are seen as credible, knowledgeable, and sharing the values of the target market. Customers who were exposed to relevant and consistent influencer-driven content showed higher brand affinity, repeat use of the service, and willingness to recommend the company to others. The study also identifies influencer marketing as an affordable addition to conventional relationship-building initiatives in the financial industry.

This study contributes to the emerging discussion of digital change in NBFCs, presenting practical insights into marketers looking to build client connections using non-traditional media. Although limited geographically in Kochi and by self-report data, this study provides paths for future exploration into cross-industry application, influencer

category effectiveness, and long-term behaviour influence on retention of customers.

**Keywords-** Influencer Marketing, Customer retention, digital marketing, customer behaviour, customer trust, Content Effectiveness, Social Media Engagement.

## I. INTRODUCTION

With the current digital era, the forces of marketing have dramatically changed, with influencer marketing becoming a leading player in forming consumer tastes and loyalty. This research, entitled "Effectiveness of Influencer Marketing on Customer Retention: A Study at Hedge Finance Ltd, Kochi," seeks to investigate how influencer-driven campaigns influence customer loyalty and behaviour patterns in the financial services industry. With increased competition among financial institutions, particularly non-banking financial companies (NBFCs), creating strategic marketing tools that create long-term customer relationships has become a priority. This study aims to find the best influencer marketing tactics for retaining customers, especially in the operational scenario of Hedge Finance Ltd. The research is based on theoretical frameworks such as the AIDA Model, CRM Theory, and Social Influence Theory, which account for the process of consumer engagement and social influence of digital celebrities on customer loyalty. The data was gathered using a structured questionnaire among Hedge Finance's customers in Kochi.

## Industry Profile

The NBFC industry in India has expanded significantly, filling the gap of financial inclusion by serving individuals and enterprises that tend to remain unserved by conventional banking organizations. Today, in recent years, NBFCs possess a considerable share of the lending and investment space with services ranging from personal loans, gold loans, to asset financing and beyond. With increased regulatory support and unprecedented digitization, the sector is experiencing a shift in its marketing and customer outreach strategies.

One of the most important trends in this industry is the use of digital and influencer marketing, with the objective of expanding outreach, enhancing brand credibility, and bettering customer experiences. Banks and other financial institutions now use social media influencers, financial bloggers, and content writers to explain complex financial products in a manner that is easy to understand, particularly for the millennial and Gen Z generation. This change reflects a transition away from traditional advertising towards more individualized, trust-based models of engagement.

### Company Profile

Hedge Finance Ltd, headquartered in Kochi, Kerala, is a well-established NBFC with a diverse portfolio of services such as stock broking, wealth management, financial consultancy, and investment planning. With the aim to empower individuals with intelligent financial choices, Hedge Finance has gone a long way in converging finance and technology. With various branches and online portals, the company extends its services to a cross-section of customers. Hedge Finance has been embracing influencer marketing as part of its base digital strategy over the last couple of years, working with financial influencers and creators to inform and engage customers. These campaigns have been aimed at customer acquisition alone, but at building recall and loyalty among current customers. Through harnessing the credence and believability of influencers, Hedge Finance seeks to demystify financial literacy as well as drive customer retention amidst a competitive industry.

## II. LITERATURE REVIEW

### The Impact of Influencer Marketing on Consumer Behavior: A Meta-Analytic Review (2018)

Authors: Smith, D., & Taylor, R.

A comprehensive meta-analysis that investigates the impact of influencer marketing on consumer behavior in a variety of industries. It ends by concluding that emotional connection, relatability, and expertise perception are influential drivers of consumer choice. The research supports the use of brand values-matching influencers to associate with, for authenticity — an option Hedge Finance Ltd can tap into to drive trust and participation.

### Influencer Marketing as a Tool of Digital Consumer Engagement: A Systematic Literature Review (2017)

Authors: Srivastava, M. K., & Venkatram, R.

This research discusses how influencer marketing encourages digital engagement, with content related to

education and empowerment being more likely to create deeper consumer connections. The authors propose that financial services brands leverage influencers to produce educational content, making sophisticated services less mystifying — an avenue Hedge Finance Ltd might pursue.

### OBJECTIVES

- To analyse the impact of influencer-driven content on customer retention and long-term commitment to Hedge Finance Ltd.
- To assess the role of influencer marketing in creating initial awareness and engagement with Hedge Finance Ltd.
- To determine how influencer marketing influences customer trust and perceived credibility of Hedge Finance Ltd.
- To evaluate the type of influencer content (informational, testimonials, promotional, etc.) that most impacts customer decisions.

### RESEARCH DESIGN

The research design employed for this study is aimed at assessing the effectiveness of influencer marketing on customer retention in Hedge Finance Ltd, Kochi. A descriptive research design has been employed, as it best describes the existing marketing strategies and their influence on customer behaviour. The study relies on primary data, which was gathered through a structured questionnaire administered to customers of Hedge Finance Ltd. The questionnaire has been framed in a very simple and lucid way to provide ease of understanding and correct answers. The sample size of the study is 90, and the sampling technique used in the study is convenience sampling, through which the researcher can gather data from easily available respondents. The population of the study is potential customers falling within the vicinity of the head office of Hedge Finance Ltd in Kochi. The collected data was analysed using statistical techniques such as cross-tabulation to identify demographic trends, Chi-Square tests to determine associations between variables, correlation analysis to assess the strength of relationships, and ANOVA to evaluate differences in influencer marketing effectiveness across various customer segments. This approach helps in ensuring that meaningful and applicable observations are derived concerning customer interaction behaviours and reaction to influencer marketing campaigns.

	very influential	some what influential	neutral	not influential	TOTAL
Instagram Stories Reels	4	6	4	0	14
Fb post videos	13	12	8	1	34
social media ads	4	11	15	3	33
others	1	1	4	3	9
<b>TOTAL</b>	<b>22</b>	<b>30</b>	<b>31</b>	<b>7</b>	<b>90</b>

### III. DATA ANALYSIS TOOLS

#### CROSSTABULATION VIEWED INFLUENCER PROMOTION AND SIGNED UP FOR FINANCIAL SERVICES

	NO	YES	Grand Total
No	16	11	27
Yes	13	50	63
Grand Total	29	61	90

#### INTERPRETATION

This implies that influencer marketing has a strong impact on customer behaviour and raises service registrations.

#### EFFECTIVENESS OF DIFFERENT SOCIAL MEDIA PLATFORMS IN INFLUENCING CUSTOMER DECISIONS AT HEDGE FINANCE LTD

#### INTERPRETATION

This shows Facebook the most influential platform for customer engagement.

#### CORRELATION

Correlations		
31. How likely are you to continue using Hedge Finance's services because of the ongoing content from influencers you follow?		
35. Which type of influencer do you feel most influences your decision to		

stay with hedge finance?				
Spearman's rho	31. How likely are you to continue using Hedge Finance's services because of the ongoing content from influencers you follow?	Correlation Coefficient	1.000	.302
		Sig. (2-tailed)	.	.004
		N	90	90
	35.Which type of influencer do you feel most influences your decision to Stay with hedge finance?	Correlation Coefficient	.302	1.000
		Sig. (2-tailed)	.004	.
		N	90	90
.Correlation is significant at the 0.01 level (2-tailed).				

#### INTERPRETATION

correlation coefficient of 0.302 indicating a moderate positive correlation between influencer type and whether customers will keep using Hedge Finance's services.

### IV. FINDINGS

- 70% of respondents reported exposure to influencer marketing content about Hedge Finance Ltd., mainly via Facebook and Instagram.
- Facebook posts and videos had the highest engagement (37%), followed closely by social media ads (36%). Instagram stories and reels had comparatively lower interaction.
- 33% of respondents stated they "sometimes" engage with influencer ads, indicating this as the most frequent rate of engagement.
- Customer success stories were considered the most effective content type (40%), followed by sales promotions (26%) and informational content (23%). Other content types had minimal impact.
- 33% of users found influencer content "quite influential," and 24% rated it "very influential," showing a strong overall positive sentiment.
- A significant number of participants rated influencer content as "very influential," indicating high levels of trust and persuasion.
- Among those exposed to influencer content, over half enrolled in financial services from Hedge Finance Ltd.

Nearly half of the non-exposed group did the same, showing the added value of influencer marketing.

- Customer reviews and success stories were the most compelling content format (37%), followed by educational posts (30%) and promotional discounts (26%).
- Respondents preferred content that was relatable, authentic, and informative.
- Customers first exposed to Hedge Finance via influencer marketing had greater recall and engagement levels than those that learned about it via other channels such as word of mouth or browsing social media.
- Customers that were exposed to influencer marketing were much more likely to perform—having greater rates of conversion to financial service enrolment—and emphasizing that influencer marketing not only raises awareness but also influences decision-making.
- Content impact differed extensively: customers found testimonial content most persuasive, and information and miscellaneous types of content exerted significantly weaker influence on decisions.
- Participants exposed to success stories and customer testimonials frequently expressed stronger intentions toward enrolling in the service than participants exposed to promotion or general content.
- The more frequently users were exposed to influencer content—particularly those who visited each week or every day—the higher was their likelihood of having positive sentiments and trust towards the brand.
- Influencer content trust was significantly affected by authenticity, transparency, and relevance within the domain and indicates that the influencer selection powerfully constrains customer perception.
- The chances of proceeding with Hedge Finance services grew when customers perceived the influencer's content as reflecting their financial objectives or values, affirming the significance of relevance in influencer collaborations.
- A significant number of neutral respondents remained inclined to be influenced under the appropriate influencer-content conditions, indicating a large opportunity segment if content is improved and focused.
- Consumers demonstrated a distinct trend of preferring in-depth, experience-driven content to superficial posts, suggesting depth and shared experience in content are essential to driving financial behaviour.
- There was a distinct suggestion that influencer type is more important than frequency of exposure alone—those exposed to finance-specific or expert influencers had higher trust and loyalty than those exposed to lifestyle influencers.

## V. SUGGESTION

- For 33% of participants those who "sometimes" interact with influencer posts: create campaigns with greater frequency and consistency, employing reminder content (e.g., weekly reels, monthly testimonial videos) to progressively move this group towards regular interaction.
- Instagram stories and reels experienced lower interaction, think about reusing content on formats with greater interaction (Facebook videos, posts) or enriching stories with polls, swipe-ups, and quick tips to make them more interactive and valuable.
- Information content the least impactful, so make such posts more engaging by balancing facts with financial life stories and transforming raw info into rich-storied with context and feeling.
- Users who also found influencer content as non-influential or partially influencing, maximize the personalization of content through ensuring messages correlate to shared money motives (such as saving up to buy a house, handling school loans) that make them seemingly directly applicable in their lives.
- As success story-influenced customers were more prone to sign up, build upon this content format by introducing a "Real People, Real Results" series that showcases customer journeys from uncertainty to satisfaction.
- Many neutral users remained persuadable under appropriate content conditions is an indication to perform A/B test for various influencer types and forms to determine the most responsive pairings for this audience.
- More frequent users (weekly/daily) were more engaged and trusting. Reinforce this behaviour by launching influencer-driven content series (e.g., "Finance Fridays") to create a habit of regular viewing.
- As influencer relevance and authenticity had a significant influence on trust, carefully curate influencer partnerships, focusing on those with obvious alignment to the brand values and the financial attitude of disengaged users.
- To engage customers who value depth and relatability over surface-level promotion, produce longer-form content such as YouTube interviews, case study blogs, or carousel posts that share a rich, emotional narrative.
- As finance-specific influencers are generating more loyalty than lifestyle influencers, shift budget to collaborate with subject-matter experts or reputable niche creators who can share educational content in addition to endorsements.

## VI. CONCLUSION

The research clearly shows that influencer marketing is a key driver of customer retention and decision-making at Hedge Finance Ltd. With 70% of the respondents having been exposed to influencer content—mainly via Facebook and Instagram—it is clear that digital channels are very effective in influencing customer behaviour and engagement within the financial services industry. Content types like customer testimonials, reviews, and informative posts emerged as the most effective, reaffirming the need for relatability, authenticity, and relevance in marketing communication. Customers who interacted most with influencer content had greater trust and were more likely to sign up for financial services, affirming the effectiveness of influencer marketing to not only attract but also retain customers.

The research findings also showed that influencer alignment and content quality were more important than the exposure frequency. Expert and finance-related influencers were better at generating loyalty than lifestyle influencers, highlighting the importance of strategic influencer choice. The recommendations that are formulated based on this research suggest leveraging targeted strategies to entice the less active segment of customers by increasing content frequency, personalizing messages, leveraging in-depth storytelling formats, and collaborating with credible, domain-specific influencers. The idea is to transform passive viewers into active, long-term clients.

Finally, influencer marketing, when implemented with an emphasis on relevance, consistency, and authenticity of content, can be a strong and enduring instrument in enhancing customer retention. For Hedge Finance Ltd., the optimization of its influencer strategy in tandem with customer needs and behaviour can translate to greater engagement, trust, and brand loyalty over time.

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