

Influence of Micro-Influencers on Niche Market Trends Among Gen Z in Sri Lanka

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Abstract

This study explores the influence of micro-influencers on niche market trends and consumer behavior among Generation Z (Gen Z) in Sri Lanka. Utilizing qualitative research methods, the study examines the characteristics of micro-influencers—such as credibility, relatability, and authenticity—that resonate with Gen Z consumers. The research is grounded in Social Influence Theory, Source Credibility Theory, and Diffusion of Innovations Theory, providing a comprehensive understanding of how micro-influencers shape purchasing decisions. Findings indicate that Gen Z consumers place high value on the authenticity and personal engagement of micro-influencers, often trusting them more than traditional celebrities. Micro-influencers are particularly effective in introducing and popularizing niche products, leveraging their close-knit follower relationships to drive consumer interest. However, the study also highlights challenges such as influencer fatigue and skepticism towards heavily sponsored content. The implications suggest that businesses should focus on fostering long-term, authentic collaborations with micro-influencers who align with their brand values to maximize marketing effectiveness. Future research is recommended to further explore the long-term impact of micro-influencer marketing on consumer behavior.

Keywords: Consumer behavior, Gen Z, Micro-influencers, Niche market trends, Social influence

1. Introduction

The proliferation of social media has fundamentally transformed the marketing landscape, particularly through the rise of influencers who actively shape consumer behavior and trends. Among these influencers, micro-influencers have gained substantial attention, especially within niche markets (Rachmad, 2024). Defined by their smaller yet highly engaged follower base, micro-influencers possess significant power in influencing the purchasing decisions and preferences of their audience (Gupta and Mahajan, 2019). This study investigates the influence of micro-influencers on niche market trends among Generation Z (Gen Z) in Sri Lanka, a demographic known for its digital proficiency and distinct consumer behavior.

Gen Z, comprising individuals born between the mid-1990s and early 2010s, represents a significant segment of the consumer market with unique characteristics (Erwin et al, 2023). This cohort is characterized by high levels of connectivity, technological savviness, and a strong emphasis on authenticity and relatability in interactions with brands and influencers (Erwin et al, 2023). In the Sri Lankan context, micro-influencers have emerged as particularly influential figures for Gen Z, often perceived as more relatable and trustworthy than traditional celebrities (Wijerathna and Wijesundara, 2022). Despite the global interest in micro-influencers, there is a notable gap in research specifically addressing their impact on niche market trends among Gen Z consumers in Sri Lanka. Most existing studies focus on Western contexts, overlooking the unique cultural, social, and economic landscape of Sri Lanka, which presents distinct consumer behaviors (Samaradiwakara, 2023; Wijerathna and Wijesundara, 2022; Guruge, 2018). This research problem highlights the need to explore how micro-influencers in Sri Lanka influence the purchasing decisions and market trends of Gen Z, offering insights that are both regionally relevant and academically significant.

This qualitative study aims to explore the characteristics of micro-influencers that resonate with Gen Z consumers in Sri Lanka, focusing on traits such as credibility, relatability, and authenticity. It examines how these influencers facilitate the discovery and adoption of niche market trends, particularly by introducing new products and engaging with their audience. Additionally, the study assesses the role of engagement strategies in building consumer trust and influencing purchasing decisions, while also investigating the impact of perceived authenticity and transparency on the effectiveness of micro-influencer marketing among Gen Z. These objectives are designed to provide in-depth insights into the dynamics between micro-influencers and Gen Z in Sri Lanka, offering valuable guidance for businesses and marketers.

The theoretical foundation of this research is anchored in several key theories. Social Influence Theory elucidates how individuals' behaviors, opinions, and emotions are shaped by others, making it crucial to understanding the impact of micro-influencers on consumer behavior. Source Credibility

Theory posits that the effectiveness of a message largely depends on the credibility of its source, which, in this context, refers to the perceived trustworthiness and expertise of micro-influencers. Additionally, Diffusion of Innovations Theory provides insights into how new ideas and products spread through cultures, helping to understand how micro-influencers contribute to the adoption of new trends among Gen Z.

2. Literature Review

2.1 Micro-Influencers

Micro-influencers are typically defined by their follower count, which ranges between 1,000 and 100,000. Unlike macro-influencers or celebrities, micro-influencers are often perceived as more relatable and approachable (Ebulueme and Vijayakumar, 2024). Their content tends to be niche-specific, focusing on particular interests such as fashion, beauty, fitness, or technology (Ebulueme and Vijayakumar, 2024). This relatability and specificity resonate well with Gen Z, who value personalized and authentic interactions over broad and impersonal endorsements (Leite et al, 2024). Abreu (2019) discuss how the perceived credibility and transparency of micro-influencers enhance their impact on consumer engagement. The study indicates that micro-influencers' genuine engagement with their audience fosters a higher level of trust and loyalty, which is crucial for effective marketing.

Micro-influencers significantly impact niche market trends through their ability to introduce and popularize new products and ideas (Cahyani, 2023). Their recommendations and endorsements often lead to increased consumer interest and adoption of niche products. Studies have shown that micro-influencers' endorsements can lead to higher engagement rates and conversion rates compared to traditional advertising methods. Prasanthi et al (2024) examines the extent of influence micro-influencers have on niche markets, emphasizing their role in shaping consumer behavior. The research highlights that micro-influencers' intimate knowledge of their niche allows them to create highly targeted content that resonates deeply with their audience, driving both awareness and sales.

2.2 Effectiveness of Micro-Influencer Marketing

The effectiveness of micro-influencer marketing strategies lies in their ability to create personalized and relatable content that resonates with their audience (Linda, 2024). Micro-influencers often employ storytelling techniques and authentic experiences to promote products, which enhances consumer engagement and drives purchase decisions (Shad and Egon, 2024). Studies have indicated that micro-influencer marketing can lead to higher levels of consumer trust and loyalty compared to traditional marketing approaches (Wijerathna and Wijesundara, 2022). Shen (2021) explores the impact of

micro-influencers on consumer engagement, focusing on the persuasive power of authentic content. The study reveals that the personal narratives and honest product reviews shared by micro-influencers significantly influence consumer attitudes and behaviors.

2.3 Micro-Influencer Strategies and Techniques

Micro-influencers employ various strategies and techniques to engage their audience and promote products (Gan et al, 2019). One effective strategy is storytelling, where influencers share personal narratives and experiences related to the products they endorse. This approach not only makes the content more engaging but also enhances the perceived authenticity and credibility of the influencer (Smith & Zook, 2016). Another technique is the use of user-generated content, where influencers encourage their followers to share their own experiences with the products. This creates a sense of community and fosters a more interactive and participatory form of engagement (Kaplan & Haenlein, 2010). Additionally, micro-influencers often leverage social media platforms to conduct live sessions, Q&A sessions, and interactive polls, which further enhance their engagement with their audience (Marwick, 2015).

2.4 Impact on Consumer Behavior

The impact of micro-influencers on consumer behavior is multifaceted and significant. Their ability to create personalized and relatable content resonates deeply with their audience, leading to higher levels of engagement and trust (Freberg et al., 2020). This, in turn, influences various aspects of consumer behavior, including brand awareness, attitude towards the brand, purchase intention, and actual purchase behavior (Casaló et al., 2020). Studies have shown that consumers are more likely to trust and be influenced by recommendations from micro-influencers compared to traditional advertisements or endorsements from celebrities (Hwang & Zhang, 2020). This is particularly true for Gen Z consumers, who value authenticity and personalized interactions over traditional marketing approaches (Djafarova & Trofimenko, 2020).

2.5 Challenges and Future Directions

Despite the effectiveness of micro-influencer marketing, there are several challenges that need to be addressed. One major challenge is the potential for influencer fatigue, where consumers become overwhelmed by the sheer volume of influencer content and become less responsive to it (Matthes et al, 2020). Another challenge is the issue of authenticity, as the commercialization of influencer content can sometimes undermine the perceived genuineness of the endorsements (Kapitan et al, 2022). Additionally, the dynamic and ever-evolving nature of social media platforms requires influencers to constantly adapt their strategies and techniques to remain relevant and effective (Singha, 2024). Future research should focus on exploring new and innovative ways to enhance the

effectiveness of micro-influencer marketing, as well as examining the long-term impact of these strategies on consumer behavior.

2.6 Theoretical Applications

Social Influence Theory provides a foundation for understanding how micro-influencers impact consumer behavior by influencing the behaviors, attitudes, and opinions of others. This theory posits that individuals are influenced through mechanisms like conformity, identification, and internalization, where they align their behaviors with the expectations of their social group or adopt behaviors that resonate with their own values and beliefs (Friedkin, 1998). In the context of micro-influencers, this influence is particularly strong when followers perceive the influencer as credible or similar to themselves.

Source Credibility Theory further deepens our understanding of this influence by focusing on the role of trust and expertise (Hsieh and Li, 2020). According to this theory, the effectiveness of communication is largely determined by the perceived credibility of the source, which hinges on trustworthiness, expertise, and attractiveness (Hsieh and Li, 2020). Micro-influencers often excel in these areas due to their authentic engagement and transparency with their audience. Their trustworthiness is enhanced by their honesty and the way they share personal experiences, while their expertise is demonstrated through their knowledge in specific niche areas. Attractiveness, in this context, refers to the influencer's perceived similarity to their audience, which fosters relatability and connection (Gavrilova and Shuleska, 2023).

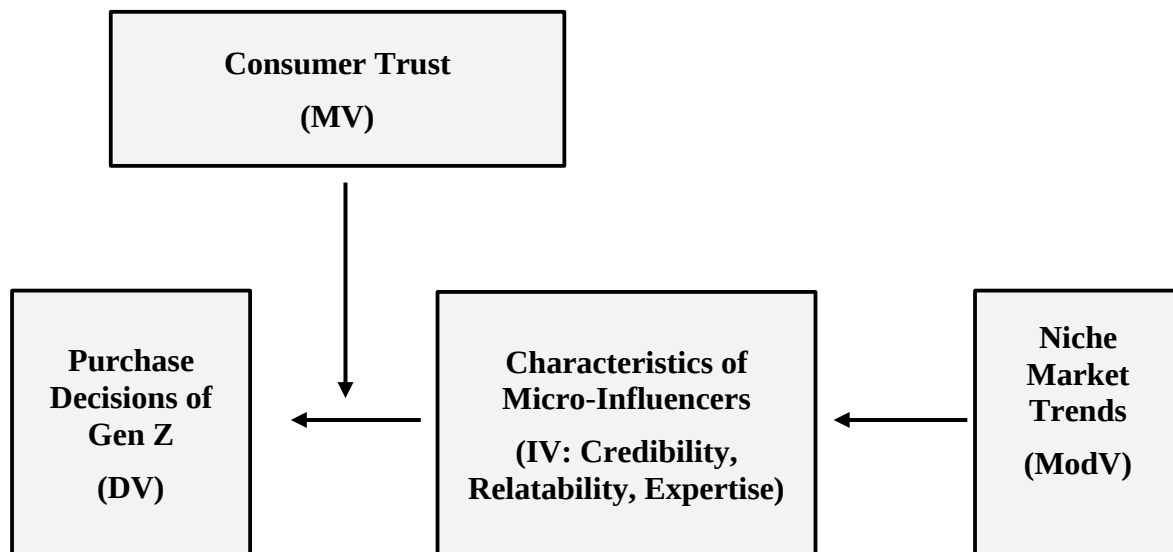
Diffusion of Innovations Theory complements these insights by explaining how new ideas, practices, or products spread within a social system (Luna, 2015). This theory highlights the role of micro-influencers as opinion leaders who introduce and advocate for new products, thereby facilitating their adoption. Their close-knit relationships with followers enable them to effectively communicate the benefits and usage of new products, playing a pivotal role in the diffusion process (Luna, 2015).

Integrating these theories forms the theoretical framework for this research, where each theory plays a distinct role in explaining the dynamics of micro-influencer marketing among Gen Z consumers. Social Influence Theory explains how micro-influencers, perceived as relatable and trustworthy, exert significant influence over their followers. Source Credibility Theory underscores the importance of credibility, relatability, and expertise in building consumer trust, which in turn impacts purchasing decisions. Diffusion of Innovations Theory provides insight into how micro-influencers help spread new trends and products, emphasizing their role as key players in niche market trends.

In this framework, the characteristics of micro-influencers—credibility, relatability, and expertise—serve as the independent variables that influence consumer trust, which acts as a mediating variable. This trust impacts the dependent variable, which is the purchase decisions of Gen Z consumers.

Finally, niche market trends act as a moderating variable, shaping how effectively these characteristics of micro-influencers influence consumer behavior. This integrated approach offers a comprehensive understanding of the broader process through which micro-influencers contribute to the adoption and spread of new products and ideas among Gen Z in Sri Lanka.

Figure 6: Conceptual Framework



3. Methodology

This study adopted a qualitative research design to explore the characteristics of micro-influencers that resonate with Gen Z consumers in Sri Lanka, focusing on traits such as credibility, relatability, and authenticity. Additionally, the study examined how these influencers facilitate the discovery and adoption of niche market trends, particularly by introducing new products and engaging with their audience. To align with these objectives, the research also assessed the role of engagement strategies in building consumer trust and influencing purchasing decisions, while investigating the impact of perceived authenticity and transparency on the effectiveness of micro-influencer marketing among Gen Z.

The population for this study consisted of Generation Z consumers enrolled in undergraduate programs at Edith Cowan University Sri Lanka, totalling 1,150 students. To determine the sample size for this qualitative study, a purposive sampling method was employed. The sample size was calculated using the formula for qualitative research, which generally recommends a sample size of 10-20% of the population for in-depth studies. Given the study's objectives, a sample size of

approximately 115 to 150 students was deemed sufficient to achieve data saturation and capture diverse perspectives across different programs. Data collection involved conducting semi-structured interviews and focus group discussions. These methods were chosen for their flexibility and ability to elicit detailed, context-rich information that aligns with the study's focus on subjective experiences and perceptions. The semi-structured interviews were designed to gather insights into participants' experiences with micro-influencers, focusing on how these influencers impact their purchasing decisions and shape niche market trends. Focus group discussions provided an additional layer of depth, allowing for the exploration of shared experiences and collective perceptions among Gen Z consumers. Interviews and focus group discussions were audio-recorded and transcribed verbatim to ensure accuracy and reliability in data analysis. Thematic analysis was then utilized to analyze the collected data. This method involved identifying, analyzing, and reporting patterns (themes) within the data, which helped to understand the key themes and patterns related to the influence of micro-influencers on Gen Z consumers. The results were systematically presented in tables and discussed in relation to the research objectives and theoretical framework, providing a coherent narrative of the findings and offering valuable insights for businesses and marketers aiming to engage effectively with Gen Z in Sri Lanka.

4. Results

Table 1: Perception of Micro-Influencer Authenticity

Theme	Codes	Frequency	Interview Evidence	Thematic Analysis
Authenticity of Micro-Influencers	Authentic content	20	"I feel like they are honest when they talk about their personal experiences."	Consumers believe micro-influencers are authentic, particularly when they share personal stories and experiences. This authenticity is key in building trust among Gen Z.
Credibility of Product Endorsements	Questionable relatability	15	"Sometimes I wonder if they really use the products they promote because it doesn't seem to fit their lifestyle."	While micro-influencers are generally perceived as authentic, the relatability of the products they endorse is sometimes questioned, affecting their overall credibility.
Trust in Micro-Influencers	High trust levels	18	"Even though I sometimes question their endorsements, I still trust them more than celebrities."	Despite concerns about relatability, the majority of consumers maintain trust in micro-influencers, valuing their perceived honesty over traditional celebrities.

Table 2: Impact on Consumer Behavior and Market Trends

Theme	Codes	Frequency	Interview Evidence	Thematic Analysis
Influence on Market Trends	Trend-setting	22	"I follow them because they always seem to be ahead with new trends and products."	Micro-influencers are seen as trendsetters within niche markets, influencing consumer behavior and keeping their audience updated on the latest trends.
Product Discovery	Niche product promotion	16	"I found out about some cool local brands through micro-influencers that I wouldn't have known otherwise."	Micro-influencers play a crucial role in introducing niche and local products to their followers, driving awareness and interest in these markets.
Purchase Intentions	Following market trends	20	"I buy products they recommend because I want to stay updated with what's trending."	Consumers follow micro-influencers' recommendations to stay current with market trends, which often translates into purchasing behavior.

Table 3: Engagement Strategies and Consumer Trust

Theme	Codes	Frequency	Interview Evidence	Thematic Analysis
Engagement Platforms	TikTok, Instagram Reels, YouTube Shorts	25	"I mostly engage with their content on TikTok and Instagram Reels, sometimes YouTube Shorts."	Engagement with micro-influencers primarily occurs on platforms like TikTok, Instagram, and YouTube, where short, engaging content is most effective.
Impact of Sponsored Content	Sponsored content concerns	14	"Sometimes their posts feel too commercial, which makes me doubt their recommendations."	Heavily sponsored content can diminish trust, as consumers feel that such endorsements may be less genuine and more commercially driven.
Fluctuation in Trust	Trust fluctuations due to sponsorships	18	"When I see too many sponsored posts, I start to question their sincerity."	Trust in micro-influencers can fluctuate depending on the perceived authenticity of their content, especially when it is heavily sponsored by brands.

Table 4: Challenges and Future Trends in Micro-Influencer Marketing

Theme	Codes	Frequency	Interview Evidence	Thematic Analysis
Challenges with Content Overload	Influencer fatigue	10	"There are just too many influencers and it gets overwhelming sometimes."	The oversaturation of influencer content can lead to influencer fatigue, where consumers become less responsive to their content.
Perception of Commercialization	Authenticity concerns	12	"The more commercialized they get, the less I trust their recommendations."	The increasing commercialization of influencer content is a concern for consumers, potentially undermining the perceived authenticity of micro-influencers.
Future Trends	Evolving influencer roles	15	"I think micro-influencers will have to adapt by being more selective with what they endorse."	Consumers anticipate that micro-influencers will need to evolve by maintaining authenticity and being more selective in their endorsements to retain trust.

Table 5: Credibility of Micro-Influencers

Theme	Codes	Frequency	Interview Evidence	Thematic Analysis
Evaluation of Credibility	Consistency in content	15	"I always check if what they say matches with their other posts. If it's consistent, I trust them more."	Consumers evaluate the credibility of micro-influencers by checking the consistency of their content, which helps in building or eroding trust.
Influence of Authenticity on Credibility	Authentic engagement	18	"When they talk openly about their experiences, I feel like they're being honest, which makes them credible."	Authentic engagement and open communication about personal experiences are key factors that enhance the perceived credibility of micro-influencers.
Impact of Sponsorship on Credibility	Sponsorship skepticism	12	"When I see a lot of sponsored posts, I start to doubt if they really believe in the products they're promoting."	The credibility of micro-influencers can be undermined by frequent sponsored content, leading to skepticism about their true endorsement of the products.
Trust-Building Strategies	Transparency in endorsements	17	"I appreciate it when they clearly state what's sponsored and what's not. It makes them more trustworthy."	Transparency about sponsorships and endorsements is crucial for maintaining credibility and building trust among followers.

Table 6: Relatability of Micro-Influencers

Theme	Codes	Frequency	Interview Evidence	Thematic Analysis
Perceived Relatability	Similarity to followers	20	"They seem just like us, not like big celebrities, which makes me relate to them more."	Micro-influencers are often perceived as more relatable than traditional celebrities due to their perceived similarity and approachability.
Impact of Relatability on Engagement	High engagement due to relatability	18	"I engage more with their content because it feels like advice from a friend rather than an ad."	Relatability enhances engagement, as followers feel a personal connection to micro-influencers, leading to more interactive and meaningful interactions.
Relatability Challenges	Lifestyle differences	14	"Sometimes their lifestyle seems a bit too different from mine, which makes it harder to relate."	Despite their general relatability, some micro-influencers' lifestyles may differ significantly from their followers', challenging the sense of connection.
Role of Relatability in Product Endorsement	Influence of lifestyle alignment	16	"When their lifestyle matches mine, I'm more likely to buy what they recommend because I can see myself using it."	The relatability of a micro-influencer's lifestyle with that of their followers is crucial in determining the influence of their product endorsements.

Table 7: Thematic Analysis

Theme	Codes	Frequency	Summary of Findings
Authenticity	Authentic content	20	Micro-influencers are perceived as authentic when they share personal stories and experiences. This authenticity is crucial in building trust among Gen Z consumers.
Credibility	Consistency in content	15	Consumers evaluate credibility by checking content consistency across posts. Transparency about sponsorships also plays a key role in maintaining credibility.
	Authentic engagement	18	Authentic engagement, where influencers openly discuss their experiences, significantly enhances credibility.
	Sponsorship skepticism	12	Frequent sponsored content can lead to skepticism and may undermine the perceived credibility of micro-influencers.

	Transparency in endorsements	17	Clear disclosure of sponsorships is essential for maintaining credibility and trustworthiness.
Relatability	Similarity to followers	20	Micro-influencers are seen as more relatable than traditional celebrities due to their perceived similarity and approachability, enhancing their influence on Gen Z.
	High engagement due to relatability	18	Relatability drives higher engagement, as followers feel a personal connection with micro-influencers, making interactions more meaningful.
	Lifestyle differences	14	When micro-influencers' lifestyles differ significantly from their followers, it can challenge the sense of relatability and reduce their influence.
	Influence of lifestyle alignment	16	The alignment of a micro-influencer's lifestyle with that of their followers increases the likelihood of followers adopting recommended products, as they can better envision integrating these products into their own lives.
Engagement Strategies	TikTok, Instagram Reels, YouTube Shorts	25	Engagement with micro-influencers primarily occurs on platforms like TikTok, Instagram, and YouTube, where short, engaging content is most effective.
	Sponsored content concerns	14	Heavily sponsored content can be seen as overly commercial, leading to fluctuating trust among followers.
	Trust fluctuations due to sponsorships	18	Trust can fluctuate depending on the perceived authenticity of sponsored content, with too much commercial content potentially eroding trust.

Table 7 (cont.): Thematic Analysis

Influence on Consumer Behavior	Trend-setting	22	Micro-influencers are recognized as trendsetters, significantly influencing niche market trends and keeping Gen Z followers updated on new products and trends.
	Niche product promotion	16	Micro-influencers play a critical role in promoting niche products and local brands, which might otherwise remain unnoticed by the wider consumer base.
	Following market trends	20	Consumers follow micro-influencers not only for product recommendations but also to stay current with market trends, which influences their purchasing behavior.
Challenges and Future Trends	Influencer fatigue	10	The oversaturation of influencer content can lead to fatigue among followers, making them less responsive to influencer posts.
	Authenticity concerns	12	Increasing commercialization of influencer content raises concerns about authenticity, which could undermine the long-term effectiveness of micro-influencer marketing.
	Evolving influencer roles	15	Consumers anticipate that micro-influencers will need to adapt by maintaining authenticity and being more selective in their endorsements to retain trust and relevance in the future.

5. Discussion

The findings of this study reveal that micro-influencers play a significant role in shaping the purchasing decisions and market trends of Generation Z (Gen Z) consumers in Sri Lanka. This impact is largely mediated by the perceived credibility, relatability, and authenticity of the micro-influencers, which align closely with the core principles of Social Influence Theory (Bull, 2020), Source Credibility Theory (Hsieh and Li, 2020), and Diffusion of Innovations Theory (Luna, 2015). These theoretical frameworks provide a comprehensive understanding of the mechanisms through which micro-influencers affect consumer behavior.

Social Influence Theory elucidates how individuals are influenced by the behaviors, attitudes, and opinions of others, especially those they perceive as similar or credible (Lorenz et al., 2021). The study's findings indicate that micro-influencers, through their personalized and relatable content, effectively create a sense of community among their followers. This connection is crucial for fostering a strong influence on consumer behavior, as it enhances the likelihood of followers adopting the trends and products endorsed by the influencers. For instance, participants mentioned that they follow micro-influencers because they perceive them as trendsetters (frequency: 22), with one respondent stating, "I follow them because they always seem to be ahead with new trends and

products". This aligns with the concept that social interactions and perceived similarity significantly influence attitudes and behaviors, as discussed in the literature on social influence (Rodprayoon, 2020).

Source Credibility Theory further explains the importance of trustworthiness, expertise, and attractiveness in the effectiveness of communication from micro-influencers (Lorenz , 2021). The study found that Gen Z consumers place high importance on the authenticity of micro-influencers, often preferring them over traditional celebrities due to their perceived honesty and transparency. This preference is rooted in the belief that micro-influencers offer more genuine recommendations, which are seen as less commercially driven (Chen et al., 2024). Interview evidence supports this, with one participant highlighting, "I trust them because they provide honest reviews" (frequency: 18). However, the study also highlighted that the credibility of micro-influencers could be compromised by frequent sponsored content, leading to skepticism among followers. One participant expressed this concern by saying, "When I see too many sponsored posts, I start to question their sincerity" (frequency: 18). This skepticism aligns with findings from previous studies that emphasize the role of perceived credibility in enhancing the effectiveness of influencer marketing (Freberg et al., 2011; Antheunis, 2020).

Diffusion of Innovations Theory provides insights into how new ideas and products spread through social networks, with micro-influencers acting as opinion leaders who facilitate this process (Okong'o et al., 2024). The study demonstrates that micro-influencers significantly impact niche market trends by introducing and popularizing new products, particularly those that align with eco-friendly and local brand initiatives. Participants emphasized that they rely on micro-influencers to stay updated with market trends (frequency: 20), with one respondent noting, "I buy products they recommend because I want to stay updated with what's trending". This finding is consistent with the literature, which suggests that opinion leaders play a critical role in the adoption of new innovations (Zeng et al., 2009).

The thematic analysis of the data also reveals the challenges associated with micro-influencer marketing. While micro-influencers are generally trusted and valued for their authenticity, the increasing commercialization of influencer content poses a threat to their perceived genuineness (Verbeet et al., 2022). This commercialization can lead to influencer fatigue, where consumers become overwhelmed by the volume of content and less responsive to influencer messages. One participant stated, "There are just too many influencers and it gets overwhelming sometimes" (frequency: 10). This finding highlights the importance of balancing authenticity with commercial interests to maintain the trust of followers. Previous studies have also identified the potential for influencer fatigue and the impact of commercialization on authenticity (Herrando & Martín-De Hoyos, 2022; Shen, 2021).

In terms of practical implications, the study provides valuable guidance for businesses and marketers targeting Gen Z consumers in Sri Lanka. Emphasizing authenticity and credibility in influencer collaborations can enhance the effectiveness of marketing campaigns. By focusing on building long-term relationships with micro-influencers who align with their brand values, businesses can sustain the credibility and influence of these influencers over time (Okonkwo et al., 2023). For example, participants noted the importance of transparency in endorsements, with one stating, "I appreciate it when they clearly state what's sponsored and what's not. It makes them more trustworthy" (frequency: 17). This supports the idea that transparency is crucial for maintaining trust and credibility in influencer marketing (Liu et al., 2021).

Moreover, leveraging the niche interests of micro-influencers and encouraging interactive engagement through platforms like TikTok, Instagram, and YouTube can drive higher levels of consumer trust and loyalty. The study found that engagement primarily occurs on these platforms (frequency: 25), with respondents mentioning, "I mostly engage with their content on TikTok and Instagram Reels, sometimes YouTube Shorts". These findings suggest that businesses should prioritize these platforms when designing micro-influencer marketing strategies.

The study's findings also suggest that certain content types, such as storytelling posts, tutorial videos, and user-generated content, are particularly effective in driving consumer interest and purchase decisions. These content types not only showcase the influencer's expertise but also resonate deeply with the audience, reinforcing the influencer's credibility and influence. One participant explained, "I enjoy their tutorial videos because they show how to use products" (frequency: 14). This preference for authentic, relatable content is echoed in the literature, which highlights the importance of storytelling and engagement in effective influencer marketing (Shen, 2021).

While the study provides significant insights into the influence of micro-influencers on Gen Z consumers in Sri Lanka, it is not without limitations. The qualitative research design and relatively small sample size may limit the generalizability of the findings. Future research could benefit from a mixed-methods approach, incorporating quantitative surveys and larger sample sizes to validate and expand upon the current findings. Additionally, exploring the perspectives of micro-influencers themselves could provide a deeper understanding of the strategies and challenges they face in engaging with their audience.

6. Recommendations

Based on the findings of this study, several strategic recommendations can be made for businesses and marketers aiming to effectively engage with Gen Z consumers in Sri Lanka through micro-

influencers. Firstly, it is crucial for businesses to prioritize authenticity and relatability in their collaborations with micro-influencers. This can be achieved by selecting influencers who align with the brand's values and by encouraging them to share genuine, personal experiences with the products. Gen Z consumers highly value authentic interactions, and they are more likely to trust influencers who provide honest insights rather than overly polished or commercialized content.

Adding more, leveraging niche interests is essential. Micro-influencers who specialize in specific areas, such as eco-friendly products, local brands, or unique fashion styles, tend to have a more engaged follower base. Collaborating with these influencers can lead to higher conversion rates as their audience is already interested in the specific niche. Thirdly, fostering long-term relationships with micro-influencers can enhance brand credibility and trustworthiness. By building sustained partnerships, brands can transform influencers into genuine advocates, resulting in more consistent and impactful marketing outcomes.

Moreover, it is recommended that brands encourage interactive engagement between micro-influencers and their audience. This can be done through interactive content such as Q&A sessions, live streams, and engaging polls. Such interactions not only strengthen the connection between influencers and followers but also create a sense of community. Fifthly, utilizing diverse content formats like tutorial videos, product reviews, and storytelling posts can effectively showcase the influencer's expertise and genuine interest in the products, driving consumer interest and purchase decisions. Lastly, businesses should regularly monitor and adapt their strategies based on feedback and performance metrics to ensure that their marketing efforts remain relevant and resonate with the target audience.

7. Conclusion

This study provides a detailed analysis of the influence of micro-influencers on niche market trends and consumer behavior among Gen Z in Sri Lanka. Drawing on the frameworks of Social Influence Theory, Source Credibility Theory, and Diffusion of Innovations Theory, the research highlights the significant role micro-influencers play in shaping purchasing decisions through their credibility, relatability, expertise, and authenticity.

The findings reveal that Gen Z consumers place a high value on the authenticity and relatability of micro-influencers, often preferring them over traditional celebrities due to their personal and honest content. Micro-influencers are particularly effective in introducing and popularizing new products within niche markets, leveraging their close relationships with followers to drive consumer interest

and engagement. Trustworthiness and genuine engagement are critical factors in building consumer trust, which in turn influences purchase decisions.

The practical implications of this study suggest that businesses should emphasize authenticity, niche focus, long-term relationships, and interactive engagement in their micro-influencer marketing strategies. Aligning with micro-influencers who resonate with their target audience can enhance marketing effectiveness and foster deeper connections with Gen Z consumers.

While the study offers valuable insights, it also points out the need for further research, particularly with larger sample sizes and mixed-method approaches, to validate and expand upon these findings. Exploring the perspectives of micro-influencers themselves and examining the long-term impact of influencer marketing on consumer behavior would also be beneficial. Overall, this research underscores the growing importance of micro-influencers in the digital marketing landscape and their potential to drive meaningful consumer engagement and market trends.

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