Influencer Marketing 2.0: The Rise of Nano-Influencers in Digital Consumer Landscape

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Abstract: *The global influencer marketing market is expected to reach around $33 billion by 2025, up from $9.7 billion in 2020. It is a form of social media marketing in which brands partner with content creators to promote their products. The rise of digital technology has profoundly changed the marketing landscape, where traditional strategies are giving way to new models that focus on authentic and personalised interactions. Influencer Marketing has emerged as a powerful tool that allows brands to connect directly with consumers. However, a significant shift from version 1.0, which relied on celebrities, to version 2.0, which emphasises the role of nano-influencers, is reshaping the approach to the market. As evidence of their dominance, industry data shows that nano-influencers now account for 87% of all influencers on TikTok and 76% on Instagram, with the highest engagement rates of any group. This article systematically analyses nano-influencers' role, arguing that their effectiveness stems from their ability to build social connections based on deep trust, reinforced by authenticity and intimacy. Through a synthesis of academic literature and industry data, the article will clarify the advantages, challenges, and prospects of this trend.*

Keywords: nano-influencers, influencer marketing, digital consumer, engagement, authenticity, social media.

INTRODUCTION

The global influencer marketing market has grown exponentially, from $9.7 billion in 2020 to an estimated $33 billion in 2025 (Statista, 2025). It is a form of social media marketing in which brands partner with content creators to promote products. The growth of social media platforms has fundamentally reshaped the marketing landscape, with influencer marketing emerging as one of the fastest-growing sectors (Appel et al., 2020). However, as the market becomes increasingly saturated, the effectiveness of large-scale campaigns is facing challenges. Over-commercialisation has eroded the authenticity of influencers in the eyes of consumers, leading to scepticism and fatigue. Additionally, issues like influencer fraud and the difficulty in accurately measuring return on investment (ROI) further complicate the situation, forcing brands to look for more reliable and effective outreach strategies (HypeAuditor, 2025).

Confronted with these challenges, the influencer marketing industry is shifting from maximising reach to building deeper connections and fostering trust. The paper argues that the rise of nano-influencers is

not just a tactic to increase engagement rates. However, a strategic repositioning of the marketing industry is needed, prioritising relational capital and community trust over traditional metrics of reach that are increasingly ineffective. Nano-influencers, defined as individuals with between 1,000 and 10,000 followers (Wibawa et al., 2021), represent a "democratisation" of digital marketing. They are cost-effective and can reach specialised niche markets where larger influencers have traditionally struggled to make a practical impact (Harvard Business Review, 2024). Nano-influencers possess the intimacy and authenticity that larger influencers often lack, leading to higher engagement rates and the ability to build lasting trust (Panopoulos et al., 2022). The "social proof" effect they create is often more substantial, as their recommendations are seen as advice from friends or fellow consumers, rather than distant celebrities (Forbes Agency Council, 2023). The rise of nano-influencers is not only due to content saturation, but also reflects a shift in consumer behaviour, as they increasingly prioritise personalised and trustworthy content (Park et al., 2021; Syrdal et al., 2023).

This article analyses the rise of nano-influencers, based on a synthesis of recent studies. We will classify influencer groups, explain the shift to Influencer Marketing 2.0, and assess the advantages and challenges of this trend. In addition, the article will discuss and provide strategic recommendations. Although there has been much research on different types of influencers, a systematic meta-analysis focusing on the strategic role of nano-influencers in Marketing 2.0 and forecasting the shift to Marketing 3.0 is still limited. In particular, the development of artificial intelligence (AI) in identifying, managing, and evaluating influencer effectiveness is predicted to become a core element of Influencer Marketing 3.0, an aspect that this article will address (Roy, 2024). This study aims to fill the knowledge gap, providing a comprehensive and updated perspective for academia and managers.

LITERATURE

Influencer marketing has a significant impact on consumer behaviour and decisions (Pan et al., 2025). Similarly, social influence has also been shown to directly and positively impact consumer purchasing decisions (Nguyen & Do, 2020). This principle is particularly evident in niche markets where communities significantly shape consumer decisions (Casaló et al., 2020). The emergence of "micro-celebrities" on social media is a modern manifestation of this principle, with individuals building significant influence within niche communities (Khamis et al., 2017). In parallel with this trend, brand communication models have shifted from one-way message amplification to building two-way interactive communities, where dialogue becomes central to building relationships and trust (Vrontis et al., 2021).

The Role of Influencers

In the digital landscape, influencers have become important, changing how brands connect with the public. From an academic perspective, they are considered independent endorsers, capable of influencing the thoughts and attitudes of audiences through social media (Freberg et al., 2011). In practice, Forbes points out that they play an important role in creating social proof, a psychological phenomenon that makes people tend to trust and follow the behaviour of others, thereby making a product or brand more trustworthy (Forbes Agency Council, 2023). Their rise marks a significant shift from traditional one-way advertising to an open communication model where trust and personalisation are paramount.

The power of influencers comes not only from promoting products but also from deeper psychological factors. Their ability to build trust depends on the quality of their message and their credibility, as Lou and Yuan (2019) found. As consumers become increasingly sceptical of direct advertising, they tend to place more trust in recommendations from people who feel close and familiar. Harvard Business Review emphasises that, to be most effective, the relationship between a brand and an influencer should

be built as a strategic partnership, where transparency and shared goals create genuine connections with the audience (Harvard Business Review, 2023). Therefore, influencers are a communication channel and a strategic partner, helping brands build credibility and maintain engagement in a competitive market.

Classification of Influencers

To understand the role of influencers in digital marketing, categorising them is an important step (Chen et al., 2022). Based on the number of followers, influencers are divided into four main groups: mega (over 1 million followers), macro (100,000 - 1 million followers), micro (10,000 - 100,000 followers), and nano (1,000 - 10,000 followers). This categorisation not only reflects the size of their audience but also shows the differences in how they communicate and connect with their followers (Evans et al., 2017).

Mega-influencers, often celebrities, focus on promoting brands on a large scale (Appel et al., 2020), but their engagement is often low (Syrdal et al., 2023). Macro-influencers, with followers ranging from 100,000 to 1 million, strike a balance between scale and engagement, and are often suitable for campaigns that require both reach and engagement (Chen et al., 2022).

Micro-influencers stand out for their intimacy and in-depth knowledge of a particular field, which helps them achieve higher engagement rates (Chen et al., 2022). Nano-influencers, the smallest group, are typically ordinary people with strong community connections (Rungruangjit & Charoenpornpanichkul, 2022). They are popular for their authenticity, creating natural and approachable content that makes their followers feel trustworthy. Table 1 below summarises the key differences between influencer groups.

Table 1: Influencer Classification

Criteria	Mega-Influencer	Macro-Influencer	Micro-Influencer	Nano-Influencer
Follower Count	> 1 million	100,000 - 1 million	10,000 - 100,000	1,000 - 10,000
Engagement Rate	Very low	Low	High	Very high
Authenticity	Low	Medium	High	Very high (like a friend)
Cost	Very high	High	Medium to low	Very low (can be product-based)
Reach	Global/Mass	Broad	Niche market	Hyper-niche market
Main Objective	Increase large-scale brand awareness	Product launch, increase coverage	Build community, drive consideration	Build trust, drive conversion

The Shift to Influencer Marketing 2.0

In its early stages, Influencer Marketing 1.0 relied heavily on people with large audiences to convey brand messages (Masuda et al., 2022). However, this model soon revealed limitations such as high costs, low engagement, and consumer doubts about the authenticity of the content (Evans et al., 2017). In influencer Marketing 2.0, the rise of nano-influencers is genuinely remarkable. Nano-influencers are

becoming the dominant (Geyser, 2025). The market now focuses on engagement quality and authenticity rather than just chasing reach (Euzéby et al., 2025).

This shift reflects consumers' preference for relatable influencers, conveying messages through authentic experiences, evoking empathy and trust (Muda & Hamzah, 2021). Nano-influencers have thus emerged as an optimal solution to meet the expectations of credibility in the digital landscape, where trust plays a core role in consumer decisions (Chen et al., 2022; Syrdal et al., 2023). The rise of digital platforms such as TikTok and Instagram (with Reels), combined with technological advances, has facilitated content personalisation, allowing micro-influencers to reach their target audiences with remarkable efficiency (Chen et al., 2022). Furthermore, the COVID-19 pandemic has reshaped how consumers interact with brands, shifting from a focus on superficial image to genuine connections and social value messages (Iglesias-Sánchez et al., 2022).

METHODOLOGY

The main purpose of this paper is to synthesise and analyse the role of nano-influencers in the field of marketing through a thorough review of existing studies on the topic of "Influencer Marketing". It is essential for both academia and practice to evaluate the advantages and limitations of nano-influencers. This paper mainly focuses on reviewing studies published or cited from ScienceDirect, Springer, Taylor & Francis, Emerald, Sage, MDPI.

DISCUSSIONS

Advantages of Nano-Influencers
Nano-influencers, with followers ranging from 1,000 to 10,000, offer distinct advantages due to their authenticity and high engagement (Chen et al., 2022). Recent reports indicate that they dominate across platforms, with 87% on TikTok (11.9% engagement rate) and 76% on Instagram (2.19% engagement rate) (HypeAuditor, 2025). This high engagement rate stems from the strong parasocial relationships they build, with their small community size allowing for personalised dialogue, responses to comments and messages, creating a sense of intimacy and trust that larger accounts struggle to achieve (Kim & Kim, 2021). This increases brand awareness and drives purchasing behaviour (Appel et al., 2020; Kay et al., 2020).

Another strategic advantage is nano-influencers' ability to reach niche markets, thanks to their passion and expertise in specific communities. This ensures a high fit between product and influencer, which has been shown to improve consumer attitudes and advertising effectiveness (Schouten et al., 2020). Furthermore, with low collaboration costs, nano-influencers offer a high return on investment (ROI), with industry reports showing significant returns from well-targeted campaigns (Geyser, 2025). Their "actionable" authenticity, through messages anchored in real-life experiences, helps consumers relate, especially to self-expressive products such as fashion or cosmetics (Lee et al., 2021; Muda & Hamzah, 2021). Recent studies confirm that the trustworthiness and expertise of nano-influencers are key factors in enhancing brand image and perceived product quality, thereby driving purchase intention (Masuda et al., 2022).

Limitations and Challenges

Despite the many advantages nano-influencers offer, implementing this strategy at scale faces significant challenges. First, the scale friction is a significant barrier. Their small community size allows them to generate authentic interactions, but they require significant management resources when scaling

campaigns (Kay et al., 2020). Working with hundreds or thousands of nano-influencers requires significant effort in finding, negotiating, and evaluating effectiveness, compared to just a few prominent influencers (Belanche, 2021; Influencer Marketing Hub, 2024). Furthermore, measuring return on investment (ROI) is difficult because the impact of nano-influencers is often concentrated in "dark social" channels such as private messages or group chats, where traditional analytics tools cannot effectively track effectiveness (Martin, 2025).

Second, ensuring brand safety and message consistency is a significant challenge. Collaborating with multiple actors makes it difficult to ensure everyone adheres to brand guidelines and avoids controversial behaviour (Weismueller et al., 2020). This lack of consistency risks undermining the brand image. Finally, authenticity friction is also a problem. When authenticity is constructed as an intentional strategy, it can lose its naturalness, thereby reducing audience trust (Vrontis et al., 2021; Giuffredi-Kähr et al., 2022).

From 2.0 To 3.0: The Future of Influencer Marketing
Similar to the shift from Influencer Marketing 1.0 to 2.0, the marketing industry is witnessing the emergence of Influencer Marketing 3.0, focusing on community and technology. While 1.0 prioritised reach and 2.0 emphasised authenticity, 3.0 aims to build engaged communities and leverage advanced technology.

First, communities become central. Instead of one-way advertising, brands need to co-create communities with influencers across platforms, creating deeper engagement (Haenlein et al., 2020; Bu et al., 2022). Second, artificial intelligence (AI) plays a key role. AI helps find and screen thousands of influencers, predicts performance, and automates campaign management, helping to address the challenge of scale (Dwivedi et al., 2021; Theodorakopoulos et al., 2025). Third, the "Creator Economy", now worth over $100 billion and growing fast, gives creators the power to compete with big companies, while brands are jumping in to collaborate with creators and connect with their audiences (Prandelli et al., 2024).

In addition, the emergence of virtual influencers raises new questions about authenticity in the digital environment, challenging traditional notions of influence and engagement (Arsenyan & Mirowska, 2021).

Table 2: The Evolution of Influencer Marketing: From 1.0 to 3.0

Criteria	Influencer Marketing 1.0	Influencer Marketing 2.0	Influencer Marketing 3.0
Main Focus	Reach	Authenticity	Community & Tech
Dominant Influencer Type	Mega & Macro	Nano & Micro	AI Influencers
Communication Model	One-to-Many (Broadcast)	Peer-to-Peer	Many-to-Many (Decentralised)
Success Metric	Impressions	Engagement	Loyalty & LTV (Lifetime Value)
Consumer Relationship	Idolization, Distant	Empathy, Relatable	Co-ownership, Deep interaction

CONCLUSION AND RECOMMENDATIONS

The rise of nano-influencers is not a passing trend, but an inevitable shift in digital marketing. Their effectiveness comes from their ability to build trust and authentic connections. Despite the challenges, their potential is undeniable. The article proposes a strategic framework for businesses to implement effectively based on the analysis. In the face of this trend, businesses need to proactively exploit the potential of nano-influencers, while preparing for the transition to the era of Influencer Marketing 3.0, focusing on community and technology, to contribute to the industry's sustainable development.

Drawing from the arguments and findings, it is recommended that businesses and brands implement the following strategies to enhance influencer marketing outcomes:

Integrate a diverse group of influencers: Leverage mega-influencers to build brand awareness, using nano- and micro-influencers to drive community engagement and conversion rates, optimising marketing resources and goals.

Build authentic partnerships: Establish strategic relationships with influencers, encourage creative freedom to maintain spontaneity, thereby minimising the risk of authenticity and enhancing audience trust.

Apply technology: Deploy AI platforms to support the search, evaluation and management of campaigns with many nano-influencers, overcoming the challenge of scale.

Measure comprehensive effectiveness: Prioritise metrics such as engagement rate, community loyalty and customer lifetime value, instead of relying solely on traditional metrics such as reach.

Prepare for Influencer Marketing 3.0: Focus on building engaged communities and experimenting with new trends, such as virtual influencers, to adapt to the industry shift.

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