

Chapter 3

Virtual Influencer Marketing and Its Impact on Marketing Strategies

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ABSTRACT

Virtual influencers, digitally created personas powered by artificial intelligence and computer graphics, have emerged as a transformative force in marketing. Unlike traditional influencers, virtual influencers are entirely controlled by their creators, enabling brands to design highly customized, consistent, and engaging narratives. This paper explores the impact of virtual influencers on contemporary marketing strategies, focusing on their unique advantages, such as cost efficiency, creative flexibility, and the ability to transcend physical limitations. It also examines their potential challenges, including authenticity concerns, audience trust, and ethical considerations. Through case studies and industry examples, this research highlights how brands leverage virtual influencers to enhance consumer engagement, build brand identity, and drive sales. By analyzing the interplay between technology and

DOI: 10.4018/979-8-3373-0255-3.ch003

human-like branding, this study sheds light on how virtual influencers are reshaping the marketing landscape and paving the way for innovative digital campaigns.

1. INTRODUCTION

In the digital age, social media has revolutionized how brands connect with their audiences, with influencer marketing becoming a dominant strategy. Traditionally, influencer marketing has relied on real individuals to promote products and services. However, the advent of virtual influencers—computer-generated characters designed to emulate human behaviour—has introduced a groundbreaking shift in this space. These virtual personas are powered by advanced artificial intelligence (AI) and computer graphics, enabling them to interact with audiences in ways that are both engaging and innovative.

Virtual influencers are often indistinguishable from real humans in appearance, behaviour, and communication, making them compelling representatives for brands. From fashion to technology, industries are increasingly leveraging these digital entities to create highly curated content and deliver precise messaging. Unlike human influencers, virtual influencers do not age, require time off, or encounter personal controversies, offering brands unparalleled control over their image and activities.

Despite their advantages, virtual influencers raise questions about authenticity, trust, and ethical considerations. How do audiences perceive these digital characters? Can they establish the same level of trust and relatability as their human counterparts? Moreover, the rise of virtual influencers challenges marketers to rethink traditional strategies, blending creativity with cutting-edge technology to craft impactful campaigns.

This study delves into the rise of virtual influencers and their implications for marketing strategies. It explores their unique benefits, potential drawbacks, and the broader transformation they bring to the marketing landscape. By examining real-world examples and industry trends, this research aims to provide a comprehensive understanding of how virtual influencers are reshaping the way brands engage with their audiences in the digital era.

2. LITERATURE REVIEW

The emergence of virtual influencers has drawn considerable attention from academics and practitioners alike, prompting discussions on their role, effectiveness, and implications in marketing. Scholars have highlighted the unique capabilities of virtual influencers that differentiate them from human influencers. According

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