



## A Study on the Impact of Instagram on Consumer Buying Behavior of Gen-Z

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### ABSTRACT:

The Instagram application was launched on October 6, 2010 and gained 25,000 users in one day. From the beginning, the primary focus of the application was to feature photographs specially those taken by mobile devices. Today in 2023, Instagram is one of the most popular and widely utilized social media platform. People have been using Instagram to communicate, share their daily lives through photographs, written content and visual content with their followers and friends, In the recent years, brands have strategically leveraged into Instagram Marketing to attract a wide demographic of audience, with Generation Z being the most active group of consumers in recent years. From a consumer's perspective, Instagram is a vital tool for researching companies and making purchase decisions. According to the research survey conducted for this study, 50.8% of respondent strongly agree that they utilize Instagram to research products and 82% are more likely to purchase goods and services based on Instagram Advertisements. This paper aims to understand how users perceive brand advertisements, influencers, brand image and product reviews and how Instagram can affect consumer buying behavior.

**Keywords:** Instagram, consumer behavior, gen-z, advertising

### Introduction:

Social media allows exchange of ideas, opinions, stories and facts among individuals who may be living in different parts of the world. Instagram is among the most popular social media platforms. These platforms often offer user-generated content and individualized accounts. There are currently 3.78 billion users of social media worldwide and by using social media brands can target this huge audience and generate significant leads.

Businesses utilize a variety of techniques to market their services and products on Instagram, from Instagram Live to Instagram Stories. Instagram is a platform that majorly focuses on visual content like pictures and videos. Organizations use influencers to promote their products and services and influencers do product reviews and sponsorships for the same.

According to the research survey conducted for this study, 50.8% of respondent strongly agree that they utilize Instagram to research products and 82% are more likely to purchase goods and services based on Instagram Advertisements. People are also affected by the quality of the advertisement content, image of the brands and Influencers.

### Review of Literature:

#### 1. Sociological understanding of social media:

According to social learning theory by Albert Bandura, "Human behaviours are learned through observation; individuals can mimic the behaviours of others to obtain the desired outcomes." From this perspective, it can be expected that the behaviours of consumers are formed and strengthened by the activities carried out by their friends, especially through the observation of those in their immediate vicinity (Webb and Zimmer-Gembeck, 2014). An individual will share something on social media with a desire to be recognized and in the hope to encourage others to experience the same activity, for instance, the tourism destination. However, these individuals can be pressured by the same community to show uniformity of behaviours. Besides these notions, social influence theories can explain why consumers attach importance to the content generated by other consumers.

#### 2. Instagram as an E-Commerce tool:

Linnea Berg & Lisa sterner, in their research paper entitled, "Marketing on Instagram: A qualitative study on how companies make use of Instagram as a marketing tool" mentioned that social media not only provides a need for Consumer to Consumer (C2C) interaction but also Consumer to Business (C2B) interaction. Social Media lets the marketers to reach the audience in more interactive and engaging ways.

### 3. Influencers' impact on brand marketing:

According to AlFalahi, Atif, and Abraham's paper 'Models of Influence in online social networks', "an influencer is "a person who is followed by many people and has the power to make changes in a community," stressing the importance not just of having many friends but also of being able to encourage action within a group defined by interest in a topic or brand (p. 162). In the paper "The Sociotechnical Shaping of Influence" by Daniel Carter, "By manipulating their content and building relationships, influencers work to position their entire network of followers in relation to the perceived needs of brands. In contrast, less prominent influencers position themselves, and not their network of followers, directly in relation to brands. Reflecting the ways marketers conceptualize influence and use data to sort and rank individuals, these users strategically form relationships and manage their content in order to create a visible and cohesive appearance that speaks to brand affinity."

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#### Research Gap:

The research gap on the available literature review is that these research papers have become quickly insufficient due to the everchanging interface and algorithmic changes in Instagram Marketing. Another aspect that seems to have been left in the previous research is the levels of consumer awareness in modern day setting.

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#### Research Problem:

This paper aims to understand how users perceive brand advertisements, brand image and product reviews and how Instagram can affect consumer buying behavior.

Question Statement: "Does Instagram influence consumer purchase behavior of Generation-Z with respect to decision making, perception of the brands, product reviews and consumer awareness?"

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#### Hypothesis of the Study:

Here,

- **H0** Represents: Null Hypothesis
- **H1** Represents: Alternate Hypothesis

##### Hypothesis 1

**H0:** Instagram Marketing does not influence Generation-Z to buy products from brands.

**H1:** Instagram Marketing influences Generation-Z to buy products from brands.

##### Hypothesis 2

**H0:** There is no significant impact of product reviews and influencer marketing on consumers.

**H1:** There is significant impact of product reviews and influencer marketing on consumers.

##### Hypothesis 3

**H0:** Product Reviews do not affect the perception of consumers towards products and brands.

**H1:** Product reviews affect the perception of consumers towards products and brands.

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#### Research Methodology:

##### a) Types of Research:

For this particular research, the data is primary data and is collected through a 'Google Form' questionnaire targeted towards Gen-Z age groups spread across India.

##### b) Sampling Considerations:

Sample Unit – The respondents were selected from age groups 18-26 (Gen-Z).

Sample Size: 61

**Table: Age Group of Respondents**

	Categories	Count	Percentage (%)
Age	18-20	13	21.3%
	21-23	28	45.9%
	24-26	20	32.8%

**Table: Gender of Respondents**

	Categories	Count	Percentage (%)
Gender	Male	29	47.5%
	Female	32	52.5%

**Table: Employment Status of Respondents**

	Categories	Count	Percentage (%)
Employment Status	Student	26	42.6%
	Student And Employed	17	27.9%
	Employed	18	29.5%

**a) Research Instrument:**

An E-questionnaire was used to conduct this study as this method allows us to measure as well as observe the opinions of the respondents, to help us get an overall view as to how Instagram impacts consumer buying behavior. The questionnaire was shared via links to the respondents via 'Google Forms', a survey administered software.

**b) Aspects covered under the Questionnaire:**

The study which is being conducted focuses primarily on how Instagram affects consumer buying behavior. The aspects which have been covered in the questionnaire are:

Instagram Advertisements  
Brand and Product Image  
Product Reviews  
Influencer Marketing

**c) Scales Used:**

The scales used in the questionnaire are:

- **Likert Scale:** The most common scale is the Likert scale. Respondents to likert scale questions must select their level of agreement with a statement. Response categories could include words like "strongly agree," "agree," "neutral", "disagree," or "strongly disagree." (5 items Likert scale).
- **Nominal Scale:** A nominal scale is a measurement system that is used to categorize occurrences or things into discrete groups. This scale does not require the use of numeric values or categories ranked by class; instead, each different category is labelled with a unique identity. This scale has been used for questions like age, gender, employment status etc.

**Research Objectives:**

The aim of this paper is:

1. To analyze the effect of Instagram on consumer choices of Gen-Z.
2. To observe the importance of Instagram Advertisements for brands.
3. To examine the correlation between Product Reviews and Gen-Z's perception of the brands.
4. To understand the impact of Influencer Marketing on consumer attraction.

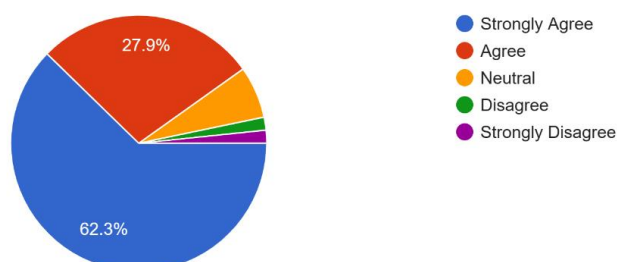
**Data Analysis and Interpretation:**

The following are the answers to the survey conducted for the study:

**Figure 1:**

I frequently use Instagram.

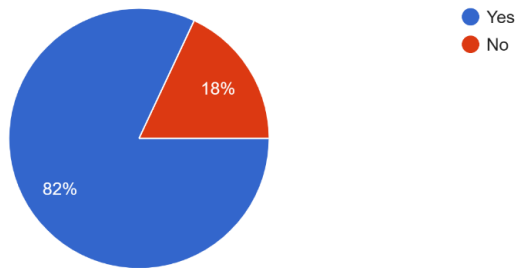
61 responses



In Figure 1. Through a collective analysis it can be observed it can be observed that 62.3% of the respondents strongly agree and 27.9% of the respondents agree that they frequently use Instagram. This shows that Instagram is a popular app amongst Generation-Z age groups.

**Figure 2:**

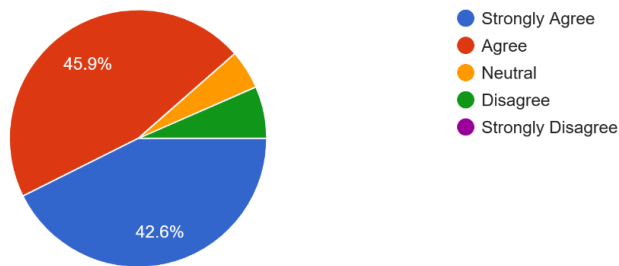
I have bought a product after seeing its advertisement on Instagram.  
61 responses



In Figure. 2 it can be observed that 82% of the respondents have bought a product and 18% of the respondents have not bought a product after seeing its advertisement on Instagram. This implies that Instagram can be used as a tool for marketing.

**Figure 3:**

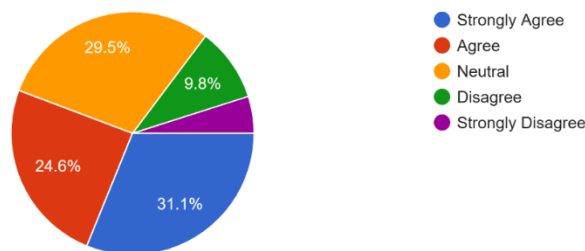
I am likely to trust a brand that actively engages with users on Instagram.  
61 responses



In Figure 3 we can see that 45.9% of the respondents agree that they are likely to trust a brand that actively engages with users on Instagram. This shows the importance of an Instagram presence is essential for brands and consumers to understand selling and consumption of products in the digital age.

**Figure 4:**

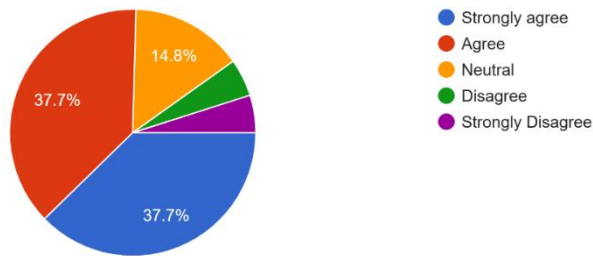
I would trust an influencer's or celebrity's recommendation on Instagram when making a purchase decision.  
61 responses



From Figure 4. It can be observed that 31.1% of the respondents strongly agree that they would trust an influencer or celebrity's recommendations when making consumer decisions. This shows that the respondents have tendency to favor brands or products advertised by famous personalities.

**Figure 5:**

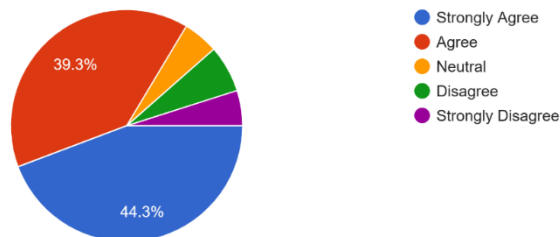
The number of likes, shares or comments on a product influences my perception of its quality.  
61 responses



As shown in the figure 5, 37.7% the respondents strongly agree that the Instagram’s ‘likes, shares or comments’ metrics have the tendency to affect their perception of any product. This shows that the more the engagement on the product posts, the more the consumers are likely to buy those products.

**Figure 6:**

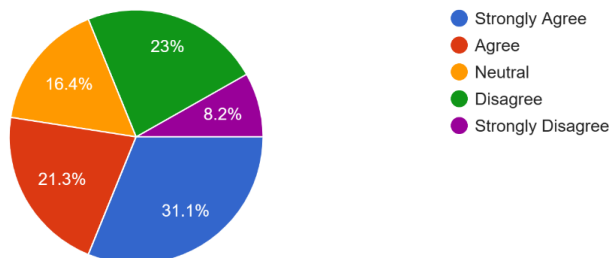
I have been influenced about the image of the product and brand after seeing a positive or negative review about it on Instagram.  
61 responses



In Figure 6. It can be observed that 44.3% of the respondents strongly agree have been influenced about the image of a product and brand after seeing a positive or negative review about it on Instagram. This implies that consumers trust judgements of other user’s reviews on social media and brands should be aware of these reviews that affect their image.

**Figure 7:**

I am likely to share my own product experience or purchase on Instagram.  
61 responses

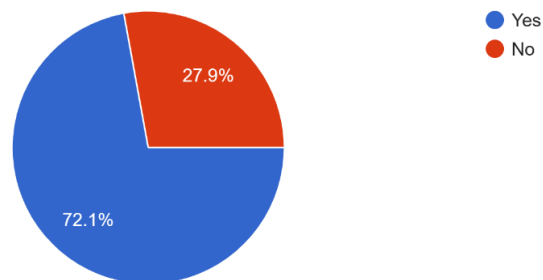


From Figure 7 It can be discerned that 31.1% of the respondents are most likely and 21.3% are likely to share their own product experience or purchase on Instagram. The figure also shows that 23% people disagree. This shows that a large percentage of Gen-z population are active consumers as against to not being active consumers on Instagram.

**Figure 8:**

I have bought a product after I saw my friend on Instagram using it.

61 responses

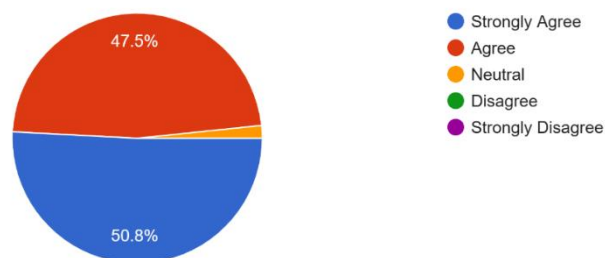


72.1% of the respondents have voted yes that they have bought a product after seeing their friend on Instagram using it. This implies that gen-z consumers are influenced by their sociological groups;

**Figure 9:**

Companies use Instagram to understand and respond to customer preferences.

61 responses



50.8% of the respondents strongly agree and 47.5% of the respondents agree that companies use Instagram to understand and engage with their consumers. This shows that brands and Gen – Z consumers are inter-linked through Instagram’s marketing and engagement with each other.

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### Findings/suggestions:

On the basis of a structured questionnaire that was administered to 61 respondents the findings were as follows:

- Null Hypothesis Rejected: The generation-z respondents are influenced by Instagram Marketing to buy products from brands. From the data we concur that 51 out of 61 respondents seek out reviews on Instagram, 46 out of 61 respondents perceive products based on high metrics on brand product posts, and 54 out of 61 respondents trust brands that actively engage with consumers.
- Majority of the respondents are Students (42.6%) at ages around 18-23.
- Consumers are most likely to trust direct Instagram brand advertisements (82%) as compared to their friends’ impact (72.1%) and Instagram Influencer product recommendations. (31.1%).
- 50.8% of the respondents strongly agree and 47.5% of the respondents agree that brands use Instagram as a tool for digital marketing. This shows that there is high level of consumer awareness in generation-z.
- It is inferred that generation-z consumers and brands have been using Instagram as a tool for understanding and interconnect with the global e-commerce markets.

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### Limitations:

- Due to constraints of time it is not possible to cover the entire population and findings may differ from time to time and circumstances may change in the future.
- The age bracket of Generation-Z is from years 11 to 26, but because this was a masters level research study, population from below age 18 was not interviewed.
- The sample size was only limited to 61 respondents, so the sample may not be true representative of the whole population of gen-z.

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**Conclusion:**

Thus. To conclude – There is a high likeliness of generation- z consumers who use Instagram - to buy products from Instagram. These consumers are also likely to be affected by the advertisements, product reviews, Influencers and their social groups when msaking consumer decisions.

Through the conducted it was found that Instagram is a prevalent factor for brand perception and product awareness in the minds of the consumers. Instagram Marketing is an effective tool for brands to showcase and publicize their image.

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