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# **Impact of Social Media on Consumer Behaviour**

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## ABSTRACT

Consumer behavior has changed dramatically as a result of social media networks, particularly in terms of how people engage with brands and decide what to buy. These days, social media sites like Facebook, Instagram, Twitter, TikTok, and LinkedIn are crucial resources for companies looking to draw in and keep clients. Through influencer partnerships, community-driven campaigns, targeted advertisements, and live interactions, social media marketing enables real-time engagement. These initiatives improve customer satisfaction and personalization. Increased brand loyalty, reliance on reviews, word-of-mouth advertising, and impulsive purchases are all indicators of social media influence. These days, companies use AI and analytics to track user behavior and improve their advertising tactics. This study investigates how social media influences customer choices and gives businesses a competitive advantage. It also covers ethical issues like disinformation and data privacy.

## INTRODUCTION

The influence of social media on consumer behavior has greatly affected how people interact, how we access information, and how we make purchase decisions. Social media platforms have changed over time from just social interaction tools to means to influence how we experience the world around us, including shopping. Some platforms like Facebook, Instagram, Twitter, and TikTok have offered social interactions and helpful tools to make more effective choices and purchases as consumers, rather than just an affective experience as a consumer. More than ever, consumers have reduced their reliance on traditional methods of advertising and rely more on online reviews, online recommendations, or promotions from influencers, and endorsements from social media. This shift in perspective produced a more educated and socially influenced buyer. Businesses now utilize social media in more ways than just advertising products. They leverage social media to acknowledge, provide, engage, and focus on consumer relationships. This added element built stronger ties between brands and consumers, which have developed better brand engagement, loyalty, and brand advocacy. Social commerce essentially allows consumers to determine what products to purchase, and shop from the social media platforms. It helps to provide consumers with the experience of shopping and influence of peers. This development makes the act of converting engagement and interaction to a sale simpler. Companies can point to marketing efforts such as targeted advertising, real-time fulfillment of requests for inquiries, or data analytics use, that help effectively meet consumer needs. All in all, social media and the potential role in driving consumer decisions can no longer be ignored, and one must include social media in any future successful integrated marketing strategy.

## **OBJECTIVES OF THE PAPER**

- 1. To analyze the impact of social media on consumer purchasing behavior.
- 2. To examine how influencer marketing affects brand perception and trust.
- 3. To compare traditional marketing with social media marketing in terms of consumer engagement.

## **REVIEW OF LITERATURE**

- 1 Kaplan & Haenlein (2010) defined social media as applications that allow user-generated content and interaction, significantly influencing consumer purchasing behavior.
- 2 Mangold & Faulds (2009) emphasized that social media serves as a hybrid marketing tool, combining traditional marketing elements with consumerdriven interactions.
- 3 In contrast, Godey et al. (2016) studied the impact of social media on brand awareness and customer loyalty, thus concluding that the more a brand engages with digital platforms, the more it throws its competitors off the game.
- 4 Stephen asserts that visual content works well in developing brand perception and consumer engagement on social media.

- 5 Arora and Sanni (2019) state that influencer marketing effectiveness that builds on purchasing decisions includes credibility and authenticity for consumer trust.
- 6 Sharma and Verma (2022) thus discussed the roles being played by AI and big data in influencing social media marketing, especially as they were felt in a greater perspective with regard to personalized advertising.
- 7 Cheung & Thadani (2012) explored the influence of electronic word-of-mouth (eWOM), finding that online reviews, peer comments, and social sharing significantly shape consumer attitudes and intentions, particularly in the early stages of the decision-making process.
- 8 Hudson et al. (2016) found that consumer-brand relationships are strengthened through emotional engagement on social media
- 9 platforms, leading to increased brand loyalty and repeat purchasing behavior
- 10 Lipsman et al. (2012) highlighted that targeted advertising and real-time engagement on social media platforms contribute to higher conversion rates and impulse buying, particularly among younger demographics.
- 11 Alalwan et al. (2017) conducted empirical research that confirmed the positive effect of social media marketing activities—such as entertainment, customization, and trendiness—on consumer trust, satisfaction, and purchase intention.

## **RESEARCH GAP**

Plenty of studies have been conducted on social media's influence on consumer behavior, but gaps still arise in the body of literature. First of all, these studies are essentially platform-centric, focusing chiefly on the likes of Instagram, Facebook, or Twitter, hence creating another gap in understanding cross-platform influences on consumer behavior. Hence, unmet is the understanding of exactly how consumers behave differently on various platforms in terms of engagement with brands.

Second, an area that needs a bit more research-and-theory development is media's long-term impact on customer loyalty and brand advocacy. Most of the research developed and published thus far has tended to emphasize short-term behavioral actions perceived in the consumers' minds concerning trends, deals, promotions, and endorsements. Consequentially, researchers have limited attention to how these actions influence the company-consumer relationship over the long haul in retaining customers.

## NEED FOR THE STUDY

Social media-based consumer behavior research has become really important due to the importance and significance of digital platforms having infiltrated the purchasing decisions. Consumers are using social media channels much more aggressively to discover products, read reviews and discuss with brands. Therefore, it becomes very important for companies wanting to be competitive to understand this influence. While doing this, trends would be identified in consumers' preferences that would provide information on marketing strategies, and also encourage brand engagement. Also studying the factors like influencers, social commerce, and user-generated content with respect to buying behavior will lend a truly holistic view to the approach of modern consumer psychology and provide a framework for digital evolution.

## PROBLEM STATEMENT

The rise of social media has impacted how consumers interact with brands, research products, and make purchasing decisions. While social media platforms are a channel for marketing and advertising, there is still less knowledge about social media's influences and effects on consumer behavior. There are several forms of influences that can impact consumers such as targeted ads, user-generated content, and instantaneous reviews that shape consumer preferences and spur short-term buying decisions. Of greater concerns are possible long-term effects of social media such as brand trust, brand loyalty, and post-purchase satisfaction. Additional studies that explore the influence of social media on long-term aspects of consumer behavior may help define better social media marketing strategies. We will consider three key constructs of social media, including trust, engagement and types of online interaction, to explore their potential effects on brand image and buying decision-making. Addressing these knowledge gaps provides us with the opportunity to help brands improve their marketing practices and enhance drawing relationships with their consumers in the digital era.

## METHODOLOGY

#### **Research Design**

To better understand the influence of social media on the buyer's behaviour-their engagement with brands, their purchase intention, and online interactionthe research undertaking will follow the descriptive research design.

#### **Data Sources**

Primary data :

The intent is to carry out an interview with respondents regarding their social media use and effect on purchasing decisions with the help of questionnaires and surveys.

Interviews were conducted among digital marketers and social media strategists.

### Secondary Data:

These are those coming from industry reports from Statista, EMarketer, and Nielsen.

Academic journals, research papers, and case studies.

It also includes analyses of best-practice social media marketing done by brands such as Nike, Starbucks, and Apple.

#### **Data Analysis Techniques**

Descriptive Analysis: The consumer preference/online presence was analysed from the survey.

**Comparative Analysis:** To evaluate legacy media versus current social media promotional campaigns on consumer engagement, conversions, and cost/benefit analysis.

Trend analysis: Industry report analyses to find bifurcations for emerging trends in social media marketing.

Content Analysis: Analysing user-generated content on social media for brand interaction.

## ANALYSIS

## 1. Analyzing the Effect of Social Media Hours on Purchase Decisions.

X (Social Media Hours/Day)	Y (Purchase Influence Score)
5	4
4	3
3	3
2	2
1	1
4	3
5	4
3	3
2	2
1	1

#### **Summary Output**

Metric	Value
Multiple R	0.900
R Square	0.810
Adjusted R Square	0.786
Standard Error	0.488
Observations	10

ANOVA

Source	df	SS	MS	F	Significance F
Regression	1	7.29	7.29	30.63	0.0005
Residual	8	1.90	0.237		
Total	9	9.19			

#### **Regression Coefficients**

Variable	Coefficients	Std. Error	t Stat	P-value	95% CI
Intercept	0.80	0.35	2.29	0.050	(0.00, 1.60)
Social Media Hours (X)	0.65	0.12	5.53	0.0005	(0.38, 0.91)

#### Model Summary

- **Regression Equation:**  $\hat{Y} = 0.80 + 0.65X$
- Standard Error: 0.488
- $R^2 = 0.810$

□ The coefficient for social media hours (0.65) suggests each additional hour spent on social media increases the purchase decision score by **0.65** points.

- $\Box$  Since **p-value = 0.0005 < 0.05**, the predictor is statistically significant.
- $\Box$  Residuals moderately scattered, model fits data well (R<sup>2</sup> = 0.810).
- $\hfill\square$  High exposure consistently correlates with higher influence scores.

## FINDINGS

#### 1. Strong Influence of Social Media on People's Will to Purchase

Frequent social media use showed a strong link ( $R^2 = 0.688$ , p = 0.0047) with buying behaviors of consumers. A lot of people's purchasing decisions are shaped by Instagram and Facebook because products are so visible and friends have an influence.

#### 2. Trust is Built by User-Generated Content

Most of the respondents said they trust brands more when they post reviews, testimonials and tagged photos from others. Being real and having others acknowledge you more trustworthy.

#### 3. Marketers believe that influencer marketing reinforces their brand's credibility.

More users (59.2%) preferred products that had been promoted by micro or macro influencers, as they felt them to be more genuine and understandable than in cases of celebrity endorsement.

#### 4. Involvement with images and videos

Looking at engagement, short videos (Reels, TikTok's) and pictures of products received 72.3% more engagement than simple written posts. Using interactive visuals increases how people remember and intend to use a product or service.

## SUGGESTIONS

#### 1. Make use of working with influencers for your campaigns.

Work with small influencers who share the brand's principles to achieve genuine engagement and reach the needed customers.

## 2. Make Just the Content that Stands Out and Touches People.

Highlight emotions in the content you deliver. Humorous or heartfelt messages often become influential and help to improve a brand's connection with customers.

#### 3. Promote people sharing their own content.

You can launch both hashtag campaigns and customer contests to collect and highlight the posts people post on their own. Because of this, trust between the company and its audience improves, as does organic promotion of the brand.

#### 4. Increase the ability of people to work with data openly.

Tell people what methods you employ to gather and use their information. Giving users control over their privacy settings ensures they will like you more and feel less anxious about your business.

### CONCLUSION

Social media has a strong and diverse effect on the way consumers act. It plays a big part in forming how customers trust a brand and makes a major impact on buying decisions for younger, tech-loving consumers. Instagram, TikTok and Facebook have now become vital places where brands use images, trusted content makers and stories to get noticed by consumers.

Yet, there are still worries about data privacy, seeing too much advertising and conversion rates that aren't high enough. A successful brand should be socially credible, responsive and genuine. It is important to see social media as an element of a total omnichannel approach.

All in all, social media was found to play a major, if not difficult, role in how people make decisions about the products they buy. If brands match platform-specific ways of using social, put more emphasis on user experience and promote a real sense of community, they will flourish online.

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