



# Impact of social media on Consumer Buying Behavior

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**Abstract:** *Using social media, people interact in virtual communities and networks by creating, sharing, and/or exchanging information and ideas. Facebook, Twitter, Instagram, LinkedIn, and YouTube are managed by the Office of Communications and Marketing. More than half (51%) of consumers read reviews on forums or social media before making a purchase. Social media serves as a dynamic source of social proof. Four times more likely are consumers to spend more money on purchases influenced by social media. In four ways, social media influences purchase decisions directly. Online shopping and social media have shortened the customer journey. Word-of-mouth and social proof have been amplified by social media. This paper reviews the importance of social media in influencing the consumer buying behavior.*

**Key words:** *Social Media, Facebook Marketing, SMO, Consumer.*

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## Introduction

The term social media encompasses computer-based technology which enables the exchange of ideas, thoughts, and information through online networks and communities. Through the internet, users are able to easily share their personal stories, documents, videos, and images. Social media is accessible via desktops, laptops, tablets, and smartphones with the help of web-based software or applications. Even though its most popular in the US and Europe, countries like Indonesia are amongst those with the highest levels of usage - over 4.5 billion global users in October 2021 alone.<sup>1</sup>

Through the creation of virtual networks and communities, social media facilitates the sharing of ideas, thoughts, and information. Globally, there are more than 4.5 billion social media users.

Facebook, Instagram, Twitter, YouTube, and TikTok are the most popular social media networks. User-generated content and personalized profiles are typical features of social media. There are expected to be approximately 257 million social media users in the United States by 2023.<sup>2</sup>

As a means of interacting with friends and family, social media became increasingly popular with businesses that wanted to reach out to their customers using a popular new communication method. The power of social media is the ability to connect and share information with anyone on Earth, or with many people simultaneously.

More than 3.8 billion people use social media. There is no doubt that social media is an ever-evolving and ever-changing field, with new apps like TikTok and Clubhouse appearing seemingly every year, joining established networks like Facebook, YouTube, Twitter, and Instagram. In the United States, the number of social media users is projected to double to 257 million by 2023.

According to Pew Research Center, social media users tend to be younger. Nearly 90% of people between the ages of 18 and 29 use at least one form of social media. These users tend to be better educated and relatively wealthy. It is possible to use social media in a variety of ways, including photo sharing, blogging, social gaming, social networks, video sharing, business networks, virtual worlds, and reviews. Social media is used by politicians and governments as well to engage voters and constituents.<sup>3</sup>

It is common for individuals to keep in touch with friends and extended family through social media. Using various social media applications, some people will be able to network career opportunities, find people across the globe with similar interests, and share

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<sup>1</sup> “Digital Marketing Institute. (2021, November 2). Social media: What countries use it most & what are they using? Digital Marketing Institute. <https://digitalmarketinginstitute.com/blog/social-media-what-countries-use-it-most-and-what-are-they-using>”

<sup>2</sup> “Digital Marketing Institute. (2021, November 2). Social media: What countries use it most & what are they using? Digital Marketing Institute. <https://digitalmarketinginstitute.com/blog/social-media-what-countries-use-it-most-and-what-are-they-using>”

<sup>3</sup> “Social media fact sheet. (2021, April 7). Pew Research Center: Internet, Science & Tech. <https://www.pewresearch.org/internet/fact-sheet/social-media/>”



thoughts, feelings, insights, and emotions. A virtual social network is formed by those who participate in these activities. Business uses social media to find and engage customers, drive sales through advertising and promotions, gauge consumer trends, and offer customer service or support.<sup>4</sup>

The role of social media in business is significant. It facilitates communication with customers, enabling social interaction on e-commerce sites. It also helps focus marketing efforts and market research. Social media is a great tool to promote products and services, since it allows for targeted, timely, and exclusive sales and coupons to be distributed. Furthermore, social media can be used to develop customer relationships through loyalty programs.

### Social Media Marketing

As a form of digital marketing, social media marketing uses popular social media platforms for marketing and branding. But it's not just about creating business accounts and posting whenever you feel like it. Social media marketing requires an evolving strategy with measurable goals and includes:

- Keeping your profiles up-to-date and optimizing them.
- Keeping an eye on your reputation and responding to comments, shares, and likes.
- Build a community around your brand by engaging with followers, customers, and influencers.
- The use of social media marketing also includes paid social media advertising, in which you can pay to appear in front of a large volume of highly targeted users.<sup>5</sup>

### Social media marketing benefits

Our interaction with one another online has changed dramatically as a result of social media. In addition to allowing us to keep in touch with long-distance friends and to discover what's happening in the world in real time, it enables us to have access to endless amounts of information. Many people have found common ground with others through social media. As a result, the world seems more approachable online. In addition, businesses use social media marketing to target their customers right from their smartphones and computers, building a following so that they can build a loyal fan base and create a culture around their brand. To market to younger consumers, some companies have created Twitter personas using their own language and personas, such as Denny's. Social media marketing is one of the most widespread and versatile channels for marketing your business today. Here are some specific benefits of social media marketing:<sup>6</sup>

- **Engage your audience:** Social media enables you to become an active participant in your market. By building your profile, postings, and interacting with your audience, you can create a persona that your audience can relate to and trust.
- **Drive traffic:** Through your profile link, blog posts in your posts, and your ads, social media is a great channel to drive traffic to your website where you can convert visitors into customers. Plus, social signals contribute indirectly to SEO.
- **Generate leads and customers:** Through Instagram/Facebook shops, direct messaging, call-to-action buttons on profiles, and appointment booking, you can also generate leads and conversions directly on these platforms.
- **Increase brand awareness:** The visual nature of social media platforms allows you to build a visual identity across a broad audience and improve your brand awareness.
- **Build relationships:** You can network, gather feedback, hold discussions, and connect directly with individuals through these platforms.<sup>7</sup>

### Statistics on social media marketing

- It is estimated that over 70% of people who have a positive experience with a business on social media will recommend that business to their friends.
- Instagram is used by 81% of people to research products and services.

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<sup>4</sup> “Global daily social media usage 2022. (n.d.). Statista. Retrieved January 9, 2023, from <https://www.statista.com/statistics/433871/daily-social-media-usage-worldwide/>”

<sup>5</sup> “Scharler, I. (2021). Social media marketing for businesses: The definitive guide to social media marketing: How to advertize effectively. Independently Published.”

<sup>6</sup> “Scharler, I. (2021). Social media marketing for businesses: The definitive guide to social media marketing: How to advertize effectively. Independently Published.”

<sup>7</sup> “Scharler, I. (2021). Social media marketing for businesses: The definitive guide to social media marketing: How to advertize effectively. Independently Published.”



- When they receive a response to their tweet, almost 80% of Twitter users feel more positive about a business.
- LinkedIn drives business decisions for 4 out of 5 people.
- TikTok users spend 46% of their time interacting with the app without any distractions.

### Social Media and Consumer Behavior

The use of social media as a communication tool has become increasingly popular across the globe. Using social media such as Facebook, Twitter, Instagram, and LinkedIn, people are now sharing their experiences globally. It is common for customers to share product reviews, information about services, food or health advice, warnings about products, and tips about how to use certain products.

There are a lot of 'connections' on social media, which allows information to become a source of influence on consumers. According to research studies, many people plan their future purchases based on information and reviews on social media.

Consumers are more likely to look for reviews and recommendations on social media than ever before, so establishing an online presence on various social media platforms is essential. Social media has become the latest trend in marketing. It can influence potential customers from the beginning to the end of the purchasing process.

Initially, consumers need to be aware of your brand and its offerings. At a later stage, when they begin narrowing down their choices, you need social media influencers to convince them to choose you. Maintaining a strong relationship between your brand and your customers requires a constant dialogue. Customers can be glued to your brand by engaging and informative content.

Businesses must assess projected future purchase trends and make adjustments based on consumer buying behavior. Consumer buying habits refer to the choices and actions made by consumers when they buy and use products. In order to facilitate consumer purchases of what, where, when, and how, businesses need to create a marketing mix (MM) that will appeal to (use) their customers. Whether a company's product is successful or not is highly influenced by how its marketing approach is perceived by customers.<sup>8</sup>

### Consumer behavior is influenced by social media in four ways:

- **Builds awareness of the product:** In order to build awareness about a product, marketers use social media to do so. When people face a problem, they search for a solution. However, most of the time, they don't know which product or service will help them. Almost all of the audience learns about your brand through social media content. If your brand does not have a presence on social media, you are missing out on an important opportunity to influence consumer behavior.<sup>9</sup>
- **Buying decisions are influenced more by social proof:** Social proof has evolved as a greater force for buying decisions due to the tendency of people to imitate the behavior of those around them. On social media, happy customers tend to like, share, review, and comment on the products. In order to increase brand trust and conversion rates, marketers are sharing reviews, comments, likes, tweets, and pins of their happy customers in order to make the social space more transparent. You can build greater trust by sharing testimonials, case studies, pictures, comments, and videos of happy customers on your landing page, consulting page, and sign-up page.
- When social media has become an integral part of buying and selling, the power of social proof cannot be overstated. As part of their selling strategy, social marketers should use case studies, images, videos, podcast interviews, and influencers to provide solid social proof of their products. This will eventually increase conversion rates.
- **Social media promotions, discounts, and deals:** Users of social media often sign up for social media groups and forums that they are interested in. When consumers see promotions, discounts, and deals on social media, it influences their buying decisions. 64% of online consumers wait until an item goes on sale before buying it.<sup>10</sup>

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<sup>8</sup> "Social media's impact on consumer behavior. (2022, August 31). Times of India Blog.

<https://timesofindia.indiatimes.com/readersblog/marketingempire/social-medias-impact-on-consumer-behavior-44636/>"

<sup>9</sup> "How does social media influence consumer behavior? (n.d.). Clootrack.com., from [https://www.clootrack.com/knowledge\\_base/how-does-social-media-influence-consumer-behavior/](https://www.clootrack.com/knowledge_base/how-does-social-media-influence-consumer-behavior/)"

<sup>10</sup> "How does social media influence consumer behavior? (n.d.). Clootrack.com., from [https://www.clootrack.com/knowledge\\_base/how-does-social-media-influence-consumer-behavior/](https://www.clootrack.com/knowledge_base/how-does-social-media-influence-consumer-behavior/)".



## **Conclusion**

With social media, consumers can be influenced by content, visuals, promotions, discounts, and influencers. Social media is no longer just about conversations; it's also about commerce. Consumer buying habits have always been influenced by social factors, but smartphones and social networks have helped spread word-of-mouth to new levels. Forget going into stores to discover new products, now consumers can just scroll through their social feeds for inspiration to find new products. With social media, they can crowdsource unfettered responses from family, friends, and perfect strangers, instead of calling their friends for recommendations. It is especially true for millennials, one of the most coveted brand demographics. Brands and businesses cannot ignore the effects of social media on consumer behavior.