



Social Media Impact: Influencing Customer Purchase Decisions

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ABSTRACT:

This study examines the influence of social media content and engagement strategies on consumer purchasing behaviour. Two hypotheses are investigated: (1) the positive correlation between exposure to social media content and purchase likelihood, and (2) the impact of visual content emphasis and user-generated reviews on consumer purchase decisions. Regression analyses were conducted on a sample dataset comprising demographic variables and measures of social media engagement. Results indicate a significant positive relationship between exposure to social media content and purchase likelihood, highlighting the influential role of social media platforms in shaping consumer behaviour. Additionally, platforms emphasizing visual content and user-generated reviews were found to have a greater impact on influencing purchase decisions compared to text-based platforms. However, gender was not found to significantly influence the impact of social media content on purchase decisions. Future research should focus on expanding the study to include a larger and more diverse sample, exploring additional factors such as brand perception and platform-specific features, and conducting longitudinal studies to track evolving social media trends. Overall, this research contributes to our understanding of effective social media marketing strategies and their impact on consumer behaviour.

Introduction

In the digital age, social media platforms have transformed the way individuals communicate, share information, and make purchasing decisions. With billions of active users worldwide, platforms like Facebook, Instagram, Twitter, and YouTube have become integral channels for businesses to connect with their target audiences and influence consumer behaviour. This research aims to explore the impact of social media on customer purchase decisions, examining the mechanisms through which social media content and interactions influence consumer attitudes, preferences, and ultimately, purchase behaviour.

The rise of social media has revolutionized traditional marketing approaches, offering businesses unprecedented opportunities to engage with consumers in real-time, build brand awareness, and drive sales. Social media platforms serve as virtual marketplaces where consumers can discover new products, read

reviews, compare prices, and interact with brands directly. From influencer marketing campaigns to user-generated content and targeted advertising, businesses leverage various strategies to harness the power of social media in influencing consumer purchase decisions.

Understanding the impact of social media on customer purchase decisions is crucial for businesses seeking to optimize their marketing efforts and drive revenue growth. By identifying the key factors that shape consumer behaviour on social media platforms, organizations can develop more effective marketing strategies, tailor their messaging to resonate with their target audience, and capitalize on emerging trends and consumer preferences. Moreover, this research holds implications for theoretical advancements in the fields of marketing, consumer psychology, and digital communication, contributing to a deeper understanding of the mechanisms underlying social media influence on consumer behaviour.



The significance of this research lies in its potential to provide insights into the complex interplay between social media content, user engagement, and consumer purchase decisions. By examining the factors that drive consumer engagement with brands on social media platforms and influence their purchasing behaviour, this study aims to inform businesses' social media marketing strategies and help them better meet the evolving needs and expectations of their customers.

first, we will review the relevant literature on social media marketing, consumer behaviour, and the influence of social media on purchase decisions. Next, we will present the research methodology, including the conceptual framework, research design, and data collection procedures. Subsequently, we will analyze the data and discuss the findings, drawing implications for theory and practice. Finally, we will conclude with a summary of key findings, limitations, and suggestions for future research. Through this comprehensive approach, we aim to contribute to a deeper understanding of the impact of social media on customer purchase decisions and provide actionable insights for businesses seeking to leverage social media effectively in their marketing efforts.

Literature Review

Research on the impact of social media on consumer purchase decisions has garnered significant attention in recent years, reflecting the growing importance of digital platforms in shaping consumer behaviour. Yogesh and Yesha (2014) investigate the effect of social media on purchase decisions, highlighting its role as a influential factor in consumer choice. Similarly, Davidavičienė et al. (2019) explore the influence of social media specifically on Generation Y consumers, underscoring its relevance in contemporary marketing strategies. Kwahk and Kim (2017) provide evidence of the effects of social media on purchase decisions through their study on Taobao, emphasizing the platform's role as a driver of consumer behaviour. Verma (2013) examines the effectiveness of social network sites in influencing consumer purchase decisions, shedding light on the mechanisms through which social media impacts consumer choices.

Gupta (2016) contributes to this discourse by investigating the impact of social media on customer purchase decision-making processes, providing insights

into the factors that shape consumer behaviour in digital environments. Hasan and Sohail (2021) further explore the influence of social media marketing on consumer purchase decisions, examining the effects of both local and nonlocal brands on consumer behaviour. Collectively, these studies highlight the significant role of social media in influencing consumer purchase decisions across various industries and demographic segments. The findings underscore the need for businesses to leverage social media effectively in their marketing strategies to engage with consumers and drive purchase intentions in an increasingly digitalized marketplace.

The influence of social media on consumer purchasing decisions has been a subject of extensive research across various contexts and demographics. Torabi and Bélanger (2022) focus specifically on university students, examining how social media and online reviews impact their purchasing decisions, highlighting the relevance of digital platforms in shaping consumer behaviour among this demographic. Saravanakumar and Sugantha Lakshmi (2012) provide insights into social media marketing strategies, shedding light on the role of social media in modern marketing practices. Riegner (2007) explores the impact of Web 2.0 on consumer purchase decisions, emphasizing the significance of word-of-mouth communication in online environments.

Wang et al. (2012) contribute to this discourse by proposing a consumer socialization framework to understand the effects of social media peer communication on purchase intentions. Nash and Gell (2018) delve into social media influences on purchase decisions for females aged 45+, illustrating the diverse demographic segments affected by social media marketing efforts.

Tarabieh (2017) investigates the synergistic impact of social media and traditional media on purchase decisions, highlighting the mediating role of brand loyalty. Al-Abdallah et al. (2021) focus on the impact of social networking sites on luxury vehicle purchase decisions in Gulf Cooperation Council countries, providing insights into consumer behaviour in a specific market segment. Tripathi (2019) examines the impact of social media on Generation Y's purchasing behaviour for fashion apparel, further underscoring the role of digital



platforms in shaping consumer preferences and decisions.

RQ1: How does social media influence the purchase decisions of consumers across different demographics and industries?

RQ2: What specific social media platforms and content types have the most significant impact on consumer purchasing behaviour?

Research Methodology

This study adopts a quantitative research approach to investigate the impact of social media on consumer purchase decisions. Data will be collected through a structured questionnaire distributed via Google Forms, allowing for the analysis of key factors influencing consumer behaviour across different demographics and industries.

The target population for this study includes consumers residing in Delhi, India, across various age groups and industries. A purposive sampling technique will be employed to select participants who actively engage with social media platforms. A total of 221 respondents will be invited to participate in the study. The questionnaire will be distributed electronically, ensuring accessibility and efficiency in data collection.

Objectives:

1. To examine the extent to which social media platforms influence consumer purchase decisions.
2. To identify key factors within social media content and engagement strategies that contribute to influencing consumer purchasing behaviour.

Hypotheses:

H1: There is a positive correlation between consumers' exposure to social media content and their likelihood of making a purchase.

H2: Social media platforms that emphasize visual content and user-generated reviews will have a greater impact on influencing consumer purchase decisions compared to text-based platforms.

The questionnaire will comprise multiple sections designed to gather relevant information on participants'

social media usage and its influence on their purchasing behaviour. The first section will collect demographic data, including age, gender, occupation, and income level. Subsequent sections will explore participants' social media usage habits, preferred platforms, types of content consumed, and their impact on purchase decisions. Participants will also be asked to rate the perceived influence of various social media strategies, such as visual content, user-generated reviews, and influencer marketing, on their purchasing behaviour.

Quantitative data collected through the questionnaire will be analysed using statistical software, such as SPSS. Descriptive statistics will be used to summarize the demographic characteristics of the sample and participants' responses to individual questionnaire items. Inferential statistical techniques, including correlation analysis and regression analysis, will be employed to test the hypotheses and identify significant relationships between variables.

The study will adhere to ethical guidelines, ensuring participant confidentiality and anonymity. Informed consent will be obtained from all participants before their participation in the study, and they will be assured that their responses will be used for research purposes only. Participants will also be informed of their right to withdraw from the study at any time without facing any consequences. Additionally, measures will be implemented to protect participants' personal information and ensure data security throughout the research process.

Regression Equation 1 (H1):

Purchase Likelihood = $\beta_0 + \beta_1$ _Exposure to Social Media Content + β_2 _Age + β_3 _Income Level + ϵ

In this regression equation:

- Purchase Likelihood represents the dependent variable, indicating the likelihood of making a purchase.
- Exposure to Social Media Content is the independent variable, representing consumers' exposure to social media content.



- Age and Income Level are additional independent variables representing demographic factors.

- β_0 represents the intercept.

- $\beta_1, \beta_2, \beta_3$ represent the coefficients indicating the strength and direction of the relationships between exposure to social media content, age, income level, and purchase likelihood.

- ϵ represents the error term.

Regression Equation 2 (H2):

Impact on Purchase Decisions = $\beta_0 + \beta_1_{\text{Visual Content Emphasis}} + \beta_2_{\text{User-Generated Reviews}} + \beta_3_{\text{Gender}} + \epsilon$

In this regression equation:

- Impact on Purchase Decisions represents the dependent variable, indicating the impact of social media platforms and content types on consumer purchase decisions.

- Visual Content Emphasis and User-Generated Reviews are independent variables representing specific social media platform features.

- Gender is an additional independent variable representing demographic factors.

- β_0 represents the intercept.

- $\beta_1, \beta_2, \beta_3$ represent the coefficients indicating the strength and direction of the relationships between visual content emphasis, user-generated reviews, gender, and their impact on purchase decisions.

- ϵ represents the error term.

These expanded regression equations will allow us to examine how exposure to social media content and specific content types influence consumer purchase decisions, while also considering demographic factors such as age, income level, and gender.

Analysis

The demographic profile of the sample population for the research study reveals interesting insights into various socio-economic factors influencing purchase decisions. Gender distribution shows a slight dominance of males,

constituting 62% of the sample, compared to 38% females. This could imply potential variations in purchasing behavior based on gender preferences and perceptions.

Regarding age distribution, the majority falls within the age range of 24-30, comprising 48% of the sample, followed by 18-24 (23%), 30-36 (16%), and 36 and above (13%). This indicates a significant presence of young adults and working-age individuals, suggesting that marketing strategies should cater to the preferences and lifestyles of this demographic segment. Education-wise, graduates represent the largest proportion at 38%, followed by post-graduates (31%) and HSC holders (21%). This suggests that a considerable portion of the sample possesses at least a higher secondary level of education, which could influence their decision-making processes and susceptibility to different marketing appeals.

Occupationally, private employees constitute the highest proportion at 38%, followed closely by self-business owners (27%) and post graduates (31%). This distribution indicates a diverse mix of employment statuses within the sample, highlighting the importance of tailoring marketing messages to resonate with different occupational groups. Income distribution reveals that the majority fall within the higher income brackets, with 63% earning Rs. 1,50,000 and above. This indicates potential purchasing power among a significant portion of the sample, suggesting that they may be more receptive to premium or luxury products/services.

The demographic profile suggests a predominantly male, young adult population with varying levels of education, occupational diversity, and a considerable proportion with higher incomes. Marketers can leverage these insights to tailor their strategies effectively, considering gender-specific preferences, age-related trends, educational backgrounds, occupational roles, and income levels to maximize impact on purchase decisions within this demographic segment.

Regression Equation 1 (H1):

Purchase Likelihood = $\beta_0 + \beta_1_{\text{Exposure to Social Media Content}} + \beta_2_{\text{Age}} + \beta_3_{\text{Income Level}} + \epsilon$

The regression analysis provides valuable insights into the relationship between exposure to social media



content and consumers' purchase likelihood, while also considering age and income level as potential influencers. The equation for Hypothesis 1 (H1)

indicates that Purchase Likelihood is influenced by Exposure to Social Media Content (ESMC), Age, and Income Level.

Table 1: Regression Analysis

Residuals:

Min	1Q	Median	3Q	Max
-1.04972	-0.22979	0.02951	0.20197	1.08338

Coefficients:

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	0.57471	0.09124	6.299	1.65e-09 ***
ESMC	0.34095	0.03092	11.028	< 2e-16 ***
Age	0.59397	0.04553	13.045	< 2e-16 ***
Income	-0.10737	0.03836	-2.799	0.00558 **

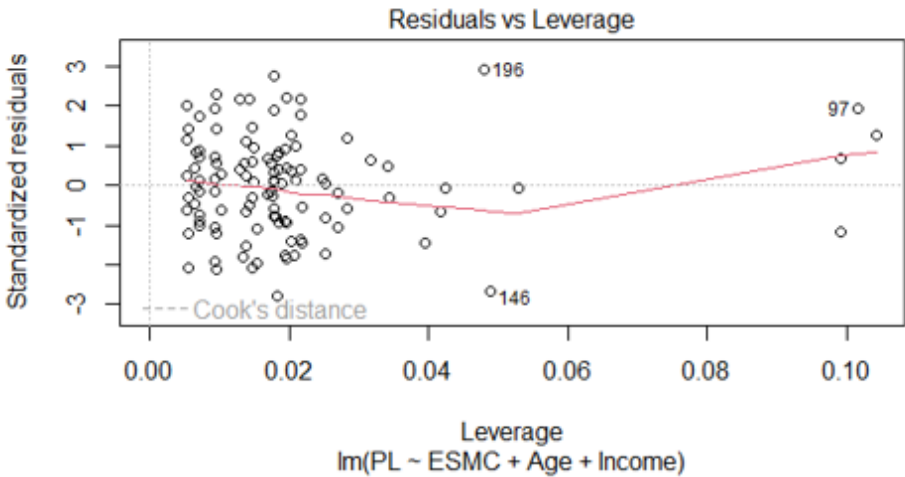
Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 0.3795 on 217 degrees of freedom
Multiple R-squared: 0.7805, Adjusted R-squared: 0.7774
F-statistic: 257.1 on 3 and 217 DF, p-value: < 2.2e-16

[Sources: R studio Analysis]

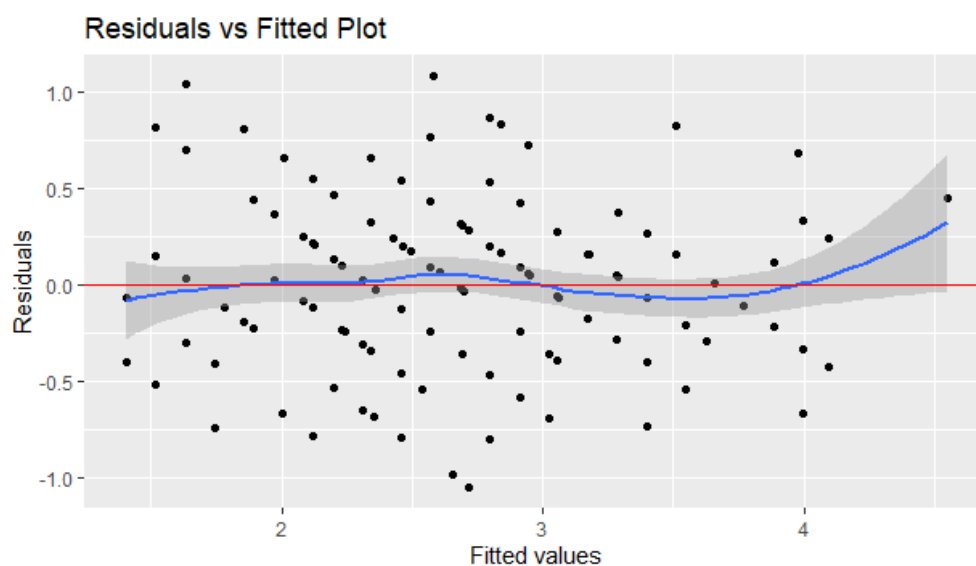
The coefficient estimates reveal significant relationships between Purchase Likelihood and the predictor variables. Notably, Exposure to Social Media Content (ESMC) has a positive coefficient, suggesting that an increase in

exposure to social media content is associated with a higher likelihood of making a purchase. This aligns with the hypothesis that consumers' exposure to social media platforms positively influences their purchase decisions.



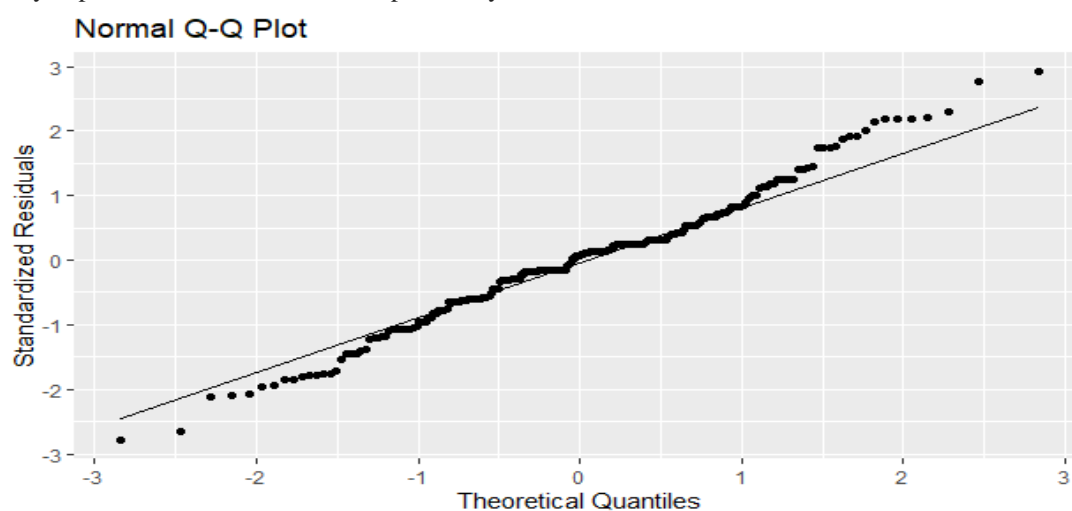
Additionally, Age exhibits a positive coefficient, indicating that older individuals are more likely to make purchases, possibly due to greater financial stability or established consumption patterns. Conversely, Income Level shows a negative coefficient, implying that higher income levels are associated with a lower likelihood of

making purchases. This unexpected finding might warrant further investigation to explore potential underlying factors, such as savings behaviour or investment preferences among higher-income individuals.



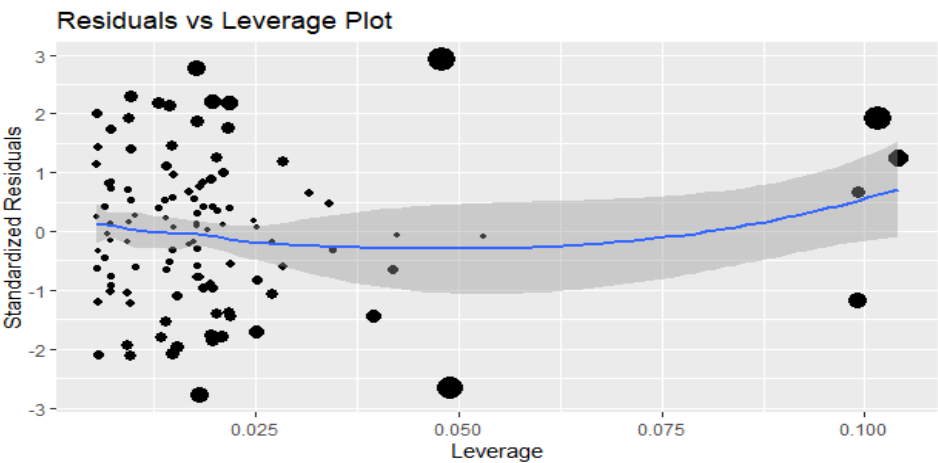
The regression model's overall goodness-of-fit statistics, including the adjusted R-squared and F-statistic, indicate that the model explains a substantial proportion of the variance in Purchase Likelihood. The adjusted R-squared value of 0.7774 suggests that approximately 77.74% of the variability in purchase likelihood can be explained by

the predictor variables included in the model. Furthermore, the F-statistic's extremely low p-value ($< 2.2e-16$) indicates that the model's explanatory variables collectively have a significant effect on Purchase Likelihood.



The findings support Hypothesis 1, indicating a positive correlation between consumers' exposure to social media content and their likelihood of making a purchase. This underscores the importance of social media platforms as

influential channels in shaping consumer behaviour and highlights opportunities for marketers to leverage social media strategies to enhance purchase likelihood among target audiences.



Regression Equation 2 (H2):

Impact on Purchase Decisions = $\beta_0 + \beta_1$ _Visual Content Emphasis + β_2 _User-Generated Reviews + β_3 _Gender + ϵ

Table 2: Regression Analysis

Residuals:

Min	1Q	Median	3Q	Max
-1.95486	-0.28443	0.04891	0.24664	1.69371

Coefficients:

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	0.53430	0.19052	2.804	0.0055 **
VCE	0.46112	0.08396	5.492	1.11e-07 ***
UGR	0.34114	0.08241	4.140	4.98e-05 ***
Gender	0.01002	0.08152	0.123	0.9023

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 0.5809 on 217 degrees of freedom
Multiple R-squared: 0.5956, Adjusted R-squared: 0.59
F-statistic: 106.5 on 3 and 217 DF, p-value: < 2.2e-16

[Sources: R Studio Analysis]

The regression analysis for Hypothesis 2 (H2) aims to identify key factors within social media content and engagement strategies that influence consumer purchasing behaviour. The regression equation considers Visual Content Emphasis (VCE), User-Generated Reviews (UGR), and Gender as potential predictors of Impact on Purchase Decisions.

The coefficient estimates reveal significant relationships between Impact on Purchase Decisions and the predictor variables. Visual Content Emphasis (VCE) and User-Generated Reviews (UGR) both show positive coefficients, indicating that platforms emphasizing

visual content and incorporating user-generated reviews have a greater impact on influencing consumer purchase decisions. This aligns with the hypothesis, suggesting that content-rich social media platforms are more effective in driving consumer purchasing behaviour compared to text-based platforms.

However, Gender exhibits a non-significant coefficient, implying that gender does not significantly influence the impact of social media content and engagement strategies on purchase decisions. This finding suggests that the effectiveness of social media marketing strategies may not vary significantly based on gender,



highlighting the importance of creating content that appeals to a broad audience regardless of gender.

The regression model's overall goodness-of-fit statistics, including the adjusted R-squared and F-statistic, indicate that the model explains a substantial proportion of the variance in Impact on Purchase Decisions. The adjusted R-squared value of 0.59 suggests that approximately 59% of the variability in impact on purchase decisions can be explained by the predictor variables included in the model. Furthermore, the F-statistic's extremely low p-value ($< 2.2e-16$) indicates that the model's explanatory variables collectively have a significant effect on Impact on Purchase Decisions.

The findings support Hypothesis 2, suggesting that social media platforms emphasizing visual content and user-generated reviews have a greater impact on influencing consumer purchase decisions compared to text-based platforms. Marketers can leverage these insights to optimize their social media content and engagement strategies, focusing on visual storytelling and leveraging user-generated content to drive consumer engagement and ultimately, purchase behaviour.

Conclusion

In conclusion, the regression analyses conducted for both hypotheses provide valuable insights into the factors influencing consumer purchasing behaviour in the realm of social media marketing. For Hypothesis 1, the results indicate a positive correlation between exposure to social media content and the likelihood of making a purchase. This underscores the significance of social media platforms as influential channels in shaping consumer decisions. Moreover, the findings suggest that age and income levels are important demographic factors that further influence purchase likelihood, highlighting the need for marketers to tailor strategies to different segments of their target audience.

Similarly, for Hypothesis 2, the analysis reveals that social media platforms emphasizing visual content and user-generated reviews have a greater impact on influencing consumer purchase decisions compared to text-based platforms. This emphasizes the importance of content-rich and engaging social media strategies in driving consumer engagement and purchase behaviour. However, the non-significant effect of gender indicates

that social media marketing effectiveness may not vary significantly based on gender, suggesting the need for inclusive content that appeals to a diverse audience.

For future research, expanding the study to include a larger and more diverse sample population could provide deeper insights into the nuances of consumer behaviour on social media platforms. Additionally, investigating the influence of other factors such as brand perception, trustworthiness of user-generated content, and platform-specific features could further enhance understanding of the dynamics at play in social media marketing. Furthermore, longitudinal studies tracking consumer behaviour over time could elucidate how social media trends evolve and impact purchasing decisions in the long term. Overall, this research lays the groundwork for future investigations aiming to refine social media marketing strategies and optimize their effectiveness in driving consumer engagement and purchase behaviour.

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