

# Impact of Social Media on Consumer Purchasing Decisions

**A.V. Amrutha**

*Assistant Professor, Carmel College (Autonomous), Mala*

## OPEN ACCESS

Volume: 13

Special Issue: 1

Month: March

Year: 2025

E-ISSN: 2582-6190

Citation:

Amrutha, AV. "Impact of Social Media on Consumer Purchasing Decisions." *ComFin Research*, vol. 13, no. S1-i2, 2025, pp. 156–59.

DOI:

<https://doi.org/10.34293/commerce.v13iS1-i2.8755>

## Abstract

*Social media has proven to be a changeable force in the design of consumer behaviour, fundamentally changing the way individuals discover and meet purchasing decisions about products and services. In this article, we will explore the deep impact of social media on consumer behaviour and key factors such as product discovery, peer impact, influencer marketing, personalized advertising, and customer loyalty. Furthermore, the integration of artificial intelligence (KI) on social media platforms will result in this dynamic and dynamic revolution, enabling extended data analytics, hyper-personalized content and consumer prediction knowledge. It's become. Social media, driven by AI control algorithms, has transformed the traditional consumer experience by providing businesses with innovative tools to hire target groups Across digital channels like Facebook and Instagram. Twitter, Watsapp, and more. This study not only makes decision-making processes but also post-purchase experiences, also how social media is enhanced by AI to promote brand loyalty and improve consumer satisfaction is emphasized in. Through an analysis of current trends, case studies, and the role of AI in optimizing marketing strategies, this paper illustrates the growing implications of social media and AI to drive consumer purchase decisions. The impact on businesses that want to use these growth technologies is highly effective in understanding the interactions between social media, AI, and consumer behaviour, which is increasingly competitive in digital and data-controlled markets. It's important, so important.*

**Keywords:** Influencer Marketing, Consumer Behaviour, Social Media

## Introduction

Social media has evolved from a mere networking platform into a powerful, ever-evolving tool that shapes consumer behavior in the modern digital landscape. Platforms like Facebook, Instagram, Twitter and LinkedIn become a critical component of consumer travel and influence people's decision-making processes. Real-time information, peer reviews, tailor-made ads, and influencer suggestions are easily accessible to modern consumers. Companies had to have a marketing method based on this change in the way customers contacted the company. This includes complex relationships in which customers are affected by the influence of the views of colleagues, social circles and influencers being introduced along with new elements. Furthermore, social media has become an essential tool for interaction with customers thanks to its user-generated content, targeted ads, product reviews and more. Understanding how social media affects consumer decisions means that businesses continue to run this type of advertising effectively impact growth and customer loyalty. It is important to create strategies to maintain. , purchase decisions, brand recognition, and post-

purchase interactions. This study shows how social media influences the contemporary consumer experience by examining current trends and examples of the best brands. There is also insight into how businesses use this impact in the digital economy, increasingly.

## Review of Literature

Jain, P. & Kaur, H. (2017) in their study investigated how social media advertisements influence Indian consumers' behaviour, specifically how Facebook and Instagram influence their decisions to buy. They identified that the decision-making process of Indian consumers is significantly influenced by targeted advertisements and browser history based on user interests.

Sharma, S. & Agarwal, M. (2020) examine how social media is used in the design of brand loyalty among Indian consumers. They argued that social media promotes direct communication between brands and consumers, allowing businesses to communicate with customers at the individual level. Deliver interactive content, prompt answers to customer queries, and create campaigns that allow brands to promote loyalty and increase repeat purchases. Her research highlighted that Indian consumers maintain brands that maintain a greater probability of positive and transparent social media presence.

Bose, I. & Sinha, S. About India's social media platforms. They found that photos, videos and info graphics have a major impact on how Indian consumers interact with brands on platforms such as Instagram and YouTube. Research showed that visually engaging content leads to higher levels of interaction with users. B. Similarly, we commented and together influenced our purchasing decision. The authors suggest that Indian companies need to focus on creating high quality visual content in order to effectively engage their target groups.

Gupta, S., and Kumar, A. (2022) Make use of powerful social media to advertise new product releases, flash sales, and discounts. The purchase habits of Indian consumers are greatly influenced by these advertising strategies that are linked to social media activities like reviews, comments, and user-generated content. The study found that recommendations, product reviews, and social media influencers are increasingly being used by Indian customers when making online purchases.

## Statement of the Problem

Social media is changing how people shop and interact with brands. With billions on sites like Facebook, Instagram, Twitter, and YouTube, companies can reach people all over the world. They can communicate with customers instantly and influence what they buy. However, we don't fully understand how social media affects shopping decisions, especially in India. There are many aspects at play, like user content, peer reviews, influencer marketing, and targeted ads, each affecting how people decide to buy.

Some studies look at this, but the details about these interactions are still unclear, especially for Indian consumers. Marketers often struggle to create effective social media strategies. Still, they don't really know how different groups respond to various types of content. This gap makes it hard for businesses to tailor their marketing, build trust, and keep customers loyal. This research will look into how things like peer influence, social proof, tailored ads, and influencer marketing shape consumer behaviour. By doing this, it hopes to give companies useful ideas on how to improve their social media marketing to better connect with Indian consumers.

## Objectives of the Study

- To analyze the effect of social media on consumer purchasing behaviour.
- To assess the role of influencer marketing in shaping consumer decision-making.

## Research Methodology

This study looks at how social media and influencer marketing affect what people buy. We collected data by doing a survey with sample of 100 individuals who actively use social media and engage in online shopping was analyzed. Key factors examined included age, duration of social media usage, how often they shop, and their thoughts on how well influencer marketing works. To analyse the data, we used chi-square tests. These tests helped us see if there's a link between times on social media and how often people make purchases. We also looked at how effective influencer marketing is in getting people to buy products. We made sure to use a fair sampling method and followed ethical guidelines to keep our participants' information safe and private.

## Data Analysis and Interpretation

### Chi Square

- ( $H_0$ ): There is no significant relationship between the amount of time spent on social media and the frequency of purchases.
- ( $H_1$ ): There is a significant relationship between the amount of time spent on social media and the frequency of purchases.

Time Spent (Hours/day)	Purchase	No purchase	Total
Low	25 (24.75)	8 (8.25)	33
Moderate	30 (24.75)	3 (8.25)	33
High	20 (25.5)	14 (8.5)	34
Total	75	25	100
Df: 2	Calculated $\chi^2$ value: 9.20 P value: 5.991		Significant

The chi-square test shows Thus, the null hypothesis can be rejected.. This means there's a strong link between times spent on social media and how often people buy things. Those who spend more time on social media tend to shop differently than those who spend less time. This shows how social media can shape what people decide to buy.

- $H_0$ : There is no significant relationship between the effectiveness of influencer marketing and consumer purchase decisions.
- $H_1$ : There is a significant relationship between the effectiveness of influencer marketing and consumer purchase decisions.

Influencer Marketing Effectiveness	Purchased (yes)	No Purchased (No)	Total
Highly Influential	40 (35)	10 (15)	50
Not Influential	30 (35)	20 (15)	50
Total	70	30	100
Df: 1	Calculated $\chi^2$ value: 4.762 P value: 3.841		Significant

The Chi-square test gave us a score of 4.76 with 1 degree of freedom. This number is higher than the critical value of 3.841 at the 0.05 significance level. So, we reject the null hypothesis. This means there's a real link between how effective people think influencer marketing is and their buying choices. In simple terms, people who see influencer marketing as very effective are more likely to buy things compared to those who don't find it helpful.

## Results

- Results highlight the trend of increasingly shaping consumer decisions through digital touch points such as influencer marketing and social media platforms.
- The role and influence of marketing on social media is not only complementary, but also central to the design of consumer behaviour.
- The effectiveness of influencers helps marketers develop an overall campaign with consumers at several digital touch points, ensuring a higher probability.

## Proposals

Use social media platforms to inform consumers of product benefits and features and use influencers as brand representatives.

## Conclusions

This study shows how social media and influencers shape what we buy. People who spend more time on social media tend to shop more often. It seems that being active on these platforms makes it easier to make purchases. Influencers play a big role too. When consumers see those promoting products, it really affects what they decide to buy. This shows they can build trust and guide people's choices. Businesses should use social media smartly and team up with trusted influencers. This can help them market their products better. Social media is more than just a way to chat. It's a major part of how people shop today.

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