A Study on Impact of Social Media Marketing in Consumer Behaviour

Abstract

This master's thesis explores how social media marketing affects customer behavior in the modern digital environment. Businesses looking to succeed in the digital marketplace must now comprehend social media's impact on consumer behavior due to its widespread use and crucial position in marketing tactics. Using a mixed-method approach, this study explores the intricate relationships between social media marketing initiatives and customer decision-making processes through the use of both quantitative surveys and qualitative interviews.

The study looks into a number of topics, such as the usefulness of various social media platforms, the importance of user-generated content, the influence of influencers, and the effects of targeted advertising on customer perceptions and purchase intentions. This thesis aims to offer useful insights for companies looking to improve their understanding of consumer behavior in the digital era and optimize their social media marketing strategies through a thorough analysis of empirical data and theoretical frameworks drawn from marketing, psychology, and sociology literature.

Introduction

In recent years, the advent of social media platforms has revolutionized the landscape of marketing, offering unprecedented opportunities for businesses to connect with consumers on a global scale. With billions of active users across various platforms, social media has emerged as a powerful tool for brands to engage with their target audience, build brand awareness, and influence consumer behavior. Consequently, understanding the impact of social media marketing on consumer behavior has become paramount for businesses striving to remain competitive in the digital marketplace.

The dynamics of consumer behavior have undergone significant transformation in the digital age, with individuals increasingly turning to social media platforms for product discovery, recommendations, and reviews. The pervasive nature of social media has blurred the lines between traditional advertising and organic content, creating new avenues for brands to interact with consumers in a more authentic and personalized manner. As a result, businesses are investing substantial resources in social media marketing initiatives, ranging from sponsored content and influencer partnerships to targeted advertising campaigns. Despite the growing importance of social media marketing, there remains a gap in the existing literature regarding its precise impact on consumer behavior. While numerous studies have explored the effectiveness of various marketing strategies on social media platforms, there is a need for a comprehensive analysis that integrates insights from multiple disciplines, including marketing, psychology, and sociology. By examining the interplay between social media marketing efforts and consumer decision-making processes, this research seeks to shed light on the underlying mechanisms driving consumer behavior in the digital era.

The aim of this master thesis is to explore the intricate relationship between social media marketing and consumer behavior, with a focus on identifying key drivers, challenges, and implications for businesses.

Through a combination of quantitative surveys and qualitative interviews, this study seeks to provide empirical evidence and theoretical insights that can inform the development of more effective social media marketing strategies. By gaining a deeper understanding of how social media influences consumer perceptions, attitudes, and purchasing intentions, businesses can optimize their marketing efforts to better engage with their target audience and achieve their marketing objectives.

In summary, this thesis aims to contribute to the existing body of knowledge on social media marketing and consumer behavior by providing a nuanced analysis of their interrelationship. By bridging the gap between theory and practice, this research endeavors to offer actionable insights for businesses seeking to leverage the power of social media to enhance their marketing effectiveness and drive consumer engagement and loyalty in the digital age.

Social Media

Definition of Social Media

Social media refers to online platforms and websites that facilitate the creation, sharing, and exchange of user-generated content and information in virtual communities and networks. These platforms enable individuals, groups, and organizations to interact, connect, and engage with one another through various forms of multimedia content, such as text, images, videos, and audio. Examples of social media platforms include but are not limited to Facebook, Twitter, Instagram, LinkedIn, YouTube, TikTok, Snapchat, and Pinterest. Social media has become integral to modern communication, shaping the way people connect, share information, express themselves, and consume content on the internet.

The rise of online social networking sites

150 crore people use social networking sites worldwide, with at least 300 sites (www.en.wikipedia.org). A social network is essentially an online community where users navigate through profiles that serve as their public personas. The introduction of Social Networking Sites and the significant paradigm shift among millions of people is the main reason why today's individuals surf these sites. Social networking sites allow users to easily make friends and create teams based on shared interests, businesses, etc. Sharing opinions on culture, sports, movies, education, and daily happenings is as simple as sending pictures. Social networking sites help to heal the rifts between friends by bringing old pals back together.

Social networking sites contribute to the expansion of information in the social, cultural, and economic spheres. The main factor contributing to social networking sites' rise has been their user-friendliness. Anyone can connect with anyone and have an account. The majority of content uploaded on social networking sites consists of interests, images, and personal information. Social networking sites are still in their infancy, but they already have a large number of widely used software applications. As they mature, new applications will also be developed. Social media focuses on building relationships with people through information and interest exchange.

Worldwide, there are several social networking sites available, including LinkedIn, Facebook, MySpace, Orkut, and Cyworld. With about 300 million registered users worldwide, Facebook is the most popular social networking site on the ever expanding list.

Benefits of social media marketing

Increased Brand Awareness: Social media marketing allows businesses to reach a wider audience and increase brand visibility by creating and sharing engaging content across various platforms. Through likes, shares, and comments, brands can expand their reach exponentially and enhance brand recognition.

Enhanced Customer Engagement: Social media platforms provide a direct channel for businesses to engage with their audience in real-time. By responding to comments, messages, and mentions, businesses can foster meaningful interactions, build relationships with customers, and cultivate brand loyalty.

Targeted Advertising: Social media platforms offer sophisticated targeting options that allow businesses to tailor their marketing messages to specific demographics, interests, and behaviors. This targeted approach ensures that marketing efforts reach the most relevant audience, increasing the likelihood of conversion and ROI.

Cost-Effectiveness: Compared to traditional advertising channels, social media marketing offers a cost-effective solution for reaching and engaging with potential customers. With options for both organic and paid content, businesses can achieve their marketing objectives while staying within budget constraints.

Valuable Insights and Analytics: Social media platforms provide businesses with valuable insights and analytics tools to measure the effectiveness of their marketing campaigns. From engagement metrics to demographic data, businesses can gain actionable insights that inform future strategies and optimizations.

Brand Authority and Thought Leadership: Consistent and strategic social media marketing can position businesses as industry leaders and authoritative voices within their niche. By sharing informative and relevant content, businesses can establish credibility, gain trust, and become go-to sources of information for their audience.

Competitive Advantage: Maintaining a strong social media presence is crucial for remaining competitive in the modern digital landscape. Companies that use social media marketing well can stand out from the competition, draw in new clients, and maintain a positive reputation with current clients.

Drive Website Traffic and Conversions: Social media marketing serves as a powerful driver of website traffic and conversions. By including links to product pages, blog posts, or landing pages in social media posts, businesses can direct followers to their website, where they can take desired actions such as making a purchase or signing up for a newsletter.

Advantages of social media

Global Connectivity: Social media allows individuals to connect with friends, family, colleagues, and acquaintances from around the world. It breaks down geographical barriers and facilitates communication and collaboration on a global scale.

Information Sharing: Social media platforms serve as hubs for sharing and accessing information on a wide range of topics. Users can stay updated on news, trends, and events in real-time, fostering a more informed and connected society.

Networking Opportunities: Social media provides valuable networking opportunities for professionals, entrepreneurs, and individuals seeking career advancement. Platforms like LinkedIn enable users to connect with industry peers, recruiters, and potential employers, expanding their professional network and opening doors to new opportunities.

Business Promotion: Social media offers businesses a cost-effective and powerful platform for promoting their products and services. By creating compelling content, engaging with their audience, and leveraging targeted advertising options, businesses can increase brand awareness, drive website traffic, and boost sales.

Community Building: Social media enables the formation of online communities based on shared interests, hobbies, beliefs, or identities. These communities provide a sense of belonging and camaraderie for members, fostering connections and facilitating discussions on topics of mutual interest.

Educational Resources: Social media platforms host a wealth of educational content, ranging from tutorials and webinars to informative articles and podcasts. Users can access valuable learning resources to enhance their skills, knowledge, and personal development.

Social Activism: Social media serves as a powerful tool for social activism and advocacy, allowing individuals and organizations to raise awareness about important issues, mobilize support, and drive positive change. Movements like #BlackLivesMatter and #MeToo have gained momentum and catalyzed social change through social media activism.

Customer Service: Social media has become an integral channel for customer service and support. Businesses can interact with customers in real-time, address inquiries and concerns promptly, and provide personalized assistance, enhancing customer satisfaction and loyalty.

Entertainment: Social media platforms offer a plethora of entertainment content, including memes, videos, GIFs, and viral challenges. Users can find entertainment and amusement in their feeds, providing a welcome distraction and source of enjoyment in their daily lives.

Limitations of social media:

Privacy Concerns: One of the most significant limitations of social media is the issue of privacy. Users often share personal information and data without fully understanding how it may be used or who has access to it, leading to potential privacy breaches and identity theft.

Cyberbullying and Harassment: Social networking sites can provide as fertile habitat for online abuse, harassment, and cyberbullying. The internet's anonymity can give people the confidence to act hurtfully, which can have detrimental effects on the mental health and general wellbeing of victims.

Fake News and Misinformation: Social media has been criticized for its role in the spread of fake news and misinformation. The viral nature of social media can lead to the rapid dissemination of false or misleading information, which can have far-reaching effects on public opinion, politics, and society.

Addiction and Mental Health Issues: Excessive use of social media has been linked to addiction and various mental health issues, including anxiety, depression, and low self-esteem. Constant exposure to curated images and unrealistic portrayals of life can contribute to feelings of inadequacy and social comparison.

Filter Bubbles and Echo Chambers: Social media algorithms are designed to show users content that aligns with their interests and beliefs, creating filter bubbles and echo chambers where individuals are only exposed to information that reinforces their existing views. This can lead to polarization, closed-mindedness, and a lack of exposure to diverse perspectives.

Distraction and Productivity Loss: Social media can be highly addictive and can serve as a significant distraction, particularly in academic and professional settings. Constant notifications, scrolling feeds, and the lure of likes and comments can hinder productivity and focus.

Negative Impact on Relationships: While social media can help people stay connected, it can also negatively impact real-life relationships. Excessive use of social media can lead to reduced face-to-face interaction, misunderstandings, and jealousy, particularly in romantic relationships.

Data Security Risks: Social media platforms collect vast amounts of user data, which can be vulnerable to security breaches and hacking attacks. Instances of data breaches and leaks have raised concerns about the safety and security of personal information shared on social media.

Digital Footprint and Reputation Damage: What is shared on social media can have long-term consequences, as posts and interactions leave a digital footprint that can impact a person's reputation, career opportunities, and personal relationships.

The Consumer Buying Process
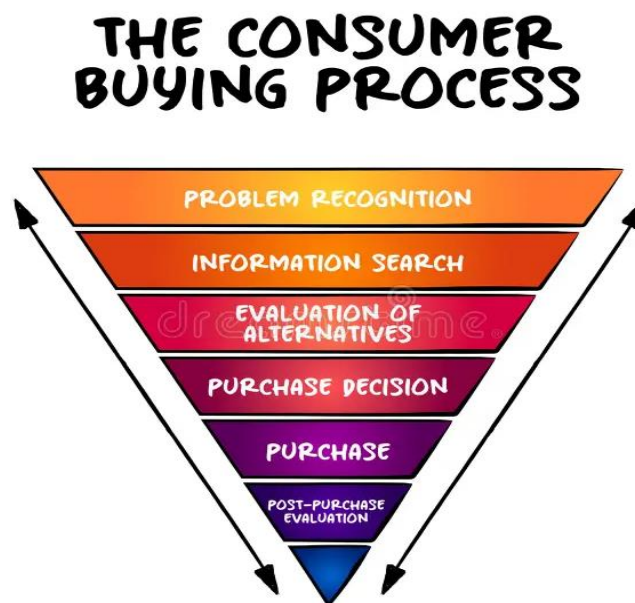
Recognition of Need: When a customer realizes there is a need or an issue that needs to be resolved, the process starts. Either internal (like running out of a product) or external (like seeing an advertisement) causes could cause this.

Information Search: Once the need is recognized, the consumer begins to search for information about potential solutions. This can involve seeking recommendations from friends and family, researching online reviews and product descriptions, or comparing different options in stores or on websites.

Evaluation of Alternatives: After gathering information, the consumer evaluates the available options to determine which one best meets their needs and preferences. Factors such as price, quality, features, and brand reputation may **influence this evaluation process.**

Purchase Decision: Once the consumer has evaluated the alternatives, they make a purchase decision. This decision may be influenced by various factors, including the perceived value of the product or service, promotional offers, availability, and personal preferences.

Purchase: In this stage, the consumer completes the purchase transaction by selecting a specific product or service and paying for it. This could occur online, in-store, or through other channels, depending on the nature of the product and the consumer's preferences.

Post-Purchase Evaluation: After making a purchase, the consumer evaluates their decision and experiences with the product or service. If they are satisfied, it reinforces their decision and may lead to repeat purchases and brand loyalty. If they are dissatisfied, it may result in returns, complaints, or negative word-of-mouth.

Post-Purchase Behavior: Depending on their experience with the product or service, the consumer may engage in post-purchase behaviors such as sharing their experience with others, providing feedback to the company, or seeking customer support if needed.

Review of Literature
Introduction

In recent years, the proliferation of social media platforms has revolutionized the landscape of marketing, offering businesses unprecedented opportunities to engage with consumers on a personal and interactive level. Social media marketing (SMM) has emerged as a powerful tool for brands to connect with their target audience, build relationships, and influence consumer behavior. As businesses increasingly allocate resources to their social media strategies, it becomes imperative to examine the impact of social media marketing on consumer behavior.

This literature review aims to explore the multifaceted relationship between social media marketing and consumer behavior. By synthesizing existing research and insights from academic studies, industry reports, and expert analyses, this review seeks to elucidate the ways in which social media marketing initiatives influence various aspects of consumer behavior, including attitudes, preferences, purchase decisions, and brand loyalty.

The advent of social media has transformed the traditional marketing paradigm, shifting the focus from one-way communication to interactive engagement. Social media platforms such as Facebook, Instagram, Twitter, and YouTube provide businesses with unparalleled access to vast audiences, enabling them to disseminate targeted content, foster community engagement, and solicit feedback in real-time. Consequently, consumers are no longer passive recipients of marketing messages but active participants in brand conversations, co-creating content, and shaping brand perceptions.

The impact of social media marketing on consumer behavior is multifaceted and complex, encompassing both cognitive and affective dimensions. On one hand, social media serves as a source of information and influence, shaping consumers' perceptions, attitudes, and purchase intentions through exposure to branded content, user-generated reviews, and peer recommendations. On the other hand, social media fosters emotional connections and social bonds between brands and consumers, tapping into the principles of social identity, social proof, and reciprocity to cultivate loyalty and advocacy.

Furthermore, social media marketing strategies vary widely in terms of content, format, and delivery, giving rise to a diverse array of consumer responses and behaviors. From influencer collaborations and user-generated campaigns to targeted advertising and viral content, businesses employ an array of tactics to engage consumers and drive desired outcomes. Understanding the effectiveness of these strategies and their impact on consumer behavior is essential for optimizing marketing efforts and achieving business objectives.

As the digital landscape continues to evolve and consumer preferences evolve, it is imperative for businesses to stay abreast of emerging trends and best practices in social media marketing. By leveraging insights from this literature review, businesses can refine their strategies, enhance consumer engagement, and ultimately drive sustainable growth in an increasingly competitive marketplace.

National publications:

The following is a description of the literature review the researcher completed on a variety of national publications, articles, and journals:

Bikhchandani and associates, 1998-01 Their study explains whether or not consumers will buy a product and whether or not they will recommend it to others. Typically, these serve as guidelines for prospective purchases. The study also demonstrates how different product qualities cause information cascades on social media, with varying customer engagement strengths. The study comes to the conclusion that consumers attempt to exhibit wildly disparate degrees of involvement in various scenarios when it comes to brand purchasing and referrals.

45 Manju Ahuja and colleagues, 2003 The study regarding customers utilizing business-to-consumer websites was done for their paper, which focused on examining the elements that affect consumers' browsing and shopping behaviors during online purchases. Additionally, the researchers looked into the purchasing habits of customers with a range of demographic characteristics, which may have revealed distinct purchasing strategies and customer behaviors for a particular category of goods and services. The single most powerful factor influencing consumers' purchasing decisions is social media.

Shafiq Muhammad Gul et al. (2004)03 During the analysis, the researchers focused on determining how social media and client purchasing behavior relate to one another. Students from academic institutions in Karachi participated in the study. The students completed around 265 surveys. According to the report, there isn't much of a correlation between social media and customer buying behavior.

Ramsunder (2011): 04 According to their analysis, internet businesses have a big influence on consumers' decisions. Consumer opinions will affect one another. Repurchases are impacted by the opinions of other customers. In order to obtain more information before making a purchase, consumers are turning to the Internet.

(2012)05 Raghuram Iyengar et al. How friends affect online shopping through social networks was studied in Korea. Their research focuses on two key questions: "If friends have any influence over what consumers buy on social media networks, how does that affect consumers?" and "If friends have any influence, how does that affect consumers?" Sample data were obtained from the social networking site Cyworld in order to support the analysis. A sample of 208 Cyworld users' purchase and non-purchase data was gathered during a ten-week period.

The researchers develop a model that takes into account both the amount spent and the decision to buy or not buy. The model is estimated using the Bayesian approach and the Markov chain Monte Carlo technique. The findings showed that there are three distinct consumer categories, each with a unique purchasing pattern.

Mir and associates, 2012 06 46 Numerous online discussion boards and newsgroups impact thousands of consumers' purchasing decisions. When a large number of consumers express favorable opinions about a brand, that brand's reputation grows.

Dehghani and colleagues, 201307 Their research examines the impact of knowledge inheritance on consumer behavior and brand reputation. On social media, knowledge is passed down when someone imitates the actions of others and decides to take a similar route as someone else. Knowledge cascades are frequently employed to influence consumers in one of two ways: either by making the brand appear highly or low in customer intention to purchase, or by influencing consumers' faith in the brand. The study targets consumers who have faith in a brand's reputation. These clients are impacted by the decisions made by other people.

(2013)08 Teena Bagga et al. The study examines both external and internal factors that influence consumers' online purchasing decisions. A survey of two hundred samples was carried out using a structured form. Respondents completed questionnaires that they received in the mail and found online,

answering them individually. Seven key variables were identified by statistical analysis as influencing consumers' purchasing decisions. These seven criteria included: preferences for social media, website features, online advertising, leisure, ease of use, privacy concerns, and data search.

Gupta Garima (2013)09 She examined the impact of social media on product purchases in her paper. The findings demonstrated that social media does, in fact, influence consumers' intentions to purchase products. Three aspects in particular have a significant influence on consumers' purchase intentions with regard to social media: product knowledge, peer communication, and the degree of product involvement. According to the author, since the product is offered online, it cannot be evaluated; nonetheless, consumers can analyze the product and make decisions based on perceived information published about it on social media and within peer teams.

(2013)10 47 Geetanjali Naidu et al. In their study, they examine how social media affects Raipur customers' shopping decisions. 75% of Indian youngsters use the internet to share their opinions, views, and comments on various websites, according to the poll results. The analysis comes to the conclusion that social media is a popular tool used by consumers to research products.

Balakrishnan and associates, 201411 This study examines how social media affects younger generations' perceptions of brands and their purchasing decisions. Two hundred undergraduate students from Malaysian universities were given questionnaires. 75% of respondents answered the survey. The mean and multivariate analysis were used to test two assertions and three hypotheses. The findings demonstrated the effectiveness of online communications, online communities, electronic word-of-mouth, and online exposure in enhancing customer brand perception and purchase intent via social media platforms. These results alert managers that social media is the most effective selling strategy for connecting with customers in the younger generation. International vendors can use the information provided by this investigation to apply social media activities to their product marketing.

Dr. SourbhiChaturvedi et al., (2014)13 In their study indicated that there may be 100 crore members present in social media; social media sites became an important medium for firms and consumers to meet each us for the exchange of information about products. They also suggest that the influence of social media on customer buying behavior is tremendous. Buying behavior in social network is influenced by gender, education, income, age etc.,

Mohammadpour, Alireza, et al. (2014)14 Using the path analysis 48 technique, the study attempts to determine the effect of social media marketing on customers' online purchasing behavior with regard to brand capital. A sample of 160 students from the University of Tehran were invited to complete a questionnaire about consumer online buying behavior, brand capital, and social media marketing. The findings showed that brand name was significantly impacted by social media. Social media marketing significantly improved consumers' internet buying habits indirectly. The findings support the idea that brand marketing should align with consumer media and online purchasing habits.

Zembik Marta (2014)15 According to his research, social media includes blogs, open forums, and social media websites that are used to share information. Social media data is useful for businesses, organizations, and consumers. Customers benefited from other people's product recommendations and information posted by others. Businesses benefited from the information that consumers posted about their items on social media, from feedback on their product market to information about potential customers' requirements and demographics. This article focuses on the importance of social media data for businesses and consumers when making decisions.

Elenica Pjero, Prof. Assoc., et al. (2015)16 The investigation was carried out in Albania's reality industry by the researchers. Their piece focused on social media and how it may influence consumers' purchasing decisions. The researchers talked about how social media networks have grown and adapted due to the involvement of many people worldwide. The impact of social media on customers' buying intentions was the subject of a comprehensive examination by the researchers. The samples are drawn from social media users across all dimensions, and the outcome shows the noteworthy consumer behavior.

Noreen Tayyaba et al. (2015)17 Researchers looked at the effects of social media in Korea and Pakistan. This study looks into how social media affects customers' purchasing decisions. Word-of-mouth, social media PR, and social media are the main topics of this study. The results showed that, in comparison to customers in Pakistan, Korean consumers are more likely to purchase a product using social media platforms. The findings 49 demonstrated that, in comparison to social media publicity, word-of-mouth has a greater influence on purchase intention.

& al., Nima Barhemmati (2015)18 According to their research, social network marketing is quickly overtaking other advertising models in terms of effectiveness. The purpose of this study is to determine how social network marketing affects the purchasing decisions made by users of social networking sites. The study also examines the connections between social media selling activity, consumer involvement, and purchasing behavior. Fifty Malaysian National University students participated in a survey. The findings indicated a positive correlation between consumers' use of social media and their purchasing patterns.

et al., Sakkthivel AM (2015)19 They try to determine how social networking sites affect the purchasing habits of young female customers from Islamic-faith nations in their analysis. The results of this study, which used structural equation modeling to examine the influence of young female customers, showed that brands, society, and reference groups have additional influence over the social media shopping behavior of young female consumers.

International publications:

The researcher reviewed the following international publications, articles, and journals as part of her literature review:

Williams and associates, 200020 According to his research, social media marketing affects consumer perception, selection behavior, attitude, and purchasing decisions from the pre-purchase data phase to the post-purchase behavior.

Belch and Belch and others, 2003, pages 120–12221 stated in their study that consumers eventually cease examining and assessing information before moving on to the next phase of the buying process. Shoppers now make the decision on whether or not to purchase the merchandise. The decision to purchase is influenced by other customers' recommendations and reviews, which serve as a source of inspiration.

Kim, Young Ae, et al. (2007) 23 explains in their study how the decisions a customer makes while making a purchase are greatly influenced by the individuals they know and trust. Before purchasing a new product, many online shoppers look for the opinions of 50 people. Customers can share their experiences by writing reviews and evaluating other people's reviews in online social networks, where they can also have conversations with reliable members. E-commerce websites have begun to gather data about customer interactions inside their platforms, to comprehend and explore the impact of social media on the purchasing process, to enhance customer relationship management, and to increase sales.

Achille (2008): 24 According to this survey, in the last two years, the percentage of online customers has climbed to 40% as a result of the evaluations and suggestions that these consumers have put on various social media platforms. Due to the influence of social media, 41 percent of customers bought books online, 36 percent bought clothing and shoes, 24 percent bought video games and DVDs, 24 percent bought airline tickets, and 23 percent bought equipment.

OTX evaluation DEI Global (2008) 25 Customers currently utilize social media as a primary source of information about brands, businesses, and products, according to a study that examined the impact of social media on consumer purchasing behavior and included a survey of US citizens. It also comes to the conclusion that brand and company outreach on social media—especially if done by a private online representative—has a greater influence on consumer behavior than commercials or other forms of promotion. Indeed, it is highly likely that two thirds of consumers will share the information they learn with others, and more than half will probably need to take action based on it.When social media is used to spread positive information, the influence on consumer behavior is noticeably stronger.

JiXiaofen & Associates (2009) 26 This study has developed a model of how online speech and opinions have an impact on consumers' intentions to shop. According to the study, the impression of online spoken language and the remarks made by leaders have a significant impact on the disposition of consumers when they shop for clothing; the data from online spoken language effects the receiver's attitude toward bran and the disposition of consumers when they buy clothes in their entirety.

Gursakal, 51 (2009) 27 This study examines how much time consumers spend on social media and the internet, as well as the impact of media society. The consumption patterns of today have changed. By conducting searches on emails, websites, and social media, buyers and sellers are changing how they use publications, interviews, and catalogs. Social media's effective function has led to customers using the internet for longer periods of time and turning away from more conventional search techniques. Social media is becoming a significant platform for discussing opportunities, promoting products, and leaving comments about them.

et al. Miller (2010) 28 According to his research, more than eleven million consumers use social networking to make various purchases, accounting for 70% of all purchases. Customers contribute insightful information about the product on social media and exchange remarks with other customers.

Berland Associates LLC and Penn Schoen (2010)29 They describe in their study the potential effects of social media on consumer electronics. Ten thousand web interviews with adults over the age of eighteen were used in this study. The findings showed that social media networks have permeated people's daily lives. Social media influences how consumers behave. Approximately thirty percent of social media users backed their purchases with suggestions from friends and strangers on the platform, and sixty-eight percent of respondents thought these recommendations were more or less in line with conventional advice. Approximately thirty-three percent of people think that the reviews and recommendations they get on social media are superior to those they get from other sources.

Cvijikj (2010): 30 Their study looks at how Facebook affects consumers' decision-making when purchasing purchases. Customers trust the opinions of various individuals or groups when making purchasing decisions. This study assesses Facebook's influence on decision-making processes. Researchers created a model Facebook application to create repositories and share opinions with friends. The thirty-three participants in the online survey are analyzed in this study. Twenty questions total, broken down into three sections, made up Survey 52. The participant's age and gender were among the data in the main cluster.

The subsequent set of inquiries focused on the consumer's behavior, while the final set addressed the idea, notion, and model of Facebook. The findings confirm that, in comparison to other sources, friends are the most trustworthy source of information for consumers.

The findings also show that friends' opinions matter more when it comes to a product than does their own possession of it.

McKinsey Company (2010)31 states According to his research, social media has a big impact on consumers, especially those who are buying a product for the first time. It has a bigger impact on expensive goods since buyers want to do more research and ask for advice before making a purchase. This suggests that social media influences consumers throughout the data-gathering phase of the purchasing process, and consequently, consumers will utilize social media to obtain information about the goods and services.

et al. Hoyer (2010) 32 According to his research, social media is a non-marketing element that, when combined with other marketing sources, significantly influences customers' purchasing decisions. Social media is a platform where users share a lot of information with others by posting reviews, suggestions, and electronic word-of-mouth. Social media platforms facilitate communication and sharing among users through communities. The author claims that consumers on social media are willing to consider other people's opinions, trust their peers, and allow peers to have an influence on their purchasing decisions

Kozinets & Associates (2010) 33 Make the argument that online teams have a discernible impact on consumers' purchasing decisions and purchasing behavior. Customers can get knowledge about products through public discussion forums on social media platforms, for example, which assists them in making buying decisions.

(2011)34 Pookulangaran et al. According to his piece, shopping is always an experience, and social media gives customers the chance to interact with people they don't usually know. 53 Cultural traits have a significant influence on how customers use social media and how they make purchases online.

(2011) Haciefendioglu 35 His research reveals that when making a purchase, consumers are swayed by the opinions of their friends on social media. According to the report, customers are influenced by the opinions of their social media friends when deciding which product or brand to buy.

Mehmood Rehmani and associates, 201136 examined the several social media factors that have a significant impact on customers' purchase decisions in their investigation. Determining the impact of social media on customers' purchasing decisions was deemed important by the analysis. The study's goals were stated by the authors, who also said that in order to achieve these goals, a suitable research model was anticipated and research hypotheses were tested on it.

Constantinides and colleagues, 2011:37 It was analyzed and reported that shoppers' habits are differentiated by social media. Factors such as environmental, psychological, demographic, and sociocultural influences influence shoppers' buying decisions. By classifying social media users according to their age, gender, educational attainment, geography, and occupation/income level, businesspeople may manage more realistic social media selling initiatives. Comparable socio-cultural elements include family, social standing, and family culture, as well as psychological elements like learning, motivation, perception, and personality. By using appropriate social media marketing strategies, these factors help businesspeople identify and target social media users.

201138 Diffley et al. It is evident from their study that marketers have considered whether social media platforms may be an effective tool for selling as well as whether or not to involve consumers in social media marketing. They contend that businesses should have a unique strategy that draws customers rather than flooding their inbox. Customers will become irritated with the product if they see more commercials

pushing sales. The author discusses creating a suitable strategy for using websites as a tool for advertising. The author concludes by suggesting that in order to improve social media sites as a sales tool, businesses should cultivate positive relationships with consumers.

(2011)39 ErkanAkar et al. Their investigation uncovered the factor influencing consumers' perceptions of social media sales. Shopper communities serve as new marketplaces for entrepreneurs. The goal of the investigation is to identify the variables that influence consumers' perceptions of product sales on social media platforms.

(2011) Edison 40 Approximately 52% of American people have at least one social network profile, according to a recent analysis by the author on online social network users in the country. According to the analysis, one-fourth of online social marketing users purchase their preferred brands through these online social network sites—many of which use Facebook as their brand page. The outcome demonstrates that consumers are now using online social networks as a source of product knowledge when making purchasing decisions.

et al. Karimov (2011)41 According to their research, consumers may view online goods purchases as risky due to the inability to physically inspect the products, the lack of personal information interaction, and in certain situations, the scarcity of secure transactions. The use of social media platforms like Facebook, YouTube, Twitter, and company blogs can support efforts to increase the fundamental issue of trust in consumer behavior because they improve the feeling of social presence. In addition, consumers can use social media as a communication tool that helps them make decisions about what to buy. The incorporation of mobile applications for communication is a new development in social media capabilities.

Guo, Stephen et al. (2011) 42 The world's largest e-commerce site, Taobao, is a Chinese marketplace that is the subject of this paper's analysis. Integrating an instant messaging tool sets Taobao apart from its rivals. Our research focuses on how a person's transactions are integrated into social media. The analysis comes to a model for product purchases based on buyer recommendations, which shows how a person would behave to choose a store if he desires a certain product. The 55 model illustrates how social variables will aid in understanding client behavior by using data retrieval techniques from the websites.

As stated by Drell (2011)43 Two primary categories of information are shared online, according to this study, which examines how users of social media behave online. They were divided into two groups based on how much information they shared. Out of all the online shoppers in this survey, 20% are high information sharers; they are adolescent consumers who are brand loyal and possess many electronic devices for information sharing. Conversely, just 80% of online customers shared low levels of information, were often older, and prioritized quality above brand.

(2012)44 IremErenErdogmus et al. The purpose of this study is to determine how social media affects consumers' faith in brands. Because this study considers consumers who follow a single brand on social media, data were gathered using a standardized form from a sample of 338 people, and many statistical techniques were employed to test the results. The study comes to the conclusion that when a brand is present across a variety of social media platforms and applications, consumer brand loyalty is impacted.

Pandya Khushbu (2012)45 The purpose of this study is to educate Indian marketers on the benefits of social media, which is expanding rapidly. Utilizing secondary data from the past five years, the study is exploratory in nature. The study's conclusions address a key query: how does social media affect Indian consumers' purchasing decisions? It offers data, key information, analysis, and case study examples.

Greenleigh, 2012: 46 In this study, he looks into how young people behave when it comes to using social media to make purchases. Shoppers in the mid-teen to mid-30s age range are known as millennials.

According to the researcher, Millennials exhibit traits like being hyper-social, always linked to social media, interested in what other people are doing, buying, and loving the company of strangers. According to this report, 51% of Millennials trust strangers more than friends or family when they are shopping for products. 56 According to the report, 84% of Millennials consult social media networks for advice before making a purchase.

Sharma & Associates, 2012:47 Determine the benefits and drawbacks of a product or brand that is available on social media in their research. The study also shows that social media influences consumers' purchasing decisions in general. et al., Pietro (2012)48 Examine the extent to which social media—especially Facebook—influences purchasing decisions. Utilizing social networking to make purchasing decisions brings them delight. The survey exposes consumer opinions and suggestions regarding merchandise on Facebook, how much consumers enjoy learning about brands and products, and how they feel about using the different tools that social media offers to help them make product purchases. The study also suggests that there is a positive correlation between social media and consumer perceptions of their propensity to purchase.

Nasir, Saadia, and others (2012)49 The focus of this investigation is Pakistani women consumers' purchasing patterns. A study with two hundred female respondents from the town of Lahore was undertaken. The findings show that when making decisions about what to buy, female customers find conventional word-of-mouth recommendations to be more reliable than information from social media. (2012)50 Angella J. Kim et al. The characteristics of social media activity that affect consumers' decisions to buy branded luxury goods are identified by this study. According to the report, luxury businesses engage in five distinct social media activities: entertainment, communication, fashion, word-of-mouth, and tailoring. The findings show a strong positive correlation between social media use and consumers' intentions to make purchases.

Themba et al., (2013) 51 investigates the ways in which African University students engage in product-related word-of-mouth interactions and the effects of these interactions on their purchasing decisions. According to the study, brand-related word-of-mouth on social media is quite rare and has a very favorable effect on purchasing decisions. According to the Vordem Esche et al., (2013)52 Report, social media is currently one of the biggest obstacles facing managers who are promoting employees. In a recent study conducted by the Marketing Promotion Center in Germany, 146 managers were asked to identify the most important entrepreneurial problems they saw in the upcoming years. Social media was mentioned by 89% of the respondents.

The study conducted by Forbes et al. (2013)53 involved analyzing data from approximately 240 sample consumers regarding the type of product they purchased and its costs. The findings indicate that the consumers' online friends' recommendations have an impact on their decision to buy. Additionally, the study revealed that 59% of the sample uses Facebook and public media to obtain product information from friends or contacts. These findings demonstrate the impact of social media on consumers' purchasing behavior.

Lehmann et al., (2013)54 The impact of social media on consumer purchasing behavior was examined in this study, which employed promotion strategies on news and social media websites for the vaccination against respiratory diseases. The study's findings showed that people were highly responsive to social media news when compared to websites that provided news, concluding that social media is a significant instrument supporting people's decision to shop.

(2013)55 Leerapong et al. investigated the elements that affect consumers' decisions to buy products online via social networks, most notably Facebook. Customers rated many factors, such as convenience, risk, and trust, in their study. That either encouraged or discouraged people from making the full Facebook purchase of the product.

et al. Huimin (2013) 56 This study examined how consumers make purchasing decisions and how information spreads amongst users on social media. This study examined numerous research articles to verify its theory regarding the various forms of proximity, using the consumer buying decision method as a source. Findings and ideas have demonstrated that the different types of proximity plays that influence how consumers make purchasing decisions are having a negative impact on the product's publicity and information in social media platforms.

Bayazit Hayta Ates (2013)57 This study attempts to understand how social media affects people's lives today, offers fresh perspectives, and examines how social media networks affect consumers' purchasing habits. About 600 young consumers that utilize social media marketing and have accounts on any social network, ranging in age from 18 to 24, made up the sample. Utilizing an interviewing technique, the study was validated. The main information gathered in structured form includes questions about the demographics of teenagers as well as their usage of social media and the internet, including how long they use it for and why. A five-point rating system was used in the questionnaire to validate the relationship between teen purchasing habits and social media use.

The relationship between consumers' shopping habits and social media was examined using the Cronbach Alpha scale; the outcome was 0.965. The study's conclusion suggests that social media strategy has a significant influence on consumers' purchasing decisions based on factors such as age and educational background.

(2013)58 Michel Laroche et al. According to their research, brand trust and the client-centric approach are impacted by the brand communities that websites support. The study's goal was to illustrate the connections between customers and various brands, products, companies, and other customers. Four hundred samples were used in a survey-based study. The study's findings showed that brand communities on social media positively affect customer interactions with brands, products, and clients' companies. The study also comes to the conclusion that relationships inside a brand community can be negotiated to change their outcomes in favor of brand loyalty.

Chu, Shu-Chuan, and others (2013)59 The responses of social media users to social media advertising are examined in their analysis. Customers who engage with brands and other users using social media as a means of promotion. The online luxury market grew significantly since so many people in the 18–35 age range utilize social media. Consumer perceptions of social media advertising are influenced by brand consciousness and awareness, which in turn influences how users react to social media advertising and their propensity to purchase.

Research Methodology
3.1 Introduction

This chapter discusses the theoretical and methodological perspectives, as well as practical considerations used in this research. It is broken down into research techniques, research approach, the method used, sampling, and data collection and analysis. The research is based on Saunders's (2007) research onion that states that it is proper for justification to be provided in all research levels so that the research methodology

is plausible. Hence, the research onion gives a detailed description of every study level, showing how and why things were done, making it easier to follow the processes and justifications.

3.2 Research Design

This study took a case study approach, and specifically, the case of two retail companies in Finland was used, which are Lidl and IKEA. Research designs are the methods and techniques used by a researcher to collect data and analyze the degree of variables outlined in the research (Creswell, 2014). Thus, a case study enables a more in-depth analysis of a specific group or industry niche. Bryman (2012) asserts that a case study allows a subject to establish its key features and generalize. It is often presented as a report whereby each section within the report's body is meant to deal with certain aspects of the study.

3.3 Sampling

Taherdoost (2016) defined sampling as a process whereby a specific number of observations are taken from a larger population. An entire population cannot be analyzed because there would be a lack of time and resources (Fowler, 2002). Hence each research would need to pick a sampling technique best suited to its purpose. A variety of sampling methods, which fall into either probability or non-probability sampling categories, have been used. The probability methods include stratified, quota, systematic, and clustered methods. Examples of non-probability sampling methods are snowballing and convenient sampling (Datta, 2016). This research chose to use simple random sampling, which is advantageous because it would provide a simple and straightforward data collection mechanism for the present cases. The study is based on social media marketing that would require consumer perspectives that could be accurately analyzed and remove bias because it would randomly choose from the population.

3.4 Data Collection

Two data collection methods are commonly used, which are primary data and secondary data (Kabir, 2016). Primary data is collected on a first-hand basis by using questionnaires, surveys, experiments, focus groups, and interviews. Secondary data refers to data that has already been collected and written by established authors and comes in the form of books, government reports, company and industry reports, journals, compiled databases and articles (Ghauri, 2005). Crewell (2003) stated that primary research was, among other reasons, imperative for establishing goals to find answers for new studies, focus on demographics in a new area or be used to confirm results for previous studies further. In the present study, primary data collection was used because the author aims to find first-hand information on how social media marketing has continued to affect consumer behavior. Specifically, data was collected from managers of the selected retail stores, Lidl and IKEA. Data was collected by using interviews and six participants were sampled. The entier data colelction process took a week, and this was because only one interview was carried out per day. The interview took place electronically, and the participants were called and recorded through the free Whatsapp platform.

3.5 Data Analysis

There are two forms of data analysis, according to Kawulich (2004). Quantitative analysis entails numerical data and qualitative data that focus on the quality rather than the quantity of information. It is imperative to analyze data, according to Bartlett (2001), because it summarizes and identifies trends that relate to the subject being studied. Karwulich (2004) further states that qualitative data will seek to dissect the interviews, questionnaires, and other data entries used to evaluate the hypotheses. In the present case, a qualitative analysis technique was used. The reason qualitative approach was used is that the data collected through interviews lends itself best to content analysis. Further, through this approach, it is possible to determine not only what the respondents think about the perspectives that they give, but also

why they offer those views. Thus, qualitative analysis provides information that is both in-depth and detailed in nature.

3.6 Chapter Summary

This chapter focused on the methodology that were used to carry out this research. The research design is a case study of retail organizations in Finland. Specifically, targeted retail organizations were Lidl and IKEA. The method used to collect data was simple random sampling, and this was done to provide consumers an equal chance to voice their views. A primary data collection approach was adopted, thereby allowing the collection and analysis of primary data. Specifically, interviews were used, and the data was analysed using content analysis.

4) Data Analysis and Interpretation

Impact of social media marketing in consumer behaviour

1) Age of people using Social Media
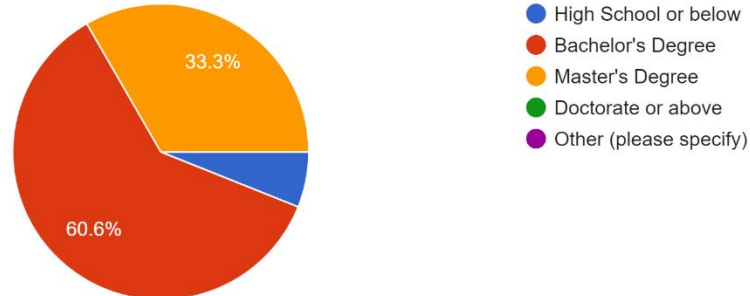

1) Age
32 responses
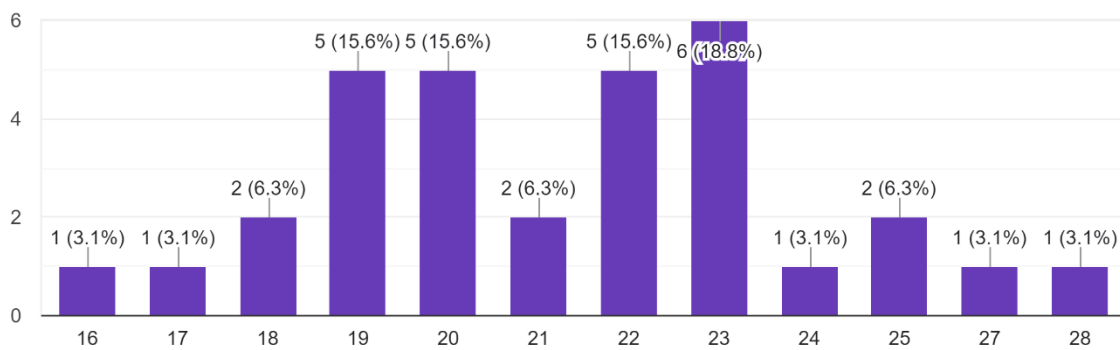
2) Gender of Social Media Users

2) Gender
33 responses
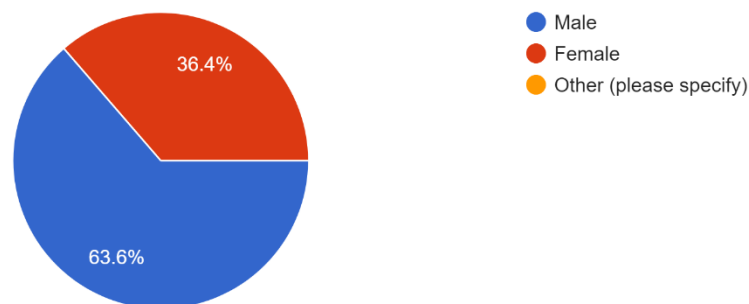
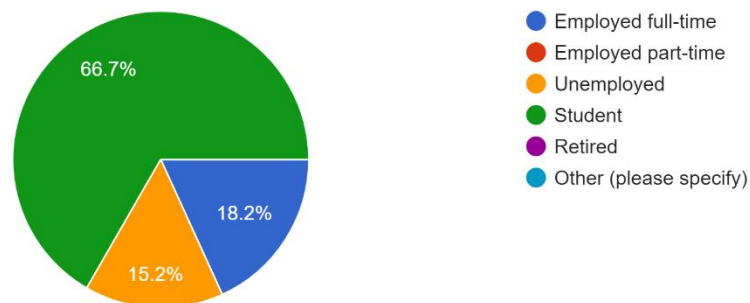### 3) Educational Background of Social Media Users

3) Educational Background

33 responses

- High School or below
- Bachelor's Degree
- Master's Degree
- Doctorate or above
- Other (please specify)

33.3%

60.6%

4) Employment Status of Social media Users

4) Employment Status

33 responses

- Employed full-time
- Employed part-time
- Unemployed
- Student
- Retired
- Other (please specify)

66.7%

18.2%

15.2%

5) Which social media platforms do you actively use?

33 responses

Facebook — 8 (24.2%)
Instagram — 27 (81.8%)
Twitter — 2 (6.1%)
LinkedIn — 9 (27.3%)
Snapchat — 16 (48.5%)
TikTok — 1 (3%)
Pinterest — 3 (9.1%)
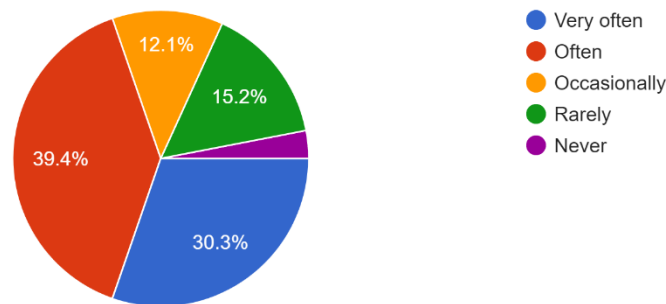Reddit — 0 (0%)
YouTube — 24 (72.7%)
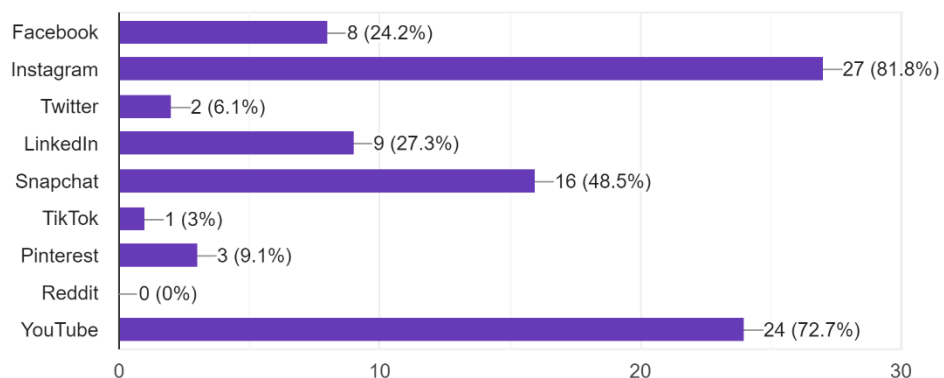
6) On average, how many hours per day do you spend on social media platforms?

32 responses
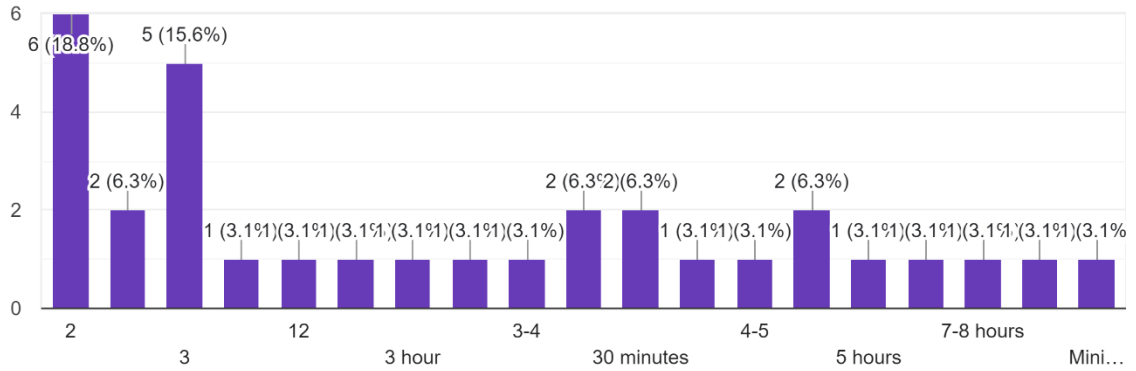
7) How often do you come across sponsored/advertisements while using social media?

33 responses

- Very often
- Often
- Occasionally
- Rarely
- Never

8) How often do you make purchase decisions influenced by social media advertisements?

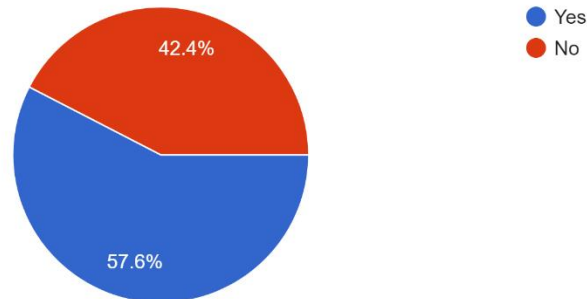33 responses

- Very often
- Often
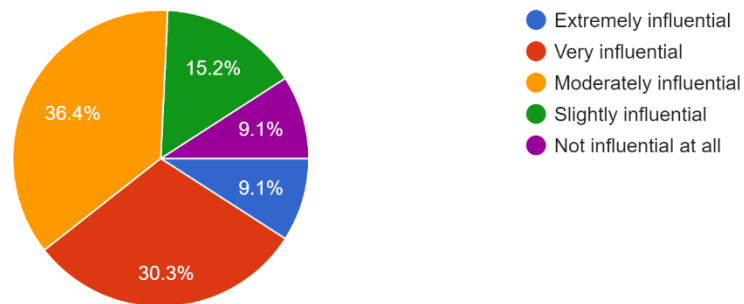- Occasionally
- Rarely
- Never
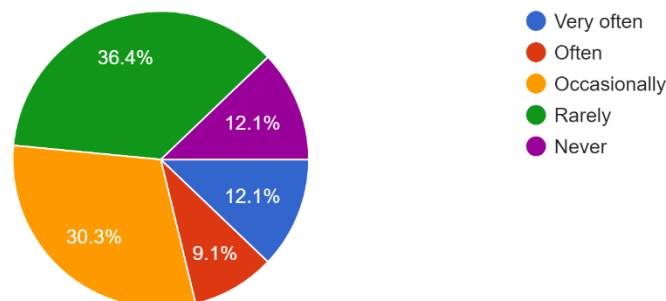
9) Have you ever purchased a product or service because of a social media advertisement?
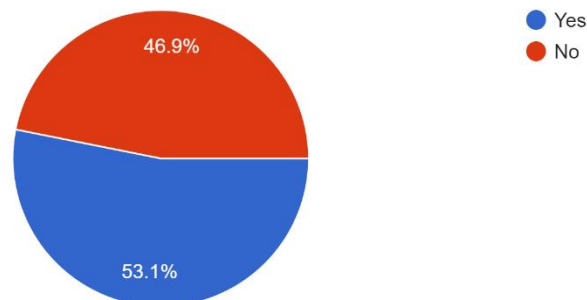
33 responses

10) When considering a purchase, how influential are social media reviews or recommendations?
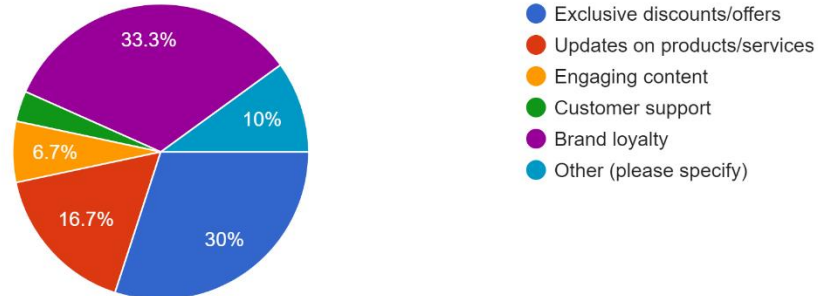
33 responses

11) Do you follow brands or companies on social media?
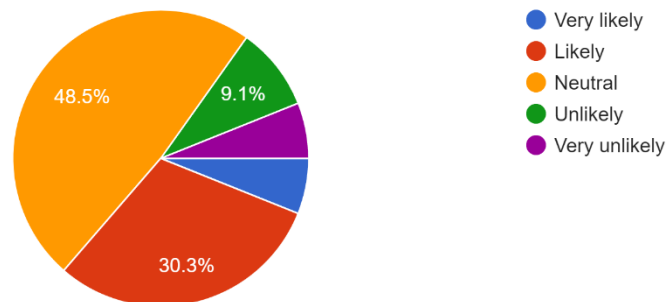
32 responses

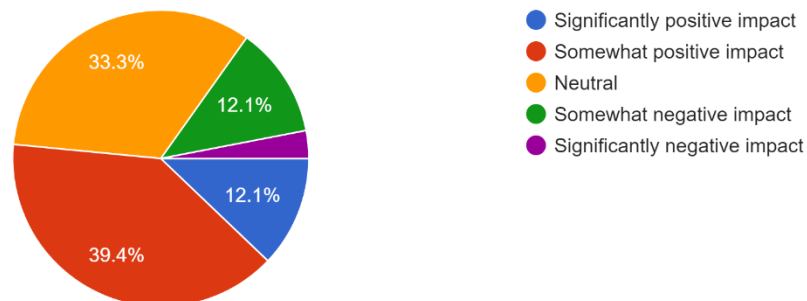12) If yes, what factors motivate you to follow them?
30 responses

- Exclusive discounts/offers
- Updates on products/services
- Engaging content
- Customer support
- Brand loyalty
- Other (please specify)

33.3%, 10%, 30%, 16.7%, 6.7%

13) How likely are you to engage with a brand's social media content (liking, commenting, sharing) if it resonates with you?
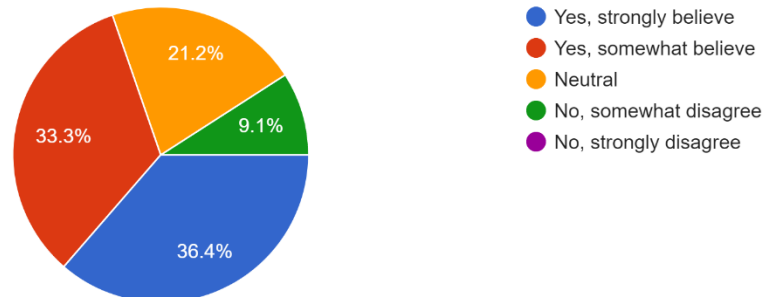33 responses

- Very likely
- Likely
- Neutral
- Unlikely
- Very unlikely

48.5%, 9.1%, 30.3%

14) In your opinion, how has social media marketing influenced your overall consumer behavior?
33 responses

- Significantly positive impact
- Somewhat positive impact
- Neutral
- Somewhat negative impact
- Significantly negative impact

33.3%, 12.1%, 12.1%, 39.4%

15) Do you believe social media marketing is a powerful tool for influencing consumer behavior?
33 responses

- Yes, strongly believe
- Yes, somewhat believe
- Neutral
- No, somewhat disagree
- No, strongly disagree

FINDINGS

The findings in this thesis can vary depending on the specific research methodology, sample population, and the focus of the study. However, here are some common findings that researchers might uncover:

Increased Brand Awareness: Social media marketing efforts often lead to increased brand awareness among consumers. This could be measured through metrics like brand mentions, followership, and reach.

Influence on Purchase Decisions: Social media marketing can significantly influence consumers' purchase decisions. This influence may manifest in various ways, such as through targeted ads, influencer endorsements, or user-generated content.

Engagement and Interaction: Effective social media marketing campaigns facilitate engagement and interaction between brands and consumers. This engagement can foster brand loyalty and positive brand perceptions.

Word-of-Mouth Marketing: Social media platforms serve as channels for word-of-mouth marketing, where satisfied customers share their experiences with others. Positive word-of-mouth can lead to increased sales and brand credibility.

Impact on Consumer Trust: Social media marketing efforts can influence consumers' trust in a brand. Transparency, authenticity, and responsiveness on social media platforms can enhance trust levels among consumers.

Consumer Feedback and Insights: Social media provides a valuable platform for brands to gather feedback and insights from consumers. This feedback can inform product development, marketing strategies, and overall brand positioning.

Effects on Purchase Intentions: Social media marketing activities may impact consumers' intentions to purchase a product or service. Engaging content, personalized offers, and social proof can influence consumers to consider and eventually make a purchase.

Segmentation and Targeting: Social media allows for precise segmentation and targeting of consumer demographics and preferences. Tailored marketing messages can resonate more effectively with specific audience segments, leading to higher conversion rates.

Competitive Advantage: Brands that effectively leverage social media marketing may gain a competitive advantage over those that do not. Maintaining an active and strategic presence on social media can help differentiate a brand in a crowded marketplace.

Challenges and Risks: While social media marketing offers numerous opportunities, it also presents challenges and risks, such as negative feedback, brand image crises, and privacy concerns. Understanding and addressing these challenges are crucial for successful social media marketing strategies.

SUGGESTIONS AND RECOMMENDATIONS

the suggestions and recommendations typically stem from the findings of the study and aim to provide practical insights for marketers and businesses. Here are some common suggestions and recommendations that might be included:

Develop a Comprehensive Social Media Strategy: Based on the findings of the study, it's recommended that businesses develop a comprehensive social media marketing strategy aligned with their overall marketing objectives and target audience preferences. This strategy should encompass content creation, platform selection, audience targeting, and performance measurement.

Focus on Engagement and Interaction: The thesis may suggest that businesses prioritize engagement and interaction with their social media audience. This could involve responding promptly to comments and messages, initiating conversations, and creating shareable content that encourages interaction.

Utilize Data Analytics: Leveraging data analytics tools and techniques can help businesses better understand their audience's preferences, behaviors, and sentiments on social media. The thesis might recommend investing in analytics platforms to track key performance metrics and optimize marketing campaigns accordingly.

Personalize Content and Offers: Based on the study's findings, personalized content and offers tailored to individual consumer preferences can be highly effective in driving engagement and conversion on social media platforms. Businesses should utilize data-driven insights to deliver relevant content and offers to their target audience.

Build Trust and Credibility: Establishing trust and credibility is crucial in influencing consumer behavior on social media. The thesis may recommend that businesses prioritize transparency, authenticity, and responsiveness in their social media interactions to foster trust with their audience.

Implement Influencer Marketing: If the study finds that influencer marketing has a significant impact on consumer behavior, it may recommend that businesses explore opportunities to collaborate with relevant influencers in their industry or niche. Partnering with influencers can help increase brand visibility, credibility, and engagement among target consumers.

Monitor and Manage Reputation: Social media platforms can amplify both positive and negative feedback about a brand. Therefore, it's essential for businesses to actively monitor and manage their online reputation. The thesis might recommend implementing reputation management strategies to address negative feedback and maintain a positive brand image.

Stay Abreast of Platform Trends: Social media platforms are constantly evolving, with new features and trends emerging regularly. Businesses should stay abreast of these platform changes and trends to ensure their social media marketing strategies remain relevant and effective.

Compliance with Regulations: Social media marketing practices must comply with relevant regulations and guidelines, such as data privacy laws and advertising standards. The thesis may recommend that businesses stay informed about legal requirements and ensure their marketing activities adhere to ethical and regulatory standards.

Continual Evaluation and Adaptation: Finally, the thesis might emphasize the importance of continual evaluation and adaptation of social media marketing strategies based on performance metrics, consumer

feedback, and market dynamics. Businesses should be agile and willing to adjust their approach to meet evolving consumer preferences and market conditions.

CONCLUSION

In conclusion, this thesis has explored the intricate relationship between social media marketing and consumer behavior, shedding light on its multifaceted impacts and implications for businesses in today's digital landscape. Through an in-depth analysis of relevant literature, empirical research, and data-driven insights, several key conclusions have emerged.

Firstly, it is evident that social media marketing plays a significant role in shaping consumer behavior across various dimensions. From increasing brand awareness and influencing purchase decisions to fostering engagement and trust, social media platforms serve as powerful channels for brands to connect with and influence their target audience.

Secondly, the findings underscore the importance of strategic and well-executed social media marketing efforts. Businesses that adopt a comprehensive approach, incorporating elements such as personalized content, influencer collaborations, and data-driven analytics, are better positioned to leverage social media platforms effectively and drive desired consumer behaviors.

Moreover, this research highlights the dynamic nature of social media marketing and the need for continual adaptation and innovation. As social media platforms evolve and consumer preferences shift, businesses must remain agile and responsive, continuously refining their strategies to stay relevant and impactful in an ever-changing digital landscape.

While this study has contributed valuable insights into the impact of social media marketing on consumer behavior, it is not without its limitations. Future research endeavors could explore additional variables, contexts, and methodologies to further deepen our understanding of this complex relationship.

In conclusion, the findings of this thesis underscore the transformative potential of social media marketing in shaping consumer behavior and driving business success. By embracing strategic and data-driven approaches, businesses can harness the power of social media platforms to effectively engage, influence, and satisfy the needs and preferences of today's digital-savvy consumers.

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