

# The Impact of Social Media on Consumer Purchasing Decisions

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**Abstract.** This paper explores the mechanism of social media's influence on consumer purchase decisions. Firstly, it introduces the definition, classification and main functions of social media, and thoroughly analyses the role of social media at each stage of the consumer purchase decision process, including problem identification, information search, alternative evaluation, purchase decision and post-purchase behaviour. Challenges and future research directions of social media marketing such as artificial intelligence, virtual reality, cross-platform integration and social responsibility are further discussed. The study shows that social media significantly shapes consumer purchase behaviour and brand attitudes through content distribution, social authentication and user interaction. Taken together, social media not only offers new possibilities for brand marketing, but also requires brands to innovate in terms of information dissemination and user engagement in order to cope with the competitive market environment.

**Keywords:** Social media influence; consumer purchase decision; social media marketing; information dissemination.

## 1. Introduction

With the rapid development of Internet technology, social media has become an integral part of modern society. From the earliest blogs and forums to today's platforms such as Facebook, Twitter, Instagram, etc., social media has experienced rapid evolution and popularity in just over a decade. According to the latest statistics, more than 4 billion people worldwide use social media, accounting for more than 50 per cent of the global population. In the traditional purchasing decision-making process, consumers usually rely on adverts, friends' recommendations and product reviews for information. However, the rise of social media has changed this paradigm forever. Consumers can now access richer and more diverse information through social media platforms, such as user reviews, product reviews, and influencer recommendations. At the same time, social media provides a platform for companies to interact directly with consumers, making marketing more precise and personalised.

It is of great practical significance to study the impact of social media on consumers' purchasing decisions. Understanding this impact can not only help enterprises optimise their marketing strategies and improve market competitiveness, but also provide consumers with a more convenient and personalised shopping experience. In this paper, we will systematically review the existing research results, explore the specific impact of social media in the various stages of consumer purchasing decisions, and analyse the challenges and future development direction of social media marketing.

## 2. Overview of social media

### 2.1. Definition and classification of social media

Social Media (SM) is an Internet-based application platform that allows users to create, share and exchange content. It encompasses a variety of online platforms and tools designed to facilitate interaction between users and the dissemination of information. The core features of Social Media include User-Generated Content (UGC), interactivity and immediacy. UGC refers to information created and shared by users in the form of text, images, videos, etc.; interactivity emphasises communication and feedback between users; and immediacy reflects the rapid and widespread dissemination of information[1].



Based on their functions and uses, social media can be broadly categorised into social networks, microblogging platforms, photo and video sharing platforms, blogs and content communities, instant messaging applications and interest-based social platforms

## 2.2. Key functions of social media

Social media plays a variety of roles in modern society, with diverse functions that provide users with rich experiences and interactive opportunities.

Information sharing, social media is the main platform for information sharing, users can share their personal life, insights, opinions and interests by posting text, pictures, videos and other forms. Social interaction, one of the core functions of social media is to promote interaction between users. Users can communicate with others by liking, commenting, sharing, private messaging and so on. Entertainment, social media platforms offer a wide range of entertainment content such as funny videos, games, music and live streaming. Users can spend time and relax by browsing and engaging with these contents. Content creation and presentation, social media provides a platform for users to showcase themselves and their creative talents. Whether it is photography, writing, music composition or video production, users can share their work through social media to gain recognition and feedback from others. Online shopping and marketing, social media is increasingly becoming an important e-commerce and marketing tool. Businesses can market on social media through advertisements, promotional campaigns, and product demonstrations, interacting directly with consumers.



Figure 1 Key functions of social media

## 3. Consumer purchasing decision-making process

### 3.1 Main stages of the purchase decision

A consumer's purchase decision process typically consists of five main stages, each involving different mental activities and behaviours. These stages help to understand the patterns of thinking and behaviour of consumers when making a purchase decision.

Problem identification, the first stage of the purchase decision is problem identification, where the consumer becomes aware of a need or problem. This need may be caused by an internal stimulus (e.g., hunger, desire for a certain product) or an external stimulus (e.g., an advertisement, recommendation from others)[2].

Information search, after identifying a problem, consumers conduct an information search to find out how to meet their needs. Information search can be categorised into internal and external search. Internal search involves consumers using their own memories and experiences to find solutions, while external search includes consulting friends, reading reviews, browsing websites and adverts.

Options assessment, where consumers evaluate different options after enough information has been gathered. Consumers weigh the advantages and disadvantages of each option based on their personal preferences, budget and needs to determine the most appropriate solution.

Purchase decision, after evaluating the alternatives, consumers make the final purchase decision. Although the consumer has made a decision at this stage, he/she may be influenced by other factors such as promotional activities, shop assistant recommendation or temporary discounts, which may change the final purchase behaviour.

Post-purchase behaviour, the last stage of the purchase decision process is post-purchase behaviour, i.e. consumers' reaction and feedback after purchasing and using the product. Post-purchase behaviours include satisfaction evaluations, sharing of experiences and after-sales service experiences. If consumers are satisfied with the outcome of their purchase, they may become loyal customers of the brand and influence the purchase decisions of others through word-of-mouth; if they are dissatisfied, this may lead to returns, complaints or negative evaluations.

### **3.2 Main factors influencing purchasing decisions**

Consumers' purchasing decisions are influenced by a variety of factors that can be broadly categorised as personal, social and psychological, each of which influences the decision-making process to varying degrees.

#### **(1) Personal factors**

Demographic Characteristics, Demographic characteristics such as age, gender, income, occupation and education level can significantly influence consumers' purchasing behaviour. Lifestyle, a consumer's lifestyle and hobbies can also influence their purchasing decisions. A consumer who focuses on a healthy lifestyle may be more inclined to purchase organic food and fitness products. Personality and self-concept, consumers' personality traits (e.g., adventurousness, conservatism) and self-concept (e.g., self-image, identity) can also greatly influence their purchase choices.

#### **(2) Social factors**

The family, and the opinions and needs of its members, are important social factors that influence consumers' purchasing decisions. The roles and structure of the family, such as the presence or absence of children and the occupations of the family members, can influence the purchase decision. Reference groups, the influence of reference groups such as friends, colleagues and social circles on consumers should not be overlooked. Consumers tend to be influenced by people they trust and respect, especially when purchasing high-priced or high-risk products. Social roles and status, Consumers' roles in society (e.g. occupation, social status) can also influence their purchasing behaviour. For example, high-income consumers may be more inclined to purchase luxury brands to demonstrate their social status.

#### **(3) Psychological factors**

Motivation, Motivation is the intrinsic force that drives consumers to take action. Different motivations, such as physiological, safety, social, esteem and self-actualisation needs, influence consumers' purchasing decisions.

Perception, a consumer's perceptions, including perceptions of product characteristics, brand image, and advertisements, influence his or her purchasing decisions. Different perceptual experiences may lead consumers to have different perceptions of the same product.

Learning, where consumers learn through experience and information acquisition, a process that influences their future purchasing decisions. Positive experiences and word-of-mouth enhance consumers' loyalty to a brand, while negative experiences may cause them to switch to a competing brand.

Beliefs and attitudes, consumers' beliefs and attitudes towards products and brands also significantly influence their purchase decisions. Beliefs are consumers' perceptions of a product characteristic or brand, while attitudes are consumers' overall evaluation of a product or brand.

#### **4. Impact of social media on purchasing decisions**

##### **4.1 Impact of the problem identification phase**

Social media plays a key role in the first stage of a consumer's buying decision - the problem identification stage - significantly influencing the consumer's perception of needs and problems. Below are the key influences of social media at this stage:



Figure 2 Impact of the problem identification phase

##### **(1) Advertising and promotion**

Targeted advertising, where social media platforms use data analytics and algorithmic recommendations to precisely push ads to users that match their interests and needs[3]. These personalised advertisements can quickly draw consumers' attention and make them aware of potential needs. Brand promotion, companies use social media platforms to carry out various forms of brand promotion activities, such as promotions, coupons and lucky draws, etc. These activities are effective in attracting consumers' interest and prompting them to make purchases.

##### **(2) User Generated Content (UGC)**

Reviews and testimonials, user reviews and testimonials on social media are important references for other users. Positive experience sharing and testimonials can pique the interest of other consumers and make them realise that they may have the same needs[4]. User stories and lifestyle displays. Users share their lifestyles, hobbies and daily activities through social media, which can subconsciously influence other users' perception of their needs.

##### **(3) Social interaction and influencer marketing**

The influence of social circles, where users interact with friends, family and colleagues on social media, can significantly influence their problem identification. For example, a friend's shared experience of a newly purchased product or service may make a user realise that he or she has a similar need. Influencer and celebrity effect, influencers and celebrities on social media can quickly attract a lot of attention and inspire fans to buy by showing and recommending products.

##### **4.2 Impact of the information-seeking phase**

In the information search stage, consumers actively seek relevant information that addresses their needs. Social media provides a wealth of resources and tools at this stage, significantly influencing how consumers obtain information and their decision-making process.

##### **(1) User Generated Content (UGC)**

Reviews and ratings, consumers on social media often check reviews and ratings of products or services by other users. These real-life experiences and feedbacks provide consumers with valuable

reference information that helps them assess the quality and reliability of a product. Detailed reviews and unboxing videos, many users post detailed product reviews and unboxing videos on social media, showcasing product features, usage, advantages and disadvantages.

#### (2) Social networks and groups

Recommendations and discussions on social networks, where consumers can ask friends, family and colleagues for product recommendations and experiences. These acquaintance recommendations are often considered trusted sources of information[5]. Interest groups and forums. Many social media platforms have specialised interest groups and forums where users can discuss and share their views on specific products or services.

#### (3) Official brand and corporate content

Brand homepages and official accounts. Companies and brands often set up official homepages and accounts on social media to post product information, user guides, promotions, and other content. Instant interaction and customer service support. Many brands provide instant customer service support on social media to answer consumers' questions and provide purchase advice. This interaction not only improves the efficiency of information access, but also enhances consumer trust in the brand.

### **4.3 Impact of the options appraisal phase**

In the option evaluation stage, consumers collate and analyse the information gathered in order to compare different products and brands and ultimately choose the most suitable option. The influence of social media in this stage is mainly reflected in the following aspects:

#### (1) User Generated Content (UGC)

Detailed reviews and comparisons, user reviews and comparison posts on social media provide consumers with real-life experiences and detailed product information. By viewing detailed reviews and comparisons from other users, consumers can better understand the pros and cons of each alternative. Ratings and rankings, rating systems and rankings on social media platforms provide consumers with a visual reference point. Products with high ratings and rankings are usually considered better quality and reputation options, and consumers can make initial screening based on this data.

#### (2) Social networks and group discussions

Group discussions and suggestions, social networks and interest groups where consumers can engage in discussions with other users, asking for experiences and opinions on specific products. Through interaction, consumers are able to gain a more comprehensive and diverse range of perspectives, helping them to better evaluate alternatives. Opinions of Friends and Family, Friends and family on social media can also have an impact on a consumer's decision making. Consumers often turn to friends and family for their opinions and advice on certain products, and the opinions of these acquaintances are considered trustworthy and valuable.

#### (3) Brand and corporate content

Official comparisons and detailed information, official comparisons and detailed product information posted by brands and companies on social media provide consumers with an authoritative reference. Promotions and offers, which companies post on social media, may influence consumer evaluations. For example, limited-time discounts, coupons and giveaways increase the attractiveness of an alternative, prompting consumers to prioritise it.

### **4.4 Impact of the purchase decision stage**

In the purchase decision stage, consumers ultimately decide which product or service to buy. Social media also plays an important role in this stage by influencing the final choice and buying behaviour of the consumer. Below are the key influences of social media in the purchase decision stage:

#### (1) Instant promotions and offers

Limited-time discounts and promotions, limited-time discounts, group buys, and promotions commonly found on social media platforms can quickly capture consumers' attention and prompt them to place an immediate order. Coupons and discount codes, brands and retailers often post coupons and discount codes on social media to encourage consumers to make purchases within a specific time frame.

#### (2) Social authentication and trust

Friends and Influencers Recommendations, Consumers often refer to recommendations from friends and influencers on social media when making their final purchase decision. These testimonials add credibility and appeal to the product, giving consumers more confidence to make a purchase. User-generated content, in which real users share their purchasing and usage experiences, such as "sunshine" posts and experience videos, can further enhance consumers' trust in the product.

#### (3) Instant communication and interaction

Real-time customer service and online counselling, many brands offer real-time customer service and online counselling services on social media platforms to help consumers answer questions and provide purchase advice. Interaction and feedback. Consumers can interact directly with brands through social media to get instant feedback and support. This interaction not only improves consumer satisfaction, but also increases their confidence in purchasing.

### **4.5 Impact of post-purchase behavioural stages**

Social media continues to have a significant impact on consumers' post-purchase behaviour after they have completed their purchase, a stage that typically covers the sharing of product experiences, the building of brand loyalty and the impact on brand word-of-mouth. Below are the key influences of social media in the post-purchase behaviour phase:

#### (1) User feedback and evaluation

Product experience sharing, after purchase, consumers tend to share their product experience through social media. Sharing can be shown in the form of text, photos, videos, etc. to convey real product information and personal opinions to other users. Ratings and reviews, posting product ratings and reviews on shopping sites and social platforms has become an important way for consumers to express their satisfaction or dissatisfaction with a product.

#### (2) Brand interaction and customer service

Social media customer service, brands provide quick response and problem solving customer service on social media, enhancing consumer satisfaction and loyalty. Brand content and updates, brands use social media platforms to continuously provide consumers with information such as product updates, usage tips, and special offers, which enhances consumer attention and engagement with the brand.

#### (3) Social Sharing and Impact Dissemination

Through sunshots and usage tips, consumers show their approval of the product and usage scenarios through sunshots and detailed usage tips sharing. This social sharing not only increases product exposure, but also strengthens the trust and interest of other consumers in the product. Word-of-mouth communication and influence, influencers and opinion leaders on social media continue to influence product word-of-mouth and market perceptions through their authority and broad fan base.

## **5. Challenges and future research directions**

### **5.1 Challenges of Social Media Marketing**

While social media offers brands a wide range of marketing and interaction platforms, there are also multiple challenges when marketing that need to be carefully addressed and handled by brands:

#### **(1) Information overload and intense competition**

With the vast amount of information and content available on social media, consumers face information overload, making it difficult for a brand's message to stand out. In a competitive marketplace, brands need to capture the attention of consumers through creative content and effective promotional strategies.

#### **(2) Content quality and creativity**

Consumers are becoming less receptive to advertising and promotional content, and they are more inclined to interact with interesting and valuable content. Brands need to continuously improve the quality and creativity of their content to attract and retain consumers' attention and enhance the emotional connection between brands and users.

#### **(3) Social trust and word-of-mouth management**

Word of mouth and user reviews on social media have a profound impact on brand image. Consumers are more inclined to trust the real experiences and recommendations of other users than the brand's own propaganda. Therefore, brands need to actively manage and respond to user feedback to build good social trust and word-of-mouth.

#### **(4) Data Privacy and Security**

Consumers are increasingly concerned about data usage and security on social media platforms as awareness of data privacy and personal information protection increases. Brands need to follow strict data protection regulations and ethical standards to protect consumers' personal information while gaining their trust through transparent data usage policies.

#### **(5) Algorithm changes and platform updates**

The algorithms and features of social media platforms are frequently updated and tweaked, which can affect a brand's content presentation and user interaction. Brands need to keep abreast of and adapt to changes in the platforms and adjust their marketing strategies and content distribution schedule to maintain an effective reach to their target audience.

#### **(6) Multi-platform management and consistency**

Brands often campaign and promote across multiple social media platforms, requiring a unified brand voice and consistent content strategy. Managing multi-platform operations requires efficient resource allocation and coordination to ensure that the brand's image is coherent and maximised across different platforms.

### **5.2 Directions for future research**

Future research directions on the impact of social media on consumer purchasing decisions will focus on the following key areas to deepen the understanding of this complex influence mechanism and to advance related practices:

#### **(1) Artificial intelligence and big data analysis**

Using artificial intelligence and big data analytics to dig deeper into data on consumer behaviour and preferences on social media platforms. Future research could explore how these technologies can be used to more accurately predict consumer purchasing decision paths and trends, and thus optimise personalised marketing strategies.

## (2) Virtual Reality and Augmented Reality

Virtual reality (VR) and augmented reality (AR) technologies have great potential for use in social media marketing. Future research could explore how these technologies can be utilised to enhance consumers' immersive experiences with products and brands, thereby enhancing the emotional and cognitive dimensions of their purchase decisions.

## (3) Cross-platform integration and user experience

As consumers become more active on multiple social media platforms, future research could explore how to achieve a cross-platform integrated marketing strategy that improves the consistency and reach of a brand across platforms, while optimising the user experience and interaction.

## (4) Innovation and continuous development of social media content

Social media content forms and consumer interactions continue to evolve, and future research could focus on the effectiveness of emerging content forms (e.g., short videos, live streaming, etc.) in influencing purchasing decisions, as well as how to enhance brand storytelling and appeal through content innovation and storytelling narratives.

## (5) Sustainable development and social responsibility

Against the backdrop of growing consumer interest in brand social responsibility and sustainability, future research could explore how social media can become an important platform for brands and consumers to discuss sustainability issues and communicate brand social responsibility.

## (6) Influencer Marketing and WeChat Marketing

Influencer marketing and WeChat marketing have become important strategies in social media marketing. Future research could further delve into the influence mechanisms of influencers and the effects of marketing strategies specific to the WeChat platform, and how these strategies can be optimised to increase a brand's influence and market share.

## 6. Conclusion

This paper provides an overview of the multifaceted impact of social media on consumer purchasing decisions and explores important issues and future research directions in related areas. Through an overview of social media definitions, classifications and their main functions, we gain an in-depth understanding of how social media can be an important factor in influencing consumer buying behaviour. Social media significantly influence consumers' attitudes and behavioural choices through information dissemination, social authentication and instant interaction at various stages of the consumer purchase decision process.

In particular, in the problem identification stage, social media pushes consumers to start the purchase decision process by triggering demand and problem awareness; in the information search and alternatives evaluation stage, social media provides consumers with a rich source of information and real-time feedback to help them make more rational and informed choices; and in the post-purchase behaviour stage, social media, through user feedback, brand interactions, and community building In the post-purchase behaviour stage, social media further strengthens consumers' brand loyalty and word-of-mouth communication through user feedback, brand interaction and community building.

However, social media marketing also faces many challenges, including information overload, content quality, social trust, and data privacy, which require brands to continue to innovate and improve their marketing practices. Future research should focus on leveraging new technologies, such as artificial intelligence and virtual reality, to deepen the understanding of social media marketing mechanisms and explore the potential for application in emerging areas such as cross-platform integration, content innovation, and social responsibility.

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