

# The Impact of Social Media on Consumer Buying Behavior – A SEM Analysis

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ARTICLE INFO	ABSTRACT
Received: 22 Dec 2024 Revised: 09 Feb 2025 Accepted: 24 Feb 2025	<p>Social media has fundamentally transformed consumer purchasing habits, exerting a substantial impact on how customers find items, engage with influencers, perceive social validation, and react to criticism and reviews. This research examines the various effects of social media on customers' purchase choices. The text explores how social interactive platforms enable product discovery via targeted marketing and organic content. This analysis focuses on the power of influencers, emphasizing their capacity to alter customer choices and stimulate purchases. The analysis examines the notion of social proof, illustrating how the presence of likes, shares, and comments may bolster the legitimacy and appeal of a product. Furthermore, the significance of feedback and reviews is evaluated, demonstrating how customer opinions and ratings contribute to trust and influence decision-making. This research endeavours to gain a thorough understanding of the intricate connection between social media and consumer purchasing behaviour by conducting a comprehensive analysis of existing literature and empirical data. The aim is to provide valuable insights for marketers and businesses who wish to effectively utilize social media strategies.</p> <p><b>Keywords:</b> Social, Media, Influencer, Social Proof, feedback.</p>

## INTRODUCTION

Social media has become a potent force in the digital era, influencing several facets of our everyday lives, such as the way people find and buy things. Platforms such as Facebook, Instagram, Twitter, and TikTok have surpassed their original purpose as vehicles for communication, becoming into important spaces where marketers and consumers engage in novel ways. This shift has profound consequences for customer purchasing behavior, exerting influence on the processes of product discovery, evaluation, and final purchase. The occurrence of product discovery on social media is propelled by a combination of natural content and focused ads. Users are consistently exposed to novel items via posts, articles, and sponsored advertisements specifically customized to their interests and surfing history. The continuous flow of material enables firms to efficiently target prospective consumers compared to conventional marketing platforms. Influencers have a significant impact on moulding customer views and choices. These people, who typically have a significant number of followers and are seen as experts, have the ability to influence the views and buying decisions of their audience by endorsing products and creating genuine content. Influencers' ability to establish trust and rapport with their followers results in substantial marketing impact for businesses. Social proof, an essential element, is shown by the number of likes, shares, comments, and followers. These measures function as markers of popularity and credibility, exerting influence on consumer views and motivating them to conform to the majority. Products that get significant social validation are more likely to be seen as appealing and trustworthy. Feedback and reviews serve as the conclusive element, offering customers direct testimonies of product experiences. Favourable evaluations and exceptional ratings may bolster a product's standing and sway indecisive purchasers, but unfavourable criticism might dissuade prospective consumers and compel firms to upgrade their goods. This research seeks to explore the fundamental characteristics of how social media influences consumer purchasing behavior. This study aims to provide a thorough knowledge of how consumer choices are influenced by social media dynamics via an exploration of product discovery, influencers, social proof, and feedback and reviews. This research will provide significant insights for organizations and marketers seeking to leverage social media to impact customer behavior and boost sales. It will do this by conducting a literature review and empirical analysis.

## OBJECTIVES OF THE STUDY

1. To know the demographic profiles of the respondents
2. To analyses the Impact of social media factors on consumer buying behavior.

## REVIEW OF LITERATURE

Social media has fundamentally transformed the way customers engage with companies and make buying choices. This literature review examines current studies on the impact of social media marketing (SMM) on customer behavior. The influence of social media marketing on consumers' intentions to make a purchase. Pandey, Sahu, and Dash (2018) conducted a study to investigate the influence of social media marketing on the purchase intentions of millennials. Their research emphasized the substantial impact of electronic word-of-mouth (eWOM), attitudes towards social media advertising, and peer communication on individuals' intentions to make a purchase. The research indicates that social media platforms such as Facebook, Twitter, and YouTube have a crucial role in influencing customer behavior and motivating purchasing decisions. The concept of brand equity and its relationship with social media marketing. Warbung et al. (2023) investigated the impact of social media marketing on brand equity within the beauty clinic sector. Their study identified four aspects of brand equity: brand awareness, brand association, perceived quality, and brand loyalty. The research discovered that social media marketing had a favorable influence on all four categories, indicating that well-executed SMM tactics may greatly improve brand equity (Warbung et al., 2023). Perceived value acting as an intermediary Bushara et al. (2023) examined the impact of social media marketing activities (SMMAs) on followers' purchase intentions, their willingness to pay a higher price, and electronic word-of-mouth (eWOM) in the restaurant industry. The research found that the perceived value has a major role in mediating the association between SMMAs (Social Media Marketing Activities) and customer behavioral intentions. By delivering pertinent, current, and engaging material, along with favorable brand interaction, the perceived worth is heightened, thereby enhancing the inclination to make a purchase and fostering good electronic word-of-mouth (Bushara et al., 2023). Brand trust has a crucial role in influencing purchase decisions. Salhab et al. (2023) investigated the impact of social media marketing on consumers' intentions to make purchases, with a specific emphasis on how brand trust and brand image mediate this relationship. Their research on beauty salons in Jordan discovered that social media marketing has a substantial impact on brand image and brand trust, which subsequently affects purchase intentions. The correlation between brand image and brand trust explained 70% of the variation in purchase intentions, underscoring the pivotal role of these intermediaries in the consumer decision-making process (Salhab et al., 2023).

## SCOPE OF THE STUDY

1. The respondents for his study only from Chennai District
2. The research tool adopted in this study were percentage analysis and SEM Model
3. This Study only focuses on four factors of social media such as influencer, social proof, feedback and product discovery

## LIMITATION OF THE STUDY

1. This research is focused only on residents of the Chennai district. As a result, generalizing to a large population is challenging.
2. The main restriction on this investigation is time.

## IDENTIFIED PROBLEM

The widespread use of social media platforms has greatly transformed consumer purchasing patterns, however the precise impacts of feedback, influencer endorsements, social proof, and productivity on this behavior are still not fully understood. With the growing investment of companies in social media marketing tactics, it is crucial to understand the individual and aggregate impact of these factors on customer choices. Consumer perceptions may be influenced by feedback and user reviews. Influencers have significant effect on purchase decisions. Social proof methods, such as likes and shares, can legitimize product choices. The general productivity of consumers affects how efficiently they make purchasing decisions. Although these characteristics are clearly important, there is a shortage of extensive research that clearly defines their individual and collective effects on customer behavior. The lack of information in this area poses a difficulty for firms aiming to optimize their social media strategy in order to improve customer engagement and drive sales efficiently.

## RESEARCH METHODOLOGY

A purposeful sampling technique was used to get 150 samples for this investigation. Primary as well as secondary information are included in this study work. However, this study work mostly relies on primary data that was gathered via questionnaires from different customers who lived in the Chennai area. The tools utilized for data analysis were IBM SPSS 2026 and AMOS. As research tools, SEM and percentage analysis techniques have been used in this work.

**Table 1 Demographic profiles of the respondents**

Demographics	Options	Percent
Gender	Male	72.8
	Female	27.2
Age	13 – 20	32.4
	21 – 25	25.8
	26 – 36	30.6
	37 and above	11.2
Educational Qualification	SSLC / HSC	12.6
	UG	32.4
	PG	31.6
	Professional Degree	23.4
Income	Below 20000	29.4
	20000 – 40000	38.8
	40000 and above	31.8

### Primary Source,

According to Table 1, the majority of respondents (32.4%) belonged to the 13–20 age range, 72.8% of them were men, and 32.4% of them had finished an undergraduate degree program. 38.8% of responders, or the majority, were in the 20000–40000 range.

### Reliability Test

**Table 2 Reliability Value**

Reliability Statistics	
Cronbach's Alpha	N of Items
0.904	6

## RESULT

The reliability test is conducted to evaluate the validity of the questionnaire and the item's internal consistency. The Cronbach's alpha should be excellent if it is more than 0.05, according to the criterion. This survey's Cronbach's alpha score of 0.904 demonstrates its validity and accuracy. As a result, further analysis on the gathered data is possible.

### Hypothesis Testing

#### Hypothesis

H<sub>0</sub>= There is no impact of social media factors affecting consumer purchase

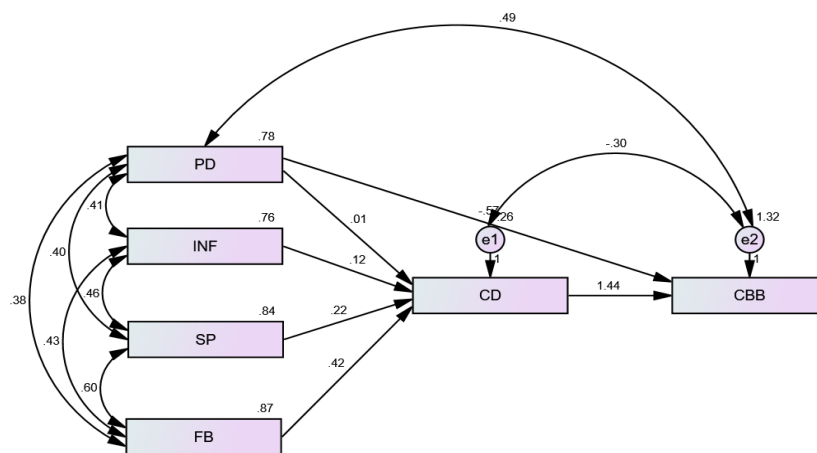
H<sub>1</sub>= There is an impact of social media factors affecting consumer purchase

**Table 3 Variable classification**

Observed - Exogenous Variables	Observed - Endogenous Variables	Observed Variables
<ol style="list-style-type: none"> <li>1. Product Discovery</li> <li>2. Influencer</li> <li>3. Social Proof</li> <li>4. Feedback</li> </ol>	<ol style="list-style-type: none"> <li>1. Buying Decision</li> <li>2. Buying Behaviour</li> </ol>	<p>e1</p> <p>e2</p>

**Table 4 Variable Summary**

Factors name used in SEM	Factors
PD	Product Discovery
INF	Influencer
SP	Social Proof
FB	Feedback
CD	Consumer Decision
CBB	Consumer Buying Behavior

**Proposed Model - Standardized****Model Fit Measures**

Measure	Estimate	Threshold	Interpretation
CMIN	1.394	--	--
DF	1	--	--
CMIN/DF	1.394	Between 1 and 3	Excellent
CFI	0.999	>0.95	Excellent
SRMR	0.011	<0.08	Excellent
RMSEA	0.051	<0.06	Excellent
PClose	0.321	>0.05	Excellent

**Table 5 Model fit Measure****Regression Weights: (Group number 1 - Default model) Table 6**

			Estimate	S.E.	C.R.	P
CD	<---	PD	.006	.058	.108	.914
CD	<---	INF	.121	.062	1.948	.051
CD	<---	SP	.218	.060	3.637	***
CD	<---	FB	.424	.061	6.973	***
CBB	<---	CD	1.437	.389	3.693	***
CBB	<---	PD	-.575	.468	-1.229	.219

## INTERPRETATION

- The variables, social proof and consumer decision making process are statistically significant as their p-values are lesser than 0.05 at 5% significance level. The coefficients (Estimates) of these two variables are positive hence indicating a positive effect.
- The variables, feedback and consumer decision making process are statistically significant as their p-values less than 0.05 at 5% significance level. The coefficients (Estimates) of these two variables are positive hence indicating a positive effect.
- The variables, consumer buying behaviour and consumer decision making process are statistically significant as their p-values less than 0.05 at 5% significance level. The coefficients (Estimates) of these two variables are positive hence indicating a positive effect of independent variable on dependent variable.
- We can thus infer that Consumer Decision Making will get affected by 0.006, 0.121, 0.218 and 0.424 for every 1 unit increase in Product discovery, Influencer, Social Proof and Feedback respectively. Also, we can infer that the consumer buying behaviour will negatively get affected by product discovery with the estimated value of -0.575 for every 1 unit increase in product discovery.
- Moreover, consumer decision making will affect consumer buying behaviour positively with the highest estimated value of 1.437 among all other variables.

## JUSTIFICATION

The process of product discovery, while advantageous, may have adverse effects on customer purchasing behavior in several ways. Initially, the extensive quantity of items promoted on social media might result in an excessive amount of information, leading customers to have a sense of being overwhelmed and uncertain in making decisions. The phenomenon of having too many alternatives may lead to decision paralysis, a state in which buyers find it difficult to make a purchase. Additionally, regular exposure to novel items might stimulate impulsive purchasing behavior, causing consumers to make spontaneous and unplanned transactions that they may subsequently feel remorseful about it. This impulsiveness might have a negative impact on their financial stability and result in unhappiness with the things they buy. Finally, using assertive marketing strategies and focused advertisements might generate impractical anticipations. When goods do not satisfy these increased expectations, customer confidence in brands and the platforms that endorse them might decrease, resulting in doubt and decreased brand loyalty.

## CONCLUSION

The effect of social media on consumer purchasing behaviour, especially in relation to feedback, influencers, social proof, and productivity, is significant. Social media platforms function as influential channels for feedback, enabling users to extensively disseminate their experiences and evaluations. The impact of this feedback on prospective consumers is substantial, as favourable evaluations may increase the attractiveness of a product, while bad comments might discourage potential customers and motivate firms to upgrade their offers. In the realm of social media, influencers have a significant impact on moulding consumer behavior. Endorsements and reviews from influencers have the potential to significantly enhance the exposure and legitimacy of a product, frequently influencing the purchase choices of their followers. The trustworthiness and credibility of influencers amplify the effect of their recommendations. Social proof, shown by the number of likes, shares, comments, and user-generated material, has a significant impact on consumer behavior. Consumers are more inclined to see a product or service as reliable and useful when they observe others promoting it, which in turn enhances the probability of them making a purchase. Furthermore, social media boosts efficiency for both customers and companies. Consumers get advantages from a simplified and direct way to obtain information and evaluations, enhancing the efficiency of their purchase process. However, brands have the ability to use social media analytics to enhance their marketing tactics and precisely target their consumers. Ultimately, social media has a significant effect on customer purchasing behavior via its ability to provide crucial input, use the credibility of influencers, enhance social proof, and improve overall efficiency.

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