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Article

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THE INFLUENCE OF DIGITAL AND SOCIAL MEDIA MARKETING ON CONSUMER BEHAVIOUR

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***Abstract.** In today's digitalized world, where internet and social media undoubtedly have a massive impact on our daily lives (including our buying decisions), it becomes indispensable for any manager or entrepreneur to be well aware about the influence of online marketing (also known as digital marketing) on consumer behaviour, so as to make the most profitable business decisions that are in their best interests. This study is an evaluation of some recently published articles and reports that tell about consumers in digital and social media settings. To write this article, a literature review is conducted and an attempt is made to highlight all the noteworthy ideas. In the end, the paper concludes traditional marketing is at the verge of disappearing as the marketers have found a better and more efficient way to reach the target audience.*

***Keywords:** Digital Marketing, Social Media Marketing, Social Media Influencers*

INTRODUCTION

With a growing number of internet users on a global scale, the average time spent on the internet is also increasing. As a result, people are getting more accustomed with the technology and exposing themselves more to the digital world. This trend is nothing less than an opportunity for companies and businesses who desire to attract the public's attention and be more visible.

Firstly, traditional ways of promoting products and services (such as print marketing) are slowly disappearing. Hence, if a company wants to remain relevant in the marketplace in the long-run, it has to adapt according to the external environment.

Secondly, the emergence of the internet has transformed many industries and the way businesses operate, including the way they promote their products or services. Statistically, the traditional advertising techniques and medium are losing their significance over time. Therefore, business owners are moving away from medium such as newspapers, radio and television. (Navarro, 2022)

Lastly, the arrival of social media platforms like Facebook, Instagram, Twitter and LinkedIn has brought major transformation in people's lifestyles and the way people interact with each other. People, especially the ones from younger generations spend much more time online for different purposes. Although, initially social media appeared with the purpose to build connectivity among people, slowly it has started to be used for completely different purposes. Online or digital marketing as well as social media marketing are the classic examples of modern marketing strategies that are actively used by the companies to create brand awareness.

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The main purpose of this paper is to analyse the current status of online and digital marketing. Since companies are heavily relying on these practices to sustain in the competitive business environment, it is extremely crucial to understand the marketplace and study the existing literature to gain insights. For this purpose, recent studies, reports and research on online marketing (also commonly known as digital marketing) as well as social media marketing are reviewed. This literature review, apart from providing interesting insights, also serves the purpose of highlighting new emerging concepts such as social media influencing and its impact on younger generations.

I. Methodology

The present study is a result of a thorough analysis of the existing literature. Therefore, the methodology used is literature review. It is a type of academic writing, which helps in understanding a subject in detail.

In this article, the sources of information were collected through a search engine named *Google Scholar* by searching the following keywords: *digital marketing, social media marketing, digital marketing statistics* and *social media marketing statistics*. The primary sources used for literature include articles published in journals between years 2016-2022 while *Statista* is used for citing statistical data about recent marketing trends. Statista is an online platform which provides insights and findings of global and local surveys.

After the selection process, a total of thirteen sources are cited in this paper. Out of these thirteen sources, there are two statistical reports/surveys and an article by a company that provides marketing services. In order to maintain credibility, only trustworthy sources are utilized. All of these sources are mentioned in references.

II. Discussion and Results

II.1. Digital Marketing

Statistics confirm that internet users, around the world, are escalating at an unimaginable speed. On top of that, as per the estimations made by scholars, the fourth industrial revolution has emerged with the arrival of recent advancements in technologies. As a result of these sudden changes, the lifestyles of people have transformed, including the way in which consumers perceive the outer world, communicate, engage, interact and make buying decisions (Faruk et al., 2021). Besides, social networking platforms like Facebook have further contributed in affecting the way people interact with one another. Consequently, the buying behaviour of the current consumers have also been impacted as they are spending much more time on social media platforms for different purposes such as looking for information and purchasing products online at a few clicks. According to Faruk et al. (2021) all these aspects have led the marketers to rethink their traditional approaches of promoting products and shift to other forms of media for advertising.

Advertising may utilize any type of media in order to achieve its final objectives. Some common examples of media include radio, TV, print, internet. The global advertising expenditure has been increasing every year and with the growing number of internet users, advertising expenditure through online media is surging because marketers are noticing more potential in online marketing than in traditional marketing. ¹Because of this reason, the internet

is believed to be the most significant medium for promoting goods or services. To further support this statement, estimates clearly show that in the year 2022, out of the total amount that was spent in advertising, 62% of it was utilized in online advertising. This simply suggests that traditional forms of marketing such as print marketing and promotion through medium other than the internet, that is, radio, television and newspaper are struggling to maintain their relevance (Navarro, 2022). All these aspects have contributed in shifting to digital marketing. This has not only enabled the marketers to reach the target audience in a more effective way, but has also allowed them to study the behaviour of potential buyers more efficiently (Faruk et al., 2021).

According to Lamichhane (2022), digital marketing represents reaching out to potential buyers with the help of the internet by using numerous digital channels or tools like email and social media. Hence, it has an immense impact on people's life, habits and their buying behaviour. As a matter of fact, every coin has two sides. On the one hand, Faruk et al. (2021) claim that digital marketing allows businesses to have benefits such as increased revenues, more customer engagement, higher customer satisfaction and customer loyalty as well as lower additional costs like service and customer acquisition costs. On the other hand, it also represents a challenge for the businesses as it can also be used by unskilled people. As per Di Domenico et al. (2021), such people may also act as a threat to companies if they intend to use it inappropriately or unethically with the purpose of harming a company's reputation. There is known to be an increasing concern regarding the issue of "Fake news" among the authorities, business owners as well as scholars. While many researchers have mainly paid attention in the past to the problem of fake news in the political context, the subject of the effects of disinformation on social media on marketing and consumers remains unfocused (Di Domenico et al., 2021).

Because of the increasing technological advancements, coupled with the emergence of concepts like going green, traditional marketing or paper marketing is at the verge of disappearing. Taking into consideration the growing internet users, digital marketing has an immense potential. The developing nations have already started to embrace it. Moreover, large-scale companies have already adapted themselves for this change whereas small-sized enterprises are slowly transforming and using digital marketing techniques and tools are becoming a part of their marketing strategy (Lamichhane, 2022).

II.2. Social Media Marketing

Initially, the purpose of social media was to allow people to connect with their friends, family, relatives, colleagues and acquaintances. This helped them in exchanging their views, thoughts and opinions and even exchange content like pictures, videos and documents. However, Madhura and Panakaje (2022) state the organizations were quick to adopt them as a new communication tool to reach customers easily. Since the consumers are spending more time on social media platforms, Faruk et al. (2021) believe that marketers have also started to apply their strategies in these media channels so as to make the most of this opportunity. In fact, according to the literature, it is considered that the digital world opens new doors for the marketers and salespeople who seek more engagement from their target audience to sell them suitable goods and services. Therefore, one may conclude that digital media platforms allow businesses the opportunity to form relationships with the targeted segment of customers.

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Previous literature (Madhura & Panakaje, 2022) indicates that social media serves various benefits such as acting as a tool that helps people to interact with one another. There are many reasons why it has been so successful in attracting masses that spend a lot of time online (Mason et al., 2021). Firstly, people are able to easily derive gratification by sharing information/photos. In fact, the Uses and Gratification theory further supports this statement (Malik et al., 2016). Secondly, Mason et al. (2021) mentions that due to a phenomenon named as cognitive absorption, social media users lose the ability to remain conscious of their physical surroundings and time. This also somehow enables them to temporarily escape the unwanted situations or circumstances of the present. Thirdly, it offers the users a sense of high level of joy that they don't usually experience in real life in a few clicks. This comes along with a sense of control that further makes the users more than satisfied (Mason et al., 2021).

Companies are increasingly creating an online presence on different platforms such as Facebook, Instagram and Youtube. Some social networking channels are preferred over others because they are able to attract people, collect their users' data, thereby helping the companies in reaching the right kind of audience, which is suitable for their products and services. In order to gather information, companies must practice effective communication, which ultimately allows them to better understand their target audience and offer them what they are searching for, ultimately providing them with a better customer experience and higher satisfaction. The information gathered about the users is also helpful in increasing customer engagement (Madhura & Panakaje, 2022).

Many aspects of human life have changed since the arrival of the internet including the way customers interact. For instance, Jamil et al. (2022) explains that creation of modern communication channels has allowed the clients to enhance their overall experience as a customer. In the present-day context, firms are sharing brand information, which reaches millions of people online. This helps companies in building and sustaining online communities in a much more efficient way.

Social media platforms such as Facebook and Instagram contribute in creating a sense of belongingness and community for their users without actually having any physical contact. A virtual brand community is a group of people who buy things from a specific brand. Clients are interested in more than simply purchasing products and services; they want to have meaningful experiences and build long-lasting connections with other clients that share their common interest (Jamil et al., 2022).

Previous studies (Mason et al., 2021) demonstrate that customer's social media marketing behavior has also undergone a change due to COVID-19 pandemic. Since the beginning of the pandemic, changes in consumer's decision-making behaviors were identified. During the lockdown periods, when social distancing was a necessity, social media offered consumers the opportunity to interact without any restrictions online. In such times, social media marketing strategies were seen as a competitive advantage for companies. To conclude, the usage of social media was further accelerated by the COVID-19 pandemic.

When it comes to brand promotion on social media handles, another new scheme that brands have started to adopt is social media influencing (de Castro et al., 2021). Social media influencing is a marketing strategy in which a person is in the position to "influence" or "change" the mindset of fellow members within the social media community. The greater

influence a person has over the online community, the more valuable it will be for brands who wish to promote their products or services. Therefore, it is a mechanism that can be utilized by organizations for the purpose of brand awareness.

SMM (Social Media Marketing) is known to have several benefits as a modern marketing strategy. Besides creating and improving brand awareness, SMM makes the communication link between companies and potential clients smoother. Due to this motive, it is considered as a new marketing strategy but there is very limited research on its relationship with customer intention and retention (de Castro et al., 2021).

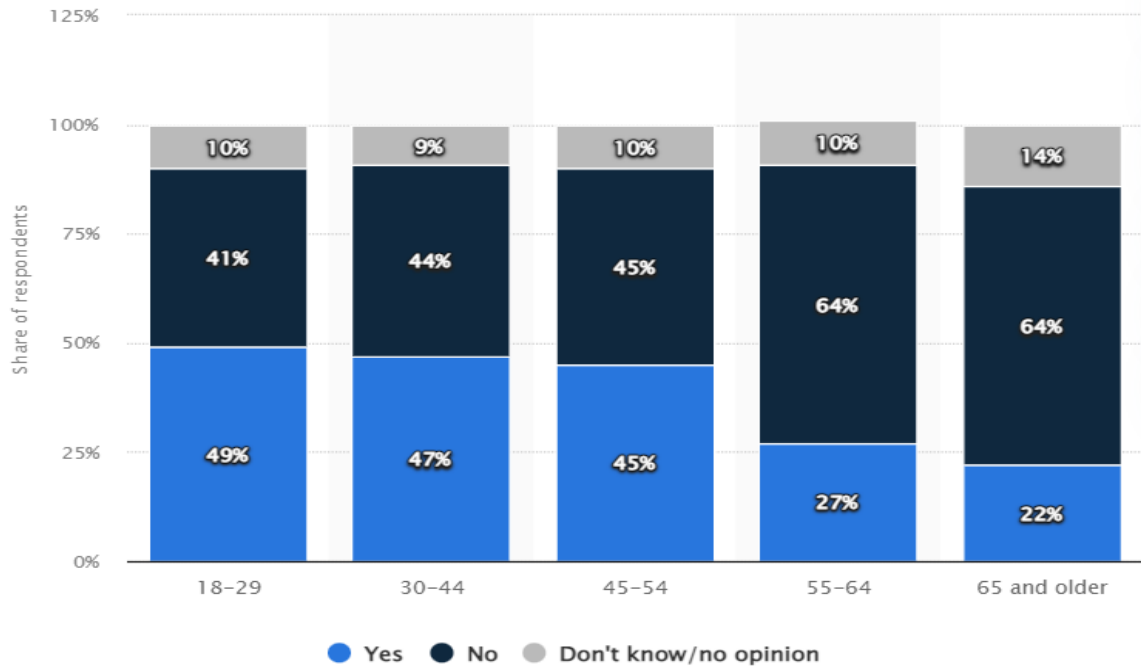


Figure no. 1 U.S. consumers influenced by social media ads to purchase products in 2017, by age

Source: Dencheva, V., 2017 (Statista)

According to the findings of an online survey conducted in 2017 among US consumers aged 18 and above, 49% of the respondents of the age between 19 and 29 years confirmed to have bought products shortly after seeing an advertisement on social media (Dencheva, 2017). The figure no. 1 clearly demonstrates that the percentage of people buying products after viewing an ad on social media has a strong association with the age that they belong to. Observing this graph, one may draw this conclusion: *the older you are, the less influence social media has on your buying behavior.*

Usually, the most basic way to judge an individual's influence is by looking at the number of followers that the person has on different social media platforms Twitter, LinkedIn, Facebook and Instagram. However, it is also important for the businesses to take into consideration the age groups and the purpose for which the platform is used. For instance, Instagram is a platform which is dominated by younger generations while the Facebook community includes all age groups. The figure below shows the most popular social media sites, the purpose of their usage, the number of active users as well as the age group to which they belong.

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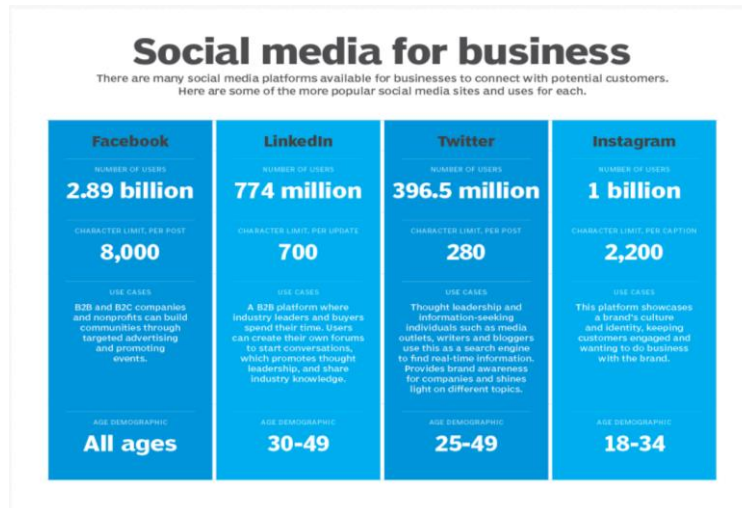


Figure no. 2 Popular social media platforms
Source: TechTarget, 2019

Once analyzing the particular target audience for their products and services, businesses can select which social media site is suitable for promotion. Furthermore, de Castro et al. (2021) explain that based on their preference, they can choose social media influencers (SMI) to create brand awareness among the specific age group identified and selected as a target audience. It is interesting to note that SMI is more common among adolescents because younger generations spend relatively more time online in comparison to the older ones. Hence, due to greater exposure, young people are more prone to get influenced by the content posted by influencers. Therefore, one may conclude that young people such as teenagers and adolescents are more likely to get influenced by SMIs. However, it is equally significant to mention the fact that influencers have the ability to influence a person's behavior or attitude in both positive and negative manner (de Castro et al., 2021).

Social media is a powerful tool to attract people, especially the ones belonging from new generations and there are different mechanisms that can be used to attract these potential buyers. Several studies (de Castro et al., 2021) confirm that Generation Z is the most active age group when it comes to spending time on social media.

In a survey, members of Generation Y and Z based in the US were asked about the category of products they were tempted to buy due to some brands' posts on social media. Figure no. 3 is a graphical representation of the categories of products answered by the respondents that participated in this survey. As shown in the figure below, the majority of the respondents claimed to buy apparels due to online influential content. These are followed by beauty and make-up products (22.92%). 15.10% of respondents confirmed buying tech products as a result of social media influence, which was followed by home products (11.46%) and food and beverages (8.85%). Therefore, Chevalier (2021) concludes that more than half of the participants agreed to buy clothing and beauty/make-up products because of social media content.

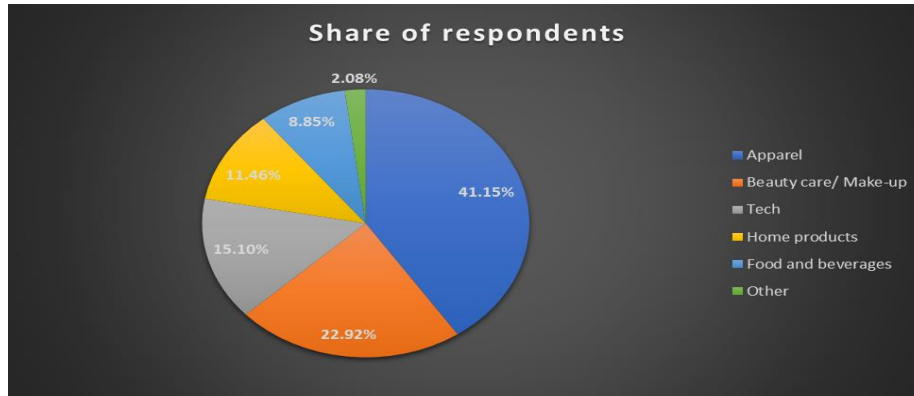


Figure no. 3 Product categories that Generation Z and Millennials purchased more as a result of social media brands' posts and/or influencers' content in the US as of March 2021

Source: Chevalier, S., 2022 (Statista)

Such studies show that social media can be used as a tool to attract potential consumers and increase content engagement and sales. According to de Castro et al. (2021), this technique or method of using social media by the companies, as an instrument to commercially promote or advertise different products and/or services is known as social media marketing (SMM).

CONCLUSIONS

With the rise in the number of internet users and average time spent online, businesses are also shifting online and adapting online advertising. Having lost its relevance in the marketplace, traditional marketing is at the verge of disappearing. In the present-day context, social media is a powerful tool that assists companies in achieving their goals in a more efficient way. By using social media marketing as a means of advertising, organizations are creating brand awareness among the target audience. With the emergence of social media influence, businesses have discovered a new strategy to attract people from younger generations.

Several studies have indicated that marketers are using social media marketing as a tool to attract target audience. Techniques such as social media influencing are transforming the marketing industry and thus, the business owners will have to adapt according to the recent shifts.

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