



IMPACT OF SOCIAL MEDIA ON CONSUMER PERCEPTIONS & DECISIONS

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Abstract : Social media, as the name suggests, is an online platform that uses technology to address virtual communities or groups on various issues. Social media marketing has gained popularity over the past two decades, with different business groups selling their products and services online. Marketing products has never been so easy, as social media can reach a large number of consumers in a very short duration with minimal financial investment. This article is a qualitative study that highlights how social media influences consumer perceptions and decisions. The author explains the concept of social media marketing and emphasizes its benefits as well as its limitations. The significance of the study lies in its potential to guide consumers regarding the efficient use of social media platforms while making purchases. At the same time, it cautions against the dangers of online transactions and advises on how to avoid cyber fraud.

IndexTerms - Business houses, consumers, marketing, products, Social Media.

I.INTRODUCTION

Social media platforms such as Facebook, Twitter, Friendster, Wikipedia, YouTube, Instagram are amalgamation of interactive online tools which help in creation, sharing and selection organisation and presentation of online content, which are generated by users on individual or collaborative basis (Davis, 2016). Social media can be defined in a number of way such as Electronic Communication platforms in the form of blogs, forums or social networking sites; It is The media which deals with news of any group or society which can be any institution organisation, or any social activist group, with the idea of spreading information and influencing group behaviour; these are platform for websites on internet where people communicate virtually and interact on any issue; can be defined as the source which transforms Communications into interaction using internet technology (Al Bajali, 2020)

1.1 Elements of Social Media

Social media comprises of Web 2.0 Internet-based apps which being interactive helps to exchange information, ideas and knowledge among online communities. Web 2.0 actually means those websites which focus on user-generated content, its use, participation of people, and end-user interoperability. But Web 1.0 websites did not allow the opportunity to participate but only view materials uploaded on such websites. Web 2.0 can be categorised under different heads such as social networking sites where people meet as Facebook, collaborative efforts in the form of Wikipedia, social worlds which exist virtually as Second Life, communities creating content like YouTube, blogs sites such as Twitter, and gaming world as World of Warcraft (Weekly Focus, 2021)

1.2 Characteristics of Social Media

Some of the important characteristics are (Al Bajali, 2020) :

- The Social media generates content which is targeted towards social problems and not individual issues. It also presents the content to groups or societies
- The debate which goes on social media is collective which focuses on a human group or society, and though there are numerous branches of social media, all of those believes on collective debate or discourse
- Social media tries to change collective behavior, not individual behaviour, as it is created to inform at a collective level and bring in change
- Comprehensiveness is the key which social media focuses on every type of society, whether small or large, be it organizations, bodies, any kind of institution.

II. EVOLUTION OF SOCIAL MEDIA

Over the years social media revolutionized with its changing nature since its origin in the year 1997. In 1997, the initial social media site named six degrees was developed which could be used to create profiles and interact with friends. Five years later in 2002, a dating site Friendster named was launched which helped in social networking and making new friends. The next year in 2003, LinkedIn was created which is a professional networking site where companies can meet with professionals and connect with them. In 2004, a popular site Facebook was developed which is a networking site for all though initially prepared for college students. In 2005 another popular site came into being named YouTube which could be used to share videos of different kinds as educational, entertainment, daily activities and so on. In the year 2006, Twitter which is a micro-blogging site, was introduced with participation and active engagement of celebrities. Four years later in 2010, Instagram was launched as the primary photo uploading app. In 2011, Snapchat, a messaging app, came into being allowing people to chat using disappearing messages. In 2012 we got Pinterest, a visual discovery platform and in 2016 it was TikTok with its short-form video uploading dominated the scene (Vinod & Ramana, 2022).

III. SOCIAL MEDIA MARKETING This is a platform where business houses can promote their website, their products or the services provided by them to a large number of consumers without spending much on advertising. The main focus of business houses is to use the forums and communities existing on social media rather than targeting individuals. This can be an opportunity to interact with the groups and hear their voices (Ravi & Kumar, 2021). In their study, Chopra and Gupta (2020) cite Weinberg (2009) to define social media marketing as utilizing the influence of society through media usage to market a business. Businesses can utilize social media to engage with communities formed around shared interests, enhance brand recognition, promote products, and gather feedback. Garg (2024) suggests that companies can use social media to enhance their business by leveraging reviews from users, boosting brand visibility, targeted advertising, building emotional connections with clients, employing influencers, adapting products based on feedback, creating loyal communities, generating trends, and sharing consumer experiences.

3.1 Decision making process – The purchase decision involves five steps which can be easily completed on social media (Chopra, & Gupta, 2020):

1. Problem recognition – The desired commodity which can satisfy consumer wants is recognized
2. Search of Information – Consumer tries to secure as much information as possible inquiring about their choices, internal and external attributes of any product, brand names, associated reviews
3. Evaluation of alternatives- in terms of quality, pricing, ease of use, purpose served
4. Final decision - Items to purchase, source of acquisition, available stock, external influences, and payment method
5. Post-purchase decisions- Satisfaction will lead to repurchase and dissatisfaction to choosing alternatives

IV. ADVANTAGES OF SOCIAL MEDIA

There are numerous advantages with the use of social media as pointed out by several authors and researchers in their own studies which are as follows:

- People throughout the globe residing in remote areas are able to connect and interact as well as communicate with each other in real-time. Consumers across globe can interact and share their experience about a product or service (Vinod & Ramana, 2022). Social media enhances market reach, and helps capture international markets, (Ravi & Kumar, 2021)
- Social interaction has increased rapidly with an increase in frequency of virtual communications and increase in number of individuals one can interact with. With more and more people joining social media, it is now providing different types of ideas and information and also playing a crucial role in behaviour modification. Individuals are taking the advice and information shared online very seriously, giving importance to websites where third party reflections on that information are available. This is very important in buying decisions where people check online ratings of different products from the consumers who have already purchased a product, used any service or visited a restaurant (Arsath, 2018)
- Social media can connect individuals having common interests, hobbies or goals and give rise to virtual customer communities having the same mutual interest in clothing, jewellery or cosmetics (Vinod & Ramana, 2022)
- Social media can modify consumer choices by bringing in number of options, access to commodities from National and International markets, options for returning the purchase if it does not suit the requirements (Khanna & Kaur, 2025)
- The complex architecture of the website requires customer service where online representatives can answer frequently asked questions and help consumers make decisions regarding their purchase. Apart from online support, the consumers should also be provided with the toll-free number to contact the business organisations. In case of online shopping, efficient delivery methods and tracking services ensure enhanced e-loyalty and customer satisfaction (Arsath, 2018)
- Business houses can spread their advertisements easily, as an individual who likes the post will share it further within his network, spreading the information rapidly to number of individuals. Moreover, individuals interested in a particular brand will join the community voluntarily and companies can also use pay-per-click ads which are geo-targeted (Arsath, 2018). Social Media platforms can impact customer minds and help business houses to promote their products or services to a large mass within a small time and without financial load (Vinod & Ramana, 2022). It helps to develop company brand name, secure customers, obtain feedback, and improve their products (Ravi & Kumar, 2021). Social media can be used in market research, lowering advertisement costs and increase revenue (Ravi & Kumar, 2021)
- Social media is a major source of information as a 2014 Pew Research Center poll shows 64% of American adults obtained information primarily from Facebook, YouTube and Twitter holding second and third positions (Khanna & Kaur, 2025). Media can also help in the process of learning by providing access to various educational content on different subjects, connect learners with experts in different fields, allow learners to enroll in online courses, become part of educational groups or forums (Vinod & Ramana, 2022). It can spread awareness about the quality of any product and its sustainability.
- Direct communication with other business houses through social media help develop effective business-to-business promotion (Ravi & Kumar, 2021)

- Social media helps in sharing information, news and updates within business communities as well as individuals, helping them to keep up with latest news in respective fields. It can update about the launch of a new store or a new i-phone (Vinod & Ramana, 2022)
- Social media gives business houses the opportunity to target the consumer base from the interest shown by the individual or his friends towards different sites. When a person checks for a diamond pendant he will be sent advertisements related to the same from different brands. Sometimes the websites will also show the brands individual's friends are checking or purchasing. The business houses also receive the contact information of individuals and can provide them with gift coupons, vouchers or several kinds of reinforcements (Arsath, 2018)
- Multiple product delivery methods, speedy delivery, product reviews by satisfied customers & trying out products online through virtual apps using artificial intelligence can be a good substitute for offline purchase where one can feel the product with their sense organs (Arsath, 2018)
- Social media can become a voice for those who are otherwise not in a position to be heard or speak in-person with others. On the other hand, people refrain from giving opinion on sensitive issues in public, where social media audience disagrees with them or social media pages discourage debate on such issues (Khanna & Kaur, 2025). Social media platform like Twitter allows people to share their opinion online about products and services.

V. DISADVANTAGES OF SOCIAL MEDIA

- Social media websites are prone to be under attack of cyber bullying and cyber fraud, mostly when online purchase and transactions occur (Vinod & Ramana, 2022). Businesses should remain cautious and take precautions to protect the personal data shared by customers, so that customer loyalty is not broken and new customers can trust the brand. Many customers avoid online purchases or large monetary transactions due to the fear of credit card fraud taking place (Arsath, 2018)
- Social media addiction can cause individuals to over purchase and spend a lot of time scrolling through different items and websites, which can reduce their work productivity and create mental health issues (Vinod & Ramana, 2022)
- While making online purchases individuals are requested to share their personal information like email IDs and contact details which can later cause problem of data breaches (Vinod & Ramana, 2022). Businesses that have their own blogs are social media accounts should also be cautious regarding how they acquire, use and maintain data, according to data privacy and security policies (Arsath, 2018)
- False information and fake news can spread rapidly popularizing products or investment options causing individuals to make purchases or avail any service which is fraudulent in nature (Vinod & Ramana, 2022). Any User-generated content made by consumers in the form of pictures, videos or reviews posted online, could bring in legal liability despite having high credibility (Arsath, 2018). Customers can often give negative reviews of products or services online which can be harmful for the business houses and impact on their brand name as well as sales figures. These kinds of post become viral overnight harming the sales of a company and can sometimes be intentionally done by competing businesses (Arsath, 2018)
- Business houses going for online sales have a hard task in their hand as they have to constantly monitor online pages, answer relevant queries, check for negative comments, announce new products, take online orders and ensure timely delivery. Without a proper online support system in place, it is difficult to keep up the reputation of being a good online brand (Arsath, 2018)
- Social media is a platform where individuals often flaunt their lifestyle pressurizing their peers to match up and causing negative impact on their self-esteem (Vinod & Ramana, 2022)
- Another concern of the business houses is that their trademarks and copyright should be protected while using those on social media platforms of their own or any platform handled by a third party. There are internet tracking and screening services which has to be used to monitor whether the third-party social media platforms or e-platforms of the company itself for properly handling the intellectual property rights and trademarks issue. Sometimes the logo or the username of a popular company can be modified a bit and used by another to attract customers who overlook the fact that it is not the original brand they're loyal to (Arsath, 2018)
- In the case of third-party social media platforms, business houses should strictly monitor that their campaigns in no way make users engage in activities which are against privacy policies of social media (Arsath, 2018)
- Competition among new channels in an attempt to provide breaking news can lead to presentation of fraud news or exaggeration of reality. Journalism has become a source of income departing from its original motto of creating awareness in society. Media houses often behave like business houses competing between one another and breaking into the privacy zones of common man, playing with their emotions, presenting vulgar or violent content, and making news of every bit of public life (Khanna & Kaur, 2025).

VI. CONCLUSION

According to Garg (2024), in 2023, India became a leading nation for social media use with 74.70% of internet users on Instagram (516.92 million active users), 71.20% on Facebook (492.70 million), Twitter at 42.90%, LinkedIn at 35.7%, and Pinterest with a 29% penetration rate. Chopra and Gupta (2020) found that 50% of adults use social media for 2 hours daily, 61% follow brands, and 60% make purchase decisions based on social media reviews. Additionally, 47% believe social media influences their brand perception and choice, while 88% say it aids in brand promotion and sales. Bhatt, Ataliwala, & Sumetha (2024) found that 6.9% of individuals invest in stocks, of which 7.5% being regular investors and 22.5% are sporadic investors. Social media influences their financial choices, stock prices, perceptions, herding behavior, and can lead to irrational decisions by following trends. Social media

enhances access to financial information, disseminates market-affecting information, and can cause market manipulation and spread misleading data (Poojitha & Reddi, 2024).

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