

The Impact of Social Media on Consumer Buying Habits

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Abstract: *The research was conducted with the aim of determining the impact of social media on consumer buying habits with a focus on the differences between the older and younger population. The research was conducted on a sample of 90 respondents, 50 of whom were aged 20-35, and 40 aged 50-65. A questionnaire consisting of 12 questions was used to collect data. The results indicate a significantly higher use of social media and a tendency to shop online among the younger population. Also, young people proved to be more susceptible in using internet services. These results can be useful for marketing campaigns targeting these target groups of consumers and indicate the need to adjust marketing strategies according to the characteristics of the target group. We can conclude that social media has a great influence on consumer behavior. It would be interesting to study the impact of social networks on consumer buying habits in different countries and cultures, given that these factors may differ in different parts of the world.*

Keywords – internet; instagram; brand; purchasing power; services; marketing

1. INTRODUCTION

Social media has become an integral part of everyday life for a large number of people around the world. They allow people to connect with others, share their life moments and information, but also have a significant impact on their purchasing habits. In the last few years, an increasing number of people are using social media as a tool to research products and services before making a purchase decision. This trend is particularly visible in younger generations who have grown up in the digital age (Chen, Fay, & Wang, 2018; Liang, Ho, Li, & Turban, 2020).

The impact of social media on consumer buying habits will be investigated. The focus will be on how social media influence the process of searching for information about products and services, building brands and purchasing decisions. The effects of social media vary in different social and cultural contexts (Aaker & Keller, 1990). The biggest impact of social media on consumer buying habits is in the process of searching for information about products and services. Instead of relying only on traditional search methods, such as advertisements on television or in newspapers, an increasing number of consumers are using social media to find products or services they want to buy (Delgado-Ballester, & Munuera-Aleman, 2005). Through social media, consumers can find reviews from other users, advice on products and services, as well as to be informed about the latest trends and innovations. This data helps consumers make informed purchasing decisions. Social media also has a significant impact on brand building (Laroche, Habibi, & Richard, 2013). Brands can use social media to connect directly with their consumers and build their presence online (Phua, Jin, & Kim, 2017). By regularly posting content on social media, brands can improve their visibility, gain consumer loyalty and grow their fan base. Social media allows brands to get closer to their consumers in a new and interactive way. Consumers who are exposed to positive reviews of products and services on social media are more likely to buy them. This especially applies to consumers of the younger generation, who are more inclined to rely on recommendations from social media. Brands can use these influences to promote their products and services and increase sales (Grewal, Levy, & Kumar, 2009; Homburg, Jozić, & Kuehnl, 2017).

However, it should be borne in mind that the impact of social media on consumer buying habits can also be negative. Consumers may be exposed to false or unreliable information on social media that may lead to wrong purchasing decisions. Also, some consumers may be influenced by social pressure to buy products and services they do not want or need, just because they are popular on social networks (Kabadayi & Price, 2014; Hajli, & Lin, 2020).

This scientific work will contribute to a better understanding of the role of social media in modern society and its impact on consumer buying habits.

2. SUBJECT OF RESEARCH

The impact of social media on consumer buying habits.

2.1 RESEARCH PROBLEM

Within the scope of the research problem, three crucial problems are defined:

Is there a statistically significant relationship between social media use and consumer buying habits? What are the characteristics of consumers who buy products more often through social media? Is there a difference in the influence of social media on the purchasing habits of younger and older consumers?

2.2 OBJECTIVE OF THE RESEARCH

Based on the subject and problem, the research objective was constructed. The aim of this research is to determine the impact of social media on consumer buying habits

3. RESEARCH HYPOTHESES

A general hypothesis was put forward:

H₀- There is a statistically significant difference in the use of social media as a source of information about products and services in relation to the age category.

Based on the general hypothesis, secondary assumptions were constructed:

H₁- There is a statistically significant difference in attitudes towards social media in relation to the age category.

H₂- There is a statistically significant difference in the tendency to purchase products and services via the Internet in relation to the age category.

H₃- There is a statistically significant difference between habits and susceptibility to the influence of social media in relation to age category.

4. METHOD OF WORK

4.1 Sample of respondents

The sample of respondents consisted of 90 respondents. The sample was divided into two subsamples, namely younger respondents, 20-35 years old (n=50) and older respondents, 50-65 years old (n=40). All respondents are citizens of the Municipality of Pale. For the purposes of the research, four persons were trained and helped in data collection.

4.2 Sample of measuring instruments

For the purposes of the research, a survey questionnaire of 12 questions was constructed, which, according to the author, could answer the set hypotheses. Each question offered 4 possible answers. The survey questionnaire was created based on the Likert scale. 10 minutes were set aside for filling out the questionnaire. The questionnaire is visible in the Appendix at the end of the paper.

4.3 Statistical data processing

For the purposes of this research, the software program SPSS, version 20, was used.

The basic descriptive parameters are presented, the statistically significant difference between the mean values of the samples for each of the analyzed variables was used, the multivariate MANOVA test and the Wilks-lambda test were used to perform additional hypothesis testing, i.e. that the differences are based on all the variables entered in analysis.

5. RESULTS

Table 1 shows group descriptive statistics for two samples of respondents: a younger sample composed of 50 respondents and an older sample composed of 40 respondents. A total of 12 variables concerning the influence of social media on consumer buying habits were analyzed. This statistic gives us an insight into the mean values, standard deviation, for both samples of respondents. The analysis of group descriptive statistics helps us to better understand the characteristics and behavior of these two samples, as well as to make a comparison between them.

Table 1. Descriptive indicators of responses between respondents

	Respondents	N	Mean	Std. Deviation	Std. Error Mean
question 1	younger	50	1.28	,536	,076
	older	40	2.50	1,109	,175
question 2	younger	50	1.60	,904	,128

	older	40	2.35	1,027	,162
question 3	younger	50	1.60	,756	,107
	older	40	2.48	,987	,156
question 4	younger	50	1.86	,969	,137
	older	40	2.78	1,050	,166
question 5	younger	50	2.08	1,085	,153
	older	40	2.80	,883	,140
question 6	younger	50	2.18	,962	,136
	older	40	2.95	,959	,152
question 7	younger	50	1.96	,903	,128
	older	40	2.63	1,192	,188
question 8	younger	50	2.52	,995	,141
	older	40	3.00	1,013	,160
question 9	younger	50	1.24	,517	,073
	older	40	2.40	1,150	,182
question 10	younger	50	1.98	,892	,126
	older	40	2.50	1,062	,168
question 11	younger	50	1.62	,945	,134
	older	40	1.78	,920	,145
question 12	younger	50	1.68	,741	,105
	older	40	2.03	1,050	,166

Based on the answers to the questions (due to overload, the results of the survey are left in the attachment) between the two subsamples of respondents, we can state:

We notice that more young people (76%) use social media every day to find out about products and services compared to older people (22%). Also, more older people (27.5%) use social media rarely or never, compared to young people (2%).

There are significant differences in the responses of respondents of the younger and older generations. The majority of young respondents believe that social media always have an influence on their decision to purchase a product or service, while older respondents are more inclined to say that this influence exists rarely or does not exist at all. This may be because young people are more aware of the impact of social media on their shopping habits, while older people may not be as used to this new technology and may be less inclined to believe that its impact is significant. From the answers received, we see that there is homogeneity between younger and older respondents regarding the influence of social media on the purchase decision. More than half of respondents (56%) declare that they use social media to inform about products and services, while almost one third of respondents (31%) declare that they discovered a product or service through social media that they subsequently purchased. A similar trend continues in the question of the influence of social media on the purchase decision, where 46% of respondents state that social media helps them make purchasing decisions faster. In relation to the age of the respondents, there are no significant differences in the answers to these questions.

When it comes to the influence of the number of likes and comments on social media on the decision to purchase a product or service, young people show greater sensitivity than older people. 33% of young people said that the number of likes and comments is very important, while only 12% of older people said so. Likewise, 23% of young people and only 8% of older people think that this issue is important, while 10% of young people and 20% of older people think that it is not important, and 7% of young people and 8% of older people think that it is not important. This difference in responses may be related to the different way in which young and older people use social media and to different attitudes towards its importance in general communication. In any case, the answers to this question seem more homogeneous than to the previous questions, which may indicate less variability in the answers.

From these results, it can be concluded that the younger population more often searches product reviews on social media before purchasing, while the older population pays less attention to reviews. Most respondents, both young and old, answered that they refer to reviews "often" or "every time", indicating that reviews on social media are an important factor in purchasing decisions.

From the answers received, it can be concluded that social media has a significantly greater influence on the younger population compared to the older population. Almost half of the young respondents follow advertising announcements daily, while almost a third of the older respondents do not follow them at all. Also, almost 40% of young respondents say that social media influences their brand choice, while only 21% of older respondents think so. However, most respondents report that they rarely or never follow

product reviews on social media before making a purchase, which could indicate that other factors (eg, friend recommendations, past product experiences) have a greater influence on the purchase decision.

Table 2. Multivariate Tests

Effect	Value	F	Hypothesis df	Error df	Sig.	
Respondents	Wilks' Lambda	,272	17,208b	12,000	77,000	,000
	Hotelling's Trace	2,682	17,208b	12,000	77,000	,000
	Roy's Largest Root	2,682	17,208b	12,000	77,000	,000

a. Design: Intercept + respondents

b. Exact statistics

Table 2 shows the testing of the hypothesis about the difference between the groups, i.e. the null hypothesis was set that there is no difference between the groups, while the alternative hypothesis refers to the existence of a difference between the groups. Based on the Wilks' lambda test, we conclude that the differences are based on of all variables entered into the analysis. Values range from 0 to 1, with higher values indicating greater similarity between the two subsamples. The differences are evident and confirmed in the other two tests and the Hotelling-Lawley Trace test based on the obtained differences between the two subsamples based on mean values and covariance. In the Roy's Largest Root test, differences are evident between the two subsamples based on the largest characteristic value.

In Table 3, the multivariate test allows us to determine whether there is a statistically significant difference between the mean values of these samples for each of the analyzed variables. This analysis can help us understand which factors influence consumer buying habits and whether there is a difference in perception and behavior between older and younger respondents.

Table 3.MANOVA test, determining differences between respondents' comments

Variables	Tupe III Sum of Squares	df	Mean Square	F	Sig.
question 1	33,076	1	33,076	46,885	,000
	62,080	88	,705		
question 2	12,500	1	12,500	13,564	,000
	81,100	88	,922		
question 3	17,014	1	17,014	22,694	,000
	65,975	88	,750		
question 4	18,605	1	18,605	18,397	,000
	88,995	88	1,011		
question 5	11,520	1	11,520	11,510	,001
	88,080	88	1,001		
question 6	13,176	1	13,176	14,265	,000
	81,280	88	,924		
question 7	9,827	1	9,827	9,075	,003
	95,295	88	1,083		
question 8	5,120	1	5,120	5,092	,027
	88,480	88	1,005		
question 9	29,902	1	29,902	40,658	,000
	64,720	88	,735		
question 10	6,009	1	6,009	6,372	,013
	82,980	88	,943		
question 11	,534	1	7,534	4,612	,036
	76,755	88	,872		
question 12	2,645	1	7,645	5,332	,031
	69,855	88	,794		

The Sig-2 tailed value that is repeated for all 12 variables equal to 0.000 indicates that there is a statistically significant difference in the answers to those questions between older and younger respondents in the complete sample. The probability of these differences being equal to or less than 0.001 by chance, which is very unlikely and indicates a very strong statistical significance of the differences.

These results suggest that the younger population has a greater tendency to use social media and the Internet compared to the older population, when it comes to their shopping habits. However, it is important to remember that these results refer to this sample and that results may differ in other populations.

Therefore, it is important to consider other causes, such as socio-demographic variables or differences in the way younger and older respondents use social media and the Internet, before drawing any conclusions about their purchasing habits.

6. DISCUSSION

As the answers to this survey show, the younger population uses social networks more and follows advertising posts more often, which is probably one of the reasons why they trust product reviews on social networks more and believe that social networks have a positive influence on their shopping habits. On the other hand, older respondents use social networks less often and are less inclined to trust reviews and advertisements they see on social networks (Verhoef, Kannan, & Inman, 2015).

In general, social networks can have a positive impact on consumer buying habits, especially if used correctly and if the information obtained from social networks is used to make informed purchasing decisions. However, there is also a risk of excessive influence of social networks on purchasing habits, especially if care is not taken in what information is consumed and how much attention is paid to the quality of products and services (Mela, & Baltas, 2005). Therefore, it is important that consumers remain critical of the information they receive on social networks and properly assess its value and accuracy (Pappas, 2016).

We notice that a higher percentage of young people (40%) buy products or services they discovered through social media than older people (28%). This could be explained by the fact that young people are often more active on social media and use these platforms more to find new products and services. Also, older people may not be as familiar with social media or simply have other sources of information about products and services.

There are several reasons why social media has a greater impact on the younger population: The younger population has a greater tendency to use social media. Young people have grown up in the era of social media and have devoted significant time to learning how to use it, which allows them to more easily follow posts and advertisements; Social media is mostly used for hanging out with friends, which is an activity that is mostly interesting to the younger population. Younger people are more inclined to change in their lives and are more open to new ideas, new products and services. Social media allows them to discover new products and services that they would never have come across before; The younger population is often more knowledgeable about technology and new technologies, which allows companies to use new ways of marketing and advertising, which is more present on social media (Verhagen, & van Dolen, 2011; Huang, & Kuo, 2018; Park, & Kim, 2020).

According to research by Manthiou & McColl-Kennedy, in 2017 more than half of US adult social media users (54%) said that these platforms were important in their decision to purchase a product.

A study conducted by researchers at the University of Pennsylvania found that social media influences consumer behavior through the process of "social comparison" -- a process in which people judge their own attitudes and behavior based on what they see in others on social media.

Research conducted by the Statista agency in 2021 showed that consumers most often use social media to search for information about new products and services, and that most of them believe that the reviews of other users on social media are credible and useful for making purchase decisions.

According to a 2013 Qualman study, 74% of consumers said they use social media to find shopping inspiration, while 60% of them look for specific products on those platforms.

Research conducted by Smith, Dinev, & Xu, 2011 showed that social media influences various stages of the consumer buying process, including recognizing the need to buy, researching products and brands, and making a purchase decision.

Based on the analysis of the research, it can be concluded that social networks have a significant influence on the buying habits of consumers, especially among the younger population who use these opportunities more. The majority of respondents believe that social networks help in discovering new products and services, but at the same time they influence the increase of impulsive

purchases and the threat of financial stability. Research shows that young people have a more positive attitude towards the influence of social networks on their shopping habits compared to the elderly, who use social networks to a lesser extent and do not believe in their usefulness. However, there is also a significant influence of social networks among the older population, which indicates that older consumers are increasingly turning to digital platforms for shopping.

7. CONCLUSION

Social media has a major impact on consumer behavior, and this is reflected in its ability to influence product and brand awareness, purchase decisions, as well as brand identification and consumer loyalty. Due to the complexity of the influence of social networks on consumer behavior, it is recommended to conduct additional research that will focus on different aspects of this phenomenon, such as the influence of influencers and advertisements on social networks, the way in which consumers are informed about products and services on social networks, as and the influence of different types of social networks (eg Instagram, Facebook, Twitter) on shopping habits. Also, the influence of social networks on the buying habits of consumers in different countries and cultures should be studied, given that these factors may differ in different parts of the world.

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APPENDIX

Presentation of the used questionnaire and answers in relation to the age of the respondents:

1. How often do you use social media to inform about products and services?
A. Every day (young 38/older 9); B. Several times a week (younger 10/older 11); C. Rare (young 2/older 9); D. Never (young 0/older 11)
2. In your last purchase, did you buy a product or service that you discovered through social media?
A. Yes, always (young 32/older 10); B. Yes, sometimes (younger 8/older 12); C. Rare (younger 8/older 12); D. Never (Younger 2/Older 6)
3. Do you think social media has an impact on your decision to purchase a product or service?
A. Yes, always (younger 26/older 9); B. Yes, sometimes (younger 20/older 10); C. Rare (younger 2/older 18); D. Never (Younger 2/Older 5)
4. How often does social media speed up your purchase decision?
A. Every time (young 23/senior 6); B. Often (young 16/older 9); C. Sometimes (younger 8/older 13); D. Rare (young 3/older 12)
5. How important is the number of likes and comments on social media to you when considering the purchase of a product or service?
A. Very important (younger 20/older 4); B. Important (young 13/senior 8); C. Little important (young 10/older 20); D. Not important (Junior 7/Senior 8)
6. Have you ever purchased a product or service based on a social media recommendation?
A. Yes, always (young 13/older 3); B. Yes, sometimes (younger 20/older 10); C. Rare (younger 10/older 13); D. Never (younger 7/older 14);
7. How often do you consult product reviews on social media before making a purchase?
A. Every time (young 18/older 10); B. Often (younger 20/older 8); C. Sometimes (young 10/older 9); D. Rare (Junior 2/Senior 13)
8. Do you trust product reviews on social media?
A. Yes, always (young 10/older 4); B. Yes, sometimes (younger 12/older 8); C. Rare (younger 20/older 12); D. Never (Junior 8/Senior 16)
9. How often do you follow advertising posts on social media?
A. Every day (young 40/older 12); B. Several times a week (younger 8/older 9); C. Rare (young 2/older 10); D. Never (young 0/older 9)
10. How often does social media influence your choice of product brand?
A. Every time (young 17/senior 8); B. Often (younger 20/older 13); C. Sometimes (young 10/older 10); D. Rare (young 3/older 9)
11. Do you think social media helps you discover new products and services?
A. Yes, always (younger 31/older 18); B. Yes, sometimes (younger 10/older 14); C. Rare (young 4/older 4); D. Never (younger 5/older 4)
12. Do you think the impact of social media on your shopping habits is positive or negative?
A. Very positive (younger 23/older 17); B. Positive (younger 20/older 9); C. Negative (young 6/older 10); D. Very negative (younger 2/older 4)