Social Media and Its Growing Influence on Retail Consumer Behavior

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***Abstract*—social media has become an important part of modern retailing and has changed the way customers discover, evaluate and purchase products. Platforms such as social networking sites allow consumers to view product information, read reviews, watch demonstrations, interact with brands and receive recommendations before making purchasing decisions. This review paper examines the growing influence of social media on retail customer behaviour through existing academic literature. The review focuses on social media advertising, online reviews, influencers, electronic word-of-mouth (e-WOM), user-generated content, personalised marketing, customer engagement and social commerce. The reviewed studies suggest that social media can improve product awareness, information search, customer interaction and purchase intention. At the same time, misleading information, fake reviews, privacy concerns, excessive advertising and impulse buying create challenges for consumers. The review concludes that social media is no longer only a promotional tool but has become an important part of the overall customer decision-making journey.**

***Index Terms*—social media, Retail, Consumer Behaviour, Purchase Intention, Influencer Marketing, e-WOM, Customer Engagement, Digital Marketing.**

I. INTRODUCTION

The development of the internet and digital technology has significantly changed the retail environment. Traditionally, customers mainly depended on physical stores, newspapers, television advertisements and personal recommendations for information about products. With the growth of social media, customers can now discover products, compare alternatives, read reviews and communicate with brands through digital platforms.

Social media has therefore become connected with different stages of the buying process. A customer may first notice a product through an advertisement or creator video, search for additional information, compare reviews and finally purchase the product either online or from a physical store. This shows that social media has become more than a simple advertising channel and now forms an important part of customer decision-making.

The influence of social media is particularly important in retail because customers are exposed to a continuous flow of information. Product demonstrations, customer experiences, recommendations and promotional messages can shape perceptions before a customer visits a store or places an online order. Retailers can also use social media to understand customer preferences, answer questions and build long-term relationships.

Thus, understanding the relationship between social media and retail customer behaviour is important for both researchers and retailers. This review examines major influences of social media, relevant academic literature, positive effects, challenges and future areas of research.

II. BACKGROUND OF THE STUDY

Retail customer behaviour includes activities such as identifying a need, searching for information, comparing alternatives, purchasing a product and using it. Social media adds several new influences to this process, including user-generated content, online reviews, influencers, e-WOM, personalised advertisements, brand interaction, online communities, short-form videos, social commerce and customer feedback.

The growth of social commerce has further connected social networking with retail activities. Platforms that were initially used mainly for communication and entertainment can now help customers discover products, evaluate them and participate in shopping activities.

Social media also reduces the distance between retailers and consumers. Customers can directly communicate with brands, ask questions, share complaints and provide feedback. At the same time, retailers can use customer interactions to understand changing preferences and improve their marketing activities.

Another important development is the increasing role of peer influence. Customers can observe what other users are buying, reviewing, recommending or discussing. This creates social proof and can reduce uncertainty during product evaluation. However, the quality and reliability of information available on social media may differ considerably.

Therefore, the background of this study is based on the growing integration of social media with retail activities and the changing role of consumers from passive receivers of advertisements to active participants in information creation, communication and purchasing.

III. REVIEW OF LITERATURE

Hajli (2015) studied social commerce and consumer purchase intention. The study highlighted the importance of social interaction and user-generated information. Social platforms provide consumers with opportunities to obtain information, interact with others and use recommendations while considering products.

Stephen and Toubia (2010) examined social commerce networks and explained how social connections can support commercial activities. Their work contributed to understanding product discovery and interaction through online networks.

Voramontri and Klieb (2019) examined the impact of social media on consumer behaviour. Their study indicated that social media can influence information search and consumer decision-making before purchase.

Wibowo et al. (2021) studied social media marketing activities and customer experience. Their research indicated that interaction with social media marketing can contribute to customer experience and influence consumer behaviour.

Budiyanto, Pamungkas and Praditya (2022) Their systematic literature review examined 73 journals related to social media, buying interest and purchase decisions. Interaction, communication, information and convenience were identified as important factors connected with consumer buying interest and decision-making.

Kalia et al. (2023) reviewed social influence in online retail using 37 journal papers and PRISMA guidelines. Their review highlighted social influence, opinion leaders and e-WOM as important factors in online purchasing decisions.

Kirti and Saxena (2023) reviewed the role of social media in online retail, particularly influencer marketing, user-generated content, social proof and brand engagement. Their review showed that consumers use social media for information, reassurance and product ideas.

Nagarjuna et al. (2024) examined social media's influence on consumers in organised retail markets in India. Their study provides an Indian context for understanding the growing relevance of social media marketing in retail.

Vinodh et al. (2024) reviewed 41 scholarly articles published between 2019 and 2024. Their review considered influencer marketing, personalised content and newer technologies and examined their relationship with consumer-brand relationships and purchase intentions.

Benmiloud et al. (2024) reviewed 64 journal articles concerning social media and impulse buying. Influencers, social commerce, personality-related factors and cultural differences were identified as important themes associated with unplanned purchasing.

Bludo and Buabeng-Andoh (2024) examined research from 2018 to 2024 concerning social media engagement and buying behaviour. It suggested that engagement information can help understand and predict patterns in consumer behaviour.

Mubdir et al. reviewed online purchase intention through social media. Their work examined different factors related to purchase intention and highlighted the role of social media in digital marketing and online decisions.

IV. SUMMARY OF LITERATURE

The reviewed studies show several common relationships between social media and customer behaviour. The major factors and their influence are summarised below:

Social Media Factor	Influence on Customer Behaviour
Social media advertising	Creates product awareness
Online reviews	Helps product evaluation
Influencers	May affect trust and purchase intention
e-WOM	Shapes product perception
User-generated content	Provides social proof
Personalised content	Makes information more relevant
Customer interaction	Encourages engagement
Social commerce	Connects social interaction with shopping
Promotions	May increase purchase intention
Trending content	Supports product discovery

Overall, the literature indicates that social media can influence consumers at several stages of the buying process. The evidence repeatedly connects social interaction, information availability, peer influence and marketing content with awareness, evaluation, engagement and purchase-related behaviour.

V. RESEARCH GAP

Although considerable research has been conducted on social media and consumer behaviour, some gaps remain. Much of the existing literature focuses on online purchasing rather than the complete customer journey across both online and physical retail.

Social media platforms also change rapidly, with new features such as short-form videos, creators and shopping functions continuously developing. Research conducted on earlier platform features may not fully explain current customer experiences and behaviours.

Consumer behaviour also differs according to age, income, location, lifestyle and product category. Therefore, findings from one population or product category may not necessarily apply to all retail customers.

Another important gap is the difference between purchase intention and actual purchase behaviour. A customer may express an intention to purchase after viewing social media content but may not ultimately complete the purchase. More research is therefore required to connect social media exposure with actual retail outcomes.

More integrated research is required to understand how influencer credibility, reviews, engagement and social media marketing together influence actual retail purchases. Research comparing online and offline retail behaviour, particularly in the Indian context, can provide further understanding of the changing customer journey.

VI. DISCUSSION

The reviewed literature highlights three broad areas: customer engagement, trust and technological influence.

First, social media has made product information easier to access. Customers can search for specifications, prices, demonstrations and reviews without necessarily visiting a physical store. This can reduce the time and effort involved in information search and allow customers to compare alternatives more conveniently.

Second, trust has become an important issue. Genuine reviews and credible recommendations can support consumer confidence, while fake reviews, misleading information and unreliable promotions can create uncertainty. The credibility of the source therefore becomes important when customers evaluate social media information.

Third, social media has changed communication between retailers and customers. Customers are no longer only receivers of advertisements. They can comment, review, recommend products and share their own experiences. This makes the relationship between retailers and consumers more interactive.

Social media also creates a continuous connection between discovery and purchase. A customer may move from seeing content to researching a product, comparing alternatives and purchasing it within the same digital environment or through a linked retail channel. However, social media influence does not

guarantee an actual purchase because customers may consider price, quality, availability and personal needs as well.

POSITIVE IMPACTS OF SOCIAL MEDIA ON RETAIL CUSTOMER BEHAVIOUR

- Wider Product Awareness

Social media helps customers know about different products and brands. Advertisements, posts, reels and videos can introduce products to a large number of people. Customers can discover products even when they were not actively searching for them.

- Easy Communication Between Customers and Brands

Social media provides a direct way for customers to communicate with brands. Customers can ask questions, send messages, give suggestions and share complaints. Brands can also respond quickly and understand customer needs.

- Quick Access to Product Information

Customers can get product information quickly through social media. They can check product features, prices, offers, demonstrations and other details without visiting different stores. This makes the information-search process easier.

- Greater Customer Interaction

Social media allows customers to interact with brands through comments, likes, shares, messages and polls. This creates a two-way communication between customers and retailers. It can also make customers feel more connected with a brand.

- Convenient Comparison of Products

Customers can compare different products before making a purchase. They can look at prices, features, ratings, reviews and experiences shared by other users. This helps them understand the available options before taking a decision.

- Increased Visibility for Small Businesses

Social media gives small businesses an opportunity to reach customers outside their local area. They can display their products online without depending completely on a physical shop. This can help local sellers and small brands become more visible.

- Personalised Communication

Social media can show customers content related to their interests and previous activities. For example, a customer interested in sports products may see advertisements or posts related to sports items. This makes communication more relevant to individual customers.

- Better Exposure for New Products

Social media helps new products reach customers quickly. A newly launched product can be promoted through posts, short videos, advertisements, demonstrations and influencer content. As a result, more people can learn about the product and its features.

- Customer Reviews and Feedback

Customers can share their opinions about products through ratings, reviews, comments and posts. These reviews can help other customers understand the product before purchasing it. Feedback also helps retailers identify customer needs and improve their products or services.

- Formation of Online Communities

Social media allows people with similar interests to connect with each other. Customers can discuss products, share experiences, give recommendations and ask questions in online communities. These communities can create stronger interaction between customers and brands.

VII. CHALLENGES OF SOCIAL MEDIA IN RETAIL

- Misleading Information

Some posts may contain incomplete, incorrect or exaggerated product claims. Such information can affect customer expectations and make product evaluation difficult.

- Fake Reviews

Unreliable reviews can make it difficult for customers to judge genuine product quality. Customers may make decisions based on information that does not accurately represent actual experiences.

- Privacy Concerns

Personalised advertising may involve the use of consumer information, creating privacy concerns. Customers may be uncomfortable when their online activities are used for targeted marketing.

- Excessive Advertising

Too much promotional content may reduce customer attention and create irritation. Repeated advertisements can also make users less responsive to marketing messages.

- Impulse Buying

Attractive promotions and social influence may encourage consumers to make purchases without extensive planning. Short-form content, limited-time offers and social pressure can contribute to unplanned buying.

- Lack of Physical Experience

Customers cannot physically inspect many products before purchasing them online. For products where touch, size, quality or physical appearance is important, this may create uncertainty.

These challenges show that social media can provide useful information while also creating risks. Retailers therefore need to maintain transparency, provide accurate information and respect customer privacy.

VIII. SUGGESTIONS FOR RETAILERS

1. Providing accurate and clear product information.
2. Encouraging genuine customer reviews.
3. Selecting influencers based on credibility and relevance.
4. Responding to customer questions and complaints.
5. Creating informative content rather than focusing only on promotion.
6. Avoiding misleading advertisements.
7. Respecting customer privacy.
8. Monitoring customer engagement responsibly.
9. Adapting content according to each social media platform.
10. Using customer feedback to improve products and services.

IX. CONCLUSION

The growth of social media has significantly influenced retail customer behaviour. It has changed how consumers discover products, search for information, compare alternatives, communicate with brands and make purchasing decisions.

The reviewed literature shows that social media marketing, influencers, online reviews, e-WOM, user-generated content and personalised communication can influence awareness, trust, engagement and purchase intention. Social media has also created new opportunities for retailers to communicate directly with customers and understand their preferences.

At the same time, misleading information, fake reviews, excessive advertising, privacy concerns and impulse buying remain important challenges. Customers need to evaluate online information carefully, while retailers need to maintain transparency and responsible communication.

Therefore, social media should not be viewed only as an advertising medium. It has become an important part of the wider customer journey. Retailers that provide useful information, maintain transparency and respond effectively to customers can develop stronger relationships with their audiences.

X. FUTURE SCOPE

Future research can examine the influence of short-form videos, influencer credibility, Generation Z purchasing behaviour, social commerce in India, online reviews and actual sales, personalised advertising and privacy, impulse buying and differences between online and offline retail behaviour.

Artificial intelligence in personalised retail marketing can also be explored further. AI-based recommendations, automated customer communication and personalised content may increasingly influence how customers discover and evaluate products.

Further studies can also compare different age groups, income groups, locations and product categories to identify differences in social media influence. Researchers may examine whether social media effects are stronger for certain product categories or customer segments.

Another useful area is the relationship between social media engagement and actual purchase behaviour. Future studies can combine survey responses with behavioural or sales data to better understand whether purchase intention leads to completed purchases.

Finally, future research can explore responsible social commerce, consumer privacy, transparency in influencer marketing and methods for reducing fake reviews and misleading information. These areas can help develop a more trustworthy and sustainable social media retail environment.

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