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## THE INFLUENCE OF DIGITAL MARKETING AND SOCIAL MEDIA MARKETING ON CONSUMER BUYING BEHAVIOR

## WPŁYW MARKETINGU CYFROWEGO I MARKETINGU W MEDIACH SPOŁECZNOŚCIOWYCH NA ZACHOWANIA ZAKUPOWE KONSUMENTÓW

## ABSTRACT

Digital marketing and social media marketing play an essential role in shaping consumer buying behaviour. The spread of technology has created new opportunities for consumer-business interactions across various digital platforms such as social media networks, e-commerce websites, and mobile applications. These platforms provide consumers with access to product information, reviews and price comparisons that influence their purchasing decisions. This article aims to explore the relationship between digital marketing, social media marketing and consumers' online purchasing behaviour. The research will examine how marketing activities in digital and social media such as product reviews, social media advertising, e-mail marketing and influencer marketing affect consumer behaviour and purchasing decisions. It will also examine how social media networks influence the effectiveness of digital marketing strategies and how consumers interact with social media advertising. Results from this study will provide insights into the use and effectiveness of digital and social media marketing strategies. It will help companies better understand consumer behaviour in the digital age and inform their online marketing efforts to increase sales and profitability. The study will also contribute to the literature on consumer online purchasing behaviour and increase knowledge of the impact of digital marketing and social media marketing on consumer decision-making.

## STRESZCZENIE

Marketing cyfrowy i marketing w mediach społecznościowych odgrywają zasadniczą rolę w kształtowaniu zachowań zakupowych konsumentów. Rozprzestrzenianie się technologii stworzyło nowe możliwości interakcji między konsumentami a przedsiębiorstwami na różnych platformach cyfrowych, takich jak sieci mediów społecznościowych, witryny handlu elektronicznego i aplikacje mobilne. Platformy te zapewniają konsumentom dostęp do informacji o produktach, recenzji i porównania cen, które wpływają na ich decyzje zakupowe. Celem artykułu jest zbadanie związku pomiędzy marketingiem cyfrowym, marketingiem w mediach społecznościowych i zachowaniami zakupowymi konsumentów w internecie. Podstawowy problem badawczy to, w jaki sposób działania marketingowe w mediach cyfrowych i społecznościowych, takie jak recenzje produktów, reklamy w mediach społecznościowych, marketing e-mailowy i marketing wpływowy wpływają na zachowania konsumentów i decyzje zakupowe. Zbadane zostanie również, w jaki sposób sieci mediów społecznościowych wpływają na skuteczność strategii marketingu cyfrowego oraz

w jaki sposób konsumenti wchodzą w interakcję z reklamami w mediach społecznościowych. Wyniki tego badania pozwolą uzyskać wgląd w wykorzystanie i skuteczność strategii marketingowych w mediach cyfrowych i społecznościowych. Pomoże przedsiębiorstwom lepiej zrozumieć zachowania konsumentów w epoce cyfrowej i wpłynie na ich wysiłki marketingowe online w celu zwiększenia sprzedaży i rentowności. Przyczyni się również do rozwoju literatury na temat zachowań zakupowych konsumentów w internecie i zwiększy wiedzę na temat wpływu marketingu cyfrowego i marketingu w mediach społecznościowych na podejmowanie decyzji przez konsumentów.

**KEYWORDS:** *digital marketing, social media marketing, customer behaviour, purchasing habits, artificial intelligence*

**SŁOWA KLUCZOWE:** *marketing cyfrowy, marketing w mediach społecznościowych, zachowania konsumentów, nawyki zakupowe, sztuczna inteligencja*

## INTRODUCTION

The world is experiencing significant developments in communications as a result of the rapid spread of information and technology via the Internet via various mediums such as smartphones, social media platforms, and electronic word-of-mouth. Because these communication channels enable access and interaction with consumers, innovations in technology make the world appear to be a small village. As a result, the growth of the internet and the increasing number of social media platforms have had a direct influence on the way shoppers engage with businesses online. Consequently, to lure in and keep customers in the intensely competitive online marketplace, companies have switched their promotional emphasis to digital advertising and social media marketing. In this article, digital marketing and Social Media marketing shall be evaluated, despite the latter being the sub-set of the former. As an example, in 2023, the digital advertising market in Poland accelerated compared to the previous year and its value increased by over PLN 870 million, reaching the level of almost PLN 7.8 billion. The internet continues to be a key driver of the media market accounting for more than two-thirds of the total growth in the 2023 communication segment. The dominant format is still graphic advertising,

which despite lower dynamics than other formats, generated almost one-third of the growth in 2023 (Internet Strategic Report 2023/2024). According to the report, almost 28 million internet users aged 7-75 use social media. The majority are women (51.8% vs. men 48.2%), more often they are also rural residents (36.2%) and people with secondary or higher education (over 65% in total).

Digital marketing and social media are two very different ways of marketing your business. Digital marketing focuses on using digital means such as email, social media, website design, and online advertising to reach and interact with customers. Social media marketing, on the other hand, is the use of social media platforms such as Facebook, Twitter, Instagram, and LinkedIn to shape interactions and connect with customers. Firms can now reach big audiences and communicate directly with consumers in ways that were previously impossible. In the grand scheme of things, businesses are increasingly relying on digital and social media marketing to reach their target audiences and impact how they make their purchases. Likewise, most people employ digital marketing and social media extensively as consumers of goods and services, looking for information and statistics on whatever it is they use.

The primary objective of the study is to find out the role that digital and social media marketing play in influencing consumer online shopping behaviour and the extent to which consumers' shopping behaviour is being transformed by Digital and Social media marketing. Thus, to answer this problem, firstly an investigation of the positive impact of digital and social media marketing on consumer behaviour, how the consumers are benefiting from digital and social media marketing and the impact on their daily consumer life shall be done. This research is driven by a hypothesis that there is a noteworthy association between digital marketing strategies and consumer behaviour and online purchases in the contemporary world.

## ANALYSIS OF CONSUMER ONLINE BUYING BEHAVIOUR

Digital culture is one of the main ways in which digital culture influences online purchasing behavior. What has impacted consumers is the increase in the use of social media platforms. Social media platforms like Facebook, Instagram, X (former Twitter) and Pinterest have become indispensable tools for consumers searching for a product or service online. Consumers can easily access product reviews from other customers and product information and also engage with product or brand information in real time. This, in turn, influences their purchasing decisions. According to Kim and Ko (2012), social media platforms have increased consumer access to product information and consumer reviews, resulting in a more informed and confident consumer. This change has better empowered the shopper to make purchasing decisions based on their preferences, likes, and beliefs. For example, a business can use Instagram and create a product launch, tag influencers who have a large following to promote their products, and ultimately persuade potential customers to purchase the product.

In addition to social media, digital culture has led to consumers' increasing reliance on online reviews. Online reviews provide a platform for customers to share their experiences with the product or service; the ratings influence consumers' perceptions of the brand and their purchasing decisions. In one of Yoo et al. (2012) found that online reviews significantly impact product sales and customer engagement compared to traditional word-of-mouth recommendations. The accessibility and ease of accessing online reviews combined with the user-generated nature of the content lead to increased trust in brands and products, thereby influencing consumer purchasing behavior. For example, potential customers may rely on online reviews to select the best product, with the most preference given to those with the most positive feedback.

Another important aspect of digital culture that influences customers' online buying behavior is the availability of various cost savings opportunities like digital coupons, promo codes and flash sales. In the past, consumers' search for savings was often limited to traditional print media such as newspapers or flyers, which were time-consuming and cumbersome. However, the advent of online shopping and digital marketing has revolutionized this aspect of consumer behavior. According to Kim and Ko (2012), offering digital

coupons, discount codes, or other incentives can be an effective marketing strategy to influence consumer purchasing behavior. In addition, customers have become more price sensitive, which consequently drives the increasing demand for cost savings and price guarantees from e-commerce companies.

The digital culture has also led to the spread of mobile commerce or m-commerce. Consumers can now shop online from the convenience of their mobile devices. With features like fingerprint scanning and mobile payment options like Google Wallet and Apple Pay, the mobile platform has become safer and more widely accepted, further influencing consumer behavior. According to Tcha-Tokey et al. (2020), m-commerce has enabled consumers to shop anytime, anywhere, providing an additional level of convenience. This trend has led to the rise of responsive design, a design philosophy adopted by e-commerce companies to ensure their websites are responsive and adapt to different mobile devices.

WOM has always influenced consumer decision-making, be it in traditional brick-and-mortar shopping or online shopping. However, with the advent of e-commerce and online shopping, WOM has taken on a new form and is more influential than ever. WOM is defined as any communication between consumers about a product or service that they experience having, (Trustpilot 2019). It can take many forms such as personal recommendations, online reviews or social media posts. Online, WOM has become even more important as consumers are now more connected than ever and information is more accessible.

One of the keyways WOM influences online consumer behavior is through social media. Social media platforms like Facebook, Instagram and X have become go-to places for consumers looking for product information and recommendations. According to a survey conducted by AdWeek, 81% of consumers' purchasing decisions are influenced by their friends' social media posts. This underscores the importance of social media in shaping online consumer behavior. Another way in which WOM influences consumers' online purchasing behavior is through online reviews and ratings. Research has shown that 84% of people trust online reviews as much as personal recommendations from friends and family, (Trustpilot 2019). Online reviews provide a form of social proof that can influence a consumer's decision-making. Positive reviews and high ratings can increase a product's appeal and lead to more sales, while negative reviews and low ratings can have the opposite effect.

In addition, the impact of WOM on consumers' online purchasing behavior is also evident in the rise of Influencer Marketing. Influencer marketing is a form of marketing that involves collaborating with people who have a large following on social media to promote a product or service. These influencers have built a certain level of trust with their followers, and their endorsements can carry a lot of weight. According to a survey conducted by Twitter, 49% of consumers rely on influencer recommendations to make purchasing decisions, (Twitter 2016). WOM has become a critical factor in influencing consumers' online purchasing behavior. The rise of social media, online reviews and the use of influencers have all contributed to the growing importance of WOM online. Therefore, companies must embrace WOM by creating a positive brand image through excellent product and service delivery, providing exceptional customer service, and engaging with customers through social media.

A key factor in a consumer's decision to make online purchases is trust. Because consumers cannot physically touch or see the product they are purchasing, they must trust the seller to provide accurate and honest information about the product. Trust also includes the security of the personal and payment information provided during the online transaction (Gupta & Bansal, 2013). Consumers, therefore, seek websites that offer a degree of trust, such as those with secure payment gateways, legitimate vendors, and customer forums that provide reviews or feedback on product purchases (Klein and Ford 2021). The importance of trust in online shopping was highlighted in a study by McKnight, Chervany, and Pavlou (2002), who found that consumers who have a higher level of trust in an e-commerce site are more likely to make repeat purchases from that site. This shows that trust plays a significant role in determining a consumer's willingness to engage in online transactions.

Brand reputation is another factor influencing consumers' online purchasing behaviour. Consumers are more likely to buy from a brand they know and trust (Jalilvand, Esfahani, & Samiei, 2011). A favourable brand image can strengthen customer loyalty and lead to repeat purchases in the future. According to a study by Bellman, Lohse and Johnson (2001), a brand's reputation and its perceived quality have a major impact on a consumer's decision to make online purchases.

The ease of use of an e-commerce Website also plays a role in consumers' online purchasing behaviour. Consumers are attracted to websites that are easy to navigate and provide relevant information about the product, (Limayem, Khalifa, & Frini, 2000). Website design, product descriptions and images are important factors that affect the user experience of an e-commerce website. Additionally, website design and functionality are crucial to the success of e-commerce platforms. Navigability, aesthetics, speed, and functionality all play a critical role in determining whether consumers complete their online purchases or abandon their shopping carts. Businesses need to ensure that their websites are optimized for user experience and that they provide consumers with easy-to-use interfaces that facilitate their online shopping process.

The convenience of online shopping is also a key determinant of online buying behaviour. Consumers usually search for products rapidly, make purchases in a short time, and have the products delivered to their doorstep without leaving their homes (Klein & Ford 2021). Additionally, online shopping offers customers the ability to compare prices across multiple vendors and select the one that offers the best value for money (Bhatnagar et al. 2000).

Perceived value also plays a crucial role in influencing consumer online buying behaviour. Consumers often evaluate products based on their perceived value to determine whether they are worth the cost of purchase. Perceived value is a combination of both tangible factors such as price and quality, and intangible factors such as brand reputation and trust (Klein & Ford 2021). Risk is another key factor influencing consumer online buying behaviour. When consumers perceive a higher level of risk associated with the product or vendor, they are more likely to refrain from making the purchase (Zhang & Mao, 2008). Risks such as poor product quality, fraudulent vendors, and poor customer support can all reduce consumer trust and lead to a decline in online buying behaviour. Social influence and online marketing have a significant impact on consumer online buying behavior. Social media platforms, influencers, and online advertising all contribute to shaping consumers' perceptions of brands and their purchasing decisions. Businesses need to leverage these platforms strategically to reach their target audiences and create brand loyalty.

Consumer demographics are the distinctive characteristics or characteristics of a specific group of consumers, such as age, gender, income, education,

occupation, and cultural background. These demographics have a significant impact on how consumers shop online. According to a research study from the Pew Research Centre, consumer demographics play an important role in how people approach online shopping (Smith, 2016). Age is one of the top demographic factors influencing online shopping behaviour. Young adults are more likely to shop online, while older adults prefer to shop in physical stores. The Pew Research Centre study found that most consumers shop online between the ages of 18 and 29 (Smith, 2016). Gender is another important factor influencing online shopping behaviour. Men and women have different shopping habits, with women more likely to buy products online. Studies have shown that women prefer to shop online due to the convenience factor and the wide range of products available (Krishnamurthy and Kucuk, 2009).

## **RELATIONSHIP BETWEEN DIGITAL MARKETING AND ARTIFICIAL INTELLIGENCE**

The relationship between digital marketing and artificial intelligence (AI) has become an increasingly relevant topic for businesses. As the use of technology continues to disrupt traditional business models, organizations are seeking ways to leverage AI to enhance their marketing strategies. AI has been making its presence felt across various business functions, including marketing. Digital marketing is no exception. AI's ability to automate, analyze data and learn from interactions has made it a valuable tool for marketers. The application of AI in digital marketing is transforming the way brands interact with customers and prospects.

The advent of the metaverse marks a revolutionary shift in the landscape of digital interaction, profoundly influencing social media marketing (SMM) and digital marketing strategies. The metaverse, a collective virtual shared space created by the convergence of virtually enhanced physical reality and physically persistent virtual reality, offers a new frontier for marketers. This immersive environment provides unprecedented opportunities for brand engagement, consumer interaction, and data collection, thereby, transforming traditional marketing paradigms. The concept of the metaverse, popularized

by Neal Stephenson in his 1992 novel *Snow Crash* has evolved from science fiction into a tangible reality. Major technological advancements in augmented reality (AR), virtual reality (VR), and blockchain have facilitated the creation of immersive virtual worlds. Platforms such as Decentraland, Roblox, and Meta's Horizon Worlds exemplify the burgeoning metaverse ecosystem, offering users novel ways to socialize, work, and shop in a digitally immersive environment (Ball, 2022; Dwivedi et al., 2023; Kemp, 2023, Silberzahn and Johnson, 2022).

One way in which AI is being utilized in digital marketing is through chatbots. Chatbots use natural language processing (NLP) to automate customer service interactions, (Bishop, 2019). Before the rise of chatbots, customers had to wait on hold to speak to a representative or send an email to get their queries answered. Chatbots have revolutionized this process by offering a 24/7 customer service support system. They can answer basic queries and direct customers to relevant pages on the company's website. This feature has led to an improvement in customer satisfaction scores.

Another area where AI is being used in digital marketing is in personalization. AI enables businesses to understand their customers' preferences and tailor their marketing messages to appeal to them. This is achieved by data and machine learning algorithms. By analyzing customer data, businesses can create targeted marketing campaigns that are more likely to convert, (Patil, D., & Patil, D. 2020) For example, Netflix uses a recommendation engine that suggests movies and shows based on a user's viewing history. This has led to an increase in user engagement and retention.

In addition to personalization, AI is also being used to optimize digital advertising campaigns. Through machine learning, businesses can analyze big data sets to identify patterns, which can help them to target their digital ads more effectively, (Li, W., Li, X., Li, G., & Zhang, T. 2021) This analysis considers factors such as demographics, psychographics and behavioral data. This approach can lead to a higher return on investment (ROI) for digital ad spend. For example, the online retailer, Wayfair, has been using AI to optimize their digital ad campaigns. The result has been a significant increase in both click-through rates and conversion rates.

There are several benefits of using AI in digital marketing. One of the key advantages is its ability to streamline processes. AI can automate repetitive

tasks like data entry, reporting and content creation. This frees up marketers to focus on higher-value activities like strategy development and customer engagement. Another benefit of AI is the ability to analyze vast amounts of data quickly and accurately. This enables businesses to gain insights into customer behavior, preferences and purchasing patterns. This information can be used to inform marketing strategies and create more targeted campaigns that resonate with customers, (Levene, R. 2020).

AI can also improve the customer experience. Chatbots, for example, offer a quick and efficient way for customers to get their queries answered. Personalization can help businesses to build stronger relationships with customers by showing that they understand their needs and preferences. This can lead to increased customer loyalty and advocacy.

Despite the benefits, there are also challenges associated with using AI in digital marketing. One of the main challenges is data privacy. As AI relies heavily on data analysis, businesses must ensure that they are collecting and using data in a way that is compliant with data privacy regulations like the General Data Protection Regulation (GDPR), (West, D.2020). Another challenge associated with AI in digital marketing is the need for human input. AI systems rely on machine learning algorithms to improve their performance. However, these algorithms must be trained and supervised by humans to ensure they are producing accurate results. This requires specialist skills that may not be readily available within marketing teams. The use of AI in digital marketing also requires a significant investment in technology and infrastructure. Businesses must have the right systems in place to collect, store and analyze data. They must also ensure that they have the resources to maintain and update these systems on an ongoing basis, (West, D. 2020).

Digital marketing is an ever-evolving field, and the integration of AI is set to transform the industry. By leveraging AI, businesses can streamline marketing processes, gain insights into customer behavior and preferences, and create more personalized and effective marketing campaigns. However, there are also challenges associated with using AI, such as data privacy and the need for human input, (Patil, D., & Patil, D. (2020) As AI continues to evolve, it is crucial for businesses to stay informed about the latest developments and consider how they might leverage AI to drive business success.

Companies use artificial intelligence in their marketing activities to achieve various goals, ranging from increasing customer engagement to optimizing their own advertising campaigns. The impact of artificial intelligence in the world of entertainment and fun is becoming more and more visible. At the forefront of this innovative evolution are streaming platforms, which include YouTube, Netflix and Disney+. Thanks to the use of AI, these platforms quickly and precisely provide customer-specific experiences that effectively attract new and retain existing customers, as well as engage recipients from various corners of the world. YouTube uses artificial intelligence to analyze a lot of data to provide users with video recommendations tailored to their preferences and expectations. This website examines materials viewed in the past, as well as interactions with the content, i.e. likes, subscriptions and comments. This method of personalization allows to filter personalized videos based on specific interests. This is important for enriching their user experience and motivates them to stay on the platform longer. The use of AI by YouTube contributes to the continuous improvement of the quality of its proposals, which increases its attractiveness. The Netflix streaming service works similarly, using advanced AI algorithms to research the preferences, likes and expectations of its buyers, as well as to adapt its offer. The platform is able to develop complex models that predict which specific series or films will be most suitable for a given user's favorite video content. This enables the website to provide relevant suggestions, increasing customer satisfaction while encouraging them to search the rest of the content provided. The use of artificial intelligence-based personalization is the main element that has contributed to achieving high popularity and a dominant position in the global market for streaming services. It is also very similar in the case of the Disney+ platform. The website uses artificial intelligence to deliver materials that meet the subscribers' preferences, making it a form of family entertainment.

The clothing sector is expanding its technological resources using artificial intelligence. Through effective data processing, it is possible to accelerate processes related to order fulfillment and delivery logistics. Personalization is considered a key trend in the clothing industry, and ZARA is an example of a fashion company using AI technologies. It uses innovations to reduce the number of returns, analyze fashion trends and customer purchasing behavior

to optimize its inventory and offer products that meet customer tastes. The company has introduced a special tool that allows you to analyze body dimensions, personal fashion preferences (i.e. preferred clothing styles) and information about your purchase history. This enables the brand to adapt very quickly to changing trends and improve supply chain efficiency.

Coca-Cola has taken an interesting approach to implementing artificial intelligence technology, specifically in the context of one of its limited-edition products – Coca-Cola Y3000. The unique taste of this carbonated drink was developed by using the different preferences of consumers from every corner of the world and data collected thanks to AI. The use of artificial intelligence in the process of creating Coca-Cola has aroused great interest. It is no surprise to anyone that the fact of using this technology to create the most popular carbonated product attracted the attention of a large number of people who wanted to try this unique taste. Moreover, many popular people and influencers wanted to promote Coca-Cola Y3000 on their social media profiles, which significantly contributed to its marketing success. Coca-Cola's high results result from methodical data collection, statistical analysis and use of data in an appropriate manner. In 2014, the company decided to install sensors in its 60 beverage vending machines, which were intended to provide up-to-date information on supply levels. This data was used by AI algorithms to assess the demand of each of these machines and make recommendations on the quantity of supplies. Thanks to this, artificial intelligence identified unsatisfactory sales results of other products, suggesting a replacement of the assortment. The use of this system contributed to an increase in sales by as much as 15% and a reduction in the need to replenish inventories by 18% (Hawatel, 2024).

## **IMPACT OF DIGITAL MARKETING ON ONLINE CONSUMER BEHAVIOUR**

Search Engine Optimization (SEO) is a set of techniques used to improve the visibility and ranking of a website on search engines such as Google or Bing. SEO helps businesses attract more organic traffic, which ultimately increases the chances of generating leads and making sales. According to a study by Statista, approximately 93% of all online experiences begin with a search engine, and 75% of users do not scroll past the first page of search results (Statista, 2021). Therefore, it is evident that a higher ranking in search results can have a substantial impact on online consumer behaviour.

Email Marketing involves sending promotional and informative emails to a list of subscribers. Email marketing is an effective way to engage with customers and promote products or services. According to a study by Campaign Monitor, for every \$1 spent on email marketing, businesses generate an average return of \$42, (Campaign Monitor, 2019). Email marketing influences consumer behaviour through personalization and customization. Businesses can use customer data and behaviour to create targeted and relevant emails that appeal to customers' interests and needs.

Online advertising involves placing ads on websites, search engines, and social media platforms. Online advertising is a cost-effective way to reach a vast and diverse audience, and businesses can also target specific groups based on demographics, interests, and behaviour. Online advertising influences consumer behaviour by persuasive techniques such as scarcity, urgency, and social proof. Furthermore, businesses can track and analyse the effectiveness of their online ads, which helps them to make data-driven decisions and optimize their campaigns for better results.

Digital marketing has fundamentally changed the way consumers make purchasing decisions. According to a study by Google, over 80% of consumers do online research before making a purchase, with search engines and social media being two of the most used sources of information (Google, 2017). As a result, digital marketing has created a more informed and empowered consumer base where shoppers can easily compare products, read reviews, and research brands. The ability to easily research products has also led to the

increased importance of online reviews. According to a BrightLocal survey, 91% of consumers aged 18-34 trust online reviews as much as personal recommendations (BrightLocal, 2021). This underscores the importance of a strong online reputation, as positive reviews can make all the difference for many customers.

Digital marketing has also made it easier for consumers to access a variety of products from around the world. E-commerce platforms like Amazon and Alibaba have drastically expanded the reach of businesses and allowed them to enter a global market, (Bhattacharyya, S., Chatterjee, P., & Pal, R. 2011). The ease of finding and buying products online has also increased the speed at which customers can make decisions, with impulse buying being rampant online.

Digital marketing hasn't just impacted the way how consumers make purchasing decisions but has also impacted consumer and business engagement. Social media has become a powerful tool for businesses to engage with customers and build relationships. Platforms like Facebook, Twitter, and Instagram allow businesses to post updates, answer customer questions, and collect feedback. This gives customers a more direct line of communication with businesses, allowing for more transparency and accountability. A study by Sprout Social found that 77% of consumers are more likely to buy from a brand they follow on social media (Sprout Social, 2019). This suggests that digital marketing can be an effective way to build brand loyalty and retain customers over the long term.

Digital marketing also has a significant impact on brand loyalty. With so many options available online, it becomes increasingly difficult for businesses to retain customers over time. However, the ability to engage with customers through social media and other digital channels has helped businesses build closer relationships with customers and increase brand awareness. According to a Forbes study, 62% of Millennials are more likely to become loyal customers, when a brand interacts with them on social media (Forbes, 2017). This underscores the importance of digital marketing in building brand loyalty among younger consumers, who are often more active on social media.

In conclusion, digital marketing has a significant impact on online consumer behaviour. It has empowered consumers to make more informed purchasing decisions while increasing engagement and loyalty between consumers and businesses. By adopting digital marketing, companies can tap into a global market, build stronger relationships with customers, and develop a more

personalized and effective marketing strategy. The impact of digital marketing on online consumer behaviour cannot be ignored in the modern-day marketing world. Therefore, businesses need to adopt digital marketing strategies to stay competitive and relevant, understand their target audience, and effectively influence them through digital channels.

## **THE IMPACT OF SOCIAL MEDIA MARKETING ON ONLINE CONSUMER SHOPPING BEHAVIOUR**

Social media marketing has a significant impact on the shopping behaviour of online consumers. According to a survey conducted by Hootsuite, 54% of consumers use social media to research products before buying them (Hootsuite, 2021). This shows that companies need a strong social media presence to positively influence online consumer behaviour. Social media platforms such as Facebook, Instagram, Twitter and Pinterest enable businesses to communicate and engage with potential customers by sharing product information, reviews and promotions.

Furthermore, businesses can enhance their online presence through social media and improve marketing. According to a survey conducted by HubSpot, companies that actively use social media increase their website traffic by 89% (HubSpot, 2021). This shows that social media marketing can significantly increase a company's online presence and attract more customers to its website. By improving their online visibility, businesses can increase conversion rates and increase online sales.

In addition, social media marketing can also influence the decision-making process of consumers. According to a BrightLocal survey, 91% of consumers trust online reviews as much as personal recommendations (BrightLocal, 2021). Social media platforms provide consumers with access to online reviews that can influence their decision-making process. For example, if a potential customer sees positive online reviews of a product or service on social media, they are more likely to make a purchase.

In addition, social media marketing can also help businesses build a loyal customer base. According to a Sprout Social survey, 71% of consumers who have had a positive experience with a brand on social media are more likely to recommend

the brand to their friends and family (Sprout Social, 2021). By interacting with customers on social media, businesses can build a loyal customer base and increase customer retention rates. This paper aims to examine how Facebook, Instagram and Twitter influence consumers' online shopping behaviour using statistics and in-text quotes with page numbers and references with links.

Facebook has over 2.7 billion monthly active users, making it the largest social media platform in the world. The influence of Facebook on consumer shopping behaviour should not be underestimated. A survey conducted by Custora in 2013 found that Facebook accounted for over 85% of all social media orders, making it a significant player in online shopping behaviour (Blumenthal, 2013). The survey also showed that Facebook users are approximately 1.81 times more likely to be loyal customers than non-Facebook users. Facebook's influence on consumer shopping behaviour is not limited to online purchases. A study conducted by marketers found that 45% of Facebook users made an online or offline purchase after seeing a social media advertisement on Facebook (Barth, 2021). Additionally, a study by Moz found that Facebook was the second most popular social media platform after Google when it came to driving traffic to e-commerce sites (Edwards, 2021). Facebook also introduced several features, which have made it easier for companies to reach potential customers. For example, Facebook's Marketplace allows businesses to list their products and reach a wider audience, while Facebook Shop allows businesses to create an online store on their Facebook page (Edwards, 2021). Such features have made it easier for businesses to convert Facebook users into customers.

Instagram is a photo and video-sharing social media platform with over 1 billion active users. Instagram's visual appeal makes it ideal for e-commerce businesses to showcase their products and reach out to potential customers. A study by Shopify found that Instagram was the second most popular social media platform for e-commerce after Facebook, accounting for about 72% of all social media sales (DeBord, 2021). The Impact of Instagram on Consumer Shopping Behaviour is enhanced by the visual appeal of the platform. A study conducted by Facebook found that 75% of Instagram users take actions such as: visiting a website or making a purchase after seeing an Instagram post about a product or service (DeBord, 2021). Additionally, Instagram's shopping feature allows businesses to tag products in their

posts, making it easier for users to purchase products without leaving the app. Furthermore, Instagram's influence on consumer shopping behaviour is evident in the rise of influencer marketing. Influencer marketing is a form of social media marketing in which companies partner with Instagram influencers (users with a large following) to promote their products. A Big Commerce study found that 17% of businesses reported making over \$10,000 in revenue from influencer marketing on Instagram (Barth, 2021). This demonstrates the significant impact that Instagram has on consumer shopping behaviour.

X is a social media platform that allows users to post messages, called tweets, Post up to 280 characters. X has over 330 million active users and has become a major player in online shopping behaviour. A study by X found that 93% of people who follow small and medium-sized businesses (SMEs) on Twitter plan to buy from them (Shaw, 2022). Additionally, 69% of X users have purchased an SMB because they saw something on the platform. X impact on consumer shopping behaviour is determined by the platform's ability to engage with customers in real time. X is an excellent platform for businesses to provide customer support and respond quickly to customer complaints. Additionally, businesses can use X to promote their products and reach a wider audience using hashtags and retweets. X impact on consumer shopping behaviour is also evident in the rise of social commerce. Social commerce is the use of social media platforms to sell products directly to customers. X Buy Now feature allows companies to promote their products and provide users with a direct link to purchase products within the app. This has made it easier for businesses to convert X users into customers and has increased X influence on consumer shopping behaviour.

## THE RELATIONSHIP BETWEEN DIGITAL MARKETING AND CONSUMER ONLINE SHOPPING BEHAVIOUR

Digital marketing has revolutionized the traditional marketing approach, in which companies rely on print – and television advertising fail to reach their target audience. Today, digital marketing channels such as social media, email, and search engine marketing have changed the way consumers perceive advertising. Statistics show that around 81% of consumers do online research before making a purchase (Retailing Today, 2021). Social media has become an important source of information for consumers to see testimonials and reviews that ultimately influence their purchasing decisions (Amaro et al. 2018). These stats suggest that companies need to develop a digital marketing strategy to effectively reach their target audience. Additionally, digital marketing tactics like retargeting and personalized email marketing have enabled companies to create a seamless customer journey that leads to leads to higher conversion rates. Studies show that retargeting can increase conversion rates by 70% (Digitalmarketingcommunity, 2021). Personalized email marketing can also lead to higher conversion rates as consumers feel valued when they receive tailored communications from companies (Amaro et al. 2018). These statistics suggest that digital marketing can improve the customer experience and ultimately lead to increased sales for businesses.

With the digital age, many businesses have shifted from traditional marketing strategies to digital marketing. Digital marketing is the use of electronic devices such as computers, smartphones or tablets to promote products, services or brands. It is an effective and efficient marketing strategy that allows businesses to connect with potential and existing customers online. However, businesses need to evaluate the cost-benefit analysis of digital marketing strategies to determine the effectiveness and profitability of their marketing campaigns. This paper will evaluate the cost-benefit analysis of digital marketing strategies and provide in-text citations with page numbers and references with links.

The cost-benefit analysis of digital marketing evaluates the economic viability of different digital marketing strategies in terms of their costs, revenue generated and profit margins. Businesses use this analysis to determine the profitability of their marketing campaigns and make informed decisions regarding

their marketing strategies. The cost-benefit analysis of digital marketing can be evaluated using different metrics such as return on investment (ROI), conversion rates, customer acquisition costs (CAC) and customer lifetime value (CLV).

Return on Investment (ROI) is a metric that measures the profitability of digital marketing by comparing the revenue generated by a marketing campaign to the costs incurred. A positive ROI means that the revenue generated is higher than the cost incurred, while a negative ROI means that the cost incurred is higher than the revenue generated. According to a survey conducted by HubSpot, businesses that invest in digital marketing experience an average ROI of 122% (HubSpot, 2020: 1). This shows that digital marketing is a profitable marketing strategy for businesses.

Conversion rates are the percentage of website visitors who take a desired action, such as making a purchase, filling out a form or subscribing to a newsletter. High conversion rates indicate that a marketing strategy is effective in converting website visitors into customers. According to a study by Invespcro, businesses with conversion rates higher than 10% experience a 300% higher ROI compared to businesses with conversion rates lower than 1%. This shows that businesses can increase profitability by improving their conversion rates.

Customer Acquisition Cost (CAC) is the cost incurred in acquiring a new customer. This cost includes the expenses associated with advertising, sales and marketing. A low CAC indicates that a marketing strategy is efficient in acquiring new customers at a lower cost. According to a study by Neil Patel, the average CAC for a B2B business is \$200 while the average CAC for a B2C business is \$50, (Neil Patel, 2019). However, the CAC varies depending on the industry, competition and marketing strategy used. A low CAC indicates that a marketing strategy is efficient in acquiring new customers at a lower cost.

Customer Lifetime Value (CLV) is the value a customer brings to a business over their lifetime as a customer. This value includes the revenue generated from purchases, referrals and loyalty. A high CLV indicates that a marketing strategy is effective in acquiring and retaining customers who are likely to make repeat purchases and bring in more revenue in the long run. According to a study by RJ Metrics, businesses that have a higher CLV than CAC are more profitable and sustainable in the long run, (Metrics, 2021).

## CONCLUSION

The role of digital marketing and social media marketing in consumer purchasing behaviour cannot be underestimated. By using social media platforms like Facebook, X and Instagram, businesses have been able to reach their target audience and convert them into loyal customers. This study has shown that the use of digital marketing and social media marketing has a significant impact on consumers' online purchasing behaviour by influencing their decision-making process. The research shows that companies that use digital marketing and social media marketing must be leveraged to remain competitive in today's business environment. The power of digital marketing and social media marketing lies in their ability to instantly connect businesses with their target audience and influence their purchasing decisions. As a result, companies that fail to adopt digital marketing and social media marketing run the risk of losing potential customers to their competitors. The key takeaway from this study is that companies should prioritize their digital marketing and social media marketing strategies to influence consumers' online buying behaviour. Targeted campaigns allow businesses to build relationships with their potential customers and build brand loyalty. E-commerce companies in particular need to optimise their online presence and user experience to ensure their customers have a seamless online shopping experience.

Additionally, digital marketing and social media marketing are opening up new opportunities for businesses, regardless of geographic boundaries. With the advent of technologies like artificial intelligence and big data, businesses can track consumer behaviour, preferences and buying patterns to make informed decisions. Digital marketing and social media marketing have revolutionised the way businesses engage with consumers and this influences online purchasing behaviour. The success of online businesses depends on their ability to embrace this new digital marketing environment and adapt their marketing strategies accordingly.

Young people are prevalent in these markets. They are interested and are well-versed in the pertinent phrases, policies, and so on. Consumer purchasing behaviour is currently being digitalised over the world because of the advent of novel circumstances. According to the report, most young consumers prefer to

buy and sell their products and services online. It is a simple and inexpensive method for them to purchase products and services for their consumers nowadays. It offers many types of chances to customers that are helpful to them, and it improves people's level of living. The consumer's behaviour favours the digital market. It benefits both the customer and the seller. Those who desire to sell their product overseas and provide product and service benefits to him. These are beneficial to them. The online market spanned a large territory in a short period. It generates many customers at once.

According to the findings of this study, consumers believe in the credibility of product information available online and consult it before purchasing a product. They are satisfied with their online shopping experience as well as with products purchased through online platforms and this satisfaction results in the shift of their preference from traditional shopping to online shopping. Effective advertisements, information, and promotion through social media, blogs, and websites can help a firm improve the sales of a company.

With this, it can be concluded that digital marketing changed the way customers interact, search and communicate with the companies and their products and services. However, it does not change the cycle (Purchase Cycle) a consumer goes through when he/she is purchasing a product or service. Considering the scope of research, it can be noted that there is a huge scope for future studies and keeping in mind that digital and social media marketing is a booming industry in the current scenario, though there are many merits and demerits attached to it. One of the key research/future studies can be carried out based on consumer privacy issues regarding digital and social media. Though (Tucker, October 2014) considered this research to an extent, understanding how consumers think about privacy, what can be done to protect it, how it can be protected (or not), how they value digital media services, and whether privacy is necessary or not, can be a broad scope of future research. The current era of digitalization and modern marketing will lead to numerous forms of sustainable development and will put consumers at peace.

In a dynamic environment, it is critical to understand consumer psychology. The ever-changing purchasing habits of consumers in the digitalized environment must be well-recognized for the firm to remain sustainable. The changed economy contains numerous threats and challenges that marketers

must face nowadays. People should be made more aware of the benefits of digitalized marketing. More efforts should be made to make digital marketing safe to expand market size. Consumer behaviour has improved because of digitization. Because of a shortage of time, it is more convenient for working couples to complete purchases and payments at any time and from any location. Additionally, digitization provides consumers with rewards in the form of coupons, gift certificates, discounts, cash back, and cash discounts, which encourages them to adopt digital transactions. Finally, promotional activities, road shows, and workshops among customers are required to raise awareness and boost the use of digitalization.

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