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Exploratory Report

Research Problem: The research topic chosen to investigate is how social media influences consumer behavior and brand perception. The world of social media posts, influencers, and various platforms is a large consideration in marketing strategy and research based on its overt prevalence and extensive ability to reach consumers. It's imperative that brands know how to use social media effectively and how they can avoid using it incorrectly.

Through countless social media platforms (Twitter, TikTok, Instagram, etc.), companies can reach potential customers worldwide. Additionally, they can analyze consumer behavior quickly and easily. Content shared with social media users comes in many engaging forms such as text, images, videos, or live streams. Each one can be observed in how it affects or fails to affect consumers.

Eight External Sources/Articles:

1. Forbes: How Social Media Impacts Consumer Buying

<https://www.forbes.com/sites/forbesagencycouncil/2022/04/28/how-social-media-impacts-consumer-buying/?sh=5bc2ff33337d>

Summary: This article explains the dual-purpose feature of social media. While it is historically been for connecting with family and friends, it now functions to serve businesses as a marketing tool and users as buyers. It emphasizes the concept of social selling: how a productive social media presence yields new marketing perspectives and new sales. Brands are encouraged to engage with consumers on social media by responding to inquiries and fostering relationships to enhance their reputation and encourage positive recommendations. Social media enables two-way communication between consumers and brands. This means that social media can be a positive tool for a brand but can also be negative.

2. Frontiers: "The Dark Side of Social Media: Content Effects on the Relationship Between Materialism and Consumption Behaviors"

<https://www.frontiersin.org/articles/10.3389/fpsyg.2022.870614/full>

Summary: Here, the relationship between increased social media use and purchase habits is critiqued. The research findings in this article suggest that intense social media use is linked to impulsive, compulsive, and conspicuous purchasing habits. Users may see an ad or product and feel suddenly inclined to indulge. Alternatively, buyers may use social media or online shopping compulsively as a coping mechanism for stress or similar reasons. Conspicuous behavior includes buying and displaying high-end, luxury items on social media to improve self-esteem or

social status online. Research findings reveal that psychological motivations such as envy, materialism, narcissism, and social comparison are of significant influence on consumer behavior when it comes to social media.

3. “The influence of social media interactions on consumer–brand relationships: A three-country study of brand perceptions and marketing behaviors” by Hudson, et al.

<https://www.sciencedirect.com/science/article/pii/S0167811615000841#s0030>

Summary: to learn more about the growing relationship between brands’ social media usage and consumers, 3 studies were conducted. All 3 studies showed that social media use between brands and consumers led to humanization of the brand or ‘brand anthropomorphism.’ There was a positive correlation between brand perception and social media use in all 3 developed countries in which the study was conducted (United States, France, and the U.K.). Frequent social media use led to increased brand relationship quality and marketing outcomes. This article places emphasis on building relationships with customers through social media versus using it as an impersonal mass-marketing ploy.

4. “The Impact of Social Media Influencers on Purchase Intention and the Mediation Effect of Customer Attitude” by Lim, et al.

https://www.researchgate.net/profile/Lim-Jean-2/publication/330635364_The_Impact_of_Social_Media_Influencers_on_Purchase_Intention_and_the_Mediation_Effect_of_Customer_Attitude/links/5c6a0e1492851c1c9de70d34/The-Impact-of-Social-Media-Influencers-on-Purchase-Intention-and-the-Mediation-Effect-of-Customer-Attitude.pdf

Summary: This article comments on the appeal of social media influencers and how they affect branding and purchasing decisions on social media users. The authors speculate that heightened trustworthiness, physical attractiveness, and expertise have the most influence on impressionable viewers. However, the study conducted concluded that respondents are mostly aware that social media influencers typically aren’t experts on what they endorse. Additionally, physical attractiveness was not found to stimulate buyer’s purchase intentions. It was ultimately found that congruency between social media influencers and product can highly impact a consumer’s purchase intention. This meant that respondents were more likely to accept claims from brands endorsed by social media influencers whom they admired or resembled.

5. “The Social Shift: Understanding the Impact of Social Media on Consumer Behavior” by Adrian Peiris via LinkedIn

<https://www.linkedin.com/pulse/social-shift-understanding-impact-media-consumer-behavior-peiris/>

Summary: Social media has fundamentally altered how people communicate and engage with brands, with a growing impact on consumer behavior. It serves as a crucial information source, allowing consumers to access reviews, price comparisons, and product insights, empowering them to make informed decisions independently of traditional advertising. Social

media fosters brand-consumer relationships like never before. But the ease and flexibility of social media can harm a brand just as quickly. Negative feedback among consumers spreads virally and demands that brands maintain a positive online presence and address concerns and controversies in a timely manner. Overall, if a brand wants to stay competitive, make sales, and reach their target audience, it's necessary to use social media.

6. Cloutrack: "How does social media influence consumer behavior?"

https://www.cloutrack.com/knowledge_base/how-does-social-media-influence-consumer-behavior

Summary: Social media has had a great influence on consumers for the past half-decade or so through four different aspects. The first way that social media has influenced consumers is through building product awareness and generating exposure to a product through various social media apps or websites. Using "customer experience analytics", companies can target specific consumers to expose their product to them. A second way in which social media has influenced consumers is through social proof, or using online resources to see how other consumers used the product and using that to decide to purchase a product. Through various review forums, discussion forums, or even just pictures posted to the internet many consumers are influenced by their peers to purchase items solely based off others' opinions. A third way consumers have been influenced is through different deals such as promotions and discounts. According to the article, "64% of online customers wait to buy things until they go for sale.". Due to this, many online consumers are persuaded into buying items online due to limited time deals, and they feel they need to take advantage of the sale. A fourth and final aspect is actual social media influencers. These influencers are hired by companies to act as ambassadors for the company and they post various items on their personal page to promote the item, which leads to many of their followers to view if not purchase the items that are being shown by the influencer.

7. Brightage: "How social media influences consumer behavior"

<https://brightage.com/2022/08/15/consumer-behavior-social-media/>

Summary: Social media has shifted away from its relaxing and laid-back state that it used to be, and now it is just another outlet for companies to advertise their products to consumers. Through technology over the past couple years, many consumers have turned to social media to browse for products, and many of the most popular products on social media are brought to the consumer through an "influencer or creator". Through social media, not only companies have been able to expand their brand, but ordinary social media users turned influencers have completely changed their lives. Along with influencers and companies working together, companies are also able to significantly increase the quality of their customer service through social media, therefore boosting how consumers think of them as a company and causing more consumers to engage with their accounts and products. A third point brought up in the article mentioned the importance of using social media if your company is on the come up. Using social media allows for your company to get engagements from consumers across the world, giving your social media page engagement which leads to more engagement.

8. Search Engine Watch: “How social media influence 71% consumer buying decisions”

<https://www.searchenginewatch.com/2020/11/20/how-social-media-influence-71-consumer-buying-decisions/>

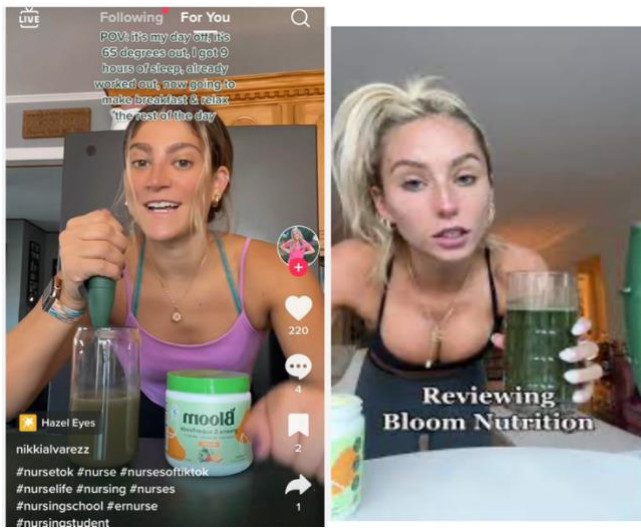
Summary: With a shift in online shopping in the past half-decade, the influence social media has on consumers has increased significantly. With more consumers purchasing items online, the amount of money going into social media has begun to increase, and according to the article, “Consumers who are influenced by social media are four times more likely to spend more on purchases”. The article then begins to dive into the four different ways that social media acts as an influence on consumer purchases. The first point brought up talked about the convenience of online shopping, being able to skip any travel, along with skipping the lines to get an item delivered to your front door. The article went on to explain how social media apps had begun to introduce stories, where a consumer can click on the profile of a company or brand and it displays a graphic of a new product, promotion, or even a flash sale. Overall, the article described the ways in which social media has become a convenience for consumers and company’s haven taken full advantage of it to maximize their engagement from consumers.

Social Media Analysis and Posts–

TikTok and Bloom Nutrition:

Bloom nutrition is a greens powder that promises to aid digestion, diminish bloating, and boost immunity. The product is known for being seen all over Tik Tok being used by numerous influencers. The company takes advantage of big names like Alix Earle and Emily Mariko that have lots of influence over their millions of followers. Influencers who are paid to post Bloom nutrition use the hashtags “#bloom” with 1.5 billion views and “#bloomgreens” with almost 40 million. Influencers enjoy creating Bloom advertisements since they are allowed to make the video however, they like. Some videos feature an influencer making the drink describing all the weightless/health benefits of bloom, while others don’t even mention the product but share some sort of story while they sip on Bloom. The average age of users on Tik Tok is 18-24. Bloom recognized that this is a demographic that is very interested in influencers and the products that they use. Along with that, that age group is a generation that is invested in health and wellness. This means that Tik Tok is the perfect place to advertise Bloom nutrition. If someone is scrolling through Tik Tok and sees their favorite Tik-Tikor say Bloom helped them feel less bloated, they will immediately want to purchase that product in hopes of being just like them.

This tactic helped Bloom become one of the most popular and successful greens powders which further proves that social media has a strong impact on consumer behavior. Bloom is the greens powder with the strongest social media presence, and that directly correlates to the company earning \$17.3 million in revenue each year. Overall, Bloom’s marketing strategy of paying Tik Tok users to advertise their product helped them connect with their target audience. This example shows the ability of a social media platform to take a business to the next level and the connection between social media presence and the success of a company.



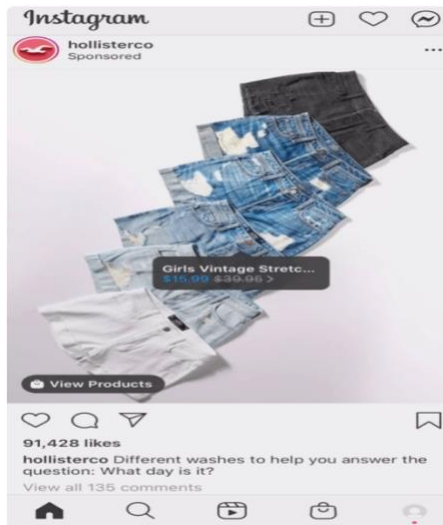
Instagram and Online Shopping:

In recent years, companies are recognizing that Instagram is more than just a place to share photos with friends and family but a place for advertising. On Instagram, users can discover, research, and buy products in-app making it a crucial platform for companies to consider for retaining online shoppers. The number of companies that want to sell on Instagram is rapidly growing since 81% of Instagram users discover new products on the app and it is a great way to advertise products for a low cost. Instagram advertisements drive online shopping for numerous reasons. First off, 90% of the 1 billion Instagram users are following company accounts creating a huge audience for potential buyers. When companies market their product on the platform, it encourages and influences Instagram users to at the minimum think about their product and consider it as an option. One report has found that the majority 79% of users search for information, 65% visit the brand's website, and 46% even make a purchase after seeing a product on Instagram which further drives our point that social media drives consumer behavior.

Instagram takes time to personalize the algorithm of each user to create the best experience for them. When companies create Instagram ads, they can curate the post, so it gets shown to their target audience. They can target the posts at people who are most likely to find them useful. Companies can also pay more money to ensure that their ad shows up to more people and more often to Instagram users. If users engage with the post, that company or type of advertisements will show up on that user's Instagram feed more often which will further influence them to online shop.

An example of a company that benefited from Instagram is Hollister to increase sales and click-through rates. In their Instagram photo ads, they put a special tag on each article of clothing. When users click on the tag, they will right away get taken to that specific piece of clothing on the company website so they can purchase it. This tactic drives potential customers

to make the purchase decision faster and creates more website traffic. This tactic proved to be effective for Hollister and is now used by numerous companies. Most Instagram ads also have a bar at the bottom of the post that say “learn more” or “shop now” that will also take the consumer right to the product online making a purchase just one simple click away. These simple words and tags make it that much easier for companies to convert Instagram users to paying customers. The increase and advancement in social media have driven consumers to online shop more often rather than going into stores to buy products.



Research Question(s) with Justification

1. How does social media influence consumer behaviors and brand perception?
 - a. This is the main research question of our report, and a company needs to know how to market their products through social media and how their brand is perceived to maximize their profits.
2. What social media platforms promote your product the best?
 - a. When you market your product to your target market, a company should look to see what social media platform is most popular for their target market so they can advertise to as many people as possible.
3. What kinds of posts lead to the best brand exposure (ads, posts, short videos, etc.)?
 - a. When a company markets their product to their target market, they want to be the most effective and whether that is through short ads on tik tok or posts on Instagram.
4. Does having a celebrity in your post increase exposure?

- a. If a company uses a celebrity in their ads their brand perception will increase depending on if that person who promotes their product is well liked.
5. What are the best ways to increase your products brand perception?
- a. For a company brand perception is very important, and having a positive brand perception can be the difference in if someone buys your product or not. It is important for a company to understand what their customers value so they can create a good brand image.

Target Consumer

Social media plays a pivotal role in brand perception and consumer behavior. First and foremost, social media platforms provide companies with a channel to make themselves more visible to the world. These platforms allow companies to reach a large and diverse audience that may be interested in their company, or what they sell. By having a consistent presence in online media, companies increase their brand awareness and ensure that potential customers know who they are. When a brand stays top of mind among consumers, it allows them to implement strategies to better their chances of new sales or new customers. Utilizing strategies such as influencer endorsements helps companies have a stronger influence over consumer purchasing decisions, which ideally leads to more revenue.

The target consumers of social media influence would be Millennials and Generation Z. These two generations are both digital natives. They grew up using both technology and social media. These generations are also more active and engaged than most when it comes to media platforms online. Gen z and Millennials are also closely associated with setting trends and influencing pop culture. This includes influencing how people perceive brands and how others will behave given the trends. These generations are also quick to get on board with new trends or be the early adopters. When new products or services are released, they are far more responsive than others, which makes them ideal candidates for sponsored influencer product or service reviews online. Furthermore, some Gen Z and Millennials are influencers themselves, so they spend even more time on various media platforms, absorbing other content posted online.

Gen Z and Millennials are some of the most accessible consumers given their extensive use of the internet and social media. Their continued use of applications such as Instagram, Snapchat, TikTok, and Twitter allows companies to reach them with relative ease. Things such as image ads truly connect with these visually driven individuals. Another way companies can reach these generations is through sponsored influencer promotions. Collaborating with popular social media personalities helps companies to connect with established and engaged audiences that trust the opinions and recommendations from their favorite influencers.