The Impact of Social Media Marketing on Gen Z's Consumer Behavior
A Conceptual Study

Urvita Sarda

Abstract

Social Media Marketing has transformed the marketing landscape. Moreover, it has significantly impacted Gen Z's consumer behavior with the integration of visual content on social media with digital marketing strategies. This study focuses on exploring the specific ways in which social media marketing shapes the purchasing behavior, brand loyalty, and decision-making of Gen Z, and how it affects their overall consumer behavior, using the already existing literature. Furthermore, this study provides background and context on Gen Z's online behavior and implications for brands and businesses followed by a conclusive statement reiterating how Social Media Marketing plays a crucial role in shaping consumer trends and how it is of immense importance for brands to develop Social Media Marketing strategies for Gen Z as they are going to be the largest generation with a remarkable consumer power.

Keywords: Gen Z consumer behavior, SMM, Social media marketing, brand loyalty, purchase intentions, Influencer marketing, Gen Z, UGC, social media.

The Impact of Social Media Marketing on Gen Z's Consumer Behavior: A Conceptual Study

Social media has had a transformative effect on marketing especially over the last 10 years, with the integration of visual content with digital marketing strategies. It has had an immense impact on today's digital marketing scenario, from increased website traffic and sales to building and fostering communities, Social Media Marketing (SMM) has greatly affected the modern marketing scenario.

What is SMM?

SMM is one of the many kinds of digital marketing exercises available today that has helped countless brands connect with their target customers and audience by bridging the gap and increasing customer-brand engagement online.

Over the past ten years social media marketing has evolved from being an additional way to promote products to becoming a main force in shaping consumer trends. This transformation has significantly changed how people find and assess products before making a purchase. It has also impacted how companies connect with their customers. With a rise in technological progress, the impact of social media marketing on shaping consumer behavior is expected to grow presenting both fresh possibilities and hurdles, for both businesses and customers alike.

Social media marketing has had a huge impact on consumer culture, so much so that it has totally altered how brands and businesses view marketing and consumer trends. A key role is played by data that presents itself in the form of consumer preferences and activity through their engagement with brands on several social media platforms such as Facebook, Instagram, Twitter (now X), TikTok, etc. Digital Marketing has mutated itself taking the form of Social Media Marketing using several dynamic strategies, from Content Creation and Influencer Marketing to targeted advertising and social commerce, resulting in increased brand awareness among consumers as well as efficient use of data-driven strategies by brands.

The rise of SMM and its evolution in the past decade has given birth to crucial changes such as data-driven evaluation and decision making using real-time feedback, special emphasis on visual and digital content, the ascension of Influencer marketing and the shift to Mobile-first approach and design resulting in mobile-first marketing.

Gen Z and the Digital Age

Generation Z (Gen Z) is usually referred to as people born between 1997 and 2012, who have grown up in the era of tech and pose as digital natives. Gen Z have had access to the internet since childhood and have never known a world without the internet.

Gen Z's consumption patterns are significantly distinct when compared to the older generations, as they tend to put ethical and sustainable values influenced by the notion of social justice at the forefront when making purchasing decisions; however, at the same time, they are heavily influenced by peer recommendations and social media trends. This results in a need for brands to push original and authentic products and services in the market. To understand how Gen Z interacts with trends and social media marketing, brands examine their consumption habits and make data driven decisions by studying and analyzing how they engage with posts and content on social media platforms. Having grown up in an environment that has always been subjugated by digital devices and the internet, Gen Z values transparency and authenticity the most. They are largely influenced by initiative driven brands that take social responsibility seriously, while also managing to produce original and authentic products.

Problem Statement

The need to understand the specific ways in which social media marketing shapes the purchasing behavior, brand loyalty, and decision-making of Gen Z. And how it affects their overall consumer behavior.

Research Objectives

(a) To explore existing studies, concepts, and research findings on the impact of Social Media Marketing on Gen Z's consumer behavior. (b) To investigate and analyze how Gen Z interacts with content on social media with a special emphasis on the type of content. (c) To combine my findings and establish a conceptual framework connecting social media marketing to Gen Z's consuming and purchasing behaviors.

Significance of the study

(a) Important for marketers and businesses to understand how Gen Z interacts with brands on social media. (b) Contribution to the field of social media marketing and consumer behavior research and studies, particularly in the context of a new and influential consumer group that is Gen Z. (c) A contribution to the field of marketing theory.

Literature Review

Social Media Marketing and Gen Z's Consumer Behavior: An Overview

Social Media Marketing is a form of digital marketing that utilizes social media platforms to promote a brand to its ideal customers (Baluch, 2024). There are various social media platforms, such as Facebook, Instagram, Twitter (now X) and several others, that one can take advantage of while developing a digital marketing and social strategy depending upon the type of content, branding, and target audience a business has. (Baluch, 2024). According to Baluch (2024), some key components of an effective social media strategy include audience reach, brand identity, content strategy, analytics, and on-going engagement activities. There are a lot of different social media strategies out there like setting up goals and objectives, understanding your audience, studying your competitors, choosing the right platform, developing useful content, and optimizing your metrics (Baluch, 2024).

Generation Z has grown up in a digital era, in the age of the internet (Bindu et al., 2024). Members of Gen Z are true digital natives, having grown up in a world where the internet has always existed (Francis & Hoefel, 2018).

> Gen Z is a generation that grew up with social media, and it has become a crucial part of their daily lives. Gen Z values inclusivity, diversity, and social causes more than previous generations. They are also more likely to value experiences over material possessions and prefer brands that align with their values (Shaw, 2024).

According to Spend Z: A Global Report by NielsenIQ, Gen Z will be the largest and the richest generation in history and their spending power is expected to grow to a whopping $12 Trillion by 2030 (NielsenIQ, 2024).

Gen Z's Consumer Behavior and Purchase Intentions

According to Henry Bewicke (2024), Gen Z's consumer behavior consists of pragmatic approaches to purchasing. They make informed decisions when buying online, look for the best deals, and pay the most attention to brand ethics, and social and corporate responsibility, and they have high expectation as consumers (Henry Bewicke, Gen Z Consumer Behavior: What You Need to Know | Talon.One, n.d.).

Gen Z believes in accessibility when it comes to consumption, having access to products and services and not necessarily owning them. For them access creates value (Francis & Hoefel, 2018).

Francis and Hoefel (2018) further discuss how the core of Gen Z is indicated by their expression of individual identity, and how it manifests in their consumption habits as well. Hence, the popularity of personalization as a means of self-expression. 48% of Gen Zers said they value brands that do not classify items as male or female. Gen Z consumers are well informed about brands and the story or narrative behind them (Francis & Hoefel, 2018).

Gen Z's purchasing intent and decisions are greatly influenced by their values, ideals, and a need for authenticity. They favor brands that value social and ethical responsibility by advocating environmental and social justice, resulting in increased brand loyalty and trust (NielsenIQ, 2024). While they love premium products, they could also be savvy shoppers looking for the best deals available. According to an insight by NielsinIQ, 32% claim that they are motivated to buy at the lowest prices and 37% actively look out for sales. Gen Z also has a strong preference for omnichannel shopping (NielsenIQ, 2024).

Gen Z's Interaction with Brands on Social Media

As per the Q1 2024 Pulse Survey, nearly 90% of Gen Z say that a brand's social media presence has a larger impact on whether they trust a brand or not (Smith, 2024).

With an increased trust in influencers, Influencer marketing has become popular among Gen Z. Nearly 40% of them trust influencers more than they did in the previous year, as claimed by 'The 2024 Influencer Marketing Report' (Smith, 2024).

Gen Z relies on social media Influencers and micro-influencers for product recommendations and suggestions, with authenticity playing a key role in driving brand trust and loyalty (Mediatool, 2024). For Gen Z, social media acts as the primary source of information with platforms like Instagram, Pinterest, and TikTok serving as search engines and digital channels to discover trends and find information thereby greatly affecting their purchasing decisions. Gen Z tends to rate User-Generated Content (UGC) highly as it builds credibility and engagement, thereby creating the phenomena of peer influence. 75% of Gen Z choose Mobile devices over any other tech, resulting in mobile first approaches by brands that further helps in the success of social media marketing even more (Mediatool, 2024).

Some existing studies on Social Media Marketing and Gen Z

Priya and Agrawal (2024) conducted data analysis on consumer behavior using exploratory quantitative research approach and the collected data was analyzed using both descriptive and inferential approaches to provide an overview of the participants' behavior, and descriptive statistics such as frequencies, percentages, means, and medians were utilized. A survey questionnaire with Likert scale was also used with data from 150 Gen Z participants/users. The findings suggested that social media marketing significantly affected Gen Z's Consumer behavior and purchasing decisions. Major factors that shape their preferences include Influencer marketing, Loyalty behavior and brand authenticity.

Bowo et al. (2024) explored how social media 'meme' marketing impacted the purchasing decisions by employing qualitative techniques for data analysis using descriptive research and secondary datasets selected based on the relevance and quality of material. The findings suggested that interactive content on social media drives purchasing decisions there by affecting Gen Z's consumer behavior.

Disha et al. (2023) in their review paper investigated the existing work social media marketing and how it influences consumer behavior reaching the conclusion that while all researchers do not agree with the extent social media affects consuming behavior, most do agree that it plays a key role in shaping opinions about brands among young consumers.

Lalwani et al. (2021) collected data of 16-24 years old from both primary and secondary sources to conduct exploratory research. While conducting the data analysis they found that majority of young population uses social media as a means of staying updated and they frequently look for reviews and product details while surfing social

media sites, indicating an influence of social media and peers on purchasing decisions, and conclude that the majority of respondents look for convenience while making purchases online.

Conceptual/Theoretical Framework

By now we have understood that social media marketing activities (SMMAs) play a crucial role in Gen Z's consumer behavior, how they are both interconnected, and how the type of content, the platform, and the brand image and values affect their purchasing decisions along with many other factors. Let us take a look at them:

Influencing Factors in Social Media Marketing (SMM)

Social media has had a great impact on how Gen Z interacts with brands online and how SMM Drives their purchasing decisions as well. Some of the key aspects of SMM that influence Gen Z are brand factors, platform factors and content factors.

Gen Z consists of uniquely diverse people with distinct personality traits when compared to Millennials and Boomers and they prefer platforms that offer short-lived, interactive, and visual content like Instagram, TikTok, Snapchat, and YouTube (Roman, 2024).

Von Aulock (2024) emphasizes that social media plays a significant role in Gen Z's consuming behavior.

In a research study administered as a survey, and jointly led by WP Engine and The Center for Generational Kinetics, a total of 1,252 U.S. respondents ages 14-59 (including a 250-person oversample of Gen Z) were surveyed. They found that 33% of Gen Z believe in the opinions of online influencers when making a purchasing decision. They also found that 75% of Gen Z are more likely to buy a product if they can personalize/customize it (Generation Influence: Reaching Gen Z in the New Digital Paradigm, 2024).

According to Roman (2024), Gen Z wants transparency and honesty the most and therefore favors User-Generated Content more than any other type of brand content marketing.

Consumer Behavior Responses

Gen Z exhibits mainly three types of Consumer Behavior responses namely, Affective, Cognitive, and Behavioral.

Affective responses include factors such as authenticity, emotional connection, trust, and credibility. The more positive emotions a brand evokes through marketing, the more the success of affective responses. Cognitive and Behavioral responses include factors such as values and social proof, loyalty, purchase intentions, etc.

Figure 1

Consumer Behavior Responses
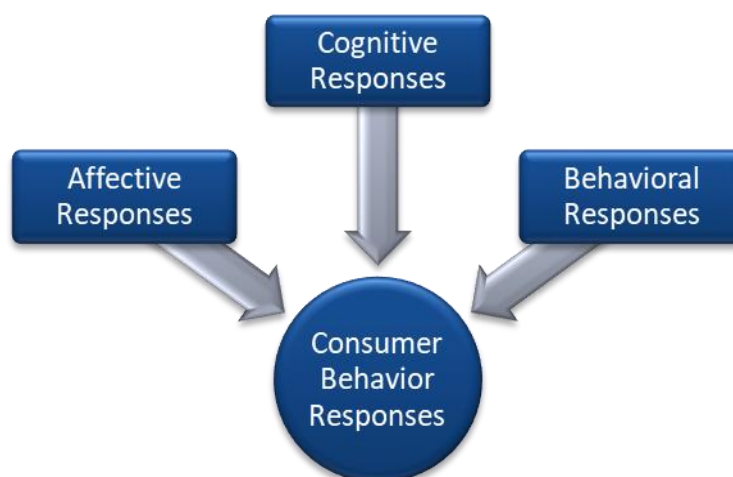
Note. The figure depicts 3 main types of consumer behavior responses.

Mediating Factors

Mediating factors play a significant role when it comes to assessing Gen Z's consumer behavior and consumption habits. Some of them include peer influence, social proof, personal values, and community engagement.

According to Rajeev and NMIMS (2024), The behaviors and decisions of young adults are significantly influenced by their peers, especially with respect to consumer behavior. Rajeev and NMIMS (2024) conducted a study based on quantitative approach employing stratified random sampling and investigated the impact of peer influence on the purchasing decisions of young adults across 2 distinct age groups (under 19, and 20 above) and found that peers have a significant influence on teenagers' consumer behavior, often resulting because of their desire to fit in, conform to group/community norms and social status and validation. Moreover, he further found that adults turn to peer recommendations, too, although not as much as teens do. (Rajeev & NMIMS, 2024).

As far as Personal values and ethics are considered, Gen Z's purchasing decisions and brand loyalty are often led by their need to be value driven and socially-conscious consumers. This makes Gen Z's social identity uniquely diverse. Gen Z are value-driven consumers and are more likely to support brands that align with their own values like sustainability, social justice, and diversity (Marketing to Gen Z: Strategies and Insights, n.d.). 72% of Gen Z believe they can be part of a social movement even if they only participate through social media and that factors such as trust, sharing, and authenticity in the digital world are key aspects of Gen Z's overall identity. (Generation Influence: Reaching Gen Z in the New Digital Paradigm, 2024).

Discussion

Integration of Conceptual Insights

With the above information and literature, it can be understood that marketing done on social media platforms through a variety of digital channels is known as Social Media Marketing (SMM). And there are several strategies that make up the components of SMM like brand identity, audience, engagement and so on.

Gen Z considers ethical values and social responsibility when making purchases and they hold dear the idea of singular/individual identities which also shows up in their consumption patterns, leading them to look out for brands that provide personalized and/or customized services as well. They are also more likely to favor and trust environmentally and socially conscious brands, who at the same time provide good quality products/services, resulting in increased credibility and brand loyalty. They support brands that are vocal about social issues and have a strong online community and presence.

SMMAs have a great influence on Gen Z's consumer behavior mainly driven by factors such as brand, platform, and content-type. It is widely understood that Gen Z depends heavily on social media apps like Instagram for reviews and product discoveries and are greatly influenced by User-Generated content (UGC) and influencer marketing. However, here authenticity plays a huge role.

Consumer behavior responses play a crucial role in evoking emotions and building emotional connection between brands and consumers online and affect Gen Z's purchasing decisions tremendously. At the same time, Peer Influence, Social status, social identity, community engagement, and personal values play a significant role as mediating factors between SMM and Gen Z's consumer behavior.

Implications for Marketing Practice

Following are some implications/ practices that could prove beneficial for businesses and marketers:

• Businesses should understand that social media plays a key role for Gen Z in discovering products and making purchasing decisions, so it is necessary for brands to engage in conversation online, and take advantage of content creation tools, ultimately creating a strong online presence. To construct an online presence and drive purchasing decisions in their favor, brands should focus on Influencer marketing as Gen Z's purchase intent and behavior is heavily influenced/affected by influencers on social media.

• Peer Influence plays a crucial role and drives their consumer behavior responses. Brands should focus on leveraging UGC to build trust and credibility as this type of content is held in high regard by Gen Z, and when it comes to social media trends they are most swayed by User-generated Content and influencer collaborations, given that they are genuine and do not feel forced.

• Brands should create content that is mobile friendly as Gen Z favors social media and mobile-first approach more, convenience being extremely important here. A focus on Search Engine Optimization is also recommended.

• Omnichannel marketing is a great way to promote brands among Gen Z, who take their role as digital natives very seriously and have a solid presence on almost all social media platforms (a great example for/of this approach is Lululemon).

• Brands should leverage consumer behavior responses to gain trust, and build lasting emotional connections with Gen Z consumers.

• Brands should partake in online discourse and be socially responsible and conscious as social and political values such as sustainability, diversity and justice are important to Gen Z.

• It is very important for brands and businesses to set up narratives and indulge in storytelling when selling a product or service to Gen Z online, and finally

• Last but not the least, brands should cultivate an online community as social status and peer engagement play a significant part with respect to Gen Z's consumer behavior.

Limitations

• Challenges with obtaining and gathering reliable secondary data on Gen Z's online and consumer behavior.

• Challenging to encapsulate a steady delineation of how SMM impacts Gen Z's consumer behavior as trends keep evolving in the rapidly changing marketing landscape.

• Potential biases in secondary sources, as existing literature and data may reflect the perspectives of the original author, which could influence the study's conclusion.

• Limited geographic applicability, as consumer behavior and social media usage can vary significantly across regions due to cultural, economics, and social differences.

Conclusion

It is quite evident that SMM has had a great effect on Gen Z's consumer behavior and will continue to do so in the coming years as technology advances. With the rapid increase in social commerce, online shopping and consumption has become a part of Gen Z's daily lives all thanks to SMM.

It has become increasingly crucial for brands to cultivate a strong and efficient social media presence, and to put special emphasis on authenticity, transparency, and sustainability. In essence, it is of paramount concern that brands pay attention to Gen Z's values and ethical considerations when developing strategies to market the products to a Gen Z audience as sooner or later they are going to be the largest generation with a great purchasing power!

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