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Mediating Effect of Individual Factors, Social Factors, and Situational Factors in the Relationship Between the Impact of Social Media and Consumer Buying Behavior

LUO YAWEN Infrastructure University Kuala Lumpur 617466032@qq.com

MOHAMAD NASIR SALUDIN Infrastructure University Kuala Lumpur mnasir s@unisel.edu.my

ABSTRACT

Social media platforms have greatly altered how businesses communicate with customers and sell their goods in the present digital era. Consumers are increasingly turning to social media platforms to collect product/service information, search for user recommendations, and make purchasing decisions. As such, this paradigm shift presents opportunities and challenges for businesses. Effectively navigating this dynamic environment is vital for comprehending how social media influences consumer attitudes and behaviors, particularly in the context of purchasing decisions. This article review delves into the intricate dynamics of social media and its profound impact on consumer behavior. The discussion revolves around the definition and key characteristics of social media, tracing its evolution from a mere communication platform to a powerful marketing tool. The study explores the direct influence of social media on consumer behavior and delves deeper into the mediating factors that shape this relationship. Specifically, the research investigates the mediating effect of individual, social, and situational factors in the context of the relationship between the impact of social media and consumer buying behavior. This review provides valuable insights into the interplay between social media, individual traits, social influences, and situational contexts, shedding light on the multifaceted nature of modern consumer behavior in the digital age.

Keywords: Consumer behavior; decision-making model; mediating factors; social media impact

DEFINITION OF SOCIAL MEDIA

Social media is the collective term for internet-based platforms and applications that allow individuals and communities to create, share, and exchange user-generated content (UGC). For instance, the core function of social media is to facilitate its users in connecting and engaging with each other, creating virtual networks and communities centered on shared interests, activities, or affiliations. The most popular social media platforms worldwide are Facebook, TikTok, Instagram, Twitter, LinkedIn, and YouTube, among many others (Ortiz-Ospina & Roser, 2023). The most popular social media platforms in China include WeChat, Sina Weibo, Douyin, Baidu Teiba, QQ, and Xiaohongshu (Thomala, 2023).

CHARACTERISTICS OF SOCIAL MEDIA

USER-GENERATED CONTENT

One unique characteristic of social media is its design to facilitate UGC. As such, social media is a paradigm shift from traditional channels such as radio, television, and print media, which only allow professionals to produce and control the content. In social media, users create and share their own content. Users can share photos and videos while others contribute in the form of comments, and one can share their text posts or reviews. For instance, most Chinese consumers rely on Douyin as the social media platform for doing product reviews and posting

user-generated product reports (Yu, 2023; Yu et al., 2023). As such, the open design of social media allowing UGC facilitates the sharing of a diverse range of perspectives and experiences.

INTERACTIVITY AND ENGAGEMENT

The design of social media platforms also facilitates active engagement and interactivity among users. Fact-checking videos on Douyin use attractive audiovisual features that increase interactivity by encouraging users to like, share, and comment, thus also increasing user engagement (Lu & Shen, 2023). By contrast, trending videos on Douyin feature relatively lower brightness, lower cool color dominance, and lower tempo (Lu & Shen, 2023). Similarly, the non-fact-checking videos on Douyin also have specific audio-visual features that set it apart from the fact-checking and rending videos (Lu & Shen, 2023). According to Lu and Shen (2023), the UGC on Douyin increases interactivity and engagement by employing themespecific audio-visual strategies. Other Douyin features that increase interactivity and engagement include a user-friendly interface, an algorithm-driven content recommendation system, and the ability to reflect the general trend of young Chinese culture (Media Scope Group, 2023). As such, the interactive user experience of social media facilitates conversations, connections, and the formation of online communities.

NETWORK STRUCTURE

Social media platforms operate within a network structure. As such, its users establish connections with others through followers, friends, or connections. For instance, Douyin recently adopted a friend locator feature (a concept borrowed from WeChat) that allows users to shake their phones to make the Douyin app locate nearby users (Feng, 2021). The network structure facilitates the dissemination of information and content across a wide audience and significantly contributes to the viral spread of messages and trends.

MULTIMEDIA INTEGRATION

Social media platforms incorporate multimedia content. As such, they allow users to share and consume different forms of media, such as images, videos, audio, and live streams. For instance, Douyin allows its users to post images, videos, and audio, and stream their content streams. Incorporating multimedia in social media platforms improves the user experience outcomes by enabling creative expression and storytelling.

ACCESSIBILITY AND UBIQUITY

Social media is no longer a strange concept; rather, it has become ubiquitous in today's digital landscape. In particular, social media is available to at least one in three people as of 2019 for two main reasons (Ortiz-Ospina & Roser, 2023). First, the widespread availability of internet access facilitates access to social media. For instance, 75% of the Chinese population had used the internet as of 2022 (Thomala, 2023). As of the start of 2023, 72% of the total Chinese population had access to social media (The Global Statistics, 2023). In addition, Douyin is the most popular social network platform in China, with 70.20% of social media users (The Global Statistics, 2023). Second, the proliferation of smartphones and mobile devices also provides the means to leverage the internet for social media use. For instance, the most utilized devices are smartphones (64.32%), followed by laptops and desktops (34.82%), and finally, tablets (0.86%) (The Global Statistics, 2023). As such, social media accessibility and ubiquity transcends geographical boundaries and time zones, effectively enabling global connectivity and communication.

REAL-TIME UPDATES

The underlying internet component of social media platforms facilitates real-time updates and instant access to information. For instance, users receive immediate notifications and updates about the latest posts, news, events, and trends. As such, Douyin can only operate when the user has an internet connection. The real-time nature creates a sense of immediacy and responsiveness in user interactions. For instance, UGC from influencers leverages the sense of immediacy and responsiveness produced by Douyin to encourage Chinese consumers to buy the products and services that they recommend (Yang, 2022).

DATA-DRIVEN INSIGHTS

Social media platforms produce big data, given the sheer volume of data generated from user interactions, preferences, and behaviors. Analysis of social media big data provides valuable insights into user preferences, trends, and consumer behavior. As such, social media analytics tools and algorithms can aid businesses and marketers to understand their target audience and tailor their strategies accordingly. For instance, Chinese companies currently dedicate entire marketing research teams to Douyin to collect data from consumer experiences with their products and services to better tailor their offerings (Yu, 2023).

EVOLUTION OF SOCIAL MEDIA AS A MARKETING TOOL

Social media evolved from a communication and networking platform into an efficient modern tool for conducting marketing and business promotion. Reviewing the literature on the evolution of social media and how it revolutionized businesses to engage with their target audience and promote their products or services is relevant to the core objectives of this dissertation.

THE EMERGENCE OF SOCIAL MEDIA MARKETING

The advent of social media introduced a viable alternative to traditional marketing channels. The traditional marketing channels, which included television, radio, and print media, had limitations in terms of reach, targeting, and interaction (Shawky et al., 2019). By contrast, social media provided unique opportunities for business organizations to reach customers that were beyond the coverage of traditional marketing channels (Shawky et al., 2019). In addition, social media provided new opportunities for businesses to connect with their customers on a one-on-one basis, effectively facilitating two-way communication and engagement.

EXPANDING REACH AND TARGETING

Social media platforms represent a paradigm shift in the reach of business advertisements. Previously, business organizations relied on traditional media channels to push their advertisements for their product and service offerings. However, traditional media channels manifested limitations in reach due to geographical boundaries. For instance, Chinese businesses using traditional media channels experienced the regional limitations of their reach and thus could not expand their businesses (Xu, 2023). In addition, such businesses were also unable to segment their target audience because traditional marketing channels do not give precise customer data.

Unlike traditional media channels, social media did not manifest such limitations. For instance, the internet did not recognize geographical boundaries (Xu, 2023). As such, social media, which leverages the networked nature of the internet to reach customers, was equally not restricted by geographical boundaries. Consequently, social media platforms enable businesses to expand their reach beyond geographical boundaries and connect with a wide

audience. For instance, businesses leveraging Douyin have access to at least 70.20% (716.04 million) of Chinese social media users (The Global Statistics, 2023). By contrast, the biggest media station (CCTV-1) in China has access to almost the entire population (97.91 media power score) (Hays, 2022). In addition, the average watch time for television is approximately 4 hours and 18 minutes (Thomala, 2022a), compared to an average daily social media use of 1 hour and 57 minutes (The Global Statistics, 2023) and 2 hours on Douyin (Yang, 2022). The statistics might seem to support television viewership as the right media outlet to reach the masses in China until one considers the age demographic of television viewership compared with social media use.

According to Thomala (2022b), television viewership is highest among the age group 65 years and above, who spend 273 minutes on average watching television. By contrast, the younger population of millennials and other younger generations only watch television for less than 1 hour daily. Here is where Douyin shines because of its attractive content that makes it addictive to millennials and the younger generation (Zhao, 2021). The age demographic is a critical aspect of social media audience because it represents consumers that manifest corresponding spending on social media platforms. Whereas the senior television audience comprises a majority of retired individuals who are less likely to translate media influence into action, the younger audience in social media will more likely act based on what they consume on Douyin. Furthermore, the algorithm extremely discriminates user content to match their preferences and thus contributes to accurate consumer targeting and corresponding segmentation (Zhao, 2021).

ENGAGING CONTENT AND INFLUENCER MARKETING

Given the interactive design of social media, UGC contributed to engaging content. Social media design makers also leveraged interactive design to attract users and interact. For instance, Douyin is the most engaging social media platform in China not only because of its design but also because most UGC employs humor and posts captivating content that compels other users to stay online (Zhao, 2021). As such, businesses also leverage the theme of humor by integrating such themes in their content in the form of short videos to engage their audience and spark conversations. In addition, the rise of influencer marketing on Douyin provides opportunities for brands to collaborate with influential individuals with a significant following, thereby amplifying their reach and credibility.

DATA-DRIVEN INSIGHTS AND ANALYTICS

Unlike traditional media channels that feature one-way communication, social media two-way communication channels are a paradigm shift in data-driven insights and analytics. The social media platforms also provide their users with analytics based on data analyzing the reach of each post. As such, one of the major advantages of social media as a marketing tool is the abundance of data generated through user interactions and behaviors (Zhao, 2021). Business organizations can access valuable insights and analytics on social media platforms to understand their audience, monitor campaign performance, and make data-driven decisions. Furthermore, the data are valuable for businesses to refine their marketing strategies, optimize targeting, and tailor their messaging to resonate with their audience.

SOCIAL COMMERCE AND DIRECT SELLING

Social media and e-commerce now co-exist as one. Social media platforms recently integrated e-commerce functionalities in their platforms to allow businesses to sell products or services directly to their audience. For instance, Douyin allows businesses to post their product and

service offerings directly to their user base. Douyin users can also buy directly through mobile transactions. For instance, Douyin introduced Douyin Pay in 2021 to replace Ant Group's Alipay and Tencent Holdings' WeChat Pay as the recommended option for paying for ecommerce products or services shared on its platform (Reuters Staff, 2021). As such, Douyin enables businesses to showcase their offerings, facilitate transactions, and provide a seamless shopping experience within the social media environment. Therefore, the integration of marketing and e-commerce has further transformed social media into a complete sales funnel.

PERSONALIZED CUSTOMER EXPERIENCE

Social media platforms provide personalized customer experiences, allowing businesses to interact with customers in an environment of mass customization. For instance, the technological features of social media, such as chatbots, direct messaging, and personalized content recommendations, allow businesses to address customer queries and deliver a customized experience. Case in point, Douyin uses algorithms to provide extremely personalized content recommendations that drive user engagement with content on the platform (Zhao, 2021). Similarly, Douyin uses chatbots to facilitate interactive marketing, thus further promoting personalization (Wang, 2023). As such, personalization facilitates and promotes customer loyalty and enhances brand—customer relationships.

REAL-TIME ENGAGEMENT AND FEEDBACK

Unlike traditional media, social media leverages its real-time interaction with users to facilitate business engagement with their audience instantly and receive immediate feedback. For instance, Douyin facilitates its customers to provide reviews, comments, and ratings to offer businesses valuable insights into their products or services (Wang, 2023). Case in point, Douyin has become the yardstick that businesses use to measure the performance of their product and service offerings. In other words, Douyin provides an opportunity for Chinese businesses to measure their influence on customer decisions.

IMPACT OF SOCIAL MEDIA ON CONSUMER BEHAVIOUR

Gaining insight into the impact of social media on consumer behavior is critical to this dissertation. Therefore, understanding how social media influences consumer decision-making processes, attitudes, and purchasing behaviors is vital to achieving that goal. As such, the review of literature in this section examines how social media exerts its influence on consumer behavior.

INFORMATION AND AWARENESS

Social media platforms give consumers significant information concerning e-commerce brands, the corresponding products and services of those brands, and other information concerning e-commerce trends. As such, consumers on social media have access to product reviews, ratings, and recommendations from other users who purchased similar products and services from particular brands, influencers with relatively more knowledge than other users, and experts, especially technical experts with industry knowledge on best practice for optimizing the use of specific goods and services (Yu et al., 2023). For instance, Douyin has become China's go-to platform to post and read product reviews from UGC (Yu, 2023; Yu et al., 2023). Consequently, such in-depth information increases consumer awareness and changes how they perceive products or services.

SOCIAL INFLUENCE AND SOCIAL PROOF

The social media platform is a virtual community that facilitates connection and interaction for individuals. The different opinions, recommendations, and experiences shared as a result of social network connections influence other consumers. As such, the resultant decision introduces the theory of social proof, where one relies on the actions and choices of others to guide their own decisions, which significantly shapes their corresponding consumer behavior on social media. Empirical research demonstrates that social media influence on consumer behavior is significant in the absence of clear consumer preferences (Venema et al., 2020). Scott and Barden (2022) explain that the condition for unclear preferences is a major factor that creates uncertainty and contributes to reliance on social proof as a mental shortcut — though consumers commit to such decisions unknowingly. In particular, the theory of social proof is relatively more significant in collectivist societal setups such as China compared with individualist societies (Cialdini et al., 1999). As such, the UGC regarding e-commerce products and services and the corresponding product reviews on Douyin have a significant impact on directing consumer decisions (Yu et al., 2023). Similarly, positive reviews, testimonials, and endorsements on Douyin can strongly impact consumer attitudes and purchasing decisions.

USER-GENERATED CONTENT AND AUTHENTICITY

UGC is the core of social media platforms and significantly explains its popularity. Consumers create and share content related to their experiences with products in real-life situations. UGC is authentic, and other consumers attribute credibility to such opinions and experiences from their peers compared to traditional advertising. According to Pruthi et al. (2021), UGC breeds authenticity because users perceive it as trustworthy due to it being more real and understandable. As such, UGC content has a significant impact on consumer purchasing behavior.

INFLUENCER MARKETING

Influencer marketing is a social media strategy to influence consumer purchasing behavior. Influencer marketing is the product of social media influencers. According to Vrontis et al. (2021), social media influencers are social media users who amass a loyal following and generally tend to focus their expertise and corresponding advice on a specific area regarding ecommerce products and services. Given their massive social media following, social media influencers collaborate with brands to endorse products or services. Consumers associate social media influencers with trustworthiness and credibility. Therefore, their corresponding information and recommendations have a significant impact on consumer purchasing behavior (Vrontis et al., 2021). As such, the persuasive power of influencers can significantly influence consumer attitudes, preferences, and purchasing decisions.

SOCIAL COMPARISON AND FOMO

Social media platform inadvertently facilitates social comparison, where consumers compare their possessions, experiences, and lifestyles to other users. Social comparison can incite feelings of envy, aspiration, or fear of missing out (FOMO) (Meier & Johnson, 2022; Reer et al., 2019). As such, incited feelings compel consumers to align their behaviors and purchase choices with peers of their social network connections to maintain social status or avoid FOMO on desirable experiences or products.

EMOTIONAL ENGAGEMENT AND VIRAL CONTENT

Social media content that incites happiness, humor, surprise, or empathy, tends to generate higher engagement and shares from users. De Oliveira Santini et al. (2020) refer to it as hedonic consumption — consumption attributed to emotional engagement. It is a paradigm shift from utilitarian consumption, where the consumer draws motivation to consume a product or service from its utility value. De Oliveira Santini et al. (2020) also posit that hedonic consumption yields relatively higher (three times stronger) customer engagement compared to utilitarian consumption. When this is added to the theme of humor on Douyin and the collectivist nature of the Chinese culture, the result is positive associations with brands or products and increased brand loyalty and purchasing decisions. In addition, content that goes viral on Douyin tends to leverage color schemes known to evoke emotions and hedonic consumption (Lu & Shen, 2023).

PERSONALIZATION AND TARGETED ADVERTISING

Social media platforms take advantage of consumer data to provide and sustain personalized experiences and targeted advertising. Most, if not all, social media platforms leverage algorithms to analyze user behavior, preferences, and demographic information to facilitate the delivery of tailored content and ads. For instance, Douyin leverages algorithms to facilitate user content management based on their historical feedback on liked and unliked posts (Zhao, 2021). As such, personalization improves the relevance of marketing messages, which in turn captures consumer attention and increases the likelihood of conversion. Consequently, targeted advertising on social media enables businesses to reach specific segments of their target audience and influence consumer behavior.

CONCLUSION

This study illuminates how social media significantly influences consumer purchasing behavior, underscoring the dynamic nature of this connection. As social media platforms transform into influential marketing instruments, comprehending their direct influence on consumer behavior emerges as a pivotal consideration for businesses. The research delves into the mediating factors of individual characteristics, social influences, and situational contexts, offering valuable insights into the intricate interplay between social media and consumer behavior. This nuanced comprehension provides businesses with a strategic framework for navigating the digital age and making informed decisions in the ever-evolving landscape of contemporary marketing. The paper contributes to a deeper understanding of the complex relationship between social media and consumer behavior, guiding businesses toward effective strategies in the realm of modern marketing.

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ABOUT THE AUTHORS

Luo Yawen is a PhD student at the Faculty of Business Administration, Infrastructure University Kuala Lumpur. She is engaged in research of social media and consumer behavior. Luo Yawen is now working at Guiyang Healthcare Vocational University as a lecturer.

YBhg Professor Dato' Dr. Mohamad Nasir bin Hj. Saludin is a Professor and Director of Postgraduate Studies at the Universiti Geomatika Malaysia (UGM). He is an Adjunct Professor of Business in the Infrastructure University Kuala Lumpur, Malaysia. He is highly analytical and detail-oriented Business Management Professor and Academic Leader with significant experience in an academic administration, academic growth, and student development across several high profile universities.