

The Impact of Social Media, Influencer Marketing, and Advertising on Consumer Behavior: The Role of Income

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Abstract

Social media has changed the way businesses connect with consumers, influencing how people shop through ads, influencer marketing, and online engagement. Platforms like Facebook, Instagram, and YouTube allow brands to promote their products directly to target audiences. This paper explores how social media usage, advertising, and influencer marketing affect consumer buying behavior, with a focus on how income levels play a role in these interactions. Consumer behavior is influenced by many factors, including emotions, social trends, and financial status. Social media marketing has become one of the most effective ways to reach consumers, as influencers and targeted ads shape purchasing decisions. Influencer marketing, in particular, has gained popularity because people trust recommendations from influencers more than traditional advertisements. Additionally, social media ads use advanced data targeting to reach the right audience based on their interests and behaviors. However, income level affects how consumers respond to these marketing strategies. People with higher incomes are more likely to buy luxury products and brand-name items, while those with lower incomes focus more on affordability, discounts, and promotions. This study examines how income influences consumer reactions to social media marketing, suggesting that while social media increases engagement and purchase intent, the level of impact depends on a person's financial situation. By reviewing existing research, this paper highlights how businesses can adjust their digital marketing strategies to appeal to different income groups. The findings suggest that companies should tailor their campaigns based on consumers' spending power to maximize marketing effectiveness. Future research should explore additional factors like cultural differences and psychological influences on consumer behavior. Understanding these trends will help businesses create more effective marketing strategies and build stronger relationships with their audiences in the digital world.

Keywords: Social media, consumer behavior, businesses, income, marketing.

1-Introduction

Consumer behavior studies how, why, and when consumers purchase and utilize items or services. It requires grasping the psychological, social, and cultural aspects that impact consumer decision-making. Consumer behavior is a complicated and dynamic subject influenced by a variety of factors, including personal beliefs, attitudes, and lifestyle choices. Understanding consumer behavior is essential for organizations to design effective marketing

strategies, generate customer value, and build brand loyalty. As technology advances, consumer behavior shifts, particularly with the emergence of social media. Many marketers are increasingly utilizing sites such as Twitter and Facebook to engage customers and influence their purchasing patterns. Understanding what motivates people to use social media and make purchases is critical for businesses and researchers (Lee, E. 2013). Social media has transformed the way businesses interact with their consumers. With millions of internet users, businesses use these channels to reach their target demographic. However, the impact of social media on consumer behavior is complicated and influenced by a variety of circumstances. This study investigates how social media, influencer marketing, and advertisements impact buying behaviors, taking into account a person's wealth. People spend more and more time on digital and social media. They utilize it for a variety of purposes, including exploring product information, making purchases, utilizing things, and sharing their experiences with others. On the other hand, businesses around the world are using social media platforms to reach a wider audience by targeting specific demographics, interests, and behaviors. One of the most major developments attributed to social media is the growth of influencer marketing. Today, consumers are more likely to believe suggestions from influencers and individuals who have developed control within a certain niche—than traditional marketing. At the same time, social media advertising has advanced significantly, using data analytics and artificial intelligence to generate targeted ad experiences. Companies may now utilize algorithms to monitor customer behavior, tastes, and demographics, ensuring that their ads reach the most appropriate audience. Social media platforms include features like as sponsored posts, targeted adverts, and interactive campaigns, all geared to enhance engagement and conversion rates. While social media has a significant impact on consumer behavior, a variety of external factors influence how people react to influencer marketing and online ads. Among these, income level is a significant factor. A consumer's financial situation influences their spending power, brand choices, and general shopping behavior. Higher-income customers may be more motivated to purchase premium or luxury items marketed on social media. Lower-income consumers frequently seek affordability, discounts, and value-based purchases. Despite a growing number of studies on digital marketing and consumer behavior, the link between social media, influencer marketing, advertising, and income is still unclear. While social media has simplified access to brands and products, it is critical to examine how differences in wealth influence customer responses to digital marketing campaigns. This article seeks to fill this knowledge gap by investigating how income levels affect the impact of social media advertising and influencer endorsements on purchase behavior. This study will give insights into the growing digital marketplace and how companies may optimize their social media strategy to appeal to varied customer segments by examining existing literature and theoretical frameworks. Furthermore, it will investigate how various income groups interact with influencer material, respond to targeted marketing, and make purchase decisions. Understanding these dynamics is critical for firms that want to create successful, inclusive, and data-driven marketing campaigns.

2-Literature Review

1.1. Social media usage

Social media services such as Facebook, Twitter, YouTube, and blogs allow users to produce and share content. Magro, M. J. (2012) stated that it's a critical component of Web 2.0, which promotes content produced by users, digital identities, and connectivity. Social media also influences online involvement and engagement. Social media usage has increased dramatically over the years. In 2005, just 7% of American people utilized social networking sites; however, that figure has now climbed to 65% (Perrin, A. 2015). As of January 2025, there were 5.24 billion social media users globally, which is around 63.9% of the global population. Social media has grown rapidly over the last year, with 206 million new members (DataReportal –

Global Digital Insights, n.d). Facebook is the most popular social media network, with 79% of internet Americans using it, and everyday engagement is growing. Instagram, Twitter, LinkedIn, and Pinterest have consistent user bases, with Instagram particularly popular among young adults. A study discusses how individuals utilize numerous social media sites and the growing popularity of messaging applications such as WhatsApp, Snapchat, and Kik, especially among younger users (Greenwood, S., Perrin, A., & Duggan, M. 2016). These statistics show how important it is for businesses to indulge in social media to reach their target audience. Technological advancements and the internet have resulted in increased social media usage. However, usage of social media also depends on its usefulness. Akar, E., & Mardikyan, S. (2014) used an updated Technology Acceptance Model (TAM2) to investigate the elements that impact people's intentions to utilize social media. Researchers studied data from 462 users to determine how ease of use, usefulness, social influence, support, enjoyment, and trust affect social media activity. The data indicated that these characteristics both directly and indirectly promote social media usage. Companies can use these statistics of social media usage to better engage with their customers by adapting the right marketing tactics.

1.2. Social media advertisement

Social media advertising is a marketing strategy used by businesses to promote their products and services through ads to inform their target audience and attract more consumers to drive purchases. Voorveld et al (2018) conducted a study to explore how people engage in social media and how it impacts their interaction with ads on those social media platforms, The findings demonstrate that engagement is platform-specific, which means that each site has a varied impact on ad performance. The study challenges the idea of social media as a single concept and emphasizes the importance of platform-specific advertising techniques. Another study was done by Alalwan, A. A. (2018) to investigate the impact of social media ads on people's decision-making about buying products, Author examined 437 people to discover critical elements that influence purchase intent, such as utility, pleasure, engagement, informativeness, and relevancy. The results indicated that these characteristics had a considerable influence on customer behavior. The findings provide useful data for marketers seeking to produce more effective social media marketing. However, the buying power and purchasing decisions for different products vary from country to country. Dwivedi et al (2015) explored the importance of social media as a powerful tool for marketing, they analyzed 71 papers on social media marketing (SMM) to identify significant findings, trends, and applications. The study also highlights gaps in existing data and proposes future approaches for enhancing social media marketing techniques. The study of Alhabash et al (2017) suggested that digital ad expenditure in the United States is increasing, with an increased focus on social media. However, success is typically achieved by trial and error rather than rigorous procedures. The ease of access to social media has altered the way advertisements are developed. Two main models, ELM and HSM, explain how individuals perceive advertisements—whether via deep thought (central processing) or fast judgments (peripheral processing). These studies show that social media advertising can influence the perception of consumers about products as well as their buying decisions.

1.3. Social media influencer marketing

Social media influencer marketing means collaborating with famous people on social media with a huge following to promote your products or services to their fans. This marketing is a hot topic in marketing these days and is used by many companies to attract a wide range of customers. However, The relationship between an influencer and his audience can impact consumer behavior when it comes to influencer marketing. Masuda, H et al (2022) examined how parasocial relationships (PSR) between influencers and followers affect purchasing decisions. According to survey data from YouTube ad viewers, PSR has a greater impact on purchase intent than trust or competence. PSR is determined by an influencer's personality, attractiveness, and audience perception, thus firms can modify their influencer marketing

efforts appropriately. Influencer marketing is a potent extension of reputation that influences customer decisions via social media. According to a study done by Chopra, A. (2021), consumer behavior is driven by attitudes toward influencers, knowledge acquisition, personal relevance, inspiration, and trust, whereas peer influence and perceived risk have minimal impact. Consumers favor influencers that represent certain product categories. Effective influencer marketing increases brand recognition, knowledge, and preference, with success determined by the influencers who supply compelling and relevant content. Černikovaitė, M. (2019) investigated how influencers affect consumer buying decisions. It discovered that customers frequently search for reviews and influencer recommendations before making a purchase, particularly through social media. Traditional advertisements are less effective, but influencers may help develop trust and brand recognition. The study concludes that influencer marketing is effective because it fosters a two-way discussion between businesses and customers. The secret to success is to select the proper influencers who resonate with the target demographic. Finally, influencer marketing is an effective strategy for increasing trust and revenue in today's digital age. Influencer marketing is a growing subject that influences customer behavior, which has caught the interest of scholars and marketers. A study examined 65 papers (from 2016 to 2021) to identify major topics, techniques, and gaps in research. It presented a framework for understanding how social media influencers affect consumer decisions and identified opportunities for additional research. The findings have implications for both academics and marketers (Kanaveedu, A., & Kalapurackal, J. J. 2024).

1.4. Income

Income is the money that people make regularly from their jobs or investments. It consists of wages, salaries, profits, interest, rent, and other earnings. In general, when people's incomes rise, they spend more (Mateen Khan, M. 2016). Income influences consumer behavior. People with greater wages have more purchasing options. They may afford to buy more goods and select luxury products. Lower-income individuals, on the other hand, are more likely to adhere to basics, plan their purchases carefully, and hunt for bargains. Understanding customer behavior is critical for businesses and people. For businesses, it helps create marketing tactics, whilst, for consumers, it represents their lifestyle and quality of life. According to a study done by Pop, N. A., & Pelau, C. (2012), consumers with greater earnings browse more leisurely, investigate stores, and purchase items that are not on their shopping list. This demonstrates that consumer behavior is highly related to living standards and general quality of life. Mihić, M., & Čulina, G. (2006) surveyed 270 people to see how social class and income influence shopping behavior. Their findings indicated that both play a role. Social class affected purchasing decisions in eight situations, although wealth was more important in four. Income mostly influences purchases of less visible, high-cost things, but social class is more important for luxury and status-related products. Because these criteria influence customer decisions differently, they are important for market segmentation.

1.5. Consumer Behavior

Yergaliyeva et al (2022) explained that technical advancement and digitization have significantly altered how people perceive and behave as customers. It changes not just what individuals prioritize while shopping, but also their lifestyle and perceptions of comfort and quality of life. Younger generations are being raised with consuming as both a habit and an attitude. Understanding the long-term consequences of these shifts is critical because they affect businesses, society values, and economic situations. Sheth, J. N. (1979) reviewed the progress and gaps in consumer behavior research from the 1970s. They identified that most research has focused on assisting companies rather than broadening academic understanding. It highlights that research has mostly concentrated on logical decision-making rather than instinctual decisions, and individual behavior rather than group dynamics. Javadi et al (2012) investigated the factors influencing online buying behavior, which is an important issue in e-commerce and marketing. The study looked at how risks, return policies, social influences, and

social media marketing affect online purchasing attitudes and behaviors. A survey of 200 Iranian internet buyers was carried out, and regression analysis was employed to examine the results. The findings found that financial and delivery concerns hurt attitudes toward online purchasing, whereas innovation, media marketing, and social influences favor it. Furthermore, a good attitude regarding Internet purchasing encourages additional online purchases. Lee, E. (2013) discovered that sentiments influence social media use, but thinking and judgment (cognitive and evaluative identity) influence purchasing decisions, with evaluative identity having the greatest impact. These components are distinct and cannot be replaced. The study's findings provide useful insights for businesses to improve their marketing strategies.

2. Specification of Theory or Proposition

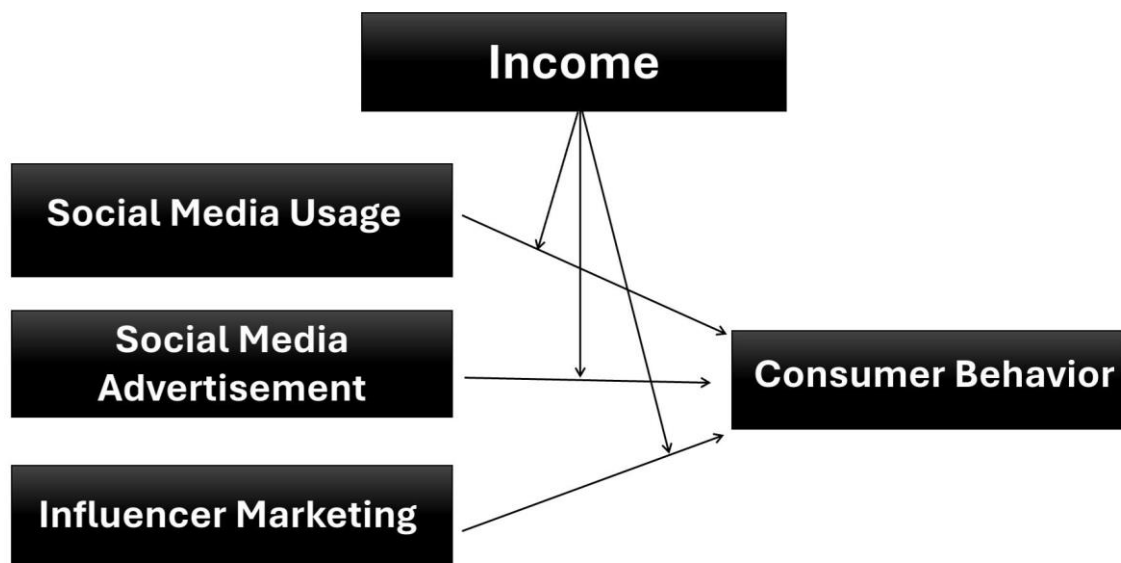


Figure 1 Research Framework

2.1. Hypothesis

H1: Increased social media usage positively influences consumer purchasing behavior.

H2: Targeted social media advertisements have a significant positive effect on consumer purchase decisions.

H3: Social media influencers have a positive impact on consumer buying behavior.

H4: Income level moderates the impact of social media usage on consumer behavior.

H5: Income level moderates the impact of social media advertisement on consumer behavior.

H6: Income level moderates the impact of social media influencer marketing on consumer behavior.

3. Discussion

This study highlights how social media, influencer marketing, and online advertising influence consumer purchasing behavior, with income playing a crucial moderating role. As businesses increasingly shift their marketing efforts to digital platforms, understanding how consumers engage with content, advertisements, and influencer promotions is essential. The findings suggest that social media usage significantly impacts consumer decisions, as people are constantly exposed to brands, promotions, and recommendations through these platforms. Targeted advertisements and influencer endorsements further shape consumer choices, making

digital marketing an essential strategy for businesses. A key takeaway from this study is the role of income in consumer behavior. Higher-income consumers are more likely to purchase premium and luxury products, while lower-income individuals focus on affordability and seek promotional offers. This indicates that businesses need to tailor their marketing strategies based on consumer financial segments. Social media advertising campaigns aimed at high-income groups may emphasize exclusivity, brand reputation, and premium quality, whereas campaigns targeting lower-income consumers should focus on discounts, affordability, and value for money. Additionally, the study highlights that influencer marketing is most effective when influencers are perceived as credible and relatable. Consumers are more likely to trust influencers who demonstrate expertise and authenticity rather than those who rely solely on popularity. This suggests that businesses should carefully select influencers who align with their brand values and target audience. The discussion also points to the need for future research into other factors that may influence consumer behavior on social media, such as cultural differences, psychological motivations, and evolving digital trends. As technology continues to shape consumer habits, businesses must remain adaptive, ensuring that their digital marketing strategies align with the changing expectations and financial realities of their target audience.

4. Conclusion

This study underscores the powerful influence of social media, influencer marketing, and targeted advertising on consumer purchasing behavior. As businesses increasingly rely on digital marketing strategies, understanding how consumers interact with social media content and advertisements is crucial. The findings reveal that while social media enhances engagement and purchase intent, income level plays a significant role in shaping consumer responses. Higher-income consumers are drawn to premium products and brand loyalty, while lower-income consumers prioritize affordability and seek out promotional offers. One of the most significant insights from this study is the impact of influencer marketing. Influencers who are perceived as authentic and knowledgeable have a stronger effect on consumer trust and purchase decisions. Businesses can benefit from selecting influencers who genuinely align with their brand identity and audience preferences, ensuring a more effective marketing strategy. Additionally, social media advertising has proven to be a powerful tool for reaching specific consumer segments, provided that marketing messages are tailored to different income groups. As digital marketing continues to evolve, businesses must refine their strategies to remain competitive in the online marketplace. Future research should explore additional factors influencing social media consumer behavior, such as cultural influences, emotional triggers, and emerging technologies like artificial intelligence and augmented reality in marketing. In conclusion, social media has become an essential platform for businesses to connect with consumers. However, to maximize marketing effectiveness, companies must consider income disparities and tailor their strategies accordingly. By leveraging data-driven insights and understanding consumer needs, businesses can create impactful digital marketing campaigns that resonate with diverse audiences, ensuring long-term success in the digital economy.

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