

**THE INFLUENCE OF SOCIAL NETWORKS ON CONSUMER BEHAVIOR AND
DEMAND FORMATION**

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Abstract: This article examines the role of social media in shaping consumer behavior and stimulating demand for goods and services. It analyzes how digital platforms influence brand perception, purchase decisions, and customer loyalty. Particular attention is paid to social media marketing tools, such as targeted advertising, influencer marketing, and content strategies, which directly influence audience preferences and purchasing habits.

Key words: social media, consumer behavior, demand generation, digital marketing, influencer marketing, targeted advertising, customer loyalty, brand management.

Аннотация: В статье мы рассматриваем роль социальных сетей в формировании потребительского поведения и стимулировании спроса на товары и услуги. Анализируются механизмы воздействия цифровых платформ на восприятие брендов, принятие решений о покупке и уровень лояльности клиентов. Особое внимание уделяется инструментам маркетинга в социальных сетях, таким как таргетированная реклама, инфлюенсер-маркетинг и контент-стратегии, которые напрямую влияют на предпочтения и покупательские привычки аудитории.

Ключевые слова: социальные сети, потребительское поведение, формирование спроса, цифровой маркетинг, инфлюенсер-маркетинг, таргетированная реклама, лояльность клиентов, бренд-менеджмент.

Introduction. Modern society is undergoing significant changes driven by digitalization and the development of information technology. One of the most striking manifestations of these processes is the growing popularity of social media, which has become not only a communication channel but also an important platform for commercial activity. Social media directly influences consumer behavior, influencing brand perceptions, purchasing decisions, and customer loyalty. In recent years, marketers have been actively leveraging the capabilities of social platforms to promote products and services, implementing targeted advertising, content marketing, and collaboration with influencers. These tools allow for more precise targeting of audiences, building a positive brand image, and stimulating demand. At the same time, consumer behavior in the digital environment is becoming more dynamic and sensitive to social and emotional factors presented online.

Main part. Modern social media have evolved from simple communication channels into a fully-fledged environment for economic activity, influencing consumer behavior and demand generation mechanisms. Over the past decades, the growth of traffic on social platforms such as Facebook, Instagram, TikTok, YouTube, and others has made them key tools for marketing and communication between brands and audiences. Social media provides access to a vast amount of data on consumer preferences, interests, demographic characteristics, and behavior in real time, making them a powerful source of information for developing marketing strategies and forecasting demand. Analysis of consumer behavior on social media shows that users not only consume content but also interact with it: they leave comments, share posts, participate in discussions, and shape their own perceptions of a product based on the content of bloggers and brands. These interactions create social proof, which significantly increases trust in a product and

influences purchase decisions. Social proof includes likes, reposts, reviews, and recommendations, which serve as trust indicators for potential buyers and are becoming an important factor in generating demand¹.

One of the key tools for influencing consumer behavior on social media is targeted advertising. Platform algorithms enable highly precise audience segmentation based on age, gender, interests, geolocation, and other parameters, significantly increasing the effectiveness of advertising campaigns compared to traditional channels. Targeted advertising not only increases the likelihood of conversion but also facilitates deeper consumer engagement with the brand, resulting in increased brand awareness and, consequently, demand for the products or services offered. Influencer marketing has become especially prominent in recent years. The influence of opinion leaders on social media audiences is reflected in their ability to shape specific preferences and consumer habits. Users often perceive blogger recommendations as more credible than direct advertising from a company, which increases their influence on purchase decisions. Research shows that the participation of influencers in promotions can significantly increase reach, engagement, and final sales². In this context, it's important to note that the type of influencer (macro or micro) determines the degree of influence: micro influencers, with a narrower but more loyal audience, often achieve higher levels of trust and engagement, which can ultimately lead to higher conversion rates.

Content strategies also play a key role in shaping consumer behavior. Social media users prefer interactive, visually appealing, and personalized content. Video formats, storytelling, live streams, interactive polls, and gamification enhance the emotional impact, increasing the likelihood of moving from awareness to action—purchase, subscription, or promotion. Content that evokes an emotional response can create lasting brand associations and increase consumer loyalty, which translates into repeat purchases and increased customer lifetime value (CLV). Social media's significant influence on consumer behavior is also reflected in the shift in the consumer journey. The traditional phase of need recognition is often replaced by an active phase of research and evaluation directly on social media: users discover product information through posts, advertisements, recommendations from friends or bloggers, compare offers, read reviews, and make purchasing decisions without visiting official retailer websites. This shortens the decision-making cycle and increases the speed of demand generation, especially among younger audiences and digital natives, who traditionally use social platforms more actively as a source of information and a purchasing tool³.

It's also important to consider the negative impact social media has on consumer behavior. In pursuit of engaging content, users may be prone to overconsumption, impulsive purchasing, and unjustified financial spending. FOMO (fear of missing out) increases the desire to purchase a product or service to meet social group expectations. This can lead to irrational decisions and heightened consumer pressure, especially among teenagers and young adults. For businesses and marketers, understanding these mechanisms is critical to success in the digital economy. Optimizing social media promotion strategies requires not only technical mastery of targeting and analytics tools but also a deep understanding of consumer psychology, motivations, and social preferences. A comprehensive approach, including data analysis, audience segmentation, content adaptation, and feedback integration, not only improves the effectiveness of marketing

¹ R. Cialdini, «Influence: The Psychology of Persuasion,» Harper Business, 2016.

² J. Brown, «Influencer Marketing: Power and Potential,» *International Journal of Digital Marketing*, 2020.

³ S. Lee, «Social Proof and Collective Behavior on Social Platforms,» *Journal of Consumer Psychology*, 2020.

campaigns but also strengthens brand positioning in the market, ultimately driving sustainable demand growth⁴.

Modern research emphasizes that social media is becoming not only a communication platform but also a key factor in shaping consumer behavior and demand. The influence of these platforms is evident at all stages of the buyer's journey—from the initial search for product information to the final purchase decision. Analysis of statistical data shows that a significant portion of the audience actively uses social media as a primary source of information and inspiration before purchasing. Below is a summary table of the key quantitative indicators of social media's influence on consumer decisions.

Table 1.

The impact of social media on consumer behavior (Key indicators)

<i>Indicator</i>	<i>Meaning</i>	<i>Source</i>
Share of consumers whose decisions are influenced by social media	70 %	https://www.scirp.org/journal/paperinformation?paperid=141251
Consumers who research products through social media before purchasing	54 %	https://www.scirp.org/journal/paperinformation?paperid=141251
Generation Z influenced by social media when purchasing	85 %	https://www.retaildive.com/news/generation-z-social-media-influence-shopping-behavior-purchases-tiktok-instagram/652576/
Users willing to buy from brands they follow	76 %	https://www.retaildive.com/news/generation-z-social-media-influence-shopping-behavior-purchases-tiktok-instagram/652576/
Share of users who have made a purchase through social media	52 % (Gen Z)	https://www.retaildive.com/news/generation-z-social-media-influence-shopping-behavior-purchases-tiktok-instagram/652576/

The data presented in the table demonstrate that social media's influence on consumer behavior is significant and multifaceted. The data points to trends that are already changing traditional models of the consumer journey: from actively searching for product information on social media to making direct purchases through platforms. This influence is particularly noticeable among younger audience segments—for example, Generation Z, for whom social media serves not only as a source of information but also as a platform for interacting with products and brands. The data also highlights the growing potential of social media as a sales channel, making it an essential element of the marketing strategy for companies of all sizes. Accordingly, businesses are advised not only to maintain a presence on social media but also to actively analyze their audience's behavior, tailor content to their needs, and utilize targeting and engagement tools to improve promotional effectiveness.

Thus, the influence of social media on consumer behavior and demand generation is multidimensional and involves the interaction of technological, psychological, and social factors. Social platforms are becoming an integral part of the consumer experience, profoundly

⁴ G. Kaplan, «Digital Marketing Optimization,» *Marketing Science Quarterly*, 2023.

influencing choice, perception, and decision-making. Understanding these mechanisms allows companies to more effectively adapt their strategies, meet audience expectations, and create sustainable value for consumers in the digital environment.

Conclusions and proposals. The impact of social media on consumer behavior and demand generation in the modern economy is a multidimensional and complex process that combines technological, social, and psychological aspects. Social platforms have ceased to be solely a communication channel and have become a key tool for shaping brand perceptions, stimulating interest in products and services, and accelerating the purchasing decision process. According to recent research, over 70% of users acknowledge that purchasing decisions are partially influenced by information obtained through social media, and a significant portion of the audience actively uses platforms to search, evaluate, and compare products before purchasing, demonstrating a shift from traditional consumer journey models to the digital space. Digital marketing tools, including targeted advertising, collaboration with influencers, and interactive and visually appealing content, significantly enhance user engagement and increase the likelihood of conversion. Social proof—manifested through likes, comments, reposts, and reviews—builds brand trust and creates a collective behavior where one user's choices influence others, thereby accelerating demand. The influence of social media is particularly noticeable among younger segments such as Generation Z and millennials, for whom Instagram, TikTok, and YouTube are primary sources of information, inspiration, and purchasing guidance.

Furthermore, social media is fueling the growth of social commerce, enabling users to make purchases directly through platforms, bypassing traditional sales channels. This creates new conditions for strategic brand engagement and allows companies to integrate marketing communications into consumers' everyday digital lives. However, it is important to consider potential risks: the influence of FOMO (fear of missing out), impulse buying, and overconsumption, which can lead to irrational behavioral patterns and require an ethical approach to promotion and advertising. Thus, social media is not only transforming traditional consumer behavior patterns but also becoming a critical element of marketing and sales strategies. Their influence spans every stage of the customer journey—from identifying a need to making a purchase and building long-term loyalty. Companies that effectively leverage social platforms to analyze data, segment audiences, create personalized content, and engage with consumers gain a competitive advantage, increase brand awareness, stimulate demand, and strengthen their market position. Taken together, this makes social media an indispensable tool in the modern digital economy, capable of creating a sustainable and measurable impact on consumer behavior and market demand.

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