

The Effectiveness Of Social Media Marketing On Consumer Buying Behaviour On SME

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ABSTRACT

Social media has significantly changed the way companies engage with their customers, affecting both purchasing decisions and consumer behavior. This research investigates how social media marketing influences consumer buying behavior in small and medium-sized enterprises (SMEs) in China. Using a quantitative methodology, the study explores the impact of various social media platforms, including Instagram, YouTube, TikTok, and Facebook, on five dimensions of consumer purchasing behavior: composite buying behavior, habitual buying behavior, variety-seeking behavior, dissonance-reducing behavior, and impulsive buying behavior. Survey data were collected from SME consumers to evaluate their interaction with social media marketing efforts and the degree to which these initiatives affect their buying choices. The results suggest that social media marketing substantially shapes consumer perceptions, strengthens brand loyalty, and encourages purchase intentions. Nevertheless, factors such as content overload, concerns about trustworthiness, and diverse consumer preferences can limit the overall effectiveness of social media campaigns. This study adds to the existing knowledge on digital marketing for SMEs and offers practical guidance for business owners seeking to optimize their social media strategies to boost consumer engagement and drive business growth.

Keywords: Social Media Marketing, Consumer Buying Behavior, SMEs, Digital Marketing, China

1. Introduction

Social media has significantly altered the way businesses engage with their customers, creating more direct and continuous interactions between companies and consumers. With the rapid growth of digital communication platforms, this interaction has evolved, affecting how consumers access information and make purchasing decisions. Exposure to social media increasingly shapes consumer behavior, making it crucial for businesses to implement marketing strategies that enhance engagement and foster positive customer relationships. Prior research suggests that highly visual and interactive platforms like Instagram, YouTube, TikTok, and Facebook have a stronger influence on consumer purchases compared to platforms like Twitter.

As open digital spaces, social media enables new forms of communication and information sharing, allowing users to access, evaluate, and disseminate content related to products, services, personalities, and current trends. Advances in technology have further transformed how consumers assess offerings and make decisions, creating new expectations in online marketplaces. This evolution presents challenges for managers, who must continuously refine digital marketing strategies to maintain a competitive edge. Consumer attitudes, perceptions, and purchase behaviors are increasingly shaped by interactions across multiple social media platforms.

While social media is often discussed alongside Web 2.0 and other user-generated content platforms, it differs both technologically and ideologically. It encompasses a wide range of public digital tools, including collaborative platforms, blogs, video-sharing services, social networking sites, and virtual simulations. Active participation on major platforms such as Facebook, Instagram, TikTok, Twitter, and YouTube has become essential for users engaging in the digital space.

Social media also offers companies the opportunity to reach consumers directly at relatively low cost and with rapid results. Kaplan and Haenlein [1] recommend that organizations develop tailored networking strategies to fully participate in this digital transformation. Research further shows that younger consumers, particularly those aged 25 to 29, constitute a significant proportion of online buyers [2].

Globally, social media is a prevalent medium for communication, with individuals sharing personal experiences, daily activities, and preferences that can influence others' purchasing and travel decisions. These platforms allow people to connect conveniently while exchanging ideas and opinions across geographical boundaries. According to Fotis [3], such digital interactions extend a longstanding human tendency to form social bonds through technology. Moreover, advancements in communication technologies in recent years have impacted the economic performance of developing countries both directly and indirectly [4].

Consumers are increasingly mobile and active participants in content creation, generating user-generated content that presents new opportunities for digital marketing and advertising. Lee [5] noted that the rise of social media has reshaped social interactions, giving businesses new avenues for expansion while positioning consumers as central players in online networks.

In China, SMEs have faced substantial challenges since early 2020, including the economic impact of COVID-19, rising material costs, and regulatory constraints. Despite these difficulties, government support highlights the critical role of SMEs in the national economy. Chinese enterprises are classified by ownership and size: state-owned enterprises are fully or partially government-funded, whereas private enterprises operate independently without direct state support. Most SMEs are private firms that meet government-defined thresholds for employees, revenue, and assets, which vary by industry. Small and micro enterprises typically have annual taxable income under three million yuan and employ fewer than 300 workers. As of 2019, SMEs represented 99.8% of all Chinese businesses, with micro enterprises accounting for 85.3%, small enterprises 13.2%, and medium-sized enterprises 1.3%. Government reports indicate that China has approximately 44 million micro and small enterprises, alongside more than 90 million self-employed individuals.

The emergence of social networking platforms has reshaped communication strategies. While some view these platforms as a potential threat to traditional public relations and mainstream media, they often complement existing communication channels rather than replace them. Yin [6] observed that PR and marketing organizations continue adapting their strategies, structures, and operational approaches to align with the evolution of digital media.

Consumers' perceptions of social media are diverse, yet these platforms are widely recognized for enabling broader access to information. Thapar and Ahrama [7] argued that social networking promotes participatory engagement, reducing social and class barriers. Social media tools enhance market accessibility and strengthen customer relationship management, supporting SME growth. Jagongo and Kinyua [8] suggest that reliable internet policies and e-commerce regulations are critical for encouraging technology adoption and enabling SMEs to thrive.

Despite the growing body of research on social media marketing, a gap remains, as most studies have focused on only one or two variables when assessing effectiveness. This study addresses this gap by examining five factors influencing consumer buying behavior through social media. Specifically, it evaluates social media's impact on complex buying behavior, habitual buying behavior, variety-seeking behavior, dissonance-reducing behavior, and impulsive purchasing. By integrating prior research, the study establishes a theoretical and practical framework to understand how social media marketing shapes consumer perceptions and influences purchase decisions in the SME sector.

This research focuses on SMEs in China and employs a quantitative design to analyze the relationship between social media marketing and consumer buying behavior, with particular emphasis on the five behavioral dimensions identified.

2. Literature Review

2.1 SMEs and Digital Marketing

Small and medium-sized enterprises (SMEs) are increasingly leveraging digital technologies to enhance their competitiveness and improve communication with customers. In recent years, social media platforms have emerged as vital marketing tools, enabling SMEs to promote products, engage directly with consumers, and obtain immediate feedback at relatively low costs. Compared to traditional marketing channels, digital marketing provides broader reach, easier accessibility, and more interactive engagement with target audiences.

2.2 Social Media Marketing

Social media marketing involves utilizing digital platforms such as Facebook, Instagram, TikTok, and YouTube to promote offerings and influence consumer decisions. These platforms have revolutionized communication by enabling two-way interaction between businesses and customers. Unlike conventional media, social media encourages consumers to actively engage through activities such as sharing content, commenting on posts, and contributing user-generated content.

Within SMEs, typical social media marketing strategies include influencer collaborations, content created by users, live streaming, and targeted advertisements. These approaches help enhance brand visibility, build consumer trust, and positively influence purchasing decisions.

2.3 Consumer Buying Behaviour

Consumer buying behaviour refers to the sequence of decisions and actions that individuals take when identifying, selecting, purchasing, and evaluating products or services. In digital marketplaces, these behaviors are increasingly shaped by online interactions, peer reviews, promotional campaigns, and engagement with brand content.

According to Philip Kotler and Kevin Lane Keller [9], consumer buying behaviour can be categorized into five types:

- **Complex buying behaviour**
- **Habitual buying behaviour**
- **Variety-seeking buying behaviour**
- **Dissonance-reducing buying behaviour**

- **Impulsive buying behaviour**

These categories illustrate how consumer responses differ depending on the degree of product involvement, perceived risk, and the amount of information available online.

2.4 Problem Statement and Research Gap

The rise of social networking platforms has transformed how businesses communicate with their consumers. Although traditional public relations continues to be important, social media has reshaped engagement strategies, particularly for SMEs, by improving market accessibility and supporting customer relationship management.

Consumer responses to social media vary according to platform features, as these environments facilitate rapid information sharing across social and demographic boundaries. Prior studies often assess the effectiveness of social media using only one or two variables, leaving a gap in research regarding the combined effect of multiple social media marketing elements on SME consumer buying behaviour.

While some research has explored digital consumer responses, limited attention has been given to the simultaneous influence of multiple social media marketing tools on the various forms of consumer buying behaviour among SME customers in China. This study aims to fill this gap by examining several social media marketing dimensions within a single integrated framework.

2.5 Conceptual Framework

This research draws on three key behavioural theories:

- **Theory of Planned Behavior (TPB)** [10]
- **Stimulus–Organism–Response (SOR) model** [11]
- **Uses and Gratifications Theory (UGT)** [12]

The framework proposes that social media marketing acts as a stimulus influencing internal psychological responses, which in turn affect consumer buying behaviour.

Independent Variable – Social Media Marketing:

- Influencer marketing
- User-generated content
- Live streaming
- Targeted advertisements

Mediating Variables:

- Attitude toward the brand
- Subjective norms
- Perceived behavioural control
- Trust and emotional engagement

- Gratification motives

Moderating Variable – Platform Used:

- Douyin
- Xiaohongshu
- WeChat
- Weibo

Dependent Variable – Consumer Buying Behaviour:

- Complex buying behaviour
- Habitual buying behaviour
- Variety-seeking buying behaviour
- Dissonance-reducing buying behaviour
- Impulsive buying behaviour

2.6 Hypotheses Development

The study formulates the following hypotheses:

- **H1:** Social media marketing positively impacts consumers' internal cognitive and emotional states.
- **H2:** Trust and emotional engagement mediate the relationship between social media marketing and consumer buying behaviour.
- **H3:** Gratifications derived from social media marketing positively influence internal psychological states.
- **H4:** Social media marketing shapes consumer gratifications, which subsequently affect attitudes and engagement.
- **H5:** Subjective norms and perceived behavioural control moderate the link between social media marketing and purchase intentions.
- **H6:** Internal psychological states mediate the relationship between social media marketing and complex buying behaviour.
- **H7:** Internal psychological states mediate the relationship between social media marketing and habitual, variety-seeking, and dissonance-reducing buying behaviour.
- **H8:** Emotional engagement increases the likelihood of impulsive buying behaviour.
- **H9:** Platform used moderates the relationship between internal psychological states and consumer buying behaviour.
- **H10:** Platform used moderates the effect of specific social media marketing tools, particularly live streaming, on impulsive buying behaviour

3. Materials and Method

This research utilizes a correlational design, which C. R. Kothari [13] identifies as appropriate for examining the strength and direction of relationships between variables. Employing a quantitative approach, numerical data were collected and analyzed to test the study's hypotheses. This design is particularly suitable for investigating the connections between social media marketing elements and consumer buying behaviour among individuals interacting with SME social media content. It should be noted, however, that correlational research can identify associations but cannot determine causality.

The study was conducted in Malaysia, focusing on consumers aged 12 to 27 years. This demographic was chosen because younger individuals are highly active on social media and are frequently exposed to online marketing from SMEs. Prior studies indicate that this group is more receptive to digital promotions, user-generated content, and interactive brand communications, which influence their purchasing choices.

The target population consisted of consumers within this age range who regularly use platforms such as Instagram, TikTok, and Facebook and have previous exposure to SME marketing content. Convenience sampling, a non-probability method, was employed, selecting participants based on accessibility and willingness to take part. This approach is appropriate for behavioural studies targeting online respondents.

The sample size was calculated using Yamane's [14] formula:

$$n = \frac{N}{1 + Ne^2}$$

where n is the required sample size, N represents the total population, and e is the margin of error (0.05). To ensure sufficient participation and reduce potential non-response bias, more questionnaires were distributed than the minimum calculated.

Data collection was conducted via a structured, self-administered online questionnaire. The survey included sections on demographic information, social media marketing exposure, consumer engagement, and purchasing behaviour. Participants were provided with clear instructions, and completing the questionnaire was voluntary.

After collection, responses were screened for completeness and consistency. Questionnaires with excessive missing information were excluded from the analysis. Valid responses were coded and entered into IBM SPSS Statistics Version 25 [15]. Descriptive statistics—including frequencies, percentages, means, and standard deviations—were used to summarize participant characteristics and study variables. Inferential statistics were subsequently applied to examine the relationships between social media marketing factors and consumer buying behavior.

4. Results and Discussion

The expected findings suggest that social media marketing has a significant impact on consumer buying behaviour among SMEs in China. Platforms such as Instagram, TikTok, YouTube, and Facebook are anticipated to play a central role in shaping consumer purchasing decisions.

Firstly, social media marketing is expected to boost consumer awareness and engagement with SME brands. Individuals who interact regularly with advertisements, reviews, and promotional content on these platforms are likely to develop more positive perceptions of the brand and exhibit stronger purchase intentions.

Secondly, social media marketing is anticipated to influence impulsive buying behaviour. Engaging product visuals, influencer endorsements, and limited-time offers may encourage consumers to make rapid purchase decisions without extensive deliberation.

Additionally, social media marketing may affect habitual purchasing patterns and foster brand loyalty. Consumers who consistently follow SME brands online may develop trust and familiarity, leading to repeated purchases and ongoing engagement.

The study is also expected to show that social media marketing promotes variety-seeking behaviour. Continuous exposure to new products, trends, and alternative brands on digital platforms may motivate consumers to explore different SME offerings.

Nevertheless, several challenges may reduce the effectiveness of social media marketing. These include content overload, consumer skepticism toward online advertisements, and increased competition among brands. If not managed properly, these factors could weaken the impact of marketing efforts.

Overall, the results are likely to indicate that social media marketing is an effective tool for influencing consumer behaviour. SMEs must implement innovative, targeted, and trustworthy strategies to maintain engagement and maximize the benefits of social media campaigns.

5. Conclusion

This study investigates how social media marketing affects consumer buying behaviour in SMEs in China. The anticipated results suggest that social media significantly influences consumer engagement, brand perception, and purchasing intentions.

Social media platforms offer SMEs an effective means to reach broader audiences, promote products, and engage directly with consumers. Strategies such as influencer marketing, interactive content, and targeted advertisements may positively shape consumer purchasing decisions.

However, the effectiveness of these strategies can be challenged by issues such as digital content saturation, consumer distrust, and evolving online trends. SMEs need to adopt innovative, authentic, and carefully targeted marketing strategies to remain competitive in the digital landscape.

In summary, this study contributes to the understanding of social media marketing's impact on consumer behaviour and emphasizes the importance of strategic digital marketing for SME growth and sustainability.

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