

THE IMPACT OF INFLUENCER ENDORSEMENTS AND SOCIAL MEDIA ON CONSUMER BEHAVIOR AND BUSINESS STRATEGIES DECISION

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Abstract:

Therefore, objectives of this study will investigate the effects of social media and social influence on the consumer's choice behavior and decision of the company. Due to the digital platform evolution of Instagram, TikTok, and YouTube, influencers continue to amass currency, as new influencers help shape consumer perceptions and purchase decisions. To understand how consumer, make choices using social media engagement or influencer recommendation, we research both primary and secondary sources. According to research, she or he thinks that when one of his or her consumer's purchase decision is if one of that large segment of consumers think that influencer endorses and entertainment and connection is the reason why consumer's social networks. An explanation of the business need influencer marketing in business strategy, business is more focused on social media than traditional marketing. However, it is necessary to explore future effects of this on consumer trust and loyalty. The results of this research illustrate the importance of businesses exploiting genuine influencer content to forge potentially tighter, as well as more competitive, ties with consumers in the ecosphere of the present.

Introduction

Social media platforms like Instagram, Tiktok and YouTube have flipped up the way the businesses relate to customers from the purely personal communication apparatus to general advertising channels. The platforms provide businesses with the freedom to create, share and communicate with its contents which are easily accessible globally.

An important strategy in this digital era is influencer marketing, which makes use of people with following to influence opinion and power of purchase. Authentic and relatable content from influencer helps modern businesses to build their trust and brand loyalty.

The aim of this paper is to analyze the effects of influencer endorsement, influencer endorsement messages on consumers' behaviors and business strategies using social media. In this series of pieces, they explore the rapid pivot to digital platforms and influencers for marketing, and what business opportunities and challenges exist to remain authentic, trustworthy, and on top of things in a hyper speed digital world.

3.Literature Review

The emergence of digital communication social media influencers has been a revolution in the field of digital communication. Social media has made popular culture and behavior increasingly consumer aligned because people who would never have gained the influence to do this are easily accessible and easily reached by so many social media platforms. Traditional media in which influence is concentrated in the hands of a small number of people is democratized on social



media, with anyone with an internet connection potentially being able to gain a following and build their own brand identity.

3.1 The Impact of Social Media around the World: In Connectivity and Communication.

Social media is permeating every part of people's life and is influencing their communications with businesses and with other people, writes Alalwan (2018). Social media, in reality, is a global online community that involves blogs of people on the social media, for instance, Facebook, Instagram and YouTube (Bahtar & Muda, 2016). Therefore, social media has become superior to the conventional media both in terms of its vast audience (Schivinski & Dabrowski, 2016). In addition, social media consumption is increasing worldwide and globally the 58.11% of the people are eligible audience who are 13 years old and more user (Dean, 2021).

3.2 Effect of Social Media Marketing on Business Development.

Social media marketing is a very strong internet marketing strategy used by businesses to advertise goods and services on internet websites and social media platforms (Shamsudeen and Ganeshbabu, 2018). If we talk about the strategy, social media marketing is quite revolutionary. Sure, it gives businesses the opportunity of direct and indirect communication with new and existing customers in a simple, cheap and profitable way (Venciute 2018). They include blogs, Instagram, YouTube and Twitter, just to name a few. A result of it, businesses can communicate and engage with the stakeholder and the audience (Tuten and Solomon, 2018). It also allows users to get online interaction with groups who share same needs, desires and beliefs as per Shamsudeen and Ganeshbabu (2018). Connecting and communicating to a large number of people can increase customer engagement and loyalty through personalisation (Shamsudeen and Ganeshbabu, 2018).

3.3 Social Media Marketing: Interacting and Establishing a Connection with Customers

So, this is the practice of creating, spreading, and broadcasting the info and products of all sorts using the social media platforms, channels, and technologies, all with the intention of affecting the customers purchase decision in a favorable manner (Chen & Lin, 2019). Social media marketing is used as a social media communication medium by social media marketers to sell and advertise goods and services, supply info, and enhance customer participation in the business and its offerings (Jacobson et al., 2020). Social media marketing is commonly associated with relationship marketing given companies' desire to build a relationship with customers as opposed to selling them things. This helps the businesses to develop brand loyalty (Nascimento, 2019) through dynamic two-way communication, and networking, and community development.

3.4 The Effects of Influencers on Consumer Decisions.

According to Schafer (2022), an influencer is anyone who has some useful opinion about some field or something and then persuades others to buy something out of it. In comparison to earlier times, it's now easier to become an influencer on social media. People that might be world leaders or celebrities or that control an industry or people that think in the real world can be defined as influences, according to Schaffer (2022). They have the power to heavily impact and spur message distribution among groups.



3.5 The Emergence of Influencer Marketing: Opinion Leaders can be used to promote Brands

Giles and Edwards (2018) define it as a type of marketing where businesses post its products on a social media platform and pay influencers that have a considerable following to promote it to their target audience based on the content produced by the influencers. Notwithstanding the fact that they are often called celebrities and public figures, influencers on social media are regular users who attained notoriety producing engaging and relevant information (Lou and Yuan, 2019). In Lou and Yuan's statement (2019), social media influencers are professionals in some field that attract a follower with their unique content. However, what makes them conventional superstars may also be associated with social influencers where they often produce viral material on social media. Campbell and Farrell (2020) note that social media influencers are typically seen as everyday people who achieved notoriety on social media because of their relatable, close knit following and unique material, as opposed to celebrities who achieve notoriety through mainstream media.

Research gap

Influencer marketing is a popular field of research, in terms of its immediate effect on corporate brand awareness but what little work has been completed on the long term effect on corporate brand loyalty and customer trust. Furthermore, little has been investigated into the role of different types of influencers, from the micro influencers to the celebrities, as drivers of consumer behavior. Unexpectedly, it is while understanding consumer engagement with influencers that the psychological mechanisms underlying promotional appeals are often underexplored. The long term effects of influencer marketing on both brand loyalty and consumers' trust should be explored in a future research. Researchers should test the differences that different types of influencers make to different consumer segments. Furthermore, insights from the psychological factors of influence on consumer engagement with influencers will further enable businesses to craft their strategy.

4. Methodology

This research uses a mixed-methods approach to give a thorough knowledge of how social media and influencers affects individuals.

Primary research: To conduct really primary research, I developed a survey with 12 questions to understand consumer point of view on influencer marketing and social media. To understand how these factors, have on purchasing habits and brand perceptions, the survey was distributed to a variety of people.

Secondary research: For this secondary research, I enabled to review the journals, the books as well as industry reports about influencer marketing and consumer behavior. It explained my findings and in support of the analysis, it used existing theories and trends.

4.1 Participants.

In the study, forty-three individuals selected based upon the studies' objectives in exploring the influence of influencer endorsements and social media on consumer behavioral and business strategic decisions. Recruitment was done by convenience sampling in order to make participants



easily accessible and of relevance to research objectives.

4.2 Data Collection

Quantitative Data Collection: A Google Surveys survey was developed to help facilitate participation and access so that we could get responses regarding the importance of influencer endorsements, engagement, influencer recommendations, influencer reputation and how they impact consumer behavior and business strategy decisions.

Qualitative Data Collection: In addition to their responses to the survey, the participants also participated in semi structured interviews. In these interviews, it was learnt better how influencer point of view endorsements, the importance of influencer recommendations, and how influencer engagement has had an impact on them.

4.3 Data Analysis

Quantitative analysis: The only thing was to do the manual analysis and an additional Google then used to calculate the important statistical patterns based on Google's responses to the survey. An advantage of this strategy was that despite the manageable dataset size, we were thus able to analyze faster and more efficiently compared to more traditional methods such as SPSS. This analysis helped us to assimilate carefully the data, give precedence to the links between the significance of influencers and other deciders of the consumer behavior and decision making.

Qualitative analysis: As a validation of the interview responses they were used to understand and illustrate recurring topics within social media and influencer sensitivity and other decision-making issues. On the basis of the fuller context proposed in this qualitative study, the quantitative results were obtained, enabling a deeper insight into how influencers shape consumers' behavior in deciding.

5. Findings

5.1. Quantitative Analysis

Forty-three people completed the survey and provided information on the Impact of Influencer Endorsements and social media on Consumer Behavior and Business Strategies Decision based on demographics data and majority of the participants were enrolled in undergraduate programs and their age ranged from 18 to 25.

5.2 Importance of Influencers.

When asked about the importance of Influencer Endorsements and social media on Consumer Behavior and Business Strategies Decision.

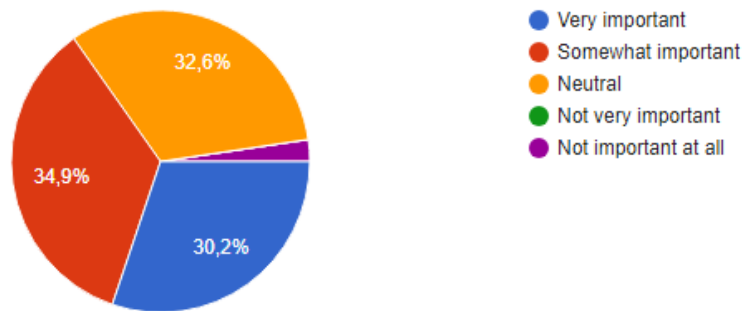
Very important: 13 respondents (30%)

Somewhat Important: 16 respondents (35%)

Neutral: 15 respondents (33%)

Not important at all: 1 respondent (2%)





This research suggests that a considerable proportion of participant's view influencer endorsements crucial consideration when customers doing decision making when they are purchasing.

5.3 The reason of using social media.

Why does people need using social media?

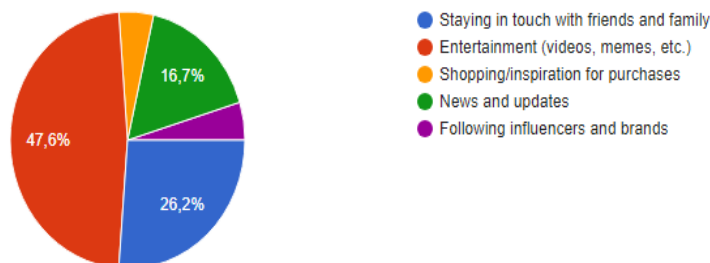
Staying in touch with friends and family: 11 respondents (26%)

Entertainment: 21 respondents (48%)

Shopping \ inspiration for purchases: 2 respondents (5%)

News and updates: 7 respondents (16%)

Following influencers and brands: 2 respondents (5 %)



5.4 The rise of social media impacting businesses marketing strategies.

Influencer endorsements has influenced businesses' marketing strategies.

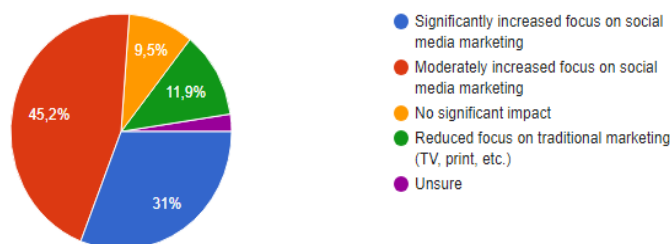
Significantly increased focus on social media marketing: 13 respondents (31%)

Moderately increased focus on social media marketing: 20 respondents (45%)

No significant impact: 4 respondents (9%)

Reduced focus on traditional marketing: 5 respondents (12%)

Unsure: 2 respondents (5 %)



6. Discussion

Results drawn from this study suggest the increasing effects of social media and influencer endorsements on consumer's behavior and businesses strategies. Most of the respondents (65%) indicated that the input of the influencers influences their purchasing decisions, which coincides within the prior researches stressing on the trust making capacity of the influencers and the established purchase behavior (Schafer, 2022; Lou & Yuan, 2019). An influencer is an effective medium through which businesses can reach and connect with customers as well as build brand loyalty because of his/her authentic and relatable content.

In fact, they found that half of people use the social media for entertainment (48%) and for studding connected to others (26%). Taking all of this into account, business should begin to focus on developing content that is engaging and entertaining, and all in line with the current move towards relationship marketing. This trend is a result of Tuten & Solomon (2018), Schivinski & Dabrowski (2016) demanding strategies to develop beyond direct selling in order to create long term customer engagement.

The study also shows that social media platforms have become very important for marketing strategies because 76% of the respondents confirmed they have started spending more time on the social media platforms. This agrees with the importance of digital marketing increasing compared to other modes of promotion (Shamsudeen & Ganeshbabu, 2018; Dean, 2021). The immediate benefits of influencer marketing are obvious, but the psychological factors that bind consumers to brands and foster brand loyalty and trust continues to be an open question.

The truth is that in the end businesses must continue with influencer marketing on authentic content that speaks to consumer. It's a move that enables them to foster relationships with customers and keep up in the never-ending digital space.

Conclusion

For instance, this study implies the function of social media and influencer endorsement in facilitating both consumer conduct and small business methods. In addition, findings showed that a majority respondents consider influencer endorsements to play a role in their purchasing decisions, as digital influencers grew in strength in society today. That further emphasizes the fact that most on social media need content that will continuously engage customer relationships. Additionally, many businesses have switched to social media marketing and influencers are one of the dignitaries in this movement. However, the long run impact on brand loyalty and consumer trust was underexplored, leaving a room for future research. And now, the biggest takeaway for any business looking to thrive in the online environment: Although the landscape of the digital world has been changing, businesses will still depend on authentic influencer content to build stronger bonds with their users while taking a top spot as competitive leaders in their market.



New platforms and new trends will bring new changes to Brands about how they engage with their audience on social media. Business gets an opportunity to reach with direct [targeted consumer segments] through micro influencers and everything niche content. However, the data analytics can also help a brand to acquire influencer marketing strategies, with engagement and campaign improvement. The businesses that can get themselves through these dynamics for the longer term will be much better positioned to build consumer loyalty and trust.

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