

In What Way Is Gen Z's Purchase Behavior Affected by Social Media

Ziteng Xu^{1,a,*}

¹*Hangzhou International School, Hangzhou, China*

a. wxu78499@gmail.com

**corresponding author*

Abstract: With the growth of the online marketplace, social media has received increasing attention as an advertising resource in recent years. An introduction to the social psychology of effective social media advertising has been studied to some extent at this stage. This paper delves into the dynamic expansion of social media and its far-reaching impact on marketing opportunities, particularly on Generation Z - a population known for its avid use of social platforms. Using a variety of search engines and specific keyword combinations, this study provides a comprehensive review of empirical studies that elucidate the relationship between purchasing behavior and Gen Z's use of social media. The study systematically integrates and evaluates various studies that have explored the impact of social media on the buying habits of Generation Z. Key aspects such as the phenomenon of followership, the quest for individuality, and the sway of social media influencers are summarized and evaluated. The paper emphasizes the critical role of social media marketing and its far-reaching impact on Generation Z's purchasing decisions.

Keywords: Purchase intention, Gen Z, Social Media, Bandwagon effect, Need for uniqueness

1. Introduction

The concept of social media first emerged in the 1970s, whereas the modern-day form of social media forms within the 2000s [1]. Social media has become an essential part of our contemporary life in the last 20 years. In 2023, according to Statista, the majority of the human population, around 59%, uses social media [2]. In addition, each social media user is averaging engaging in 6.6 platforms. Despite its widespread popularity in recent years, social media has been used to interact with multiple parts of human life and has become a contemporary necessity of life.

"Due to the rapid expansion of social media, its marketing aspect has also been growing significantly. According to Alibaba's quarterly revenue report released in September 2022, Tmall, a Chinese social media e-tailing service platform, realized \$540.3 billion in transactions in 2020 [3]. Globally, total spending on social media advertising is also expected to reach \$207.10 billion in 2023 [2]. This suggests a correlation between the growth in popularity of social media and its growth in marketing opportunities. Specific cases such as Tmall help reinforce this idea and highlight the economic impact of social media on online marketing.

Despite being rooted in the 1840s, social media eventually reached its prosperity in the 2000s. Gen Z, the population of human society born between 1997 and 2012, is a group growing up with the blossoming of social media platforms [4]. A survey conducted by Morning Consult in 2022

suggested that 44% of U.S. Gen Z participants spend more than 4 hours on social media, which is much greater than the average U.S. adult's 28% [5]. Gen Z occupies the teenage and youth population in today's world - between 9 to 24 years old - and is about to enter the working society fully, changing the proportion of people in the working society. The relevance of Gen Z to social media sets Gen Z apart from the rest of the population.

Previous literature reviews by Moreno and Whitehill studied the influence of social media on young adults. The study's conclusions suggest that the widespread influence of social media on young people's lives may strongly influence their decisions, such as perceptions of alcohol and purchasing decisions [6]. Also, Alcohol Dwivedi et al. have studied the effect of social media marketing on quicker customer service and generating loyal customer-brand relationships when giving out good content. From Moreno and Whitehill's findings and Alcohol Dwivedi et al.'s study in social media marketing, Gen Z - the young people likely to be associated with social media - make purchases because of social media marketing [6]. This investigation found the gap in research and fewer studies on the consumer behavior of Gen Z, a unique, socially significant population. This literature review will learn from the previous literature review's approach of linking Generation Z to social media to explore how social media influences purchasing behavior in Generation Z.

2. Method

The research systematically explores and synthesizes empirical studies about the relationship between purchase behavior and Generation Z (Gen Z) social media users. The study uses three academic search engines—Google Scholar, Hollis, and JSTOR—and employs a search strategy using specific keyword combinations. The keywords chosen to be included are "purchase intention" and "social media;" "purchase behavior" and "social media;" "social media" and "Gen Z;" "social media" and "young adult;" "social media," "influencer" and "young adult;" and "social media," "influencer," and "Gen Z." Then, specific keywords such as "media" and "TV advertisement" were excluded from the research as they diverged from the central focus of what this research investigates.

The selection criteria for empirical research papers emphasize its publication in international or national academic journals. Furthermore, the two variables of purchasing behavior and Gen Z populations must be linked in the research. The method can help the researcher include academic articles that include valuable information to understand how social media affects Generation Z's purchase behavior.

Table 1 summarizes 6 studies that cover social media, Generation Z, and purchase behavior. Expressed the influence of effects such as the follower effect, narcissism, and the desire for uniqueness on the purchasing intentions of Generation Z.

Table 1: Evaluating Literature

Author/ Date	Theoretical Framework	Research Question(s) / Thesis	Data collection and Conclusion
-----------------	--------------------------	----------------------------------	-----------------------------------

Table 1: (continued)

(Jin & Phua, 2014)	Experiment 1: social credibility, social capital, weak tie. Experiment 2: Social identity theory, eWoM	What is the effect of the number of followers, the valence of tweets, and types of celebrity (prosocial or antisocial) on brand outcomes, involvement, buying intention, and intention to spread eWoM?	Experiment 1 took a non-probability sampling of 160 undergraduates from a US university, 72% white. The experiment created a fictional celebrity persona that endorsed different orientations in two products and separated the orientations into eight versions. In addition, This experiment uses a questionnaire to measure the dependent variables. Experiment 2 took a non-probability sampling of 157 female participants from a southeastern US University, 83.1% white. The experiment matched the participant's gender and the gender of the "fake celebrity." Also, present the participants with New York Times-style articles about the prosocial or antisocial personalities of the celebrity. The dependent measure contains the same items from experiment 1. The study shows that more influencer followers are associated with higher source credibility, physical attractiveness, trustworthiness, and competence. In addition, many followers also increase consumers' intention to befriend the celebrity. The study also found that the content posted by the celebrity influences the celebrity personal's popularity and credibility. The two-way interaction between the number of followers and the valence of brand tweets, number of followers, and celebrity type (prosocial or antisocial) was also found through the experiments.
(Cho et al., 2020)	Human desire for individuality and conformity, the function theory of attitude	How do uniqueness needs and the "follower effect" influence the multiple motivational functions of attitudes and purchase intentions Towards luxury fashion brands?	The experiment sampled 711 US college students from 4 unique departments. The experiment utilized a survey that asked multiple-choice questions about participants' past interactions with luxury fashion consumption. The study shows that Gen Z consumers are more likely to purchase luxury goods to fulfill, build upon their identity, and appreciate experiential or hedonic value. In addition, They do not desire approval from others. In addition, Gen Z consumers' tendency to seek out fashionable luxury goods influences their attitudes and purchasing intentions to be recognized by their reference group. The bandwagon effect and persuasion of the trend are more significant than the intention toward uniqueness.
(Jean et al., 2019)	Social learning theory	How social media influencers impact purchase intention and serve the mediation effect of Customer Attitude	The study took a sample of 200 students at a public university in Malaysia, making them take a survey related to social attractiveness, product match-up, meaning transfer, consumer attitude, and purchase intention in social media. The study found that the source credibility of social media influencers does not significantly affect attitude and purchase intention, and the source attractiveness of social media influencers does not influence consumers' purchase intention. In addition, how the Influencer matches the product also influences the purchase intention and consumer attitude. The study also found a positive correlation between social media influencers' messaging and consumer attitudes and purchase intentions. Consumers' attitudes towards social media influencers affect purchase intentions towards promoted products. It also mediates source attractiveness, product matching, and meaning delivery.

Table 1: (continued).

(Weismueller et al., 2020)	Persuasion knowledge theory, halo effect, consistency theory	How Advertising Disclosure and Source Credibility Affect Consumer Purchase Intention on social media?	The study took a sample of 306 German college student participants aged 18 to 34, of whom 72% were female. Condition change in three categories: when no disclosure existed in the Instagram post when an integrated option was used, and when a disclosure hashtag was used. Eventually, ask the participants to fill out a survey about the Instagram post. The study found that the number of followers of a social media influencer positively influences source attractiveness and source trustworthiness. A disclosure statement positively influences source attractiveness and increases consumers' purchase intention. Also, the disclosure statement's transparent communication positively influences source attractiveness. However, a social media page disclosure tag will negatively impact source attractiveness. The study also found neither disclosure conditions (tag or statement) will affect source trustworthiness and expertise. The study's researcher suggests that consumers might need more information to make decisions.
(Dobre et al., 2021)	social representation, network effect theory, and bandwagon effect.	To what extent do Generation Y and Generation Z believe that the values specific to social media as a marketing channel align or not with the values of luxury brands?	The study took a sample of 305 Romanian residents, of whom 59% were female, and 76% were below 25 years old. The study asks the participant to complete an online survey titled "Do you like luxury?" The participant will then read a few articles about luxury brands before completing a Facebook survey. The study found that the perceived value of luxury brands in social media positively influenced consumer intention. The perceived value of luxury brands, perceived personal value of luxury brands, and perceived social value of luxury brands also influenced consumer intention. For Generation Y and Z consumers, the perceived benefits of social media platforms are positively correlated with the perceived benefits of luxury brands.
(Furinto et al., 2023)	The bandwagon effect, Narcissism	What is the association between TikTok usage, narcissism, bandwagon effect, and conspicuous consumption among Gen Y and Gen Z?	The study took a sample of 100 Indonesians who are either Gen Zs or Gen Ys and made them fill out an online survey that covers topics on TikTok Usage, narcissism, bandwagon effect, and conspicuous consumption. The data was collected with a 5-point Likert scale. The study found that TikTok, and hypothetically other forms of social media, positively correlate with conspicuous consumption. The finding of the study also shows that TikTok can be used as a platform to display narcissism, thus contributing positively to it. The study also found that the bandwagon effect positively affects younger consumers to make conspicuous purchases.

3. Luxury Brands, Bandwagon Effect, and Need for Uniqueness

Social media marketing causes the Bandwagon Effect, influencing users to buy products. The Bandwagon Effect is the tendency of an individual to adopt the majority view even if the individual's perspective is different [7]. In the case of purchasing, this theory explains how people purchase certain products mainly because of the consideration of the majority's opinion. For example, reasons formed

from social media use (e.g., "I want to buy a product because everyone will approve of my choice" or "I want to buy a product because a lot approves it of people") can lead to this effect in purchasing behavior [8].

According to the 2020 study by Cho et al. Generation Z is more likely to purchase luxury goods due to the influence of their tendency to search for products that are considered to be trendy [9]. A similar study was done in 2021 by Dobre et al. This study found that the perceived value of a luxury brand and its goods can positively influence consumers' intention to purchase. In addition, visiting or engaging with the brand's social media activity - such as following, creating, or sharing content related to the brand - also influences purchase decisions. In conclusion, the study found that Generation Z and other young people are more likely to want to browse and interact with more perceived valuable brands, such as luxury brands, because of the "trend" that the overall population is chasing [10].

The attraction of the bandwagon effect and the increased engagement around the brand's social media are possible factors for the success of brand marketing. The appeal of the bandwagon effect and the increased interaction with the advertisements make young people, such as Generation Z, more likely to buy trendy products.

4. Social Media Influencer

Social media provides a platform for influencers and celebrities to promote and market their brands. Electronic Word of Mouth (eWoM) is the exchange of opinions on a topic by consumers via the Internet or social media [11]. Purchase intention is a decision-making process related to the reason for purchase and involves consumer behaviors, perceptions, and attitudes. Electronic word-of-mouth influences the effectiveness of influencer or celebrity marketing and positively affects purchase intention.

According to A Dictionary of Social Media, "Social influencers are individuals with extensive social networks who play an active role in shaping the opinions of others within certain subject areas" [12]. Weismueller et al.'s study found that social media influencers' attractiveness, credibility, and expertise positively affect the purchase intentions of social media consumers [13]. In addition, Jean et al.'s study supports the conclusion that consumer attitudes toward social media influencers affect purchase intentions for promotional products [14]. In conclusion, consumers' perceptions of social media influencers and celebrities affect consumer intention to consume advertised products in several ways.

In addition, Electronic Word of Mouth (eWoM) can be influenced by both quantitative and qualitative data from social media profiles. Consumers are more likely to trust and purchase items from profiles perceived as well-known or authoritative. The study by Jin and Phua proposed that increased followers enhance the profile owner's perceived source credibility, attractiveness, and competence. The same study notes that consumers are more likely to entertain the idea of forming connections with high-follower profile owners. Additionally, both the content shared by the profile owner and news reports commenting on the social profile owner (celebrity) impact the popularity and credibility of the individual [15].

According to social capital theory, which defines the benefits arising from social interaction as social capital [16]. A person will pursue others with this social capital. In the case of social media, influencers with a higher follower count are seen as possessing more social capital, attracting people, and gaining trustworthiness. The differences in social media profiles, which include factors such as follower counts, source credibility, and social capital, collectively contribute to a social media influencer's Electronic Word of Mouth (eWoM), enforce a significant impact on consumer's trust towards the influencer and affects the effectiveness of consumers to purchase products from the advertisement done by these influencers.

5. The Sampling Method Used in the Reviewed Literature

It is nearly impossible to study the whole population. Thus, sampling allows for collecting valid testing subjects. This literature review focuses on the specific population of Generation Z, aged between 11 and 26 years old [4]. Studies with a sample that represents the population of Generation Z will be more fitting with the aim of the literature review.

Sampling from college volunteers is a non-probability sample that has the advantage of being low-cost and efficient. However, non-probability sampling usually does not represent the population. Studies from Jin & Phua in 2014, Cho et al. in 2020, Jean et al. in 2019, and Weismueller et al. in 2020 were all selected with this sampling type, which may limit the conclusions of these studies from the entire Generation Z population to the small subset of the population that's being studied [9,13,14,15].

Moreover, it is essential to realize that the study may not precisely capture the diversity of Generation Z. This limitation comes from the fact that only the studies conducted by Cho et al., Dobre et al., and Furinto et al. categorized their samples by generations [8-10]. In contrast, other studies focus primarily on young college students as their sampling population, even though they included a proportion of Generation Z individuals [13-15]. But, despite this, these studies are still valuable in shedding light on the impact of social media on the purchasing behavior of Generation Z.

In addition, a notable limitation across the majority of these studies is that they predominantly focus on sampling Caucasians from the United States and Europe, with only two of them taking data from Southeast Asian populations [8-10,13-15]. This narrow scope raises concerns about the literature review's representativeness, as it may not adequately capture Generation Z's diverse purchase experiences or social media-using experiences across various cultural groups.

In conclusion, although valuable insights have been obtained from studies concentrating on young college students and specific ethnic groups, there is a need for the literature review to incorporate more inclusive probability sampling methods. This adjustment is crucial for a more thorough understanding of the diverse purchasing behaviors and their varied experiences with social media across the Generation Z group.

Incorporating probability sampling methods is essential to adapt the depth and expand for future research. In addition, purposefully conducting more comprehensive and diverse literature research and empirical studies targeting Generation Z can give researchers more insights and an accurate understanding of the Generation Z population's purchasing behavior and social media behavior.

6. Conclusion

Social media has become an integral part of the daily lives of Generation Z, and this specific population group spends a substantial amount of time on various social media platforms. The influence of social media on purchasing behavior is evident through the impact of the need for uniqueness, social media influencers, and the bandwagon effect. Several studies have shown that the attractiveness, credibility, and expertise of social media influencers positively influence the purchase intentions of Generation Z. Additionally, the content shared by influencers - such as their follower count and the perceived social capital - collectively contribute to Generation Z's trust and purchase decisions. Moreover, the bandwagon effect, narcissism, and the desire for uniqueness significantly shape Generation Z's attitudes and purchasing intentions toward luxury brands.

The literature review provides insights into the relationship between social media and Generation Z's purchasing behavior. However, it is essential to acknowledge the limitations of the research, such as the focus on specific demographic groups and the need for more diverse sampling to fully understand the influence of social media on Generation Z's purchasing behavior. Despite these limitations, the literature review demonstrates the impact of social media on Generation Z.

Social media has a profound and complex impact on Generation Z's purchasing behavior. While the existing research provides valuable insights, there is a clear need for more comprehensive and diverse studies to fully understand the influence of social media on the purchasing behavior of Generation Z.

References

- [1] Alibaba. (2022). Alibaba Group Announces September 2022 Quarterly Results. <https://data.alibabagroup.com/ecms-files/1532295521/591b1767-1631-4ea9-8fef-422c963f5766.pdf>
- [2] Briggs, E. (2022, December 12). Gen Z Is Extremely Online. Morning Consult Pro. <https://pro.morningconsult.com/instant-intel/gen-z-social-media-usage>
- [3] Bindra, S., Sharma, D., Parameswar, N., Dhir, S., & Paul, J. (2022). Bandwagon effect revisited: A systematic review to develop future research agenda. *Journal of Business Research*, 143, 305–317. <https://doi.org/10.1016/j.jbusres.2022.01.085>
- [4] Chandler, D., & Munday, R. (2016). *A Dictionary of Social Media*. Oxford University Press.
- [5] Cho, E., Yu, U.-J., & Kim-Vick, J. (2020). Either Bandwagon Effect or Need for Uniqueness? Motivational Factors Driving Young Adult Consumers' Luxury Brand Purchases: An Abstract (pp. 233–234). https://doi.org/10.1007/978-3-030-39165-2_96
- [6] Chu, S.-C. (2021). *Electronic Word-of-Mouth (eWOM)*. In *Communication*. Oxford University Press. <https://doi.org/10.1093/obo/9780199756841-0267>
- [7] Dobre, C., Milovan, A.-M., Duțu, C., Preda, G., & Agapie, A. (2021). The Common Values of Social Media Marketing and Luxury Brands. The Millennials and Generation Z Perspective. *Journal of Theoretical and Applied Electronic Commerce Research*, 16(7), 2532–2553. <https://doi.org/10.3390/jtaer16070139>
- [8] Dimock, M. (2019, January 17). Defining generations: Where Millennials end and Generation Z begins. Pew Research Center. <https://www.pewresearch.org/short-reads/2019/01/17/where-millennials-end-and-generation-z-begins/>
- [9] Furinto, A., Tamara, D., Maradona, C., & Gunawan, H. (2023). How TikTok and Its relationship with narcissism and bandwagon effect influenced conspicuous consumption among Gen Y and Gen Z. *E3S Web of Conferences*, 426, 01101. <https://doi.org/10.1051/e3sconf/202342601101>
- [10] Hines, K. (2022, September 2). The History Of Social Media. *Search Engine Journal*. <https://www.searchenginejournal.com/social-media-history/462643/>
- [11] Jean, L., Rozaini, A., Radzol, M., Hwa, C., & Wong, M. (2019). The Impact of Social Media Influencers on Purchase Intention and the Mediation Effect of Customer Attitude. 7, 19–36.
- [12] Jin, S.-A. A., & Phua, J. (2014). Following Celebrities' Tweets About Brands: The Impact of Twitter-Based Electronic Word-of-Mouth on Consumers' Source Credibility Perception, Buying Intention, and Social Identification With Celebrities. *Journal of Advertising*, 43(2), 181–195.
- [13] Machalek, R., & Martin, M. W. (2015). Sociobiology and Sociology: A New Synthesis. In *International Encyclopedia of the Social & Behavioral Sciences* (pp. 892–898). Elsevier. <https://doi.org/10.1016/B978-0-08-097086-8.32010-4>
- [14] Moreno, M. A., & Whitehill, J. M. (2014). Influence of Social Media on Alcohol Use in Adolescents and Young Adults. *Alcohol Research : Current Reviews*, 36(1), 91–100.
- [15] Statista. (2023). Social networks: penetration in selected countries 2023 | Statista. Statista; Statista. <https://www.statista.com/statistics/282846/regular-social-networking-usage-penetration-worldwide-by-country/>
- [16] Weismueller, J., Harrigan, P., Wang, S., & Soutar, G. N. (2020). Influencer Endorsements: How Advertising Disclosure and Source Credibility Affect Consumer Purchase Intention on Social Media. *Australasian Marketing Journal*, 28(4), 160–170. <https://doi.org/10.1016/j.ausmj.2020.03.002>