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November 23, 2022

### Social Media: A Marketer's Dream

*The rapid growth of social media and social networking sites is providing marketers a new avenue to contact customers.*

- Johti, C. (2017)

Social media platforms in partnership with brand marketers are influencing users' spending habits. According to studies, approximately 302 million people used social media so far in 2022 (statista.com). Social media platforms, created to connect people across the globe, have a cumulative amount of 3.78 billion users daily (statista.com). Social media refers to the means of interactions among people in which they create, share, and/or exchange information and ideas in virtual communities and networks (communication.tufts.edu). Social media has increased shopping trends, by enabling brands to strategically market to consumers in the palm of their hands, even while users are on the go. This study will define key terms, highlight strategies that social media administrators use to increase traffic to their platforms, discuss influences that refer to and persuades consumers, and connect to the shopping statistics that social media has affected.

While it can be said that social media did not give a rise to compulsive buying issues, it can be argued that social media has changed the landscape of shopping trends with more people in America preferring to shop online or through social media platforms. Social media shopping is preferred over in-person shopping because of ease of search, lower prices, a variety of goods,

time saved, ease of use, entertainment value, promotions, and impulsive behaviors in the shopper (Liang et al, 2019).

The effects of social media on shopping behavior have increased exponentially, especially during the 2020 lockdown. The lockdown caused people's lives to pause from the outside world, but increased social media traffic, with users hoping to not miss out on what their virtual friends have been doing, while some kept themselves abreast with social issues. Given this increase in usage, logically, many consumers' buying decisions were made online. An alarming 54% of social media users use the platforms to research products and 71% are more likely to purchase products and/or services based on social media referrals (globalwebindex.com). This alarming figure for product research is indicative of consumer trends, with 54% of 302 million US social media users being an estimated 178 million potential customers in the US alone.

Social media platforms have integrated lifestyle and shopping options in their respective applications (apps). Lifestyle content reflects and brings your buyer persona to life. In 2013, Instagram launched its sponsored posts feature in which users could boost their highest engagement content to attract their target audience. This new feature, and the rebranding of Instagram into an advertising-based media, led to a rampant increase in engagements, with influencers or people with specific content now having the ability to control their own marketing strategies. Another feature of Instagram was their launch of suggested posts. Based on posts users liked and who users followed, users would be recommended content. This suggestion feature is an integrated marketing strategy employed by Instagram, with algorithms that compare records, and uses what users are more interested in. This feature is an indication of these platforms' aim to increase spending habits among all users.

Social media administrators have reshaped their platforms, moving from a communication based to a marketing-based platform. In giving their description of what the platform is, Instagram defined their app as a photo and video-sharing social networking service that allows users to upload media that can be edited with filters and organized by hashtags and geographical tagging. Posts can be shared publicly or with preapproved followers. Today, Instagram is a marketing hub, facilitating producers and consumers alike. Traditionally, users were connected to only their friends on their timeline, however, with the suggested post feature, Instagram now promotes advertisements and content creator or social media influencers, who incorporates brands into their daily routine for a content post.

Marketers partner with social media platforms and social media influencers to maximize exposure of their brand. A popular technique used by marketers are their employment of social media influencers. Social media influencers or content creators are defined as someone who has a reputation of authority or expertise in a particular area and who uses that authority to engage with large numbers of social media followers (gsu.edu, 2022). Traditionally, influencers were known celebrities, an influencer marketing campaign would include a billboard along the highway with a familiar face or a tv commercial promoting an item. Brands would showcase people of interest to the intended market and consumers would be more inclined to purchase the product or service.

Social media influencers are now “micro-celebrities” or non-traditional celebrities who have become famous through online usage (Nouri, 2018). With the growing usership on these platforms, these “micro-celebrities” have been engaged by brands to promote their products/service. A tactical approach to marketing and reshaping of the social media platforms and their users. For example, an influencer on Instagram @Carlosdharrisjr shows how influential

and sought-after content creators are. Carlos's content is lifestyle based, to include working out, healthy eating, gadgets, apartment designing etc. Carlos stated in a September 2022 post, that he made between \$350,000-\$400,000 in 2021, he subsequently provided proof of his earnings. This confirmation of earnings exemplifies how lucrative social media can be and shows the legitimacy of influencers on social media.

Social media platforms such as Facebook, Instagram and Twitter are now digital marketing tools brands use to promote their products in the form of digital advertisements (ads). Digital ads are paid for by brands and advertised directly to the target audience labeled as a sponsored ad. In 2021, Meta (formerly Facebook Inc) generated \$114.93 billion in ad revenues (Forbes, 2022). Meta's earning can be used to highlight the profitability of marketing on these platforms. In a YouTube video titled *The Impact of social media on Shopping Behavior*, DealAid conducted a study which surveyed 1130 participants in the USA, key findings claimed 78.6% of the participants have discovered new products/brands on social media and 2/3 claimed to have made purchases through these platforms at least once. This survey also included the statistics that influences a consumer purchasing an advertised post, with 24.3% of the participants claiming they got their recommendation from sponsored ads. With the incorporation of sponsored advertisements, social media advertising is projected to reach \$226 billion. This is an indication that firstly, marketers see the value of social media marketing and secondly, that users are interacting with advertisement fueling consumer trends.

Another strategy used by social media administrators is equipping their platforms with social commerce options. Social commerce is defined as the use of social media platforms to market and sell products and services, with purchases being facilitated through the platforms and customers never having to leave the social media app (shopify.com). Social commerce falls

under the umbrella of e-commerce but differs in its operational ways. E-commerce is operated through a website, so a social media user may click a link on a sponsored advertisement and get redirected to an online website to continue browsing or checkout, however, in social commerce, all transactions are done on the social media platform, including point of sale.

The social commerce sphere has made significant strides, with an estimated revenue of \$724 billion so far in 2022 (statista.com) and a projected \$6.2 trillion by 2030. Social media influencers working alongside brands have unlocked a reservoir of marketing possibilities. In a March 2022 article posted by Forbes titled *The Future of Selling is Social: Social Commerce vs. E-Commerce*, Steve Lammertink, CEO of The Cirqle stated “Marketers have realized that the steady rise in time spent on social media reflects how essential social platforms are in customers’ daily lives.” Brands have now realized the importance of social media and have been making great strides to capitalize off these media.

Social commerce offers something radically different from traditional shopping experiences. Social commerce facilitates parasocial relationship between the average user and social media influencers. A user’s overtime exposure with content creators creates an attachment or relationship. These relationships generate trust between consumers and influencers, which in return favors these influencers and brands that sought their likeness to promote their product/service. Influencers including these brands with their post is a clear indication to their following that they have done the research, and they approve of this product/service, promoting loyalty and trustworthiness, but this isn’t always the case.

The PESO - paid, earned, shared, owned - model for marketing represents a modern way for companies to integrate communications efforts while reaching audiences in an efficient, effective manner (Forbes, 2021). Paid refers to exchanging money for distribution

whether an ad or content, earned refers to trading valuable content for an established authority's audience, shared refers to amplifying content through your own audience, and owned refers to aggregating an audience that seeks you out for content and then distributing your content to that audience (brilliantmetrics.com). In this model, a social media advertisement or post by a social media influencer would fall under the paid model. Paid models are usually less trustworthy because of the little research that may go into the post, and the most important fact is that it is a paid engagement, and as money is involved, the motive may not be authentic, and at minimum questionable.

One may argue that users should not trust social media influencers, despite their public image of being trustworthy, forthcoming, and honest about the companies they work with and the products they promote because of the monetary gain of their post, which may be biased. In 2017, Billy McFarland and Ja Rule planned a weekend festival in the Bahamas named Fyre Festival. Fyre Festival had paid celebrities hundreds of thousands, to include Kendall Jenner, who was paid \$250,000, Bella Hadid, Hailey Baldwin, all fitting the description of their target audience. It later turned out that Fyre Festival was a scheme to hustle attendees of their money, stealing hundreds of millions from investors, with upwards of 5000 attendees showing up in the Bahamas with no food, no accommodation, and transportation home. This is an important example in the matter of trust towards social media influencers. In this case, these advertisements from trusted influencers attracted consumers, but upon investigatory bodies getting involved, these influencers claimed they hadn't done due process for their post, essentially just collecting a paycheck for a harmless post.

Another incident of influencers promoting for brands without due diligence is most recently Kim Kardashian being fined \$1,000,000 by The Securities and Exchange Commission

(SEC) for failing to declare to her audience that she was paid \$250,000 to promote a cryptocurrency platform. In giving their ruling, the SEC states “Ms. Kardashian’s case also serves as a reminder to celebrities and others that the law requires them to disclose to the public when and how much they are paid to promote investing in securities.” (Gensler, 2022). This is an indication of the continuously changing guidelines that administrators and law enforcement are now enforcing to regulate these platforms.

To conclude, social media is a great facilitator of commerce, and an even better platform for marketing, with a single post having the potential to reach billions of people in a matter of seconds. In the past decade, social media has transitioned from being a platform for communicating and socializing, to now a commercial hub for marketers and consumers alike. Research has found that social media administrators have reshaped traditional marketing practices by force feeding users with content paid for by advertisers (sponsored ads). Social media platforms and marketers now utilize different techniques that influence consumer behaviors like the utilization of social media influencers to incorporate their brands into their content and capitalizing off kinships between influencers and users. Social media platforms have also capitalized off their sponsored ads feature that send direct marketing content to brands’ target audience. Social media even facilitates these transactions. From product research/referral from influencers and ads to the point of paying for the product/service, social media is a one stop shop. All these marketing tools that social media platforms now offer leads to a significant increase in consumerism across these platforms, increasing spending habits among users.

Based on the significant annual growth of this decade old sector, social commerce is projected to hit \$1 trillion before the end of 2023, and an all-time high of over \$6 trillion by

2030. This diverse industry, catering to every product/service across the globe will soon be the leading facilitator for commercial transactions.



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