

EXAMINING THE INFLUENCE OF SOCIAL MEDIA ON ONLINE PURCHASE DECISIONS AMONG GENERATION Z CONSUMERS

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ABSTRACT

The rapid growth of digital technologies and social media platforms has significantly transformed consumer purchasing behaviour, particularly among Generation Z consumers. As digital natives, Generation Z consumers actively engage with social media platforms to search for information, evaluate products, and make purchasing decisions. This study aims to examine the influence of social media on online purchase decisions among Generation Z consumers. A quantitative research approach was adopted using a structured questionnaire distributed to individuals with prior online shopping experience. A total of 384 valid responses were collected and analysed using Structural Equation Modelling (SEM). The findings reveal that social media has a positive and significant influence on online purchase decisions. The results suggest that Generation Z consumers rely heavily on social media platforms for product discovery, information search, and purchase evaluation. The study highlights the growing importance of social media as a strategic marketing channel in influencing consumer behaviour. The findings provide valuable insights for marketers and businesses seeking to enhance consumer engagement and purchasing outcomes through effective social media strategies.

Keywords: Social media, Generation Z, online purchase decisions, consumer behaviour, digital marketing.

1. INTRODUCTION

The rapid advancement of digital technologies has fundamentally changed consumer purchasing behaviour and the way businesses interact with customers. The increasing accessibility of the internet, smartphones, and e-commerce platforms has enabled consumers to search for information, compare products, and complete online transactions more efficiently than ever before (Kotler & Keller, 2012; Al-Debei et al., 2015). Consequently, online shopping has become a part of consumers' daily lives. This has created new opportunities for businesses to interact with customers through digital channels.

Generation Z represents one of the fastest-growing consumer segments in the digital economy. As digital consumers, they have been exposed to internet technology and social media from a young age.

This makes digital platforms an essential part of their daily activities. Compared to previous generations, Generation Z consumers rely heavily on online information, peer interactions, and social media platforms when searching for products, evaluating alternatives, and making purchasing decisions (Mulyani et al., 2019; Aher & Lazarus, 2024).

Social media has developed from a communication platform into an influential marketing channel that enables businesses to interact directly with consumers. Platforms such as TikTok, Instagram, Facebook, and X facilitate digital advertising, influencer marketing, user-generated content, and live-streaming activities that influence consumer attitudes and purchasing behaviour (Kaplan & Haenlein, 2010; Mangold & Faulds, 2009; Shareef et al., 2019).

Previous studies have consistently reported that social media significantly influences consumer purchasing behaviour by enhancing product awareness, facilitating information sharing, and strengthening consumer engagement (Di Pietro & Pantano, 2012; Forbes, 2013; Gupta & Chopra, 2020). Recent studies have shown that social media marketing plays an important role in shaping Generation Z's purchase intent and online buying behavior (Saini et al., 2021; Aher & Lazarus, 2024).

Despite the growing importance of social media, empirical evidence regarding its influence on Generation Z online purchase decisions remains limited. Understanding this relationship is important for organisations seeking to design effective digital marketing strategies that align with the purchasing behaviour of Generation Z consumers. Therefore, this study aims to examine the influence of social media on online purchase decisions among Generation Z consumers.

2. LITERATURE REVIEW

2.1 Online Purchase Decisions

Online purchase decisions refer to the process through which consumers recognise their needs, search for relevant information, evaluate available alternatives, and ultimately decide whether to purchase products or services through online platforms (Kotler & Keller, 2012; Qazzafi, 2019). The rapid development of e-commerce has transformed traditional purchasing behavior where users can access extensive product information, compare prices, evaluate product features, and easily complete transactions without geographical limitations. As online shopping activities continue to grow around the world, it is worth understanding the decision-making processes of consumers that have become increasingly important for researchers and practitioners.

The growth of digital technologies has significantly influenced the way consumers make purchasing decisions. Compared to traditional shopping activities, online consumers rely heavily on digital information sources to reduce uncertainty before making a purchase. Product descriptions, online reviews, recommendations, social interactions, and digital content collectively shape consumer perceptions and influence their purchasing decisions (Puccinelli et al., 2009). Therefore, businesses are increasingly trying to understand consumers' online purchasing behavior to improve the customer experience and strengthen their competitive advantage.

Generation Z represents one of the most active consumer groups in the digital market. This group is seen as a generation that grew up with internet technology, smartphones and social networking platforms. Generation Z consumers show a high level of familiarity with digital environments and online purchasing activities. They were identified as actively seeking information from various online sources before making purchasing decisions and were more likely to integrate digital content into their evaluation process than previous generations (Mulyani et al., 2019).

Previous studies have suggested that online purchase decisions are influenced by various technological and behavioural factors, including information quality, consumer experience, perceived value, trust, and social interactions (Harahap & Amanah, 2020). As consumers increasingly rely on digital platforms throughout the buying process, understanding the determinants of online purchasing decisions is essential for organizations looking to improve marketing effectiveness and customer satisfaction.

2.2 Social Media

Social media refers to internet-based platforms that enable users to communicate, share information, exchange opinions, and interact with each other through digital networks (Kaplan & Haenlein, 2010). Over the past decade, social media has evolved beyond its original function as a communication platform and has become a strategic marketing tool that enables organisations to engage directly with consumers through interactive content, digital advertising, influencer marketing, and user-generated content.

Social media facilitates two-way communication between businesses and consumers compared to conventional marketing channels. Users are no longer passive recipients of promotional messages but actively participate in creating, sharing, and evaluating content related to products and services. Such interactions strengthen consumer engagement and at the same time influence product awareness, brand perception, and purchasing behavior (Mangold & Faulds, 2009).

The growing popularity of platforms like TikTok, Instagram, Facebook, and X has significantly changed the pattern of digital marketing practices. Organizations are increasingly using these platforms to deliver personalized marketing campaigns, collaborate with influencers, conduct live streaming sessions, and promote user-generated content. These marketing activities allow consumers to obtain product information, compare alternatives, and evaluate products before making a purchase decision (Shareef et al., 2019).

Recent studies have consistently shown the importance of social media in influencing consumer behavior. Gupta and Chopra (2020) argued that social media significantly affects consumers' purchasing behaviour by improving access to product information and facilitating interactions among users. Similarly, Aher and Lazarus (2024) found that social media marketing positively influences Generation Z consumers' purchase intentions because of their high level of engagement with digital platforms and social networking activities.

2.3 Social Media and Online Purchase Decisions

The Consumer Decision-Making Model suggests that consumers go through several stages before completing a purchase. These stages include problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase evaluation. The model explains how consumers identify a need, gather relevant information, compare available options, make a purchasing decision, and evaluate their satisfaction after the purchase. (Kotler & Keller, 2012). In the digital environment, social media has become one of the main sources of information that allows users to quickly get product information and interact with other businesses and consumers.

Previous empirical studies have consistently demonstrated that social media positively influences consumers' purchasing behaviour. Di Pietro and Pantano (2012) reported that interactions within social networking platforms significantly influence consumers' purchasing decisions by increasing product awareness and strengthening customer engagement. Similarly, Forbes (2013) concluded that recommendations and interactions through social media significantly affect consumers' buying behaviour and purchasing intentions.

The growing influence of social media has also strengthened the role of influencers, digital communities, and user-generated content in shaping consumer product evaluations. Consumers are increasingly relying on product demonstrations, reviews, recommendations, and experiences shared by influencers and fellow users before making a purchase decision. This digital interaction is seen to reduce uncertainty and thus increase confidence in products and brands (Fernandes et al., 2022; Huang et al., 2019).

Generation Z consumers are influenced by social media as they actively engage with digital platforms throughout their buying journey. Social media serves not only as a communication channel but also as an important source of product discovery, information search, comparison, and purchase evaluation. Therefore, consumers who regularly engage with social media are more likely to make informed online purchasing decisions than those with lower levels of digital engagement.

Based on the preceding discussion and previous empirical evidence, this study proposes the following hypothesis:

H1: Social media has a positive and significant influence on online purchase decisions among Generation Z consumers.

3. METHODOLOGY

This study employed a quantitative research design to examine the influence of social media on online purchase decisions among Generation Z consumers. A cross-sectional survey approach was employed to collect data from respondents who had previous experience with online shopping.

Data were collected using a structured questionnaire distributed through online platforms. The questionnaire consisted of demographic questions and measurement items related to social media and online purchase decisions. All items were measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

A total of 384 valid responses were obtained and included in the analysis. The data were analysed using IBM SPSS Statistics for descriptive analysis and AMOS Structural Equation Modelling (SEM) for hypothesis testing. SEM was employed to examine the relationship between social media and online purchase decisions among Generation Z consumers.

4. RESULTS

4.1 Respondent Profile

A total of 384 valid questionnaires were analysed. Male respondents represented 53.1% of the sample, while female respondents accounted for 46.9%. The majority of respondents were between 20 and 22 years old, indicating that the sample adequately represented active Generation Z online consumers. Most respondents reported frequent online shopping experiences and regular use of social media platforms during their purchasing process.

Table 1. Demographic Profile of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	204	53.1
	Female	180	46.9
Total		384	100.0

4.1.2 4.1.2 Descriptive Analysis of Study Variables

Table 2 presents the descriptive statistics for the study variables, namely online purchase decisions and social media. Overall, the findings indicate that Generation Z consumers in Kedah generally expressed a high level of agreement with all measurement items, as reflected by mean scores ranging from 4.39 to 4.50. This suggests that social media plays an important role in shaping online purchase decisions.

For the online purchase decisions construct, respondents reported that they usually compare both positive and negative online reviews before making a purchase, with a mean score of 4.42 (SD = 0.861). This finding indicates that online reviews are widely considered an essential source of information prior to purchasing. Similarly, respondents strongly agreed that product ratings are important when evaluating products or services, recording a mean score of 4.48 (SD = 0.811). Product reviews also received a high level of agreement, with a mean of 4.42 (SD = 0.851), suggesting that consumers rely on other customers' experiences to reduce uncertainty before making purchasing decisions.

Furthermore, respondents indicated that they tend to compare prices even for relatively inexpensive products (M = 4.39, SD = 0.881), reflecting their tendency to make informed and value-conscious purchasing decisions. Promotional offers such as discounts and sales were also found to influence purchasing behaviour (M = 4.39, SD = 0.851), highlighting the importance of price incentives in attracting Generation Z consumers. In addition, respondents reported that they often seek expert opinions before purchasing high-involvement products, with a mean score of 4.43 (SD = 0.849), indicating that credible expert recommendations remain an important consideration when making complex purchase decisions.

For the social media construct, respondents demonstrated a high level of engagement with social media platforms during the purchasing process. The highest mean score was recorded for the item measuring consumers' tendency to seek product-related information before making a purchase (M = 4.49, SD = 0.788). This finding suggests that social media has become an important information source for Generation Z consumers. Respondents also agreed that their initial purchase preferences may change after obtaining information through social media (M = 4.42, SD = 0.907), indicating that information shared on these platforms can influence consumer evaluations and purchase intentions.

In addition, feedback and reviews shared on social media were found to have a strong influence on purchasing decisions, with the highest mean score among all items (M = 4.50, SD = 0.761). This highlights the importance of user-generated content in shaping consumer perceptions and purchase behaviour. Respondents also agreed that social media simplifies the decision-making process (M = 4.48, SD = 0.785), suggesting that it provides convenient access to relevant product information. Lastly, marketing elements such as slogans and visual content on social media were perceived to encourage purchasing decisions (M = 4.46, SD = 0.797), demonstrating the effectiveness of visually appealing and persuasive digital marketing content in influencing Generation Z consumers.

Overall, the descriptive findings suggest that both online purchase decisions and social media received consistently high mean scores among respondents. These results indicate that Generation Z consumers in Kedah actively utilise online information, customer reviews, product ratings, promotional offers, and social media content when making online purchasing decisions, reflecting their reliance on digital platforms throughout the consumer decision-making process.

Table 2: Descriptive Statistics of Variables

Item	Mean	Std. Deviation
Online purchase decisions		
I usually compare positive and negative online reviews before buying	4.42	0.861
Ratings for the product are important in buying the product/service	4.48	0.811
Reviews for the product are important in buying the product/service	4.42	0.851
I check the prices even for inexpensive items before purchasing	4.39	0.881
If a product is on sale, that can be a reason for me to buy it	4.39	0.851
I usually seek expert opinions online before purchasing a high-involvement product.	4.43	0.849
Social media		
Do you usually seek out information about products before purchasing?	4.49	0.788
Do you change your initial purchase preference after searching for relevant information via social media sites?	4.42	0.907
The feedback about a product on social media affects your purchase?	4.50	0.761
Social media makes your decision-making easier.	4.48	0.785
Slogans and visual advertisements on social media influence my purchasing decisions.	4.46	0.797

4.2 Hypothesis Testing

Structural Equation Modelling (SEM) was performed to examine the proposed relationship between social media and online purchase decisions.

Table 3. Hypothesis Testing

Hypothesis	Relationship	Estimate	C.R.	P-value	Decision
H1	Social Media → Online Purchase Decisions	1.038	2.564	0.010	Supported

The results revealed that social media significantly influences online purchase decisions (Estimate= 1.038, C.R. = 2.564, $p = 0.010$). Since the p-value is below the threshold of 0.05, the proposed hypothesis was supported. The findings indicate that higher engagement with social media is associated with stronger online purchase decisions among Generation Z consumers.

5. DISCUSSION

The findings indicate that social media plays an important role in influencing online purchasing decisions among Generation Z consumers. The results of this study show that social media is no longer just a communication platform but also serves as an important source of product information, recommendations, and purchase inspiration.

The significant relationship identified in this study indicates that Generation Z consumers actively rely on social media platforms to discover products, compare alternatives, and evaluate brands before completing online purchases. Platforms such as TikTok, Instagram, and Facebook provide interactive features that facilitate product demonstrations, customer engagement, and real-time communication between businesses and consumers. These digital interactions enhance consumers' confidence and encourage purchasing behaviour.

These findings are consistent with previous studies, which reported that social media positively influences consumer purchasing behaviour by improving access to information, increasing customer engagement, and strengthening brand-consumer relationships. The influence of influencer marketing, user-generated content, and the growing social commerce further support the importance of social media as an effective marketing channel targeting Generation Z consumers.

Additionally, the findings reinforce the Consumer Decision-Making Model, which suggests that information search and evaluation are critical stages before purchasing decisions are made. In digital environments, social media has become one of the primary information sources supporting these stages, enabling consumers to make more informed purchasing decisions.

6. PRACTICAL IMPLICATIONS

The findings of this study offer several practical implications for businesses, marketers, and e-commerce practitioners targeting Generation Z consumers. Since social media significantly influences online purchase decisions, organisations should strengthen their digital marketing strategies by leveraging social media platforms to improve customer engagement, strengthen brand relationships, and influence consumers' online purchase decisions.

Businesses should focus on creating interactive and authentic content that appeals to Generation Z consumers. Marketing activities such as influencer collaborations, short-form videos, live-streaming commerce, and user-generated content can enhance product awareness and increase consumer trust. As Generation Z consumers actively engage with digital content before making purchasing decisions, businesses should prioritise informative and engaging social media campaigns that encourage interaction and customer participation.

Furthermore, organisations should continuously monitor consumer responses and social media trends to remain competitive within rapidly changing digital marketplaces. By understanding consumer preferences and behaviours, marketers can develop more effective promotional strategies that improve customer satisfaction and long-term brand loyalty.

7. LIMITATIONS AND FUTURE RESEARCH

Several limitations should be acknowledged in this study. First, the study employed a convenience sampling technique, which may limit the generalisability of the findings to the broader population of Generation Z consumers. Future studies are encouraged to adopt probability sampling methods to obtain more representative samples.

Second, this study focused solely on the influence of social media on online purchase decisions. Although social media was found to significantly influence purchasing behaviour, other variables such as trust, perceived value, influencer credibility, customer engagement, electronic word-of-mouth (eWOM), and brand image may also contribute to consumers' purchasing decisions. Future research should incorporate these variables to provide a more comprehensive understanding of online consumer behaviour.

Finally, the study utilised a cross-sectional research design that captured respondents' perceptions at a single point in time. Future studies may consider longitudinal research designs to examine changes in consumer purchasing behaviour over time.

8. CONCLUSION

This study examined the influence of social media on online purchase decisions among Generation Z consumers. Using data collected from 384 respondents and analysed using Structural Equation Modelling (SEM), the findings confirmed that social media has a positive and significant influence on online purchase decisions.

The results indicate that Generation Z consumers actively utilise social media platforms to obtain product information, evaluate alternatives, and make purchasing decisions. This highlights the increasing importance of social media as a strategic marketing channel that enables businesses to engage with consumers, build trust, and influence purchasing decisions in today's digital marketplace.

Overall, this study contributes to the growing literature on consumer behaviour by providing empirical evidence on the importance of social media in shaping Generation Z purchasing decisions. The findings also offer practical insights for businesses seeking to enhance their digital marketing strategies and strengthen customer engagement through effective social media initiatives.

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