

The Effects of Digital Marketing on Consumer Behaviour

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ABSTRACT

Digital marketing has transformed how businesses engage with consumers, reshaping interactions through data-driven strategies. This paper investigates the influence of digital marketing on consumer behavior, analyzing key online tactics—including social media marketing, search engine optimization (SEO), email campaigns, influencer collaborations, and content marketing. By evaluating these channels, the study assesses their impact on consumer decision-making, purchasing patterns, and long-term brand loyalty.

Keywords: Digital marketing, consumer behavior, social media marketing, online advertising, brand engagement, e-commerce.

INTRODUCTION

Over the years, the growth of technology has transformed the ways companies market their products. It is now easier than ever for these businesses to access their market and promote their products over digital platforms. This paper seeks to study the effects of digital marketing on consumer behavior with regards to personalization, convenience, and interactivity. Technology has revolutionized marketing, enabling companies to leverage digital platforms for precise targeting, real-time analytics, and cost-effective campaigns. This shift has transformed both company promotion strategies and consumer behavior. Digital marketing's impact on consumer behavior, particularly through personalization, convenience, and interactivity, is crucial for understanding the evolving marketplace. Personalization tailors marketing messages and product recommendations, creating more engaging experiences. Convenience features like one-click purchasing and mobile optimization cater to consumers' desire for instant gratification. Interactivity through social media fosters two-way communication between brands and consumers, enabling real-time feedback and community building. These factors collectively shape consumer expectations and purchasing decisions in the digital era.

REVIEW OF LITERATURE

Mahmoud Alghizzawi 2019 -The role of digital marketing in consumer behavior: A survey, this study examines digital marketing's impact on consumer behavior in tourism through three dimensions: (1) mobile apps, (2) social media, and (3) electronic word-of-mouth (eWOM). It highlights digital marketing's role in tourism competitiveness, tourist behavior, and technology use while identifying research gaps and suggesting future directions for academics and industry decision-makers.

Alokkumar pal, Dr. Bharti shukla 2019-Impact of Digital Marketing on Consumer Buying Behavior, buyer behavior is evolving rapidly, especially among youth, who are heavily influenced by digital trends. Marketers invest heavily in understanding these shifts. This study examines how digital marketing impacts youth purchasing decisions, showing their strong reliance on digital platforms.

Andrew T Stephen 2016-The role of digital and social media marketing in consumer behavior, this article explores consumer behavior in digital/social media marketing through five themes: digital culture, ad responses, digital environment effects, mobile usage, and online WOM. While these studies reveal diverse consumer interactions with digital platforms, research remains overly focused on WOM, neglecting other key aspects. Future studies should broaden their scope.

Statement of the Problem:

In the digital era, the landscape of consumer shopping has been altered significantly due to online marketing. Companies find it challenging to connect with their target audiences owing to the heightened prevalence of digital advertisements, privacy concerns, and deceptive marketing tactics. Additionally, the growing reliance on online testimonials and influencer evaluations introduces doubt regarding the efficacy of digital marketing strategies. This study seeks to examine the effects of online marketing on consumer behavior while identifying the most relevant factors influencing purchasing decisions in the digital environment.

Objectives of the study

1. To analyze the impact of digital marketing strategies on consumer behavior and decision-making.
2. To evaluate consumer preferences regarding personalized advertisements and online reviews.
3. To examine the major drawbacks of digital marketing and their influence on consumer trust.
4. To provide recommendations for businesses to enhance their digital marketing strategies for better consumer engagement.

RESEARCH METHODOLOGY

Research Design - This study adopted a descriptive research design to analyze the impact of digital marketing on consumer behavior. This study aims to collect data on consumer perceptions, preferences, and decision-making processes influenced by digital marketing strategies.

Data Collection

Primary data: A survey was conducted using a structured questionnaire to gather feedback from 100 participants, concentrating on their interaction with digital marketing and its impact on their buying decisions.

Secondary Data: Data was sourced from scholarly journals, industry analyses, online platforms, and previously conducted research on digital marketing and consumer behavior

Sample technique:

To choose survey participants, a convenience sample technique was employed. Students, working professionals, entrepreneurs, and others who frequently use digital marketing platforms were among the target demographics.

Data Analysis Methods:

The following methods were used to examine the gathered data.

Descriptive statistics: Consumer response and demographic data were interpreted using frequency and percentage analysis.

Comparative Analysis: To find trends and variances, data was compared across consumer groups according to variables including age, gender, and occupation.

The Theoretical Framework – This study is based on key marketing and consumer behavior theories that explain how digital marketing effects purchasing decisions

Consumer Decision-Making Model- Explains how consumers progress from problem detection to purchase behavior, driven by digital marketing at each stage.

Technology Acceptance Model- Highlights how perceived usefulness and simplicity of use effect consumer adoption of digital platforms.

The Elaboration Likelihood Model

Illustrates how consumers interpret marketing communications through both core (In-depth analysis) and peripheral (Influencer marketing, brand reputation) pathways.

The Stimulus response Model

Illustrates how digital marketing stimuli, such as advertisements and social media content, influence consumer behavior and lead to purchase.

Data Analysis and Interpretation

Table 1: Personal Information

Age group (in years)	No of respondents	Percent
Below 18	5	5
18 - 25	77	77
26 - 35	12	12
36 - 45	6	6
Total	100	100
Gender	No of respondents	Percent
Male	21	21
Female	79	79
Total	100	100
Occupation	No of respondents	Percent
Student	66	66
Working Professional	23	23
Business Owner	4	4
Other	7	7
Total	100	100

Age Group of Respondents:

The majority of respondents (77%) fall in the age group of 18-25 years, indicating that most participants are young adults, likely students or individuals early in their careers. Only a small portion of respondents are aged below 18 (5%) or 26-35 years (12%), and an even smaller group falls in the 36-45 years range (6%). This shows that the data collection focuses heavily on younger demographics, potentially limiting perspectives from older age groups.

Gender of Respondents:

The majority of the respondents are female (79%), while only 21% are male. This indicates a gender imbalance in the respondent pool, which could reflect the nature of the study population (e.g., predominantly female students or professionals in a specific sector).

Occupation of Respondents:

A significant majority (66%) of respondents are students, suggesting that the survey was likely conducted in an academic environment or targeted toward younger, non-working individuals. Working professionals (23%) form the second-largest group, implying some representation from employed individuals. A smaller group comprises business owners (4%) and other occupations (7%), suggesting minimal participation from entrepreneurial or non-traditional roles.

Table 2: Digital Marketing Usage

How often do you come across digital marketing advertisements (social media, ads, Google leads, emails)	No of respondents	Percent
Very frequently	47	47
Occasionally	36	36
Rarely	12	12
Never	5	5
Total	100	100
Which digital platform influences your purchase decisions the most?	No of respondents	Percent
Social Media	52	52
Search Engines	12	12
E- Commerce websites	32	32
Influencer recommendations	4	4
Total	100	100
What type of digital marketing content influences your purchase decisions the most?	No.of respondents	Percent
Product reviews &Rating	63	63
Social media influencers	16	16
Discount &Offer ads	14	14
Personalized advertisements	5	5
Video Content &Demonstrations	2	2
Total	100	100
How likely are you to Purchase a product based on online reviews?	No. of respondents	Percent
Very likely	34	34
Somewhat likely	26	26
Neutral	36	36
Unlikely	2	2
Very likely	2	2
Total	100	100

Interpretation of Digital Marketing Usage Data

Exposure to Ads: 47% of respondents see digital ads very frequently, while 36% see them occasionally, highlighting the effectiveness of digital platforms in reaching large audiences. Only 5% report never seeing such ads.

Influential Platforms: Social media (52%) and e-commerce websites (32%) are the most influential platforms for purchase decisions. Search engines (12%) and influencer recommendations (4%) have a smaller but notable impact.

Impactful Content: Product reviews and ratings (63%) are the most trusted content, followed by influencer recommendations (16%) and discounts/offers (14%). Personalized advertisements (5%) and video content (2%) have minimal influence.

Online Reviews: 60% of respondents (very likely/somewhat likely) rely on online reviews when making purchasing decisions. This underscores the importance of strong online reputation management.

Consumer Behaviour Trends: Young consumers, particularly those active on social media and e-commerce platforms, are highly influenced by authentic reviews and attractive offers. Video content and personalized ads are less engaging for this audience.

Table 3: Consumer Behavior & Decision Making

What factors influence your decisions when purchasing a product online?	No. of respondents	Percent
Price & Discount	20	20
Product Quality	53	53
Brand Reputation	11	11
Customer Reviews	14	14
Influencer/Ad recommendations	2	2
Total	100	100
Do you prefer personalized advertisement based on your previous searches and interest?	No of respondents	Percent
Yes	40	40
No	23	23
Maybe	37	37
Total	100	100
How often do you purchase product directly from social media advertisement?	No. of respondents	Percent
Very frequently	15	15
Sometimes	51	51
Rarely	25	25
Never	9	9
Total	100	100

What do you think is the biggest drawback of digital marketing?	No. of respondents	Percent
Privacy & Data Security	30	30
Misleading or Fake ads	35	35
Too many ads/Spam	26	26
High influence on impulse buying	9	9
Total	100	100
In your opinion, how has digital marketing changed the way you compared to traditional marketing	No. of respondents	Percent
More convenient to traditional marketing	52	52
No major difference	30	30
Prefer traditional marketing over digital marketing	18	18
Total	100	100

Interpretation of Consumer Behaviour & Decision-Making in Digital Marketing

Factors Influencing Online Purchases: Product quality (53%) is the most significant factor influencing consumer decisions, followed by price and discounts (20%) and customer reviews (14%). Brand reputation (11%) and influencer/ad recommendations (2%) have minimal influence.

Personalized Advertisements: 40% of respondents prefer personalized advertisements, while 37% are undecided, and 23% do not prefer them.

Purchases from Social Media Ads: 15% of respondents frequently purchase products through social media ads, and 51% make occasional purchases. 25% rarely purchase, and 9% never purchase products via social media ads.

Drawbacks of Digital Marketing: The major drawbacks identified are misleading or fake ads (35%), privacy and data security issues (30%), and too many ads or spam (26%). Impulse buying (9%) is also a noted concern.

Digital Marketing vs. Traditional Marketing: 52% of respondents find digital marketing more convenient than traditional marketing. 30% believes there is no major difference, while 18% prefer traditional marketing.

Influence of Reviews: Product reviews and ratings strongly influence purchase decisions, with a majority of consumers relying on them for decision-making.

Platform Effectiveness: Social media influences 52% of respondents' purchase decisions, followed by e-commerce platforms at 32%. Search engines (12%) and influencer recommendations (4%) have less impact.

Suggestions

Factors influencing purchases include product quality, competitive pricing, and leveraging customer reviews to build trust. Personalized ads should be used carefully, respecting privacy while addressing consumer indecisiveness. Social media purchases can be boosted by creating engaging and secure ads that encourage direct buying. However, digital marketing has drawbacks, such as transparency issues, data security concerns, and ad overload, which should be minimized to maintain consumer trust. A hybrid approach combining digital and traditional marketing can effectively balance digital convenience with traditional familiarity. Additionally, highlighting reviews and focusing on social media and e-commerce platforms can maximize impact and drive consumer engagement.

CONCLUSION

The study reveals that product quality, customer reviews, and personalized content are the primary factors influencing consumer behaviour in digital marketing. Social media and e-commerce platforms are the most effective channels for engaging consumers, while misleading ads, privacy concerns, and ad overload are the main challenges. To succeed, businesses must address these concerns and adopt a hybrid marketing approach that combines the benefits of both digital and traditional marketing methods.

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