SOCIAL EFFECTS AND BEHAVIORAL TRANSFORMATION OF CUSTOMERS

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Abstract

Customers, especially those in consumer markets have tremendous choice, with their needs and wants satisfied through products and services offered by many brands. The battle for the consumers mind is further amplified owing to social forces — friends, online communities, influencers, and visible signals — which significantly change what customers want and how they act. This paper attempts to explain the key impact of social influence works, uses research-based evidence to validate such hypotheses, and illustrates real-world change through three short case studies. It suggests practical steps for companies and directions for researchers.

Keywords: consumer behaviour, social influences, informational influence.

Annotatsiya

Ushbu maqolada iste'molchilarning xatti-harakatiga ijtimoiy omillarning qanday ta'sir ko'rsatishi tahlil qilinadi. Bozor ishtirokchilari uchun do'stlar, onlayn hamjamiyatlar, blogerlar va vizual signallar kabi tashqi ijtimoiy ta'sirlar mijoz qarorlariga sezilarli ta'sir ko'rsatadi. Tadqiqot asosli dalillar bilan ushbu ta'sirlarning mavjudligini isbotlaydi hamda uchta amaliy holat orqali ijtimoiy ta'sir natijasida yuzaga kelgan real o'zgarishlarni ko'rsatadi. Muallif kompaniyalar uchun foydali amaliy tavsiyalar beradi va tadqiqotchilar uchun yangi yo'nalishlarni taklif qiladi.

Kalit so'zlar: iste'molchi xatti-harakati, ijtimoiy ta'sir, axborot ta'siri.

Аннотация

В данной статье рассматривается влияние социальных факторов на поведение потребителей. Такие внешние источники, как друзья, онлайн-сообщества, инфлюенсеры и визуальные сигналы, существенно формируют желания и действия покупателей. На основе эмпирических исследований автор подтверждает актуальность гипотез и демонстрирует влияние социальных факторов на поведение клиентов через три кратких кейса. Статья предлагает практические рекомендации для компаний и обозначает направления для дальнейших научных исследований.

Ключевые слова: поведение потребителей, социальное влияние, информационное воздействие.

INTRODUCTION

Customers are social beings. They often make choices in social settings. The choices exerted in consumer buying behavior are based on the influence of the actions of members in their peer or aspirational groups. The actions of others, their approvals and displays influence individual buyer behavior, the use of products as well as repeat purchases. Social influences therefore either produce immediate changes in consumer behavior trends or impact slow, lasting shifts in habits and identity (Cialdini, 2001; Bandura, 1977).

How Social Influence Changes Customer Behavior

Informational influence

When faced with uncertainty about the best choice e.g. similar brand choices, no clear unique value propositions in products and services, consumers imitate and copy others. Most consumers overcome dissonance in purchase of products through witnessing positive reviews, popularity of purchase or endorsement by someone they trust. All these approaches reduce customer uncertainty and speeds adoption (Deutsch & Gerard, 1955; Salganik, Dodds, & Watts, 2006).

Informational influence shapes consumer behavior, driven by the customer's motivation to end up with a right" choice" of a product or service to meet his or her need. This influence is often seen when a consumer reads reviews on platforms such as, for example, Booking.Com to find the "right" hotel or Uber.Com for finding the right rid; being guided by expert endorsements, reviews, or even a trusted friend's advice to make a purchase. Informational influence shapes our behavior, as when we seek expertise of doctors, lawyers and accountants to help us professionally; trusting brands that provide credible and transparent information or in decisions like choosing a new restaurant based on crowds making the right choice and perhaps knowing the dining experience better than us. In a world rich with social media influence, leveraging social proof influences our choices as consumers greatly.

Normative influence

Most consumers like to adjust their behavior to fit group expectations in line with their social identity in order to gain approval or avoid disapproval. This is often used by brands to endorse the superiority of their products and services, often using customer voice or testimonials. However, an excessive use of this route for influencing purchase behavior could risk a backlash (Cialdini, 2001; Schultz et al., 2007).

Consumer behavior is shaped by normative influence through one's desire to fit in and gain social acceptance from a group by conforming to its norms and expectations. This can lead consumers to purchase popular products to signal social status or identity, follow trends, and avoid social disapproval, a behavior often seen in the imitation of peers, celebrities, or even simple online review trends.

How normative influence shapes consumer behavior

- Conformity and social acceptance: Individuals conform to group expectations to be liked and accepted. This pressure to fit in often leads consumers to purchase items popular within their social groups. Often times, it could lead to them acting against their own judgment, seen in categories linked to self-esteem such as smartphones.
- Signaling social identity: Consumers use their purchasing choices of brands and products as a way to express their image and to project a persona aligned to a group. Therefore, a brand choice often stems from "within" us, signaling to the world what we like and who we associate with.
- Following the crowd: Often, consumers display a herd mentality to acquire things ahead of time or need by needing to mimic the actions of other " pioneering" consumers. This can lead to irrational market behavior, such as everyone rushing to buy trendy products.

- Aspirational groups: Brands provide us an added dimension to our personality. When we buy certain brands, we are normatively influenced to belong to"aspirational reference groups," which are groups of people that a consumer admires but is not a part of e.g. famous artists, celebrities or athletes.
- Marketing and policy applications: Normative influence helps marketers and policymakers to drive consumers towards intended behaviors.
    - Marketing: Advertisements may be geared toward helping consumers achieve an idealized image, encouraging them to buy products like cosmetics to look their best.
    - Policy: Hotels often mention that guests reuse towels. This helps promote water savings and sustainability.
- Online influence: Online reviews and ratings form a significant basis of the power of normative influence to drive modern consumption and the ones to avoid.

Identity and self-expression

As customers, we often purchase brands that align with our values, matches our personalities or shape our identity. These products become an extension of ourselves in the worlds we habitat. These products help us express who we are. As they are almost like second skin, adoption becomes lasting because consistent and prolonged use of these products reinforces our self-image (Aaker, 1999; Escalas & Bettman, 2005).

Very often, as consumers, we tend to choose brands that are considered "appropriate" for our self-image. We express our identity through the everyday choices we make and sometimes newer ways in which we can express our personal identity. Brands therefor become important vehicles for self-expression and are " beacons" of our lifestyle.

When we are part of a larger social group, our consumer choices tend to converge to a certain pattern thus forming the basics of an individual social identity (Kim&Aimee 2003). For example, a mobile phone user may choose to change the ringtone in an ubiquitous self-expression act. If the user considers himself a hipster, the ringtone choice will be made accordingly. Each individual lifestyle reflects a person's values, life vision, aesthetic style and life goal (Vyncke, 2002)greatly impacting consumer behaviour.

Social learning and modeling

Customers learn from watching others. If a visible peer benefits from a product, observers are more likely to try it themselves; repeated social rewards help form habits (Bandura, 1977; Rogers, 2003).

Social learning and modeling shape consumer behavior by influencing what and how individuals buy, based on observing others' actions, opinions, and outcomes. This occurs through social interactions, such as those on social media, where individuals see peers purchase products and adopt similar behaviors, often leading to increased purchase intent. Models can range from direct observation to information from trusted family or friends, creating "informational herding" where consumers follow the crowd's choices.

How social learning and modeling influence consumer choices

- Observational learning: Individuals learn by watching what others do and the results of those actions. Seeing others purchase a product, like a new technology or even sustainable energy options, provides a social cue that encourages others to consider the same behavior.
- Informational cascades: When people see a series of actions taken by others, they may assume those people have more information and choose to follow their lead, even if their own beliefs differ. This can lead to herding behavior where many people end up making the same choice.
- Influence of reference groups: A person's behavior is shaped by the groups they are part of or aspire to be part of.
- Primary groups: Close-knit groups like family and friends have a significant and trusted influence.
- Aspirational groups: Consumers may adopt the behaviors of groups they want to join.
- Social commerce: Platforms that embed social interactions, like reviews and recommendations, directly influence purchase intentions by making other consumers' behaviors more visible.
- Reinforcement and feedback: The positive or negative feedback a consumer receives from their social network can reinforce or discourage certain behaviors, shaping future decisions.

Examples in practice

- Social media trends: The popularity of a product on platforms like Instagram or TikTok is amplified as users see influencers and friends using it, which can lead to a surge in purchases.
- Word-of-mouth: Positive or negative opinions shared by peers are powerful drivers of consumer choice, sometimes more so than direct advertising.
- Adoption of new technology: A consumer may be hesitant to adopt a new technology until they see many others, particularly friends or colleagues, successfully using it.

Network and diffusion effects

How people are connected matters. A few well-placed adopters or opinion leaders can spark wide adoption in tightly connected groups or fail entirely in fragmented networks (Rogers, 2003; Valente, 1996).

Network and diffusion effects shape consumer behavior by causing individuals to adopt new products and trends based on the actions and opinions of others in their social circles. Network effects, which are the benefits a user gets from a product or service increasing as more people use it, influence decisions by making products more valuable when more people have them. Diffusion effects refer to how these ideas and products spread through a market over time, often through a social process of information sharing and adoption.

How network and diffusion effects work together

- Social influence and opinion: Consumers are more likely to adopt a product if they see friends, family, or influencers using and recommending it, particularly online.

• Product value: A product's value is often tied to the number of other people using it; for example, a social media platform is more useful with more users, and a new software is more appealing if it integrates well with others.

• Information spread: As more people adopt a product, the information about it spreads through the network, influencing others to adopt it as well. This process can accelerate as it reaches a "critical mass".

• Network structure: The way a network is structured affects diffusion. For instance, "cliquish" networks (where people are highly connected within their own groups) can help a product gain initial momentum, while a more random network might be slower at first but can accelerate diffusion once a critical mass is reached.

• Behavioral dynamics: Consumers often use others' experiences to make their own decisions, especially when the quality or benefits of a product are unclear. This can lead to both positive (e.g., a viral trend) and negative (e.g., a product failing to gain traction) outcomes.

Short Case Studies

Case Study 1 — Energy-saving labels in neighborhoods

A utility company placed simple stickers and reports on household bills showing that most neighbors used less energy. Households reduced energy use modestly but persistently because the information made local norms visible and people wanted to match their peers (Allcott, 2011; Schultz et al., 2007).

Key lesson: Local, credible norm feedback can change routine behaviors without heavy incentives.

Case Study 2 — Micro-influencers and a niche fashion brand

A small fashion brand partnered with several micro-influencers who had close, engaged followings. Because the influencers seemed authentic and their audiences identified with them, the brand saw higher conversion and longer customer retention than with broad celebrity endorsements (De Veirman, Cauberghe, & Hudders, 2017; Freberg et al., 2011).

Key lesson: Relevance and perceived authenticity often beat sheer reach when building sustained customer relationships.

Case Study 3 — Social proof drives app adoption in emerging markets

An app used visible counters, friend-activity banners, and referral badges to show that friends were using it. The visible social proof shortened the trial period and increased word-of-mouth. Over time, users who adopted because of friends became advocates themselves, creating a cascade in certain networks (Salganik et al., 2006; Rogers, 2003).

Key lesson: Visible signals tied to real social connections can create fast growth and habitual use, but platform design affects fairness and diversity of outcomes.

Practical Recommendations for Managers

• Show real, local social proof and avoid fake indicators; authenticity builds trust (Cialdini, 2001; De Veirman et al., 2017).

• Use micro-influencers for niche or identity-driven products; prioritize fit over follower counts (Freberg et al., 2011).

- Design features that make positive behaviors visible and easy to repeat: badges, small rewards, and community spaces (Aaker, 1999).
- Test for long-term change, not just immediate conversions; run randomized trials and track retention (Aral, Muchnik, & Sundararajan, 2009).
- Respect privacy and avoid manipulative tactics; transparency about sponsored content protects trust and may be required by policy (Schultz et al., 2007).

CONCLUSION AND SUGGESTIONS

Social effects shape customer decisions through information, norms, identity, and networks. Firms that design authentic, transparent social signals and test for sustained change can encourage positive customer transformation. Future studies should focus on causal tests across diverse settings and longer follow-ups.

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