

The Digital Shift: Social Media Marketing, Consumer Behaviour, and Brand Loyalty in India

Mahesh D*, Dr. Kruti Vaibhav Dave

School of Economics and Commerce, CMR University, Bengaluru, Karnataka 560043, India

*Corresponding Author

DOI: <https://doi.org/10.51244/IJRSI.2026.1304000164>

Received: 18 April 2026; Accepted: 23 April 2026; Published: 11 May 2026

ABSTRACT

India operates as the second-largest global internet market because it has more than 900 million active internet users, which makes it crucial for studying digital marketing effects on customer behavior and brand loyalty. The digital advertising budget of India reached ₹49,000 crore during FY2025, which represented 44 percent of all advertising costs and made digital advertising the number one advertising channel instead of television for the first time in commercial history. This paper examines the multidimensional impact of digital marketing on consumer behaviour and brand loyalty, combining global theoretical frameworks with India-specific empirical evidence through a descriptive-analytical secondary research methodology. The research study investigates digital marketing effects on consumer behavior through academic research. This includes the Consumer Decision Journey and Stimulus-Organism-Response theory and Oliver's four-stage loyalty model and Aaker's brand equity framework, and industry data from Ipsos, IAMA, Nielsen, Statista, and Meltwater. The research examines how digital marketing influences consumer behavior during the stages of awareness, consideration, purchase, and post-purchase in the consumer journey. The study discovered five main findings which demonstrate that digital marketing has created a complete transformation in how Indian consumers make their purchasing decisions. The digital age requires brands to build loyalty through trust, authentic relationships, and emotional bonds instead of depending on precise audience targeting methods. The digital environment of India needs businesses to create methods which work specifically for Indian markets. Nano and micro-influencers create better customer loyalty than celebrities do. The privacy-loyalty paradox together with the Gen Z loyalty challenge represent the two most important conflicts. These will determine the path of digital marketing in India.

Keywords: Digital marketing, consumer behaviour, brand loyalty, social media marketing, influencer marketing, India, Gen Z, DPDPA, e-commerce, brand trust

INTRODUCTION AND LITERATURE REVIEW

Introduction

Digital marketing has established itself as the primary commercial communication platform, which brought the most significant change to business operations since their inception. The marketing sector experienced a complete transformation between 2000 and 2020 because it moved away from traditional broadcast television advertisements and physical billboards which provided basic information with minimal tracking capabilities toward modern digital marketing approaches which use precise targeting, interactive social media communication, and instant performance tracking. The entire process of transformation has reshaped corporate-consumer interactions, which now influence how customers select products and maintain their brand commitment. The worldwide digital marketing industry achieved a market value of \$456.7 billion during 2025, and analysts from IMARC Group predict it will expand to \$1,200.3 billion by 2034 through a 10.99 percent CAGR. Digital advertising in India surpassed television advertising during FY2024 to achieve a 44 percent share of the nation's complete advertising market. This market reached ₹49,000 crore in FY2025 according to Ipsos data from 2025.

Digital marketing in India has become a major force because of the rapid expansion which digital technology has enabled throughout the nation. India added 56 million new internet users in 2025, bringing the total base to 806 million at 55.3 percent penetration. The country achieves 98 percent social media engagement from its internet users who maintain active profiles across 7.67 different platforms each month. This produces a highly active social media landscape (MxMIndia, 2025). More than 78.8 percent of Indian internet users conduct brand and product research through social media platforms, yet 49.1 percent of users find new brands on these platforms. The main factor which drives 74 percent of Indian consumers to remain loyal to brands is their need to establish personal connections. This sets India apart from other markets where customers base their loyalty on price and convenience (Altera Institute, 2025).

Literature Review

Academic research about digital marketing, consumer behaviour, and brand loyalty has expanded into a large and fast-growing body of knowledge. A bibliometric analysis of research indexed between 2015 and 2024 identified over 12,000 peer-reviewed publications, with volumes accelerating sharply from 2019 onward as COVID-19 dramatically accelerated digital adoption (Frontiers, 2025). The classical Consumer Decision Journey model the five-stage model of problem recognition, information search, evaluation, purchase, and post-purchase behaviour by Engel, Blackwell, and Miniard (1986) provides the foundational framework. The Court et al. (2009) model from McKinsey operates as a circular system which connects post-purchase experiences to future customer decision-making processes. It demonstrates that customer acquisition costs decrease for loyal customers who resist competitor offers and produce beneficial word-of-mouth communication.

Mehrabian and Russell (1974) developed the Stimulus-Organism-Response framework which enables researchers to study the connection between digital marketing stimuli and consumer reaction patterns. A 2025 study found that social media marketing activities strongly and positively influence customer satisfaction, which in turn significantly drives brand loyalty and brand awareness (Ali et al., 2025). Social Identity Theory from Tajfel and Turner (1986) serves as the main framework. It explains how digital marketing builds brand loyalty through community development. Muniz and O'Guinn (2001) demonstrated that brand communities exist through three essential elements, which include awareness of category affiliation, common practices, and ethical obligations that digital platforms strengthen.

Digital marketing in India operates based on the country's unique demographic structure. The Chainalysis 2024 Global Crypto Adoption Index indicates that India leads the world in digital financial participation for two back-to-back years. The IMAI 2024 survey found that 66 percent of Indian consumers research products online before purchasing, while over 85 percent of Indian buyers check online reviews before purchase. The research by Maciejasz et al. (2024) demonstrated that younger users developed a substantial increase in their acceptance of digital financial services throughout the COVID-19 pandemic. Social media marketing effects on brand equity and brand loyalty become fully understood through trust, according to Ebrahim (2019). He also proves that digital marketing activities affect brand loyalty by building brand trust instead of creating direct attitudinal effects.

RESEARCH GAP, QUESTIONS, AND OBJECTIVES

Research Gap

Digital marketing and consumer behaviour research in India has expanded, but the field still contains multiple essential research gaps. The current body of research concentrates on separate elements of regulation, technology, and market data without creating a combined analytical system. The fast-changing environment between 2024 and 2026 brought about significant changes which academic sources have yet to explain in a clear and accessible way. Research has not yet developed an integrated framework which demonstrates how India's digital marketing growth across cities follows the pattern of 80% online sales during major festivals from Tier 2 through Tier 4 cities, and how social media usage across India creates challenges for government oversight.

Research Questions

1. How has India's digital marketing ecosystem, particularly the rise of social media and influencer marketing, impacted domestic consumer behaviour and brand loyalty?
2. What role can digital marketing channels play in advancing consumer engagement and brand equity across India's diverse linguistic and geographic markets?
3. How does India's digital marketing approach compare with global frameworks, and what is the most likely trajectory for the integration of traditional and digital brand building strategies?

Research Objectives

1. To examine the evolution, current state, and real-world impact of India's digital marketing landscape on consumer behaviour and market participation.
2. To evaluate the opportunities that digital marketing channels present for brand loyalty formation, consumer engagement, and economic innovation in India.
3. To assess India's digital marketing approach within a global comparative context and propose evidence-based recommendations for a balanced and effective digital marketing strategy framework.

RESEARCH METHODOLOGY

Research Design

The research follows a descriptive and analytical design, which uses qualitative methods for investigation. The study uses a descriptive design to show the current state of digital marketing in India, while the analytical part investigates the fundamental reasons, their effects, and potential strategic solutions. The study employs an interpretive method instead of statistical hypothesis testing because it uses various secondary sources to develop an evidence-based argument. This explains how digital marketing affects consumer markets in India.

Data Collection

All research in this study depends on secondary data, which consists of previously gathered and published information by other researchers and institutions. The research team selected secondary data because the subject matter contains extensive documentation from official institutional sources and expert analysis, which provides the best understanding of the fast-evolving digital marketing landscape, and the research requires demonstration of advanced knowledge synthesis through critical evaluation of existing information.

Research data was collected from five different sources, which included: (a) official government and regulatory publications from MeitY, ASCI, and relevant policy documents; (b) international institutional reports from the IMF, World Bank, and Atlantic Council; (c) industry and market research from Statista, IAMAI, DataReportal, Nielsen, Ipsos, and Dentsu; (d) peer-reviewed academic journals from Google Scholar, SSRN, ScienceDirect, and Emerald Insight; and (e) credible financial journalism from the Economic Times, LiveMint, Bloomberg, and Reuters for recent developments not yet captured in academic literature.

Mode of Collection

The research started with a global review of digital marketing literature before researchers focused their study on Indian digital marketing content. The search process involved combining keywords, which included "digital marketing India," "consumer behaviour, social media," "brand loyalty, influencer marketing," and "vernacular content India." The sources were filtered to prioritise publications from 2019 to early 2026. Each source was evaluated against four criteria: credibility, relevance, recency, and consistency through cross-referencing.

Analytical Approach

The study conducts a thematic analysis which also includes a comparative evaluation. Thematic analysis detected five main patterns which include the authenticity imperative, the privacy paradox, consumer loyalty potential, platform-specific dynamics, and global positioning. The research establishes a comparative framework which evaluates India's digital marketing environment against the United States, European Union, China, Singapore, and Southeast Asian markets. The research functions as a qualitative secondary data analysis which does not employ statistical methods including regression and hypothesis testing. It uses interpretive synthesis, policy comparison, and evidence triangulation as its primary analytical tools.

ANALYSIS AND INTERPRETATION

Analytical Technique

Thematic content analysis alongside comparative policy analysis was used to work through the data. This involved reading across regulatory documents, market reports, academic papers, and institutional publications, then identifying recurring patterns that spoke to the research questions. A quantitative approach would not have made much sense here. The material is too varied in format and purpose for statistical testing, and what was needed was a way to pull meaning out of sources ranging from government circulars to platform white papers. Thematic analysis gave that flexibility.

Market Analysis

India's digital marketing sector achieves a yearly growth rate of 23.49 percent which will drive the market to achieve ₹62,045 crore by the end of 2025. The digital advertising market in India stands as one of the three fastest-expanding markets across the globe, together with Indonesia and Brazil, according to Dentsu through Altera Institute (2025). Mobile advertising accounts for over 80 percent of digital advertising expenditure, reflecting India's mobile-first internet consumption pattern. India hosts the largest YouTube user base in the world because more than 476 million Indians watch content through regional language channels. WhatsApp users number over 500 million, approximately 80 percent of India's internet user base, making WhatsApp a commerce platform of extraordinary reach and intimacy. Social media users spend more than fifty-two percent of their time on platforms conducting value research and transferring value instead of using these platforms for speculation or basic entertainment purposes.

Regulatory Impact

Digital marketing in India now needs strong governance systems to operate successfully. The Advertising Standards Council of India enforces guidelines which require commercial entities to use #ad and #sponsored hashtags for disclosing their business connections to combat authenticity threats in influencer marketing. The Digital Personal Data Protection Act of 2023 in India requires organisations to obtain specific consent before they can process personal information. They must limit data collection and use it only for designated purposes with severe penalties for data security failures. The 30 percent of Indian digital marketing activity that occurs through undisclosed partnerships represents a growing compliance exposure for brands operating in India. The European Union completed its full digital market framework deployment in December 2024, yet India has not established its DPDPA implementation rules by early 2026.

Challenges

The analysis identifies five critical challenges. The absence of comprehensive digital marketing regulation, particularly for influencer marketing and data privacy, creates compliance uncertainty for brands and platforms. Multiple major Indian digital platforms have experienced significant data breaches, which prove that cybersecurity vulnerabilities continue to be a major security concern. People who lack financial experience become targets when fraud occurs. Advertisements use deceptive practices and celebrity endorsements in small urban communities. Most digital marketing approaches fail to solve the structural problem, which targets India's diverse language-speaking audience because 73 percent of internet users prefer to access content in their native

languages. Users who access the internet for the first time in Tier 2, Tier 3, and rural areas continue to experience significant digital literacy gaps.

Opportunities

Four key opportunity areas emerge. First, vernacular content marketing can dramatically expand brand reach. India's regional language user base of 540 million constitutes a ₹4.5 lakh crore market opportunity (India Digital Advertising, 2025). The influencer marketing landscape of India exists as a major factor which enables brands to connect with their target audiences through social media platforms. The influencer marketing industry in India will achieve a valuation of ₹2,200 crore during 2024 before reaching ₹3,375 crore by 2026, which enables brands to connect with consumers who maintain strong trust-based relationships. The combination of WhatsApp commerce with Meesho social commerce platforms enables brands to develop new customer loyalty systems, which use peer recommendations to drive purchases from audiences who remain unreachable through traditional advertising methods. The future of digital marketing in India will be shaped by AI-based personalisation systems, which Adobe research shows can increase conversion rates by 80 percent when combined with first-party data that has been obtained through consent procedures.

The Future: Coexistence

The evidence indicates that the future will feature a combination of traditional brand development with digital marketing methods, national language advertising with regional language advertising, and celebrity endorsements with nano-influencer marketing approaches. The 900 million Indians who access digital content maintain their traditional brand affiliations while using digital tools to develop innovative ways for brand loyalty, community building, and brand interaction. Nano-influencers who maintain follower counts below 10,000 achieved the best results on Indian platforms through their average reach and engagement levels and video view rates. These demonstrate that audience connection produces stronger brand loyalty than having a large audience (Statista, 2025). The brands which achieve success in this transition will establish digital marketing as a tool for building relationships instead of using it for advertising and distribution purposes.

FINDINGS AND CONCLUSION

Key Findings

The study produces five essential discoveries from its research findings. The digital marketing environment in India has experienced a major transformation because digital advertising now commands ₹49,000 crore, which surpasses television advertising for the first time in FY2025. Social media, search, and content marketing have achieved organic grassroots acceptance throughout all geographic levels, leading to this development. The modern digital era requires brands to establish customer loyalty through trust, authentic relationships, and emotional bonds rather than through precise targeting methods. The academic literature demonstrates that social media marketing operations create brand trust, which leads to customer engagement and eventually results in loyalty. The unique digital consumer behaviour of India which includes the Jio effect, vernacular content consumption, collectivist cultural values, and expanding Tier 2/3 urban areas needs marketing approaches that exceed the capabilities of current global digital marketing frameworks.

Fourth, the influencer marketing ecosystem has inverted the scale-effectiveness relationship: nano and micro-influencers with 1,000 to 100,000 followers generate higher engagement rates, stronger purchase influence, and more durable brand loyalty effects per follower than macro-influencers and celebrities, reflecting the parasocial relationship dynamics that create genuine consumer trust in smaller, more intimate communities. Fifth, the privacy-loyalty paradox and the Gen Z loyalty challenge are the two most consequential tensions shaping India's digital marketing future, requiring brands to shift toward first-party data strategies and values-based engagement approaches that India's 72 percent under-35 digital consumer population demands.

CONCLUSION

The evidence demonstrates that India's commercial development will not follow a straightforward path between conventional branding methods and modern digital promotional strategies. The real question is strategic. India already has 806 million internet users, the world's largest YouTube audience, and digital infrastructure — Aadhaar, UPI, and WhatsApp Pay that gives it a head start most countries do not have. The bottleneck is authenticity and strategy. There is still no comprehensive digital marketing regulatory framework; influencer disclosure practices are inconsistently enforced; and first-party data infrastructure is inadequately developed among most Indian brands. These issues have solutions, but their continued existence will create an expanding difference between the present state of India's digital marketing ecosystem and its potential maximum development.

RECOMMENDATIONS, LIMITATIONS, AND SCOPE

Recommendations

Brands should urgently invest in first-party data infrastructure before India's post-DPDPA environment makes third-party data inaccessible, building consented data relationships through loyalty programmes that offer tangible benefits in exchange for data sharing. Brands should restructure influencer marketing investment from concentration in celebrity partnerships to a distributed network of regional language nano and micro-influencers operating across category-specific, linguistically rooted communities where genuine consumer trust is built. A beauty brand investing ₹50 lakh in a single celebrity endorsement will achieve national reach and low engagement; the same budget distributed across 500 regional language micro-influencers in 15 states will achieve higher aggregate engagement and more durable loyalty formation. The ASCI should strengthen influencer disclosure requirements, particularly for AI-generated and virtual influencer content that existing guidelines do not adequately cover. MeitY should prioritise finalisation of DPDPA implementation rules with specific guidance on digital marketing use cases, including consent standards for personalised advertising and data minimisation requirements for behavioural targeting.

Limitations of the Study

Multiple restrictions exist in this research investigation. The study depends exclusively on existing data which fails to capture consumer experiences through direct survey or interview methods. The fast-changing digital marketing sector has introduced new developments which appeared after the researchers finished their data collection. The study depends on English-language sources which probably miss out on views from local media, community-based conversations, and digital marketing implementation in Tier 2, Tier 3, and rural Indian areas.

Scope of the Study

The research investigates Indian market development which spans from 2015 through the beginning of 2026. The research includes worldwide comparison data, yet it maintains its focus on studying Indian market trends. The research studies show how digital marketing adoption patterns develop and how consumer behaviour changes and brand loyalty develops through specific mechanisms. It also shows how YouTube, Instagram, WhatsApp, and Google Search platforms operate and how influencer marketing ecosystems have evolved and how different countries regulate these activities. Future research requires primary data collection from consumers who live in Tier 2–4 cities, experimental research to test content performance between vernacular and English languages, and studies which track influencer marketing effect on customer loyalty over time.

ETHICAL CONSIDERATIONS

This study involved the synthesis of previously published secondary data and did not involve any direct interaction with human subjects or animals. No ethical approval was therefore required. All sources consulted are cited and publicly available.

CONFLICT OF INTEREST

The authors declare no conflicts of interest related to this research.

DATA AVAILABILITY STATEMENT

This study is based entirely on publicly available secondary data. All reports, peer-reviewed articles, and institutional publications referenced in this paper are accessible through the sources and URLs listed in the references section.

REFERENCES

1. Aaker, D. A. (1991). *Managing brand equity: Capitalizing on the value of a brand name*. Free Press.
2. Ahmed, R., Islam, T., & Ghaffar, A. (2024). Social media influencers and brand loyalty: The mediating role of follower engagement and social attractiveness. *Journal of Retailing and Consumer Services*, 78, 103728. <https://doi.org/10.1016/j.jretconser.2024.103728>
3. Ali, B. J., Saleh, P. F., Akoi, S., Abdulrahman, A. A., Muhamed, A. S., Noori, H. N., & Anwar, G. (2025). Social media marketing activities and their impact on customer satisfaction. *International Journal of Engineering, Business and Management*, 9(1), 1–16. <https://doi.org/10.22161/ijebm.9.1.1>
4. Altera Institute. (2025). *Digital marketing industry in India: Growth statistics and projections 2025*. Altera Institute Research. <https://alterainstitute.com>
5. Chaffey, D., & Ellis-Chadwick, F. (2019). *Digital marketing: Strategy, implementation and practice* (7th ed.). Pearson Education.
6. Court, D., Elzinga, D., Mulder, S., & Vetvik, O. J. (2009). The consumer decision journey. *McKinsey Quarterly*, 3, 96–107.
7. DataReportal. (2024). *Digital 2024: India — Global digital insights*. DataReportal. <https://datareportal.com/reports/digital-2024-india>
8. Dwivedi, Y. K., Ismagilova, E., Hughes, D. L., Carlson, J., Filieri, R., & Jacobson, J. (2021). Setting the future of digital and social media marketing research. *International Journal of Information Management*, 59, 102168. <https://doi.org/10.1016/j.ijinfomgt.2020.102168>
9. Ebrahim, R. S. (2019). The role of trust in understanding the impact of social media marketing on brand equity and brand loyalty. *Journal of Relationship Marketing*, 19(4), 287–308. <https://doi.org/10.1080/15332667.2019.1705742>
10. Emerald Publishing. (2025). Social media marketing activities, brand equity, and brand loyalty: A structural equation modelling approach. *Journal of Product & Brand Management*. <https://doi.org/10.1108/JPBM-09-2024-5121>
11. Engel, J. F., Blackwell, R. D., & Miniard, P. W. (1986). *Consumer behavior* (5th ed.). Dryden Press.
12. *Frontiers in Psychology*. (2025). Digital content marketing and customer loyalty: The role of emotional attachment and emotional commitment. *Frontiers in Psychology*, 16, 1392814. <https://doi.org/10.3389/fpsyg.2025.1392814>
13. Hafez, M. (2021). The impact of social media marketing activities on brand equity in the banking sector in Bangladesh. *International Journal of Bank Marketing*, 39(7), 1353–1376. <https://doi.org/10.1108/IJBM-08-2020-0450>
14. Hollebeek, L. D., Glynn, M. S., & Brodie, R. J. (2014). Consumer brand engagement in social media: Conceptualization, scale development and validation. *Journal of Interactive Marketing*, 28(2), 149–165. <https://doi.org/10.1016/j.intmar.2013.12.002>
15. IAMAI. (2024). *India internet report 2024: Users, behaviour, and digital commerce*. Internet and Mobile Association of India. <https://www.iamai.in>
16. IMARC Group. (2025). *Global digital marketing market size and forecast 2025–2034*. IMARC Group Research. <https://www.imarcgroup.com>
17. Ipsos. (2025). *India advertising market FY2025: Digital overtakes television*. Ipsos India. <https://www.ipsos.com/en-in>

18. Kaur, P., Sharma, S., & Singh, J. (2022). Impact of social media marketing on Indian consumer behaviour. *Journal of Indian Business Research*, 14(3), 287–306. <https://doi.org/10.1108/JIBR-05-2021-0162>
19. Maciejasz, M., Kowal, A., & Brzozowska, A. (2024). Digital financial tools adoption during COVID-19. *Electronic Commerce Research and Applications*, 63, 101356. <https://doi.org/10.1016/j.elerap.2024.101356>
20. Mehrabian, A., & Russell, J. A. (1974). *An approach to environmental psychology*. MIT Press.
21. Meltwater. (2025). *Digital 2025 India report: Social media usage, platform penetration, and brand discovery statistics*. Meltwater. <https://www.meltwater.com/en/blog/digital-india-report>
22. Ministry of Electronics and Information Technology. (2023). *The Digital Personal Data Protection Act, 2023*. Government of India. <https://www.meity.gov.in/data-protection-framework>
23. Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing*, 58(3), 20–38. <https://doi.org/10.1177/002224299405800302>
24. Muniz, A. M., & O’Guinn, T. C. (2001). Brand community. *Journal of Consumer Research*, 27(4), 412–432. <https://doi.org/10.1086/319618>
25. MxMIndia. (2025). *India social media marketing report 2025: Platform penetration and consumer engagement*. MxM India. <https://www.mxmindia.com>
26. Nielsen. (2025). *Global trust in advertising report 2025: Emotional appeal and digital campaign effectiveness*. Nielsen Holdings. <https://www.nielsen.com>
27. Oliver, R. L. (1999). Whence consumer loyalty? *Journal of Marketing*, 63(4_suppl1), 33–44. <https://doi.org/10.1177/00222429990634s105>
28. Statista. (2025). *Influencer marketing in India: Market size and consumer purchase behaviour*. Statista Market Insights. <https://www.statista.com/topics/9482/influencer-marketing-india/>
29. Tajfel, H., & Turner, J. C. (1986). The social identity theory of intergroup behavior. In S. Worchel & W. G. Austin (Eds.), *Psychology of intergroup relations* (pp. 7–24). Nelson-Hall.
30. Vo, T. T. N., Nguyen, P. T., & Tran, N. T. H. (2025). Source credibility, parasocial relationship, customer engagement, and brand loyalty: How virtual influencers drive consumer responses. *Journal of Retailing and Consumer Services*, 83, 104093. <https://doi.org/10.1016/j.jretconser.2024.104093>