

An Empirical Investigation of the Influence of Social Media Marketing on Fraudulent Business Practices Targeting Young Consumers in Chennai City

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Abstract: Social media has emerged as one of the most influential marketing platforms, particularly among young consumers who actively engage with digital content. However, this growing popularity has also created opportunities for fraudulent business practices that exploit the trust, impulsiveness, and digital behaviour of young users. This study, An Empirical Investigation of the Influence of Social Media Marketing on Fraudulent Business Practices Targeting Young Consumers in Chennai City, examines how various elements of social media marketing—including sponsored advertisements, influencer promotions, online reviews, and platform algorithms—contribute to the rise of deceptive business activities. Using a structured questionnaire and data collected from 228 respondents, the study analyses differences in exposure and awareness based on demographic factors such as education level. Results indicate significant variations in awareness of social media fraud and exposure to misleading content across groups. The findings highlight the need for stronger consumer education, platform-level verification, and regulatory measures to protect young consumers from digital fraud.

Keywords: Social Media Marketing, Fraudulent Business Practices, Young Consumers, Online Fraud, Influencer Advertising, Digital Deception, Chennai City.

I.INTRODUCTION:

Social media has transformed the modern marketing landscape by providing businesses with powerful tools to reach consumers quickly, creatively, and cost-effectively. Platforms such as YouTube, Instagram, Facebook, and WhatsApp have become integral to the daily lives of young consumers, influencing their preferences, purchase intentions, and consumption behaviour. While social media marketing provides convenience and engagement, it also presents new vulnerabilities. The interactive and persuasive nature of digital content often exposes young users to deceptive promotions, fake product offers, fraudulent sellers, and misleading influencer endorsements.

With increasing online engagement among the younger population in Chennai City, fraudulent business practices have become more sophisticated. Fake online stores, unrealistic offers, manipulated reviews, and fabricated brand identities are commonly used tactics to mislead consumers. Young individuals, who are often digitally active but not fully aware of online risks, become easy targets for such fraudulent activities.

This study aims to empirically investigate the influence of social media marketing on the rise of fraudulent business practices targeting young consumers in Chennai City. By analysing exposure to advertisements, awareness of online fraud, and demographic differences, the research provides valuable insights into how fraudulent practices emerge and

how young consumers respond to them. The study also underscores the importance of digital literacy, regulatory interventions, and platform accountability to ensure safe online environments. Through this investigation, the research contributes to understanding the dynamic relationship between social media marketing and the increasing threat of fraudulent business activities in the digital era.

II.REVIEW OF LITERATURE

Sahut, J. M. (2024) Influencer endorsements and social proof (likes, follower counts, user comments) are powerful drivers of youth consumption. Several recent empirical studies show influencers strongly affect the purchase intentions of Gen Z and late millennials. Marketing research therefore identifies influencer ecosystems as high-impact channels that can be co-opted for fraudulent business practices. **Lim, W. M. (2025).** Fake reviews and manipulated ratings distort consumers' ability to evaluate sellers online. Literature from marketing and consumer behaviour demonstrates that exposure to fabricated reviews lowers consumers' critical scrutiny and increases purchase likelihood — a problem that fraudsters exploit to simulate legitimacy. Recent articles discuss how review manipulation interacts with algorithmic rankings to produce misleading social proof. **Chen, T. (2022).** Young consumers are high-exposure, high-engagement users of social media, but their digital and financial literacy varies

AND ENGINEERING TRENDS

widely. Research indicates that younger cohorts often rely on emotional cues (peer endorsement, influencer persona) and speed of gratification, which can make them more susceptible to impulsive purchases and cleverly designed scams.

III.OBJECTIVE OF THE STUDY

- To examine the extent to which social media marketing strategies targeted young consumers' engagement and purchasing behaviour in Chennai City.
- To analyse the influence of social media marketing exposure on young consumers related to fraudulent business practices.

IV.RESEARCH METHODOLOGY

This study adopts a descriptive and analytical research design to understand the influence of social media marketing on fraudulent business practices targeting young consumers in Chennai City. A structured questionnaire was administered to 228 young respondents selected using convenience sampling from colleges, IT hubs, and urban neighbourhoods across Chennai. The instrument measured social media usage patterns, perceived marketing influence, awareness of fraudulent practices, and past experiences with deceptive promotions. Primary data were collected through online and offline survey methods, while secondary data were sourced from journals, government reports, and digital fraud studies. Statistical tools such as frequency distribution and One-Way ANOVA were used to analyse differences among demographic groups, especially educational qualification categories. The results provide empirical insights into the link between marketing exposure and susceptibility to fraud.

Statement of the Problem

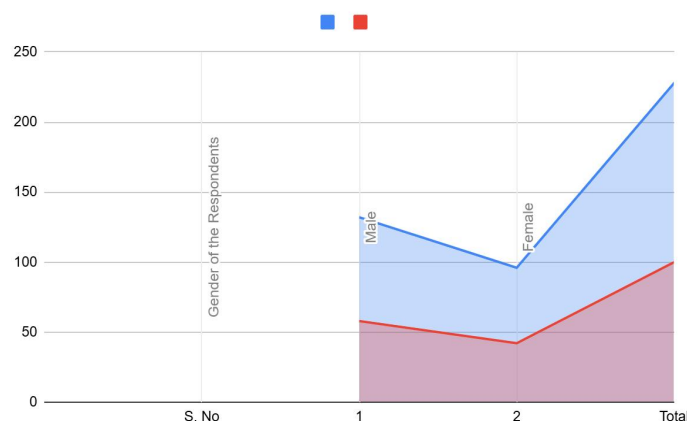
With rapid digitalisation and increased social media usage, young consumers in Chennai are highly exposed to online marketing content. While social media platforms offer legitimate promotional opportunities, they also provide a fertile ground for fraudulent businesses that use deceptive advertisements, fake influencers, and manipulated offers to mislead users. These tactics disproportionately affect young consumers who are more active, impressionable, and driven by digital trends. Despite rising incidents of social media-enabled fraud, limited empirical research exists on how marketing exposure contributes to such deceptive practices in the Chennai context. This gap necessitates a systematic investigation into the relationship between social media marketing and vulnerability to fraudulent business activities among young consumers.

Analysis and Interpretations

The analysis and interpretation section examines the responses collected from young consumers in Chennai to understand how social media marketing influences their exposure to fraudulent business practices. Using statistical tools such as frequency distribution and ANOVA, the study interprets behavioural patterns, awareness levels, and demographic differences that shape vulnerability to online fraud.

Table 1 Frequency Distribution of Gender

S. No	Gender of the Respondents	Frequency	Per cent
1	Male	132	57.9
2	Female	96	42.1
Total		228	100.0



The data in Table 1 shows the gender distribution of the 228 respondents. Among them, 132 respondents (57.9%) are male, while 96 respondents (42.1%) are female. This indicates that male participants form the majority in this study.

The higher male representation suggests that young male consumers in Chennai may be more active on social media platforms or more responsive to surveys related to social media marketing and fraudulent online business practices.

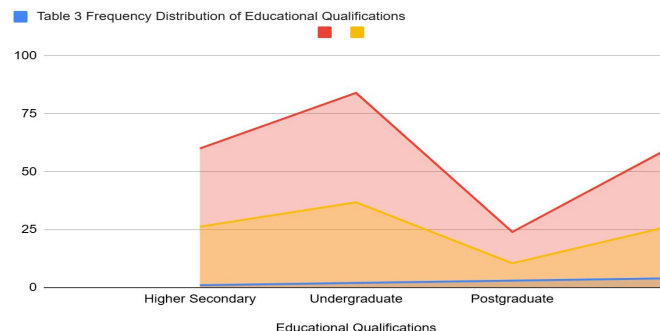
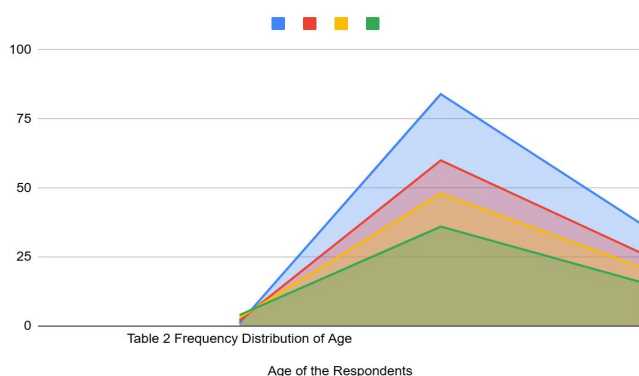
This demographic distribution helps in understanding gender-wise exposure, perception, and vulnerability toward fraudulent activities facilitated through social media marketing.

Table 2 Frequency Distribution of Age

AND ENGINEERING TRENDS

S. No	Age of the Respondents	Frequency	Per cent
1	Below 18	84	36.8
2	18 to 25	60	26.3
3	26 to 30	48	21.1
4	Above 30 Years	36	15.8
Total		228	100.0

4	Professionals	60	26.3
Total		228	100.0



The data in Table 3 indicates that the largest proportion of respondents (36.8%) are undergraduates, making them the dominant educational group in the study. This is followed by respondents with Higher Secondary qualifications (26.3%) and Professional qualifications (26.3%), both contributing equally. A smaller portion, 10.5%, comprises postgraduate respondents.

This educational distribution shows that the sample primarily consists of young, academically active individuals who are frequent users of social media platforms. Their high engagement with digital content makes them more exposed to social media marketing trends and potentially vulnerable to fraudulent online business practices. The presence of respondents from varied educational backgrounds also enhances the reliability and diversity of insights for the study.

Table 4 Frequency Distribution of Social Media Platforms used Frequently

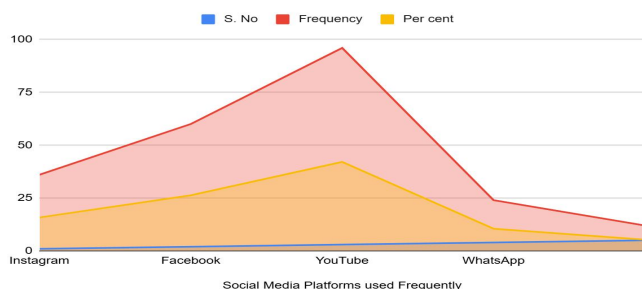
The age distribution in Table 2 reveals that the majority of respondents (36.8%) are below 18 years, followed by 26.3% of respondents aged 18–25 years. Another 21.1% belong to the 26–30 age group, while 15.8% are above 30 years.

This indicates that the study predominantly represents younger consumers, particularly teenagers and early adults who are highly active on social media platforms. Their involvement is significant, as younger users are more exposed to digital content, more responsive to social media marketing, and often more vulnerable to fraudulent online business practices. The age distribution aligns well with the study's focus on young consumers in Chennai City.

Table 3 Frequency Distribution of Educational Qualifications

S. No	Educational Qualifications	Frequency	Per cent
1	Higher Secondary	60	26.3
2	Undergraduate	84	36.8
3	Postgraduate	24	10.5

S. No	Social Media Platforms used Frequently	Frequency	Per cent
1	Instagram	36	15.8
2	Facebook	60	26.3
3	YouTube	96	42.1
4	WhatsApp	24	10.5
5	Snapchat	12	5.3
Total		228	100.0



The data in Table 4 shows that YouTube is the most frequently used social media platform, with 42.1% of the respondents indicating it as their preferred platform. This is followed by Facebook (26.3%) and Instagram (15.8%), reflecting substantial usage among young consumers. Platforms such as WhatsApp (10.5%) and Snapchat (5.3%) have comparatively lower usage.

The dominance of YouTube highlights its strong influence in shaping online behaviour and exposure to digital marketing content among young users. Facebook and Instagram also play significant roles as major advertising spaces where fraudulent businesses may target young consumers. The varied platform usage helps identify where young individuals are most vulnerable to deceptive marketing practices and misleading promotions in Chennai City.

Null Hypothesis: There is no significant difference among Age Group with respect to Social Media Marketing Exposure

Table 5 ANOVA for significant difference among Education Qualifications with respect to Social Media Marketing Exposure

Social Media Marketing Exposure	Mean	F	Sig.
I frequently see sponsored advertisements on social media	49.223 (1.252)	39.302	<0.001**

Social media ads influence my interest in products/services.	31.832 (1.122)	28.362	<0.001**
I often visit pages or websites after seeing social media promotions.	63.832 (0.975)	65.468	<0.001**
Influencers play a major role in my purchase decisions	23.804 (1.495)	15.924	<0.001**
I have purchased products/services due to social media advertising.	22.566 (1.438)	15.691	<0.001**

The ANOVA results in Table 5 indicate that there is a statistically significant difference among respondents with different educational qualifications in their level of exposure to social media marketing. For all five variables, the p-value is less than 0.001, confirming significance at the 1% level. The highest F-value (65.468) is observed for the statement “I often visit pages or websites after seeing social media promotions,” indicating that the tendency to explore promoted content varies markedly across educational groups. Similarly, exposure to sponsored advertisements, influence of social media ads, and impact of influencer-driven promotions also differ significantly by educational qualification.

These results imply that educational background influences how young consumers perceive and react to social media marketing, which may further affect their vulnerability to fraudulent business practices. Individuals with different educational levels show varying degrees of engagement, trust, and responsiveness to online advertisements, making education an important factor in understanding exposure to deceptive digital marketing strategies in Chennai City.

Null Hypothesis: There is no significant difference among Age Group with respect to Awareness of Fraudulent Business Practices

Table 6 ANOVA for significant difference among Education Qualifications

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with respect to Awareness of Fraudulent Business Practices

Awareness of Fraudulent Business Practices	Mean	F	Sig.
I often come across fake online offers or discounts	43.256 (1.104)	39.18 2	<0.00 1**
I am aware that some social media business pages are fraudulent	10.832 (1.524)	7.107	<0.00 1**
I know someone who has been affected by social media fraud.	16.240 (2.038)	7.968	<0.00 1**
I can identify suspicious or unrealistic promotional claims	5.644 (1.668)	3.384	0.019 *
Social media marketing increases the exposure to fraudulent businesses	43.569 (0.996)	43.73 8	<0.00 1**

The ANOVA results in Table 6 indicate that there is a statistically significant difference among respondents of different educational qualifications with respect to their awareness of fraudulent business practices on social media. For four out of five statements, the significance level is $p < 0.001$, showing strong evidence of variation across educational groups. The highest F-value (43.738) corresponds to the statement “Social media marketing increases the exposure to fraudulent businesses,” suggesting that respondents’ understanding of risk associated with social media marketing differs notably by educational background. Similarly, significant differences are observed in awareness of fake offers, knowledge of fraudulent pages, and knowing someone affected by social media fraud.

The statement “I can identify suspicious or unrealistic promotional claims” has a significance value of 0.019, indicating a weaker but still meaningful difference at the 5% level.

Overall, these results imply that education plays a key role in shaping awareness levels regarding fraudulent online business activities. Respondents with varying educational qualifications demonstrate different degrees of

understanding, recognition, and familiarity with fraudulent practices, which further influences their susceptibility or ability to protect themselves from deceptive social media marketing in Chennai City.

Findings

1. The majority of respondents are active users of YouTube, Facebook, and Instagram, making them highly exposed to continuous marketing content.
2. Social media advertisements, influencer promotions, and sponsored posts significantly influence young consumers’ interest in products and their online purchase decisions.
3. ANOVA results show a significant difference among educational qualifications regarding exposure to social media marketing and awareness of fraudulent practices.
4. Many respondents frequently encounter fake offers, deceptive discounts, and fraudulent business pages on social media.
5. Awareness of fraudulent practices increases with higher education levels, yet many young users remain vulnerable due to lack of digital literacy and impulsive buying tendencies.

Practical Implications

The findings of the study highlight the urgent need for enhanced digital literacy among young consumers to help them identify misleading advertisements, fake offers, and deceptive business pages on social media. Educational institutions, parents, and community organisations can play an active role in guiding youngsters toward safer online behaviour. Social media platforms must strengthen their authentication mechanisms, improve ad-screening processes, and ensure that influencer promotions follow transparent and ethical guidelines. At the policy level, government agencies should increase cyber-fraud awareness campaigns and implement stricter regulations for online businesses to operate legitimately. Legitimate brands also need to adopt responsible marketing practices to rebuild consumer trust and reduce the negative impact created by fraudulent online sellers. These combined efforts can significantly minimise young consumers’ vulnerability to fraudulent social media marketing practices.

Conclusion

The study concludes that social media marketing significantly influences young consumers in Chennai and simultaneously exposes them to a growing number of

fraudulent business practices. Increased engagement with digital advertisements, influencer-driven promotions, and targeted content heightens the risk of encountering deceptive offers. The analysis shows clear variations in awareness and vulnerability across educational levels, indicating that digital literacy plays a crucial role in safeguarding users. As fraudulent business activities continue to evolve with technology, proactive measures through education, platform-level regulation, and responsible marketing practices are essential. Strengthening awareness and ensuring transparency can help protect young consumers and create a safer digital marketplace

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