



# A Review of the Impact of Psychosocial Factors on Consumer Decision-Making

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**Abstract.** In recent years, the rapid development of behavioral economics and digital technology has profoundly reshaped the consumer decision-making process, highlighting the important influence of social psychological factors such as conformity and social comparison. This paper integrates theoretical frameworks and empirical findings across different consumption contexts, and systematically reviews the latest research progress on the influence of these two factors on consumer decision-making. In terms of conformity, scholars have conducted theoretical and empirical research in emerging markets and typical contexts such as healthy eating and online consumption. Studies found that although health awareness remains the core driving force, conformity has a significant amplifying effect on health-related consumption, particularly among groups with lower educational levels. Peer effects, gender differences, and situational factors such as live-streaming e-commerce further moderate the influence of conformity behavior, revealing its characteristics in digital environments. Regarding social comparison, scholars have established a rich theoretical framework and applied it to empirical studies in areas like productive and sustainable consumption. Social comparison significantly influences consumer decision-making across contexts, moderated by individual factors such as gender. Existing research limitations include overreliance on homogeneous online samples and insufficient exploration of real-world factor interactions. Future research should expand sample diversity, develop unified frameworks to analyze factor interactions, and examine emerging contexts such as virtual consumption in the metaverse. This review provides an important reference for understanding how social psychological factors shape consumer decisions.

**Keywords:** Psychosocial Factors, Consumer Decision-Making, Conformity, Social Comparison

## 1 Introduction

Since the late twentieth century, with the rapid development of behavioral economics, people have gradually moved beyond the assumption of the ‘rational economic man’ and increasingly recognized the important influence of psychological factors on consumer decision-making. This cognitive shift is reflected not only in academic research but also in profoundly influencing marketing practices and business decision-making.

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The influencing factors of consumer psychology exhibit multi-level and multi-dimensional characteristics, including not only individual psychological factors (such as cognition, emotion, and motivation) but also social psychological factors (such as conformity, social comparison, and social identity). This complex interaction of psychological mechanisms jointly shapes the decision-making processes and behavioral patterns of modern consumers.

Previous studies have mostly explored the mechanisms through various social psychological factors on consumer decision-making at the theoretical level, laying an important foundation for researchers to understand consumer behavior. Previous studies have mostly explored the mechanisms of influence of various social psychological factors on consumer decision-making at the theoretical level, laying an important foundation for researchers to understand consumer behavior. In recent years, with the continuous improvement of social informatization, the social attributes of consumption have gradually become prominent, and consumption phenomena such as 'trendy brands' and 'hit products' have emerged one after another. The rise of social media platforms has made the consumer purchasing decision-making process more transparent, while also amplifying the influence of social psychological factors. Against this background, the large-scale social consumption phenomena driven by social psychological factors have attracted widespread interest from researchers.

It is noteworthy that informatization platforms have not only changed consumption behavior itself but also provided new opportunities for related research. On the one hand, these platforms continuously enhance the transparency of consumer decision-making, enabling researchers to observe and analyze the decision-making process more clearly; on the other hand, the digital environment has greatly expanded the available data samples for research, reduced the cost and difficulty of data collection, and facilitated the conduct of studies. Different from previous studies, due to the greatly expanded selectivity of samples, recent research has often been able to conduct more specific and in-depth empirical analyses. At the same time, with the continuous emergence of new consumer markets (such as healthy food, live-streaming e-commerce, and sustainable consumption), the research subjects of scholars have also been continuously enriched and expanded, providing new practical contexts for verifying and improving existing theories.

Against this research background, this paper selects conformity and social comparison, the two most representative social psychological factors, to systematically review recent research findings. By reviewing the relevant studies, the author of this paper hopes to gain a more comprehensive understanding of how social psychological factors shape the decision-making processes of contemporary consumers and to provide valuable references for future research directions.

## 2 Conception

### 2.1 Conformity

Conformity refers to the phenomenon in which an individual's opinions or behaviors align with those of the majority due to direct or implicit pressure or guidance from the group [1].

### 2.2 Social Comparison

Social comparison is a common phenomenon among social members, involving comparisons in aspects such as socioeconomic status. According to the direction of comparison, social comparison can be divided into three categories: if an individual compares with someone who performs better, this comparison is called upward comparison; in contrast, if the comparison target is someone in a worse situation or with poorer performance, it is called downward comparison. Parallel comparison refers to individuals comparing themselves with similar others in order to accurately understand their own situation [2].

## 3 Conformity or Herd Behavior

Online shopping platforms enhance the transparency of user decision-making, thereby strengthening the roles of informational and normative social influences on users' information search, evaluation, and purchasing, and generalizing conformity behavior in digital contexts. Given the massive and transparent information provided in online contexts, conformity behavior in online consumption scenarios has become a research hotspot in recent years. Mazhar Ali reviewed theoretical studies over the past period, summarizing the concept of conformity behavior in online purchasing, the contexts of conformity behavior, the issue of whether conformity behavior is rational, the theories applied in conformity behavior research, the measurement methods of conformity behavior, and future research directions on conformity behavior. From a theoretical perspective, a comprehensive explanation was provided [3].

In recent years, with the continuous emergence of new consumer markets, scholars have also advanced research on conformity consumption behavior into more diverse and representative fields and contexts.

Huang, Y.X., Liu, K.B., and Zhao, M.J. focused on coarse grains as an emerging consumer market and, based on the propensity score matching (PSM) method, pointed out that although the main driving force of residents' coarse grain consumption stems from increased health awareness (net effect of 3.259%), conformity behavior also has a net effect of 2.152% on residents' coarse grain consumption and exerts a certain amplifying effect on the awakening of health awareness. At the same time, the effect of conformity psychology is significantly influenced by factors such as individual characteristics, family characteristics, health status, willpower, social trust, market education, and regional characteristics. In terms of sample selection, their study comprehensively

considered multiple factors: to overcome the limitations of existing data or intra-provincial data that could not adequately reflect regional differences, as well as the lack of questionnaire specificity in secondary nationwide data, their research team conducted household surveys in July–August 2019 across eight major buckwheat-producing provinces in China (such as Gansu and Guizhou). Following the principle of combining multistage stratified sampling with random sampling, they covered a total of 30 districts and counties, obtaining 1,888 valid questionnaires with an effective rate of 97.98%, which ensured good representativeness. On this basis, they distinguished the driving factors of residents' coarse grain consumption through questionnaire design and, based on the PSM method, obtained their research conclusions. In summary, this study was conducted from the perspective that human decision-making (coarse grain consumption) is influenced by the interaction between individual rationality (awakening of health awareness) and sociality (conformity), providing further explanation of the driving mechanisms and behavioral pathways of coarse grain consumption among Chinese residents [4].

Wang, J.B., Xue, Y.F., and Liu, T.T. focused on the similar organic food consumption market and, using similar methods, likewise concluded that in the growth of organic food consumption, consumers' health awareness is the core driving force, while conformity psychology has a significant amplifying effect. At the same time, through heterogeneity analysis, they pointed out that the growth of consumption among medium- and high-education groups relies more on health awareness, while low-education groups are more easily influenced by conformity psychology [5].

Xi, M.M. and Wu, Z.J. focused on the online consumption market, taking 'Double Eleven' as a typical scenario of conformity behavior. Based on the Bayesian Probit model estimation and incorporating peer effects, they examined consumers' conformity behavior and its characteristics in online consumption. Specifically, after conducting a literature review and collecting relevant data from student groups both online and offline (total sample size of 2,448, with females accounting for 61.2%, 96.6% having online shopping experience, and 72.8% participating in that year's Double Eleven shopping event), they proposed three hypotheses: Hypothesis 1 states that peer effects have a significant impact on consumers' conformity behavior. In the 'Double Eleven' online shopping event, compared with consumers whose roommates did not participate, the participation of roommates significantly increases the likelihood of consumers joining the event. Hypothesis 2 states that in the absence of peer effects, consumers with online shopping experience and fashion consciousness are significantly more likely to participate in the 'Double Eleven' online shopping event than others; however, when facing peer effects, consumers without online shopping experience and fashion consciousness are instead more likely to exhibit conformity behavior. Hypothesis 3 states that the probability of women participating in the 'Double Eleven' online shopping event is significantly higher than that of men, and when facing peer effects, women's conformity behavior is also significantly higher than that of men. Subsequently, through the Bayesian model, they empirically demonstrated that in a model of sequential choices among three consumers, if the first two consumers made consistent choices, the third consumer was more likely to engage in conformity behavior by making the same choice as the first two. On this basis, they conducted an empirical test and used both the

traditional Probit model and the Bayesian Probit model to estimate the conformity behavior of ‘Double Eleven’ online shopping consumers. The results show that Hypotheses 1 to 3 are all supported. At the same time, they also found that even in such contexts, consumers do not fully disregard their private information but instead exhibit different characteristics of conformity behavior. This indicates that conformity behavior in ‘Double Eleven’ online shopping is a typical form of rational conformity. In summary, their study expanded the understanding of conformity behavior in online consumption contexts [6].

Liu, Y. explored the influencing factors of conformity consumption behavior in the context of live-streaming e-commerce. Based on conformity behavior theory, reference group theory, and social presence theory, he constructed a model of the influencing factors of conformity consumption in the context of live-streaming e-commerce. Through empirical analysis, he pointed out that: group identity has a positive impact on normative conformity motivation in live-streaming e-commerce; reference groups have a positive impact on informational conformity motivation in live-streaming e-commerce; social presence and product involvement have negative impacts on informational conformity motivation in live-streaming e-commerce; and both normative conformity motivation and informational conformity motivation positively affect conformity consumption behavior in live-streaming e-commerce [7].

## 4 Social Comparison

With the continuous improvement of social informatization, the social attributes of consumption have gradually become more prominent, and social comparison has increasingly occurred among social media users. Therefore, the topic of the influence of social comparison on people’s consumption has been further discussed and developed by scholars in recent years. Scholars have expanded this topic in terms of mechanism explanation, innovation in experimental methods, and expansion of research subjects.

Lu, X.Y., Zhang, J.N., Meng, H., and Ren, F.F. integrated previous discussions on upward social comparison and downward social comparison, added verification of mediating factors such as counterfactual thinking, inferiority, and happiness, and explained the mechanism of social comparison’s influence on social consumption (categorized as conformity consumption, conspicuous consumption, and scarcity consumption). They also designed experiments to conduct significance tests. Specifically, upward social comparison directly or indirectly exerts a positive effect on inferiority through the mediation of counterfactual thinking, which in turn positively influences conformity consumption and conspicuous consumption; the relationships among downward social comparison, counterfactual thinking, and happiness are complex, but happiness positively influences conspicuous consumption and scarcity consumption. They designed three groups of experiments to conduct significance tests: in the first offline experiment, participating students were asked to recall and compare themselves with either the best-performing or worst-performing classmates (with the control group receiving no stimulus). Their sense of inferiority and happiness was measured through standardized scales, while their scarcity consumption and conspicuous consumption

were measured through characteristic purchasing behaviors. The results verified the significance of the mechanism in which upward social comparison affects consumption through inferiority as a direct mediator, while the effect of downward social comparison was not significant on one side. In the second online experiment, the sample size and sources of participants were expanded while maintaining the three-group design. Social comparison stimuli were introduced through reading materials, counterfactual thinking was measured using three counterfactual statements, and the measurement methods for inferiority and happiness remained unchanged. The measurement of consumption preferences was further improved. The results verified the significance of the influence pathway of upward social comparison, as well as the significant correlations between downward social comparison and counterfactual thinking, and between counterfactual thinking and happiness. However, the direct and indirect influence mechanisms between downward social comparison and happiness remained unclear. In the third online experiment, a within-subjects design was adopted, allowing participants to experience both upward and downward social comparison stimuli simultaneously. At the same time, the measurement methods of variables were further improved. While further verifying the one-sided significance of upward social comparison, the study also found the masking effect between counterfactual thinking and happiness—that is, while downward social comparison negatively affects happiness, it positively influences happiness through the mediation of counterfactual thinking, thereby mitigating the direct negative impact of downward social comparison. In summary, their study established a theoretical framework that incorporates both upward and downward social comparison, which largely explains the mechanism of social comparison's influence on social consumption [8].

Che, C., Wu, G.H., and Zhang, Z.H., from the perspective of emotional versus rational decision-making in marketing, explored the impact of social comparison orientation on consumers' hedonic and utilitarian consumption decisions based on consumer decision-making mode theory, goal theory, and other frameworks, and designed four experiments for verification. They hypothesized that consumers with high social comparison orientation usually tend to adopt an emotional decision-making style, thereby choosing hedonic products in consumption decisions; whereas consumers with low social comparison orientation usually tend to adopt a rational decision-making style, thereby choosing utilitarian products in consumption decisions. At the same time, they proposed that self-affirmation can moderate the effect of social comparison orientation on consumption decision preferences: when self-affirmation is present, the influence is not significant; otherwise, it is significant. After identifying commonly purchased hedonic and utilitarian products among student groups through interviews, they conducted experimental verification: Experiment 1 measured social comparison orientation using scales and measured consumption preferences through scenario-based consumption choice questions. The results showed that social comparison orientation had a significant impact on hedonic/utilitarian consumption decisions, while the experiment ruled out the potential interference of emotions. Experiment 2, by grouping scenario-based consumption choices (Group A with product descriptions emphasizing hedonic attributes, and Group B with the same product descriptions emphasizing utilitarian attributes), further verified that consumers with high (low) social comparison orientation are

more sensitive to the hedonic (utilitarian) attributes of products, thereby influencing their consumption decisions. Experiment 3 further expanded the sample size to 98 participants and measured decision-making style orientation using scales. The results verified the mediating role of decision-making style orientation. Experiment 4 divided participants into self-affirmation and non-self-affirmation groups, guided the experimental group to engage in self-affirmation, and then measured consumption preferences through scenario-based consumption choices. The results verified the moderating effect of self-affirmation on social comparison orientation. In summary, from the perspective of emotional–rational decision-making, they studied the impact of social comparison orientation on consumption choices and introduced the moderating role of self-affirmation in this process [9].

Pan, D., Xie, H., Liu, Z.Y., and Yang, D.F. focused on productive consumption (referring to the consumption process in which customers use their own knowledge, skills, and labor to treat commercialized products as raw materials or tools to produce their own target products), an emerging market. From the perspective of compensatory consumption, they designed experiments and pointed out that: compared with downward comparison, upward comparison generates a sense of control threat and leads to a higher preference for productive consumption; the impact of upward comparison on the sense of control is moderated by self-affirmation; and the influence of the sense of control on preference for productive consumption is also moderated by perceived production difficulty [10].

Maria Petrescu, Jose Ribamar Siqueira, Costinel Dobre, Selima Ben Mrad, and Anca-Milovan Ciuta focused on the luxury goods market. Combining social comparison theory and self-determination theory, they pointed out the influence of consumers' escapism and conformity motivation on their luxury consumption. At the same time, they identified the moderating roles of four values: self-enhancement, self-transcendence, openness to change, and conservation [11].

Van Thi Hong Do and Long Thanh Do, using samples from Hanoi, Vietnam, focused on the role of downward social comparison in pro-environmental behavior. They explained the inconsistency observed in consumers between two pro-environmental attitudes (attitude toward the environment and attitude toward sustainable consumption) and two sustainable consumption behaviors (energy-saving behavior and reducing unnecessary consumption). The results showed that downward social comparison negatively moderates the transformation between the two attitude variables and the two sustainable consumption behaviors [12].

## **5 Discussion**

### **5.1 Overall Research Conclusions**

In the field of consumer decision-making, conformity and social comparison have long been social psychological factors of great concern. With the informatization of society continuously enhancing the transparency of consumer decision-making and expanding the data samples available for research, studies on conformity and social comparison

have also been increasingly enriched and developed, comprehensively presenting the impact of conformity and social comparison on consumer decision-making.

A relatively complete theoretical framework has been established regarding the influence of conformity on consumer decision-making, and in recent years scholars have carried out theoretical and empirical research in emerging markets and typical contexts such as healthy eating and online consumption. Scholars have found that in the healthy eating market, the main driving force of consumer consumption growth comes from the awakening of individual health awareness, while conformity exerts an amplifying effect. At the same time, the level of education affects the extent to which consumers are influenced by conformity. Research on online consumption platforms has found that consumers' conformity behavior is significantly influenced by factors such as peer effects, and the degree of influence is related to individual characteristics such as gender.

By introducing different classification standards of consumption and various mediating factors, scholars have established a rich theoretical framework on the impact of social comparison on consumer decision-making and have applied it to empirical studies in different types of markets such as productive consumption and sustainable consumption. At the same time, studies on the role of upward and downward social comparison in their respective typical markets are also verifying and developing various mediating factors and influencing variables. Overall, social comparison has a significant impact on consumer decision-making in different contexts and is moderated by individual factors.

## 5.2 Suggestions and Prospects

At present, existing research has continuously expanded people's understanding of the impact of social psychological factors such as conformity and social comparison on consumer decision-making in both theoretical and empirical aspects. However, these studies also have common shortcomings.

Most empirical studies focus on a single market and rely on online samples, which may cause the research data to have group-specific characteristics (such as being younger, etc.), making it unfavorable for the study of general effects; at the same time, the sample size and scope need to be expanded in order to obtain more universal conclusions.

The research neglects the complexity of modern consumption scenarios. In real consumption contexts, social psychological factors such as conformity and social comparison often exert cumulative and simultaneous effects on consumer decision-making. This presents future scholars with the tasks of establishing a unified framework and studying interactive effects, in order to more accurately understand consumer decision-making behavior. At the same time, studies on the impact of a single factor also require more sophisticated designs to eliminate the influence of confounding variables.

The continuous updating and iteration of consumption types and scenarios also provide scholars with richer research objects. For example, in markets such as cultural and entertainment consumption, pet consumption, second-hand circular consumption, and metaverse virtual consumption, whether existing theories can depict the real economic

phenomena of different consumption types and scenarios, and whether new theories need to be developed, remain to be studied by scholars.

## 6 Conclusion

This paper summarizes recent research on the influence of two social psychological factors—conformity and social comparison—on consumer decision-making, and reviews the theoretical frameworks established and the empirical research processes conducted by scholars. In the review of conformity, it can be observed that conformity has influence effects and moderating factors in various emerging markets; in the review of social comparison, it can be observed that scholars have innovatively developed theoretical frameworks and identified the specific influence effects on segmented targets. The article also puts forward targeted suggestions for further research on issues such as sample selection, experimental design, and the richness of research subjects. In conclusion, recent studies have deepened the understanding of the influence of social psychological factors on consumer decision-making

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