

Impact of Consumer Digital Capital on Social Media Engagement, Brand Loyalty, And Purchase Behaviour in Urban Markets

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Abstract

In the rapidly evolving digital marketplace, consumer engagement through social media platforms has emerged as a critical determinant of brand loyalty and purchase behaviour. However, variations in consumer outcomes often depend on their ability to access, understand, and effectively utilize digital technologies—commonly referred to as digital capital. The present study examines the impact of consumer digital capital on social media engagement and its subsequent influence on brand loyalty and purchase behaviour in urban markets. A quantitative research design was adopted using structured questionnaires administered to 400 social media users residing in urban regions of NCT-Delhi. Data were analysed using descriptive statistics, correlation analysis, and Structural Equation Modelling (SEM). The findings indicate that digital capital significantly influences the level of consumer engagement with social media marketing content, which in turn positively affects brand loyalty and purchase intentions. The study highlights the mediating role of engagement between digital capital and behavioural outcomes, suggesting that digitally competent consumers are more likely to interact with brand content and develop long-term loyalty. The results provide practical implications for marketers seeking to design targeted digital marketing strategies that cater to varying levels of consumer digital capability.

Keywords: Digital Capital, Social Media Engagement, Brand Loyalty, Purchase Behaviour, Urban Consumers

1. Introduction

In today's digital age, social media has become an integral part of everyday life, especially for consumers living in urban areas. With the growing use of smartphones and internet services, platforms like Facebook and Instagram are no longer limited to social interaction but have evolved into powerful tools for marketing and brand communication. According to recent digital usage reports, India has more than 450 million active social media users, and a large portion of these users belong to urban regions where internet accessibility and digital awareness are relatively high. Surveys also indicate that nearly 70% of urban consumers depend on social media platforms to gather product information, read reviews, and compare brands before making purchase decisions. This clearly shows how social media has started influencing not only consumer awareness but also their buying behaviour and brand preferences.

However, it is important to understand that all consumers do not interact with social media marketing content in the same way. While some users actively engage with brand posts by liking, commenting, sharing, or participating in online discussions, others remain passive observers. These differences in online participation often arise due to variations in digital skills, technological access, and familiarity with digital platforms. This capability is referred to as consumer digital capital, which includes an individual's ability to access, understand, and effectively use digital technologies and online platforms. Consumers who possess higher digital capital are generally more confident in exploring social media features, interacting with brand content, and participating in digital communities. Research findings suggest that digitally skilled consumers are almost 40% more likely to engage with social media marketing activities, which ultimately enhances their connection with brands.

In urban markets, where digital exposure is high, social media platforms play a major role in shaping consumer attitudes and purchasing decisions. Interactive advertisements, influencer promotions, and personalized brand communication on these platforms often influence

consumer trust and emotional attachment towards brands. Studies reveal that nearly 60–65% of active social media users in urban areas develop brand loyalty through repeated engagement with online content, which gradually increases their intention to purchase products or services. On the other hand, consumers with limited digital competence may face difficulties in evaluating online information or participating in digital interactions, which can reduce their level of engagement and affect marketing outcomes.

Therefore, the present study attempts to understand how consumer digital capital influences engagement with social media marketing and how such engagement further impacts brand loyalty and purchase behaviour in urban markets. By examining the link between digital competence and online interaction, this research aims to provide meaningful insights into how digital capabilities shape consumer decision-making in today's technology-driven marketplace.

2. Review of Related Literature

Banerji and Singh (2024) studied the impact of social media marketing activities on customer loyalty in the Indian e-commerce sector. The findings showed that interactive social media campaigns and personalized content help in increasing consumer engagement with brands. When consumers actively participate in social media activities, they tend to develop stronger emotional connections with brands, which improves loyalty and trust. This engagement also influences repeat purchasing behaviour among customers. The study concluded that engagement acts as a bridge between marketing communication and customer loyalty. The research followed the Stimulus-Organism-Response (SOR) Theory to explain how marketing activities influence consumer behaviour.

Dwivedi and colleagues (2021) explored the role of digital and social media marketing in shaping modern consumer behaviour. The study highlighted that social media platforms allow brands to interact with consumers in a personalized and interactive manner. It also emphasized that consumers who are familiar with digital technologies are more capable of understanding marketing messages and participating in online brand communities. As a result, these consumers show higher engagement and trust towards brands. The study concluded that digital competence plays an important role in determining how consumers respond to social media marketing. The research was guided by the Socio-Technical Systems Theory, which focuses on the interaction between technology and human behaviour.

Kaur and her team (2020) studied the relationship between virtual brand communities and consumer loyalty. The findings revealed that consumers who actively participate in online brand communities are more likely to develop trust and emotional attachment towards brands. Digital participation such as sharing experiences, providing feedback, and interacting with other users strengthens brand loyalty over time. The study also showed that digitally skilled consumers are more confident in joining online discussions and engaging with brand-related content. This engagement ultimately influences their purchasing behaviour. The research was based on Social Identity Theory.

Padival, Michael and Hebbar (2019) examined how social media advertisements influence consumer attitudes and buying decisions. The study found that factors such as emotional appeal, creativity, and informativeness of advertisements play an important role in attracting consumers on social media platforms. It was also observed that consumers who understand digital platforms well are more likely to interact with advertisements and develop positive perceptions about brands. This engagement eventually increases their interest in purchasing products online. The study used the Elaboration Likelihood Model to explain that digitally skilled consumers process marketing information more deeply, which improves engagement and decision-making.

Pandey (2018) studied how differences in digital access and skills affect the way people use technology in India. The study explained that digital capital is not only about having internet

access, but also about knowing how to use digital tools effectively for communication, learning, and decision-making. It was found that individuals with better digital knowledge and skills were more confident in using online platforms and participated more actively in digital activities. This shows that people with higher digital capital are more likely to engage with brand content on social media, which can influence their attitudes and purchasing behaviour. The study was based on Bourdieu's Capital Theory, which explains how digital skills create advantages for individuals in the digital environment.

Singh and Srivastava (2015) examined the role of social media in influencing consumer buying behaviour in urban India. The study focused on how consumers interact with brand content through platforms such as Facebook and Twitter. It was found that consumers who were more familiar with digital platforms and had better internet usage skills were more likely to engage with online advertisements and promotional content. These digitally aware consumers showed higher interest in liking, commenting, and sharing brand-related posts, which helped in developing trust and brand preference over time. The study concluded that digital awareness improves consumer interaction with online marketing activities and positively influences purchase decisions. The research was based on the Technology Acceptance Model (TAM), which explains how digital familiarity affects consumer behaviour.

Kapoor and Vij (2016) studied how social media marketing activities influence consumer engagement and brand loyalty in the Indian retail sector. The research highlighted that consumers who regularly use digital platforms are more comfortable in exploring brand information, reading online reviews, and interacting with company pages. It was observed that digitally skilled users participate more actively in online discussions and brand campaigns, which increases their emotional attachment to brands. This engagement gradually leads to stronger brand loyalty and repeat purchase behaviour. The study concluded that consumer participation on social media platforms plays a crucial role in building long-term brand relationships. The research followed Relationship Marketing Theory to explain the link between engagement and loyalty.

Bansal and Chen (2017) analysed the impact of social media interaction on consumer purchase intention in India. The study found that consumers with higher digital competence were more confident in accessing and understanding online product information. These consumers actively engaged with brand posts, influencer content, and promotional campaigns, which improved their trust in the brand. The research also showed that frequent online interaction helps in developing a positive attitude towards products and services, eventually influencing purchase decisions. The study concluded that digital skills enhance consumer engagement, which indirectly affects buying behaviour. The research was based on the Stimulus-Organism-Response (SOR) Theory to explain how online interaction leads to behavioural outcomes.

3. Research Objectives

1. To examine the impact of consumer digital capital on social media engagement.
2. To analyse the influence of social media engagement on brand loyalty.
3. To evaluate the effect of engagement on consumer purchase behaviour.
4. To study the mediating role of engagement between digital capital and behavioural outcomes.

4. Hypotheses of the Study

H1: Consumer digital capital positively influences social media engagement.

H2: Social media engagement positively affects brand loyalty.

H3: Social media engagement positively influences purchase behaviour.

H4: Brand loyalty positively affects purchase behaviour.

H5: Social media engagement mediates the relationship between digital capital and purchase behaviour.

5. Research Methodology

The study adopts a quantitative research approach using a structured survey questionnaire. The sample consists of 400 respondents selected from urban areas of NCT-Delhi through purposive sampling. The questionnaire includes items related to digital literacy, frequency of social media usage, interaction with brand content, loyalty perceptions, and purchase decisions.

Data analysis was conducted using:

- Descriptive Statistics
- Reliability Analysis (Cronbach's Alpha)
- Correlation Analysis
- Structural Equation Modelling (SEM)

5. Data Analysis and Interpretation

This section presents the analysis and interpretation of the data collected from the respondents to understand the relationship between consumer digital capital, social media engagement, brand loyalty, and purchase behaviour.

Table 4.1: Demographic Profile of Respondents (N = 400)

Variable	Category	Frequency	Percentage (%)
Gender	Male	228	57.0
	Female	172	43.0
Age	18–25 Years	146	36.5
	26–35 Years	168	42.0
	36–45 Years	86	21.5
Education	Graduate	162	40.5
	Post Graduate	178	44.5
	Others	60	15.0
Monthly Income	₹20,000–₹40,000	132	33.0
	₹40,001–₹60,000	158	39.5
	Above ₹60,000	110	27.5

The demographic results show that the majority of respondents belong to the 26–35 years urban working population segment, indicating a digitally active consumer group. This supports the methodological assumption that respondents possess adequate exposure to digital platforms necessary for examining consumer digital capital and engagement behaviour.

Table 4.2: Reliability Analysis (Cronbach's Alpha)

Construct	No. of Items	Cronbach's Alpha
Digital Capital	6	0.881
Social Media Engagement	5	0.865
Brand Loyalty	5	0.842
Purchase Behaviour	4	0.817

Cronbach's Alpha values for all constructs exceed the acceptable threshold value of 0.70, confirming internal consistency and reliability of the structured questionnaire. Hence, the instrument is statistically suitable for further correlation and SEM analysis.

Table 4.3: Descriptive Statistics of Study Variables

Variable	Mean	Std. Deviation
Digital Capital	3.92	0.61

Variable	Mean	Std. Deviation
Social Media Engagement	4.05	0.58
Brand Loyalty	3.88	0.63
Purchase Behaviour	4.11	0.54

The mean scores indicate that urban consumers in NCT-Delhi exhibit relatively high levels of digital capital and social media engagement, which positively reflect their inclination towards brand loyalty and online purchasing behaviour.

Table 4.4: Correlation Matrix among Variables

Variables	DC	SME	BL	PB
Digital Capital (DC)	1	0.612**	0.543**	0.566**
Social Media Engagement (SME)	0.612**	1	0.658**	0.671**
Brand Loyalty (BL)	0.543**	0.658**	1	0.702**
Purchase Behaviour (PB)	0.566**	0.671**	0.702**	1

p-value < 0.01 (1% level of significance)

The correlation results reveal strong and positive associations among digital capital, engagement, brand loyalty, and purchase behaviour. This supports the conceptual framework that higher digital competence enhances engagement which subsequently influences behavioural outcomes.

Table 4.5: Structural Equation Model (SEM) Path Analysis

Hypothesis	Relationship	Path Coefficient (β)	t-value	p-value	Result
H1	DC \rightarrow SME	0.63	7.82	0.000	Supported
H2	SME \rightarrow BL	0.59	6.94	0.000	Supported
H3	SME \rightarrow PB	0.52	5.87	0.000	Supported
H4	BL \rightarrow PB	0.66	7.21	0.000	Supported

SEM path analysis confirms that consumer digital capital significantly influences social media engagement. Furthermore, engagement positively affects both brand loyalty and purchase behaviour, thereby validating Objectives 1, 2, and 3 of the study.

Table 4.6: Mediation Analysis

Path	Direct Effect	Indirect Effect	Total Effect	Mediation Type
DC \rightarrow SME \rightarrow PB	0.28	0.34	0.62	Partial Mediation

The mediation results indicate that social media engagement partially mediates the relationship between consumer digital capital and purchase behaviour. This statistically supports Hypothesis H5 and Objective 4 of the study.

Table 4.7: Model Fit Indices for SEM

Fit Index	Obtained Value	Recommended Value
CFI	0.945	> 0.90
GFI	0.912	> 0.90
RMSEA	0.048	< 0.08
Chi-square/df	2.31	< 3

The obtained model fit indices fall within the acceptable range, indicating a good model fit between the hypothesized structural model and observed data.

6. Results and Discussion

The present study aimed to examine the influence of consumer digital capital on social media engagement and its subsequent impact on brand loyalty and purchase behaviour among urban

consumers in NCT-Delhi. The demographic analysis indicates that a substantial proportion of respondents fall within the 26–35 years age group, representing a digitally active segment of the urban working population. This demographic profile suggests that the respondents possess sufficient familiarity with digital platforms and social media technologies, thereby making them an appropriate sample for assessing the role of digital capital in influencing engagement and behavioural outcomes in online brand environments.

The reliability analysis conducted using Cronbach's Alpha revealed that all the constructs—namely Digital Capital (0.881), Social Media Engagement (0.865), Brand Loyalty (0.842), and Purchase Behaviour (0.817)—exhibited satisfactory levels of internal consistency. Since all values exceeded the recommended threshold of 0.70, the measurement instrument was considered reliable for further statistical analysis. This confirms that the scale items used in the structured questionnaire were appropriate for capturing the underlying dimensions of digital competence, online engagement, loyalty perception, and consumer purchase intention.

Descriptive statistical analysis further revealed relatively high mean values for all study variables, particularly Social Media Engagement (Mean = 4.05) and Purchase Behaviour (Mean = 4.11), suggesting that urban consumers actively interact with brand-related content on social media platforms and demonstrate a favourable inclination towards online purchasing decisions. The comparatively high mean score for Digital Capital (Mean = 3.92) reflects the increasing digital literacy and technological proficiency among urban consumers, which may serve as a key determinant of their online engagement behaviour.

The correlation analysis demonstrated statistically significant and positive associations among all major constructs included in the study. Notably, Digital Capital exhibited a strong positive correlation with Social Media Engagement ($r = 0.612$, $p < 0.01$), indicating that consumers with higher digital skills and familiarity are more likely to interact with brand content across social media platforms. Similarly, Social Media Engagement was strongly correlated with Brand Loyalty ($r = 0.658$, $p < 0.01$) and Purchase Behaviour ($r = 0.671$, $p < 0.01$), suggesting that consumers who frequently engage with brand-related digital content are more inclined to develop loyalty and make repeat purchase decisions. Furthermore, Brand Loyalty demonstrated a very strong correlation with Purchase Behaviour ($r = 0.702$, $p < 0.01$), highlighting its critical role in influencing consumer decision-making in urban digital markets. The Structural Equation Modelling (SEM) path analysis provided further empirical support for the proposed research hypotheses. The findings indicate that Digital Capital significantly influences Social Media Engagement ($\beta = 0.63$, $p < 0.001$), thereby supporting Hypothesis H1. In addition, Social Media Engagement was found to have a significant positive effect on Brand Loyalty ($\beta = 0.59$, $p < 0.001$) and Purchase Behaviour ($\beta = 0.52$, $p < 0.001$), lending support to Hypotheses H2 and H3 respectively. Brand Loyalty was also observed to significantly influence Purchase Behaviour ($\beta = 0.66$, $p < 0.001$), thereby confirming Hypothesis H4. These results collectively suggest that digitally competent consumers are more likely to engage with brands on social media platforms, which in turn enhances their loyalty towards the brand and increases the likelihood of making purchase decisions.

Moreover, the mediation analysis revealed that Social Media Engagement partially mediates the relationship between Digital Capital and Purchase Behaviour. The indirect effect (0.34) was found to be greater than the direct effect (0.28), indicating that engagement acts as a crucial behavioural mechanism through which digital competence translates into actual consumer purchasing actions. This finding supports Hypothesis H5 and underscores the importance of interactive engagement in shaping consumer responses within digital brand ecosystems.

Finally, the model fit indices obtained through SEM analysis—CFI (0.945), GFI (0.912), RMSEA (0.048), and Chi-square/df (2.31)—were found to fall within the recommended threshold values, thereby confirming a satisfactory fit between the hypothesized structural

model and the observed data. This indicates that the conceptual framework proposed in the study adequately explains the interrelationships among digital capital, social media engagement, brand loyalty, and purchase behaviour among urban consumers.

The present study provides important insights into the role of consumer digital capital in shaping social media engagement, brand loyalty, and purchase behaviour among urban consumers in NCT-Delhi. In the contemporary digital marketplace, consumers are increasingly interacting with brands through online platforms, making digital competence a critical factor in influencing their engagement patterns. The findings of the study indicate that consumers possessing higher levels of digital capital are more likely to actively participate in brand-related activities on social media, such as liking, sharing, commenting, and reviewing products and services. This increased interaction not only enhances consumers' familiarity with brand offerings but also fosters a sense of trust and emotional attachment towards the brand. Furthermore, the study highlights the significant influence of social media engagement on brand loyalty. Consumers who regularly engage with brand content tend to develop stronger attitudinal and behavioural loyalty, as continuous interaction helps in building positive brand perceptions and long-term relationships. This enhanced loyalty subsequently translates into favourable purchase behaviour, as loyal consumers demonstrate a greater willingness to make repeat purchases and recommend the brand to others. The direct relationship observed between brand loyalty and purchase behaviour further emphasizes the importance of maintaining consistent consumer engagement in digital environments.

In addition, the mediating role of social media engagement between digital capital and purchase behaviour suggests that engagement serves as an essential behavioural mechanism through which digital competence influences consumer decision-making. In other words, digitally skilled consumers are more likely to convert their online interactions into actual purchasing actions when they are actively engaged with brand-related content. This underscores the growing importance of interactive digital platforms in facilitating consumer-brand relationships in urban markets.

7. Conclusion

The present study concludes that consumer digital capital serves as a critical determinant in shaping social media engagement, which subsequently influences brand loyalty and purchase behaviour among urban consumers in NCT-Delhi. In an increasingly digitized marketplace, consumers who possess higher levels of digital literacy, technological familiarity, and online navigation skills are more likely to actively engage with brand-related communication across social media platforms. Such engagement fosters deeper consumer-brand interactions, enhances trust, and strengthens long-term relational bonds with brands. As a result, engaged consumers are more inclined to develop favourable perceptions towards brands, which significantly contributes to increased loyalty and repeat purchase intentions. The study further highlights that social media engagement acts as an important behavioural pathway through which digital capital translates into actual consumer purchasing decisions, thereby emphasizing its mediating role in influencing behavioural outcomes.

From a practical perspective, the findings suggest that marketers must recognize the heterogeneity in consumers' digital competence and design inclusive marketing strategies that cater to varying levels of digital capital. The development of interactive, user-friendly, and personalized digital content can facilitate higher levels of consumer participation and meaningful engagement with brand communication. Simplified digital interfaces, targeted content delivery, and responsive online communication channels can further enhance the effectiveness of social media campaigns by encouraging consumer interaction and involvement. Ultimately, fostering digital engagement through strategic utilization of consumer digital capital can enable organizations to build stronger brand loyalty and positively influence purchasing behaviour in competitive urban markets. The study thus underscores the

growing importance of digital empowerment and engagement-oriented marketing approaches in driving consumer decision-making processes within the contemporary digital ecosystem.

8. Implications of the Study

Encourages Adoption of Consumer-Centric Digital Marketing Strategies

The findings of the study suggest that marketers should adopt consumer-centric digital marketing approaches that align with the digital capabilities and preferences of modern urban consumers. Understanding consumers' level of digital capital can help organizations design more relevant and engaging online communication strategies that enhance interaction and brand experience.

Highlights the Importance of Digital Literacy in Marketing Effectiveness

The study emphasizes that digital literacy significantly affects how consumers perceive, interact with, and respond to brand communication on social media platforms. Improving digital accessibility and simplifying digital interfaces can enhance the effectiveness of marketing campaigns by enabling consumers with varying levels of technological competence to actively participate in online brand environments.

Supports Data-Driven Engagement Strategies for Urban Markets

The results underline the need for businesses to utilize consumer data analytics to understand online engagement patterns and behavioural responses. Data-driven strategies can assist marketers in tailoring personalized content and targeted promotional efforts that foster meaningful engagement and strengthen brand loyalty among urban consumers.

Promotes the Role of Interactive Content in Building Brand Loyalty

The study highlights that active consumer engagement through interactive digital content such as reviews, comments, and social media participation can significantly enhance brand loyalty. Marketers should therefore focus on developing participatory and immersive digital experiences that facilitate long-term consumer-brand relationships.

Facilitates Strategic Decision-Making for Enhancing Purchase Behaviour

The insights gained from the study provide a basis for organizations to formulate strategic decisions that improve consumer purchase intentions. By leveraging consumer digital capital and fostering engagement through social media platforms, firms can positively influence buying behaviour and achieve sustainable competitive advantage in urban digital markets.

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