

FOUR PILLARS OF INFLUENCE: HOW SOCIAL MEDIA SHAPES PUBLIC PERCEPTION AND ECONOMIC BEHAVIOUR

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Abstract

This conceptual paper synthesizes interdisciplinary literature to develop a four-pillar framework, such as Dissemination, Trust-Building, Personalization, and Misinformation, that explains how social media shapes public perception and economic behavior. Using a structured literature review and thematic analysis of prior empirical and conceptual studies, the paper identifies recurring mechanisms through which social media influence's opinion formation and market decisions. The findings propose that dissemination speed amplifies reach, trust-building converts visibility into economic value, personalization shapes consumer choices while fostering filter bubbles, and misinformation distorts rational decision-making. The paper's originality lies in integrating these mechanisms into a single analytical framework tailored to the Malaysian context. Practically, the framework informs policymakers, SMEs, and digital strategists in designing more ethical, effective, and resilient social media practices.

Keywords: social-media influence, economic behavior, Malaysia SMEs, filter bubbles, misinformation

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INTRODUCTION

In the digital age, social media has become a game changer that fundamentally shook-up public discourse, opinion shaping and economy. Facebook, Instagram, X (Twitter) and TikTok have emerged as vital public squares for the exchange of information, sharing of perspectives and formation of collective consciousness. With their ubiquity and immediacy, such platforms have empowered individuals and groups to connect, exchange information and engage in dialogue that is not constrained by the usual physical or power restrictions resulting thus the amplification of the effect of public discourse (Ausat, 2023), (Latif et al., 2024).

The impact is not just that of information, but as actively shaping the ways in which public opinion is being fashioned and economic behavior is being driven. Recent studies have revealed the so-called social media both as (a) enablers and (b) moderators of the public opinion, exploiting algorithmic curation, User Generated Content (UGC), network effects to decide which are mainstream narratives and parallel ones (Anju, 2024). These mechanisms serve to spread information quickly but they also contribute to the formation of echo chambers and filter bubbles, thus reinforcing users' beliefs and potentially reducing the types of perspective users would be exposed to (Latif et al., 2024).

Economic behavior, particularly in the realms of consumer decision-making and financial markets, is increasingly influenced by social media dynamics. The proliferation of influencer marketing, peer reviews, and targeted advertising has redefined how consumers perceive brands, assess product value, and make purchasing decisions (Han & Balabanis, 2024). Social media influencers, in particular, have emerged as powerful opinion leaders, leveraging credibility, authenticity, and reach to sway audience attitudes and behaviors (Alexander, 2024). At the same time, the viral spread of misinformation and unverified content poses significant risks, distorting perceptions, undermining trust, and leading to suboptimal or even harmful economic choices (Ausat, 2023).

A phenomenon with such far-reaching effects warrants a more systematic examination of the mechanisms through which social media exerts its influence. Accordingly, this study proposes a conceptual framework comprising four interrelated pillars on Dissemination, Trust-Building, Personalization, and Misinformation that explain how social media shape's public opinion and economic activity. Guided by this framework, the study has one primary research objective: to conceptualize the key mechanisms through which social media influences public perception and economic behavior, integrating them into a unified four-pillar framework. In line with this objective, the study addresses one central research question: How does dissemination, trust-building, personalization, and misinformation collectively function as mechanisms shaping public opinion and economic behavior in the social media environment? By addressing this question, the study seeks to enhance understanding of the opportunities and challenges posed by social media for policymakers, businesses, and individuals operating in the big-data communication era.

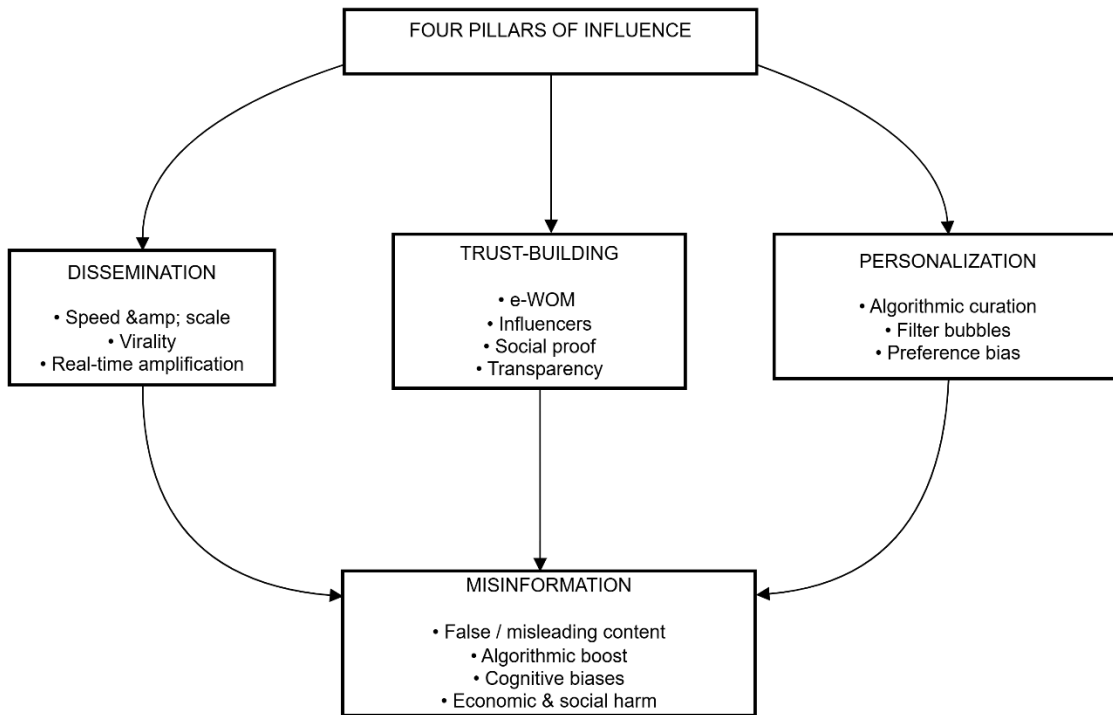


Figure 1 : Four Pillars of Social Media Influence on Public Opinion and Economic Behaviour

DEFINITION OF SOCIAL MEDIA IN ECONOMY CONTEXT

Social media, in the context of the economy, refers to digital platforms and technologies that enable individuals, businesses, and organizations to create, share, and exchange content, while also facilitating economic activities such as marketing, commerce, and information dissemination. These platforms such as Facebook, Instagram, X, LinkedIn, and TikTok have transformed traditional economic interactions by providing new channels for communication, advertising, and consumer engagement (Saari et al., 2022).

Economically, social media serves as a hybrid communication tool that allows for real-time, interactive exchanges between businesses and consumers, reducing marketing costs and enabling firms to reach broader audiences at relatively low expense (Sodiq et al., 2024). Social media platforms are not only spaces for social interaction but also powerful engines for economic growth, innovation, and market expansion. They support the creation of new business models, such as social commerce and the creator economy, where individuals and enterprises can monetize content, build brand equity, and foster

entrepreneurial ventures (Bleier et al., 2024).

Furthermore, social media influences economic decision-making by shaping public opinion, consumer preferences, and purchasing behaviors. It enables rapid dissemination of information, facilitates feedback loops between producers and consumers, and allows for targeted advertising and influencer marketing, all of which contribute to increased sales, market penetration, and overall economic activity (Ausat, 2023). However, the economic impact of social media is complex, as it can also introduce challenges such as misinformation, productivity concerns, and the need for digital skills and regulatory oversight (Staab & Thiel, 2022).

CURRENT LANDSCAPE OF SOCIAL MEDIA IN THE ECONOMIC CONTEXT

Social media has become a central pillar in Malaysia's economic landscape, transforming how businesses operate, how consumers make decisions, and how various sectors interact in the digital economy. With over 86% of Malaysians actively engaging on platforms such as Facebook, Instagram, WhatsApp, TikTok, and YouTube, the country stands as one of the most connected in Southeast Asia (Ong, 2025). This widespread adoption has profound implications for entrepreneurship, small and medium-sized enterprises (SMEs), consumer behavior, and the broader digital economy.

SMEs are the backbone of Malaysia's economy, and their digital transformation is increasingly driven by social media integration. Platforms like Facebook, Instagram, and WhatsApp are pivotal for SMEs to enhance customer engagement, boost brand visibility, and gain insights into consumer behavior (Derus & Bakar, 2024). Social media enables SMEs to reach wider audiences at lower costs compared to traditional marketing, offering opportunities for improved financial performance and market share expansion (Bashri & Samat, 2024). However, the degree of adoption and effectiveness varies by industry and region, with challenges including content creation, strategic alignment, and digital literacy.

In the restaurant industry, for example, strategic use of social media marketing has been shown to significantly improve service quality ratings and customer reviews, underscoring the importance of high-quality content and optimal posting frequency (Abdul Halim et al., 2025). According to Abdul Halim et al. (2025) despite these benefits, only about 26% of SMEs in Penang use social media efficiently, highlighting a digital divide that limits growth prospects for many businesses.

Study by Alias et al. (2022) show social media is an indispensable marketing tool in Malaysia due to its power on brand awareness and conversion rates for SMEs. Although word of mouth and involvement have been found to be least important, the potential of social media in setting up a market presence stronger along with building the brand equity is extremely critical for SMEs in emerging markets. The amount of spending for digital advertisements in Malaysia is expected to hit USD 40 million by 2022 which shows the significance importance of social media in business strategies.

Social media platforms have also reshaped consumer behavior, particularly among younger generations and students. Studies show that the types and characteristics of social media platforms substantially influence purchasing behavior, with economic factors such as disposable income and

monetary constraints playing a significant role (J. Wang & Ibrahim, 2024). For instance, postgraduate students in Klang Valley are influenced by both the features of social media platforms and their economic realities, suggesting that marketing strategies must be tailored to these contextual factors (Kanapathipillai et al., 2024).

Sarifin et al. (2025) state beyond commerce, social media facilitates digital engagement and community cohesion, contributing to economic opportunities and social equity. However, challenges such as digital literacy gaps and algorithmic biases persist, necessitating enhanced platform governance and inclusive digital policies. The integration of social media with other marketing elements and emerging digital tools is an area for future research and development (Abdul Halim et al., 2025).

The current landscape of social media in Malaysia's economic context is dynamic and rapidly evolving. Social media platforms are integral to business growth, consumer engagement, and economic mobility, particularly for SMEs and younger demographics. While significant progress has been made, ongoing challenges related to digital literacy, strategic adoption, and policy support must be addressed to fully realize the economic benefits of social media in Malaysia.

METHODOLOGY

As a conceptual study, this analysis did not involve primary data but relied exclusively on published empirical and theoretical literature. Drawing on a structured literature review of the ways social media impacts the public opinion and economic behavior; we identify four central “pillars of influence” in this conceptual paper. The study commenced with a comprehensive search on Google Scholar using the search term “social media” and “impact economy” to obtain an initial hit list of 18,000 articles, highlighting its broad and burgeoning literature at the nexus between social media, public opinion, and economic consequences. A large number of works were excluded due relevance, high quality concerns using well-designed screening criteria; focusing exclusively on peer-review journal articles and high-quality conference papers that clearly specify the impact that social media has had in economic conduct, public opinions or decision-making. Non-peer reviewed sources, duplicate and studies beyond the scope, for only on hardware related to social media or other subjects were also excluded. After the selection process, the study employed a thematic synthesis of the literature to identify and interpret recurring patterns related to social media's influence on public opinion and economic behavior. The analysis was conducted in four systematic stages. First, the authors familiarized themselves with the selected studies through repeated reading, noting preliminary concepts related to consumer behavior, market sentiment, investment decisions, and social commerce. Second, initial codes were generated and assigned tentative labels to capture recurring ideas across the literature. Third, related codes were clustered into broader thematic categories through iterative comparison to ensure coherence and consistency across sources. Finally, these themes were synthesized into four overarching macro-trends, conceptualized as the study's “pillars of influence” such as dissemination, trust-building, personalization, and misinformation. This approach allowed the integration of diverse empirical and conceptual studies while accommodating the heterogeneity of the literature. By documenting the search

strategy, selection criteria, and analytical procedures, the methodology enhances transparency, rigor, and reproducibility in line with best practices for conceptual review research.

FINDINGS

The thematic analysis of the literature yielded four recurring and interrelated mechanisms that explain social media's influence on public opinion and economic behavior: dissemination, trust-building, personalization, and misinformation. These mechanisms emerged consistently across studies examining consumer behavior, financial markets, SME performance, and public discourse. Together, they form a coherent conceptual model that explains both the opportunities and risks associated with social media use in economic contexts.

IMPACTS OF SOCIAL MEDIA ON PUBLIC OPINION AND ECONOMIC DECISIONS

The social media have caused sea changes in the information, opinion and economic markets becoming a force that drives contemporary society. Its impact is pervasive affecting the conduct of individuals, organizations and economically entire systems. Unlike mass media, the use of Web 2.0 has made real time interaction possible allowing for peer-to-peer communication and information dissemination at a faster rate as well as across diverse terrains. Accordingly, the public opinion and economic activities are more and more interfered by the content of those digital platforms.

Multiple crucial processes by which social media operates. The first pillar, Dissemination, emphasizes the ability of platforms to quickly broadcast information making it available to consumers and investors who then integrate it into their decision-making process as new trends emerge, news hits the market or peers share ideas. The second, Trust Building, illustrates the role played by social media as users come to discern credibility and authority, endorsements, reviews, and recommendations from peers weigh heavily in shaping public faith in goods and services-and economic actors. Personalization, the third pillar, demonstrates how algorithms massage tailored opinions and content based on individual preferences and behaviors to subtly influence sentiment or impact what consumers choose to do. Last but not least, Fake News illustrates the dangers we face, opening with false information due to myriad reasons, including poor dissemination by social media and low public awareness are circulated publicly and can cause inefficient social choices while policy makers spread fake news about their policies.

Dissemination

Crowd social media is changing the way we share information: fast, and from tens or millions of two-way channels vs what old traditional media allows. Social media, unlike newspapers, television or radio which run according to fixed time schedules and are often distilled through editorial processes permits the real-time dissemination and amplification of news items, opinions and economic information. This

immediacy has obvious ramifications, as information be it about products or brands, political developments or financial opportunities can be transmitted to millions of users in the course of minutes, circum-navigating established intermediaries and shifting and shaping public opinion and market action nearly synchronously (Ausat, 2023), (Yang, 2025).

This viral quality is of course pronounced when it comes to the social media financial markets. Web sites including X (Twitter) and Reddit have emerged as major distribution platforms for financial news, rumors and coordinated campaigns. For instance, the impact of famous personalities like Elon Musk in X (Twitter) has been proved to be able to cause an important move in a market, and studies have confirmed that there is indeed a positive relationship between the social media activity of Musk and fluctuations on Tesla's stock price (Slyusarchuk, 2025). This is not the case for the company but on a macro level investor behavior that enriched with social media's rapid dissemination of information will have an impact increasing market volatility and affects economic decision-making broadly (Ferah & Sümer, 2023).

Mathematical models, including diffusion of innovations model and information cascade model have been used to predict and analyze the dynamics of narratives, opinions in social media. Such models also underscore the importance of network topology, in which individuals with a high degree of connectivity or hubs can amplify messages and influence collective attitudes (Romaniuk et al., 2025). This process is further expedited by algorithmic curation which personalizes content based on users preferences and behavior profiles thereby increasing the chance that certain information will spread virally and become available to more audiences (Anju, 2024). This information democracy makes it possible for diverse voices to be part of public debate and policymaking, contributing to the growth of inclusive and vigorous public sphere (Latif et al., 2024).

The rapid and broad spread has its drawbacks. The biggest challenge is feature-wise we do not know the credibility of the information that exists in the over-flowing social media. Such an atmosphere may allow fringe views to be magnified, fuel misinformation propagation and echo chambers where one can listen only to the side of the story that one wants to hear (Rifat et al., 2025). The aggressive by winner takes all logics of the attention economy, where content creators whether they be news organizations or individual influencers are in constant competition for user on substance or are more likely to go viral (Sangiorgio et al., 2025).

Yet for all the risks they pose, the strategic use of social media to spread information is still a formidable weapon for policy makers, firms and activists who want to influence public opinion and economic activity. Social media platforms support monitoring of public opinion in real time, interaction between polic -makers and citizens, and early warning for emerging issues (Latif et al., 2024). A critical factor driving the transformative role of social media in information sharing is the unprecedented speed with which it facilitates garnering support for movements, generating awareness about vital issues, and fostering collective action.

Social media has not only disrupted the traditional communication model but also allowed new ideas, creative thinking and pluralism of opinion to be presented in the public conversation. And as it further harnesses this potential, social media is playing an ever-greater role in determining the course

of public opinion and economic activity to a great extent accelerating a shift towards more democratic and participatory decision-making in society at large that has combined with these problems to make us all citizens, industry players or just regular consumers a little more media-literate and a lot more skeptical than we were before.

Trust Building

Trust is a fundamental factor in economic decision-making, and social media has been increasingly used as a key space for its creation and negotiation. Through the interactive and participative processes that characterize platforms as Facebook, Instagram and TikTok, user-generated content reviews, testimonials and peer recommendations is reproduced quickly and has therefore important implications for consumer perceptions and purchasing behavior. There are a number of reasons for why this is happening. According to research data, two significant trust and purchase intent factors in consumer purchasing process include electronic word of mouth (eWOM) and user-generated content which is seen as more authentic and relatable compared to advertisements legitimizing how influential they can be (Winarno & Indrawati, 2022), (Navin, 2025).

Video from influencers is an especially powerful means of building trust. Influencers like those who appear genuine and knowledgeable are able to establish strong emotional relationships with their fans, which positively impacts purchase intention and brand loyalty (Mohammed & Sundararajan, 2024). Bhalla (2025) found because of their niche audiences and authenticity, micro- rather than macro-influencers more and better engage trust among certain selected consumer segments. Influencers' quality and authenticity are essential, consumers trust more and take action on the recommendation of influencers that manifest devoted propensity towards a brand and are honest in displaying knowledge about products (Lee, 2025).

Transparency and face-to-face interaction by brands and consumers also contribute to trust. Brands that leverages a quick follow-up, educative content and active sponsorships transparency are more likely to be seen as authentic (Kartomo, 2024). Jerubbabel Jesurathinam (2025) stated to reduces the perceived risk, ensuring long term loyalty and positive brand image. Social proof through 'likes,' shares and positive reviews as extra evidence increases consumer trust in products, as well as brand.

Content is also so easy to create on social media. The boundary between real and fake endorsements becomes blurred, and trust is frail it can quickly take a hit from negative reviews, inauthentic introduction by influencers or if someone smells dishonesty of any sort (Nawandar & Sinha, 2025). The rise of consumer skepticism, brands need to place increased emphasis on trustworthiness, transparency and purpose-driven engagement to ensure loyalty in an increasingly competitive digital space (Palin Jeromina, 2024).

The trust building in social media comes from its capability to encourage peer-to-peer communication that is genuine, involve credible influencers and support a more open brand-consumer relationship. These changes are fundamentally changing product consideration, purchase, and brand loyalty in the digital era.

Personalization

This personalization is a defining feature of contemporary social media, enabled by powerful algorithms that surface content according to users' interests, actions and connections. These algorithms construct an inhabited informational environment that in every instance corresponds to the individual user's access patterns, providing 'what is most own' and resonant with the particular profile of interests and beliefs formed by the history of his or her interaction with the machine as they shape one's thoughts and actions more radically than anything else available to man (Keijzer & Mäs, 2022), (Yan, 2023). On the economic front, customized advertising and marketing campaigns also create more relevant products and services that align with consumer interests, ensuring their preferred choice receives a sale. Businesses can use artificial intelligence (AI) to process large volumes of user data, and provide users with very personalized recommendations that might influence their next or future purchase decisions (Babadoğan, 2024). A significant percentage of users perceive that personalized advertisement directly influences their purchasing decisions with algorithm-driven content led to increased engagement and brand trust (Navin, 2025).

Personalization also changes the consumer journey, with product discovery becoming much more efficient and impulse e buying particularly among younger demographics (Maulid et al., 2022) becoming far more likely. Real-time customization by learn as they go AI-powered marketing strategies optimizes content delivery, and customer interaction to enhance user experience and brand-relationship development (Hardcastle et al., 2025). Personalization comes with significant risks too. The very algorithms that improve relevance can also result in "filter bubbles" and "echo chambers," which lead users to be presented with predominantly information that reaffirms their beliefs, restricting exposure to different viewpoints (Iannelli et al., 2022). This selective exposure to information may indeed exacerbate polarization, reinforce biases and shrink the public discourse with profound consequences for public opinion formation and economic choices (Onitiu, 2022).

Empirical and theoretical studies have demonstrated that personalization has potential benefits for user experience, marketing effectiveness but it also comes with ethical challenges in terms of privacy, data security or even manipulative advertising practices (Yan, 2023). The feedback loops in algorithmic recommendations can reinforce behaviors, adversely affecting consumer autonomy and perhaps even creativity and innovation (Hardcastle et al., 2025). Therefore, there is an increasing demand for responsible form and the transparency of algorithms in order to balance information flows for both consumer welfare and societal well-being (Onitiu, 2022).

Misinformation

The spread of misinformation is a critical challenge in the social media era, when information can travel across the digital world to a mass audience in an instant. As a result of engaging users with generated content and algorithms, platforms also have been shown to create spaces wherein misinformation can go viral quickly, sometimes surpassing the rapid spread of true information (Jain, 2023). This has

serious implications for public opinion, as it undermines trust in institutions, skews market behavior, and may also undercut evidence-based policymaking. For instance, misinformation can impact health decisions like vaccine hesitancy and disrupt financial stability through investor’s credibility or consumer behavior (Denniss & Lindberg, 2025). Fake news is facilitated by algorithms that favor the popular and the incendiary, as well as bots and coordinated campaigns to spread. It causes confusion, fear, and loss of wealth (Chen, 2024).

Reasons of psychology also hold a large box in the proliferation and distribution of misinformation. Users are influenced by the cognitive biases, emotional and social identity appeals that promote consumption and sharing of false content even when they have been exposed to corrective information (Munusamy et al., 2024). The former motivations, including entertainment, socialization, information-seeking and passing time as well as personality traits including extraversion and openness are related to more frequent misinformation sharing however more sophisticated Information literacy can lower this behavior (Sun & Xie, 2024). The digital environment can reduce the psychological cost of supporting misinformation, leading to increased acceptance and proliferation of falsehoods that fuel polarization and radicalization (Kaminski & Nascimento, 2025).

However, in some conditions the social media could be a way to rectify them. The scrutiny and engagement of the public can be powerful in countering narratives and promoting transparency as evidenced when increased surveillance and participation by citizens resulted in decreased fake news (G. Wang et al., 2025). Promising avenues to better tackle misinformation include fact checking, media literacy intervention, warning labels or algorithm-based down-ranking to identify or suppress dubious content (Muhammed T & Mathew, 2022). Psychological inoculation training users about manipulation tactics has been demonstrated to boost resilience to misinformation at scale (Roosenbeek et al., 2022). However, longstanding problem of misinformation calls for holistic multi-level interventions including users, platforms and policy makers to ensure that public discourse and economic activity is based on reliable content (Jain, 2023).

Overall, the diffusion of misinformation in social media is based on technological, psychological and societal factors with impact both on society and economy. Tackling this challenge will require cooperation among fact-checkers, media literacy experts, regulators, and the design efforts of platforms to foster accuracy, transparency and trust. As shown in Table 1, Dissemination, Trust-Building, Personalization and Misinformation each have important implications for shaping public opinion and thus economic decisions- demonstrating how precisely social media can influence decision making and market dynamics.

Table 1. Description of the Four Pillars of Social Media Influence

Pillar	Core Function	Key Influence on Public Opinion & Economic Behaviour
Dissemination	Speed and scale of information circulation	Accelerates narrative diffusion, amplifies market reactions, reduces traditional gatekeeping
Trust-Building	Credibility formation through social cues	Converts visibility into economic value via e-WOM, influencer endorsement, and social proof

Pillar	Core Function	Key Influence on Public Opinion & Economic Behaviour
Personalization	Algorithmic content customization	Enhances relevance and engagement while fostering filter bubbles and preference bias
Misinformation	Diffusion of false or misleading information	Distorts decision-making, undermines institutional trust, and destabilizes markets

DISCUSSION

This paper is a conceptual study which provides holistic analysis and innovative insight on a conceptual level by developing an integrative four-pillar framework of social media (dissemination, trust-building, personalization and misinformation) that not only synthesizes disparate empirical findings but also fragmented theories pertaining to ‘social media’ face to face the economic behavior. The focus of the debate on their independent existence is however replaced by tendencies toward mutual reinforcement and cumulation in terms of mobilization and economic influence via digital channels.

It is argued that distribution constitutes a mechanism, which facilitates social media influence by facilitating fast spreading across networks and weakening conventional gate-keeping. This rapidity augments market efficiency and public involvement, but it also increases volatility and lends credibility to unverified stories. The efficacy of dissemination is, therefore, dependent on processes by which trust may be formed to aid users in contextually assessing credibility. Trust, facilitated via e-WoM, influencer endorsements and social proof, is an important mechanism that translates visibility to perceived value and behavioral intention. This also reiterates previous research noting trust as a key antecedent for users’ trust and economic participation on digital platforms.

Personalization also makes social media more intense by serving up content to the personal tastes of users with algorithmic systems. While such personalization increases relevance and engagement, the debate here is about its side effects, the most common one being the development of filter bubbles and selective exposure. They can limit variety of information, strengthen the beliefs and distort economic assessments. The duality of personalization underscores a structural tension between efficiency and autonomy in algorithmic communication environments.

The systemic risk imposed by misinformation cuts across all other pillars. It spreads quickly thanks to velocity, given legitimacy by errant trust and bolstered via personalized streams. Beyond the potential for personal misperceptions, misinformation threatens broader economic and societal harm in eroding institutional trust, shaping market behavior and compromising evidence-based policy making. By framing misinformation not as an incidental effect, but as a central component of the platform, it recasts misinformation and disinformation as inevitable challenges of platform design and user dynamics.

The Malaysian case study analyzed in this paper demonstrates how these four pillars play out unevenly across economic actors. While SMEs can now reach larger audiences than ever before at low cost through social media, their limited levels of digital literacy and analytics capacity reduce her capacity to manage the strategic risks posed by personalization and misinformation. This difference implies that the economic value of social media depends on organizational readiness, regulatory

support and digital capabilities. There is a call for policy intervention and capacity building programmes.

Finally, the discussion suggests that the four-pillar schema is a useful tool for interpreting and comparing the enabling and constraining forms of impact of social media on public opinion and economic behavior. The model moves beyond descriptive narratives by focusing on interaction effects and contextual variables to facilitate a more analytical explanation.

CONCLUSIONS

This conceptual paper synthesizes interdisciplinary evidence to argue that social media's influence on public opinion and economic behavior is neither random nor uniform, but systematically shaped through four mutually reinforcing pillars: dissemination, trust-building, personalization, and misinformation. Together, these pillars form an integrated "influence stack" that governs how information circulates, how credibility is constructed, how preferences are shaped, and how distortions emerge in digital environments.

Dissemination provides the speed and scale that allow narratives to reach large audiences almost instantaneously, disrupting traditional information hierarchies and amplifying market reactions. Trust-building transforms exposure into economic value by reducing perceived risk and facilitating decision-making through social validation mechanisms. Personalization enhances relevance and engagement but simultaneously introduces risks of informational isolation and behavioral manipulation. Misinformation exploits the same technological and psychological mechanisms, producing consequences that extend beyond individual misjudgment to broader economic instability and democratic erosion.

The Malaysian evidence reviewed in this study indicates that while social media presents significant opportunities for SMEs and economic actors, uneven digital capabilities limit the strategic use of analytics and increase vulnerability to algorithmic and informational risks. These findings highlight the importance of moving beyond conceptual mapping toward context-sensitive diagnostics that account for capability gaps and institutional environments.

As a conceptual contribution, this study is limited to typology-building and does not quantify causal relationships or effect sizes among the proposed pillars. Future research should therefore operationalize the framework using empirical designs grounded in established theoretical models such as the Technology Acceptance Model or the Stimulus Organism Response paradigm. Mixed-method approaches combining surveys, platform data, and experimental designs would enable more precise measurement of interaction effects and boundary conditions. By articulating a coherent framework and outlining a clear research agenda, this paper lays the groundwork for future studies seeking to calibrate when, for whom, and under what conditions social media facilitates or undermines economic welfare and public discourse.

CONFLICT OF INTEREST

The authors declare no conflicts of interest.

AUTHOR CONTRIBUTIONS STATEMENT

Nur Liana Aqilah Derus and Wan Hashridz Rizal Wan Abu Bakar jointly led every stage of the manuscript: they co-wrote the introduction, identified and organized the thematic structure, refined the language and style, edited successive drafts, and produced the final version. All authors reviewed and approved the completed manuscript.

AVAILABILITY OF DATA AND MATERIALS

The data supporting this study's findings are available on request from the corresponding author.

ETHICS STATEMENT

Not applicable.

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