

Social media's effect on consumer behaviour

Ms. Sakshi Vardhan Sharma

Asst. Professor, Dept of Management, Institute of Management Studies, Noida

Abstract : The objective of this paper is to empirically investigate the role of social media in the decisionmaking process of consumers for complex purchases, which are characterised by significant brand differences, high consumer involvement and risk, and are costly and uncommon. The gradual developments in technology indicates that s-commerce will become the marketing mainstream, and a literature survey shows that there have not been many studies in this field.

Findings demonstrate that in the stages of data search and alternative evaluation, the use of social media influences consumer satisfaction, with satisfaction being magnified as the consumer moves along the process towards the final purchase decision and post-purchase assessment. In the last few years, the enhanced acknowledgement of social media has given rise to social commerce (s-commerce) and the use of s-commerce is increasing gradually. Studies indicated that social media use significantly influence on customer satisfaction throughout the levels of knowledge quest and alternative assessment, with engagement concrete performance as the customer progresses through the path towards the final purchasing decision and post-purchase evaluation.

I. Introduction

Analysis of customer decision-making mechanism for complex shopping, with particular focus on how this method is affected by the use of media Networks. Complex purchasing activity in this sense means expensive uncommon high customer interaction transactions, large market discrepancies and high risk.

One fairly new trend is social media. The Planet In the last decade Big Internet has seen the spread of user-driven web technologies such as forums, social media, Networks, and platforms for information sharing. Those are collectively called social media. Technologies have allowed user-generated content to expand, a global community and dissemination of public views. The campaign is now dominating the way we use the internet has contributed to common sites such as Twitter, YouTube, Instagram and Twitter where content is linked, created, and shared.

The change in the social media has led to innovative ways of searching and receiving data on the various goods and services available on the market. It allowed consumers can quickly and easily communicate and address the brands with each other (Powers Eth et al. 2012).

Public views regarding goods and services are rapidly becoming occupied by strangers in digital environments, which in effect affect offline opinion space (Smith 2009).

Social media has motivated users, so advertisers do not have control over the material, pacing or duration of consumers' online discussions (Faulds and Mangold, 2009).

The consumer's use of social media is pursued anxiously by advertisers but not there is a lot of information about how this affects customer decision-making. A lot of research in the online shopping world, emphasis on customer behaviour, but without evaluation of the impacts of the Internet on the various stages of customer judgment (Darley, et al., 2010). This work examines how good the existence and abundance of such news sources of knowledge affect customer decision-making for complex buyouts.

II. Literature review

Social media is on the rise and rising considering a major role in customers' lives, young people in particular, who include new customers 18 to 24 years old. (Mimi.

Hu Company, 2000) because young people are growing up in a "new" world technologies which change rapidly are more likely to make use of the digital media in the daily activities (Carenzio, 1998). Marketers have in the last decade targeting the youth market aggressively, as this is the competition is a more demographic and economic one attractive and rewarding market (MiMi.hu Company, 2000).

There are several approaches to model consumer behaviour, depending on the purpose of the study, but an effective tool is the decision-process approach which analyses the events that precede and follow a purchase, and that explains the way decisions are made (Karimi, 2013).

Consumer decision-making could be defined as the "behaviour patterns of consumers, that precede, decide and proceed on the decision process for the acquisition of need satisfying products, ideas or services" (Du Plessis et al., 1991). Product models have varied in their sophistication, with the simplest ones such as the economic model (where consumers follow the principle of maximum utility and spend minimum amount for maximum gains), the psychological model (based on Maslow's hierarchy of needs, where individuals are motivated by their strongest needs), the Pavlovian cooperative learning (behaviour brought on by practice, education and training), and sociological model (buying inspired by society or social standards). Towards the end of the 1960s, a few complex models were developed, for example Nicosia (1966), Engel et al. (1978) and Howard and Sheth (1969). These three models are often referred to as the 'grand models' of consumer behaviour. The Nicosia (1966) model had four areas of behavior in the decision process: customer attitude-formation, knowledge search and assessment, the act of purchase, and post-consumption feedback. The Howard and Sheth (1969) model also had four sets of variables: inputs (stimuli); cognitive and thinking structures;

outcomes (consumer behavior, purchasing decision); and external variables (social, psychological and marketing factors). The three grand models captured the stages of the purchase process but differed in their emphasis on different variables and their presentation. However, they were criticised as being too complex, with many poorly defined variables, vague and complex interrelationships, and lack of empirical support (Karimi, 2013).

The increased quality and volume of information online has strengthened the potential of customers to make good purchasing decisions (Aksoy and Cooil, 2006), and has created new opportunities for knowledge discovery because of low search costs (Jepsen, 2007). Results on search engines are now mostly dominated by consumer content and views (Smith, 2009).

The effect of the media varies on the various stages of decision-making. Initially, the internet sponsored only the knowledge search stage (Karimi, 2013), but recent developments in social media, online decision aids and recommender systems have expanded the internet's influence function to all the decision stages. For online decision-making quality, other than time expense and the perceptual costs of obtaining and displaying data, other influential factors involve potential risk, people's skills and trust. Internet or browser skills too have regained relevance: the higher the amount of internet use by consumers the more likely they would use it for decision making (Jepsen, 2007). According to

Punj (2012), the critical difference in decision making between online and offline settings can be due to the technologies available online, like access to the varied sources of knowledge and decision aids, which have the potential to help consumers make better quality decisions.

Numerous scholars have recently researched the impact of social media on consumer behaviour, but usually not from the viewpoint of the decision process (e.g., Xie and Lee, 2015; Chu and Kim, 2011). Consumers use official media for the gain of instant access to information at the inconvenience (Mangold and Faulds, 2009), assisting them to determine what to buy or to learn more about new goods or brands, when and where they want (Powers et al., 2012). Examples are provided by Goh et al. (2013) and Xiang and Gretzel (2010). Online user reviews have been shown to have a causal effect on product preference and purchasing behavior by customers (Yayli and Bayram, 2012). Social networking has brought about a 'participatory culture' where users network with some like-minded individuals to participate in an unending cycle of exchanging information, tracking notifications, and seeking feedback and reviews on all kinds of goods, services and activities (Ashman et al., 2015). The standard of online product reviews, characterized by perceived informativeness and persuasiveness, along with the presumed quantity of feedback, was found to have a major positive impact on consumers' buying decisions. Social media is viewed as a more trustworthy source of knowledge as opposed to corporate communications and advertising. According to Constant in Ides (2014), there is a general feeling of mistrust towards mainstream media. Therefore, consumers are turning away from traditional media such as television, magazines, and newspapers as sources to guide their purchases (Mangold and Faulds, 2009).

Information overload is a key issue in online decision-making. Social media with its sheer amount of information have led consumers to a state of analysis paralysis, making it difficult to navigate all the available information (Powers et al., 2012). Due to bounded rationality (Simon, 1960; Thaler and

Mullainathan, 2008), there is a limit to the amount of information that can be processed by individuals, and it is not feasible to evaluate all choice alternatives in depth (Karimi, 2013).

There is no doubt that social media are now important sources of information for consumers in their purchase decision-making, especially in instances of complex buying behaviour. More and more people are turning to consumer opinions online due to the ease of access, low cost, and the wide availability of information. Peer recommendations on social media are viewed as an e WOM and as more trustable sources of information when compared to advertisements and other marketer-generated information.

III. ResearchGap

Lack of research in India and among adults above the age 40 who still somewhat believe in traditional advertising.

IV. ResearchObjectives

1. To examine how social media has affected the decision making of consumers.
2. To examine people's behaviour towards social media advertising
3. To examine the factors of social media that influence the buying behaviour of consumers.

V. Research Methodology

1. Type of research

The study is conclusive in nature as it tests and specifies the relationship between the impact of social media on consumer behaviour with age and income. The study is cross-sectional in nature as it is carried out at one point of time.

2. Type of research design

The study is quantitative and casual in nature. It is expressed in numbers and graphs. It attempts to find the cause-effect relationship among social media and consumer behaviour. Experts and analytical publications and other open sources of information were used as well.

3. Research Hypothesis

H0a- there is no relationship between age and impact of social media in consumer behaviour.

H1a- there is a relationship between age and impact of social media in consumer behaviour

H0b- there is no relationship between income and impact of social media in consumer behaviour

H1b- there is a relationship between income and impact of social media in consumer behaviour

4. Sample Design

Population

Random people whom may or may not use social media while making purchase decisions. Sample size-235 respondents were taken as a sample size.

Sample element- In this study the sample element is a person.

Sampling technique- Simple random probability was used to sample the population

5. Variables

In this study age, income and social media are independent variables, whereas consumer behaviour is a dependent variable.

6. Scales Used – The scales used in the study.

1. For the calculation of age-Ratio scale can be used as the age cannot take any number and it starts from zero.
2. For the calculation of Income-Ratio scale have been used as the income cannot take any number and it starts from zero.

For the questions, Likert scale have been used (1-5, where 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, 5-strongly agree.)

7. Data collection method-

The study has been based on the primary data. The data was collected through survey method through google forms.

Type of schedule- Structured questionnaire with suitable scaling.

Type of questions – Likert scale, open-ended and grid questions.

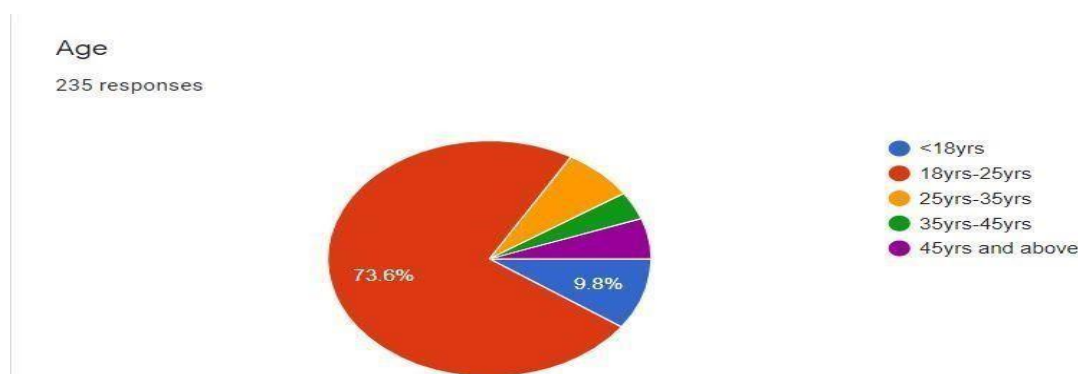
- a. Research Instruments – For the purpose of the primary data collection questionnaire were used.

Time period- The responses were collected from 1 October – 29 October 2020.

- b. Statistical tool to be used- Data collected from scales will be entered into excel for the further analysis. To study bar graphs and pie charts will be used to analyse and interpret the collected data.

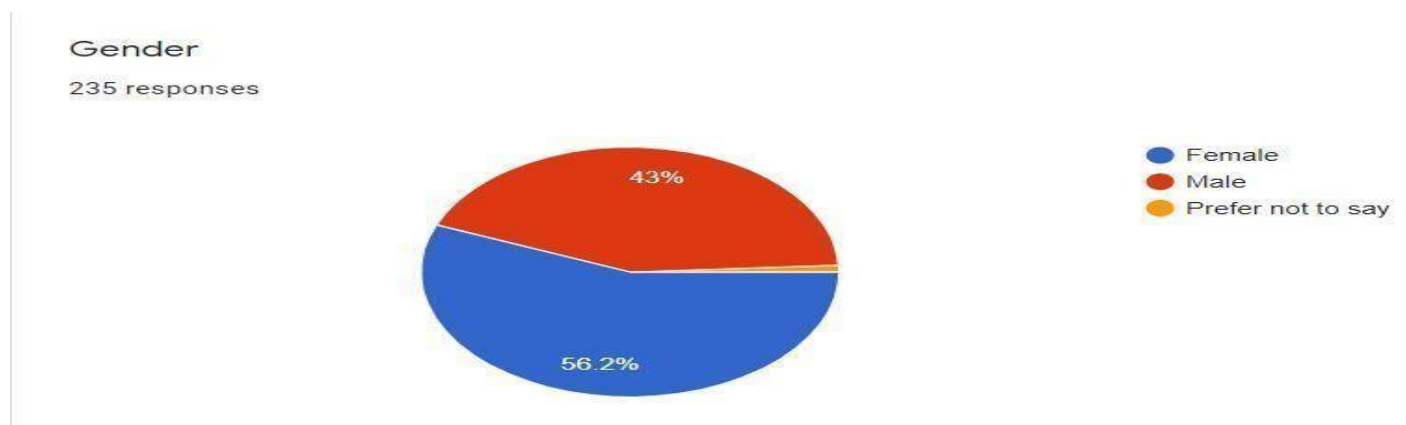
- c. Data Interpretation

Figure.1



In the following pie chart, we can see that the majority of respondents adhere to the 18-25 age bracket of 73.6% (173 respondents), accompanied by 9.8% (23 respondents), where respondents are under the age of 18, preceded by respondents belonging to the 25-35 age group of 17 respondents.13 respondents, comprising 5.5 percent, are joined by respondents belonging to the age group 45 and above. The lowest percentage of responses was in the 35-45 age group. As from observations, the null hypothesis is rejected and research hypothesis is confirmed. So there is a significant relationship between age and impact of social media inconsumerbehaviour.

Figure.2

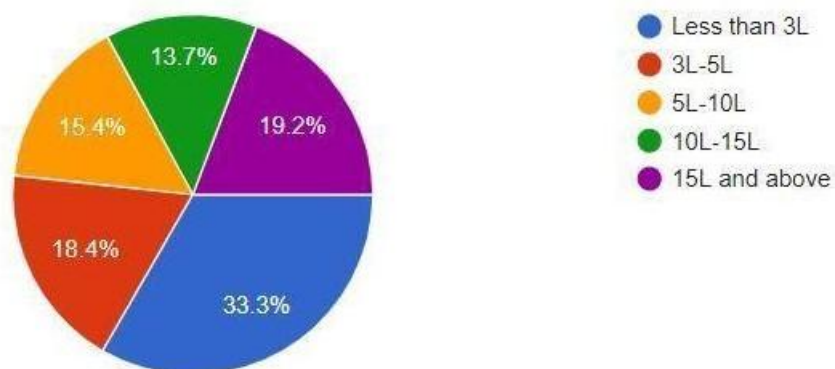


The majority percentage of the respondents were female, comprising 56.2 percent, while males accounted for 43 percent of the total respondents, while the remaining chose not to disclose their gender.

Figure.3

Annual Income (Family or self)

234 responses

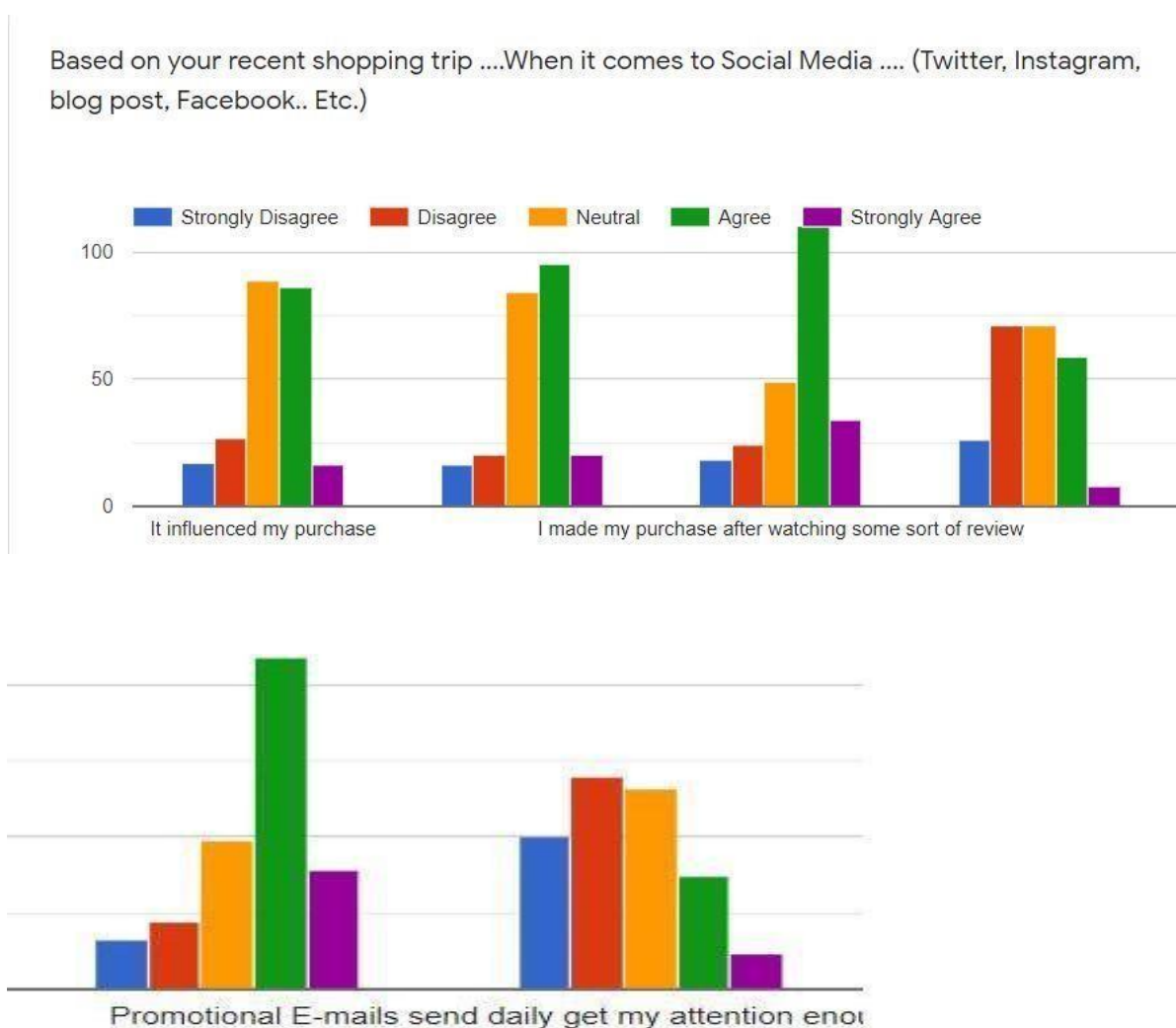


The following pie chart reflects the respondents' annual income. The majority of respondents adhere to the annual income group of less than 3lacs, comprising 33.3 percent of the 100 percent total. 19.2 percent, which depicts the annual income bracket of 15 lacs or above, follows this. The annual income bracket of 3 lacs-5lacs accounts for 18.4% of respondents. The proportion of participants belonging to the income group of 5 lacs to 10 lacs is 15.4%.

13.7% of respondents are from 10 lacs to 15 lacs annual income bracket. Most of the respondents are either students or dependent on their families for income.

As from observations, the null hypothesis is confirmed and research hypothesis is confirmed. So there is no significant relationship between the annual income and impact of social media on consumer behaviour.

Figure.4



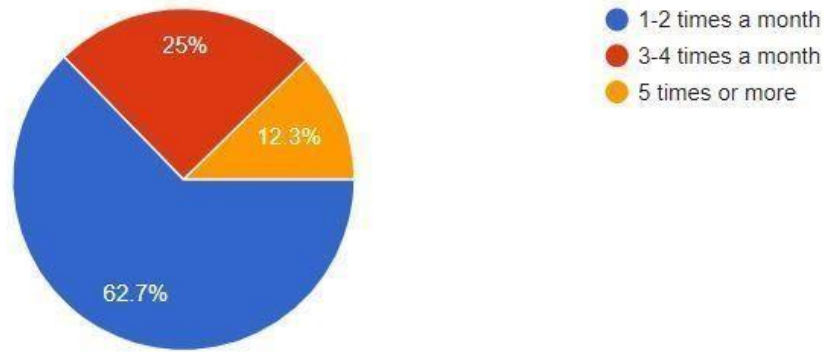
Most of the respondents felt that their choice was affected by social media when it came to the purchase decision being affected by social media. Many of the users even made a purchase just because they saw

something in the first place on social media. When it comes to relying on social media, respondents were not sure about it when buying. They might or may not rely on it. Social media helps customers find new items they haven't found before.

Figure.5

How often do you visit a store?

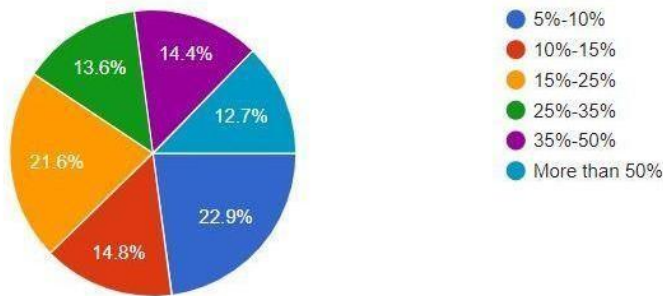
236 responses



62.7% of those surveyed visit a store 1-2 times per month. While other, 3-4 times a month, 25 percent of respondents visit a store. The number of respondents visiting the store more than 5 or more times is 12.3%.

How much of the purchase do you think was influenced by Social Media ?

236 responses

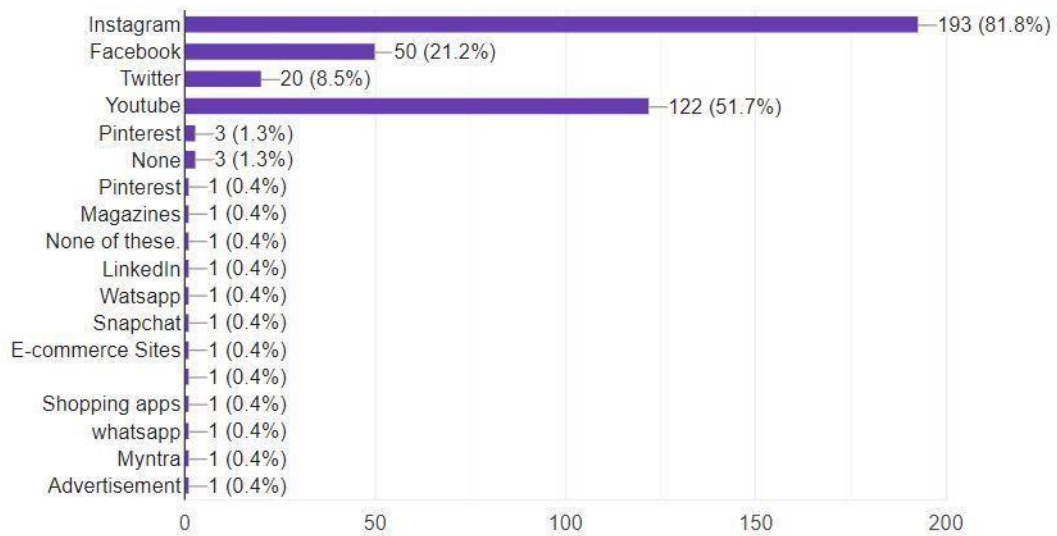


22.9 percent of all respondents believe the purchase decision was affected by social media by 5 percent-10 percent of all respondents. 21.6% of respondents believe that social media influenced their purchase decision by 15 percent-25 percent. 14.8 percent and 14.4 percent of respondents believe that the purchase decision was affected by social media, 10 percent 15 percent and 35 percent-50 percent respectively. According to 13.6 percent of respondents, 25 percent-35 percent purchase choice was affected by social media.

Figure.7

What type of Social Media influence your Purchase?

236 responses

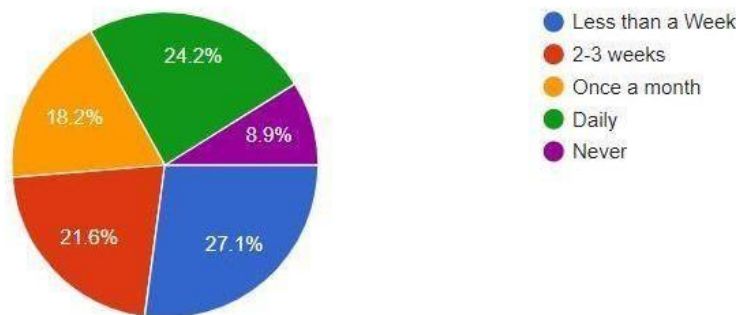


Since we can evidently notice from all social media platforms, Instagram has by far the most impact on a customer's purchase choice. Youtube tends to follow it. Instagram accounts for almost 81.8%, and 51.7% for Youtube. To a considerable extent, Facebook also influences consumer purchasing decisions. Here, Facebook accounts for almost 21.2%, whereas Twitter accounts for 8.5%. Less than 2 percent of the total is accounted for by all platforms such as Pinterest, Magazines, LinkedIn, Whatsapp, Snapchat, Myntra, e-commerce sites, ads and various shopping apps.

Figure.8

How often do you watch/read the social media that influence your purchase?

236 responses

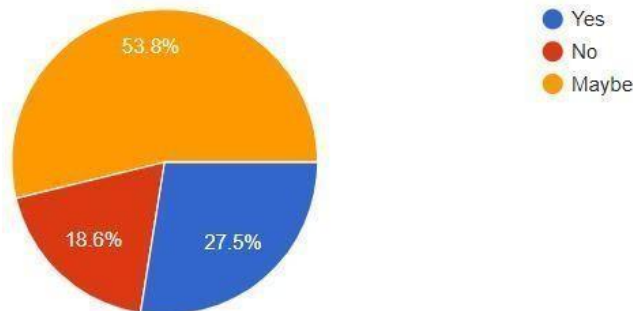


In less than a week, the majority of respondents watch / read social media, representing 27.1% of the total percentage of respondents. 24.2% of respondents watch and read social media on a daily basis. 21.6 percent is the percentage of respondents who watch/read social media 2-3 times a week. Once a month, 18.2 percent of the respondents use social media. 8.9 percent is the percentage of respondents who never read/watch.

Figure.9

Do you change your initial purchase preference after searching relevant information via social media ?

236 responses

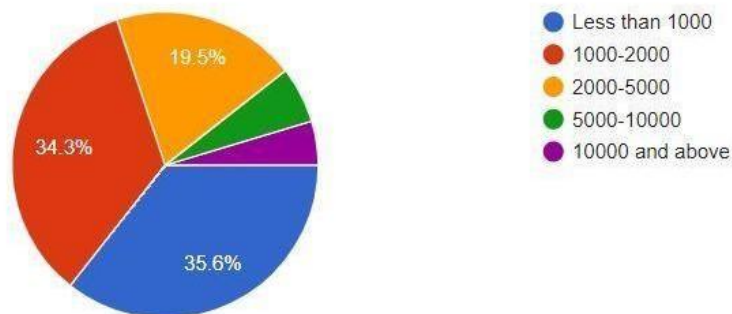


Due to the search for relevant information on social media, the majority of respondents are not sure about the change in initial purchase preferences. 27.5 percent of respondents think that due to information collected from social media, their initial preferences change. 18.6% of respondents believe that their preferences are not influenced by social media.

Figure.10

How much do you spend on online shopping in a month?

236 responses

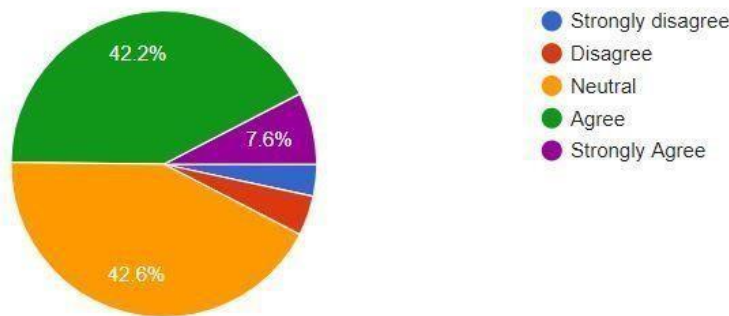


35.6% of respondents spend less than Rs.1000 a month on online shopping. Whereas, in a month, 34.3% of respondents spend Rs.1000-Rs.2000 on internet shopping. In one month, a very small percentage of individuals spend Rs.2000 and above on online shopping.

Figure.11

You are able to fetch products/services information actively with the help of social media sites.

237 responses



When it comes to actively obtaining product information with the help of social media, the majority of people are neither inclined towards the positive side nor the negative side. This equates to 42.6 percent. In contrast, 42.2 percent of respondents agree that they use social media to obtain information. With this, very few respondents disagree. Rest all either strongly agree or disagree that a very low percentage is represented.

d. Conclusion

After the analysis of the collected information and the survey conducted we can conclude that most of the users who buy online are young belonging to the age bracket 18-25yrs. Whereas, most of the consumers are female and have accounts on social media platforms like Instagram, Facebook and Youtube. When it came to the purchase decision getting influenced by social media most of the respondents felt that their decision was influenced by social media. Most of the users even made a purchase just because they saw something on social media in the first place. When it comes to relying on social media for purchase respondents were not sure about it. They may or may not depend on it. Social media does help consumers find new products that they hadn't found before. When it comes to getting notified by promotional emails daily about the products respondents disagreed. Majority of the respondents thought that their purchase 5-10% was influenced by social media. Instagram was one of the social media platforms preferred by the users the most, followed by Youtube and Facebook. Nearly half of the respondents either read or watch social media less than a week or 2-3 times a week. Most of the people spend less than Rs.5000 on online shopping at a time. Majority of the users were able to fetch products online that they were looking for. There really is no doubt that the internet is now a valuable source of information for consumers in their purchase decision making, especially in situations of complicated purchase behaviour. Social media does affect the buying behaviour of consumers, using social media as an advertising platform helps the business and brand to grow and reach a large number of audiences as internet is there every day in today's world.

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