



IMPACT OF SOCIAL MEDIA ON CONSUMER BUYING BEHAVIOR

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ABSTRACT

Today, social media is one of the most popular and widely utilized forms of communication. People currently utilize social media to interact with one another all around the world. People have been using social media to discuss their experiences in recent years. This also includes experiences using a product or service or platform. These product reviews posted by social media users are read by thousands of people every day and they have become a source of influencing consumer buying behavior. Organizations have started to use social media to sell their products and services after realizing the value of this medium. Social media is being used today to effectively market products and services and to attract a wide demographic of audience. This paper aims at identifying how different aspects of social media can impact consumer buying behavior.

Keywords: *Social media marketing, consumer behavior, social media*

INTRODUCTION

Social media allows exchange of ideas, opinions, stories and facts among individuals who may be living in different parts of the world. Facebook and Instagram are among the most popular social media platforms. These platforms often offer user-generated content and individualized accounts. There are currently 3.78 billion users of social media worldwide and by using social media brands can target this huge audience and generate significant leads.

Popular social media platforms that are used by companies to target their customers are:

1. Facebook

With over 2.7 billion active monthly users as of 2020, Facebook is a hugely popular social media network with a diverse clientele. As a result, a lot of companies set up a Facebook profile. Everything from images to essential company announcements can be shared on Facebook. You can also access powerful advertising tools and in-depth data with a business account.

2. Instagram

Instagram is also extremely popular, with 1 billion active users expected by 2020. Businesses utilize a variety of techniques to market their services and products on Instagram, from Instagram Live to Instagram Stories. Instagram is a platform that majorly focuses on visual content like pictures and videos. Organizations use influencers to promote their products and services.

3. Twitter

You can share short tweets (under 240 characters), videos, photographs, links, polls, and more on Twitter. This platform makes it simple to communicate with your audience by referencing users in your posts, as well as like and retweeting tweets. Twitter is a terrific tool for fast spreading the word if you have interesting material and can speak it in an engaging way. Hashtags aid in the promotion of postings, and if a user with a large following retweets you, your work may go viral.

From a customer's perspective social media is a vital tool for researching companies and making purchase decisions. According to GlobalWebIndex 54% social media user's use social media to research products and 71% are more likely to purchase goods and services based on social media referrals.

Before making a purchase, over 77% of people examine customer evaluations. If a company has reviews, it quickly establishes credibility and confidence (even if they're bad). Online reviews give potential buyers the impression that your company is authentic and offers a genuine product or service. Customers all around the world use these reviews as a source of information to decide whether to purchase the product or not. They also use these reviews to create an image about the brand. Even if the reviews are bad, the manner in which the company decides to respond to them can also prove to be very crucial for their brand image.

Through this study I have tried to understand how much a social media advertisement can impact a consumer's buying behavior.

LITERATURE REVIEW

1. The beginning of social media usage:

Social media was popularized in the year 2004 after the creation of Facebook. Web 2.0 was later discovered which meant that users could collaboratively work on one platform; this led to the advent of blogs, Wikipedia and other collaborative working tools.

For instance, Wikipedia, a free online encyclopedia, is one of the most popular platforms and has the facility for users to collaborate on information sharing (Chen et al. 2011a).

Social media provides a platform for customers to interact with each other, give advice, suggestions and share experiences. This enabled consumers to have a lot of information at the click of a button that wasn't possible initially.

Social media can be categorized into: collaborative projects (Wikipedia, blogs), content communities (YouTube), social networking (Facebook), virtual game worlds (World of Warcraft), and virtual social worlds (Second Life) (Kaplan and Haenlein, 2010).

2. Emergence of social media as a mode of advertisement:

In the late 90s the most popular mode of advertisement used was Word-of-Mouth wherein the organization would attempt a good word about themselves through customers and employees. Word-of-Mouth is a primary source of information for consumer buying decisions, shaping perceptions and expectations of brands, products and services (Kimmel and Kitchen, 2014), and impacting all phases of consumer decision-making: from product awareness to selection and post-purchase evaluation.

Today this Word of Mouth can be used electronically where if one person says something good about the product it can reach hundreds and even thousands of users.

3. Variation in purchase decision behavior:

Kotler and Armstrong (2014) classified buying behavior along two axes: high or low consumer involvement, and significant or few brand differences. The four types of purchase behavior they discerned are summarized as:

Purchase Behavior	Characteristics	Examples
Complex Buying	High Consumer Involvement Significant Brand Differences Expensive Infrequent High Risk	Car Laptop
Dissonance Reducing	High Consumer Involvement Few Brand Differences Expensive Infrequent High Risk Price Sensitive	Carpet Furniture
Habitual Buying	Low customer involvement Little Brand Difference Frequent or Repeated Purchases	Household goods Groceries
Variety Seeking Buying	Low customer involvement Significant Brand Difference Brand switching for variety	Cookies Restaurant

Source: Kotler and Armstrong 2014

RESEARCH GAP

After analyzing the existing literature available on this topic, I realized that although there is research done on this topic most of the research has targeted teenagers and the young- adult demographic. Over the last year, social networking usage among internet users aged 50 and up has nearly doubled, rising from 22% to 42%. While social media use has exploded among people of all ages, older people have been particularly enthusiastic about adopting new networking technologies in the last year; this particular demographic has been left out of previous research. Although this is a fairly huge user base there seems to be very less research done on this topic. Another aspect that seems to have been left in previous research is what are some things that could annoy or frustrate users when it comes to social media advertisements?

RESEARCH OBJECTIVE

Through this research, I wanted to discover more about how social media influences the consumer behavior of people of all ages. The research will focus on various triggers of social media and how individuals belonging to different demographics react to the same. Another topic that has been discussed in this paper is what elements contribute to consumer frustration when it comes to social media marketing and campaigns.

A company no matter how big or small can tap into a large audience and begin a dialogue with not just their consumers but also potential customers and competitors, by applying the proper tactics and employing the proper social media tools.

RESEARCH METHODOLOGY

The methods or techniques used to classify, choose, process, and interpret knowledge about a subject are referred to as research methodology. The methodology portion of a research paper helps the reader to objectively assess the study's overall validity and reliability.

Type of Research

For this particular research the data is primary in nature and is collected through a self-administered questionnaire targeted towards different age groups spread across India and the Middle East, particularly Kuwait. Questionnaires are a cost-effective and quick way to assess the behavior, attitudes, preferences, opinions, and intentions of a large number of people. With the help of different scales we can also measure the extent of likelihood or unlikelihood of a respondent to certain questions.

Research Design

The research is designed in a questionnaire form the questions are designed in a way so as to help the researcher get a holistic view of how social media is perceived by the buyers.

A qualitative approach has been chosen since the aim of the study is to produce ethnographic knowledge about the behaviors and shared beliefs of a specific group of people. Since this method is less controlled and more interpretive, it is easier to draw conclusions from the responses.

Consequently the responses from the questionnaire were used to gain an understanding regarding the impact of social media on consumer buying behavior.

Population and Sampling Considerations

Respondents from various age groups were asked to fill the questionnaire. The reason distinct age groups were chosen was so that we could understand clearly how different age groups perceived the questions and felt about the questions being asked and to bring about some kind of variations in the data. The respondents include students, employees, homemakers etc...

The desirable features that should always be considered when selecting a sample in order to maximize the probability of successful estimation of population parameters are referred to as sampling considerations.

As mentioned above the sample consisted of respondents from all age groups;

- 18 - 25 : 66.3% population
- 26-40 : 15%
- 40 and above :24 %

Variables used

There are essentially two types of variables that can be used in a study; dependent and independent. In order to obtain scientific discoveries, it is necessary to establish a cause and effect link. For the purpose of this study we have used independent variables including age, gender and other criteria's such as social media platform preferences, annoyance triggers etc.

Scales Used

The scales used in the questionnaire are:

- **Likert Scale:** The most common scale is the Likert scale. Respondents to likert scale questions must select their level of agreement with a statement. Response categories could include words like "strongly agree," "agree," "don't know," or "disagree."
- **Nominal Scale:** A nominal scale is a measurement system that is used to categorize occurrences or things into discrete groups. This scale does not require the use of numeric values or categories ranked by class; instead, each different category is labeled with a unique identity. This scale has been used for questions like age, gender etc.

Instruments Used

An E-Questionnaire was used to undertake this study as this method allows us to measure as well as observe the opinions portrayed by our respondents, so as to help us get an overall view as to how each aspect of social media impacts consumer buying behavior. The questionnaire was developed and directly mailed to the respondents via "Google Forms", a survey administered software.

Aspects covered under the study:

The study which is being conducted focuses primarily on how social media impacts consumer buying behavior. The aspects which have been focused on are discussed below:

1. Product reviews:

87% of the respondents gave a positive response when asked if a bad review about a product on social media can change their mind about purchasing a product.

These reviews can either influence a consumer to purchase a product or drive them to competitors. Reviews play a crucial role in converting potential leads into customers.

2. Social media advertisements:

Are social media advertisements influential? Do customers consider them trustworthy? Do users actually view these advertisements? I have attempted to answer these questions in the study.

3. Brand image:

When you have a social media presence, you make it easier for your customers to find you and connect with you. By connecting with your customers through social media, you are more probable to upsurge customer retention and customer loyalty.

79% of the respondents felt that having a social media presence is important for a brand.

4. Annoyance Triggers:

There are a number of factors that can lead to users feeling frustrated or annoyed at social media advertisements. Through this study we have focused on three such factors namely;

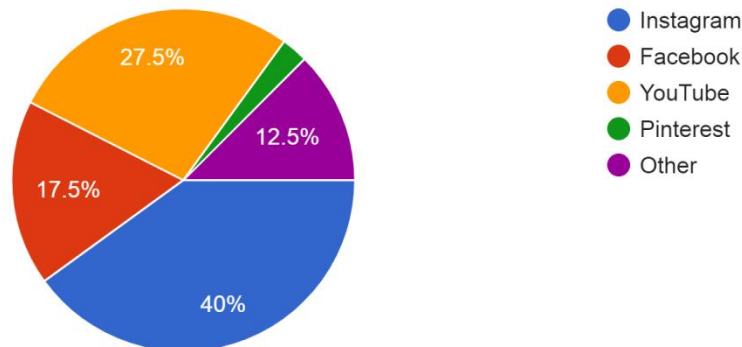
- Length of content
- Over-personalization
- Visual Appeal

DATA ANALYSIS AND INTERPRETATION

Fig 1:

Which social media handle do you trust the most when it comes to product reviews?

80 responses

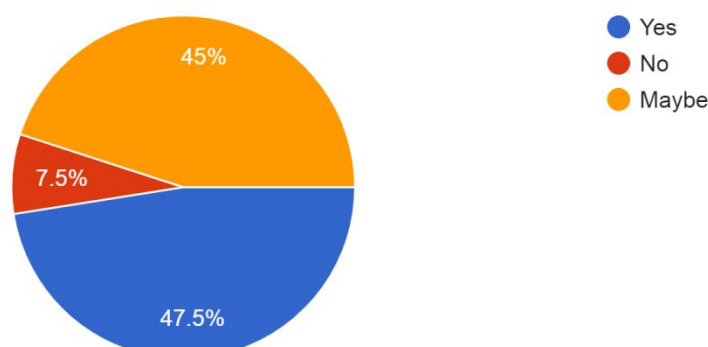


In Fig 1. Through a collective analysis it can be observed that Instagram is the most popular whereas Pinterest is the least popular. However in the group of 40 and above YouTube was the most popular. This makes Instagram and YouTube very attractive mediums for companies to market their products and services. 130 million Instagram users engage with commerce posts each month. Instagram allows you to market your business and goods in a nice, real way to your customers without being pushy. Online feedback, when executed properly, can also help to promote and improve the efficacy of your social media strategy.

Fig 2:

An advertisement on social media is likely to influence you to buy a product

80 responses



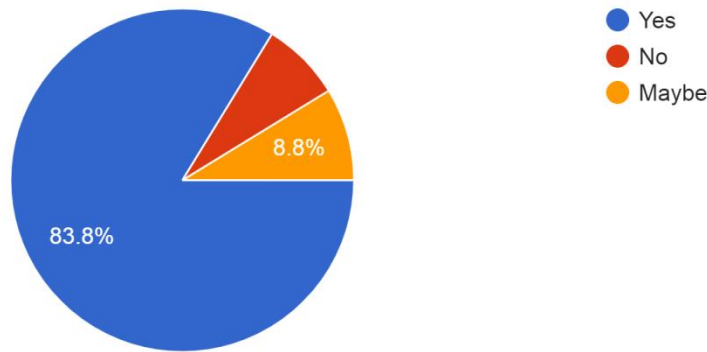
In Fig 2 it can be observed that the respondents are in the positive spectrum where social media may influence them to buy a product, however the interesting point is that a very small percentage of the respondents could assert with confidence that they do not get influenced by social media advertisements.

Consumers who use social media during their shopping process are four times more likely to spend more than those who do not, according to a Deloitte survey.

Fig 3:

Do you think having a social media presence is essential for a brand?

80 responses

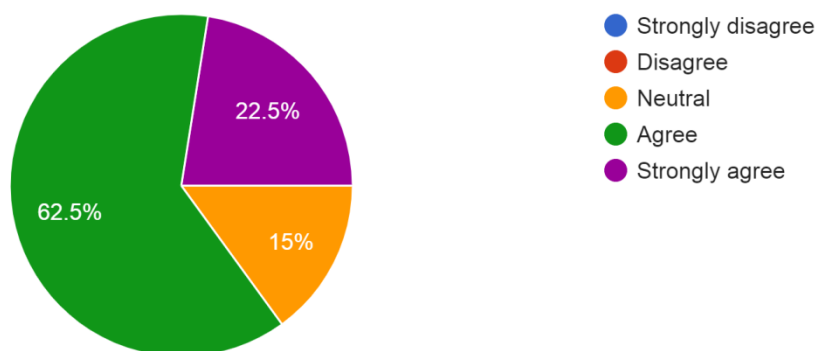


In Fig3 we can see that 84.3% of the respondents feel that social media presence is essential for a brand. The interesting part of this is all the respondents who felt social media presence is not important for a brand are of the age group 40 above. This is majorly because the older generation does not give huge importance to social media engagement and presence.

Fig 4:

Are you likely to change your decision to purchase a product if it has gotten bad reviews on social media?

80 responses



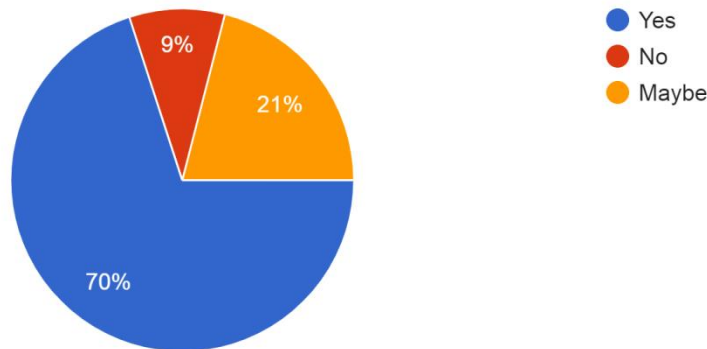
In Fig 4 it can be observed that all the respondents are likely to change their purchase decision if a product or brand has gotten bad reviews on social media. This goes on to show how important it is for a company to maintain a good brand image and deliver quality products. The worst thing a firm can do is if they receive a

negative review, they ignore it. This not only affects potential customers who read reviews, but it can also affect repeat business. Another bad habit is waiting too long to answer. Companies should ensure that they have a plan in place to check their social media outlets at least once a week for reviews.

Fig 5:

Does extremely lengthy content in a social media advertisement frustrate you?

100 responses

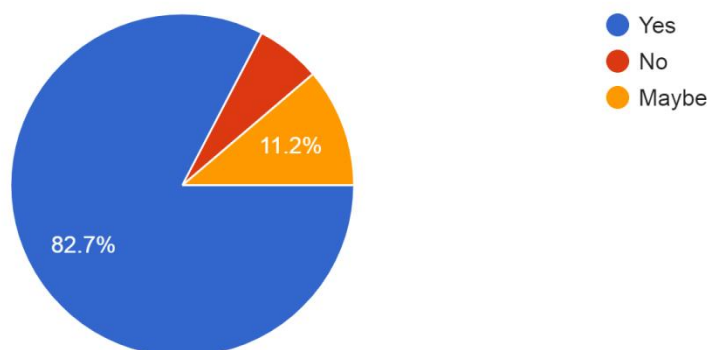


In Fig. 5 we can observe that 72.5% respondents feel that extremely lengthy content can frustrate them. Companies should try to avoid having too many words or extra content in the advertisement. Social media advertisements should be short and concise so as to not bore the audience. The company should focus on the content that is being generated. So as to ensure that the content being posted on social media is free of any errors.

Fig 6:

Does extra personalization in an advertisement make you feel creeped out?

98 responses

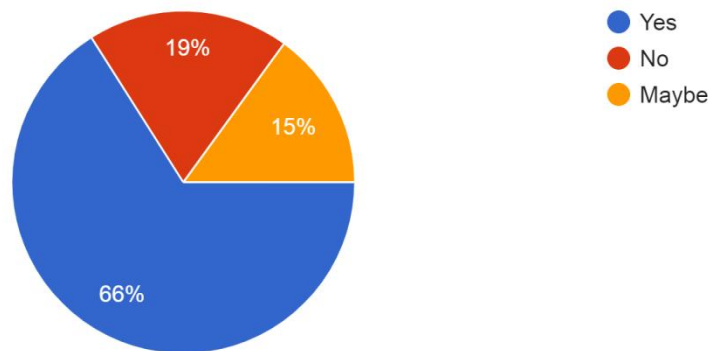


87.2% respondents feel that over-personalization can lead to consumers feeling unsafe and unsure about the brand. They might feel that the organization is using their personal data to increase sales and create targeted advertisements. Companies should focus on creating engaging content rather than over-personalized content for their social media page.

Fig 7:

Is visual appeal an important aspect in a social media advertisement?

100 responses



70% of respondents feel that visual appeal is an important aspect when it comes to social media advertisements. The respondents particularly the one's belonging to the above 40 year age bracket feel that images and videos attract them to advertisements. Long-form blogs and posts are much less digestible and entertaining than visual content.

Consumer interconnectivity through social media platforms such as communities, reviews, and recommendations is likely to increase e-commerce confidence. Consumers' social engagement on social networking sites (SNSs) aids their peers in developing or rejecting faith in a provider. The social relationship of consumers generated through social media significantly affects the perceived trust of consumers (Pan & Chiou 2011). The interactions on these platforms generate social support. The results of this research show that customers are highly influenced by the reviews on social media.

DISCUSSION AND CONCLUSION

Personal interest in how consumer behavior has changed in these technologically advanced times, especially with social media, prompted the study. The amount of information available to us increases each and every day; as a result, we are overwhelmingly exposed and attained to different aspects of information via the Social Media available to us on the Internet. The accessibility and transparency that social media offers has led to changes in how consumers position themselves in today's market, in which it is inevitable and necessary for companies to equip themselves with a new marketing mind-set. The company may feel they are doing well with their marketing efforts however the customers may not share the idea. In today's Digital Age simply starting a Facebook page and posting pictures of the product is not enough to attract customers, companies need to make conscious efforts to stay up to date with the latest trends and come up with innovative and engaging content for their social media.

No matter what age or what gender the user is, they somehow use social media in one way or another while purchasing products. Either to read reviews, or to know about available discounts, promotions or to know more about the brand in general.

Companies should start investing more and more in social media and focus on building a strong social media presence. It is more cost effective and reaches a wider audience in less time. This is one of the things that make it such an attractive option for advertising.

LIMITATIONS

Despite the fact that theories were approved by findings from surveys and the research is able to provide a certain degree of new insights in relating to the current situation, limitations may still exist.

Due to the constraint of time it is not possible to cover the entire population and finding may differ from time to time and circumstances which may change in future.

Another limitation is that most of the respondents were focused in India and Kuwait. Further research can focus on the other countries with a larger sample size so as to draw statistical conclusions.

MANAGERIAL IMPLICATIONS

Managers need to start working towards creating a strong social media team. This team should work upon building a strong digital presence for the company.

This includes creating a website, responding to reviews, solving queries and advertising on social media in innovative ways.

Social media marketing requires both strategy and creativity.

Building a social media strategy and a social media team may sound extra work and extra cost to some companies however it is the need of the hour. Its benefits extend far beyond increasing sales however, not all businesses are aware of the benefits of social media marketing. In fact, 50% of small businesses aren't using social media to promote their business. That's an alarming number. Companies need to transform with the changing business landscape in order to survive.

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