‘The Impact of social media on the Purchase Decision of Consumers’

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ABSTRACT

On a daily basis in present-day, 1,00,000 tweets are sent, 7,84,478 pieces of content are shared on Facebook, 2 million search queries are made on Google, 24 hours of video are uploaded to YouTube, 1,00,000 photos are shared on Instagram, and 800 and above websites are created. The advent of social media has created a new landscape which lays out a new grid of personal connections.

The objective of study is to understand the influence of social media in purchase decision making. The theoretical framework rests on literature of consumer decision making process, and social media. Quantitative research method is adapted for the purpose of this research. The empirical data was gathered by sending out questionnaire to individuals in India.

This research gives explanation on how individuals are attending, processing, and selecting the information on social media before a purchase. The findings indicated that individuals play an active role in information search on social media comparing to mass media.

KEYWORDS

Social media, decision making, consumer behaviour.
INTRODUCTION

By the few past decades, people’s way of shopping has significantly changed and improved. Consumers used to shop at physical stores like large shopping malls and many still following the same method while purchasing. However, with the help of information and modern communication technologies, consumers are able to shop via internet using several social media and different websites. Social Media are web-based services which are also known as “Social Networking Sites” refer to network of relationships and interactions among different users. Social Media such as Facebook, Instagram and Twitter enable users to maintain great connections among themselves as well with others by facilitating the way of communication and sharing different information.

Social media is playing significant roles in different aspects of our lives. The interesting thing in social media is that it supports users in various sectors, such as business, marketing, advertising, and education.

Consumers today are progressively utilizing technology and especially Social Media as an effective tool in their buying process. Social media have played important role in spreading this phenomenon faster. Interacting with consumer on Social Media my result in increasing potential consumers and the probability of turning potential consumers into real shoppers. Also, Social Media allows buyers to promote and share their purchase experience. A study indicated that Social Media enable 55% of all consumers to post links about products and service information. More than 70% of consumers do the proper surveys in the Social Media regarding the product before making the final purchase. And Instagram tops the list due to various influencers pages. This research focuses on the purchasing perspective of consumers who use different Social Media sites to buy their desired products.

LITERATURE REVIEW

Nowadays, consumers are playing a significant role on the marketplace phase. Simply, they can be defined as the actors on the marketplace phase or individuals who purchase or consume the products and services either online or offline. Marketers could consider that social media does influence buying behaviour. According to the recommendations on purchases, 80% of all respondents were using Instagram as their social media tool when they received a product recommendation. Rest 20% of users were using Facebook or YouTube. From these results Social Media has influenced their buying behaviour.
Social Media can build attitudes that affect buying behaviour. The good image of brand or product can lead the consumer to make decision on their purchases. When consumer’s friend or relative on Social Media shares or recommends services or products on their Social Media, it affects brand attitude and influences their decision making.

**Social Tools for Social Media:**

It's also important to search and comb through services that track conversations and relevant topics such as Technorati, Blog pulse, Bloglines, b5, Google Blog Search, Blog Catalog, and also BlogLog. These tools allow you to proactively monitor memes and determine your level of engagement. Social Media isn't limited to blogs and communities. Social Media is also fueling social networks and the ability to find and host conversations related to brands and products.

**Understand why consumers use Social Media to purchase:**

The important elements of visiting the websites are basically for the better interaction of consumers with the in order to accomplish their purposes. Communication with other users can affect buyers in many ways which play a crucial role in enabling consumers to have clear cut ideas about the unfamiliar products. Using Social Media or its Social Media engagement becomes necessities these days that affects consumers by several factors. The factors can be classified as:

- **Information Factors:** if there is variety of products and information are provided sufficiently, then consumers will be willing to buy.
- **Psychological Factors:** these factors affect consumer’s attitude towards the buying decision. If the websites grabs the attention and trust of consumers, then it might change the perception towards the product and also develops uncertainty towards buying decision. Also, friends and relatives can influence and affect the attitude of consumer to use Social Media.
- **Cultural Factors:** it can affect consumer’s lifestyle in interacting and communicating with the new technologies. Consumers can be affected by other cultures in choosing and making decisions about certain products.
• Design Factors: the design characteristics of a web page may affect the consumer. Also, the
detailed information provided about the products and the display of site’s theme may affect the
way designing and leads to create certainties and uncertainties towards the buying decision.

Which products are more suitable for Social Media?

Study have shown that after lot of analysis to know the relationship between the product and shopping
behavior of a consumer. There are two types of products that may create a difference:

- **Tangible Products**: products that have variety classes, such as electronic devices, clothes,
  accessories, automobils, etc.
- **Intangible Products**: products that provide information to customers, such as online videos,
  music, computer softwares, weather information, etc.

PROBLEM STATEMENT

The coming of the Internet and its acceptance by the public, have altered quite a lot in the way
organizations promote their services and products as well as the channels of communication between
them and their customers. This is seen in the way they market and communicate their brands and
products nowadays which is becoming a challenging project.

Customers are overwhelmed by marketing commercials and promotional events. The sensitivity of
customers to get excited is fading out on promotional events and consumers are beginning to resist the
efforts of some companies at marketing them.

Basically, the promotional focus of some organizations is on the conventional mass media advert style
which includes commercials on TV, radio jingles and advertisements in print formats such as newspaper
and magazines along with billboard placements. It is now on record that as the Internet is fast advancing
across the global marketplace, the effectiveness of traditional mass media is fast on the decline.

RESEARCH OBJECTIVES

- To study the concept of social media.
- To analyse the impact of social media on consumer buying behaviour.
- To examine how social media channels have affected the purchase decision of consumers.
To evaluate the various channels preferred by consumers for buying decision over traditional channels.

To find out which is the best social media preferred by customers.

RESEARCH DESIGN

- Research: Descriptive Research
- Data sources: Primary and Secondary data
- Research Instrument: Questionnaire
- Type of Questionnaire: Structured non-disguised
- Type of questions: close-ended questions
- Sample Unit: Users who use Social Media
- Sample Size: 80 qualified users
- Sampling Procedure: Simple random procedure

RESEARCH METHODOLOGY

Collection of Data:

The information contained in this report is based upon both primary and secondary data research.

1. Primary data

Primary data consists of original information gathered from a sample size 80 respondents residing in India. A detailed and structured questionnaire was formed to suit the objectives of the study and distributed to respondents online. Their responses were recorded and analysed.

2. Secondary data

Secondary data consists of information that already exists and that was collected in the past for some other purpose. Secondary data was collected through the internet. The websites are mentioned in the Webliography below.
**Findings and Analysis**

**Interpretation:**
Of the respondents that took the survey, 46.3% (37) were female and 53.8% (43) were male.

**Interpretation:**
Of the respondents that took the survey, 82.5% (66) said they belonged to the age group of 18-24 years, 12.5% (10) belonged to the age group of 25-30 years and 5% (4) were from the age group of 30 years and above.
**Interpretation:**

As depicted in the above pie chart, of the respondents that took the survey, 58.8% (47) were students, 32.5% (26) are employees working in some company, 2.5% (2) were retired personnel and 6.3% (5) were businessman.

**Interpretation:**

From the above pie chart, of the respondents that took the survey, 47.5% (38) said they didn’t have any source of income as they were students, 38.8% (31) said their income level was between 1 -5 lakhs, 8.7% (7) said 5 – 10 lakhs and 5% (4) said above 10 lakhs.
Interpretation:

When the respondents were asked if they actively use the internet, almost everyone said they did. However just one respondent said no.

Interpretation:

When the respondents were asked if among other things on the internet, they use it for social media, again majority said they did while one respondent said otherwise.
Interpretation:

- **Content:** Out of 80, 41 respondents ranked content as the most important factor while looking for a social network, 11 respondents ranked it as second, 8 ranked it as third, 10 ranked it as fourth, 3 ranked it as fifth and 7 ranked it as sixth.

- **Easy access and operation:** Out of 80, 18 respondents ranked easy access and operation as the most important factor while looking for a social network, 19 respondents ranked it as second, 23 ranked it as third, 8 ranked it as fourth, 5 ranked it as fifth and 7 ranked it as sixth.

- **Level of interaction:** Out of 80, 10 respondents ranked level of interaction as the most important factor while looking for a social network, 14 respondents ranked it as second, 18 ranked it as third, 17 ranked it as fourth, 10 ranked it as fifth and 11 ranked it as sixth.

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**Interpretation:**

- **Experience:** Out of 80, 7 respondents ranked experience as the most important factor while looking for a social network, 15 respondents ranked it as second, 13 ranked it as third, 21 ranked it as fourth, 13 ranked it as fifth and 11 ranked it as sixth.
- **Authenticity**: Out of 80, 17 respondents ranked authenticity as the most important factor while looking for a social network, 20 respondents ranked it as second, 5 ranked it as third, 11 ranked it as fourth, 13 ranked it as fifth and 14 ranked it as sixth.

- **Reliability of source**: Out of 80, 26 respondents ranked reliability of source as the most important factor while looking for a social network, 16 respondents ranked it as second, 12 ranked it as third, 10 ranked it as fourth, 7 ranked it as fifth and 9 ranked it as sixth.

**Interpretation:**

When asked to mention the type of social media platform they used, 70% (56) said Facebook, 28.7% (23) said Twitter, 78.8% (63) said Google, 82.5% (66) chose YouTube & Instagram, 27.5% (22) chose Pinterest, 45% (36) chose LinkedIn, 3.8% (3) chose Reddit, 5% (4) chose Tumblr, 88.8% (71) chose WhatsApp, 61.3% (49) chose Snapchat, 2.5% (2) chose Houseparty, 1.3% (1) chose Tinder and 1.3% (1) chose Telegram.
### Interpretation:

When asked the reason for using social media, 80% (64) said for communication/interaction, 82.5% (66) said for information search, 22.5% (18) said for collaboration, 51.2% (41) said for payment purposes, 67.5% (54) said for shopping and 50% (40) said reading reviews.

### Interpretation:

As seen in the above pie chart, when the respondents were asked whether they trust the information on social media, 38.8% (31) said Yes, 53.8% (43) said Maybe and 7.5% (6) said No.
Interpretation:

From the responses received, a majority of 61.3% (49) said that they are likely to recommend the websites they visited to others based on their experience, 35% (28) said most likely and 3.7% (3) said unlikely.

Interpretation:

When asked for the preferred source of information, 37.5% (30) chose the Company’s website in particular, 30% (24) chose friends and relatives, 27.5% (22) chose social media platforms, 3.7% (3) chose television ads and 1.2% (1) chose research and review product.
Interpretation:

From a total of 80 respondents, 45% (36) said that they always read reviews before purchasing products, 28.8% (23) said often, 20% (16) said sometimes, 3.7% (3) said rarely and 2.5% (2) said that they never read reviews.

Interpretation:

From the total respondents, 12.5% (10) said that they always purchase products/services after reading reviews online, 57.5% (46) said often, 26.2% (21) said sometimes, 1.2% (1) said rarely and 2.5% (2) said never.
Interpretation:

When asked if they payed attention to advertisements on social media, a majority of 76.3% (61) respondents said sometimes, 12.5% (10) said always and 11.3% (9) said never.

Interpretation:

The respondents were asked if they purchased products once they see ads about them on social media, 1.3% (1) said always, 21.3% (17) said often, 47.5% (38) said sometimes, 23.8% (19) said rarely and 6.3% (5) said never.
Interpretation:

The respondents were asked to rate the following sentence – ‘Social media influences your buying decision’. 5% (4) strongly disagreed, 5% (4) disagreed, 43.8% (35) chose to stay neutral, 40% (32) agreed and 6.3% (5) strongly agreed.

Interpretation:

Of the respondents that took the survey, when asked about the number of products purchased by them in the previous year, influenced by the ads on social media, 67.5% (54) said about 1-5 products, 20% (16) said between 5-10, 8.8% (7) said more than 10 and 3.8% (3) said almost everything that they purchased was influenced by ads on social media.

LIMITATIONS:

- The first limitation caused during the research was to find out the respondents who are interested in taking the survey.
The study is restricted mostly to students and some working class. Hence it may not be possible to generalize the finding to the entire population of the country.

- Some of the respondents may not give accurate information, as they may not like to reveal their actual income, etc.
- There may be some positive and negative biases of the respondents.

**Practical Implications**

The findings of this research provide useful comprehensions for academics and practitioners about the impact of social media on the purchase decision of consumers.

**Originality/Value**

The study delivers an exclusive method to understand the impact of social media on the purchasing decision of consumers.

**Conclusion**

After analysing the study, out of the total 80 respondents, majority of the respondents use internet and social media which further proves higher chances of them being influenced by social media. While looking for a social network the factors of most importance are – content, authenticity, easy access & operation followed by the rest. According to the survey, the most popular platforms of social media are WhatsApp, YouTube, Instagram, Google & Facebook. The reason the use these social media platforms is for information search, communication/interaction, shopping, payment etc. Majority of the respondents said that they somewhat trust the information provided on these platforms and they are likely to recommend the websites to others based on their experience. Also, a majority of the respondents said that they always read reviews of the products/services online and often end up buying these products/services. When asked if they payed attention to ads online, most of them said sometimes because of which they also purchase the products.

The respondents were asked to rate the following sentence – ‘Social media influences your buying decision’. 5% (4) strongly disagreed, 5% (4) disagreed, 43.8% (35) chose to stay neutral, 40% (32) agreed and 6.3% (5) strongly agreed. When asked about the number of products purchased by them in the previous year, influenced by the ads on social media, 67.5% (54) said about 1-5 products, 20% (16) said between 5-10, 8.8% (7) said more than 10 and 3.8% (3) said almost everything that they purchased was influenced by ads on social media.
To conclude, a large number of studies have been conducted by various research scholars to study the impact of social media on the purchase decision of consumers. The present study was an attempt to know people’s perception towards the influence that social media has on their purchasing decision. A majority of the respondents agreed to social media influencing their purchase decision.

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