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# The Impact of Social Media on Consumer Behaviour

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### Abstract

Social media plays a very imperative role in the lives of consumers all around the world. It is an internet-based platform which serves as a communication and marketing tool for the consumers as well as the business organisations which has significantly contributed to the globalisation of the market. It connects users from all around the world swiftly in no time. With the evolution of technology, the latest trend in marketing has been the introduction of social media. It has empowered the consumers to review products and post their opinion on these platforms which are accessible by a large portion of consumers. This has made it vitally important for business ventures to maintain an online presence in order to advertise their products. Thus, business organisations must understand the impact of social media on consumer behaviour. The main objective of this study is to research the influence of social media on the buying behaviour of consumers. The researcher has followed the descriptive research method. 203 samples have been collected through a convenient sampling method. Age, gender, educational qualification, occupation and marital status are the independent variables. Frequency of advertisements on social media, frequency of products bought on social media, reasons for buying products on social media, level of satisfaction of products bought on social media and the source of products are the dependent variables. Complex graphs and Correlation are the statistical tools used for analysis. The result obtained from the analysis of the study is that a majority of the respondents, especially women, belonging to the age group of 18-40 years prefer to purchase products on social media platforms, when compared to the physical stores. It was also inferred that this is because they believe that it's a more trustworthy source and allows them to keep up with the trends. Thus, business organisations, ranging from small scale to large scale, must carry out effective social media marketing strategies in order to maximise sales and customer satisfaction.

### Keywords

Social, online shopping, consumer behaviour, consumer decision-making, satisfaction.

### INTRODUCTION

Social media refers to those platforms or websites that are designed to allow people to share content swiftly, efficiently and in real-time. This has completely transformed the way we liveand the way we do business. The concept of shopping online bloomed during

the 1950s, when Amazon and Ebay opened their online websites. Several decades later, the online shopping market, in the year 2015, was valued at \$1.55 trillion dollars. This is due to the fact that most of the major retailers have opened online stores. However, in the current scenario, online shopping is not only confined to such e-commerce giants but rather has also expanded to the social media platforms like Facebook, Instagram, Twitter, etc. This has, in turn, allowed even small business ventures to take their business to the consumers through the social media platforms. The Indian government has taken several initiatives to promote online shopping and e-commerce. One of the initiatives was the creation of a Government E-Marketplace (GeM) in order to uplift the small-scale entrepreneurs. The government has also created an e-commerce portal for women entrepreneurs called Mahila-E-Haat. The factors that affect consumer behaviour when shopping on social media platforms are financial risk, product risk, convenience, nondelivery, return policy, cultural differences, economic development and the socioeconomic status of consumers. People use social media platforms to share experiences. Thus, they also share product reviews, information about services, tips and tricks for using products, and many more. This, in turn, plays a major factor in influencing the buying behaviour of consumers. Social media platforms such as Facebook, Instagram, Twitter are the dynamic tools that facilitate online relationships between the consumer and the businesses. It allows the organisations to have direct contact with the users and increases the engagement between the business and the consumers. It has the power to influence potential customers from the start until the purchase and post-purchase stages. It helps a great deal in building brand and product awareness. Nowadays, we often see influencers and content creators endorsing certain brands which attracts the attention of the consumers and convinces the followers to buy the same products. This has become one of the major ways through which companies

advertise on social media. Thus, it is imperative that the companies build efficient and effective social media marketing strategies to maximise sales and customer satisfaction.

## Objectives

- To determine the frequency of advertisements seen by the respondents on socialmedia.
- To find out how often the respondents buy products on social media platforms.
- To find out the level of satisfaction of respondents from products bought on social media.
- To determine the main reason of the respondents for buying products on social mediaplatforms.

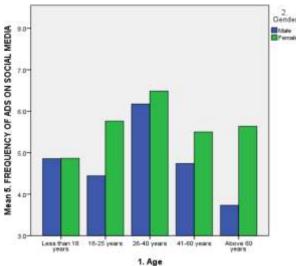
### LITERATURE REVIEW

The creation of social networking sites like MySpace in 2003 and Facebook in 2004 led to the popularity of the term 'social media'. The term 'Web 2.0' was also first used around this time to describe the new use of the internet as a platform where content is no longer created and published by individuals, but is continuously modified by many users in a participatory and collaborative manner. (Kaplan and Haenlein, 2010) The authors conducted a study on the impact of social media on consumer behaviour. They conducted a questionnaire survey and collected 158 samples from Thailand. The authors found that the social media users found decision-making to be easier and enjoyed the process more when compared to those who used other sources. However, social media did not improve satisfaction in the purchase decision stage or the post-purchase evaluation. (Voramontri & Klieb, 2018). The authors examined the impact of social media platforms and brand awareness in relation to the consumer decision-making and buying behaviour patterns influenced by social media. The researchers also highlighted the benefits of using social media platforms and brand awareness strategies that can be utilised through the online social media systems. The authors found out that social media platforms are mostly frequented by respondents belonging to the age group of 18-25 years. (Chivandi, et al., 2019) The author conducted a study with an aim to determine the influence of social media marketing on consumer behaviour in Karachi. The primary data was collected with the help of questionnaires where 250 samples

were collected. The results indicated that social media platforms, especially Facebook and Twitter, were prevalent among the respondents of Karachi. The study also showed that the respondents were more likely to be attracted towards the colourful posts on social media platforms when compared to other sources. (Arshad, 2019) The aim of the study was to clarify why, when and how the social media impacts consumer decision process, and explains how individuals are attending, processing, and selecting the information on social media before a purchase. The authors collected 300 samples from the University students in Lebanon County through a random sampling technique. The authors found out that the individuals are actively involved in the search for information on social media compared with the mass media; yet the exposure to information was selective and subjective when searching for information. (Noureddine & Zeineddine, 2018) The authors have conducted a study with an aim to study the impact of social media on the consumer decision-making process, the way social media is developing trust in the consumers and its impact on the buying intention of consumers. The researchers have given a proper insight into the difference between customers and consumers and have also elaborated on the different stages of a consumer decisionmaking process and how its influence by social media platforms. (Tanwar, 2017)

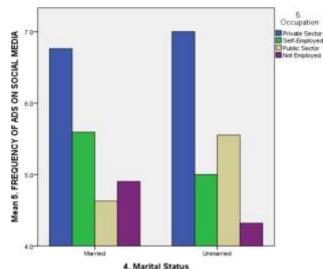
## METHODOLOGY

The researcher has followed the descriptive research method. The sample size of the study is 203. The samples have been collected through a convenient sampling method. The sample frame used by the researcher includes public areas like beaches, malls, parks in and around Chennai. The independent variables are age, gender, educational qualification, occupation and marital status. The dependent variables are frequency of ads on social media, frequency of products bought on social media, level of satisfaction of products and comparison by and with TV and social media products. The statistical tools used here are graphical representation and correlation.



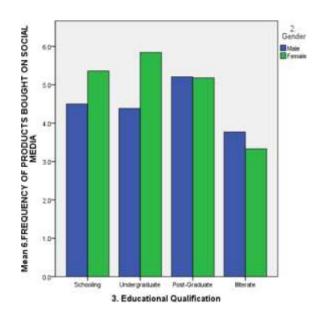
Analysis Figure 1

Legend: Figure 1 represents the gender and age distribution of the sample population with the frequency of ads seen by them on social media.

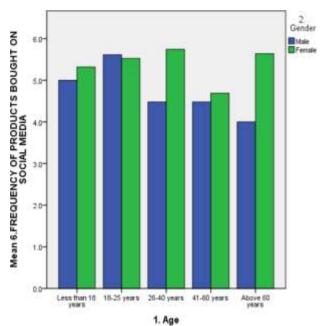


4. Marital Status Legend: Figure 2 represents the occupation and marital status distribution of the sample population with the frequency of ads seen by them on social media.





Legend: Figure 3 represents the educational qualification and gender distribution of the samplepopulation with the frequency of products bought on social media.



Legend: Figure 4 represents the gender and age distribution of the sample population with the frequency of products bought by them on social media.

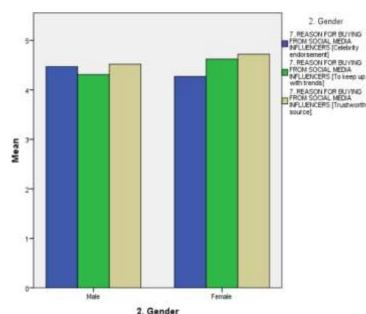
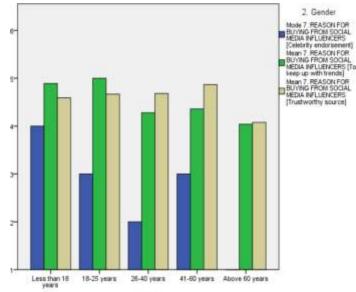


Figure 5

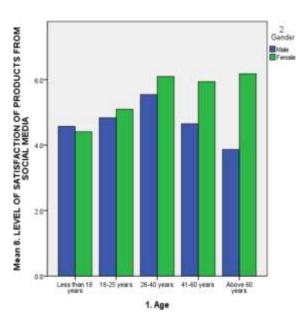
2. Gender Legend: Figure 5 represents the gender distribution and the reasons for why they buy products from social media influencers.



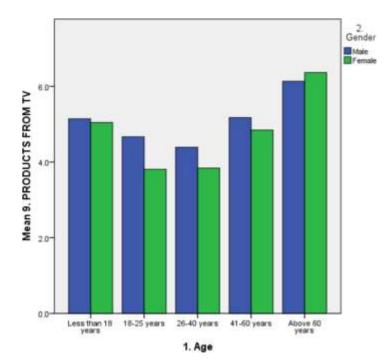
1. Age

Legend: Figure 6 represents the age distribution of the sample population and reasons for why theybuy products from social media influencers.

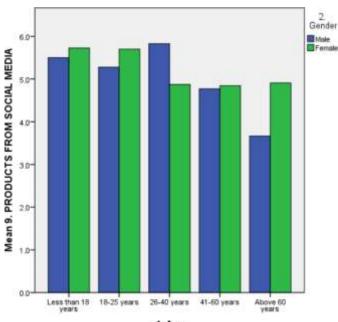




Legend: Figure 7 represents the age and gender distribution of the sample population with the level of satisfaction of products bought on social media platforms.



Legend: Figure 8 represents the age and gender distribution of the sample population with thefrequency of products bought on social media



1. Age

Legend: Figure 9 represents the age and gender distribution of the sample population with the frequency of products bought from ads on social media.

### Figure 9

#### Table 1

|  |                     | B: LEVEL OF<br>SATISFACTIO<br>N OF<br>PRODUCTS<br>FROM<br>SOCIAL<br>MEDIA | 5<br>FREQUENCY<br>OF<br>PRODUCTS<br>BOUGHT ON<br>SOCIAL<br>MEDIA | 1. Age |
|--|---------------------|---|--|--------|
| 8 LEVEL OF<br>SATISFACTION OF<br>PRODUCTS FROM<br>SOCIAL MEDIA | Pearson Correlation | 1   | 364**  | .071   |
|  | Sig. (2-tailed)     |   | 000  | 316    |
|  | N                   | 202   | 202  | 202    |
| 6 FREQUENCY OF<br>PRODUCTS BOUGHT<br>ON SOCIAL MEDIA           | Pearson Correlation | 364   | 1  | 110    |
|  | Sig (2-tailed)      | 000   | 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1                         | .118   |
|  | N                   | 202   | 203  | 203    |
| 1. Age   | Pearson Correlation | 071   | - 110  | 1      |
|  | Sig. (2-tailed)     | .316  | .118   |        |
|  | N                   | 202   | 203  | 203    |

Legend: Table 1 represents the correlation between dependent variables, level of satisfaction with products and frequency of products bought on social media, with the independent variable, age.

#### RESULT

Female respondents belonging to the age group of 18-25 years and 26-40 years more frequently see advertisements on social media. The respondents employed in the private sector see advertisements more frequently on social media when compared to other groups. (Fig.1, 2). Female respondents who have completed their schooling and/or undergraduate degree buy more products from social media platforms. (Fig.3). Female respondents belonging to the age group of 18-25 years and 26-40 years buy more products from social media platforms. (Fig.4). Female respondents largely feel that they buy products from social media influencers because they believe that it's from a trustworthy source. However, both male and female respondents have the same opinion. (Fig.5) Respondents belonging to the age group of 26-40 years feel that we buy products from social media because we think that it's a trustworthy source, those from 18-25 years feel that it is to keep up with the trends. (Fig.6). Female respondents belonging to the age group of 26-40 years are highly satisfied with the products bought on social media. (Fig.7). Female and male respondents above the age of 60 years are more inclined to buy products from TV advertisements, followed by respondents of 41-60 years. (Fig.8). Male and female respondents belonging to the age group of 18-25 and 26-40 years are more inclined to buy products based on social media advertisements. (Fig.9) The R value for both correlations is less than 0.50. This indicates that there is no correlation between age, level of satisfaction and frequency of products bought on social media. (Table 1).

#### DISCUSSION

Female respondents belonging to the age group of 18-25 and 26-40 years frequently see advertisements on social media. This could be because people belonging to this age group are more comfortable and have a good knowledge about internet usage, as they have grown up with it. (**Fig.1 and 2**). Female respondents belonging to the age group 18-25 and 26-40 years are more inclined to and more frequently buy products from social media platforms. This could be because they know their way around social media

platforms and find it more convenient in their busy lives. (Fig.3 and 4).

(Fig. 6) Female respondents belonging to the age group of 26-40 years are highly satisfied with the products bought on social media. (Fig.7). Respondents above the age of 60 years are more inclined to buy products based on advertisements seen on TV. This could be because, being older, they are more comfortable with TV advertisements. They don't use the internet and social media much. (Fig.8). However, respondents belonging to the age groups of 10-25 and 26-40 years are moreinclined to buy products from social media. This could be because their internet and social media usage is high.

#### Limitations

One of the major limitations of the study is the sample frame. There is a major constraint in the sample form as it is limited to a small area. Thus, it proves to be difficult to extrapolate it into a larger area. Another limitation is the sample size of the study which is 203 and cannot be used to determine the thinking of the entire population. The physical factors have a larger impact limiting the study.

#### CONCLUSION

Social media has completely transformed the strategies of the business organisations as well as the behaviour of the consumers. It can be seen that female respondents belonging to theage group of 18-40 years, are more inclined to buy products from social media platforms, rather than from physical stores. This can prove to be vital information to companies and would help them to understand the types of strategies that they can adopt in order to appeal to the target population and to maximise profits. It was also found that the main reasons for buying products on social media platforms are celebrity endorsement, for keeping up with the trends and because they perceive it to be a trustworthy source to buy products. The consumers are more likely to buy when they get recommendations from people that they trust. The reasons are not confined to this alone; rather the customers also receive attractive deals, discounts and coupons on social media platforms through the influencers. Thus, social media marketing can work wonders for the business ventures by attracting more customers. Many companies are replacing their traditional marketing with effective social media marketing strategies and are ready to invest large amounts in it. Thus, social media, which includes visuals, advertisements, promotions, and influencers has the ability to significantly influence the buying behaviour of consumers. The effects of social media marketing on consumer behaviour must not be ignored by brands and businesses and should make use of it to their full advantage.

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