

IMPACT OF SOCIAL MEDIA ON CONSUMER PURCHASE DECISION – A STUDY WITH REFERENCE TO ONLINE CONSUMERS IN CHENNAI CITY

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ABSTRACT: *Social media has revolutionized the ways of communication and sharing information and interests. Social media have provided new opportunities to consumers to engage in social interaction on the internet. The present study attempts to assess the factors influencing social media marketing and to find out the relation between social media marketing and purchase decision pattern of online consumers. Today people do not find time to come and interact with each other but social media helps in connecting themselves with social networking sites through which now people can stay far and yet remain connected. The study concluded that the social media made purchase very easy and dynamic and the consumers have good intention to collect the opinion and information through social media.*

INTRODUCTION:

Online shopping is catching up India due to several reasons.

New developments in the technological world have made the internet an innovative way for individuals and families to communicate. Social media networks have created a phenomenon on the internet that gained popularity over the last decade. People use social media sites such as Facebook, Twitter, and Myspace to create and sustain relationships with others (Boyd & Ellison, 2007). In 2017 social media has become the crucial part of digital communications strategies. Social media delivers measurable results in sales, leads and branding. It also enables to reach a large number of people at a low cost. The world of social media networks is dynamic and in constant change.

The Number of worldwide social media users is expected to reach 2.5 billion by 2018 (Statistica). The rapid growth of social media and social networking sites act as a marketer to contact customer. The average social media user maintains five accounts (Link Humans). 52% of online adults now use two or more social media sites (Pew Research).

Social media is a term used to describe the interaction between groups or individuals in which they produce, share and sometimes exchange ideas over the internet.

Online shopping is defined as the process a customer takes to purchase a service or product over the internet. In other words, a consumer may at his or her leisure buy from the comfort of their own home products from an online store. This concept was first demonstrated before the World Wide Web (WWW) was in use with real time transaction processed from a domestic television. The technology used was called Videotext and was first demonstrated in 1979 by M. Aldrick who designed and installed systems in the United Kingdom (Zuroni Md Jusoh and Goh Hai Ling, 2012).

Consumers can enjoy online shopping for 24 hour per day and this is because e-commerce is open for 365 days and never closed even a minute. Online shopping is more environmental friendly because consumers can just fulfill his desires just with a click of mouse without going out from house by taking any transportation. The two most commonly cited reasons for online shopping have been convenience and price (Vaggelis sarakis, Adamantia chouliaira and Maro Vlachopoulou, 2010).

Some consumers feel uncomfortable to buy online due to lack of trust. Consumers may need to exam and feel the products and to meet friends and get some more comments about the products before purchasing and such factors may have negative influence on consumer decision to shop online (Chayapa Katawetawaraks, 2011).

The e-commerce industry is expected to be of \$56 billion by 2023. But contradict to it, another forecast supported by IANS, the e-commerce market is expected to grow by \$50-70 billion by 2020 (Renuka Sharma, Kiran Mehta and Shashank Sharma, 2014).

NEED FOR THE STUDY:

Social media plays an important role in the life of both the businessman and the individual. Social networks are one of the fastest growing industries in the world. It has revolutionized communication and made it easier for people to connect, share and exchange ideas. In the current scenario, social media is being used by two categories of people.

- Those who use it for brand building
- Those who use it for profile building

One of the most beautiful elements of social media is its immediacy. In this generation, social media are very much accepted by the society. It is even already part of people's life that roles might change if it is taken away. Social media is not only for communication and entertainment purposed. It can also be used in business only if the right button is pushed.

Social media sites have taken over our lives. It's hard to even imagine that 10 years ago there was no Face book or twitter. 15 years ago people were actually waiting to hear from each other because even email wasn't that common. Over 1.35 billion people around the world

use face book. 75% of online Americans say they are influenced by product information on social media. Social media marketing budget will double by 2019 (Social media statistics).

REVIEW OF LITERATURE:

Chayapa Katawetawaraks (2011) found that marketing communication process differs between online and offline consumer decision. Managerial implications are developed for online stores to improve their website.

Goyal M.M. (2014) examined that online shopping industry in India is growing rapidly and will continue to see exponential growth. The survey conducted on Indian consumers showed that shopping online is becoming popular and the main reason is convenience and the discounts offered by e-tailers, The study offers insights for marketers to understand what categories are popular in the e-market and what are the issues faced by consumers which discourages them to purchase online shopping.

Mohammad Hossein Moshref Javadi, Hossein Rezaei Dolatabadi, Mojtaba Nourbakhsh, Amir Poursaeedi and Ahmad Reza Asadollahi (2012) identified that financial risks and non-delivery risk negatively affected attitude toward online shopping. They indicated that domain specific innovativeness and subjective norms positively affect online shopping behavior. Attitude towards online shopping positively affected online shopping behavior of consumers.

Renuka Sharma, Kiran Mehta and Shashank Sharma (2014) made an attempt to get information about the scope of improvement in online shopping website. They concluded that e-stores are frequently visited by the shoppers. The ease and convenience provided by these stores for 24 x 7 has made very easy shopping for consumers worldwide.

Sajjad Nazir, Arsalan tayyab, Azir Sajid, Haroon ur Rashid and Irum Javed (2012) concluded that online shopping is getting more and trendier in Pakistan as well as in rest of the world but the velocity of online shopping in Pakistan is slower as compared to the entire world. According to the survey, online shopping is getting popularity in the young generation such as students and professionals. Students preferred to buy goods from its original source and they mostly prefer online shopping.

Vaggelis saprokis, Adamantia chouliara and Maro Vlachopoulou (2010) analysed that the adopters had higher expectations from online shopping on issues relating to privacy policy and risk. They identified significant difference between adopters and non-adopters regarding particular perception on advantages and problems of online shopping.

Zuroni Md Jusoh and Goh Hai Ling (2012) indicated that there was no significant difference in attitude towards online shopping among occupation group and they found out that there was no significant relationship between hours spent on internet and attitude towards online shopping among respondents.

RESEARCH GAPS:

The researcher referred several empirical and descriptive papers regarding social media influence on consumer purchase decision. A thorough investigation of these papers emanated two research questions which are still unraveled at the international level.

1. How the consumers take their purchase decision amidst social media interference.
2. What is the measure of impact of social media on consumers in the present scenario. These above mentioned research question are attempted by the researcher to answer the research questions.

OBJECTIVES OF THE RESEARCH:

The research gaps identified by the researcher lead to the following research aims

1. To study the factors influencing social media marketing in Chennai city.
2. To find the correlation between social media marketing and purchase decision pattern of online consumers.

HYPOTHESIS:

There is no significant impact of social media marketing strategies over purchase decision pattern.

RESEARCH METHODOLOGY:

This study is based on both primary and secondary data. Primary data is obtained through a structured questionnaire, whereas secondary data is derived from journals, magazines and annual reports.

The structured questionnaire consist of two main parts namely demographic profile of customers and the second part consist of statements in likerts five point scale pertaining to customer perception towards social media marketing.

SAMPLE SELECTION:

The researcher applied convenient sampling method to obtain responses from customer of all the 15 zones of Chennai city. The researcher circulated 50 questionnaires in each zone, it came to a total of 750. After obtaining the responses the researcher found 25 of them with flaws. Therefore those 25 responses were rejected and the remaining 725 responses are considered for research.

DATA ANALYSIS:

After obtaining the responses the researcher systematically tabulated them and used both univariate and multivariate statistical techniques namely factor analysis, linear multiple regression analysis and one way analysis of variance.

ANALYSIS AND INTERPRETATION:

In this section, the researcher applied exploratory factor analysis for social media variables and purchase decision variables.

The exploratory factor analysis downsized four dominant factors of social media namely easy accessibility, user friendly approach, cash less dealing and variety seeking. Similarly the consumer purchase decision factors obtained are meticulousness, dynamic purchase, comparative approach and loyal shopping.

The following table gives the data reduction process of purchase decision variable.

Table 1
KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.793
Bartlett's Test of Sphericity	Approx. Chi-Square	1286.866
	df	55
	Sig.	.000

From the above table it is found that KMO measure of sampling adequacy is .793, Bartlett's test of sphericity with approximate chi square value 1286.866 are statistically significant @5% level. This shows that 11 variable of purchase decision can be reduced into predominant factors as shown in the total variance table.

Table 2
Total Variance

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.547	32.244	32.244	2.589	23.533	23.533
2	1.357	12.337	44.581	1.811	16.466	39.999
3	1.003	9.115	53.695	1.507	13.697	53.695
4	.980	8.908	62.603			
5	.883	8.028	70.631			
6	.710	6.450	77.081			
7	.625	5.684	82.766			
8	.577	5.244	88.009			
9	.496	4.508	92.517			
10	.481	4.372	96.889			
11	.342	3.111	100.000			

From the above table it is found that 11 variable of purchase decision can be reduced into 3 predominant factors with cumulative variance of 53.695%. The 3 factors also have individual variance 23.533%, 16.466% and 13.697% respectively. These 3 factors and their respective variable leading can be named as follows

1. Maximum information
2. Transparency of product attributes
3. Cost advantage

It implies that these 3 factors which arise from the psychology of consumers due to social media impact. This also shows that the social media gives them maximum and transparent information about the entire product attributes and cost advantage. These factors are considered as independent variables and the total scores of purchase decision variables are considered as dependent variables.

In this scenario the researcher considered social media factors are independent variable and consumer purchase decision as dependent factor. In this case the researcher applied linear multiple regression analysis for four independent variable and four dependent factors.

The application of linear multiple regression analysis brought the following results.

Table 3
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.305 ^a	.093	.088	.808

a. Predictors: (Constant),

From the above table it can be ascertained that the social media factors create 9.3% variance on the purchase decision. The R² values are the indicators useful to define the existing relationship between independent and dependent factors. It is found that the following ANOVA table creates significance that exists between independent and dependent variables.

Table 4
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.408	3	11.803	18.090	.000 ^b
	Residual	346.450	531	.652		
	Total	381.858	534			

From the above table it is found that the F value = 18.090, P = .333 are statistically significant to prove there is a significant influence of social media factors on purchase decision of consumers in Chennai city. The individual influence of all the 3 factors of social media are also given in the following co-efficient table.

Table 5
Coefficients^A

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.246	.222		5.606	.000.000
	F1	.282	.041	.290	6.800	.000.000
	F2	-.131	.044	-.136	-2.992	.000.003
	F3	.088	.044	.090	2.001	.000.046

a. Dependent Variable: purchase.

From the above table it can be ascertained that all the beta value, t value are statistically significant @ 5% levels. Therefore it can be ascertained that the social media factor information, transparency and cost advantage transform a normal consumers into dynamic buyers.

FINDINGS AND CONCLUSION:

It is found that the social media plays a powerful role in bringing enormous information about all types of products for the consumers. This awareness replete with microscopic information subsequently changes the attitude of consumers in Chennai city.

It is concluded that social media made the purchase very easy and dynamic. In particular there is a lacuna in the security domain during the purchase of the product and banking transactions.

The consumers in Chennai city are very gregarious and have good intention to collect the opinion and information through social media.

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