



# IMPACT OF SOCIAL MEDIA ON CONSUMER BEHAVIOURS

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## ABSTRACT

In this study, the buying process of consumers' complicated transactions is examined, with particular attention paid to how the use of social media may have an impact on the process. The phrase "complex buying behaviour" in this context alludes to a consumer's infrequent but highly engaged purchases that significantly impact brand preference. An emerging tendency is social media. The World Wide Web has seen a boom in user-generated web tools over the past ten years, including blogs, social networks, and social media websites. All in all, this technology is what is known as social media, and it is what allows for the growth of user-generated material, a global community. With the help of social media, online communities and content sharing sites like Facebook, Instagram, YouTube, and Twitter have emerged. The social media explosion has created new opportunities for learning about both goods and services. Strangers can dominate a consumer's opinion and feedback on goods and services on social media, which in turn affects views offline as well. However, social media has undoubtedly given the consumer more power because they are now the only ones who can create content through online conversations. As a result, consumers now have a crucial say in whether a company succeeds or fails. The marketers attempt to comprehend how customers use social media and how they make decisions based on the information presented there that may alter their decision-making process. The study investigates how the proliferation of material and user-generated information may alter consumers' purchasing habits. It has been used the six stages of the customer selection process, also known as the EBM model. The study was also conducted to determine the model's applicability in the context of social media usage. In order to investigate the components of the consumer decision process, a quantitative survey was conducted.

**KEYWORDS :** social media, consumer behavior, online platform, customer satisfaction

## INTRODUCTION

The last few decades have seen a significant improvement in how individuals shop. Large shopping malls were the types of physical stores where consumers used to purchase, and many still use this technique today. However, consumers can buy online using a variety of social media platforms and websites thanks to information and modern communication technologies. The process of purchasing and buying products or services via the Internet using several social media platforms and various websites is known as "online shopping," "online buying behaviour," and "Internet shopping," among other names. The term "Social Media" (SM) refers to a network of connections and exchanges between various users of web-based services also referred to as "Social Networking Sites.". Utilizing social media platforms like Facebook,

Instagram, and Twitter, users can accomplish multiple tasks, improve communication, and share a variety of information while still maintaining strong relationships with one another.

Different facets of our existence are affected significantly by social media. What makes social media fascinating is that it helps users in a variety of industries, including business, marketing, advertising, and education. Business-wise, social media allows consumers and sellers to communicate directly with one another and discover the goods and services they need.

Today's consumers are increasingly using technology, especially social media, as a useful tool for their online purchasing. It is possible to define this process as an electronic one that enables consumers to interact with business people and fulfil their requirements for purchases. Social media has been crucial in accelerating the dissemination of this phenomenon. Engaging with customers on social media may increase the number of prospective customers and the likelihood that those potential customers will become actual customers. Along with converting existing prospective customers into buyers, SM encourages existing customers to spread the word about their positive or negative experiences with a product among their friends. According to a study, 25% of all consumers can post links to information about goods and services on SM's retail websites to educate other users about the buying process. Miller (2010) claimed in a different study that social marketing played a significant part in getting customers to make online purchases. He discovered that 49% of consumers decided to purchase a specific product, 60% of consumers preferred to share information about the products with others online, and 70% of consumers frequent social media to obtain helpful information. However, only 7% of consumers engage in actual transactions during the purchasing procedure.

Everywhere, online shopping is expanding, and various consumer demographics are being affected by this development. For example, the proportion of internet shoppers is rising in countries like India, China, Japan, and Australia, respectively, for 87%, 85%, 83%, 81%, and 53%. Due to product recommendations made on various SM, the total online purchasing process has allowed 875 million consumers to increase the percentage of other online shoppers to 40% in the last two years. For instance, 41% of users purchase books, 36% purchase clothing, accessories, and shoes, 24% purchase videos, DVDs, and games, 24% purchase airline tickets, and 23% purchase electrical equipment.

Even though the number of people making purchases online is expanding and increasing quickly in the short term, some regions and nations, such as the Arab world, only have a very small number of these transactions. The Arab world has experienced significant technological change over the past 15 years, which has resulted in numerous changes to the accepted norms for conducting business, exercising governance, and achieving greater development. In the Arab world, more than 125 million people use the internet, and 53 million of those people are active consumers of social media. One in three internet users, according to a study, makes at least one monthly online transaction. These active users reflect 43% of users who have made multiple online purchases in the past. Despite having a large amount of online users, the Middle East has the lowest percentage of online users (3.7%) when compared to Western nations.

The buying perspective of consumers who use various social media platforms to purchase their preferred products is the subject of this study. The study seeks to investigate why people make purchases using social media, to identify the consumer types who use and are most affected by SM, to identify the products most appropriate for SM, and to identify the most effective SM for particular consumers and particular products. This paper will present several key sections, beginning with a collection of literature and related researches, identifying the methodology, findings, analysing and discussion, and finally a limitations, future expectations, and conclusion regarding the impact of social media on consumer purchasing behaviour supported by theoretical and practical contributions.

## LITERATURE REVIEW

### **Recognize the consumer types who are most affected by social media.**

Consumers now exert a major influence over the state of the market. They are merely participants in the market phase or people who make purchases of or use consumption of goods and services online or offline. Demographic factors have been identified as one factor with a major impact on consumers. For instance, both the number of male and female consumers has grown significantly over the past year. There is a tiny variation in terms of online segmentation. This is due to the existence of the "Online Insiders" and "Social Clickers" segments, which are the two major online subgroups.

#### **Consumers who make purchase online (Online Insiders)**

Online Insiders are very savvy consumers of the internet and powerful buyers and sellers on various Social Media platforms. Online brands typically have a big impact on consumers' decisions, and consumers can also affect one another.

As a consequence, this kind of event frequently has an impact on the repurchases procedure. So, in order to obtain more knowledge on which to base their decisions, consumers are increasingly turning to social media. For instance, it is evident that the majority of online buyers are typically younger, wealthier, better educated, and more computer proficient, and they are also more likely to spend time online and make purchases there.

### **Internet users who do not make any purchases online (Social Clickers)**

The term "social clicker" refers to people who use the internet frequently and for a variety of activities, such as reading news, conducting study on various topics, exchanging information, and interacting with people from other cultures. They engage frequently online, but the most active ones are typically younger and less wealthy. These younger Social Clickers might not be having a big impact on purchases right now, but they might in the future.

## **Understand why consumers use social media to purchase**

The key benefits of viewing websites are to assist users in communicating with one another to achieve their goals. Buyers' interactions with other users can have a variety of effects that are important for giving them clear ideas about unfamiliar goods. These days, using social media (SM) has become a necessity that has an impact on customers in 5 different ways. Design elements, information factors, product factors, psychological factors, and cultural factors can be used to categorise these variables:

1. **Factors of Information:** If an adequate variety of products and information is offered, customers will be willing to make purchases online. Customers will be encouraged to buy online by offers, warranties, and guarantees that come with the products.
2. **Design Elements:** A online page's design elements typically have an impact on consumers. Customers will be more inclined to make an online purchase if the website is attractively made and updated frequently. Additionally, the presentation of site themes (such as colors, icons, links, and images...) and the detailed information given about various products have an impact on how things are designed.
3. **Psychological aspects:** these aspects influence how customers feel about making purchases online. For instance, if customers develop confidence in a website, they will be more willing to make secure online purchases and have less scepticism about a given product. Additionally, consumers' attitudes towards using SM may be influenced by the peers and family they have.
4. **Cultural factors:** Consumers' decisions about particular goods can be influenced by the cultures of other people. Additionally, it may have an impact on how consumers engage and communicate with new technologies.

## **Which products are most suitable for social media?**

To identify and forecast the relationship between the product and purchasing behaviour, numerous studies have conducted extensive research. Their research assisted them in compiling a list of goods that would be appropriate for online sales. The following summary is from Miller and Lammas (2010): Products that give customers information, such as online videos, music, computer software, stock market, financial reports, and weather information, fall under the first category of intangible products (information). 2. **Material Goods (High Differentiation)** Products that fall into different categories, such as jewellery, books, clothes, accessories, electronics, and cars.

## **Type of social media by mostly used consumers**

Facebook, Twitter, and Instagram are the most widely used SM by consumers for a variety of reasons. According to a Miller research, more than 11 million consumers use 6 more than 70% of social media to buy various goods and services, provide detailed information about particular goods, and communicate with other consumers.

More than 6 million users have signed up on Facebook to exchange and purchase product information. According to a study, 60% of Facebook users say that after following a business on social media (SM), they are more likely to recommend that item or service to their friends. 51% of Facebook users who use it to make purchases have done so.

Twitter has 800,000 users who have expressed their gratitude for the services and goods that have been offered. According to the same study, writing blogs increased from 54% to 77% in two years, and viewing a variety of product-related videos increased from 32% in 2006 to 83% in 2008. According to another research, 79% of Twitter users claim that after following

a brand on social media (SM), they are better able to recommend that item or service to their friends. Additionally, 64% of users purchase various products on Twitter.

Due to its active users who frequently share and post various types of pictures, Instagram has gained significant traction over the past two years. Based on the data given by Instagram users, the findings revealed that more than 16 billion photos were shared by users. To acknowledge the rise in Instagram users, Phil Gonzalez, the creator of Instagrammers (Instagram users), was questioned. In the interview, he claimed that in less than two years, there were 100 million active Instagram users in more than 60 different nations. Due to Instagram's recent uptake, there is a dearth of knowledge regarding its use as a tool for online shopping.

## METHODOLOGY

India is following the same path towards growth as other nations, but it is still inefficiently using the available technological resources. India is generally concentrating more on developing a number of sectors, like schooling, tourism, hospitality etc. but there is a limited use of these resources on public lifestyle, like online shopping. Indian culture places very less value on the confidentiality of any real online transactions. Because of these problems, our study is being used to better understand why consumers choose to use SM in their purchases. This study uses two primary methods, an interview and a questionnaire, to examine how social media has affected users' intentions to make online purchases.

## FINDINGS AND DISCUSSION

### Participating general information

#### GENDER

MALE - 24%

FEMALE -76%

#### SOCIAL STATUS

SINGLE – 76%

MARRIED -23%

DIVORCED – 1%

#### AGE

18-25 – 84%

26-35 – 13%

Above 36 – 3%

#### OCCUPATION

STUDENT – 62%

EMPLOYED- 20 %

UNEMPLOYED- 16%

ENTREPRENUER- 2%

The survey was completed by 341 people in total, with 24% of men and 76% of women responding. We have no influence over how the survey was distributed online, which is the cause of this percentage difference. These competitors came from various Indian states. They were contacted by filling out a Google Drive poll online. The questionnaire, which was disseminated in both Hindi and English, was designed to receive many responses. The purpose of a questionnaire is to determine which consumers are most influenced by online shopping, as well as the kinds of products and SM that consumers use most frequently. Interviews are conducted to further support the results of the questionnaire. As a result, 34 Indian participants were interviewed, including pupils, workers, business owners, and unemployed individuals. 24 participants were questioned via email, while 10 participants were interviewed in person. 20 of the total interviewees were students, followed by 7 teachers, 3 employees, 3 unemployed, and 1 business owner. Based on the research questions and the literature review, the interview procedure was designed with open-ended questions and a matrix table.

## Factors influence Online Insiders and Social Clickers in purchasing process

According to the survey's findings, 48% of respondents identified themselves as internet shoppers, and half of them typically make at least two purchases per month. Similar to that, 52% of all respondents were Social Clickers, or regular internet users. The majority of them are young customers from Delhi who are between the ages of 18 and 25 (response rate: 84%). Due to the availability of internet services in almost every location, they are more exposed to internet facilities than other regions, which is the cause of this result. When participants were asked what factors led them to make an online purchase, 61% of them responded that information surrounding the goods had the biggest impact on their decision.

Regarding this, interviewee 23 stated, "I believe that products are less expensive because a portion of their prices in the shops comes from the staff's service, taxes, shop renting, and electricity provided in the shops." Additionally, psychological factors have an impact on social media site confidence for 17% of the Online Insiders. For them to feel more secure and at ease, they believe that these websites are intended to have higher security in terms of protecting their accounts and personal information. The culture element also had a significant impact on the purchasing choices made by Online Insiders. Ten percent of them are affected by this factor in terms of depending on their friends and family members who offer evaluations and feedback based on their prior experiences (respond rate = 41% out of 10%). The remaining individuals, on the other hand, all concurred that they are unwilling to make purchases online. As one interviewee stated, "Due to security concerns, I tend to not trust putting my account information online as it may be hacked, and besides, I prefer to physically inspect the goods that I buy," this is because they firmly believe that there is no security associated with websites and as a result they do not trust in the quality of the products. Additionally, some people mentioned that they don't have credit cards, while others claimed to be ignorant of the actual purchasing procedure.

## Types of products suitable for Social Media

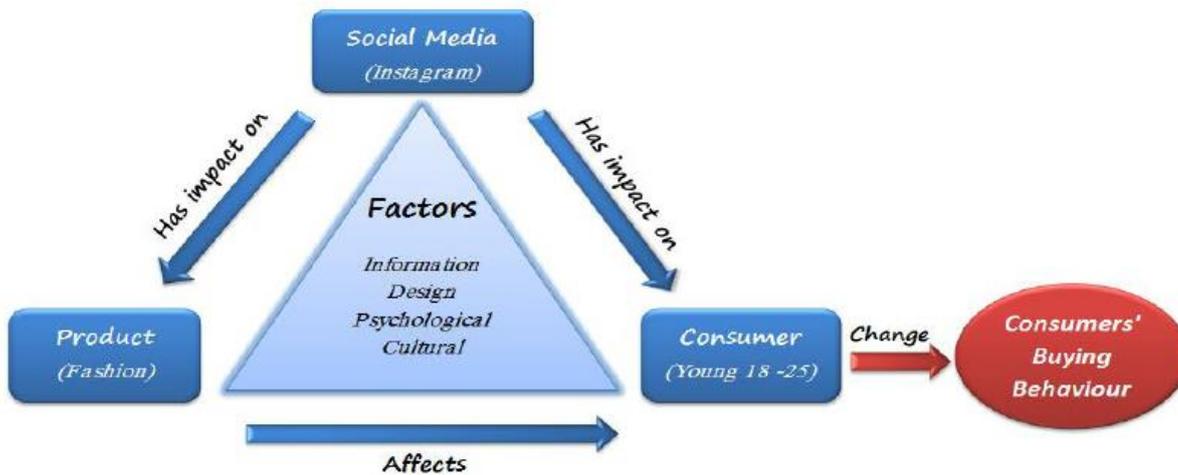
A specific list of products chosen by consumers in the questionnaire was found to match the findings of both the questionnaire and the interview data. However, this survey does not offer in-depth details about these products or the consumers who selected them. Therefore, in order to clarify this issue, interviews were conducted. Products were divided into tangible and intangible categories, as was previously stated. 65% of respondents said they typically prefer to purchase physical fashion items via social media. For instance, they prefer to spend much more time shopping for clothing, accessories, and makeup. This is due to most females in our data. In the interview, Participant 24 stated, "I tend to buy fashion products using Instagram because I cannot find my style in local shops." Participant 24 had stated in the questionnaire that he firmly agreed with purchasing fashion items online. It is acknowledged that consumers prefer to purchase fashion items online because they are difficult to find locally and their costs are less uncertain. Similar findings were seen in earlier studies on this product. These studies suggested that expensive goods like luxuries and cars should not be offered online simply because the information about them may be lacking or unreliable. Some respondents (respond rate = 27%) prefer to purchase non-tangible products like internet newspapers, hotel reservations, plane tickets, trainings, and computer software. This is because there are few costs involved with these products, such as low shipping costs and short delivery times. However, only a small percentage of people (respond rate = 8%) prefer to purchase both tangible and intangible goods. These few participants agreed that reliance on social media rather than traditional purchase is the reason behind purchasing both kinds of products.

## Types of Social Media mostly used by consumers to shop online

The findings indicated that there is an emphasis on including more than three sites in the survey to allow respondents to select the appropriate one. But the three most popular SM platforms—Instagram, Facebook, and Twitter—are the focus of this research. This is so because the information we gathered indicated that they are the sites that Indian people use the most frequently and frequently. Previous studies found an increasing rate of Facebook usage from an online shopping viewpoint, but Instagram has changed this phenomenon. In contrast to earlier studies that found Facebook to have the highest rate (respond rate = 51%) among western users, the survey findings showed that the majority of online shoppers (respond rate = 45%) choose Instagram as their top online shopping tool. According to interviewee 15 who preferred using Instagram, "Based on my prior experiences, I like using Instagram because traders are well recognised and reliable. Additionally, they publish remarks from customers discussing various goods. As a result, it is acknowledged that the majority of Instagram sellers are well-known and reliable individuals like acquaintances and family. Additionally, comments about various goods are supported by images and videos. These findings also showed that some Indian users (response rate = 12%) rely on Facebook for their online shopping, while only 3% of them use Twitter. In contrast, 40% of users purchase on different websites like Google, e-bay, and Amazon. People frequently rely more on well-known websites that they have previously used, which is the cause of this high proportion.

In this study, the use of both questionnaires and interviews has been integrated in a manner that yields rich information. Each of the study's objectives has a direct impact on how well they support one another. Social media affects both consumer choices and how goods are presented. As can be seen from the analysis above, Instagram has a significant impact on fashion goods because of its capabilities for showcasing products in stylish images and videos, which draws in more young consumers, particularly females, who are most influenced by informational, design, psychological, and cultural factors. Additionally, social media platforms like Instagram have established a solid connection between young

consumers and fashion-related goods. The result of this relationship is that fashion directly influences young student consumers' (respond rate = 62%) purchasing decisions, with an age range of 18 to 25 years-old. As a result, the process of purchasing such fashion products is much more flexible, unique, and straightforward. In a nutshell, consumers think that Instagram is the finest and most appropriate platform for online fashion purchases. The process of altering consumers' purchasing habits as a result of the interaction between social media, goods, and consumer choices is depicted in the following matrix model.



## CONCLUSION

In summary, this study's results have important ramifications for academic research, primarily because they were able to identify the connections between its goals. When selecting the best social media platform (Instagram) to purchase their favoured product (fashion), Indian consumers are primarily influenced by informational and design factors. Although the aforementioned fact indicates that consumers are increasingly turning to social media to make purchases, there is still a gap in customer mistrust regarding the use of social media sites in terms of the security provided by such sites.

## LIMITATIONS AND FUTURE RESEARCH

The research's limitations include those frequently associated with online surveys, such as poor response rates because of the short time frame for this study's completion. Although representativeness can always be improved, great efforts have been made for this research to reach a larger sample of respondents. The study has some shortcomings that can be addressed afterward to create more favourable conditions for a successful study in the future. First, the sample choice and the methods for measuring and using the variables clearly have constraints. Because online surveys can't be controlled in terms of specifying the amount of males and females, this study revealed a significant gap between male and female responses. As a result, when compared to other nations, there is a dearth of data representing consumer beliefs and behaviours related to social media.

## THEORETICAL AND PRACTICAL IMPLICATIONS

The use of social media by consumers is a topic that needs to be studied and examined because making a purchase can be a significant procedure for both customers and businesses. This study aids companies in comprehending the preferences, needs, and interests of their customers when it comes to using particular Social Media. Additionally, businesses will comprehend the type of knowledge that needs to be offered for a specific product. Businesses will also be able to identify the SM that customers use most frequently. Businesses and consumers can now grasp the value of social media thanks to this study. It would be wiser to advise companies on how to best use social media so they can take advantage of it and improve their offerings to better meet the requirements of customers. Finally, consumers are urged to buy specific goods online by using the proper Social Media.

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