

IMPACT OF SOCIAL MEDIA ON CONSUMER'S BUYING DECISIONS IN RETAIL MARKETING

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Abstract:

Social marketing has become the most powerful mode for companies seeking to reach out to their prospects and customers. Social media have provided new opportunities to consumers to engage in social interaction on the internet. Consumers use social media, such as online communities, to generate content and to network with other users. By replacing the traditional ways of marketing, social marketing has provided new opportunities to firms to engage consumers in social interaction on the internet. The objective of the current study is to investigate why, when, and how social media has impacted on consumer decision process and explanation on how individuals are attending and selecting the information on social media before a purchase. In this research study data has been collected from both the primary and the secondary sources. Secondary sources of data have been collected through use of internet, consulting past studies, primary data has been collected from respondents through questionnaire by survey method. The findings of the study can be used by marketers and media planners for effective marketing results.

Key words: *Social media, Consumer Buying Behavior, Process of consumer buying behaviour , Social Media Advertising*

Introduction:

In this paper, a study is made of the consumer decision making with a special focus on how the decision making process is influenced by social media in retail industry.

Social media is consumer-generated media that covers a wide variety of new sources of online information, created and used by consumers intent on sharing information with others regarding any topic of interest". The social media revolution has led to new ways of seeking and obtaining information on the multitude of products and services in the market.

In social media all users as consumers can contact with each other exchanging the information about products and services, which push marketers changing their old methods to match the new needs of consumers, and contact with them in individual as possible as they can, especially in their buying behavior.

The use of social media by consumers is anxiously followed by marketers in retailing, but not much is known about how it influences the consumers' decision-making. Many studies focus on consumer behaviour in the online shopping environment, but without consideration of the effects of the internet on the different phases of consumers' decision process.

This study explores how social media influencing the decision process of consumers for complex purchases in retailing.

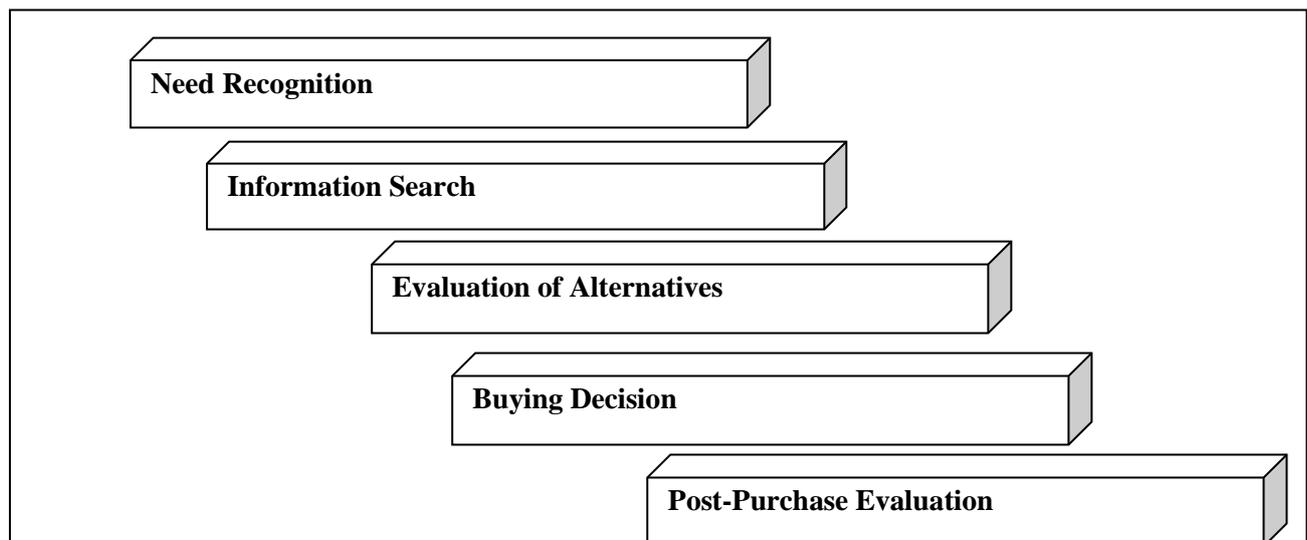
A quantitative survey was used to explore aspects of the phases in the consumer decision process. A total of 220 participants in various retail stores completed the survey, and their responses were used to analyse the decision-making process of their complex purchase instances.

Literature Review:

Consumer Buying Behavior:

According to Khan (2006) all of us are consumers, we consume daily regarding to our needs, preferences, and buying power, which open the door for too many questions about what to buy? How we buy? Where and when we buy?

Process of consumer buying behaviour:



1. Need Recognition:

The buying process starts when people recognized that they have unsatisfied need, while unsatisfied need actually arises when consumer satisfaction differ from his or her present level of satisfaction

2. Information Search:

Once the consumer has recognized a need, it is often not obvious what the best way to satisfy that need would be (Semenik, 2002, P153), therefore, this stage is concerned with gathering information and processing it to allow consumer to move towards a purchase decision, and this search can involve information retrieval from the buyer memory as well as external search if internal information is insufficient (Sullivan, Adcock, 2002, p.52).

3. Evaluation of Alternatives:

This stage is an extension of the previous one, once the required information is available, the buyer will begin to evaluate each purchase option with the aim of gradually reducing the list of possible purchases to one.

4. The Buying Decision:

It is not a single decision but a bundle of decisions, any one of which can result in a change of mind and an alternative route being followed (Cox, Brittan, 2004, p.80). Moreover, if we want to get specific in retailing Levy & Weitz (2004) says that consumers may not buy the product which is the highest in the list of evaluation, for sure it gives the great benefit but it may not be available in the store or it risks outweigh the potential benefits (p.122).

5. Post-Purchase Evaluation:

Once the purchase has been made, evaluations continues so consumer can feel that he made the right decision which meet the expectations as we called it Post-purchase satisfaction, or Post-purchase dissatisfaction if the evaluations does not meet the expectations (Sullivan, Adcock, 2002, p.53).

Social Media Advertising

Social media can be defined as “a group of internet-based applications that build on the ideological and technological foundations of web 2.0, and that allow the creation and exchange of user-generated content”. (Kaplan & Haenlein, 2010, P60).

Kaplan and Haenlein (2010) classified social media into six categories. The classifier is based on the factors like the richness of medium presence of social media among the people and possibility of self-disclosure or self-presentation. Social networking platforms like Facebook and content communities scored the next level since it allows sharing pictures, audio and videos apart from the text-based messages.

Research Methodology:

Objectives:

1. To study the factors which influence the impact of social media on consumer behaviour
2. To analyze the impact of demographic variables on purchase behavior using social media
3. To classify the social media users based on their social media activities.

Hypotheses:

H1: There is no significant relationship between social media marketing and consumer buying decision in retail sector.

H2: There are significant differences in the way that social media will affect consumer buying behavior regarding to the consumers demographic factors retail industry.

Sample Size:

The primary data for the study is collected through Questionnaire. The samples are chosen by the method of Convenience sampling without sample replacement. 220 samples have chosen from different retail outlets in Hyderabad.

Tools and Techniques used for Analysis:

In the analysis part of the present study is made by using the various statistical tool tests namely, Factor analysis, Descriptive Analysis, ANOVA.

Analysis and Findings:

Table No.1. Frequency of social media users

Social Medias	Frequency	Percent
FB	150	68.18
Twitter	20	9.09
LinkedIn	12	5.45
Instagram	15	6.82
YouTube	23	10.45
Total	220	100.00

From the above table the majority of the respondents who uses FB is contributing about 68.18%, Twitter is contributing about 9.09%, LinkedIn is contributing about 5.45%, Instagram is contributing about 6.8%, YouTube is contributing about 10.45%.

Table No.2. Purpose of using social networks sites

Purpose	Frequency	Percent
For Communicating	60	27.27
Networking	25	11.36
Shopping	102	46.36
To spend leisure Time	28	12.73
others	5	2.27
Total	220	100.00

From the above table it is inferred that the majority of the respondents who uses the social network sites For Shopping about 46.364%, for Communicating is about 27.27%, for To spend leisure Time is about 12.73%, for Networking is about 11.36% and for others 2.27%

Table No 3. Purchased items based on the ads on social media

Items	Frequency	Percent
Electronic Gadgets	98	44.55

Apparels	30	13.64
Home and Kitchen wares	55	25.00
Books and Media	27	12.27
Baby and kids products	10	4.55
Total	220	100

The above table shows majority of the respondents purchased Electronic Gadgets about 44.55%, and 25% respondents purchased Home and Kitchen wares, Baby and Kids products purchased very less based on social media advertisements.

Factor Analysis

The Factor Analysis, using the Principal Component Analysis and the Varimax Rotation Method with Kaiser Normalization, three factors emerged. These three factors represent the basis for an understanding of the respondents' activities on social media .

Factor 1- Reliable and interactive factor

Factor 2-Social media as Advertisement tool

Factor 3- Social media as Informative tool

Table No.4. Factor analysis of social media behavior

Statements	1	2	3
Advertisements through social media are more Interesting than traditional advertising.	0.877		
Social media is a effect and powerful platform for consumers to communicate with each other and with the companies.	0.834		
I use social media to view online Advertisement.		0.729	
I use social media to seek opinions about product/services		0.798	
Social media advertising is more informative than traditional advertising.		0.922	
Organizations that use social media for marketing purpose are more innovative than others who are not using it. I am a regular reader of blogs on Internet.			0.817
I use social media to write blogs.			0.934
I use social media for interacting with others			0.929

Table No.5. Factor analysis of social media activities

Statement	Factor 1	Factor 2	Factor 3
Adding labels (or) tags to photo online	0.672		
Contribution to online forums and discussion groups	0.706		
Search for information on social media		0.765	
Adding comments to various blog spots			0.815

Adding comments to other people's social media profile			0.823
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These three factors represent the respondents that formed the first factor have been named *Expressers and Informers*. They get involved in the online environment but they are mostly focused on them, on providing information about themselves through blogging, Twitter and uploading wiki articles. The second factor is entitled *Engagers* because they seek and read different forums and reviews, but they also get involved by posting comments and reviews, rate sites, products and services. The third factor has been entitled **Networkers or Socializers** because they are particularly involved in social media sites like Facebook, Twitter workers are very vocal and engage in actions like updating their profiles regularly, posting comments to their friends and tagging pictures.

Table No.6. Demographics factor One-Way ANOVA

Demographics Factor	Sig.
Gender	0.647
Age	0.54
Education level	0.082
Income	0.029

From the above analysis there are no differences in the consumer buying behaviour regarding to the Gender, Age, and Education level as the probability of (F) statistics is in order (0.647, 0.540, 0.082) more than the significant level (0.05), as we do not have enough evidence to reject the null hypothesis, which mean is that the buying behaviour of consumers did not change regarding to their gender, age, and education level.

Conclusion:

The buying decision of the respondents is much more affected by Social Networking Website. Additionally, the continuous increase of the amount of time people spend online directly affects their behavior in sharing and interacting. The social media advertising have an impacts on consumer buying behaviour, and recommend marketing managers whose working in retail industry for both brand direct marketing or as retailers to design their social media advertising as a comparative advertising and avoid providing information about the product itself as consumers don't rely on social media advertising as a source for information searching, at the same time it is important to study the differences in the demographic factors if there are regarding to the results in this study when they design the advertising.

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