



IMPACT OF SOCIAL MEDIA MARKETING ON DECISION OF CONSUMER

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ABSTRACT On a daily basis in present-day, 100,000 tweets are sent, 684,478 pieces of content are shared on Facebook, 2 million search queries are made on Google, 48 hours of video are uploaded to YouTube, 3,600 photos are shared on Instagram, and 571 websites are created (James 2012). Social media introduced a new, complex and uncontrollable element in consumer behavior presenting a new challenge both to the academia and the marketers. This study is an attempt to identify their role and describe their impact on consumer buying decision. 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 pursue an active role in information search on social media comparing to mass media. To satisfy the research 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 on the subject and also books have been used, primary data has been collected from 100 respondents through questionnaire by direct survey method. The findings of the study can be used by marketers and media planners for effective marketing results.

KEYWORDS: Social Media; Consumer Behavior; Marketing; Buying Decisions

INTRODUCTION Social media provides a virtual network place where people can enjoy expressing and exchanging opinions disseminate and control messages reach out to friends or family through social media, sometimes on a daily basis. On a daily basis in present-day, 100,000 tweets are sent, 684,478 pieces of content are shared on Facebook, 2 million search queries are made on Google, 48 hours of video are uploaded to YouTube, 3,600 photos are shared on Instagram, and 571 websites are created (James 2012). As opposed to traditional media, social media allows conversation readers/viewers/listeners to participate in the creation or development of the content.” McKinsey (2011) reveals that as companies carry on their business and interact with individuals, they generate a tremendous amount of digital “exhaust data” i.e. data created as a byproduct of other activities. Social media sites



smartphones and other consumer devices have allowed billions of individuals around the world to contribute to the amount of big data available. In the early 1990's, when World Wide Web (WWW) was introduced in India, the percentage of people using internet was just 0.2%. Gradually, the reach of internet started increasing and is around 10% of the Indian population at present and most of the internet users view/follow social media sites. The percentage of Indians using internet is projected to reach 19% by 2015 and to 25% by 2020. The technical revolution during the last decade has drastically bought marketers to a new era Traditional advertising via mass media is on decline; Sergio Zyman (1999), former Chief Marketing Officer, Coca Cola, believes, "The era of marketing as we have known it is over, dead, kaput – and most marketers don't realize it..." he further clarifies that technology has given people many more options than they had in the past and has created a consumer democracy in which people around the world constantly use social-media platforms to seek and share information from discussing consumer products to organizing political movements (see Chui and Manyika 2012). Social media tools have become superb channels for marketers to reach consumers. The article titled, "Expand your Brand Community Online" states that social media is important for marketers because it allows them to dialogue directly with consumers, which in turn engages consumers directly with company brands (Hanlon, Patrick, Hawkins, & Josh, 2008). Many companies, such as Audi and Dunkin' Donuts have used social media very effectively to reach consumers. According to Wasserman (2011), out of all other brands on Facebook, Audi's fans are the most engaged of all major corporate brands on Facebook. Internet offers favorable solutions to marketers these days. Marketing through social media would be an alternative perspective of interfacing with individuals, and yet the most influential applications of social technologies in the global economy are largely untapped (Chui and Manyika 2012). A company that uses social media is more likely to create relationships with members of its target demographic rather than traditional media where conversations between the medium and the audience are unlikely. Now, social media outlets such as Facebook and Twitter have made it easy for consumers to post product reviews and reach out to other like-minded individuals in their communities. As social media infiltrates our lives as consumers, before people make purchases, they are increasingly reaching out to their social media communities for opinions (Drell, 2011).

REVIEW OF LITERATURE Over the last few years, researchers and practitioners have written on variety of issues related with social media and social media marketing.



Researchers have explored the consumer behavior and attitude toward social media sites and implications for marketers (e.g. Chung and Austria, 2010; Hensel and Deis, 2010; Kyle and Michael, 2010; and Diffy and Kearns, 2011). Boyd and Nielsen (2006) reported that the top ten social networking sites developed with the passage of time, and its number of users increases from 46.8 million to 68.8 million. This rating reveals the important information about how new generation interacts with each other. Hensel and Deis (2010) are of view that marketers should consider positively the use of social media to influence the consumer behavior. There are benefits, drawbacks, and challenges associated with any social media strategy, and these must be addressed before a specific social media strategy is implemented. Businesses need to assist in facilitating the social media inputs and discussions. In addition, social media strategies should also be used to track a business presence online, and to make sure that clients are not degrading the branding value. Chung and Austria (2010) have conducted a study to determine the factors related with social media gratification and attitude toward social media marketing messages. The results of the study show that attitude toward social media marketing messages are strongly related to social media usage gratifications such as interaction and information, but not entertainment gratification. Diffley and Kearns (2011) studied focused groups of different age groups for their perception about social networking sites. They suggest that companies must seek to integrate advertisements and engage consumers rather than disturbing on their privacy or irritate customers. If a company can engage consumers, they will choose to listen to the messages that are being told and potentially pass these messages on to others. The potential of social networking sites to be utilized as an effective marketing tool is in involving consumers to participate in marketing on social networking sites. A different approach is required by companies that „pull“ consumers in rather than „push“ marketing messages onto them. Consumers and businesses around the globe have been more connected than ever before with the presence of Internet. An average Internet user has 669 social ties (Hampton et al. 2011); Facebook has more than 600 million daily active users, with over 1.5 million business pages (Facebook 2013), and 30 billion pieces of content shared on a monthly basis (McKinsey 2011). Approximately 500 million Tweets sent per day, at about 600 Tweets per second (Tweeter 2012). LinkedIn has more than 225 million professionals worldwide, including all Fortune 500 companies (LinkedIn 2013). The global average time spent per person on social networking sites is 6.9 hours per month (Delaney and Salminen 2012). Changes in consumer behavior due to social media are one of the most important aspects in the marketing.



RESEARCH METHADODOLOGY A descriptive research was undertaken to meet the objectives of this study with the collection of both secondary and primary data. The primary data was collected from respondents through a questionnaire designed for a sample of 100 respondents, representing the genders, different age groups, education level, and monthly income. A structured questionnaire with a five point balanced likert scale for measuring impact of social media on consumer behavior has been used. The data collected from the respondents are tabulated and analyzed into logical statements using percentage and mean score analysis. Secondary data was collected from the available literature, journals and web search.

OBJECTIVE The study has been carried out keeping in mind the following primary objective: To understand the impact of social media on consumer behaviour

DATA ANALYSIS

Table 1.

| Statements | Percentage of respondents | | | | | Mean score |
|---|---------------------------|--------------|----------------|-----------------|--------------------------|------------|
| | Strongly Agree (5) | Agree (4) | Neutral (3) | Disagree (2) | Strongly Disagree (1) | |
| 1) I am a regular reader of blogs on Internet. | 35 | 35 | 15 | 10 | 5 | 3.85 |
| 2) I use social media to write blogs. | 31 | 22 | 26 | 10 | 11 | 3.52 |
| 3) I use social media to view online Advertisement. | 25 | 25 | 22 | 19 | 9 | 3.58 |
| 4) I use social media for interacting with others | 45 | 30 | 10 | 8 | 7 | 3.81 |
| 5) I use social media to seek opinions about product/services | 25 | 26 | 21 | 14 | 14 | 3.34 |
| 6) Advertisements through social media are more Interesting than traditional advertising. | 40 | 20 | 5 | 25 | 10 | 3.55 |
| 7) Social media advertisements are more interactive than traditional advertising. | 42 | 35 | 3 | 15 | 5 | 3.94 |
| 8) Social media advertising is more informative than traditional advertising. | 51 | 42 | 1 | 5 | 1 | 4.37 |
| 9) Social media is more reliable as compared to traditional media like newspaper, TV, Radio etc. | 30 | 20 | 21 | 15 | 14 | 3.37 |
| 10) I refer to the opinion of experts on social media sites while considering any product or service. | 41 | 32 | 18 | 2 | 7 | 4.00 |

Table 1. (Contd....)

| Statements | Percentage of respondents | | | | | Mean score |
|---|---------------------------|-----------|-------------|--------------|-----------------------|------------|
| | Strongly Agree (5) | Agree (4) | Neutral (3) | Disagree (2) | Strongly Disagree (1) | |
| 11) I refer to number of likes/dislikes while considering any product or service. | 22 | 45 | 16 | 5 | 12 | 3.60 |
| 12) I am subscribed to updates and alerts regarding a brand or product through social media networking sites. | 62 | 32 | 2 | 1 | 3 | 4.49 |
| 13) I respond to queries and promotional offers received through social networking sites. | 20 | 26 | 12 | 23 | 19 | 3.05 |
| 14) Organizations that use social media for marketing purpose are more innovative than others who are not using it. | 21 | 30 | 9 | 12 | 28 | 3.04 |
| 15) Organizations that use social media for marketing purpose are more reputed than others who are not using it. | 24 | 21 | 20 | 19 | 16 | 3.18 |

Interpretations of Statements in Table 1

Statement 1 depicts that respondent’s agree with the statement that they regularly read blogs on interne, implies that blog advertisement attracts the consumers and can influence their buying decisions

Statement 2 depicts that respondents agree with the statement that they use social media to write blogs. This implies that marketers can get there feedback from consumers from social media sites Statement 3 depicts that respondents agree that they use social media to view advertisement, marketers can use this platform to influence the buying decisions of consumers and position there products in the mind of consumers

Statement 4 depicts that respondents agree that they use social media to interact with others. This implies that they can share the information of products with the ones they are connected on social networking hub

Statement 5 respondents also agree with the statement that they use social media to seek opinions about product/services. This is an important indication for marketers to build up their customer service windows on social hub



Statement 6 respondents agree that advertisements through social media are more interesting than traditional advertising. This means social media advertisement have been able to influence the buying decisions of consumers to a large extent than traditional advertisement.

Statement 7 respondents agree that social media advertisements are more interactive than traditional advertising. This implies that social media advertisements by an large extent been able to interact with consumers then traditional advertisements

Statement 8 respondents agree that social media advertisements are more informative than traditional advertising. This implies that social media advertisements by an large extent been able to provide information to consumers about their products/services

Statement 9 respondents agree that Social media is more reliable as compared to traditional media like newspaper, TV, Radio etc. so we can say that social media is has proven to be more powerful advertisement tool then traditional print media

Statement 10 respondents strongly agree that they refer to the opinion of experts on social media sites while considering any product or service. This is an implication to the marketers, to provide with the expert opinion pages on social sites

Statement 11 respondents agree that they refer to number of likes/ dislikes while considering any product or service.it implies that past performance of the product/service has an effect on the buying decisions of the consumers

Statement 12 respondents strongly agree that they are subscribed to updates and alerts regarding a brand or product through social media networking sites. This implies that consumers keep themselves updated regarding the product/services they use.

Statement 13 respondents agree that they respond to queries and promotional offers received through social networking sites. This implies that updating influences the buying decisions as the consumer is updated with your offerings

Statement 14 respondents agree that organizations that use social media for marketing purpose are more innovative than others who are not using it. This implies that consumers believe that social media marketing is an innovative idea to promote a company's products/services.

Statement 15 respondents agree that organizations that use social media for marketing purpose are more reputed than others who are not using it implies that social marketing helps in building goodwill for an organization

FINDINGS OF STUDY

The findings are tabulated using likert scale for measuring the awareness of consumers towards green marketing (Highest Rating is 5-Strongly Agree and 1-Strongly Disagree)

| s. no | Description filled by respondents | Mean score(5) is considered as highest score |
|-------|---|--|
| 1 | I am a regular reader of blogs on Internet. | 3.85 |
| 2 | I use social media to write blogs. | 3.52 |
| 3 | I use social media to view online Advertisement. | 3.58 |
| 4 | I use social media for interacting with others | 3.81 |
| 5 | I use social media to seek opinions about product/services | 3.34 |
| 6 | Advertisements through social media are more Interesting than traditional advertising. | 3.55 |
| 7 | Social media advertisements are more interactive than traditional advertising. | 3.94 |
| 8 | Social media advertising is more informative than traditional advertising. | 4.37 |
| 9 | Social media is more reliable as compared to traditional media like newspaper, TV, Radio etc. | 3.37 |
| 10 | I refer to the opinion of experts on social media sites while considering any product or service. | 4.00 |

| | | |
|----|---|------|
| 11 | I refer to number of likes/ dislikes while considering any product or service. | 3.60 |
| 12 | I am subscribed to updates and alerts regarding a brand or product through social media networking sites. | 4.49 |
| 13 | I respond to queries and promotional offers received through social networking sites. | 3.05 |
| 14 | Organizations that use social media for marketing purpose are more innovative than others who are not using it. | 3.04 |
| 15 | Organizations that use social media for marketing purpose are more reputed than others who are not using it. | 3.18 |

CONCLUSIONS AND IMPLICATIONS

The motive of the research was triggered by personal interest in how social media impacts the consumer's buying decisions. The amount of information available to us increases in each new day; as a result, we are overwhelmingly exposed and attained to different aspects of information via the Social Web. The accessibility and transparency that social media offers has led changes in how consumers position themselves in today's market, in which it is inevitable and necessary for companies to equip with a new marketing mindset. The central

gravity of the research was to explain social media's impact on consumer decision making process. Additionally, the research, perhaps, could help company to gain new insights from this perspective and to identify potential pitfalls and opportunities via social media, for instance to develop appropriate ways to tap into the decision making process at the right time or to have a better understanding of why their social media marketing campaigns may not be executing as they would have anticipated. To satisfy the study Research questions were designed to narrow down the subject and to help the researcher to identify the explanations of the issue. To begin with, social media has brought profound changes to both consumers and businesses. Therefore there is a need for social marketing and a need for a shift in the business organizations behavior and attitude towards promoting their products.. Apart from this, social media plays an important role in influencing the consumer's buying decisions. Consumer's regularly read the blogs on internet to view online advertisements. They use social media to provide feedback about the products/services they use. Some of the respondents use social media to view online advertisements to keep themselves aware of the new products/services. Consumers also seek opinions about products/services via social media. Social media has revolutionized the world of advertisement and has moved a far away from traditional advertising. It is agreed that social media is more informative. Interactive and more reliable than traditional marketing tools. Consumer's analyze the past performance of product/services via social media by checking likes and dislikes for it. Various subscriptions are made by consumers to keep themselves updated with the new launches and the changes in the existing products/services. Consumers are of view that innovative firms use social media as their marketing tool. Public image of the company is also build through social media. The digital world has brought the change in every sphere. Its impact on consumer's buying decisions cannot be nullified.

RECOMMENDATIONS Based on the results of the study and the literature reviewed, we suggest the following measures for effective implementation of social media marketing:

1. Set specific objectives. Your objectives should be clear in terms of financial or non-financial result you expect from Social media campaign.
2. Allocate sufficient resources in terms of time, money and man power. There should be a separate social media marketing department and budget allocated to it.
3. Conduct a research to identify the areas required to be focused during the campaign.



4. Make a Social Media Marketing Plan – What, When, Where and How of SMM campaign i.e.

What kind of Information will you share with the audience?

When is the time to target the traffic on social media sites?

5. Make Internal Collaboration - All the employees of the organization should be part of SMM plan. They are the real advocates for the company and for the SMM campaign.

6. Integrate and synchronize the social media marketing with other marketing communication messages across the channels, online as well as offline.

7. Build Relationships.

(Suggested Do's : Start- interaction, participate, be true, listen to your customers, make them feel special, provide customer services, give timely response/information, involve and engage your customers in co-creating the marketing events and content, make your customers a part of your organization, provide proper feedback and rewards to your customers, and value their interest and privacy) (Suggested Don'ts: Do not disturb your customers without their permission or interest, do not irritate your customers by passing unnecessary comments, videos, pop-ups and advertisements, do not share customer information and data without their permission, and do not interfere in their other social activities on social networking sites.)

8. Appoint technically expert people to keep 24*7 checks on the SMM content, have control over negative word of mouth, keep check on competitors SMM activities, and present your stuff uniquely)

9. Watch the changes in financial results - sales and revenue during the SMM Campaign. Keep following the non-financials like number of fans, unique visitors, Comments, Likes, rankings etc.

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