

# Impact of Social Media Marketing on Consumer Decision Making

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**Abstract:** The main aim of this research is to study the effects of social media marketing on consumer's decision making for complex purchases. Consumers are more engaged in online sources nowadays this is due to the advancement that has taken place with respect to communication and technology. It is evident that social media (YouTube, Blogs, Radio, TV, Facebook, Twitter, Instagram, etc.) are the components that drive consumers during decision making process. This study consists of 105 respondents of varied age group to understand whether social media marketing has an impact on purchase decision making. So the question here is, is there any need for social media marketing and is it really impacting today's customers in their purchasing decision making? If yes, then who all are the target customers and how to cater to the needs of customers?

**Keywords:** Social media, Consumer behavior, Buying decisions, Consumer satisfaction, Purchase patterns.

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## 1. INTRODUCTION

Social media marketing is an exciting and interactive medium where both the buyers and sellers can interact, share feedbacks, and know the current trends prevailing in the market. Consumers who are aware of the social media as a marketing tool, mostly use this as it saves their time, buying anywhere anytime whatever they need and also for sellers that they can promote their goods and services better by using various analytical tools by studying their preferences. By using social media, consumers can easily trust or distrust particular products by reviews provided by other users of similar products. Consumers also look towards the responses given by marketers regarding their queries.

The study aims at identifying various elements of social media marketing that corresponds to reliability and trust by using effective platforms. Though there are many recommended platforms but the most used and known platform is what a marketer should take care of.

The Study establishes that how social media marketing is effective and preferable by the consumers while making purchasing decisions. It also states how consumers rely on social media while making a purchase.

## 2. LITERATURE REVIEW

Social media marketing is an effective tool for marketing by the marketers which helps the consumers for knowing more about the products and also about the new products. The Gallup's "State of American Consumer tells that \$5.1 billion is spent on social media advertising in 2013 is tripled by 2018 and wise marketers are wanting to make sure that their spending is not wasted. **Deepa and Deshmukh (2013)**, examined the need of social media marketing in today's era by which we can easily target the customers and share our business personality by interacting with them. It tells us about the seven step framework of social marketing by giving us the examples of DELL which tells us that when it shifted to online retailers, proved to be very beneficial to them but later due to lack of knowledge and no proper implication of the strategies, it created impact on customers where they were not able to take proper feedbacks. **Richardson (2013)**, shows how social media marketing is used among students and professionals. Under his study he shows the popularity of social media marketing and how social media marketing brings new opportunities for marketers. He also focuses on techniques that should be used by marketers to promote their products and also how to take the advantage of word of mouth. He also focused on 4 P's of marketing concept, that is, product, promotion, price, and place. However, major focus was on place and promotion through social media marketing. **Biswas, and Rabi (2016)**, they mainly focused on how users look

towards online reviews, online purchases, and how people share their experience among their friends and relatives. They also focused on how the age factor affects the buying decision of personnel. They noticed that the ability to make buying decision and to influence others to make their buying decision reduces as the age advances. Their study also advised marketers to take efforts to increase market share among young generation (19-25 years old). **Muhammad, and Dr. Lodhi (2016)**, they tells us that quick change in the behavior of the people and the adaptability towards the social networking sights has made the marketers think innovatively of how to use social media platforms to grab the customers. They basically studied the impact of decision making pattern of consumers by using social media marketing in Pakistan. They mainly focused on consumer's decision making process where they used the data in the context of Finland. **Israa Al- Dhuhli (2015)**, the article states the effects of social media such as Facebook, Twitter and Instagram that plays significant role in the decision making of the consumers. Mostly consumers are influenced by the advertisements on the social media which tempt them in buying products. **Duangruthai Voramontri (2018)**, the paper empirically portrays that consumer's decision making process are considered to be complex. Social media marketing not only influences consumers to buy a certain product but also leaves a mark of the product in the consumer mentality that plays a major role. **Nogzar Todua (2018)**, the article mainly focuses on the tourism sector that is affected by the social media marketing. When Globalization came into picture it brought with it new opportunities and developments in social media aspect not only in tourism sector but all over. **Ghulam Rasool Madini (2014)**, now a days with the increase in the use of social media there has been a tremendous impact on consumer psychology and they tend to search about goods and services online. Social media components play a major role in impacting decision making in the consumers. **Nufazil Altaf (2014)**, Social media development has brought about challenges to the consumers as well as the marketers. It highlights that how individuals get affected by the advertisements on social media and then make their purchasing decisions.

#### **Objectives:**

- To determine if customers rely on information provided through social media platforms.
- To find out which social media marketing is more effective.
- To analyze if definite social media marketing is preferred by age groups.
- To analyze if feedback systems in social media platforms affects purchasing decision of consumers.

### **3. RESEARCH METHODOLOGY**

A Conclusive Research Design would be used in this research process where quantitative data is analyzed. The research deals with establishing whether there is a significant relationship between social media marketing and customer's purchasing decision. During our research, survey would be conducted among the people who use social media. It could be also measured by distributing the questionnaires to our target customers and analyzing the data thereafter. The questionnaire consists of 14 questions pertaining to the different core elements of both customer and the seller when it comes to social media as a marketing tool which affects their decision.

Along with these questions, the questionnaire collected information about the factors which a marketer must consider when he uses social media as marketing tool as well as any further improvements if any. Data can also be collected from Secondary resources based on past records and performance.

#### **Sampling Design:**

Target Population: Our target people are users of social media platforms for purchasing, especially the age group between 15-45 years.

Sampling Technique: The Technique used here will be both probability sampling where we would use cluster sampling and non-probability sampling where convenient sampling will be used.

Sample Size: The Sample size will be 105 respondents who are asked to fill the questionnaires.

#### **Data Analysis and Findings:**

Data has been analyzed with the Help of IBM SPSS. The statistical tools that were used for data analysis were ANNOVA, Correlation and Frequency diagrams.

The relationship between the following has been analyzed:

- Trust and Information available
- Effectiveness of different social media platforms
- Age and different medium of social media platforms
- Feedback and purchasing pattern

**1. DETERMINING IF CUSTOMERS RELY ON INFORMATION PROVIDED THROUGH DIFFERENT SOCIAL MEDIA PLATFORMS**

**Descriptive Statistics**

N	Valid	105
	Missing	0
Mean		3.40
Skewness		-.454
Std. Error of Skewness		.236
Kurtosis		-.554
Std. Error of Kurtosis		.467

The data shows the mean to be 3.40 which means reliability of customers towards information available in social media platforms is moderately high and they often depend upon those platforms for further information about that product or service.

The data shows the standard deviation to be 1.043 which is lower than mean which means there are very few people who do not rely for information on social media platforms.

The graph is negatively skewed which means most of the people use social media platforms for gathering information.

**Correlation:**

		Obtain information through social media	Consumer's trust on social media
Obtain information through social media	Pearson Correlation	1	.061
	Sig. (2-tailed)		.534
	N	105	105
Consumer's trust on social media	Pearson Correlation	.061	1
	Sig. (2-tailed)	.534	
	N	105	105

While checking the correlation between consumers trust on social media platforms and information they get through social media platforms, the Pearson correlation value that we obtained was 0.061 which shows that there is a weak relation between both the variables, and also it is proved by the significance value which is 0.534 (assumption  $p < 0.05$ ) stating there is no relation between the consumers trust on social media and the information they get through social media platforms.

Therefore, it can be stated that consumers do not trust on information provided by social media platforms while making purchasing decisions.

**2. TO FIND OUT WHICH SOCIAL MEDIA IS MORE EFFECTIVE**

		[Online Forums/Blogs/Communities]	[Social Networking Sites(e.g. Facebook)]	[Micro Blogging(e.g. Twitter)]	[Mass Media(e.g. T.V, Radio)]	[Photos and Video Sharing Sites (e.g. YouTube)]
N	Valid	105	105	105	105	105
	Missing	0	0	0	0	0
Mean		2.97	3.10	2.43	3.44	3.56
Std. Deviation		1.451	1.411	1.167	1.330	1.270

In the above data the mean of

Online forums/blogs/communities: 2.97

Social networking sites: 3.10

Micro blogging: 2.43.

Mass media: 3.44

Photos and video sharing sites: 3.56

Which means that photos and videos sharing sites as a social media marketing tool is more effective than other platforms and second comes the mass media, third is social networking sites then online forums and lastly micro blogging.

**3. TO ANALYZE IF DEFINITE SOCIAL MEDIA MARKETING IS PREFERRED BY PARTICULAR AGE GROUPS**

**ANOVA**

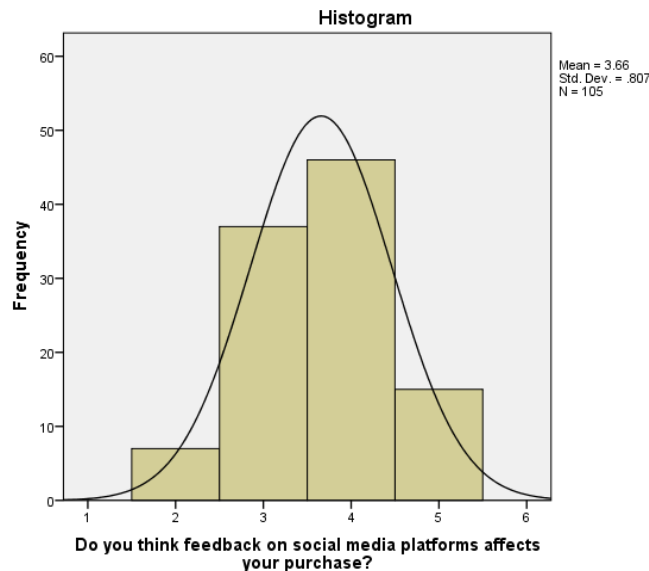
		Sum of Squares	df	Mean Square	F	Sig.
[Online Forums/Blogs/Communities]	Between Groups	4.428	4	1.107	.516	.724
	Within Groups	214.487	100	2.145		
	Total	218.914	104			
[Social Networking Sites (e.g. Facebook)]	Between Groups	12.232	4	3.058	1.570	.188
	Within Groups	194.815	100	1.948		
	Total	207.048	104			
[Micro Blogging(e.g. Twitter)]	Between Groups	1.976	4	.494	.354	.841
	Within Groups	139.738	100	1.397		
	Total	141.714	104			
[Mass Media(e.g. T.V, Radio)]	Between Groups	7.030	4	1.757	.994	.415
	Within Groups	176.818	100	1.768		
	Total	183.848	104			
[Photos and Video Sharing Sites (e.g. YouTube)]	Between Groups	8.313	4	2.078	1.303	.274
	Within Groups	159.534	100	1.595		
	Total	167.848	104			

In ANNOVA, the dependent variable is social media sites and independent variable is the age groups of customers.

The Probability value is 0.05 .Therefore if the significance of the relationship between the dependent and independent variables is less than or equal to 0.05, the relationship is significant or else the relationship is not significant if it is more than 0.05

Here in all the social media platforms the p value is more than 0.05 i.e., 0.724, 0.188, 0.841, 0.415, 0.274. Therefore, there is no preferred social media platforms among different age groups.

**4. TO ANALYSE IF FEEDBACK SYSTEMS IN SOCIAL MEDIA PLATFORMS AFFECT PURCHASING DECISION OF CUSTOMERS**



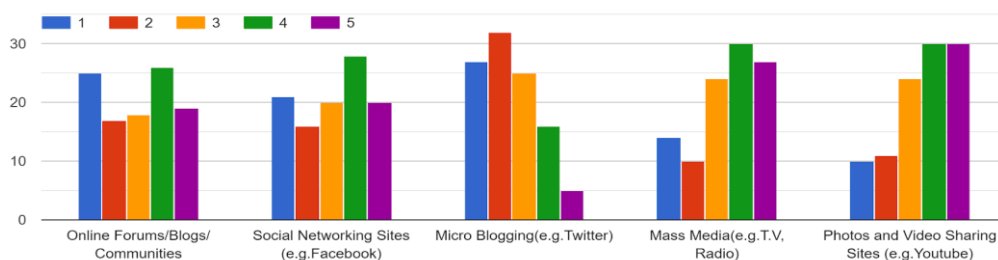
Effect of feedback available on social media platforms in consumers decision making

N	Valid	105
	Missing	0
Mean		3.66

While analyzing the data the conclusion could be derived that consumers agree that their purchasing pattern is affected by feedbacks available on social media platforms, as we got the mean value of 3.66, which according to likert scale falls between “neutral” and “agree” ( likert scale- 1. Strongly disagree, 2. Disagree, 3. Neutral,4. Agree, 5. Strongly disagree.)

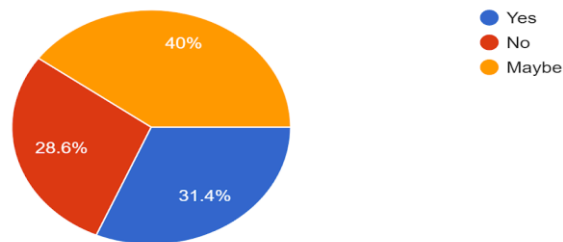
From the data collected through questionnaire method the following was found:

Rank on a scale of 1 to 5 for the source of information on social media you use before a purchase. 1 being least, 5 being most



### Are you able to obtain all the information from these social media platforms?

105 responses



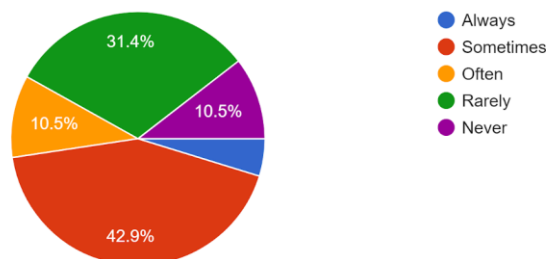
40% of the sample stated that they find the information from social media to be neutrally relevant.

31.4% of the sample stated that they consider the information from social media to be sufficient.

28.6% of the sample stated that they do not consider that social media provides sufficient information.

### Do you really end up visiting a sites when you see an advertisement popping up on social media platforms?

105 responses



42.9% of the sample stated that they sometimes end up visiting a a site when they see an advertisement popping.

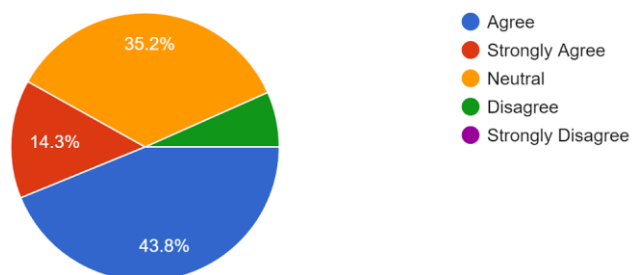
31.4% of the sample stated that they rarely end up visiting a site when they see an advertisement popping.

10.5% of the sample stated that they often or never end up visiting a site when they see an advertisement popping.

The remaining sample stated that they always end up visiting a site when they see an advertisement popping.

### Do you think feedback on social media platforms affects your purchase?

105 responses



43.8% of the sample stated that they agree on the point that feedback on the social media platforms affects their purchase.

35.2% of the sample stated that they are neutral on the point that feedback on the social media platforms affects their purchase.

14.3% of the sample stated that they strongly agree on the point that feedback on the social media platforms affects their purchase.

The remaining sample stated that they disagree on the point that feedback on the social media platforms affects their purchase.

No sample stated that they strongly disagree on the point that feedback on the social media platforms affects their purchase.

#### **Limitations:**

One of the major limitations of this study is the gap between the male and female responses as we cannot predetermine the number of male and female participants, especially in these online surveys. Also, the data could be biased in a way that what consumers perceive might not actually be the reality. There can be various other factors that are uncontrollable which may affect the study like a person's mind set, surrounding atmosphere, etc.

### **4. CONCLUSION**

After the study it can be concluded that consumers prefer social media marketing and consider it as an effective medium for the marketers to advertise their goods and services. With the advancement in technology social media have reached a new height wherein marketers can find a huge potential in the online advertising. But it becomes equally essential for the marketers to build a certain trust in the consumers as the study states that consumers tend to feel a lack of trust with regards to the information shared online. But also, it can be achieved that consumers believe in the feedback system online and its effectiveness.

If the study is to be perceived from the point of view of the marketer, it can be said that social media marketing is one such factor in which the marketer should pay attention as it tends to influence buying decisions of the employees. This information can be used by the marketers for effective advertising of their goods and services.

The study can be concluded by determining that consumers rely on social media platforms for purchase decision making. Consumers tend to believe that social media platforms provide an exposure for the exchange of information without the restriction of reach ability. One of the major reasons that a consumer thinks that makes social media a relevant platform is because of the factor of convenience and time constraints. Thus, social media marketing not only holds a huge scope for the marketers but also creates a vast consumer base.

### **5. RECOMMENDATIONS**

The present findings as well as the suggested literature reviews highlights the influence of this medium of marketing which, if effectively used by the marketers, can prove to be a competitive advantage for them. Social media not only transmits information about the goods and services but also tends to create a certain impression in the minds of the consumers.

By the analysis of this study it is evident that social media marketing has an impact on the consumers which is an important aspect for the marketers but it becomes equally necessary to have transparency with respect of the information that is being shared online. As the study states that consumer purchase decision making is affected by the advertisements on the social media platforms, it can be used by the marketers by further enhancing their advertisements.

#### **Future Scope:**

This research has got low responses due to less time available to complete the study, so in future many responses can be gathered and study can be continued further with more effectiveness. Also, as the usage of social media platforms is increasing day by day, and people are being able to access them more easily, in future the scope for the social media marketing also increases and thus the consumer buying decisions also varies accordingly. In this era of digitalization this medium of marketing will help the consumers to a great extent.

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