

# Impacts of Social Media on Consumer Buying Decision-Making Process

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**Abstract:** The study the impact of social media on consumer buying decision-making process, it was designed to adjudicate if social media has an impact on consumer preferences in buying, thus this study was conducted to the students, faculty and staff of De La Salle University - Dasmaringas. The researchers asked questions to the respondents through online questionnaire to determine if there will be impacts of social media presented. The respondents share the different factors on how social media affects their buying decision-making process. The study shows that there is a significant relationship between the social media and the consumers' buying decision-making process.

**Keywords:** Decision-Making, Product, Social media.

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## 1. INTRODUCTION

"Social media is a double-edged sword, it has the power to do real good but also the power to hurt" as stated by Why Keen.

Social media refers to the internet platform that individuals use to build social networks and relationships with those who have comparable social or professional interests, hobbies, backgrounds, or connections in real life. As postulated by Poell (2013), the mechanics of daily life have been massively affected by social media platforms, which have an impact on both formal and informal interactions as well as institutional settings and workplace practices. Social media sites have a tremendous influence on practically everyone. On the other hand, decision-making processes are affected by external environmental factors specifically, social class, family, culture, situation, and personal influence that affect the purchase (Chivandi, et.al., 2019). Social media usage for business seems to have a direct impact on customer purchasing intentions. One of the greatest examples is a unique platform for communication and information about goods and services that helps consumers make decisions (Kozinets et al., 2010). Hence, with the growth of social media, many businesses opted to use it in order to improve their methods, particularly their marketing efforts and strategies to gain customers.

Businesses have embraced social media platforms to advertise and make sales due to its broad range. According to the 2017 report of Carolanne Mangles on how businesses utilize social media, Facebook has an 89% market share and is one of the most valued social media platforms. Thus, it is the ideal platform to use for advertisement considering that it has the highest usage rate. Due to this extensive influence, the majority of research revealed that users utilize social media information as a basis for future purchases.

Alongside this wide influence and various facets, the study aims to examine how social media campaigns affect the decision-making process of the customer. Of how social media in the purchase process is illustrated through the purchase validating tool as to how word of mouth becomes a strength of a product since it disseminates information more quickly and widely. Particularly at what point in the decision-making process did social media have the greatest impact? As

presented by the Classic Purchase Funnel of Evans (2008), it delineates how purchases are influenced by awareness and consideration related to the five-stage decision-making model of Silverman (2001). Therefore, the study aims to examine how consumers select the social media information before a purchase. Is it because of the exposure to the product? Problem recognition? Search for the alternatives? Evaluation of information? Post-purchase evaluation? Is it recourse, amount of available information, personal factor, uncertainty, or risk? These will be the areas of focus of the research, and also to ascertain the impacts of social media on the consumer buying decision-making processes.

Furthermore, this study could aid businesses to develop fresh perspectives and to gain understanding from their viewpoint, most importantly, identifying the opportunities and challenges brought by social media.



Figure 2 Classic Purchase Funnel

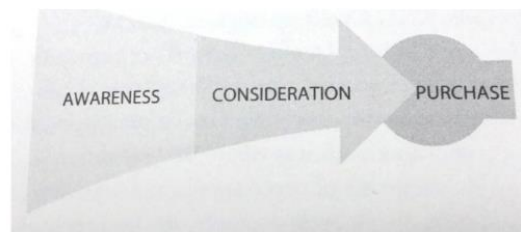
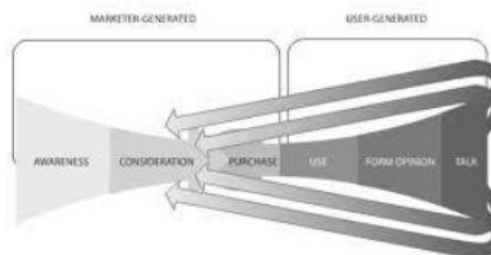


Figure 3 Purchase Validation Tool



This study is conducted to identify the impacts of social media on the consumer buying decision making process. Specifically the study aims to determine the demographic profile of the respondents as of age and gender. It also aims to delineate how consumers attend, process, and select the information before purchasing a product. And aim to discover the relationship of social media to the consumer buying decision making process.

For this study, purposive sampling technique will be used to determine the participants. The data gathered will be analyzed using the following statistical treatment: frequency distribution to be able to determine the number and percentage of responses for each category, mean-sd to be able to get the average of all values, and Pearson or product - moment correlation to identify the relationship between the given variables.

**Statement of Hypothesis**

*The hypothesis will be raised in the study and will be tested at .05 level of significance.*

*Ho: There is no significant relationship*

*between consumer's decision-making process and social media.*

*Ha: There is a significant relationship*

*between consumer's decision-making process and social media.*

## **2. LITERATURE REVIEW**

According to We Are Social UK, more than two-thirds of the world's population now owns a mobile phone, with global users expected to reach 5.29 billion in October 2021 after growing by nearly 100 million (+1.9 percent) in the previous year. At present, there are 4.88 billion internet users worldwide, which is equivalent to almost 62 percent of the world's population.

Social media platforms have a huge impact on almost everyone. With the emergence of social media, many businesses sought to use it to boost their operations, notably their marketing initiatives and client acquisition plans.

Social media is a crucial tool for businesses. Due to the wide diversity of social media platforms, businesses have used them for advertising and sales. According to Investopedia, businesses utilize the platform to identify and interact with consumers, increase sales through advertising and promotion, determine consumer trends, and provide customer care or support.

According to a study by Noureddine and Zeineddine (2018) about social media and its impression on consumer's behavior during their decision-making process, there is a positive and significant correlation between the identification of the issue and the pursuit of and evaluation of information as key factors in determining how social media affect this stage among consumers.

While having an indirect effect on actual purchase choices, the social media usage for business seems to have a direct impact on customer purchasing intentions. One of the greatest examples is a unique platform for communication and information about goods and services that helps consumers make decisions (Kozinets et al., 2010).

Moreover, as delineated by John Dewet, the five stages that customers go through while considering a purchase are: problem or need recognition, information search, alternative evaluation, purchase, and post-purchase behavior.

### **Problem or Need Recognition**

As stated by John Dewet, the first stage of the Consumer Decision Process is the problem or need recognition. In this stage, the consumer examines the issue or need, subsequently, the product or classification of products that would be adequate to discuss it. This is frequently acknowledged as the first and significant phase in the process since consumers often refuse to proceed with purchase if they do not identify an issue or necessity of the product. Both internal and environmental influences might cause a need to arise. The term "internal stimuli" describes a subjective sensation that the consumer has, such as hunger, thirst, and so on.

The Decision-making process is affected by external environmental factors that affect the process, and these are environmental influences such as social class, family, culture, situation, and personal influence (Chivandi, 2019). The environment has an impact on how consumers make decisions because it shapes their personal influence from the beginning of their information search and because it is a source of information that will have an impact on their entire decision-making process. Despite the environment abetting the consumer in making a purchase decision, the consumer's individual differences and influences affect the choices they will eventually make because they will be able to conduct an internal information search regarding their personal values, knowledge, and motivations which will help the filter from the environmental influences and scale down their purchase choices to a more personal level: knowledge, consumer resource value, motivation, knowledge, personality, and values are only a few examples of the individual variances and impacts.

### **Information Search**

As stated by John Dewet, the second stage of the Consumer Decision Process is the initiative to seek internal or external information. A customer will likely be convinced to conduct an information search throughout this stage if they determine the precise need or concern. Moreover, this is the time when a consumer seeks to find value in a prospective service or product. The consumer's alternatives are recognized or made more apparent during this phase.

The need recognition stage is necessary particularly when consumers want to be exposed to information (Hoyer and MacInnis, 2010). Social Media offers them this information exposition since consumers can get information from their 'friends' but also from brands about products and services through pages they can 'like' on Facebook and 'follow' on Twitter. This implies that customers looking for information about products, services, or brands may utilize social media platforms and technologies to gather information or ask friends for information.

### **Evaluating Alternatives**

The third stage of the Consumer Decision Process is the evaluation of alternatives. Consumers assess through all the product and brand alternatives at this stage based on a scale of characteristics that can provide the value the customers are searching for. The brands and products that consumers contrast—their evoked set—represent the options that customers are taking into account while addressing problems.

### **Purchase**

The fourth stage of the Consumer Decision Process is purchase. Because the customer has considered all of his options and determined the value that the most preferred brand can provide, the customer may decide to purchase it at this point.

According to Kotler and Keller (2009), the consumer typically forms preferences among the brands on the choice desk during the evaluation process. However, there are two factors that may affect the consumer's purchase intention and decision: other people's attitudes and unforeseen situational factors (172). The extent to which another person's disapproval of the chosen alternatives or unwillingness to comply with the conditions of supporting the purchase intention may cause the consumer's purchasing intention to be revised (Kotler and Keller 2009, 172).

In addition, Kotler (2009) asserted that consumers are unquestionably influenced by the informative bloggers that provide their assessments (e.g. customer reviews on Amazon.com, blogs, bulletin boards, and so on). In other words, preferences and purchase intentions cannot be completely relied upon as predictors of purchase behavior. At this point, consumers will decide whether or not to purchase the goods/services. Unanticipated situational factors refer to those that may erupt to alter the purchase intention, for example, there may come an unexpected purchase that is more urgent compared to the purchase the consumer was first stimulated to make.

### **Post-Purchase Behavior**

The fifth stage of the Consumer Decision Process is the post-purchase behavior wherein the customer decision process assesses whether he is satisfied or dissatisfied with a purchase. The customer's response to purchase will have a big impact on whether or not he decides to buy the product again or explore other options from the brand's catalog. Because he would probably feel forced to express his thoughts about the purchase, a client will also be able to affect the choices of others.

After experiencing varying levels of happiness or discontent due to the purchase, the customer assesses the decision to choose the alternative and determines if it was wise. This stage has two possible outcomes: dissonance or satisfaction. When a customer feels dissonance with a purchase, the decision is "devalued" and the consumer starts researching, gathering information, and weighing other possibilities for future purchases, which sets off new behavior (Sternthal and Craig 1982).

It is a phase where the consumer chooses whether or not to fully adapt to the product, meaning whether or not to continue using it or making more purchases. Since consumers always have a choice regarding the product's priority, frequency of usage, and new circumstances of new uses. When individuals are comfortable in using a specific product regularly, they will recommend it to others from using the product as well (Silverman 2001).

As postulated by Forbes and Vespoli (2013), the influence of social media on buying behavior can be in any services or products. Fennis and Stroebe (2011) explained the theory of consumer choice, where there is a vast amount of advertisements competing with each other in order to grasp individuals' attention. Humans with limited brain capacity in processing information, discrete messages became a challenge to get heard even if marketers have the right message.

The relationship between social media and consumer decision-making indicates that social media influences consumer attitudes toward advertising and purchase intentions. It will not necessarily affect consumers' decision-making but might possess a mediating effect. Thus, social media is an essential touchpoint in today's consumer decision making process.

The purpose of the study is to examine how customers evaluate social media content before making a purchase. On how social media content affects consumers' decision-making process in purchasing a product delineated through the 5-stage decision making model of Silverman (2001), the classic purchase funnel by Evans (2008) where social media extends the purchase funnel, and of how social media in the purchase process is illustrated through the purchase validating tool which demonstrates how word of mouth becomes a strength of a product since it disseminates information more quickly and widely.

### 3. METHODOLOGY

This chapter provides an outline of the research methodology used to answer the research questions. It covers the details of the research design, methodology for collecting the data, and population.

#### *Research Design*

The researchers will be using Quantitative research design to determine the extent of the relationship of social media and consumer decision making process. A survey questionnaire will be used to gather data.

#### *Research Locale*

The study will be conducted at Dasmariñas City, specifically, De La Salle University Dasmariñas, the researchers chose the place as it is surrounded by different fast food chains and will give the researchers the needed information.

#### *Participants of the Study and Research Sampling*

The participants in this study includes students, faculty and staff of De La Salle University - Dasmariñas between the ages of 18-59 years old. All participants in this study will be on a voluntary basis.

#### *Research Instrument & Data Gathering Procedures*

The research instrument for this study was obtained from research of Ethel (2013). This questionnaire will be utilized to discover the impacts of social media in the consumer decision making process. It is a combination of multiple choice, likert-scale and open- ended questions.

#### *Data Treatment and Analysis*

The data gathered to this study will be subjected to the following statistical treatment.

First is frequency distribution to determine the number and percentage of responses for each category. The percentage is computed by dividing the number of responses per category by the total number of respondents and then multiplying the result by 100.

Second, is mean-sd, to get the average of all values. The mean is derived by adding all the values and dividing the sum by total number of cases while standard deviation will give the average of the distances of the individual distributions from the group mean, the square root of the average squared deviation of each case from the mean.

Lastly, is the Pearson or product-moment correlation to identify the relationship between the given variables. If the correlation coefficient is close to 0, it means there is no relationship between the variables. If r is positive, it means that as one variable gets larger the other gets larger. If r is negative it means that as one gets larger, the other gets smaller.

### 4. RESULTS AND DISCUSSIONS

#### **Profile of the Respondents**

The first part of the study examines the profile of the faculty, students, and staff of De La Salle University - Dasmariñas.

Table 1 shows the age group of the respondents. The figure represents that there are 100 respondents, and out of 100 there are 28 people who belong to the age group of 18 - 21 years old, proceeding with the age group of 22 - 25 years old which is 27% of the population, 16% are from the 30 years old and above, 21% from the age respondents under 18 years old and the remaining numbers come to form the group of 26 - 30 years old, 40 and 50 years old and above.

The results for this indicate that the most number of respondents in this study came from the age group of 18 - 21 years old.

		Age Group			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 18 years old	9	9.0	9.0	9.0
	18 - 21 years old	28	28.0	28.0	37.0
	22 - 25 years old	27	27.0	27.0	64.0
	26 - 30 years old	6	6.0	6.0	70.0
	30 above	16	16.0	16.0	86.0
	40 above	9	9.0	9.0	95.0
	50 above	5	5.0	5.0	100.0
	Total	100	100.0	100.0	

Table # 2 shows the gender of the respondents wherein 63% out of 100 respondents are male and the remaining 37% are female.

Thus, the results show that most of the respondents are male.

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	63	63.0	63.0	63.0
	Female	37	37.0	37.0	100.0
Total		100	100.0	100.0	

### How the Consumers Attend, Process, and Select Information Before a Purchase

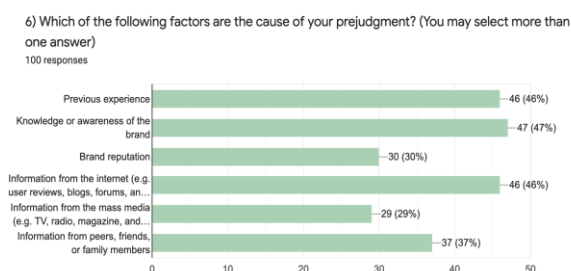
This part will discuss the different attitudes of consumers before making a purchase.

Table # 3 shows that the consumers taking prejudgement towards a particular product before taking a product and/ or services before the actual consumption. There are 49% out of 100 respondents who they are taking prejudgement sometimes, also, there are 25% who is saying that they are taking prejudgement often, and there are 20% say that they are always taking prejudgement, there is 3% of respondents rarely, 2% respond seldom and 1% responded that they never take prejudgement before taking a product or services.

Figure # 1 shows the different factors that cause the prejudgement of the respondents. Knowledge and awareness of the brand got the highest percentage of 47%, while the next factor tied up with 46%, the previous experience and the information from the internet. The next factor that causes the prejudgement of the respondent is information from peers, friends, or family members gained 37% and there are 30% for the brand reputation and 29% for the information from the mass media.

Table # 4, will show the data that discusses seeking information before getting a purchase. It will show that the biggest percentage of 40% out of 100 respondents are seeking information sometimes, 28% often, 24% say always, 4% for seldom, and both 2% for rarely and never.

		Prejudgement Before Consumption			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sometimes	49	49.0	49.0	49.0
	Often	25	25.0	25.0	74.0
	Always	20	20.0	20.0	94.0
	Rarely	3	3.0	3.0	97.0
	Seldom	2	2.0	2.0	99.0
	Never	1	1.0	1.0	100.0
	Total	100	100.0	100.0	



### Seek Information Before Purchase

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	24	24.0	24.0	24.0
	Never	2	2.0	2.0	26.0
	Often	28	28.0	28.0	54.0
	Rarely	2	2.0	2.0	56.0
	Seldom	4	4.0	4.0	60.0
	Sometimes	40	40.0	40.0	100.0
	Total	100	100.0	100.0	

**RELATIONSHIP OF SOCIAL MEDIA ON CONSUMER BUYING DECISION**

For the relationship between the social media and the consumer buying decision, it will be showed in table # 5.

Table # 5 shows that social media has an effect on the the consumer buying decision process.

**Correlations**

		VAR00001	VAR00002
VAR00001	Pearson Correlation	1	.939**
	Sig. (2-tailed)		<.001
	N	100	100
VAR00002	Pearson Correlation	.939**	1
	Sig. (2-tailed)	<.001	
	N	100	100

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Thus, having 0.001 is quite low, it still indicates that there is a positive correlation with the two variables being presented.

**5. CONCLUSION**

The following inferences were made in light of the study's findings:

The respondents of the study were students, faculty and staff of De La Salle University - Dasmariñas. There are a total of 100 respondents, which were subdivided from different age groups, and most of the respondents belongs to 18 - 21 years old age group. Based on table # 2, there are 63% male respondents and the remaining 37% were female.

Based on the table # 3, most of the respondents are taking prejudgement consumptions, sometimes which takes 49% of the respondents and the least is 1% which they say is never taking prejudgement consumptions.

Based on figure # 1, there are factors that causes the respondents' prejudgement, these are previous experiences, knowledge or awareness of the brand, brand reputation, information from the internet and masss media, and information from peers, friends and family. Which all of these factors gained percentage not lower than 25% but not greater than 50% each.

And as a final conclusion, the study shows that social media has an effect to the consumer buying process, thus it will reject Ho or the null hypothesis and decided to accept Ha or the alternative hypothesis.

**6. RECOMMENDATION**

The following suggestions are being put forth in light of the facts indicated above.

We recommend this study to the future marketing students to their basis in their other subject matter.

For the future researchers, for them to use this study as a guide and basis on their related studies in the future and for them to study further whether there will be changes with the same or related topics.

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