

# Social Media Presence and its Impact on Consumer Buying Behaviour-An Empirical Analysis

R.Sujatha<sup>1</sup> B.Uma Maheswari<sup>2</sup> D.Kavitha<sup>3</sup>

## ABSTRACT

Social media was started as a platform for individuals to share images and stories of their family and friends. But now social media has evolved to be an impactful tool for the business. The growth of social media is tremendous and it is becoming a resourceful media to rely up on in everyone's life. People are using it to communicate with each other, know about various products in the market and even buy them based on the reviews and feedback. Companies started to have social media presence to adopt to the new technological trend and cope up with the market dynamics. This created many opportunities for organizations to have their foot-prints in different aspects, and it also helped them to understand their consumers better and target them accordingly. This research study was done to understand the antecedents of consumer buying behaviour and found that social media presence is impacting consumer attention, perception, preference and feedback, which in turn is influencing consumer buying behaviour. This study showcased that social media is always a promising tool for companies' to reach out to consumers.

**Keywords: Social Media, Consumer Buying Behaviour, Consumer Attention, Consumer Preference, Consumer Perception, Consumer Feedback**

## 1.Introduction

In the recent days, social media is one of the significant communication tool to connect people across the globe. This provided an opportunity for companies to market their products to a wider audience. Most of the businesses have started using social media to increase their brand awareness and keep connected to their customers. This helped them to understand their customers and target them. Social media is also used to market products, promote brands and foster new business ventures. According to Forbes's research on consumer engagement with different businesses via social media networks, it was found that 81 percent of respondents agreed that recommendations and posts from family and friends directly influenced their buying decisions. There is a drastic increase in the internet users in the past 15 years. People now a days use internet to search for the best products to buy and their buying behaviour is largely influenced by social media.

Consumer buying behaviour is the study of how individuals and organizations select and use products and services. It focusses on how consumers select or prefer their brand, what is the psychology in selecting them, what motivates them to choose a particular brand compared to other brands, and what a company should do to influence the consumer buying behaviour to buy their products. Companies use social media as an important tool for digital marketing to promote their products. They use paid promotions and advertisements to promote their products. Social media websites like Instagram and Facebook have paid promotion facilities to show advertisements in order to help the companies to reach customers in a large scale. Advertisements help the companies to segment their customers and target according to their interests. Promotional advertisements can be created to appear to people only in selected geographical areas, age group and gender and other specific criteria, so that the companies can focus on their targeted customers. So there is lot of attention towards social media presence and this study focuses on understanding the impact of social media presence on consumer buying behaviour.

## 2.Literature Review

Social media makes easy to view and select various types of product through online. It helps to group common interest people and products together.

---

<sup>1, 2, 3</sup> PSG Institute of Management, PSG College of Technology, Coimbatore, India

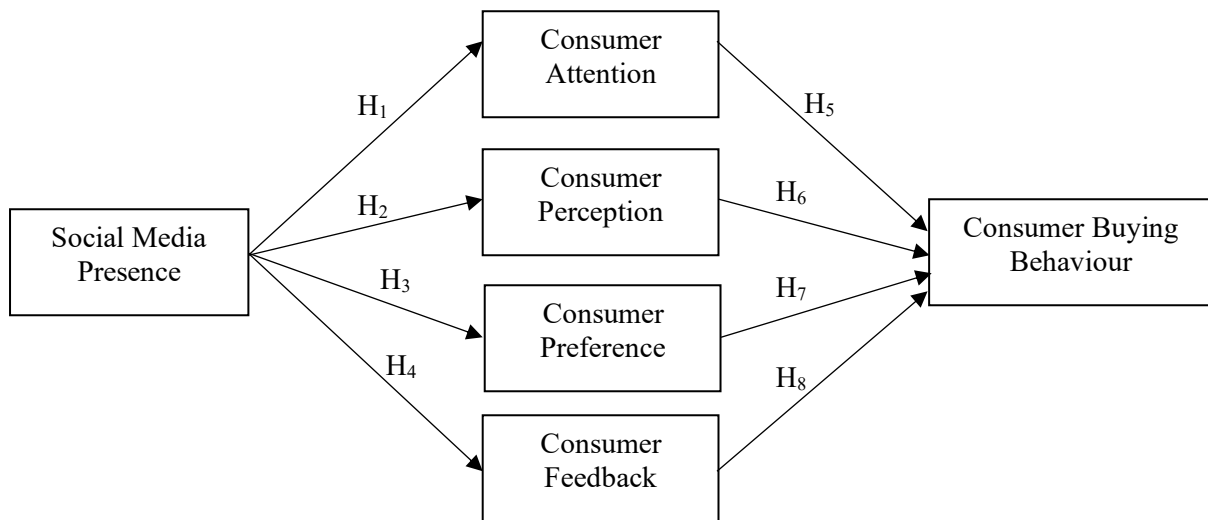
Social media helps companies to create brand awareness. Companies are aiming to create content that would attract the attention of users and encourage them to buy their products. They use social media mainly to aim at posting and sharing different types of content to achieve marketing goals. Social media can target people with common interests and needs. It helps to communicate and interact with the consumers which contribute to increasing trust. But on the other hand, consumers tend to lose confidence with even small mistakes done in the advertisements, which prompts customers to give negative feedback about a particular product, service, brand or company. So, it becomes important for companies to understand the impact of social networks and social media on the buying behaviour of the consumers.

Consumer buying behaviour has always been a focus of research during past decade. Erdem et al., (2017) found that attitude, word of mouth, advertising affect purchase decision. So marketers should focus more on social networks and be engaged with customers. Sun et al., (2017) did a research on implicit community in online social groups and showcased how implicit communities have a great influence in creating an impact on consumer purchasing behaviour. Li (2011) researched about how consumers use search engines to search, verify and buy the product and how search engines and social media channels affects consumer buying behaviour. He found that there is an effective way of analyzing and understanding about customers to get attention through these mediums. But Grover & Mandan (2017) found that in automobile purchasing, social media helps to get attention but does not has that impact to change their purchase decision. Television commercials has greater impact than social media on consumer buying behaviour in auto brands.

A research was done by Voramontri & Klieb (2019) to understand the impact of social media on consumer behaviour. They found that initial steps was done by easiness and enjoyment but the purchasing was done only they have trust and confidence. Maria et al., (2019) did a study to estimate the buying behaviour and found that effectiveness of advertisements and brand awareness has a positive impact on buying behaviour of consumers. Poturak & Softic (2019) found that social media is helping companies to create awareness of their products and promotions of their brand which will finally help sell the product. Dayal (2016) studied the social media influence on online buying behaviour and found out that social marketing, social customer relationship management helps in expanding existing businesses and creates a space for marketers in new business models to interact with new leads, consumers and employees. A research was done by Ziyadin et al., (2019) to find out the role of social media in behaviour of consumers. The authors found that social media may be not a shortcoming. It creates a visibility to large number of customers thus increasing the brand awareness. The presence in social media need to be updated on a regular basis to stay ahead of increasing number of competitors. Further Xhema (2019) researched to find the effect of social network on consumer buying and found out that brands should be focusing on perceptions of consumers which finally makes the product to sell.

An empirical study was done by Kour & Kaur (2020) to study the impact of social media marketing. They found that trust, reviews and perceived value impacts the consumer buying behaviour. Surenderkumar (2016) found that social media is playing key role in creating an impact on consumer behaviour over traditional media promotions. A conceptual study was done by Bond (2010) to understand the social media engagement on brand image. They found that brand management and consumer motivation are interlinked and both either increases or decreases. But Unni (2020) did a study to find whether social media play a major role in consumer behaviour and found out that social media make things easy for companies to promote the products but not the purchase process. A research was done by Ahmad & Khan (2017) to find the attitudes of consumers towards social media marketing. They found that perceived usefulness, word of mouth and reliability plays a significant role in consumer attitudes and creates positive results. Moustakas (2015) found that customer engagement, market orientation and relationship marketing creates a major impact in social networking. A research was done by Elisabeta & Ivona (2014) to find the social media impact on consumer behaviour and found that mostly young people are impacted more through social media. The literature review showcases the importance of social media on consumer preferences and buying behaviour. Based on the literature review the following hypotheses and a conceptual model were framed. The conceptual model of for the study is given in Figure 1.

- H1: Social media presence has an impact on consumer attention
- H2: Social media presence has an impact on consumer perception
- H3: Social media presence has an impact on consumer preference
- H4: Social media presence has an impact on consumer feedback
- H5: Consumer attention has an impact on consumer buying behaviour
- H6: Consumer perception has an impact on consumer buying behaviour
- H7: Consumer preference has an impact on consumer buying behaviour
- H8: Consumer feedback has an impact on consumer buying behavior



**Figure 1: Conceptual Model**

### 3. Methodology

A structured questionnaire comprising of 40 questions was used to collect the responses. The first part of the questionnaire collected demographic information about the respondents. The responses for the constructs of the study were measured on a five point likert scale. Data was collected from respondents residing in Tamil Nadu state in India. The criteria for data collection was that the respondents should be familiar in using the social media, so that they are aware about the social media presence of organizations. The questionnaire was circulated through online mode and the data was collected. A total of 308 valid responses were obtained and used for analysis. Structural equation modelling is used to validate the research model. VisualPLS software is used to develop the structural equation model. The hypothesis is accepted or rejected based on the t-value and p-value. The critical t-value for level of significance of 0.05 should be greater than 1.96 for the hypothesis to be significant.

### 4. Analysis

#### Reliability Analysis

Cronbach's Alpha ( $\alpha$ ) is the metric used to find out the whether questionnaire is reliable or not. Reliability is used to check whether the research gives consistent and stable results. Cronbach's alpha value need to be greater 0.7 for the questionnaire to be reliable (Nunally, 1978). The Table1 shows the cronbach's alpha value of the constructs.

**Table 1: Cronbach's alpha value**

Social media presence	0.701
Consumers attention	0.746
Consumer perception	0.803
Consumer preference	0.812
Consumer feedback	0.778
Consumer buying behaviour	0.811

All the constructs have an alpha value greater than 0.7. Also the overall cronbach alpha value of the questionnaire is 0.868 which indicates that the questionnaire is reliable. After confirming the reliability, the data was used for further analysis.

### 5. Demographic Profile of Respondents

Age is categorized into four categories such as 18 – 27, 28 – 45 and Above 45. Table 2 shows the demographic profile of the respondents. The results indicates that majority of the respondents (i.e.,82.2%) are in the age group of 18 – 27 and followed by respondents in the age group of 28 – 45 (15.9%) and respondents above 45 years (1.9%). Also male respondents outnumbered the female respondents. Further the number of hours spent by the respondents in using social media shows that 23.1% of respondents use more than 13 hours a week and 29.3% of respondents use more than 29.3%. This indicates there is significant usage of social media by the respondents.

**Table 2: Demographic profile**

Variable		Percentage
Age	18-27 Years	82.2
	28-45 Years	15.9
	Above 45 Years	1.9
Gender	Male	40.9
	Female	59.1
Time spent on social media per week	1-4 hours	17.8
	5-9 hours	29.8
	10-13 hours	29.3
	Above 13 hours	23.1

## 6. Structural Equation Modelling

A structural equation modelling is performed on the constructs of the study. The figure 2 shows the validated model.

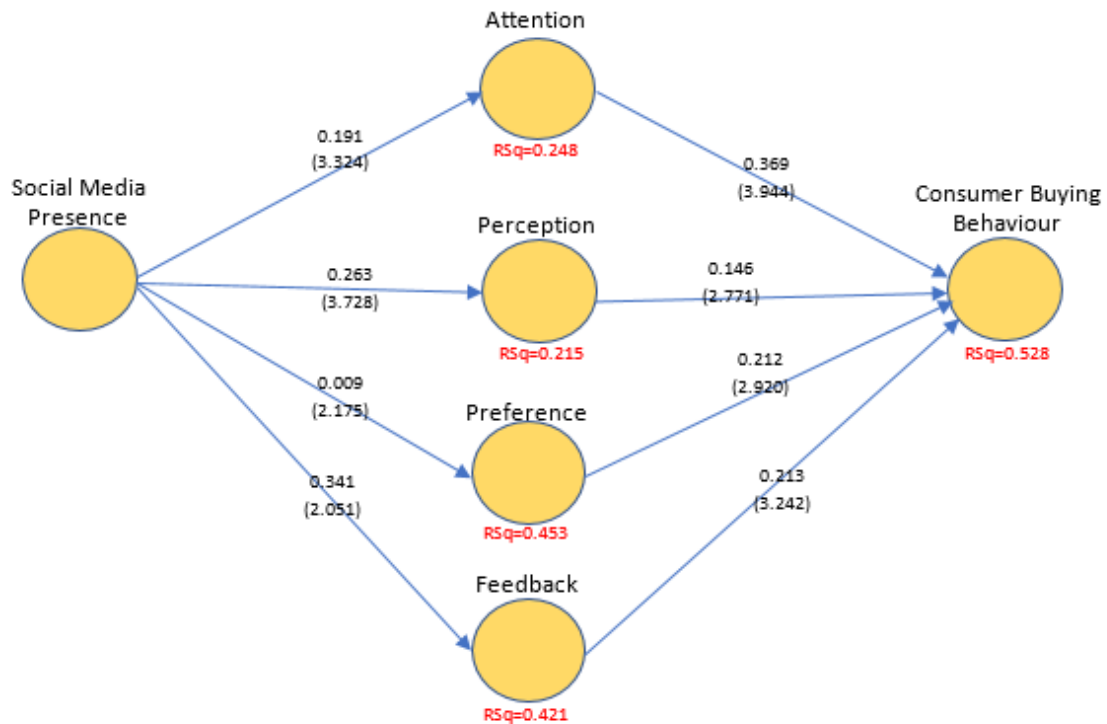


Figure 2: Validated Model

The validated model shows that the relationship between social media presence and consumer attention is significant with  $\beta=0.191$ ,  $t=3.324$  and  $p=0.001$ . The t value is greater than 1.96 and p value is less than 0.05 level of significance and the hypothesis H1 is accepted. This indicates that social media presence influences the consumer attention. The relationship between social media presence and consumer perception is significant with  $\beta=0.263$ ,  $t=3.728 > 1.96$  and  $p=0.001 < 0.05$  and hypothesis H2 is accepted. This shows that social media presence influences the consumer perception. The relationship between social media presence and consumer preference is significant with  $\beta=0.009$ ,  $t=2.175 > 1.96$  and  $p=0.042 < 0.05$  and hypothesis H3 is accepted. Similarly the relationship between social media presence and consumer feedback is significant with  $\beta=0.341$ ,  $t=2.051 > 1.96$  and  $p=0.021 < 0.05$  and hypothesis H4 is accepted. The significant hypothesis showcases that social media presence has a significant impact on consumer attention, perception, preference and feedback.

The validated model further shows that the relationship between consumer attention and consumer buying behaviour is significant with  $\beta=0.369$ ,  $t=3.944 > 1.96$  and  $p=0.001 < 0.05$  and hypothesis H5 is accepted. The hypothesis H6 is also accepted where the  $\beta=0.146$ ,  $t=2.771 > 1.96$  and  $p=0.008 < 0.05$  showing that consumer perception has an impact on consumer buying behaviour. Also hypothesis H7 is accepted with  $\beta=0.212$ ,  $t=2.920 > 1.96$  and  $p=0.004 < 0.05$  and hypothesis H8 is accepted with  $\beta=0.213$ ,  $t=3.242 > 1.96$  and  $p=0.001 < 0.05$ . This indicates that consumer attention, perception, preference and feedback has an impact on consumer buying behaviour.

## 7. Implications and Conclusion

From the research, it was found that social media presence of a company is successful in getting consumer attention perception, preference and consumer feedback when compared to other sources and motivates the consumer to choose and buy a product. This research study is much needed for any company that is going to start social media campaign. Also this study has implications for companies that are already existing to find out how social media is influencing consumer-buying behavior. Every individual in this Internet age uses social media which emphasizes the amount of

visibility a company can get with the quality presence in social media. Irrespective of gender, the companies can focus on specified groups and target them. Under social media there are different types of sites to focus according to needs of consumers. Companies can strategize and advertise in these social media sites to gather attention of the consumers. Social media promotions costs less than that it would cost for mass media, but it is more effective than mass media. In social media there are different ways to channelize and target according to consumer preferences. Consumers are interested in company promotions if they are promising and add value about the know-how of the product. They trust social media feedback before buying a product and this study reiterated that social media presence is having a great impact on buying behaviour.

## References

- Ahmad, A., & Khan, M. N. (2017). Factors influencing consumers' attitudes toward social media marketing. *MIS Review*, 22(1/2), 21-40.
- Bond, C. (2010). Engagement with social media and outcomes for brands: A conceptual framework. In *ANZMAC Annual Conference*.
- Dayal, S. (2016). An analysis of social media influence on online behaviour of Indian customers. In *XXVII International Seminar Proceedings* (pp. 887-906).
- Elisabeta, I., & Ivona, S. (2014). Social media and its impact on consumers' behavior. *International Journal of Economic Practices and Theories*, 4(2), 295-303.
- Erdem, Ş., Durmuş, B., & Özdemir, O. (2017). The Relationship with Ad Clicks and Purchase Intention: An Empirical Study of Online Consumer Behaviour. *European Journal of Economics and Business Studies*, 3(3), 25-33.
- Grover, D. P., & Mandan, R. K. (2017). Analysing role of social media in consumer decision making for purchase of auto brands In India. *International Journal of Management*, 8(1).
- Li, B. (2011). *Analyzing Consumer behavior on Product Search Engines: Combining Social Media Analytics, Econometric Modeling and Randomized Experiments* (Doctoral dissertation, Dissertation Proposal (Short Version), Stern School of Business, New York University).
- Manjit Kour and Rajinder Kaur, "Impact of Social Media Marketing on Consumer Buying Behaviour: An Empirical Study", *International Journal of Advanced Science and Technology*, Volume 29, Issue 11, 2020, Pages 975-984
- Maria, S., Pusriadi, T., Hakim, Y. P., & Darma, D. C. (2019). The effect of social media marketing, word of mouth, and effectiveness of advertising on brand awareness and intention to buy. *Jurnal Manajemen Indonesia*, 19(2), 107-122.
- Moustakas, E. (2015). The impact of Social Networking on consumer behaviour. In *ERPBS conference*.
- Nunally, J. C., & Bernstein, I. H. (1978). Psychometric theory.
- Poturak, M., & Softic, S. (2019). Influence of social media content on consumer purchase intention: Mediation effect of brand equity. *Eurasian Journal of Business and Economics*, 12(23), 17-43.
- Sun, Y., Wei, K. K., Lu, Y., & Pan, Z. (2017). Implicit Community in Online Social Groups: Understand Consumer Network and Purchase Behavior.
- Surenderkumar, C. V. (2016). A Study On Impact Of Social Media Marketing On Consumer Buying Behavior With Reference To Thane District. *Shri Jagdish Prasad Jhabarmal Tibrewala University*, 1-352.
- Unni, M. V. (2020). Does Digital and Social Media Marketing Play a Major Role in Consumer Behaviour?. *International Journal of Research in Engineering, Science and Management*, 3(4), 272-278.
- Voramontri, D., & Klieb, L. (2019). Impact of social media on consumer behaviour. *International Journal of Information and Decision Sciences*, 11(3), 209-233.

- Xhema, J. (2019). Effect of Social Networks on Consumer Behaviour: Complex Buying. *IFAC-PapersOnLine*, 52(25), 504-508.
- Ziyadin, S., Doszhan, R., Borodin, A., Omarova, A., & Ilyas, A. (2019). The role of social media marketing in consumer behaviour. In *E3S Web of Conferences* (Vol. 135, p. 04022). EDP Sciences.