

Social Media and Buying Decision: An Impact Study

Dr. Shilpi Saxena, Ms. Honey P. Chandy

Abstract

The huge population of social media users have resulted in use of these social media platforms for promotions of products and services. Now marketers are using different social media platforms like Instagram, Twitter, Facebook, Youtube to attract their target audiences. Social media users are also collecting information about their need satisfying products and services from social media advertising and take purchase decision on the basis of information so collected. The social media platforms have now become a new medium for promotion of products and services. With an objective to find out the impact of social media advertising on buying behavior of consumers this research work has been undertaken. For the purpose of this study a sample of 139 respondents was selected using convenience sampling method. Simple linear regression was used to analyze the primary data collected for the study through a structured questionnaire. The result of study shows that advertising through different social media platform have mild but positive impact on consumer buying behavior.

Keywords: Buying Behavior, Regression, Social Media Platform, Impact, etc.

Introduction

Promotion being one of the “P” in the marketing mix of products as well as services. There are many tools of promotion used by marketers to create awareness and to attract their existing and prospective customers. Most popular one is advertising. One of the latest media used by marketers for advertising their produce is social media platforms like Instagram, Facebook, twitter, etc. The social media advertising is a part of social media marketing. Social media advertising is a type of digital marketing that utilizes social networks such as Facebook, Twitter, and Instagram to deliver paid ads to the target audience. Social media platforms once being

a means to connect people has now become one of the most used source for providing information about different product and services to social media users. Social media platform are now a way of popularising new launches as well as a new brand that has arrived in the market. Marketers by showing attractive and engaging content on different social media platforms like LinkedIn, Twitter, YouTube, Facebook, Instagram, etc. tries to influence their target audience. Thus the social media plays a significant role in building brand awareness and brand recognition in the minds of target market segment. Not only this, by means of social media advertising, advertisers can easily collect information about the viewers who are interested in ads shown and then marketers can use this information for further processing of leads. As compared to traditional advertising, the marketers have more control over social media advertising. Social media ads can be changed even after once they go live. As per social media statistics, 26% of users who click on Facebook ads end up buying the advertised product (Deshpande,2020). This statistic generates a question that does all social media platforms used by marketers to promote their produce have equal influence on buying intention of consumers or which one is a leading platform in the competition? The another research question addressed in this study is what is quantum of impact of social media advertising on consumers' buying intention? The present work also addresses the research question regarding perception of social media users towards social media advertising.

Literature Review

Before collection of data for addressing the research questions of the study, literature review work was conducted with an objective of getting in depth knowledge about focus areas of the study. Mehta, K. (2021) conducted a study examine effect of social media advertising on consumers' purchase behaviour. They found in the study that consumer buying behaviour is highly influenced by the social advertisements launched by marketers on different social media platforms. The study suggested to use social ads to connect a brand with target audience. Anil, A., Sinha, B., & Bhatt, V. (2020) in their study observed that there exists a positive relation between purchase decision and recommendations for purchase by others on social media platforms. Suprpto, W., Hartono, K., & Bendjeroua, H. (2020) studies the relationship between Instagram advertising and consumers purchase intention. The result of study shows insignificant effect of advertising through Instagram on purchase intention of buyers. *Arshad, S. (2019)* in their study proved that the variables like information satisfaction,

vividness and entertaining content related to social media marketing have significant impact on consumer behaviour. Padival, A., Michael, L. K., & Hebbar, S. (2019) conducted a study with sample from semi urban areas of south India to find out consumers' perception towards social media advertising. The result of study shows that creativity and informativeness of social media ads have significant influence on consumers' perception. Geetha, V., Rajkumar, V. S., & Arunachalam, L. (2018) studied the influence of e-advertising and word of mouth on students online purchase intention. Their findings show significant effect of e-advertising on students online purchase intention. Ertemel, Adnan Veysel and Ammoura, Ahmad (2016) conducted a study to find out impact of social media advertising on different stages through which a consumer passes while taking a purchase decision. The findings of the study suggested that a moderate relation between social media advertising and consumers' buying decision and their post-purchase behaviour. The study was conducted on consumers from Istanbul(Turkey). Thus most of the studies reviewed shows significant influence of social media advertising on consumers' buying behaviour. But very few have focused on analysing the usage trend and perception regarding contribution made by social media in buyers purchase decision.

Research Objectives

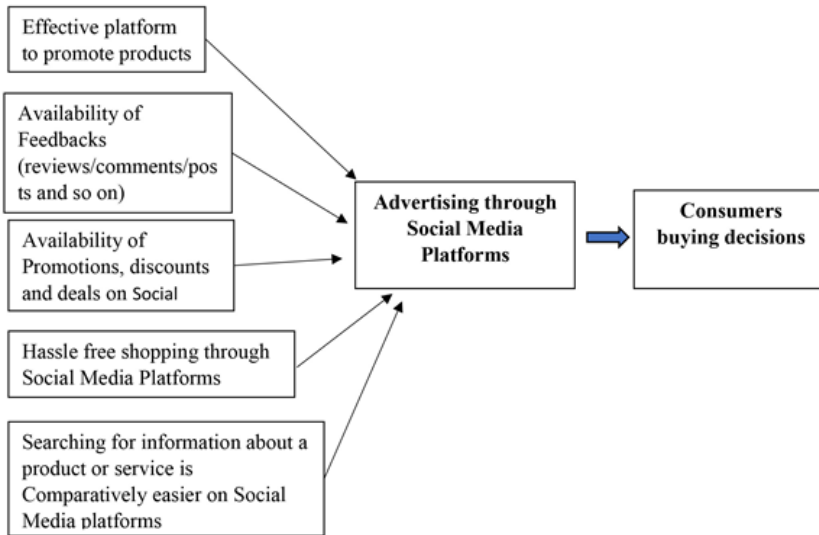
1. To study the usage trend and perception regarding influence of social media in buying decisions by consumers.
2. To analyse the impact of social media on consumer buying decisions.

Hypothesis of the study

H01 - There is no significant impact of social media on consumer buying decisions.

Ha1 - There is significant impact of social media on consumer buying decisions.

Model of the Study



Source : Comnpiled

Research Methodology

The study is descriptive and empirical in nature. A sample of 139 respondents was taken for this research work. Initially 150 respondents were approached for data collection. After data cleaning, only 139 responses were found appropriate for further analysis. Purposive sampling method was used to select the respondents in the sample. Only those individuals are taken as respondents who have a social media account on at least one of the social media platform. Findings of the study are based on primary data which was collected through structured questionnaire. Questionnaire was consisting of questions related to demographic profile of respondents and questions related to perception regarding social media advertisements and buying decisions. Simple linear regression was applied for analysing the data. Before analysing the data, normality of data was tested and the data was found to be non-normal. Data analysis was done using advanced Excel toolpak.

Data Analysis and Findings of the Study

One of the objective of the study is to find the trend relating to usage of social media for buying. For the purpose of this objective, four questions were included in questionnaire. The findings show that majority of respondents (111) pays attention on social media ads while using social media

platforms (Table 1). The study findings report that as compared to traditional media of advertising, larger number of respondents are found to use internet i.e. social media platform for search information before making purchase (Table 1). Among different social media platforms, Instagram is the social media platform which is used by majority of respondents followed by whatsapp for gathering information about products or services (Table 2). Along with this Amazon is found to be most preferred online shopping website by respondents for making purchase after gaining information from different social media platforms (Table 3).

Table 1: Social Media Usage Trend

Do you pay attention to social media ads	Frequency of responses
Yes	53
No	38
Sometimes	48
Where do you search for information more before purchase	Frequency of responses
In traditional media { TV, radio, newspapers)	39
In Internet (social media, others review)	100

Source: Primary data

Table 2: Preference for Social Media Platforms

Social Media Platforms	Frequency of respondents preference
Instagram	51
Whatsapp	48
Facebook	12
Youtube	22
Pinterest	6
Total	139

Source : Primary data

Table 3: Preference of Online shopping platform for purchase

Online shopping platforms	Frequency of respondents preference
Amazon	66
Flipkart	32
Myntra	24
Meesho	12
Snapdeal	5
Total	139

Source : Primary data

Table 4: Perception regarding influence of social media on buying behaviour

Perception Statements regarding social media	Perception of respondents						
	Strongly Agree	Agree	Total	Neutral	Disagree	Strongly Disagree	Total
Social media has provided more effective platforms to new products/ service to draw consumers' attention than mass media channels	16	62	78	22	26	13	39
Social media influence your buying decisions	39	22	61	31	12	35	47
Feedbacks (reviews/ comments/posts and so on) on social media affect your purchase	30	45	75	26	10	28	38
Promotions, discounts and deals on social media influence consumer behaviour	29	49	78	18	31	12	43
Shopping on social media platforms is much more hassle free than physical shopping	15	45	60	32	36	11	47

Collecting information through social media before purchase saves time	26	44	70	23	18	28	46
Searching for information about a product or service is easier on Social Media compared to Traditional Media	26	49	75	23	27	14	41
Social media enhance knowledge about online buying of products or services	27	46	73	29	10	27	37

Source : Primary data

Above table 3 shows the finding regarding perception of respondents about role of social media in influencing the buying behaviour of consumers. In the findings, 78% of respondents agrees with the fact that Social media provides more effective platforms for drawing attention of target audience towards new products/service as compared to mass media channels.61% of respondents have also agreed with the fact that social media act as influencer in their buying decision process. For rest of the statements regarding relation between social media and purchase process, majority of respondents have shown their agreement as is displayed in table 4.

Findings of Hypothesis Testing

For testing the hypothesis of the study, simple linear regression was applied. In the hypothesis, the buying behaviour is taken as dependent variable and various features of social media advertising is taken as independent variable. The result of hypothesis is shown in table 5,6 and 7.

Table 5: Summary Output

Summary output - Regression Statistics	
Multiple R	0.247098562
R Square	0.061057699
Adjusted R Square	0.054204106
Standard Error	1.189411628
Observations	139

Source: Primary data

Table 4 shows the value of multiple R i.e. coefficient of correlation and the value of R square i.e. coefficient of determination. The multiple R value for present data set is found to be 0.247098562. This value indicates a positive but weak correlation between both independent and dependent variables taken in the study. The R square value is 0.061057699. It is the proportion of the variance in the dependent variable that can be explained by the independent variables. Thus it shows that 6.1 % of variance in buying behaviour of consumers is due to the impact of social media advertising.

Table 6: ANOVA

ANOVA					
	<i>Df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	12.60336	12.6033634	8.908859277	0.003362
Residual	137	193.8139	1.41470002		
Total	138	206.4173			

Source : Primary data

In the ANOVA table the value of significance F is 0.003 which is much smaller than significance value 0.05. Thus the null hypothesis i.e. regression model is not best fit is rejected. This indicates that the regression model taken is statistically significant and capable of making prediction.

Table 7: Coefficient table

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	2.21868 1597	0.300879	7.374 01035	1.4273 9E-11	1.623715	2.813 648	1.623 715	2.813 648
Social media advertising	0.26226 6833	0.087868	2.984 771227	0.00336 1826	0.088513	0.43 602	0.088 513	0.43 602

Source : Primary data

The coefficient table provide parameter estimates for independent variable taken in study along with the value of intercept. The value of coefficient for independent variable (social media advertising) is 0.262266833 and of intercept is 2.218681597. The p-value for the independent variable is 0.0033 which is less than 0.05. It suggests that social media advertising is the significant predictor ($t=2.984771227$, $p=0.003$) of buying behaviour of consumers.

Conclusion and Discussion

The descriptive findings of the study highlight the fact that social media in present time plays a vital role in consumers' buying decision making process. The study show that Instagram is most popular social media platform in attracting and convincing the consumers for taking a purchase decision. Feedbacks, discount offer on social media platform adds to influence of social media on purchase decision of consumers. The empirical findings of the study confirm that social media have a mild but positive impact on buying decisions of consumers. Since the strength of relationship found in present study is very low so it indicates that there are others factors too which have an impact on consumers buying decision along with social media advertising. As a concluding remark it could be suggested that it's very important for an organization to pay attention towards advertising through digital platform in present time.

Implications of Study

This study will help the marketers in understanding the psychology of consumers while making purchase based on social media advertising. The study will be useful for managers, digital marketers and researchers as it will focus on the relation between social media and consumer buying behaviour which a trend going on in market.

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